

## CAPITAL INVESTMENT PROGRAMME REPORT 2019/20

### Month 8 - November 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 November 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. This month 8 position has been used to inform the Capital Strategy and Capital Programme for 2020/21 to 2024/25 in accordance with the agreed budget setting arrangements.

#### 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 £63.945m as at 30 November 2019. This is after taking account of approved new schemes and other approved and proposed variations. There is therefore a net decrease in anticipated expenditure for 2019/20 of £1.107m compared to £65.052m reported at Quarter 2.
- 2.3 Actual expenditure to 30 November 2019 was £33.013m (51.63% 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 – 2019/20 Capital Programme**

Directorate	Revised Budget (M06) £000	Approved Amendments (to M08) £000	Proposed Virement/ Rephase £000	Revised Budget (M08) £000	Forecast £000
Corporate Services	7,836	-	-	7,836	7,836
Children's Services	18,886	(105)	-	18,781	18,781
Community Services & Adult Social Care	2,024	3	2	2,029	2,029
Housing Revenue Account	1,854	-	-	1,854	1,854
People and Place	34,413	789	(1,796)	33,406	33,406
Reform	39	-	-	39	39
<b>Overall Total</b>	<b>65,052</b>	<b>687</b>	<b>(1,794)</b>	<b>63,945</b>	<b>63,945</b>
(subject to rounding – tolerance +/- £1k)			<b>(1,107)</b>		

- 2.4 The approved virement to month 8 of £0.687m (net increase) represents changes following the approval of the ‘2019-2024 Capital Programme Update Re-Phasing Month 6 (Sept 2019)’. There is a £0.789m increase in the programme, mainly additional transport grants; £411k Incentive Fund, £124k Grant in Aid for flood defence schemes and £143k Pothole funding. There is also a virement of £105k between Children’s Services and People and Place for the Kingsland School kitchen upgrade.
- 2.5 There are further proposed changes to the programme with a value of £1.794m, which if approved, when combined with the changes that have already been actioned, would reduce the forecast expenditure to £63.945m. The proposed areas of rephasing are mainly in relation to the IT capital programme £1.210m and the Transport capital programme £0.551m. A detailed breakdown of the proposed virements/ re-phasing is shown in appendix G.
- 2.6 There remains an element of uncertainty about the forecast position and it is inevitable that this will change in the remaining 4 months of the financial year; 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**

- 2.7 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	18,781	15,591	12,305	5,000	-
Community Services & Adult Social Care	2,029	1,400	703	400	400
Housing Revenue Account	1,854	2,865	922	800	-
People and Place	33,406	64,142	76,762	8,360	3,864
Reform	39	346	400	-	-
<b>Grand Total</b>	<b>63,945</b>	<b>91,103</b>	<b>94,667</b>	<b>17,260</b>	<b>5,964</b>

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

Funding	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Grant & Other Contributions	(29,975)	(31,112)	(20,590)	(3,202)	(1,973)
Prudential Borrowing	(18,967)	(45,801)	(56,390)	(6,706)	(42)
Revenue	(1,860)	(5,265)	(5,822)	(800)	-
Capital Receipts	(13,143)	(8,926)	(11,865)	(6,553)	(3,949)
<b>Grand Total</b>	<b>(63,945)</b>	<b>(91,103)</b>	<b>(94,667)</b>	<b>(17,260)</b>	<b>(5,964)</b>

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

- 2.8 It should be noted that the above tables are based on the 2019-2024 approved capital programme and do not reflect the proposals included within the 2020-2025 Capital Strategy and Capital Programme report elsewhere on the agenda.
- 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	1,098	4,500	3,575	2,700	1,700

**Capital Receipts**

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

**Table 5 – Capital Receipts 2019/20**

	£000	£000
Capital Receipts Financing Requirement		13,143
Usable Capital Receipt b/fwd.	-	
Actual received to date	(6,627)	(6,627)
<b>Further Required/(Surplus) in 2019/20</b>		<b>6,516</b>

- 2.11 The revised capital programme requires the availability of £13.143m of capital receipts in 2019/20 for financing purposes. The total net usable capital receipts currently received in year is £6.627m, leaving a requirement for an additional £6.516m of capital receipts in the current financial year against which there is an anticipated £2.536m worth of receipts expected to be realised, creating an in-year deficit of £3.980m (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. The current projection is that this target will be met.
- 2.12 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 November 2019 is illustrated in the table below:

**Table 6 – Capital Receipts 2019/24**

<b>Capital Receipts</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>
Capital Receipts Carried Forward	-	3,980	1,030	5,963	12,482
Estimated Capital Receipts	(2,536)	(11,876)	(6,933)	(33)	-
Received in year	(6,627)				
<b>Total Receipts</b>	<b>(9,163)</b>	<b>(7,896)</b>	<b>(5,903)</b>	<b>5,930</b>	<b>12,482</b>
Capital Receipts Financing Requirement	13,143	8,926	11,865	6,553	3,949
<b>Over/(Under) programming cumulative</b>	<b>3,980</b>	<b>1,030</b>	<b>5,963</b>	<b>12,482</b>	<b>16,431</b>

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

- 2.13 The most recent projections are for there to be a continued shortfall in whole of the 2019-2024 capital programme. However, until a thorough review of the asset disposal programme has taken place, which is planned under the Creating a Better Place Initiative, it is reasonable to retain the current programme to continue to deliver Council objectives. It is expected that the level of capital receipts available will be subject to frequent review and reprofiling as the Creating a Better Place Initiative gathers pace.

### 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/ has been reported to Members and Senior Council Officers on a regular basis (including the Overview and Scrutiny Performance and Value for Money Select Committee on 23 January 2020).

## 4 **Appendices**

- 4.1 Appendix A - SUMMARY – Month 8 - Corporate Services
- Appendix B - SUMMARY – Month 8 - Children’s Services
- Appendix C - SUMMARY – Month 8 - Community Services & Adult Social Care
- Appendix D - SUMMARY – Month 8 - Housing Revenue Account (HRA)
- Appendix E - SUMMARY – Month 8 - People and Place
- Appendix F - SUMMARY – Month 8 - Reform
- Appendix G - SUMMARY – Month 8 - Proposed Variations

**SUMMARY – Month 8 – Corporate Services**

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
Corporate	7,836	-	-	7,836	7,836
<b>TOTAL</b>	<b>7,836</b>	<b>-</b>	<b>-</b>	<b>7,836</b>	<b>7,836</b>

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 8 - Children's Services**

Service area	Revised Budget (M06) £000	Approved Changes /Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
Children, Young People & Families	623	-	-	623	623
Schools – General Provision	3,227	(105)	-	3,122	3,122
Schools – Primary	2,756	-	-	2,756	2,756
Schools – Secondary	10,773	-	-	10,773	10,773
Schools – Special	1,507	-	-	1,507	1,507
<b>TOTAL</b>	<b>18,886</b>	<b>(105)</b>	<b>-</b>	<b>18,781</b>	<b>18,781</b>

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

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 8 - Community Services & Adult Social Care**

Service area	Revised Budget (M06) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
Adult Services	2,024	3	2	2,029	2,029
<b>TOTAL</b>	<b>2,024</b>	<b>3</b>	<b>2</b>	<b>2,029</b>	<b>2,029</b>

**Major Variances Commentary**

No additional variances to report

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**SUMMARY – Month 8 - Housing Revenue Account (HRA)**

Service area	Revised Budget (M06) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
Housing Revenue Account	1,854	-	-	1,854	1,854
<b>TOTAL</b>	<b>1,854</b>	<b>-</b>	<b>-</b>	<b>1,854</b>	<b>1,854</b>

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 8 - People and Place**

Service area	Revised Budget (M06) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
Asset Management	3,359	-	-	3,359	3,359
Asset Management - Education Premises	2,040	-	-	2,040	2,040
Boroughwide Developments	1,332	-	-	1,332	1,332
Development	448	-	-	448	448
District Partnership – Boroughwide	70	-	-	70	70
Environment - Countryside	222	-	-	222	222
Environment - Parks	26	-	-	26	26
IT	5,350	-	(1,245)	4,105	4,105
Parks & Playing Fields	8	-	-	8	8
Private Housing - HMRF	250	-	-	250	250
Private Housing	2,000	-	-	2,000	2,000
Public Realm	233	-	-	233	233
Schools - Special	-	105	0	105	105
Strategic Acquisitions	3,496	-	-	3,496	3,496
Town Centre Developments	853	-	-	853	853
Transport - Accident Reduction	333	-	-	333	333
Transport - Bridges & Structures	1,260	16	(248)	1,028	1,028
Transport - Fleet Management	3,231	111	-	3,342	3,342
Transport - Highway Major Works/ Drainage schemes	6,196	402	(233)	6,365	6,365
Transport - Metrolink	155	-	-	155	155
Transport - Minor Works	679	31	(20)	690	690
Transport - Miscellaneous	2,847	124	(50)	2,921	2,921
Transport - Street Lighting	25	-	-	25	25
<b>TOTAL</b>	<b>34,413</b>	<b>789</b>	<b>(1,796)</b>	<b>33,406</b>	<b>33,406</b>

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



**SUMMARY – Month 8 - People and Place** Cont'd**Major Variances Commentary**

No additional variances to report

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**SUMMARY – Month 8 - Reform**

Service area	Revised Budget (M06) £000	Approved Changes/ Virements £000	Proposed Virement £000	Revised Budget (M08) £000	Forecast £000
District Investment Fund	39	-	-	39	39
<b>TOTAL</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>39</b>

**Major Variances Commentary**

No additional variances to report

**SUMMARY – Month 8 - Proposed Variations**

Portfolio / Service / Cost Centre	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Proposed Action
<b>Community Services &amp; Adult Social Care</b>					
Disabled Facilities Grant	2				Additional Private Contributions
<b>Community Services &amp; Adult Social Care Total</b>	<b>2</b>				
<b>People and Place</b>					
Bridge Work - King Street Roundabout Footbridge	54	(54)			Rephase to future years
BR 224 Rhodes Hill Culvert, Rhodes Hill Lees	(100)	100			Rephase to future years
Cycling / Walking Improvement Schemes	(20)	20			Rephase to future years
Thurston Clough Culvert, Delph	(20)	20			Rephase to future years
IT Developments	(65)	65			Rephase to future years
Investments in IT	(400)	400			Rephase to future years
IT- Server Refresh	(100)	100			Rephase to future years
IT - Creating an Agile & Efficient Council	(50)	50			Rephase to future years
IT - Harnessing the Power of Data	(315)	315			Rephase to future years
IT - Strengthening Governance & Capability	(245)	245			Rephase to future years
IT - Business Systems	(70)	70			Rephase to future years
Unclassified Network - Thin Treatment Schemes	(18)	18			Rephase to future years
Burnley Street, Chadderton	(20)	20			Rephase to future years
Zebra Crossing Upgrade, Rochdale Road, Royton	(35)	35			Rephase to future years
Acorn Street, Lees	(70)	70			Rephase to future years
Partington Street, Failsworth – Traffic Calming	(45)	45			Rephase to future years
DfT Safer Roads Fund	(100)	100			Rephase to future years
Corridor Improvement Schemes	(50)	50			Realign within service
Challenge Fund- A62 Oldham Way- A669 Middleton Road Bridge Strengthening	(183)	-			Realign & Rephase to future years
HIP - Preventative Treatments	47	-			Realign within service
Incentive Fund	9	127			Realign & Rephase to future years
Foxdenton - Broadway Green Phase 2	-	(2,147)	2,147		Rephase to future years
Strategic Acquisitions- General Provision	-	(1,500)	750	750	Rephase to future years

Portfolio / Service / Cost Centre	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Proposed Action
Fleet Replacement Vehicles 7 years	-	(895)	895		Rephase to future years
Royton & Crompton School	-	(1,000)	1,000		Rephase to future years
North Chadderton School Expansion	-	(1,000)	1,000		Rephase to future years
Transport Investment	-	(3,868)	3,868		Rephase to future years
<b>People and Place Total</b>	<b>(1,796)</b>	<b>(8,614)</b>	<b>9,660</b>	<b>750</b>	
<b>Grand Total</b>	<b>(1,794)</b>	<b>(8,614)</b>	<b>9,660</b>	<b>750</b>	

Financing	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Grant & Other Contributions - Ringfenced	576	3,616	(4,147)	-
Prudential Borrowing	471	5,745	(5,513)	(750)
Revenue Contributions	-	-	-	-
Capital Receipts	747	(747)	-	-
<b>Grand Total</b>	<b>1,794</b>	<b>8,614</b>	<b>(9,660)</b>	<b>(750)</b>