

Councillor P Twiss  
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**Director of Finance**  
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20<sup>th</sup> January 2023

Dear Councillor Twiss

### **FIN 698 - CAPITAL PROGRAMME**

This letter contains a proposal concerning a variation to the approved capital programme and other debt related matters. These items are to be dealt with under delegated authority and I would be grateful for your consideration.

#### **Capital Programme Increase**

##### **Atkinson Unit, accommodation, and security improvements – £645,029**

A successful bid was made to upgrade the CCTV servers at the Atkinson Unit, and to renovate three bedrooms. Works are expected to start in 2022/23.

Approval is sought to increase the Children and Young People's Futures Capital Programme in 2022/23 by £645,029, funded from Department of Education Capital Grant.

Electoral Division: Pinhoe & Mincinglake

##### **Schools additional capital funding from DFE - £2,120,958.01**

Additional capital funding has been received from the Department of Education for all Local Authority schools. This funding is for capital improvements to buildings and facilities, prioritising works to improve energy efficiency.

Approval is sought to increase the Children and Young People's Futures Capital Programme in 2022/23 by £2,120,958.01 funded from Department of Education Capital Grant.

Electoral Division: County Wide

## **Capital Programme Variation**

### Vehicle Equipment Loans Programme (VELP)

Approval is requested to remove the Vehicle Equipment and Loans Programme facility for Winter Maintenance and Fleet Vehicles in 2022/23. Instead of an internal loans facility with a current approved budget of £1.9 million, which is recharged through revenue, these projects will be provided with capital budgets funded from internal borrowing.

The recommended change is not an increase or decrease to the capital programme, but it will lessen revenue pressures in future years in respect of a reduction in the required minimum revenue provision (MRP) for corporate debt, as MRP will be spread over the life of the asset, rather than the life the loan.

Electoral Division: County Wide

### **Debt related matters**

Approval is sought to write off debts totalling £128,445.04 owed by Charity A. Charity A has faced financial difficulties over the past year and has not been in a position to pay the amount due in full. A repayment plan of £10,000 per month was agreed by FPVLT, commencing in September 2022; however, no payments were received.

The Chief Executive and Board of Directors of Charity A have advised DCC that they intend to enter administration and will be appointing an insolvency practitioner. Charity A owns limited assets that could be liquidated and has considerable liabilities. These include staff salaries, redundancy payments, pension liabilities, HMRC liabilities and preferred creditors, in addition to liquidation fees, all of which would be settled from the liquidation of assets before the debt owed to DCC.

As a gesture of goodwill, Charity A has made a payment offer of £40,000 to DCC as full and final settlement of the outstanding debt (approximately 24% of the balance due).

Devon County Council's legal team have confirmed that they do not believe that there is a realistic prospect of securing funds in excess of £40,000 from the liquidation of Charity A's assets and have therefore recommended that the offer is accepted and that the outstanding debt is written off.

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If you approve the item included in the letter, please indicate by signing the approval statement below. Please direct any queries to Esther Thorpe, Head Accountant – Capital, Tel 01392 383457, email [esther.thorpe@devon.gov.uk](mailto:esther.thorpe@devon.gov.uk)

Yours sincerely



**Angie Sinclair**  
**Director of Finance & Public Value**

**Conflict of interest declaration**

Details of any personal interest or conflict of interest and dispensation granted to the Cabinet Member(s) involved in or consulted upon this decision (if any) are detailed below:

Signed  Dated 25.01.2023

Councillor Phillip Twiss - Cabinet Member for Finance

**Please accept my signature as approval of the above changes**

Signed  Dated 25.01.2023

Councillor Phillip Twiss - Cabinet Member for Finance