

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:	15 October 2018
Subject:	2018-2022 Capital Programme Update and Rephasing as at 30 September 2018
Report Author:	Lee Walsh, Finance Manager (Capital & Treasury)/ Jit Kara, Senior Accountant (Capital & Treasury)
Ward(s) Affected:	N/A

Reason for the decision:	To realign/rephase capital scheme budgets across the life and beyond the 2018-2022 capital programme.
Summary:	The report sets out an updated position in relation to the current expected outturn of the Capital Programme. This reflects the findings of the Annual Review of the capital programme which has highlighted that although there are no resources that can be allocated to other schemes, there is a requirement to realign the spending profile. This has extended to a year beyond the existing 2018/22 programme and henceforward the capital programme will be presented over the period 2018/23.
<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:

*What are the **financial** implications?*

The proposed realigning/rephasing are a net £11.415m reduction of resources in 2018/19 with a further £76.457m being re-phased/adjusted for into future years (detailed in Appendix A). The realigning is based on current forecast outturn and will allow a more accurate monitoring of the 2018/19 capital programme.

The overall net movement of £87.872m relates to the overall rephasing of the Capital Programme following the Annual Review of the Capital Programme and a small third party contribution to the Disabled Facilities Grant scheme.

The Annual Review highlighted that although there are no resources that can be allocated to other schemes, there is a requirement to realign the spending profile. This has extended to a year beyond the existing 2018/22 programme and henceforward the capital programme will be presented over the period 2018/23.

(L Walsh & J Kara)

*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:

The realignment of capital costs proposed is designed to reflect the future financial commitments and profile of the capital programme, and it reflects the outcome and findings of the Annual Review of the Capital Programme. Programme and project risks are also monitored at scheme level and reported to the Capital Investment Programme Board.

(Jane Whyatt)

Co-operative agenda

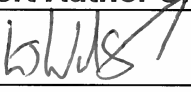
Schemes approved have been subject to CIPB review and are included within the 2018-2022 Capital Strategy.

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: 15/10/18	

Please list any appendices:-

Appendix number or letter	Description
A	Expenditure and matching funding streams to be realigned at 30 September 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 30 September 2018 is as follows:

Portfolio	Revised Budget (M05) £000	Approved Amendments (to M06) £000	Proposed Additions & Virement £000	Revised Budget (M06) £000	Forecast £000	Variance £000
Corporate and Commercial Services	14,902	0	(728)	14,174	14,174	0
People and Place	40,520	(46)	(8,530)	31,864	31,864	0
Community Health & Social Care Services	2,242	0	(362)	1,880	1,880	0
Reform	197	0	0	197	197	0
Housing Revenue Account	2,843	(1)	(1,745)	1,097	1,097	0
Funds Yet to be Allocated	312	(1)	0	311	311	0
Grand Total	61,015	(48)	(11,415)	49,523	49,523	0

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

- 2.2 The approved virement to M06 of £0.048m (reduction) represents changes following the approval of the 2018-2022 Capital Programme Update Re-Phasing Month 5 (August 2018). The main movement within the £0.048m was £0.034m reduction in Early Years grant due to projects being completed under budget.
- 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 rephasing of £99.173m (net £87.872m) to the overall 2018-2023 capital programme and beyond across all directorates.
- 2.4 In accordance with the terms of reference for the CIPB, each year there is a review of the capital programme which will examine all schemes in the programme to:
- Ensure that schemes still meet corporate priorities
 - Review their continued relevance in the context of a dynamic and constantly developing organisation
 - Consider the progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations and rephasing of planned expenditure
 - Identify any unutilised or underutilised resources
 - Consider any reallocation of resources
- 2.5 The review has been completed for 2018/19 and has found that there are no resources available for reallocating to other projects but there is a requirement for significant reprofiling, as set out in the Appendix A, leading to a more deliverable capital programme.
- 2.6 The review identified that expenditure is expected to occur outside the current 4 year planning timescale and as such there is a requirement to extend the capital planning horizon to the current year plus four future years (to 2022/23). The revised profile is now presented in the table below. Henceforward the capital programme will be presented over the period 2018/23.

2.7 Actual expenditure to 30 September 2018 was £17.915m (36.18% 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.

2.8 The current and future years' position is summarised below:

2018/2023 - Capital Programme

Portfolio	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Corporate and Commercial Services	14,174	3,691	1,583	1,719	1,385
People and Place	31,864	60,563	73,567	44,673	22
Community Health & Social Care Services	1,880	1,768	400	400	0
Reform	197	100	100	700	0
Housing Revenue Account	1,097	2,745	0	0	0
Funds Yet to Be Allocated	311	3,652	7,652	5,312	0
Grand Total	49,523	72,519	83,302	52,804	1,407

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

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: 15/10/18

SUMMARY – Proposed Variations – Quarter 2

Portfolio / Service / Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Treasury and Technical Accounting					
Funds yet to be allocated		(3,652,241.26)	2,652,241.26		
Capital Treasury and Technical Accounting Total	0	(3,652,241.26)	2,652,241.26	0	0
Corporate and Commercial Services					
Investment in IT	(54,035.26)	54,035.26		(500,000.00)	500,000.00
IT- PSN Programme	(19,800.36)	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)
IT - Server Refresh	(135,757.00)	135,757.00			
IT - Delivering Customer Focused Services	(379,200.00)	(885,800.00)			
IT - Creating an Agile & Efficient Council		(440,000.00)	170,000.00	270,000.00	
IT - Strengthening Governance & Capability	(370,199.64)	115,000.00	115,000.00	20,000.00	220,000.00
IT - Business Systems			(100,000.00)	700,000.00	665,000.00
Financial Systems	231,000.00	(231,000.00)			
Corporate and Commercial Services Total	(727,992.26)	(1,272,007.74)	165,000.00	470,000.00	1,365,000.00
Community Health & Social Care Services					
Disabled Facilities Grant- Boroughwide	(213,627.61)	219,489.39			
Adult Social Care- General Provision	(148,792.79)	148,792.79			
Community Health & Social Care Services Total	(362,420.40)	368,282.18	0	0	0
People and Place					
Backlog Maintenance - Moorhey Street Depot - Re-wire		(200,000.00)	200,000.00		
Essential Condition Works - General Provision		(600,000.00)	600,000.00		
Essential Condition Works - Royton & Crompton Secondary - Mechanical, Electrical and Roofing works		(250,000.00)	250,000.00		
Royton & Crompton School - Priority School Build Programme Phase 2 (PSBP2)		(4,000,000.00)	2,000,000.00	2,000,000.00	
Royton Town Hall		(500,000.00)	1,500,000.00		
Royton Town Centre Development	(100,000.00)	100,000.00			
Foxdenton Hall – Essential health & safety works		(200,000.00)	200,000.00		

Portfolio / Service / Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
Saddleworth School New Build		(1,859,920.94)	1,859,920.94		
Equity Homes Loans	(15,000.00)	15,000.00			
Foxdenton - Broadway Green Phase 2		(2,947,274.00)	2,947,274.00		
Education Basic Need General Provision		(6,785,069.30)	(6,479,981.70)	9,868,051.00	
Crompton House - Additional 4FE			3,397,000.00		
Town Centre Public Realm		(940,907.04)		940,907.04	
Strategic Acquisitions- General Provision	(100,000.00)	100,000.00			
Investment Property Purchase	(5,000,000.00)	(5,000,000.00)	5,000,000.00	5,000,000.00	
Oldham Coliseum Theatre – Phase C		(23,942,687.00)	11,731,400.00	12,211,287.00	
Eastern Gateway Improvements (Prince's Gate)		(7,000,000.00)	(2,550,000.00)	9,550,000.00	
Oldham Heritage & Arts Centre – Phase A		(13,000,000.00)	11,492,341.00	1,507,659.00	
Oldham Heritage & Arts Centre – Off Site Storage (Prince of Wales Units A&B)	(800,000.00)	800,000.00			
Town Centre Masterplan	(200,000.00)	(9,800,000.00)	10,000,000.00		
Bridge Work - King Street Roundabout Footbridge	(146,624.00)	146,624.00			
BR 120 The Causeway Bridge, The Causeway off Gateway Crescent	(15,000.00)	15,000.00			
Foxdenton Lane Culvert No.2 (Br072)	(100,000.00)	100,000.00			
Fleet Replacement Vehicles 7 years	(530,596.00)	530,596.00			
Specific schemes to support Building Schools for the Future (BSF) projects	(16,866.00)	16,866.00			
Transport Investment	(1,178,690.00)	1,178,690.00			
Pedestrian and vehicle improvements	(77,671.00)	77,671.00			
Flood Defence: Delph New Road Oldham	(300,000.00)	300,000.00			
People and Place Total	(8,580,447.00)	(73,645,411.28)	42,147,954.24	41,077,904.04	-
Housing Revenue Account					
Supported Housing for adults with a Learning Disability and/or complex behaviour	(1,745,097.00)	1,745,097.00			
Housing Revenue Account Total	(1,745,097.00)	1,745,097.00	0	0	0
Grand Total	(11,415,956.66)	(76,456,281.10)	44,965,195.50	41,547,904.04	1,365,000.00

Funding	2018/19	2019/20	2020/21	2021/22	2022/23
Grant & Other Contributions	2,253,771.08	25,370,381.25	(15,676,672.59)	(11,953,341.52)	-
Prudential Borrowing	1,950,537.99	53,848,913.64	(29,486,704.55)	(24,266,048.93)	(839,698.15)
Revenue Contributions	1,359,097.00	(1,359,097.00)	2,550,000.00	(2,550,000.00)	-
Capital Receipts	5,852,550.59	(1,403,916.79)	(2,351,818.36)	(2,778,513.59)	(525,301.85)
Grand Total	11,415,956.66	76,456,281.10	(44,965,195.50)	(41,547,904.04)	(1,365,000.00)