



# Flexible Use of Capital Receipts Strategy 2024/25

**Harborough District Council**

# Legal Framework for Flexible Use of Capital Receipts



- LA Act 2003 requires a local authority to have regard to guidance issued by the Secretary of State.
- Capital receipts flexibility guidance is under Part 2, Section 15(1)(a) of the LA Act 2003.
- Guidance applies from 1 April 2016 for the period for which the flexible use of capital receipts will apply.
- It should be noted that updated guidance was issued with effect from 1 April 2022, and the freedoms have been extended to continue to 2024/25.
- Only Non-Right to buy Capital Receipts can be used and only those receipts received during the period the guidance covers.

# Background



- For 2024/25 the net contribution to reserves is £2.6m (net equals contributions to and from reserves).
- Over the Medium-Term Financial Strategy (MTFS) currently being approved shows a net contribution from reserves of £3.5m. The first year within the MTFS where a deficit occurs is 2026/27 which requires a contribution from reserves of £1.7m.
- This forecast position recognises the requirement to make the Council's budget more financially resilient and sustainable whilst providing increased resources to support demand led services within the Council.

# Capital Programme



- The Councils Capital Programme for 2024/25 until 2028/29 totals £30m; it includes the following significant investment programmes:
  - New Depot, £10m
  - Leisure Centre development, £6.3m
  - Flex D, £2.1m
  - Disabled Facilities Grant, £2.1m
  - Temporary Accommodation, £1m
  - Cemeteries, £950k
  - Waste collection, £920k
  - Market Hall development and efficiency, £396k

# Capital Receipts



- It is estimated that by 31 March 2024, the Council will have Capital Receipts of £11.6m (net).
- Of this, it is estimated that £9.4m will have been received between 2016 and March 2024. Of this £6.5m (69%) will be Non-Right to Buy capital receipts and available for this Flexibility.
- In June 2021, the original delegation was given to the Director: Finance, ICT and Assets, following consultation with the Portfolio Holder for Resources for the use of Non-Right to Buy receipts to provide additional flexibility. This delegation is to be extended to 2024/25, but with consultation with the Portfolio Holder for Finance.

**Flexible Use of Capital Receipts:  
Balance between "Non- Right-To-Buy" and "Right To Buy" Capital Receipts**

	Audited Balances												Provisional Balances (Subject to Audit)		Net Total	
	2011/12	2012/13	2013/14	2014/15	2015/16	Total Pre-2016	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total 2016 to 2024	Total since 2011/12
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Capital Expenditure</b>																
DFG	6	0	0	0	0	6	0	0	0	0	0	0	0	0	0	6
Garage Sites	0	0	12	0	26	38	361	1,042	17	17	0	0	0	0	1,437	1,475
ICT Schemes	0	0	0	0	73	73	0	53	59	59	0	55	280	0	506	579
Lutterworth Service Shop	0	0	46	0	0	46	0	0	0	0	0	0	0	0	0	46
Market Hall	0	0	0	0	59	59	(4)	0	0	0	0	0	0	0	(4)	55
Minor Capex	16	7	3	0	24	50	3	17	312	395	0	120	17	450	1,314	1,364
Private Sector Renewal Loans & Grants	11	0	0	0	0	11	0	0	0	0	0	0	0	0	0	11
Symington Building	0	0	0	0	0	0	80	65	0	0	0	0	0	0	145	145
Symington Recreation Ground Pavilion	0	0	0	0	0	0	0	0	0	0	0	86	0	0	86	86
Play Area Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	100	100	100
Welland Park Conveniences	0	0	0	0	0	0	0	0	0	0	0	0	235	0	235	235
Leisure Centres	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lutterworth Town Centre Heritage Action Zone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pooling Payment to ODPM	1	2	0	0	0	3	0	0	0	0	0	0	0	0	0	3
<b>Total Capital Expenditure per Annum</b>	<b>34</b>	<b>9</b>	<b>61</b>	<b>0</b>	<b>182</b>	<b>286</b>	<b>440</b>	<b>1,177</b>	<b>388</b>	<b>471</b>	<b>0</b>	<b>261</b>	<b>532</b>	<b>550</b>	<b>3,819</b>	<b>4,105</b>
<b>Capital Receipts</b>																
Disposal Costs	0	0	0	4	5	9	2	0	0	0	0	55	0	0	57	66
Easements	0	0	0	(20)	(93)	(113)	0	(5)	(20)	(20)	0	0	0	0	(45)	(158)
Garage Sites	0	0	0	(30)	(47)	(77)	0	(745)	(544)	(544)	0	0	0	0	(1,833)	(1,910)
Lutterworth Service Shop	0	0	0	(205)	0	(205)	0	0	0	0	0	0	0	0	0	(205)
Mortgage Repayments	(1)	(3)	0	0	0	(4)	0	0	0	0	0	0	0	0	0	(4)
Other Sales	(4)	0	0	0	0	(4)	0	0	0	0	0	0	0	0	0	(4)
Repayment of DFG	(8)	(5)	(3)	(9)	(3)	(28)	(14)	(15)	(7)	(7)	(18)	(12)	(11)	0	(84)	(112)
Right-to-Buy (RTB)	(131)	(313)	(504)	(531)	(550)	(2,029)	(484)	(375)	(674)	(674)	(666)	(695)	(394)	(142)	(4,104)	(6,133)
Sale of Land & Buildings	(30)	(239)	0	0	0	(269)	(29)	(369)	(266)	(266)	0	(5,031)	(1,265)	0	(7,226)	(7,495)
	<b>(174)</b>	<b>(560)</b>	<b>(507)</b>	<b>(791)</b>	<b>(688)</b>	<b>(2,720)</b>	<b>(525)</b>	<b>(1,509)</b>	<b>(1,511)</b>	<b>(1,511)</b>	<b>(684)</b>	<b>(5,683)</b>	<b>(1,670)</b>	<b>(142)</b>	<b>(13,235)</b>	<b>(15,955)</b>
Txfr to Broadband Reserve	0	0	238	0	0	238	0	0	0	0	0	0	0	0	0	238
<b>Total Capital Receipts per Annum</b>	<b>(174)</b>	<b>(560)</b>	<b>(269)</b>	<b>(791)</b>	<b>(688)</b>	<b>(2,482)</b>	<b>(525)</b>	<b>(1,509)</b>	<b>(1,511)</b>	<b>(1,511)</b>	<b>(684)</b>	<b>(5,683)</b>	<b>(1,670)</b>	<b>(142)</b>	<b>(13,235)</b>	<b>(15,717)</b>
<b>Net Total</b>	<b>(140)</b>	<b>(551)</b>	<b>(208)</b>	<b>(791)</b>	<b>(506)</b>	<b>(2,196)</b>	<b>(85)</b>	<b>(332)</b>	<b>(1,123)</b>	<b>(1,040)</b>	<b>(684)</b>	<b>(5,422)</b>	<b>(1,138)</b>	<b>408</b>	<b>(9,416)</b>	<b>(11,612)</b>

**NB.**

RTB: Right-to-Buy, these are capital receipts from the Councils former Housing Stock  
Opening balance for Capital Receipts at 1st April 2011/12 is Nil, so far to go back 10-  
years to establish true level of RTB and Non-RTB receipts.  
Regulations only allow Capital Receipts received over the period of the flexibility to be  
considered

Total Right-to-Buy Capital Receipts Over 2016 to 2024 Period	(4,104)	31%
Total of All Capital Receipts Over 2016 to 2024 Period	(13,235)	

**Apportionment Between Non RTB and RTB Receipts**

Non-RTB Receipts	(6,497)	69%
RTB Receipts	(2,919)	31%
<b>Total Net Receipts-31 March</b>	<b>(9,416)</b>	<b>100%</b>