

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 Angie Dickinson E-mail: cllr.angie.dickinson@west-norfolk.gov.uk		Other Cabinet Members consulted: All		
		Other Members consulted:		
Lead Officer: Carl Holland E-mail: carl.holland@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if not for publication, the paragraph of Schedule 12A of the 1972 Local Government Act considered to justify that is 16-20.				

Date of meeting: 2 August 2022

Capital Programme and Resources 2021/2026

Summary

The report provides details of the outturn of the 2021/2022 capital programme and outlines amendments and rephrasing to the spending on schemes, revising the programme for 2021/2026. The capital programme outturn for 2021/2022 totalled £11,529,573 (£16,932,194 including Exempt and Capital Loans) against an approved budget of £14,820,410 (£22,313,160 including Exempt and Capital Loans). It has been necessary to rephrase a total of £4,043,620 (£6,014,020 including Exempt) of scheme costs to future years. Useable capital receipts generated in the year totalled £914,469. The capital resources available to fund expenditure in 2021/2022 are detailed in section 3 of the report.

RECOMMENDATION

That Cabinet :

1. note the outturn of the capital programme for 2021/2022 of £16,932,194 including Exempt Schemes;
2. note the financing arrangements for the 2021/2022 capital programme;
3. approve the revised 2021/2026 capital programme and financing as detailed in the report.

Reason for Decision

To report the outturn 2021/2022 for the Capital Programme and update members on capital spending and resources for 2021/2026.

1 Introduction

- 1.1 This report presents the outturn of the 2021/2022 capital programme and provides details of amendments and rephasing resulting from under and overspends and their impact on the 2021/2026 programme. The report also outlines the financing of the 2021/2022 programme.

2 Capital Programme 2021/2022

- 2.1 The full capital programme for 2021/2022 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 2021/2022 of £43,882,720 was reported at the Cabinet meeting on 9 February 2022 and approved by Council on 23 February 2022. Further rephasing was amended via the January 2022 monitoring report as shown below.

Scheme	Capital Programme (Cabinet 9 February 2022)	Monitoring - Rephasing	Revised Capital Programme 2021/2022
	£	£	£
Core Programme	32,278,060	18,234,770	14,043,290
Exempt Schemes	11,604,660	3,334,790	8,269,870
Total	43,882,720	21,569,560	22,313,160

- 2.3 In addition to the monitoring amendment, the Hunstanton two major housing sites were originally classified as exempt are no longer considered exempt and are part of the core programme. This movement is reflected in the table below.

Scheme	Capital Programme	Monitoring - Rephasing	Revised Capital Programme 2021/2022
	£	£	£
Core Programme	36,389,970	21,569,560	14,820,410
Exempt Schemes	7,492,750	0	7,492,750
Total	43,882,720	21,569,560	22,313,160

- 2.4 The final figures for the outturn on the capital programme show that it has been necessary to carry forward net budget provision of £4,043,620 to 2022/2023 and future years as reported in Table 1 below. £1,970,400 has been carried forward on exempt schemes. In a number of cases there were over or under spends which net to a £752,783 overspend across the capital programme (£506,735 including exempt schemes).

The main schemes where over/(underspends) exceed £10,000, are reported are detailed in the table below.

	(Under)/Over £
<u>MAJOR PROJECTS</u>	
NORA Joint Venture – Unforeseen expenditure was incurred on NORA Joint Venture due to escalating building costs, this is 50% funded by Norfolk County Council, 50% Borough contribution.	50,718
Major Housing – Mostly due to a reduction in grant no longer being received. This reduction will be recovered through future sales	434,365
Corn Exchange Cinema – Additional spend due to the leaking roof, this has been funded from general capital receipts	15,717
<u>OPERATIONAL PROJECTS</u>	
Walks pay and display car park resurfacing– with the works now complete and the car park operational an underspend on the original budget is reported.	(18,291)
Miscellaneous movements	(2,425)
<u>CAPITAL LOANS</u>	
West Norfolk Housing Company has been loaned funds for its programme of capital purchases repayable over 40 years.	272,699
	752,783

2.5 The following tables show the summary of the programme and actual spend to 31 March 2022. Table 1 shows the amounts to be rephased to future years and along with the under and over spends for the year. The detailed outturn for the Capital Programme 2021/2022 is presented at Appendix 1.

Table 1

	Budget 2021/2022	Outturn 2021/2022	Rephasing (to)/from 2021/2022	Variance (Under)/Over
	£	£	£	£
Major Projects	11,281,820	8,156,094	(3,626,530)	500,804
Operational Projects:				
Community and Partnerships	2,694,810	2,577,704	(108,830)	(8,276)
Resources (S151 Officer)	131,250	47,786	(83,460)	(4)
Property and Projects	66,000	24,663	(41,330)	(7)
Operational and Commercial Services	555,630	396,531	(148,120)	(10,979)
Leisure and Community Facilities	90,900	54,097	(35,350)	(1,453)
Capital Loans	0	272,699	0	272,699
Capital Programme Outturn	14,820,410	11,529,573	(4,043,620)	752,783

	Budget 2021/2022	Outturn 2021/2022	Rephasing (to)/from 2021/2022	Variance (Under)/Over
	£	£	£	£
Exempt Corporate Schemes	7,492,750	5,402,621	(1,970,400)	(119,722)

2.6 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

Major Housing Development and Joint Venture (£2,990,550)

There are currently a number of sites being developed by the Council. A total of £2,990,550 has been rephased to 2022/2023. The table 3 in 2.7 details the units by site. These are all at various stages; Lynnsport 3 and Lynnsport 4-5 works are complete. NORA 4 is currently under construction and reservations have started. Parkway and Lynnsport 1 have obtained planning permissions and works are expected to commence later in the year. Salters Road (Columbia Way) and South End Road are in the mobilisation stage. Alexandra Road and the Bus Station are currently being redesigned and will be resubmitted to planning.

Towns Fund £20,750

Budgets have been realigned to match spend compared to originally profiled budget, £20,750 has been rephased from 2022/2023 estimates.

Other Major Projects –

South Quay and Somerfield Thomas Development; (£120,000) and (£258,770)

The restoration of the warehouse have been rephased until 2022/2023, the tender for the works is about to commence with the project expected to complete in the current financial year.

Factory Unit 1; (£192,310)

The premises relocation of the waste transfer and public and open space service area is ongoing, it is expected for the project to complete in the 2022/2023 financial year.

Southgate Regeneration Area; £44,720

Has been brought forward from 2022/2023 for development and planning works.

Chapel Street; (£139,300)

Works are currently on hold while the feasibility of the project is reconsidered.

Active Travel Hub; (£33,680)

The balance of the budget has been transferred into 2022/2023 to continue with assessments and design fees.

Operational Schemes

Community and Partnerships

Private Sector Housing Assistance; (£64,040)

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 £64,040 is to be carried forward from 2021/2022.

Community Projects – Financial Assistance; (£28,890)

Budget provisions for community projects have not been fully utilised in 2020/2021 – 2021/2022 due to Covid-19. The underspend of £28,890 will be considered for community projects by Norfolk Foundations who administer the grants on behalf of the council.

Community Projects – Councillor Grants; (£15,900)

A balance of £15.9k from of 2021/2022 has been transferred to 2022/2023 to fund community grants awarded to Jubilee events and was expected to be fully spent.

Resources

ICT Development Programme; (£83,460)

The ICT Development Programme has been reprioritised following breaks due to the pandemic, it is expected these funds will be spent in 2022/2023 on previously postponed actions.

Property and Projects

King's Court Flat Roof; (£34,730)

Works to the flat roof in the centre of King's Court have continued into 2022/2023, the remaining budget has been transferred to reflect this.

Operational and Commercial Services

Replacement Play Area Equipment; (£60,000)

Ongoing resourcing issues and the impact on lead times due to production issues from manufacturers because of Covid-19, £20,000 to replace play area equipment has been rephased to 2022/2023, £20,000 has been rephased to 2024/2025 and £20,000 to 2025/2026.

Public Realm; (£45,120)

The underspent budget of £45,120 has been transferred to 2022/2023 the capital programme, to be continued to be spent public realm improvements in the High Street.

Events Programme; (£35,000)

The net value of £35,000 to fund equipment for events including a screen and 4 light projectors has been carried forward to 2022/2023.

Leisure and Community Facilities

Lynnsport Athletics Cage and Lighting; (£32,900)

Works are expected to complete in 2022/2023 for the replacement of the Lynnsport athletics cage and lighting, the underspend of £32,900 has been rephased.

- 2.7 Total useable capital receipts generated in 2021/2022 are shown in the table below;

Table 2

	2021/2022	2021/2022
	Budget	Outturn
	£'000	£'000
Council Houses Preserved Right to Buy	0	620,769
General Fund – Land	870,000	264,950
Sale of Equipment	0	28,750
Total	870,000	914,469

- 2.8 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 31.03.22 accumulatively:

Note that Alexandra Road and Bus Station, Hunstanton is being redesigned, the number of units is expected to change.

	<i>Total Units</i>	<i>Properties leased*</i>	<i>Sold to 31.03.22</i>	Units in Current Capital Programme 2021-2025
<u>Major Housing</u>				
Lynnsport 3	54	19	35	0
Lynnsport 4&5	89	8	81	0
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
	753	27	116	610

*properties have been leased to West Norfolk Housing Company who will be purchasing the properties once funds are secured.

3 Financing of the Capital Programme 2021/2022

- 3.1 The following table details the sources of finance used to fund capital spending during the 2021/2022 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

	£
Total Capital Programme Outturn to be Funded 2021/2022	23,448,323
Less Third-Party Contributions (shown in table below)	<u>(8,520,384)</u>
Capital Programme Expenditure to be Funded	<u>14,927,939</u>
Sources of Finance:	
Specific Capital Grant - Better Care Fund	1,818,707
Unsupported Borrowing	3,478,415
Capital Reserves	128,591
Capital Loan	272,699
Capital Receipts applied in year	9,229,527
Total	<u>14,927,939</u>
Third-Party Contributions	
	£
Accelerated Construction Grant	1,096,657
Business Rates Pool	77,959
Ministry of Housing, Communities and Local Government	597,234
Norfolk County Council	302,678
North Norfolk District Council	59,016
Public Sector Decarbonisation Scheme	2,908,950
Suffolk County Council (LEP)	3,470,000
Miscellaneous Contributions	<u>7,891</u>
Total Third-Party Contributions	<u>8,520,384</u>

- 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 2021/2022 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.

- 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.

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 2021-2022 approved at Council on 2 February 2021 set out the policy proposals for the Borough for 2021/2022.
- 4.2 The amount of MRP charged to the accounts in 2021/2022 is £398,130 against a budget of £398,130. The actual MRP charge 2021/2022 has been calculated in accordance with the Council's policy based on the capital financing requirement as at 1 April 2021.

5 Capital Programme 2021/2026

- 5.1 The Capital Programme 2021/2026 was approved by Council on 9 February 2022. As detailed at section 2 above, it is proposed to carry forward budget provision from 2021/2022 to 2022/2023, as highlighted in section 2.4; £4,043,620. In addition, rephasing between years across the period 2022/2023 to 2025/2026 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 2022/2026 and detailed at Appendix 2:

Operational Schemes

Mintlyn Crematorium Extend Car Park

The existing budget of £33,000 has been increased to £140,000 in 2022/2023 following an unsuccessful tender process due to costs being higher than expected. The budget is now realistic for the cost of the required works.

Replacement Grounds Equipment

The need to replace equipment used by the grounds teams has resulted in the additions to the capital programme of £33,500 in 2022/2023 and £95,000 in 2023/2024. Equipment replacement is regularly reviewed and monitored to ensure to get the best economic value from the life of such assets.

Standard Desktop/Laptop Refresh

To accommodate the replacement schedule of the Councils desktop computers and laptops, £300,000 has been added to the capital programme in 2024/2025 and £150,000 in 2025/2026. This is to be funded from general capital resources.

Sport and Leisure Centres

£170,000 has been added to the capital programme 2022/20233 to fund the purchase of fitness equipment at Alive Downham Market and Alive Oasis, and fitness suite flooring improvements at Alive Downham Market and Alive Lynnsport.

These costs are to be partially funded from the reallocation of existing schemes in the programme; side entrance Alive Lynnsport £27,400 has been removed and Alive Corn Exchange replacement speakers has been reduced by £10,000. The remaining £132,600 will be paid for from savings generated within revenue in the next 5 years, achievable based on the reduction in maintenance contracts and repair costs due to having new equipment.

Technology and Other Equipment

£250,000 has been added to the capital programme 2022/2023 to support the implementation of the flexible working policy. This is to be funded from reserves.

5.3 Table 6 shows in summary form the proposed programme 2022/2026 after allowing for rephrasing and amendments. Details of the individual schemes for 2022/2026 are given at Appendix 2 and 3.2 (Exempt).

Table 6

	2022/2023	2023/2024	2024/2025	2025/2026
	£	£	£	£
Major Projects (see note 1)	49,981,110	44,877,550	27,693,050	23,215,110
Community and Partnerships	2,480,680	2,315,000	2,315,000	2,315,000
Resources (S151 Officer)	383,460	150,000	450,000	300,000
Property and Projects	309,330	0	0	0
Operational and Commercial Services	2,705,510	789,390	149,680	20,000
Leisure and Community Facilities	1,306,080	90,000	15,000	15,000
Central Services	250,000	0	0	0
Total Excluding Exempt	57,416,170	48,221,940	30,622,730	25,865,110
Exempt Schemes	11,217,900	5,466,130	1,941,660	0
Total Including Exempt	68,634,070	53,688,070	32,564,390	25,865,110

Note 1 - The Capital Programme for 2022/2026 has included a bid for funding from the National Lottery Heritage Fund of £3,326,910 under the Major Projects heading. At its

meeting of 11 April 2022 Cabinet agreed for recommendation to Council at minute CAB130 and subsequently agreed by Council in minute C:100iii that if the NHLF funding application is unsuccessful, then other funding sources would be explored and options for underwriting the commitment would be presented in a report to Council in the event the need to underwrite the funding arises.

5 Capital Financing 2021/2026

5.1 Table 7 (next page) provides details of the revised estimated capital financing for 2021/2026 updated after funding the 2021/2022 capital. Exempt schemes shown in a separate report.

Table 7

		2022/2023	2023/2024	2024/2025	2025/2026	Total
		£'000	£'000	£'000	£'000	£'000
1.0	Capital Programme: Operational Schemes, S106 and Other Major Projects Expenditure	11,073	9,317	11,638	10,217	42,244
1.1	SOURCES OF FINANCE					
1.2	Specific Capital Grants (Better Care Fund)	1,783	1,783	1,783	1,783	7,131
1.3	Capital Receipts	4,912	5,194	9,630	8,339	28,076
1.4	Reserves	2,172	1,591	35	35	3,833
1.5	Unsupported Borrowing	2,206	749	190	60	3,204
1.6	S106 Funds	0	0	0	0	0
1.7	Total Funding	11,073	9,317	11,638	10,217	42,244
	Major Housing Development					
3.1	Opening Borrowing brought forward	13,210	0	0	0	13,210
3.2	Prior Year Borrowing brought forward	0	22,830	(266)	(17,242)	
3.3	In year expenditure	35,920	35,720	17,590	12,270	101,500
3.4	Sales Receipts	(26,300)	(58,070)	(37,430)	(8,060)	(129,860)
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	Net Borrowing Position	22,830	(266)	(17,242)	(10,257)	(10,257)
	Enterprise Zone (25 Year Project)					
4.1	Opening Borrowing brought forward	2,717				2,717
4.2	Prior Year Borrowing brought forward		8,416	10,525	10,212	
4.3	In year expenditure	6,047	2,457	35	0	8,539
4.4	Business Rates Receipts 85% (via NALEP)	(348)	(348)	(348)	(348)	(1,392)
4.5	Net Borrowing Position	8,416	10,525	10,212	9,864	9,864
5.0	TOTAL NET BORROWING POSITION	31,246	10,258	(7,030)	(393)	(393)
		2022/2023	2023/2024	2024/2025	2025/2026	Total
		£'000	£'000	£'000	£'000	£'000
6.0	Useable Capital Receipts					
6.1	Useable Capital Receipts at 1 April 2021	5,264				5,264
6.2	Prior Year brought forward		1,371	(1,733)	(8,048)	
6.3	Capital Receipts MHP	0	800	2,865	2,775	6,439
6.4	Capital Receipts Housing	150	150	150	150	600
6.5	Capital Receipts - General	870	1,140	300	0	2,310
6.6	Capital Receipts used to Fund Capital Programme (1.3)	(4,912)	(5,194)	(9,630)	(8,339)	(28,076)
6.7	Capital Receipts Transferred to Reserves	1,371	(1,733)	(8,048)	(13,463)	(13,463)

5.2 The table below provides a summary of the temporary funding position.

Table 8

	2022/2023	2023/2024	2024/2025	2025/2026	Total
	£'000	£'000	£'000	£'000	£'000
Major Housing Development	35,920	35,720	17,590	12,270	101,500
Enterprise Zone	6,047	2,457	35	0	8,539
Gross Borrowing Position	41,967	38,177	17,625	12,270	110,039
Net Cumulative Borrowing/(Receipt) Position (Temporary Internal/External Borrowing)	31,246	10,258	(7,030)	(393)	(393)

5.3 The funding for the period 2021/2026 was agreed by Council on 23 February 2022. The above table includes adjustments following rephasing of 2021/022 funding.

6 Equality Impact Assessment

6.1 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.

6.2 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)

7 Financial Implications

7.1 The financing arrangements for the capital programme are within budget. Where rephasing to/from 2022/2023 is to be made then the funding will follow. As previously noted, the MRP charge for 2021/2022 can be met from within the overall revenue outturn for the year.

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

8 Risk Implications and Sensitivity Analysis

- 8.1 Risk is inherent in any projection of future funding. The estimated resources available to fund the capital programme 2021/2026 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>Risk</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 2022/2023 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</p> <p>This funding represents 20% of 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</p> <p>Capital receipts over the 5 year capital programme 2021-26 represent 100% of the current general fund reserve. 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</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 sum total of capital receipts in the funding is £2m plus £7m of sales receipts from the housing joint venture and £100m 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	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. The viability of all schemes will be monitored closely for rapidly changing market conditions.</p>	High
Unsupported Borrowing	<p>Risk The proposed capital programme 2021-2026 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 payment of an annual lease.</p>	Low
Reserves	<p>Risk Contributions from reserves are based on actual balances as at 1 April 2021 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 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 Brexit</p> <p>Sensitivity/consequences The Brexit situation continues to affect market confidence. This could impact on sales values and cost of materials and labour. The Council will review regularly in determining how to proceed with schemes and, for example, whether to sell or rent properties through the Housing Company.</p>	Medium

Source of Funding	Risk Implications and Sensitivity	Level of Risk
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. External borrowing will be sourced through market loans or PWLB depending on the most favourable rates.</p>	Low
Sales Value Reduces / Costs Increase	<p>Risk Pandemic</p> <p>Sensitivity/consequences The Coronavirus Pandemic (Covid-19) situation affects market confidence. This could impact on sales values and cost of materials and labour. The Pandemic may also impact on delivery timescales. The Council will review regularly in determining how to proceed with schemes and, for example, whether to sell or rent properties through the Housing Company.</p>	High
Towns Fund	<p>Towns Fund</p> <p>The Towns Deal is a Towns Fund Grant from Department of Levelling Up, Housing and Communities (DLUHC).</p> <p>There are 7 Projects and BCKLWN was awarded £25m.</p> <p>Town Centre Repurposing</p> <p>Risks:</p> <p>A suitable vacant property is not available on the market.</p>	High

	<p>Sensitivity/consequences:</p> <p>A suitable property is not available on the market means that the project is unable to progress</p> <p>Youth and Retraining Pledge</p> <p>Risks:</p> <p>Project schedule is not clearly defined or understood.</p> <p>Sensitivity/consequences:</p> <p>Project Creep and failure to deliver on time and Budget</p> <p>Town Centre Public Realm</p> <p>Risks:</p> <p>Power source from Rail Station for digital sign</p> <p>Sensitivity/consequences:</p> <p>Lack of power source from Rail Station prevents the operation of a digital sign at that location</p> <p>St. Georges Guildhall</p> <p>Risks:</p> <p>Reliance on receiving £3.327m National Heritage Lottery Funding (NHLF)</p> <p>Sensitivity/consequences:</p> <p>If the NHLF is unsuccessful then the Project may need to be cancelled, scaled back or other sources of Funding obtained.</p> <p>Active And Clean Connectivity</p> <p>Risks:</p> <p>Gyratory scheme fails to have the impact that it was designed to achieve.</p> <p>Sensitivity/consequences:</p> <p>Scheme has to be descoped as not fit for purpose</p> <p>Riverfront Regeneration</p> <p>Risks:</p>	<p>Low</p> <p>High</p> <p>High</p> <p>Medium</p> <p>Medium</p>
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	<p>South Quay Public Realm is dependent on agreeing join venture approach to the adjacent site</p> <p>Sensitivity/consequences:</p> <p>Loss of Benefits from aggregation of schemes resulting in diluted benefits</p> <p>Multi User Community Hub Risks:</p> <p>Time Taken to Purchase Property</p> <p>Sensitivity/consequences:</p> <p>Delays prevent Project progress with reduced time to achieve outputs and outcomes</p>	<p>Low</p>
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8.2 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.

9 Policy Implications

The establishment and management of the capital programme are in accordance with the Council's Capital Strategy. The current Capital Strategy 2022/2023 was approved by Council on 9 February 2022.

10 Statutory Consideration

None

11 Consultations

Management Team

12 Access to Information

Cabinet Reports
Background Papers (Government Circulars etc)
Financial Plan 2021/2026
Capital Strategy and Local Property Investment Fund 2017/2021
Capital Strategy 2021/2022
Monthly Monitoring Reports