

Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	20 June 2019

PROVISIONAL REVENUE AND CAPITAL OUTTURN 2018/19

PURPOSE OF REPORT

1. To present the provisional revenue outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2018/19.
2. To present the provisional outturn figures for the 2018/19 capital programme and update the capital programme for financial years 2019/20 to 2021/22 to take account of the re-phasing of expenditure from 2018/19 and other proposed budget changes.
3. The accounts are provisional at this stage and are also subject to final checking and scrutiny by the Council's external auditor. Should there be any significant changes to the outturn as a result of this process a further report will be submitted to Executive Cabinet.

RECOMMENDATION(S)

4. Note the full year outturn position for the 2018/19 revenue budget and capital investment programme.
5. Request Executive Cabinet approval for slippage requests outlined in Appendix 2 of the report to finance expenditure on specific items or projects in 2019/20.
6. Request Council approval for the contribution of £162,000 from in-year revenue underspends to the Change Management Reserve to finance one-off redundancy and pension strain costs arising from transformation and shared service strategies.
7. Request Council approval for the contribution of £71,000 from in-year revenue underspends to finance the National Graduate Development Programme (NGDP) in 2019/20 and 2020/21.
8. Request Council approval for £55,000 to fund architect fees relating to requests from tenant liaison meetings requests and the costs of clerk of works at Market Walk Extension.
9. Note the 2018/19 outturn position on the Council's reserves outlined in Appendix 4.
10. Note the impact of the final capital expenditure outturn and the re-phasing of capital budgets to 2019/20 and approve the additions to the capital programme outlined in paragraph 70.
11. Request Council approval of the financing of the 2018/19 capital programme to maximise the use of funding resources available to the Council.

EXECUTIVE SUMMARY OF REPORT

12. There is a provisional underspend against the budget at year-end of £438k (as detailed in Appendix 1) prior to requests for slippage of committed items of £150k.
13. The provisional underspend excludes any variation to projected expenditure on investment items included in the budget in 2018/19. Details of the balances remaining at year end are shown in Appendix 3 and will be transferred into specific reserves and matched to expenditure in future years.
14. In the 2018/19 budget the expected net income from Market Walk after deducting financing costs is £1.059m. The final outturn position shows an underspend of £19k.
15. The capital outturn expenditure for 2018/19 is £24.8m.
16. The Council's Medium Term Financial Strategy proposed that working balances are to reach £4.0m over the 3 year lifespan of the MTFs to 2018/19 due to the financial risks facing the Council. As reported to Executive Cabinet in June, the target of £4m has been achieved as at 31 March 2018. Should the recommendations in this report be accepted, the forecast level of balances at 31 March 2019 will be £4m.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

17. To ensure the Council's budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

18. None

CORPORATE PRIORITIES

19. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

20. The current net revenue budget for 2018/19 is £17.84m. This has been amended to include approved slippage from 2017/18 and any transfers to/from reserves.
21. Appendix 4 provides further information about the specific earmarked reserves and provisions available for use throughout 2018/19.
22. A full schedule of the investment budgets carried forward from 2017/18 and the new (non-recurrent) investment budgets introduced in the 2018/19 budget are shown in Appendix 3 together with expenditure to date against these projects and any balances carried forward for use in future years (for capital items see Appendix 5).
23. The Council's approved revenue budget for 2018/19 included target savings of £200k from management of the staffing establishment. The full savings of £200k have been achieved for the year.
24. Following recommendations made in the December 2018 budget monitoring report, in-year revenue underspends have been set aside to fund the following items:
 - £100,000 to finance the next phase of CCTV infrastructure in the capital programme.
 - £60,000 to the Income Generation Reserve.
 - £210,000 to create a Council Tax Costs Bad Debt Provision.
 - £40,000 to the Market Walk income equalisation reserve.

SECTION A: CURRENT FORECAST POSITION – REVENUE

25. The net expenditure at the end of the financial year shows a provisional underspend against the Council's budgets of £288k (after taking requests for slippage and other special items into account). Details of the revenue outturn position are shown in Appendix 1 and requests for slippage are outlined in Appendix 2. The main variances over and above those previously reported to Executive Cabinet are shown in table 1 below.

ANALYSIS OF MOVEMENTS

Table 1 – Significant Variations from the Cash Budget

Note: Overspends/shortfalls in income are shown as ().

	£'000	£'000
Expenditure:		
Staffing Costs	18	
Waste and Recycling Contract	20	
External Contractors - Tree Work	22	
Transition Fund	30	
Financing of Waste Bins	25	
Council Events Programme	(29)	
Bad Debts Provision - Council Tax costs	(38)	
Bad Debts Provision – Investment Portfolio	(41)	
		7
Income:		
Planning Application Fees	24	
Parking Fees/Permits	17	
Disabled Facilities Grant Admin. Fee	<u>23</u>	
		64
Other:		
Housing Benefits	30	
Net Financing Transactions	74	
Business Rates	21	
Government Grants	44	
Community Infrastructure Levy (CIL)	20	
Other minor variances	<u>28</u>	
		217
Net Movement		288
Quarter 3 Net Forecast Underspend		0
Provisional Outturn Underspend 2018/19		288

Expenditure

26. The additional savings on staffing costs of £18,000 shown in table 1 above reflects the changes from the position reported to the end of December in the last monitoring report. The main changes are as a result of vacant posts, predominantly from the Customer and Digital directorate from vacant posts in Customer Transformation and Streetscene Services.

27. The Council's revenue budget for the outgoing waste contract with Veolia included a provision for the cost of an additional bin wagon required for 2018/19 together with an allowance for inflation for any additional properties in the borough. Following negotiations held with Veolia earlier this year, the charge for the additional bin wagon has been waived and in addition, Veolia agreed to no inflation for additional properties. The final outstanding contract charges have now been settled with Veolia and this has resulted in a further saving of around £20,000 for 2018/19.
28. One area where the Council has managed to reduce its costs over recent months is in the use of external contractors for grounds maintenance and tree works. As a result of streamlining procedures and improving efficiency, the Streetscene team has carried out more of these works in-house therefore reducing the need to use external contractors. This has resulted in a saving of around £22,000 for 2018/19.
29. In 2017/18 the Council paid a sum of £30,000 to Coppull Primary School and Nursery to support the provision of universal services following reductions in funding from Lancashire County Council. The sum paid by Chorley Council was agreed as transitional funding to prevent any immediate impact and enable a fuller assessment including consideration of alternative models of service delivery. The revenue budget for 2018/19 included a further provision of £30,000 on the assumption this funding would continue for a further 12 months. However, after further discussions with the school it was agreed that the Council's funding was not required in 2018/19.
30. The council now charge for all replacement bins. Income budgets were adjusted in 2018/19 to reflect this. The £25k variance is due to a shortfall in income resulting in a third of replacement bins issued not being charged for. It is expected that income will be higher in 2019/20 as the new technology aids decision making in charging for bins.
31. The Council's events programme has a net overspend of around £29,000 compared to the revenue budget for 2018/19. It was originally proposed that the Picnic in the Park and Astley Bonfire events were taken out of the schedule to save money and ensure that capacity and resources were directed towards the larger events. However, these were retained in the programme for 2018/19 and this accounts for around £18k of the reported overspend. The Christmas Ice Rink returned for 2018 and proved to be much more popular than the Helter Skelter in 2017. However, this was also proved to be more expensive due to higher rental and running costs. A breakdown of the expenditure and income for the main events in 2018/19 is shown below.

Event	2018/19 Budget £'000	2018/19 Expenditure £'000	2018/19 Income £'000	2018/19 Outturn £'000	2018/19 Variance £'000
Chorley Flower Show	40	136	(106)	30	10
Chorley Grand Prix	30	38	(8)	30	0
Picnic in the Park	0	8	(1)	7	(7)
Astley Park bonfire	0	11	0	11	(11)
Christmas Attraction	14	40	(5)	35	(21)
Totals	84	232	(119)	113	(29)

To mitigate the risk of potential overspend against the 2019/20 budget, the Chorley Grand Prix, which continues to have high running costs, has been replaced by the Chorley 10k event which has lower set up costs and provides an opportunity to offset those costs through income generation.

32. As previously detailed in the quarter 3 monitoring report to Executive Cabinet in February, an estimated contribution of £210,000 was made to create an initial bad debts provision (BDP) in respect of Council Tax costs arrears for potential non-recovery of the debt. Once the

provision is created, any bad debts in future years would be written off to the provision each year instead of reducing the General Fund's income. In essence the council is incurring costs during 2018/19 that will be used to offset bad debts in future years. The final level of debt at 31 March 2019 has generated an increase in the required BDP resulting in an additional net cost of £38,000.

33. In line with the principal above, the level of debt outstanding for other non-council tax and housing benefit related debts (sundry debtors) is also reviewed at the end of March. The analysis of these outstanding debts showed an increase in the level of arrears for rental income relating to a number of properties in the Council's investment portfolio. Although the majority of these debts may still be recovered over time it is prudent to increase the provision for non-payment to mitigate against the risk of default. As a result, the bad debt provision for sundry debtors has been increased by £41k.

Income

34. Previous budget monitoring reports have highlighted the issue of falling income levels from planning applications for the first nine months of the year, resulting in a December forecast of around £458,000 for the year, £202k below budget. Income for the fourth quarter improved slightly, largely aided by a number of major applications, essential in order to achieve budgeted levels of income. This has helped to reduce the shortfall by £24k but still leaves the final income figure for 2018/19 at £178k below budget.
35. Income levels also improved over the fourth quarter for parking fees and permits, predominantly due to increased revenues for off-street parking permits. An additional £17,000 was received compared to the previous forecast made in December. This resulted in the combined outturn figures for parking fees and permits being in line with budgeted figures for 2018/19.
36. In 2018/19 the Council completed works to the value of £895k under the local authority's statutory duty to provide aids and adaptations under the Disabled Facilities Grant to those who qualify. As part of the arrangement, the Council is allowed to claim an administration fee calculated at 12.5% of all completed works during the year from July 2018 (previously 10%) and as the value of completed works was higher than previously forecast, this has generated an additional £23k income for 2018/19.

Other Items

37. The housing benefits payments budget is one area that historically has a significant impact on the Council's year-end financial position due to the nature of the costs being demand driven and the uncertainty over the level of overpayments recovered and their associated bad debts. By reducing the level of benefit overpayments due to fraud and claimant error, the Council is able to reduce the burden of outstanding debts and the level of bad debts provision. The level of outstanding debts has fallen in 2018/19 compared to the previous year and this has resulted in a reduced charge to the bad debts provision compared to the budgeted position. The forecast effect is a reduction in costs of around £30,000 for 2018/19.
38. The council continues to manage its cash flow to minimise the costs of borrowing and this has resulted in a further £74k saving to the council at outturn. The council closely monitors changes to interest rates on borrowing and will take long term borrowing when required and when it is most economically advantageous to do so.
39. As part of the Government's operation of the business rates retention system, some authorities pay a levy on the growth in their business rates. This levy is designed to meet the cost of safety net payments for those authorities that have seen a decline in their income below their individual baseline funding level. Levy income and safety net payments are credited and charged to the levy account, which is managed by MHCLG on behalf of local

government. As a result of growth in business rates collected by authorities in 2017-18 and the associated levy payments, there is a surplus of £195m in the 2018-19 levy account. The government has recently distributed the majority of this surplus to local authorities with Chorley Council receiving an allocation of £44,397.

40. The Council is permitted to use 5% of the income collected each year through the Community Infrastructure Levy (CIL) to cover the cost of administering CIL. The total CIL collected in 2018/19 was previously estimated to be around £2.6m, generating eligible CIL admin of around £130,000. The final figure for CIL Admin in 2018/19 was just over £150k and as a result, additional staffing and non-staffing expenditure previously expected to be covered through the base budget will instead be legitimately met through the CIL admin allocation therefore creating a further saving of around £20k in 2018/19.

Requests from Underspends

41. During 2018/19 the Council utilised a sum of around £260k from the Change Management Reserve to finance the one-off redundancy and pension strain costs as a result of the restructures already implemented. The balance remaining at year end is now around £152k and will not be sufficient to cover further staffing changes due to take place as part of the transformation and shared services strategies, so this reserve will need to be resourced correctly for the Council to fund these changes. It is therefore proposed that a sum of £162k is set aside from the 2018/19 revenue underspends to contribute towards these one-off costs.
42. The Council recognises that the next generation of middle and senior level leaders will be essential to the effective delivery of its objectives. The National Management Trainee (NMT), recruited through the LGA's National Graduate Development Programme, will commence a two-year fixed term contract from September 2019 and undertake three strategic placements within different service areas. The NMT provides the Council with additional corporate capacity, the opportunity to grow our own talent and consider future proofing, through succession planning. NMTs also have access to national networking and learning opportunities across different sectors, which will allow the Council to benefit from a wealth of best practice and knowledge. The cost is estimated at £71k for the 2 year placement.
43. The council continues to develop the internal specification of the extension to Market Walk to meet the requirements of tenants and potential tenants. To continue to meet these continued requirements the council will set aside £20k from 2018/19 underspends. In addition, the council has appointed a clerk of works to inspect the workmanship, quality and safety of work at the extension at a cost of £35k.

MARKET WALK

44. The budgeted net rental income from Market Walk after taking account of financing costs in 2018/19 is £1.047m.

Table 2: Market Walk Expenditure/(Income) 2018/19

	2018/19 Budget £	2018/19 Outturn £	2018/19 Variance £
Rental & Insurance Income	(1,774,100)	(1,755,383)	(18,717)
Operational Costs (excluding financing)	107,820	68,480	39,340
Market Walk Extension	0	125,680	(125,680)
Use of Asset Management Reserve		(124,568)	124,568
Net Income (excluding financing)	(1,666,280)	(1,685,790)	19,510
Financing Costs	619,730	619,730	0
Net Income (including financing)	(1,046,550)	(1,066,060)	19,510
Income Equalisation Reserve (Annual Contribution)	90,000	90,000	0
Asset Management Reserve (Market Walk)	90,000	90,000	0
Net Income	(866,550)	(886,060)	19,510

Income

45. Income is £18k under budget in 2018/19 due to two units becoming vacant during the year.

Expenditure

46. The shortfall in income is more than offset by underspends in expenditure budgets, these include underutilised maintenance and professional fees budgets. The expenditure outturn include the council's liabilities for NNDR and service charges on the vacant units.
47. The council incurred £124k of costs relating to the temporary car park work during 2018/19, this has been funded through the use of the Market Walk Asset Maintenance Reserve.

GENERAL FUND RESOURCES AND BALANCES

48. With regard to working balances, and as per Appendix 1, the Council started the year with a balance of £4.000m. The approved MTFS proposes that working balances are to reach £4.0m over the 3 year lifespan of the MTFS to 2018/19 given the budgetary challenges facing the Council. The impact of the initial provisional underspend, together with the in-year transfers to reserves, is a closing balance of £4.288m for working balances.
49. Should the recommendations in this report be approved, the forecast level of balances at 31 March 2019 will be £4m as detailed in table 3 below.

Table 3 – Movement in General Fund Balance

General Balances	£m
Opening Balance 2018/19	4.000
Forecast revenue budget underspend	0.288
Initial General Fund Closing Balance 2018/19	4.288
Change Management Reserve	(0.162)
National Graduate Development Programme (NGDP)	(0.071)
Market Walk Extension	(0.055)
General Fund Closing Balance 2018/19	4.000

50. Appendix 4 provides further information about the specific earmarked reserves and provisions available for use throughout 2018/19. Total earmarked reserves for specific purposes were £8.322m as at 31 March 2018. Some of the changes in year are as follows:
- There are a number of directorate initiatives which span more than one financial year or for which funds have been budgeted but not yet started. These reserves will ensure that such initiatives can be completed. The majority of these initiatives relate to ICT Services and include funding for specific ICT projects. These reserves also include revenue reserves to support the operation of Primrose Gardens Retirement Village and the Strawberry Fields Digital Office Park.
 - In 2018/19 £1.8m was utilised from reserves to fund the capital programme. The majority, £1.5m, was used to part-fund elements of the Market Walk Extension programme including the additional car parking at Friday Street, Park Road and Arley Street. £80k of reserves were used to part-fund the works to Coronation and Harpers Recreation Grounds and £170k was utilised to fund the investment in ICT projects. Despite this investment there remains £1.5m in reserves to fund future capital investment including play and open space, additional CCTV and improvements to the council's cemeteries.
 - In 2018/19 £260k from in-year underspends to supplement the change management reserve. £162k was utilised in year to finance the costs of staffing restructures in 2018/19 leaving £315k to be utilised in future years to fund any unavoidable expenditure relating to implementing the Council's Transformation Strategy.
 - Chorley Council continues to build up reserves to manage potential short-term contractions in the local economy as well as short-term reductions in retained business rates income. This is especially important given the economic uncertainty caused by Brexit and the future uncertainty in retained business rates that has resulted from the proposed changes

to the business rates system in 2020/21. The council has set aside a total of £640k at the end of 2018/19 to manage the impact of reductions in business rates and the 2019/20 budget approved an additional £300k to support local businesses and corporate priorities through whatever outcome of the Brexit process.

51. The combination of these changes and other movements to and from earmarked reserves has resulted in earmarked reserves of £6.075m, as at 31 March 2019. Coupled with general balances of £4m, the total balance at 31 March 2019 is £10.075m.

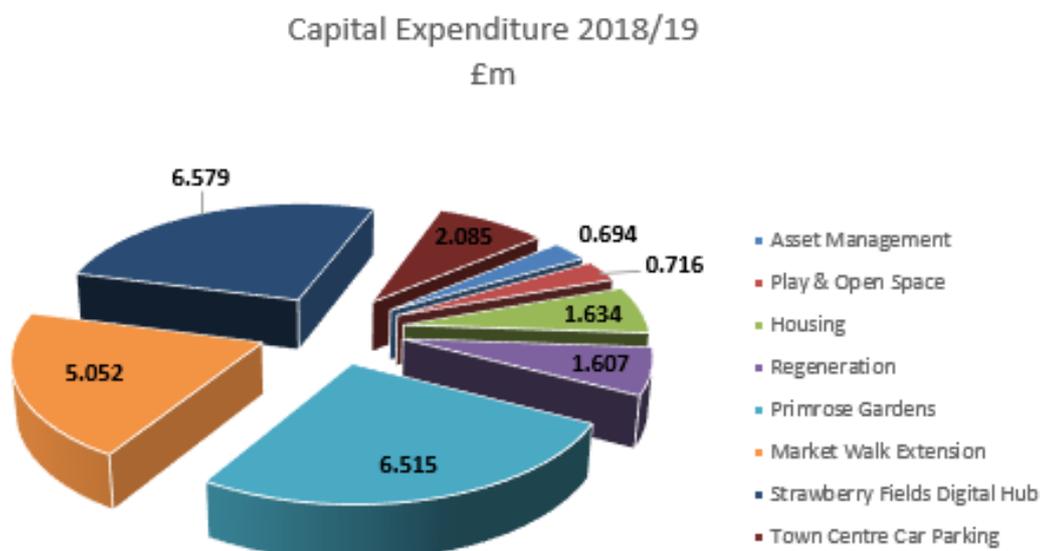
SECTION B: CURRENT FORECAST POSITION – CAPITAL

52. The changes to the capital programme budget are outlined below, these include the changes made as part of the capital budget approved at Full Council on 26 February 2019 and re-profiled budgets in quarter 4:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Original Budget	34.020	4.441	1.096	0.000	39.557
Q1 Adjustment	0.101	(0.101)	0.000	0.000	0.000
Q2 Adjustment	0.018	0.983	2.606	0.000	3.607
Q3 Adjustment	(1.825)	2.338	(0.000)	0.000	0.513
Q4 Adjustment	(7.432)	13.137	0.180	3.941	9.825
Revised Budget	24.882	20.797	3.882	3.941	53.502

Capital Expenditure 2018/19

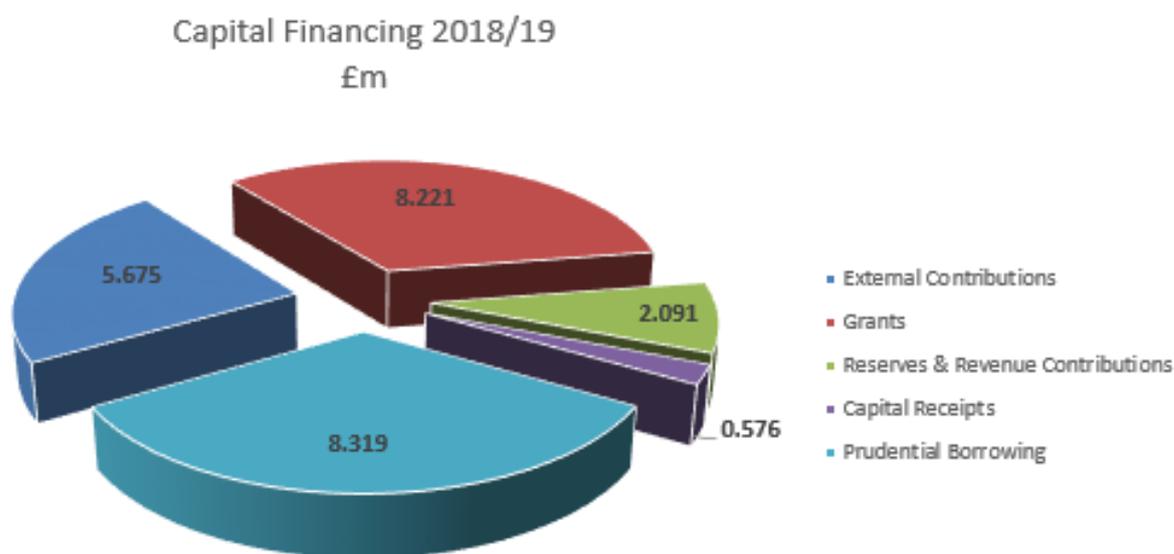
53. The chart below outlines the key areas the Council invested its capital expenditure in 2018/19



54. The majority of capital investment in 2018/19 related to the three major capital projects the council is undertaking:
- £6.5m of capital expenditure related to the Strawberry Fields Digital Office Park that was funded through £3.079m of ERDF grant funding and £3.5m of borrowing that will be repaid through the income generated by the new office space. The site is forecast to be fully operational by August 2019;
 - £5m was spent on the Market Walk Extension project that commenced the main build in October 2018 and is due to complete before Christmas 2019. In addition, the council has invested over £2m in providing additional parking spaces including new decked parking on Friday Street;
 - The Primrose Gardens Retirement project reached practical completion in March 2019. The retirement village will become occupied in 2019/20 and is in huge demand. The expenditure in 2018/19 was part funded through £3m of grants from Home England and LCC, the remaining costs will be met through borrowing however this borrowing will be replaced by commuted sums from developers in the coming years.
55. As well as Primrose Gardens the council has invested £926k of Disabled Facilities Grants to provide adaptations to the homes of Chorley residents who have disabilities. The council also purchased five houses in the borough to provide affordable housing.
56. The council continues to regenerate the borough in other ways including the investment in the restoration of Bank Hall, continued investment in Astley Hall and the surrounding park and car park and works to the town centre.

Capital Financing 2018/19

57. The Council has invested in a number of key areas including housing, economic regeneration and play and open space. The Council has financed this expenditure through several different sources outlined in the charts below.



£8.2m External Grants Utilised in 2018/19

The Council has been successful in securing £3.2m from Homes England towards the costs of improvements to the Primrose Gardens development and utilised the final £3m in 2018/19. A further £3.75m was secured from the remaining tranche of European Regional Development funding to part fund the

Strawberry Fields Digital Office Park, with a draw down of £3m being made in 2018/19. The council also received £2.2m from the Heritage Lottery Fund towards the renovation of Bank Hall in Bretherton with £1.1m utilised in 2018/19. Finally, the council utilised £857k of Disabled Facilities Grant income to adapt the homes of Chorley residents who have disabilities.

The council has utilised over £5.16m of s106 contributions received from developers to fund improvements in various projects. The majority was committed to the extension of Market Walk Shopping Centre and additional parking within the borough. The

council continues to utilise s106 to improve its play and open spaces. In 2018/19 £347k was committed to these schemes including c.£300k investment in Coronation Recreation Ground.

£5.6m External Contributions in 2018/19

£8.3m Prudential Borrowing in 2018/19

The Council used £8.319m of prudential borrowing to fund capital expenditure in 2018/19. The majority of this funding is temporary and will be replaced by other sources. £3.4m borrowing to fund works to the Strawberry Fields Digital Office Park and £600k borrowing to fund the Market Walk Extension project will

be funded through future income streams generated from these sites. £3.5m of prudential borrowing towards works to Primrose Garden Retirement Village are to be funded through developer contributions that have been identified but are not yet payable to the council.

Fund	Original Budget 2018/19 £m	Quarter 1 2018/19 £m	Quarter 2 2018/19 £m	Quarter 3 2018/19 £m	Quarter 4 £m	Changes £m
External Contributions	10.107	10.107	10.195	9.147	5.675	(4.432)
Grants	8.685	8.685	8.319	8.294	8.221	(0.464)
New Homes Bonus	0.400	0.400	0.355	0.355	0.174	(0.226)
Earmarked Reserves	2.314	2.314	2.374	2.579	1.888	(0.426)
Revenue	0.023	0.023	0.023	0.040	0.030	0.007
Capital Receipts	0.981	0.981	1.036	1.036	0.576	(0.405)
Borrowing	11.511	11.612	11.907	10.864	8.319	(3.293)
Capital Financing 2018/19	34.020	34.122	34.209	32.314	24.882	(9.240)

Capital Projects (excluding the major projects described previously)

Customer & Digital - £1.575m

58. To enable the organisation to deliver its corporate and transformation strategies the council has invested £410k in the implementation of new **ICT infrastructure** (£391k in 2017/18). This includes the procurement and installation of new network and wireless infrastructure. The council will continue to invest in its ICT infrastructure in 2019/20 with £47k budget carried forward into the new year.
59. The council will receive up to £2.2m from the Heritage Lottery Fund towards the renovation of **Bank Hall** in Bretherton. In 2018/19 £1.1m of this funding was drawn down. Works on site are progressing well, with major elements of reconstruction now completed. Whilst good progress is being made there have been some delays dating back to the winter of 2017/18 where severe weather conditions caused a delay of around 3 months. Further delays have resulted from technical difficulties with works to the tower, which has meant that the target completion for the shell repair works is now set at the end of April 2019 with fit-out scheduled for completion by the end of September 2019. The new forecast completion timetable has been agreed by the HLF. The remaining carried forward budget to 2019/20 is £592k.

Policy & Governance - £0.159m

60. Expenditure on the **Astley Hall and Park** project was £159k in 2018/19 including £50k improvements to Hall Gate car park and £87k to create the Garden of Reflection. As per the budget report approved by Full Council in 26 February 2019, the project has expanded in 2019/20 onwards to include £900k budget for conservation works and to improve the customer experience at Astley Hall. In addition, £400k budget has been approved to provide Adventure Golf at the park and £250k has been allocated to make improvements to Ackhurst Lodge.

Business, Development & Growth - £22.204m

61. The council has invested £0.211m in **council owned assets** including £75k in improvements to and additional CCTV, £14k improvements to lighting at the Covered Market and £14k decoration of Market Walk – charged to tenants. The council will continue its investments in 2019/20 including £125k in CCTV improvements, £120k for improvements to the Council chambers and £1m to improvements at Union St that will provide more efficient use of office space and importantly it will improve the customer experience when visiting these offices.

Play and Open Space - £647k

62. The council continues its commitment to securing great play and open space facilities by committing its own resources along with applying developer contributions in accordance with the authority's Play and Open Space strategy. As such, several schemes were completed in 2018/19 with many projects to follow in 2019/20.
63. Significant improvements were made to **Harpers Lane** and **Coronation Recreation Grounds**. Total investment was £587k (£199k Harpers plus £388k Coronation). Funded from a combination of resources including £208k council resources, £300k of developer S106

contributions and external funding received by Sport England (£50k) and the Lancashire Environment Fund (£30k). **Harpers Lane** has seen improvements to the ball court, paths and fencing and railings to the bowling green. **Coronation Recreation** ground has had a broad array of improvements including an improved tennis court, a fitness trail and improved play facilities for both toddlers and older youths.

64. £40k of developer contributions were transferred direct to **Euxton Parish Council** to part-fund the refurbishment of **Greenside Play Area** and £7k was transferred to the **Mawdesley Millennium Green Trust**.
65. The budget for 2019/20 is £1.315m and includes investments in play and open spaces across the Borough such as:
 - Wigan Lane Playing Pitches
 - King George V Recreation Ground
 - Kem Mill Playing Pitch
 - Wymott Park Play Area
 - Delph Way Play Area
66. Further details of the larger projects within the play and open space strategy will be brought to cabinet for approval, larger projects split into phases with no phase beginning until all the relevant s106 contributions have been received.
67. The council have approved a £2.7m budget for improvements to the **West Way Playing Fields**. The project will fund:
 - Changing facilities which meet the Football Association and Sport England Standards with an enhanced entrance off West Way and associated car parking;
 - A fenced Artificial Grass Pitch (AGP) which meets Football Association standards;
 - Pitch drainage improvements
 - Enhanced events car parking to support large events in Astley Park.
 - Works to pathways that will provide a link between Astley Park and the new playing fields
68. The council has purchased 5 affordable homes in 2018/19 at a cost of £707k. These will be used to meet the council's **Syrian Refugee Resettlement Programme**. A further five properties will be purchased in 2019/20.

Additions to the Capital Programme

69. The additions to the capital programme that have already gained approval though the budget report to Full Council on 26 February 2019 are as follows:
 - £1.5m additional budget for Astley Hall and Park to fund conservation works and improvements to the customer experience as well as the park including Ackhurst Lodge
 - £1.3m additional budget to fund works to Union St and the Town Hall
 - £0.485m to create lettable spaces at the vacant unit above Iceland in Market Walk
 - £1.750m additional budget to fund the ambitious programme of improvements at West Way Playing Fields

- £0.570m additional budget to purchase 239 Preston Rd

70. It is requested that Council approve the following additions to the capital programme:

- £55k increase in the **Market Walk Extension** to fund additional internal design adjustments to the shopping centre at the request of tenants and to fund the appointment of the clerk of works. This will be funded through 2018/19 revenue underspends.
- **Whittle Surgery** – a report regarding this site is also on this Executive Cabinet agenda. In addition to the approved budget for the purchase of the site, a request for £195k has been made to fund a PCSA contract with project management costs. This will be funded through CIL and prudential borrowing, the latter being met through the future income from the site.
- Additional £101k to the **DFG** budget in 2019/20 to match confirmed allocation of £774k for 2019/20

71. If all approvals to the capital programme outlined in paragraph 70 are agreed the budgets will be as follows:

	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m
Total Budget	24.882	21.148	3.882	3.941	53.853

IMPLICATIONS OF REPORT

72. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

73. The financial implications are contained within this report

COMMENTS OF THE MONITORING OFFICER

74. No Comment

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Bond/James Thomson	5488/5025	17/07/18	***