

Report of	Meeting	Date
Director (Finance) (Introduced by Executive Member (Resources))	Executive Cabinet	14/11/24

Is this report confidential?	No
------------------------------	----

Is this decision key?	No
-----------------------	----

2024/25 Corporate Capital Programme and Balance Sheet Monitoring Report Outturn Position as at 30th September 2024

Purpose of the Report

1. This report outlines the financial position of the Council in respect of the Capital Programme as at 30th September 2024, highlighting key issues and explaining key variances, and to provide an overview of various elements of the Council's Balance Sheet as at 30th September 2024.

Recommendations to Executive Cabinet

2. To approve the revised Capital Programme, as attached at **Appendix A**, which includes approved amendments to the programme of £0.754m as detailed at point 12 of this report.
3. To consider the variations to the programme (which are detailed by scheme at **Appendix B** and referenced within the body of the report).
4. To note the position in the Balance Sheet Monitoring section of the report, in respect of cash, investment and loan balances, and debtors as at 30th September 2024.

Reasons for recommendations

5. To ensure the Council's Capital Programme is monitored effectively.

Other options considered and rejected

6. None, as it is good practice to report regularly on the Capital Programme and the monitoring of the Balance Sheet.

Corporate priorities

7. The report relates to the following corporate priorities:

Housing where residents live well	A green and sustainable Borough
-----------------------------------	---------------------------------

An enterprising economy with vibrant local centres in urban and rural areas

Healthy, safe, and engaged communities

Background to the report

8. The Capital Programme for 2024/25 was set at £19.448m in February 2024. This was decreased to £15.253m following approval of the 2024/25 outturn position, and then increased to £16.152m following Executive Cabinet approval in October 2024.
9. Following the changes detailed in this report, the total programme for 2024/25 now stands at £13.343m, the details of which are shown in **Appendix B**.

Section A: Capital Programme

Key issues

10. The total cost of the Council's Capital Programme for 2024/25 has decreased since the last report was approved by Executive Cabinet, **from £16.152m to £13.343m**. A summary of the total costs of the programme, and the funding of these, is detailed at **Appendix A**.
11. The breakdown of the net decrease in the programme of **£2.809m** is detailed in **Appendix B**. The net variation includes those variations approved since the previous monitoring report, together with variations in respect of the re-profiling of budgets within the existing programme.
12. Budget variations approved since the last Capital Monitoring report have resulted in a total increase of £0.754m in the programme. The table below details the changes.

Scheme Name	Increase / (Reduction) 2024/25 £'000	Increase / (Reduction) 2025/26 and future years £'000	Virement From	Virement To	Approved by	Date approved
An Enterprising Economy With Vibrant Local Centres In Urban and Rural Areas						
Chorley Bus Station			25		This report	14/11/2024
Chapel Street				50	This report	14/11/2024
Euxton Private development - retail units			25		This report	14/11/2024
Housing Where Residents Live Well						
Afghanistan Refugee Resettlement Programme	654				Council	17/09/2024
Health, Safe and Engaged Communities						
Astley Hall	100				Council	17/09/2024
Total	754	-	50	50		

13. A review and re-profiling of budgets between years has been undertaken. The total movement of budgets from 2024/25 into 2025/26 and future years amounts to **£3.563m**. The movements are shown in **Appendix B** and explanations are contained in the major variations section of the report that follows.

Scheme Name	Slippage and reprofiling of budget (to)/from future years £'000
An Enterprising Economy With Vibrant Local Centres In Urban and Local Areas	
Asset Improvements	250
Levelling Up	(3,676)
Green And Sustainable Borough	
Fleet replacement	(137)
Total	(3,563)

As at 30th September 2024 the actual capital expenditure across the programme was £2.507m.

Major variations in the 2024/25 Capital Programme since the previous report

An Enterprising Economy with Vibrant Local Centres in Urban and Local Areas

14. Asset Improvements - £250k of budget for the scheme has been brought forward from 2025/2026 into 2024/2025. This is to fund CCTV installation and the ongoing bus shelter replacements.
15. Chapel Street - Work has started on the scheme but as the original budget is insufficient for the works required, £25k has been vired into the scheme from the Chorley Bus Station scheme and £25k from the Euxton Private Developments scheme to fund the additional costs.
16. Levelling Up Fund - A net amount of £3.676m has been re-profiled from 2024/25 into 2025/2026. The project has now been split into five different schemes; Bengal Street, Relocation of Bengal Street (Ackhurst), Bengal Street – residential, Civic Square, and Community and Health Hub. Anticipated expenditure for 2024/2025 is £1.956m which will large be on development and design fees. Consultation with residents is underway which will help inform budgets going forward.

Green and sustainable borough

17. Fleet replacement- £137k has been re-profiled from 2024/25 into 2025/2026. Discussions are still taking place regarding the most appropriate and cost-effective vehicles to acquire for the Council for the longer term.

Housing Where Residents Live Well

18. Afghanistan Refugee Resettlement Programme- £654k of grant has been awarded to the Council from the Local Authority Housing Fund. The grant is to fund the purchase of three properties within the Chorley area and the adaptation of commercial units into temporary accommodation in Gillibrand Street.

Health, Safe and Engaged Communities

19. Astley Hall – the Council has been awarded a grant of £100k from the Wolfson Foundation to support renovations to the West Wing of Astley Hall.

Section B: Balance Sheet Monitoring

Overview

20. Strong Balance Sheet management assists in the effective use and control over the Council's asset and liabilities. Key assets comprise of the Council's tangible fixed assets, debtors, investments and bank balances, and key liabilities include long and short-term borrowing, creditors, and reserves.

Non-current Assets

21. Tangible, non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. One fifth of all assets are re-valued every year, and annual reviews are undertaken to establish whether any impairment or other adjustments need to be applied. New assets and enhancements to existing assets are managed through the Capital Programme as reported in **Appendices A and B**.

Borrowing and Investments

22. Long-term borrowing requirements flow from the Capital Programme. Regular dialogue and meetings take place between the Director of Finance, her staff and the Council's independent Treasury Consultants, Link Treasury Services, and options for optimising treasury management activities are actively reviewed.

23. Both short and long-term borrowing interest rates have risen over the last few years following increases in the Bank of England Base Rate from 0.1% in April 2020 up to the rate of 5.25%. The current rate of interest is 5% which is higher than that assumed in the budget for both interest payable and interest receivable on investment and cash balances. The key variances compared to budget are a £154k forecast overspend on debt interest payable, offset by a forecast over-recovery on investment income of £230k. There is also an overspend on the Minimum Revenue Provision (MRP) budget of £44k due to the mix of funding used to fund the Capital Programme in 2023/24.

	Original Budget 2024/25 £000s	Forecast Outturn at 30th September 2024 £000s
Interest and Investment Income	(170)	(400)
Debt Interest Payable	2,476	2,630
Minimum Revenue Provision (MRP)	1,643	1,687
Total Net Borrowing Costs	3,949	3,917

24. The current borrowing and investment position, compared to the position at the same point last year, is as per the table below.

	As at 30 th September 2024	As at 30 th September 2023
Short term borrowing	£23.688m	£11.667m
Long term borrowing	£63.953m	£65.701m
Total Borrowing	£87.641m	£77.368m
Investments made by the Council	£8.000m	£5.000m
Cash Balances Held	£6.033m	£8.498m

Debtors

25. The Council has a corporate debt policy as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas as at 30th September 2024. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position as at 30 th September 2024 £000s	Position as at 30 th September 2023 £000s
Council Tax		
Expected Council Tax Collectable in 24/25 (23/24)	87,184	82,640
Current year balance outstanding	36,409	34,318
Previous years balance outstanding	5,653	4,901
Total Council Tax balance outstanding	42,062	39,219
Collection Rates Current Year	54.59%	54.91%
Business Rates		
Expected Business Rates Collectable in 24/25 (23/24)	28,764	25,907
Current year balance outstanding	11,450	11,454
Previous years balance outstanding	1,491	1,243
Total Business Rates balance outstanding	12,941	12,697
Collection Rates Current Year	54.97%	50.16%
Housing Benefit		
Overpayment balances outstanding	770	737
Sundry Debtors		
Balance Outstanding – General	318	440
Balance Outstanding – Commercial	1,174	1,158

26. Collection rates for Council Tax are broadly in line with the previous year whereas business rates collection is currently in advance of this time last year.

27. In respect of the figures above, the Council's share represents 9% of Council Tax income and 40% of Business Rates income.

28. The Sundry Debtors figure reflects the position compared to the same period last year. As debt ages, the provision required increases, as the likelihood of non-payment also increases the longer that debt is outstanding. In 2023/24 there were significant increases to the bad provision to ensure that all potential bad debts were covered. There is no proposed increase in bad debt provision at quarter two.

Climate change and air quality

29. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

30. Equality and diversity implications are considered within the budgets approved by Council as at February 2024.

Risk

31. Risks are broadly addressed in the body of the report however it is important to note that although the headline rate of inflation has decreased, we need to continue to closely monitor the impact of this on an individual project basis and any budget changes reported when necessary.

32. As noted in point 28 above, the risks around non-payment of debt can be significant. As a general policy, the accounts include a provision for bad debts that is calculated based upon the age of the debt. However, where additional information is available on specific debts, the policy is adapted accordingly.

Comments of the Statutory Finance Officer

33. The financial implications are contained within the body of this report

Comments of the Monitoring Officer

34. No comment.

Background documents

There are no background papers to this report.

Appendices

Appendix A – Capital Programme Summary

Appendix B – Scheme Variations

Report Author:	Email:	Telephone:	Date:
Neil Halton (Head of Finance)	Neil.Halton@chorley.gov.uk	01257 515151	18/10/2024
	Gail.Halton@chorley.gov.uk		18/10/2024

Gail Halton (Senior Management Accountant)		01257 515617	
--	--	-----------------	--