

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 9 – December 2020

1 Background

- 1.1 The original capital programme for 2020/21 reflects the priorities outlined in the capital strategy as approved at Cabinet on 10 February 2020 and confirmed at the Council meeting on the 26 February 2020.
- 1.2 The position as at 31 December 2020 is highlighted in this report but as the year progresses the outturn projections will reflect the evolving position.
- 1.3 For the remainder of the financial year, the programme will continue to be monitored and revised to take account of any new developments and changes in the profile of planned expenditure.

2 Current Position

- 2.1 The approved capital programme summary position for the five financial years 2020/21 to 2024/25, approved by Council on 26 February 2020 is summarised in Table 1 and shows capital programme expenditure of £147.632m in 2020/21.

Table 1 : Original Budget - Capital Programme 2020/21 to 2024/25

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
147,632	131,467	102,510	40,999	56,973	479,581

- 2.2 Table 2 shows the revised capital programme for 2020/21 as at 31 December 2020 at an overall expenditure level of £71.012m, following the changes explained in the following paragraphs.
- 2.3 The approved virements of £0.085m (an increase to the 2020/21 budget) represent changes since the M08 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 31 December 2020 was £56.080m which is 77.89% of the forecast outturn position. Members should note that as at the end of February 2021 actual spend was £61.483m which is 86.58% of the forecast outturn. This spending profile is slightly higher than in previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2020/21 Capital Programme

Directorate	Revised Budget (M08) £000	Approved Virements (to M09) £000	Proposed Virement/ Rephase £000	Revised Budget (M09) £000	Forecast £000	Variance £000
Corporate Services	17,278	(41)	(934)	16,302	16,302	-
Children's Services	10,457	122	(1,480)	9,099	9,099	-
Communities and Reform	125	(4)	-	121	121	-
Community Health & Adult Social Care	2,011	48	-	2,059	2,059	-
Housing Revenue Account	4,951	-	(185)	4,767	4,767	-
People and Place	46,190	(40)	(7,486)	38,664	38,664	-
Overall Total	81,013	85	(10,085)	71,012	71,012	-

(subject to rounding – tolerance +/- £1k)

- 2.5 The net budget increase of £0.085m in 2020/21 represents approved movements including new funding, as summarised by service area below:

Table 3 – Net Budget Changes 2020/21 and 2021/22

Scheme	2020/21 £000
Funding for Emerging Priorities	(41)
Schools	122
Local Investment Fund (LIF)	(4)
Disabled Faculties grant (DFG) – Private Contributions	48
Asset Management - Corporate	1,404
Environment – Parks	4
IT	346
Schools – Primary	(119)
Schools – Special	(3)
Schools New Build	1,441
Town Centre Developments	(2,837)
Transport - Bridges & Structures	(136)
Transport - Highway Major Works/Drainage schemes	(203)
Transport - Minor Works	(25)
Transport - Miscellaneous	88
Total	85

- 2.6 The proposed changes of a net reduction of £10.085m reflect anticipated virements and further rephasing of spending as detailed in Appendix A.
- 2.7 Due to the COVID-19 pandemic, there remains an element of uncertainty about the forecast position and it is inevitable that this will change as the year end approaches; that said, the forecasts are based on the latest and most up to date information. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F.

Re-profiling of the Capital Programme

- 2.8 Since the Council meeting of 4 March 2021 which approved the 2021/22 to 2025/26 Capital Strategy and Programme, the revised capital programme now extends for a further financial year from 2020/21 to 2025/26. Taking into account all the above amendments and the recently approved 2021/22 - 2025/2026 Capital Strategy and Programme, the updated position is shown in Table 4 together with the projected financing profile.

Table 4 – 2020/21 to 2025/2026 Capital Programme

Directorate Budget	Revised Budget 2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Corporate Services	16,302	7,932	4,269	3,269	1,638	3,896	37,306
Children's Services	9,099	7,879	13,200	13,742	-	-	43,920
Communities and Reform	121	631	-	-	-	-	752
Community Health & Adult Social Care	2,059	3,409	400	400	1,100	-	7,368
Housing Revenue Account	4,767	3,598	8,127	7,914	1,150	-	25,556
People and Place	38,664	71,655	68,770	46,093	58,665	23,558	307,406
Grand Total	71,012	95,104	94,766	71,418	62,553	27,454	422,308

(subject to rounding – tolerance +/- £1k)

Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Grant & Other Contributions	(20,388)	(36,429)	(4,605)	(8,971)	(1,973)	(1,973)	(74,339)
Prudential Borrowing	(45,045)	(49,847)	(74,856)	(52,031)	(57,769)	(25,481)	(305,029)
Revenue	(2,945)	(3,599)	(8,127)	(7,914)	(1,150)	-	(23,735)
Capital Receipts	(2,635)	(5,230)	(7,178)	(2,502)	(1,661)	-	(19,206)
Grand Total	(71,012)	(95,104)	(94,766)	(71,418)	(62,553)	(27,454)	(422,308)

(subject to rounding – tolerance +/- £1k)

- 2.9 The revised Provision for Emerging Priorities for 2020/21 to 2025/26, having regard to all the above amendments, is contained within the Corporate Services budget and is as follows:

Table 5 – Provision for Emerging Priorities

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £00	Total £000
Provision for Emerging Priorities	301	1,442	4,200	3,200	1,500	3,896	14,539

(subject to rounding – tolerance +/- £1k)

Capital Receipts

- 2.10 The revised capital programme requires the availability of £2.635m of capital receipts in 2020/21 for financing purposes.

2.11 The total net usable capital receipts currently received in year is £2.123m. Members should note that the first £2.335m call on capital receipts will be used to fund the Flexible Use of Capital Receipts which supports transformational expenditure and therefore impacts on the revenue budget (this was initially budgeted at £3.750m but it is forecast that £1.415m of Capital Receipts will not be obtained due to COVID-19). It is therefore highly unlikely that any capital receipts will be used to finance any projects other than the Flexible Use of Capital Receipts within the capital programme in 2020/21.

2.12 The capital receipts position as at 31 December 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		2,635
Usable Capital Receipt b/fwd.	-	
Actual received to date	(2,123)	
Further Required/(Surplus) in 2020/21		512

(subject to rounding – tolerance +/- £1k)

2.13 Given the significant amount of receipts needed to finance the capital programme in this and future years it is imperative that the capital receipts/disposal schedule is adhered to. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging, and as a direct consequence officers are working up a revised disposal strategy to maximise income to the Council. A review of the capital receipts schedule has been a key element of the work undertaken in preparing the 2021/22 to 2025/26 Capital Strategy and work will continue as the new asset disposal schedule is implemented and revised during 2021/22.

2.14 The Capital Strategy and Capital Programme 2020/25 introduced an expectation of the level of receipts that is anticipated in each of the respective years and therefore an estimate as to the resultant level of over or under programming in order to present a balanced budget. Having now included an additional year to 2025/26, the revised and updated is illustrated in the table below:

Table 7 – Capital Receipts 2020/26

Capital Receipts	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Receipts Carried Forward	-	315	(125)	5,284	6,461	8,122
Estimated Additional Capital Receipts in Year	(197)	(5,670)	(1,769)	(1,325)	-	-
Received in year	(2,123)					
Total Receipts Anticipated/ Available	(2,320)	(5,355)	(1,894)	3,959	6,461	8,122
Capital Receipts Financing Requirement	2,635	5,230	7,178	2,502	1,661	-
Over/(Under) programming	315	(125)	5,284	6,461	8,122	8,122

(subject to rounding – tolerance +/- £1k)

2.15 As shown above, the most recent projections are for a continued shortfall across the whole of the Capital Strategy and programme. However, the new asset

disposal schedule, included within the Creating a Better Place strategy, is expected to gather pace as the strategy progresses which will allow the deliverability of capital receipts to be accelerated therefore reducing the projected shortfall.

3 Conclusion

- 3.1 Whilst the current estimated forecast outturn position is £71.012m, it is possible that the as the year draws to an end, further reprofiling may still be required. This will be addressed as part of the year end process.
- 3.2 The capital programme is being continually monitored and is reported to Members on a regular basis.

4 Appendices

- 4.1 Appendix A - SUMMARY – Month 9 - Corporate Services
Appendix B - SUMMARY – Month 9 - Children’s Services
Appendix C - SUMMARY – Month 9 - Communities and Reform
Appendix D - SUMMARY – Month 9 - Community Health & Adult Social Care
Appendix E - SUMMARY – Month 9 - Housing Revenue Account (HRA)
Appendix F - SUMMARY – Month 9 - People and Place
Appendix G - SUMMARY – Month 9 - Proposed Variations

SUMMARY – MONTH 9 (DECEMBER 2020) – Corporate Services

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Corporate	17,069	(41)	(934)	16,094		-
General Services	208			208		-
	17,277	(41)	(934)	16,302		-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Children's Services

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	60			60		-
Schools – General Provision	485		(480)	5		-
Schools – Primary	2,494	120		2,614		-
Schools – Secondary	3,445		(500)	2,945		-
Schools – Special	657	2		659		-
Schools – New Build	3,316		(500)	2,816		-
	10,457	122	(1,480)	9,099		-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Communities and Reform

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
District Investment Fund	125	(4)	-	121	121	-
	125	(4)	-	121	121	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) – Community Health & Adult Social Care

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Adult Services	2,011	48	-	2,059	2,059	-
	2,011	48	-	2,059	2,059	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	4,951	-	(185)	4,767	4,767	-
Reform Total	4,951	-	(185)	4,767	4,767	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - People and Place

Service area	Revised Budget M08 £000	Approved Virements (to M09) £000	Proposed Virement / Rephase £000	Revised Budget M09 £000	Forecast £000	Year End Variance £000
Asset Management	1,743	1,404	(1,751)	1,396	1,396	-
Asset Management - Education Premises	1,710		(890)	820	820	-
Boroughwide Developments	2,417		(1,998)	419	419	-
Development	18			18	18	-
District Partnership – Boroughwide	57			57	57	-
Environment – Countryside	45			45	45	-
Environment – Parks	331	4	(34)	301	301	-
ICT	3,681	346	(1,373)	2,654	2,654	-
Parks & Playing Fields	21			21	21	-
Private Housing – HMRF	50			50	50	-
Public Realm	55			55	55	-
Schools – Primary	119	(119)		0	0	
Schools – Special	3	(3)		0	0	-
Schools – New Build	8,917	1,441	(1,441)	8,917	8,917	-
Town Centre Developments	13,750	(2,837)		10,913	10,913	-
Transport - Accident Reduction	347			347	347	-
Transport - Bridges & Structures	2,602	(136)		2,466	2,466	-
Transport - Fleet Management	1,001			1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	6,366	(203)		6,163	6,163	-
Transport – Metrolink	48			48	48	-
Transport - Minor Works	1,470	(25)		1,445	1,445	-
Transport – Miscellaneous	1,414	88		1,502	1,502	-
Transport - Street Lighting	26			26	26	-
	46,190	(40)	(7,486)	38,664	38,664	-

(subject to rounding – tolerance +/- £1k)

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 9 (DECEMBER 2020) - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2020	2020/21	2021/22	Comments
Directorate / Scheme	£	£	
Corporate Services			
Provision for CPOs	(975,000)	975,000	Rephase to future years
Funding for Emerging Priorities	40,710	-	Realign from other Service
Corporate Services Total	(934,290)	975,000	
Children's Services			
Saddleworth School New Build (WH Shaw Site)	(500,000)	500,000	Rephase to future years
Greenfield Primary- temporary classroom & playing fields block	(480,000)	480,000	Rephase to future years
Crompton House - Additional 4FE	(500,000)	500,000	Rephase to future years
Children's Services Total	(1,480,000)	1,480,000	
Housing Revenue Account (HRA)			
HRA Capital Strategy	(185,500)	185,500	Rephase to future years
Housing Revenue Account (HRA)Total	(185,500)	185,500	
People and Place			
Essential Condition Works - General Provision	(348,582)	348,582	Rephase to future years
Greaves Street Oldham	(194,404)	194,404	Rephase to future years
IT – Various projects	(1,012,652)	971,942	Rephase to future years / Realign from other Service
Local Full Fibre Network (LFFN)	(360,000)	360,000	Rephase to future years
Prince Street - Car Park	3,258	-	Realign within Service
Flexible Housing Fund	(500,000)	500,000	Rephase to future years
Corporate Estate	(250,000)	250,000	Rephase to future years
Westminster Road Failsworth	(33,768)	33,768	Rephase to future years
Strategic Acquisitions	(1,498,000)	1,498,000	Rephase to future years
Old Library	(1,303,258)	1,300,000	Rephase to future years / Realign within Service
Spindles Redevelopment	(1,000,000)	1,000,000	Rephase to future years
Asset Management (Various Schemes)	(989,003)	989,003	Rephase to future years
People and Place Total	(7,486,408)	7,445,698	
TOTAL	(10,086,199)	10,086,199	

FINANCING BUDGETS TO BE REPROFILED AS AT 31 DECEMBER 2020	2020/21	2021/22	
Fund Source	£	£	
Grants and Contributions	1,409,943	(1,409,943)	
Prudential Borrowing	6,959,536	(6,959,536)	
Revenue Contribution	185,500	(185,500)	
Capital Receipts	1,531,220	(1,531,220)	
TOTAL	10,086,199	(10,086,199)	