

CAPITAL INVESTMENT PROGRAMME REPORT 2018/19

Month 8 - November 2018

1 Background

- 1.1 The original capital programme for 2018/19 reflects the priorities outlined in the capital strategy as approved at Cabinet on 19 February 2018 and confirmed at the Council meeting on the 28 February 2018.
- 1.2 The position as at 30 November 2018 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, initially set for the four years 2018 to 2022, approved by Council on 28 February 2018 is summarised in Table 1 and shows capital programme expenditure of £89.658m in 2018/19.

Table 1 : Capital Programme 2018/19 to 2021/22

	2018/19	2019/20	2020/21	2021/22	TOTAL
	£000	£000	£000	£000	£000
Original Budget	89,658	105,681	37,605	11,234	244,178

- 2.2 Table 2 shows the revised capital programme for 2018/19, with expenditure of £48.952m as at 30 November 2018, this is after taking account of approved new schemes and approved and proposed variations; a net decrease of £0.571m compared to £49.523m reported at Quarter 2.
- 2.3 Actual expenditure to 30 November 2018 was £24.637m (50.33% 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.

Table 2 – 2018/19 Capital Programme

Directorate	Revised Budget (M06) £000	Budget Changes/ Virements (to M08) £000	Proposed Virement /Rephasing £000	Revised Budget (M08) £000	Forecast £000	Variance £000
Corporate and Commercial Services	14,174	0	0	14,174	14,174	0
People and Place	31,864	479	(1,078)	31,265	31,265	0
Health & Adult Social Care Community Services	1,880	11	3	1,894	1,894	0
Reform	197	19	0	216	216	0
Housing Revenue Account	1,097	0	0	1,097	1,097	0
Funds Yet to be Allocated	311	(5)	0	306	306	0
Grand Total	49,523	504	(1,075)	48,952	48,952	0

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

- 2.4 The budget changes to month 8 of £0.504m represent amendments agreed since the approval of the Quarter 2 report at Cabinet on 19 November 2018, including external capital grants from Highways England and the Department of Health and contribution from Academies to support schools capital schemes. The proposed changes of £1.075m reflect anticipated re-phasing of spending, as detailed in Appendix G.
- 2.5 At this time there is no forecast variance projected but there remains an element of uncertainty about the forecast position and it is inevitable that this will change in the remaining months; that said the forecasts are based on the latest and most up to date information and give a better picture of the likely outturn. A further breakdown of Table 2 on a scheme by scheme basis is shown at Appendices A to F and the detailed breakdown of proposed virement/ re-phasing is shown in Appendix G.

Re-profiling of the Capital Programme

- 2.6 The revised capital programme for 2018/19 to 2022/23, based on the original programme, taking into account all the above amendments, as amended in-year is shown in Table 3 together with the projected financing profile. This re-profiling and forecasting influences the starting position for the 2019/20 to 2023/24 capital programme.

Table 3 – 2018/2023 Capital Programme

Directorate Budget	Revised Budget 2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
Corporate and Commercial Services	14,174	3,691	1,583	1,719	1,385	22,552
People and Place	31,265	61,626	73,567	44,673	22	211,153
Health & Adult Social Care Community Services	1,894	1,768	400	400	0	4,462
Reform	216	100	100	700	0	1,116
Housing Revenue Account	1,097	2,745	0	0	0	3,842
Funds Yet to Be Allocated	306	3,652	7,652	5,312	0	16,922
Grand Total	48,952	73,582	83,302	52,804	1,407	260,047
Funding						
Grant & Other Contributions	(16,069)	(40,852)	(31,434)	(13,926)	0	(102,281)
Prudential Borrowing	(26,995)	(18,887)	(44,214)	(31,267)	(862)	(122,225)
Revenue (HRA & General Fund)	(96)	(2,359)	(4,750)	(2,550)	0	(9,755)
Capital Receipts	(5,793)	(11,484)	(2,904)	(5,061)	(545)	(25,786)
Grand Total	(48,952)	(73,582)	(83,302)	(52,804)	(1,407)	(260,047)

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

Capital Receipts

- 2.7 The revised capital programme requires the availability of £5.793m of capital receipts in 2018/19 for financing purposes. The total net usable capital receipts currently received in year, inclusive of £8.747m carried forward from 2017/18, is £12.350m.
- 2.8 The capital receipts position as at 30 November 2018 is as follows:

Table 4 – Capital Receipts Supporting the Approved Capital Programme 2018/19

	£000	£000
Capital Receipts Financing Requirement		5,793
Usable Capital Receipt b/fwd	(8,747)	
Actual received to date	(3,603)	(12,350)
Further Required/ (Surplus) in 2018/19		(6,557)

- 2.9 As can be seen, there is currently an anticipated surplus of £6.557m of capital receipts in year. Given the significant amount of receipts needed to finance the capital programme in future years it is imperative that the capital receipts/disposal schedule is adhered to. This is monitored at the monthly Capital Receipts meeting and will be subject to ongoing review throughout the year.
- 2.10 The Capital Strategy and Capital Programme 2018/22 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.

2.11 As a result of the Annual Review, of the capital programme which was completed earlier in the financial year, capital receipts have been re-profiled outside the initial 4 year planning timescale and as such there is a requirement to extend the capital receipt forecast to the current year plus 4 future years (to 2022/23). The position as at 30 November 2018 is illustrated in the table below:

Table 5 – Capital Receipts 2018/2023

Capital Receipts	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Capital Receipts Carried Forward	(8,747)	(10,221)	(3,595)	(4,275)	(545)
Estimated Capital Receipts in year	(3,664)	(4,858)	(3,584)	(1,331)	0
Received in year	(3,603)	0	0	0	0
Total Receipts	(16,014)	(15,079)	(7,179)	(5,606)	(545)
Capital Receipts Financing Requirement	5,793	11,484	2,904	5,061	545
Over/(Under) programming	(10,221)	(3,595)	(4,275)	(545)	0

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

2.12 The capital receipts position is monitored on a monthly basis. The most recent projections are for receipts to exceed current planned requirements in later years of the programme. However, until there is more confidence as to the timing of planned asset disposals, a prudent approach has been adopted and these are excluded from current forecast.

3 Conclusion

3.1 Whilst the current estimated forecast outturn position is £48.952m, it is likely that further re-profiling into future years will be required before the end of the year to reflect developments on individual schemes and projects.

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 – Corporate and Commercial Services – Month 8
- B Summary – People and Place – Month 8
- C Summary – Health & Adult Social Care Community Services – Month 8
- D Summary – Reform – Month 8
- E Summary – Housing Revenue Account – Month 8
- F Summary – Funds Yet To Be Allocated – Month 8
- G Summary – Proposed Variations – Month 8

SUMMARY – Corporate and Commercial Services – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Corporate	11,300	0	0	11,300	11,300	0
IT	2,874	0	0	2,874	2,874	0
	14,174	0	0	14,174	14,174	0

Major Variances Commentary

No variances to report

SUMMARY – People and Place – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Asset Management - Asset Management	3,838	0	0	3,838	3,838	0
Asset Management - Education Premises	1,894	0	0	1,894	1,894	0
Boroughwide Developments	4,430	0	0	4,430	4,430	0
Children, Young People & Families	57	0	0	57	57	0
Development	662	0	0	662	662	0
District Partnership - Boroughwide	100	0	0	100	100	0
Environment – Countryside	303	0	0	303	303	0
Environment – Parks	212	0	0	212	212	0
Environment - Playing Fields & Facilities	17	0	0	17	17	0
Parks & Playing Fields	31	0	0	31	31	0
Private Housing	230	0	0	230	230	0
Public Realm	350	0	0	350	350	0
Schools - General Provision	1,139	156	0	1,295	1,295	0
Schools – Primary	1,138	0	0	1,138	1,138	0
Schools – Secondary	1,890	60	0	1,950	1,950	0
Schools – Special	490	0	0	490	490	0
Strategic Acquisitions	204	0	0	204	204	0
Town Centre Developments	1,534	0	0	1,534	1,534	0
Transport - Accident Reduction	315	(25)	0	290	290	0
Transport - Bridges & Structures	3,818	57	(1,078)	2,797	2,797	0
Transport - Fleet Management	294	0	0	294	294	0
Transport - Highway Major Works/Drainage schemes	6,631	(37)	0	6,594	6,594	0
Transport – Metrolink	204	(32)	0	172	172	0

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Transport - Minor Works	809	249	0	1,058	1,058	0
Transport – Miscellaneous	1,259	50	0	1,309	1,309	0
Transport - Street Lighting	15	0	0	15	15	0
People and Place Total	31,864	479	(1,078)	31,265	31,265	0

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

Major Variances Commentary

No variances to report

SUMMARY – Health & Adult Social Care Community Services – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Adult Services	1,880	11	3	1,894	1,894	0
	1,880	11	3	1,894	1,894	0

Major Variances Commentary

No variances to report

SUMMARY – Reform – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Capital – District Investment Fund	196	(11)	0	185	185	0
Capital – District Partnership – Chadderton	1	0	0	1	1	0
Capital – Heritage Libraries and Arts	0	30	0	30	30	0
Reform Total	197	19	0	216	216	0

Major Variances Commentary

No variances to report

SUMMARY – Housing Revenue Account (HRA) – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Housing Revenue Account Grant & Revenue Contributions	1,097	0	0	1,097	1,097	0
	1,097	0	0	1,097	1,097	0

Major Variances Commentary

No variances to report

SUMMARY – Funds Yet To Be Allocated – Month 8

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000	Year End Variance £000
Funds Yet to be allocated	311	(5)	0	306	306	0
	311	(5)	0	306	306	0

Major Variances Commentary

No variances to report

SUMMARY – Proposed Variations – Month 8 – November 2018

Portfolio / Service / Cost Centre	2018/19	2019/20	Narrative
	£	£	
Health & Adult Social Care Community Services			
Disabled Facilities Grant- Boroughwide	3,531.25	-	Additional Private Contributions
Health & Adult Social Care Community Services Total	3,531.25	-	
People and Place			
Br224 Rhodes Hill Culvert, Lees	(156,000)	156,000	Rephase budget into 2019/20
A62 Huddersfield Road (opp Heywood Ave) Retaining Wall	(30,000)	30,000	Rephase budget into 2019/20
Middleton Road Bridge	(220,000)	220,000	Rephase budget into 2019/20
A62 Huddersfield Road, Scouthead (Near Doctor Lane)	(432,000)	432,000	Rephase budget into 2019/20
Br460 Tame Water Culvert, Delph	(190,000)	190,000	Rephase budget into 2019/20
Br072 Foxdenton Lane Culvert	(50,000)	50,000	Rephase budget into 2019/20
People and Place Total	(1,078,000.00)	1,078,000.00	
Grand Total – Expenditure Changes	(1,074,468.75)	1,078,000.00	

Funding	2018/19	2019/20	Narrative
	£	£	
Grant & Other Contributions	1,074,468.75	(1,078,000.00)	Additional Contributions/ Rephase budget into 2019/20
Prudential Borrowing	-	-	
Revenue Contributions	-	-	
Capital Receipts	-	-	
Grand Total – Funding Changes	1,074,468.75	(1,078,000.00)	