



Annex 2

Quarter 2 Outline Capital Monitoring

Quarter 2 – Outline Capital Monitoring

The total of £29.515m forecast under performance for the three year period 2015/16 to 2017/18 comprises the following amounts for each block of the programme:

- **Schools block: total forecast underspend £4.555m.** This budget is the aggregate of Devolved Formula Capital grant from DfE held for individual Schools use which has not yet been spent by the individual schools.
- **Children and Young People block: total forecast under spend of £6.521m.** This relates to un-programmed activity as at Quarter 2 in relation to Chorley Youth Zone 2.6m and Residential Overnight Breaks for Children with Disabilities 2.7m. The authority is currently reviewing delivery options.
- **Highways block: total forecast under spend of £3.702m.** The main items are: £3.233m relating to the M65 Crash Barriers and £0.368m relating to 2014/15 Unclassified Rural and £0.220 relating to 2014/15 ABC Roads. The forecast underspend re M65 Crash Barriers is due to external grants from DfT releasing resources. The 2014/15 Roads underspends were due to efficiencies in delivering the programmes of work.
- **Transport block: total forecast over spend £1.580m.** This is made up of forecast underspends relating to Eaves Green Link Road (£0.561) and budget previously allocated to the now deferred Green Lane Link (£1.150) and a forecast overspend on the Heysham to M6 Link Road, caused by an additional £4m of event compensation payments.

In addition it should be noted that the Heysham to M6 Link Road project was included in the Council's capital programme at a value consistent with the amount of funding authorised in the programme not the value of the contract spend authorised in separate Cabinet reports. The difference is £3.772m, which has been consistently flagged as a risk requiring further funding. It is now clear that this extra funding will be required, and the current proposal is to fund this from borrowing. This has therefore been included in the draft 2016/17 programme presented in Table 3 below.

- **Waste and other projects block: total forecast under spend of £1.592m** relates to funding no longer required on the completed Liquid Logic project which replaced ISSIS. In addition, a spend of £7.807m has been forecast for 2016/17 and 2017/18 against the equivalent budget for a Waste transfer station in East Lancashire, but a project has not yet been identified.
- **Adult Social Care block, total forecast under spend of £8.464m.** This is made up of three major items. Firstly £0.829m of unallocated budget for the Learning Disability Daycare modernisation programme, awaiting identification of a project in East Lancashire, and secondly, £5.573m allocated for LCC's Extra Care Strategy. Whilst investment in Extra Care Housing is a policy priority for the Council, only schemes which are unviable commercially without a County Council contribution are supported. Potential schemes where a viable business case can be presented will be supported as they come forward. Finally, there is un-programmed budget for the Libraries Regenerate programme totalling £1.885m.

- **Corporate block, total forecast under spend of £6.261m**, made up mainly of an un-programmed Economic Development budget of £5.619 and a forecast underspend on Superfast Broadband Phase 1 of £1.2m. This was the forecast position as at 30th September 2015. Since then an additional scheme has been identified at Lomeshaye Industrial Estate, Pendle for £1.9m, and a contribution to the Transport block of the programme in respect of the £3.7m cost now identified as being required for Phase 2 of the Skelmersdale Rail Link study.

Forecast out turn and variance against revised and restated total programme
Total budget 2015/16 and beyond: forecast underspend £29.515m
2015/16 only: forecast underspend £48.442m

	TOTAL PROGRAMME 2015/16 TO 2017/18			CURRENT YEAR		
	Total budget 2015/16 and beyond £m	Total forecast out turn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast out turn £m	2015/16 forecast variance £m
Capital Investment Programme blocks						
Schools	52.775	48.220	(4.555)	44.849	29.140	(15.710)
Children & Young People's Services	17.216	10.695	(6.521)	13.989	5.270	(8.719)
Highways Maintenance	108.642	104.940	(3.702)	54.764	51.062	(3.702)
Transport improvement schemes	87.144	88.724	1.580	75.364	72.194	(3.170)
Waste & other projects	14.274	12.682	(1.592)	2.967	1.375	(1.592)
Adult Social Care	23.437	14.973	(8.464)	16.437	11.032	(5.405)
Corporate	34.954	28.693	(6.261)	33.492	23.348	(10.144)
Vehicle Replacement Programme	12.604	12.604	0.000	6.204	6.204	0.000

NONLEP LCC PROGRAMME SUBTOTAL	351.046	321.531	(29.515)	248.066	199.625	(48.442)
City Deal schemes (10 year programme)	342.855	342.855	0	15.791	15.791	0
TOTAL APPROVED PROGRAMME	693.901	664.386	(29.515)	263.857	215.416	(48.442)

1. SCHOOLS Forecast outturn for 2015/16 and beyond underspend £4.555m

Devolved Formula Capital grant is received from DfE and has traditionally been allocated directly to Schools capital activity. Property then assess what capital works need to be undertaken. Currently there is a significant under spend on this non-ring fenced grant.

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast out turn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast out turn £m	2015/16 forecast variance £m
Pre 2015/16 Starts						
Schools single capital pot	22.046	24.726	2.680	14.159	17.456	3.296
BSF	0.258	0.258	0.000	0.258	0.258	0.000
DFC-spend controlled by schools	5.893	3.000	(2.893)	5.893	3.000	(2.893)
Leyland St Marys fire	0.408	0.868	0.460	0.408	0.868	0.460
School Kitchens	0.868	0.868	0	0.868	0.071	(0.797)
Various smaller projects	1.164	1.591	0.427	1.125	1.500	0.375
15/16 Starts						
Schools single capital pot	19.589	16.909	(2.680)	19.589	5.987	(13.602)

DFC-spend controlled by schools	2.549	0.000	(2.549)	2.549	0.000	(2.549)
Total of all programmes within block	52.775	48.220	(4.555)	44.849	29.140	(15.710)

2.CHILDREN and YOUNG PEOPLE Forecast out turn for 2015/16 and beyond underspend £6.521m

Due to as yet unprogrammed budget allocations for all but one of the programmes as shown in the table below.

Capital Investment Programmes within block	Total budget 2015/16 and beyond	Total forecast out turn	Total forecast variance	2015/16 restated budget	2015/16 forecast out turn	2015/16 forecast variance
	£m	£m	£m	£m	£m	£m
Tower Wood enhanced facilities	0.254	0.284	0.03	0.254	0.284	0.030
Residential redesign mainstream programme	2.197	1.789	(0.408)	2.127	1.737	(0.390)
Residential redesign disabilities overnight short breaks	4.210	1.553	(2.657)	4.182	1.525	(2.657)
Youth Zones new or major refurb	3.127	0.465	(2.262)	3.018	0.462	(2.556)
Refurbish satellite Youth Zones	0.558	0.437	(0.121)	0.558	0.109	(0.449)
Lancashire Break time	0.875	0.184	(0.691)	0.855	0.181	(0.674)
Early education for 2 year olds from income households	0.975	0.873	(0.102)	0.975	0.873	(0.102)
General improvement	0.020	0.110	0.090	0.020	0.099	0.079
Youth Zone Preston	2.000	2.000	0.000	2.000	0.000	(2.000)

Youth Zone	3.000	3.000	0.000	0.000	0.000	0.000
Total of all programmes within block	17.216	10.695	(6.521)	13.989	5.270	(8.719)

3.HIGHWAYS MAINTENANCE Forecast out turn for 2015/16 and beyond : underspend £3.702m

The main items are: £3.233m relating to the M65 Crash Barriers and £0.220m relating to 2014/15 ABC Roads. The forecast underspend re M65 Crash Barriers is due to external grants from DfT releasing resources.

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast out turn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast out turn £m	2015/16 forecast variance £m
2012/13 starts	14.021	10.614	(3.407)	14.021	10.614	(3.407)
2013/14 starts	2.013	1.770	(0.243)	2.013	1.770	(0.243)
2014/15 starts	9.903	8.566	(1.337)	9.903	8.566	(1.337)
TOTAL pre 2015/16 starts	25.937	20.950	(4.987)	25.937	20.950	(4.987)
2015/16 Starts	42.286	43.572	1.286	28.826	30.112	1.286
2016/17 Starts	20.454	20.454	0	0	0	0
2017/18 Starts	19.964	19.964	0	0	0	0
Total of all Programmes within block	108.641	104.940	(3.702)	54.763	51.062	(3.702)

4. TRANSPORT IMPROVEMENT Forecast outturn for 2015/16 and beyond over spend £1.580m

The main items are: Eaves Green Link Road £0.561m, Green Lane Link £1.150m and £4m forecast overspend on the Heysham to M6 Link Road.

In addition it should be noted that the Heysham to M6 Link Road project was included in the Council's capital programme at a value consistent with the amount of funding authorised in the

programme not the value of the contract spend authorised in separate Cabinet reports. The difference is £3.772m, which has been consistently flagged as a risk requiring further funding. It is now clear that this extra funding will be required, and the current proposal is to fund this from borrowing. This has therefore been included in the draft 2016/17 programme presented in the Cabinet Report to which this Appendix is attached.

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast outturn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast outturn £m	2015/16 forecast variance £m
Pre 2012/13 Starts	59.189	62.507	3.318	59.189	58.507	(0.682)
2012/13 starts	10.139	9.003	(1.136)	10.139	9.003	(1.136)
2013/14 starts	(0.779)	(0.779)	0.000	(0.779)	(0.779)	0.000
2014/15 starts	2.570	2.019	(0.551)	2.105	1.554	(0.551)
TOTAL pre 2015/16 starts	71.119	72.750	1.631	70.654	68.285	(2.369)
2015/16 Starts	9.135	9.084	(0.051)	4.710	3.909	(0.801)
2016/17 Starts	3.57	3.57	0	0	0	0
2017/18 Starts	3.32	3.32	0	0	0	0
Total of all programmes within block	87.144	88.724	1.580	75.364	72.194	3.170

5. WASTE and OTHER PROJECTS Forecast outturn for 2015/16 and beyond underspend £1.592m

This is due to an underspend on the completed ISSIS/Resolution service IT project.

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast outturn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast outturn £m	2015/16 forecast variance £m
Waste Management Infrastructure	7.807	7.807	0.000	0.000	0.000	0.000
Household Waste Community Recycling and Reuse Centre (CRRC) Garstang	0.059	0.059	0.000	0.059	0.059	0
Jameson Road	0.384	0.384	0.000	0.384	0.384	0.000
ISSIS Replacement / Resolution	1.942	0.350	(1.592)	1.942	0.350	(1.592)
Upgrade of Existing Fire Suppression Systems at Farington and Thornton Waste Recovery Parks	4.000	4.000	0.000	0.500	0.500	0.000
Mass spectrometer	0.082	0.082	0.000	0.082	0.082	0.000
Total of all programmes within block	14.274	12.682	(1.592)	2.967	1.375	(1.592)

6. ADULT SOCIAL CARE Forecast out turn for 2015/16 and beyond underspend £8.464m

Due to as yet un-programmed budget allocations for all the programmes showing an underspend in the table below.

Re: Learning Disability Daycare modernisation a project in East Lancashire is still to be identified, and re: Extra Care Housing the £5.573m shown in the table below (£0.573m left from 2013/14 DoH grant and £5m un-programmed LCC funding) is as yet unallocated due to a corporate review of this strategy. The £1.885m underspend relating to Libraries Regeneration work is a balance currently awaiting allocation to schemes.

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast out turn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast out turn £m	2015/16 forecast variance £m
Learning Disability Day Care Modernisation - East Lancashire	0.854	0.025	(0.829)	0.829	0.000	(0.829)
Improving Information Management for Social Care	0.270	0.270	0.000	0.225	0.225	0.000
Social care reform grants	0.552	0.552	0.000	0.350	0.350	0.000
General improvements 2012/13-14/15	0.073	0.130	0.057	0.069	0.128	0.059
EXTRA CARE housing - 13/14 Dept of Health grant allocated to Extra care	2.967	2.394	(0.573)	2.000	0.004	(1.996)
EXTRA CARE housing (LCC Funding)	5.000	0.000	(5.000)	0.000	0.000	0.000
Social Care Capital Grants. 15/16 Dept of Health grant (1.924m allocated to Extra Care and 1.149m allocated to Care act)	3.073	3.073	0.000	3.073	3.073	0.000
Libraries regenerate	3.653	1.768	(1.885)	3.061	0.495	(2.566)
Changing places for severely disabled adults-pilot schemes	0.481	0.111	(0.370)	0.316	0.111	(0.205)
Smaller projects	0.113	0.100	(0.013)	0.113	0.100	(0.013)
Care Home Maintenance	0.036	0.185	0.149	0.036	0.181	0.145

Disabled facilities grant	6.365	6.365	0	6.365	6.365	0.000
Total of all programmes within block	23.437	14.973	(8.464)	16.437	11.032	(5.405)

7. CORPORATE Forecast outturn for 2015/16 and beyond underspend £6.261m

As per the following table summarised as follows:

- Economic Development budget not yet allocated ££5.619 and a forecast underspend on Superfast Broadband Phase 1 of £1.2m. This was the forecast position as at 30th September 2015. Since then an additional scheme has been identified at Lomeshaye Industrial Estate , Pendle for £1.9m, and a contribution to the Transport block of the programme in respect of the £3.7m cost now identified as being required for Phase 2 of the Skelmersdale Rail Link study.
- Various under and overspends netting off to £0.558m overspend

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast out turn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast out turn £m	2015/16 forecast variance £m
Superfast Broadband Phase 1	6.000	4.800	(1.200)	6.000	4.800	(1.200)
Salmesbury Enterprise Zone	1.500	1.500	0.000	1.500	1.500	0.000
Preston Town Centre Initiative	0.100	0.100	0.000	0.100	0.100	0.000
Cuerden Strategic Site - Masterplan	0.250	0.250	0.000	0.250	0.250	0.000
Unallocated Ec Dev budget - pipeline	8.369	2.750	(5.619)	7.036	0.000	(7.036)
Subtotal Economic Development	16.219	9.400	(6.819)	14.886	6.650	(8.236)
Growing Places (Expenditure)	5.757	6.646	0.889	5.757	6.646	0.889
Marion Estate	0.079	0.032	(0.047)	0.079	0.032	(0.047)

Area Offices/ Preston Offices originally now CCP/CHOB etc	2.530	2.530	0.000	2.475	2.409	(0.066)
Structural Maintenance & Demolition	2.073	2.147	0.074	1.999	1.796	(0.203)
Other smaller projects	0.306	0.184	(0.122)	0.306	0.184	(0.122)
Core Systems Transformation	7.990	7.754	(0.236)	7.990	5.631	(2.359)
Total of all programmes within block	34.954	28.693	(6.261)	33.492	23.348	(10.144)

8. VEHICLES Forecast outturn for 2015/16 and beyond nil variance

Capital Investment Programmes within block	Total budget 2015/16 and beyond £m	Total forecast outturn £m	Total forecast variance £m	2015/16 restated budget £m	2015/16 forecast outturn £m	2015/16 forecast variance £m
Vehicle Replacement	3.004	3.004	0.000	3.004	3.004	0.000
Vehicle Replacement	9.600	9.600	0.000	3.200	3.200	0.000
Total of all programmes within block	12.604	12.604	0.000	6.204	6.204	0.000