

Title of Report	CAPITAL PROGRAMME UPDATE	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder	
Background Papers	Budget and Council Tax 2022/23 – Council 24 February 2022 Air Quality Capital Grant Funding (DEFRA) – Cabinet 19 July 2022 Zero Carbon Roadmap Update – Cabinet 19 July 2022 Award of Three Year Contract for the Supply of Bins and Recycling Containers – Cabinet 19 July 2022 Corporate Accommodation – Cabinet 27 July 2021	Public Report: Yes
Financial Implications	The financial implications for the capital programme are detailed in section 4.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	This report ensures compliance with the Council's constitution	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications		
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To allow the Council to approve changes to the 2022/23 Capital Programme budgets that were previously approved by Council in February 2022.	
Recommendations	COUNCIL IS RECOMMENDED TO APPROVE THE REVISED GENERAL FUND AND HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMMES AS DOCUMENTED IN APPENDICES A AND B	

1.0 BACKGROUND

1.1 In February 2022, the Council approved the capital budgets for the 2022/23 financial year. The report below details the recommended amendments for approval to both the General Fund and HRA capital programmes.

2.0 GENERAL FUND CAPITAL PROGRAMME

2.1 The General Fund approved capital programme for 2022/23 is £10.8 million and £6.5 million was carried over from 2021/22 for ongoing projects. The revised capital programme is documented in Appendix A and detailed below is the proposed changes to the programme which equate to an additional £1.1 million.

Air Quality

On 19 July, Cabinet was presented with a report in relation to a grant awarded to the Council by the Department for Environment, Food and Rural Affairs (DEFRA) to support the delivery of the Air Quality Delivery Plan. The value of the grant awarded was £27,240 of which £6,000 is a revenue grant and £21,240 is capital.

2.3 As per the Council's constitution, capital expenditure can only be incurred where it is in the capital programme. Approval by Council of the capital programme shall be a prerequisite for the commencement of a project and to enter into a contract. Due to the tight deadline for the bid application, there was insufficient time to go through the Council's governance process. Following advice from the Deputy S151 Officer and Deputy Monitoring Officer, a decision was made, due to the value of the expenditure and to avoid the risk of losing the funding, to apply for the grant, commit to the capital expenditure and retrospectively seek approval from Council to add the project into the capital programme.

Zero Carbon

An update on the Zero Carbon Roadmap was presented to Corporate Scrutiny on 8 June and Cabinet on 19 July. As part of the update, the proposed spend of the Zero Carbon Reserve for year 3 was set out. Included within the proposals was two capital requests:

- £75,000 for LED lighting in public car park; and
- £50,000 for electrical charging point installations.

Further information is available in the Cabinet report, the link is above within the background papers. Council was requested to approve these additions to the capital programme.

Supply of Bins and Recycling Containers

The Council has undertaken a procurement process for the supply of bins and recycling containers. The value of the contract is up to £800,000 which includes for the provision of food waste containers (£220,000) and a three-year supply of wheeled bins and recycling containers (£580,000). At its meeting on the 19 July, Cabinet approved the award of the contract subject to Council approval of the £580,000 addition to the capital programme. The approval of the £220,000 will be subject to a separate report, once a decision has been made to roll out food waste across the District.

Corporate Accommodation

In July 2021, Cabinet agreed to proposed changes to the HQ Office accommodation and changes to the capital programme were approved by Council in November 2021. During the detailed scoping of the works required to Stenson House, plant that is life

extinct required replacing whilst the buildings works are being undertaken. This work was originally scheduled for 2027/28 onwards. The Section 151 Officer has approved under Section B9(d) of the Financial Procedure Rules to pull forward programmed expenditure of £600,000 to 2022/23 as it is prudent and efficient to undertake these works now.

2.7 Part of the scheme (£215,000) can be funded from unsupported capital borrowing replacing the original requirement to fund this element from an ear marked reserve (EMR). This allows the reserve to be transferred to the Self Sufficiency Reserve and the expenditure to be charged to the General Fund over the life of the asset.

2.8 UK Shared Prosperity Investment Plan (UKSPF)

In July, Cabinet approved the submission of the North West Leicestershire (NWL) UKSPF Investment Plan to the Department for Levelling Up, Housing and communities. The Council will receive a provisional allocation of £2.4 million funding (of which £1.5 million is capital) over three financial years (2022/23, 2023/23 and 2024/25), subject to the approval of the Investment Plan. As per the Council's constitution, capital expenditure can only be incurred where it is in the capital programme. Approval by Council of the capital programme shall be a prerequisite for the commencement of a project and enter into a contract. Therefore, £1,521,750 has been added to the Council's capital programme for delivery of the NWL UKSPF Investment Plan for approval.

2.9 Finance System

Similar to paragraph 2.7, the finance system was due to be funded via an existing EMR, however, the scheme can be funded by unsupported capital borrowing. Therefore, the budget has been adjusted by £100,000 to reflect this.

3.0 HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

3.1 The HRA approved capital programme for 2022/23 is £15 million and £9.5 million was carried over from 2021/22 for ongoing projects. The revised capital programme is documented in Appendix B. There is only one change to report with no financial impact.

3.2 Acquisition of Sites

A virement has been approved by the Deputy S151 Officer to move £600,000 from the Phase 6 Western Avenue budget to Acquisitions of Sites budget. This is to increase the capital budget available to purchase land available for development.

4.0 FINANCIAL IMPLICATIONS

4.1 The capital financial impacts to the General Fund of the changes in Section 2 of the report above are detailed in the table below:

Financial Implications Table	Current Year Budget	Impact of Proposals	Forecast		
	2022/23		2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Capital Investment					
Costs	10,845,299	1,355,240	3,721,470	2,291,810	1,455,310
Funded by		Grant and unsupported borrowing.	Grant and unsupported borrowing.		

4.2 There are no capital financial implications to the Housing Revenue Account.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Support for businesses and helping people into local jobs - Developing a clean and green District - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected
Policy Considerations:	<p>Zero Carbon Roadmap and Action Plan Local Plan</p> <p>Local authorities are required to provide waste and recycling collections under the Environmental Protection Act 1990 and Environment Act 2021</p> <p>The Refuse and Recycling Collections Policy details what bins and recycling containers the council provides to residents.</p> <p>EU Contract Procedure Rules</p> <p>North West Leicestershire District Council Constitution – 4.7 Contract Procedure Rules</p> <p>Corporate Disposals Policy will be followed in disposing of any asset.</p> <p>Procurement & Contracts policy will also be followed in any procurement processes.</p>
Safeguarding:	Refer to Cabinet reports detailed in background papers
Equalities/Diversity:	<p>Zero Carbon: An impact assessment will need to be carried out as part of each project's business case.</p> <p>Accommodation: The new spaces created will be accessible to all users from a DDA perspective and will incorporate the required technology for those with hearing aids /supportive hardware etc. EIA has been completed as part of Business Case and ongoing as appropriate.</p>
Customer Impact:	<p>Air Quality: The project will positively engage with the public and raise awareness.</p> <p>Zero Carbon: Communities, council tax payers and businesses in the district will be engaged on the roll out of the programme.</p> <p>Supply of Bins: Customers are provided with</p>

	<p>suitable waste and recycling containers allowing them to conveniently recycle and dispose of waste generated in a domestic setting.</p> <p>The UKSPF Investment Plan sets out a series of actions that will support residents and businesses.</p>
Economic and Social Impact:	<p>Zero Carbon: This will be a key aspect of each business case to assess not only the financial impact of intervention but the wider benefits.</p> <p>The UKSPF Investment Plan sets out a series of actions that will support residents and businesses</p>
Environment and Climate Change:	<p>Air Quality: The project seeks to have a positive effect on the environment and climate by reducing emissions of PM2.5 and behaviour change amongst the public that burn solid fuel and this has been captured in the Zero Carbon agenda for NWL.</p> <p>Zero Carbon: The adoption of the Zero Carbon Roadmap and associated Action Plan sets out the council's future approach to addressing the climate emergency.</p> <p>Supply of Bins: Providing suitable bins and recycling containers, actively encouraging residents to recycle as much of their waste as possible. This supports the council's Recycle More plan and the Zero Carbon Policy and Roadmap.</p> <p>The UKSPF Investment Plan sets out a series of actions that contributes to achieving the council's Zero Carbon Roadmap.</p>
Consultation/Community/Tenant Engagement:	<p>Air Quality: Public awareness campaign and resident surveys in solid fuel burning locations. Communication Strategy in place for the campaign.</p> <p>Zero Carbon: Communities and businesses will be engaged on the roll out of the programme</p> <p>UKSPF: Officers will undertake an engagement exercise with stakeholders to help further shape and define the projects to be delivered through the NWL UKSPF Investment Plan.</p>
Risks:	<p>Air Quality: Identification and management of any risks have formed part of the project plan for the bid to DEFRA.</p> <p>Zero Carbon: Risk Management will be a central consideration of each action's business case. Affordability will be a central concern as will the</p>

	<p>availability of technology that can deliver the required low emission solution. There are undoubtedly mixed perceptions of climate change across the various stakeholders and communities of the district that manifest into a spectrum of views that the council will need to navigate in the implementation of the action plan, the prioritisation of resources required as well as messages to communities.</p> <p>Supply of Bins: Risks will be managed as part of the contract monitoring carried out by officers.</p> <p>Each of the projects and interventions through the UKSPF Investment Plan will be subject to independent risk assessments.</p>
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