

Blaby District Council

Cabinet Executive

Date of Meeting	18 September 2023
Title of Report	Quarter 1 Capital Programme Review 2023/24 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 This report provides Members an update on expenditure against the Capital Programme for the first quarter of 2023/24.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 That the report is accepted.
- 2.2 That the latest Capital Programme for 2023/24, totalling £9,187,982, is accepted.

3. Reason for Decisions Recommended

- 3.1 To ensure that the Council has adequate resources in place to meet its capital expenditure commitments.
- 3.2 To reflect additions or other changes to the Capital Programme since it was approved by Council on 22nd February 2023, including the carry forward of unspent budget from 2022/23.

4. Matters to consider

4.1 Background

The original Capital Programme for 2022/23 was approved by Council on 22nd February 2023 and amounted to £3,618,500, including a borrowing requirement of £2,295,500.

After allowing for unspent budget carried forward from 2022/23 and other movements, the Capital Programme now stands at £9,187,982. The movements between the original value and the latest value are shown in the

following table, whilst Appendix A gives a scheme-by-scheme breakdown of the planned expenditure for 2023/24.

	£
Original Capital Programme – approved February 2023	3,618,500
<u>New Additions</u>	
1. Incomplete schemes brought forward from 2022/23	5,349,204
2. Section 106 contributions added to projects in 2023/24	193,335
3. Installation of CCTV cameras at three sites across district	26,000
4. Green Community Grants*	16,000
<u>Reductions</u>	
5. Capital Grants Programme*	(12,000)
6. Hardware for Individual Electoral Registration	(3,057)
Revised Capital Programme 2023/24	9,187,982

*Illustrates a transfer of expenditure from one scheme to another.

The reasons behind the additions and reductions highlighted in the table above are as follows:

Additions

1. Reflects schemes that were not finalised at 31st March 2023 and budget provision, along with associated resources, was carried over into the new financial year to allow for them to be completed. This includes the £2.5m provision for strategic property investment which is subject to the identification of appropriate opportunities.
2. Section 106 monies received are only released and added to the Capital Programme as and when suitable schemes are identified by the Planning Obligations Monitoring Group, following receipt of bids from Parish Councils or other community groups.
3. Funded from the capital element of Blaby's share of the UK Shared Prosperity Fund.
4. There was no budget provision in the Capital Programme for 2023/24 as it had been included as a one-year trial only. However, demand for grants towards eco-friendly capital grants continues to rise. To meet this demand, a budget has been created in 2023/24 by transferring £12,000 from the main Capital Grants Programme (see below) and £4,000 from the existing green revenue pot. There has been limited take-up of the green revenue budget and the main capital grants pot was underspent in 2022/23. The grants panel, therefore, proposed that existing revenue and capital grant budgets be redirected to where there is greater demonstrable need.

5. See above – transfer of funding to Green Community Grants.
6. This is the remaining budget made available by central government towards the implementation of Individual Electoral Registration several years ago, and which is no longer needed for the purposes for which it was originally intended. It is unlikely to be required to be repaid so will remain in the grants unapplied account pending allocation to a suitable project.

4.2 Performance to date

At the end of June 2023, the Council had spent £899,929 against its planned Capital Programme.

The reasons behind the delayed expenditure against plan are as follows:

- Strategic Regeneration Property Investment – planned spend £2,500,000
Officers continue to seek appropriate opportunities for investment which do not contravene DLUHC's investment guidance. A report will be brought before Council if a property meeting the defined criteria is identified.
- Fleet Vehicle Replacement Programme – planned spend not yet utilised £1,342,640: Five refuse collection vehicles are on order with delivery expected during September. This will account for most of the planned expenditure in 2023/24.
- Disabled Facilities Grants – planned spend not yet utilised £1,223,190 :
The DFG allocation has been increased by central government over recent years. There are more complex cases coming through as a knock-on effect of the pandemic and residents' health complications resulting in cases taking longer to complete. There are more preventative measures being implemented by the Trusted Assessors which are cheaper than traditional DFG's and there are several pilots currently in place which will provide data on future spend including things like hospital to home adaptations, green measures with the DFG and hoarding, self-neglect, and assistive technology. There are not big waiting lists, so it is considered that the pilot work will lead the way in opening new streams to support more residents. Work continues to be carried out by Foundations to support legislative changes which will make it easier to introduce more preventative work.
- Solar Panels and Air Source Heat Pump for Depot – planned spend £600,000: Project due to commence shortly. The scope and project demands are currently under review and are subject to a report being brought before Council for consideration in September.
- Section 106-backed schemes – planned spend not yet utilised £470,454:
The first tranche of funding for Henson Park, Whetstone has been

released, with the second tranche to be transferred upon completion which is estimated for November 2023 (£76,580). The development at Grove Road, Blaby started in June and the funding was due to be released in August (£75,000). Installation works in Northfield Park, Blaby and Dorothy Avenue, Glen Parva are both pending (circa £170,000). Purchase of land adjacent to Winston Avenue, Croft was due to complete in August (£75,000). The contribution for the new pavilion and car park at Shakespeare Park, Braunstone was completed in August (£17,213). Proposals for Air Quality Monitoring at Castle Acres have been outlined (£13,394).

- Electric Vehicle Infrastructure for Depot – planned spend £250,000: Project due to commence shortly. The scope and project demands are currently under review and are subject to a report being brought before Council for consideration in September.
- Income Management System – planned spend £220,000: existing contract expires 31st March 2024. The budget is based on the indicative cost of implementing an entirely new system. Procurement options are currently being explored.
- Car Park, Bouskell Park, Blaby – planned spend £200,000: No spend to date currently pending the outcome of the Parks and Open Spaces Strategy.
- Extension of Enderby Leisure Centre Car Park – planned spend £190,000: Planning application has been submitted and is expected to be considered by Planning Committee on 7th September.
- Walk & Ride, Blaby - planned spend £140,000: This is a contribution towards the overall cost of a scheme being run by Leicester City Council, involving a new walking and cycle route between Lubbethorpe and the City. Detailed design work in relation to the wider scheme has taken longer than expected and completion is likely to slip to July next year. Whilst the cost of the overall scheme is running over budget, this is at the risk of the City Council and Blaby's share of the cost still sits at £100,000. A contingency sum of £40,000 is included within our capital programme but is unlikely to be required.
- HR & Payroll System - planned spend not yet utilised £129,539: the first stage of the implementation of the new cloud-hosted system is expected to be complete by the end of October. The budget included provision for backfilling of posts where officers are working on the implementation, and additional project management support if required. This will only be called upon where necessary to complete the implementation.
- Blaby Toilets (including assisted toilets) - planned spend not utilised as at June £113,071 including both internal & external funding: The demolition of the existing toilet block is complete. Delivery and installation of the

new modular unit has now taken place and services are in the process of being connected.

- ICT Security upgrades – planned spend £107,000: the original capital bid covered three distinct areas, those being replacement of firewalls (£62,000), Privilege Access Management (£21,000), and Network Access Controller (£24,000). Work on replacing the existing firewalls is underway with an estimated cost of work date in the region of £46,500 (not yet invoiced). This element of the project is expected to be completed during the financial year. The Privilege Access Management element is now expected to be achieved through a subscription rather than outright purchase, although the cost has increased to £36,000 across 5 years. Therefore, this element of the project will need to be treated as revenue expenditure and removed from the Capital Programme. The Network Access Controller is also likely to be subject to change which may also necessitate a revised capital bid due to significantly increased costs. A further report will be brought to Cabinet and Council following consideration of options at the IT Steering Group.
- Refurbishment of vacant units at Enderby Road Industrial Estate - planned spend not utilised as at June £103,362: Project completed during August and final invoice awaited. Refurbishment works are expected to fall within budget.

5. What will it cost and are there opportunities for savings?

5.1 Details are set out in the preceding paragraphs.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Net expenditure may exceed the approved budget due to a shortfall in income or overspending.	Ongoing budget monitoring to highlight variances at an early stage.
Rising inflation costs may cause project costs to exceed the approved budgets.	Regular monitoring of the project costs by the project managers together with support from Finance to address any concerns at an early stage. Any price rise that cannot be accommodated within normal tolerances will be reported back to Council before proceeding with the planned works. The overall affordability of the Capital Programme will be considered in terms of its impact on the Revenue Budget and projects will be deferred or removed from the programme as necessary

7. Other options considered

7.1 None.

8. Environmental impact

8.1 In preparing this report the author has considered the impact on the environment and there are no areas of concern.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – Capital Monitoring Statement to 30th June 2023

11. Background paper(s)

11.1 None.

12. Report author's contact details

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