

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**COUNCIL – TUESDAY, 10 SEPTEMBER 2024**



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| <b>Title of Report</b>                     | <b>CAPITAL PROGRAMME UPDATE REPORT</b>   |                           |
| <b>Presented by</b>                        | Councillor Nicholas Rushton<br>Corporate Portfolio Holder  |                           |
| <b>Background Papers</b>                   | <p><a href="#">General Fund and Council Tax 2024/25</a><br/>Council – 22 February 2024</p> <p><a href="#">2023/24 Quarter 3 General Fund Finance Update</a><br/>Cabinet - 26 March 2024</p> <p><a href="#">District-wide Weekly Food Waste Collections</a><br/>Cabinet - 20 August 2024</p> <p><a href="#">Supplementary Estimates, Virements and Capital Approvals</a><br/>Cabinet - 20 August 2024</p> | <b>Public Report:</b> Yes |
| <b>Financial Implications</b>              | 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.   |                           |
|  | <b>Signed off by the Section 151 Officer:</b> Yes  |                           |
| <b>Legal Implications</b>                  | There are no direct legal implications arising from this report.   |                           |
|  | <b>Signed off by the Monitoring Officer:</b> Yes   |                           |
| <b>Staffing and Corporate Implications</b> | 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.  |                           |
|  | <b>Signed off by the Head of Paid Service:</b> Yes   |                           |
| <b>Purpose of Report</b>                   | To seek approval for the additions to the Council’s General Fund Revenue Budget and Capital Programme in line with the Constitution.   |                           |

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| <b>Recommendations</b> | <p><b>THAT COUNCIL APPROVES:</b></p> <ol style="list-style-type: none"> <li><b>1. THE SUPPLEMENTARY ESTIMATES DETAILED IN PARAGRAPH 2.2 WHICH ARE ABOVE £250K AND ARE EXTERNALLY FUNDED.</b></li> <li><b>2. THE NEW CAPITAL SCHEMES AS SET OUT IN PARAGRAPHS 3.2 AND 3.3.</b></li> </ol> |
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## 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. The delegation levels provide 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 Estimates of £250,000 or more have been received and requires Council approval to include in the Council's Budget:

| Supplementary Estimate  | £                |
|---|------------------|
| UK Shared Prosperity Fund (UKSPF)<br>Revenue Grant - Year 2   | 366,121          |
| UK Shared Prosperity Fund (UKSPF)<br>Revenue Grant - Year 3   | 304,136          |
| Rural England Prosperity Fund<br>Revenue Grant – Year 2   | 351,818          |
| Department of Environment, Food and<br>Rural Affairs (DEFRA) – Food Waste<br>Weekly Collection<br>Capital Grant – one-off | 1,062,066        |
|   | <b>2,084,141</b> |

### **3.0 CAPITAL PROGRAMME**

- 3.1 The Council agreed its Capital Programme as part of the annual Budget in February 2024. 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 As part of the 2023/24 Quarter 3 General Fund Finance Update report presented to Cabinet on the 26 March 2024, it was reported that two new schemes had been added to the capital programme due to urgency. A decision was taken on Health and Safety grounds to proceed with the works and seek retrospective authority from Council. The two schemes are:
- a) Park Depot Storage Facility  
A storage building at the Parks Depot had been identified as structurally unsound and in need of urgent demolition and replacement. Due to the need to maintain the parks depot as a safe and active site, a decision was taken on Health and Safety grounds to proceed with the demolition as soon as arrangements could be made. A replacement shed building will also be required to replace the accommodation that will be lost. The scheme was funded by the business rates reserve.
  - b) Hermitage 3G Pitch – Lighting Column  
During routine inspections it was identified that a lighting column was dangerous and required urgent replacement. Due to the urgent need to replace the lighting column, a decision was taken on Health and Safety grounds to proceed with the works. There was no budget provision in the capital programme to cover the cost of this work and therefore it is proposed that £20,000 needs to be transferred from the Hermitage 3G Pitch replacement budget in the capital programme for 2024/25 to cover the necessary expenditure.
- 3.3 At its meeting on 20 August 2024, Cabinet approved a report in relation to District-Wide Weekly Food Waste Collections. This report included the creation of a new scheme for the inclusion in the Council's Capital Programme. The total cost of this scheme is £1,154,138, of which £895,542 is in relation to food waste collection vehicles of £895,542 and £258,596 for food waste containers. The scheme is to be part-funded from a DEFRA grant of £1,062,066 and the remaining £92,072 funded from the business rates reserve.

| <b>Policies and other considerations, as appropriate</b> |  |
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| Council Priorities:                                      | A well-run council   |
| Policy Considerations:                                   | None   |
| Safeguarding:  | None   |
| Equalities/Diversity:                                    | Equality Impacts Assessments are conducted by services by capital schemes where necessary.   |
| 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 Capital Programme includes significant investment in the district.   |
| Environment, Climate Change and zero carbon:             | The Capital Programme includes substantial investment in carbon reduction and investment to increase recycling from households.  |
| Consultation/Community Engagement:                       | Detail any consultation/community engagement undertaken prior to the decision.   |
| 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 2024. A link to these reports is provided in the background papers. |
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