



Report to: Cabinet Meeting: 18 February 2025

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Director – Resources and Deputy Chief Executive

Lead Officer: Jenna Norton, Senior Accountant – Financial Services Extension 5327

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	General Fund Capital Programme Budget 2025/26 to 2028/29
Purpose of Report	In accordance with the Financial Regulations 6.2.3, Cabinet is required to consider the Capital Programme and recommend to the Council the final Programme for approval. This report details the proposed capital schemes over the medium term, together with the available resources to finance this.
Recommendations	That Cabinet recommend to full Council on 6 March 2025 the General Fund schemes set out at <b>Appendix A</b> to the report as committed expenditure in the Capital Programme for 2025/26 to 2027/28.
Alternative Options Considered	If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the Community Plan.
Reason for Recommendations	To enable the Capital Programme to be considered by Cabinet in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

## 1.0 Background

- 1.1 The Capital Strategy was approved by Council on 7 March 2024. It contains the Capital Appraisal form template and the prioritisation criteria, which is in two stages. The schemes need to meet the criteria in stage 1 to progress to stage 2.
- 1.2 Capital Appraisal forms were circulated to all Business Managers during summer 2024 to enable bids for new Capital schemes. Completed forms were scored in conjunction with the prioritisation criteria. Senior Leadership Team considered the results of this exercise and the proposed Capital Programme included within this report, contain those schemes that were agreed to be appropriate.

## **2.0 Capital Expenditure – General Fund**

2.1 The Council intends to spend £50.241m in general fund capital expenditure from 2025/26 to 2028/29.

2.2 The major schemes in this programme are:

<b>Scheme Name</b>	<b>Summary of Proposed Financing</b>
Yorke Drive Regeneration and Community Facility	Borrowing plus external grant
Provision of 3G Pitches	Borrowing and Capital Receipts
Vehicles and Plant Replacement	Capital Receipts and Capital Provision
Information Technology Investment	Capital Receipts and Capital Provision
Clipstone Holding Centre Development	Borrowing and Change Management Reserve
Disabled Facility Grants	Wholly funded by Grant
Former Belvoir Iron Works Acquisition	Wholly funded from Change Management Reserve
A1 Overbridge	Community Infrastructure Levy
Arkwood Developments Regeneration Loan Facility	Borrowing
Castle Gatehouse	£3.3m contribution from the Towns Fund, £1.254m NLHF and the remainder borrowing.
32 Stodman Street – Towns Fund	£3.980m Town Fund, £284k One Public Estate, £400k Shared Prosperity Fund with the remainder supplemented Reserves and borrowing

2.3 Two new schemes have been added to the Capital Programme as part of the budget process. The total over the period of 2025/26 to 2028/29 of £0.322m in General Fund. Details of which can be found labelled 'New' at Appendix A and are summarised below:

<b>Scheme Name</b>	<b>Summary of Proposed Financing</b>
Essential works at the Palace Theatre	Borrowing
Cuckstool Wharf Lighting	Capital Reserve

2.4 The impacts of all borrowing have been included in the Treasury Management Strategy and the Medium-Term Financial Plan. Details of individual schemes are shown in **Appendix A**.

## **3.0 Resources Available**

3.1 External Grants and Contributions can provide additional resources to the Capital Programme. Grant funding is subject to a detailed bidding process. Officers continue to liaise with external parties to secure the maximum available inward investment in order to contribute towards the delivery of the capital programme.

- 3.2 The most significant grants currently forecast over the medium term are from the Towns Fund, and the Better Care Fund (BCF) for Disabled Facilities Grants (DFG's). In addition to this, grants held from previous years for specific purposes are due to be utilised. For example, the Towns Fund projects, where grant instalments were received during 2022/23 to 2024/25, which is forecast to be utilised over the next financial year.

### 3.3 Capital Receipts

	<b>General Fund £'m</b>
Estimated Balance @ 1 Apr 2025	0.290
Estimated Receipts 2022/26 – 2028/29	5.966
Approved for Financing 2025/26 – 2028/29	6.256
<b>Unallocated Capital Receipts Balance</b>	<b>0.000</b>

- 3.6 The general fund capital estimated receipts of £5.966m are made up of the sale of the residential properties on Stodman Street and land at Lowfield Lane, due to be sold to Arkwood Developments along with a nominal amount each year for sale of vehicles that are due for replacement.

- 3.7 Where appropriate, the use of existing capital resources is prioritised. Borrowing is utilised for assets with longer asset lives, where the impact of interest and Minimum Revenue Provision (MRP) can be spread over the useful economic life of the asset, whilst minimising the impact on the General Fund. Leasing is also tightly controlled within the revenue budgets for the same reason and is rarely used as the interest rates remain low, therefore borrowing is currently a more attractive means of financing capital expenditure.

- 3.8 Subject to the approval of the proposals outlined in section 2.0 and 3.0 above, the current plan for financing the capital programme is shown below.

## 4.0 Financing

- 4.1 Subject to the approval of the proposals outlined in section 3.0 above, the current plan for financing the capital programme is shown below.

### **General Fund Capital Programme Financing Summary**

<b>General Fund Financing</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
Government Grants	7.040	0.860	0.860	0.860
Contributions from Third Parties	1.300	0.000	0.000	0.000
Community Infrastructure Levy	2.500	3.000	0.000	0.000
Capital Receipts	2.120	1.694	2.190	0.252
Capital Reserve	0.351	0.055	0.000	0.000
RCCO	2.019	1.500	1.602	0.859
Borrowing	19.295	0.800	0.378	0.706
<b>Total</b>	<b>34.625</b>	<b>7.909</b>	<b>5.030</b>	<b>2.677</b>

- 4.2 At the end of the financial year, once all capital expenditure has been finalised (including accrued expenditure) the financing of the Capital Programme as a whole is arranged by the Section 151 Officer, in line with the Council's Constitution.

## **5.0 Implications**

In writing this report and in putting forward recommendation's officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Capital Strategy 2025/26 Report to Audit & Governance - 19 February 2025