

APPENDIX D



Report To:	CABINET	Date:	15th SEPTEMBER 2020
Heading:	2020/21 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT JULY 2020 AND PROPOSED REVISED CAPITAL PROGRAMME 2020/21 TO 2024/25.		
Portfolio Holder:	CABINET MEMBER FOR FINANCE AND RESOURCES – COUNCILLOR RACHEL MADDEN		
Ward/s:	ALL		
Key Decision:	YES		
Subject to Call-In:	YES		

Purpose of Report

To summarise the Council's forecast financial outturn position to 31 March 2021 compared to the latest approved budgets for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The forecast financial outturn is based on the actual financial activity to the 31 July 2020 and forecast costs and income from 1 August 2020 to 31 March 2021.

This report also outlines the requirements for the Capital Programme over the period 2020/21 to 2024/25. This includes an update on the proposed expenditure for existing approved schemes and outlines new schemes to be added to the Capital Programme 2020/21 to 2024/25. It also identifies the funding implications of these proposed changes and additions.

Recommendation(s)

Cabinet is requested:

- (1) To note the current forecast outturn for the General Fund, Housing Revenue Account (HRA) and Capital Programme 2020/21.
- (2) To recommend to Council the amendments and the addition of new schemes to the Capital Programme 2020/21 to 2024/25 and the funding of the Capital Programme as set out in Section 5 and Appendix 2 of the report.

Reasons for Recommendation(s)

In accordance with the Council's Financial Regulations to report to those charged with Governance the financial position.

In accordance with the Council's Financial Regulations the Capital Programme for 2020/21 to 2024/25 is required to be reported to Cabinet to ensure that the programme meets the corporate priorities. In accordance with Council's Financial Regulations Cabinet is required to consider and recommend to Council the Capital Programme 2020/21 to 2024/25.

Alternative Options Considered

None

Detailed Information

1. General Fund Forecast Outturn position for 2020/21 as at July 2020

- 1.1 Table 1 below shows the current revised budget based on original budget approved by Council on the 5th March 2020 and Council approved budget adjustments to 31 July 2020. It sets out the 2020/21 net revenue forecast outturn position based on actual income and expenditure to 31 July 2020 and forecast income and expenditure for the remainder of the year to 31 March 2021.
- 1.2 The current General Fund forecast is £831k underspend, taking into the in-year Covid-19 grant received to date. Details of significant variances are detailed in the commentaries below the table.

Table 1 - Net Revenue Forecast to 31 March 2021 by Directorate

General Fund	Revised Budget	Forecast Outturn	Current Forecast Variance
	£'000	£'000	£'000
Directorate			
Chief Executive Officer	540	540	0
Legal and Governance	1,783	1,742	(41)
Resources and Business Transformation	(933)	(465)	468
Place and Communities	9,846	10,110	264
Housing and Assets	2,137	2,258	121
Total Net Directorate Expenditure	13,373	14,185	812
Net Recharges	(2,781)	(2,781)	0
Capital Financing	2,454	2,324	(130)
Net Interest Payable	216	216	0
Net Revenue Expenditure	13,262	13,944	682
Funding	(12,886)	(14,429)	(1,543)
Net Revenue Expenditure before transfer to(from) earmarked reserve	376	(485)	(861)
Transfer to(from) earmarked reserve	(376)	(376)	0

**Net Revenue Expenditure after
transfer to(from) earmarked reserve**

0

(861)

(861)

1.3 Legal and Governance (£41k forecast underspend)

The main forecast variance in the Legal and Governance Directorate is due to vacancies within Legal Services.

1.4 Resources and Business Transformation (£468k forecast overspend)

The main forecast variances within the Resources and Business Transformation Directorate are:

- ICT – £61k forecast overspend due to increase in telephone and internet charges due to Covid-19.
- Revenues and Benefits – £10k forecast overspend in overtime charges due to Covid-19 and £7k overspend on fees and charges, being off-set by net currently uncommitted new burdens grant monies of £200k.
- £312k overspend forecast on Housing Benefits due to reflecting the outcome of the 2019/20 final claim in the forecast for 2020/21.
- £17k increase in income for NNDR cost of collection allowance and £85k forecast loss of income due to reduced NNDR and council tax costs raised due to Covid-19.
- £6k additional spend on communications relating to Covid-19.
- Investment Properties – Forecast loss of income of £398k plus £85k forecast costs associated with one tenant going onto administration and a new tenant and lease agreement being secured. This is being partially off-set by £240k additional rental income for the new investment property purchased in year.
- Commercial Properties - Forecast loss of income of £18k due to a rent free period being agreed to secure a 5 year extension to a lease and a £5k overspend on property repairs.
- £62k Covid-19 grant income received in 2019/20 being moved from reserves into 2020/21 budget. This along with the Covid-19 grant funding received in year (see paragraph 1.8) is off-setting the loss of income and additional expenditure relating to Covid-19 across all Directorates.

1.5 Place and Communities (£264k forecast overspend)

The main forecast variances within Place and Communities Directorate are:

- Community Protection - £121k forecast underspend due to vacancies across the service area.
- Environmental Maintenance - £14k forecast overachieved income due to additional developer contributions from Persimmon in respect of Annesley. Net £9k forecast overspend on transport expenditure as a result of additional costs of vehicle hire due to the need for operatives to socially distance. £7k forecast overspend on NNDR charges for new buildings on Papplewick open space.
- Twin Bin Scheme - £11k forecast overspend on equipment purchases.
- Waste Services - £12k forecast overspend on overtime largely off-set by £10k forecast underspend on repairs.

- Trade Waste - £19k forecast underspend on cost of disposals due to lower tonnage, reduced forecast income from disposal of £32k, and £10k forecast reduction in income for collections.
- Transport - £9k forecast underachieved income on MOTs.
- Canteen – forecast £12k net overspend due to the closure of the canteen as a result of Covid-19.
- Leisure Centres Payments to Contractors - Forecast overspend of £136k due to additional support to SLM during Covid-19 lockdown for the period of August and September only. Depending on whether government financial support is announced for the leisure sector further financial support from the Council may be necessary.
- Locality income – £18k forecast underachieved income due to effects of Covid-19 on use of outdoor sports facilities.
- Markets - £57k forecast underachieved income due to Covid-19, and £22k overspend on supplies & services expenditure on measures to counter the effects of Covid-19.
- Planning and Regulatory Services - £133k underachieved income due to lower than anticipated planning fees and land charges, partially off-set by additional income of £20k due to delay in transfer of building control to Erewash and £16k forecast underspend on staffing.
- Directorate wide – Forecast £4k underspend being net of other over and under spends.

1.6 Housing and Assets (£121k overspend)

The main forecast variances within the Housing and Assets Directorate are:

- Homelessness Bed & Breakfast - £8k forecast overspend due to providing accommodation under Covid-19 regulation introduced by the Government. The cost of this will be met from the Council's Covid-19 grant funding.
- General Fund Community Centres - £13k forecast loss of income while closed under Covid-19. This will be recoverable through the Government's income compensation scheme.
- Car parking - £93k forecast loss of income (£68k loss of car park income due to free parking under Covid-19 and £25k due to the introduction of 2 hours free parking from September). Some of this will be recoverable through the Government's income compensation scheme.
- Asset Management – £10k forecast overspend on central office costs associated with changes required for safe working due to Covid-19. The cost of this will be met from the Council's Covid-19 grant funding.
- Strategic Housing - £3k forecast underspend due to changes to car allowances.

1.7 Capital Financing (£130k forecast underspend)

This is the revenue charges that are a consequence of the historic and existing capital programme. The forecast underspend is due to slippage on the capital programme in 2019/20, reducing the Minimum Revenue Provision (MRP) charges in year (MRP charges commence the year after the capital expenditure is incurred).

1.8 Funding (£1.543m forecast over achievement)

This is the central government grant received in year to cover costs associated with Covid-19. Some of the costs and loss of income to be covered from the grant include loss of income in relation to NNDR and Council Tax, however this will impact in future years due to the treatment

under collection fund accounting. Therefore the impact of Covid-19 will continue to be updated and excess grant will be moved to reserve to mitigate these future year impacts. An allocation may be made to the HRA to contribute towards additional costs and loss of income associated with Covid-19. Clarification is awaited as to whether the grant funding can be used to meet HRA pressures.

1.9 Transfer to (from) earmarked reserves

Appendix 1 details the approved earmarked reserves movements for 2020/21 to date and the impact on earmarked reserve balances.

2. General Fund Savings/Efficiencies Monitoring 2020/21

2.1 The 2020/21 budget included the proposed savings and efficiencies as detailed in Table 2 below. The forecast achievement of these savings is identified, on the following basis:

- saving has been achieved in full (green),
- saving forecast to be achieved but not in full, revised forecast savings is detailed in the 'Forecast Saving' column (amber),
- saving will not be achieved (red).

Table 2 - General Fund Savings/Efficiencies Monitoring 2020/21

<u>Saving/Efficiency</u>	<u>Comments on achievement</u>	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
		£'000	£'000	£'000
Base Budget Review		302	302	0
HRA - reviewed contribution		100	100	0
Increase Vacancy Factor by 0.5%		72	72	0
Cease Trade Waste arrangement with MDC	Some waste is being collected by a third party contractor, forecast saving reduced to £30k, to be kept under review.	35	30	5
Building Control – Outsource	Delay in transfer of service resulting in costs of service being incurred, which has been partially off offset by income generated. Saving forecast to be £66k	75	66	9
Regeneration Service Review		90	90	0
Transport Review - Phase 1&2		49	49	0

Lifeline Service - transfer to Notts City Homes		58	58	0
HR/Payroll structure review		35	35	0
Stationery (including paper) saving (20%)		10	10	0
Pest Control - additional income to break even	Income forecast to be slightly less due to Covid-19 impact – saving forecast to be £9k but needs to be monitored for recovery impact.	13	9	4
Depot Canteen - income target	Unlikely to be achieved.	5	0	5
Democratic Services restructure		14	14	0
Environmental Health restructure		37	37	0
Finance Review		9	9	0
Community Foundation – Grants		5	5	0
Ashfield Business Centre		33	33	0
Reduce revenue ICT budget (capitalisation)		40	40	0
Kingsmill Reservoir Car Parking income	Impacted on by free parking until September given across the district under Covid-19 – saving forecast to be £1.5k.	3	1.5	1.5
Additional rental income from Police	Rent increase not yet confirmed.	2	0	2
TOTAL		987	960.5	26.5

2.2 The position outlined above in respect of forecast achievement of the savings has been included in the forecast outturn reported in section 1 of the report. It is anticipated where deliverability of the savings have been impacted on by Covid-19, the loss on achieving the full savings will be met from the Covid-19 grant.

3. **Housing Revenue Account (HRA) Forecast Outturn position for 2020/21 as at July 2020**

3.1 Table 3 sets out the 2020/21 HRA forecast outturn position based on actual income and expenditure to July 2020, compared to the original budget approved by Full Council on the 5th March 2020.

3.2 Details of any significant variances incorporated within the forecast outturn are detailed in the commentaries below the table.

Table 3 - HRA Forecast Outturn to 31 March 2021

Description	2020/21 Original Budget £'000	2020/21 Forecast Outturn £'000	2020/21 Forecast Variance £'000
Income			
Rents, Charges and Contributions	(24,471)	(24,441)	30
Interest and investment income	(210)	(110)	100
Total Income	(24,681)	(24,551)	130
Expenditure			
Repairs and Maintenance	7,799	7,686	(113)
Supervision and Management	4,446	4,439	(7)
Interest payable and similar charges	3,548	3,548	0
Rents, Rates, Taxes and other charges	192	191	(1)
Depreciation and impairments of fixed assets	3,736	3,736	0
Debt Management Costs	45	45	0
Contribution to the Bad Debt Provision	240	240	0
Transfer to Major Repairs Reserve	6,734	22	(6,712)
Capital expenditure funded by the HRA	951	2,589	1,638
Total Expenditure	27,691	22,496	(5,195)
Net Cost of HRA Services	3,010	(2,055)	(5,065)

3.3 **Rents, Charges and Contributions**

Tenant rental income is forecast to be £19k underachieved due to delayed property sign ups and property moves and community centre income is forecast to be underachieved by £11k, both due to the Covid-19 lockdown. It should be noted that this forecast variance excludes any impact of Covid-19 on the level of tenant rent arrears which is increasing.

3.4 **Interest and Investment Income**

Reduced Interest rates in the banking sector will reduce the average annual interest rate on the HRA balances. Currently forecasting a reduction of £100k but this is open to fluctuation dependant on the performance of the economy for the remainder of the financial year.

3.5 Repairs and Maintenance

Forecast underspend of £113k across several budget areas. This includes vacancy savings across the Housing Repair Operatives, Estate Services and the Responsive Maintenance management sections. A reduction in materials and subcontractors used in planned, responsive and void repairs due to Covid-19 lockdown. It is unlikely that subcontractors will be able catch up the lost time on planned works in the remainder of the current financial year as their capacity is limited.

3.6 Transfer to the Major Repairs Reserve

The current forecast outturn shows the reduced level of financing required from the HRA for the capital programme for 2020/21. The main reason for the forecast position is due to the Covid-19 restrictions delaying the major works programme team commencing work with a new five-year delivery partner from April. This will push some of the planned programme back into 2021/22. Further work is to be undertaken to assess the 2020/21 capital monitoring programme position as the year progresses.

Additional costs of £58k have been incurred due to Covid-19 in terms of payments to the existing contractor to contribute towards on-going costs during the lockdown to ensure the contract remains live and ensure their ability to resume works upon the easing of lockdown; these costs are being off-set against the underspend detailed above. Clarity is currently being sought with regard to whether the Council's Covid-19 grant allocation can be used to fund this £58k pressure.

3.7. Capital Expenditure funded by the HRA

The forecast outturn shows the additional requirement of funding for the HRA capital programme. This is mainly from a new scheme for affordable housing which was approved at 21st July Cabinet, increase in vehicle replacements after a review and slippage from the 2019/20 programme.

4. HRA Savings/Efficiencies Monitoring 2020/21

4.1 The 2020/21 HRA budget included the proposed savings and efficiencies as detailed in Table 4 below. The forecast achievement of these savings is identified, on the following basis:

- saving has been achieved in full (green),
- saving forecast to be achieved but not in full, revised forecast savings is detailed in the 'Forecast Saving' column (amber),
- saving will not be achieved (red).

Table 4 – HRA Savings/Efficiencies Monitoring 2020/21

<u>Saving/Efficiency</u>	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
	£'000	£'000	£'000
Housing Repairs Review - staffing efficiency	13	13	0
Dynamic Resource Scheduler efficiency - less use of subcontractors	60	60	0
Increase Vacancy Factor by 0.5%	25	25	0
TOTAL	98	98	0

4.2 The forecast achievement of these savings is included within the forecast outturn reported in section 3 of the report.

5. Capital Programme 2020/21 to 2024/25

5.1 The proposed Capital Programme and funding is summarised in Table 5 below. Appendix 2 shows a detailed breakdown of all the schemes below.

The three areas of the Capital Programme (Area Schemes, General Fund and HRA) are discussed in more detail below.

All the 2020/21 schemes have been amended to include any slippage from 2019/20.

Table 5 – Capital Programme (2020/21 to 2024/25)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Capital Expenditure						
Area Schemes	1,042	415	0	0	0	1,457
General Fund	35,590	32,841	1,902	3,263	2,768	76,364
Housing Revenue Account	7,887	16,383	12,620	12,165	12,307	61,363
Grand Total	44,519	49,639	14,522	15,428	15,075	139,184
Capital Financing						
Developers Contributions - Area Schemes	530	187	0	0	0	717
Borrowing	83	228	0	0	0	311
Direct Revenue Financing	0	0	0	0	0	0
Other Capital Grants and Contributions - Area Schemes	429	0	0	0	0	429
Sub Total - Area Schemes	1,042	415	0	0	0	1,457
Prudential Borrowing - General Fund	32,127	28,969	1,054	2,415	1,920	66,485
Direct Revenue Financing - General Fund	223	0	0	0	0	223
Developers Contributions - General Fund	116	0	0	0	0	116
Capital Receipts	0	0	0	0	0	0
Other Capital Grants and Contributions - General Fund	3,124	3,872	848	848	848	9,540
Sub Total - General Fund	35,590	32,841	1,902	3,263	2,768	76,364
Funded from HRA Reserves	6,347	15,023	11,440	10,985	11,127	54,923
Homes England	180	180	0	0	0	360
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	480	300	300	300	300	1,680
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
Sub Total - HRA	7,887	16,383	12,620	12,165	12,307	61,363
Grand Total	44,519	49,639	14,522	15,428	15,075	139,184

Area Capital Programme

5.2 These consist of mainly self-financed schemes that enhance the local environment. Developers' contributions (known as Section 106 funding) make up the largest funding source. Additional grant funding is sought wherever possible to maximise the benefit to local communities. Area schemes are included in Table 6.

Table 6 – Area Schemes (2020/21 to 2024/25)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Area						
Hucknall Area	402	0	0	0	0	402
Kirkby Area	423	282	0	0	0	705
Sutton Area	211	133	0	0	0	344
Rural Area	6	0	0	0	0	6
Total	1,042	415	0	0	0	1,457
Funded by						
TF Accelerator	75	0	0	0	0	75
Borrowing	83	228	0	0	0	311
Friends of Cromford Canal	2	0	0	0	0	2
Nottinghamshire County Council (NCC)	335	0	0	0	0	335
Reserves	0	0	0	0	0	0
Rural Payments Agency	9	0	0	0	0	9
Section 106	505	174	0	0	0	679
Skanska	8	0	0	0	0	8
Sustainable Transport S106	25	13	0	0	0	38
Total	1,042	415	0	0	0	1,457

Table 7 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or additional project spend.

Table 7 – Area Schemes (changes in proposed expenditure)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Approved Area Scheme	1,289	0	0	0	0	1,289
Changes to Hucknall Schemes	0	0	0	0	0	0
Changes to Sutton Area Schemes	-30	133	0	0	0	103
Changes to Kirkby Area Schemes	-221	282	0	0	0	61
Changes to Rural Area Schemes	4	0	0	0	0	4
Proposed Area Schemes to be Approved	1,042	415	0	0	0	1,457

Table 8 – Area Schemes (changes to budget – by scheme)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Sutton Area						
Ashfield Estate Play Area	-3	0	0	0	0	-3
Brand Lane / Wharf Road Open Space Improvements	-1	0	0	0	0	-1
Brierley Forest Park Car Park Extension	26	0	0	0	0	26
Brierley Forest Park Management Plan	11	0	0	0	0	11
Football Changing Rooms Play Areas	-15	15	0	0	0	0
Taylor Crescent Recreation Ground	-108	108	0	0	0	0
Sub Total	-100	133	0	0	0	33
Kirkby Area						
Acacia Avenue Rec - General Improvements	-12	0	0	0	0	-12
Annesley Art Project	1	0	0	0	0	1
Forest Road Nature Area	-30	30	0	0	0	0
Kingsway Park: implementation of management plan	0	0	0	0	0	0
Kirkby footpaths/cycle ways	-13	13	0	0	0	0
Lindleys Lane Play/Youth Area	75	0	0	0	0	75
Morven Park / West Park Play Area	0	0	0	0	0	0
Play Areas	-200	200	0	0	0	0
Sports pavilion, Titchfield Park	-39	39	0	0	0	0
Warwick Close	-3	0	0	0	0	-3
Sub Total	-221	282	0	0	0	61
Rurals Area						
Jacksdale Car Park	4	0	0	0	0	4
Sub Total	4	0	0	0	0	4
Grand Total	-317	415	0	0	0	98

5.3 Changes to Existing Area Projects

Table 8 above shows the proposed changes to budget on a scheme by scheme basis. Several of the schemes planned for 2020/21 are not now expected to be completed until 2021/22. The Ashfield Estate Play Area, Brand Lane / Wharf Road Open Space Improvements, Acacia Avenue Rec – General Improvements and Warwick Close are now completed and no further works are required. The actual allocation to each project is shown at Appendix 2. Three schemes have significantly increased in value:

- **Brierley Forest Park Car Park Extension** – Additional £26k required for works to entrances and installation of Sculptures.
- **Lindleys Lane Play / Youth Areas** – Additional £75k is being sought from the Town Funds Accelerator to fund a new play area.
- **Brierley Forest Park Management Plan** – Additional £11k required to complete scheme using remaining Rural Payment Agency grant of £5k and S106 funding of £6k.

Table 9 – Area Schemes (New Project)

2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
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Sutton Area

Sutton Town Centre Improvements	70	0	0	0	0	70
Grand Total	70	0	0	0	0	70

An additional £70k is required for Public Realm improvements within Sutton town centre. The project will deliver improvements to access and rationalise street furniture across the town centre.

5.4 General Fund Capital Programme

Changes to the General Fund Capital Programme are explained below and summarised in the Tables 11, 12 and 13 below. Details of the full General Fund Capital Programme are shown in Appendix 2.

Table 10 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed September 2020 Capital Programme

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Current Capital Programme	36,639	22,153	3,289	20	0	62,101
Changes to Current Projects	-2,786	10,688	-1,387	3,243	2,768	12,526
New Projects	1,737	0	0	0	0	1,737
Proposed September 2020 Capital Programme	35,590	32,841	1,902	3,263	2,768	76,364

Table 11 – General Fund Projects (changes in budget – by scheme)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Changes to Current Projects						
Cemeteries	12	0	0	0	0	12
Improvement Grants 1996 Act						
Disabled Facility Grant	53	54	54	848	848	1,857
Kirkby Leisure Centre	-1,422	10,656	0	0	0	9,234
Leisure Transformation Programme	-74	0	0	0	0	-74
Purchase of Vehicles	-1,355	-22	-1,441	2,395	1,920	1,497
Grand Total	-2,786	10,688	-1,387	3,243	2,768	12,526

5.5 Key changes to Existing General Fund Projects.

- **Cemeteries** – An additional £12k has been identified as being required to complete this scheme. This is to be funded from the Asset Management Reserve.
- **Improvement Grants 1996 Act** – This scheme has been increased to reflect the additional funding received. Note it has been assumed that funding for 2021/22 onwards will be equal to the Government funding received in 2020/21. The capital programme will be amended if there are any changes to future Government Funding.
- **Kirkby Leisure Centre** – The Council has now received updated cost information with regards to the Kirkby Leisure Centre and this has been updated on the Capital Programme.
- **Leisure Transformation Programme** – This cost has now been absorbed into the Kirkby Leisure Centre Scheme.
- **Purchase of Vehicles** – There have been revisions to the profiling of the vehicle purchases and estimated spend for 2024/25 has now been included.

The actual allocation to each project is shown at Appendix 2.

Table 12 – General Fund – New Projects

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
New Projects						
External health and safety works required for the Urban Road office	312	0	0	0	0	312
Towns Fund Projects	1,425	0	0	0	0	1,425
Grand Total	1,737	0	0	0	0	1,737

5.6 Two new schemes have been included on the Capital Programme:

- **External health and safety works required for the Urban Road office** – Works urgently required to the Council’s main office at Urban Road, Kirkby-in-Ashfield.
- **Town Funds Project** – Accelerated Funding has been requested from the Government’s Towns Fund for various sites in Kirkby and Sutton.

Cabinet approved the acceptance of the offer to request £750k Central Government funding for an accelerated Town Fund programme for both Kirkby and Sutton on the 21st July 2020, approval is required to add both these schemes to the Capital Programme. The tables above include this funding. Cabinet is requested to recommend to Council the addition of these schemes to the Capital Programme 2020/21.

5.7 The Authority submitted a Full Business Case for funding from the Government’s Future High Street Fund (FHSF) at the end of July 2020. The Capital Programme will be updated once the outcome is known.

Table 13 – General Fund – Financing of the Capital Programme

The tables below show the changes in financing required to move from the existing Capital Programme to the proposed 2020/21 – 2024/25 Capital Programme.

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Capital Programme	36,639	22,153	3,289	20	0	62,101
Capital Grants	1,454	3,078	54	848	848	6,282
Capital Receipts - General Fund	0	0	0	0	0	0
Prudential Borrowing	-2,518	7,610	-1,441	2,395	1,920	7,966
Developers Contributions - General Fund	3	0	0	0	0	3
Direct Revenue Financing	12	0	0	0	0	12
Proposed November 2019 Capital Programme	35,590	32,841	1,902	3,263	2,768	76,364

5.8 Housing Revenue Account (HRA) Capital Programme

There have been changes to the mix and profiling of HRA capital schemes between 2020/21 and 2023/24 of the Decent Homes Schemes this has resulted in a £1.3m saving for Decent Home Scheme works during this period. £11.2m has been added to the Capital Programme for 2024/25 Decent Home Schemes. These are shown in Table 14 below.

The HRA Vehicle purchases are proposed to increase overall by £148k mainly due to the additional capital expenditure for 2024/25. The capital programme has been increased by £1m for year 2024/25 to fund additional investment via the acquisition of dwellings to supplement the current Housing stock. There has been an increase of £29k for Major Repairs Temporary Accommodation which is mainly due to the inclusion of costs estimates for 2024/25.

Full details of the HRA Capital Programme are shown in Appendix 2.

Table 14 – Housing Revenue Account (changes to budget)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Expenditure Approved	14,852	15,225	10,338	9,897	0	50,312
Changes to Current Projects						
Management Fee	0	0	0	0	591	591
Catch up and Major Repairs	-5,628	1,349	1,558	1,548	8,559	7,387
Service Improvements	-1,121	-322	780	780	1,440	1,557
Contingent Major Repairs	-156	-114	-20	-20	125	-185
Exceptional Extensive Works	-483	624	40	0	10	191
Disabled Adaptations	-12	-5	-50	-50	450	333
Housing Vehicles	476	-384	-36	0	92	148
Investment in New or Existing Dwellings	0	0	0	0	1,000	1,000
Major Repairs Temporary Accomodation	-41	10	10	10	40	29
Grand Total	7,887	16,383	12,620	12,165	12,307	61,363
Capital Funding						
Funded from HRA Reserves	6,347	15,023	11,440	10,985	11,127	54,923
Homes England	180	180	0	0	0	360
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	480	300	300	300	300	1,680
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
Total Capital Funding	7,887	16,383	12,620	12,165	12,307	61,363

Implications

Corporate Plan: The revenue and capital funding included within this report supports delivery of the priorities in the Corporate Plan.

Legal: This report ensures compliance with the Council's approved Financial Regulations.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	As set out in the detailed information section of the report.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
Failure to spend within approved budgets could impact on the financial sustainability of the Council.	Financial monitoring reports to CLT and Cabinet. Financial Regulations. Financial Management training of Budget Holders and Managers.

Human Resources:

No implications

Environmental/Sustainability

No implications

Equalities:

No implications

Other Implications:

None

Background Papers

Annual Budget and Council Tax 2020/21 and Medium Term Financial Strategy Update to Council 5th March 2020

2019/20 Forecast Outturn for General Fund, HRA and Capital Programme as at Jan 2020 to Council 23rd April 2020

Draft Outturn 2019/20 Accounts Report to Cabinet 21 July 2020

Report Author and Contact Officer

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(
Summary of Reserve Movements 2020/21 (General Fund)

Appendix 1

	Balance at	Approved		Balance
	1st April			at 31 July
	2020	Contributions	Withdrawals	2020
	£'000	£'000	£'000	£'000
Earmarked Reserves				
District Planning Enquiry Fund	(375)	0	250	(125)
Elections	(11)	(54)	0	(65)
Joint Use Maintenance Fund	(201)	0	0	(201)
Asset Renewal	(773)	0	30	(743)
Corporate Change Reserve	(1,384)	(200)	484	(1,100)
Insurance Related Funds (Inc Risk Mngt)	(417)	(75)	0	(492)
Revenue Grant Reserve	(1,757)	0	459	(1,298)
Brexit Reserve	(51)	0	0	(51)
Local Authority Mortgage Scheme (LAMS) Reserve	(76)	0	0	(76)
NNDR Equalisation Reserve	(1,430)	0	0	(1,430)
Commercial Property Investment Reserve	(2,300)	(600)	0	(2,900)
Economic Development and Place Reserve	(209)	0	30	(178)
Licensing Reserve	(110)	0	0	(110)
Covid-19 Grant Reserve	(62)	0	62	(0)
Joint Crematorium Reserve	(486)	0	0	(486)
Other Reserves	(29)	(30)	20	(39)
Total Earmarked Reserves	(9,670)	(959)	1,335	(9,294)
General Reserve	(6,675)			(6,675)

Appendix 2 - Capital Programme

General Fund Capital Schemes

	Lead Officer	2020/21 plus 2019/20 Slipover £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Funding						
								Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total
								£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000
General Fund														
Cemeteries	Theresa Hodgkinson	54	0	0	0	0	54	42	0	0	0	0	12	54
Demolition of Hucknall Toilets	Paul Parkinson	1	0	0	0	0	1	1	0	0	0	0	0	1
External health and safety works required for the Urban Road office	Paul Parkinson	312	0	0	0	0	312	312	0	0	0	0	0	312
Firewalls	Craig Bonar	11	0	0	0	0	11	11	0	0	0	0	0	11
Flood Support Schemes	Craig Bonar	49	0	0	0	0	49	0	0	49	CLG	0	0	49
Hucknall Car Park - Titchfield Street	Theresa Hodgkinson	115	0	0	0	0	115	22	93	0	0	0	0	115
Hucknall Leisure Centre	Theresa Hodgkinson	118	0	0	0	0	118	68	0	0	Insurance Reserve	0	50	118
Idlewells Market Hall	Theresa Hodgkinson	9	0	0	0	0	9	9	0	0	0	0	0	9
Improvement Grants 1996 Act Disabled Facility Grant	Paul Parkinson	1,177	848	848	848	848	4,569	0	0	4,569	BCF £4,497k & RHB £72k	0	0	4,569
Investment Properties	Craig Bonar	26,494	20,000	0	0	0	46,494	46,494	0	0	0	0	0	46,494
Kings Mill Reservoir Car Park Expansion	Theresa Hodgkinson	196	0	0	0	0	196	176	0	20	NCC HLF £251k, Network Rail £15k	0	0	196
Kings Mill Reservoir (The King and Miller to Kingfisher)	Theresa Hodgkinson	650	24	0	0	0	674	62	20	471	NCC £136k, MDC £48k & Development (HLF) £21k Sport England £1.5m LEP £1.5m	0	121	674
Kirkby Leisure Centre	Theresa Hodgkinson	4,200	10,656	0	0	0	14,856	11,853	3	3,000	0	0	0	14,856
Leisure Transformation Programme	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0	0	0	0	0
Market Stalls	Theresa Hodgkinson	1	0	0	0	0	1	1	0	0	0	0	0	1
Members' IT	Craig Bonar	21	0	35	0	0	56	56	0	0	0	0	0	56
New Cross Support Scheme	Theresa Hodgkinson	1	0	0	0	0	1	0	0	1	RHB	0	0	1
New Servers	Craig Bonar	30	20	20	20	0	90	90	0	0	0	0	0	90
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure	Theresa Hodgkinson	11	0	0	0	0	11	11	0	0	0	0	0	11
Office Accommodation Works to Accommodate DWP at Central Offices	Paul Parkinson	2	0	0	0	0	2	2	0	0	0	0	0	2
Office Accommodation Works to Accommodate Police at Central Offices	Paul Parkinson	5	0	0	0	0	5	0	0	5	Police	0	0	5
Officers' IT for Agile Working (General Fund)	Craig Bonar	103	40	40	0	0	183	183	0	0	0	0	0	183
Piggins Croft Car Park	Paul Parkinson	153	0	0	0	0	153	153	0	0	0	0	0	153
Purchase of Vehicles	Theresa Hodgkinson	325	900	959	2,395	1,920	6,499	6,499	0	0	0	0	0	6,499
Retail Improvement Scheme	Theresa Hodgkinson	40	0	0	0	0	40	0	0	0	S106 Revenue	0	40	40
SAN Hardware	Craig Bonar	2	0	0	0	0	2	2	0	0	0	0	0	2
Solar Panels - Northern Depot	Paul Parkinson	2	0	0	0	0	2	2	0	0	0	0	0	2
Switch Network Hardware	Craig Bonar	83	0	0	0	0	83	83	0	0	0	0	0	83
Towns Fund Projects	Theresa Hodgkinson	1,425	0	0	0	0	1,425	0	0	1,425	TF Accelerator	0	0	1,425
Vehicle Tracking Scheme	Theresa Hodgkinson	0	353	0	0	0	353	353	0	0	0	0	0	353
Total General Fund		35,590	32,841	1,902	3,263	2,768	76,364	66,485	116	9,540		0	223	76,364

Appendix 2 - Capital Programme

Housing Revenue Account Capital Schemes

Housing Revenue Account

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
HOUSING REVENUE ACCOUNT							
Decent Homes Schemes							
Management Fee	Paul Parkinson	581	579	591	591	591	2,933
Catch up and Major Repairs	Paul Parkinson	3,163	8,234	8,569	8,559	8,559	37,085
Service Improvements	Paul Parkinson	72	870	1,390	1,390	1,440	5,162
Contingent Major Repairs	Paul Parkinson	115	125	125	125	125	615
Exceptional Extensive Works	Paul Parkinson	190	1,505	50	10	10	1,765
Disabled Adaptations	Paul Parkinson	517	450	450	450	450	2,317
Grand Total		4,638	11,763	11,175	11,125	11,175	49,877
Other Housing Revenue Account Schemes							
Electronic Document and Records (EDRM) System	Paul Parkinson	24	0	0	0	0	24
Affordable Housing developments	Paul Parkinson	730	730	0	0	0	1,460
Investment in Additional Council Dwellings in Hucknall	Paul Parkinson	4	0	0	0	0	4
Investment in New or Existing Dwellings	Paul Parkinson	1,595	1,000	1,000	1,000	1,000	5,595
Davies Avenue Housing Project	Paul Parkinson	51	2,810	0	0	0	2,861
Major Repairs Temporary Accommodation	Paul Parkinson	10	40	40	40	40	170
Firewalls	Paul Parkinson	4	0	0	0	0	4
SAN Hardware	Paul Parkinson	1	0	0	0	0	1
Switch Network Hardware	Paul Parkinson	27	0	0	0	0	27
Officers' IT for Agile Working (HRA)	Paul Parkinson	103	40	40	0	0	183
Housing Vehicles	Theresa Hodgkinson	700	0	365	0	92	1,157
Grand Total		3,249	4,620	1,445	1,040	1,132	11,486
Total Housing Revenue Account		7,887	16,383	12,620	12,165	12,307	61,363

Appendix 2 - Capital Programme

Area Capital Schemes

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Funding					Reserves £'000	Total Funding £'000
								Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery			
Hucknall Area														
Nabbs Lane	Theresa Hodgkinson	1	0	0	0	0	1	1	0	0		0	1	
Play Areas	Theresa Hodgkinson	78	0	0	0	0	78	78	0	0		0	78	
Titchfield Park Brook	Theresa Hodgkinson	319	0	0	0	0	319	0	0	319	NCC	0	319	
Titchfield Park and Hucknall Cemetery: implementation of park masterplan	Theresa Hodgkinson	4	0	0	0	0	4	0	4	0		0	4	
Total Hucknall Area		402	0	0	0	0	402	79	4	319		0	402	
Sutton Area														
Ashfield Estate Play Area	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0	
Ashfield Estate Footpaths	Theresa Hodgkinson	6	0	0	0	0	6	0	6	0		0	6	
Brand Lane / Wharf Road Open Space Improvements	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0	
Brierley Forest Park Management Plan	Theresa Hodgkinson	20	0	0	0	0	20	0	11	9	RPA	0	20	
Brierley Forest Park Car Park Extension and Entrances	Theresa Hodgkinson	81	0	0	0	0	81	0	81	0		0	81	
Football Changing Rooms	Theresa Hodgkinson	0	15	0	0	0	15	0	15	0		0	15	
Kingsmill Reservoir footpath links	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1	
Kingsmill Reservoir management plan: Implementation Works	Theresa Hodgkinson	8	0	0	0	0	8	0	0	8	Skanska	0	8	
Play Areas	Theresa Hodgkinson	0	108	0	0	0	108	108	0	0		0	108	
Roundhill Recreation Ground	Theresa Hodgkinson	10	0	0	0	0	10	2	0	8	LIS	0	10	
Sutton Lawn management Plan	Theresa Hodgkinson	14	0	0	0	0	14	0	6	8	NCC SLC	0	14	
Sutton Lawn Play Area	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1	
Sutton Town Centre Improvements	Theresa Hodgkinson	70	0	0	0	0	70	0	70	0		0	70	
Taylor Crescent Recreation Ground	Theresa Hodgkinson	0	10	0	0	0	10	0	10	0		0	10	
Total Sutton Area		211	133	0	0	0	344	110	201	33		0	344	

Appendix 2 - Capital Programme

Area Capital Schemes

	Lead Officer	2020/21 plus 2019/20 Slippage £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Reserves £'000	Total Funding £'000
Kirkby Area													
Acacia Avenue Rec - General Improvements	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0
Annesley Art Project	Theresa Hodgkinson	29	0	0	0	0	29	0	29	0		0	29
Forest Road Nature Area	Theresa Hodgkinson	0	30	0	0	0	30	0	30	0		0	30
Kingsway Park: implementation of management plan	Theresa Hodgkinson	32	0	0	0	0	32	0	32	0		0	32
Kirkby footpaths/cycle ways	Theresa Hodgkinson	18	13	0	0	0	31	0	31	0		0	31
Lindleys Lane Play/Youth Area	Theresa Hodgkinson	178	0	0	0	0	178	0	103	75	TF Accelerator	0	178
Morven Park / West Park Play Area	Theresa Hodgkinson	1	0	0	0	0	1	0	1	0		0	1
Kirkby Park and Play Areas	Theresa Hodgkinson	165	200	0	0	0	365	120	245	0		0	365
Sports pavilion, Titchfield Park	Theresa Hodgkinson	0	39	0	0	0	39	0	39	0		0	39
Warwick Close	Theresa Hodgkinson	0	0	0	0	0	0	0	0	0		0	0
Total Kirkby Area		423	282	0	0	0	705	120	510	75		0	705
Rural Area													
Friezeland Recreation Ground - Scooter Park	Theresa Hodgkinson	2	0	0	0	0	2	0	2	0		0	2
Jacksdale Car Park	Theresa Hodgkinson	4	0	0	0	0	4	2	0	2	Friends of Cromford Canal	0	4
Total Rural Area		6	0	0	0	0	6	2	2	2		0	6
Total Area		1,042	415	0	0	0	1,457	311	717	429		0	1,457