



**OPEN REPORT
COUNCIL**

Council – 25 July 2024

**PROVISIONAL CAPITAL OUT-TURN 2023/24 & REVISED CAPITAL
PROGRAMME 2024/25 TO 2028/29**

Report of the Director of Resources

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Wards Affected

District-wide

Report Summary

This report outlines the provisional (subject to audit) out-turn position for 2023/24 and the revised Capital Programme for 2024/25 to 2028/29.

Recommendations

1. That the provisional Capital Out-turn of £9,427,189 as detailed in Appendix A, is approved.
2. That the explanations regarding significant variances in planned and actual capital expenditure for 2023/24 are noted.
3. That an overall reduction of £68,745 is applied to the capital programme for 2024/25 consisting of a carried forward underspend of £253,454 at 31 March 2024 and other revisions totalling £-322,199, set out in paragraphs 3.1 and 3.2 and Appendix A be approved for inclusion into the capital programme.
4. That an additional amount of £240,000 is added to 2025/26 capital programme as set out in paragraph 3.2 and appendix A.
5. That the updated capital programme for 2024/25 to 2028/29 set out in Appendix B to the report totalling £28,917,955 be approved.
6. That financing of the Capital Programme from sources summarised at paragraph 3.21 and shown in Appendix C be approved.

7. That the balance of funds available over the 5-year programme, shown at Appendix C, is noted.

List of Appendices

Appendix A Capital Out-turn 2023/24

Appendix B Revised Capital Programme 2024/25 – 2028/29

Appendix C Proposed financing of the Capital Programme 2023/24 to 2028/29

Background Papers

None

Consideration of report by Council or other committee

Not applicable

Council Approval Required

Yes

Exempt from Press or Public

No

Provisional Capital Out-turn 2023/24 and Revised Capital Programme 2024/25 to 2028/29

1. Background

- 1.1 At Council on 4th April Members approved a revised capital programme totalling £39,501,864, covering the financial years 2023/24 to 2028/29, as summarised in table 1 below:

Table 1: Capital Programme approved 4th April 2024

Financial year	£
2023/24	10,755,164
2024/25	21,818,043
2025/26	4,142,449
2026/27	1,077,736
2027/28	806,736
2028/29	901,736
Total	39,501,864

- 1.2 This report provides information relating to the provisional outturn (subject to audit) for 2023/24 and seeks approval for a revised capital programme for 2024/25 to 2028/29, taking account of slippage from 2023/24.

2. Provisional Out-turn for 2023/24

- 2.1 At Council on 4th April a revised capital budget of £10,755,164 was approved for 2023/24.
- 2.2 The actual total capital expenditure for 2023/24 was £9,427,189. Therefore, there was an overall underspend of £1,327,975 The Programme has been financed as shown in table 2 below:-

Table 2: Capital financing arrangements for 2023/24

Sources of Financing	£
Capital Receipts	398,989
Capital Programme Reserve	604,180
S106 Contributions	3,008,724
Grants	4,621,019
Economic Development Reserve	5,701
IT Reserve	51,291
Vehicle Reserve	489,251
Revenue Grants	248,034
Total	9,427,189

- 2.3 The expenditure incurred against each project is outlined at Appendix A, which provides explanations for under- and over-spends and whether each project has concluded. Where projects are continuing beyond the end of 2023/24, budget underspends have been carried forward and added to the budget for 2024/25.

It is proposed to carry forward £253,454 of the provisional underspend from 2023/24 into 2024/25.

2.4 Material project under- and over-spends of £10,000 or more in 2023/24 are explained below.

- Project 270 – Disabled Facilities Grants : £270,308 underspend. (Funded by the Better Care Fund).
Spending of this grant is demand led. The underspend in 2023/24 is earmarked in reserves for future expenditure.
- Project 303- Monyash Homes Renovation: £20,725 underspend. (Funded by S106 Contributions).
A further allocation is required in 2024/25 £2,587 to fund a final bill relating to the renovation works.
- Project 305 – Housing Acquisitions in Tansley: £12,000 overspend. (Funded by S106).
Increase in costs, this project is now complete.
- Project 324 – Bakewell Riverbank Erosion: £13,749 underspend. (Funded by capital programme reserve).
Originally profiled to be spent in 2023/24. The profiling has been adjusted to reflect the later anticipated start.
- Project 370 - Capital Salaries: £41,163.55 overspend. (Funded by capital receipts).
The more ambitious capital programme has resulted in increased officer time on capital schemes.
- Project 386 – Wirksworth Steeple Arch Cemetery Landscaping and Footpath works: £14,692 overspend. (Funded by capital receipts).
The budget remaining for this project was £2,199 in 2024/25. Budget adjusted and removed for 2024/25.
- Project 630 – Ashbourne Recreation Ground Footbridge replacement scheme: £11,882 overspend. (Funded by capital programme reserve).
Budget for this scheme is in 2024/25, reprofiled the budget to take account of the expenditure incurred earlier than planned.
- Project 641 – Network Switch Replacement Scheme: £65,000 underspend. (Funded by IT reserve)
Budget was profiled to commence in 2023/24. Work to commence in 2024/25. Budget adjusted accordingly.
- Project 645 - Server 2016 Replacement scheme: £36,852 underspend. (Funded from capital receipts/IT reserve)
Budget was profiled to commence in 2023/24. Work to commence in 2024/25. Budget adjusted accordingly.
- Project 646 – Windows 2016 Server Consultancy: £20,000 underspend. (Funded from IT Reserve)

Budget was profiled to commence in 2023/24. Work to commence in 2024/25. Budget adjusted accordingly.

- Project 654 – Energy Efficiency (Off gas grid homes) HUG1: £16,929.55 underspend. (Funded from Grant).
Project now complete, unspent grant monies to be returned.
- Project 661 – Upgrading of play area & recreation facilities in Tansley. £32,783 underspend. (Funded from S106).
Tansley Parish council have undertaken this work, S106 grant paid from revenue, therefore removed from the capital programme.
- Project 665 – Car Park resurfacing: £68,000 underspend. (Funded from capital receipts).
Scheme delayed; works have now commenced in 2024/25. Budget reprofiled to reflect.
- Project Wi-Fi Replacement scheme: £50,000 underspend. (Funded from IT reserve).
Works not yet commenced, reprofiled into 2024/25
- Project 673 – Local Authority Housing Fund: £846,090 underspend. (Funded from grant, S106)
This scheme is now complete. Underspend released back to reserves.
- Project 680, 681 & 997 Ashbourne Reborn: £230,024 overspend. (Funded from grant and capital programme reserve).
Expenditure in the year £1,105,024, expected Budget £875,000
The overspend is related to the profiling of the budget, budget adjusted for the remaining years.
- Project 675,676,677,682 & 683 Business grants: £103,002 underspend. (Funded by grant).
Variance is due to the profiling of the budget. All the grant funding will be utilised by 31st March 2025
- Project 686 – Home Upgrade Grants round 2: £24,184 underspend. (Funded by grant).
Underspend relates to budget profiling; the underspend has been reprofiled into 2024/25.
- Project 689 – Bradbourne Small sewer site: £60,000 underspend. (Funded by capital receipts)
Underspend relates to budget profiling, Expenditure will be incurred in 2024/25, budget adjusted.
- Project 694 – Automated Toilet locking facility at Ashbourne, Matlock & Bakewell: £15,000 underspend. (Funded by capital programme reserve).
Underspend relates to budget profiling, Expenditure will be incurred in 2024/25, budget adjusted.

- Project 695 – Cemetery Paths: £15,000 Underspend. (Funded by capital receipts)
Underspend relates to budget profiling, Expenditure will be incurred in 2024/25, budget adjusted.
- Project 697 – Parks and recreation ground paths: £22,319 overspend. (Funded from capital receipts).
Overspend relates to budget profiling, works carried out to Dimple recreation ground and Bakewell Bath Street Gardens completed in Spring 2024. Budget adjusted in 2024/25 to account for increased expenditure in 2023/24.
- Project 701 – Local Authority Housing Fund Round 2. £20,404 overspend. (Funded from grant, S106, and revenue grants unapplied).
Scheme is now complete.
- Project 699 – Ashbourne Reborn Capacity Funding: £21,996.80 underspend. (Funded by grant).
We received a grant for £70,000 of which half was allocated to capital, due to further revenue costs expected, it has been decided to transfer this remaining grant to revenue.
- Project 703 – Stoney Way Repairs: £25,000 underspend. (Funded by capital receipts).
It was thought that £25,000 would be required to pay up front for professional fees, this has now been reprofiled into 2024/25.

2.5 The Council is due to receive capital receipts of £888,409.46 in the year. Of this amount £177,304 is specifically earmarked for future housing schemes.

2.6 Capital Grants received in the year total £4,725,170.

2.7 Capital Grants repaid in the year total £17,500. This repayment relates to the underspend on the Energy Efficiency LAD3 scheme green homes work that was undertaken throughout 2022/23 and 2023/24.

2.8 Section 106 monies due for 2023/24 total £475,639. All of which is earmarked for affordable housing.

3. Proposed changes to the capital programme for 2024/25 to 2028/29

2.9 The EV Charging infrastructure scheme (project 664) for £320,000 has been removed from the capital programme in 2024/25. This scheme will now be delivered by Derbyshire County Council.

2.10 Due to the complexities and delays surrounding the Ashbourne Reborn Project, it has been difficult to predict the budget profiling. A profiling error had been made in the previous capital programme and a figure was omitted from the budgeted expenditure in 2025/26 for £240,000. This has now been corrected and has no impact on the Council's finances as the scheme is grant funded. A further

update will be brought to Council as soon as the budgeting profile for the duration of the project can be determined.

Summary of changes to the capital programme

2.11 If the proposed new changes are accepted, the capital programme for 2024/25 to 2028/29 will be increased as shown in table 3 below.

Table 3: Summary of revisions to capital programme 2024/25 to 2028/29

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	Total £
Approved Capital Programme (4th April 24)	21,818,043	4,142,449	1,077,736	806,736	901,736	28,746,700
Underspends to carry forward from 2023/24	253,454					253,454
Budget in 2024/25 utilised in 2023-24	-2,199					-2199
Project not continuing – EV Charging Infrastructure	-320,000					-320,000
Correction to Ashbourne Reborn		240,000				240,000
Total Change to Programme	-68,745	240,000				171,255
Revised Capital Programme for approval 25 July 24	21,749,298	4,382,449	1,077,736	806,736	901,736	28,917,955

Financing Arrangements for the capital programme

2.12 The proposed financing arrangements are set out in table 4 below.

Table 4: Proposed financing arrangements 2023/24 to 2028/29

	2023/24 (Outturn) £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	Totals £
Proposed Capital Programme (including New Bids)	9,427,189	21,749,298	4,382,449	1,077,736	806,736	901,736	38,345,144
Financed by:-							

Capital Receipts Reserve	398,989	1,355,856	206,633	80,000	50,000		2,091,478
Capital Programme Reserve	604,180	112,276	192,833				909,289
S106 Contributions	3,008,724	2,512,971		-	-	-	5,521,695
Grants	4,621,019	17,199,013	3,051,002	601,736	601,736	601,736	28,676,243
Economic Development Reserve	5,701	42,300	-	-	-	-	48,001
IT Reserve	51,291	135,000	-	-	-	-	186,291
Invest to Save Reserve	-		562,510	-	-	-	562,510
Corporate Plan Priority Reserve	-		201,471	-	-	-	201,471
Vehicle Reserve	489,251	391,882	168,000	396,000	155,000	300,000	1,900,133
Revenue Grants	248,034	0	-	-	-	-	248,034
Borrowing	-	-	-	-	-	-	-
Total	9,427,189	21,749,298	4,382,449	1,077,736	806,736	901,736	38,345,144

2.13 A summary of reserve movements and balances is provided in Appendix C. This includes the proposed contribution of £794,851 to the capital programme reserve which is covered in the revenue out turn report elsewhere on this agenda. This summary demonstrates that sufficient resources are available to finance the proposed capital programme. However, it also shows that if the capital programme proposals set out in the report are accepted, sources of capital funding are forecast to reduce from £12.99m at 1st April 2023 to £4.426m by 31st March 2029. It should also be noted that grants and contributions, section 106 contributions and the amounts in other strategic reserves are set aside for specific purposes; if these are excluded the amount available for new capital schemes in the capital receipts reserve and the capital programme reserve is only circa £1.987m of which £177k of these receipts are specifically earmarked for future housing schemes. This reflects a prudent forecast of the capital receipts that might be received in the coming 5 years.

4. Options considered and Recommended Proposal

4.1 The changes to the capital programme, and associated financing, set out in this report are recommended for approval, including additional expenditure from 2024/25 to 2028/29 totalling £171,255 (see table 3 above).

4.2 An alternative option would be to NOT approve the recommended changes, including the proposed new projects. This alternative option is rejected as this approach would not generate the benefits for each project, which are described in the business cases set out in Appendix D. Such an approach could mean that these elements of the Council's priorities and Corporate Plan actions would not be delivered (without their inclusion in the capital programme, there is no authority to incur expenditure).

5. Consultation

5.1 None at this stage. The need for consultation will be assessed for each project as more detailed planning takes place.

6. Timetable for Implementation

- 6.1 If approved, the budget will be updated shortly after notification of Council approval and officers will have the authority to incur expenditure within project budgets.
- 6.2 Timetables for tendering and completion of all schemes have been established and incorporated into the programme.

7. Policy Implications

- 7.1 Capital investment in the Council's assets is necessary to continue to provide effective services and to deliver the Council's corporate Plan and priorities. The Council's Capital Programme takes into account all the priorities and targets within the Corporate Plan and these are identified in the Capital Strategy. The proposed Capital Programme will assist in delivering Council services that are important to residents' well-being and the Dales economy.

Table 5: Proposed capital programme 2024/25 to 2028/29 analysed by Corporate Plan Priority

Corporate Plan Priority	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	Total Capital Programme £
A financially sound, fair and responsive council	233,566	0	0	0	0	233,566
A thriving environment in the Derbyshire Dales	4,146,115	0	0	0	0	4,146,115
Housing that meets the needs of Derbyshire Dales Residents	3,394,707	601,736	601,736	601,736	601,736	5,801,651
Prosperous and sustainable Derbyshire Dales communities and businesses	12,974,399	3,587,713	55,000	25,000	0	16,642,112
Resources and services to enable communities to flourish	1,000,510	193,000	421,000	180,000	300,000	2,094,510
Total	21,749,298	4,382,449	1,077,736	806,736	901,736	28,917,955

- 7.2 It is important that the Capital Programme contains the appropriate budget within which projects should be managed. Approval of this report will provide financial approval and enable projects to commence / continue.

8. Financial and Resource Implications

- 8.1 While inflation on construction costs presents a high financial risk to the overall capital programme, this report seeks to set accurate budgets for projects based upon previous tendering experience. Some of the larger projects include contingencies for price increases. Even with these measures in place, the risk of overspend cannot be eliminated and therefore the risk is assessed as 'medium'.
- 8.2 As explained in the report, sufficient resources are available to finance the proposed capital programme. However, the amount available in the capital receipts reserve and the capital programme reserve after funding this programme is forecast to reduce to around £2,187,291. This presents a high risk in terms of funding availability for future projects. The Council could, of course, consider borrowing for future capital schemes, but the resulting borrowing costs are unlikely to be affordable for the revenue account, given the Council's medium term financial position.

8.3 Staffing requirements and availability have been considered as part of the business cases and by the Corporate Leadership Team, as part of the process for new bids.

9. Legal Advice and Implications

9.1 The Council has a legal duty to set a balanced budget and has a general duty to act in the public interest in managing the custody of public funds. The accounts have been prepared by qualified personnel using accepted principles for to ensure proper accountability. The legal risk is therefore low.

10. Equalities Implications

10.1 Equality implications will be assessed for each project as more detailed planning takes place. An EIA on the location and range of planned housing is recommended to ensure it is fairly distributed in the district and to ensure the range of housing types made available meet the needs of all residents e.g. bungalows and houses, larger homes for big families.

11. Climate Change Implications

11.1 The climate change implications of each of the projects has been assessed as part of the preparation of the business cases that are required for new projects.

12. Risk Management

12.1 Financial and legal risks have been explained above.

12.2 Each project business case includes a risk assessment. The risks vary depending on the project, but common risks and mitigations include:

- Cost Inflation. Mitigation measures include inflation allowances and contingencies within the estimated project cost.
- Delays on site due to adverse weather conditions and delayed deliveries. Mitigation measures include undertaking the works outside of peak times to minimise the impact on the service.
- Delays due to staff resources/competing priorities. This risk is mitigated by good project planning and inclusion within action plans and scheduled workloads.
- Complaints, Bad Publicity etc. Publicity by appropriate notices and use of the website and social media will be used to update the public on the project and timescales.

Report Authorisation

Approvals obtained from Statutory Officers:-

	Named Officer	Date
Chief Executive	Paul Wilson	10/07/2024
Director of Resources/ S.151 Officer	Karen Henriksen	10/07/2024

	Named Officer	Date
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	16/07/2024