

Capital Programme 2020/21 and provisional Programmes 2021/22 to 2023/24

POLICY FOR THE IDENTIFICATION OF CAPITAL EXPENDITURE

What is Capital Expenditure?

The precise definition is prescribed in the IFRS Code of Practice, which itself represents proper practice as defined in the 2003 Local Government Act.

“All expenditure on the acquisition, creation or enhancement of tangible fixed assets should be capitalised on an accruals basis. Expenditure on the acquisition of a tangible asset which adds to and not merely maintains the value of an existing asset should be capitalised and be classified as a tangible fixed asset, provided that it yields a benefit to the authority and the services it provides are for a period of more than one year”

Expenditure that should be capitalised will include expenditure on the

- acquisition, replacement, enhancement or laying out of land
- acquisition, construction, preparation, enhancement or replacement of roads, buildings or other structures.
- acquisition, installation or replacement of movable plant, machinery, apparatus, vehicles and vessels.

Examples of items to be classified as capital expenditure include;

1. all land purchases for future buildings and roads, footpaths etc
2. all construction of new buildings and extensions including (a) fixed plant and equipment and (b) landscaping
3. professional fees; architects, quantity surveyors, structural engineers, highways engineers, legal and other specialist services fees either internal or external incurred on the above, where these contribute directly to bringing an asset into working condition for its intended use.
4. internal charges to be supported by suitable evidence by reports from a time recording system.
5. monitoring of (a) client responsibilities under the 1994 construction, design and management regulations and (b) Health & Safety regulations.
6. all alterations and improvements to property, roads, canals, bridges, footpaths (including tree planting)
7. improvement works and structural repairs that lengthen substantially the life of an asset or increases its market value.
8. feasibility studies leading to the provision of an asset
9. forward design fees incurred on the approved programme
10. the purchase of all additional new, used and replacement vehicles (but not leased assets). The replacement of vehicles should be financed from renewal reserves (but still charged to capital at source).
11. grants to other bodies for expenditure to be incurred by those bodies on any of the above items.
12. purchase of new and replacement equipment and machinery, including I.T. hardware.
13. the purchase of software (intangible asset) but not the cost of training of users

14. staff time, advertising, auction fees and conveyancing costs of preparing for the sale of assets and associated accommodation works. (e.g. fencing) All expenditure on the above shall be charged to the capital accounts irrespective of the financing of that expenditure. e.g. the capital programme should show the gross cost of a project with contributions from other parties being separately disclosed.

The following transactions will not be Capital;

- (a) A de-minimis limit of £10,000 for individual items shall apply. This should also apply to individual items within a block allocation within the capital programme. A de-minimis limit of £2,500 for individual items for schools devolved formula capital grant shall apply.

The purchase of single items below these limits should be charged to revenue. e.g. Pc's and printers although in certain circumstances exemptions may apply, for example, the need to comply with grant conditions.

All such exemptions need to be agreed with Corporate Finance

- (b) staff time involved in preparation, monitoring and reporting on the capital programme
- (c) client side costs of project specification and project management.
- (d) consumable items e.g. books, initial stocking of new offices and schools
- (e) routine repair and maintenance
- (f) hire of alternative accommodation
- (g) costs of scoping potential sites or assets
- (h) relocation costs – costs of physically relocating staff, equipment, documents etc
- (i) training costs
- (j) site security

2020/21 SUMMARY OF ESTIMATED CAPITAL RESOURCES

	SUPPORTED CAPITAL (REVENUE)	GOVERNMENT GRANTS	EARMARKED CAPITAL RECEIPTS	CAPITAL CONT. UNAPPLIED	EXTERNAL CONTRIB- UTIONS	REVENUE & EARMARKED FUNDS	DISCRETIONARY FUNDING (see list below)	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
C&FS (Includes schools DFC)	0	12,455	5,472	0	8,898	0	4,885	31,710
Adults and Communities	0	3,920	0	0	0	0	2,420	6,340
Environment & Transport	0	65,443	100	0	10,805	3,470	-24,568	55,250
Chief Executives	0	0	0	0	0	2,730	-1,740	990
Corporate Resources	0	4,420	0	0	0	0	4,270	8,690
Corporate Programme	0	0	0	0	0	250	28,070	28,320
	0	86,238	5,572	0	19,703	6,450	13,337	131,300

* Grants and reserves likely to be used in 2021/22

Notes:	£000		£000		£000
Government Grants		Earmarked Capital Receipts		Discretionary Funding	
<u>C&FS</u>		C&FS	5,472	Capital Financing Reserve	15,407
DfE Basic Need Capital Grant 20/21	8,751	E&T	100		
DfE Maintenance Capital Grant 20/21 **	2,000		5,572	General Capital Receipts	
Devolved Formula Capital **	500	External Contributions		New capital receipts	4,500
SEND Provision Capital	1,204	C&FS - Section 106 contributions	8,898	receipts shortfall from 2019/20	-6,570
<u>Adult and Communities **</u>		E&T - Developer contribution M1 J23	7,755		
MHCLG Disabled Facilities Grant - Estimated	3,920	E&T - Anstey Lane City Council contribution	1,400	Internal borrowing -	
<u>Environment & Transport **</u>		E&T - Anstey Lane LLEP contribution	1,650	using Council's Cash balance	0
DfT LTP Grant Capital Maintenance	11,442		19,703		
DfT LTP Grant ITB	2,728	Revenue and Earmarked Funds			13,337
DfT Pothole Grant - Estimated	717	<u>Environment & Transport</u>			
DfT Incentive Fund at Level 2 Self Assessment	715	Renewals Reserve IT	80		
DfT Incentive Fund at Level 3 Self Assessment	1,668	CCU General Future works	190		
DfT MMDR	6,610	Revenue reserves for Zouch Bridge	900		
Homes England - Ltrwrth East Spine Rd	8,088	DRF - Additional Highways Maintenance	2,300		
HIF MMDR Southern	1,500				
LLEP SLGF M1 J23 & A512	975	<u>Chief Executives</u>			
HIF Lutterworth East Spine Rd	31,000	Broadband Reserve	2,730		
<u>Corporate Resources</u>		<u>Corporate Programme</u>			
Homes England - Melton, Sysonby Farm	4,420	Industrial Property Reserve	250		
	86,238		6,450		

** Grant Allocations not yet known

2021/22 SUMMARY OF ESTIMATED CAPITAL RESOURCES

	SUPPORTED CAPITAL (REVENUE)	GOVERNMENT GRANTS	EARMARKED CAPITAL RECEIPTS	CAPITAL CONT. UNAPPLIED	EXTERNAL CONTRIB- UTIONS	REVENUE & EARMARKED FUNDS	DISCRETIONARY FUNDING (see list below)	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
C&FS (Includes schools DFC)	0	11,300	0	0	13,070	0	2,600	26,970
Adults and Communities	0	3,920	0	0	0	0	8,730	12,650
Environment & Transport	0	49,440	0	0	0	30	49,570	99,040
Chief Executives	0	2,000	0	0	0	0	1,940	3,940
Corporate Resources	0	0	0	0	0	0	3,600	3,600
Corporate Programme	0	0	0	0	0	250	35,200	35,450
	0	66,660	0	0	13,070	280	101,640	181,650

Notes:		£000		£000		£000
Government Grants				External Contributions		Discretionary Funding
<u>C&FS *</u>				C&FS - Section 106 contributions	13,070	Capital Financing Reserve
DfE Basic Need Capital Grant 21/22	8,800				<u>13,070</u>	49,700
DfE Maintenance Capital Grant 21/22	2,000					
Devolved Formula Capital	500					General Capital Receipts
						New capital receipts
						8,310
<u>Adult and Communities *</u>						
MHCLG Disabled Facilities Grant - Estimated	3,920					Internal borrowing -
						using Council's Cash balances
						43,630
<u>Environment & Transport *</u>				Revenue and Earmarked Funds		
DfT LTP Grant Capital Maintenance	11,442			<u>Environment & Transport</u>		
DfT LTP Grant ITB	2,728			Renewals Reserve IT	30	
DfT Pothole Grant - Estimated	717					
DfT Incentive Fund at Level 2 Self Assessment	715			<u>Corporate Programme</u>		
DfT Incentive Fund at Level 3 Self Assessment	1,668			Industrial Property Reserve	250	
DfT MMDR	28,170				<u>280</u>	
HIF MMDR Southern	4,000					
<u>Chief Executives</u>						
Broadband Rural Development Programme	2,000					
	<u>66,660</u>					

* Grant Allocations not yet known

2022/23 SUMMARY OF CAPITAL RESOURCES

	SUPPORTED CAPITAL (REVENUE)	GOVERNMENT GRANTS	EARMARKED CAPITAL RECEIPTS	CAPITAL CONT. UNAPPLIED	EXTERNAL CONTRIB- UTIONS	REVENUE & EARMARKED FUNDS	DISCRETIONARY FUNDING (see list below)	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
C&FS (Includes schools DFC)	0	19,300	0	0	3,000	0	9,000	31,300
Adults and Communities	0	3,920	0	0	0	0	3,350	7,270
Environment & Transport	0	41,162	0	0	0	0	58,278	99,440
Chief Executives	0	3,630	0	0	0	0	100	3,730
Corporate Resources	0	0	0	0	0	0	2,390	2,390
Corporate Programme	0	0	0	0	0	250	35,200	35,450
	0	68,012	0	0	3,000	250	108,318	179,580

Notes:	£000	£000	£000	
Government Grants		Earmarked Capital Receipts	Discretionary Funding	
<u>C&FS *</u>				
DfE Basic Need Capital Grant 22/23	8,800	<u>0</u>	Capital Financing Reserve	0
DfE Maintenance Capital Grant 22/23 (Estimated)	2,000			
Devolved Formula Capital (Estimated)	500		General Capital Receipts	
DfE SEMH Free School	8,000	Capital Contributions Unapplied	New capital receipts	1,520
		<u>0</u>		
<u>Adult and Communities *</u>			Internal borrowing -	
MHCLG Disabled Facilities Grant - Estimated	3,920		using Council's Cash balance	106,798
<u>Environment & Transport *</u>		External Contributions		
DfT LTP Grant Capital Maintenance	11,442	C&FS - Section 106 contributions	<u>3,000</u>	<u>108,318</u>
DfT LTP Grant ITB	2,728		<u>3,000</u>	
DfT Pothole Grant	717			
DfT Incentive Fund at Level 2 Self Assessment	1,668			
DfT Incentive Fund at Level 3 Self Assessment	715			
DfT MMDR	14,692	Revenue and Earmarked Funds		
HfF MMDR Southern	9,200			
		<u>Corporate Programme</u>		
<u>Chief Executives</u>		Industrial Property Reserve	250	
Broadband Rural Development Programme	3,630		<u>250</u>	
	<u>68,012</u>			

* Grant Allocations not yet known

2023/24 SUMMARY OF ESTIMATED CAPITAL RESOURCES

	SUPPORTED CAPITAL (REVENUE)	GOVERNMENT GRANTS	EARMARKED CAPITAL RECEIPTS	CAPITAL CONT. UNAPPLIED	EXTERNAL CONTRIB- UTIONS	REVENUE & EARMARKED FUNDS	DISCRETIONARY FUNDING (see list below)	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
C&FS (Includes schools DFC)	0	11,300	0	0	7,700	0	18,700	37,700
Adults and Communities	0	3,920	0	0	0	0	0	3,920
Environment & Transport	0	17,270	0	0	0	0	7,580	24,850
Chief Executives	0	0	0	0	0	0	100	100
Corporate Resources	0	0	0	0	0	0	2,470	2,470
Corporate Programme	0	0	0	0	0	250	45,200	45,450
	0	32,490	0	0	7,700	250	74,050	114,490

Notes:				£000	£000	£000
Government Grants		Earmarked Capital Receipts				Discretionary Funding
<u>C&FS *</u>						Capital Financing Reserve
DfE Basic Need Capital Grant 23/24	8,800				0	
DfE Maintenance Capital Grant 23/24 (Estimated)	2,000					General Capital Receipts
Devolved Formula Capital (Estimated)	500					New capital receipts
<u>Adult and Communities *</u>		Capital Contributions Unapplied				Internal borrowing -
MHCLG Disabled Facilities Grant - Estimated	3,920				0	using Council's Cash balance
<u>Environment & Transport *</u>		External Contributions				
DfT LTP Grant Capital Maintenance	11,442	C&FS - Section 106 contributions			7,700	
DfT LTP Grant ITB	2,728					
DfT Pothole Grant	717					
DfT Incentive Fund at Level 2 Self Assessment	1,668				7,700	
DfT Incentive Fund at Level 3 Self Assessment	715					
		Revenue and Earmarked Funds				
	32,490	<u>Corporate Programme</u>				
		Industrial Property Reserve			250	
					250	

* Grant Allocations not yet known

CHILDREN & FAMILY SERVICES - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Mar-24	98,950	<u>MAIN GRANT FUNDING PROGRAMME</u>					
		Provision of Additional School Places	19,180	24,170	20,600	35,000	98,950
		SEND Programme					
Sep-20	1,400	Social Emotional Mental Health (SEMH) Units	1,400				1,400
Mar-21	1,000	SEMH Special School - LA Developed	1,000				1,000
Mar-23	8,000	SEMH Special School - Free School	0	0	8,000		8,000
Apr-20	1,430	Post 16 SEND Provision	1,430				1,430
Sep-20	1,500	Communication and Interaction Difficulty Units	1,500				1,500
Sep-20	4,100	Communication and Interaction Difficulty School	4,100				4,100
Sep-20	350	Expansion of Special Schools	350				350
		Sub-total - SEND Programme	9,780	0	8,000	0	17,780
Mar-24	8,000	Strategic Capital Maintenance *	2,000	2,000	2,000	2,000	8,000
Mar-24	2,000	Schools Devolved Formula Capital *	500	500	500	500	2,000
Mar-24	800	Schools Access / Security	200	200	200	200	800
		Other Capital	2,700	2,700	2,700	2,700	10,800
Mar-22	150	Modular Replacements - Removal and feasibility	50	100			150
		Overall Total	31,710	26,970	31,300	37,700	127,680

* - awaiting Government announcement

Future Developments - subject to further detail and approved business cases						
New Area Special School						
Additional School Infrastructure arising from Housing Developments						
SEN Provision arising from new housing development						
Residential Strategy - tbc						

ADULTS & COMMUNITIES - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Mar-23	10,000	Record Office Relocation (commitments b/f)	420	5,580	1,000		7,000
Mar-22	3,730	Hamilton Court/Smith Crescent - NWL Development - Improved Service User Accommodation	130	800			930
Mar-21	1,100	Hinckley, the Trees Refurbishment (commitments b/f)	500				500
Mar-24	15,680	Disabled Facilities Grant (DFG) *	3,920	3,920	3,920	3,920	15,680
			4,970	10,300	4,920	3,920	24,110
		<u>Social Care Investment Plan (SCIP):</u>					
Mar-21	570	Loughborough - Ashby Court - Refurbishment	570				570
Mar-23	5,500	Specialist Dementia Facility - Coalville	800	2,350	2,350		5,500
		Sub-Total SCIP	1,370	2,350	2,350	0	6,070
		Total A&C	6,340	12,650	7,270	3,920	30,180

* - awaiting Government announcement

<u>Future Developments - subject to further detail and approved business cases</u>							
Heritage and Learning Collections Hub							
Adult Accommodation Strategy (Social Care Investment Plan)							
Digital for A&C							

ENVIRONMENT & TRANSPORT - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
		<u>Major Schemes</u>					
Mar-23	86,900	Lutterworth Development - Infrastructure (subject to grant bid)	3,830	38,750	38,420		81,000
Mar-23	63,500	Melton Mowbray Distributor Road - North and East Sections	6,610	28,170	24,780		59,560
Mar-24	27,900	Melton Distributor Road - Southern Section	1,500	4,000	14,200	8,200	27,900
Mar-23	9,380	Zouch Bridge Replacement - Construction and Enabling Works	3,850	2,080	220		6,150
Mar-21	24,780	M1 Junction 23 / A512 Improvements	8,730				8,730
Mar-24	7,390	County Council Vehicle Replacement Programme	2,890	1,500	1,500	1,500	7,390
Mar-24	6,860	Advance Design / Match Funding	1,970	1,670	1,620	1,600	6,860
Mar-22	5,340	A511/A50 Major Road Network - Advanced design	1,960	1,740			3,700
Mar-21	10,740	Anstey Lane A46 (subject to £4.1m Leicester City contribution)	3,050				3,050
Mar-22	2,000	M1 Junction 20a - Advanced design	1,000	500			1,500
Mar-23	5,300	Melton Depot - Replacement	0	0	5,000		5,000
			35,390	78,410	85,740	11,300	210,840
Mar-24	35,040	<u>Transport Asset Management *</u>	0	11,680	11,680	11,680	35,040
Mar-21	1,690	Capital Schemes and Design	1,690				1,690
Mar-21	630	Bridges	630				630
Mar-21	440	Flood Alleviation- Environmental works	440				440
Mar-21	250	Street Lighting	250				250
Mar-21	110	Traffic Signal Renewal	110				110
Mar-21	4,060	Preventative Maintenance - (Surface Dressing)	4,060				4,060
Mar-21	6,410	Restorative (Patching)	6,410				6,410
Mar-21	2,300	Additional Highways Maintenance	2,300				2,300
Mar-24	5,010	Additional Highway incentive fund subject to meeting level 3 criteria	0	1,670	1,670	1,670	5,010
Mar-21	250	Safety Schemes	250				250
Mar-21	300	Croft-Billesdon Depot Scheme	100				100
Mar-22	110	Highways Maintenance - IT renewals	80	30			110
			16,320	13,380	13,350	13,350	56,400
		<u>Environment & Waste</u>					
Mar-22	5,500	Kibworth Site Redevelopment (Commitments b/f)	2,510	2,500			5,010
Mar-22	9,000	Waste Transfer Station Development (Commitments b/f)	0	4,400			4,400
Mar-24	1,750	Recycling Household Waste Sites Improvements and works	850	350	350	200	1,750
Mar-21	180	Recycling Household Waste Sites Improvements - Drainage	180				180
			3,540	7,250	350	200	11,340
		Total E&T	55,250	99,040	99,440	24,850	278,580

* Government Grant allocations, indicative 2021/22 onwards estimated

* programme amended by -£1.2m per year (2020-2024) for substitution to E&T revenue budget

Future Developments - subject to further detail and approved business cases

A511 Corridor Construction - Major Roads Network (Cabinet report Nov19)

New Melton RHWS

Additional bid development/match funding for major infrastructure

Windrow Composting Facility

Compaction equipment

Whetstone mobile plant

Speed Cameras - Roll out

Vehicle Replacement - addtl requirement, subject to BC

CHIEF EXECUTIVES - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Mar-24	400	Leicestershire Grants	100	100	100	100	400
Mar-22	2,900	Rural Broadband Scheme - Phase 3	890	1,840			2,730
Mar-23	5,630	Rural Broadband Scheme - Phase 3 Extension (tbc)	0	2,000	3,630		5,630
		Total Chief Executives	990	3,940	3,730	100	8,760

Future Developments - subject to further detail and approved business cases

Relocation of Hinckley Registry Office
Rural Broadband Scheme - Phase 4

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CORPORATE RESOURCES - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
		<u>ICT</u>					
Mar-22	900	Local Area Network (LAN) Edge Refresh - County Hall & Remote sites	0	200			200
Mar-21	120	Replacement ITSM toolset and User Portal (Marval replacement project)	120				120
Mar-21	100	Wireless Controller Refresh	100				100
Mar-24	1,580	Corporate ICT Programme	280	300	500	500	1,580
Mar-24	1,000	Workplace Strategy - ICT Infrastructure	250	250	250	250	1,000
Mar-24	3,700	Workplace Strategy - End User Device (PC, laptop)	1,000	900	800	1,000	3,700
		Sub total ICT	1,750	1,650	1,550	1,750	6,700
		<u>Property Services</u>					
Mar-21	4,420	Melton, Sysonby Farm Development - site preparation and infrastructure works	4,420				4,420
Mar-24	1,400	Workplace Strategy - property costs, dilapidations and refurbishments	200	400	400	400	1,400
Mar-21	2,600	Snibston & Country Park Future Strategy - Masterplan	1,000				1,000
Mar-21	3,200	Snibston & Country Park Future Strategy - Land remedial works and covenant	880				880
Mar-23	440	County Hall Lift Replacement Scheme	110	220	110		440
		Sub total Strategic Property	6,610	620	510	400	8,140
		<u>Climate Change - Environmental Improvements</u>					
Mar-22	1,000	Score + (Schools Energy Efficiency Scheme)	0	1,000			1,000
Mar-24	1,260	Energy & Water Strategy - Invest to save	280	330	330	320	1,260
Mar-21	50	Electric Vehicle Car Charge Points	50				50
		Sub total Energy	330	1,330	330	320	2,310
		Total Corporate Resources	8,690	3,600	2,390	2,470	17,150

Future Developments - subject to further detail and approved business cases

Commerical Strategy - Beaumanor Outdoor					
Romulus Court - Relocation of Data Cente					
Major System Replacements, IAS, Mosaic, Capita One, STADS, PAMS, s106 system					
Workplace Strategy - Eastern Annexe Reconfiguration, Pen Lloyd Generator, Mobile phone Handset Refresh plus others					
Battery Storage					

CORPORATE - CAPITAL PROGRAMME 2020/21 to 2023/24

Estimated Completion Date	Gross Cost of Project £000		2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
		<u>Corporate Asset Investment Fund (CAIF)</u>					
Jul-20	22,250	Commercial Office Development at Loughborough University Science & Enterprise Park (LUSEP)	10,750				10,750
Sep-21	6,400	Quorn Solar Farm	500	5,900			6,400
Mar-22	7,600	Quorn Barrow Road Industrial Units (Carbon Neutral)	500	7,100			7,600
Mar-21	1,120	Lutterworth East - Planning and Pre-Highway construction Works	1,120				1,120
Mar-24	800	County Farms Estate - General Improvements	200	200	200	200	800
Mar-24	1,000	Industrial Properties Estate - General Improvements	250	250	250	250	1,000
Mar-24	57,000	Asset Acquisitions / New Investments - subject to Business Case	0	7,000	20,000	30,000	57,000
		Sub total CAIF	13,320	20,450	20,450	30,450	84,670
		<u>Future Developments</u>					
Mar-24	60,000	Future projects - subject to business cases	15,000	15,000	15,000	15,000	60,000
		Total Corporate Programme	28,320	35,450	35,450	45,450	144,670

<u>Future Developments - subject to further detail and approved business cases</u>					
CAIF - Asset Acquisitions / New Investments					
Airfield Business Park Phase 2					
Bardon Interlink					
Billesdon Employment Units					
East of Lutterworth SDA - Phase 2					
Leaders Farm Phase 2					
Stoney Stanton SDA					
Sysonby Farm employment and commercial development					
Embankment House Development					
Medical Centre, Meynell Road, Quorn					