
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD 01283 595939 Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2021-22/August
SUBJECT:	CAPITAL FINANCIAL MONITORING 2021/22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest capital financial position for 2021/22 as detailed in the report is considered and approved.
- 1.2 That an increase to the Budget for the Green Homes Grant is approved.
- 1.3 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 2021/22.
- 2.2 The report details performance of both the HRA and General Fund up to 30 June 2021 unless otherwise stated and is an update of capital project progress for 2021/22.

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 2021/22 was approved in February 2021 and has been updated following the outturn for 2020/21 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 2021

EXPENDITURE			
	Actual	Budget	Variance
	£	£	£
Major Improvements	672,670	2,383,000	1,710,330
Disabled Adaptations	74,164	300,000	225,836
New Build and Acquisition	230,141	505,030	274,889
TOTAL HRA	976,975	3,188,030	2,211,055
Private Sector Housing	156,537	1,915,495	1,758,958
Environmental Services	21,303	750,798	729,495
Community Projects	245,779	3,602,950	3,357,171
Vehicle Replacements	62,750	673,568	610,818
ICT Strategy	62,220	166,000	103,780
Asset Replacement and Renewal	12,210	619,150	606,940
TOTAL GENERAL FUND	560,799	7,727,961	7,167,162
TOTAL CAPITAL EXPENDITURE	1,537,774	10,915,991	9,378,217

FUNDING			
	Actual	Budget	Variance
	£	£	£
Section 106	0	1,038,440	1,038,440
Grants	166,279	2,609,470	2,443,191
HRA	746,834	2,683,000	1,936,166
Revenue Contribution	0	15,000	15,000
General Fund	251,550	729,208	477,658
Capital Receipts	299,861	2,634,466	2,334,605
Earmarked Reserves	73,250	1,206,407	1,133,157
TOTAL FUNDING	1,537,774	10,915,991	9,378,217

HRA Capital

- 3.6 Detail of the planned expenditure for both revenue and capital have been reported to Housing and Community Services Committee during August. A marginal underspend of approximately £5k is expected in 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 and Overseal.
- 3.9 The Overseal properties were acquired in April after a slight delay in delivery in 2020/21. A marginal overspend is currently being seen of £5k.
- 3.10 Acquisitions in Newhall are due to complete in 2021/22 and no expenditure has yet been incurred.

General Fund Capital

Private Sector Housing Works

- 3.11 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.
- 3.12 A list of projects is included later on the Agenda to the Committee and details how the current carry forward value of £2m is to be spent over the coming years.
- 3.13 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 proposal is made at the stage to include a budget as there is no upper limit to the amount the Council can allocate to households, and it is therefore difficult to predict the likely expenditure at this stage.

Leisure and Community Schemes

- 3.14 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.15 The Melbourne Sports Park project is now complete but an overspend of £22k has been identified. The Finance team is working with Culture and Community Services to determine how this is to be funded. More detail on the overspend and funding will be reported to the Committee in quarter 2.
- 3.16 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Progress was slow during 2020/21 and budgets were therefore carried forward into 2021/22. It is unlikely that all of the projects will be complete during 2021/22 and a revision to the profile of the budgeted expenditure may be required later in the year.

Environmental Projects

- 3.17 The budget included a sum of £28,500 for fly tipping and surveillance which has been partially spent in 2020/21, the remainder being carried forward into 2021/22.
- 3.18 A revision to the approved budgeted of £725,475 has been made to take account of the funding that has been secured from the Government for the Green Homes Grant. The Council has secured two grant allocations to-date and progress is being made on allocating the funds to households within the District.

Vehicle Replacements

- 3.19 A carry forward was required into 2021/22 in this area due to the delay in vehicle supplies during the Pandemic. A tender exercise is to be undertaken in year which should enable the Council to order the necessary vehicles. Currently, additional revenue costs are being seen due to the age and repairs required to the current fleet.

Asset Disposals and Refurbishment

- 3.20 A General Fund contribution of £88k is set-aside each year to fund refurbishment and maintenance of Public Buildings. No major capital works were undertaken in year but repairs to Green Bank Leisure Centre and Public Buildings were completed and included in the revenue reporting.
- 3.21 The only expenditure seen so far in year is for the demolition works in the Town Centre approved as part of the Capital Bidding Round.

IT Strategy

- 3.22 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.23 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	1,641,828
Major Repairs Reserve	4,541,948
Debt Repayment Reserve	8,006,000
HRA Capital Reserves	14,189,776
Capital Receipts Reserve	2,569,462
General Fund Capital Reserves	2,569,462
Total Capital Reserves	<u>16,759,238</u>

HRA Capital Reserves

- 3.24 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.
- 3.25 Right to Buy sales have totalled 4 as at 30 June 2021 and a total sum of £313,258 has been received by the Council.
- 3.26 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.

- 3.27 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.
- 3.28 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.
- 3.29 Currently the HRA has debt of £57.4m to be repaid to the Public Works Loan Board at specific dates over a 20-year period because of self-financing.
- 3.30 The profile of debt repayment is listed in the following table.

Date due	£
28-Mar-22	10,000,000
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
	<u>57,423,000</u>

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

General Fund Capital Reserves

- 3.32 As part of the Council's Reserve balances, S106 receipts are accumulated and drawn down against specific projects in line with the contractual agreement.
- 3.33 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. In summary, the total balance of S106 held by the Council is included in the table below.
- 3.34 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 2021.

	£
Affordable Housing	4,083,852
Community	3,004,184
Property	479,006
Other	484,990
	<u>8,052,031</u>

- 3.35 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.

3.36 A sum of £983,847 is expected in year under a collaboration agreement for sale of land at Oversetts Road.

	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd	2,569,462	1,423,841	905,380	774,442	689,442
Receipts in Year:					
Land Sale Oversetts Road	983,847	0	0	0	0
Specific Projects:					
Strategic Housing Market Assessment	0	0	0	-25,000	0
Private Sector Stock Condition Survey	0	0	0	-60,000	0
Empty Property Grants	-38,000	0	0	0	0
Repairs to Village Halls	-6,700	0	0	0	0
Public Buildings Planned Maintenance	-58,032	0	0	0	0
Midway Community Centre Extension	-250,000	0	0	0	0
Vehicle Replacements	0	0	0	0	-650,000
Capital Bids approved October 2020	-1,776,736	-518,461	-130,938	0	0
Total Capital Receipts Reserve Balance	1,423,841	905,380	774,442	689,442	39,442

3.37 The Strategic Market Housing Assessment and Private Sector Stock Condition Survey are both scheduled to recur every five years.

3.38 Planned vehicle replacements may need to be drawn from capital receipts in 2025/26 as there is currently a shortfall in funding. 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 2021/22.

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 2021

	EXPENDITURE		
	Actual £	Budget £	Variance £
Major Improvements under Self-financing	672,670	2,383,000	1,710,330
Major Disabled Facilities Grant (Council Houses MRA)	74,164	300,000	225,836
New Build - Orchard Street, Newhall	0	280,000	280,000
New Build - Acresford Road, Overseal	230,141	225,030	-5,111
HOUSING REVENUE ACCOUNT	976,975	3,188,030	2,211,055
Disabled Facility Grants and other Works	59,501	664,293	604,792
Discretionary Top-up Grants	0	150,000	150,000
Healthy Homes Project	0	50,000	50,000
Dedicated Mental Health Worker	10,000	40,000	30,000
Additional Technical Officer	8,434	40,000	31,566
Empty Property Grants	0	38,000	38,000
Relocation Grant	0	100,000	100,000
Dementia Friendly Homes Grant	0	30,000	30,000
Domestic Violence Crisis Prevention	12,500	65,000	52,500
Hospital Discharge Grant	7,301	30,000	22,699
Healthy Homes Assistance Fund	9,980	340,929	330,949
Pilot Schemes	0	129,593	129,593
Capital One-off Projects	0	32,680	32,680
Temporary Health & Housing Co-ordinator	0	45,000	45,000
Stay Active and Independent for Longer	8,656	60,000	51,344
Temporary Public Health Officer	9,840	45,000	35,160
Temporary Occupational Therapist	0	55,000	55,000
Property Flood Resilience Recovery Support Scheme	30,325	0	-30,325
Private Sector Housing	156,537	1,915,495	1,758,958
Fly Tipping and Environmental Surveillance	11,562	25,323	13,761
Green Homes Grant - Local Authority Delivery	9,741	725,475	715,734
Environmental Services	21,303	750,798	729,495
Community Partnership Scheme	0	264,853	264,853
Melbourne Sports Park - Drainage Works	189,330	166,020	-23,310
Midway Community Centre Extension	0	270,000	270,000
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	0	20,000	20,000
Paradise Garden, Swadlincote Town Centre	0	30,000	30,000
Revitalising Rosliston Forestry Centre	32,234	344,834	312,600
CCTV in Swadlincote Town Centre	0	11,500	11,500
Improvements to Play Areas	0	153,965	153,965
Extension to Marston on Dove Cemetery	0	48,000	48,000
Miners Memorial Project, Eureka Park	300	185,000	184,700
Urban Park at William Nadin Way	23,914	840,619	816,705
Improvements to Swadlincote Woodlands	0	40,000	40,000
Eureka Park Bowling Green Improvements	0	40,000	40,000

Community Services	245,779	3,602,950	3,357,171
Vehicle Replacements	62,750	673,568	610,818
Public Building - Repairs & Renewals	0	278,000	278,000
Repairs to Village Halls & Community Facilities	0	6,700	6,700
Civic Hub - Town Centre Regeneration	0	298,365	298,365
IT Strategy	62,220	166,000	103,780
Repairs to Melbourne Assembly Rooms	1,710	24,566	22,856
Purchase of Chamber Building	0	11,519	11,519
Demolition of Bank House and Car Park Creation	10,500	0	-10,500
Assets	137,180	1,458,718	1,321,538
GENERAL FUND	560,799	7,727,961	7,167,162
TOTAL CAPITAL EXPENDITURE	1,537,774	10,915,991	9,378,217

APPENDIX 2

		Cultural Services £	Affordable Housing £	Property £	SDDC Unspecified £	Spend Deadline	
2010/0320	Aston	20,706	0	0		N/A	Towards the provision of local recreation facilities - Weston & Aston PC have project for RIA
2012/0568	Aston	539,550	0	0		28/02/2024	180k to Derby City for Chellaston Community Centre - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2014/0232	Aston	22,839	0	0		06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA
2016/0583	Aston	15,733	0	0		20/02/2024	Towards local areas of play - Derby City taking lead on spend
2016/0870	Aston	15,052	0	0		26/06/2024	Towards provision of outdoor sports facilities at Aston recreation Ground - Weston & Aston PC have project for RIA
2016/0898	Aston	14,886	0	0		05/07/2023	Towards permitting public access to social and community facilities - Weston & Aston PC have project for RIA
2017/0416	Church Gresley	24,979	0	0		10/12/2025	£12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre
2012/0743	Church Gresley	214,779	152,773	77,921		20/11/2022	£212k towards Urban Park Project, £77.9k Green Bank, £152.7k towards Cadley Hill affordable housing
2013/1040	Etwall	89,737	0	0		22/02/2022	Etwall LC car park - 40k being claimed by Trust, currently waiting for application form.
2014/0562	Etwall	0	0	60,386		06/11/2024	Towards increasing the capacity of Etwall Leisure Centre
2014/1136	Etwall	0	0	298,452		19/06/2025	Towards improvements at Etwall Leisure Centre
2015/0354	Etwall	21,590	0	0		01/10/2023	Towards improvements to King George V Playing Field - Etwall PC currently obtaining 3 quotes to resurface play area after the summer
2015/0768	Etwall	240,637	3,246,000	0		14/02/2023	Cultural services: £94k towards Newhouse Farm Community Centre £52k towards group exercise and swimming provision at Etwall LC. Affordable Housing: towards housing within the Derby fringe
2017/0349	Etwall	75,648	0	0	370,682	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing, £370.6k towards travel plan.
2017/1293	Hilton	1,132	0	0		04/10/2024	Hilton Parish to spend on Hilton Memorial Meadow

2013/1044	Hilton	214,103	0	0		21/06/2023	Hilton PC taking lead - £55k towards Scout Hut
2014/0948	Linton	91,670	0	0		04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre
2015/0426	Linton	20,946	0	0		21/11/2024	Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities - Linton PC obtaining quotes
2015/0723	Linton	71,655	0	0		14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2014/1141	Melbourne	15,326	0	0		01/11/2028	Towards Kings Newton Bowls Club
2016/0094	Midway	26,256	0	0		19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2011/0952	Newhall and Stanton	15,708	0	0		05/05/2022	Included within the "Improvements to play areas" project at Newhall Park
2014/0222	Newhall and Stanton	16,892	0	0		03/04/2023	Included within the "Improvements to play areas" project at Newhall Park
2014/0888	Newhall and Stanton	570,000	0	0		15/03/2025	Towards Oversetts Road Football Facility
2015/0396	Newhall and Stanton	13,815	0	0		04/09/2024	Towards Oversetts Road Football Facility
2017/0667	Newhall and Stanton	76,182	187,162	42,246		02/02/2026	£76k Towards Urban Park project, £42k towards works to swimming pool at Green Bank, 187k towards the provision of affordable housing on the Swadlincote South fringe
2016/1118	Repton	34,767	0	0		02/03/2026	£12.4k Towards extension of Repton Village Hall, £22.3k towards improvements to Broomfields Playing Fields
2013/0643	Repton	0	497,916	0		22/12/2022	Towards Provision, improvement, maintenance or management of affordable housing within the Repton Ward
2014/0431	Seales	6,200	0	0		30/06/2022	Towards restoration & subsequent management of grassland at Swadlincote Woodlands
2015/0029	Seales	12,904	0	0		21/03/2026	Towards the changeroom at Overseal Rec
2017/0819	Seales	5,635	0	0		28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground. Currently speaking with Overseal PC
2011/0006	Swadlincote	30,340	0	0		08/11/2023	Towards provision of play space - Including within the "Improvements to play areas" project
2019/1183	Swadlincote	0	0	0	14,208	N/A	Towards the CCG and improvements at Swadlincote Surgery
2011/0329	Swadlincote	19,386	0	0		29/03/2024	Towards the provision of local open space facilities - Including within the "Improvements to play areas" project
2013/0818	Swadlincote	59,505	0	0		20/03/2022	Towards purchasing and maintaining off-site open space - Urban Park project

2014/0300	Swadlincote	25,858	0	0		22/10/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park
2006/0885	Willington and Findern	19,950	0	0	100,000	31/08/2022	£19.9k towards enhancing open space/recreation facilities, £100k towards improvement to the culverts on and bridges over Willington Brook
2011/0292	Willington and Findern	46,857	0	0		N/A	Willington Parish - towards Twyford Pavilion & tennis courts project
2012/0586	Woodville	11,918	0	0		N/A	Towards the provision of Open Space
2012/0861	Woodville	22,134	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		15/03/2022	Towards improvements at Swadlincote Woodlands
2015/0534	Woodville	31,692	0	0		03/01/2023	Towards open space - Woodville PC taking lead
2015/0561	Woodville	20,402	0	0		12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335	0	0		07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC
2015/0976	Woodville	7,316	0	0		29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground
2016/0329	Woodville	28,960	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
2018/0377	Woodville	20,366	0	0		16/03/2026	£3.4k towards Goseley Community Centre, £6.2k towards Hartshorne Cricket Club, £10.6k towards Improvements to Swadlincote Woodlands
2019/1427	Newhall and Stanton	15,591	0	0	100	10/06/2026	Towards enhancements to the Urban Park
2017/0194	Repton	22,063	0	0		15/06/2026	£3.7k towards Repton Village Hall, 18.2k towards improvements at Broomfields Playing Fields
2015/1108	Hatton	96,066	0	0		N/A	Towards the enhancement of Scropton Road Recreation Ground
2016/0288	Swadlincote	26,000	0	0		24/06/2026	Towards improving play or sports facilities at Swadlincote Woodlands
TOTAL AVAILABLE		3,004,184	4,083,852	479,006	484,990	8,052,031	