

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 4 - July 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 31 July 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 Table 2 shows the revised capital programme for 2020/21 as at 31 July 2020 at an overall expenditure level of £142.617m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £0.236m (an increase to the 2020/21 budget) represents changes since the revised M03 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 31 July 2020 was £29.373m (20.60% 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	Revised Budget (M03) £000	Approved Virements (to M04) £000	Proposed Virement/ Rephase £000	Revised Budget (M04) £000	Forecast £000	Variance £000
Corporate Services	26,011	-	-	26,011	26,011	0
Children's Services	21,970	-	-	21,970	21,970	0
Communities and Reform	260	-	-	260	260	0
Community Health & Adult Social Care	3,130	2	-	3,132	3,132	0
Housing Revenue Account	5,735	-	-	5,735	5,735	0
People and Place	86,605	234	(1,330)	85,509	85,509	0
Overall Total	143,711	236	(1,330)	142,617	142,617	0

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

- 2.5 The net budget change of £0.236m represents approved movements including new funding, as detailed below:

£210k – Additional Highways Maintenance LTP Funding
£ 43k – Insurance Payment in relation to the theft of a vehicle
£ 2k – Disabled Facilities Grant – Private Contributions
(£ 19k) – Rephasing of Local Investment Fund scheme into 2021/22
£236k

- 2.6 The proposed net changes of £1.330m reflect anticipated virements and further rephasing of spending as detailed in Appendix G.
- 2.7 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

- 2.8 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	44,183
Children's Services	21,970	15,989	5,000	-	-	42,959
Communities and Reform	260	1	-	-	-	261
Community Health & Adult Social Care	3,132	703	400	400	400	5,035
Housing Revenue Account	5,735	3,922	3,800	2,835	-	16,292
People and Place	85,509	54,573	92,386	49,869	23,642	305,979
Grand Total	142,617	75,630	105,786	56,304	34,372	414,709

(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	(30,570)	(40,952)	(4,452)	(1,973)	(1,973)	(79,920)
Prudential Borrowing	(95,119)	(26,624)	(84,706)	(42,647)	(30,634)	(279,730)
Revenue	(5,740)	(3,922)	(6,200)	(7,735)	-	(23,597)
Capital Receipts	(11,188)	(4,132)	(10,428)	(3,949)	(1,765)	(31,462)
Grand Total	(142,617)	(75,630)	(105,786)	(56,304)	(34,372)	(414,709)

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

- 2.9 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

- 2.10 The revised capital programme requires the availability of £11.188m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £0.310m.
- 2.11 The capital receipts position as at 31 July 2020 is as follows:

Table 5 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		11,188
Usable Capital Receipt b/fwd.	-	
Actual received to date	(310)	
Further Required/(Surplus) in 2020/21		10,878

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

- 2.12 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 on business/economic activities making capital disposals more challenging.
- 2.13 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 31 July 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	-	6,751	21	8,741	12,440
Estimated Capital Receipts	(4,127)	(10,862)	(1,708)	(250)	(1,074)
Received in year	(310)				
Total Receipts	(4,437)	(4,111)	(1,687)	8,491	11,366
Capital Receipts Financing Requirement	11,188	4,132	10,428	3,949	1,765
Over/(Under) programming	6,751	21	8,741	12,440	13,131

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

- 2.14 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

- 2.15 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.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme 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 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 – Month 4 - Corporate Services
- Appendix B - SUMMARY – Month 4 - Children’s Services
- Appendix C - SUMMARY – Month 4 - Communities and Reform
- Appendix D - SUMMARY – Month 4 - Community Services & Adult Social Care
- Appendix E - SUMMARY – Month 4 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Month 4 - People and Place
- Appendix G - SUMMARY – Month 4 - Proposed Variations

SUMMARY – MONTH 4 (JULY 2020) – Corporate Services

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
Corporate	25,616	-	-	25,616	25,616	-
General Services	396	-	-	396	396	-
	26,011	-	-	26,011	26,011	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - Children's Services

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	179	-	-	179	179	-
Schools – General Provision	712	-	-	712	712	-
Schools – Primary	5,778	-	-	5,778	5,778	-
Schools – Secondary	4,413	-	-	4,413	4,413	-
Schools – Special	657	-	-	657	657	-
Schools – New Build	10,231	-	-	10,231	10,231	-
	21,970	-	-	21,970	21,970	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - Communities and Reform

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
District Investment Fund	260	-	-	260	260	-
	260	-	-	260	260	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - Community Services & Adult Social Care

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
Adult Services	3,130	2	-	3,132	3,132	-
	3,130	2	-	3,132	3,132	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	5,735	-	-	5,735	5,735	-
Reform Total	5,735	-	-	5,735	5,735	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - People and Place

Service area	Revised Budget M03 £000	Approved Virements (to M04) £000	Proposed Virement / Rephase £000	Revised Budget M04 £000	Forecast £000	Year End Variance £000
Asset Management	3,320	(19)	(733)	2,568	2,568	-
Asset Mgt - Education Premises	4,250	-	(597)	3,653	3,653	-
Boroughwide Developments	16,538	-	-	16,538	16,538	-
Development	268	-	-	268	268	-
District Partnership – Boroughwide	257	-	-	257	257	-
Environment – Countryside	2	43	-	45	45	-
Environment – Parks	256	-	-	256	256	-
Env - Playing Fields & Facilities	12	-	-	12	12	-
ICT	5,091	-	-	5,091	5,091	-
Parks & Playing Fields	23	-	-	23	23	-
Private Housing – HMRF	250	-	-	250	250	-
Private Housing	800	-	-	800	800	-
Public Realm	177	-	-	177	177	-
Schools – Special	3	-	-	3	3	-
Schools – New Build	9,500	-	-	9,500	9,500	-
Strategic Acquisitions	-	-	-	-	-	-
Town Centre Developments	28,750	-	-	28,750	28,750	-
Transport - Accident Reduction	674	-	-	674	674	-
Transport - Bridges & Structures	3,566	-	-	3,566	3,566	-
Transport - Fleet Management	1,001	-	-	1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	9,877	210	-	10,087	10,087	-
Transport – Metrolink	-	-	-	-	-	-
Transport - Minor Works	1,440	-	-	1,440	1,440	-
Transport – Miscellaneous	524	-	-	524	524	-
Transport - Street Lighting	26	-	-	26	26	-
	86,605	234	(1,330)	85,509	85,509	-

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

SUMMARY – MONTH 4 (JULY 2020) - People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 4 (JULY 2020) - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 JULY 2020	2020/21	2021/22	Comments
Directorate / Scheme	£000	£000	
People and Place			
South Failsworth Primary - External Cladding & Playground	(110)	110	Rephase to Future Years
Friezland Primary School - Electrical Rewire	(237)	237	Rephase to Future Years
Mills Hill Primary School - Electrical upgrade	(250)	250	Rephase to Future Years
Moorhey Street Depot - Re-wire	(200)	200	Rephase to Future Years
Moorhey Street Electrical Upgrade	(136)	136	Rephase to Future Years
Medlock Court Electrical/Fire Alarm Upgrade	(40)	40	Rephase to Future Years
Chadderton Town Hall Toilet	(79)	79	Rephase to Future Years
Old Mill Lane Grotton - Burghley Close Greenacres	(256)	256	Rephase to Future Years
Greenacres Cemetery - entrance lodge, boundary walls, archway and roof	(22)	22	Rephase to Future Years
People and Place TOTAL	(1,330)	1,330	
TOTAL	(1,330)	1,330	

FINANCING BUDGETS TO BE REPROFILED AS AT 31 JULY 2019	2020/21	2021/22	
Fund Source	£000	£000	
Grants and Contributions	597	(597)	
Prudential Borrowing	406	(406)	
Revenue Contribution	-	-	
Capital Receipts	327	(327)	
TOTAL	1,330	(1,330)	