

Report To:	COUNCIL	Date:	20th MAY 2021
Heading:	CAPITAL PROGRAMME UPDATE		
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 gain Council approval for additional capital schemes to be added to the Council's Capital Programme.

To gain Council approval for changes to existing capital schemes within the Council's Capital Programme.

Recommendation(s)

Council is requested:

- (1) to approve the additions to the Capital Programme.
- (2) to approve the changes to the existing Capital Programme.

Reasons for Recommendation(s)

In accordance with the Council's Financial Regulations expenditure on a capital project can only be incurred where that project is in the Council's Capital Programme for the financial year. Where new projects are proposed, the Cabinet shall consider corporate priorities and affordability and make any necessary recommendations by submitting a report to the Council.

Alternative Options Considered

Not to add the new schemes to the capital programme– **not recommended**. If the schemes are not added to the capital programme, the schemes cannot be undertaken and the Council will not

deliver the outcomes it has set out in the Future High Streets Fund (FHSF) business case or the Green Homes Grant bid.

Detailed Information

Capital Programme Additions

1. Future High Street Fund

At the Council meeting on the 4th February 2021, Council agreed to accept the Future High Street Fund (FHSF) grant allocation of £6.27m. This was following a report to Cabinet on 26th January 2021 where the proposed schemes were detailed and approval was given for the delivery of the projects, in principle, subject to the reworking of the business case to reflect the level of funding awarded. The business case has been successfully reworked to the funding level awarded and has been approved by the Ministry of Housing, Communities and Local Government (MHCLG).

A requirement of the FHSF is that co-funding must be contributed towards the schemes, co-funding provided by the Council is prudential borrowing. The costs of the prudential borrowing will be met by revenue income streams generated by the schemes.

2. Green Homes Grant (Local Authority Delivery)

An Executive Decision was signed on the 23rd February 2021 to accept the Green Homes Grant from the Department for Business, Energy and Industrial Strategy (BEIS). The grant will be used to improve the energy efficiency ratings of low-income households, contributing towards combating climate change. The grant will be used to fund works at 65 privately owned properties and 60 council owned properties. Co-funding is required towards the work at the Council owned properties and is to be met from an existing HRA capital programme provision.

3. Depot Roof

A funding opportunity was presented by Salix to install solar panels at the Depot through the provision of grant funding of £40k. Following inspection of the roof it was identified that significant roof repairs were required in order that the solar panels could be fitted. It was known and programmed that work would be required within the next two to three years as there were known leaks in the roof but in order to secure this grant funding and help improve the Council's carbon footprint it is proposed that these works are now brought forward. These works will lengthen the life of the asset and are currently estimated to be £250k, although at the time of writing this report the final Inspection Report is awaited.

It is therefore proposed that this new scheme to complete this work is required and that it be added to the capital programme.

Council is therefore requested to approve the above additions to the capital programme shown in Table 1 below.

Table 1 – Capital Programme Additions

	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000
General Fund Schemes				
<u>Future High Street Funding Schemes</u>				
Sutton Academy Community Theatre/Cinema	612	1,835		2,447
Sutton Maker Space and Business Hub	2,105			2,105
Low Street vacant units	2,176	1,088	363	3,627
Fox Street pop-up food court and car park	602			602
Total Future High Street Fund Schemes	5,495	2,923	363	8,781
Financed by:				
Future High Street Capital Grant	3,699	2,376	205	6,280
Private Sector Contribution	25	75	0	100
Prudential Borrowing	1,772	472	157	2,401
Total Funding	5,495	2,923	363	8,781
Green Homes Grant (Local Authority Delivery)	700	0	0	700
Financed by:				
Green Homes Grant	700	0	0	700
<u>Depot Roof Repairs</u>	250	0	0	250
Financed by:				
Capital Receipts	250	0	0	250
Housing Revenue Account (HRA) Schemes				
Green Homes	519	0	0	519
Financed by:				
Green Homes Grant	346	0	0	346
HRA reserves	173	0	0	173
Total Funding	519	0	0	519

4. Changes to existing approved HRA capital programme

Council is also asked to approve the increase in the Hucknall Infill Sites scheme and the revised funding. The increase in the scheme is due to finalisation of the build costs and funding secured for the 4th site. Council approved the initial scheme to be added to the capital programme at the Council meeting on the 1st October 2020, with the costs of the 4th site pending. The additional costs are to be met by additional secured Homes Agency grant and the additional use of HRA reserves. The costs of the additional site fall within the acceptable pay-back period for the investment.

Table 2 - Changes to Hucknall Infill Sites

	2020/21	2021/22	2022/23	Total
	£'000	£'000	£'000	£'000
Approved scheme	3	1,697	50	1,750
Revised scheme	75	2,263	50	2,388
Change in Scheme	72	566	0	638

Revised Funding				
Homes England Grant	0	540	0	540
HRA Reserve	75	1,723	50	1,848
Total	75	2,263	50	2,388
Change in Funding				
Homes England Grant	0	200	0	200
HRA Reserve	72	366	0	438
Total	72	566	0	638

Council is also asked to approve the change to the HRA exceptional extensive works scheme due to the HRA reserves funding being transferred to support the contribution needed to the HRA green homes scheme.

Table 3 - Changes to HRA exceptional extensive works scheme

	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000
Approved scheme	1505			
Revised scheme	1332			
Change in Scheme	173	No change		
Revised Funding				
HRA Reserve	1332			
Total	1332	No change		
Change in Funding				
HRA Reserve	173			
Total	173	No change		

Implications

Corporate Plan:

The new capital schemes detailed in 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
Costs are not contained within the approved capital schemes.	Financial monitoring reports to CLT, Cabinet and Financial Regulations. Financial Management training of Budget Holders and Managers.

Human Resources:

No implications

Environmental/Sustainability

No implications

Equalities:

No implications

Other Implications:

No implications

Background Papers

Annual Budget and Council Tax 2021/22 and Medium-Term Financial Strategy Update to Council
4th March 2021

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