

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Quarter 1 - June 2020

1 Background

- 1.1 The original capital programme for 2020/21 reflects the priorities outlined in the capital strategy as approved at Cabinet on 10 February 2020 and confirmed at the Council meeting on the 26 February 2020.
- 1.2 The position as at 30 June 2020 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 financial years 2020/21 to 2024/25, approved by Council on 26 February 2020 is summarised in Table 1 and shows capital programme expenditure of £147.632m in 2020/21.

Table 1 : Original Budget - Capital Programme 2020/21 to 2024/25

2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	TOTAL £000
147,632	131,467	102,510	40,999	56,973	479,581

- 2.2 The 2019/20 Month 9 report approved at Cabinet on 23 March 2020 projected an outturn position of £52.048m. However, the actual outturn was £54.383m, a variance of £2.335m, which required resources being accelerated from 2020/2021 and this is detailed in Table 2 and Appendices A-F.
- 2.3 Table 2 shows the original capital programme forecast spend for 2020/21 at £147.632m. Following the approval of the 2020-2025 Capital Strategy and Capital Programme at Council 26 February 2020, a virement of £11.897m (an increase to the 2020/21 budget) was approved. This revised the 2019/20 capital programme to £52.048m and the 2020/21 programme to £159.529m. The 2019/20 outturn position (variance of £2.335m) required a further realignment of the programme to revised planned spending in 2020/21 to £157.194m.
- 2.4 However, there was then further approved rephasing into future years (£3.668m) the receipt of the additional grants and contributions of £12.219m, and a further proposed variation (£0.073m) to give the projected revised expenditure of £165.672m.
- 2.5 Elsewhere on the agenda is a report summarising the impact of a strategic review of the Creating a Better Place programme. Anticipating approval of the strategic review and its impact on the allocations and profiling of individual schemes that fall

within the scope of Creating a Better Place, the capital programme revised budget and forecast spending have been reduced by in total by £90m of which of which £21.961m relates to 2020/21, revising the 2020/21 capital programme to £143.711m.

- 2.6 Actual expenditure to 30 June 2020 was £18.214m (12.67% 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 – 2020/21 Capital Programme

Directorate	Original Budget 2020/21 £000	Outturn Position Revision £000	Further Budget changes £000	Revised Budget 2020/21 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000	Forecast £000	Variance £000
Corporate Services	9,450	1	16,560	26,011	-	26,011	26,011	0
Children's Services	15,590	(1,624)	8,004	21,970	-	21,970	21,970	0
Communities and Reform	346	3	(89)	260	-	260	260	0
Community Health & Adult Social Care	3,400	(365)	95	3,130	-	3,130	3,130	0
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	0
People and Place	113,309	(251)	(26,380)	86,678	(73)	86,605	86,605	0
Overall Total	147,632	(2,335)	(1,513)	143,784	(73)	143,711	143,711	0

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

- 2.7 As advised above, the £2.335m rephasing is the net acceleration of 2020/21 approved budget to support the outturn for the 2019/20 capital programme. Along with the respective financing this initially reduced the 2020/21 capital programme.
- 2.8 The net budget change of £1.513m represents reprofiling of expenditure since the approval of the Capital Strategy and capital programme at Budget Council on 26 February 2020. It also includes £12.219m of new funding encompassing the Mayor's Challenge Fund grant and some smaller sums including, £0.062m of additional Highways Maintenance Grant, £0.065m of additional Disabled Facilities Grant, £0.014m from private contributions for Disabled Facilities Grant funded schemes and £0.010m from The Big Local Fund. The balance, a net of £8.229m represents the acceleration of funding from 2021/22 and future years to support projects realigned to 2020/21 together with the impact of the strategic review of the Creating a Better Place programme. As can be seen in the table above and at Appendix F, there is significant in year change in the People and Place programme, in relation to Strategic Acquisitions and Town Centre Developments in particular.
- 2.9 The proposed net changes of £0.073m reflect anticipated virements and further rephasing of spending as detailed in Appendix G.

2.10 Due to the COVID-19 pandemic, 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. A further breakdown of Table 2 on a service by service area basis is shown at Appendices A to F and the detailed breakdown of proposed virement/rephasing, both expenditure and financing, is shown in Appendix G.

Re-profiling of the Capital Programme

2.11 The revised capital programme for 2020/21 to 2024/25, 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.

Table 3 – 2020/2025 Capital Programme

Directorate Budget	Revised Budget 2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	26,011	442	4,200	3,200	10,330	44,184
Children's Services	21,970	15,989	5,000	0	0	42,959
Communities and Reform	260	1	0	0	0	260
Community Health & Adult Social Care	3,130	703	400	400	400	5,033
Housing Revenue Account	5,736	3,922	3,800	2,835	0	16,293
People and Place	86,605	51,602	92,386	48,938	24,573	304,103
Grand Total	143,711	72,659	105,786	55,373	35,303	412,832

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

Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Grant & Other Contributions	(30,911)	(38,733)	(4,452)	(1,973)	(1,973)	(78,042)
Prudential Borrowing	(95,493)	(26,218)	(84,706)	(41,716)	(31,565)	(279,698)
Revenue	(5,741)	(3,922)	(6,200)	(7,735)	-	(23,598)
Capital Receipts	(11,566)	(3,786)	(10,428)	(3,949)	(1,765)	(31,494)
Grand Total	(143,711)	(72,659)	(105,786)	(55,373)	(35,303)	(412,832)

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

2.12 The revised Provision for Emerging Priorities for 2020/21 to 2024/25, taking into account all the above amendments is contained within the Corporate Services budget and is as follows:

Table 4 - Provision for Emerging Priorities

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Provision for Emerging Priorities	1,301	442	4,200	3,200	10,330	19,473

Capital Receipts

2.13 The revised capital programme requires the availability of £11.566m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £0.304m.

2.14 The capital receipts position as at 30 June 2020 is as follows:

Table 5 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		11,566
Usable Capital Receipt b/fwd.	0	
Actual received to date	(304)	
Further Required/(Surplus) in 2020/21		11,262

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

2.15 Given the significant amount of receipts needed to finance the capital programme in this 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 on-going review throughout the year. It is of course recognised that the pandemic has had an impact of business/economic activities making capital disposals more challenging.

2.16 The Capital Strategy and Capital Programme 2020/25 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 June 2020 is illustrated in the table below:

Table 6 – Capital Receipts 2020/25

Capital Receipts	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Receipts Carried Forward	-	6,960	(98)	8,623	12,322
Estimated Capital Receipts	(4,302)	(10,844)	(1,707)	(250)	(1,074)
Received in year	(304)				
Total Receipts	(4,606)	(3,884)	(1,805)	8,373	11,248
Capital Receipts Financing Requirement	11,566	3,786	10,428	3,949	1,765
Over/(Under) programming	6,960	(98)	8,623	12,322	13,013

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

2.17 As shown above, the most recent projection indicates a potential shortfall in later years of the programme. However, until a thorough review of the asset disposal programme has taken place, it is prudent to retain the current programme and review during the course of the current year.

Annual Review of the Capital Programme

2.18 In accordance with previous practice, there will once again be a review of the capital programme over the summer months (the Summer Review). This will examine any further opportunities to reallocate, decommission or reprofile

resources. It will also include 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.

New Funding

- 2.19 Since 30 June 2020 the Council has been notified of additional grant funding which has not yet been incorporated within financial tables presented above, including £4.172m from the Highway Maintenance Challenge Fund.
- 2.20 In addition, the Council has received notification from the Department of Education of a School Nurseries Capital Fund Grant of £0.274m at Northmoor Academy School Nursery. The grant will create 24 new FTE two-year-old places, 30 wraparound places, and 30 holiday places through a new build on an underused part of the existing site.
- 2.21 The MHCLG notified Oldham of an allocation of £1.000m of Towns Fund Grant to finance capital projects that can be delivered in this financial year. The Towns Fund forms a key aspect of Government plans to 'build back better' to support the economic recovery and central to the government's ambition to enable towns like Oldham to benefit from significant investment through the delivery of transformation projects. The Council has prepared a grant submission so it can access the resources available. This £1.000m is in addition to the £25m Towns fund allocation Oldham has already received.

Regional Funding Allocations

- 2.22 The following grants were announced on 30 June 2020 and awarded to Greater Manchester to take forward a regional programme of investment
- £81m of Brownfield Fund allocation (from a national £360m) to support the development of housing on brownfield sites;
 - £54.2m Getting Building Fund allocation (from a national £900m) to support the delivery of 'shovel-ready' projects intended to provide stimulus to local economies.
- 2.23 Once the Council's share of these grant funding streams has been determined they will be included within the capital programme.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. Whilst the Creating a Better Place review has recently concluded, it is likely that there will be some further rephrasing 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 1 - Corporate Services
- Appendix B - SUMMARY – Quarter 1 - Children’s Services
- Appendix C - SUMMARY – Quarter 1 - Communities and Reform
- Appendix D - SUMMARY – Quarter 1 - Community Services & Adult Social Care
- Appendix E - SUMMARY – Quarter 1 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Quarter 1 - People and Place
- Appendix G - SUMMARY – Quarter 1 - Proposed Variations

SUMMARY – Quarter 1 – Corporate Services

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget M03 £000	Forecast £000	Year End Variance £000
Corporate	9,450	1	16,165	25,616	-	25,616	25,616	-
General Services	-	-	396	396	-	396	396	-
	9,450	1	16,560	26,011	-	26,011	26,011	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Children’s Services

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Children, Young People & Families	50	102	27	179	-	179	179	-
Schools – General Provision	507	(51)	256	712	-	712	712	-
Schools – Primary	4,368	(587)	1,997	5,778	-	5,778	5,778	-
Schools – Secondary	8,582	(686)	(3,483)	4,413	-	4,413	4,413	-
Schools – Special	680	(322)	299	657	-	657	657	-
Schools – New Build	1,403	(80)	8,908	10,231	-	10,231	10,231	-
	15,590	(1,624)	8,004	21,970	-	21,970	21,970	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Communities and Reform

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
District Investment Fund	346	3	(89)	260	-	260	260	-
	346	3	(89)	260	-	260	260	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Community Services & Adult Social Care

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Adult Services	3,400	(365)	95	3,130	-	3,130	3,130	-
	3,400	(365)	95	3,130	-	3,130	3,130	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Housing Revenue Account (HRA)

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Housing Revenue Account	5,537	(99)	297	5,735	-	5,735	5,735	-
Reform Total	5,537	(99)	297	5,735	-	5,735	5,735	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - People and Place

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Asset Management	1,240	(167)	2,247	3,320		3,320	3,320	-
Asset Mgt - Education Premises	2,877	14	1,359	4,250		4,250	4,250	-
Boroughwide Developments	18,450	(7)	(1,905)	16,538		16,538	16,538	-
Development		(26)	294	268		268	268	-
District Partnership – Boroughwide	178	(14)	93	257		257	257	-
Environment – Countryside	100	(169)	71	2		2	2	-
Environment – Parks	-	(36)	292	256		256	256	-
Env - Playing Fields & Facilities	-	(33)	45	12		12	12	-
ICT	4,439	29	623	5,091		5,091	5,091	-
Parks & Playing Fields	-	-	23	23		23	23	-
Private Housing – HMRF	265	4	91	360	(110)	250	250	-
Private Housing	800	-	-	800		800	800	-
Public Realm	-	49	128	177		177	177	-
Schools – Special	-		3	3		3	3	-
Schools – New Build	-		9,500	9,500		9,500	9,500	-
Strategic Acquisitions	7,795	-	(7,795)	-		-	-	-
Town Centre Developments	63,947	(131)	(35,066)	28,750		28,750	28,750	-
Transport - Accident Reduction	120	137	417	674		674	674	-
Transport - Bridges & Structures	1,522	28	2,016	3,566		3,566	3,566	-
Transport - Fleet Management	1,000	(30)	31	1,001		1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	9,988	91	261	10,340	(463)	9,877	9,877	-
Transport – Metrolink	-	(6)	6	-		-	-	-
Transport - Minor Works	497	2	441	940	500	1,440	1,440	-
Transport – Miscellaneous	90	14	420	524		524	524	-

APPENDIX F

Service area	Original Budget £000	2019/20 Rephasing/ Acceleration £000	Approved Changes/ Virements £000	Revised Budget 2020/21 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Transport - Street Lighting	-	-	26	26		26	26	-
	113,309	(251)	(26,380)	86,678	(73)	86,605	86,605	-

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

SUMMARY – Quarter 1 - People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 JUNE 2020	2020/21	2021/22	Comments
Directorate / Scheme	£000	£000	
People and Place			
Equity Homes Loans	(110)	110	Rephase to Future Years
Transport Investment	(125)	463	Realign & Rephase to Future Years
A640 Huddersfield Road (Phase 1)	(22)		Realign & Rephase to Future Years
A635 Manchester Road	(49)		Realign & Rephase to Future Years
Incentive Fund 2017/18	(175)		Realign & Rephase to Future Years
2019/20 HIP Schemes - Amber	(684)		Realign within Service
2019/20 HIP Schemes - Red	(11)		Realign within Service
C19454 Stannybrook Road (Daisy Nook Farm to Boundary)	(6)		Realign & Rephase to Future Years
A672 Ripponden Road (Dumfries Avenue to Boundary)	(87)		Realign & Rephase to Future Years
2020/21 HIP Schemes - Red	695		Realign within Service
Safe streets response measures: Cycling and walking	501		New Grant
People and Place TOTAL	(73)	573	
TOTAL	(73)	573	

FINANCING BUDGETS TO BE REPROFILED AS AT 30 JUNE 2019	2020/21	2021/22	
Fund Source	£000	£000	
Grants and Contributions	4,098	(4,598)	
Prudential Borrowing	(4,025)	4,025	
Revenue Contribution	-	-	
Capital Receipts	-	-	
TOTAL	73	(573)	