

REPORT TO CABINET

Open		WOULD ANY DECISIONS PROPOSED :		
Any especially affected Wards None	Mandatory	(a) Be entirely within Cabinet's powers to decide	YES	
		(b) Need to be recommendations to Council	NO	
		(c) Be partly for recommendations to Council and partly within Cabinet's powers	NO	
Lead Member: Councillor Chris Morley E-mail: cllr.chris.morley@west-norfolk.gov.uk		Other Cabinet Members consulted: All		
Lead Officer: Carl Holland E-mail: carl.holland@west-norfolk.gov.uk		Other Members consulted:		
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If not for publication, the paragraph of Schedule 12A of the 1972 Local Government Act considered to justify that is 16-20.				

Date of meeting: 24 July 2025

Capital Programme Outturn 2024/2025

Summary

- The report provides details of the outturn of the 2024/2025 capital programme and outlines amendments and rephrasing to the spending on schemes, revising the programme for 2024/2029.
- The capital programme outturn for 2024/2025 totalled £39,656,557 (including Exempt items) against a budget of £48,931,080 (including Exempt items).
- It has been necessary to rephrase a total of £10,649,370 of scheme costs to future years.
- Useable capital receipts generated in the year from housing, land and property sales totalled £5,357,588.
- The capital resources available to fund expenditure in 2024/2025 are detailed in section 3 of the report.

RECOMMENDATION

That Cabinet :

1. note the outturn of the capital programme for 2024/2025 of £39,656,557 including Exempt Schemes;
2. note the financing arrangements for the 2024/2025 capital programme;
3. Approve the commencement of spend by moving project from tier 3 to tier 2 (paragraph 9.1)
4. Approve reallocation of budget to new project at tier 2. (paragraph 9.2)

Reason for Decision

To report the outturn 2024/2025 for the Capital Programme and receive an update to the Capital Programme 2024/2029.

1 Introduction

- 1.1 This report presents the outturn of the 2024/2029 capital programme and provides details of amendments and rephasing resulting from under and overspends and their impact on the 2024/2029 programme. The report also outlines the financing of the 2024/2025 programme.

2 Capital Programme 2024/2025

- 2.1 The original budget was presented to Council on 7 February 2024 and the impact of rephasing the unspent budget form 2023/2024 was reported to Cabinet on 30 July 2024.
- 2.2 A revised forecast for the Capital Programme 2024/2025 of £48,931,080 was reported at the Cabinet meeting on 15 April 2025.

	Original Budget 2024/25 (Cabinet 30 July 2024) £	Forecast 31 December 2024 (Cabinet 15 April 2025) £	Actual Capital Outturn 31 March 2025 £
Core Programme	52,054,080	48,271,080	38,991,795
Exempt Programme	2,102,960	660,000	664,762
Total Capital Programme	54,157,040	48,931,080	39,656,557

- 2.3 This report details the variances between forecast budget and actual outturn of the Core Programme. The Exempt Programme detail is shown in a separate report.

2.4 The table below shows a breakdown of the core programme.

Table 1 – Variance between Actual and Rephased Budget

	Rephased budget 2024/2025 (Cabinet 15 April 2025)	Movements reported in year	Actual as at 31 March 2025	Variance to Budget over/ (under) spend	Committed over/(under) spend	Rephased (to)/from future years	Note
	£	£	£	£	£	£	
Tier 1 Major projects							3.2
Enterprise Zone (Property and Projects):	912,690	0	464,231	(448,459)	0	(448,460)	
Major Housing Development (Companies and Housing):	20,830,250	0	23,945,973	3,115,723	221,653	2,894,070	
Other Major Projects	21,691,770	0	10,123,525	(11,568,245)	5,995	(11,574,240)	
Total Tier 1	43,434,710	0	34,533,729	(8,900,981)	227,648	(9,128,630)	
Tier 2 Operational Schemes							
Health, Wellbeing & Public Protection	2,210,000	0	2,154,657	(55,343)	87,317	(142,660)	3.3
Leisure and Community Facilities:	569,730	0	706,095	136,365	166,365	(30,000)	3.4
Operational and Commercial:	1,212,590	607,800	1,055,546	(764,924)	217,856	(982,780)	3.5
Programme and Projects:	50,000	0	163,702	113,702	0	113,700	3.6
Property and Projects:	74,170	0	120,455	46,285	63,015	(16,730)	3.7
Resources:	517,380	0	242,791	(274,589)	0	(274,590)	3.8
Central Services:	0	0	14,820	14,820	0	14,820	3.9
Total Tier 2	4,633,870	607,800	4,458,067	(783,683)	534,554	(1,318,240)	
Tier 3 Operational Schemes							3.10
Health, Wellbeing & Public Protection	0	0	0	0	0	0	

	Rephased budget 2024/2025 (Cabinet 15 April 2025)	Movements reported in year	Actual as at 31 March 2025	Variance to Budget over/ (under) spend	Committed over/(under) spend	Rephased (to)/from future years	Note
Leisure and Community Facilities:	93,000	0	0	(93,000)	0	(93,000)	
Operational and Commercial:	65,000	0	0	(65,000)	0	(65,000)	
Programme and Projects:	0	0	0	0	0	0	
Property and Projects:	44,500	0	0	(44,500)	0	(44,500)	
Regeneration, Housing & Place:	0	0	0	0	0	0	
Resources:	0	0	0	0	0	0	
Central Services:	0	0	0	0	0	0	
<i>Subtotal</i>	<i>202,500</i>	<i>0</i>	<i>0</i>	<i>(202,500)</i>	<i>0</i>	<i>(202,500)</i>	
Tier 3 Exempt Schemes							
Exempt Schemes	660,000	0	664,762	4,762	4,762	0	
<i>Subtotal</i>	<i>660,000</i>	<i>0</i>	<i>664,762</i>	<i>4,762</i>	<i>4,762</i>	<i>0</i>	
Total Tier 3	862,500	0	664,762	(197,738)	4,762	(202,500)	
Total Capital Programme (Tiers 1, 2, 3)	48,931,080	607,800	39,656,557	(9,882,403)	766,967	(10,649,370)	

3 Major differences between the rephased budget and the actual expenditure

3.1 The following pages show the major differences between the rephased budget and the actual expenditure. Under each heading the format shows “Movements to be explained”, which are outlined as major variances and explained in the narrative that follows.

3.2 Major Projects – Underspend £8,900,981

Movements to be explained:		£
1	<p>Enterprise Zone - Underspend Phosphor Gypsum removal works have been completed. Current underspend within the Enterprise Zone is to be carried forward to 2025/2026 where works are to continue with the remainder of the project. Further information to be reported to Cabinet in a subsequent paper.</p>	(448,459)
2	<p>Major Housing Development - Overspend</p> <ul style="list-style-type: none"> • Salter’s Road; the site is almost complete. A current underspend of (£536,730) has been rephased to 2025/2026 to ensure compliance with road drainage and other necessary finishing touches. • Florence Fields; is ahead of budget. £2,113,370 is brought forwards from 2025/2026. The build pace required for Homes England has seen the project progress sooner than the planned in year budget. • Lynnsport 1 Phase 3; the build pace is very good and the project is progressing ahead of schedule. £1,434,770 is brought forwards from 2025/2026. • Southend Road; £171,720 overspend to be absorbed by profits from the overall housing projects. • NORA phase 4; the project has ended. Budget held as a contingency to deal with any statutory adoption issues should they arise. The underspend (£89,570) rephased to 2025/2026. • Management costs of £53,071 are to be funded from profits of the projects. • Other variances carried forwards to 2025/2025 of £27,770. 	3,115,723

Movements to be explained:		£
3	<p>Towns Fund</p> <ul style="list-style-type: none"> Active and Clean Connectivity behind profile (£4,463,711) due to delay progressing the Active Travel Hub element of the project. Elements of scheme progressing ahead of schedule (Local Cycle and Walking Infrastructure Plan schemes) however risk remains due to delivery of Enterprise Zone Active Travel Hub. Riverfront Regeneration behind profile (£2,744,016) due to change in project scope to remove enabling and capital works at Devil's Alley and a project adjustment request submitted in May 2025 to re-allocate £2m to Guildhall Project. Multi-user community Hub is behind profile (£2,581,445). This is due to a deliberate shift in activity to reflect the delay in the planning decisions and avoid programme delays. Permissions have now been granted, the spend will be incurred in 2025/2026 Minor variances (£1,343) 	(9,790,515)
4	<p>Southgate Regeneration Area</p> <p>The budget was rephased to reflect expected expenditure, an overspend against budget of £112,003 is reported, this will be realigned from the 2025/2026 budget.</p>	112,003
5	<p>Local Authority Housing Fund</p> <p>The opportunity and funding to purchase affordable housing for refugees is ongoing, the underspend is rephased to 2025/2026.</p>	(1,861,989)
6	<p>UKSPF/REPF Grant Schemes</p> <p>These fully grant funded projects originally expected to complete in 2024/2025 have been awarded extra government funding and are to continue into 2025/2026. A variance to budget of £160,951 is reported. Further details of expected grant is to be confirmed at a later date.</p>	160,951
7	<p>Lynn Sport New 3G Pitch</p> <p>The project did not go ahead as planned. The budget is to be transferred to 2025/2026 while options are considered.</p>	(30,000)
8	<p>Town Centre Development (H&M) historical</p> <p>Retention monies held in respect of this development are now out of contractual commitments, the credit will be transferred back to capital resources.</p>	(158,695)
Underspend		(8,900,981)

3.3 Community and Partnerships – Underspend £55,343

Movements to be explained:		£
1	<p>Private Sector Housing Assistance An underspend is reported of £142,658. This has been transferred to 2025/2026 to meet anticipated increasing demands for services.</p>	(142,658)
2	<p>Careline-Replacement Alarm Units The replacement of alarm units has increased reflecting the ongoing technology switchover to digital alarms. The alarms are financed via unsupported borrowings, the extra cost will be charged to revenue over a period of time for these extra costs.</p>	87,315
Underspend		55,343

3.4 Leisure and Community Facilities – Overspend £136,365

Movements to be explained:		£
1	<p>Lynnsport – 3G replacement This is the cost of the preliminary works to the point where the decision to not proceed at this time was approved by Cabinet.</p>	104,732
2	<p>Lynn Sport Gym Centre Flooring Replacement Works undertaken following flooding in the gym in 2023/2024. This project was funded from an insurance receipt of £59,420 and the remainder from the leisure contingency reserve.</p>	95,308
3	<p>Oasis Locker replacement is to be transferred to 2025/2026 when the works are expected to complete.</p>	(30,000)
4	<p>Town Hall Redecoration This budget is to be removed from the capital programme as the current redecoration works are not considered capital in nature. It is requested that £10,000 from this budget is added to the kitchen replacement currently expected to begin in 2025/2026. The existing £10,000 built into the capital is deemed insufficient when scope for costs has been sort. This is funded from Town Hall reserves.</p>	(30,000)
5	Other minor variances	(3,675)
Overspend		136,365

3.5 Operational and Commercial Services – Underspend £764,924

Movements to be explained:		£
1	Car Parks Pay and Display machine replacement is ahead of the planned roll out – budget provision has been brought forwards from 2025/2026 to cover the overspend.	123,924
	Multi-storey lighting and controls works are ongoing, the underspend has been transferred to 2025/2026 where works will continue.	(102,468)
	Car Parking Strategy is funded from the business rates pool (£34,594) and the remainder from the car park reserve (£9,544).	44,137
2	High Street Public Realm The overspend has been funded from a grant .	18,984
3	Refuse and Recycling Bins The purchase of bins was lower than the original budget, the bin replacement schedule is funded via unsupported borrowings resulting in a reduced charge to revenue.	(68,476)
4	Replacement Stage The town centre stage replacement was 50% funded from a grant received in 2023/2024. This remaining 50% is funded from events reserves.	57,538
5	Replacement Play Area Equipment S106 £95,880 was added to the capital programme for the fully grant funded works at major housing sites. Orders have been placed with contractors and works are to complete in 2025/2026. The budget provision has been rephased.	(95,880)
6	Public Cleansing Vehicles Its was necessary to replace smaller cleansing vehicles, this overspend to budget is funded from unsupported borrowings.	161,656
7	Grounds Maintenance Equipment As reported to Cabinet in May and June 2025, £497,000 and £15,000 was added to the programme during 2024/2025 for the procurement of mowers and a forklift. The budget provision along with the underspend of other ongoing orders has been transferred to 2025/2026.	(572,541)
The remaining items listed below have budgets earmarked, but have not incurred spend in 2024/2025 and therefore are reprofiled to future years.		
8	Car Parks Resurfacing £61,800; Multi-storey barrier ticket machine £38,180; Pay and Display infrastructure £23,000; Software upgrade £12,030	(134,960)
9	CCTV Control room upgrade £25,000	(25,000)
10	Events Christmas lights £20,000; Digital signage £43,000	(63,000)
11	Public Conveniences	(66,000)

12	Resorts and Trading Bandstand roof £30,000; Beach safety signage £15,000	(45,000)
13	Other minor variances	2,162
Underspend		(764,924)

3.6 Programme and Projects – Overspend £113,702

Movements to be explained:		£
1	Changing Places Toilet - St James's Budget provision is brought forwards from 2025/2026 to match expenditure.	36,949
2	Downham Market Public Conveniences As at the financial year end works are nearing conclusion, budget provision is brought forwards from 2025/2026 to match expenditure.	76,753
Overspend		113,702

3.7 Property and Projects – Overspend £46,285

Movements to be explained:		£
1	South Quay Somerfield Thomas Silo Extra costs covered by the business rate pool	37,398
2	Factory Unit 1 - New Depot Site Ongoing works funded from reserves.	27,321
3	Re:Fit Project Works for the replacement of streetlighting are anticipated to continue into 2025/2026. The unspent budget has been rephased.	(16,732)
4	Other minor variances	(1,702)
Overspend		46,285

3.8 Resources – Underspend £274,589

Movements to be explained:		£
1	ICT Development Programme Committed projects are to continue into 2025/2026	(307,935)
2	Community Projects Administered by an external service provider who advance grants to community projects. The project budget is reduced in 2025/2026 to reflect the overspend.	33,346
Underspend		(274,589)

3.9 Central Services – Overspend £14,820

Movements to be explained:		£
1	CIC customer service transformation This project was reported to Cabinet as a new item in the quarterly monitoring report April 2025, costs were expected to be in 2025/2026, the budget has been brought forwards to match the spend. The capital element of the project is complete.	14,820
Overspend		14,820

3.10 Tier 3 Budgets

The following tier 3 pipeline projects are to be rephased to 2025/2026 while options are considered;

Leisure and Community Facilities:		£
1	Downham Market Leisure Centre - Replacement Lighting Pool	13,000
2	Downham Market Leisure Centre - Window Replacement (dryside)	20,000
3	Oasis Fitness Flooring bowls hall/fitness stairs	10,000
4	Oasis Cubicles replacement	50,000

Operational and Commercial:		£
1	Emergency Plan - Replace Radios	15,000
2	Resort Chalet Window Replacement	50,000

Property and Projects:		£
1	Sewage Treatment Works Refurb/Connect Public Sewer	14,000
2	Estate Roads - Resurfacing	30,500

4. Capital Receipts

4.1 Total useable capital receipts generated in 2024/2025 are shown in the table below;

Table 2 – Capital Receipts 2024/2025

Capital Receipt	£
Council Houses – Preserved right to buy	338,204
General Fund – Major housing sales	4,923,354
General Fund – Land and property	83,600
General Fund – Vehicles, plant & equipment	66,166
General Fund – Housing grants repaid	20,000

Total	5,431,324
--------------	------------------

- 4.2** Table 3 below illustrates all the units sold to date on the various Major Housing Projects. The sale receipts are used to fund expenditure on the Major Housing Project alongside temporary borrowing.

Table 3

The table summarises the total number of units that are to be built by site and the number of units sold as at 31 March 2025 cumulatively;

Scheme	Total homes	Leased to WNPL	Sold to a RP (Affordable Housing)	Open Market Sale	Units in current capital programme 2024-29
NORA 4	105	48	22	35	0
Marsh Lane	130	-	20	110	0
Lynnsport 3	54	18	9	27	0
Lynnsport 4&5	89	8	13	68	0
Lynnsport 1	96	-	-	96	0
Florence Fields	226	-	-	3	226
Salters Road	78	-	78	-	0
Southend Road	32	-	-	-	32

5 Financing of the Capital Programme 2024/2025

- 5.1** The following table details the sources of finance used to fund capital spending during the 2024/2025 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 4.

Total Capital Programme Outturn to be Funded 2024/2025	39,656,557
Less Third-Party Contributions (shown in table 6 below)	(9,092,114)
Capital Programme Expenditure to be Funded	30,564,444
Sources of Finance:	
Specific Capital Grant - Better Care Fund	2,001,819
Section 106 Grant	643,560
Capital Receipts applied in year	4,923,354
Capital Reserves	1,435,433
Revenue Provision	1,128,993
Temporary Borrowing	19,543,127
Unsupported Borrowing	888,158
Total	30,564,444

Table 5.

Funded 2024/2025

Third-Party Contributions	£
Business Rates Pool	195,999
Department for Levelling Up, Housing and Communities	8,804,149
Norfolk County Council	27,474
Community Infrastructure Levy	3,072
Zurich Municipal	59,420
Miscellaneous Contributions	2,000
Total Third-Party Contributions	9,092,114

- 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 2024/2025 unsupported borrowing was used to purchase vehicles and equipment where previously lease payments were made. In effect the equivalent to lease payments now pay the debt charge. No help is available from Government to pay the costs – therefore they are classed as unsupported.
- Temporary borrowing is included for cash flow purposes to ensure a balanced funding of the capital programme 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.

- 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.

6 Minimum Revenue Provision

6.1 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 2024/2025 approved at Council on 4 February 2025 sets out the policy proposals for the Borough for 2024/2025.

6.2 The amount of MRP charged to the accounts in 2024/2025 is £825,753. The actual MRP charge 2024/2025 has been calculated in accordance with the Council's policy based on the capital financing requirement as at 1 April 2024. The MRP is calculated based on the prior year capital programme requirements.

7 Capital Programme 2024/2029

7.1 The Capital Programme 2024/2029 was approved by Council on 4 February 2025 and is provided at Appendix 2. As detailed at section 4 above, it is proposed to carry forward budget provision of £10,649,370 from 2024/2025 to future years of the programme. This requires careful evaluation of the impact of scheme delays on compliance with funding terms and conditions, costs and capacity for delivering against reprioritised deadlines. A review of the Capital programme 2024/2029 shall be undertaken early in 2025/2026 to consider the level of commitment and to validate assurance over estimated budgetary requirement for planned schemes.

Table 6 –Capital Programme 2025 – 2029 (February 2025)

	Budget 2025/2026 £	Budget 2026/2027 £	Budget 2027/2028 £	Budget 2028/2029 £
Tier 1 Major projects				
Enterprise Zone (Property and Projects):	-	-	-	
Major Housing Development (Companies and Housing):	26,877,440	23,895,060	2,523,060	-
Other Major Projects	8,512,030	703,730	3,140,510	-
Total Tier 1	35,389,470	24,598,790	5,663,570	-
Tier 2 Operational Schemes				
Health, Wellbeing & Public Protection	2,477,500	2,477,500	2,477,500	2,477,500
Leisure and Community Facilities:	20,000	30,000	-	-
Operational and Commercial:	1,278,430	278,000	160,000	477,280
Programme and Projects:	111,000	-	-	-
Property and Projects:	-	-	-	-
Resources:	-	-	-	-
Total Tier 2	3,886,930	2,785,500	2,637,500	2,954,780
Tier 3 Operational Schemes				
Health, Wellbeing & Public Protection	86,850	-	-	-
Leisure and Community Facilities:	452,480	230,000	15,000	15,000
Operational and Commercial:	1,443,390	128,000	53,750	-
Programme and Projects:	39,000	-	-	-
Property and Projects:	399,170	150,000	150,000	-
Regeneration, Housing & Place:	241,060	-	-	-
Resources:	850,000	350,000	200,000	-
Central Services:	16,220	-	-	-
Subtotal	3,528,170	858,000	418,750	15,000
Tier 3 Exempt Schemes				
Exempt Schemes	167,000	3,104,320	3,266,780	4,061,730
Subtotal	167,000	3,104,320	3,266,780	4,061,730
Total Tier 3	3,695,170	3,962,320	3,685,530	4,076,730
Total Capital Programme (Tiers 1, 2, 3)	42,971,570	31,346,610	11,986,600	7,031,510

Table 7 – Capital Programme 2025-2029 Updated for rephasing

	Budget 2025/2026 £	Budget 2026/2027 £	Budget 2027/2028 £	Budget 2028/2029 £
Tier 1 Major projects				
Enterprise Zone (Property and Projects):	448,460	-	-	-
Major Housing Development (Companies and Housing):	23,983,370	23,895,060	2,523,060	-
Other Major Projects	16,889,420	3,900,580	3,140,510	-
Total Tier 1	41,321,250	27,795,640	5,663,570	-
Tier 2 Operational Schemes				
Health, Wellbeing & Public Protection	2,620,160	2,477,500	2,477,500	2,477,500
Leisure and Community Facilities:	102,480	30,000	-	-
Operational and Commercial:	2,400,210	278,000	160,000	477,280
Programme and Projects:	36,300	-	-	-
Property and Projects:	25,430	-	-	-
Resources:	324,590	50,000	50,000	-
Central Services:	-	-	-	-
Total Tier 2	5,509,170	2,835,500	2,687,500	2,954,780
Tier 3 Operational Schemes				
Health, Wellbeing & Public Protection	86,850	-	-	-
Leisure and Community Facilities:	503,000	230,000	15,000	15,000
Operational and Commercial:	1,369,390	128,000	53,750	-
Programme and Projects:	-	-	-	-
Property and Projects:	434,970	150,000	150,000	-
Regeneration, Housing & Place:	241,060	-	-	-
Resources:	800,000	300,000	150,000	-
Central Services:	-	-	-	-
Subtotal	3,435,270	808,000	368,750	15,000
Tier 3 Exempt Schemes				
Exempt Schemes	197,000	3,104,320	3,266,780	4,061,730
Subtotal	197,000	3,104,320	3,266,780	4,061,730
Total Tier 3	3,632,270	3,912,320	3,635,530	4,076,730
Total Capital Programme (Tiers 1, 2, 3)	50,462,690	34,543,460	11,986,600	7,031,510

8 Capital Financing 2025/2029

8.1 Table 8 provides details of the revised estimated capital financing for 2025/2029 updated after funding 2024/2025. Exempt schemes are shown in a separate report.

Table 8.

Source of Funding	2025/2026 £	2026/2027 £	2027/2028 £	2028/2029 £
Specific Capital Grants (Better Care Fund)	2,212,174	2,212,174	2,212,174	2,212,174
Specific Capital Grants (Towns Fund)	13,959,650	3,900,580	3,140,510	-
Specific Capital Grants (LAHF)	1,861,990	-	-	-
Misc. Grants	1,001,050	-	-	-
Business Rate Pool	247,420	-	-	-
General Capital Receipts Reserve	2,010,926	555,326	405,326	205,326
Major Housing Capital Receipts Applied	6,121,762	27,149,380	5,939,840	4,061,730
Reserves/Revenue Contributions	2,050,650	188,000	-	-
Unsupported Borrowing	2,363,530	538,000	288,750	552,280
Temporary Borrowings	18,633,538	-	-	-
Total Funding	50,462,690	34,543,460	11,986,600	7,031,510

9 New and ready to spend projects

9.1 There are also four projects currently under Tier 3 which are ready to commence. It is therefore asked of cabinet to approve these projects, detailed below, into Tier 2 in line with the new procedures:

Project	Budget
CCTV Control Room Upgrade	£246,050

9.2 A additional request for cabinet approval has been received to add a new project straight into Tier 2 due to an urgent need for 2025/2026. This work is considered high priority as a result of incidents where the existing drain has not been adequate enough to handle excessive rainfall, resulting damage and closure to parts of Lynnsport.

Project	Budget
Lynnsport Drainage Pipeline Enhancement	£168,900

This can be funded by the diversion of budgets from those item listed below. As with the whole capital programme, a review is underway to extend the life of replacement programmes and ensure funding is targeted to projects of greater priorities.

Project	Budget
Downham Pool Lighting (now grant funded)	£13,000
Lynnsport Fire alarm	£70,000
L/Sport Flooring (changing/toilets/reception)	£30,000
St James Pool cover	£15,000
St James Fire Alarm	£50,000
Total	£178,000

10 Equality Impact Assessment

10.1 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.

10.2 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)

11 Financial Implications

11.1 The financing arrangements for the capital programme are within budget. Where rephasing to/from 2024/2025 is to be made then the funding will follow. As previously noted, the MRP charge can be met from within the overall revenue outturn for the year.

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

12 Risk Implications and Sensitivity Analysis

- 12.1 Risk is inherent in any projection of future funding. The estimated resources available to fund the capital programme 2024-2029 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 2024-2029 if the resources are not achieved at the estimated level or at the time expected. This section has been updated to reflect the position in the Capital Programme and Resources for 2024-2029.

Source of Funding	Risk Implications and Sensitivity	Level of Risk
<p>Capital Grants</p> <p>Third Party Contributions</p>	<p>Risk 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 2024/2025 is based on the confirmed level of grant from the Better Care Fund. Future years show no assumed growth rate but remain at a constant level for the rest of the programme as no indications of growth have been provided. The level of grant is confirmed by Central Government annually and can vary from year to year.</p> <p>Sensitivity/Consequences This funding represents 20% of current total general fund reserve balance. 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>Risk Capital receipts over the 5-year capital programme 2023-2028 represent 100% of the current general fund reserve balance. 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>Sensitivity/Consequences Capital receipts represent a high proportion of the total general fund resources available to fund the capital programme. The actual level of capital receipts that are achieved is sensitive to market conditions including demand for land and buildings, values and interest rates. The sum total of capital receipts included in the funding table of £5m and £105m from the Major Housing Project is a challenging target in the current economic climate. In the event that 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	Risk Implications and Sensitivity	Level of Risk
Major Housing Project	<p>Risk 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>Sensitivity/Consequences Business case review prior to proceeding to end stage. Local Authority Housing Company has been established to hold any surplus units for rent.</p>	High
Unsupported Borrowing	<p>Risk The proposed capital programme 2024-2029 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>Sensitivity/Consequences 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 the payment of an annual lease.</p>	Low
Temporary Borrowing External and Internal	<p>Risk 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>Sensitivity/Consequences 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.</p>	High

Source of Funding	Risk Implications and Sensitivity	Level of Risk
	<p>External borrowing will be sourced through market loans or PWLB depending on the most favourable rates.</p> <p>The interest rates of external loans and PWLB loans are at a higher rate due to the current Bank of England base rate and increasing demand for public sector borrowing.</p>	
Reserves	<p>Risk Contributions from reserves are based on actual balances as at 1 April 2024 and take into account budgeted contributions to/from reserves.</p> <p>Sensitivity/Consequences The reserves are available and as such the sensitivity is low. In the event that reserves are not 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
Sales Value Reduces / Costs Increase	<p>Risk Macro-economic issues</p> <p>Sensitivity/consequences Market confidence continues to be impacted by inflation and high interest costs due to global and political uncertainty. The withdrawal and reduction of help to buy schemes from Central Government has also slowed down the sale of dwellings. Sales values and cost of materials and labour will require regular review in determining how to proceed with schemes and, for example, whether to sell or rent properties through the Housing Company.</p>	High

12.2 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.

13 Policy Implications

The establishment and management of the capital programme are in accordance with the Council's Capital Strategy. The current Capital Strategy 2024/2025 was approved by Council on 4 February 2025.

14 See separate Exempt Report.

15 Statutory Consideration

None

16 Consultations

Senior Leadership Team

17 Access to Information

Financial Plan 2024/2029 - 4 February 2025
Capital Strategy 2025/2026 - 4 February 2025
Monitoring Reports 2024/2025