



CABINET: 13 September 2016

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
29 September 2016**

Report of: Borough Treasurer

Relevant Portfolio Holder: Councillor C. Wynn

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SUBJECT: CAPITAL PROGRAMME MONITORING 2016/2017

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, 2016.

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 29th September 2016.

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 2016/2017 financial year.

5.0 CAPITAL PROGRAMME BUDGETS

5.1 A Capital Programme totalling £15.818m was approved at Council on 24th February 2016. Slippage totalling £5.751 from the 2015/2016 Programme is included for consideration elsewhere on this Agenda and has been added to the 2016/2017 Programme. The Capital Programme for 2016/2017 is, therefore, now £21.569m 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 dependent on external partner funding and these schemes can only begin once their funding details have been finalised.

6.2 This year so far there has been higher expenditure totalling £6.48m by the end of July compared to £2.23m at the same point in 2015/2016 and £2.15m in 2014/15. This is due to an additional £3.01m relating to the purchase of Wheatsheaf Walk, and £1.3m for the Firbeck Revival scheme.

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.

6.4 The Capital investment required to deliver the updated Greenshoots scheme, that was agreed at the July 2015 Council meeting was £1.704m based on external borrowing of 50% and 50% funding from reserves. The scheme was mainly completed in the 2015/2016 financial year with the remainder expected by the end of August 2016.

7.0 CAPITAL RESOURCES

7.1 Total budgeted resources for the year are £21.569m. 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 £0.480m from 30 sales. By the end June 24 sales were completed generating £0.385m with a further 3 sales in July. In addition we also have £0.148m 141 capital receipt funding that was generated.

7.3 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 2016/2017 Programme is £550,000 including an

estimate for the disposal of the Westec House site. By the end of the first quarter 3 land sales had taken place with a value of £144,000.

- 7.4 Overall budgeted capital receipts from in year asset sales provide a relatively small proportion of the total funding for capital schemes. If the level of receipts from asset sales falls below the budget target, then this position will be taken into account as part of the process for reviewing and updating the three year capital programme.

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.

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 Cabinet 13 September 2016 (*Executive Overview and Scrutiny Committee only*)