

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	25 AUGUST 2022	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2022-23/August
SUBJECT:	CAPITAL FINANCIAL MONITORING 2022-23	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest capital financial position for 2022/23 as detailed in the report is considered and approved.
- 1.2 That the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 is noted.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against the budget for 2022/23.
- 2.2 The report details performance of both the HRA and General Fund up to 30 June 2022 unless otherwise stated and is an update of capital project progress for 2022/23.

3.0 Detail

- 3.1 The Council's capital programme consists of many different projects covering both the General Fund and HRA.
- 3.2 General Fund projects are developed in line with strategies reported to policy committees and are funded through Section 106 developer contributions, General Fund contributions, grant income and capital receipts generated from asset sales.
- 3.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing and new build and are funded by HRA reserves plus grant income.
- 3.4 The capital budget for 2022/23 was approved in February 2022 and has been updated following the outturn for 2021/22 to reflect the carry forward of income and expenditure for incomplete projects.

3.5 Progress during the year on capital projects and the total financing of all projects is summarised in the following tables with detail of financial performance for each project listed in Appendix 1.

CAPITAL MONITORING JUNE 2022

EXPENDITURE			
	Actual	Budget	Variance
	£	£	£
Major Improvements	410,955	2,320,000	1,909,045
Disabled Adaptations	68,226	300,000	231,774
New Build and Acquisition	0	280,000	280,000
TOTAL HRA	479,181	2,900,000	2,420,819
Private Sector Housing	199,924	1,253,655	1,053,731
Environmental Services	81,305	420,000	338,695
Community Projects	220,253	3,023,003	2,802,750
Vehicle Replacements	39,995	0	-39,995
ICT Strategy	6,177	160,000	153,824
Asset Replacement and Renewal	11,474	479,465	467,991
TOTAL GENERAL FUND	559,127	5,336,123	4,776,996
TOTAL CAPITAL EXPENDITURE	1,038,308	8,236,123	7,197,815
FUNDING			
	Actual	Budget	Variance
	£	£	£
Section 106	0	1,038,440	1,038,440
Grants	281,229	1,585,655	1,304,426
HRA	479,181	2,620,000	2,140,819
New Build Capital Reserve	0	280,000	280,000
General Fund	55,000	581,188	526,188
Capital Receipts	65,658	1,837,354	1,771,696
Earmarked Reserves	157,240	293,486	136,246
TOTAL FUNDING	1,038,308	8,236,123	7,197,815

HRA Capital

- 3.6 Detail of the planned expenditure for both revenue and capital is under review and will be reported to Housing and Community Services Committee. The expenditure is expected to be on budget for the year. Progress will be updated quarterly.
- 3.7 Disabled adaptations of Council housing are scheduled and expected to be on budget by the year-end.
- 3.8 The budget for new build and acquisition schemes consists of acquisitions of properties in Newhall.
- 3.9 Acquisitions in Newhall are due to complete in 2022/23 and no expenditure has yet been incurred.

General Fund Capital

Private Sector Housing Works

- 3.10 There are several projects included within this area, one of which is Disabled Facility Grants (DFG). Expenditure on DFG has been consistently lower than the allocated budget of £400k for several years. Carry forwards of underspent budgets are made at the year-end to ensure sufficient allocation for any increase in the pipeline. Work is underway to secure additional contractor capacity to complete works and speed up the current specification process for adaptations.
- 3.11 A list of projects is reported within this Committee with an update to the budget and allocation of a proportion of the accumulated underspend.
- 3.12 In addition to the above, the Council is supporting community flood prevention measures which funds a maximum of £5,000 per qualifying household and is reimbursed to the Council by DEFRA. No new applications are being accepted as the project is coming to an end. The total funds to be reimbursed from DEFRA are expected in the Autumn. There have been no additional costs to the Council for the delivery of this project.

Leisure and Community Schemes

- 3.13 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.14 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Some projects were progressed during 2021/22 with some budgets carried forward into 2022/23. It is unlikely that all of the projects will be complete during 2022/23 and a revision to the profile of the budgeted expenditure may be required later in the year.

Environmental Projects

- 3.15 A sum of £50,000 has been received to aid SDDC and the wider District reduce its carbon emissions. The funding is to cover the purchase of e-bikes, building surveys and EV infrastructure. A review of requirements is being carried out and an updated plan on how the funding will be spent will be reported in the future.
- 3.16 From the two Green Homes grant payments received in 2021/22, LAD 1B has fully completed with LAD 2 expected to complete in September 2022. Current predictions are that the grant total (£463,250) will be spent.. The Council has secured further funding LAD 3 (£374,000) and HUG 1 (£840,800) with allocations of 21 properties in the pipeline, full spend is predicted on additional funding received.

Vehicle Replacements

- 3.17 There has been delays in procurement of vehicles over the last financial year, the Gully Cleaner scheduled for purchase in 2021/22 is expected to be delivered imminently. The budget for vehicle replacement will need to be realigned and the schedule reviewed when the new Head of Service is in post. Currently, additional revenue costs are being seen due to the age and repairs required to the current fleet.

Asset Disposals and Refurbishment

- 3.18 A General Fund contribution of £87k is set-aside each year to fund refurbishment and maintenance of Public Buildings. Following condition surveys, a Planned Maintenance Programme has been designed. No major capital works have yet been undertaken in year and any underspend will be carried forward for future scheduled works.
- 3.19 In respect of specific capital projects, the main expenditure being incurred in year is for the demolition and refurbishment works in the Town Centre and works on Melbourne Assembly Rooms both approved as part of the Capital Bidding Round.

IT Strategy

- 3.20 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.21 A three-year planning cycle for replacements of equipment is in place and any overspends, or underspends will either require a drawdown from earmarked reserves or a contribution. The budget is expected to be fully spent in year.

4.0 Capital Reserves

- 4.1 The capital reserve balances for the General Fund and HRA as at the 31 March 2021 are listed below.

	£
New Build and Acquisition Reserve	2,942,475
Major Repairs Reserve	4,457,348
Debt Repayment Reserve	1,600,000
HRA Capital Reserves	8,999,823
Capital Receipts Reserve	2,707,657
General Fund Capital Reserves	2,707,657
Total Capital Reserves	11,707,480

HRA Capital Reserves

- 3.22 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.
- 3.23 Right to Buy sales have totalled 1 as at 30 June 2022 and a total sum of £65,900 has been received by the Council.
- 3.24 Reinvigoration of Right to Buy has created a new method of reporting sales of housing stock to the Government. The change now means that full reporting and payment of the pooled amount to the Government is only undertaken once a year as opposed to quarterly.
- 3.25 Detail of the retained balance will be reported as part of the final outturn. The retained sum will be transferred to the New Build and Acquisition reserve.

- 3.26 Any underspends on the HRA capital programme are transferred to the Major Repairs Reserve at year-end and the balance is to be utilised in future years as the new schedule for capital works is implemented.
- 3.27 Currently the HRA has debt of £47.4m to be repaid to the Public Works Loan Board at specific dates over a 20-year period because of self-financing.
- 3.28 The profile of debt repayment is listed in the following table.

Date due	£
28-Mar-24	10,000,000
28-Mar-27	10,000,000
28-Mar-32	10,000,000
28-Mar-37	10,000,000
28-Mar-42	7,423,000

47,423,000

- 3.29 Sums are being set-aside each year for the scheduled repayments and are included in the HRA MTFP.

General Fund Capital Reserves

- 3.30 As part of the Council's Reserve balances, S106 receipts are accumulated and drawn down against specific projects in line with the contractual agreement.
- 3.31 Section 106 contributions are a large element of funding for the Council's capital programme and future planned works. The list of contributions within the Council's control are detailed in Appendix 2 with commentary regarding committed projects and the time frame to spend. Within the Appendix, updates to a couple of the spend deadlines have been in Q1. In summary, the total balance of S106 held by the Council is included in the table below.
- 3.32 S106 is received and monitored by the Council for other public bodies such as Derbyshire County Council and the NHS with sums also being allocated specifically to the Council. Appendix 2 details the total S106 available for the Council to spend on projects and has been broken down between community sums and affordable housing sums. The following table summarises the position as at 30 June 2022.

	£
Affordable Housing	5,931,988
Community	3,048,566
Property	77,921
Other	434,890

9,493,365

- 3.33 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance. Committed projects are listed at Appendix 1.

	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26	£ 2026/27
General Capital Receipts B/fwd	2,707,657	1,171,678	700,205	468,217	-131,783

Receipts in Year:

Specific Projects:

Strategic Housing Market Assessment	0	0	-25,000	0	0
Private Sector Stock Condition Survey	0	0	-60,000	0	0
Empty Property Grants	-38,000	0	0	0	0
Midway Community Centre Extension	-111,703	0	0	0	0
Vehicle Replacements	0	0	0	-600,000	0
Capital Bids approved October 2020	-1,386,276	-471,473	-146,988	0	0

Total Capital Receipts Reserve Balance	1,171,678	700,205	468,217	-131,783	-131,783
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3.34 The Strategic Market Housing Assessment and Private Sector Stock Condition Survey are both scheduled to recur every five years.

3.35 Planned vehicle replacements may need to be drawn from capital receipts in 2025/26 as there is currently a shortfall in funding in the Asset Replacement Reserve. This is under review and the planned scheduled replacements are due to be reported to Environmental and Development Services Committee and this Committee later in 2022/23.

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

5.1 None directly.

6.0 Community Impact

6.1 None directly.

COMMITTEE SUMMARY - CAPITAL MONITORING JUNE 2022

	EXPENDITURE		
	Actual	Budget	Variance
	£	£	£
Major Improvements under Self-financing	391,796	2,320,000	1,928,204
Social Housing Decarbonisation Fund - Wave 1	19,158	0	-19,158
Major Disabled Facilities Grant (Council Houses MRA)	68,226	300,000	231,774
New Build - Lullington Road, Overseal	0	0	0
New Build - Orchard Street, Newhall	0	280,000	280,000
Contribution to county wide stock modelling report	0	0	0
New Build - Acresford Road, Overseal	0	0	0
HOUSING REVENUE ACCOUNT	479,181	2,900,000	2,420,819
Disabled Facility Grants and other Works	84,109	400,000	315,891
Discretionary Top-up Grants	0	50,000	50,000
Healthy Homes Project	0	50,000	50,000
Dedicated Mental Health Worker	10,000	40,000	30,000
Additional Technical Officer	8,806	40,000	31,194
Empty Property Grants	0	38,000	38,000
Relocation Grant	0	50,000	50,000
Dementia Friendly Homes Grant	0	15,000	15,000
Domestic Violence Crisis Prevention	16,250	65,000	48,750
Hospital Discharge Grant	4,938	30,000	25,062
Healthy Homes Assistance Fund	50,477	100,000	49,523
Pilot Schemes	2,844	11,610	8,766
Capital One-off Projects	0	117,320	117,320
Temporary Health & Housing Co-ordinator	0	45,000	45,000
Stay Active and Independent for Longer	9,051	51,725	42,674
Temporary Public Health Officer	10,074	45,000	34,926
Temporary Occupational Therapist	0	55,000	55,000
Fuel Poverty	0	50,000	50,000
Property Flood Resilience Recovery Support Scheme	3,374	0	-3,374
Private Sector Housing	199,924	1,253,655	1,053,731
Fly Tipping and Environmental Surveillance	0	0	0
Carbon Reduction	0	50,000	50,000
Green Homes Grant - Local Authority Delivery	81,305	370,000	288,695
Environmental Services	81,305	420,000	338,695
Community Partnership Scheme	55,000	239,853	184,853
Melbourne Sports Park - Drainage Works	0	0	0
Midway Community Centre Extension	100,754	0	-100,754
Midway Community Centre - Pitches	0	0	0
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	1,165	58,000	56,835
Paradise Garden, Swadlincote Town Centre	0	30,000	30,000

Revitalising Rosliston Forestry Centre	4,250	376,372	372,122
CCTV in Swadlincote Town Centre	0	0	0
Improvements to Play Areas	0	152,000	152,000
Extension to Marston on Dove Cemetery	0	48,000	48,000
Miners Memorial Project, Eureka Park	1,512	169,000	167,488
Urban Park at William Nadin Way	45,021	691,619	646,598
Improvements to Swadlincote Woodlands	0	30,000	30,000
Eureka Park Bowling Green Improvements	12,550	40,000	27,450
Community Services	220,253	3,023,003	2,802,750

Vehicle Replacements	39,995	0	-39,995
Public Building - Repairs & Renewals	0	87,000	87,000
Repairs to Village Halls & Community Facilities	0	2,375	2,375
Civic Hub - Town Centre Regeneration	0	258,365	258,365
Oversetts Road Project	0	0	0
IT Strategy	6,177	160,000	153,824
Repairs to Melbourne Assembly Rooms	1,160	131,725	130,565
Purchase of Chamber Building	-82	0	82
Drainage Easement at Woodville	0	0	0
Demolition of Bank House and Car Park Creation	10,396	0	-10,396
Assets	57,646	639,465	581,819

GENERAL FUND

559,127 5,336,123 4,776,996

TOTAL CAPITAL EXPENDITURE

1,038,308 8,236,123 7,197,815

APPENDIX 2

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	
1	1	£	£	£	£	1	1
2006/0885	Willington and Findern	19,950	0	0	50,000	11/10/2023	£19.9k towards enhancing open space/recreation facilities, £100k towards improvement to the culverts on and bridges over Willington Brook, £50k spent to date
2006/1453	Swadlincote	365	0	0	0	N/A	
2007/0873	Swadlincote	852	0	0	0	N/A	
2010/0320	Aston	932	0	0	0	N/A	£932 remaining - £19.7k claimed by Aston PC towards outdoor gym equipment in Aug-21.
2011/0006	Swadlincote	30,340	0	0	0	08/11/2023	Towards provision of play space - Including within the "Improvements to play areas" project
2011/0292	Willington and Findern	41,007	0	0	0	N/A	Towards Twyford Pavilion - £5.8k paid to Willington Parish for tennis courts in Dec-21
2011/0329	Swadlincote	19,386	0	0	0	29/03/2024	Towards the provision of local open space facilities - Including within the "Improvements to play areas" project
2011/0952	Newhall and Stanton	15,708	0	0	0	05/05/2022	Included within the "Improvements to play areas" project at Newhall Park - SDDC currently retrieving quotes
2012/0568	Aston	359,550	0	0	0	£267,431 - 28/02/2024 £272,119 - 02/02/2026	180k to Derby City for Chellaston Community Centre (now paid out) - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2012/0586	Woodville	11,918	0	0	0	N/A	Towards the provision of Open Space
2012/0743	Church Gresley	214,779		77,921	0	£135,922 - 20/11/2022 £156,778 - 30/08/2024	£212k towards Urban Park Project, £77.9k Green Bank
2012/0743	Church Gresley		152,773		0	N/A	Towards Cadley Hill affordable housing
2012/0861	Woodville	22,134	0	0	0	N/A	Towards the provision of open space - Including within the "Improvements to play areas" project
2013/0364	Woodville	2,118	0	0	0	15/03/2022	Towards play equipment at Swadlincote Woodlands - SDDC currently in the process of retrieving prices
2013/0643	Repton	0	497,916	0	0	22/12/2026	Towards Provision, improvement, maintenance or management of affordable housing within the Repton Ward

2013/0818	Swadlincote	59,497	0	0	0	20/03/2024	Towards purchasing and maintaining off-site open space - Urban Park project (spend deadline changed from 20/03/22)
2013/1044	Hilton	214,103	0	0	0	£55,425 - 21/06/2023 £158,677 - 30/06/2026	Hilton PC taking lead - £55k towards Scout Hut
2014/0222	Newhall and Stanton	16,892	0	0	0	£8,398 - 01/09/2022 £8,494 - 03/04/2023	Included within the "Improvements to play areas" project at Newhall Park
2014/0232	Aston	7,419	0	0	0	06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA
2014/0300	Swadlincote	25,858	0	0	0	22/10/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park
2014/0431	Seales	6,200	0	0	0	30/06/2022	Towards Salts Meadow and Swadlincote Woodlands Glade Creation in March 2022.
2014/0562	Etwall	63,789	0	0	0	£60,386 - 06/11/2024 £63,790 - 21/10/2026	Towards increasing the capacity of Etwall Leisure Centre - £60k to be claimed by JPS for tennis courts/MUGA - spend approved at JMC
2014/0740	Woodville	126,816				31/01/2027	£81K Outdoor sports, £45k Built facilities
2014/0888	Newhall and Stanton	570,000	0	0	0	15/03/2025	Towards Oversetts Road Football Facility
2014/0948	Linton	187,415	0	0	0	04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre
2014/1141	Melbourne	15,326	0	0	0	£7,644 - 01/11/2028 £7,682 - 08/02/2029	Towards Kings Newton Bowls Club
2015/0029	Seales	26,368	0	0	0	£12,904 - 25/03/2026 £13,464 - 01/10/2026	Towards the changeroom at Overseal Rec
2015/0396	Newhall and Stanton	13,815	0	0	0	04/09/2024	Towards Oversetts Road Football Facility
2015/0426	Linton	20,946	0	0	0	21/11/2024	Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities - Linton PC obtaining quotes
2015/0534	Woodville	31,692	0	0	0	03/01/2023	Towards open space - Woodville PC taking lead
2015/0561	Woodville	20,402	0	0	0	12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335	0	0	0	07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC
2015/0723	Linton	71,655	0	0	0	14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane

2015/0768	Etwall	188,447		0	0	£98,440 - 14/02/2023 £47,686 - 28/09/2025 £94,511 - 27/07/2026	£188k towards Newhouse Farm Community Centre £52k (now paid) towards group exercise and swimming provision at Etwall LC.
2015/0768	Etwall		1,071,180	0	0	09/08/2024	Towards housing within the Derby fringe
2015/0768	Etwall		1,071,180	0	0	20/10/2025	Towards housing within the Derby fringe
2015/0768	Etwall		1,103,640	0	0	27/07/2026	Towards housing within the Derby fringe
2015/0976	Woodville	7,316	0	0	0	29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground
2015/1108	Hatton	96,066	0	0	0	22/10/2026	Towards the enhancement of Scropton Road Recreation Ground
2016/0094	Midway	26,256	0	0	0	19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2016/0288	Swadlincote	26,000	0	0	0	24/06/2026	Towards improving play or sports facilities at Swadlincote Woodlands
2016/0329	Woodville	28,960	0	0	0	02/07/2025	£5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - Including within the "Improvements to play areas" project
2016/0583	Aston	15,733	0	0	0	20/02/2024	Towards local areas of play - Derby City taking lead on spend
2016/0870	Aston	9,660	0	0	0	£4,775 - 26/06/2024 £4,885 - 21/11/2024	Towards provision of outdoor sports facilities at Aston recreation Ground - Aston PC claimed £5.3k in Oct-21 towards disabled access at Aston recreation centre
2016/0898	Aston	7,443	0	0	0	05/07/2023	Towards permitting public access to social and community facilities - Weston & Aston PC have project for RIA
2016/1118	Repton	34,767	0	0	0	£17,277 - 02/03/2026 £17,490 - 13/07/2026	£12.4k Towards extension of Repton Village Hall, £22.3k towards improvements to Broomfields Playing Fields
2017/0194	Repton	44,338	0	0	0	15/06/2026	£7.5k towards Repton Village Hall, £36.7k towards improvements & recreational facilities at Broomfields Playing Fields
2017/0349	Etwall	75,648		0	370,682	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing, £370.6k towards travel plan.
2017/0349	Etwall		1,580,131	0		05/01/2027	Affordable housing within the administrative area of the Council (North West fringe)

2017/0416	Church Gresley	24,979	0	0	0	N/A	£12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre
2017/0667	Newhall and Stanton	118,428		0	0	£42,246 - 02/02/2026 £76,182 - 02/02/2028	£76k Towards Urban Park project, £42k towards works to swimming pool at Green Bank
2017/0667	Newhall and Stanton		62,360	0	0	16/11/2025	Towards the provision of affordable housing on the Swadlincote South fringe
2017/0667	Newhall and Stanton		124,803	0	0	02/02/2026	Towards the provision of affordable housing on the Swadlincote South fringe
2017/0667	Newhall and Stanton		64,187	0	0	31/08/2026	Towards the provision of affordable housing on the Swadlincote South fringe
2017/0819	Seales	5,635	0	0	0	28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground. Currently speaking with Overseal PC
2017/1293	Hilton	66,339	203,817	0	0	04/10/2024	Towards the provision of native hedgerow planting as mitigation for the loss of hedgerow to be caused as a result of the Development
2018/0265	Linton	13,628				04/02/2027	Built facilities
2018/0377	Woodville	14,099	0	0	0	16/03/2026	£3.4k towards Goseley Community Centre, £10.6k towards Improvements to Swadlincote Woodlands. £6.2k paid to Hartshorne Cricket Club in Nov-21
2019/1183	Swadlincote	0	0	0	14,208	N/A	Towards the CCG and improvements at Swadlincote Surgery
2019/1205	Hilton	3,662	0	0	0	N/A	Towards enhancing and managing biodiversity
2019/1427	Newhall and Stanton	15,591	0	0	0	10/06/2026	Towards enhancements to the Urban Park
2020/0592	Melbourne	0	0	0	0	04/10/2026	£18k towards enhancements of Melbourne Assembly Rooms, £33k towards MSP drainage project - application form sent 24/01/22
TOTAL AVAILABLE		3,048,566	5,931,988	77,921	434,890	9,493,365	