

Flexible Use of Capital Receipts

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 2022/23.

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

- a) 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. The streamlined pathway will ensure that they receive services directly relating to their needs immediately, thus improving their outcomes and reducing costs.
- b) 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.
- c) 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.
- d) 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.
- e) Counter Fraud Work. This is to support a broad range of work to reduce fraud against the Council through augmenting existing resources.
- f) 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.

4. **List 2 - New proposals for the flexible use of capital receipts**

- g) Demand Management in Social Services. This funding is to build on the success of the supported living capital schemes and provide a short-term resource to improve the pathways into supported living. In addition the funding will support a brokerage function to create efficiencies in accommodation and to assist in the transition process from Children’s Social Care into Adult Social Care.

- h) Children's Services Improvements. The expenditure here will support a range of small, time limited, targeted projects aimed at improving the SEND service and to reduce costs. In addition there is further funding for the Pause project as well as improving the MASH arrangements.
- i) Parking Improvements. The funding will support the improvement to the parking service by increasing efficiency through system improvements and a programme of innovation.
- j) Waste Improvement. The funding allocated here will assist in the review of the service and in the procurement of a new contract for waste, which will reflect recycling expectations in the refreshed borough plan. The service has experienced a range of legislative changes and as a consequence there is a need to reshape the contract and service specification.
- k) Selective Licensing Review. The proposal to introduce selective licensing will involve initial set up costs and once the service is running will lead to a significant change in the licensing of private sector landlords in the borough which in turn will create better living environments for residents. Poor housing contributes to a range of poor outcomes. and it is more cost effective to prevent rather than cure. The scheme will ensure that there is higher quality housing in the borough that will avoid expenditure in a range of areas (health and schools) through people not needing specialist services.
- l) Asset and Energy Management of Council Building. The Council is working towards massively reducing its carbon footprint. This resource will enable the Council to ensure that the property we have is in an appropriate, compliant condition as well as providing funding for undertaking energy audits and responding to carbon reduction initiatives.
- m) Accommodation Strategy. The Council seeking to reduce the overall level of its accommodation that it uses for its own purposes for direct office accommodation, reflecting different working patterns with more home working in the future. At the same time the Council will look increase its presence across different areas of the borough through its localities strategy. This funding will provide resource to drive this process through.

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.