

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – TUESDAY, 13 MAY 2025



Title of Report	CAPITAL UPDATE	
Presented by	Paul Stone Strategic Director of Resources	
Background Papers	<p>Council: 20 February 2025 General Fund and Council Tax – 2025/26</p> <p>Housing Revenue Account (HRA) Budget and Rent Setting- 2025/26</p> <p>Cabinet 22 April 2025 Future of Waste Services</p> <p>Award of Warmer Homes Funding</p> <p>Cabinet 23 March 2023 UK Shared Prosperity Fund</p>	Public Report: Yes
Financial Implications	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.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>S151 of The Local Government Act (1972) states that every Local Authority shall make arrangements for the proper administration of the financial affairs.</p> <p>The Local Government Act (2000) requires Full Council to approve the Council's budget and NW Leicestershire District Council did so in February 2025.</p> <p>S151 of the Local Government Act (1972) makes clear that the Council is responsible for the overall financial administration of the Council and the S151 Officer is responsible for the administration of those affairs.</p> <p>Councils are required to ensure that there is clear separation between capital and revenue budgets.</p>	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	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.	
	Signed off by the Head of Paid Service: Yes	

Purpose of Report	To seek approval for the additions to the Council's General Fund Revenue Budget and Capital Programme in line with the Constitution. The Financial Procedure Rules in the Constitution describes the procedure in respect of supplementary estimates as set out in Financial Regulation A: Financial Management, paragraphs A26 to A28.
Recommendations	THAT COUNCIL APPROVES: <ol style="list-style-type: none"> 1. THE SUPPLEMENTARY ESTIMATES DETAILED IN PARAGRAPH 2.2 WHICH ARE ABOVE £250K AND ARE EXTERNALLY FUNDED; AND 2. THE REVISED CAPITAL PROGRAMMES AS DETAILED IN APPENDICES A AND B.

1.0 BACKGROUND

- 1.1 On an annual basis the Council approves its Budget and Capital Programmes 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 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 sets 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 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 over £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 Estimates	Fund	£	Funded By
Castle Donington College 3G Pitch	General Fund	250,000	Business Rates Reserve
Refuse Bins and Recycling Containers	General Fund	1,674,000	Business Rates Reserve
Fleet Replacement Programme	General Fund	4,708,000	Business Rates Reserve
Solar PV Hub Money Hill	General Fund	250,000	Grant

3.0 CAPITAL

- 3.1 The Council agreed its Capital Programme as part of the annual Budget in February 2025. The budget report set out capital project governance by managing schemes through their project life cycle. In line with the Council's Financial Procedure Rules, which forms part of the Constitution, any new schemes entering the Capital Programme requires Council approval.

General Fund – New Schemes

3.2 Castle Donington College 3G Pitch

At their meeting on the 28 March 2023, Cabinet agreed to accept a grant of £2,414,817 from the UK Shared Prosperity Fund (UKSPF). The report proposed 15 projects that the fund could be used for and the allocation of £250,000 to the building of a full-sized 3G pitch at Castle Donington College (CDC) was one of these projects. The report delegated authority to the Strategic Director (Place) to review and amended the proposals to respond and adapt to the changing and economic environment and/or local needs.

- 3.3 The need for a 3G pitch in Castle Donington area was identified in both the 2017 North West Leicestershire Paying Pitch Strategy and the 2019 Local Football Facilities Plan. The building of the pitch is being managed by East Midlands Education Trust (EMET) as CDC is part of EMET. The total cost of the project is anticipated to be £800,000-£900,000, with Castle Donington Parish Council contributing £100,000 and the remainder funded by EMET.

- 3.4 Due to delays with the project, there were concerns that it would not be delivered by the 31 March 2025, a requirement of the UKSPF. Consequently, three recommendations were considered by the Capital Strategy Group on 30 July 2024:

- i. Withdraw the provisional offer of £250,000 of UKSPF towards the CDC Project
- ii. Reallocate £250,000 of UKSPF to replace Council funding already committed to the Kegworth Market Place Realm project.
- iii. Reclaim £250,000 of Council funding already committed to the Kegworth Market Place Public Realm project and for the funding to be ringfenced to support physical regeneration in Castle Donington and the northern parishes.

- 3.5 The above recommendations allowed for the £250,000 of Council funding to be used to fund the CDC 3G pitch project and would negate the need for the project to be delivered by the 31 March 2025. The Capital Strategy Group supported the recommendations and were approved by the Strategic Director (Place).

- 3.6 Work on the project has commenced and is due to be completed in July 2025 with the facility due to open to the public in September 2025.

- 3.7 Legal Services has drafted a Funding Agreement that protects the Council's investment, ensuring that there is a partnership approach to the management of the facility and ensures community access to the pitch.

3.8 Future of Waste Services

At its meeting on the 22 April 2025, Cabinet agreed to implement and resource a new twin bin recycling container system. This decision requires two new schemes to be added onto the capital programme:

- i. Fleet Replacement Programme - £4,708,000

The current vehicle stock is aging and needs replacement regardless of whether the Council changes its collection method. The Council would be procuring the replacement of these vehicles as a matter of course in line with the adopted Fleet Management Strategy. The scheme would procure 18 new vehicles and one JCB.

ii. Containers - £1,674,000

Two new wheeled bins, one for cans, tins, plastic and glass, the other for cardboard and paper, will need to be purchased for each household within the district.

3.9 Solar Photovoltaic (PV) Electric Vehicle Charging Hub – Money Hill Car Park

The electric vehicle charging provision in the new Money Hill car park in Ashby-de-la-Zouch will be a solar PV hub. This is grant funded under Green Living Leicestershire, led by Harborough District Council, which will install a solar charging hub in each district within Leicestershire. The funding, provided from business rates pooling fund and government Local Electric Vehicle Infrastructure (LEVI) funding, will be transferred to the Council via a capital grant allocation and the title of the hub installation will pass to the Council. The asset will be reported under the existing car park budget and surplus income will contribute to reduce the car park expenditure.

Housing Revenue Account (HRA) – Change of Funding Source

3.10 HRA - Zero Carbon

At its meeting on the 22 April 2025, Cabinet agreed to accept a grant of up to £8,069,584 from the Warmer Homes Fund from Government, subject to Council amending the Capital Programme. The Capital Programme approved by Council in February, included £4m in grant funding, this now requires increasing to £8m and the prudential borrowing reducing by £4m. The overall value of the HRA Zero Carbon budget remains at £20m.

3.11 The HRA Capital Programme has been updated for the changing in funding for the Zero Carbon and is detailed in Appendix B for approval.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Communities and housing - Clean, green and Zero Carbon - A well-run council
Policy Considerations:	<p>The Fleet Management Strategy under the Council's Zero Carbon roadmap commits the Council to explore available fleet options which will be governed by the type of recycling container system introduced. Demonstration/confirmation the recycling container system introduced complies with the Government's Simpler Recycling policy</p>
Safeguarding:	N/A
Equalities/Diversity:	<p>An Equality and Human Rights Impact Assessment has been carried out on each of the container systems to ensure that any issues with moving to different recycling container system are identified and mitigated. Currently those residents who are physically unable to put out waste, garden waste, and recycling containers are able to apply for an assisted service, this would remain in place. The service ensures waste operatives collect and return waste and recycling containers to an agreed location on the resident's property.</p>

Customer Impact:	<p>An easier, more convenient, and practicable way for residents recycle at the kerbside.</p> <p>Works of the type covered by this funding can be disruptive for tenants. The Housing Service will work with its engagement teams to seek to both communicate clearly on planned works and the longer-term benefits of the works being completed for the tenants.</p>
Economic and Social Impact:	N/A
Environment, Climate Change and zero carbon:	<p>The programme of works will improve the EPC rating and therefore efficiency of Council homes where works are undertaken. This will assist in both warming homes and reducing running costs, as well as contributing to the Council's 2050 carbon targets.</p> <p>An easier, more convenient, and practicable way for residents recycle at the kerbside which could increase the volume of materials recycled.</p>
Consultation/Community Engagement:	<p>A communications strategy will be developed and initiated to support the Waste Services project.</p> <p>Tenant engagement will be undertaken as part of the roll out of the Warmer Homes grant.</p>
Risks:	<p>There are Risks to any project – the main ones impacting on these works are: - Inability to deliver on the basis of supplier, contractor or other resource constraints. - Tenant resistance to works being undertaken - Non-compliance with grant conditions. A full risk assessment is in place as part of the grant process.</p> <p>A risk assessment has been undertaken for the Future of Waste Services and is detailed in Section 8 of the Cabinet report</p>
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