



Annex 1

Additions to the Approved February 2015/16 Capital Programme up to 30th June 2015

Approved Capital Programme February 2015 – Revised and Restated

1. Total Capital Programme as approved in Money Matters 2014/15 Outturn report

The table below sets out the Capital Programme for 2015/16 and future years, showing the separate blocks as they were approved. This table is as previously reported in Money Matters 2014/15 Out turn report. The 2015/16 column includes slippage brought forward.

The City Deal figures included in the February 2015 programme represented the nine years remaining from the initial ten year programme i.e. 2015/16 to 2023/24, whereas in the case of all other blocks, a programme was set with a maximum three year profile, i.e. ending in 2017/18.

Capital Investment Programme blocks	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 onwards £m	Total £m
Schools	44.661	4.346	3.580	0.000	52.587
Children & Young People`s Services	13.989	3.225	0.002	0.000	17.216
Highways Maintenance	42.276	20.454	19.964	0.000	82.694
Transport Improvement Schemes	71.334	5.695	5.870	0.000	82.899
Waste & other Environment projects	1.660	0.500	7.307	0.000	9.467
Adult Social Care	16.892	6.787	0.213	0.000	23.892
Corporate Programmes excluding vehicles	26.169	12.962	0.000	0.000	39.131
Vehicle Replacement Programme	6.204	3.200	3.200	0.000	12.604
NON LEP LCC PROGRAMME SUBTOTAL	223.185	57.169	40.136	0.000	320.490
City Deal schemes	46.193	75.128	26.974	177.646	325.941
TOTAL APPROVED PROGRAMME	269.378	132.297	67.110	177.646	646.431

The above approved programme and financing of it (below) took account of the following points:

- all Central Government resources announced as at 12th February 2015 for all years were allocated to the relevant programmes;
- the over programming of £15.359m over four years (2.4%) falls within the LCC Prudential Indicators;
- the programme included changes to support delivery of the Preston Bus Station scheme in order to incorporate the Youth Zone, which is now a City Deal delivery project;
- LCC acts as the Accountable body for the LEP, and as such has a duty to provide the LEP with financial reporting covering the full portfolio of LEP projects. As the LEP is a separate legal entity from LCC, and has governance over a wide portfolio of projects, with a pooled funding model, some of which are delivered by LCC, and some which are not. For clarity

of presentation the programme is subtotaled for non LEP items, and the following three elements of LEP activity are included within the line "City Deal schemes":

- LCC Contribution to LEP projects;
- Spend on schemes LCC are delivering funded from within the LEP funding envelope but some of which do not add value to LCC assets;
- LEP programmes not funded or delivered by LCC and which do not add value to LCC assets.

Financed by:	2015/16	2016/17	2017/18	2018/19 onwards	Total
	£m	£m	£m	£m	£m
Borrowing	42.545	21.207	0.000	0.000	63.752
Capital Receipts	21.297	4.289	8.638	0.000	34.224
Revenue contributions(one off and recurring)	14.643	4.925	4.966	0.000	24.534
Single Capital Pot Grant	71.944	28.886	22.390	14.999	138.219
Other grants & contributions	84.712	29.236	41.058	212.680	367.686
City Deal Cash Flow	25.520	43.754	(16.584)	(50.033)	2.657
Total sources of finance	260.661	132.297	60.468	177.646	631.072
Over-programming	8.717	0.000	6.642	0.000	15.359

Over programming:

Decisions have historically been taken to programme a greater value of schemes than financial resources identified, based on the recognition that slippage on such a large capital programme is reasonable and funds actually required will probably not be as much in year as the programme value.

2. Total capital programme restated to reflect Cabinet authorisations since 12 February 2015 and amendments to outturn analysis

The tables below restate the Capital Programme and its financing to show the effect of changes to the programme that have been authorised in Cabinet reports since February as listed below, together with a revised analysis of the effect of 2014/15 out turn resulting from detailed monitoring work in Quarter 1.

Capital Investment Programme blocks	2015/16	2016/17	2017/18	2018/19 onwards	Total
	£m	£m	£m	£m	£m
Schools	43.681	4.346	3.580	0.000	51.607
Children & Young People's Services	13.989	3.225	0.002	0.000	17.216
Highways Maintenance	54.027	27.364	26.514	0.000	107.905
Transport improvement schemes	75.124	7.410	4.370	0.000	86.904
Waste & other Environment projects	2.831	2.000	9.307	0.000	14.138
Adult Social Care	16.437	6.787	0.213	0.000	23.437
Corporate Programmes excluding vehicles	33.492	1.462	0.000	0.000	34.954
Vehicle Replacement Programme	5.804	2.800	2.800	0.000	11.404
NON LEP LCC PROGRAMME SUBTOTAL	245.385	55.394	46.786	0.000	347.565
City Deal schemes	42.094	75.128	26.974	177.646	321.842
TOTAL APPROVED PROGRAMME	287.479	130.522	73.760	177.646	669.407
Financed by:	2015/16	2016/17	2017/18	2018/19 onwards	Total
	£m	£m	£m	£m	£m
Borrowing	42.090	9.707	0.000	0.000	51.797
Capital Receipts	21.297	4.289	8.638	0.000	34.224
Revenue contributions (one off and recurring)	24.832	7.935	8.316	0.000	41.083
Single Capital Pot Grant	70.964	29.136	20.890	14.999	135.989
Other grants & contributions	94.059	35.701	45.858	212.680	388.298
City Deal Cash Flow	25.520	43.754	(16.584)	(50.033)	2.657
Total sources of finance	278.762	130.522	67.118	177.646	654.048
Over-programming	8.717	0.000	6.642	0.000	15.359

The following is a list of Cabinet reports approving additions to the capital programme since February 2015, detailing the schemes, date of approval and sources of funding, now reflected in the above table within the relevant block:

- 2.2.1 Highway maintenance £0.255m.** On 9th April 2015 the Cabinet Member for Highways & Transport approved £0.255m for improvements to Singleton Depot, including a new salt dome, to be funded from the Environment Directorate's 2014/15 revenue budget underspend.
- 2.2.2 Highway Maintenance £24.900m (£19.900m funded from grant, and £5.000m from LCC Downsizing Reserve) for two DfT Challenge Fund projects, being M65 and Street Lighting.** On 21st May 2015 the Cabinet Member for Highways & Transport approved reports to bring a total of £19.900m grant from the Department for Transport Challenge Fund into the programme. This consists of £5.100m to fund the replacement of vehicle restraint and communication systems on the M65 and £14.800m to fund a major programme of street lighting column and lantern replacement, plus provision of low emission vehicle charging points. A £5m capital contribution from LCC Downsizing reserve, as match funding for the street lighting bid, had already been agreed. The total agreed increase in the Capital Programme is therefore £24.900m for these two projects.
- 2.2.3 Highway Maintenance £0.075m.** On 5th March 2015 the Cabinet Member for Highways and Transport approved £0.075m developer contribution re a s278 scheme at Cottam Hall.
- 2.2.4 Highway Maintenance £0.015m.** On 9th April 2015 the Cabinet Member for Highways & Transport approved £0.015m of s106 funding for Morecambe Bay Cycleway.
- 2.2.5 Highway Maintenance £0.500m.** On 26th May the Cabinet Member for Highways & Transport and the Deputy Leader approved £0.500m to be transferred from Strategic Reserves for a programme of works on non highways structures throughout the County. This £0.500m was part of the £3.25m approved in total in February 2015 from Strategic Reserves, to be used for various categories of repairs and maintenance as required over the next three years.
- 2.2.6 Highway Maintenance £0.021m.** On 15th June the Cabinet Member for Highways & Transport approved £0.021m of s106 funding for a Cycleway on Newquay Road, Lancaster.
- 2.2.7 Highway Maintenance £0.005m.** On 26th May the Cabinet Member for Highways & Transport approved £0.005m developer contribution re a s278 scheme to relocate a bus stop in Clayton le Woods.
- 2.2.8 Transport Improvement £1.500m.** On 5th March 2015 the Cabinet Member for Highways & Transport approved £1.500m to be added to the programme to bring in funding from Burnley BC for the Burnley Town Centre Project to add to the £1.5m already in the programme.
- 2.2.9 Transport Improvement £0.350m.** On 5th March 2015 the Cabinet Member for Highways & Transport approved £0.350m to be added to the programme to bring in funding from external sources in relation to the Hardhorn Link Road/Poulton Town Centre scheme.
- 2.2.10 Waste and other projects £0.059m.** On 6th March 2015 the Cabinet Member for Public Protection and Waste approved a £0.059m contribution to the Garstang Community Recycling and Resale Centre (CRRC) to be funded from the Waste service revenue budget 2014/15 underspend

- 2.2.11 Waste and other projects £4.000m.** On 16th June 2015 the Leader approved a £4.000m programme of works to upgrade existing fire suppression systems at Farington and Thornton Waste Recovery Parks in order to meet new insurer requirements. This is to be funded from transfers from the reserve already set aside as a contingency to fund potential future works at these facilities.
- 2.2.12 Waste and other projects £0.082m.** On 6th March 2015 the Cabinet Member for Public Protection and Waste, approved a £0.082m contribution from Equipment reserve for the purchase of a mass spectrometer for the Lancashire County Scientific laboratory.
- 2.2.13 Corporate £9.343m.** In July and December 2014, two reports were approved by the Leader regarding the Core Systems Transformation programme and its funding from the Downsizing reserve. In July 2014 £0.736m was approved for BTLS pre programme work and LCC survey works, and in December 2014 a further £8.607m was approved for software and staff backfill costs. This programme has now been added to the capital programme, as authorised in the Cabinet reports, and the necessary funding has been drawn from the earmarked reserve.

3. Total capital programme restated to also reflect amendments to the programme requiring authorisation within this report as listed below

Capital Investment Programme blocks	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 onwards £m	Total £m
Schools	44.849	4.346	3.580	0.000	52.775
Children & Young People`s Services	13.989	3.225	0.002	0.000	17.216
Highways Maintenance	54.027	27.364	26.514	0.000	107.905
Transport improvement schemes	75.124	7.410	4.370	0.000	86.904
Waste & other Environment projects	2.967	2.000	9.307	0.000	14.274
Adult Social Care	16.437	6.787	0.213	0.000	23.437
Corporate Programmes excluding vehicles	33.492	1.462	0.000	0.000	34.954
Vehicle Replacement Programme	5.804	2.800	2.800	0.000	11.404
NON LEP LCC PROGRAMME SUBTOTAL	246.689	55.794	46.786	0.000	348.869
City Deal schemes excluding capital financing costs	15.791	61.823	60.580	204.616	342.810
TOTAL APPROVED PROGRAMME	262.480	117.217	107.366	204.616	691.679

Financed by:	2015/16	2016/17	2017/18	2018/19 onwards	Total
	£m	£m	£m	£m	£m
Borrowing	42.105	9.707	0.000	0.000	51.812
Capital Receipts	21.297	4.289	8.638	0.000	34.224
Revenue contributions	24.968	7.935	8.316	0.000	41.219
Single Capital Pot Grant	69.568	29.136	20.890	14.999	134.593
Other grants & contributions	70.350	22.396	79.464	239.650	411.860
City Deal Cash Flow	25.475	43.754	(16.584)	(50.033)	2.612
Total sources of finance	253.763	117.217	100.724	204.616	676.320
Over-programming	8.717	0.000	6.642	0.000	15.359

The following is a list of amendments included in the above table now required to the capital programme to reflect changes in funding for capital received since the February programme was approved:

- 3.3.1 Schools £1.381m.** The final confirmed figure for the 2015/16 Single capital pot grant allocation for Schools was £1.381m lower than anticipated when setting the capital programme.
- 3.3.2 Schools £2.549m.** Devolved formula capital is an annual allocation from DfE for schools to spend on capital projects of their choice. This is the 2015/16 allocation now received and added to the programme.
- 3.3.4 Waste & Other projects £0.136m.** A contribution from Waste revenue budget 2014/15 underspend to Jameson Road landfill site of £0.136m was made at 2014/15 out turn.
- 3.3.5 City Deal £20.968m** increase in the value of the City Deal Programme 2015/16 and beyond in line with the report to the LEP Board.

4. Total capital programme restated to also reflect amendments to the programme during Quarter 2 of 2015/16

Capital Investment Programme blocks	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 onwards £m	Total £m
Schools	44.849	4.346	3.580	0.000	52.775
Children & Young People`s Services	13.989	3.225	0.002	0.000	17.216
Highways Maintenance	54.764	27.364	26.514	0.000	108.642
Transport improvement schemes	75.364	7.410	4.370	0.000	87.144
Waste & other Environment projects	2.967	2.000	9.307	0.000	14.274
Adult Social Care	16.437	6.787	0.213	0.000	23.437
Corporate Programmes excluding vehicles	35.947	1.462	0.000	0.000	37.409
Vehicle Replacement Programme	6.204	2.800	2.800	0.000	12.604
NON LEP LCC PROGRAMME SUBTOTAL	250.521	55.394	46.786	0.000	353.501
City Deal schemes excluding capital financing costs	15.791	61.823	60.580	204.616	342.810
TOTAL APPROVED PROGRAMME	266.312	117.217	107.366	204.616	696.311
Financed by:	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 onwards £m	Total £m
Borrowing	42.105	9.707	0.000	0.000	51.812
Capital Receipts	21.297	4.289	8.638	0.000	34.224
Revenue contributions	24.968	7.935	8.316	0.000	41.219
Single Capital Pot Grant	69.568	29.136	20.890	14.999	134.593
Other grants & contributions	73.782	22.396	79.464	239.650	415.292
City Deal Cash Flow	25.475	43.754	(16.584)	(50.033)	2.612
Total sources of finance	257.195	117.217	100.724	204.616	679.752
Over-programming	9.117	0.400	7.042	0.000	16.559

The following is a list of amendments included in the above table now required to the capital programme to reflect changes in funding for capital received since the February programme was approved:

- 4.1.1 Highways £0.737m.** This includes the addition of a several new S106 and S278 schemes approved during 2015/16 which are funded from external sources.
- 4.1.2 Transport £0.240m.** Following the successful bid to the Coastal Communities Fund an additional scheme relating to historic public realm improvements on St George's Quay, Lancaster was added to the capital programme.
- 4.1.4 Corporate £2.455m.** Additional external funding has been brought into the capital programme to fund the Superfast Extension Project.
- 4.1.5 Vehicle replacement £1.2m.** Amendment to reflect the approved capital programme in February 2015 and slippage from previous years.