



COUNCIL: 24 February 2021

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**Report of: Head of Finance, Procurement and Commercial Services**

**Contact for further information: Cathy Murphy (Ext. 5057)**

**(E-mail: [Cathy.Murphy@westlancs.gov.uk](mailto:Cathy.Murphy@westlancs.gov.uk))**

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**SUBJECT: MEDIUM TERM GRA CAPITAL PROGRAMME 2021-22**

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Wards affected: Borough wide

## **1.0 PURPOSE OF REPORT**

1.1 To set the Council's Medium Term Capital Programme.

## **2.0 RECOMMENDATIONS**

2.1 That the Medium Term Capital Programme be approved based on the proposals to be presented at the Council meeting by the Portfolio Holder for Resources and Transformation.

2.2 That delegated authority be given to Heads of Service to take all necessary action to implement the agreed Capital Programme.

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## **3.0 BACKGROUND**

3.1 The Capital Programme is set on a three-year rolling basis that is updated on a regular basis. The current programme was last reviewed and updated through the Revised Capital Programme report to Council in December 2020. Details of Housing Public Sector Capital Schemes are discussed elsewhere on this

agenda, and changes to these schemes will be incorporated into the Medium Term Capital Programme following their approval.

#### 4.0 CURRENT POSITION

4.1 Members have previously been advised on the projected capital receipt funding that will be available as well as existing and provisional spending, approvals as summarised in the table below.

<b>Table 1 - Capital Receipts Funding Available</b>	<b>£000</b>
Usable capital receipts held in April 2020	2.602
Estimate of receipts that will be generated between April 2021 and the end of the 2023/2024 financial year	4.090
Existing spending approvals covering period 2020/21 to 2022/23	-5.237
Provisional spending approvals for 2023/2024	-0.424
<b>Total Funding Available for new schemes</b>	<b>1.031</b>

Note: The spending approvals and estimate of receipts figures have been updated since the capital cabinet report on the 12<sup>th</sup> January 2021 to reflect updated information.

4.2 This position takes into account Right to Buy Sales, along with anticipated sales from other assets and the development of the Westec House Site. This position also takes into account current spending approvals as well as provisional allocations for 2021/2024 which are set out in more detail in Appendix 2.

4.3 The estimate of capital receipts that will be available is potentially subject to significant variation as one large asset sale could potentially produce a significant receipt. Changes in demand for Council House Right to Buy sales could also cause significant changes. To deal with this uncertainty the estimates in the capital programme will be reviewed and updated regularly to ensure they are accurate and up to date.

4.4 The table above shows that there is £1.031m of capital receipt funding available for new capital schemes which is to be financed from available capital receipts.

4.5 Appendix 2 provides a summary of the potential new capital schemes that have been identified by Heads of Service. The total value of these schemes over the next 3 years is £935,000 and Members will need to give consideration to which of these schemes should be approved.

## **5.0 DETERMINING THE CAPITAL PROGRAMME**

5.1 The Portfolio Holder for Resources and Transformation has been given delegated authority to submit proposals for consideration at the Council meeting to enable the programme to be set, and it is anticipated that a set of budget papers will be circulated at the Council meeting to enable this to be achieved.

## **6.0 SUSTAINABILITY IMPLICATIONS**

6.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. 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 provides an updated position on project plans and shows progress against them.

## **7.0 RISK ASSESSMENT**

7.1 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 and/or decisions are not started until funding is secured. Other resources that are subject to fluctuations are monitored closely to ensure availability. The Capital receipts position is scrutinised on a regular basis and managed over the medium term to mitigate the risk of unfunded capital expenditure.

## **8.0 HEALTH AND WELLBEING IMPLICATIONS**

8.1 There are no health and wellbeing implications arising from this report.

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### **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 direct impact on members of the public, employees, elected members and /or stakeholders is dependent on the proposals to be put forward at the Council meeting.

Therefore no Equality Impact Assessment has been produced at this time. However, an Assessment will be produced and made available at the Council meeting if required.

### **Appendices**

Appendix 1 – Capital Receipt Funding Approvals

Appendix 2 – Potential New Capital Schemes