
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	22nd JULY 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/2020-21/July/outturn
SUBJECT:	FINAL CAPITAL OUTTURN 2020/21	
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).
- 1.2 To approve the final balance on Capital Reserves for 2020/21.

2.0 Purpose of the Report

- 2.1 To detail the final outturn position for 2020/21 on the Council's capital accounts.
- 2.2 This report is divided into the following sections:
 - Section 3 – General Fund and HRA Capital 2020/21
 - 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 2020/21 was approved in February 2020 and was updated following the outturn for 2019/20 to reflect the carry forward of income and expenditure for incomplete projects. Additional budgets have also been included for the General Fund Capital Bids and for property acquisitions on the HRA all reported separately.

3.5 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	2,711,992	2,935,000	223,008
Council House New Build and Acquisition	1,629,671	2,107,905	478,234
Private Sector Housing	544,994	2,017,850	1,472,856
Community Services	524,689	2,536,655	2,011,966
Environmental Services	3,177	28,500	25,323
Property, Plant and Equipment	437,750	1,565,361	1,127,611
TOTAL EXPENDITURE	5,852,273	11,191,271	5,338,998

	Actual £	Budget £	Variance £
External Grant and Contributions	566,027	2,020,850	1,454,823
Capital Resources	1,362,328	3,094,264	1,731,936
S106 Contributions	490,000	1,060,000	570,000
General and Earmarked Reserves	3,433,918	5,016,157	1,582,239
TOTAL FUNDING	5,852,273	11,191,271	5,338,998

HRA Capital

- 3.6 Major refurbishment works to Council housing was delayed initially due to the pandemic, but works have progressed well during the year. An underspend was expected against the budget, and this will be carried forward into 2021/22.
- 3.7 Disabled adaptations of Council housing are lower than budget mainly due to the pandemic. Delays to the assessment process and Occupational Therapist (OT) referrals, plus Council employees and contractor issues with accessing dwellings has resulted in a lower level of completions in year.
- 3.8 Measures have been undertaken to resolve the delays with additional contractor capacity secured and new OT resource recruited by Derbyshire County Council. The underspend will be carried forward to enable additional works in 2021/22.
- 3.9 The budget for new build and acquisition schemes consists of acquisitions of properties in Repton, Aston, Newhall and Overseal. Additional grant funding from the Fire Service was secured for properties in Overseal and Repton which was unbudgeted.
- 3.10 Five properties were acquired in Aston, four in Repton and five in Overseal and are all fully occupied.
- 3.11 The remaining 2 properties in Overseal were transferred to the Council in April 2021 therefore a carry forward of an element of the budget for 2020/21 was required for expenditure in 2021/22.
- 3.12 Acquisitions in Newhall are due to complete in 2021/22 and no expenditure has yet been incurred. The budget has been carried forward into 2021/22.

General Fund Capital

Private Sector Housing Works

- 3.13 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. Difficulties with OT referrals and access to properties due to the pandemic were also seen in this area but the underspend is to be carried forward for pipeline works in 2021/22.
- 3.14 In addition to the Better Care Fund (BCF) of £792k per annum received from Derbyshire County Council, the Council also received an additional top up for DFG in year of £106,696 from Central Government. This has been carried forward into 2021/22.
- 3.15 A list of projects was reported to the Committee in November 2020 and this report gave a three-year projection on expected spend. A number of these projects have been started in year but initial roll out was delayed due to the pandemic. A carry forward of £2,035,490 has been made during the year-end process to progress these projects in 2021/22. An updated report on progress with BCF projects will be reported to Housing and Community Services in August.

Leisure and Community Schemes

- 3.16 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.17 The Melbourne Sports Park project has been progressing throughout the year with completion expected early in 2021/22.
- 3.18 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Progress has been slow in year, but all unspent budgets will be carried forward and any projects that were not expected to begin during 2020/21 have secured funding that has been drawn down from reserves during the year-end process.

Environmental Projects

- 3.19 The budget included a sum of £28,500 for fly tipping and surveillance which has been partially spent in year. The balance is to be carried forward into 2021/22.
- 3.20 In addition to the approved budget, funding of £586,500 was secured as part of the Green Homes Grant application. As at the 31 March 2021, no expenditure has been incurred but the project is progressing well during 2021/22 and full commitment of the grant to community support is expected.

Vehicle Replacements

- 3.21 The scheduled replacements in 2020/21 were for a number of vans and smaller vehicles, a refuse freighter, a bulky waste vehicle and a gully cleansing vehicle.
- 3.22 Supply of vehicles was delayed during the pandemic, and it is expected that these vehicles will be acquired in 2021/22. During the year, tractors and Grounds Maintenance vehicles were purchased.

Asset Disposals and Refurbishment

- 3.23 Costs associated with the sale of the former Depot site are covered by the £855k received for completion of the sale in year.
- 3.24 A General Fund contribution of £90k 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.
- 3.25 The projects for the Chamber Building purchase, demolition works in the Town Centre, the extension of Marston on Dove Cemetery and Melbourne Assembly Rooms refurbishment were all approved as part of the Capital Bidding round. All expenditure is fully funded with underspends carried forward and overspends drawn down earlier than forecast.
- 3.26 Midway Community Centre pitch work and extension has not yet completed. The allocated budget of £250k will be carried forward. In addition, a contribution of £20k has been received in year from the Developer to help support the works. This has also been carried forward.

IT Strategy

- 3.27 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.28 Renewal of equipment and servers has been completed in year. The allocated budget was not expected to be fully spent in year with the underspend earmarked for replacements of equipment over the three-year planning cycle set out as part of the Strategy.

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	16,759,238

HRA Capital Reserves

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

3.30 Right to Buy sales have totalled 16 as at 31 March 2021 and £695,949 is included in the New Build and Acquisition Reserve above and is summarised in the following table.

	Sales £	Gross Receipts £	Less Pooled £	Retained	
				£	%
Quarter 1	1	80,925	-66,405	14,520	18%
Quarter 2	0	0	0	0	0%
Quarter 3	6	446,075	-167,294	278,781	62%
Quarter 4	2	142,640	-27,550	115,090	81%
Total	9	669,640	-261,249	408,391	61%

3.31 A sum of £120,915 was received in year from an insurance claim due to the loss of a dwelling because of a fire in Newhall in 2019/20. This has been transferred into the New Build and Acquisition capital reserve.

3.32 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.

3.33 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.

3.34 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>

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

General Fund Capital Reserves

3.36 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance. Older committed projects are listed in the table below and the approved capital bid projects are listed in Appendix 2.

3.37 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 3 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	2,744,165
Affordable Housing	2,980,212
Property	479,006
SDDC Unspecified	484,890

6,688,272

3.38 A sum of £855,000 has been received during 2020/21 in settlement for the sale of the former depot plus an amount of £517,803 under a collaboration agreement for sale of land at Oversetts Road. The remaining balance for this land sale is due in 2021/22.

	£ 2020/21	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd	1,186,010	2,319,300	1,381,283	909,810	762,822	677,822
Receipts in Year:						
Sale of former Depot Site	855,000	0	0	0	0	0
Land Sale Oversetts Road	517,803	983,847	0	0	0	0
Specific Projects:						
Strategic Housing Market Assessment	0	0	0	0	25,000	0
Private Sector Stock Condition Survey	0	0	0	0	60,000	0
Empty Property Grants	0	-38,000	0	0	0	0
Repairs to Village Halls	0	-6,700	0	0	0	0
Public Buildings Planned Maintenance	0	-58,032	0	0	0	0
Midway Community Centre Extension	0	-250,000	0	0	0	0
Vehicle Replacements	0	0	0	0	0	650,000
Capital Bids approved October 2020	-217,043	1,569,132	-471,473	146,988	0	0
Cost of Depot sale	-22,470	0	0	0	0	0
	2,319,300	1,381,283			677,822	
Remaining Balance	0	3	909,810	762,822	2	27,822
Specific Receipts for Specific Projects						
B/fwd Balance	228,663	228,663	0	0	0	0
Remaining Balance on Oversetts Project	0	-228,663	0	0	0	0
C/fwd Balance	228,663	0	0	0	0	0
Total Capital Receipts Reserve Balance	2,547,963	1,381,283	909,810	762,822	677,822	27,822

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

3.40 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.

CAPITAL EXPENDITURE 2021/22

APPENDIX 1

	Actual £	Budget £	Variance £
Disabled Facility Grants and other Works	136,570	553,352	416,782
Discretionary Top-up Grants for under 18's	0	100,000	100,000
Healthy Homes Project	30,746	129,872	99,126
Establishing a Hospital to Home Scheme	0	200,000	200,000
Dedicated Mental Health Worker	36,593	40,000	3,407
Additional Technical Officer	32,892	40,000	7,108
Relocation Grant	0	100,000	100,000
Dementia Friendly Homes Grant	0	20,000	20,000
Domestic Violence Crisis Prevention	50,000	50,000	0
Hospital Discharge Grant	20,335	30,000	9,665
Healthy Homes Assistance Fund	59,071	199,626	140,555
Pilot Schemes	58,797	200,000	141,203
Capital One-off Projects	0	150,000	150,000
Stay Active and Independent for Longer	8,275	60,000	51,725
Temporary Health and Housing Co-ordinator	0	45,000	45,000
Temporary Public Health Officer	37,337	45,000	7,663
Temporary Occupational Therapist	0	55,000	55,000
Property Flood Resilience Recovery Support Scheme	74,378	0	-74,378
Private Sector Housing	544,994	2,017,850	1,472,856
Community Partnership Scheme	135,842	400,695	264,853
Melbourne Sports Park - Drainage Works	296,238	419,801	123,563
Urban Park William Nadin Way	19,381	0	-19,381
CCTV Town Centre	1,500	13,000	11,500
Revitalising Rosliston Forestry Centre	65,693	50,000	-15,693
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	0	20,000	20,000
Paradise Garden	0	30,000	30,000
Miners Memorial Project	0	185,000	185,000
Improvements to Swadlincote Woodlands	0	30,000	30,000
Eureka Park Bowling Green Improvements	0	40,000	40,000
Improvements to Play Areas	6,035	160,000	153,965
Community Services	524,689	2,536,655	2,011,966
Fly Tipping & Surveillance	3,177	28,500	25,323
Environmental Services	3,177	28,500	25,323
Vehicle Replacements	134,989	730,661	595,672
Asset Replacement and Investment	0	190,000	190,000
Darklands Road, Sale of Depot	22,470	0	-22,470
Repairs to Village Halls and Community Facilities	0	6,700	6,700
IT Strategy	84,742	210,000	125,258
Repairs to Melbourne Assembly Rooms	125,434	50,000	-75,434
Purchase Of Chamber Building	68,481	80,000	11,519
Town Centre Regeneration	1,635	0	-1,635
Extension to Marston on Dove Cemetery	0	48,000	48,000
Midway Community Centre Extension	0	250,000	250,000
Public Buildings - Planned Maintenance Programme			0
Property, Plant and Equipment	437,750	1,565,361	1,127,611
GENERAL FUND CAPITAL	1,510,610	6,148,366	4,637,756
Acquisitions - Aston on Trent	495,648	487,905	-7,743
Acquisitions - Repton	498,548	490,000	-8,548
Acquisitions - Overseal	635,475	850,000	214,525
Acquisitions - Newhall	0	280,000	280,000
Major Improvements under Self-financing	2,569,012	2,635,000	65,988
Major Disabled Adaptations	142,980	300,000	157,020
HRA CAPITAL	4,341,663	5,042,905	701,242

Project	Fund	BUDGET					Total
		2020.21	2021.22	2022.23	2023.24	2024.25	
Fly Tipping and Environmental Surveillance	Capital receipts	28,500	0	0	0	0	28,500
Carbon Reduction	Capital receipts	0	0	50,000			50,000
Town Centre Regeneration	Earmarked	0	255,665	0	0	0	300,000
	General Fund	0	44,335	0	0	0	
Purchase of Unit 1 George Holmes BP	Earmarked	80,000	0	0	0	0	80,000
Melbourne Assembly Rooms	Capital receipts	50,000	110,000	100,000	0	0	260,000
Oversetts Road Football Facility	Capital receipts	618,159	0	0	0	0	1,188,159
	S106	570,000	0	0	0	0	
SuDS Improvements	Capital receipts	20,000	0	46,988	0	0	120,000
	Capital grants	0	50,000	3,012	0	0	
Paradise Garden, Swadlincote Town Centre	Capital receipts	30,000	0	0	0	0	30,000
Revitalising Rosliston Forestry Centre	Capital receipts	50,000	235,237	321,473	100,000	0	832,000
	Earmarked	0	125,290	0	0	0	
CCTV in Swadlincote Town Centre	Capital receipts	10,000	0	0	0	0	13,000
	External cont	3,000	0	0	0	0	
Improvements to Play Areas	Capital receipts	160,000	10,000	0	0	0	280,000
	S106	0	110,000	0	0	0	
Extension to Marston on Dove Cemetery	Capital receipts	48,000	0	0	0	0	48,000
Miners Memorial Project, Eureka Park	Capital receipts	185,000	0	0	0	0	185,000
Urban Park at William Nadin Way	Capital receipts	0	391,560	0	0	0	860,000
	S106	0	468,440	0	0	0	
Improvements to Swadlincote Woodlands	Capital receipts	30,000	0	0	0	0	40,000
	Earmarked	0	10,000	0	0	0	
Eureka Park Bowling Green Improvements	Capital receipts	40,000	0	0	0	0	40,000
TOTAL APPROVED CAPITAL BID BUDGETS		1,922,659	1,810,527	521,473	100,000	0	4,354,659

APPENDIX 3

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	
		£	£	£	£		
2013/0663	Aston					20/03/2024	Canal Trust in talks
2010/0320	Aston	20,706				N/A	Weston & Aston PC taking lead
2012/0568	Aston	539,550				28/02/2024	180k of this to Derby City - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2014/0232	Aston	22,839				06/04/2024	Weston & Aston PC have project for RIA
2016/0583	Aston	15,733				20/02/2024	Derby City taking lead
2016/0870	Aston	15,052				26/06/2024	working with Weston & Aston Parish on spend
2016/0898	Aston	14,886				05/07/2023	working with Weston & Aston Parish on spend
2017/0416	Church Gresley	24,979					£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
2013/1040	Etwall	89,737				22/02/2022	To be spent on Etwall LC car park
2014/0562	Etwall			60,386		06/11/2024	Etwall Leisure Centre
2014/1136	Etwall			298,452		19/06/2025	Leisure Centre
2015/0354	Etwall	21,590				01/10/2023	King George V Playing Field - Etwall PC getting 3 quotes
2015/0768	Etwall	146,126	2,142,360			14/02/2023	£94k towards Newhouse Farm Community Centre £52k towards group exercise and swimming provision at Etwall LC
2017/0349	Etwall	75,648			370,682	28/09/2025	Potentially towards Etwall Leisure Centre
2017/1293	Hilton	1,132				04/10/2024	Hilton Parish looking to spend
2013/1044	Hilton	214,103				21/06/2023	Hilton PC taking lead - £55k towards Scout Hut
2014/0980	Hilton	23,562				28/02/2022	Hilton PC taking lead
2017/0948	Linton	91,670				04/12/2025	Towards Revitalising Rosliston Forestry Centre project
2015/0426	Linton	20,946				21/11/2024	Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities
2015/0723	Linton	71,655				14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2014/1141	Melbourne	15,326				01/11/2028	Kings Newton Bowls Club

2016/0094	Midway	26,256				19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2011/0952	Newhall and Stanton	15,708				05/05/2022	included within the "Improvements to play areas" project
2014/0222	Newhall and Stanton	16,892				01/09/2017	included within the "Improvements to play areas" project - Newhall Park
2014/0888	Newhall and Stanton	570,000				15/03/2020	Oversetts Road Football Facility
2015/0396	Newhall and Stanton	13,815				04/09/2024	Towards Oversetts Recreation Ground
2017/0667	Newhall and Stanton	76,182	187,162	42,246		02/02/2026	Towards Urban Park project
2016/1118	Repton	17,277				02/03/2026	Repton Village Hall
2013/0643	Repton		497,916			22/12/2022	
2014/0431	Seales	6,200				30/06/2022	Towards Swadlincote Woodlands
2015/0029	Seales	12,904				21/03/2026	Changeroom at Overseal Rec
2017/0819	Seales	5,635				28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground
2011/0006	Swadlincote	38,430				08/11/2023	including within the "Improvements to play areas" project
2019/1183	Swadlincote				14,208		
2011/0329	Swadlincote	19,386				29/03/2024	including within the "Improvements to play areas" project
2013/0818	Swadlincote	59,505				20/03/2022	£8.5k towards Urban Park project
2014/0300	Swadlincote	25,858				22/10/2024	towards MUGA at Maurice Lea Memorial Park
2006/0885	Willington and Findern				100,000		Willington Brook Works
2011/0292	Willington and Findern	46,857				N/A	£25k towards Twyford Pavilion
2012/0586	Woodville	11,918				N/A	Towards the provision of Open Space
2012/0861	Woodville	22,134				N/A	Included within the "Improvements to play areas" project
2013/0364	Woodville	2,118				15/03/2022	Projects relating to Improvements to Swadlincote Woodlands
2015/0534	Woodville	31,692				03/01/2023	Woodville PC taking lead
2015/0561	Woodville	20,402				12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335				07/02/2024	In talks with Hartshorne PC
2015/0976	Woodville	7,316				29/11/2023	Woodville Parish looking to spend
2016/0329	Woodville	28,960				02/07/2025	Included within the "Improvements to play areas" project
2018/0377	Woodville	20,366				16/03/2026	
TOTAL AVAILABLE		2,744,165	2,980,212	479,006	484,890	6,688,272	