

CAPITAL PROGRAMME 2022-2025**Capital expenditure**

In 2022/23, the Council is planning capital expenditure of £35.691 million as summarised below:

Table 1: Estimates of Capital Expenditure in £ thousands

| | 2020/21 Actual £'000 | 2021/22 Forecast £'000 | 2022/23 Budget £'000 | 2023/24 Budget £'000 | 2024/25 Budget £'000 |
|--------------------------------------|----------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| Health and Adult Social Care | 976 | 2,424 | 2,890 | 1,867 | 1,867 |
| Children, Young People and Education | 1,948 | 6,346 | 6,827 | 2,013 | 263 |
| Environment | 1,573 | 3 | 609 | - | - |
| Public Health and Wellbeing | 2 | 304 | - | - | - |
| Growth and Development | 14,160 | 10,680 | 17,092 | 19,176 | 15,162 |
| Digital and Customer Services | 711 | 1,568 | 2,623 | 362 | 282 |
| Finance and Governance | 1,703 | 3,608 | 900 | - | - |
| Portfolio Spending | 21,073 | 24,933 | 30,941 | 23,418 | 17,574 |
| Corporate ICT | - | 268 | - | - | - |
| Vehicles | - | 532 | 1,300 | 700 | 1,000 |
| Corporate Property Investment | - | - | 1,950 | 1,900 | 1,900 |
| Earmarked Schemes* | - | 800 | 3,250 | 2,600 | 2,900 |
| Asset Management | - | - | 1,500 | 1,500 | 1,500 |
| Contingent Schemes** | - | - | 1,500 | 1,500 | 1,500 |
| Total Capital Expenditure | 21,073 | 25,733 | 35,691 | 27,518 | 21,974 |

* **Earmarked schemes** – These are programmes that the Council is committed to undertaking. As specific schemes are identified, reports are prepared to obtain appropriate approvals and budgets are allocated to portfolios.

** **Contingent schemes** – These are schemes or programmes the Council may wish to undertake in future years if proposals are affordable. Detailed proposals and business cases will be required.

The programme is predominantly comprised of existing commitments including investment in:

- our local transport plan
- aids and adaptations through provision of disabled facilities grants
- regeneration of the borough, including our scheme at Blakey Moor to enhance the town centre in Blackburn and support the improvement of leisure facilities and a night time economy, Blackburn town centre redevelopment of the former Thwaites site and various schemes across Darwen following the successful bid of up to £25M of Towns Fund grant
- facilitating housing and business growth
- support of continued investment in IT services to underpin our 'digital first' approach to delivering efficiencies and in turn, cash savings
- support of our accommodation review which again will drive efficiencies and savings through rationalisation and a more cost effective use of space.
- schools capital programme existing schemes and creation of additional school places required within the Borough

Allocations are included for:

- potential investment in existing assets

Within the capital programme there is also a Property Investment Fund, which enables the Council to invest in land and property should the opportunity arise.

Before projects are allocated funding however, they are subjected to a rigorous business case approval process and detailed Member reports are produced in line with financial procedures as required.

These schemes will require strong project management and effective monitoring to ensure they are achieved on time and within budget. Failure to deliver against budget on such large schemes could lead to potential overspends which could impact on the overall future capital programme, as additional costs could put pressure on the funding available for delivery of other schemes within the programme. To mitigate this risk, sound systems of internal control are in place with project boards established to provide the necessary governance structure, ensuring appropriate and timely reporting mechanisms.

Further details of individual capital schemes included within the Council's capital programme are included in **Appendix 6A**.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ thousands

| | 2020/21 Actual £'000 | 2021/22 Forecast £'000 | 2022/23 Budget £'000 | 2023/24 Budget £'000 | 2024/25 Budget £'000 |
|--------------------------------|----------------------------|------------------------------|----------------------------|----------------------------|----------------------------|
| Government Grants | 8,309 | 16,363 | 15,160 | 13,506 | 8,062 |
| External Contributions | 6,100 | 913 | 202 | - | - |
| Revenue Contribution | 129 | 2,329 | 6,351 | 4,020 | 2,380 |
| Borrowing | 6,335 | 6,128 | 12,678 | 9,292 | 10,532 |
| Leasing | - | - | 1,300 | 700 | 1,000 |
| Total Capital Financing | 21,073 | 25,733 | 35,691 | 27,518 | 21,974 |

Planned asset disposals

The Asset Management Group monitors asset disposals and generation of capital receipts throughout the year. Capital receipts are generated through the sale of land and property no longer used by the Council and / or in order to facilitate commercial or housing development.

The MRP estimates that are included within the Council's 2022/23 Budget and MTFS are based on the following estimates of capital receipts:

| | 2020/21 Actual £'000 | 2021/22 Forecast £'000 | 2022/23 Budget £'000 | 2023/24 Budget £'000 | Future Years Budget £'000 |
|-------------------------------|----------------------------|------------------------------|----------------------------|----------------------------|------------------------------------|
| Disposal of Land and Property | 1,968 | 5,000 | 3,445 | 3,145 | 32,075 |
| Sale of Investments | 1,081 | - | - | - | - |
| Total Capital Receipts | 3,049 | 5,000 | 3,445 | 3,145 | 32,075 |

The Council plans to continue to utilise the majority of any capital receipts generated from the disposal of land and property in support of the Minimum Revenue Provision i.e. to repay debt.

| | 2022/23 | 2023/24 | 2024/25 | Future Years |
|--|---------------|---------------|---------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| 1. Estimated Available Resources | | | | |
| Unsupported Borrowing | 12,678 | 9,292 | 10,532 | 3,627 |
| - Department for Education | 3,353 | - | - | - |
| - Department for Transport Grants | - | - | - | - |
| - Disabled Facilities Grant | 3,413 | 2,130 | 2,130 | - |
| - Towns Fund Grant | 5,978 | 11,376 | 5,932 | 464 |
| - Other Specific Grants | 2,416 | - | - | - |
| Government Grants | 15,160 | 13,506 | 8,062 | 464 |
| External Contributions | 202 | - | - | - |
| Revenue Contributions | 6,351 | 4,020 | 2,380 | 600 |
| Leasing | 1,300 | 700 | 1,000 | - |
| Capital Receipts | - | - | - | - |
| TOTAL ESTIMATED AVAILABLE RESOURCES | 35,691 | 27,518 | 21,974 | 4,691 |
| 2. Approved schemes | | | | |
| Health & Adult Social Care | | | | |
| Disabled Facilities Grant | 2,650 | 1,707 | 1,707 | - |
| Telecare Project | 240 | 160 | 160 | - |
| | 2,890 | 1,867 | 1,867 | - |
| Children, Young People & Education | | | | |
| Disabled Facilities Grant | 663 | 263 | 263 | - |
| Two Year Old Grant | - | - | - | - |
| Capital Grant Allocations (<i>schemes to be determined</i>) | 1,116 | - | - | - |
| Schools Programme- St Barnabas & St Pauls | 135 | - | - | - |
| Schools Programme- Shadsworth Heating | 247 | - | - | - |
| Schools Programme- Lammack School Extension | 1,550 | - | - | - |
| Schools Programme-Darwen East School Places Increase | 1,500 | 1,750 | - | - |
| Schools Programme- Longshaw Nursery Relocation | 500 | - | - | - |
| Schools Programme- Shadsworth Infants Extension | 200 | - | - | - |
| Schools Programme- Ashleigh Heating & Ventilation | 26 | - | - | - |
| Schools Programme- Ashworth Nursery Perimeter Fencing | 15 | - | - | - |
| Schools Programme- Audley infants (Nursery) Upgrade Fire Alarm | 19 | - | - | - |
| Schools Programme- Audley Infants Resurfacing Pathways | 15 | - | - | - |
| Schools Programme- Audley Infants Replacement of Fascias & Soffits | 41 | - | - | - |
| Schools Programme- Audley Replace Windows & Upstands to Lean to Roof | 45 | - | - | - |
| Schools Programme- Avondale Resurface Playground | 105 | - | - | - |
| Schools Programme- Belmont Replace Fire Alarm System | 23 | - | - | - |
| Schools Programme- Brookhouse Primary (Nursery) Replace Roof System | 56 | - | - | - |
| Schools Programme- Brookhouse Primary Replace Boilers | 30 | - | - | - |
| Schools Programme- Intack Primary Replacement of External Doors | 13 | - | - | - |
| Schools Programme- Longshaw Juniors Replace Fire Alarm System | 30 | - | - | - |
| Schools Programme- Lower Darwen Primary Heating Scheme | 158 | - | - | - |
| Schools Programme- Roe Lee Roofing, Upstandings & Windows | 146 | - | - | - |
| Schools Programme- Roe Lee Repairs to Service Road, Ext Areas & Auto Gates | 78 | - | - | - |
| Schools Programme- Shadsworth Juniors Replacement of Boilers | 30 | - | - | - |
| Schools Programme- Turton & Edgworth Upgrade Fire Alarm | 23 | - | - | - |
| Schools Programme- Meadowhead Infants Drainage Installations | 15 | - | - | - |
| Schools Programme- Lower Darwen Partial Replace Fire Alarm System | 12 | - | - | - |
| Education - Free School Meals Module | 36 | - | - | - |
| | 6,827 | 2,013 | 263 | - |
| Environment | | | | |
| Land Remediation Scheme | 104 | - | - | - |
| Blakewater Car Park | 230 | - | - | - |
| Prayer Shelter at Pleasington Cemetry | 275 | - | - | - |
| | 609 | - | - | - |

| | 2022/23 | 2023/24 | 2024/25 | Future Years |
|--|---------------|---------------|---------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Growth and Development | | | | |
| Bank Top and Griffin | 150 | - | - | - |
| Neighbourhood Intervention | 1,805 | 500 | 500 | 500 |
| Equity Loans/PALs Griffin | 100 | - | - | - |
| Empty Homes Cluster | 360 | - | - | - |
| Development Investment Fund | 500 | 500 | 500 | - |
| Assistance to Industry | 150 | 150 | - | - |
| Blakey Moor | 2,302 | - | - | - |
| Local Transport Plan | 979 | - | - | - |
| Land Release Fund | 759 | - | - | - |
| Darwen Tower | 108 | - | - | - |
| Darwen Towns Fund | 6,778 | 15,326 | 11,432 | 3,214 |
| Maple Grove Blackburn - Thwaites SPV | 245 | - | - | - |
| Carbon Management Plan | 67 | - | - | - |
| St John's Church Refurbishment | 450 | 1,350 | 1,640 | 100 |
| Griffin Lodge / Coach House | 200 | 100 | - | - |
| St John's Quarter | 500 | 750 | 1,090 | - |
| SE Blackburn (Junction 5 & Growth Corridor) Intervention Works | 1,639 | 500 | - | - |
| | 17,092 | 19,176 | 15,162 | 3,814 |
| Digital and Customer Services | | | | |
| Corporate ICT Finance System | 20 | - | - | - |
| Corporate ICT Core Infrastructure Programme | 100 | - | - | - |
| Corporate ICT Corporate Website | 26 | - | - | - |
| Corporate ICT Town Hall IT Infrastructure Update | 100 | - | - | - |
| Corporate ICT Digital Customer Portal | 240 | - | - | - |
| Corporate ICT Round Management System | 4 | - | - | - |
| Corporate ICT Microsoft Licence Agreement Server and Database | 126 | - | - | - |
| Corporate ICT Replacement HR and Payroll System | 306 | - | - | - |
| Corporate ICT Microsoft 365 and Unified Comms | 570 | - | - | - |
| Corporate ICT Transition to the Cloud | 112 | 42 | 42 | 42 |
| Corporate ICT Helpdesk for Everything | 108 | 80 | - | - |
| Corporate ICT Digital Customer Portal (Phase 2) | 240 | 240 | 240 | - |
| Corporate ICT Core Network Upgrade | 581 | - | - | - |
| Corporate ICT Intranet/iTrent | 90 | - | - | - |
| | 2,623 | 362 | 282 | 42 |
| Finance and Governance | | | | |
| Corporate Accommodation Strategy Phase 2 | 850 | - | - | - |
| Mill Hill Community Centre Roof | 50 | - | - | - |
| | 900 | - | - | - |
| TOTAL Approved Schemes | 30,941 | 23,418 | 17,574 | 3,856 |
| 3. Earmarked schemes | | | | |
| Corporate ICT | - | - | - | - |
| Corporate Property Investment | 1,950 | 1,900 | 1,900 | 835 |
| Vehicles Earmarked Scheme | 1,300 | 700 | 1,000 | - |
| TOTAL Earmarked capital reserves | 3,250 | 2,600 | 2,900 | 835 |
| 4. Contingent schemes | | | | |
| Asset Management Strategy | 1,500 | 1,500 | 1,500 | - |
| TOTAL Contingent capital reserves | 1,500 | 1,500 | 1,500 | - |
| TOTAL CAPITAL PROGRAMME | 35,691 | 27,518 | 21,974 | 4,691 |