



## **AGENDA ITEM: 13**

**CABINET: 16 September 2014**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
2 October 2014**

---

**Report of: Borough Treasurer**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holders: Councillors D Whittington and A Fowler**

**Contact for further information: Mrs K Samosa (Ext. 5038)  
(E-mail: karen.samosa@westlancs.gov.uk)**

---

**SUBJECT: CAPITAL PROGRAMME MONITORING 2014/2015**

---

Wards affected: Borough wide

### **1.0 PURPOSE OF REPORT**

1.1 To provide an overview of the current progress on the Capital Programme.

### **2.0 RECOMMENDATIONS TO CABINET**

2.1 That Members note the progress on the Capital Programme as at the end of July, 2014.

2.2 That Call In is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2<sup>nd</sup> October 2014.

### **3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That Members note the current progress on the Capital Programme.

---

---

### **4.0 BACKGROUND**

4.1 It is an agreed policy and best practice that monitoring reports are produced on a regular basis to ensure that Members are kept informed of the financial position of the Capital Programme. This is the first such report for the 2014/2015 financial year.

## **5.0 CAPITAL PROGRAMME BUDGETS**

- 5.1 A Capital Programme totalling £20.238m was approved at Council on 26<sup>th</sup> February 2014. Slippage totalling £4.593m from the 2013/2014 Programme is included for consideration elsewhere on this Agenda and has been added to the 2014/2015 Programme. The Capital Programme for 2014/2015 is, therefore, now £24.831m and this is analysed by Service in Appendix A.

## **6.0 CAPITAL EXPENDITURE**

- 6.1 Normally, new capital schemes are profiled with relatively low spending compared to budget in the early part of the financial year with increased spending as the year progresses. This reflects the fact that many new schemes have considerable lead in times, for example, because of the need to undertake a tendering process and award contracts at the start of the scheme. Other schemes are dependant on external partner funding and these schemes can only begin once their funding details have been finalised.
- 6.2 This pattern has been repeated in the current year with £2.15m of expenditure having been incurred by the end of July. This compares to £2.058m at the same point in 2013/2014 and £1.653m in 2012/13.
- 6.3 It is anticipated that most schemes will progress and spend in line with their budget targets by the year end. All schemes, however, will be reviewed over the coming months and a Revised Medium Term Programme will be reported to Members in the Autumn taking into account new information and recent developments.

## **7.0 CAPITAL RESOURCES**

- 7.1 Total budgeted resources for the year are £24.831m. This is analysed in Appendix A and includes funding for slippage.
- 7.2 The main area of the capital resources budget that is subject to variation is in relation to capital receipts. These are the useable proceeds from the sale of Council assets (mainly houses under Right to Buy legislation) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold. The budget for usable capital receipts to be generated from Council House sales in the year is set at £0.325m from 50 sales. By the end of July, 11 sales have completed generating £0.078m of useable capital receipts.
- 7.3 Retained proceeds generated by Council House sales are now split between general usable capital receipts (detailed above), One for One Replacement Funding, and Debt Funding. At the end of the quarter 1, £0.05m had been generated for One for One Replacement Funding and £0.126m generated for Debt Funding.
- 7.4 In addition to receipts from council house sales the Council also has a programme to sell plots of its land and other assets under the Strategic Asset Management Plan. The budget for this in the 2014/2015 Programme is £0.25m (including the

sale of the house adjacent to the Civic Hall). To date, there have been 2 land sales and the house at the Civic Hall has been sold. This has generated a total of £0.188m.

- 7.5 Overall budgeted capital receipts from in year asset sales provide a relatively small proportion of the funding for the Capital Programme. Options for the use of any additional receipts generated over and above the budget will be reviewed over the medium term and will be reported to Members in due course

## **8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 8.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. Individual project plans address sustainability and Community Strategy issues and links to Corporate Priorities. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable. This report monitors progress against the plans.

## **9.0 RISK ASSESSMENT**

- 9.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. Schemes within the Programme that are reliant on external contributions or decisions are not started until funding is secured and other resources that are subject to fluctuation are monitored closely to ensure availability.

---

---

### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and/or stakeholders. Therefore, no Equality impact assessment is required.

### **Appendices**

- A Capital Programme Service Budgets
- B Minute of Landlord Services Committee held on 11 September 2014
- C Minute of Cabinet (Executive Overview and Scrutiny Committee only)