Appendix B

# DRAFT Corporate Capital Strategy 2018/21


Borough of Pendle

## Revision Control Table

# Status

**This is a “read only” version controlled document with defined and limited distribution**

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# Change History

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# Approval Tree – Version 1.0

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| Name | Title | Date |
|---|---|---|
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## Contents                                                    Page

## Executive Summary

1. The aim of this Corporate Capital Strategy is to provide for a balanced, sustainable capital programme over the medium term planning period ensuring that limited resources are applied in the most effective, efficient and economical way to contribute to the achievement of the Council's Strategic Plan.

2. The production of a Corporate Capital Strategy is recognised as good practice in the proper financial management of a local authority.

3. The financial environment in which the Council operates remains extremely challenging. The reduction in funding from Central Government following successive Spending Reviews since 2010 is on-going as the Government continues with its plans to reduce the national budget deficit. The Government placed infrastructure investment at the heart of the Autumn Statement 2016 including the creation of the National Productivity Investment Fund. However, this is being directed primarily towards Transport (including HS2), Energy, Education, Communications and Flood Defences.

4. Within Pendle there has been a significant and ongoing reduction in capital grant funding from Government since the end of the Housing Market Renewal Programme in 2011 and the withdrawal of the Regional Housing Pot Capital Grant. Apart from the recycled receipts from the disposal of properties improved using both funding from HMR and the Homes and Communities Agency and grant funding for Disabled Facilities Grants, the Council's only capital resources will, in the main, come from prudential borrowing. Even then, this will depend on the affordability, prudence and sustainability of such borrowing in the context of a reducing revenue resource base.

5. Whilst the availability of capital funds continue to decline there continues to be demand for capital investment. Apart from the normal renewal and replacement of existing assets, there is a continuous need for improvement in the delivery of services and, at the heart of the Council's strategic objectives, the need for housing and economic regeneration in a number of areas within the Borough.

6. The Corporate Capital Strategy has been prepared in the context of the Council's strategic planning process and is based around the achievement of the Strategic Plan. But, it is also important to recognise there are fewer resources available to deliver projects.

7. The Strategy provides the broad framework for capital planning and monitoring. It sets out the key issues impacting on the Council's capital investment plans and how it is proposed to deal with them. The Council uses Service and Financial Planning to turn the broad strategy objectives into achievable operational plans. This approach provides a direct link between the Strategic Plan and service delivery.

8. Within the context of the strategic objectives, and in recognition of the limited capital resources available to the Council, the Corporate Capital Strategy has the following key investment priorities:-

- *Private Sector Housing Renewal*
- *Promoting, Enabling and Providing Regeneration*
- *Enabling Economic Growth*
- *Corporate and Service Asset Renewal*
- *Invest to Save / Transformation Projects*

9. This document also includes at Appendix 1, the proposed strategy for the flexible use of capital receipts over the period 2018-20 as permitted under statutory guidance issued by the Department for Communities and Local Government in 2016.

10. The Council employs a capital investment prioritisation process to ensure that resources are directed where possible towards these investment priorities.

11. Whilst the draft capital programme proposed for 2018/19 is balanced, the Medium Term Capital Programme to 2020/21 shows a funding shortfall when compared to the level of capital bids. In the absence of additional funding capacity, the Council will, therefore, need to look innovatively at ways in which capital investment can be sustained but remain affordable.

12. Recognising that capital resources are limited, the Council has developed a range of partnerships through which capital investment has been secured. These include partnerships with other public authorities, such as Lancashire County Council, Lancashire Enterprise Partnership (LEP) and funding agencies such as the Homes and Communities Agency and the Heritage Lottery Fund. Going forward, the Council will need to work with partners, particularly in the private sector, to ensure that it can exploit funding streams such as the Local Growth Fund, European funding and, as it emerges, the Northern Powerhouse Investment Fund.

13. The Council has a well-established strategic partnership with Barnfield Investment Properties through which it has formed three joint venture companies called Pendle Enterprise and Regeneration Ltd (PEARL) together with PEARL 2 and PEARL (Brierfield Mill) Ltd. This was in response to the diminishing public sector capital resources for regeneration projects and is used to lever in private finance so that projects can be delivered.

14. Finally, once resources are allocated and the Capital Programme for the year is approved, it is the responsibility of the Executive to oversee the implementation of the Capital Programme.

# Borough of Pendle – Corporate Capital Strategy 2018/21

## 1. Introduction

1.1 This document sets out the Council's Corporate Capital Strategy for the three years 2018/19 to 2020/21.

1.2 The overall aim of this Strategy is to provide for a balanced, sustainable capital programme over the medium term planning period ensuring that limited resources are applied in the most effective, efficient and economical way to contribute to the achievement of the Council's Strategic Plan (and the wider objectives set out in the Sustainable Community Strategy for Pendle).

1.3 To achieve this aim, this Strategy document, amongst other things:-

a) provides details of the Council's current asset base and levels of backlog maintenance;
b) sets out the proposed Medium Term Capital Programme (MTCP) for 2018/21;
c) shows how the Council will prioritise its capital spending plans within the resources available;
d) indicates what action will be taken to maximise resources for capital spending;
e) provides examples of where the Council is working in partnership or using external funding to provide capital investment in the Borough.

1.4 The development of the Corporate Capital Strategy is an iterative process insofar as it will be updated as new issues arise, for example, during the development and updating of the Council's Strategic Plan or as new issues that have an impact on the Council emerge. At the present time, the Strategy is updated on an annual basis.

1.5 Whilst there is a close relationship between the MTCP and the Council's treasury management activities, this document does not consider treasury management policy or strategy. The Council's approach to treasury management is contained in the Treasury Management Strategy which is submitted for approval to the Executive annually in advance of each financial year.

1.6 This Corporate Capital Strategy sets out in broad terms the Council's approach to meeting community and service needs through its capital investment programme and how it will endeavour work with partners and external funding agencies to maximise capital investment in the Borough. The Council's priorities and objectives are set out in its current Strategic Plan (2015-18) which was last refreshed in March 2017. The Plan is supported by annual service plans.

1.7 The Capital Strategy describes how capital resources will be managed to ensure the maximum contribution to the achievement of these objectives. The financial implications of the strategy are reflected in the Medium Term Financial Plan (MTFP) and together the MTFP and this strategy provide an overview of how the Council's resources will be managed.

1.8 A key issue for the Council remains the affordability, sustainability and prudence of capital investment. In the current economic climate and the significant pressure on public finances, the Council will need to ensure that the limited capital resources available are used in the most efficient, effective and economic way to ensure proper outcomes for the residents of Pendle. Equally, it will need to explore other ways in which to deliver capital projects without creating an unsustainable financial burden for the Council.

## 2. Outline Strategy Context

Sustainable Community Strategy

2.1 Following the establishment of the Pendle Partnership, Pendle Borough Council worked with its partners to prepare a 15 year Community Strategy setting out a long term vision for the Borough. This was subsequently updated and the Partnership produced a Sustainable Community Strategy – *'Our Pendle, Our Future'* The Sustainable Community Strategy is an overarching strategy that is structured around the following strategic objectives covering a 10 year period 2008 -2018:

**Table 1: Sustainable Community Strategy Objectives**

| | **Sustainable Community Strategy Objectives** |
|---|---|
| 1 | Support confident communities that are socially cohesive, creative, tolerant and considerate of the need of all. |
| 2 | Create and sustain a dynamic, competitive and healthy local economy – providing the jobs of the future and the talents and skills to fill them. |
| 3 | Create a vibrant housing market offering a mix of high quality and affordable housing for all. |
| 4 | Create safer communities where people feel safe and crime continues to fall. |
| 5 | Improve health and wellbeing – help people to live long, healthy and independent lives. |
| 6 | Care for our environment – deepen our understanding and respect for out surroundings. |
| 7 | Care for our future generations – give our children and young people the best start in life and the opportunity to achieve their full potential. |
| 8 | Improve quality of life for older people – help them live their lives in the way they choose and to support their independent and active living. |

2.2 More details supporting these aims, including how we will measure progress to ensure we achieve them, can be found in the Sustainable Community Strategy a copy of which is available via the Council's website at www.pendle.gov.uk.

Strategic Plan

2.3 The current Strategic Plan is structured around four corporate objectives. These are as follows:-

**Table 2: Council Strategic Objectives**

| | Council Strategic Objectives |
|---|---|
| 1 | **Working with partners, the community and volunteers to sustain services of good value** (Strong Services) |
| 2 | **Helping to create and sustain jobs with strong economic and housing growth** (Strong Economy) |
| 3 | **Helping to create and sustain resilient communities** (Strong Communities) |
| 4 | **Maintaining a sustainable, resilient and efficient organisation which is digital by default** (Strong Organisation) |

2.4 Within the four strategic objectives, the Council plans to concentrate on the following headline actions:-

**Working with partners, the community and volunteers to sustain services of good value**

- Working with partners, the community and volunteers to provide sustainable, good value for money services at a lower cost base whilst striving to maintain customer satisfaction.

**Helping to create and sustain jobs with strong economic and housing growth**

- Working with partners, which includes the Lancashire Enterprise Partnership (LEP), to help create sustainable, accessible jobs so that businesses locate, grow and stay in Pendle and to provide business support and facilitate skills improvement.

- Enabling housing provision that meets local needs and aspirations in terms of quantity, quality, accessibility and affordability.

**Helping to create and sustain resilient communities**

- Working with partners to empower communities to become more self-sufficient whilst safeguarding vulnerable people.

**Maintaining a sustainable, resilient and efficient organisation which is digital by default**

- Maximise the potential of our workforce and be recognised as a leading employer

- Change the way we deliver services so that they meet changing customer demands in an efficient way and make the best use of our assets and technology, becoming Digital by Default.

2.5 The Strategic Plan is a ‘live’ document insofar as it is reviewed on an annual basis to determine whether priorities remain relevant and to roll the plan period forward. Following any review the Corporate Capital Strategy will also be reviewed to ensure that it is remains relevant to the Council’s strategic objectives.

## Strategic Plan, Priority Outcomes and Capital Investment

2.6 The Sustainable Community Strategy and Strategic Plan include various priority outcomes that the Council is working towards. Some of these involve capital investment which is reflected in the Council's Medium Term Capital Programme (where resources are available). It is important that the Council's capital investment is considered within the context of the wider strategic objectives of the Council.

## Financial Environment

2.7 The level of funding for capital investment has reduced significantly and expected to remain constrained over the medium term. The Government has made it clear in successive spending reviews since 2010 that its key priority is to reduce the national budget deficit. This remains a key objective for Government over the life of the current Parliament.

2.8 In 2010 the Government indicated that it expected self-financed capital expenditure by local authorities to fall by 17%. In support of this, interest rates on Public Work Loan Board loans were increased across all durations by 1% so that loan finance available to local authorities better reflects the availability of capital funding. However, since November 2012 eligible authorities have been able to obtain PWLB loan funding at a 'certainty rate', which is 0.2% less than prevailing rates. Even so, this net increase of 0.8% impacts adversely on the Council's cost of borrowing and comes at a time when there is already substantial pressure on the Council's revenue budget. The government's projected spending plans to 2020 show ongoing reductions in local government resources, particularly for District Councils.

2.9 There remain opportunities to bid for capital funding, including for example:-

- **Growth Deal Funding** – The Lancashire Enterprise Partnership (LEP) was successful in gaining c£70m from government to drive a range of new infrastructure, skills and regeneration projects across Lancashire including the proposed extension of the Lomeshaye Industrial Estate in Pendle.

- **European Structural and Investment Funds (ESIF)** – this includes money from the European Social Fund and European Regional Development Fund.

- **Lottery Funding** – An example being the Heritage Lottery Fund which the Council has successfully applied to for funding in the past. A common requirement with such funding is the need to provide matched funding.

- **Homes and Communities Agency** (HCA) – a developing area of funding for the Council with potential access to funding streams such as those linked to the provision of Starter Homes and the Large Sites and Housing Zones Capacity Fund.

2.10 With such funding streams there is always the risk that they take time to develop particular rounds or they can be oversubscribed or aimed at larger public organisations and hence they may not provide sufficient resources to meet the Council's outstanding investment needs and service objectives.

2.11 Given the funding constraints facing the Council there remains the need to look at alternative ways of securing capital investment in the Council's assets and the Borough generally. Apart from the continued development of partnership working with other public bodies, the Council's innovative joint venture arrangements with Barnfield Investment Properties remain a key enabler in delivering capital investment in the Borough.

## 3. The Service and Financial Planning Process

3.1 The Council has an established and integrated process for Service and Financial Planning. The Council recognises that resources are limited and in order to ensure that resources are directed towards the key strategic objectives, integrated service and financial planning is essential.

### Strategic Planning

3.2 As explained in Section 2, the Council has a Strategic Plan that has, at its foundation, four strategic objectives. The current Strategic Plan covers a period to 2018 and is reviewed annually to measure progress, review the relevance of existing expected outcomes and to review and update those outcomes to ensure they remain relevant for subsequent years.

### Service Planning

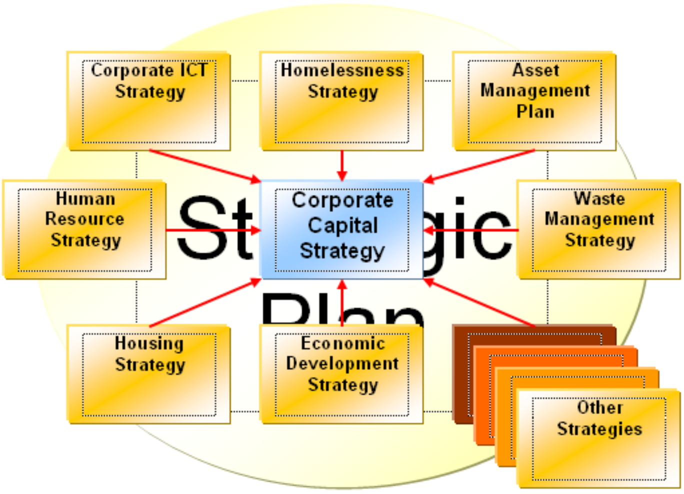
3.3 Following the revision of the Council's Strategic Plan, each Service is required on an annual basis to produce a Service Plan. Service Plans provide a detailed analysis of the work of each Service and the contribution it makes to deliver the priority outcomes in the Strategic Plan.

### Service and Financial Planning

3.4 Service and Financial Planning is essentially a mechanism for ensuring that the Council's limited resources are directed toward those activities that will ensure that the corporate priorities are achieved. Implicitly, it is also a process of redistributing resources away from those activities that are not priorities. The Service and Financial Planning Process brings together the Service Plans and the Council's budgetary process insofar as they set out the resources required to deliver services aimed at achieving the corporate objectives. The purpose of Service Plans is to ensure that the Council's resources are directed towards corporate priorities and therefore they are key to the service and financial planning process.

### Corporate Capital Strategy - Relationship with Other Strategies of the Council

3.5 It is important that the Corporate Capital Strategy is not considered in isolation from other Council Plans and Strategies. The diagram below illustrates that the Corporate Capital Strategy is influenced and influences other strategies of the Council but ultimately it is only one of several plans that are in place to ensure that the Strategic Plan objectives are achieved.




3.6 To demonstrate the linkages between the Corporate Capital Strategy and other Council strategies, some examples are provided below:-

- ***Housing Strategy*** – the bulk of the Council's capital investment in 2018/19 will be focused on the redevelopment of Brierfield Mill, the regeneration of brownfield housing sites, reducing the number of empty homes and significant expenditure on Disabled Facilities Grant;

- ***Economic Development Strategy*** – this is primarily focused on the redevelopment of town centres and landmark buildings (e.g. Brierfield Mill) together with the proposed extension of the Lomeshaye Industrial Estate as the Council's strategic employment site. As in recent years this strategy remains dependent on successful bids for limited external funding;

- ***Corporate Information, Communications and Technology Strategy (ICT)*** – much of the investment in ICT is funded by the Council's Strategic Service provider, Liberata. However, the Council is still required to fund the cost of replacement software packages etc. The key investment need over the next three years, apart from systems upgrades, will be in the development of services so that the Council's services become 'digital by default'.

3.7 As and when strategies are reviewed or renewed, consideration will be given to any capital investment implications that might arise and these will be considered annually as part of the overall service and financial planning framework.

# 4. The Council's Asset Base

The Council's Asset Base at 31st March 2017

4.1 The Council had the following Property, Plant and Equipment (PPE) assets as at 31st March 2017

**Table 3: Analysis of the Council's Assets**

| | Value of Assets at 31/03/17 £000 | No. |
|---|---|---|
| Operational Land and Buildings | 45,335 | 352 |
| Vehicle, Plant and Equipment | 765 | 81 |
| Community Assets | 54 | 5 |
| Assets in the course of Development | 1,889 | 70 |
| Non-operational (Surplus Assets) | 6,509 | 20 |
| Intangible Assets | 533 | 34 |
| Assets Held for Sale | 2,615 | 26 |
| Heritage Assets | 768 | 2 |
| **Total** | **58,468** | **590** |

Source: Statement of Accounts 2016/17

4.2 As the table above shows, the value of the Council's assets at 31st March 2017 was £58.5m. Points to note about the above analysis:-

- ***Operational Land and Buildings***, ***Vehicle, Plant and Equipment*** and ***Community Assets*** are used in the delivery of the Council's services; examples of the former include the council's offices and depot in Nelson and parks in the case of community assets.

- ***Assets in the course of development*** generally consist of properties acquired through regeneration schemes with the aim of enabling housing or commercial redevelopment.

- In addition to a number of small land/property assets, **Non-operational assets** comprise two areas of land (land at Gib Hill and land at Further Clough Head). These assets are not used in support of delivery of council services and are retained as they may have future development potential and help meet the council's requirements for supply of land for housing in the Borough. This category of assets includes a number that have formally been declared surplus by the Council but don't yet meet the criteria for them to be classified as assets held for sale (i.e. they are not being actively marketed).

Asset Management Planning

4.3 Alongside this Corporate Capital Strategy, an updated Asset Management Plan is being prepared which will, amongst other matters:-

- consider the most economic, efficient and effective use of all property assets

- align the use of property resources to the Council's strategic aims (where this is not already the case);

- achieve value for money from the property management activities whether by using capital or revenue resources or external funding;

- develop sustainable and environmentally responsible property management by ensuring long term needs are not compromised by short term considerations;

- facilitate the development of collaborative working arrangements with other public, private and voluntary bodies in the District/County in order to share best practice and explore common property objectives including emerging developments linked to the One Public Estate;

- ensure the service is responsive to customer needs and the changing national, local and service related agendas;

- where it is applicable, provide built environments which are safe, accessible for all users and comply with all relevant statutory requirements.

4.4 The key aim of the Asset Management Plan is to ensure that the Council has the right assets, which are properly maintained, to support the delivery of the Council's strategic objectives.

Condition of the Council's Asset Base (and level of Backlog Maintenance)

4.5 The condition of the Council's assets is the subject of continuous review with the costs of routine day-to-day repairs and maintenance covered in the Council's revenue budgets. Table 4 provides details of the level of backlog maintenance for the Council's assets assessed as at December 2017:

**Table 4: Level of Backlog Maintenance**

| | Level 1 £000 | Level 2 £000 | Level 3 £000 |
|---|---|---|---|
| Operational Assets | 100 | 219 | 268 |
| Non-Operational Assets | 16 | 199 | 77 |
| **Total** | **116** | **418** | **345** |

**Key: -**

Level 1: Urgent works that will prevent closure of premises and/or address an immediate risk to the health and safety of the occupants and mitigate the risk of breaching legislation

Level 2: Essential work required within 2 years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants.

Level 3: Desirable works required within 3-5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants.

4.6 Condition surveys of the Council’s assets were last undertaken in full during 2006. Since then, whilst there is a regular review of the Councils property assets, there is no scheduled programme of condition surveys.

4.7 On behalf of the Council, Liberata Property Services, review 20% (measured on a spatial basis) of the Council’s property assets annually (a 5 year rolling programme) to ensure that details of the condition of property assets are known to inform the development of planned maintenance schedules and, where applicable, the future capital programme.

## 5. Definition of Capital Expenditure

5.1 The Government's definition of capital expenditure is that which falls to be capitalised in accordance with proper practices (Local Government Act 2003). In support of this, the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) provides additional guidance on what constitutes capital expenditure together with CIPFA Guidance for Practitioners on Capital Finance. Officers of the Council must have regard to these sources of guidance and legislation when considering whether expenditure incurred by the Council can be capitalised.

5.2 Briefly, there are three routes by which expenditure can qualify as capital under the accounting framework for local authorities, namely:

- The expenditure results in the acquisition of, or the construction of, or the addition of subsequent costs to non-current assets (tangible e.g. buildings and intangible e.g. software);
- The expenditure meets one of the definitions specified in regulations made under the Capital Financing regulations (England) 2003;
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure (sometimes done for such things as costs associated with organisational changes or Single Status settlements)

5.3 Examples of capital expenditure include expenditure on the acquisition, reclamation or enhancement of assets (eg buildings, land, plant and machinery). It can include computer costs (for use over a period exceeding one year), grants to third parties, incidental costs involved in a capital project (e.g. officers' salaries and professional fees).

5.4 Excluded from the definition of capital are administrative and other general overhead costs. Costs will also be ineligible to the extent that they relate to activity that takes place prior to the intention to acquire or construct a fixed asset. Examples of this include the cost of option appraisals and feasibility studies that do not contribute to the scoping of the asset ultimately acquired/constructed.

5.5 It should be stressed that anything not considered to be within the definition of capital expenditure must be treated as revenue expenditure.

## 6. Capital Investment Priorities

Key Capital Investment Priorities

6.1 The Council's capital investment priorities will continue to be determined by the strategic objectives combined with a need to maintain assets for service delivery. Any capital investment undertaken by the Council must be affordable, prudent and sustainable. In recognition of this, it is considered that key capital investment priorities for the Council will consist of:-

- ***Private Sector Housing Renewal*** – this remains a priority for the Council given the condition of the housing stock within some areas of Pendle and the ongoing focus on reducing the number of empty homes in the Borough. However, the extent to which the Council has the financial capacity to deliver the renewal of private sector housing will largely depend on the receipt of external funding from the Government or related Agencies such as the Homes and Communities Agency (HCA);
- ***Promoting, Enabling and Providing Regeneration*** – the wider regeneration of Pendle remains a key capital investment priority for the Council. In previous years this has largely been driven by external funding. More recently, the Council has used its joint venture arrangement with Barnfield Investment Properties – PEARL and PEARL2 and more recently PEARL (Brierfield Mill) – as key vehicles for regeneration activity. This will continue to be the case where it remains viable to do so;
- ***Enabling economic growth*** – to support the growth of business and employment opportunities within the borough. A key priority is to bring forward the extension of Lomeshaye Industrial Estate as a strategic employment site in partnership with the Lancashire Enterprise Partnership and the County Council;
- ***Corporate and Service Asset Renewal*** – where resources permit we will continue investing in our own assets, primarily those employed in the delivery of services direct to the residents, e.g. parks and recreational facilities but also those that are used for administrative purposes. A key part of this is to provide adequate resources to ensure assets are safe to use and occupy;
- ***Invest to save / transformation projects*** – the Council has used its prudential borrowing powers to undertake projects which generate revenue savings. Recent examples of this include the acquisition of parts of the ACE Centre in Nelson and the acquisition of No.1 Market Street, Nelson. In addition there is now some scope to use capital receipts flexibly to fund expenditure on transformation type projects where they also deliver revenue savings.

6.1 Given these investment priorities, the Medium Term Capital Programme for 2018/19 (with indicative programmes for 2019/20 and 2020/21) is set out in the table below:-

**Table 5: Proposed Capital Programme for 2018/21**

| | Capital Bids 2018/19 £'000 | Proposed Capital Programme 2018/19 £'000 | *Capital Bids 2019/20 £'000* | *Capital Bids 2020/21 £'000* |
|---|---|---|---|---|
| Private Sector Housing | 3,256 | 3,096 | 760 | 710 |
| Asset Renewal | 1,341 | 937 | 302 | 262 |
| Area Committees | 276 | 276 | 170 | 170 |
| Other General Capital Schemes | 913 | 903 | 335 | 285 |
| Resource Procurement / External Funding | 2,472 | 2,472 | 400 | - |
| **Total Proposed Capital Expenditure** | **8,257** | **7,683** | **1,967** | **1,427** |

6.2 Where applicable, the Council will consider sustainable and environmentally responsible options when developing capital projects. This will be with the aim of reducing their environmental impact.

The Prioritisation Process

6.3 Recognising that there are insufficient resources to meet all capital investment needs, the Council will apply a capital project appraisal methodology to determine priorities for capital investment. This methodology requires all bids to be documented through completion of a pro-forma which questions the proposed expenditure, in relation not only to cost but also the need for the scheme, links with approved policies and objectives, partnering and action plans, other sources of funding, revenue implications, priorities and practical completion issues.

6.4 In prioritising the proposals, all bids have been scrutinised to ensure consistency with approved objectives, strategies and action plans and justification in terms of cost, outputs, what will be achieved and value for money. The whole life cost of projects has been considered where appropriate. Full account has been taken of recommendations from service reviews with bids being measured against the following criteria:-

- legal requirements, contractual commitments and health and safety;
- improved customer and/or public access (including disabled and equality issues);
- sustainability, community issues and addressing deprivation;
- ensuring the serviceability of the Council's assets by programming major refurbishment at the point where the asset is becoming uneconomically maintainable (arresting deterioration and dealing with backlog repairs in accordance with the Asset Management Plan);
- match-funding and resource procurement, i.e. the extent to which a proposal will draw in investment from external funding sources including partners;
- revenue benefits (e.g. reducing longer term maintenance costs);
- any consequent additional revenue costs and savings and the extent to which they are covered by a funding plan.

6.5 The implications of not proceeding with any proposed schemes are also taken into account, along with data and information from the asset management plan.

6.6 The final stages of the process involve consideration of bids by the Council's Management Team before their submission to the Executive and Council for decision.

## 7. Capital Resources 2018/21 and Financing Strategy

7.1 The projected level of available capital resources remains much less than has been the case in previous years. There is little expected grant funding other than that awarded to the Council for Disabled Facilities Grants (DFG) as part of the Better Care Fund framework.

7.2 As a result of ongoing reductions in core revenue grant funding there is no scope for the Council to fund general revenue contributions to support the capital programme without additional compensating savings being identified. Likewise, the constraints on the revenue budget, as highlighted in the Council's Medium-term Financial Plan, mean it is unsustainable for the Council to rely on continual new borrowing to fund capital expenditure unless it generates ongoing revenue savings.

7.3 One source of income generation that the Council can determine is that arising from a programme of disposals of council land and property assets. This has potentially greater significance in the period between 2017 and 2019 owing to the Government's decision to allow local authorities to use capital receipts flexibly and not limit the use of receipts to capital purposes only. This is covered in more detail below. The Council has resolved to use capital receipts in lieu of prudential borrowing over the period covered by this strategy so as to avoid the costs of borrowing falling on the revenue budget.

7.4 Ordinarily the Council has access to the following main sources for capital funding:

- Capital Receipts from the sale of assets;
- Revenue funds and balances;
- Government grants;
- Non-government grants, funding from organisations such as the National lottery and developers' contributions through planning gain payments (Section 106 agreements); and
- Borrowing.

Capital Receipts

7.5 Sales of the Council's surplus assets, principally land or buildings, generate capital receipts. Over the medium term, having had several years where significant land sales have helped fund an enhanced capital programme, there is considered less scope for receipts from asset disposals. However, in the near-term, significant receipts are expected from the sale of land at Red Lane, Colne with scope for additional receipts from disposals of land at Nelson (e.g. Further Clough Head) and land at Brierfield (e.g. Halifax Road).

7.6 Where it is feasible to do so, the Council will consider the use of both land and assets as its contribution to the joint venture arrangement with Barnfield Investment Properties and thereby leverage private finance for regeneration-led investment.

7.7 Ordinarily, capital receipts can only be used to fund capital expenditure or be set-aside to repay debt. However, as part of the local government finance settlement for 2016/17 the Government announced plans to allow authorities to use capital receipts arising from the disposal of property, plant and equipment more flexibly and issued guidance in support of this.

7.8 The flexibility applies only to new capital receipts in the financial years 2016/17 to 2018/19 and not to any receipts held in hand prior to this period. DCLG issued statutory guidance on the flexible use of capital receipts in March 2016. This stated that the flexibility could be used to fund the costs of transformation of services that "generates ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners".

7.9 Initial information on the flexible use of capital receipts was presented to the Executive in May 2016. The report included an appendix which set out examples of qualifying expenditure. For background information the report can be viewed **here** (item 6 refers). The view of DCLG is that individual authorities are best placed to decide which projects can use the flexibility provided. However, councils should have regard to relevant professional guidance, including the Prudential Code for Capital Finance in Local Authorities; The Code of Practice on Local Authority Accounting; and the Treasury Management Code of Practice. It is also important that councils demonstrate the highest standards of accountability and transparency in using this flexibility.

7.10 The guidance suggests that an authority should have a Flexible Use of Capital Receipts Strategy, but this does not have to be a separate document and could be part of the annual budget related documents. It is a requirement that the strategy be approved by the full Council.

7.11 It is recommended that the strategy is prepared in advance of the year in which the flexibility will be used, although failure to have this strategy does not mean that the flexibility is not accessible. Where the flexibility is used, but no strategy has been developed, it should be prepared and presented to a full council at the earliest opportunity.

***Policy for the flexible use of capital receipts***

7.12 A proposed policy and strategy is set out at **Appendix 1**.

Revenue Funds and Balances

7.13 Revenue funds and balances are under pressure as a result of the Council's underlying revenue position and the need to identify significant savings in the period to 2019/20. As a result the Medium Term Financial Plan no longer assumes that the revenue budget will continue to provide a contribution towards small scale capital expenditure undertaken by Area Committees. Nor will any revenue contributions be made to capital unless funded from specific reserves.

## Government Grants

7.14 Government grants are dependent on the Government's own priorities and the level and basis of distribution has been known to change from year to year.

7.15 As indicated above, the Government capital funding for Pendle has fallen significantly in recent years following the withdrawal of Housing Market Renewal funding and the Regional Housing Pot. The Council's capital grant resources in 2018/19 have fallen compared to previous years with the estimated £750k for Disabled Facilities Grants being the only new capital grant the Council is expecting to receive.

## Other Grant Funding

7.16 Grants from non-government organisations and Section 106 receipts tend to be specific to individual schemes or programmes and often require some form of match funding from the Council's other resources. In recent years, the Council has been reasonably successful in exploiting these funding opportunities and this will continue where it is possible to do so. Recent examples include grant funding from British Cycling and Sport England towards the development of a cycle track in the Borough and English Heritage re Lomeshaye Bridge Mill.

## Prudential Borrowing

7.17 Borrowing is governed by The Prudential Code for Capital Investment in Local Authorities. Borrowing is permissible if it is affordable, prudent and sustainable.

7.18 Borrowing decisions take into account the revenue implications of projects, both the benefits, such as efficiency savings, and the costs, such as repayment and interest costs. These are built into the MTFP to determine affordability. Again, as with the revenue contributions referred to above, the extent to which the Council can borrow resources is largely dependent on the capacity within the General Fund Revenue Budget to pay for borrowing costs. Given the constraints on the Council's General Fund Revenue Budget, the extent to which the Council can borrow resources for capital investment will require compensating savings to be identified within the budget if it is to remain affordable, prudent and sustainable.

7.19 The exception to this is 'invest to save' projects where borrowing costs can be funded from savings arising as a result of capital investment. The Council will endeavour to identify opportunities for such projects, both as a means of asset renewal but also as a way to reduce the operating costs of the Council's asset base. Recent decisions relating to the acquisition of parts of the ACE Centre and Number One Market Street, both in Nelson are examples of this. Other than this, the Council intends to use capital receipts in lieu of borrowing over the next 3 years.

## Estimated Capital Resources 2018/21

7.20 Table 7 below summarises the estimated capital resources for the next three years:-

**Table 7: Estimated Capital Resources 2018/19 (2019/20 and 2020/21)**

| | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|---|---|---|---|
| General Capital Receipts | 2,185 | 1170 | 570 |
| Revenue Contribution to Capital | 56 | 0 | 0 |
| Capital Grants - in year | 750 | 700 | 650 |
| Capital Grants - b/fwd | 271 | 0 | 0 |
| Borrowing (including c/fwd commitment) | 4,411 | 0 | 0 |
| **ESTIMATED RESOURCES** | **7,673** | **1,870** | **1,220** |

7.21 The timing/amount of the capital receipts is dependent on the disposal of properties; there is a need to monitor disposals carefully so that any projects that are being funded from receipts are only started once there is certainty regarding the funding.

7.22 Aside from capital receipts, the Council's ability to fund capital projects has largely been dependent on borrowing but the affordability of this going forward is under regular review.

Capital Financing Strategy

7.23 The Financial Services Manager will determine the most appropriate methods of financing the capital programme in order to ensure that the use of capital resources is optimised. The strategy used for financing capital expenditure will, however, be based on the following principles:-

a) where possible and necessary, grant funding and other external contributions will be used to finance capital expenditure on schemes for which funding has been provided;

b) in-year capital receipts from the disposal of Council assets will generally be used in full each financial year:-

- in the first instance to meet capital expenditure incurred by the Council (in the same year in which the receipts are generated); and then

- to write down the Council's Capital Financing Requirement thereby minimising the amount of Minimum Revenue Provision in the following financial year.

c) any revenue contributions to capital expenditure shall be used after all capital receipts haves been used;

d) Monies held by the Council arising from s106 Agreements will be used to meet the specific expenditure as set out in the Agreement. No expenditure shall be incurred until the monies have been received by the Council, unless written consent has been obtained from the Developer for this to happen and there is certainty of receipt;

e) Subject to the limits agreed as part of the budget setting process and the Council's Treasury Management Strategy, prudential borrowing will provide the balance of resources required to balance the capital programme in each financial year.

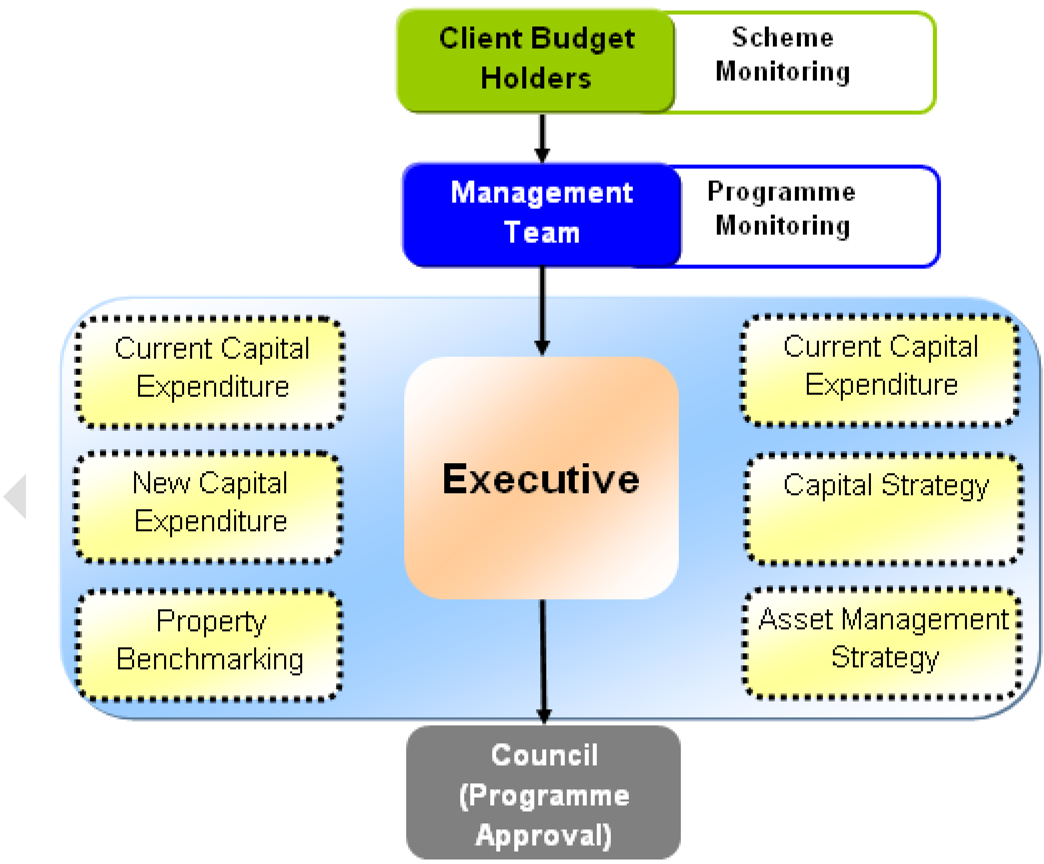
## 8. Planning, Monitoring and Reporting

Use of Project Management Disciplines

8.4 Where appropriate the Council will use project management procedures to plan, project manage and ultimately control the delivery of significant capital schemes. The use of project management procedures provides a discipline to ensure that each project is delivered on time, within budget and in accordance with the agreed scope of each scheme.

Monitoring of Capital Investment

8.5 The Council's Capital Programme is monitored on a regular basis. The monitoring process is illustrated in the diagram below:-




8.6 As the diagram shows, each Client Budget Holder is required to monitor progress on capital schemes within their remit. It is the responsibility of Management Team to monitor the capital programme as a whole. Management Team report on the monitoring of the capital programme, including the financing of the programme, to the Executive via the quarterly Strategic Monitoring Report.

Reporting

8.7 In terms of reporting, details of expenditure and income are reported to Councillors as part of a Strategic Monitoring Report which is submitted to the Executive on a quarterly basis. At the end of each financial year, details of actual income and expenditure are reported as part of the final accounts process. Annually, the proposed capital programme for the forthcoming financial year is reported to the Executive and Council in the December/February cycle of meetings.

## 9. Maximising Capital Investment in the Borough

9.1 As indicated earlier in this Strategy, funding for capital investment by a district council such as Pendle is limited. The Council depends almost entirely on capital receipts, revenue contributions and borrowing to finance its capital programme. Capital receipts are increasingly difficult to come by and the revenue position of the Council is such that there is restricted scope for revenue contributions to capital or to meet the costs of financing further borrowing.

Leverage of External Funding

9.2 The lack of capital funding emphasises the need to look more widely at ways of bringing capital funding into the Borough. For a number of years the Council has been successful at levering external funding for projects. Where feasible the Council will look to access and optimise external funding streams. The development and implementation of the Council's Corporate Capital Strategy will therefore involve:-

- continuing to work with partners to maximise the effect of capital investment in the Borough in order to achieve agreed objectives and targets; perhaps the most likely example of this is the joint venture arrangement with Barnfield Investment Properties;

- seeking to maximise investment in the Borough, through "pump-priming" and contributing to larger-scale schemes in partnership with other stakeholders in the Borough;

- seeking to maximise investment in the Borough through bids for external funding sources where these present themselves.

Working with Partners

9.3 In view of the limited capital resources available to the Council, the Council has to take advantage of opportunities to work in partnership with other organisations to lever in capital investment to the Borough.

9.4 The Council has a good track record of doing this, with organisation in both the public and private sector. Key partners include:-

- Liberata;
- Homes and Communities Agency;

- Together Housing Group;
- Lancashire County Council;
- Barnfield Investment Properties.

9.5 A key aim of this Strategy is to continue working with partners to identify and exploit opportunities to work together to maximise capital investment in the Borough particularly where funding is provided by Government agencies or the private sector. In this respect, key sources of funding may be via the Lancashire LEP and PLACE which is a partnership of the Pennine Lancashire local authorities.

Joint Venture Arrangements

9.6 The Council has three joint venture arrangements with Barnfield Investment Properties. The strategic approach with these arrangements is the development of relationships which will lever in private finance for regeneration. This was developed in response to the reduction in public sector capital investment.

9.7 Pendle Enterprise and Regeneration Ltd (PEARL) has been established since 2007 and has successfully developed the ACE Centre. The Council has a 30% share in the Company.

9.8 Pendle Enterprise and Regeneration 2 Ltd (PEARL2) was subsequently established as a way of levering in more private sector finance for regeneration projects in Pendle. Again, the Council has a 30% share in the Company. The Company is the Council's preferred delivery vehicle for regeneration projects and represents an innovative approach.

9.9 In March 2012 Pearl (Brierfield Mill) Ltd was incorporated as a wholly owned subsidiary of Pearl 2. The company was formed for the purposes of redeveloping and regenerating the Brierfield Mill site and buildings which the Council acquired for £1.5m in March 2012. The property was subsequently transferred to Pearl (Brierfield Mill) Ltd via long-term leasehold disposal and during September 2016 the Council completed the freehold disposal of the site to pearl (Brierfield Mill) to redevelop the site, now known as Northlight).

9.10 At the time of writing this strategy, the Company's portfolio of projects included the following (completed and in progress):-

- ***Shackleton Hall, Colne*** – completed in December 2011;
- ***Old Library, Booth Street, Nelson*** – completed 2013 – since sold;
- ***Lob Lane Mill, Brierfield*** – acquisition and redevelopment for sale; completed
- ***Stanley Street / Albert Street, Nelson*** – refurbishment and disposal; completed
- ***Bunkers Hill, Colne*** – new residential development; completed
- ***Holden Road/King Street, Brierfield*** – new residential development; completed
- ***Former Presbytery site, Whitefield, Nelson*** – residential development – completed;
- ***Clitheroe Road, Brierfield***; acquisition and redevelopment for sale – in progress;
- ***Carry Lane, Colne;*** acquisition and residential development for sale – in progress;
- ***Oak Mill, Colne*****;** acquisition and residential development for sale – in progress.

9.11 In September 2017 the Executive agreed to the principle of establishing a Joint Venture (JV) between PEARL2 and Together Housing to develop open market and affordable housing. The purpose of the Company is to increase housing supply for return on investment through the development of a mix of open market and affordable housing in Pendle. Subject to confirmation and agreement on heads of terms it is expected that the new joint venture will be established during 2018.

## 10. Other Matters

Sustainability / Climate Change

The Council maintains a climate change action plan and has regard to the impact service decisions and policies have on climate change and sustainability considerations.

Capital investment decisions have regard to these considerations and dependent on scale must also include consideration of Social Value as set out in The Public Services (Social Value Act 2012).

An example of this activity is the installation of Solar Photo-Voltaic panels on several council-owned buildings. These help to reduce the Council's emissions whilst also enabling it to take advantage of the Government's Feed-in-Tariff scheme by generating electricity from low carbon sources.

Procurement Strategy

The Council is committed to achieving value for money (VFM) in the procurement of its services, including the implementation of this capital strategy. A Procurement Strategy has been in place for some time and was refreshed during 2017.

The Council's Contract and Financial Procedures Rules (CPRs and FPRs) set out the rules that apply to the commissioning of works or services to ensure that the Council obtains value for money for the expenditure that it incurs. As required, all capital investment proposals will be pursued in compliance with CPRs and FPRs unless specific exemptions from doing so are agreed (either as part of delegated authority to Officers or by the Executive).

Assets of Community Value

The Localism Act 2011 contains provisions which require the Council to maintain a list of assets of community value. Parish councils, community organisations or Neighbourhood Forums can nominate both privately and publicly owned assets which they feel offer community value. Examples might include a village shop, local pub, library and community centre.

Once a building is listed as an asset of community value, the owner cannot just dispose of it. They need to:

- Tell us that they intend to sell it
- Wait until the end of a six week period to see if a community group wants to be considered as a bidder

- Wait until the end of a six month period if a community group does want to be considered as a bidder

More information is available on the Council's website – click here to view. In addition the Government is also encouraging Councils to work with local community groups on Community Asset Transfer. Community Asset Transfer is where Councils are empowered to transfer the ownership of land and buildings to communities at less than market value. This is known as 'discounted asset transfer' or 'asset transfer'. This shift in ownership of land and buildings from public bodies to communities is intended to reflect localism in action, giving greater powers to:-

- Community and voluntary sector organisations
- Community and social enterprises
- Individuals looking to form a not-for-private-profit group to benefit their neighbourhood.

Any requests for asset transfers will be dealt with in accordance with the Council's policy and procedure which was developed in 2013. A local example has been the transfer of the Trawden Forest Community Centre to a local community group which now runs the centre.

<u>Working with Town and Parish Councils</u>

The Council is actively engaged in discussions with local Town and Parish Councils to develop and complete a range of asset/service transfers from the Borough Council. The driver for this activity is to help retain local ownership and management and help to sustain assets/services that might otherwise be threatened given the on-going financial constraints facing the Borough Council.

Local Town and Parish Councils are not currently subject to the same financial constraints and a number have taken on local assets or contribute towards the costs of some services. Examples include community centres, public conveniences, CCTV, play areas / MUGAs, passenger shelters and grounds maintenance in parks. This work is ongoing and the programme of transfers is maintained under review by a committee of the Council.

<u>Lancashire Enterprise Partnership – Growth Deal for Lancashire</u>

The Council has previously worked with the Lancashire Enterprise Partnership to secure funding from Growth Deal 1 to deliver infrastructure improvements to J12 and J13 of the M65 and Growth Deal 2 for the refurbishment of Northlight (formerly known as Brierfield Mill).

A range of economic development and housing proposals were put forward as the Council's contribution to the bid for Growth Deal 3 funding by the Lancashire Enterprise Partnership. These bids include the proposed extension of Lomeshaye Industrial Estate, extension of West Craven Business Park, employment sites at Reedyford Mill/Riverside Mill, Nelson Town Centre Regeneration and housing sites at Halifax Road, Brierfield and Further Clough Head, Nelson.

In January 2017 the LEP was subsequently awarded £69.8m under Growth Deal 3 and included in the list of priority projects for delivery using this funding is the extension of the Lomeshaye Industrial Estate in Pendle.

One Public Estate

The One Public Estate programme is an initiative delivered in partnership by the Local Government Association and the Cabinet Office (Government Property Unit). It supports joint working across central and local government to use land and property to boost economic growth, unlock regeneration, and create more integrated public services. It encourages public sector partners to share buildings, transform services, reduce running costs and release surplus and under-used land for development. In January 2017 the Phase 5 partnership funding allocations were announced including £75,000 for Lancashire councils led by Blackburn with Darwen Council. A further sum of £50,000 was allocated via Phase 6 in December 2017 to the Lancashire Combined Authority again with Blackburn with Darwen Council acting as the lead local authority.
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# Appendix 1

# Policy for Flexible use of Capital Receipts

### Purpose

1. This report reviews the statutory guidance on the flexible use of Capital Receipts and its application within this council.

**Background**

2. Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

3. The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.

4. The Secretary of State for Communities and Local Government has issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital,

   *"expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."*

5. In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The flexibility applies to capital receipts generated between 1/4/16 to 31/3/19.

6. There is no prescribed format for the Strategy; the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects.

7. The statutory guidance states that the Strategy should include a list of projects for which it is proposed to make use of the capital receipts flexibility, together with the expected savings that the projects will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.

8. The Flexible Use of Capital Receipts Strategy is set out below.

# Flexible Use of Capital Receipts Strategy

9. The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

*“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”*

10. The statutory guidance sets out examples of projects which could qualify for the flexible use of capital receipts including the following:

    - Sharing back-office and administrative services with one or more other council or public sector bodies;
    - Investment in service reform feasibility work, e.g. setting up pilot schemes;
    - Collaboration between local authorities and central government departments to free up land for economic use;
    - Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
    - Sharing Chief-Executives, management teams or staffing structures;
    - Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
    - Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
    - Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
    - Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
    - Integrating public facing services across two or more public sector bodies to generate savings or to transform service delivery.

11. The Council proposes to use capital receipts flexibly to fund the following business change projects between 1/4/18 and 31/3/19:

    - Procurement of vehicle services linked to Waste Collection and Street Cleaning Services;
    - Review of key services including consideration of alternative service delivery models (e.g. Waste Services, Grounds Maintenance, Leisure Trust);
    - Review of organisational structure and one-off costs linked to business change;
    - Transforming customer services and enhancing digital take up of council services;
    - ‘Invest to save’ projects.

    It is difficult at this stage to quantify the costs and savings expected to arise from the above projects. For the 2018/19 Strategy it is proposed to earmark £0.5m of capital receipts in support of the above. This is consistent with the allocation agreed under the 2017/18 Strategy although it is considered unlikely that the flexibility will be used during 2017/18.

    The minimum target for revenue savings generated by these projects is £200,000 per annum giving a payback period of 2.5 years.

**12. Consideration of the impact on Prudential Indicators**

13. The guidance requires that the impact on the Council’s Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy.

14. The indicators considered / affected by this strategy are as follows;
- Estimates of Capital Expenditure indicator increased by a maximum of £0.5m in 2018/19;
- Capital Financing Requirement – unaffected as expenditure will be funded from capital receipts which have not been earmarked for other purposes within the approved capital programme for 2018/19;
- Financing costs as a percentage of net revenue stream (%) – not impacted as no change in debt financing costs;
- Incremental Impact on Council Tax of additional capital investment – no impact on council tax;

15. Subject to confirmation of capital receipts of £0.5m this strategy is considered prudent and affordable and will have no impact on the Council's operational and authorised borrowing limits. Adopting a level of £0.5m capital receipts to use flexibly in 2018/19 from disposals of land and property assets is considered reasonable given actual and anticipated disposals in respect of Red Lane, Colne, Halifax Road, Brierfield, housing units in Whitefield, Nelson and windfall receipts from other ad hoc disposals. See table at the end of this document for summary details.

16. Subject to approval by full Council this Strategy will be published on the Council's website and be subject to monitoring and reporting via the Executive and Council.

## Generation of Capital Receipts 2017/18 – 2020/21

*The figures shown below reflect the gross position on capital receipts **before** any are applied towards the funding of capital expenditure in each financial year.*

| **Capital Receipts (before any application)** | **£'000** | |
|---|---|---|
| | | |
| **Balance of receipts b/fwd at 1.4.17** | 2,001.0 | |
| Less: | | |
| (i) use already assumed in 17/18 cap prog | (200.0) | |
| (ii) repayment to Homes & Communities Agency | (520.0) | |
| **Adjusted balance in hand** | **1,281.0** | |
| | | |
| **Receipts estimated in 2017/18** | | |
| Land at Clitheroe Rd | 217.0 | |
| Land at Fletcher St | 20.0 | |
| Tesco - Lease Surrender | 83.0 | |
| TJ Morris - Goitside | 150.0 | |
| Whitefield properties - Calico | 1,226.0 | |
| 5/7 Mosley St | 130.0 | |
| 33/35 Albert St | 115.0 | |
| 140/142 Every St | 115.0 | |
| 34/36 Albert St | 120.0 | |
| Misc Other (inclu. Bamford St plots) | 120.0 | |
| **Projected balance in hand 31/3/18** | **3,577.0** | |
| | | |
| **Receipts estimated in 2018/19** | | |
| Sale of land at Red Lane, Colne*** | 950.0 | |
| Misc Other | 100.0 | |
| Land at Vivary Way, Colne | 0.0 | Tbc |
| Land at Halifax Rd | 0.0 | Tbc |
| Land at Further Clough Head | 0.0 | Tbc |
| **Projected balance in hand 31/3/19** | **4,627.0** | |
| | | |
| **Receipts estimated in 2019/20** | | |
| Misc Other | 100.0 | |
| **Projected balance in hand 31/3/20** | **4,727.0** | |
| | | |
| **Receipts estimated in 2020/21** | | |
| Misc Other | 100.0 | |
| **Projected balance in hand 31/3/21** | **4,827.0** | |

***Final receipt dependent on confirmation of cost of ‘abnormals’ and Section 106 requirements.