

APPENDIX B - South Holland District Council – Q3 GF Capital Finance Report 2025/26

Finance Summary

- At quarter 3, Capital spend was £5.686m against a full year budget of £14.630m.

Section 2 - Finance

- Section 2.1 Capital Programme in Year
- Section 2.2 Capital Programme – 5 year Programme

Section 2.1 – Capital Programme in Year

This section covers:

- Revisions to the Capital Programme
- Progress against the 2025/26 approved capital programme and the anticipated outturn
- Funding of the Capital Programme

General Fund (GF) Capital Programme

Table 1a – 2025/26 Capital Programme and Q3 Forecast Outturn

| Scheme | Approved Budget 2025/26 | Changes to approved budget | Revised 2025/26 | Actual December 2025 | Forecast Outturn 2025/26 | Variance (under)/over |
|---|-------------------------|----------------------------|-----------------|----------------------|--------------------------|-----------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Non UKSPF & LUF Projects | | | | | | |
| Capital Enhancements | 323 | (15) | 308 | 172 | 235 | (73) |
| ICT | 126 | (74) | 52 | 31 | 49 | (3) |
| Footway Lighting | 55 | - | 55 | 55 | 55 | - |
| Neighbourhoods | 1,686 | 38 | 1,724 | 238 | 324 | (1,400) |
| Disabled Facilities Grants | 958 | - | 958 | 436 | 800 | (158) |
| Car Park Resurfacing | 85 | - | 85 | 79 | 85 | - |
| Lutyens Memorial | 211 | - | 211 | 206 | 206 | (5) |
| Uniform System | 274 | - | 274 | 3 | 274 | - |
| Unit 4 Migration | 54 | - | 54 | 14 | 54 | - |
| Spalding Gateway Public Realm Project | 46 | - | 46 | - | - | (46) |
| Local Authority Housing Fund | 200 | - | 200 | 2 | 200 | - |
| Total Non UKSPF & LUF Projects | 4,018 | (51) | 3,967 | 1,236 | 2,282 | (1,685) |
| UKSPF & LUF | | | | | | |
| UKSPF | 290 | - | 290 | 150 | 335 | 45 |
| UKSPF – Rural | 210 | - | 210 | 190 | 208 | (2) |
| Total UKSPF | 500 | - | 500 | 340 | 543 | 43 |
| South Holland Health and Wellbeing Hub | 10,163 | - | 10,163 | 4,110 | 10,163 | - |
| Total LUF | 10,163 | - | 10,163 | 4,110 | 10,163 | - |
| Grand Total – All Projects | 14,681 | (51) | 14,630 | 5,686 | 12,988 | (1,642) |

The revised capital budget as at Q3 will be £14.630m, derived from the combination of the 2025/26 approved budget of £14.681m, new in-year approved spend, slippage into future years and uncommitted spend. The overall expenditure as at Q3 is £5.686m.

2025/26 Funding

| Table 1b Capital Programme Financing | | | | |
|--------------------------------------|----------------------------|---------------------------|-------------------------------|---------------------|
| All Projects | Approved Budget 2025/26 | Revised Budget 2025/26 | Full year forecast 2025/26 | Variance 2025/26 |
| | £000 | £000 | £000 | £000 |
| Revenue | (43) | (43) | (43) | - |
| Investment and Growth Reserve | (211) | (211) | (206) | 5 |
| Grants | (11,668) | (11,668) | (11,507) | 161 |
| Prudential Borrowing | (2,759) | (2,708) | (1,232) | 1,476 |
| Totals | (14,681) | (14,630) | (12,988) | 1,642 |

Progress against approved budgets

- **Capital Enhancements** – Various projects within the Capital Enhancements programme of works have come in under budget. The largest underspend being emergency security enhancements to West Marsh Road at £65k.
- **Disabled Facilities Grants** – Forecast currently £100k ahead than previous years outturn. Grant received greater than demand for DFGs due to HRA within South Holland.
- **UKSPF** – MHCLG rules in the management of UKSPF by Lead Local Authorities allow for the transfer of revenue funding to capital funding at will within each quarterly reporting period, though not vice versa and once a transfer has been undertaken and reported, the capital expenditure must remain categorised as such. North East Lincolnshire Council, acting on behalf of Greater Lincolnshire County Combined Authority (who have succeeded South Holland as Lead Local Authority for the management of UKSPF in line with the Greater Lincolnshire devolution deal), have confirmed that this flexibility is retained at District level. The projected outturn here will be covered by an underspend in revenue, already reported to GLCCA, and the budgets accordingly revised to balance in the next quarter.
- **South Holland Health & Wellbeing Hub** – Works commenced on site 22 August with Castle Sports closing on 9 September. Pre-commencement planning conditions all discharged accordingly. S73 application to vary planning to accommodate value engineered changes is with LPA for determination. Works have progressed in accordance with programme to date. Temporary alternative facilities fully operational for fitness and indoor bowls. Scheme progress on track.

Changes to approved capital budget

Detailed below are subsequent changes to the capital programme since the Q2 Finance Report and are reflected in the table above.

| Table 1c Capital Programme Changes | | |
|------------------------------------|-----------------|---|
| Project Description | Amount £'000 | Approval |
| Capital Enhancements | (15) | Rephasing required into 2026/27 as focus to deliver on current schemes and revenue maintenance. |
| ICT | (74) | £144k to be decommitted as current available resources along with asset life extensions reduce requirements for investment. |
| Neighbourhoods | 38 | Proforma approved by S151 for investment into Garden Waste, budgets accelerated from future years. |
| Grand Total | (51) | |

Recommendation:**F5** That Cabinet notes the amendments to the Capital Programme at Appendix B – Table 1c.

| Table 2 – Capital Programme | | | | | | |
|---|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Scheme | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Non UKSPF & LUF Projects | | | | | | |
| Capital Enhancements | 308 | 90 | 15 | 15 | 15 | - |
| ICT | 52 | 232 | 424 | - | - | - |
| Footway Lighting | 55 | 55 | 55 | 55 | 55 | 55 |
| Neighbourhoods | 1,724 | - | - | 331 | 669 | 70 |
| Waste Review | - | 8,101 | - | - | - | - |
| Disabled Facilities Grants | 958 | 1,090 | 1,090 | 1,090 | 1,090 | 1,090 |
| Car Park Resurfacing | 85 | - | - | - | - | - |
| Lutyens Memorial | 211 | - | - | - | - | - |
| Uniform System | 274 | - | - | - | - | - |
| Unit 4 Migration | 54 | 19 | - | - | - | - |
| Spalding Gateway Public Realm Project | 46 | - | - | - | - | - |
| Local Authority Housing Fund | 200 | - | - | - | - | - |
| Total Non UKSPF, Pride in Place & LUF Projects | 3,967 | 9,587 | 1,584 | 1,491 | 1,829 | 1,215 |
| UKSPF & LUF | | | | | | |
| UKSPF | 290 | - | - | - | - | - |
| UKSPF – Rural | 210 | - | - | - | - | - |
| Total UKSPF | 500 | - | - | - | - | - |
| Town Centre Revitalisation – Shop Front | - | 125 | 150 | 150 | 200 | - |
| Town Centre Revitalisation – Diversification | - | 125 | 150 | 150 | 200 | - |
| Cultural/Heritage Provision | - | - | 1,000 | - | 325 | - |
| Total Pride in Place | - | 250 | 1,300 | 300 | 725 | - |
| South Holland Health and Wellbeing Hub | 10,163 | 15,511 | - | - | - | - |
| Total LUF | 10,163 | 15,511 | - | - | - | - |
| Grand Total – All Projects | 14,630 | 25,348 | 2,884 | 1,791 | 2,554 | 1,215 |
| Revenue | (43) | - | - | - | - | - |
| Investment and Growth Reserve | (211) | - | - | - | - | - |
| Grants | (11,668) | (11,557) | (2,390) | (1,390) | (1,815) | (1,090) |
| Prudential Borrowing | (2,708) | (13,271) | (494) | (401) | (739) | (125) |
| Capital Receipts | - | (520) | - | - | - | - |
| | (14,630) | (25,348) | (2,884) | (1,791) | (2,554) | (1,215) |