

## Flexible Use of Capital Receipts Strategy

1. The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”

2. The schedule of the proposed utilisation of the flexible capital receipts is split into two components. The first is a list of investments that are a continuation of previously agreed schemes but are required to be reaffirmed as part of the Council’s budget setting process. The second list is of new proposals for 2020/21.

3. List 1 - Previous indicative proposals for the flexible use of capital receipts requiring agreement

a) Connected Communities. This is the continuation of the investment in the programme.

b) Weight Restrictions. This proposal is for the continuation of the scheme to locate cameras the highway to enforce weight limits and emissions.

investment capacity for a range of initiatives such as purchasing specialist software to optimise the transport routes for children with SEND to a revised in-house foster care service to reduce the demand for agency foster care and the need for residential placements. The release of resources will be subject to a satisfactory business case.

c) Demand Management in Adult Services. This budget is to support the continuation of initiatives such as increasing day opportunities to reduce the demand for higher cost care solutions and through the employment of care negotiators who reduce the cost of high demand placements.

d) New Ways of Working. The resources will be deployed continue with the work to transform the way in which the council uses its building to deliver services.

4. List 4 - New proposals for the flexible use of capital receipts

e) Restructure costs. It is anticipated that there will be a limited reduction in the number of people employed by the council in 2021/22. This budget is to pay for the costs associated with the reduction. The savings are embedded in the individual improvement programmes so are not accounted for here.

f) Demand management in Adults Services. This additional funding is for the transition team to ensure that when young people with special needs become adults that they are transitioned to high quality settings or care packages.

Counter Fraud Hub is a London wide initiative to reduce the level of fraud perpetrated on London Councils through a data sharing and analytics service.

g) Children’s Services improvements. This funding is to continue with the transformation of Children’s Services through improvements to the special educational needs and disabilities services including home to school transport.

h) Expansion of moving traffic enforcement. This expenditure will ensure that the council can respond rapidly to enforce traffic violations including helping to supervise low traffic neighbourhoods and school streets.

i) Strategic Asset Management Planning. The council has invested in its asset management function recently and is continuing to do so. This resource will also be used to ensure that

the council can respond rapidly and effectively to bids to external funders for energy and carbon reduction funding.

j) Corporate Support to all improvement programmes. A range of corporate services are required to assist in the delivery of the many improvement programmes. This funding will allow dedicated support to be accessed for all programmes. The savings are embedded in the individual improvement programmes so are not accounted for here.

k) Counter fraud work. Whilst the London counter fraud hub did not materialise there is an enhanced need to undertake this work as the volume of Covid-19 grant related work has consumed a lot of resource that would otherwise be directed to fraud work.

l) Digital Together. This expenditure will assist in delivering an empowered, energised and enabled resident community engaging with us through increased digital channels that quickly direct them to the right resources through anticipation of their needs with no duplication.

The guidance requires that the impact on the Council's prudential indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. The indicators that will be impacted by this strategy are set out below:

a. The Capital Financing Requirement will increase as these capital receipts would otherwise have financed capital expenditure or reduced borrowing.

b. Financing costs as a percentage of the net revenue stream will rise as more borrowing is undertaken but the savings generated by the schemes will offset the costs arising from the additional borrowing. Therefore, there is no impact on Council Tax.

The prudential indicators show that this strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

It is estimated that there will be sufficient capital receipts to fund the estimated expenditure.