



AGENDA ITEM:

**Policy and Resources Committee:
25 June 2024**

Council: 17 July 2024

Report of: Director of Finance and Resources

Relevant Lead Member: Mark Anderson

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SUBJECT: CAPITAL PROGRAMME OUTTURN

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a summary of the capital outturn position on the General Revenue Account (GRA) for the 2023/2024 financial year.

2.0 RECOMMENDATIONS FOR P&R COMMITTEE

2.1 That the Capital outturn position and the proposed Capital allocation set out in Appendix 1 be noted.

2.2 That the Capital programme and Re-profiling in Appendix 1 be noted.

3.0 RECOMMENDATIONS FOR COUNCIL

3.1 That the Capital outturn position be and the proposed Capital allocation set out in Appendix 1 be noted.

3.2 That the Capital programme and Re-profiling in Appendix 1 be approved.

4.0 BACKGROUND

4.1 The Capital Programme is set on a three-year rolling basis and the Programmes for 2023/24, 2024/25 and 2025/26 were approved by Council in February 2023. Most of the unused funding from the previous year has been transferred into the current year.

4.2 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.

- 4.3 It should be noted that the final accounts for the 2023/2024 year are subject to audit and the figures contained in this report are, potentially, subject to change. Members will be informed in due course of any significant matters arising from the Audit.

5.0 CAPITAL PROGRAMME OUTTURN

- 5.1 Expenditure on the GRA Capital Programme in the year was £7.152m against a budget of £15.122m), and a breakdown is provided in Appendix 1.

Table 1

Budget Area	Expenditure £000	Budget £000	Variance £000	Expenditure %
Corporate and Customer Services	249	1,977	-1,728	13%
Environmental Services	179	506	-327	35%
Finance Procurement & Commercial Property	133	966	-833	14%
Housing and Regulatory Services	1,656	2,051	-396	81%
Planning & Regulatory	535	749	-214	71%
Wellbeing & Place	4,400	8,872	-4,472	50%
TOTAL	7,152	15,122	-7,970	47%

- 5.2 The expenditure level was 47% of the total budget. The largest capital schemes were the Skelmersdale Town Centre Development which has a budget of £3.258m for 2023/24 and actual expenditure of £1.737M which is funded by borrowing and the Leisure Facilities Project, which had a budget of £2.782m and actual expenditure of £1.879m, which is funded by CIL (Community Infrastructure Levy) monies.

6.0 RE-PROFILING OF EXPENDITURE APPROVALS

- 6.1 100% spend against the Budget is never anticipated due mainly to reasons beyond the Council's control. For example, some schemes are reliant on a significant

amount of match funding and external contributions, and others are demand led or dependent upon decisions made by partners.

6.2 Schemes that are not completed within the financial year for which they are scheduled are carried forward into the following financial year along with their unused expenditure and resource approvals.

In line with our normal practice it is expected that the majority of the budget variance will be transferred into the 2024-2025 financial year to enable capital schemes to be completed. This is analysed in Appendix 1 – Capital programme.

7.0 SIGNIFICANT VARIANCES

7.1 Variances between the original estimated cost of a capital scheme and its final position are normal and the Council has established budgetary management and control procedures in place to minimise such variances. In total expenditure was £7.882m below budget, which is a variance of 53%. An analysis of significant variances by scheme is provided below with a full detailed analysis of all schemes provided in Appendix 1.

Name of Scheme	Amount in £000	Comments
Skelmersdale Town Centre	1521	Skelmersdale Town Centre forms part of Skelmersdale masterplan which goes to public consultation this summer with a view to engaging a development partner for delivery
Leisure Facilities Project	903	Two planning applications have now been submitted for the Ormskirk and Skelmersdale Wellbeing & Leisure Hubs. The Skelmersdale application has received planning permission and the Ormskirk application is set to go before the Planning Committee in spring 2024.
ICT Development Programme	604	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Burscough Sports Centre	396	This Project is to start June 2024
Capitalise revenue transformation costs.	300	This is going to be reviewed in 2024/25
WL Play Strategy Improvements (Receipts)	260	delays due to resource capacity, procurement and delivery delays
UK Shared Prosperity Fund	253	This is being reviewed for changes on original spend
Affordable Housing	247	£72K has been earmarked as a contribution to the Egerton project Plans are in place and projects are being looked into how the rest of this budget can be utilised

Capital works 23/24	230	This is currently out to tender and will complete in 2024/25
Website development	200	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
UKSPF - Community and Place	187	Capital used to purchase Sports and Leisure Equipment ongoing project
Resurfacing of Blaguegate Lane	160	As at 31st March 2024 The council still held the 160k capital contribution from the CCG, however this has now been returned to the ICB in 2024.
Restructuring Costs	152	This is to be reviewed in 2024/25 to see the guidance from flexible receipts
I C T Infrastructure	150	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Ginnells	107	Ormskirk Community Partnership (OCP) have engaged the services of a surveyor to assist with the preparation of a project plan
Moor Street (Phase 1) St Helen's Rd Ruff Lane	104	Part of Ormskirk Eastern Gateway. PO's currently being raised to LCC to utilise this capital budget
Microsoft M365 Phase 3	100	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Tree Management	100	This is currently with procurement and will be going out to tender in 2024/25
Chapel Gallery - Repair works	98	This is currently under review
Ormskirk Cycle and Pedestrian improvements	95	payments are to be raised to LCC this week PO now raised and will br spent in quarter 1 of 2024/25
Hybrid, Remote and Streaming Council Meetings	92	This is being reviewed at present and is expected that £50k may be able to be released
Culvert Management	89	awaiting quotes for a consultant, 1st quote is £30k
Corporate Property Investment Programme	89	This will be utiltsed in 2024/25 and will include the air conditioning and refurbishment of 26 Gorsey Place
Digital Transformation - Implementation of IT Strategy	88	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Corporate wifi upgrade	85	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme

Digital innovation and the continued development of ServiceNow	80	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Webaspx System	80	This is currently with procurement and will be going out to tender in 2024/25
Changing Places Facility	80	Practical completion completed 14/05/24, finished on site so this should be paid in quarter 1 of 2024/25
Moor Street Phase 2 (receipts)	67	The expenditure incurred on this scheme is being reviewed by officers and a report will be presented to members on completion of this work explaining the findings
Microsoft Enterprise Site Licence	66	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Canal Towpath	64	This is currently in progress and is expected to be spent in early 2024/25
CRM System	61	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Building Compliance on Commercial Property	60	surveys in 24/25 after work complete which has not yet been completed at year end
Whittle Drive	60	This will likely be spent in 2024/25/ Planning permission has now been given
Invest to Save Digital Services	59	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
M3PP System Replacement	55	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Shop Front Improvement Fund	50	This project is unlikely to go ahead and other projects are being looked into
Skelmersdale Gateway Improvements	50	This is for vehicle approaches for artwork and is currently being looked into
WL Play Strategy Improvements (grant)	47	This was to be funded by a grant from the LEF but is now unlikely to materialise
CCTV monitoring 23/24	46	This is currently with procurement
Civica Financials	43	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme
Communication devices	40	Delayed as dependant on Lancashire County Council Negotiations and is part of the transformation programme

7.2 For those elements of the capital programme that have incurred additional expenditure they have been financed through matched funding (applying surplus cash balances in the Council to avoid external borrowing), within the context of the managed three year capital programme process. The agreed Capital Programme in future years which is analysed in Appendix 1.

8.0 CAPITAL RESOURCES

8.1 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 sales) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold.

8.2 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 4, 39 sales had been completed with a total sales value of £1.733M.

8.3 The Council is allowed to keep all capital receipts from Right to Buy sales for 2022/23 and 2023/24 on the condition that they are utilised only for projects within the HRA. Receipts from prior years are still allowable for GRA projects as set out in 4.1.

Description	Estimate £000	Actual £000	% Received Against Budget
Right To buy Sales	349	801	230%
Total	349	801	230%

8.4 The reason for the favourable variance is due to the fact that in 2023/24 the council have been allowed to keep all of the receipts rather than pay 70% over to Government.

8.5 In addition to the Usable Capital Receipt figures shown above, the Council is also able to retain a proportion of the proceeds generated by Council House sales for specific purposes. In this respect, by the end of the financial year £1.733m had been generated for “One for One Replacement Funding” which will need to be utilised for HRA new build/purchases.

9.0 SUSTAINABILITY IMPLICATIONS

9.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

10.0 RISK ASSESSMENT

10.1 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.

11.0 HEALTH AND WELLBEING IMPLICATIONS

11.1 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 budget proposals contained in this report have either been the subject of previous reports to Committee, are currently at a high level where more detailed work is required, or would not have an adverse impact on the public, employees, elected members and / or stakeholders. Consequently, no equality impact assessments have been produced for these proposals at this time.

Appendices

Appendix 1 – GRA Capital Programme