

## RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Chief Officer Legal and Democratic Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Chief Officer Legal and Democratic Services has confirmed the decision has not been called in.

**1. Description of decision**

**1.1 To make the following amendments to the reports to be considered by the Full Council on 7 February 2024:**

**1.2 General Fund Revenue Budget 2024/2025 Report (agenda item 13.6) – to add the following recommendation to the report:**

**(vi) (c) That Full Council approve the allocation of the additional £1.313 million funding support package awarded by the Government, as part of the Local Government Finance Settlement, as follows:**

- (1) £300,000 to continue the Ward Funding initiative in 2024/2025, with the intention that the administration of the scheme be simplified.**
- (2) £100,000 to support the School Library Service.**
- (3) The balance of £913,000 to be retained for in-year demand led service pressures and, if affordable, priority service enhancements.**

**1.3 Capital Investment Programme (agenda item 13.5):**

**(i) To replace recommendation 5 in the report with the following recommendation:**

- (5) Support the intention to further consider the Phase 2 leisure investment, comprising the essential refurbishment of existing leisure assets and the development of a new Leisure Village, when the Leisure Strategy has advanced to the stage of adoption by the Council in Autumn 2024.**

**(ii) To update the following items in the Capital Investment Programme to read as shown in Appendix A to this report:**

- (a) The table at 5.22 of the report which summarises the overall capital programme for the period 2023/2024 to 2026/2027.**
- (b) Appendices A and J to the report.**

**(iii) To amend the business case at Appendix B for the acquisition of Temporary Accommodation to the business case as set out in Appendix B to this report.**

**(iv) To update the Liability Benchmark Treasury Indicator, Indicator E at paragraph 5.30 of the report, to the version as set out in Appendix C to this report.**

**1.4 To update the Liability Benchmark, Indicator 'E' contained within the Treasury Management Strategy (at Full Council agenda item 13.3, Appendix A) as shown in Appendix C to this report.**

**2. Date of decision**

6 February 2024

**3. Reasons for decision**

- 3.1 To incorporate the additional Local Government Finance Allocation of £1.313 million into the proposed revenue budget.
- 3.2 To defer a decision regarding Phase 2 of the proposed leisure investment until the Leisure Strategy has been further developed.
- 3.3 To provide a revised business case setting out the financial benefits of acquiring property for use as temporary accommodation.
- 3.4 To update the Liability Benchmark, Indicator 'E' to reflect the revisions to the capital programme.

**4. Alternatives considered and rejected**

The alternative of not amending the reports to Full Council was considered and rejected.

**5. How decision is to be funded**

The additional revenue expenditure will be funded through the additional £1.313 million funding support package awarded by the Government as part of the Local Government Finance Settlement

**6. Conflicts of interest**

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation)	Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation).

The Mayor has been consulted on this decision

Not Applicable

Signed *Tom Wootton*

Date: 6 February 2024

Name of Decision Taker: Tom Wootton

**This is a public document. A copy of it must be given to the Chief Officer Legal and Democratic Services as soon as it is completed.**

Date decision published: ...7February2024.....

Date decision can be implemented if not called in: ...N/AasrecommendationtoFullCouncil.....

(Decision to be made exempt from call in.....N/A.....)

**BEDFORD BOROUGH COUNCIL – THE MAYOR**

**6 February 2024**

**Report by the Assistant Chief Executive (Finance) and Chief Finance Officer**

**Subject: AMENDMENTS TO REPORTS FOR CONSIDERATION BY FULL COUNCIL ON 7 FEBRUARY 2024**

**1. EXECUTIVE SUMMARY**

- 1.1 At its meeting on 24 February 2024 the Executive agreed a proposed revenue budget and capital investment programme to be referred to Full Council for consideration on 7 February 2024.
- 1.2 Following the announcement of additional funding of £1.313 million from central Government as part of the Local Government Finance Settlement, it is recommendation to Full Council that the General Fund Revenue Budget proposals for 2024/2025 should be amended to incorporate the additional funding and proposals for expenditure.
- 1.3 It is proposed to defer a decision under the Capital Investment Programme regarding Phase 2 of the proposed leisure investment until the Leisure Strategy has been further developed and to update the Capital Investment Programme and Treasury Management Strategy 2024/2025 accordingly.
- 1.4 The business case for the acquisition of property for use as homelessness temporary accommodation has been updated to better reflect the expected benefits, taking into account capital financing costs and the phasing of acquisitions.

## **2. RECOMMENDATIONS**

**2.1 To make the following amendments to the reports to be considered by the Full Council on 7 February 2024:**

**2.2 General Fund Revenue Budget 2024/2025 Report (agenda item 13.6) – to add the following recommendation to the report:**

**(vi) (c) That Full Council approve the allocation of the additional £1.313 million funding support package awarded by the Government, as part of the Local Government Finance Settlement, as follows:**

- (1) £300,000 to continue the Ward Funding initiative in 2024/2025, with the intention that the administration of the scheme be simplified.**
- (2) £100,000 to support the School Library Service.**
- (3) The balance of £913,000 to be retained for in-year demand led service pressures and, if affordable, priority service enhancements.**

**2.3 Capital Investment Programme (agenda item 13.5):**

**(i) To replace recommendation 5 in the report with the following recommendation:**

**(5) Support the intention to further consider the Phase 2 leisure investment, comprising the essential refurbishment of existing leisure assets and the development of a new Leisure Village, when the Leisure Strategy has advanced to the stage of adoption by the Council in Autumn 2024.**

**(ii) To update the following items in the Capital Investment Programme to read as shown in Appendix A to this report:**

- (a) The table at 5.22 of the report which summarises the overall capital programme for the period 2023/2024 to 2026/2027.**
- (b) Appendices A and J to the report.**

**(iii) To amend the business case at Appendix B for the acquisition of Temporary Accommodation to the business case as set out in Appendix B to this report.**

- (iv) To update the Liability Benchmark Treasury Indicator, Indicator E at paragraph 5.30 of the report, to the version as set out in Appendix C to this report.

#### **2.4 Treasury Management Strategy:**

- (i) To update the Liability Benchmark, Indicator 'E' contained within the Treasury Management Strategy (at Full Council agenda item 13.3 Appendix A), to be as shown in Appendix C to this report.

### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To incorporate the additional Local Government Finance Allocation of £1.313 million into the proposed revenue budget.
- 3.2 To defer a decision regarding Phase 2 of the proposed leisure investment until the Leisure Strategy has been further developed.
- 3.3 To provide a revised business case setting out the financial benefits of acquiring property for use as temporary accommodation.
- 3.4 To update the Liability Benchmark, Indicator 'E' to reflect the revisions to the capital programme.

### **4. THE CURRENT POSITION**

- 4.1 The Executive considered the following reports at its meeting on 24 January 2024 and agreed to refer the reports to Full Council for approval:
- Capital Investment Programme
  - General Fund Revenue Budget 2024/2025
  - Treasury Management Policy and Strategy 2024/2025
- 4.2 The Executive wishes to make amendment to the reports, as set out in this report, prior to them being considered by Full Council.

## **5. DETAILS**

5.1 This report sets out amendments to the following reports for consideration by Full Council at its meeting on 7 February 2024:

- Capital Investment Programme
- General Fund Revenue Budget 2024/2025
- Treasury Management Policy and Strategy 2024/2025.

5.2 The amendments are to:

- a) Incorporate an additional £1.313 million funding support package awarded by the Government, as part of the Local Government Finance Settlement, and to recommend how the additional funding should be used.
- b) To defer a decision regarding Phase 2 of the proposed leisure investment until the Leisure Strategy has been further developed and to update the Liability Benchmark, Indicator 'E' to reflect the revisions to the capital programme.
- c) To provide a revised business case setting out the financial benefits of acquiring property for use as temporary accommodation.

5.3 The recommendations set out in this report do not affect the conclusions reached in the Local Government Act 2003, Section 25 Report by the Assistant Chief Executive (Finance) and Chief Finance Officer which is published under item 12 of the agenda for Full Council on 7 February 2024.

## **6. ALTERNATIVES CONSIDERED AND REJECTED**

6.1 The alternative of not amending the reports to Full Council was considered and rejected.

## 7. KEY IMPLICATIONS

<b>7.1 Legal Issues</b>	The Council is required to agree a revenue budget for the financial year 2024/2025 and must set its Council Tax no later than 10 March 2024 in accordance with the requirements set out in the Local Government Finance Act 1992.
<b>7.2 Policy Issues</b>	The Council's Constitution sets out the procedures for Executive Decisions and for conduct of Full Council meetings. The recommendations in this report are compatible with the requirements of the Constitution.
<b>7.3 Resource Issues</b>	<p>The amendments will allow for incorporating into the revenue budget an additional £1.313 million funding support package recently awarded by the Government, as part of the Local Government Finance Settlement, and to approve the use of the funding as follows, subject to approval by Council:</p> <ul style="list-style-type: none"> <li>• £300,000 to continue the Ward Funding initiative in 2024/2025, with the intention that the administration of the scheme be simplified;</li> <li>• £100,000 to support the School Library Service;</li> <li>• £913,000 to be retained for in-year demand led service pressures and, if affordable, priority service enhancements.</li> </ul>
<b>7.4 Risks</b>	There are no risks identified as arising directly from this report.
<b>7.5 Environmental Implications</b>	There are no direct Environmental Implications arising from this report.
<b>7.6 Equalities Impact</b>	<p>In preparing this report, due consideration has been given to the Borough Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.</p> <p>A relevance test for equality has been completed which determined that the activity, noting the statutory charges, has no relevance to Bedford Borough Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.</p>
<b>7.7 Impact on Families</b>	The amendment will allow for consideration to be given to allocating additional revenue funding to the Scholls Library Service.



<b>7.8 Community Safety and Resilience</b>	There are no direct implications arising from this report.
<b>7.9 Impact on Health and Wellbeing</b>	There are no direct implications arising from this report.

**8. SUMMARY OF CONSULTATIONS AND OUTCOME**

8.1 The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

Interim Monitoring Officer

No adverse comments have been received.

**9. WARD COUNCILLOR VIEWS**

9.1 Not applicable to this report as the recommendations are to be considered by Full Council.

**10. CONTACTS AND REFERENCES**

Report Contact Officer	Julie McCabe - Assistant Chief Executive (Finance) and Chief Finance Officer e-mail: <a href="mailto:Julie.mccabe@bedford.gov.uk">Julie.mccabe@bedford.gov.uk</a>
File Reference	N/A
Previous Relevant Minutes	Minutes 12 to 16 – Executive: 24 January 2024
Background Papers	None
Appendices	Appendix A – Updates to the Capital Investment Programme Report Appendix B – Amended Temporary Accommodation Business Case Appendix C – Update to Liability Benchmark, Indicator ‘E’

## Appendix A

Summary Capital Programme	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	Future Years	Total
	£000	£000	£000	£000	£000	£000
<b>Gross Directorate Budgets</b>						
Corporate Services	21,105	23,939	10,540	4,806	0	<b>60,390</b>
Transformation	800	3,245	1,387	0	0	<b>5,432</b>
Children's Services	70,912	51,990	6,611	16,324	0	<b>145,837</b>
Environment	51,362	44,856	35,625	15,581	9,123	<b>157,047</b>
New Strategies	3,000	5,000	12,500	15,000	0	<b>35,000</b>
<b>Gross Total</b>	<b>147,179</b>	<b>129,030</b>	<b>66,663</b>	<b>51,711</b>	<b>9,123</b>	<b>403,706</b>
<b>Financed by</b>						
Grants and Contributions	(107,721)	(78,450)	(45,431)	(29,994)	(9,123)	<b>(270,719)</b>
Revenue & Reserves	(7,746)	(4,745)	(3,100)	(2,600)	0	<b>(18,191)</b>
*Nominal Increase in Capital Financing Requirement	(31,712)	(45,835)	(18,132)	(19,117)	0	<b>(114,796)</b>
<b>Specific Financing</b>	<b>(147,179)</b>	<b>(129,030)</b>	<b>(66,663)</b>	<b>(51,711)</b>	<b>(9,123)</b>	<b>(403,706)</b>
<b>Capital Receipts</b>	<b>(3,169)</b>	<b>(15,370)</b>	<b>(11,003)</b>	<b>(8,100)</b>	<b>0</b>	<b>(37,642)</b>
<b>Borrowing (net of capital receipts)</b>	<b>(28,543)</b>	<b>(30,465)</b>	<b>(7,130)</b>	<b>(11,017)</b>	<b>0</b>	<b>(77,154)</b>
<i>* of which is Invest-to-Save</i>	<i>(18,089)</i>	<i>(18,089)</i>	<i>(6,404)</i>	<i>(2,500)</i>	<i>0</i>	<i>(45,082)</i>

A revised Appendix A, and updated Appendix J at recommendation (6) in the report, showing the Capital Programme 2023/2024 to 2026/2027 is attached.

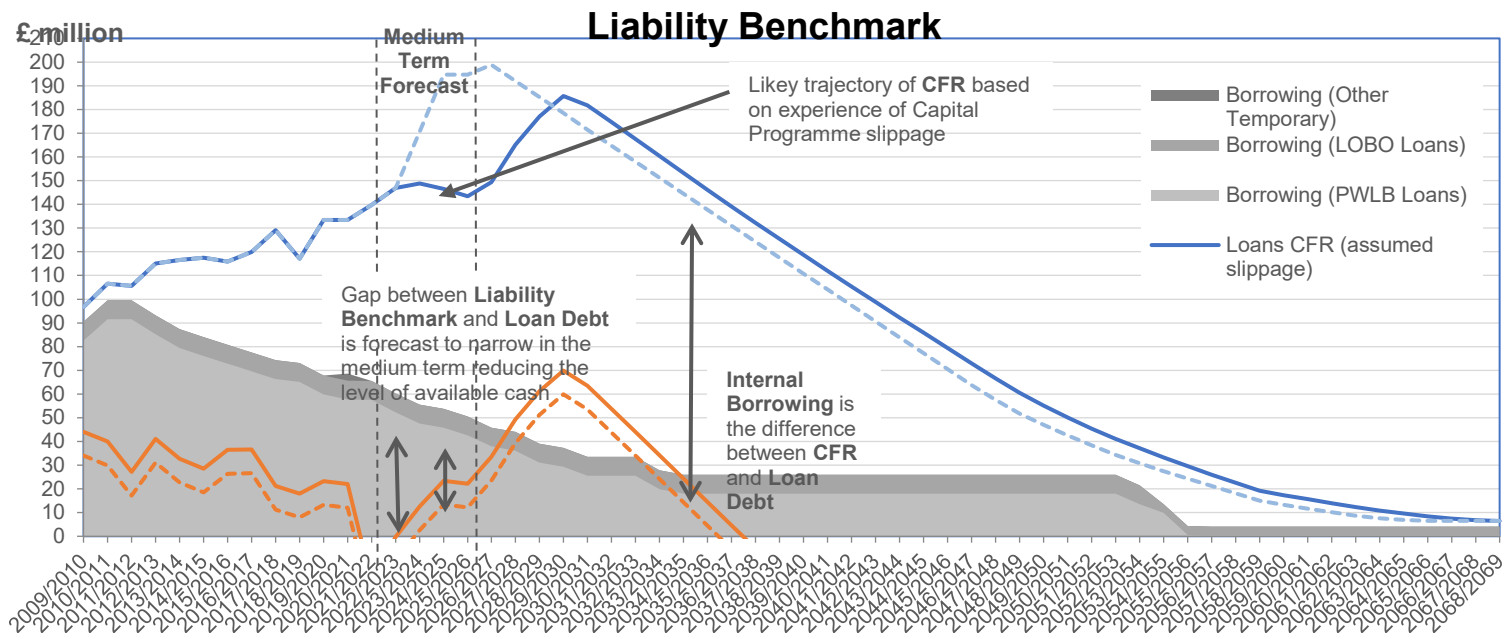
Also, as a consequence of the amendment, the Liability Benchmark at paragraph 5.30 of the report will be amended as follows:

The Liability Benchmark, Indicator 'E' contained within the Treasury Management Strategy has been refreshed based on the proposed capital programme changes in this report.

**E. Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level at each year-end to maintain sufficient liquidity but minimise credit risk. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision-making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

	<b>31.3.2023 Actual £m</b>	<b>31.3.2024 Forecast £m</b>	<b>31.3.2025 Forecast £m</b>	<b>31.3.2026 Forecast £m</b>	<b>31.3.2027 Forecast £m</b>	<b>31.3.2028 Forecast £m</b>
Loans CFR	146.946	148.821	146.457	143.453	149.300	165.091
Less: Usable reserves	-97.017	-98.478	-79.754	-72.377	-66.871	-66.945
Less: Working Capital	-60.124	-47.759	-53.271	-58.865	-58.865	-58.865
Plus: Liquidity allowance	10.000	10.000	10.000	10.000	10.000	10.000
<b>Liability Benchmark (year-end)</b>	<b>-195</b>	<b>12.584</b>	<b>23.433</b>	<b>22.210</b>	<b>33.564</b>	<b>49.281</b>
<b>External Borrowing</b>	<b>60.237</b>	<b>55.498</b>	<b>53.819</b>	<b>50.486</b>	<b>45.858</b>	<b>44.007</b>
<b>*New Borrowing/Investment Redemptions</b>	<b>0</b>	<b>0</b>	<b>2.817</b>	<b>4.927</b>	<b>20.909</b>	<b>38.477</b>

\*The Council holds £37 million (nominal value) of long-term investments, so this is the maximum amount that can be redeemed before borrowing is required.



**AGENDA ITEM 13.5: NOTICE OF UPDATE – Recommendation 2.1 (1) (c)**

To support the proposed additional Temporary Accommodation Capital Allocation (Gross £5.860 million, Net £5.860 million), a revised Business Case for this investment (at Appendix B) has been prepared and is attached. This seeks to better clarify the proposal and the “Invest to Save” nature of the proposed investment.

The Business Case now only includes cost benefit analysis against the 34 units on the additional £5.86 million capital bid proposed; the figures have been refined using net figures, with borrowing costs factored in. Updated information from property services on estimated purchase dates for units has allowed for further refinement and phasing of benefits from 2024.

**CAPITAL PROGRAMME REVISIONS**

**APPENDIX A**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Report 18 December 2023 Full Council</b>	<b>158,522</b>	<b>42,174</b>	<b>107,962</b>	<b>25,785</b>	<b>56,384</b>	<b>14,371</b>	<b>32,692</b>	<b>8,710</b>	<b>8,860</b>	<b>0</b>	<b>364,420</b>	<b>91,040</b>
<b>Reprofiled Schemes</b>												
32167 Wixams Railway Station	(10,000)	(8,710)	2,782	8,710	7,218							
32194 Wixams Railway Station Car Park	(3,153)		(2,378)		5,531							
32177 Bedford Park Cricket Pavilion	(333)	(114)	73		260	114						
32036 Elstow Landfill	(482)	(482)	300	300	182	182						
32144 Sluice Gates	(60)		60									
32059 Bringing Empty Homes Back into Use	(755)	(755)	200	200	555	555						
32012 Affordable Housing (S106)	(162)		(60)		222							
31028 IT Infrastructure & Software	(500)	(500)	500	500								
<b>Revised Schemes</b>												
31131 Temporary Accommodation (virement)	(5,024)	(2,844)									(5,024)	(2,844)
31137 Local Authority Housing Fund - Homes for Refugees (Virement)	5,024	2,844									5,024	2,844
31131 Temporary Accommodation Top Up			5,860	5,860							5,860	5,860
32037 Highways Maintenance (LTP)	470		470		470		470				1,880	
31129 Borough Development and Regeneration Fund					2,500	2,500	2,500	2,500			5,000	5,000
32030 Vehicle, Plant & Equipment Programme - Lift Works			1,000	1,000							1,000	1,000
31068 Gypsy and Traveller Pitches	100	100									100	100
32205 Strategic Waterway Link								263			263	
<b>Leisure Complex &amp; Asset Refurbishment Phase 1</b>												
New3 BIAA Replacement Running Track			250	250	1,000	1,000					1,250	1,250
New4 Bedford Hockey Club Pitch Refurbishment			500	500							500	500
New5 Bedford Athletics Rugby Club Parking Capacity Improvements			500	500							500	500
New6 Leisure Village Feasibility			250	250							250	250
32206 Leisure Complex & Asset Refurbishment Phase 1			(1,500)	(1,500)	(1,000)	(1,000)					(2,500)	(2,500)
<b>Schools Expansion Budgets</b>												
34084 Developments West of Bedford Secondary Capacity - Lincroft Academy	3,000		(1,416)		1,000	410					2,584	410
34085 Bedford (Secondary) Academy Expansion	1,500		500		1,500						3,500	
34069 Special Educational Needs and/or disability	666										666	
34077 Bedford Special School	(5,672)		5,006								(666)	
34078 Additional Schools Capacity			(1,092)	(410)							(1,092)	(410)
34082 Wixams Secondary Academy Expansion			1,155								1,155	
34083 New Primary School in Wixams	4,038		(1,038)								3,000	
34086 Sharnbrook (Primary) 1FE new/expansion					(13,000)		13,000	7,907				7,907
34087 Wootton / Stewartby 2 Tier (s106)			3,187								3,187	

**CAPITAL PROGRAMME REVISIONS**

**APPENDIX A**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>New Schemes</b>												
New1 Robert Bruce Demolition			1,490	1,490							1,490	1,490
New8 Feasibility Studies			500	500							500	500
New9 Transformation - Utilisation of Flexible Capital Receipts			1,800	1,800							1,800	1,800
New10 Howard Centre Lighting			100	100							100	100
New11 Introduction of food waste collection scheme			1,569								1,569	
New2 Daubeney Academy School			500		3,841		3,049				7,390	
<b>Total Revisions</b>	<b>(11,343)</b>	<b>(10,461)</b>	<b>21,068</b>	<b>20,050</b>	<b>10,279</b>	<b>3,761</b>	<b>19,019</b>	<b>10,407</b>	<b>263</b>	<b>0</b>	<b>39,286</b>	<b>23,757</b>
<b>Revised Capital Programme</b>	<b>147,179</b>	<b>31,713</b>	<b>129,030</b>	<b>45,835</b>	<b>66,663</b>	<b>18,132</b>	<b>51,711</b>	<b>19,117</b>	<b>9,123</b>	<b>0</b>	<b>403,706</b>	<b>114,797</b>

**CAPITAL PROGRAMME 2023/2024 - 2026/2027**

**APPENDIX J**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Assessment Application &amp; Business Support</b>												
31131 Temporary Accommodation (Supported and In Need of Priority Ho	5,863	4,963	12,844	12,844							18,707	17,807
31137 Local Authority Housing Fund - Homes for Refugees	5,024	2,844									5,024	2,844
31068 Gypsy and Traveller Pitches	510	100									510	100
<b>Commercial Services &amp; Business Transformation</b>												
31127 Bedford Commercial Park	610	610	2,470	2,470							3,080	3,080
31129 Borough Development and Regeneration Fund	2,159	2,159	2,000	2,000	5,017	5,017	2,500	2,500			11,676	11,676
32195 Brookside Care Home Improvements	906										906	
32197 Brunel Road Industrial Estate Roofs	887	887									887	887
34004 Schools Maintenance	4,216		3,000		3,436		1,806				12,458	
New1 Robert Bruce Demolition			1,490	1,490							1,490	1,490
<b>Technology</b>												
31028 IT Infrastructure & Software	930	930	2,135	1,635	2,087	1,587	500				5,652	4,152
<b>Corporate Services TOTAL</b>	<b>21,105</b>	<b>12,493</b>	<b>23,939</b>	<b>20,439</b>	<b>10,540</b>	<b>6,604</b>	<b>4,806</b>	<b>2,500</b>			<b>60,390</b>	<b>42,036</b>
<b>Transformation</b>												
New9 Transformation - Utilisation of Flexible Capital Receipts			1,800	1,800							1,800	1,800
31124 Transformation	800	297	1,445	1,445	1,387	1,387					3,632	3,129
<b>Transformation TOTAL</b>	<b>800</b>	<b>297</b>	<b>3,245</b>	<b>3,245</b>	<b>1,387</b>	<b>1,387</b>					<b>5,432</b>	<b>4,929</b>

**CAPITAL PROGRAMME 2023/2024 - 2026/2027**

**APPENDIX J**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Schools</b>												
34008 Schools Building Works - Devolved Formula Capital	756		270		270		275				1,571	
34024 Schools Self Funded Projects											1,914	
34069 Special Educational Needs and/or disability	1,914										1,914	
34077 Bedford Special School	19,983	-825	5,006								24,989	-825
34078 Additional Schools Capacity			893								893	
34080 Biddenham Secondary School Expansion	897										897	
34082 Wixams Secondary Academy Expansion	19,875		14,376								34,251	
34083 New Primary School in Wixams	16,122		8,674								24,796	
New2 Daubeney Academy School			500		3,841		3,049				7,390	
34084 Lincroft Academy Expansion	3,000		8,584		1,000	410					12,584	410
34085 Bedford (Secondary) Academy Expansion	1,500		10,500		1,500						13,500	
34086 Sharnbrook Primary (Single Site)							13,000	7,907			13,000	7,907
34087 Wootton / Stewartby 2 Tier (s106)	6,813		3,187								10,000	
34088 Family Hubs	51										51	
<b>Children's Services TOTAL</b>	<b>70,912</b>	<b>-825</b>	<b>51,990</b>		<b>6,611</b>	<b>410</b>	<b>16,324</b>	<b>7,907</b>			<b>145,837</b>	<b>7,492</b>



**CAPITAL PROGRAMME 2023/2024 - 2026/2027**

**APPENDIX J**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Environment</b>												
32036 Elstow Landfill	225	225	300	300	182	182					707	707
32114 Carbon Management Programme	351	351									351	351
32144 Sluice Gates			60								60	
32177 Bedford Park Cricket Pavilion	5	0	73		260	114					338	114
32187 Play Area Refurbishment Programme	500	500									500	500
32185 Solar Panels on Council Car Parks/Buildings	200	200									200	200
32184 Protective Measures for Parks	203										203	
32186 Footways Renewal & Dropped Kerbs	287	287									287	287
32189 Kempston Natural Flood Management (West)	500										500	
32190 Embankment - Riverside Enhancement	1,173	1,173									1,173	1,173
32199 Changing Places	128										128	
32201 Tree Planting Schemes	40		41		39						120	
32202 Leisure Sites Essential Works	1,934	1,934	2,031	2,031							3,965	3,965
New3 BIAA Replacement Running Track			250	250	1,000	1,000					1,250	1,250
New4 Bedford Hockey Club Pitch Refurbishment			500	500							500	500
New5 Bedford Athletics Rugby Club Parking Capacity Improvements			500	500							500	500
New6 Leisure Village			250	250							250	250
32206 Leisure Complex & Asset Refurbishment Phase 1					500	500	1,500	1,500			2,000	2,000
New10 Howard Centre Lighting			100	100							100	100
New11 Introduction of food waste collection scheme			1,569								1,569	
32205 Strategic Waterway Link			600		600		1,500		1,763		4,463	

**CAPITAL PROGRAMME 2023/2024 - 2026/2027**

**APPENDIX J**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Transport, Highways &amp; Engineers</b>												
32037 Highways Maintenance (LTP)	4,475		4,198		4,198		4,198				17,069	
32041 Integrated Transport Schemes (LTP)	2,435	200	1,162		1,162		1,162				5,921	200
32040 Highways (BBC funded)	4,241	4,241	3,210	3,210	3,210	3,210	3,210	3,210			13,871	13,871
32151 Roads and Pavements	1,263	1,263									1,263	1,263
32183 Murdock Road Resurfacing Works	231	14									231	14
32092 Bedford Western Bypass Phase 2	47										47	
32159 Transporting Bedford 2020	305										305	
32182 Halsey Road Drainage System	2,224	2,224									2,224	2,224
32174 Average Speed Cameras	579	200									579	200
32169 School Parking Enforcement Cameras	650										650	
32165 Bromham Road cycle bridge									2,838		2,838	
32153 Public Open Spaces Footbridges	337										337	
32176 All Hallows Public Realm Improvements	31										31	
32030 Vehicle, Plant & Equipment Programme	4,724		5,018	1,000	2,250		2,250				14,242	1,000
32145 Depot Enhancements	118	118									118	118
32007 Disabled Facilities Grants	1,886		1,945		1,945		1,761		1,942		9,479	
32193 Social Housing Decarbonisation Fund	1,220										1,220	
32196 A6 Paula Radcliffe Way – Highway Corridor	9,970	1,240									9,970	1,240
32198 Riverstreet Multi Story Car Park Lifts	410										410	
New8 Feasibility Studies			500	500							500	500
<b>Planning, Infrastructure and Growth</b>												
31114 Superfast Broadband Project	460	460									460	460
31134 High Street Heritage Action Zone (HSHAZ)	911	-227									911	-227
31136 Town Deal	6,562		5,825		5,950						18,337	
32012 Affordable Housing (S106)			162		222						384	
32059 Bringing Empty Homes Back into Use	275	275	800	800	725	725					1,800	1,800
32167 Wixams Railway Station	2,070	2,070	14,500	8,710	7,568						24,138	10,780
32194 Wixams Railway Station Car Park			500		5,531						6,031	
32168 East-West Railway (Western Section)								2,580			2,580	
32208 UK Shared Prosperity Fund	187		558		578						1,323	
32200 Unparished CIL Schemes	204		204		205						613	
<b>Environment TOTAL</b>	<b>51,362</b>	<b>16,749</b>	<b>44,856</b>	<b>18,151</b>	<b>36,125</b>	<b>5,731</b>	<b>15,581</b>	<b>4,710</b>	<b>9,123</b>		<b>157,047</b>	<b>45,341</b>

**CAPITAL PROGRAMME 2023/2024 - 2026/2027**

**APPENDIX J**

Project Description	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27	Future Years		TOTAL	TOTAL	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Strategies requiring business case development &amp; approval</b>													
32203 Primary Care Estate	1,000	1,000	2,000	1,000	4,000		2,000	1,000			9,000	3,000	
32204 Town Centres Regeneration	2,000	2,000	2,000	2,000	8,000	4,000	13,000	3,000			25,000	11,000	
32207 Cemetery Provision			1,000	1,000							1,000	1,000	
<b>Strategies TOTAL</b>	<b>3,000</b>	<b>3,000</b>	<b>5,000</b>	<b>4,000</b>	<b>12,000</b>	<b>4,000</b>	<b>15,000</b>	<b>4,000</b>			<b>35,000</b>	<b>15,000</b>	
<b>GRAND TOTAL</b>	<b>147,179</b>	<b>31,713</b>	<b>129,030</b>	<b>45,835</b>	<b>66,663</b>	<b>18,132</b>	<b>51,711</b>	<b>19,117</b>	<b>9,123</b>		<b>403,706</b>	<b>114,797</b>	

## **BUSINESS CASE FOR CAPITAL PROJECTS**

All Capital Projects need to complete this business case template for Capital and Asset Forum (CAF) to review. No work can commence until the projects receive Full Council approval and subsequent sign-off by the Assistant Chief Executive (Enabling).

**PROJECT TITLE:** Temporary Accommodation Property Acquisition

**DESCRIPTION OF PROJECT:** Business case for an additional £5.86 million capital investment to accelerate the purchase of properties for temporary accommodation in 2024 in line with the Temporary Accommodation Property Acquisition Strategy. This will enable the Council to build a portfolio of Council owned properties to deliver its statutory accommodation duties in a financially sustainable manner into the future.

**Briefly explain what the project is, where it is, and what it seeks to achieve:**

### **Background Context:**

#### **The Temporary Accommodation (TA) Property Acquisition Strategy**

The TA Property Acquisition Strategy aims to build a portfolio of Council owned properties for temporary accommodation to ensure that the Local Authority can fulfil its statutory accommodation duties under the Homelessness Reduction Act 2017 in a financially sustainable way into the future whilst securing long term asset value. It is recommended that 70% of temporary accommodation placements are made in Council owned properties to alleviate the long-term pressure on TA budgets and move into a financially sustainable position. This would remove reliance on more expensive accommodation options such as hotels and nightly rate providers which is currently a key driver of the overspend pressure (c£3.6 million – c£4 million in current financial year). For each unit owned by the Council there is a rental income, appreciating asset value and direct cost avoidance (as compared to cost of hotel) in revenue gross expenditure of c£30,000 per annum.

There are currently 730 temporary accommodation placements (of which less than 10% are in Council owned properties). A Housing Action Plan is in progress to deliver a wide range of improvement actions to increase homeless preventions and rehousing positive outcomes for customers which it is anticipated will support overall reductions in TA numbers as customers are supported to move into settled accommodation.

The strategy over the long term aims at building a portfolio of 300 units which would enable the service to be delivered within its revenue budget (c6 million gross expenditure 2024/2025) and sustainably into the future by delivering c£9 million gross expenditure cost avoidance annually (or c£7million net cost avoidance when Housing Benefit is taken into account). This is based on the alternative cost of 300 hotel bookings annually. In addition to cost avoidance, this strategy takes into account the rental income and appreciating value of the property asset (See Appendix A for TA revenue budget context calculation).

Future projected numbers in TA are estimated on national and regional average numbers in TA per 1000 households which is 2.2 nationally and 2.75 for East of England. The per thousand rate has been steadily rising year on year and so a reasonable assumption is that it may be c.3.8 by 2033. With population and household growth estimates for the Borough, (see Appendix B) it is anticipated that TA placement numbers are likely to be c300 by then. Therefore, the need for at least 300 Council owned property units for temporary accommodation will remain longer term.

Based on current demand data, it is recommended as a guide that 300 units are split proportionately between:

- 50% 1 bed (150 units of which a proportion is modular).
- 30% 2 bed (90 units).
- 10% 3 bed (30 units).
- 10% 4+ beds (30 units).

It is recognised that this is an ambitious, long-term strategy requiring significant capital investment and that the pace of progress towards the target of 300 units will be dependant on the Council's ability to commit sufficient capital.

#### Additional Property Acquisition (Non-Statutory Accommodation Provision)

In addition to the recommended 300 units required for statutory provision of temporary accommodation outlined above, there is strategic value to purchasing properties to support refugee provision and to prevent rough sleeping for those that are not owed a statutory accommodation duty where external grant funding may be leveraged enabling the Council to acquire additional long-term assets. This will support wider government objectives to minimise rough sleeping and deliver on refugee programme aims.

#### Current Capital Allocation

There is an existing capital allocation (c£24 million) to acquire properties for use as accommodation for homeless person(s).

To date the Council has acquired or committed to purchase or develop 100 units allocated for statutory TA provision at c£16.5 million. However, half of these units will not be delivered until 2025/2026 contributing to a continued financial pressure on the TA revenue budget throughout the next financial year. There is an urgent need to increase the portfolio of properties for TA provision moving the Council towards the strategic target number of units. There is c£2 million available in the existing capital programme for TA.

The remainder of the current capital allocation (c£5.5 million) supplemented by grant funding (Homes for England, RSAPP and LAHF) has acquired or committed to purchase or develop a further 38 units to prevent rough sleeping for those not owed a statutory temporary accommodation duty and 18 units for refugee provision to provide housing for Ukrainian and Afghan families who would otherwise be homeless.

A summary table of units is detailed below, and Appendix C identifies a more detailed cost and timeline breakdown of those units acquired, those committed to that are in development and those that are prospective opportunities to consider.

### Acquisition Project Progress Update

Target number of Units (TA)	Units completed for TA	Pipeline Units Committed for TA (to be delivered 2025-2026)	Balance of units required for TA
1 bedroom (150)	(Total 17) <ul style="list-style-type: none"> <li>• 5 Walnut House,</li> <li>• 4 The Plaza</li> <li>• 8 St Cuthberts</li> </ul>	(Total 50) <ul style="list-style-type: none"> <li>• 24 flats in town centre former office block</li> <li>• 18 flats in new build close to town centre</li> <li>• 8 flats above retail in town centre</li> </ul>	83
2 bedroom (90)	(Total 23) <ul style="list-style-type: none"> <li>• 9 Walnut House</li> <li>• 7 The Plaza</li> <li>• 4 St Cuthberts</li> <li>• 3 park properties</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Bungalow</li> </ul>	66
3 bedroom (30)	(Total 7) <ul style="list-style-type: none"> <li>• 3 The Plaza</li> <li>• 4 park properties</li> </ul>		23
4 bedroom (30)	(Total 2) <ul style="list-style-type: none"> <li>• 2 park properties</li> </ul>		28
	<b>Total 49 Acquired</b>	<b>Total 51 in the pipeline</b>	<b>200 Required</b>

Additional Units	Units completed	Units committed in the pipeline
Rough Sleeper Initiative	<ul style="list-style-type: none"> <li>• 20 (Rogers Court)</li> </ul>	<ul style="list-style-type: none"> <li>• 8 units close to the station</li> <li>• 10 units close to the station (could also be used for TA purposes subject to terms of any grant leveraged to develop the property)</li> </ul>
Refugee Properties	<ul style="list-style-type: none"> <li>• 1 (Swift Close)</li> <li>• 17 (LAHF properties)</li> </ul>	
	<b>Total 38 acquired</b>	<b>Total 18 committed in the pipeline</b>

### **Capital Bid Business Case**

This Capital bid for **£5.86 million** is supported by an Acquisitions Strategy outlined above that will define the Council's appetite for further transactions to lessen the burden on revenue spend on hotel or nightly paid temporary accommodation. There is an urgent need to accelerate the delivery of the Property Acquisition Strategy to deliver TA in a financially sustainable way into the future and reduce the revenue pressure.

- Land has been identified that can be developed to support a project to install 20 high quality affordable modular units (1 bedroom each) in 2024 for use as temporary accommodation purposes. This programme will cost **£1 million**.
- Furthermore, the Council has been successful in agreeing options for a consignment of 13 units (3-bedroom self-contained properties) for families in temporary accommodation. There are currently 16 families in hotel accommodation (due to a lack of self-contained supply) which is deemed unsuitable interim accommodation adversely disrupting family life, health with a lack of proper cooking facilities and disrupting children's education. This is a pressing need which an additional capital bid would alleviate. This project would cost **£4.6 million** capital.
- The purchase of Vicars Gardens, a one bed Bungalow (costing **£260,000**) would enable the Council to provide a self-contained, disability access property for use as temporary accommodation. It is critical that the portfolio of properties for TA includes disabled access properties to ensure that the Council meets its equalities duties and increases suitable options with ground floor access.

**PROJECT MANAGER:** Anna Robbani, Head of Housing, Homelessness and Customer Services

**ANTICIPATED START DATE:** April 2024

**ANTICIPATED FINISH DATE:** 2024/2025

## JUSTIFICATION FOR PROPOSAL

### Explain how this scheme will support the Council/Services priorities:

It will assist the Council in fulfilling its statutory accommodation duties under the Homelessness Reduction Act 2017 to provide accommodation for people that would otherwise be homeless. This includes for example (illustrative not exhaustive list) those homeless as:

- Victim of domestic abuse or other forms of violence or harassment.
- Families with children that have become homeless as a result of no-fault evictions under section 21.
- Families unable to sustain tenancies in the private sector due to the cost-of-living crisis.
- Disabled where their property is no longer suitable or adapted to their needs.
- Care Leavers moving into independent living.

Furthermore, owning a portfolio of properties for temporary accommodation purposes will assist in reducing anti-social behaviour and crime by enabling better control of the location of temporary accommodation and rigorous tenancy management.

The acquisition of 34 additional property units in 2024 will enable the Council to deliver direct cost avoidance as compared to hotel/nightly provision of c£814,000 per annum. The £5.86million capital requested in this bid would fund 14 units which are available and ready for occupation by April 1<sup>st</sup> 2024 (if approved for purchase) and 20 further modular units (timeline tbc). The rental income would cover the costs of running these properties (property maintenance, management and void costs). When taking into account the cost of borrowing to finance the £5.86million Capital requested (estimate at £345k annually) the net benefit in cost avoidance against the 34 units is c£635k annually. Over a 10-year period this accumulates to over **c£6 million** in revenue savings if these acquisitions are enabled. Rental income will be charged at the upper quartile of the Local Housing Allowance (LHA) with an estimated rent roll of **£4.1 million** gross over 10 years.



## ALTERNATIVE OPTIONS

**What options have been considered (including “do nothing” or a slimmed-down version) and why have they been accepted or rejected in favour of this bid?**

- **Do nothing** – The Council will continue to deliver its homelessness services using its existing stock of temporary accommodation which is at capacity, consisting of a combination of hostels, which are owned and managed by the Local Authority, Private Sector Leased (PSL) and Private Managed Accommodation (PMA) properties which are procured from private individuals or companies on long leases, nightly-paid and hotel emergency accommodation. Even with the planned recovery reduction in TA numbers to 450, the 90% reliance on nightly rate and hotel accommodation will result in continued overspend pressure on the budget (388 placements at £80 per night = £931,000 per month or c£11 million gross expenditure annually). **This option has been rejected**
- **Option 2** – Procure External Partner. This option would be to procure an external partner to bulk-purchase properties on the open market and manage these on the Council’s behalf. A provider would mobilise having been selected after a compliant competitive tender process in compliance with the Public Contracts Regulations and the Council’s Corporate Procurement Rules. Under this option, the Council would enter a partnership with an External Partner/Registered Provider (RP) to increase the purchasing power and ability to purchase at scale of affordable homes needed, with the Council owning the properties at the end of the contract term. There are several examples of successful large-scale partnerships within Local Governments that have succeeded in large scale buys.
- **Option 3** – In-house delivery. This option would be to bulk-purchase properties on the open market through the existing in-house property team. Under this option, it is recommended that the council procure an external partner to provide refurbishment, repairs and maintenance services for the properties. **This is the recommended option No.1 for this bid**
- **Option 4** – Shared delivery with a Strategic Commercial Partner – work in collaboration with local and regional partners by securing JV options on Council land for the delivery of affordable end user permanent housing. **This is the recommended option No.2**

**What is the effect of not doing this scheme if the funding does not become available?**

- The effect is carrying on as existing by placing tenants into private accommodation/hostels/hotels which would further carry the revenue burden pressures into the foreseeable future. Even with the planned recovery reduction in TA numbers to 450, the 90% reliance on nightly rate and hotel accommodation will result in continued overspend pressure on the budget (388 placements at £80 per night = £931,000 per month or c£11 million gross expenditure annually).
- Properties for use as temporary accommodation will be acquired on the open rental market at expensive nightly let rates. There is a risk that accommodation may not be readily available putting the Council at risk of not being able to meet its statutory duties.

## INVEST TO SAVE

A definition is given in Appendix B

Is this an 'Invest to Save' bid?	YES
If yes:	
What is the annual revenue saving?	Annual revenue saving including the cost of borrowing is £635k.
What is the payback period? (years)	<10 years

## CAPITAL COST OF PROJECT

List here the anticipated gross costs

	2024/2025 £000	2025/2026 £000	2026/2027 £000	2027/2028 £000	2028/29+ £000	TOTAL £000
Land / Property purchase and fees	£4,860					£4,860
Modular Homes	£1,000					£1,000
Building works						
Professional Fees						
Vehicles						
Plant / Equipment / Furniture						
IT Hardware						
Software & Licences						
Capital Grant to 3 <sup>rd</sup> Parties						
Credit Arrangement (leases)						
<b>TOTAL COST</b>	<b>£5,860</b>					<b>£5,860</b>

**Explain how the estimates have been arrived at, and level of risk over how these may compare with actual costs:**

- This business case seeks approval to purchase 34 additional units in total in 2024
- Costs based on property services advice following negotiations with prospective sellers. 14 units that are already developed and ready for occupation (early negotiations in flight) could be available from April 1<sup>st</sup> 2024 to relieve pressure on TA, subject to approval to purchase generating a full year return. (20 Modular Units timeline yet to be confirmed, modelled assumptions estimate late in quarter 4 subject to planning permission and necessary approvals and acquisition).
- The figures are necessarily indicative as cost avoidance is based on typical hotel per night rates (in practice they are variable and subject to market supply). Rents will be set subject to property size and Housing Benefit subject to customer eligibility. Borrowing costs are indicative for the business case but these will be managed centrally in line with the Treasury Management Strategy.

## SOURCE OF FUNDING

List here the funding sources. Evidence should be attached where possible.

	2024/2025 £000	2025/2026 £000	2026/2027 £000	2027/2028 £000	2028/2029+ £000	TOTAL £000
Specific Government Grant <i>Specify -</i>						
Developers Contribution **						
Lottery/Heritage/Other Grants						
Other sources (specify)						
<b>EXTERNAL FUNDING</b>						
Direct Revenue Financing						
Capital Receipts						
Borrowing *	£5,860					£5,860
<b>INTERNAL FUNDING</b>						
<b>TOTAL FUNDING</b>	<b>£5,860</b>					<b>£5,860</b>

\* Borrowing is the balance of funding required to fund the project

\*\* In the case of non-cash contributions (e.g. land donation), please gross up the figures in the funding table to show a cash equivalent figure (estimate) and provide a brief note in 'Other Comments'.

## REVENUE IMPACT OF PROJECT

List here the incremental year-on-year impact on the revenue budget

TYPE OF EXPENDITURE	2024/2025 £000	2025/2026 £000	2026/2027 £000	2027/2028 £000	2028/2029+ £000	TOTAL £000
Staffing costs						
Other running costs						
Income / savings (Cost avoidance on TA budget)	£(556)	£(979)	£(979)	£(979)	£(979)	£(4,472)
<b>Net impact (excluding schools)</b>	£(556)	£(979)	£(979)	£(979)	£(979)	£(4,472)
Net impact to schools						

**TOTAL COST OF PROJECT**

List here the total cost of project (total of boxes above)

TYPE OF EXPENDITURE	2024/2025 £000	2025/2026 £000	2026/2027 £000	2027/2028 £000	2028/2029+ £000	TOTAL £000
Capital cost	£345	£345	£345	£345	£345	£1,725
Income (Rent) (Additional)	£(118)	£(165)	£(165)	£(165)	£(165)	£(778)
Revenue cost / saving (Cost Avoidance on TA budget)	£(437)	£(815)	£(815)	£(815)	£(815)	£(3,710)
<b>Net impact (excluding schools)</b>	<b>£(210)</b>	<b>£(635)</b>	<b>£(635)</b>	<b>£(635)</b>	<b>£(635)</b>	<b>£(2,750)</b>

What is the on-going cost saving in future years?	£6 million over 10 years
What is the expected life of the project? (or time before further capital expenditure is required)	Phase 1 acquisitions will be made during 2024/2025 Project benefits will accrue for over 40 years

**KEY MILESTONES (DATES)**

Feasibility Study:		Other 1	
Final Business Case/Appraisal:		Other 2:	
Detailed Design *:		Other 3:	
Planning permission:		Other 4:	
Tenders Sent:		Other 5:	
Contract Approved:		Other 6:	
Project Start:		Other 7:	
Project Complete:	2024/2025	Other 8:	
Final Retention Payment:		Other 9:	

\* Scheme needs to be passed through Design Services before approval. Enter the date submitted.

\*\* Please add other key milestones where appropriate

## **RISKS**

**List the likely risks of the scheme and an indication of the probability and impact of each risk. Risks could include reputational, financial, political, or delivery risks.**

- Risks will be identified, reported, managed and mitigated through the project management checkpoint reports. The principal strategic risks are recognised to be the inability to source sufficient properties at a cost that will enable purchase of the targeted number of properties within the capital allocation.
- Suitable properties do not become available to purchase – this is considered to be low risk over the project timescale.

## **EVALUATION CRITERIA**

**List the criteria against which this scheme will be evaluated upon completion e.g. how will the success of the project be measured? (Increased output; improved performance indicators?)**

- Decrease of revenue liability for 34 households.
- Properties acquired and let out to homeless households or persons in need of housing temporarily.
- Monitoring of the costs and benefits.




## **OTHER COMMENTS**

**List any other supporting information not covered elsewhere on this form:**

## POLICY LED EVALUATION

Please refer to the guidance notes below and enter your self-assessment in the table below.

		<b>RAG Rating</b>	<b>Self-Score</b>	<i>(Out of maximum)</i>
<b>A</b>	Council Priorities		10	10
<b>B</b>	Statutory Requirements		10	10
<b>C</b>	On-going Revenue Impact		10	10
<b>D</b>	Funding for Capital Scheme		10	10
<b>E</b>	Net Cost		10	10
<b>F</b>	Asset Management Plan		5	5
<b>G</b>	Sustainability		5	5
<b>H</b>	Financial Risks		5	5
<b>I</b>	Other Risks		5	5
	<b>TOTAL</b>		<b>54</b>	<b>70</b>

 = Non-Compliance    = Part-Compliance    = Compliance

## CONTACT INFORMATION

Please give the name of officer who should be contacted for further information on this capital bid.

<b>Name:</b>	Anna Robbani
<b>Ext:</b>	Tel: 01234 718723 ext. 47723

## APPROVAL BY DIRECTOR

I approve the submission of this bid:

<b>Director name:</b>	Laura Church
<b>Date:</b>	2 January 2024

## Appendix A

Budget Context (c6m gross expenditure). Calculation based on 450 placements with 300 units council owned (data includes an estimated uplift in prices)						
Property Type	Placements	Nightly cost	Exp per mth	HB Available mth income	Net mthly cost	
PSL (Pinnacle)	10	£45.00	£13,500.00	£13,500.00	£0.00	
Nightly Rate	130	£55.00	£214,500.00	£85,800.00	£128,700.00	
Hotel	10	£90.00	£27,000.00	£5,400.00	£21,600.00	
Sub totals	150		£255,000.00	£104,700.00	£150,300.00	
		Annual	£3,060,000.00	£1,256,400.00	£1,803,600.00	
BBC Owned and leased (inc Rothbury Court and Randalls Close)	Placements	Nightly	Exp per mth	HB available	net cost	
BBC	1 bed	180	£25.00	£135,000.00	£135,000.00	£0.00
BBC	2+bed	120	£30.00	£108,000.00	£108,000.00	£0.00
		300		£243,000.00	£243,000.00	£0.00
		Annual	£2,916,000.00	£2,916,000.00	£0.00	
	Total Placemen	450				
		Monthly Total	£498,000.00	£347,700.00	£150,300.00	
		Annual Total	£5,976,000.00	£4,172,400.00	£1,803,600.00	

## Appendix B

Table 1: Forecast Population Growth – Bedford Borough, England and East of England to 2040

Year	Bedford Borough Estimated	Bedford Borough % Increase	England Estimated (millions)	England % Increase	East of England Estimated	East of England % Increase
2019	173,000	-	56.3	-	6,240,417	-
2020	174,720	0.88	56.6	0.53	6,277,257	0.59
2021	176,212	0.85	56.9	0.53	6,312,979	0.57
2022	177,639	0.81	57.2	0.53	6,346,769	0.54
2023	178,997	0.76	57.5	0.52	6,378,396	0.50
2024	180,267	0.71	57.8	0.52	6,408,249	0.47
2025	181,441	0.65	58.0	0.35	6,435,996	0.43
2026	182,576	0.63	58.2	0.34	6,462,667	0.41
2027	183,627	0.58	58.5	0.52	6,487,935	0.39
2028	184,616	0.54	58.7	0.34	6,512,372	0.38
2029	185,555	0.51	58.9	0.34	6,535,936	0.36
2030	186,453	0.48	59.1	0.34	6,558,594	0.35
2031	187,287	0.45	59.3	0.34	6,580,494	0.33
2032	188,090	0.43	59.5	0.34	6,602,101	0.33
2033	188,866	0.41	59.7	0.34	6,623,525	0.32
2034	189,622	0.40	59.9	0.34	6,644,616	0.32
2035	190,336	0.38	60.1	0.33	6,665,142	0.31
2036	191,035	0.37	60.3	0.33	6,685,787	0.31
2037	191,722	0.36	60.5	0.33	6,706,744	0.31
2038	192,458	0.38	60.7	0.33	6,728,338	0.32
2039	193,196	0.38	60.9	0.33	6,750,245	0.32
2040	193,928	0.38	61.1	0.33	6,772,231	0.33
2041	194,664	0.38	61.3	0.33	6,794,441	0.33
2042	195,405	0.38	61.5	0.33	6,816,864	0.33
2043	196,146	0.38	61.7	0.33	6,839,413	0.33

Source: ONS, 2018-based Subnational Population Projections

## Appendix C (Just click on link and it should open)



Capital Proposal TA spreadsheet 09.01.24.



## PRIORITY LED SCORING FOR CAPITAL SCHEMES

There is a scoring system that aims to quantify the benefits of proposed capital schemes in relation to other proposed schemes, so that all capital bids can be prioritised.

This provides support as to how to score Business Cases.

### A – Council Priorities

Indicate how the proposed scheme meets with the Council priorities.	
Very Low – no real impact	0
Low – some impact	2
Medium – a noticeable contribution	4
High – a significant	7
Very High – a major contribution	10

The Council's priorities and overall vision for a Borough will focus of four distinct themes:	Tick all themes supported
<ul style="list-style-type: none"> <li>• <b>Providing a Healthy Future...</b> Providing safe, sound, supportive, cost effective services which promote independence, health, well-being and choice.</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• <b>Protecting and Preserving the Local Environment...</b> Protecting and preserving the natural and built environment whilst enabling and supporting sustainable growth.</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• <b>Brighter Futures for Children...</b> Improving outcomes and life chances for all children, particularly vulnerable children through early intervention.</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• <b>Serving Residents Effectively...</b> Providing residents with helpful, efficient and cost effective customer services that meet their needs</li> </ul>	<input type="checkbox"/>

### **B – Statutory Requirements**

Indicate how the proposed scheme contributes to Statutory Requirements (e.g. health and safety).	
Very Low – no real impact (e.g. discretionary)	0
Low – some impact	2
Medium – a noticeable contribution	4
High – a significant	7
Very High – a major contribution (e.g. legally unavoidable)	10

### **C – On-going Revenue Impact**

Indicate how the scheme will impact on the revenue budget once the scheme is completed.	
Annual revenue costs increase by >6% of the gross cost of capital scheme	0
Annual revenue costs increase by >2% of the gross cost of capital scheme	2
Minor impact (changes <2% of the gross cost of capital scheme)	4
Annual revenue savings of >2% of the gross cost of capital scheme	7
Annual revenue savings of >6% of the gross cost of capital scheme	10

### **D – Funding for Capital Scheme**

Indicate how the scheme will be funded.	
0 to 10% of the gross cost of capital scheme met externally	0
11 to 30% of the gross cost of capital scheme met externally	2
31 to 60% of the gross cost of capital scheme met externally	4
61 to 90% of the gross cost of capital scheme met externally	7
91 to 100% of the gross cost of capital scheme met externally	10

### **E – Net Cost**

Indicate what the net cost of the scheme is.	
Over £5m	0
Between £1m and £5m	2
Between £500k and £1m	4
Between £100k and £1m	7
Less than £100k	10

### **F – Asset Management Plan**

Indicate how the proposed scheme contributes to the Council's Asset Management Plan.	
Very Low – no real impact	0
Low – some impact	2
High – a major contribution	5

### **G – Sustainability**

Indicate how the proposed scheme contributes to the Council's sustainability Agenda.	
Very Low – no real impact	0
Low – some impact	2
High – a major contribution	5

### **H – Financial Risks**

Indicate what the level of financial risk is around the scheme being able to be achieved within the estimates provided in the Business Case.	
Very Low – no real risk	5
Low – some risk	2
High – a major risk	0

## **I – Other Risks**

Indicate what the level of risk regarding complexity and issues outside the Council's control.	
Very Low – no real risk	5
Low – some risk	2
High – a major risk	0

A summary of the scores above need populating on the main Business Case Template.

## **Invest to Save Bids**

A scheme is likely to be an 'Invest to Save' scheme where:

- 1) For long term schemes (25+ years)
  - Where the net revenue savings exceed the costs of borrowing – currently £90k per £1m borrowed.
- 2) For other schemes (<25 years)
  - Where the net revenue savings (or avoided future costs) exceed the net costs of the scheme – adjusted for cost of borrowing (using Net Present Value (NPV) – currently 3.5%).

## Appendix C

The Liability Benchmark, Indicator 'E' contained within the Treasury Management Strategy has been refreshed based on the proposed capital programme changes in this report.

**E. Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level at each year-end to maintain sufficient liquidity but minimise credit risk. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision-making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

	<b>31.3.2023 Actual £m</b>	<b>31.3.2024 Forecast £m</b>	<b>31.3.2025 Forecast £m</b>	<b>31.3.2026 Forecast £m</b>	<b>31.3.2027 Forecast £m</b>	<b>31.3.2028 Forecast £m</b>
Loans CFR	146.946	148.821	146.457	143.453	149.300	165.091
Less: Usable reserves	-97.017	-98.478	-79.754	-72.377	-66.871	-66.945
Less: Working Capital	-60.124	-47.759	-53.271	-58.865	-58.865	-58.865
Plus: Liquidity allowance	10.000	10.000	10.000	10.000	10.000	10.000
<b>Liability Benchmark (year-end)</b>	<b>-195</b>	<b>12.584</b>	<b>23.433</b>	<b>22.210</b>	<b>33.564</b>	<b>49.281</b>
<b>External Borrowing</b>	<b>60.237</b>	<b>55.498</b>	<b>53.819</b>	<b>50.486</b>	<b>45.858</b>	<b>44.007</b>
<b>*New Borrowing/Investment Redemptions</b>	<b>0</b>	<b>0</b>	<b>2.817</b>	<b>4.927</b>	<b>20.909</b>	<b>38.477</b>

\*The Council holds £37 million (nominal value) of long-term investments, so this is the maximum amount that can be redeemed before borrowing is required.

