

Capital Programme 2024/25 – 2028/29

Summary

1. This report sets the Council's capital programme for the five years from 2024/25 to 2028/29. The capital programme should be considered alongside the Commercial Strategy (Appendix B) and the Medium Term Financial Strategy (Appendix C).
2. Total planned capital expenditure over the five year period (including slippage from previous years) is £70.2 million, including £23.6 million for the General Fund and £46.6 million for the Housing Revenue Account (HRA).
3. This report also sets out how capital expenditure will be financed, which involves a mixture of ringfenced capital resources, contributions from revenue budgets, and borrowing. Borrowing is undertaken in line with the CIPFA Prudential Code, alongside the Council's Treasury Management Strategy (Appendix D) and Capital Strategy (Appendix E), to ensure that it is affordable in the longer term.
4. The revenue costs of financing the capital programme have been built into the 2024/25 General Fund budget (Appendix H), 2024/25 HRA budget (Appendix G), and Medium Term Financial Strategy (Appendix C).

Capital Expenditure

5. A summary of planned capital expenditure over the next five years is set out at Annexe F1, whilst the detailed capital programme by portfolio and project is at Annexe F2 (General Fund) and Annexe F3 (HRA).
6. The capital programme is reviewed on a rolling annual basis. It consists of both ongoing budgets for regular expenditure (for example recurring capital grant programmes, bins for new developments, minor IT projects, and cyclical works on the Council's estate), and one-off projects.

Changes to the capital programme from that which was approved in the previous year are set out in the table on the following page:-

Capital Programme Changes	2024/25	2025/26	2026/27	2027/28	2028/29
	Original	Original	Original	Original	Original
	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000
Capital programme approved in February 2023	9,747	14,579	10,726	8,266	8,191
Changes to recurring capital budgets					
Day centre cyclical improvements	(15)	(15)	(15)	(15)	(15)
Disabled Facilities Grants	94	35	35	35	35
Subtotal - Changes to recurring capital budgets	79	20	20	20	20
New one-off capital bids					
Air quality monitoring	239	-	-	-	-
UK Shared Prosperity Fund	116	-	-	-	-
Rural England Prosperity Fund	610	-	-	-	-
Saffron Walden CCTV	100	-	-	-	-
Asset management plan	317	392	354	235	80
Transformation fund	400	-	-	-	-
Investments	13,732	-	-	-	-
Subtotal - New one-off capital bids	15,514	392	354	235	80
Rephasing of one-off bids					
Vehicle replacement programme	885	-	(885)	-	-
Subtotal - Rephasing of one-off bids	885	-	(885)	-	-
Changes to HRA development projects					
Thaxted Road	54	-	-	-	-
Alexia House	(1,100)	(2,900)	-	-	-
Parkside	(1,250)	(3,200)	(50)	-	-
Unidentified new builds and redevelopment	2,350	6,100	128	-	-
Subtotal - Changes to HRA development projects	54	-	78	-	-
Changes to HRA existing stock maintenance budget	178	211	240	244	356
Revised capital programme for approval	26,457	15,202	10,533	8,765	8,647

7. Note that the above figures do not include the slippage of budgets approved in previous years. These will be reported in the 2023/24 final outturn report for approval by Cabinet. The capital programme at Annex F1 includes an estimate of the amounts to be carried forwards, however these figures will be updated with actual slippage amounts after year-end.

General Fund Capital Bids

8. The largest General Fund capital bids proposed this year are as follows:-
- Air quality monitoring – capital expenditure on air quality monitoring activities to be funded through a ringfenced external grant from Defra which the Council has already received.
 - UK Shared Prosperity Fund / Rural England Prosperity Fund – this is the capital portion of the Council's 2024/25 allocation from these central government grant schemes, to be distributed locally in accordance with the relevant scheme requirements.
 - Saffron Walden CCTV – the replacement of the CCTV system at London Road which is approaching the end of its life.

- Asset management plan – this relates to various specific priority works required to the Council’s General Fund estate, as identified through a recent stock condition survey of the whole estate.
- Transformation fund – this is to establish a capital transformation fund which services can bid into as part of their Blueprint Uttlesford review, for example for the procurement of new IT solutions in order to realise efficiency savings. This will be funded from a £2 million transformation reserve, as set out in the General Fund budget (Appendix H). There is also an £80,000 ongoing revenue budget bid in the General Fund to cover associated ongoing revenue costs (e.g. software licensing).
- Investments – this includes £13.510 million of the £21.060 million additional loan to Aspire (CRP) Ltd which was approved by Full Council in August 2023, for further development at Chesterford Research Park (on the assumption that the remaining £7.550 million will already have been paid out during 2023/24). There is also £222,000 additional budget required to fund the final retention payment following completion of one of the Council’s other commercial properties in 2023/24.
- Vehicle replacement programme – this is to bring forward funding from 2026/27 into 2024/25 for the purchase of three 32 tonne waste vehicles, including the replacement of two aging vehicles two years earlier than planned, plus the purchase of an additional vehicle to cover an additional waste round as proposed in the General Fund budget (Appendix H).

HRA Capital Bids

9. In previous years, budget has been allocated for the redevelopment of sheltered accommodation units at Alexia House and Parkside, which are currently vacant. However, significant time has now passed since this decision was made, and there is no firm up-to-date business case in place to support these schemes at present. It is therefore proposed to return the budget allocated to these projects back into the general new builds and redevelopment line, pending a full evaluation of the best way to utilise these amounts going forward.
10. Changes to the budget for existing HRA stock maintenance relate to the impact of inflation and extra works carried out under the contract with Uttlesford Norse Services Ltd (UNSL), which will now end in March 2025. For now, future costs beyond this date are assumed to remain at the same level (with increases for inflation), but a comprehensive review will be carried out over the coming year as the Council exits the UNSL arrangement and puts into place its replacement.

Capital Financing

11. Whenever the Council incurs capital expenditure, it can choose either to finance this upfront (from capital resources or revenue contributions), or to use borrowing. Where borrowing is used, there is a requirement to finance the expenditure over the life of the asset by way of an annual charge to the General Fund known as the minimum revenue provision (MRP).
12. The MRP charge does not apply to HRA assets – however there is still a requirement to ensure that any new borrowing is affordable in the long-term.
13. Where possible, the Council seeks to apply specific capital resources to the financing of capital expenditure. These are amounts which are legally ringfenced for capital spend, and include capital grants, the proceeds from the sale of other assets (capital receipts), and the Major Repairs Reserve which is used to fund maintenance of the Council’s housing stock.
14. Where specific capital resources can not be found, financing is by way of a direct contribution from revenue resources (the General Fund or HRA), or through borrowing.
15. The HRA capital financing arrangements are set in the context of a 30 year Business Plan as approved by Cabinet. The current plan covers the period from 2016-2046 and is available on

the Council's website. Following approval of this capital programme and the HRA Budget 2024/25 (Appendix G), work will be undertaken to refresh the Business Plan early in the new financial year. This refreshed plan will then be used in determining capital financing arrangements for the capital programme going forwards, with any proposed changes being subject to the Council's usual Financial Regulations and governance processes.

16. There is a full breakdown of all planned capital financing sources to support the capital programme at Annexe F4.

Risks and Assumptions

17. The key risks associated with the capital programme are set out in the table below:

Risk	Key Assumptions and/or Variable Outcomes
Capital slippage	There is a risk that projects may not be completed on time due to internal or external factors, for example a lack of available staff or contractor resource, or technical issues during the project. Where this occurs, this usually causes an underspend in the year the delay occurs, followed by overspends in future years. This can make it difficult for the Council to plan the best use of its resources, and also generally results in an overall overspend due to longer construction periods and cost inflation.
Availability of capital resources	The capital programme makes assumptions about the level of capital resources (capital grants and capital receipts) which will be received by the Council in future years. For example, it is assumed that government grant funding will be received to part-support new housing developments. Should this funding not be forthcoming, alternative sources of financing will be required, which will have a significant impact on the Council's revenue accounts (General Fund and HRA).

List of Annexes

- Annexe F1 – Capital Programme Summary 2024/25 – 2028/29
- Annexe F2 – General Fund Capital Programme Detail 2024/25 – 2028/29
- Annexe F3 – Housing Revenue Account Capital Programme Detail 2024/25 – 2028/29
- Annexe F4 – Capital Financing 2024/25 – 2028/29

Capital Programme Summary 2024/25 – 2028/29

Annexe F1

Capital Programme Summary 2024/25 - 2028/29	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Slippage to 2024/25 £'000	2024/25 Original Budget £'000	2025/26 Original Budget £'000	2026/27 Original Budget £'000	2027/28 Original Budget £'000	2028/29 Original Budget £'000
General Fund								
Communities and Local Partnerships	262	266	-	150	150	150	150	150
Environment and Climate Change	760	953	-	1,249	125	1,820	125	125
Finance and the Economy	919	1,065	116	726	-	-	-	-
Housing and Equalities	240	256	-	334	275	275	275	275
Planning	250	176	-	-	-	-	-	-
Corporate Services	2,822	2,824	43	1,077	687	614	570	340
Investments	17,703	17,640	63	13,732	-	-	-	-
Subtotal - General Fund	22,956	23,180	222	17,268	1,237	2,859	1,120	890
Housing Revenue Account								
Existing stock maintenance	5,101	4,549	391	5,330	5,415	5,496	5,595	5,707
New builds and redevelopment	4,841	5,120	-	3,809	8,500	2,128	2,000	2,000
Other	72	57	-	50	50	50	50	50
Subtotal - Housing Revenue Account	10,014	9,726	391	9,189	13,965	7,674	7,645	7,757
Total - Capital Programme	32,970	32,906	613	26,457	15,202	10,533	8,765	8,647

General Fund Capital Programme Detail 2024/25 – 2028/29

Annexe F2

Communities and Local Partnerships	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Current	Forecast	Forecast	Original	Original	Original	Original	Original
	Budget	Outturn	Slippage to	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	2024/25	£'000	£'000	£'000	£'000	£'000
		£'000						
Day centre cyclical improvements	25	25	-	10	10	10	10	10
Museum boiler	53	57	-	-	-	-	-	-
Guildhall exterior works	50	50	-	-	-	-	-	-
Museum buildings	6	6	-	30	30	30	30	30
Community project grants	128	128	-	110	110	110	110	110
Total - Communities and Local Partnerships	262	266	-	150	150	150	150	150

Environment and Climate Change	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Current	Forecast	Forecast	Original	Original	Original	Original	Original
	Budget	Outturn	Slippage to	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	2024/25	£'000	£'000	£'000	£'000	£'000
		£'000						
Household bins	70	71	-	70	70	70	70	70
Trade waste bins	10	12	-	10	10	10	10	10
Kitchen caddies	10	16	-	10	10	10	10	10
Garden waste bins	20	16	-	20	20	20	20	20
Electric car chargers	29	29	-	15	15	15	15	15
Vehicle replacement programme	621	621	-	885	-	1,695	-	-
Air quality monitoring	-	188	-	239	-	-	-	-
Total - Environment and Climate Change	760	953	-	1,249	125	1,820	125	125

Finance and the Economy	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Slippage to 2024/25	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget	2027/28 Original Budget	2028/29 Original Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Car park maintenance	255	255	-	-	-	-	-	-
Car parking machine replacement	64	48	16	-	-	-	-	-
Superfast broadband	600	500	100	-	-	-	-	-
UK Shared Prosperity Fund	-	59	-	116	-	-	-	-
Rural England Prosperity Fund	-	203	-	610	-	-	-	-
Total - Finance and the Economy	919	1,065	116	726	-	-	-	-

Housing and Equalities	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Slippage to 2024/25	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget	2027/28 Original Budget	2028/29 Original Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Private sector renewal grants	35	16	-	35	35	35	35	35
Disabled Facilities Grants	200	240	-	294	235	235	235	235
Empty dwellings	5	-	-	5	5	5	5	5
Total - Housing and Equalities	240	256	-	334	275	275	275	275

Planning	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Current	Forecast	Forecast	Original	Original	Original	Original	Original
	Budget	Outturn	Slippage to	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	2024/25	£'000	£'000	£'000	£'000	£'000
Mortimer's Gate*	250	176	-	-	-	-	-	-
Total - Planning	250	176	-	-	-	-	-	-

* Mainly financed through £150,000 external developer contribution

Corporate Services	2023/24 Current Budget	2023/24 Forecast Outturn	2023/24 Forecast Slippage to 2024/25	2024/25 Original Budget	2025/26 Original Budget	2026/27 Original Budget	2027/28 Original Budget	2028/29 Original Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council offices improvements (general)	170	170	-	170	170	170	170	170
New depot site	2,100	2,100	-	-	-	-	-	-
London Road - Fire alarm upgrade	50	100	-	-	-	-	-	-
Minor items IT	20	20	-	20	20	20	20	20
PCI compliance	20	20	-	20	20	20	20	20
Members' IT equipment	21	15	-	-	-	-	-	-
PSN CoCo	30	30	-	30	30	30	30	30
Asset management system	30	30	-	-	-	-	-	-
Cyber security	40	40	-	20	20	20	20	20
Grounds maintenance and vehicle systems	43	-	43	-	-	-	-	-
Licensing - Lalpac to Idox Uni	-	7	-	-	-	-	-	-
Scanner replacement and postal software	15	12	-	-	-	-	-	-
Sharepoint	18	18	-	-	-	-	-	-
WiFi	20	20	-	-	-	-	-	-
ICT - new sites	187	187	-	-	-	-	-	-
Web-to-Print solutions	7	4	-	-	-	-	-	-
Move to servers Azure/AWS	50	50	-	-	-	-	-	-
E-form completion and e-signatures	1	1	-	-	-	-	-	-
Corporate mobile phone replacement	-	-	-	-	35	-	-	-
Corporate laptop/device replacement	-	-	-	-	-	-	75	-
Saffron Walden CCTV	-	-	-	100	-	-	-	-
Asset management plan	-	-	-	317	392	354	235	80
Transformation Fund	-	-	-	400	-	-	-	-
Total - Corporate Services	2,822	2,824	43	1,077	687	614	570	340

Investments	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Current	Forecast	Forecast	Original	Original	Original	Original	Original
	Budget	Outturn	Slippage to 2024/25	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investments	17,703	17,640	63	13,732	-	-	-	-
Total - Investments	17,703	17,640	63	13,732	-	-	-	-

Housing Revenue Account Capital Programme Detail 2024/25 – 2028/29

Annexe F3

Housing Revenue Account Capital Programme 2024/25 - 2028/29	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Slippage to 2024/25 £'000	2024/25 Original Budget £'000	2025/26 Original Budget £'000	2026/27 Original Budget £'000	2027/28 Original Budget £'000	2028/29 Original Budget £'000
Existing stock maintenance	5,101	4,549	391	5,330	5,415	5,496	5,595	5,707
New builds and redevelopment								
The Moors	34	34	-	-	-	-	-	-
Thaxted Road	-	215	-	54	-	-	-	-
Great Chesterford	31	35	-	-	-	-	-	-
Takeley	42	42	-	1,080	400	-	-	-
Woodlands, Great Dunmow	2,292	2,322	-	-	-	-	-	-
Garden sites	563	563	-	275	-	-	-	-
Walden Place	1,857	1,879	-	50	-	-	-	-
Alexia House	22	22	-	-	-	-	-	-
Parkside	-	8	-	-	-	-	-	-
Unidentified new builds and redevelopment	-	-	-	2,350	8,100	2,128	2,000	2,000
Subtotal - New builds and redevelopment	4,841	5,120	-	3,809	8,500	2,128	2,000	2,000
Other								
Cash incentive scheme grants	50	35	-	50	50	50	50	50
Asset management system	22	22	-	-	-	-	-	-
Subtotal - Other	72	57	-	50	50	50	50	50
Total - Housing Revenue Account	10,014	9,726	391	9,189	13,965	7,674	7,645	7,757

Capital Financing 2024/25 – 2028/29

Annexe F4

Capital Financing	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Forecast Slippage to 2024/25 £'000	2024/25 Original Budget £'000	2025/26 Original Budget £'000	2026/27 Original Budget £'000	2027/28 Original Budget £'000	2028/29 Original Budget £'000
General Fund								
Grants and external contributions	200	810	-	1,259	235	235	235	235
Direct revenue contributions	765	745	-	350	350	350	350	350
Earmarked reserves	921	828	116	400	-	-	-	-
Capital receipts	197	197	-	-	-	-	-	-
Borrowing	20,873	20,600	106	15,259	652	2,274	535	305
Subtotal - General Fund	22,956	23,180	222	17,268	1,237	2,859	1,120	890
Housing Revenue Account								
Grants and external contributions	338	338	-	1,065	2,100	-	-	-
Direct revenue contributions	1,696	1,729	-	2,958	3,762	2,509	2,409	2,440
Earmarked reserves	725	856	-	2	-	-	-	-
Major Repairs Reserve	5,101	4,549	391	5,032	4,303	4,365	4,436	4,517
Capital receipts	2,154	1,254	-	132	800	800	800	800
Borrowing	-	1,000	-	-	3,000	-	-	-
Subtotal - Housing Revenue Account	10,014	9,726	391	9,189	13,965	7,674	7,645	7,757
Total - Capital programme	32,970	32,906	613	26,457	15,202	10,533	8,765	8,647