
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 8
DATE OF MEETING:	21 JULY 2022	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON 01283 595939 Charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/July/outturn
SUBJECT:	FINAL CAPITAL OUTTURN 2021/22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 To approve the final Capital outturn position for both the General Fund and Housing Revenue Account (HRA) for 2021/22.
- 1.2 To approve the final balance on Capital Reserves for 2021/22.

2.0 Purpose of the Report

- 2.1 To detail the final outturn position for 2021/22 on the Council's capital accounts.
- 2.2 This report is divided into the following sections:
 - Section 3 – General Fund and HRA Capital 2021/22
 - Section 4 – Capital Reserves

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 was updated in July 2021 following the outturn for 2020/21, to reflect the carry forward of income and expenditure for incomplete projects.

- 3.5 Additional budgets have also been included for schemes relating to environmental and energy efficiency works following successful bids for funding during the year, together with property acquisitions in the HRA.
- 3.6 Outturn for the year on capital projects and the total financing of all the projects is summarised in the following tables. A detailed list of the projects is attached in **Appendix 1**.

	Actual £	Budget £	Variance £
Council House Improvements	2,806,448	2,683,000	-123,448
Council House New Build and Acquisition	231,918	505,030	273,112
Private Sector Housing	897,549	1,915,495	1,017,946
Community Services	591,868	3,312,131	2,720,263
Environmental Services	492,384	799,873	307,489
Property, Plant and Equipment	407,751	1,776,718	1,368,967
TOTAL EXPENDITURE	5,427,918	10,992,247	5,564,329

	Actual £	Budget £	Variance £
External Grant and Contributions	1,404,160	2,657,045	1,252,885
Capital Resources	699,458	2,120,150	1,420,692
S106 Contributions	37,682	1,142,000	1,104,318
General and Earmarked Reserves	3,286,618	5,073,052	1,786,434
TOTAL FUNDING	5,427,918	10,992,247	5,564,329

HRA Capital

- 3.7 Major refurbishment works to Council housing were initially delayed due to Covid but works progressed well during the year following the lifting of restrictions. The overspend in year was due to additional fire protection works completed, mainly consisting of fire door installations. An overspend was expected against the budget and will be funded from HRA reserves as planned.
- 3.8 The impact of Covid also affected disabled adaptations initially, but these works also picked up during the year following the lifting of restrictions. The unspent allocation in 2021/22 will be carried forward and maintained in the HRA for 2022/23.
- 3.9 The budget for new build and acquisition schemes consists of the final acquisition of 2 properties at Overseal. The 2 bungalows acquired in Overseal are all fully occupied.
- 3.10 Acquisitions in Newhall were initially scheduled to complete during 2021/22 but due to delays on building materials they are now due to be completed in 2022/23. No expenditure has yet been incurred, but the budget has been carried forward into 2022/23.

General Fund Capital

Private Sector Housing Works

- 3.11 The list of projects, which are mainly financed through the Derbyshire County Council's Better Care Fund, are detailed in Appendix 1. These schemes were approved by the Housing and Community Services Committee.
- 3.12 The impact of Covid did slow progress on many schemes initially but most schemes are now active and, in some cases, have been delivered. In total, expenditure was approximately £900k in the year against a budget of £1.9 million.
- 3.13 The main underspends were on grant related work for disabled adaptations and relocations. However, it is permissible for unspent amounts to be carried forward to complete works in 2022/23.

Leisure and Community Schemes

- 3.14 Most projects were approved as part of the last Capital Bidding Round in October 2020. Many projects were delayed and were also subject to the securing of external funding and procurement processes.
- 3.15 Effectively, there are two major projects that account for most of the allocated resources, i.e., the Urban Park at Cadley Hill and the community/football pitch facilities at Oversetts Road.
- 3.16 The Urban Park scheme has now commenced and the procurement process for Oversetts Road is nearing completion. The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council by community groups.
- 3.17 Unspent budgets will be carried forward into 2022/23.

Environmental Projects

- 3.18 The main project relates to the Green Homes Grant. Following the securing of Government funding in 2021/22, good progress has been made on delivery. The project is being monitored by the Environmental and Development Services Committee in conjunction with the Climate Change Action Plan.

Vehicle Replacements

- 3.19 The vehicle replacements within the year, were the procurement of 7 new refuse freighters. The freighters were brought "as used" at a reduced price for completion of the recycling rounds, following the service being brought in house in October 2021.

Regeneration Works and Asset Upgrades

- 3.20 The main project relates to the approved improvements in Swadlincote Town Centre which have only recently been procured and commenced. The extension at Midway Community Centre has been completed but the planned football pitch works are still to be completed.
- 3.21 It is anticipated that all remaining works will be completed in 2022/23 on all projects and funding will be carried forward to meet expenditure.

4.0 Capital Reserves

4.1 The capital reserve balances for the General Fund and HRA as at the 31 March 2022, after financing expenditure in 2021/22, are listed below.

	£
New Build and Acquisition Reserve	2,942,475
Major Repairs Reserve	5,201,949
Debt Repayment Reserve	1,600,000
HRA Capital Reserves	9,744,424
General Capital Receipts Reserve	2,764,935
Total Capital Reserves	<u>12,509,359</u>

HRA Capital Reserves

4.2 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.

4.3 Right to Buy (RTB) sales totalled 23 in 2021/22, which generated £1,484,914 in retained receipts and are included in the above balance. Additional funds of £41,942 were also generated relating to repaid discounts due back to the Council on the sale of properties previously sold under RTB.

4.4 Details of sales are summarised in the following table.

	Sales £	Gross Receipts £
Quarter 1	4	313,257
Quarter 2	6	478,828
Quarter 3	6	443,075
Quarter 4	7	561,352
Total	23	1,796,512
Less Pooled		-311,598
Retained		1,484,914
%		83%

4.5 Any underspends on the HRA capital programme are transferred to the Major Repairs Reserve at year-end and the balance is utilised in future years as the new schedule for capital works is implemented.

4.6 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. £10 million was repaid in March 2022 and financed from the Debt Repayment reserve. The profile of future debt repayment is shown 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

4.7 Sums are being set-aside each year for the scheduled repayments which are included in the HRA MTFP and are transferred to the Debt Repayment Reserve each year.

General Fund Capital Reserves

4.8 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance.

4.9 A sum of £420,783 was received during 2021/22 as part of the collaboration agreement for the sale of land at Oversetts Road. A negotiation regarding an easement in Woodville took place during 2021/22 yielding a receipt of £107,911.

4.10 The position on this Reserve is detailed below.

	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd.	2,569,462	2,764,935	1,228,956	757,483	525,495
Receipts in Year:					
Land Sale Oversetts Road	420,783	0	0	0	0
Easement (Drainage Woodville)	107,911	0	0	0	0
Drawdown for 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	0	-38,000	0	0	0
Fly Tipping & Surveillance	-12,068	0	0	0	0
Midway Community Centre	-138,297	111,703	0	0	0
Vehicle Replacements	0	0	0	0	-600,000
Capital Bids approved October 2020	-182,856	-1,386,276	-471,473	-146,988	0
Remaining Balance	2,764,935	1,228,956	757,483	525,495	-74,505

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

4.12 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 2022/23.

4.12 This potentially leaves a shortfall on capital receipts by 2025/26. However, it is anticipated that further receipts from land sales will be generated in the meantime, but these are not guaranteed.

Section 106 Contributions

4.13 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.

£

Cultural Services	3,081,435
Affordable Housing	5,931,988
Property	77,921
SDDC Unspecified	434,890
	<u>9,526,233</u>

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.

CAPITAL EXPENDITURE 2021/22

	Actual	Budget	Variance
	£	£	£
Disabled Facility Grants and other Works	320,056	664,293	344,237
Discretionary Top-up Grants for under 18's	0	100,000	100,000
Healthy Homes Project	44,780	50,000	5,220
Establishing a Hospital to Home Scheme	0	0	0
Dedicated Mental Health Worker	40,000	40,000	0
Additional Technical Officer	34,403	40,000	5,597
Empty Property Grants	0	38,000	38,000
Relocation Grant	2,750	100,000	97,250
Dementia Friendly Homes Grant	0	30,000	30,000
Domestic Violence Crisis Prevention	59,583	65,000	5,417
Hospital Discharge Grant	40,706	30,000	-10,706
Healthy Homes Assistance Fund	77,493	340,929	263,436
Pilot Schemes	92,463	129,593	37,130
Capital One-off Projects	25,000	32,680	7,680
Stay Active and Independent for Longer	36,705	60,000	23,295
Temporary Health and Housing Co-ordinator	0	45,000	45,000
Temporary Public Health Officer	40,045	45,000	4,955
Temporary Occupational Therapist	0	55,000	55,000
Fuel Poverty	0	50,000	50,000
Property Flood Resilience Recovery Support Scheme	83,564	0	-83,564
Private Sector Housing	897,549	1,915,495	1,017,946
Community Partnership Scheme	45,800	264,853	219,053
Melbourne Sports Park - Drainage Works	197,759	193,201	-4,558
Urban Park William Nadin Way	108,544	840,619.00	732,075
CCTV Town Centre	9,945	11,500	1,555
Revitalising Rosliston Forestry Centre	51,494	344,834	293,340
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	9,676	20,000	10,324
Paradise Garden	0	30,000	30,000
Miners Memorial Project	18115	185,000	166,885
Improvements to Swadlincote Woodlands	0	40,000	40,000
Eureka Park Bowling Green Improvements	0	40,000	40,000
Improvements to Play Areas	1,915	153,965	152,050
Community Services	443,248	3,312,131	2,868,883
Fly Tipping & Surveillance	13,571	25,323	11,752
Green Homes Grant - Local Authority Delivery	469,137	774,550	305,413
Environmental Services	482,708	799,873	317,165
Vehicle Replacements	240,785	673,568	432,783
Asset Replacement and Investment	0	278,000	278,000
Repairs to Village Halls and Community Facilities	0	6,700	6,700

IT Strategy	119,087	166,000	46,913
Repairs to Melbourne Assembly Rooms	1,575	24,566	22,991
Purchase Of Chamber Building	11,445	11,519	74
Town Centre Regeneration	34,351	298,365.00	264,014
Extension to Marston on Dove Cemetery	0	48,000	48,000
Midway Community Centre Extension	158297	270,000	111,703
Public Buildings - Planned Maintenance Programme	0	0	0
Property, Plant and Equipment	565,540	1,776,718	1,211,178
GENERAL FUND CAPITAL	2,389,045	7,804,217	5,415,172

Acquisitions - Overseal	230,411	225,030	-5,381
Acquisitions - Newhall	0	280,000	280,000
Major Improvements under Self-financing	2,574,530	2,383,000	-191,530
Major Disabled Adaptations	231,918	300,000	68,082
HRA CAPITAL	3,036,859	3,188,030	151,171

**SECTION 106
CONTRIBUTIONS**

APPENDIX 2

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	
		£	£	£	£		
2010/0320	Aston	932	0	0	0	N/A	£932 remaining - £19.7k claimed by Aston PC towards outdoor gym equipment in Aug-21.
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
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
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
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
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
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
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
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)
2015/1108	Hatton	96,066	0	0	0	22/10/2026	Towards the enhancement of Scropton Road Recreation Ground
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
2019/1205	Hilton	3,662	0	0	0	N/A	Towards enhancing and managing biodiversity
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
2014/0948	Linton	187,415	0	0	0	04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre
2018/0265	Linton	28,418				04/02/2027	Built facilities
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
2015/0723	Linton	71,655	0	0	0	14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2020/0592	Melbourne	18,079	0	0	0	04/10/2026	£18k towards enhancements of Melbourne Assembly Rooms, £33k towards MSP drainage project - application form sent 24/01/22
2014/1141	Melbourne	15,326	0	0	0	£7,644 - 01/11/2028 £7,682 - 08/02/2029	Towards Kings Newton Bowls Club
2016/0094	Midway	26,256	0	0	0	19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2019/1427	Newhall and Stanton	15,591	0	0	0	10/06/2026	Towards enhancements to the Urban Park
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
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

2014/0888	Newhall and Stanton	570,000	0	0	0	15/03/2025	Towards Oversetts Road Football Facility
2015/0396	Newhall and Stanton	13,815	0	0	0	04/09/2024	Towards Oversetts Road Football Facility
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
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
2013/0643	Repton	0	497,916	0	0	22/12/2026	Towards Provision, improvement, maintenance or management of affordable housing within the Repton Ward
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
2014/0431	Seales	6,200	0	0	0	30/06/2022	Towards Salts Meadow and Swadlincote Woodlands Glade Creation in March 2022.
2015/0029	Seales	26,368	0	0	0	£12,904 - 25/03/2026 £13,464 - 01/10/2026	Towards the changeroom at Overseal Rec
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
2006/1453	Swadlincote	365	0	0	0	N/A	
2007/0873	Swadlincote	852	0	0	0	N/A	
2011/0006	Swadlincote	30,340	0	0	0	08/11/2023	Towards provision of play space - Including within the "Improvements to play areas" project
2016/0288	Swadlincote	26,000	0	0	0	24/06/2026	Towards improving play or sports facilities at Swadlincote Woodlands
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	0	29/03/2024	Towards the provision of local open space facilities - Including within the "Improvements to play areas" project
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)
2014/0300	Swadlincote	25,858	0	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	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
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
2012/0586	Woodville	11,918	0	0	0	N/A	Towards the provision of Open Space
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
2014/0740	Woodville	126,816				31/01/2027	£81k Outdoor sports, £45k Built facilities
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
2015/0976	Woodville	7,316	0	0	0	29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground
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
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

TOTAL AVAILABLE

3,081,435

5,931,988

77,921

434,890

9,526,233
