



**Budget/Council Plan Committee:
1 November 2022**

**Executive and Overview & Scrutiny
Committee: 3 November 2022**

CABINET: 15 November 2022

COUNCIL: 14 December 2022

Report of: Head of Finance, Procurement and Commercial Services

Relevant Portfolio Holder: Councillor Adam Yates

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SUBJECT: 2022/23 GRA CAPITAL Q2 MONITORING

Wards affected: Borough wide

1.0 PURPOSE OF REPORT

1.1 To provide the Revised General Revenue Account (GRA) Capital Programme for 2022/23 and an update on the progress of capital schemes at quarter 2.

2.0 RECOMMENDATIONS TO BUDGET/COUNCIL PLAN COMMITTEE

2.1 That the report be considered and any comments submitted to the Finance Portfolio Holder in advance of the Council meeting on 14 December 2022.

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

3.1 That the report be considered and any comments submitted to the Finance Portfolio Holder in advance of the Council meeting on 14 December 2022.

4.0 RECOMMENDATIONS TO CABINET

4.1 Note and endorse the revised Capital Programme for 2022/23 of £12.147m, including the re-profiling, virements and budget adjustments contained within Appendix A.

4.2 Note and endorse the 2022/23 budget additions of £1.800m to the 2022/23 budget and £296k 2023/24 budget, to existing schemes within the approved programme, contained in Appendix A for approval by Council in December 2022.

4.3 Note the progress against the Revised Capital Programme at Quarter 2.

5.0 RECOMMENDATIONS TO COUNCIL

5.1 Note the revised Capital Programme for 2022/23 of £12.147m,

5.2 Approve the re-profiling, virements and budget adjustments contained within Appendix A.

5.3 Approve the 2022/23 budget additions of £1.800m to the 2022/23 budget and £296k 2023/24 budget, to existing schemes within the approved programme, contained in Appendix A.

5.4 Note the progress against the Revised Capital Programme at Quarter 2.

6.0 BACKGROUND

6.1 The Capital Programme is set on a three-year rolling basis and the programme for 2022/2023 to 2024/2025 was approved by Council in February 2022.

6.2 In accordance with best practice, the Capital Programme is subject to revision during the year to ensure that it is based on the latest available information and to make monitoring of the Programme more meaningful. It enables Managers to review their schemes with the most up to date information and to review the resources available. It also provides a base upon which to build future Capital Programmes.

6.3 Members are kept informed of the financial position of the Capital Programme through monitoring reports. The Housing Revenue Account programme is subject to a separate report, this report concentrates on the GRA Capital Programme.

7.0 REVISED CAPITAL PROGRAMME

7.1 The original 2022/23 Capital Programme of £6.033m was set at February 2022 Council, the re-profiling of £9.262m from 2021/22 into 2022/23 was further approved at July 2022 Council, so that the total Capital Programme for 2022/23 at quarter 1 totals £15.295m.

7.2 The 2022/23 budget will increase by £1.800m due to the following schemes:

- Disabled Facilities Grant of £1.444m
- Moor Street Phase 2 has overspent by £84k at the end of Quarter 2 and is expected to spend another £136k which will be funded partly by HAZ (Heritage Asset Zone) and Lancashire County Council.
- Cycle Trail funding has increased to £442k, the original funding was for £257k but an extra £185k has been secured via a grant.
- Safer Streets will reduce to £39k which is funded by a grant.
- Emergency works totalling £32k to be undertaken at the Chapel Gallery

The revised GRA Capital Programme at quarter 2 totals £17.095m of which £4.755m is funded by Capital Receipts following these changes.

7.3 Heads of Service have undertaken a review of their respective schemes and are proposing changes and re-profiling into future years of the Capital Programme to match the anticipated timing of spending, that are a result of more up to date information becoming available.

7.4 On completion of the review, a fully revised 3-year 2022/23 to 2024/25 Capital Programme, will be presented at December 2022 Council for approval and form the basis of the 2023/24 to 2025/26 Capital Programme budget setting.

7.5 The proposed re-profiling of £4.948m from the 2022/23 Capital Programme into future years is analysed in Appendix A, large schemes include:

- Leisure Facilities Project £3m.
- Burscough Sports Centre £386k
- Revenue Transformation costs £300k.
- Affordable Housing £247k.

7.6 Therefore the re-profiled Capital Programme for 2022/23 is now £12.147m, this can be subject to change if any further information becomes available prior to Council in December 2022.

8.0 CAPITAL EXPENDITURE

8.1 Generally, 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. Other schemes are dependent on external partner funding and can only begin once their funding details have been finalised. Other related issues include contract retentions or contingencies that will only be spent some time after completion of the contract.

8.2 For the current year, of the re-profiled Capital Programme of £12.147m, £3.361m (28%) has been incurred at the end of quarter 2, £8.783m (72%)

remains to be utilised in quarters 3 and 4 and £4k will not be utilised or used in future years and will be returned to Capital Pot.

9.0 CAPITAL RESOURCES

9.1 There are sufficient resources identified to fund the 2022/23 Revised Capital Programme as shown in Appendix A.

9.2 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.

9.3 The budget for useable capital receipts (including the affordable housing element) to be generated from Council House sales in the year is set at £0.960m from 50 sales. At quarter 2, 35 sales had been completed and the target for the year is expected to be met.

10.0 SUSTAINABILITY IMPLICATIONS

10.1 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.

11.0 RISK ASSESSMENT

11.1 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.

11.2 Schemes within the Capital 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.

12.0 HEALTH AND WELLBEING IMPLICATIONS

12.1 Some of the Capital Schemes will enhance the Health and Wellbeing of residents and the management of the delivery is ensured via the reporting mechanism.

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 majority of the budget issues set out in this report have been the subject of previous reports to committees and consequently an Equality Impact Assessment has already been prepared for them where relevant.

Appendices

- A 2022/23 Revised GRA Capital Programme: Spend to Date Against Budget Appendices
- B. Minute of the Budget/Council Plan Committee 1 November 2022
- C. Minute of the Executive Overview & Scrutiny Committee 3 November 2022
- D. Minute of Cabinet 15 November 2022