

ANNEX 2

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21 Month 5 – August 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 August 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 August 2020 at an overall expenditure level of £142.379m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £0.157m (an increase to the 2020/21 budget) represent changes since the M04 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 31 August 2020 was £32.359m (22.73% of forecast outturn). This spending profile is lower than in previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2020/21 Capital Programme at Month 5

Directorate	Revised Budget (M04) £000	Approved Virements (to M05) £000	Proposed Virement/ Rephase £000	Revised Budget (M05) £000	Forecast £000	Variance £000
Corporate Services	26,011	-	-	26,011	26,011	-
Children's Services	21,970	-	-	21,970	21,970	-
Communities and Reform	260	-	-	260	260	-
Community Health & Adult Social Care	3,132	-	-	3,132	3,132	-
Housing Revenue Account	5,735	-	-	5,735	5,735	-
People and Place	85,509	157	(395)	85,271	85,271	-
Overall Total	142,617	157	(395)	142,379	142,379	-

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

2.5 The approved budget change of £0.157m represent new funding, as detailed below:

Table 3 – Approved Virements

Scheme	£000
Additional Revenue Contribution (RCCO) funding – Royton District Grants (Local Investment Fund)	13
S106 funding - Royton Park scheme	144
Total	157

2.6 The proposed changes total a net of £0.395 shown in Appendix G and include additional Environment Agency Grant totalling £0.159m and further rephasing between years of £0.554m.

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 4 together with the projected financing profile.

Table 4 – 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	85,271	55,128	92,386	49,869	23,642	306,296
Grand Total	142,379	76,185	105,786	56,304	34,372	415,026

(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	(30,314)	(41,506)	(4,452)	(1,973)	(1,973)	(80,218)
Prudential Borrowing	(95,118)	(26,625)	(84,706)	(42,647)	(30,634)	(279,730)
Revenue	(5,758)	(3,922)	(6,200)	(7,735)	-	(23,615)
Capital Receipts	(11,188)	(4,132)	(10,428)	(3,949)	(1,765)	(31,462)
Grand Total	(142,378)	(76,185)	(105,786)	(56,304)	(34,372)	(415,025)

(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 are contained within the Corporate Services budget and is as follows:

Table 5 – 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 £0.545m.
- 2.11 The capital receipts position as at 31 August 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		11,188
Usable Capital Receipt b/fwd.	-	
Actual received to date	(545)	
Further Required/(Surplus) in 2020/21		10,643

(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 of 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 August 2020 is illustrated in the table below:

Table 7 – 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	-	6,711	(19)	8,701	12,400
Estimated Capital Receipts Received in year	(3,932)	(10,862)	(1,708)	(250)	(1,075)
Total Receipts	(4,477)	(4,151)	(1,727)	8,451	11,325
Capital Receipts Financing Requirement	11,188	4,132	10,428	3,949	1,765
Over/(Under) programming	6,711	(19)	8,701	12,400	13,090

(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, a review of the capital programme has taken place (the Summer Review). This aimed to examine any further opportunities to reallocate, decommission or reprofile resources. It is also included an in-depth analysis of capital receipts. The work of the review is being drawn together and will be presented in a future report.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a further detailed review of the capital programme is being undertaken in preparation for the Council's Annual Capital Strategy 2021/22 to 2025/26. The aim is 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 considering the current position of the Council and the impact of the Covid-19 pandemic.
- 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 5 - Corporate Services
- Appendix B - SUMMARY – Month 5 - Children’s Services
- Appendix C - SUMMARY – Month 5 - Communities and Reform
- Appendix D - SUMMARY – Month 5 - Community Health & Adult Social Care
- Appendix E - SUMMARY – Month 5 - Housing Revenue Account (HRA)
- Appendix F - SUMMARY – Month 5 - People and Place
- Appendix G - SUMMARY – Month 5 - Proposed Variations

SUMMARY – MONTH 5 (AUGUST 2020) – Corporate Services

Service area	Revised Budget M04 £000	Approved Virements (to M05) £000	Proposed Virement / Rephase £000	Revised Budget M05 £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 5 (AUGUST 2020) - Children's Services

Service area	Revised Budget M04 £000	Approved Virements (to M05) £000	Proposed Virement / Rephase £000	Revised Budget M05 £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 5 (AUGUST 2020) - Communities and Reform

Service area	Revised Budget M04 £000	Approved Virements (to M05) £000	Proposed Virement / Rephase £000	Revised Budget M05 £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 5 (AUGUST 2020) – Community Health & Adult Social Care

Service area	Revised Budget M04 £000	Approved Virements (to M05) £000	Proposed Virement / Rephase £000	Revised Budget M05 £000	Forecast £000	Year End Variance £000
Adult Services	3,132	0	-	3,132	3,132	-
	3,132	0	-	3,132	3,132	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 5 (AUGUST 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M04 £000	Approved Virements (to M05) £000	Proposed Virement / Rephase £000	Revised Budget M05 £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 5 (AUGUST 2020) - People and Place

Service area	Revised Budget MO4	Approved Virements to MO5	Proposed Virement/ Rephase	Revised Budget	Forecast	Year End Variance
	£000's	£000's	£000's	£000's	£000's	£000's
Asset Management	2,568			2,568	2,568	-
Asset Management - Education Premises	3,653			3,653	3,653	0
Boroughwide Developments	16,538	13		16,551	16,551	-
Developments	268			268	268	-
District Partnership – Boroughwide	257			257	257	-
Environment – Countryside	45			45	45	0
Environment – Parks	256	144		400	400	-
Environment - Playing Fields & Facilities	12			12	12	0
ICT	5,091			5,091	5,091	-
Parks & Playing Fields	23			23	23	0
Private Housing – HMRF	250			250	250	-
Private Housing	800			800	800	0
Public Realm	177			177	177	-
Schools – Special	3			3	3	0
Schools – New Build	9,500			9,500	9,500	-
Strategic Acquisitions	0			0	0	0
Town Centre Developments	28,750			28,750	28,750	-
Transport - Accident Reduction	674		(1)	673	673	0
Transport - Bridges & Structures	3,566	40	(174)	3,432	3,432	-
Transport - Fleet Management	1001			1001	1001	0
Transport - Highway Major Works/Drainage schemes	10,087	(39)	(220)	9,828	9,828	-
Transport – Metrolink	0			0	0	0
Transport - Minor Works	1,440			1,440	1,440	-
Transport – Miscellaneous	524	(1)		523	523	0
Transport - Street Lighting	26			26	26	-
People and Place Total	85,509	157	(395)	85,271	85,271	0

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

SUMMARY – MONTH 5 (AUGUST 2020) - People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 5 (AUGUST 2020) - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 31 AUGUST 2020	2020/21	2021/22	Comments
Directorate / Scheme	£000	£000	
People and Place			
Transport Investment – Growth Deal 3	(333)	333	Rephase to Future Years
Environment Agency - Valley Mews	53	-	Additional Environmental Agency funding
Environment Agency - Golburn Clough	53	-	Additional Environmental Agency funding
Environment Agency - Oak View Road	53	-	Additional Environmental Agency funding
BR 224 Rhodes Hill Culvert, Rhodes Hill Lees	(100)	100	Rephase to Future Years
BR 120 The Causeway Bridge, The Causeway off Gateway Crescent	(3)	3	Rephase to Future Years
Thurston Clough Culvert, Delph	(71)	71	Rephase to Future Years
C19454 Stannybrook Road (Daisy Nook Farm to Boundary)	(27)	27	Rephase to Future Years
Burnley Street, Chadderton	(20)	20	Rephase to Future Years
People and Place TOTAL	(395)	554	
TOTAL	(395)	554	

FINANCING BUDGETS TO BE REPROFILED AS AT 31 AUGUST 2020	2020/21	2021/22	
Fund Source	£000	£000	
Grants and Contributions	395	(554)	
Prudential Borrowing	-	-	
Revenue Contribution	-	-	
Capital Receipts	-	-	
TOTAL	395	(554)	