

CAPITAL PROGRAMME MONITORING REPORT 2018/19 – POSITION AS AT 31ST JULY 2018

Summary

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2018/19, together with an update on the overall Five Year Capital Programme of the Council. This report includes a narrative description of the most significant risks to the Capital Programme and details any actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2018/19. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

1. Background

The Council approved the Capital Programme on 5th March 2018. That update showed a balanced capital programme position from 2018/19 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2018. The Programme has also been rolled forward to include the year 2022/23.

2. Notes on Specific Schemes

There are a number of schemes for which further information is provided below:

i) Coast Protection Scheme

The total scheme cost is £19.83m, being funded by an Environment Agency grant of £19.43m and a contribution from Fylde Council of £0.4m. Work started on site in December 2017 and work is progressing well with the replacement hard sea defences at Church Scar with the contractor being ahead of programme. The concrete sloping revetment is close to completion and the contractor has started to cast the promenade. Work is scheduled to be started in September on the sheet piling around Fairhaven Lake, four months ahead of schedule. The Coastal Defence Team have approached the Environment Agency to secure funding to enable the Granny's Bay hard sea defences to be delivered following completion of the Fairhaven Scheme in 2019/20. A further report will be brought to members to take this scheme forward.

ii) Promenade Gardens Water Play Facility

The project involves the creation of an interactive water play area e.g. water jet plaza with ornamental features and a variety of interactive play facilities performing a range of play functions. The contractor has excavated over 7 meters deep to install the water tank and piping however coastal ground conditions have made this element particularly challenging and time consuming to complete. The contractor is currently finishing the installation of the underground water management system which activates the splash pad fountains and jets, with the colourful play features then due for installation. The facility will be an important addition to the facilities available on the promenade for families to use. Construction is now proceeding well and the Splash facility should be completed and open to the public over the coming weeks, and as such an official opening date hasn't been scheduled yet. An update will be publicised once the date for completion is confirmed. The Promenade Gardens Friends group have been involved in the inception, design and delivery of the project.

iii) Town Hall Arts Store Improved Storage Facilities

The store room conversion is now virtually complete with some minor elements to be installed. The racking system is currently being manufactured by a specialist supplier and should be complete within the next 4 weeks. Options for the dehumidifier system are currently being explored. Once the dehumidifier and racking are installed, there will be a period to let the room acclimatise and settle and it is envisaged the artworks will be hung on the newly installed racking in the refurbished art room before November.

iv) Regeneration schemes

The principal focus for regeneration scheme are those relating to Ansdell, Kirkham, Lytham and St. Annes along with a smaller number of 'village' schemes. In respect of Ansdell (Woodlands Road), funding was agreed for a further phase of environmental enhancements at the southerly end, following the format of earlier phases. The next phase of works has been approved and agreement has now reached with property owners and Lancashire County Council, which is to act as the main contractor for the scheme. Work is to commence early September and will be undertaken in two phases and completed by the end of this financial year.

In Kirkham, the £60,000 scheme has now been completed well within the approved budget. This will allow for further works to enhance the town centre environment to be undertaken.

In the case of Lytham, it is felt to be more appropriate to take a more comprehensive approach to the regeneration and environmental enhancements of Lytham town centre. This is based on the creation of a series of design zones and identifying an individual scheme for each area, each being connected through the overall design approach. The immediate phases are Park Street and Market Square a scheme for which are now being developed for presentation to the relevant committees. The second priority area will be a full assessment of the environment of Clifton Street as there have been particular issues with trees and paved areas. It is hoped that one phase of the regeneration scheme can be completed this financial year.

The next approved phase in St Annes will be the enhancement of Wood Street (Phase 3). The scheme has been prepared in draft and consultation has taken place and will continue. The scheme will be delivered in two phases, the first of which will include the refurbishment of the Council car park, which will be completed in this calendar year. The second phase will be commenced in Spring 2019.

3 Conclusions

- 3.1 Actual expenditure to 31st July 2018 is £5.841m against a full year budget of £18.961m. This equates to 30.8% of the latest budget. Certain schemes will be adjusted or re-phased into 2019/20 as part of future Financial Forecast updates to members during the year.
- 3.2 The current Capital Programme as updated is showing a balanced position for 2018/19 onward. The Capital Programme and the associated financing will be subject to discussion with members during the months in the lead up to the annual budget setting process for 2019/20.
- 3.3 Any additional expenditure which is not fully-funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. As at 31st March 2018 the forecast balance of the reserve was £4.063m after a favourable 2017/18 outturn position allowed for the transfer to the reserve of an additional sum of £0.560m in 2017/18, and including a further planned transfer into the reserve in respect of 2018/19 of £0.844m. Of this £2.008m is currently committed to deliver approved schemes in the years 2018/19 and 2019/20 leaving a forecast unallocated balance on the reserve of £2.055m. An updated position in respect of the Capital investment Reserve will be included within the Financial Forecast Update to be presented to the Finance and Democracy Committee in November this year and to Council the following month. Additional future projects will be subject to further consideration as part of the budget setting process for 2019/20. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

CAPITAL PROGRAMME - 2018/19 IN-YEAR SCHEME MONITORING REPORT - AS AT 31/07/18**Appendix A**

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 31/07/18 £000	Variance £000	Comments
<u>TOURISM & LEISURE COMMITTEE</u>								
Ashton Gardens Depot	Proceeds from the sale of surplus Council Assets	63		0	63		63	This scheme has been tendered and an update report is to be presented to the September meeting of Tourism & Leisure Committee. Any changes will be reflected in the next update of the Financial Forecast.
St Annes Pool	No external finance - funded by borrowing/general asset disposal receipts	93		0	93		93	No expenditure is currently planned for 2018/19. If not required in this financial year the budget will be re-phased into 2019/20 and this will be reflected in the next update of the Financial Forecast.
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	107	5	0	112	30	82	It is anticipated that this scheme will be completed to budget in 2018/19.
Promenade Gardens Water Play Facility	Capital Investment Reserve	150	0	109	259	115	144	It is anticipated that this scheme will be completed to budget in 2018/19.
Promenade Footways	No external finance - funded by borrowing/general asset disposal receipts	40	0	0	40	40	0	This scheme has been completed to budget during 2018/19.
Staining Playing Fields Development Scheme	Capital Investment Reserve	50	0	0	50		50	It is anticipated that this scheme will be completed to budget in 2018/19.
Town Hall Arts Store Improved Storage Facilities	Capital Investment Reserve	50	0	0	50		50	It is anticipated that this scheme will be completed to budget in 2018/19.
Sub total		553	5	109	667	185	482	
<u>OPERATIONAL MANAGEMENT COMMITTEE</u>								
Replacement Vehicles	Capital Investment Reserve / Borrowing	1,398	19	0	1,417	1,190	227	It is anticipated that all vehicle purchases will be completed to budget in 2018/19.
Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	60	0	0	60		60	It is proposed that this budget will be used towards a scheme to resurface the Town Hall car park and a report will be presented to members outlining scheme proposals
Coastal Cleansing and the Provision of Beach Bins	Capital Investment Reserve	0	0	25	25		25	It is anticipated that this scheme will be completed to budget in 2018/19.
Public Transport Improvements	S106 Developer Contributions	18	0	30	48		48	It is anticipated that this scheme will be completed to budget in 2018/19.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	12,000	-170	0	11,830	2,721	9,109	Delivery of the scheme remains on schedule. Any changes or re-phasing will be reflected in future updates of the Financial Forecast.
Fairhaven and Church Scar Coast Public Realm Works	Capital Investment Reserve	360		0	360		360	It is anticipated that this budget will be re-phased into 2019/20 and that this will be reflected in the next update of the Financial Forecast.
Sub total		13,836	-151	55	13,740	3,911	9,829	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 31/07/18 £000	Variance £000	Comments
ENVIRONMENT, HEALTH & HOUSING COMMITTEE								
Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	929	245		1,174	487	687	The grant allocation has been increased by a further £81k for 2018/19 to a total of £1,010k. This revised allocation will be reflected in the next update of the Financial Forecast. It is anticipated that the majority of the grant allocation will be spent in 2018/19.
Housing Needs Grant	DFG Grant Repayments	0			0		0	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme - 93 St Albans Road Refurbishment	S106 Developer Contributions	74			74		74	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme Sunnybank Mill, Kirkham	S106 Developer Contributions	460			460		460	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme - Keenan Mill	S106 Developer Contributions	840			840	840	0	This scheme has been completed to budget during 2018/19.
Church Road Methodist Church, St Annes	S106 Developer Contributions	275	275		550	275	275	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Warmth Scheme	Specific Grant (Lancashire County Council)	0	31		31	9	22	It is anticipated that this scheme will be completed to budget in 2018/19.
Rapid Deployment CCTV Replacement Projects	Specific Grant (LSP Performance Reward Grant)	38			38		38	It is anticipated that this scheme will be completed to budget in 2018/19.
Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	294			294		294	The scheme is currently being developed and a report will be presented to committee to approve the details of the scheme and to request a draw down of funding. The report will include the likely timing/phasing of the works.
Lytham Park Cemetery - Windbreak Canopy	Capital Investment Reserve	60		50	110	18	92	It is anticipated that this scheme will be completed to budget in 2018/19.
Sub total		2,970	551	50	3,571	1,629	1,942	
PLANNING COMMITTEE								
St Annes Regeneration Schemes	S106 Developer Contributions	67	8	190	265		265	The scheme will be commenced during 2018/19 but it is anticipated that it will not be fully completed by 31st March 2019. Consequently it is proposed that a part of this budget will be re-phased into 2019/20. This will be reflected in future updates of the Financial Forecast.
Wood Street St Annes - Public Realm Scheme	Capital Investment Reserve	50			50		50	It is anticipated that this scheme will be completed to budget in 2018/19.
Lytham Regeneration Schemes	S106 Developer Contributions	130			130		130	The proposals for Lytham Town Centre are to be reviewed as part of a reassessment of the wider regeneration scheme and a revised proposal will be placed before committee for consideration in due course.
Kirkham Town Centre - Public Realm Scheme	Capital Investment Reserve	29			29		29	It is anticipated that this scheme will be completed to budget in 2018/19.
Kirkham Public Realm Improvements	S106 Developer Contributions	21			21		21	It is anticipated that this scheme will be completed to budget in 2018/19.
M55 Link Road	S106 Developer Contributions	0	108	250	358	116	242	This relates to the use s.106 monies for design work on the scheme to construct a new link road from the M55 to St Annes. It is anticipated that the design works will be completed to budget in 2018/19.
Coastal Footpath Enhancements	S106 Developer Contributions	0		20	20		20	It is anticipated that this scheme will be completed to budget in 2018/19.
Ansdell / Fairhaven - Public Realm Scheme	Capital Investment Reserve	110			110		110	It is anticipated that this scheme will be completed to budget in 2018/19.
Sub total		407	116	460	983	116	867	
Total Expenditure		17,766	521	674	18,961	5,841	13,120	

UPDATED 5 YEAR CAPITAL PROGRAMME 2018/19 TO 2022/23 - BY SCHEME

	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000	Estimate 2022/2023 £000
TOURISM & LEISURE COMMITTEE					
Ashton Gardens Depot	63				
St Annes Pool	93				
Fairhaven Lake & Promenade Gardens - First Round	112				
Fairhaven Lake & Promenade Gardens Restoration	0	120			
Fairhaven HLF Project Underwriting	0				
Promenade Gardens Water Play Facility	259				
Promenade Footways	40	40	40	40	40
Staining Playing Fields Development Scheme	50				
Town Hall Arts Store Improved Storage Facilities	50				
Sub total	667	160	40	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
Replacement Vehicles	1,417	471	547	77	323
Car Park Improvements	60	30	30	30	30
Coastal Cleansing and the Provision of Beach Bins	25				
Public Transport Improvements	48	48	48	48	30
Fairhaven and Church Scar Coast Protection Scheme	11,830	5,000			
Fairhaven and Church Scar Coast Public Realm Works	360				
Sub total	13,740	5,549	625	155	383
ENVIRONMENT, HEALTH & HOUSING COMMITTEE					
Disabled Facilities Programme	1,174	929	929	929	929
Housing Needs Grant	0				
Affordable Housing Scheme - 93 St Albans Road	74				
Affordable Housing Scheme - Sunnyside Mill, Kirkham	460				
Affordable Housing Scheme - Keenan Mill	840				
Church Road Methodist Church, St Annes	550				
Affordable Warmth Scheme	31				
Rapid Deployment CCTV Replacement Projects	38				
Cemetery and Crematorium - Infrastructure Works	294				
Lytham Park Cemetery - Windbreak Canopy	110				
Sub total	3,571	929	929	929	929
PLANNING COMMITTEE					
St Annes Regeneration Schemes	265				
Lytham Regeneration Schemes	130				
Kirkham Public Realm Improvements	21				
M55 Link Road - S106 monies for design work	358				
Coastal Footpath Enhancements	20				
Ansdell / Fairhaven - Public Realm scheme	110				
Kirkham Town Centre - Public Realm scheme	29				
Wood Steet St Annes - Public Realm scheme	50				
Sub total	983	0	0	0	0
Total Expenditure	18,961	6,638	1,594	1,124	1,352

UPDATED 5 YEAR CAPITAL PROGRAMME 2018/19 TO 2022/23 - FINANCING

	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000	Estimate 2022/2023 £000
FINANCING:					
Capital Receipts - General Asset Sales	45	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Capital Receipts - (Accommodation Project)	63				
Better Care Fund / Disabled Facilities Grant	1,174	929	929	929	929
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	0				
Section 106 Monies - St Annes	265				
Section 106 Monies - Lytham	130				
Section 106 Monies - Kirkham	21				
Section 106 Monies - Affordable Housing, Sunnybank Mill	460				
Section 106 Monies - Church Road Methodist Church, St Annes	450				
Section 106 Monies - M55 Link-Road	358				
Section 106 Monies - Affordable Housing, Keenans Mill	840				
Section 106 Monies - Public Transport Improvements	48	48	48	48	18
Section 106 Monies - Refurbishment of 93 St Albans Road, St Ann	74				
Capital Investment Reserve	1,707	302			
M55 Link-Road Reserve					
Other External Finance (see analysis below)	11,711	5,000	0		
Direct Revenue Finance	136				
Prudential Borrowing	1,454	289	547	77	335
Total Financing	18,961	6,638	1,594	1,124	1,352
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

See note below for external funding available to finance the above schemes:

Other External Finance: Analysis

LSP Performance Reward Grant	38				
Environment Agency - Fylde Coastal Preliminaries	11,430	5,000			
Lancashire County Council - Affordable Warmth Scheme	31				
Community Housing Grant Fund - Church Road Methodist Church	100				
Heritage Lottery Fund - Fairhaven	112				
	11,711	5,000	0	0	0