

## REPORT TO CABINET

<b>Open with exempt section</b>		<b>WOULD ANY DECISIONS PROPOSED :</b>		
<b>Any especially affected Wards None</b>	Mandatory	(a) Be entirely within Cabinet's powers to decide	<b>YES</b>	
		(b) Need to be recommendations to Council	<b>NO</b>	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers	<b>NO</b>	
Lead Member: Councillor Angie Dickinson E-mail: cllr.angie.dickinson@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Sunjiv Seetul E-mail: Sunjiv.Seetul@west-norfolk.gov.uk		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) NO	Equal Opportunities Implications NO	Risk Management Implications YES
If not for publication, the paragraph of Schedule 12A of the 1972 Local Government Act considered to justify that is paragraph 3 for the exempt section of the report				

**Date of meeting: 21 September 2021**

### Capital Programme and Resources 2020/2025

#### Summary

The report provides details of the outturn of the 2020/2021 capital programme and outlines amendments and rephrasing to the spending on schemes, revising the programme for 2020/2025. The capital programme outturn for 2020/2021 totalled £9,647,035 (£11,814,538 including Exempt and Capital Loans) against an approved budget of £15,519,610 (£20,642,450 including Exempt and Capital Loans). It has been necessary to rephase a total of £6,247,370 (£9,596,710 including Exempt) of scheme costs to future years. Useable capital receipts generated in the year totalled £14,429,635. The capital resources available to fund expenditure in 2020/2021 are detailed in section 3 of the report.

#### RECOMMENDATION

That Cabinet :

1. note the outturn of the capital programme for 2020/2021 of £11,814,538 including Exempt Schemes;
2. note the financing arrangements for the 2020/2021 capital programme;
3. approve the revised 2020/2025 capital programme and financing as detailed in the report.

#### Reason for Decision

To report the outturn 2020/2021 for the Capital Programme and update members on capital spending and resources for 2020/2025.

## 1 Introduction

- 1.1 This report presents the outturn of the 2020/2021 capital programme and provides details of amendments and rephasing resulting from under and overspends and their impact on the 2020/2025 programme. The report also outlines the financing of the 2020/2021 programme.

## 2 Capital Programme 2020/2021

- 2.1 The full capital programme for 2020/2021 is shown at Appendix 1 and provides details of the outturn for individual schemes, together with amendments and rephasing to/from future years.
- 2.2 A full updated Capital Programme 2020/2021 of £20,642,450 was reported at the Cabinet meeting on 2 February 2021 and approved by Council on 25 February 2021. There were no further amendments since this approval.

<b>Scheme</b>	<b>Capital Programme (Cabinet February 2020)</b>	<b>Monitoring - Amendments</b>	<b>Monitoring - Rephasing</b>	<b>Revised Capital Programme 2020/2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Core Programme</b>	15,519,610	-	-	15,519,610
<b>Exempt Schemes</b>	5,122,840	-	-	5,122,840
<b>Total</b>	20,642,450	-	-	20,642,450

- 2.3 The final figures for the outturn on the capital programme show that it has been necessary to carry forward net budget provision of £6,247,370 to 2021/2022 and future years. £3,349,340 has been carried forward on exempt schemes. In a number of cases there were over or under spends which net to a £768,795 overspend across the capital programme (£3 including exempt schemes).

The main schemes where over/(underspends) are reported are detailed in the table below.

	<b>(Under)/Over £</b>
<b><u>MAJOR PROJECTS</u></b>	
NORA Joint Venture – Additional expenditure was incurred on NORA Joint Venture, this will be recovered through additional sales revenue	215,109
Corn Exchange Cinema – Additional spend mostly due to the need to redesign the roof of the premises due to leaking. Upon inspection the existing frame was not strong enough to support the existing glass.	93,063
<b><u>OPERATIONAL PROJECTS</u></b>	
Replacement Finance Ledger – Costs incurred in the development of the financial ledger have been funded from reserves.	99,400
Lynnsport Toilets – Works undertaken to refurbish toilets at Lynnsport originally expected to be funded by a grant have now been completed and funded from reserves.	54,916
Careline Replacement – Not all alarms scheduled for replacement were completed due to the recycling of equipment. The replacement programme will continue in 2021/2022.	(57,700)
<b><u>CAPITAL LOANS</u></b>	
West Norfolk Housing Company has been loaned funds for capital purchases	394,000
Miscellaneous movements	(29,993)
	<b>768,795</b>

2.4 The following tables show the summary of the programme and actual spend to 31 March 2021. The detailed outturn for the Capital Programme 2020/2021 is presented at Appendix 1.

Table 1

	<b>Budget 2020/2021</b>	<b>Outturn 2020/2021</b>	<b>Rephasing (to)/from 2021/2022</b>	<b>Variance (Under)/Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Major Projects	11,590,610	6,957,479	(4,798,810)	165,679
Operational Projects:				
Community and Partnerships	2,343,120	1,825,611	(434,810)	(82,699)
Resources (S151 Officer)	465,680	237,466	(314,250)	86,036
Regeneration	21,350	35,160	-	13,810
Property and Projects	42,000	40,695	-	(1,305)
Operational and Commercial Services	987,990	429,485	(699,500)	140,995
Alive West Norfolk	68,860	121,139	-	52,279
Capital Loans	0	394,000	-	394,000
<b>Capital Programme Outturn</b>	<b>15,519,610</b>	<b>10,041,035</b>	<b>(6,247,370)</b>	<b>768,795</b>

	<b>Budget 2020/2021</b>	<b>Outturn 2020/2021</b>	<b>Rephasing (to)/from 2021/2022</b>	<b>Variance (Under)/Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Exempt Corporate Schemes	5,122,840	1,773,503	(3,349,340)	3

2.5 The main areas for the proposed rephasing are detailed below. The detailed outturn is presented at Appendix 1. Exempt schemes are in a separate section of this report and also in Appendix 3.1.

### Major Projects

#### **Enterprise Zone £210,050**

Infrastructure works are now expected to complete in 2021/2022.

#### **Major Housing Development and Joint Venture £3,085,050**

There are currently a number of sites being developed by the Council. A total of £3,085,050 has been rephased to 2021/2022. The table 3 in 2.7 details the units by site. These are all at various stages. NORA 1-3 and Marsh Lane, Lynnsport 4-5 works are complete; NORA 4 is currently under construction. Columbia Way, works are to commence in September 2021. Parkway has obtained planning permission and a revised scheme is to be

submitted on September 2021. Alexandra Road and South End Road have planning permissions and are in the mobilisation stage.

### **Major Housing Development Third Party Contributions**

The capital programme now includes the Accelerated Housing Grant (AHG) as a contribution, this was previously shown in the financing table:

	<b>2020/2021</b>	<b>Total AHG in Capital Programme</b>
Salters Road	(342,934)	(918,440)
NORA Phase 4	(1,370,998)	(3,035,320)
Parkway	(43,725)	(43,720)
<b>Total</b>	<b>(1,757,657)</b>	<b>(3,997,480)</b>

### **Other Major Projects –**

#### **South Quay Somerfield Thomas Development £287,810**

The restoration of the warehouse have been rephased until 2021/2022, this is due to delays with the architects and the necessary investigations, plans and permissions

#### **Factory Unit 1 £291,360**

The premises relocation of the waste transfer and public and open space service area is currently ongoing, it is expected for the project to complete in the 2021/2022 financial year.

#### **Southgate Regeneration Area £315,000**

A delay on this project following an unsuccessful match funding grant request. These works will now progress in 2021/2022 as part of the Heritage Action Zone programme.

#### **School of Nursing £561,850**

Specialist equipment has been ordered for the College of West Anglia school of nursing project. A long lead time means that the equipment will be delivered in 2021/2022.

### **Operational Schemes**

#### Community and Partnerships

#### **Private Sector Housing Assistance £346,630**

These budgets are committed for grant applications that are either approved but the works are not yet complete, applications are being assessed or cases on the waiting list. Budget provision of £346,630 is to be brought forward from 2020/2021.

#### **Community Projects – Financial Assistance £88,180**

Budget provisions for community projects have not been fully utilised in 2020/2021 due to Covid-19. The underspend is £88,180. £55,000 of this has been committed and is to be allocated between the borough's wards at £1,000 per ward for projects. The remaining £33,180 will be considered for community projects by Norfolk Foundations who administer the grants on behalf of the council.

## Resources

### **ICT Development Programme £314,250**

£314,250 has been rephased to 2021/2022. The ICT Development Programme is expected to resume meetings so developments can begin again since Covid-19.

## Operational and Commercial Services

### **Mintlyn Crematorium – Extend Car Park £33,000**

£33,000 rephased to 2021/2022. The project is to be reviewed in the autumn once the levels of congregation has a more stable “normality”.

### **Walks Car Park Resurface, Pay and Display £59,820**

£59,820 has been rephased to 2021/2022. The project completed in May 2021 and the car park is now being used by motorists.

### **Vehicles £190,830**

Budget provision of £190,830 has been carried forward to 2021/2022 to meet the cost of the on-going vehicle replacement programme for Grounds Maintenance and Public Cleansing Vehicles. Delays in manufacturing are still ongoing.

### **CCTV £78,510**

£78,510 has been rephased to 2021/2022. The budget rephased was for CCTV Upgrades in the CCTV Control Room; Kettlewell Gardens; Multi Storey and the Crematorium are expected to be finished in the next financial year.

### **Estate Roads £30,500**

£30,500 has been rephased to 2021/2022.

### **Replacement Play Area Equipment (KLAC) £30,000**

£30,000 to replace play area equipment has been rephased to 2021/2022, resourcing issues and the impact on lead times due to production issues from manufacturers because of Covid-19. In addition to this an underspend in revenue of £20,000 will be added to 2021/2022 budget to fund additional equipment, further details shown in section 5.2.

### **Resorts £65,000**

The resort signage budgets of £65,000 have been rephased to 2021/2022 due to links with other projects.

### **Street Furniture / Public Realm £126,020**

The underspent budget of £126,020 has been transferred to 2021/2022 the capital programme, to be continued to be spent on social distancing signage, waste facilities, street furniture and public realm improvements to aid social distancing as part of the ‘Reopening High Streets Safely Fund; and the ‘Norfolk Tourism Support Package’.

### **Events Programme £35,000**

The net value of £35,000 for the Norfolk Strategic Fund to fund equipment for events including a screen and 4 light projectors has been carried forward to 2021/2022. The scheme will assist the council in modifying the current

events programme considering Covid-19 with ‘a little and often’ style approach rather than large crowd events in the future.

### **Heacham Toilets South Beach £27,500**

Following resourcing delays due to Covid-19 £27,500 has been rephased with works expected to complete in 2021/2022.

- 2.6 Total useable capital receipts generated in 2020/2021 from preserved right to buy sales of former council houses and land sales were £233,590. The table below shows the summary of useable capital receipts generated in 2020/2021.

Table 2

	<b>2020/2021</b>	<b>2020/2021</b>
	<b>Budget</b>	<b>Outturn</b>
	<b>£'000</b>	<b>£'000</b>
Council Houses Preserved Right to Buy	0	234
General Fund – Land	755	325
Land (NORA)	158	182
General Fund – Land (Lynnsport 3; 4&5)	1517	1,255
General Fund – Land (Marsh Lane)	0	97
<b>Total</b>	<b>2,430</b>	<b>2,093</b>

- 2.7 Table 3 below illustrates all the units sold to date on the NORA Joint Venture and the Major Housing Project. The last remaining 7 houses on the Nar Valley Park (NORA Development) which were sold in 2020/2021 (1 from Phase 2 and 6 from Phase 3). The total amount received in respect of the house sales was £2,051,301 (this includes £182,224 in respect of the land receipt which is reported as part of the general fund land sales to the Council in 2.6 above). The sales receipts received in 2020/2021 have been used to meet expenditure incurred on the NORA Housing Development in 2020/2021, and to partly repay temporary borrowing which relates to expenditure on the project from prior years. The NORA Housing Development is a joint arrangement with Norfolk County Council.
- 2.8 The remaining 6 houses were sold on the Marsh Lane Development for a total of £1,350,000 (this includes £97,385 in respect of the land receipt as part of the general fund land sales to the Council in 2.6 above). 20 houses were sold on the Lynnsport 4/5 Development for a total of £4,366,467 (this includes £600,000 in respect of the land receipt as part of the general fund land sales to the Council in 2.6 above) and 33 houses were sold on Lynnsport 3 for a total of £6,060,900 (this includes £655,111 in respect of the land receipt as part of the general fund land sales to the Council in 2.6 above). The sale receipts are used to fund expenditure on the Major Housing Project alongside temporary borrowing.

Table 3

The units sold in 2020/21 on each development are outlined in 2.7 and 2.8. The table below summarises the total number of units sold at 31.03.21 accumulatively:

	<i>Total Units</i>	<i>Sold pre 31.03.21</i>	<b>Units in Current Capital Programme 2021-2025</b>
<u>Joint Venture</u>			
NORA 1	54	54	-
NORA 2	58	58	-
NORA 3	50	50	-
<u>Major Housing</u>			
Marsh Lane	130	130	-
Lynnsport 3*	54	33	21
Lynnsport 4&5**	89	81	8
Lynnsport 1	96	-	96
NORA 4	105	-	105
Columbia Way	78	-	78
Alexandra Road, Hunstanton	26	-	26
Bus Station, Hunstanton	47	-	47
South End Road, Hunstanton	32	-	32
Parkway	226	-	226
	<b>1045</b>	<b>406</b>	<b>639</b>

\* 2 properties completed in 2021/2022. The remaining 19 properties have been leased to West Norfolk Housing Company (WNHC) who will be purchasing the properties once funds are secured.

\*\* the remaining 8 properties have been leased to WNHC who will be purchasing the properties once funds are secured.

Table 4

<b>Capital Receipts</b>	<b>£'000</b>
Council Houses Preserved Right to Buy	234
General fund – Land	325
Vehicles and Equipment	32
Housing Sales Receipts including land	13,829
Housing Grants	10
	<hr/>
	14,430

### 3 Financing of the Capital Programme 2020/2021

- 3.1 The following table details the sources of finance used to fund capital spending during the year. The strategy adopted in financing is designed to make full use of all specific grants and thereby protect future allocations. Funding is taken from capital and revenue reserves for those specific schemes identified with resources. The strategy is then to make full use of useable capital receipts and the balance of funding to be taken from capital and revenue reserves.

Table 5

	£
<b>Total Capital Programme Outturn to be Funded 2020/2021</b>	<b>15,203,518</b>
Less Third-Party Contributions	(3,388,981)
<b>Capital Programme Expenditure to be Funded</b>	<b><u>11,814,537</u></b>
<b>Sources of Finance:</b>	
Specific Capital Grant - Better Care Fund	1,775,307
Unsupported Borrowing	2,044,589
Capital Reserves	974,129
Capital Receipts applied in year	8,967,284
NCC Share of NORA Joint Venture	107,555
Capital Creditors	792,268
Capital Advance Receipts	(2,769,940)
Capital Prepayments	(76,655)
<b>Total</b>	<b><u>11,814,537</u></b>

- Specific capital grant is for Disabled Facilities Grants (DFGs) which is allocated directly from the Government as part of the Better Care Funding and paid via Norfolk County Council.
- Unsupported Borrowing is the level of loans taken on by the Council and paid from within the budgets of services. During 2020/2021 unsupported borrowing was used to purchase vehicles and equipment where previously lease payments were made. In effect the lease payments now pay the debt charge. No help is available from Government to pay the costs – therefore they are classed as unsupported.
- Capital Reserves have been previously set aside for particular schemes. In some cases, regular annual contributions are made to the reserves (e.g. sports and arts facilities, offices). Useable capital receipts received in previous years are held in reserves until applied to capital financing.

- Capital Receipts come from the sale of assets including the receipts generated from the major housing sales receipts and the preserved rights from the sale of former council houses.

3.2 The capital creditors, advance receipts and prepayments represent payments that will be made or received during 2020/2021. The net sum is actually funded from capital reserves when payments are made/income received in 2020/2021.

#### **4 Minimum Revenue Provision**

4.1 A requirement of capital controls is that details of the minimum revenue provision (MRP) calculation are reported to Cabinet. The MRP is the minimum amount that must be charged to the Council's revenue accounts each year as a provision to repay debt. Changes to the basis of calculating MRP were made by the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008. A local authority is required to calculate an amount of MRP which they consider to be prudent, prepare a statement of its policy on making MRP and submit it to full Council. The Treasury Management Strategy 2020-2021 approved at Council on 27 February 2020 set out the policy proposals for the Borough for 2020/2021.

4.2 The amount of MRP charged to the accounts in 2020/2021 is £373,650 against a budget of £373,650. The actual MRP charge 2020/2021 has been calculated in accordance with the Council's policy based on the capital financing requirement as at 1 April 2020.

#### **5 Capital Programme 2020/2025**

5.1 The Capital Programme 2021/2025 was approved by Council on 25 February 2021. As detailed at section 2 above, it is proposed to carry forward budget provision from 2020/2021 to 2021/2022. In addition, rephasing between years across the period 2021/2022 to 2024/2025 is also reported as the timing of schemes has been reviewed and updated.

5.2 The following amendments have been included in the capital programme 2021/2022 and detailed at Appendix 2:

##### **St George's Guildhall – Towns Fund**

A budget of £750,000 has been added to the capital programme in 2021/2022 to fund a proportion of the refurbishment and studio space in the White Barn at the at St George's Guildhall as reported to cabinet on 24 August 2021.

##### **Corn Exchange Cinema**

An additional £17,730 has been added to the capital programme for 2021/2022. This is for the retention of the works to the roofing as above in 2.3.

##### **Kings Court Flat Roof**

It has become necessary to replace the flat roof in the centre of Kings Court due to it being at the end of its useful life and leaking. The £56,000 will be funded from reserves.

##### **Re:Fit Project**

Retention monies of £37,750 have been added to the capital programme for 2021/2022. In addition to this £598,260 has been added to fund the works for LED street lighting replacement, this was originally agreed by Council in November 2018.

### **Lynnsport**

£80,000 has been transferred from the boiler and plant replacement scheme (currently £115,000) to fund the athletic cage replacement and lighting upgrade. The existing athletics equipment are at the end of their useful life and need updating to comply with health and safety standards. The boiler and plant replacement will not require the full budget of £115,000 as underground source heat pumps are being provided as part of the Decarbonisation Re:Fit 2 scheme.

### **Replacement Play Area Equipment (KLAC) £20,000**

As mentioned in section 2.5 £20,000 will be added to 2021/2022 budget to fund additional equipment, this is funded from an underspend in special expenses. The total budget for 2021/2022 is £50,000.

### **ICT Development**

£33,000 has been transferred to the 2021/2022 revenue budget to fund annual support costs of software as this is not capital in nature.

### **Princess Theatre Roof Replacement**

The roof of the Princess Theatre is deteriorating and has been suffering from tile failure and periodic leaks. Regular repair works are undertaken however upon inspection it has been deemed to be beneficial to get the roofing structure replaced to avoid further dilapidation to the building and avoid more costly structural repairs as a result of delaying the works. The estimated cost and timescale of the works are £10,000 in 2021/2021 and £240,000 in 2022/2023.

### **Old Sunway Bridge Works**

Works to the Old Sunway Bridge have now been deemed as revenue. The budget of £25,000 has been removed from the capital programme and added to revenue for works to be completed in 2021/2022.

- 5.3 Table 6 shows in summary form the proposed programme 2021/2025 after allowing for rephrasing and amendments. Details of the individual schemes for 2021/2025 are given at Appendix 2 and 3.2 (Exempt).

Table 6

	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Major Projects	41,287,560	38,933,860	26,289,520	18,045,180
Community and Partnerships	2,751,660	2,260,000	2,260,000	2,260,000
Resources (S151 Officer)	431,250	150,000	150,000	150,000
Property and Projects	94,000	240,000	-	-
Operational and Commercial Services	2,898,650	170,500	507,770	100,000

Alive West Norfolk	1,261,490	25,000	-	-
<b>Total Excluding Exempt</b>	<b>48,724,610</b>	<b>41,779,360</b>	<b>29,207,290</b>	<b>20,555,180</b>
Exempt Schemes	22,583,950	18,843,660	3,461,660	-
<b>Total Including Exempt</b>	<b>71,308,560</b>	<b>60,623,020</b>	<b>32,668,950</b>	<b>20,555,180</b>

#### 5.4 Towns Fund / Future High Streets Fund / Heritage Action Zone

The objective of the Towns Fund programme is to drive the sustainable economic regeneration of towns to support long term economic and productivity growth. A Town Deal is a three-way agreement in principle between Government, the lead local authority and the Town Deal Board.

The projects that were listed for Future High Street Fund were included in the list for the Town Deal Fund, that went through a process to prioritise which projects would be submitted as part of the Town Deal Fund bid.

The Town Investment Plan, which encompasses all the town's investment and regeneration programme, including the Town Deal projects, Heritage Action Zone, and previous projects developed under the Future High Street Fund. Business cases/proposals for each project will added to a list for consideration, to get the maximum award of £25m. The list is to be submitted by 31 August 2021.

## 6 Capital Resources 2021-2025

- 6.1 Table 7 (next page) provides details of the revised estimated capital resources for 2021/2025 updated after funding the 2020/2021 capital. Exempt schemes shown in a separate report.

**Table 7**

	2021/2022	2022/2023	2023/2024	2024/2025	Total	
	£'000	£'000	£'000	£'000	£'000	
<b>Capital Programme: Operational Schemes, S106 and Other Major Projects</b>						
1.0	Expenditure	11,807	2,846	2,918	2,510	20,080
1.1	<b>SOURCES OF FINANCE</b>					
1.2	Specific Capital Grants (Better Care Fund)	1,775	1,775	1,775	1,775	7,099
1.3	Capital Receipts	2,571	815	575	575	4,537
1.4	Reserves	1,738	45	20	0	1,803
1.5	Unsupported Borrowing	5,723	211	548	160	6,641
1.6	S106 Funds	0	0	0	0	0
	<b>Total Funding</b>	<b>11,807</b>	<b>2,846</b>	<b>2,918</b>	<b>2,510</b>	<b>20,080</b>
<b>Joint Venture – NORA Housing</b>						
2.1	Opening Borrowing brought forward	44				44
2.2	Prior Year Borrowing brought forward	0	44	44	44	
2.3	In year expenditure	0	0	0	0	0
2.4	In year sale	0				0
2.5	<b>Net Borrowing Position</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>	<b>44</b>
<b>Major Housing Development</b>						
3.1	Opening Borrowing brought forward	13,210	0	0	0	13,210
3.2	Prior Year Borrowing brought forward	0	31,974	50,063	27,603	
3.3	In year expenditure	19,603	44,307	26,290	18,045	108,246
3.4	Sales Receipts	(839)	(25,472)	(51,615)	(35,989)	(113,916)
3.5	Land Value to BCKLWN	0	800	2,865	2,775	6,439
3.6	Funded from Reserves	0	(1,546)	0	0	(1,546)
3.7	<b>Net Borrowing Position</b>	<b>31,974</b>	<b>50,063</b>	<b>27,603</b>	<b>12,433</b>	<b>12,433</b>
<b>Enterprise Zone (25 Year Project)</b>						
4.1	Opening Borrowing brought forward	2,717				2,717
4.2	Prior Year Borrowing brought forward		11,019	10,671	10,323	
4.3	In year expenditure	8,650	0	0	0	8,650
4.4	Business Rates Receipts 85% (via NALEP)	(348)	(348)	(348)	(348)	(1,392)
4.5	<b>Net Borrowing Position</b>	<b>11,019</b>	<b>10,671</b>	<b>10,323</b>	<b>9,975</b>	<b>9,975</b>
5.0	<b>TOTAL NET BORROWING POSITION</b>	<b>43,037</b>	<b>60,778</b>	<b>37,969</b>	<b>22,451</b>	<b>22,451</b>
		<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
6.0	<b>Useable Capital Receipts</b>					
6.1	Useable Capital Receipts at 1 April 2021	5,264				5,264
6.2	Prior Year brought forward		4,432	5,992	8,731	
6.3	Capital Receipts MHP/NORA Land	0	1,084	2,865	2,775	6,724
6.4	Capital Receipts Housing	870	150	150	150	1,320
6.5	Capital Receipts - General	870	1,140	300	0	2,310
6.6	Capital Receipts used to Fund Capital Programme (1.3)	(2,571)	(815)	(575)	(575)	(4,537)
6.7	<b>Capital Receipts Transferred to Reserves</b>	<b>4,432</b>	<b>5,992</b>	<b>8,731</b>	<b>11,081</b>	<b>11,081</b>

6.2 The table below provides a summary of the funding position.

Table 8

	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£'000	£'000	£'000	£'000	£'000
Capital Programme: S106 and Other Major Projects and Operational schemes	11,807	2,846	2,918	2,510	20,080
Joint Venture – NORA Housing	0	0	0	0	0
Major Housing Development	19,603	44,307	26,290	18,045	108,246
Enterprise Zone	8,650	0	0	0	8,650
<b>Net Borrowing Position</b>	<b>40,060</b>	<b>47,153</b>	<b>29,207</b>	<b>20,555</b>	<b>136,976</b>
<b>Cumulative Borrowing/(Receipt) Position (Temporary Internal/External Borrowing)</b>	<b>43,037</b>	<b>60,778</b>	<b>37,969</b>	<b>22,451</b>	<b>22,451</b>

6.3 The funding for the period 2021/2025 was agreed by Council on 27 February 2021. The above table does contain some changes.

## 7 Equality Impact Assessment

7.1 The Council has a statutory requirement to carry out Equality Impact Assessments (EIAs) as part of the service planning and policy proposal processes. This includes significant policy or significant changes to a service and includes potential capital bids, revenue growth bids and proposed reductions in service.

7.2 The Council may be required to carry out an impact assessment if the proposal impacts on any of the following:

- Equalities (including impact on issues of race, gender, disability, religion, sexual orientation, age)
- Community cohesion (whether there is a potential positive or negative impact on relations between different communities)

## 8 Financial Implications

8.1 The financing arrangements for the capital programme are within budget. Where rephasing to/from 2021/2022 is to be made then the funding will follow. As previously noted, the MRP charge for 2020/2021 can be met from within the overall revenue outturn for the year.

8.2 The revenue implications of all capital schemes will be met from within existing budgets.

## 9 Risk Implications and Sensitivity Analysis

9.1 Risk is inherent in any projection of future funding. The estimated resources available to fund the capital programme 2020-2025 and the risk implications and sensitivity/consequences are detailed in the table below. The level of risk is based on the impact on the funding of the capital programme if the resources are not achieved at the estimated level or at the time expected.

Source of Funding	Risk Implications and Sensitivity	Level of Risk
<p>Capital Grants</p> <p>Third Party Contributions</p> <p>Lottery Funding etc</p>	<p><b>Risk</b></p> <p>The capital grant and specific grant included in the resources is a contribution towards private sector housing assistance - Disabled Facilities Grants (DFG). The level of grant included for 2020/2021 is based on the confirmed level of grant from the Better Care Fund and future years are included at the same level. The level of grant is confirmed by Central Government annually and can vary from year to year.</p> <p>In addition, third party contributions and grants from lottery funding etc of £5.4m are included in the programme 2021/2025.</p> <p><b>Sensitivity/Consequences</b></p> <p>This funding represents 30% of total general fund resources over the 4-year period. If the level of grants were to vary significantly the budget allocated for DFGs and the proposed schemes within the programme would need to be revised.</p>	<p>Medium</p>
<p>Capital Receipts</p>	<p><b>Risk</b></p> <p>Capital receipts represent 15% of the general fund resources available over the 4-year period 2021-2025. The actual amount and timing of capital receipts can vary significantly. The achievement of capital receipts is monitored and reported in the monthly monitoring reports to ensure no over commitment.</p> <p><b>Sensitivity/Consequences</b></p> <p>Capital receipts represent a high proportion of the total general fund resources available to fund the capital programme. The level of capital receipts achieved is sensitive to market conditions including demand for land and buildings, values and interest rates. The actual total of capital receipts included in the funding table of £2.6m and £114m from the Major Housing Project, is a challenging target in the current economic climate. If capital receipts are not achieved at the level or within the year estimated it may be necessary to take on additional temporary borrowing at the prevailing interest rates.</p>	<p>High</p>

Source of Funding	<b>Risk Implications and Sensitivity</b>	Level of Risk
Major Housing Project	<p><b>Risk</b> The impact of market prices as the scheme proceeds to each phase may increase. The housing market may slow and sales may not be achieved as planned.</p> <p><b>Sensitivity/Consequences</b> Business case review prior to proceeding to end stage. Local Authority Housing Company, West Norfolk Property Limited, established to hold any surplus units for rent. This risk has increased significantly due to the pandemic. The viability of all schemes will be monitored closely for rapidly changing market conditions.</p>	High
Unsupported Borrowing	<p><b>Risk</b> The proposed capital programme 2021-2025 includes unsupported borrowing for the purchase of equipment and vehicles. The unsupported borrowing will be funded through internal borrowing whenever it is most financially advantageous to do so. Internal borrowing is the use of internal funds (short term cash flows and reserves and balances not immediately required) rather than taking external debt.</p> <p><b>Sensitivity/Consequences</b> The Council will enter into unsupported borrowing where it can demonstrate that financial savings can be achieved by outright purchase of equipment, as opposed to the use of an operating lease and payment of an annual lease.</p>	Low
Reserves	<p><b>Risk</b> Contributions from reserves are based on actual balances as at 1 April 2021 and take into account budgeted contributions to/from reserves.</p> <p><b>Sensitivity/Consequences</b> The reserves are available and as such the sensitivity is low. In the event that reserves are available as estimated in the capital resources, temporary borrowing would be incurred to ensure a balanced funding of the capital programme in each of the financial years.</p>	Low

Source of Funding	Risk Implications and Sensitivity	Level of Risk
Temporary Borrowing External and Internal	<p><b>Risk</b> Temporary borrowing is included for cash flow purposes to ensure a balanced funding of the capital programme in each of the financial years and in advance of capital receipts. Internal borrowing will be used whenever it is most financially advantageous to do so. Internal borrowing is the use of internal funds (short term cash flows and reserves and balances not immediately required) rather than taking external debt. Funds currently in short term investments may be withdrawn and used in place of external borrowing.</p> <p><b>Sensitivity/Consequences</b> The actual required temporary borrowing will depend on rephasing in the capital programme and capital receipts achieved in each year. Temporary borrowing will be maintained at the minimum level required and reported as part of the outturn. The cost of funding planned temporary borrowing is included in the revenue budget and is confirmed as affordable. In the event that additional temporary borrowing is required during the financial year the impact on the revenue budget will be reported in the monthly monitoring reports to Members.</p> <p>Fixed term external borrowing may be taken and drawn down as expenditure is required and rates are favourable. External borrowing will be sourced through market loans or PWLB depending on the most favourable rates.</p>	Low

9.2 Experience shows that the costs of schemes can also vary. Expenditure on the capital programme is included as part of the monthly monitoring report. Any significant variations on individual schemes will be reported and appropriate action taken.

## **10 Policy Implications**

The establishment and management of the capital programme are in accordance with the Council's Capital Strategy. The current Capital Strategy 2021/2022 was approved by Council on 27 February 2021.

## **11 Statutory Consideration**

None

## **12 Consultations**

Management Team

## **13 Access to Information**

Cabinet Reports

Background Papers (Government Circulars etc)

Financial Plan 2020/2025

Capital Strategy and Local Property Investment Fund 2017/2021

Capital Strategy 2021/2022

Monthly Monitoring Reports