

REPORT TO:	CABINET		
DATE:	13 February 2024		
PORTFOLIO:	Councillor Peter Britcliffe - Deputy Leader of the Council, Resources		
REPORT AUTHOR:	Martin Dyson, Executive Director (Resources)		
TITLE OF REPORT:	Capital Programme 2024/2025 to 2026/2027		
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. PURPOSE OF REPORT

- 1.1 The report informs the Cabinet of the proposed capital programme for 2024/25 – 2026/27.

2. RECOMMENDATION(S)

It is recommended that Cabinet proposes to Council:

- 2.1 To approve the Capital Programme for 2024/25 including new scheme additions of £4,404,015 with a net cost to the Council of £1,861,000 as set out in Appendix 3.
- 2.2 To approve the funding of the programme by the use of newly anticipated direct external grants totalling £2,543,015 with the remaining funding of £1,861,000 to come from the Council's resources.
- 2.3 To note the expected new scheme additions for 2025/26 and 2026/27.
- 2.4 That delegated authority is given to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources to flex the programme in accordance with the available funding, provided this does not require any additional borrowing.
- 2.5 That the individual projects with the Capital Programme require the written authorisation of the Executive Director (Resources) following consultation with

the Portfolio Holder for Resources before commencing and incurring expenditure and that Service Managers provide the Executive Director of Resources, with written details of estimated costs of schemes with full justification of the need and benefits from undertaking the capital investments before approval is provided and that approval to commence is delegated to the Executive Director (Resources), in consultation with the Portfolio Holder for Resources. That where he deems it appropriate, the Executive Director (Resources) be given authority to release funding in stages to ensure effective financial control can be maintained and project risk managed.

- 2.6 That in-year underspends are not made available or fund new projects during the year.

3. SUMMARY

- 3.1 The report sets out the Council's Capital Programme for 2024/25 including forecast slippage on schemes from 2023/24 and the additions of new schemes to the Council's Capital Programme for 2024/25.
- 3.2 The significant level of investment in previous years has only been possible by the Council obtaining external financial support, as well as the Council's own effective financial management over recent years which has allowed it to have the funds necessary to finance these major projects when other funding has become available.
- 3.3 The new additions to the capital programme for 2024/25 have reduced to £4.404m, compared to £8.374m in 2023/24. External funding of £2.543m has been secured towards the cost of these new capital schemes.
- 3.4 The additions to the programme in 2024/25 will bring the total approved capital programme to £36.104m, including forecast slippage of the unspent programme from 2023/24 of £31.700m, which can be seen in Appendix 1. The forecast slippage from the 2023/24 programme includes £10.885m for the Leisure Estate Investment Programme and £17.116m for the Levelling Up Programme which are projects which are expected to be ongoing for the next 1-2 years.
- 3.5 The Council intends to continue its strong policies of financial management and look only to borrow what it needs to fund these major investment projects. The Council will continue to rely on securing external sources of funding, using capital receipts, making revenue contributions to capital projects and will use unspent monies to fund its programme. It will also apply a rigorous approach to selecting projects by examining all proposals against its corporate objectives and only selecting the most pressing and deserving projects to fund. This is in accordance with Council policy.
- 3.6 The Revenue implications to finance the Capital Programme continue to be a key element in the affordability issues on the Revenue Budget this year. The programme contains a limited amount of risk this year. The level of risk remains increased compared to previous years due to the size of programme.

However, to further reduce the risk the Council has supplemented its own project management and cost control capacity by the appointment of experienced professionals in both disciplines for its two largest projects. The Council's overall resources and management systems are believed to be sufficiently robust to effectively monitor these risks and ensure appropriate action is taken if they should materialise.

- 3.7 The Council will continue with its strategy to reduce its level of debt wherever possible by restricting borrowing and repaying debt and will continue to work extensively with external funders to bring forward realistic plans for Capital investment in the area.

4. DETAIL

- 4.1 See the attached report on the Capital Programme.

5. REASONS FOR RECOMMENDATIONS

- 5.1 These schemes represent the best value for money and meet the Council's overall Corporate Policy objectives, within the funding envelope for the year.

6. ALTERNATIVE OPTIONS CONSIDERED AND THE REASONS FOR REJECTION

- 6.1 A wider programme of funding has not been considered due to the Council's policy commitment to limiting Capital Expenditure to affordable levels and seeking to repay debt.

7. BUDGET IMPLICATIONS

- 7.1 As outlined in the report.

8. LINKS TO CORPORATE PRIORITIES

- 8.1 The Medium Term Financial Strategy links to all corporate priorities in determining the funding levels for expenditure for the 3 years ahead.

9. LEGAL IMPLICATIONS

- 9.1 Not applicable.

10. RISKS

- 10.1 The main risks within the programme relate to the dangers of escalating costs linked to building work, as many of the buildings are old and potential problems can emerge once the scheduled work has commenced. The Council attempts to mitigate this risk by undertaking survey work ahead of schemes commencing and adopting a rolling programme of work to allow flexibility in the scheduling of projects if cost overruns start to occur. The Council will seek to supplement

its own project management skills by the appointment of professional project managers and cost control experts for its larger projects.

11. EQUALITY IMPACT ASSESSMENT

- 11.1 There are no specific measures within the report that require an Equality Impact Assessment. Individual proposals stemming from the budgetary process will be Equality Impact Assessed as required over the coming months.

12. CONSULTATIONS

- 12.1 A variety of schemes are recommended from a number of sources to the Council. These are considered by the Council's CPWG against a list of corporate priorities and other assessment criteria before the final list is determined. Councillors and the Public as well as Businesses are invited to participate via a meeting of the Council's Resources Overview & Scrutiny Committee on the 20th February 2024 at 3:00pm to review the proposals and give their views. These views are then reported to the Council ahead of them making their decision on the Capital Budget.

13. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

- 12.1 This Report should be read in conjunction with the other finance reports presented to the Cabinet meeting on the 13th February 2024. The relevant reports are listed below and can be found by accessing the Council's website.

[For access to the Cabinet Agenda and Reports --please follow this link to the appropriate dates and reports](#)

Prudential Indicators Monitoring & Treasury Management Strategy 2024/25 to 2026/27

Revenue Budget Report 2024/25

Medium Term Financial Strategy Report 2024/25 – 2026/27

11. FREEDOM OF INFORMATION

- 11.1 The report does not contain any exempt information under the Local Government Act 1972; Schedule 12a and all information can be disclosed under the Freedom of Information Act 2000.

CAPITAL PROGRAMME

2023-2024

FOR AN AMBITIOUS AND SUSTAINABLE

HYNDBURN FUTURE

CAPITAL PROGRAMME

1.1 The proposed additions to the capital programme for 2024/25 are listed in Appendix 3, with expected new schemes to come forward for 2025/26 and 2026/27 also detailed for note. A summary of the major projects is given below.

1.2 COMMUNITY PROJECTS

This programme includes £267,000 of works to refurbish Oswaldtwistle Civic Theatre following its return to Council ownership, to bring it into a state to once again be opened to the public.

1.3 FOOD WASTE

Following Government legislation, from 1 April 2026 all waste collection authorities must provide a weekly food waste collection service for its residents. To allow Local Authorities to prepare to deliver this service, all Councils are to be provided with a capital grant from DEFRA for purchasing vehicles and equipment. The Council's grant allocation is £665,610.

1.4 DECARBONISATION SCHEME

The Council has been awarded a capital grant of £241,447 from the Swimming Pool Support Fund, for energy efficiency works at Hyndburn Leisure Centre.

1.5 DISABLED FACILITY GRANT

The Council has been allocated £1,095,958 in Disabled Facility Grants in 2024/25, to help those that suffer from medical conditions that threaten their ability to live independent lives in their own homes. The money will

provide stair lifts, toilet and bathroom adaptations, access ramps and other equipment, as well as grants for major structural alterations where needed.

1.6 IT PROJECTS

The programme includes £85,000 of schemes to develop new ICT and refresh the ICT equipment used in order to deliver services in a more efficient way.

1.7 LEISURE ESTATE INVESTMENT

PROGRAMME

As part of the planning conditions for the new Leisure Facility at Wilsons Playing Fields, the Council must undertake drainage works on the surrounding sports pitches. £300,000 has been included in the capital programme for 2024/25 for these works.

1.8 LEVELLING UP PROGRAMME

The Council has been awarded a grant of £500,000 from the Heritage Lottery towards the ongoing Levelling Up works at Market Chambers.

1.9 OPERATIONAL BUILDINGS

Following the Levelling Up works at Accrington Market, the Council has external works which need to be undertaken on this building. A budget of £264,000 is included in the capital programme in 2024/25.

There is a further £30,000 in the programme for the installation of a vehicle security barrier at Willows Lane, to meet insurance requirements and improve security at this location. There is £45,000 included for improvement works at various car parks

CONT. CAPITAL PROGRAMME

across the Borough, to ensure they are safe for their users. Finally, there is £30,000 included for the replacement of the air heating and cooling units at Scaitcliffe House which are reaching the end of their life and require replacement. This is expected to be a 3 year programme by the end of which all units will have been replaced.

1.10 PARKS & OPEN SPACES

The programme included £350,000 for works at King George V Pavilion and Pitches, this is contingent on the Council achieving capital receipts that will release funding to bring this site to the required standard.

£100,000 has also been included for the partial refurbishment of Rhyddings Park Play Area in order to ensure it continues to be safe for the children in the Borough. £40,000 of external funding is expected to be secured for these works.

There is an additional £45,000 included for external works at Accrington Crematorium (£30,000) and the replacement of a footbridge in Jackhouse Nature Reserve (£15,000).

1.11 PLANNED ASSET

IMPROVEMENTS

In order to ensure that the Council's buildings continue to comply with fire safety regulations and satisfy the Council's insurance requirements, the programme includes £250,000 for these works across the Council's properties. This is expected to be an ongoing programme of capital works.

There is also £65,000 included for the Council's Planned Asset Improvement Programme, this includes; works on making safe the old service building at Accrington Cemetery and creating a new disabled public toilet, works on the Haworth Stables Block which is currently experiencing water ingress and re-laying and repair of the mosaic floor at Accrington Town Hall.

1.12 VEHICLES & EQUIPMENT

As in previous years, the Council has included a vehicle and plant replacement programme for the purchase of any small items of equipment or vehicles which are required. This has been included in the programme at £70,000 for 2024/25.

IMPROVING THE MANAGEMENT OF OF CAPITAL INVESTMENTS

- 2.1 The Council needs to continue to develop its financial control over its major capital investment programme. It is critical that during 2024/25 the Council continues to adequately manage this spend, to ensure it gains as much benefit from this investment as possible and effectively controls its costs.
- 2.2 The outline of schemes for the 2024/25 Capital Programme can be seen at Appendix 2. However, the Council needs to ensure these schemes can provide the positive benefits the level of spend requires. Each scheme is required to provide more detailed analysis before final approval for spending is committed, to ensure that the project can be delivered within the funds made available, that revenue costs of the schemes can be accommodated within existing revenue budgets and most importantly that the benefits from the scheme are clearly identified and delivered.
- 2.3 The Executive Director (Resources) will have the authority to release permission to spend in stages as he deems appropriate for larger projects to ensure the effective management of the overall scheme and the mitigation of risk. The Executive Director (Resources) will only release funds for capital investment once the required written detail has been submitted to him for approval. Until this has been given, Service Managers are not allowed to commit expenditure. Additional projects may be authorised by the Executive Director (Resources), in consultation with the Portfolio Holder for Resources during the year if the projects have sufficient external funding to meet their costs or other funding sources can be obtained.
- 2.4 Under the current regime of Prudential Borrowing, there is no requirement to spend up to a budgeted amount. The Council should determine its needs for Capital spend purely on rational grounds and underspends in the programme should not automatically lead to other projects being brought forward to soak up potentially available funds. Given that a rigorous process of determining the need for Capital spend has taken place at the start of the year and the Council's strong commitment for reducing the overall level of debt, there should be a major predisposition to continued banking of these underspends as a genuine saving to the Council.

CONCLUSION

- 5.1 Overall, the Council will be investing an additional £1.861m of its own resources to fund the capital programme additions in 2024/25.
- 5.2 The details behind all these proposals remains at the outline stage only and further work is required to ensure that these projects provide positive benefits to the Community and the Council. Each project is therefore required to submit further detailed plans to obtain final approval for expenditure to occur and to obtain final clearance from the Executive Director (Resources), in consultation with the Portfolio Holder for Resources.
- 5.3 The Capital Programme does require a degree of flexibility within it, to respond to sudden demands for Capital expenditure, actions to be taken on the

receipts of monies and revisions to proposals as projects are not financially viable or encounter other problems such as securing external funding. The Capital Programme Working Group (CPWG) will report back to Cabinet at frequent intervals throughout the year to ensure Cabinet is kept apprised of the current situation and that any approvals necessary for alteration are obtained.



APPENDIX 1

CAPITAL PROGRAMME 2024/25

SUMMARY

	Approved Programme 2023/24	Forecast Spend 2023/24	Programme to be Slipped into 2024/25	New Additions 2024/25	New Programme 2024/25
Budgeted Expenditure on Capital					
Community Projects	£368,756	£133,756	£235,000	£267,000	£502,000
Food Waste Collection	-	-	-	£665,610	£665,610
Housing Improvement Plan	£2,223,017	£1,563,017	£660,000	£1,095,958	£1,755,958
IT Projects	£573,813	£566,424	£7,389	£85,000	£92,389
Leisure Estate Investment Programme	£12,259,970	£268,272	£11,991,698	£541,447	£12,533,145
Levelling Up Programme	£22,758,036	£5,642,220	£17,115,816	£500,000	£17,615,816
UK Shared Prosperity Fund	£1,030,092	£262,727	£767,365	-	£767,365
Operational Buildings	£1,511,000	£971,318	£539,682	£399,000	£938,682
Parks & Open Spaces	£1,296,506	£1,006,261	£290,245	£465,000	£755,245
Planned Asset Improvements	£309,308	£271,808	£37,500	£315,000	£352,500
PSDS Decarbonisation Scheme	£55,303	£55,303	-	-	-
Recreation & Sport	£36,000	£36,000	-	-	-
Transitional Housing Programme	£108,384	£108,384	-	-	-
Vehicles & Equipment	£89,247	£34,247	£55,000	£70,000	£125,000
Total Budgeted Expenditure	£42,619,432	£10,919,737	£31,699,695	£4,404,015	£36,103,710
Funding of Capital Schemes					
Grants	£26,520,777	£7,565,494	£18,955,283	£2,543,015	£21,498,298
Revenue Contributions	£10,532,474	£1,562,878	£8,969,596	£1,511,000	£10,480,596
Capital Receipts	£5,566,181	£1,791,365	£3,774,816	£350,000	£4,124,816
Borrowings	-	-	-	-	-
Total Capital Scheme Funding	£42,619,432	£10,919,737	£31,699,695	£4,404,015	£36,103,710

APPENDIX 2

CAPITAL PROGRAMME 2024/25

DETAILED

Scheme	Programme to be Slipped into 2024/25	New Additions 2024/25	Proposed Programme 2024/25
Community Projects			
Leeds Liverpool Canal Cycle Path	£235,000	-	£235,000
Oswaldtwistle Civic Theatre Refurbishment Works	-	£267,000	£267,000
Sub-Total	£235,000	£267,000	£502,000
Food Waste			
Food Waste Collections Grant	-	£665,610	£665,610
Sub-Total	-	£665,610	£665,610
Housing Improvement Plan			
Disabled Facilities Grant	£600,000	£1,095,958	£1,695,958
Disabled Facilities Grant - Affordable Warmth Grant	£20,000	-	£20,000
Disabled Facilities Grant - Emergency Works Grant	£25,000	-	£25,000
Disabled Facilities Grant - Home Security Grant	£15,000	-	£15,000
Sub-Total	£660,000	£1,095,958	£1,755,958
IT Projects			
Computer Aided Facilities Management System	£7,389	-	£7,389
ICT Technology Refresh - Annual Replacement Program	-	£35,000	£35,000
ICT Remote Working Upgrades	-	£50,000	£50,000
Sub-Total	£7,389	£85,000	£92,389
Leisure Estate Investment Programme			
Wilsons Playing Fields	£10,884,734	-	£10,884,734
Leisure Estate Transformation - Zero Carbon Impact Wo	£501,000	-	£501,000
Wilsons Playing Fields Sport Pitch Drainage Scheme	-	£300,000	£300,000
Wilsons Playing Fields Storage & Welfare Facilities	£260	-	£260
Hyndburn Leisure Centre Investment Project	£67,416	-	£67,416
Hyndburn Leisure Centre Plant Replacement	£488,288	-	£488,288
Hyndburn Leisure Centre Car Park Lighting	£50,000	-	£50,000
Hyndburn Leisure Centre - Efficiency Works	-	£241,447	£241,447
Sub-Total	£11,991,698	£541,447	£12,533,145
Levelling Up Programme			
Accrington Town Centre Levelling Up Project	£500,000	-	£500,000
Market Hall	£8,275,866	-	£8,275,866
Burton Chambers	£2,351,209	-	£2,351,209
Market Chambers	£5,988,741	-	£5,988,741
Market Chambers - Heritage Lottery Grant Works	-	£500,000	£500,000
Sub-Total	£17,115,816	£500,000	£17,615,816

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CONT. APPENDIX 2

CONT. CAPITAL PROGRAMME

Scheme	Programme to be Slipped into 2024/25	New Additions 2024/25	Proposed Programme 2024/25
UK Shared Prosperity Fund			
Accrington PAL's Garden	£12,365	-	£12,365
Improve Town Centre Car Parks/Planting	£285,000	-	£285,000
Market Chambers Arts, Culture & Heritage Centre	£470,000	-	£470,000
Sub-Total	£767,365	-	£767,365
Operational Buildings			
Accrington Market Hall External Improvements	£469,682	£264,000	£733,682
Accrington Crematorium External Works	£70,000	£30,000	£100,000
Air Heating & Cooling Units Replacement Programme	-	£30,000	£30,000
Car Park Amenity Paving Improvements	-	£45,000	£45,000
Vehicle Security Barrier at Willows Lane	-	£30,000	£30,000
Sub-Total	£539,682	£399,000	£938,682
Parks & Open Spaces			
King George V Pavilion & Pitches	£240,245	£350,000	£590,245
Nook Lane/Bury Meadows Acquisition	£30,000	-	£30,000
Gatty Park Polytunnels & Greenhouse Refurbishment	£20,000	-	£20,000
Rhyddings Play Area Partial Refurbishment	-	£100,000	£100,000
Jackhouse Nature Reserve Footbridge Replacement	-	£15,000	£15,000
Sub-Total	£290,245	£465,000	£755,245
Planned Asset Improvements			
Haworth Art Gallery Replacement Boilers	£37,500	-	£37,500
Planned Asset Improvement Programme	-	£65,000	£65,000
Fire Safety Improvements	-	£250,000	£250,000
Sub-Total	£37,500	£315,000	£352,500
Vehicles & Equipment			
Vehicle & Plant Replacement Programme	£55,000	£70,000	£125,000
Sub-Total	£55,000	£70,000	£125,000
Total	£31,699,695	£4,404,015	£36,103,710

APPENDIX 3

CAPITAL PROGRAMME 2024/25

NEW ADDITIONS

Scheme	Total Cost 2024/25	External Funding Available 2024/25	Cost to be Funded by the Council 2024/25	Potential Future Net Cost 2025/26	Potential Future Net Cost 2026/27
Community Projects					
Oswaldtwistle Civic Theatre Refurbishment Works	£267,000	-	£267,000	-	-
Christmas Decoration Replacement	-	-	-	£20,000	£20,000
War Memorial Lighting Project	-	-	-	£60,000	£100,000
War Memorial Restoration Programme	-	-	-	£45,000	£100,000
Sub-Total	£267,000	-	£267,000	£125,000	£220,000
Food Waste					
Food Waste Collections Grant	£665,610	£665,610	-	-	-
Sub-Total	£665,610	£665,610	-	-	-
Decarbonisation Scheme					
Hyndburn Leisure Centre - Efficiency Works	£241,447	£241,447	-	-	-
Decarbonisation of Properties	-	-	-	£330,000	£330,000
Sub-Total	£241,447	£241,447	-	£330,000	£330,000
Housing Improvement Plan					
Disabled Facilities Grant	£1,095,958	£1,095,958	-	-	-
Sub-Total	£1,095,958	£1,095,958	-	-	-
IT Projects					
ICT Technology Refresh - Annual Replacement Programme	£35,000	-	£35,000	£35,000	£35,000
ICT Remote Working Upgrades	£50,000	-	£50,000	-	-
Committee Management Software	-	-	-	£30,000	-
Sub-Total	£85,000	-	£85,000	£65,000	£35,000
Leisure Estate Investment Programme					
Wlisons Playing Fields Sport Pitch Drainage Scheme	£300,000	-	£300,000	-	-
Sub-Total	£300,000	-	£300,000	-	-
Levelling Up Programme					
Market Chambers - Heritage Lottery Grant Works	£500,000	£500,000	-	-	-
Sub-Total	£500,000	£500,000	-	-	-
Operational Buildings					
Accrington Market Hall External Improvements	£264,000	-	£264,000	-	-
Accrington Town Hall External Improvements	-	-	-	£314,000	-
Air Heating & Cooling Units Replacement Programme	£30,000	-	£30,000	£30,000	£30,000
Car Park Amenity Paving Improvements	£45,000	-	£45,000	-	-
Vehicle Security Barrier at Willows Lane	£30,000	-	£30,000	-	-
Mercury Abatement Works at Accrington Crematorium	-	-	-	-	£1,000,000
Sub-Total	£369,000	-	£369,000	£344,000	£1,030,000
Parks & Open Spaces					
Rhyddings Play Area Partial Refurbishment	£100,000	£40,000	£60,000	-	-
Jackhouse Nature Reserve Footbridge Replacement	£15,000	-	£15,000	-	-
Accrington Crematorium External Works	£30,000	-	£30,000	-	-
King George V Pavilion & Pitches	£350,000	-	£350,000	-	-
Higham Play Area Refurbishment	-	-	-	£60,000	-
Lee Lane Cemetery Tap	-	-	-	-	£52,000
Mercer Park Bowling Green Fence	-	-	-	-	£40,000
Oakhill Park Bowling Green Fence	-	-	-	-	£40,000
Sub-Total	£495,000	£40,000	£455,000	£60,000	£132,000
Planned Asset Improvements					
Planned Asset Improvement Programme	£65,000	-	£65,000	£100,000	£100,000
Fire Safety Improvements	£250,000	-	£250,000	£250,000	£250,000
Sub-Total	£315,000	-	£315,000	£350,000	£350,000
Vehicles & Equipment					
Vehicle & Plant Replacement Programme	£70,000	-	£70,000	£70,000	£70,000
Sub-Total	£70,000	-	£70,000	£70,000	£70,000
Total New Schemes	£4,404,015	£2,543,015	£1,861,000	£1,344,000	£2,167,000