

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## CABINET – 9 DECEMBER 2014

Title of Report	<b>CAPITAL PROGRAMMES – GENERAL FUND, COALVILLE SPECIAL EXPENSES AND HOUSING REVENUE ACCOUNT (H.R.A). PROJECTED OUTTURN 2014/15 AND DRAFT PROGRAMMES 2015/16 TO 2019/20</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of Report	To advise Members of the likely Capital Outturn and the relevant financing for 2014/15 for the General Fund, Coalville Special Expenses and the H.R.A.  To seek approval to the draft General Fund, Coalville Special Expenses and H.R.A Capital Programmes for 2015/16 to 2019/20 and associated funding for consultation.
Reason for Decision	To enable projects to be included in the Programmes for consultation.
Council Priorities	The projects in the Capital Programmes help the Council achieve all its priorities.
Implications	
Financial / Staff	As contained in the report.
Links to relevant CAT	The Capital programmes are potentially relevant to all Corporate Action Teams (CATs).

Risk Management	The Capital Programmes are monitored at project level to ensure they are delivered on time and within budget.
Equalities Impact Screening	No impact at this stage.
Human Rights	None identified.
Transformational Government	The Programmes attached are integral to delivering better services.
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	As author the report is satisfactory.
Comments of Deputy Monitoring Officer	The report is satisfactory.
Consultees	CLT and budget holders.
Background Papers	None.
Recommendations	<p><b>A. THAT CABINET APPROVES THE PROJECTED OUTTURN FOR THE GENERAL FUND, COALVILLE SPECIAL EXPENSES AND H.R.A. CAPITAL PROGRAMMES FOR 2014/15 AND PLANNED FINANCING.</b></p> <p><b>B. THAT CABINET APPROVES FOR CONSULTATION THE DRAFT CAPITAL PROGRAMMES IN 2015/16 DETAILED IN:</b></p> <ul style="list-style-type: none"> <li><b>• APPENDIX “A” GENERAL FUND AND SPECIAL EXPENSES CAPITAL SCHEMES</b></li> <li><b>• APPENDIX “B” FOR HRA CAPITAL SCHEMES</b></li> </ul>

## 1.0 INTRODUCTION

- 1.1 Attached at Appendix “A” is the General Fund and Special Expenses draft Capital Programme for 2015/16 to 2019/20.”
- 1.2 Appendix “B” shows the H.R.A. draft Capital Programme for 2015/16 to 2019/20.
- 1.3 The Appendices also present the estimated outturn for the current year for approval.

## 2.0 ESTIMATED OUTTURN 2014/15

- 2.1 The projected outturn for 2014/15 on General Fund schemes totals £2,402,000. This is a planned increase of £108,000 on the original budget for the year of £2,294,000.
- 2.2 This managed increase is caused by the following:

<b>Schemes carried forward from 2013/14</b>	<b>£</b>	<b>£</b>
User Work Station Replacement	47,000	
Improving Customer Experience (ICE)	60,000	
Waste Management System,	56,000	
SAN and Virtual Replacement	4,000	
Car Park(Retention Element)	1,000	
Disabled Facilities Grant	153,000	
<b>Total</b>		321,000
 <b>Additional Approved Schemes 2014/15</b>		
Coalville Market Phase 2	127,000	
Additional Disabled Facilities Grant	17,000	
<b>Total</b>		144,000
 <b>Planned Reductions 2014/15</b>		
Disabled Facilities Grant – Slippage into 2015/16	(175,000)	
Whitwick Business Centre – Central Heating System - Under Spending	(50,000)	
Caravan Site – Appleby Magna, Fire Risk Scheme – slippage into 2015/16	(100,000)	
Council Offices Extension Car Park	(32,000)	
<b>Total</b>		<u>(357,000)</u>
		<b>108,000</b>

The planned financing of the General Fund expenditure totalling £2,402,000 in 2014/15 is as follows:

	<b>£</b>
Disabled Facilities Grant and PCT Monies Carried Forward	284,000
Revenue Contributions to Capital	149,000
Value for Money Reserve	471,000
Other Reserves	305,000
Leasing/Internal Borrowing	<u>1,193,000</u>
<b>Total</b>	<u><b>2,402,000</b></u>

- 2.3 There were sufficient funds identified prior to this capital spend being committed.
- 2.4 The carried forward schemes shown in paragraph 2.2 above is expenditure which was originally expected and budgeted for in 2013/14 but which has fallen in 2014/15 and for which the budgeted financing has also been carried forward.

### **3.0 GENERAL FUND CAPITAL PROGRAMME 2015/16 TO 2019/20 – INDIVIDUAL SCHEMES**

3.1 The programme for 2015/16 to 2019/20 detailed in Appendix A provides for a continuation of the current Disabled Facilities Grants Scheme and the Vehicle Replacement Programme. The following new schemes are included in the programmes for approval to commence in 2015/16:

3.1.1 User Workstation Monitor Replacements (£7,000)

The current monitors are between three and five years old and will need replacing as the fluorescent backlighting fails. Use of new LED lighting is more cost efficient and will reduce running costs.

3.1.2 Helpdesk Software Upgrade (£12,000)

The current LAN desk software is out of support and an improved call logging system is required in response to feedback from satisfaction survey. We will also save £6000 per annum in support charges from the old software.

3.1.3 Server and Storage additional capacity (£29,000)

The current servers are around six years old and will soon become out of support. Additional storage capacity will allow remaining business critical servers (such as OPENhousing and IDOX) to be migrated to updated hardware prior to a move to cloud based solution.

3.1.4 Replacement Telephone System (£70,000)

The Council currently uses two main telephone systems. One system is based on current technology and owned by the Council, with critical equipment located on various sites to provide continuity of service in the event of a critical power or telephone line failure. This system is used by Customer Services and Leisure. The other system, which is used by the majority of officers at the main council offices, is based on old technology and owned and managed by the provider. Adding sufficient capacity to the newer Customer Services / Leisure system to create a single telephone system to support all officers, and cancelling the existing contract, will save the Council approximately £40,000 per annum as well as providing a better service to customers and officers. Capital funding of £70,000 is requested to realise these savings and support these improvements

3.1.5 Belvoir Shopping Centre, Main Service Road, Coalville (£12,000)

New scheme added to address maintenance/improvement issues. The construction of the service road presents problems, part of it being a mixture of a rigid concrete pavement overlaid with a flexible paving material (tarmac). The current surface is coming up to five years old and to preserve the condition and maximise the life of the surface before it will need to be renewed again. Selected defects need repairing.

3.1.6 Silver Street/Hermitage Leisure Centre Car Park -Resurfacing (£50,000)

This scheme, previously in 2016/17 has been brought forward into 2015/16. The condition of the surface at this site has continued to deteriorate steadily and has required further repairs (patching of potholes and some larger areas) to manage potential trip hazards and maintain it in a satisfactory condition.

3.1.7 Replace asbestos roof on outdoor pool change at Hood Park Leisure Centre (£17,000)

This was identified through a condition survey in 2010. The roof of the older outdoor pool changing cubicles is overlaid with corrugated asbestos sheets with asbestos ridge tiles and translucent sheets. Whilst the roof is checked visually on a monthly basis, replacement of it would totally remove any health and safety risk the asbestos may create through being damaged

3.1.8 Replace External Flashing at Hermitage Leisure Centre (£12,000)

The flashing is a weather resistant barrier on the external buildings that prevents water seeping into joints and structures. Through elements being damaged and worn over a period of time, the flashing now needs replacing.

3.1.9 Wellbeing Centre at Hood Park Leisure Centre (£400,000)

Section 106 contributions have been received for a Wellbeing Centre at HPLC. The intention is to convert the dry side changing rooms into a facility that can be used by existing members as part of the fitness room offer (thereby increasing capacity and giving the ability to sell more memberships), whilst also having an area that can be used by targeted groups – exercise referral, the elderly, and children and young people, people undergoing rehabilitation, etc. Public Health and the Clinical Commissioning Group are engaged as part of the project to help design the facility in the hope that they may be able to utilise it to help meet some of their objectives and/or they may be able to commission us to deliver initiatives on their behalf within it. The cost at this stage is based on the amount of funding received to date.

3.2 With regard to the Fleet Replacement Programme, each year a number of vehicles either come to the end of their lease period or their lease extensions are reviewed. Each vehicle is reviewed based on its age, condition, mileage, potential risk of major repairs (due to being out of warranty) and a decision is made whether to extend the lease or replace the vehicle.

3.3 These decisions are made in the previous year in order to allow a suitable lead-in period from order to delivery in April, particularly for large items such as refuse vehicles. Many of these vehicles are built to order and these orders have to be placed before October for delivery the following April. Therefore, although they are actually acquired in April a commitment has to be made in the previous year.

3.4 In order to progress with the 2016/17 purchases approval will be sought for the following vehicles:

	£
Refuse Kerbsider ( End of Lease )	172,000
Refuse (2x refuse vehicles. End of Lease and End of Life )	350,000
Market Vehicles/Cars ( End of Life )	15,000
Vans - Small ( 4x End of Lease )	60,000
Vans - Medium ( 2x End of Lease )	32,000
Vans - Pickup ( End of Life )	25,000
Bin Lifter ( New for refuse vehicle )	20,000
Tractor Plant ( End of Life Baler, loading shovel and Tractor )	250,000
Mowing Machines ( 2x End of Lease )	60,000
Total	984,000

3.5 The General Fund Capital Programme (2015/16) will be funded by:

	£
S106/Grants	400,000
Internal Borrowing	1,050,000
Reserves	294,000
Revenue Contribution	149,000
Disabled Facilities Grants	<u>237,000</u>
<b>Total</b>	<b>2,130,000</b>

#### **4.0 COALVILLE SPECIAL EXPENSES – ESTIMATED OUTTURN AND INDIVIDUAL SCHEMES**

4.1 The projected out turn for Coalville Special Expenses is £216,000. This is £14,000 more than the approved budget of £202,000. This is mainly due to slippage from prior year on the following projects

	£
Coalville Park Improvements	1,000
Melrose Road Play Hub	2,000
Broomleys Allotments	1,000
Urban Forest Park – Play equipment	9,000
Owen Street – Floodlights	<u>1,000</u>
<b>Total</b>	<b><u>14,000</u></b>

4.2 There are no new schemes agreed at present for 2015/16.

#### **5.0 H.R.A. CAPITAL PROGRAMME 2015/16 - 2019/20 – INDIVIDUAL SCHEMES**

5.1 The HRA Capital programme (Appendix “B”) covers in detail the capital schemes for the period 2015/16 to 2019/20.

5.2 Planned spend in 2015/16 and onwards mainly consists of

##### **5.2.1 Decent Homes Improvement Programme (DHIP)**

The Decent Homes standard was introduced by the last Government to drive up the quality of social housing across the country. The standard sets a range of indicators for different elements of tenants’ homes. North West Leicestershire previously had the highest national level of predicted Non Decency on this assessment at 70%.

Government had set aside £2.1bn, out of which £0.6bn was ring fenced to new Stock Transfer gap funding and the remaining £1.5bn was available for councils, with over 10% of their stock non decent, to bid for. The Council bid was successful and it received £3.7m for 2012/13, with further funding of £8.5m for years 2013/14 and £7.55m for 2014/15. The latter was the last year of grant funding from the Government, and there will be no further grants in the foreseeable future.

The Council will therefore continue to invest in the Decent Homes Investment Programme to maintain the level of decency across the Housing Stock.

The Decent Homes Improvement Programme for 2015/16 will invest £5.29 million in improving tenants’ homes.

### 5.2.2 Housing Planned Investment Programme (HPIP)

In addition to delivering the Decent Homes Improvement Programme, there are a wide range of other investments required to maintain and enhance the housing stock and associated services and assets, which are outside the Governments definition of Decent Homes works. This part of the housing capital programme is funded by the annual transfer of a Major Repairs Allowance from the Housing Revenue Account.

## 6.0 CAPITAL RESOURCES

- 6.1 The resources estimated to be needed to finance the General Fund programme 2015/16 to 2019/20 total £5,984,250 as follows:

	£
2015/16	2,130,000
2016/17	1,536,750
2017/18	1,282,500
2018/19	984,000
2019/20	<u>51,000</u>
<b>Total</b>	<b><u>5,984,250</u></b>

- 6.2 Funding is in place in 2015/16 for the Disabled Facilities Grants Scheme (£560,000) consisting of £237,000 Disabled Facilities Grants, £174,000 of reserves and £149,000 of Revenue Contribution. The remaining schemes can be funded through either leasing or borrowing depending on value for money and provision has been made in the 2015/16 Revenue Budget.
- 6.3 The following resources are estimated to be available for financing the Housing Revenue Account Programme. A surplus of £987,000 can be carried forward to 2015/16.

	£
Major Repairs Reserve Balance at 1 <sup>st</sup> April 2014	1,996,000
Available Capital Receipts at 1 <sup>st</sup> April 2014	2,539,000
RCCO	2,922,000
Major Repairs Allowance 2014/15	4,008,000
Decent Homes Funding 2014/15	<u>7,547,000</u>
Resource available to Finance 2014/15 Capital expenditure	19,012,000
Less:	
Used to finance HRA Capital Expenditure in 2014/15	<u>18,015,000</u>
Resource available at 1 <sup>st</sup> April 2015	987,000
Contribution to Major Repairs Reserve 2015/16	3,991,000
Revenue Contribution in 2015/16	2,590,000
Retained Right to Buy Receipts	667,000
Capital Receipts/Allowance	<u>122,000</u>
Resource available to Finance 2015/16 Capital Expenditure	<u>8,367,000</u>
Less:	
Used to Finance HRA Capital Expenditure in 2015/16	<u>8,367,000</u>
	0
 Resource Available at 1 <sup>st</sup> April 2016	 <b>0</b>

- 6.4 The Cabinet is recommended to approve £31,000 in the 2014/15 financial year to complete urgently required capital works at five HRA shops in Blackfordby Lane, Moira. There has been limited investment from the council in these shop premises in preceding

years, and after inspections by the council's surveyor, it has now become apparent that the required works cannot be delayed until 2015/16. It is therefore being proposed that works including the supply and fitting of new shutters, new windows, a new heating system and cavity wall insulation are completed during the current financial year.

## **7.0 NEXT STEPS**

- 7.1 This report will be presented to the Policy Development Group at its meeting on 7 January 2015. Consultation with the business community will be through the Leicestershire, Northamptonshire and Rutland Federation of Small Businesses. Any comments received will be included in the report to Cabinet on 10 February 2015 which will make the final recommendations to Council on 24 February 2015.



2,293,800	815,805	2,402,390	2,130,000	1,536,750	1,282,500	984,000	51,000	1,395,000	-	752,000	318,000	596,000	5,325,640	-
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SCHEME	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	GRANTS/	DF	OTHER	RESERVES	REVENUE	LEASING	SALIX
	ORIGINAL	Actual @	FORECAST						S106 CONTRIB	GRANTS	RESERVES	ASSET PROT		OR	LOAN
	BUDGET	Period 6	(Inc c/f									FUND		BORROWING	
			& slippage)												
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>COALVILLE SPECIAL EXPENSES</b>															
Coalville Park Improvements	-	1,000	1,000						1,000						
Melrose Road Play Hub	-	5,000	2,000									2,000			
Cropston Drive BMX Track	42,047	33,000	42,000						25,000		10,000	7,000			
Broomleys Allotments	-	1,000	1,000									1,000			
Thringstone Miners Social Centre	5,000		5,000									5,000			
Urban Forest Park - Play equipment	-		9,000						9,000						
Urban Forest Park-Footway and drainage improvements	30,000		30,000						30,000						
Scotland Recreation Ground	10,000	13,000	10,000									10,000			
Owen Street -Floodlights	-		1,000									1,000			
Owen Street - Changing Rooms	115,000		115,000						30,000			85,000			

<b>TOTAL SPECIAL FUND</b>	<b>202,047</b>	<b>53,000</b>	<b>216,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,000</b>	<b>-</b>	<b>10,000</b>	<b>111,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
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Actuals rounded to £'000's  
C/F and slippage where known at Period 06, has been included into figures  
Forecasts largely based on budget

## 2014/15 TO 2019/20 HOUSING CAPITAL PROGRAMME

	2014/15 Forecast Outturn (Q2)	2015/16	2016/17	2017/18	2018/19	2019/20
<b>2010/12 Programme</b>						
<b>2012-17 DHIP Programme</b>						
Year 1 programme slippage (including Major Aids & Adaptations completed under DHIP)						
Year 2 Programme Slippage	245,000					
HCA Funded Properties (90% of pre 2012 failures)	7,546,647		-	-	-	-
NWLDC Funded Properties (10% + post 2012 failures)	6,069,536	4,281,900	4,582,700	4,677,400	4,866,100	4,968,100
Decent Homes Refusals/Deferrals Provision		155,000	155,000	155,000		
Major Aids & Adaptations completed under DHIP	-					
Enabling Works Provision	415,000					
Enabling Works for Decants	-					
Asbestos Handling	450,000					
Year 3 and 4 Scoping Surveys	-					
DH Works in Voids and Tenanted Properties	850,000	850,000	850,000	850,000	850,000	850,000
<b>2012-17 HPIP Programme</b>						
2013/14 Slippage	378,000					
Hard Wired Smoke Detectors		47,000	47,000	47,000	47,000	47,000
Fire Risk Assessment Remedial Works	40,000	40,000	40,000	40,000	40,000	40,000
Lift Replacement	300,000					
Fire Alarm / Emergency Lighting	194,000					
Defective floor slabs (red ash floors)/Damp proofing (loughborough rd and other identified in year)	200,000	297,500	187,500	187,500	187,500	187,500
Fuel swaps (solid fuel to gas supply)	78,000	25,000	25,000	25,000	25,000	25,000
<b>OTHER SCHEMES AND MISCELLANEOUS</b>						
Garage Modernisation	-	100,000	-	-	-	-
Major Aids & Adaptations	380,000	350,000	350,000	350,000	350,000	350,000
Development Site Preparations	-	40,000	-	-	-	-
Insulation Works	-	250,000	-	-	-	-
Green & Decent Installations	140,000	100,000	250,000	250,000	250,000	250,000
Speech Module	-	50,000	50,000	50,000	50,000	50,000
Capital Programme Delivery Costs	698,000	654,000	654,000	654,000	654,000	654,000
Unallocated/Contingency		500,000	500,000	500,000	500,000	500,000
New Build Programme - One for One provision		122,178	27,421			
New Build Programme - NWLDC One for One provision		285,082	63,982			
New Build Programme - NWLDC additional provision		219,000				
HRA Shops	31,000	-				
<b>Capital Allowances</b>						
Programme to be defined						
<b>Total Programme Costs</b>	<b>18,015,183</b>	<b>8,366,660</b>	<b>7,782,603</b>	<b>7,785,900</b>	<b>7,819,600</b>	<b>7,921,600</b>

**2014/15 TO 2019/20 HOUSING CAPITAL PROGRAMME  
FUNDING**

	2014/15 Forecast Outturn (Q2)	2015/16	2016/17	2017/18	2018/19	2019/20
A&A Grant						
Usable balances held	3,235,000	996,524	0	0	0	0
Retained Right to Buy Receipts (RTB)	203,618	228,344	211,226	208,096	203,349	193,480
RTB receipts - attributable debt	770,859	438,799	275,274	221,677	168,055	114,418
Use of RTB one for one reserve		122,178	27,421	-	-	-
RCCO	2,922,413	2,589,815	3,277,683	3,365,127	3,457,196	3,622,703
Decent Homes Backlog Funding	7,546,647	-	-	-	-	-
Major Repairs Allowance	4,008,170	3,991,000	3,991,000	3,991,000	3,991,000	3,991,000
Asset Disposals (Capital Allowance)	325,000	-	-	-	-	-
Green & Decent Funding	-					
<b>Total Funding</b>	<b>19,011,707</b>	<b>8,366,660</b>	<b>7,782,603</b>	<b>7,785,900</b>	<b>7,819,600</b>	<b>7,921,600</b>
<b>Cumulative Over / (Under Resource)</b>	<b>996,524</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>