

REPORT TO:	COUNCIL	AGENDA ITEM: 12
DATE OF MEETING:	28 FEBRUARY 2024	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: S/Finance/Committee/2023-24/February
SUBJECT:	CAPITAL BUDGET 2024-25 AND CAPITAL PROGRAMME TO 2028-29	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That Council consider and approve the capital programme expenditure and funding to 2029.
- 1.2 That Council notes the indicative Capital Programme for 2025/26 – 2028/29 and approves the Fleet Replacement budget for 2025/26.

Purpose of the Report

- 2.1 To detail the Councils proposed capital expenditure and funding for the five-year planning period to 2028.
- 2.2 The proposals included within the report are in relation to capital expenditure and funding for both the General Fund and Housing Revenue Account (HRA). The full programme is listed in Appendix 1.

3.0 Introduction

- 3.1 The Capital budget 2024/25 and the Capital Programme 2024/25 to 2028/29 was considered and approved and Finance and Management Committee on the 15th February 2024.
- 3.2 This report summarises the comments received as part of the budget consultation in Appendix 2.

Impact on Reserves

4.0 The below shows the impact of the proposed Capital budget on the level of Capital and earmarked reserves. The position forecast at March 2024 is based in the current reserves.

Table 1 – Reserves Forecast

Type of Reserve	Opening Balance - April 2023	Estimated use of Reserves 2023/24	Estimated Balance March 2024	Estimated Use of Reserves 2024/25	Estimated balances March 2025
General Fund Unallocated Reserves	£15,222,148	£3,220,257	£12,001,891	£227,737	£11,774,154
Earmarked Reserves	£12,504,150	£241,741	£12,262,409	£3,245,651	£9,016,758
Total Useable Revenue Reserves	£27,726,298	£3,461,998	£24,264,300	£3,473,388	£20,790,912
Capital Reserves	£2,281,797	£1,244,362	£1,037,435	£274,928	£762,507
Capital Grants unapplied	£1,449,529	£381,012	£1,068,517	£458,606	£609,911
Total Useable Capital Reserves	£3,731,326	£1,625,374	£2,105,952	£733,534	£1,372,418
Total General Fund Reserves	£31,457,624	£5,087,372	£26,370,252	£4,206,922	£22,163,330

5.0 Capital Programmes

General Fund

5.1 Proposals funded through ‘unsupported borrowing’ on the General Fund impact the ‘Minimum Revenue Provision’ (MRP) estimate for future years, which effectively is a method of calculating the estimated repayment of that internal borrowing. MRP is funded through revenue, and so an increase in capital expenditure plans funded through unsupported borrowing, increases expenditure on the General Fund in respect of MRP.

5.2 The total General Fund Capital budget for 2024/25 is £9,805,063 as detailed in Appendix 1.

HRA

5.3 The Capital programme for the HRA is a rolling 5-year programme of £19,749,676 consisting of capital improvements to the councils housing stock, disabled adaptations and vehicle replacements as detailed in Appendix 1.

6.0 Corporate Implications

Employment Implications

6.1 There are no direct employment implications arising from this report.

Legal Implications

6.2 There are no direct legal implications arising from this report. The final budget has been developed on a series of requirements of the Council in line with legal and regulatory requirements around service provision. Specific legal implications of proposals have been considered by the relevant committees in January/February 2024.

Corporate Plan Implications

6.3 This draft budget has been prepared to support the delivery of the Council's new Council Plan.

Risk Impact

6.4 The draft budget has been prepared to support the effective management of service risk. The council's risk register will be updated accordingly and presented to the relevant committees as part of the council's established performance monitoring approach.

6.5 The budgets will be monitored throughout the year to ensure the Council remains within its funding envelope and the planned programme is delivered.

7.0 Community Impact

Consultation

7.1 As detailed in the report, relevant stakeholders in the business community were directly consulted on the budget proposals, in line with the council's statutory duty to consult ratepayers.

7.2 In addition, between 15 December 2023 and 26 January 2024 wider public consultation was undertaken via the Council's website and at Area Forums.

7.3 All consultation feedback received will be collated and reported as part of the final budget report in February 2024.

Equality and Diversity Impact

7.4 A preliminary Equalities Impact Assessment (EIA) has been undertaken on the budget.

7.5 This has identified that the budget could have significant positive impacts, particularly where it focuses on expansion of some services or investment in assets. The extent to which residents will benefit is dependent on individual circumstances and the consumption of services.

7.6 As other proposals are introduced the specific equality impacts will be considered by Heads of Service with their relevant Strategic Director before implementation taken forward.

Social Value Impact

7.7 There are no social value impacts. Individual decision based impacts on material budgetary proposals have been considered by the relevant committees in January/February 2024.

Environmental Sustainability

7.8 There are no social value impacts. Individual decision based impacts on material budgetary proposals have been considered by the relevant committees in January/February 2024.

7.9 The budget proposes investment in the replacement of council vehicles and reducing our carbon emissions.

8.0 Background Papers

8.1 Report to Finance and Management Committee, 5 October 2023, "Budget Setting Approach 2024/25".