



Enquiries to:  
Kelly Baxter

Direct Dial: 024 7637 6204

Direct Email:  
member.services@nuneatonandbedworth.gov.uk

Date: 1<sup>st</sup> September 2023

Dear Sir/Madam,

**Cabinet – 6<sup>th</sup> September, 2023**

I refer to **Agenda Items 14 – General Fund Budget Monitoring Q1 (Page 2), 15 – HRA Budget Monitoring Q1 (Page 11) and 16 – Capital Budget Monitoring Q1 (Page 20)** and attach the reports that was marked to follow on the agenda.

Yours faithfully,

BRENT DAVIS

Chief Executive

To: Members of the Cabinet

Councillor K. Wilson (Leader of the Council and Business and Regeneration)  
Councillor C. Golby (Deputy Leader and Housing and Communities)  
Councillor S. Croft (Finance and Corporate)  
Councillor S. Markham (Public Services)  
Councillor R. Smith (Planning and Regulation)  
Councillor J. Gutteridge (Health and Environment)

Observer

Councillor C. Watkins (Leader of the Main Opposition Party)



**Cabinet**

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**Report Summary Sheet**

**Date: 6<sup>th</sup> September 2023**

**Subject: General Fund Budget Monitoring Q1**

**Portfolio: Finance & Corporate (Councillor S Croft)**

**From: Strategic Director – Finance & Governance**

**Summary:**

To present the forecast revenue outturn position for the General Fund as at 30<sup>th</sup> June 2023.

**Recommendations:**

That the forecast outturn position for the General Fund for 2023/24 be noted, with consideration given to key variances.

That the direction of the S151 Officer to implement savings detailed at paragraph 4.3 of the report is noted.

**Options:**

To accept the report or request further information on the forecasted position.

**Reasons:**

The Council is required to achieve a balanced budget each year.

**Consultation undertaken with Members/Officers/Stakeholders**

Councillor Croft, Management Team and relevant officers

**Subject to call-in:**

Yes

**Ward relevance:**

None directly.

**Forward plan:**

Yes

**Building a Better Borough Aim:**

Work

**Building a Better Borough Priority:**

Grow a strong and inclusive economy.

**Relevant statutes or policy:**

Local Government Finance Act 1992

**Equalities Implications:**

None

**Human resources implications:**

None

**Financial implications:**

Detailed in the report.

**Health Inequalities Implications:**

None

**Section 17 Crime & Disorder Implications:**

None

**Risk management implications:**

The Council analyses risks as part of the budget setting process and ensures an appropriate level of reserves are in place.

**Environmental implications:**

None

**Legal implications:**

To achieve a balanced budget each year.

**Contact details:**

Vicki Summerfield, Strategic Director - Finance & Governance

[Victoria.summerfield@nuneatonandbedworth.gov.uk](mailto:Victoria.summerfield@nuneatonandbedworth.gov.uk)

**AGENDA ITEM NO.14**

**NUNEATON AND BEDWORTH BOROUGH COUNCIL**

**Report to: Cabinet - 6<sup>th</sup> September 2023**

**From: Strategic Director - Finance & Governance**

**Subject: General Fund Budget Monitoring Q1**

**Portfolio: Finance & Corporate (Councillor S Croft)**

**Building a Better Borough Aim: Work**

**Building a Better Borough Priority: Grow a strong and inclusive economy**

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1. Purpose of Report

1.1 To present the forecast revenue outturn position for the General Fund as at 30<sup>th</sup> June 2023 unless otherwise stated in the report.

2. Recommendations

2.1 That the forecast outturn position for the General Fund for 2023/24 be noted, with consideration given to key variances.

2.2 That the direction of the S151 Officer to implement savings as detailed in paragraph 4.3 is noted.

3. Background

3.1 The General Fund and Housing Revenue Account (HRA) revenue and capital budgets for 2023/24 were approved by Cabinet and Council in February 2023. This report is a detailed update of performance against the General Fund revenue budget as at June 2023.

3.2 This report considers the spend pressures that may be coming to the forefront, whether income projections are on target and whether savings that were built into the budget are on track.

4. Body of Report

4.1 Apart from Council housing, day-to-day revenue income and expenditure for Council services is accounted for through the General Fund. The net expenditure is financed through the Council's Core Spending Power which includes Council Tax, Retained Business Rates and other general Government Grants.

- 4.2 The revenue budget for 2023/24 was set as a net expenditure of £16,906,464 with core income and reserve contributions expected of £16,909,808 resulting in a surplus of £3,344 which included assumptions for inflation and increases in fee income. Unfortunately, due to the challenging and continually changing marketplace, some of the assumptions will not be sufficient or achievable. An overspend of £489,473 is currently forecast.
- 4.3 If the additional cost / reduction in income is not addressed throughout the year, a transfer from earmarked reserves to cover the deficit will be required. The S151 Officer has instigated a freeze on recruitment into vacant posts whilst the transformation programme review is undertaken to mitigate further burden on reserves.
- 4.4 A summary of the Council's budget and forecasted expenditure is contained in the following table with more detail included in Appendix 1.

	Forecast £	Approved Budget £	Variance £
Business & Regeneration	1,920,261	1,920,660	-399
Finance & Corporate	4,409,492	4,527,564	-118,072
Health & Environment	3,226,123	3,206,894	19,229
Housing & Communities	1,752,917	1,555,978	196,939
Planning & Regulation	-472,368	-224,929	-247,439
Public Services	8,198,178	7,594,458	603,720
Central Services	35,495	0	35,495
Portfolio Total	19,070,098	18,580,625	489,473
Other Operating Costs/Income	-1,674,161	-1,674,161	0
Core Funding	-16,909,808	-16,909,808	0
Total Surplus / Deficit	486,129	-3,344	489,473

- 4.5 The key variances are included below with commentary:

	£'000
Planning Income	-247
Elections Underspend	-118
Legal / Court Fees	19
Website Costs	35
Homelessness / HB Subsidy Losses	197
Recycling and Refuse	604
Other Minor Variances	-1
	489

## **Spend Pressures**

- 4.6 The budget for recycling income was reviewed as part of the budget setting process and an average income per tonne over the past few years was assumed. The marketplace for recyclable materials has fallen considerably since the start of the financial year which is resulting in an assumed loss of income (£340k), in addition, Coventry City Council have increased the contract cost of recycling (£194k), informing the Council after the budget setting round had been finalised. Agency costs are also causing additional pressure on the budget for both recycling and refuse (£70k).
- 4.7 Small changes to Benefit subsidy can have a significant impact on the Council due to the size of the budget. Losses are mainly due to the cost of housing homeless individuals that cannot be recovered and has been an ongoing problem for the Council for a number of years. Additional provision was included in the budget for 2023/24 and this is currently under review and updates will be presented to a future Cabinet meeting.
- 4.8 Cabinet was informed of an additional cost pressure for the requirement to host the Council's own website in April 2023. At the time of approving the budget for 2023/24, the cost and requirement for this was unknown.
- 4.9 Legal fees have been provided for due to a potential appeal against an enforcement notice which were unbudgeted.

## **Savings**

- 4.10 Planning fee income is in excess of the budget and is expected to remain high during the year due to an increase in applications. The levels of income expected is under review monthly but is a prudent assessment and any fluctuation will be reported as part of the budget monitoring reports quarterly.
- 4.11 A budget for a local election was included in error and will be a saving in year. The level of budget required for 2024/25 is being considered due to boundary review and is therefore only a cost saving in year. This budget will increase for 2024/25 due to additional ward members being required.

## **5. Conclusion**

- 5.1 The Council is required to set a balanced budget and will not remain financially sustainable into the medium-term with predicted deficits at the level currently being seen. Utilising earmarked reserves to prop up the General Fund cannot be continued into the future.

- 5.2 A freeze on recruitment has been implemented by the S151 Officer to mitigate further cost pressures and reduce the burden on reserves. This will be kept under review and any removal of the freeze will be reported to Cabinet.
- 5.3 The transformation programme is starting to gather pace and will be key to increasing efficiency and effectiveness across the Council which will in turn generate savings and income and is essential to ensure the Council remains financially viable.
- 5.4 £1.3m was set-aside as part of the budget round to ensure financial resilience plus to invest in changes to services through transformation. There is the ability in year to cover the additional cost pressure, but this should be the means of last resort.

## 6. Appendices

- 6.1 Appendix 1 General Fund Forecast 2023/24

## 7. Background Papers

- 7.1 General Fund Budget Setting Report – Cabinet and Council February 2023



## SUMMARY GENERAL FUND FORECAST OUTTURN

as at end of June 2023

	2023/24 Current Budget £	2023/24 Current Forecast £	2023/24 Forecast Variance £	Key Reason for Forecast Variance to Budget
Business & Regeneration	1,920,660	1,920,261	-399	
Finance & Corporate	4,527,564	4,409,492	-118,072	Election budget saving as no local election this year
Health & Environment	3,206,894	3,226,123	19,229	Increased cost on legal services - no budget
Housing & Communities	1,555,978	1,752,917	196,939	Reduced income for homelessness / losses in subsidy
Planning & Regulation	-224,929	-472,368	-247,439	Increased planning application income
Public Services	7,594,458	8,198,178	603,720	Reduced recycling income due to reduced material price after budget setting. Increased contract cost from CCC for kerbside recycling. Increased agency costs.
<b>Portfolio Subtotal</b>	<b>18,580,625</b>	<b>19,034,603</b>	<b>453,978</b>	
Central Services	0	35,495	35,495	Website update
<b>Portfolio Total</b>	<b>18,580,625</b>	<b>19,070,098</b>	<b>489,473</b>	
Central Provisions	1,235,500	1,235,500	0	
Depreciation & Impairment	-3,096,530	-3,096,530	0	
Contributions To/From Reserves	-936,251	-936,251	0	
Financing of Capital Expenditure	470,000	470,000	0	
PWLB Premiums	21,120	21,120	0	
Investment Income	-460,000	-460,000	0	
Minimum Revenue Provision	654,000	654,000	0	
External Interest	438,000	438,000	0	
<b>Total Council Net Expenditure</b>	<b>16,906,464</b>	<b>17,395,937</b>	<b>489,473</b>	
Council Tax	-10,039,237	-10,039,237	0	
New Homes Bonus	-1,361,266	-1,361,266	0	

General Government Grants	-143,405	-143,405	0
Business Rates Retention	-5,124,733	-5,124,733	0
NDR Collection Fund (Surplus)/ Deficit	-159,299	-159,299	0
Council Tax Collection Fund (Surplus)/ Deficit	-81,868	-81,868	0
<b>Total Funding</b>	<b>-16,909,808</b>	<b>-16,909,808</b>	<b>0</b>
<b>(Surplus) / Deficit</b>	<b>-3,344</b>	<b>486,129</b>	<b>489,473</b>

**Cabinet**

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**Report Summary Sheet**

**Date: 6<sup>th</sup> September 2023**

**Subject: Housing Revenue Account Budget Monitoring Q1**

**Portfolio: Finance & Corporate (Councillor S Croft)  
Housing & Communities (Councillor C Golby)**

**From: Strategic Director – Finance & Governance**

**Summary:**

To present the forecast revenue outturn position for the Housing Revenue Account (HRA) as at 30<sup>th</sup> June 2023.

**Recommendations:**

That the forecast outturn position for the HRA for 2023/24 be noted, with consideration given to key variances.

**Options:**

To accept the report or request further information on the forecasted position.

**Reasons:**

The Council is required to achieve a balanced budget each year.

**Consultation undertaken with Members/Officers/Stakeholders**

Councillor Croft, Management Team and relevant officers

<b>Subject to call-in:</b> Yes
<b>Ward relevance:</b> None directly.
<b>Forward plan:</b> Yes

<b>Building a Better Borough Aim:</b> Work
<b>Building a Better Borough Priority:</b> Grow a strong and inclusive economy.
<b>Relevant statutes or policy:</b> Local Government Finance Act 1992

<b>Equalities Implications:</b> None
<b>Human resources implications:</b> None
<b>Financial implications:</b> Detailed in the report.
<b>Health Inequalities Implications:</b>

None

**Section 17 Crime & Disorder Implications:**

None

**Risk management implications:**

The Council analyses risks as part of the budget setting process and ensures an appropriate level of reserves are in place.

**Environmental implications:**

None

**Legal implications:**

To achieve a balanced budget each year.

**Contact details:**

Vicki Summerfield, Strategic Director - Finance & Governance

[Victoria.summerfield@nuneatonandbedworth.gov.uk](mailto:Victoria.summerfield@nuneatonandbedworth.gov.uk)

**AGENDA ITEM NO.15**

**NUNEATON AND BEDWORTH BOROUGH COUNCIL**

**Report to:** Cabinet - 6<sup>th</sup> September 2023  
**From:** Strategic Director - Finance & Governance  
**Subject:** Housing Revenue Account Budget Monitoring Q1  
**Portfolio:** Finance & Corporate (Councillor S Croft)  
Housing & Communities (Councillor C Golby)

**Building a Better Borough Aim: Work**

**Building a Better Borough Priority: Grow a strong and inclusive economy**

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1. Purpose of Report

1.1 To present the forecast revenue outturn position for the Housing Revenue Account (HRA) as at 30th June 2023 unless otherwise stated in the report.

2. Recommendations

2.1 That the forecast outturn position for the HRA for 2023/24 be noted, with consideration given to key variances.

3. Background

3.1 The General Fund and HRA revenue and capital budgets for 2023/24 were approved by Cabinet and Council in February 2023. This report is a detailed update of performance against the HRA revenue budget as at June 2023.

3.2 This report considers any spend pressures and any potential risks to rental income levels.

4. Body of Report

4.1 The Council is required to account separately for income and expenditure in providing council housing.

4.2 The revenue budget for 2023/24 was set as a net expenditure of £254,245 which included assumptions for inflation. The Council is currently predicting net expenditure of £630,588, an overspend of £376,343.

- 4.3 The S151 Officer has put a recruitment and non-essential expenditure freeze on the General Fund but at this stage is not inclined to replicate this on the HRA. There is currently a Business Plan review underway which will take into account all opportunities and risks, and this may well determine changes to the profile of spend and the types of spend required.
- 4.3 A summary of the HRA's budget and forecasted expenditure is contained in the following table with more detail included in Appendix 1.

	Forecast £	Approved Budget £	Variance £
Income	-29,210,439	-29,499,920	289,481
Supervision & Management	10,621,500	10,615,137	6,363
Repairs & Maintenance	6,178,721	6,131,358	47,363
Capital Financing Costs	10,515,050	10,515,050	0
Appropriations	2,492,620	2,492,620	0
Other Operating Costs/Income	10,186	0	10,186
Total	607,638	254,245	353,393

- 4.5 The key variances are included below with commentary:

	£'000
Dwelling Rents	289
Contractor Costs and Materials	47
Website Costs	10
Other Minor Variances	7
	353

### Spend Pressures

- 4.7 Although rental income was higher than budget in 2022/23, it is being assumed at this stage that the outturn position will be lower than expected. Further review is underway regarding how realistic the revised assumptions are and will be reported to a future Cabinet.
- 4.8 Material costs and expenditure incurred by contractors is currently at a higher level than expected due to the increased cost of materials. The impact to the HRA is being kept under close review by the Strategic Director for Housing and Communities and will be mitigated where possible.
- 4.9 As reported in the General Fund Q1 outturn report, the Council has been required to host its own website in 2023/24 and a report to Cabinet in April 2023 detailed out the potential cost. This was not included within the original budget approved in February 2023 as it was unknown at that stage.

5. Conclusion

5.1 Spend pressures as a result of the cost of inflation are affecting the day-to-day operation of the HRA and are not set to reduce.

5.3 A review of the HRA Business Plan is underway and will lay out the future plan for income generation and cost mitigation. With the changes to housing legislation and expectations on housing providers, the profile of expenditure is likely to alter. When finalised, the Business Plan will be presented to Cabinet.

6. Appendices

6.1 Appendix 1 - HRA Forecast 2022/23

7. Background Papers (if none, state none)

7.1 Housing Revenue Account Budget 2023/24 – Cabinet February 2023.



## HRA FORECAST OUTTURN

as at end of June 2023

Service	2023/24 Spend to date	2023/24 Current Budget	2023/24 Current Forecast	2023/24 Forecast Variance	Comments
	£	£	£	£	
HRA General Expenses	168,362	2,728,919	2,735,599	6,680	(£4k) reduced printing costs, (£3k) reduced telephone costs. £8k audit budget, £5k increased IT support, £1k training.
HRA Repairs Management	261,353	2,149,382	2,149,382	0	
Resident Involvement	5,475	59,820	58,620	-1,200	(£10k) star survey budget saving, £9k increased magazine costs.
Debt Management Costs	0	135,940	135,940	0	
Increase in Bad Debt Provision	0	485,360	485,360	0	
HRA share of Corporate and Democratic Core	0	178,000	178,000	0	
HRA share of Non-Distributed Costs	0	57,680	57,680	0	
Housing System	0	113,330	113,330	0	
Development Strategy	67,641	533,558	533,558	0	
<b>SUPERVISION &amp; MANAGEMENT - GENERAL</b>	<b>502,831</b>	<b>6,441,989</b>	<b>6,447,469</b>	<b>5,480</b>	
HRA Special Expenses	6,233	117,215	117,215	0	
Independent Living (Previously Warden Schemes)	40,948	2,572,847	2,571,147	-1,700	(£12k) saving cleaning materials, increased furniture and equipment expected £10k.
Homeless Hostels	(2,088)	104,604	104,604	0	
Bedworth Hostel	7	138,380	138,380	0	
ST BENEDICTS HOUSE		0	0	0	
Other Housing Schemes (Flats)	47,313	896,612	899,195	2,583	(£8k) electricity saving, £7k agency spend, £3k transport costs
Grounds Maintenance	49,638	343,490	343,490	0	
<b>SUPERVISION &amp; MANAGEMENT - SPECIAL</b>	<b>142,051</b>	<b>4,173,148</b>	<b>4,174,031</b>	<b>883</b>	
Reactive Repairs	547,310	2,604,355	2,604,355	0	

Call Out	23,960	88,523	88,523	0	
R.+ M. - Dwellings	52,784	250,550	252,550	2,000	Increased external contractor costs.
R. + M. - Estate Management	3,591	20,000	20,000	0	
Asbestos	13,443	145,000	145,000	0	
R. + M. - Homeless Hostels	0	4,960	4,960	0	
R. + M. - Shops & Other Co.	0	1,000	1,000	0	
Planned Works - Outside Contractors	251,257	1,945,828	1,987,894	42,066	External contractor costs
Outside Contractors - Not Depot Monitored	53,565	308,710	308,710	0	
R + M - Voids	167,143	762,432	765,729	3,297	External contractor costs
<b>REPAIRS &amp; MAINTENANCE</b>	<b>1,113,052</b>	<b>6,131,358</b>	<b>6,178,721</b>	<b>47,363</b>	
Cost of Capital Charge	0	0		0	
Depreciation	0	8,724,000	8,724,000	0	
Interest Payable	0	1,791,050	1,791,050	0	
<b>CAPITAL FINANCING COSTS</b>	<b>0</b>	<b>10,515,050</b>	<b>10,515,050</b>	<b>0</b>	
Council House & Hostels-Income HRA	(6,700,272)	-26,801,090	-26,511,609	289,481	Review of levels of income expected underway - void losses and RTB being focal point
Interest Receivable	0	-36,800	-36,800	0	
Non-Dwelling Rents	(75,439)	-572,510	-572,510	0	
Other Income - Independent Living Schemes	(1,169)	-1,416,610	-1,416,610	0	
Other Income - Services And Facilities	(235,339)	-650,910	-650,910	0	
Other Income - Rechargeable Repairs	(55,556)	-22,000	-22,000	0	
<b>INCOME</b>	<b>(7,067,774)</b>	<b>-29,499,920</b>	<b>-29,210,439</b>	<b>289,481</b>	
Capital Expenditure funded by HRA (CERA)	0	2,492,620	2,492,620	0	
<b>APPROPRIATIONS</b>	<b>0</b>	<b>2,492,620</b>	<b>2,492,620</b>	<b>0</b>	
Support Services			10,186	10,186	Website hosting
<b>Total HRA</b>	<b>(5,311,055)</b>	<b>254,245</b>	<b>607,638</b>	<b>353,393</b>	



**Cabinet**

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**Report Summary Sheet**

**Date: 6<sup>th</sup> September 2023**

**Subject: Capital Forecast Q1 2023/24**

**Portfolio: Finance and Corporate (Councillor S Croft)  
Housing & Communities (Councillor C Golby)**

**From: Strategic Director – Finance & Governance**

**Summary:**

To update on the Council's Q1 forecasted outturn position on capital expenditure for both the General Fund and Housing Revenue Account (HRA)..

**Recommendations:**

To consider the Q1 forecasted capital outturn position for 2023/24 for the General Fund and HRA.

To recommend to Council for approval an update to the Capital Budget for 2023/24 as detailed at part 4.10 of the report.

**Options:**

To accept the report or request further information on the outturn position.

To recommend approval of the updated 2023/24 capital budget to Council

**Reasons:**

To ensure the Council has an accurate capital budget.

**Consultation undertaken with Members/Officers/Stakeholders**

Councillor Croft, Management Team and relevant officers

**Subject to call-in:**

Yes

**Ward relevance:**

None directly.

**Forward plan:**

Yes

**Building a Better Borough Aim:**

Work

**Building a Better Borough Priority:**

Grow a strong and inclusive economy.

**Relevant statutes or policy:**

Local Government Finance Act

**Equalities Implications:**

None

**Human resources implications:**

None

**Financial implications:**

Detailed in the report.

**Health Inequalities Implications:**

None

**Section 17 Crime & Disorder Implications:**

None

**Risk management implications:**

None.

**Environmental implications:**

None

**Legal implications:**

None

**Contact details:**

Vicki Summerfield – Strategic Director - Finance & Governance

[Victoria.summerfield@nuneatonandbedworth.gov.uk](mailto:Victoria.summerfield@nuneatonandbedworth.gov.uk)

**AGENDA ITEM NO.16**

**NUNEATON AND BEDWORTH BOROUGH COUNCIL**

**Report to: Cabinet – 6<sup>th</sup> September 2023**

**From: Strategic Director - Finance & Governance**

**Subject: Capital Monitoring Q1**

**Portfolio: Finance & Corporate (Councillor S Croft)**

**Building a Better Borough Aim: Work**

**Building a Better Borough Priority: Grow a Strong & Inclusive Economy**

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1. Purpose of Report

1.1 To update on the Council's Q1 forecasted outturn position on capital expenditure for both the General Fund and Housing Revenue Account (HRA).

2. Recommendations

2.1 To consider the Q1 forecasted capital outturn position for 2023/24 for the General Fund and HRA.

2.2 To recommend to Council for approval an update to the Capital Budget for 2023/24 as detailed at part 4.10 of the report.

3. Background

3.1 Nuneaton and Bedworth Borough Council has a large capital programme to provide community value and improve facilities. The Q1 outturn position for 2023/24 updates on how the programme is progressing.

4. Body of Report

4.1 The Council's capital programme covers many projects for both the General Fund and Housing Revenue Account.

4.2 General Fund projects are developed in line with strategies reported to Cabinet/Council and are funded through Section 106 developer contributions, grant funding (from the Government and other external providers), internal and external borrowing plus capital receipts generated through asset sales.

- 4.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing plus new build. They are funded from HRA reserves, capital receipts from Right to Buy plus grant income.
- 4.4 The capital budget for 2023/24 of £106,627,852 was approved in February 2023 at Council with an updated budget position reported of £111,917,651 to Cabinet in July 2023.
- 4.5 A summary of the General Fund and HRA forecasted expenditure versus budget is below alongside financing of the programme with further detail included in Appendix 1.

	Approved Budget £	Revised Budget £	Forecast Actual £	Variance £
Business & Regeneration	55,245,947	56,867,694	26,054,347	-30,813,347
Finance & Corporate	290,000	298,000	298,000	0
Housing & Communities	6,688,637	7,558,637	7,558,637	0
Public Services	23,745,567	23,885,426	5,120,507	-18,764,919
Planning & Regulation	0	0	0	0
Health & Environment	0	0	0	0
Miscellaneous Schemes	100,000	92,000	92,000	0
General Fund	86,070,151	88,701,757	39,123,491	-49,578,266
HRA	25,847,500	25,847,500	25,847,500	0
Total	111,917,651	114,549,257	64,970,991	-49,578,266

### General Fund

- 4.6 The budget for the capital programme was updated in July 2023 to include carry forward of underspends from 2022/23.
- 4.7 Projects are projected to underspend by £49.6m on the General Fund although the HRA at this stage is expected to be on target. This will be monitored with carry forwards being requested if required as part of the budget round in February 2024.
- 4.8 The key projected underspends on the General Fund are detailed below:
- Bridge to Living – the tender exercise has now concluded and is the process of evaluation. Works on site are currently delayed with expenditure on the project not expected to progress until 2024.
  - Bedworth Physical Activity Hub – a tender exercise has concluded for this project, and a revised scheme is to be reported to Cabinet in September. Due to this delay, it is expected that the start on site will be in early 2024.



- Grayson Place – phase 1 of the redevelopment is underway but phase 2 is unlikely to be started in 2023 due to the requirement for a tender exercise. Progress will be kept under review and the forecast may alter as the development moves forward.
  - Towns Fund projects – The Weddington Road Cycle Lane is due to cost less than budgeted and the balance of the funding is to be transferred to support the Museum and Parks Revival project. The Digital Skills and Inclusion project is part of the overall Grayson Place development, and this is likely to progress as part of phase 2 in 2024.
- 4.9 There is one projected overspend of £75k which is on the Play Areas. A budget was created in the revenue account for renewal and replacement, but the works required are capital. It is proposed that a revenue contribution to capital is undertaken to balance the accounts and the budgets will be updated as part of the 2024/25 budget setting process.

#### Budget Update

- 4.10 Cabinet approved an update to the Museum and Parks Revival project in May 2023 which has been included in Appendix 1 and is funded through the Towns Fund plus S106. Visiting Nuneaton: Changing Perspectives budget of £60k from Towns Fund has been cancelled and reallocated to the Museum and Parks Revival project.
- 4.11 The Corporate Programme Board has approved a business case to purchase a hook lift vehicle which is to be funded from earmarked reserves set-aside for vehicle replacements. It has also approved two projects to be fully funded through S106 at Ambleside Sports Club and Sandon Park Pavilion.
- 4.12 The capital element of the UKSPF had a carry forward budget of £43k approved in July 2023 but this has now been updated to include the 2023/24 allocation of funding.
- 4.12 As part of the revenue budget, £75k was allocated from the General Fund for renewal and replacement of parks. The nature of these works are capital and therefore it is proposed to make a contribution from revenue into capital and create a capital budget to monitor.
- 4.13 Due to successfully spending grant funding for Green Homes, a further £500k has been allocated to the Council for 2023/24. The budget has been updated to reflect.
- 4.14 Finally, a tender exercise for the Changing Places project has concluded and it is to cost £8k more than originally budgeted. It is proposed to transfer the shortfall from the miscellaneous £100k set aside for projects each year to enable the project to be delivered.

- 4.15 All of the proposed budget adjustments are highlighted in yellow in Appendix 1.
- 4.10 The progress of all projects will be monitored during the year with further updates reported to Cabinet.

### HRA

- 4.11 The capital budget for the HRA was approved as £24,418,500 in February 2023 but an updated budget position was reported to Cabinet in July 2023 of £25,847,500 to include carry forwards of underspends from 2022/23.
- 4.12 Management of the HRA capital programme is based on scheduled works and progression of new build and acquisition targets. The budget as a whole is utilised by need of the customer and the most efficient use of resources to ensure value for money and will therefore fluctuate against the initial forecasted expenditure by line in any one year.
- 4.13 There is a review of the HRA Business Plan currently underway and this will determine the spend pattern and expected profile of works in line with the changes and updates to legislative requirements.
- 4.14 Any amendments to the HRA capital programme after review of the Business Plan will be reported to a future Cabinet.

### Capital Reserves

- 4.15 Reserves are held by the Council for capital purposes either generated through sales of assets, setting aside sums from underspends and receipts of grants for capital purposes.
- 4.16 The Council's capital reserve position at the end of March 2023 is as follows.

	<b>2022/23</b> £
Capital Receipts	618,525
Capital Grants	16,814,944
Earmarked Capital	2,612,970
<b>General Fund Total</b>	<b>20,046,438</b>
Capital Receipts	341,077
1-4-1 Receipts	2,466,956
Earmarked Capital	5,310,558
Major Repairs Reserve	2,020,823
<b>HRA Total</b>	<b>10,139,414</b>
<b>NBBC Total</b>	<b>30,185,852</b>

4.17 Capital reserves are allocated against specific projects with no residual unallocated amount available. This poses risks to any movement in the projected capital expenditure as there is nothing available to cover any fluctuations in expenditure.

5. Conclusion

5.1 The capital programme is fully funded in its present form and there is expected to be slippage on projects in 2023/24. The biggest risk to the Council at this stage is the current economic landscape with inflation, price increases for building supplies plus continual rises in interest rates.

5.2 Adjustments to the programme in light of the difficulties around cost and delivery will be reported to Cabinet but projects are continually under review for viability. Interest rates on projects where prudential borrowing is required will be carefully assessed for affordability prior to progressing. The only project paused at this stage is the Bedworth Physical Activity Hub.

6. Appendices

6.1 Appendix 1 – Q1 Forecasted General Fund Capital Outturn 2023/24

7. Background Papers

7.1 None.

## GENERAL FUND CAPITAL MONITORING

AS AT JUNE 2023

Project	Approved Budget	Revised Budget	Current Forecast	Forecast Variance	Comments
Grayson Place	35,865,295	35,865,295	17,865,295	(18,000,000)	Phase 1 costs
Bridge to Living	8,221,994	8,221,994	150,000	(8,071,994)	Delay to start
Flood Alleviation	999,998	999,998	999,998	0	
Weddington Road Cycle Lane	1,703,000	1,703,000	1,400,000	(303,000)	Reduction in cost expected
Museum and Parks Revival	6,538	1,688,285	1,688,285	0	
George Eliot Visitor Centre	27,500	27,500	27,500	0	
Digital Skills & Innovation	5,438,353	5,438,353	1,000,000	(4,438,353)	Linked to Grayson Place - enabling works
Visiting Nuneaton : Changing Perspectives	60,000	0	0	0	
The Saints	545,700	545,700	545,700	0	
Corporation Street/Queens Road Junction	2,225,000	2,225,000	2,225,000	0	
Transforming Bedworth	18,612	18,612	18,612	0	
E-mobility Hub	81,000	81,000	81,000	0	
CCTV - Wireless Technology	52,957	52,957	52,957	0	
Business & Regeneration	55,245,947	56,867,694	26,054,347	(30,813,347)	
ICT Strategy Programme	140,000	140,000	140,000	0	
Changing Places	125,000	133,000	133,000	0	
Camp Hill Regeneration Scheme	25,000	25,000	25,000	0	
Finance & Corporate	290,000	298,000	298,000	0	
HEART	5,125,000	5,125,000	5,125,000	0	
Empty Homes Works in Default	40,000	40,000	40,000	0	
Empty Property Loans	100,000	100,000	100,000	0	
Green Homes Phase 3	405,359	905,359	905,359	0	Allocated an additional £500k
Homeless Hostel Conversion	200,000	200,000	200,000	0	

Safer Streets - Stubbs Pool/The Dingle	41,917	41,917	41,917	0	
Home Upgrade Grant 2	733,000	733,000	733,000	0	
UK Shared Prosperity Fund Projects	43,361	413,361	413,361	0	100% External Grant
Housing & Communities	6,688,637	7,558,637	7,558,637	0	
Major Repairs	250,000	250,000	250,000	0	
Vehicle & Plant Replacement	270,000	270,000	270,000	0	
Sub-Regional Materials Recycling Facility	507,034	507,034	507,034	0	
Bedworth Physical Activity Hub	21,839,919	21,839,919	3,000,000	(18,839,919)	Project paused - Cabinet update Sept
Leisure Strategy	230,904	230,904	230,904	0	
Sandon Park Pavilion Improvements	0	26,859	26,859	0	S106 - business case approved
Play & Teenage Provision	4,710	4,710	4,710	0	
Fly Tipping Cameras	5,000	5,000	5,000	0	
Cemetery Extension	100,000	100,000	100,000	0	
Community Centre Grants	55,000	55,000	55,000	0	
Buttermere Recreation Ground Redevelopment	447,500	447,500	447,500	0	
Ambleside Sports Club - Table Tennis Provision	0	75,000	75,000	0	S106 - business case approved
Stockingford Community Centre	25,000	25,000	25,000	0	
Pauls Land Pavilion	10,500	10,500	10,500	0	
Hook Lift Vehicle	0	38,000	38,000	0	Earmarked - business case approved
Play Areas	0	0	75,000	75,000	Revenue budget, Capital spend
Public Services	23,745,567	23,885,426	5,120,507	(18,764,919)	
Miscellaneous Schemes	100,000	92,000	92,000	0	Transferred to Changing Places
<b>TOTAL GENERAL FUND</b>	<b>86,070,151</b>	<b>88,701,757</b>	<b>39,123,491</b>	<b>(49,578,266)</b>	