

REPORT OF Deputy Section 151 Officer
To: Full Council
Subject: Capital Programme 2024/25 to 2028/29
Date: 19th February 2024

Reference:

PURPOSE OF REPORT: For Members to update the Capital Programme 2024/25.

The Capital Programme includes new PIDs (Project Initiation Documents) which require authorisation from members before inclusion.

1. Introduction

1.1. The Capital Programme covers the current and forthcoming five years.

It is made up of:

- Approved Projects (PIDs)
- New Proposed Projects (PIDs)

These are funded by:

- Current Capital Reserves
- Future Contributions from Revenue
- Current/Future Capital Receipts
- Current/Future Capital Grants

1.1 Capital Programme –Updates

New PID

There is one new PID for inclusion into the capital programme. This is £70K for replacement Wyse thin client PCs which are required for the councils next desktop infrastructure replacement.

Community Land Trust (CLT) Revolving Loan Fund

In February 2019 full council authorised the council to borrow up to £600K in order to make loans to community land trusts with the purpose of supporting affordable housing in the wider Torridge area.

See [Appendix 2](#) for full details of the CLT revolving loan fund (original policy)

Key Points:

- All loans approved by C&R
- Loans from £75K to £150K
- Loans secured with legal charge against land/property
- Interest charged at comparable PWLB rate
- Intended for short term lending of 5 years or less to enable scheme to be completed

To date no loans have been applied for.

These loans are classed as “capital loans”, therefore the capital programme needs to be updated to include this scheme.

1.2 Capital Programme – Bfwd

The brought forward balance on the Capital Programme approved by Full Council in February 2023 was:

	Capital Programme £'000s	Funding £'000s	(Surplus)/ Shortfall £'000s
Capital Programme (Feb 2023)	26,856	(29,129)	(2,273)

1.3 Capital Programme – Movements in the year

£20.7m of new capital projects in 2023/24 (including Appledore Clean Maritime Innovation Centre) – see appendix 1:

Effect on Capital Programme:

	Capital Programme £'000s	Funding £'000s	(Surplus)/ Shortfall £'000s
Capital Programme - Updated 23/24	46,590	(49,715)	(3,125)

Additional PID and reiteration of CLT loan scheme:

Wyse Thin Client PCs	70		
CLT Revolving Loan Fund	600	(600)	
	47,260	(50,315)	(3,055)

(See appendix 1 for detailed adjustments/movements)

The increased surplus relates to the Vehicle Programme and is caused by setting aside money for the main recycling fleet replacements in 2025/26 and 2032/33. With 2032/33 being beyond the 5 year programme.

1.4 Capital Programme Split

The updated capital programme has a surplus of £3.1m

However, a significant portion of this relates to the money we put aside to fund our refuse fleet in the future. (The main recycling fleet in 2025/26 and 2032/33).

Therefore, the programme can be split as follows:

	Capital Programme £'000s	Funding £'000s	(Surplus)/ Shortfall £'000s
Vehicle Programme	4,857	(6,838)	(1,980)
General Programme	42,403	(43,477)	(1,075)
Total	47,260	(50,315)	(3,055)

Note: The £2.0M surplus on the Vehicle programme is to fund the main recycling fleet replacement in 2032/33.

1.5 Capital Programme – Future Pressures

The General capital programme (excluding the vehicle programme) has a surplus of £1,075K

	Capital Programme £'000s	Funding £'000s	(Surplus)/ Shortfall £'000s
General Programme	42,403	(43,477)	(1,075)

However, there are significant future pressures:

- Leisure (3 centres, estimates of £60K per site per year)
- Transition to Net Zero
- New PIDs from 2024 to 2029
- Linear defence - working with environment agency
- Future INFLATION !!!!
- ACMIC – Pressure on the funding envelope

1.6 Capital Programme – Updated

See Appendix 3 for the current capital programme by project for 2024/25 to 2028/29

Implications

Legal Implications

The Council is required to set a balanced annual budget.

Financial Implications

If the recommendations below are used to update the Capital Programme, then the impact on the Capital Programme is contained within this report.

Human Resources Implications

There are no specific human resources implications.

Sustainability Implications

There are no specific sustainability implications.

Equality/Diversity

There are no specific equality/diversity issues.

Risk Management

A funded Capital Programme ensures the Council has the assets required to run its key services, and the existing Council's assets are maintained.

Compliance with Policies and Strategies

This Report fits within the Council's Capital Strategy.

Lead Member Views

Councillor Bushby:

Date of Consultation – 18th January 2024

“The Council has a significant Capital Programme, which is currently fully funded.

However it is facing some significant funding pressures, from both inflation and future capital requirements.

Any additional spend to the Capital Programme should be considered with these pressures in mind, therefore I support the recommendations in the report”.

Conclusion

The report highlights the pressures on the Capital Programme, in an environment where there is increasing uncertainty on the revenue budget.

1.9 Recommendations:

That Members consider the recommendations by Community and Resources on the 29th January 2024 and Internal Overview and Scrutiny on the 6th February 2024 to Full Council

- a) The Capital Programme is updated to include:
 - o Wyse Thin Client PCs
 - o Community Land Trust (CLT) Revolving Loan Fund

SUPPORTING INFORMATION

Consultations: Date of Consultation – 18 January 2024

 Officers Consulted –
 Steve Hearse Chief Executive
 Sean Kearney Head of Communities and Place
 Staci Dorey Head of Legal & Governance
 Gordon Bryant Finance Manager & Section 151 Officer

Contact Officer: Peter Hudson – Deputy Section 151 Officer