

CAPITAL INVESTMENT PROGRAMME REPORT 2019/20

Quarter 2 - September 2019

1 Background

- 1.1 The original capital programme for 2019/20 reflects the priorities outlined in the 2019-2024 Capital Strategy and Capital Programme as approved at Cabinet on 11 February 2019 and confirmed at the Council meeting on the 27 February 2019.
- 1.2 The position as at 30 September 2019 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 years 2019/20 to 2023/24, approved by Council on 27 February 2019 is summarised in Table 1 and shows capital programme expenditure of £84.332m in 2019/20.

Table 1 : Original Budget - Capital Programme 2019/20 to 2023/24

2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
£000	£000	£000	£000	£000	£000
84,332	77,706	80,785	13,411	5,964	262,198

- 2.2 Table 2 shows the revised capital programme for 2019/20, with revised expenditure of £65.052m as at 30 September 2019. This is after taking account of approved new schemes and other approved and proposed variations including those arising from the recently concluded Annual Review of the Capital programme as discussed below. There is therefore a net decrease of anticipated expenditure in 2019/20 of £12.091m compared to £77.143m reported at Quarter 1.
- 2.3 Actual expenditure to 30 September 2019 was £25.590m (39.34% 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.

Annual Review of the Capital Programme

- 2.4 In accordance with previous practice, there was once again a review of the capital programme over the summer months (the Annual Review). This examined any further opportunities to reallocate, decommission or reprofile resources. It also includes an in-depth analysis of capital receipts which may lead to opportunities to increase resource levels to support new projects or provide an alternative to prudential borrowing.

- 2.5 Officers from within the finance team met with project managers and service officers to critically review the 2019/20 and future years capital programme. The annual review highlighted a number of areas where significant reprofiling totalling £12.655m would be required, it also identified areas of realignment and also a project where S106 funding of £0.015m can be removed from the programme. The financial impact of these changes is summarised in table 2 below and detailed within Appendix G.

Table 2 – 2019/20 Capital Programme

Directorate	Revised Budget (M03) £000	Approved Amendments (to M6) £000	Proposed Virement/ Rephase £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Corporate Services	7,544	0	0	292	7,836	7,836
Children's Services	22,576	514	0	(4,204)	18,886	18,886
Community Services & Adult Social Care	2,325	2	0	(303)	2,024	2,024
Housing Revenue Account	2,269	0	0	(415)	1,854	1,854
People and Place	42,278	140	(71)	(7,933)	34,413	34,413
Reform	151	(6)	0	(106)	39	39
Overall Total	77,143	650	(71)	(12,669)	65,052	65,052

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

- 2.6 In addition the Annual Review there are further proposed changes to the programme with a value of £0.071m, the cumulative effect, if approved would reduce the forecast expenditure by £12.740m to £65.052m, a detailed breakdown of the proposed virements/ re-phasing is shown in appendix G.
- 2.7 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 in appendices A to F.

Re-profiling of the Capital Programme

- 2.8 The revised capital programme for 2019/20 to 2023/24, taking into account all the above amendments in arriving at the revised forecast position, is shown in Table 3 together with the projected financing profile. Further work will be undertaken to revise the profile for 2020/21 and future years.

Table 3 – 2019/2024 Capital Programme

Directorate Budget	Revised Budget 2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Corporate Services	7,836	6,760	3,575	2,700	1,700
Children's Services	18,886	17,591	10,305	5,000	0
Community Services & Adult Social Care	2,024	1,400	703	400	400
Housing Revenue Account	1,854	2,865	922	800	0
People and Place	34,413	70,756	69,102	7,610	3,864
Reform	39	345	400	0	0
Grand Total	65,052	99,718	85,007	16,510	5,964

Funding	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Grant & Other Contributions	(29,866)	(34,727)	(16,443)	(3,202)	(1,973)
Prudential Borrowing	(19,437)	(51,546)	(50,877)	(5,955)	(42)
Revenue	(1,859)	(5,265)	(5,822)	(800)	0
Capital Receipts	(13,890)	(8,180)	(11,865)	(6,553)	(3,949)
Grand Total	(65,052)	(99,718)	(85,007)	(16,510)	(5,964)

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

- 2.9 The revised Provision for Emerging Priorities for 2019/20 to 2023/24, taking into account all the above amendments, contained within the Corporate Services budget is as follows:

Table 4- Provision for Emerging Priorities

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Provision for Emerging Priorities	806	4,500	3,576	2,700	1,700

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

Capital Receipts

- 2.10 The capital receipts position as at 30 September 2019 is as follows:

Table 5 – Capital Receipts 2019/20

	£000	£000
Capital Receipts Financing Requirement		13,890
Usable Capital Receipt b/fwd.	0	
Actual received to date	(5,942)	(5,942)
Further Required/(Surplus) in 2019/20		7,948

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

- 2.12 The revised capital programme requires the availability of £13.890m of capital receipts in 2019/20 for financing purposes. The total net usable capital receipts currently received in year is £5.942m, leaving a requirement for an additional £7.948m of capital receipts in the current financial year against which there is an anticipated £8.990m worth of receipts expected to be realised, creating an in-year surplus of £1.042m (as demonstrated in Table 6 below). Given the significant amount of receipts needed to finance the capital programme in the current and

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, current projection is that this target will be met.

- 2.13 The Capital Strategy and Capital Programme 2019/24 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. The position as at 30 September 2019 is illustrated in the table below:

Table 6 – Capital Receipts 2019/24

Capital Receipts	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Capital Receipts Carried Forward	-	(1,042)	(1,399)	4,634	11,154
Estimated Capital Receipts	(8,990)	(8,536)	(5,832)	(33)	(250)
Received in year	(5,942)				
Total Receipts	(14,932)	(9,578)	(7,231)	4,601	10,904
Capital Receipts Financing Requirement	13,890	8,179	11,865	6,553	3,949
Over/(Under) programming	(1,042)	(1,399)	4,634	11,154	14,853

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

- 2.14 The most recent projections are for there to be a surplus in 2019/20 and 2020/21, however, the last three years of the programme shows a deficit in resources. Until a thorough review of the asset disposal programme has taken place, it is prudent to retain the current programme. The capital receipt available in future years will be reviewed and updated as part of the Capital Strategy 2020/21 to 2024/25.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match budget, early indications are that there is likely to be some rephasing across all years to reflect the current developments of individual projects/schemes.
- 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 – Quarter 2 – Corporate Services
 Appendix B - SUMMARY – Quarter 2 - Children’s Services
 Appendix C - SUMMARY – Quarter 2 - Community Services & Adult Social Care
 Appendix D - SUMMARY – Quarter 2 - Housing Revenue Account (HRA)
 Appendix E - SUMMARY – Quarter 2 - People and Place
 Appendix F - SUMMARY – Quarter 2 - Reform
 Appendix G - SUMMARY – Quarter 2 - Proposed Variations

SUMMARY – Quarter 2 – Corporate Services

Service area	Revised Budget (M03) £000	Approved Changes /Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Corporate	7,544	0	0	292	7,836	7,836
	7,544	0	0	292	7,836	7,836

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 2 - Children's Services

Service area	Revised Budget (M03) £000	Approved Changes/ Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Children, Young People & Families	623	0	0	0	623	623
Schools – General Provision	3,777	(127)	0	(423)	3,227	3,227
Schools – Primary	4,879	341	0	(2,464)	2,756	2,756
Schools – Secondary	11,408	0	0	(635)	10,773	10,773
Schools – Special	1,889	300	0	(682)	1,507	1,507
	22,576	514	0	(4,204)	18,886	18,886

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 2 - Community Services & Adult Social Care

Service area	Revised Budget (M03) £000	Approved Changes/ Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Adult Services	2,325	2	0	(303)	2,024	2,024
	2,325	2	0	(303)	2,024	2,024

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 2 - Housing Revenue Account (HRA)

Service area	Revised Budget (M03) £000	Approved Changes/ Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Housing Revenue Account	2,269	0	0	(415)	1,854	1,854
Reform Total	2,269	0	0	(415)	1,854	1,854

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 2 - People and Place

Service area	Revised Budget (M03) £000	Approved Changes/ Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
Asset Management	3,508	0	0	(149)	3,359	3,359
Asset Mgt - Education Premises	2,617	0	0	(577)	2,040	2,040
Boroughwide Developments	1,336	0	(4)	0	1,332	1,332
Development	448	0	0	0	448	448
District Partnership – Boroughwide	63	7	0	0	70	70
Environment - Countryside	222	0	0	0	222	222
Environment - Parks	26	0	0	0	26	26
IT	5,350	0	0	0	5,350	5,350
Parks & Playing Fields	23	0	0	(15)	8	8
Private Housing - HMRF	250	0	0	0	250	250
Private Housing	2,000	0	0	0	2,000	2,000
Public Realm	233	0	0	0	233	233
Strategic Acquisitions	4,291	0	0	(795)	3,496	3,496
Town Centre Developments	3,162	0	(155)	(2,154)	853	853
Transport - Accident Reduction	453	0	0	(120)	333	333
Transport - Bridges & Structures	2,106	133	0	(979)	1,260	1,260
Transport - Fleet Management	3,662	0	0	(431)	3,231	3,231
Transport - Highway Major Works/ Drainage schemes	8,414	0	12	(2,230)	6,196	6,196
Transport - Metrolink	155	0	0	0	155	155
Transport - Minor Works	1,154	0	0	(475)	679	679
Transport - Miscellaneous	2,779	0	76	(8)	2,847	2,847
Transport - Street Lighting	25	0	0	0	25	25
	42,278	140	(71)	(7,933)	34,413	34,413

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

SUMMARY – Quarter 2 - People and Place Cont'd**Major Variances Commentary**

No additional variances to report

SUMMARY – Quarter 2 - Reform

Service area	Revised Budget (M03) £000	Approved Changes/ Virements £000	Proposed Virement £000	Proposed Annual Review Virement £000	Revised Budget (M06) £000	Forecast £000
District Investment Fund	151	(6)	0	(106)	39	39
	151	(6)	0	(106)	39	39

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 2 - Proposed Variations

Portfolio / Service / Cost Centre	2019/20	2020/21	2021/22	2022/23	TOTAL	Proposed Action
Corporate Services						
Funding for Emerging Priorities	292,085.40				292,085.40	Realigned from other services
Corporate Services Total	292,085.40				292,085.40	
Children's Services						
Clarksfield Primary (Oasis Academy) Expansion	(1,500,000.00)	1,500,000.00			-	Rephase to future years
Schools Dedicated Capital Fund (DFC)	(595,810.00)	595,810.00			-	Rephase to future years
Kingfisher School Expansion of PAN and Hydro Pool Replacement	(669,676.54)	669,676.54			-	Rephase to future years
Mayfield Academy Expansion	(500,000.00)	500,000.00			-	Rephase to future years
North Chadderton School Expansion	(324,713.98)	324,713.98			-	Rephase to future years
Oasis Academy - Additional 2FE	(246,935.93)	246,935.93			-	Rephase to future years
Royton & Crompton Sec School (OCL) - Full Astro – pitch replacement.	(14,044.89)	14,044.89			-	Rephase to future years
Royton & Crompton Secondary - Mechanical, Electrical and Roofing works - Essential Condition Works	(330,962.60)	330,962.60			-	Rephase to future years
SEND - Special Provision Capital Fund (SPCF) General Provision 2018-2021	(130,333.00)	130,333.00			-	Rephase to future years
Suitability in Schools	(37,601.62)	37,601.62			-	Rephase to future years
Saddleworth School New Build	457,000.00	(457,000.00)			-	Budget Acceleration
Realign to Basic Need Provision						
Education Basic Need General Provision		172,919.75			172,919.75	
New Secondary 'Free' School	(42,911.00)				(42,911.00)	Funds not required realigned to Basic Need General Provision, as projects have been completed
School Places - Oasis Limeside / Oasis Academy- internals, classrooms, kitchen & dining	(62,669.33)				(62,669.33)	
University Technical College (UTC) Upgrade	(10,530.33)				(10,530.33)	
School Places - New 3FE Build Primary School- former Grange school site	(56,809.09)				(56,809.09)	

Portfolio / Service / Cost Centre	2019/20	2020/21	2021/22	2022/23	TOTAL	Proposed Action
Surplus Resources						
School Places - New 3FE Build Primary School- former Grange school site	(39,301.69)				(39,301.69)	Budget realigned to Funds for Emerging Priorities.
Targeted Basic Need - Expansion of 4 Schools	(96,092.33)				(96,092.33)	
Targeted Basic Need - New Special Academy - Hollinwood Academy	(2,339.99)				(2,339.99)	
Children's Services Total	(4,203,732.32)	4,065,998.31	-	-	(137,734.01)	
Community Services & Adult Social Care						
Social Care- General Provision	(303,087.79)	-	303,087.79		-	Rephase to future years
Community Services & Adult Social Care Total	(303,087.79)	-	303,087.79		-	
Housing Revenue Account						
HRA Capital Strategy	(415,001.00)	415,001.00			-	Rephase to future years
Housing Revenue Account Total	(415,001.00)	415,001.00	0	0	-	
People and Place						
A62 Manchester Rd Drury Ln/Spencer St Northbound	(4,833.21)	-	-	-	(4,833.21)	Realign to Gen. Provision
Yorkshire Street Connectivity (LGR2)	(2,698.40)	-	-	-	(2,698.40)	Realign to Gen. Provision
HE - Tactile paving - various locations A663	(3,940.19)	-	-	-	(3,940.19)	Realign to Gen. Provision
Eastern Gateway Improvements (Prince's Gate)	(8,224.81)	-	-	-	(8,224.81)	Realign to Gen. Provision
Transport Investment General Provision	19,696.61	-	-	-	19,696.61	Realign from 4 transport schemes above
Cycling / Walking Improvement Schemes	(55,000.00)	-	-	-	(55,000.00)	Realign within Service
Acorn Street, Lees	55,000.00	-	-	-	55,000.00	Realign within Service
Eastern Gateway Improvements (Prince's Gate)	(147,342.34)	-	-	-	(147,342.34)	Reduction in Grant
Flood Defence: Churchyards Dobcross	76,000.00	-	-	-	76,000.00	New Grant Funding
2019/20 HIP Schemes - Amber	(500,000.00)	500,000.00			-	Rephase to future years
2019/20 HIP Schemes - Red	(300,000.00)	300,000.00			-	Rephase to future years
A6104 Hollins Road Corridor Improvements	(95,000.00)	95,000.00			-	Rephase to future years
Chadderton Town Hall Toilet Refurbishment	(78,651.18)	78,651.18			-	Rephase to future years
BR 224 Rhodes Hill Culvert, Rhodes Hill Lees	(30,000.00)	30,000.00			-	Rephase to future years
Br 504 Union Street West Footbridge	(192,323.47)	192,323.47			-	Rephase to future years

Bridge Work - King Street Roundabout Footbridge	(659,671.53)	659,671.53			-	Rephase to future years
Portfolio / Service / Cost Centre	2019/20	2020/21	2021/22	2022/23	TOTAL	Proposed Action
Challenge Fund- A62 Oldham Way- A669 Middleton Road Bridge Strengthening	(96,869.76)	96,869.76			-	Rephase to future years
Corridor Improvement Schemes	(40,000.00)	40,000.00			-	Rephase to future years
DfT Safer Roads Fund	(300,000.00)	300,000.00			-	Rephase to future years
Essential Condition Works - General Provision	(500,000.00)	500,000.00			-	Rephase to future years
Fleet Replacement Vehicles 7 years	(431,436.78)	431,436.78			-	Rephase to future years
Mercury Abatement		(992,037.00)	992,037.00		-	Rephase to future years
New Barn changing Rooms - Essential repairs	(70,000.00)	70,000.00			-	Rephase to future years
Oldham Heritage & Arts Centre – Off Site Storage (PoW Units A & B)	(800,000.00)	800,000.00			-	Rephase to future years
Oldham Heritage & Arts Centre – Phase A	(400,000.00)	400,000.00			-	Rephase to future years
Park Road - Kings Road - Woodstock Street Junction Improvements	(130,000.00)	130,000.00			-	Rephase to future years
Pedestrian and vehicle improvements	(77,671.00)	77,671.00			-	Rephase to future years
Pot Hole Funding	(270,000.00)	270,000.00			-	Rephase to future years
Princes Gate Site C	(800,000.00)	800,000.00			-	Rephase to future years
Springhead Primary School - Re-roof	(76,702.76)	76,702.76			-	Rephase to future years
Wellyhole Street - Constantine Street Traffic Calming	(25,000.00)	25,000.00			-	Rephase to future years
Transport Investment Programme	(1,134,974.27)	1,095,942.00			-	Rephase to future years
Realign to Transport Investment Programme						
Transport Investment Programme					(39,032.27)	Realign within Service
A62 Manchester Rd/Drury Ln to Spencer St N'bound	4,833.21				4,833.21	Realign within Service
GD3 - Town Centre Hungers Lane Improvements	1,039.38				1,039.38	Realign within Service
GD3 - Waterloo St Rhodes Bank Traffic Signal	6,750.00				6,750.00	Realign within Service
Growth Deal 3 Match Funding	23,711.28				23,711.28	Realign within Service
Yorkshire Street Connectivity (LGR2)	2,698.40				2,698.40	Realign within Service
Provision not Required						
Incline Rd Hollinwood - Install new play equipment	(14,790.35)				(14,790.35)	Budget not required S106 – remove from the capital programme

Portfolio / Service / Cost Centre	2019/20	2020/21	2021/22	2022/23	TOTAL	Proposed Action
Surplus Resources						
Creation of Digital Enterprise Hub in Oldham Town Centre	(153,309.39)				(153,309.39)	Budget realigned to Funds for Emerging Priorities.
Creation of Digital Enterprise Hub in Oldham Town Centre	(1,042.00)				(1,042.00)	Budget realigned to Funds for Emerging Priorities.
Strategic Acquisitions- General Provision	(795,005.92)	(204,994.08)	500,000.00	500,000.00	-	Rephase to future years.
Realign to Strategic Acquisition General Provision						
Strategic Acquisitions- General Provision	40,485.39				40,485.39	Funds not required realigned to Strategic Acquisitions General Provision, as projects have been completed
Strategic Acquisitions- 13 Yorkshire Street (Greaves Public House)	(3,665.43)				(3,665.43)	
Strategic Acquisitions- Bank at Mumps	(12,939.62)				(12,939.62)	
Strategic Acquisitions- Land at Rhodes Bank (RSPCA)	(1,000.93)				(1,000.93)	
Strategic Acquisitions- Metropolitan House	(10,459.34)				(10,459.34)	
Strategic Acquisitions- 52 Yorkshire Street (St Mary's)	(12,420.07)				(12,420.07)	
People and Place Total	(8,004,758.48)	5,772,237.40	1,492,037.00	500,000.00	(240,484.08)	
Reform						
DIF - Chadderton District Partnership (3 wards)	(17,500.00)	17,500.00			-	Rephase to future years
DIF - Failsworth District Partnership (3 wards)	(24,500.00)	24,500.00			-	Rephase to future years
DIF - Oldham District Partnership (7 wards)	(31,500.00)	31,500.00			-	Rephase to future years
DIF - Royton District Partnership (2 wards)	(11,878.00)	11,878.00			-	Rephase to future years
DIF - Saddleworth & Lees District Partnership (3 wards)	(6,851.81)	6,851.81			-	Rephase to future years
DIF - Shaw & Crompton District Partnership (2 wards)	(10,536.56)	10,536.56			-	Rephase to future years
DIF- Coalshaw Green MUGA	(3,500.00)	3,500.00			-	Rephase to future years
Reform Total	(106,266.37)	106,266.37	0	0	0	
Grand Total	(12,740,760.56)	10,359,503.08	1,795,124.79	500,000.00	(86,132.69)	

Surplus Resources	2019/20	2020/21	2021/22	2022/23	TOTAL
Grant & Other Contributions - Ringfenced	6,758,936.88	(6,922,163.46)	-	-	(163,226.58)
Prudential Borrowing	3,073,055.63	(1,799,845.09)	(556,361.58)	(500,000.00)	216,848.96
Revenue Contributions	415,001.00	(415,001.00)	-	-	-
Capital Receipts	2,493,767.05	(1,222,493.53)	(1,238,763.21)	-	32,510.31
Grand Total	12,740,760.56	(10,359,503.08)	(1,795,124.79)	(500,000.00)	86,132.69