



Capital Delivery Programme

2022-23 to 2024-25

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Capital Delivery programme – 3 year programme 2022/23 to 2024/25

1. Introduction

An indicative Capital delivery programme has been drawn up for 2022/23 to 2024/25. This has been drawn up using agreed annual budgets in addition to the forecast delivery of any remaining prior year slippage less any future year budget already delivered. These figures are shown in table 1 below, with the funding streams for the delivery programme then shown in table 2. A brief supporting narrative for the 2022/23 delivery programme by block is shown in section 2 of the report.

The figures in this report will be revised in May 2022 following the completion of the year end accounts to allow for adjustment for final slippage and advanced delivery figures. Additional funding agreed between January 2022 and May 2022 will also be added to the report to be submitted in early June 2022. The delivery programme agreed in June 2022 will then be used as the basis for the Capital monitoring reports throughout 2022/23.

TABLE 1 – Capital delivery programme by block

Service Area	21/22 forecast	22/23 Delivery plan	23/24 Delivery Plan	24/25 Delivery plan
Schools (excl DFC)	22.549	23.361	25.115	29.107
Schools (DFC)	3.075	2.377	3.909	1.608
Highways	59.428	48.258	26.351	21.488
Transport	14.771	23.591	15.495	12.834
Externally Funded	7.275	1.804	0.000	0.000
Central Systems & ICT	11.758	5.187	3.064	3.017
Adults	17.313	16.000	16.000	16.000
Corporate - Property	6.046	20.211	18.600	17.700
Economic Development	8.752	42.526	41.295	39.995
South Lancaster Growth Catalyst	4.100	3.258	20.904	0.000
Vehicles	4.530	4.441	0.000	0.000
Transforming Cities Fund	4.453	15.250	16.152	6.939
Totals	164.050	206.263	186.885	148.688

TABLE 2 – Funding streams by year

Service Area		22/23 Delivery plan	23/24 Delivery Plan	24/25 Delivery plan
Borrowing	54.546	97.680	64.323	61.112
Grant	96.946	97.081	116.563	81.876
Contributions	12.558	11.503	6.000	5.700
Totals	164.05	206.263	186.885	148.688

2. Detailed narrative

Schools

The schools capital programme has a 2022/23 delivery programme of £25.738m and contains approximately 300 projects to be worked on within the financial year.

The schools delivery programme is split into three areas.

The basic need programme is to increase school pupil places in targeted areas via grant funded school expansions or new school build projects. An amount of £11.007m has been included in the delivery programme for 2022/23, including large projects such as the expansions of Burnley Unity college and Sir Tom Finney community high school.

The condition programme delivers a variety of grant funded works to address priority condition issues at school buildings. An amount of £4.637m has been included in the delivery programme for 2022/23, including projects to improve the condition of Leyland Methodist junior school and Staining CofE primary school. This programme is created on the basis of fixing worse first and is tailored to the amount of funding available through the grant funding.

The devolved formula capital programme is a grant funded programme for small to medium capital projects. It is allocated to schools on a formula basis by the DfE in order for schools to spend on capital projects within expenditure guidelines and a delivery programme amount of £2.377m has been included for 2022/23.

Highways

The Highways capital programme has a 2022/23 delivery programme of £48.258m and contains approximately 700 projects to be worked on within the financial year.

The Highways delivery programme contains c£16.000m of projects planned prior to 2022 which are expected to be delivered within 2022/23. This includes £2.000m programmed for bridge maintenance work and £3.200m for detrunking the A601M, including bridge maintenance and demolition and remodelling of the road to permit development of the local area. £2.700m is programmed to continue storm damage repairs and flood prevention work.

An indicative amount of £20.167m has been included as anticipated funding from the Department for Transport (DfT). The actual amount received for the grant, along with a more detailed list of projects to be funded from the grant will be drawn up prior to the submission of the final 2022/23 delivery programme in May 2022.

A risk to the 2022/23 delivery programme is the continued high levels of expenditure on structural defects. This will be continued to be monitored in the remaining months of 2021/22 and a decision will need to be made before submission of the final 2022/23 delivery programme as to how this expenditure will be funded going forward if it is to remain at such a high level potentially reducing the grant allocations to other highways programmes to fund this prioritised work.

Transport

The transport capital programme has a 2022/23 delivery programme of £23.591m and contains approximately 100 projects to be worked on within the financial year.

The largest project within the Transport delivery programme is the M55 Heyhouses link road. This is a multi-year project which will connect the existing roundabout at Whitehills Road to the north with Heyhouses Lane near the Cyprus Point development site to the south. A delivery programme of £7.000m has been included for 2022/23 to reflect the expected delivery as per the grant agreements and the current position of the multi year project, the remaining budget is shown in future years.

Other major projects within the 2022/23 delivery programme are the Ormskirk eastern gateway project, the completion of the Burnley town centre project and development of further schemes to promote safer travel across Lancashire whilst the Covid pandemic is ongoing. The £2.500m agreed contribution from the Transport block to the Lancashire City Deal is also included.

Provision has also been made for £5m increase to the budget for the Heysham M6 Link road to allow for the payment of the remaining land compensation claims and landscaping arrangements following the opening of the road several years ago. These are statutory or planning related payments and cannot be avoided.

Externally Funded Schemes

The externally funded schemes capital programme has a 2022/23 delivery programme of £1.804 and contains 11 projects to be worked on within the financial year.

The externally funded schemes capital block is funded through contributions from external stakeholders. The S278 scheme covering the improvements to the area around the UCLAN campus is ongoing and is £0.629m of the 2022/23 delivery programme. A further £0.235m is included in the programme for the works on Blackpool Road, Kirkham.

The delivery programme will be increased as further agreements are made with private developers, with ongoing risks to the programme that works need to be

completed as specified in the agreements otherwise funding may have to be returned.

Central Systems and ICT

The central systems and ICT capital programme has a 2022/23 delivery programme of £5.187m and contains 2 projects to be worked on within the financial year.

The largest project within the delivery programme is the project to support the future proofing of the document handling service. £0.145m is included in the delivery programme for this which is predominantly to cover the cost of letter extraction and scanning software.

A provision of £5m additional budget has been made in 2022/23 following the review of the programme and related delays that have been identified and reported with roll out anticipated in June / July 2022.

Future years indicative provisions have been increased by £3m to reflect the capital investment that will be required in upgrading systems within the ICT roadmap.

Adult Social Care

The Adult social care capital programme has a 2022/23 delivery programme of £16.000m and contains 1 project to be worked on within the financial year.

As at January 2022, the disabled facilities grant (DFG) is the only project included on the delivery programme for the Adult social care block. The DFG is capital funding for the provision of home adaptations to help older and disabled people to live as independently and safely as possible in their homes. The £16.000m amount included in the delivery programme is an indicative amount until the 2022/23 grant agreement is finalised.

Corporate – Property

The corporate – property capital programme has a 2022/23 delivery programme of £20.211m and contains approximately 60 known projects to be worked on within the financial year plus 2 new programmes that are required.

The corporate property programme is a rolling programme of works on the Councils property portfolio. The 2022/23 programme includes £1.145m for projects within the building condition programme, £1.019m on projects within the works to operational premises programme and £1.363m on projects within the residential redesign programme.

Following surveyor inspections of a fifth of the corporate property portfolio a large number of priority 1 conditions works has been identified, the works to address these has been costed at £35m and a third of this has been provided in this year's delivery programme to reflect the amount of work that can be delivered this year. This is not a sustainable position for the remainder of the corporate property portfolio going forward and a 6 month programme of works to review the corporate property portfolio will be required to reduce the number of assets held. This work should create a series of capital receipts to be used to reduce the borrowing required to maintain the remaining portfolio which receives no grant funding.

A detailed list of projects to be delivered during 2022/23 will be available with the resubmitted delivery programme in May 2022 once the detail of slipped projects is confirmed after year end with delivery priorities agreed for 2022/23.

The project to replace the Bowgreave Rise residential care home providing affordable extra care schemes for older people and supported housing apartments for younger adults with disabilities is also included in the delivery programme with delivery for the project slipping from prior years.

Economic Development

The economic development capital programme has a 2022/23 delivery programme of £42.526m and contains approximately 15 projects to be worked on within the financial year.

The delivery of the Cuerden strategic site continues in 2022/23 and a £5.000m delivery programme has been set. It is expected that delivery will continue at pace throughout 2022/23, with the full site expected to be completed in 2025/26.

Work on the Samlesbury enterprise zone also continues into 2022/23 with a delivery programme of £23m, A loan to Lancashire County Developments for £7m to allow the investment in a new building is also included in the 2022/23 delivery programme. Annual contributions towards the Lancashire City Deal are also included.

A delivery amount of £1.000m has been included for the Low Carbon projects programme. This is a programme of work designed to properly understand and deliver carbon and cash savings across the buildings, assets and activities of the county council and the wider business community. A further £1.700m for this project has been earmarked for 2023/24 onwards.

The future years impacts of these projects is also included in the provisional programme for 2023/24 onwards.

South Lancaster Growth Catalyst (SLGC)

The SLGC capital programme has a 2022/23 delivery programme of £3.258m and contains approximately 3 projects to be worked on within the financial year.

In October 2021 a collaboration agreement was signed between Lancaster City Council and Lancashire County Council for a long-term collaboration which will develop south Lancaster to stimulate growth in the region. The agreement plans to deliver c10,000 homes and use the developer contributions alongside agreed grant funding from Homes England (HE) to develop new and existing highways infrastructure. The delivery programme amount for 2022/23 covers the preliminary costs for the programme, including land acquisition fees, design fees and planning costs.

Vehicles

The vehicles capital programme has a 2022/23 delivery programme of £4.441m and contains approximately 37 projects to be worked on within the financial year.

The delivery programme amount of £4.441m is to purchase 112 vehicles, the majority of which are pre-planned for 2022/23 delivery, however some vehicles will be slipped delivery from 2021/22. The 112 planned vehicles include 21 minibuses, 24 vans, 11 general purchase trailers and 9 tippers.

The supply chain issues experienced in the last couple of years have been taken into account when drawing up the expected delivery for 2022/23.

Transforming Cities Fund (TCF)

The TCF capital programme has a 2022/23 delivery programme of £15.250m and contains 3 projects to be worked on within the financial year.

The delivery programme for TCF has been set in line with the budget amounts included as part of the grant agreement. Significant spend is expected as the 3 schemes approach critical delivery milestones. The largest scheme in 2022/23, Transforming Ringway, is forecast to spend £10.000m.

Discussions between the council and the Department for Transport (DfT) were held in December 2021 regarding the reprofiling of the budget due to forecasted slippage, the outcome of these discussions are still outstanding and should the budget profile change, this will be reflected in the finalised 2022/23 delivery programme agreed in May 2022.