

Flexible Use of Capital Receipts

- ❑ **Key government guidance:**
 - ❑ **(4) Qualifying expenditure**
 - ❑ **Types of qualifying expenditure**
 - ❑ 4.1 Qualifying expenditure 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. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.
 - ❑ 4.2 Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure. In addition, one off costs, such as banking savings against temporary increases in costs/pay cannot be classified as qualifying expenditure.
- ❑ **WBC application and process:**
 - ❑ Flexible use of capital receipts policy and high-level summary of proposed projects published annually as part of budget papers.
 - ❑ Forecast expenditure monitored as part of quarterly budget monitoring.
 - ❑ Incurred expenditure reviewed at outturn for compliance with guidance, adjustments made where appropriate (see 2024/25 revenue outturn report).
 - ❑ Transformation expenditure subject to external audit review.

Application of Capital Receipts / Funding

	Asset Type	2023/24	2024/25	Total Receipts	Gross Income Forgone (annual)	Salary Elements (cumulative)	FTE (Cumulative)
		£	£	£	£	£	
CAPITAL RECEIPTS:							
Miscellaneous capital amounts transferred to finance 2023/24 Transformation Fund projects	Surplus	-72,080.00	0.00	-72,080.00	0.00		
Sainsbury's capital receipt reallocation to transformation funding	Commercial Property	-3,990,520.00	0.00	-3,990,520.00	437,500.00		
5 Bowes Road	Surplus	0.00	-107,903.75	-107,903.75	0.00		
West Street House	Surplus	0.00	-2,248,817.28	-2,248,817.28	0.00		
Total Capital Receipts Applied		-4,062,600.00	-2,356,721.03	-6,419,321.03	437,500.00		
TRANSFORMATION PROJECTS:							
		2023/24	2024/25	Total Expenditure			
		£	£	£			
Project 42 - Microsoft 365		22,020.00	34,680.00	56,700.00		56,700.00	0.70
Project 43 - Electronic Sealing		1,530.00	0.00	1,530.00		0.00	0.00
Project 46 - Procurement Strategy		165,960.00	132,457.60	298,417.60		298,417.60	5.00
Project 53 - Equality Diversity and Inclusion Strategy Development		6,940.00	0.00	6,940.00		0.00	0.00
Project 54 - Internet Review and Renew		20,000.00	0.00	20,000.00		0.00	0.00
Project 55 - Talent Attraction Project		113,790.00	155,441.00	269,231.00		269,231.00	3.00
Project 59 - Garden and Food Waste		0.00	0.00	0.00		0.00	0.00
Project 61 - Planning Service Improvement Plan		0.00	0.00	0.00		0.00	0.50
Project 63 & 64 - Transformation Team/Team Support including Transformation Director		128,330.00	263,088.09	391,418.09		391,418.09	5.00
Project Management Support		0.00	130,064.78	130,064.78		130,064.78	8.00
Children in Care Mental Health Support (1 year)		0.00	82,106.00	82,106.00		0.00	0.00
CHC Specialist (1 year fixed term, ASC)		0.00	30,401.00	30,401.00		30,401.00	1.00
UASC over 18's whose immigration status not determined		0.00	53,200.00	53,200.00		0.00	0.00
Digital projects and resourcing		0.00	242,318.06	242,318.06		242,318.06	7.24
ASC Prevention (Tier 1 work)		0.00	1,632,928.00	1,632,928.00		1,632,928.00	34.40
Magic Notes		0.00	30,000.00	30,000.00		0.00	0.00
Fast Track Validation/TVI Project		0.00	81,080.47	81,080.47		0.00	0.00
Total Transformation Expenditure		458,570.00	2,867,765.00	3,326,335.00		3,051,478.53	64.84
Above financial data (from published financial statements and outturn reports) relates to the transformation expenditure incurred after formal adoption of the Transformation Programme in Autumn 2023							
Prior to financial year 2023/24, £1.06million of capital receipts were applied to the transformation reserve, the level of capital receipts applied to the reserve from asset disposals between 2023/2/23 and outturn 2024/25 totals £7.49million							
In financial year 2022/23 £623.5k of transformation funded expenditure was charged against capital receipts under the flexible use of capital receipts guidance.							
In total between financial years 2022/23 and 2024/25, £7.49million of capital receipts have been assigned to fund transformation, of which £3.9million has actually been deployed.							

Full List of Capital Receipts Allocated

	Asset Type	2022/23	2023/24	2024/25	Total Receipts	Gross Income Forgone (annual)
		£	£	£	£	£
CAPITAL RECEIPTS:						
Capital receipts 2016/17 to 2018/19 to fund transformation projects	Miscellaneous	-5,390.73	0.00	0.00	-5,390.73	0.00
Transfer of capital receipts 2018/2019 sub-station land at Prospect Place to fund transformation projects	Surplus	-342,552.00	0.00	0.00	-342,552.00	0.00
Transfer of capital receipts 2018/2019 52 Stephens Close to fund transformation projects	Surplus	-11,100.00	0.00	0.00	-11,100.00	0.00
Transfer of capital receipts 2019/20 Kingsland Parking spaces to fund transformation projects	Surplus	-114,000.00	0.00	0.00	-114,000.00	0.00
York House receipt for transformation funding	Surplus	-595,000.00	0.00	0.00	-595,000.00	0.00
Miscellaneous capital amounts transferred to finance 2023/24 Transformation Fund projects	Surplus	0.00	-72,080.00	0.00	-72,080.00	0.00
Sainsbury's capital receipt reallocation to transformation funding	Commercial Property	0.00	-3,990,520.00	0.00	-3,990,520.00	437,500.00
5 Bowes Road	Surplus	0.00	0.00	-107,903.75	-107,903.75	0.00
West Street House	Surplus	0.00	0.00	-2,248,817.28	-2,248,817.28	0.00
Total Capital Receipts Applied		-1,068,042.73	-4,062,600.00	-2,356,721.03	-7,487,363.76	437,500.00