

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) | |