

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – TUESDAY, 17 JUNE 2025



Title of Report	SUPPLEMENTARY ESTIMATES, VIREMENTS AND CAPITAL APPROVALS	
Presented by	Cllr Keith Merrie Finance and Corporate Portfolio Holder	
Background Papers	<p>Council: 20 February 2025 2025/26 Budget Setting Reports</p> <p>Cabinet: 25 February 2025 UK Shared Prosperity Fund 2025/26 Award</p> <p>Cabinet: 25 March 2025 Acquisitions and Disposals</p> <p>Cabinet: 9 January 2025 2024/25 Quarter 2 General Fund Finance Update</p> <p>Council: 13 May 2025 Capital Update</p> <p>Cabinet: 20 May 2025 Supplementary Estimates, Virements and Capital Approvals</p> <p>Rural England Prosperity Fund 2025-2026 Award</p>	Public Report: Yes, confidential Appendix C
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	S151 of The Local Government Act (1972) states that every Local Authority shall make arrangements for the proper administration of the financial affairs. The Local Government Act (2000) requires Full Council to approve the Council's budget and NW Leicestershire District Council did so in February 2025. 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.	

	Councils are required to ensure that there is clear separation between capital and revenue budgets.
	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	<p>THAT COUNCIL APPROVES:</p> <ol style="list-style-type: none"> 1. THE SUPPLEMENTARY ESTIMATES DETAILED IN PARAGRAPH 2.2 AND APPENDIX C 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 previous report to Council on the 13 May 2025 and requests specific approval of new funds secured of £250,000 or more and new schemes for inclusion into the Capital Programme. There are no virements above £250,000 that require Council approval currently. 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
UKSPF 2025/26 Programme	Revenue	644,140	UKSPF Grant Funding Allocation
Local Nutrient Mitigation Fund	Capital	2,560,000	Local Nutrient Mitigation Fund 2

There is an additional supplementary estimate for approval in Appendix C (confidential).

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.

New Schemes – General Fund

3.2 Rural England Prosperity Funding

On 4 March 2025, Department for Environment, Food and Rural Affairs (DEFRA) announced a further year of Rural England Prosperity Funding (REPR) with up to £33 million of funding available to eligible local authorities who successfully delivered their 2023 to 2025 award.

- 3.3 On 27 March 2025, DEFRA confirmed that the Council would receive an additional £140,699 to continue the delivery of the REPF programme into the financial year 2025/26
- 3.4 At its meeting on the 20 May 2025 Cabinet agreed to accept £140,699 grant from the Rural England Prosperity Fund and recommended to Council that the £140,699 is added to the Capital Programme for 2025/26.

3.5 Local Nutrient Mitigation Fund

On the 9 January 2025, it was reported to Cabinet that the Council has been successful in its bid for the Round 2 of the Local Nutrient Mitigation Fund (LNMF). The funding will assist in progressing stalled housing delivery in affected catchments. The Council has been awarded all of the capital funding bid of £2.56m and revenue funding of £120k and the funding was received in February 2025.

- 3.6 A portfolio of programme of works for mitigation measures formed the basis of the Council's bid to the LNMF, which were mostly nature-based solutions, as well as retrofitting water efficient facilities to Council-owned properties across the three council areas (NWLDC, Lichfield District Council and South Derbyshire District Council) within the River Mease Special Area of Conservation (SAC) catchment.

- 3.7 The mitigation measures will be fully funded by the LNMF. The costs of each mitigation measure will not be confirmed until after the procurement process is completed for each stage of the delivery of each measure.

Movements from Development Pool to Active Programme

- 3.8 As part of the approval of the Capital Strategy 2025-26 on the 20 February 2025, Council delegated authority to move a capital scheme from the development pool to the active programme as long as the scheme is within the approved budget. Under these powers, Cabinet has approved the following movements:

Fund	Project	Amount	Cabinet Meeting Date
GF	Car Park Resurfacing	164,000	20 May 2025
HRA	New Supply	220,000	25 March 2025
HRA	New Supply	155,000	20 May 2025

- 3.9 The General Fund and Housing Revenue Account (HRA) Capital Programmes have been updated to reflect the new schemes and movements between schemes as detailed above and are detailed in Appendices A and B for approval.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Planning and regeneration - Communities and housing - Clean, green and Zero Carbon - A well-run council
Policy Considerations:	<p>The Council's Financial Procedure Rules, sections A24 – A28, set out the details of the virement and supplementary estimates, as shown in Appendix 1 of this report.</p> <p>The delivery of the North West Leicestershire Rural Business Grant programme contributes towards the delivery of NWL Districtwide Regeneration Framework</p>
Safeguarding:	If a vulnerable person contacts the Council then support will be provided to them to make an application, where possible, or refer them to other support services if required.
Equalities/Diversity:	The grant programmes are open to all eligible businesses across North West Leicestershire. All businesses will be offered support to apply for the funding.
Customer Impact:	The REFR programme supports local communities and businesses by retaining local jobs, increasing employment opportunities and retaining local shops and facilities.

Economic and Social Impact:	<p>£140,699 of capital contributions from the Rural England Prosperity Fund to deliver the North West Leicestershire Rural Business Grants Programme. No further funding is being sought. Resource to deliver the scheme will be met through existing staff capacity within the Economic Regeneration service.</p> <p>£2,560,000 of capital contribution from the Local Nutrient Mitigation Fund to deliver a portfolio of programme of works for mitigation measures across the SAC.</p>
Environment, Climate Change and zero carbon:	<p>The Rural England Prosperity Fund grants are intended to fund investment projects that can demonstrate business growth, tourism and visitor economy development, contribute towards net zero or rural diversification. Businesses are encouraged to utilise the funds to invest in a number of different areas of their business including investing in energy efficiency or achieving zero carbon.</p> <p>The Local Nutrient Mitigation Fund will deliver a portfolio of programme of works for mitigation measures across the SAC.</p>
Consultation/Community Engagement:	The design of the grant scheme has taken representations from the National Farmers' Union, the National Forest Company and the Leicestershire Rural Partnership.
Risks:	<p>Non-compliance with any grant conditions. A full assessment is in place as part of the grant process.</p> <p>A requirement of the Rural England Prosperity Fund is that all funding must be spent before 31 March 2026. To ensure that all funding is claimed, and projects are delivered on schedule, Officers proposed to close the scheme to new applications at the end of October 2025 to allow sufficient time for all funded projects to be completed and the money paid well ahead of the 31 March 2026 deadline.</p>
Officer Contact	<p>Anna Crouch Head of Finance anna.crouch@nwleicesershire.gov.uk</p>