



CABINET: 12 September 2017

EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
28 September 2017

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**Report of: Borough Treasurer**

**Relevant Portfolio Holder: Councillor C. Wynn**

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**SUBJECT: CAPITAL PROGRAMME OUTTURN 2016/2017**

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Wards affected: Borough wide

#### **1.0 PURPOSE OF REPORT**

1.1 To provide a summary of the capital outturn position for the 2016/2017 financial year.

#### **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the final position, including slippage, on the Capital Programme for the 2016/2017 financial year be noted and endorsed.

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 28 September 2017.

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

3.1 That the final position on the Capital Programme for the 2016/2017 financial year be noted.

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#### **4.0 BACKGROUND**

4.1 Members have been kept informed of the financial position of the Capital Programme with regular monitoring reports. This report provides Members with the final position on capital schemes for the 2016/2017 financial year. The position on the current year's Programme for 2017/2018 is discussed elsewhere on this Agenda.

## 5.0 CAPITAL PROGRAMME

- 5.1 The Capital Programme of £22.747m at the end of the 2016/2017 financial year is analysed by Service in Appendix A. The key result for the year is that good progress has been made in delivering schemes.
- 5.2 The total capital expenditure for the year was £16.852m which represents 74% of the total Budget for the year. This is slightly higher than 2015/2016 but consistent with earlier programmes as indicated in Table 1:

Year	Expenditure £m	Budget £m	% Spend against Budget
2016/2017	16.852	22.747	74%
2015/2016	17.470	26.661	66%
2014/2015	13.102	17.386	75%
2013/2014	15.129	19.503	78%

- 5.3 In total spending was £0.618m less than 2015/2016 and £3.750m more than 2014/2015. However the percentage spend of 74% was in line with recent experience.

## 6.0 SLIPPAGE 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 dependant upon decisions made by partners.
- 6.2 Schemes that are not completed within the financial year for which they are scheduled are slipped into the following financial year along with their unused expenditure and resource approvals. The total slippage figure for capital schemes from 2016/2017 is £6.383m. The main area of slippage was on the Housing Public Sector programme and details on this position were included in the HRA Revenue and Capital Outturn report to Council in July. Slippage has primarily been allocated to the current financial year (£5.475m) with the balance (£0.908m) slipped into later years.

## 7.0 SIGNIFICANT VARIANCES

- 7.1 There will always be some variances between the original estimated cost of a capital scheme and its final position and the Council has established budgetary management and control procedures in place to minimise such variances. While there have been a number of over and under spends this year, in total expenditure was £0.489m over budget, which is a variance of around 2%. This was primarily as a result of bringing forward the timing of Property Purchases to ensure that the opportunities from one for capital receipt funding were maximised.

## 8.0 CAPITAL RESOURCES

- 8.1 A breakdown of the budgeted resources of £22.747m identified to fund the programme is shown in Appendix A. 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. Receipts are also generated from land sales through the Strategic Asset Management Process (SAMP). These receipts can vary significantly depending on the number and value of assets sold.
- 8.2 81 Right to Buy Council House sales were generated against the target of 50 for the year with further monies received from the sale of land. This is analysed in Table 2 below:

Year	Estimate £'000	Actual £'000	% Received against Budget
Right to Buy Sales	480	1,018	212%
Other Sales	100	155	155%
Total	580	1,173	202%

- 8.3 Estimates for the year are based on historical averages as the actual pattern of sales is volatile and can vary significantly from year to year. The level of receipts generated is above the budget target, and consideration will be given to how these additional funds can be allocated through the budget setting process for 2018/19.
- 8.4 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 £0.895m had been generated for "One for One Replacement Funding".

## 9.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 9.1 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.

## 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.

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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 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 2016-2017 Capital Programme Outturn