

**General Fund Capital Investment Programme (CIP) budget position by service area as at end of quarter two 2024/25.**

**SUMMARY**

1. The table below shows the Capital Investment Programme position for the general fund at end of September 2024.

<b>Capital Investment Programme</b>	<b>24/25 Original budget £000</b>	<b>24/25 Current budget £000</b>	<b>Actual to date (Sep 24) £000</b>	<b>% budget consumed</b>
<b>Operations summary</b>				
Commercial Operations	47,207	47,724	8,308	17%
Investment and Development	47,321	45,853	27,007	59%
Customer Arts and Property	30,918	37,771	9,691	26%
Planning and Transport	9,650	5,127	729	14%
Environment	8,073	14,264	4,842	34%
Operations Strategy	0	468	129	28%
	<b>143,169</b>	<b>151,207</b>	<b>50,706</b>	<b>34%</b>
<b>Children Services</b>				
Education and Skills	800	23,128	1,899	8%
	<b>800</b>	<b>23,128</b>	<b>1,899</b>	<b>8%</b>
<b>Wellbeing</b>				
Housing and Community	1,424	2,097	1,430	68%
Adults Commissioning	2,172	2,434	1,227	50%
	<b>3,596</b>	<b>4,531</b>	<b>2,657</b>	<b>59%</b>
<b>Executive</b>				
IT and Programmes	682	1,195	67	6%
Marketing Comms & Policy	0	26	0	0%
Finance	0	582	0	0%
	<b>682</b>	<b>1,803</b>	<b>67</b>	<b>0</b>
	<b>148,247</b>	<b>180,669</b>	<b>55,329</b>	<b>0</b>

2. The main changes between the original CIP and the current budget are a net result of reprofiled slippage from 2023/24, further reprofiling into 2025/26 and some schemes being removed from the capital programme because new business cases are being considered or they are no longer viable in the current climate.

3. The table below shows how the Capital Investment Programme is funded.

Capital Investment Programme Funding	24/25 Original budget £000	24/25 Current budget £000
Prudential Borrowing	(64,985)	(66,763)
Capital Receipts (General Fund)	(667)	0
Reserve Funding (general fund Capital)	(618)	(1,078)
Reserve Funding (General fund revenue)	(518)	(1,300)
RCCO	(25)	(55)
<b>BCP Funding Requirement</b>	<b>(66,813)</b>	<b>(69,196)</b>
S106	0	(1,636)
CIL	(1,558)	(3,671)
Non-government grants	0	(2,322)
Government Grants	(77,143)	(102,234)
Third party contributions	(2,733)	(1,610)
<b>External Funding Contributions</b>	<b>(81,434)</b>	<b>(111,473)</b>
	<b>(148,247)</b>	<b>(180,669)</b>

4. A summary of the main variances and issues for each directorate is shown in the tables and narrative below.

## OPERATIONS

### Commercial Operations – £47.7m

- The Flood and Coastal Erosion Risk Management (FCERM) has planned programme for 2024/25 of £12.2m of which £6.9m (57%) has so far been spent.
- Seafront Development of which £20.1m is funded from the Seafront Levelling Up Infrastructure Fund (MHCLG grant) and a community infrastructure levy (CIL) contribution of £0.2m. The fund is now at the end of the first 12 months of a 24-month delivery programme, so an initial £1.7m has been spent on the programme so far with another £0.8m being committed in 2024/25. There is £17.3m levelling up fund (LUF) remaining on the budget which, due to the natural weighting of contractual payments towards the end of the programme, means that a further £2m is due to be spent in 2024/25, with the balance of £15.3m to be reprofiled into 2025/26.
- For the remaining non-grant funded projects, the original budget for 2024/25 is £12.3m and of this only £0.3m was spent to end of quarter two. Further £0.5m projected for the second half. Of the total £12.3m, approximately £6m relates to some projects that have been in the CIP for several years but due to recent inflationary pressures and the cost of borrowing, their business cases require further review, and the programme will be updated in due course.
- The remaining £6m for the bistro redevelopment (Southbourne) project is not realistically able to be delivered in its current form, and a more radical change of approach is

required. Plans will be brought forward in 2025/26 for a new scheme using the existing £6m of approved borrowing.

### **Investment & Development - £45.9m (excluding HRA)**

9. The total Towns Fund (MHCLG grant) approved is £21.7m with £4.6m was spent up to March 2024. The current profiled expenditure for 2024/25 is £5.2m. Of this £1.1m has been spent to date, representing 20% of the budget. Slippage in the Masterplan scheme which includes the Hawkwood Road housing development will result in an estimated £2.2m grant usage being reprofiled into 2025/26 together with the already planned 2025/26 grant usage of £11.8m. The service has received confirmation that the grant expenditure can be extended until 2027/28.
10. In September 2023, the report to Cabinet on the closure of BCP FuturePlaces Ltd identified schemes to be progressed by the council. Subsequently the following schemes have been assessed as no longer viable:
  - Chapel Lane which has incurred £44,000 of costs to date. This will be written off funded from the Investment and Development earmarked reserves.
  - Cotlands Road, Lansdown and Poole Town North have not incurred any expenditure.
11. Carter's Quay - £15.4m has been spent on this scheme so far, including purchasing the land. The scheme is on hold awaiting legal resolution of the failed partnership and a re-appraisal of the scheme. This will result in £30.1m being removed from the CIP and a revised business case will come forward in due course.
12. Surrey Road and Oakdale are now fully HRA schemes, with the budgets of £1.2m in 2024/25 and £5.4m in 2025/26 transferring to the HRA.
13. Expenditure of £0.5m incurred in previous years for Princess Road, Oakdale and Constitution Hill developments will also be transferred to the HRA.
14. In the first half of the year £23.9m has been spent on Council New build Housing and Acquisition Strategy (CNHAS ) acquisitions, bringing the total spend over 5 years to £63m, nearing the total budget approved of £68.8m

### **Customer, Arts and Property – 37.8 million**

15. The Transforming Cities Fund (TCF) programme is profiled to spend £11m this year. Spend to the end of quarter two was £2.6m (23%). A further £21m, representing the final tranche of this £79m programme, is profiled for 2025/26.
16. Approximately £4m TCF grant is set aside in contingency to manage risk allocation with allocations to be made in due course.
17. The remainder of the Engineering capital programme is £12m for 2024/25, funded primarily by the local transport plan and pothole grant allocations together with safer roads grant (£1m) and some developer funding. It also includes £1.4m prudential borrowing for neighbourhood services spend on highways. A total of £5.1m (43%) has been spent to the end of quarter 2.
18. The Bus Service Improvement Plan (BSIP) is profiled to spend £2.6m this year. Spend up to quarter 2 is £0.2m (8%). This programme is funded by Government grant following a successful bid made to the DfT in 2022/2023.

19. The Active Travel Fund programme plans to spend £3m of DfT grant funding in 2024/25 investing in the delivery of several walking, wheeling and cycling infrastructure improvements with £1m (33%) spent up to quarter two.
20. The Poole Museum programme which includes Scaplens Court as well as the main museum has £4.5m planned expenditure in 2024/25 with £1.2m (27%) spent up to quarter two. Completion and re-opening are expected for the Summer of 2025.
21. Following Council decision in March 2023 to pause this project for further consideration. the £1.06m budget for the Coroners Service funded by borrowing has been removed from the CIP. The location of the Coroner's Service will be progressed by the Council's Transformation Programme.

### **Planning and Transport - £5.1m**

22. This includes part of the Bus Service Improvement, part of the Local Transport plan and other smaller schemes.

### **Environment - £14.3m**

23. This budget includes the Fleet Management/Procurement Strategy planned spend of £9m of with £4.1m spent at quarter two and preparation for the start of weekly food waste collections with £1m budgeted for vehicles to be delivered in 2024/25.

## **WELLBEING**

24. Overall good progress is being made with 59% of the programme delivered in the first half of the year.

### **Adults Commissioning £2.4 m**

25. The majority of spend within this programme relates to the Integrated Community Equipment Store (ICES) funded by the Disabled Facilities Grant 2024/25 allocation. The council continues to provide support to the community through this means from an annual allocation from the Better Care Fund pooled budget with Health. It is anticipated that this funding will be fully used in this financial year.

### **Housing and Communities - £2.1m**

26. The Disabled facilities Grant available funding for this financial year for Housing adaptations is £3.38m including the slippage from previous years. £1m (30%) was spent up to end of September. Due to a large backlog across adults and children, it is anticipated that around £1.5m will be spent in this financial year, therefore £1.9m is reprofiled to be spend in 2025/26.
27. The Homelessness Hub project (£0.7m) funded by grant to support a local charity with the acquisition of a suitable building is no longer happening and this project will be removed from the capital programme.

## **CHILDREN SERVICES**

28. The total children's CIP includes approved schemes as well as funding not yet allocated for school projects. Previously, unallocated funding remained outside the CIP until projects were approved but this approach did not highlight that there was £19.3m of historic grant allocations brought forward in April 2024, of which only £2.9m was committed for projects yet to be completed. New year DfE grant allocations for 2024/25 have been added of £2.8m for schools and £0.6m for childcare expansions. Including £0.4m of reprofiled expenditure funded by prudential borrowing makes the total funding available in 2024/25 of £23.1m.

29. During the year, further commitments have been made. The table below shows the total children's services funding available of £23.1m with £12.3m now committed and £10.9m remaining uncommitted, in the main for maintained school condition works and to support pupils with high needs.

Funding	Total 24/25 Committed Expenditure	Actuals Consumed	Budget Utilisation (%)	Uncommitted Expenditure	% Uncommitted Expenditure	Total Funding
	£000	£000		£000		£000
Basic Needs	142	-	0%	218	61%	360
School Condition	2,342	292	12%	2,771	54%	5,112
High Needs	8,715	1,606	18%	7,614	47%	16,329
Devolved Formula Capital	-	-	0	256	100%	256
Prudential borrowing	493	-	0%	-	-	493
Childcare expansion	578	-	0%	-	-	578
<b>Total</b>	<b>12,270</b>	<b>1,899</b>	<b>15%</b>	<b>10,858</b>	<b>47%</b>	<b>23,128</b>

30. The total 2024/25 current programme of £12.3m includes:

- a. £0.8m original CIP programme agreed in February 2024
- b. £3.3m investment plan slippage from 2023/24 (grant funded and prudential borrowing)
- c. £7.1m of new allocations, including £2.5m for bespoke SEND provision in mainstream settings to meet increasing demand for SEND places in KS2/3&4, £1.55m investment in Linwood School post-16 Satellite, £0.5m for the Bourne Academy Link SEND provision and £1m for initial works on additional Linwood Satellite provisions.
- d. £0.5m programme adjustment to various schemes including Broadstone Middle school Resource base expansion and Canford Heath Infant Junior SEND provision.
- e. £0.6m childcare expansion programme

31. The majority of the prudential borrowing is to support the Hillbourne school new build (£0.4m) and the remaining budget is the tail end of the Carter Community College and Ocean Academy projects.

32. Children Services are preparing a capital strategy to allocate the remaining uncommitted funding which will be presented to Cabinet in due course.

## EXECUTIVE & RESOURCES

33. The IT and Programmes spend to date is low, however there are large items of spend expected in the latter half of the year relating to security, IT systems management and extension of support for old servers.

34. The Finance budget is for the reprofiled Beach Road car park scheme slippage from 2023/24. The site is planned for sale.