

Delegated Cabinet Member Decision Report

Decision Maker and Portfolio area:	Cllr A Jabbar MBE – Deputy Leader and Cabinet Member for Finance & Corporate Resources
Date of Decision:	10 September 2018
Subject:	2018-2022 Capital Programme Update and Rephasing as at 31 August 2018
Report Author:	Lee Walsh, Finance Manager (Capital & Treasury)/ Paula Buckley, Senior Accountant (Capital & Treasury)
Ward(s) Affected:	N/A

Reason for the decision:	To realign/rephase capital scheme budgets across the life of the 2018-2022 capital programme.
Summary:	Update of the current expected outturn of the 2018-22 Capital Programme.
<i>What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):</i>	Option 1 – To approve all the proposals contained in Appendix A. Option 2 – To approve some of the proposals contained in Appendix A. Option 3 – To approve none of the proposals contained in Appendix A.
Recommendation(s):	That the Deputy Leader and Cabinet Member for Finance & Corporate Resources approves the rephasing and/or adjustment of scheme budgets as detailed in Appendix A
Implications: <i>What are the financial implications?</i>	The proposed realigning/rephasing are a net £0.094m reduction of resources with a further £0.301m being re-phased/adjusted for into future years (detailed in appendix A) of the overall 2018-2022 capital programme. The realigning is based on current forecast outturn and will allow a more accurate monitoring of the 2018/19 capital programme.

The £0.094m relates to the overall reduction on the Capital Programme 2018-2022 and is following a review of all the projects. The reductions are due to the funding no longer being required on the HRA Solar Panel Scheme of £0.038m, 2 nursery grant funding schemes of £0.044m where the schemes have been completed under budget therefore the external grant is not required and other adjustments totalling £0.027m which are and offset by an additional flood defence grant from United Utilities and DFG private contributions that total £0.015m.

The proposed re-phasing/adjustments for 2018/19 across directorates for M05 represents a reduction of £0.301m are summarised below:

- £0.350m re-phased to 2019/20 SHALD Project (HRA)
- £0.038m reduction in Solar Panel scheme (HRA)
- £0.063m increase in schools related schemes within People and Place Directorate
- £0.015m increase other minor schemes within the People and Place Directorate
- £0.009m additional DFG funding within the Community Health & Social Care Services Directorate

(L Walsh & P Buckley)

What are the **procurement** implications?

N/A

What are the **legal** implications?

None (Colin Brittain)

What are the **Human Resources** implications?

N/A

Equality and Diversity Impact Assessment attached or not required because (please give reason)

N/A

What are the **property** implications

N/A

Risks:

N/A

Co-operative agenda


Schemes approved have been subject to CIPB review and are included within the 2018-2022 Capital Strategy.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? N/A

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

There are no background papers for this report

Report Author Sign-off:	
	
Date: 12/9/18	

Please list any appendices:-

Appendix number or letter	Description
A	Expenditure and matching funding streams to be realigned at 31 August 2018.

Background:

1 Background

- 1.1 Following on from the revised Capital Monitoring process and the move to quarterly reporting to Cabinet, a revised approval approach has been introduced to review and approve monthly rephasing of the capital programme.
- 1.2 The CIPB is best placed to review and approve these movements, as this allows CIPB more oversight of the strategic position of the capital programme on a more regular and timely basis.

2 Current position

- 2.1 The current 2018/19 indicative capital programme, as at 31 August 2018 is as follows:

Portfolio	Revised Budget (M04) £000	Approved Amendments (to M05) £000	Proposed Additions & Virement £000	Revised Budget (M05) £000	Forecast £000	Variance £000
Corporate and Commercial Services	14,902	0	0	14,902	14,902	0
People and Place	39,136	1,306	78	40,520	40,520	0
Community Health & Social Care Services	2,233	0	9	2,242	2,242	0
Reform	209	(12)	0	197	197	0
Housing Revenue Account	3,231	0	(388)	2,843	2,843	0
Funds Yet to be Allocated	311	1	0	312	312	0
Grand Total	60,022	1,294	(301)	61,015	61,015	0

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

- 2.2 The approved virement to M05 of £1.294m represents changes following the approval of the 2018-2022 Capital Programme Update Re-Phasing Month 4 (July 2018). The main approved movement included in the £1.294m was £1.085m which relates to the 2018/19 Backlog Maintenance Programme that was approved at the CIPB meeting on the 6 August 2018.
- 2.3 During the preparation of this capital monitor a number of schemes were identified that required the realignment of budgets within existing schemes, the detail of which are disclosed at Appendix A. The proposed virements represent a reduction of £0.094m to the overall programme across all directorates.
- 2.4 The Annual Review of the Capital Programme is currently ongoing alongside the usual capital monitoring process. A number of schemes are being identified, that will require re-phasing, realigning and removal of budgets within existing schemes. The outcome of the Annual Review will be reported at the CIPB meeting in October.
- 2.5 Actual expenditure to 31 August 2018 was £15.373m (25.20% of forecast outturn). This spending profile is in line with previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.
- 2.6 The current and future years' position is summarised below:

2018/2022 4 Year Capital Programme

Portfolio	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Corporate and Commercial Services	14,902	4,963	1,418	1,249
People and Place	40,520	134,058	31,289	3,595
Community Health & Social Care Services	2,242	1,400	400	400
Reform	197	100	100	700
Housing Revenue Account	2,843	650	0	0
Funds Yet to be Allocated	312	7,304	5,000	5,312
Grand Total	61,015	148,476	38,207	11,256

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

- 2.7 Work will be required to realign the planned spend in 2019/20 as a capital programme of £148.5m cannot be delivered. This will be presented in future monitoring reports.

3 Options/Alternatives

- 3.1 There are three options being proposed.

Option 1 – To approve all the proposals contained in Appendix A.

Option 2 – To approve some of the proposals contained in Appendix A.

Option 3 – To approve none of the proposals contained in Appendix A.

4 Preferred Option

- 4.1 The preferred option is option 1 - To approve all the proposals contained in Appendix A.

5 Consultation

- 5.1 Capital Programme Investment Board.

Proposals:

To approve the rephasing and/or adjustment of scheme budgets as detailed in Appendix A

Conclusions:

That the Deputy Leader and Cabinet Member for Finance & Corporate Resources approves the rephasing and/or adjustment of scheme budgets as detailed in Appendix A

In consultation with

Anne Ryans (Director of Finance)

A.T. Ryans Date: 10/9/18

APPENDIX A

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 August 2018		2018/19	2019/20	2020/21
Directorate / Scheme		£	£	£
Corporate and Commercial Services				
Corporate and Commercial Services TOTAL				
People and Place				
Schools - Additional budget to fund Final Retention of Mills Hill Extension		9,299		
Strategic Acquisition General Provision		(3,000)		Additional Budget /Realignment of budget
Strategic Acquisition - Metropolitan House		3,000		Realignment within Service
Strategic Regeneration Site Purchases		11,263	(11,263)	Acceleration from 2019/20
Strategic Regeneration - Site Purchases		3,600	(3,600)	Acceleration from 2019/20
Equity Homes Loans		(15,000)	15,000	Re-phase to 2019/20
School Places - Greenfield Primary School		106,520	(106,520)	Acceleration from 2019/20
Early Years - Appledore Nursery		(23,683)		Reduction in Early Years Grant
Early Years - Ladybirds Nursery		(19,722)		Reduction in Early Years Grant
Transport - Flood Defence Grasmere Road, Royton		6,000		Additional Budget
People and Place TOTAL		78,277	(106,383)	-

Housing Revenue Account			
Sheltered Housing - Installation of Solar Panels	(38,675)		Removal from budget - scheme complete
Supported Housing for Adults with Learning Difficulties (SHALD)	(350,000)	350,000	Re-phase to 2019/20
Housing Revenue Account TOTAL	(388,675)	350,000	-
Community Health & Social Care			
DFG - Boroughwide	9,137		Additional Budget from private contributions
Community Health & Social Care TOTAL	9,137	-	-
TOTAL	(301,261)	243,617	-

FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2018			
Fund Source / Scheme	2018/19	2019/20	2020/21
	£	£	£
Grants and Contributions			
DFG Boroughwide	(9,137)		
Schools - Additional budget to fund Final Retention of Mills Hill Extension	(9,299)		
			Additional Budget /Realignment of budget
			Additional Budget /Realignment of budget

School Places - Greenfield Primary	(106,520)	106,520	Acceleration of budget
Early Years Appledore Nursery	23,683		Removal of budget
Early Years Ladybirds Nursery	19,722		Removal of budget
Transport - Flood defence	(6,000)		Additional contribution from United Utilities
Grants and Contributions TOTAL	(87,551)	106,520	-
Prudential Borrowing			
Strategic Acquisition - General Provision	2,998		Realignment in service
Strategic Acquisition - General Provision	(2,998)		Realignment in service
Strategic Regeneration Site Purchases	(14,863)	14,863	Acceleration of budget
Prudential Borrowing TOTAL	(14,863)	14,863	-
Capital Receipts			

Strategic Acquisitions - General Provision	2			Realignment in service
Strategic Acquisitions - General Provision	(2)			Realignment in service
Equity Homes Loans	15,000	(15,000)		Re-phase to 2019/20
Capital Receipts TOTAL	15,000	(15,000)	-	
Revenue				
Shelteted Housing - Installation of Solar Power	38,675			Removal of budget
Supported Housing for Adults with Learning Difficulties	350,000	(350,000)		Re-phase to 2019/20
Revenue Total	388,675	(350,000)	-	
TOTAL	(301,261)	(243,617)	-	