

Title of Report	BUDGET AND CAPITAL PROGRAMME UPDATE	
Presented by	Councillor Nicholas Rushton Corporate Portfolio	
Background Papers	<p>Budget Report (Council 26 February 2023) NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL (nwleics.gov.uk)</p> <p>EcoPark Project (Cabinet 25 July 2023) NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL (nwleics.gov.uk)</p>	Public Report: Yes
Financial Implications	<p>The report is to ensure the Council is following good financial governance in line with its Financial Procedure Rules and capital governance arrangements. The financial implications are set out in the report.</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>There are no direct legal implications arising from this report.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>The Council is managing its capital budgets in a co-ordinated and effective way since the Capital Strategy Group was introduced and changes were made to introduce the development pool and programme of active projects. Any staffing implications are detailed within the report.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Purpose of Report	To consider for approval additions to the Council's General Fund Revenue Budget and Capital Programme in line with the Constitution	
Recommendations	<p>THAT COUNCIL APPROVES:</p> <ol style="list-style-type: none"> 1. THE SUPPLEMENTARY ESTIMATES DETAILED IN PARAGRAPH 2.2 WHICH ARE ABOVE £250K AND ARE EXTERNALLY FUNDED. 2. THE UPDATED CAPITAL PROGRAMME AS DETAILED IN APPENDIX 1, INCLUDING NEW SCHEMES AS SET 	

	OUT IN PARAGRAPHS 3.2 AND 3.3
--	--------------------------------------

1.0 BACKGROUND

- 1.1 On an annual basis the Council approves its Budget and Capital Programme in February ahead of the subsequent financial year. The Budget is based on the best available intelligence at that point in time.
- 1.2 However, the external environment within which the Council operates is constantly evolving and during the financial year there can be changes in funding, for example the Council being successful in a grant bid for additional Government funding or by securing extra resources through partnership working.
- 1.3 These changes in funding, and therefore spending, are required to be managed in line with the Council's Financial Procedure Rules which form part of the Constitution. During the last update to the Constitution, which came into effect on 9 May 2023, the delegation levels were updated to provide greater clarity regarding the inclusion of additional resources secured during the financial year that were not included when the Council set its annual Budget in February.
- 1.4 This report provides an update on additional funds secured during the financial year since the budget was set and requests specific approval of the new funds secured of £250,000 or more and new schemes for inclusion into the Capital Programme This is in line with the requirements set out in the Financial Procedure Rules.

2.0 SUPPLEMENTARY ESTIMATES

- 2.1 A Supplementary Estimate is an addition to the Council's approved budget. In line with the Council's Financial Procedure Rules a Supplementary Estimate of £250,000 or more requires Council approval to include it in its Budget.
- 2.2 The following Supplementary Estimate of £250,000 or more have been received and requires Council approval to include in the Council's Budget:

Supplementary Estimate	£
<u>Rough Sleeping Initiative Grant</u> The amount of this grant for 2023/24 was not known when the budget was set. It has subsequently been confirmed by Government.	531,860

3.0 CAPITAL PROGRAMME

- 3.1 The Council agreed its Capital Programme as part of the annual Budget in February 2023. The budget report set out enhancements being made to capital project governance to assist in managing schemes through their project lifecycle and mitigate risk. In line with the Council's Financial Procedure Rules, which form part of the Constitution, any new schemes entering the Capital Programme require Council approval.
- 3.2 At its meeting on 25 July 2023 Cabinet approved a report in relation to the Hermitage Recreation Ground EcoPark. This report included the creation of a new scheme for inclusion in the Council's Capital Programme. The total cost of this scheme is £162,260.

The scheme is to be funded by a £130,000 virement from grant monies received from the UK Shared Prosperity Fund (UKSPF) and an external contribution of £32,260 from National Forest.

3.3 The Capital Strategy Group considered proposals for two new projects for inclusion in the Capital Programme. These projects are:

- Hermitage Access Road Enabling Works (Total cost £25,000, funded by virement from underspend on Hermitage Leisure Centre Demolition)
The redevelopment of the former Hermitage Leisure Centre site for new uses will require the provision of a new access road designed and constructed to adoptable standard. This scheme proposes the cost of preparing designs and cost estimates for the road and generally progressing preparatory works to the point at which a planning application (for the road) can be submitted. It should be noted if for any reason the scheme did not progress these costs would need to be funded from revenue.
- Public Conveniences (Total cost £23,000, funded by virement from underspend on IT Programme)
Installation of electronic payment facilities at the Council's public toilet facilities as part of the implementation of an invest to save proposal agreed as part of the Budget approved by Council in February 2023. This will enable the Council to achieve the income budget of £16,000. It will also have the potential to lead to further revenue savings in relation to cleaning costs in future years.

3.4 The latest version of the Capital Programme is shown at Appendix 1. It incorporates the following changes since the Programme was approved in February 2023:

- The provisional year end financial out-turn for 2022/23 as agreed by Cabinet at its meeting on 27 June 2023.
- Movements between the Development Pool and the Active Programme as schemes have progressed through their project lifecycle. These schemes were all within their budget envelope approved by Council in February 2023.
- The inclusion of the following new schemes:
 - Hermitage Recreation Ground EcoPark project as set out in paragraph 3.2.
 - Hermitage Access Road Enabling Works as set out in paragraph 3.3.
 - Public Conveniences as set out in paragraph 3.3.

Policies and other considerations, as appropriate	
Council Priorities:	The Revenue Budget and Capital Programme provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	There have been equality impact assessments conducted by services on the proposals in this report.
Customer Impact:	Customers are likely to be impacted positively by the additional revenue funding and changes to the Capital Programme set out in this report.
Economic and Social Impact:	The General Fund Capital Programme includes significant investment includes over £25m of

	investment in the District.
Environment, Climate Change and zero carbon:	The Capital Programme includes substantial investment in the replacement of council vehicles and reducing our carbon emissions and investment in bins and recycling containers to increase recycling from households.
Consultation/Community Engagement:	The Budget and Capital Programme were subject to consultation and community engagement during its development and ahead of its approval in February 2023.
Risks:	The Budget and Capital Programme are monitored throughout the year to ensure the Council remains within its funding envelope and planned budget savings are delivered. Key risks to the Budget and Capital Programme are set out in the Budget Reports approved by Council in February 2023. A link to these reports is provided in the Background Papers.
Officer Contact	Glenn Hammons Interim Director of Resources glenn.hammons@nwleicestershire.gov.uk