

Report to the Cabinet

Report reference: C-023-2023/24
Date of meeting: 9th October
2023



Portfolio: Finance & Economic Development
Subject: Capital Programme Update 2024/25 to 2028/29
Responsible Officer: Andrew Small (01992 564278)
Democratic Services: Vivienne Messenger (01992 564243)

Recommendations/Decisions Required:

- 1) To note the contents of the report, including both the updated General Fund and Housing Revenue Account Capital Programmes (2024/25 to 2028/29) at *Appendix A*; and**
- 2) Discuss and agree actions required (in the context of the updated Medium-Term Financial Plan) for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2023.**

Executive Summary:

Cabinet approved an updated Financial Planning Framework (2024/25 to 2028/29) at its meeting on 18th September 2023 and committed to receiving and considering an updated Capital Programme for 2024/25 to 2028/29. This provides essential context and is a key part of early budget preparations for 2024/25.

The updated (indicative) Capital Programme is in two parts and comprises total investment of £210.258 million (General Fund £53.913 million, Housing Revenue Account £156.345 million) over the five-year period 2024/25 to 2028/29.

The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2024/25 to 2028/29.

General Fund Capital: Updated Summary (Indicative only)

The updated General Fund Capital Programme totals £53.913 million over the five-year period and is summarised – by service – in the table below.

| Draft General Fund Capital Programme 2024/25 to 2028/29 (Service Summary) | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|---------------|
| Service | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| | £000's | £000's | £000's | £000's | £000's | £000's |
| Commercial & Technical | 18,396 | 3,091 | 1,065 | 1,136 | 1,156 | 24,844 |
| Corporate Services | 1,064 | 1,219 | 1,024 | 993 | 0 | 4,300 |
| Housing (Property Services) | 318 | 303 | 300 | 300 | 300 | 1,521 |
| Qualis | 21,218 | 2,030 | 0 | 0 | 0 | 23,248 |
| Totals | 40,996 | 6,643 | 2,389 | 2,429 | 1,456 | 53,913 |

Given the Council's challenging financial position, growth proposals at this stage are limited to 2028/29 routine "rolling items" of £1.456 million (of which £971,000 is funded by Government grant).

Members should note that growth items are indicative only at this stage (rather than clear budget proposals) and the views of Cabinet are sought to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2023.

Housing Revenue Account: Updated Summary (Indicative only)

The updated HRA Capital Programme totals £156.345 million and is summarised in the table below.

| Draft HRA Capital Programme 2024/25 to 2028/29 | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Description | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| | £000's | £000's | £000's | £000's | £000's | £000's |
| Housing Development Programme | 17,450 | 17,288 | 9,107 | 8,477 | 0 | 52,322 |
| Capital Works | 23,609 | 13,287 | 15,004 | 17,654 | 15,457 | 85,011 |
| Regeneration Schemes | 3,950 | 3,250 | 6,000 | 0 | 0 | 13,200 |
| Other Housing Schemes | 1,490 | 1,026 | 1,038 | 1,358 | 900 | 5,812 |
| Totals | 46,499 | 34,851 | 31,149 | 27,489 | 16,357 | 156,345 |

The Programme is dominated by Housing Development (£52.322 million over 5 years) and routine Capital Works (£85.011 million over 5 years).

The Housing Development Programme includes both New Build Properties and Qualis Acquisitions.

The next stage in the process will see the assumptions and projections in both the General Fund and HRA Capital Programmes further refined in accordance with the direction provided by Cabinet and emerging intelligence. This will include making the necessary adjustments to the 'capital consequences' assumed in revenue budgets.

Reasons for Proposed Decision:

To provide an updated (initial) draft Capital Programme for the Cabinet's consideration, to allow discussion and direction in the further development of the Programme in order to balance the need to deliver on the Council's corporate priorities, whilst maintaining a balanced budget and achieving long-term financial sustainability.

Legal and Governance Implications:

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2024/25 to 2028/29).

Safer, Cleaner and Greener Implications:

The overall Capital Programme forms a key part of the Council's commitment to a 'Safer, Cleaner and Greener' (SCG) district, whereas the Housing Revenue Account Capital Programme in particular includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

Consultation Undertaken:

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, which is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focused around the delivery of the Council's Corporate Plan 2023-2027 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

Background Papers:

None.

Risk Management:

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.