

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 6 – September 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 September 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 30 September 2020 at an overall expenditure level of £89.946m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £0.005m (an increase to the 2020/21 budget) represents changes since the M05 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 30 September 2020 was £35.270m (39.65% of forecast outturn). This spending profile is slightly higher 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

Directorate	Revised Budget (M05) £000	Approved Virements (to M06) £000	Proposed Virement/ Rephase £000	Revised Budget (M06) £000	Forecast £000	Variance £000
Corporate Services	26,011	-	(1,213)	24,798	24,798	-
Children's Services	21,970	-	(11,988)	9,982	9,982	-
Communities and Reform	260	1	(136)	125	125	-
Community Health & Adult Social Care	3,132	5	(1,128)	2,009	2,009	-
Housing Revenue Account	5,735	-	(782)	4,952	4,952	-
People and Place	85,271	(1)	(37,190)	48,080	48,080	-
Overall Total	142,379	5	(52,438)	89,946	89,946	-

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

- 2.5 The net budget change of net £0.005m represents approved movements including new funding, as detailed below:

Table 3 – Net Budget Changes

Scheme	£000
Realign budget to Royton Park Scheme	1
Realign budget to Royton Park Scheme from Integrated Minor Highways.	(1)
Additional private contribution towards Disabled Adaptation scheme.	5
Total	5

- 2.6 The proposed total net changes of £52.438m are shown in detail in Appendix G, and the main points detailed in sections 2.16 to 2.21, and include the outcome of the Annual Review of the capital programme and additional update due to the impact of COVID-19 on delivery of the capital programme.
- 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	24,798	1,467	4,200	3,200	1,500	35,165
Children's Services	9,982	24,213	8,800	-	-	42,995
Communities and Reform	125	137	-	-	-	262
Community Health & Adult Social Care	2,009	1,131	400	400	1,100	5,041
Housing Revenue Account	4,952	3,922	3,800	3,618	-	16,291
People and Place	48,080	86,824	96,030	49,944	23,803	304,681
Grand Total	89,946	117,694	113,230	57,162	26,403	404,435

(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	(20,660)	(31,317)	(3,252)	(1,973)	(1,973)	(59,175)
Prudential Borrowing	(54,466)	(69,509)	(87,329)	(42,726)	(22,769)	(276,799)
Revenue	(4,973)	(3,923)	(6,200)	(8,518)	-	(23,614)
Capital Receipts	(9,847)	(12,945)	(16,449)	(3,945)	(1,661)	(44,847)
Grand Total	(89,946)	(117,694)	(113,230)	(57,162)	(26,403)	(404,435)

(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 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	301	1,442	4,200	3,200	1,500	10,643

Capital Receipts

- 2.10 The revised capital programme requires the availability of £9.847m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £1.251m. Members should note that the first £2.5m call on capital receipts will be used to fund the Flexible Use of Capital Receipts which supports transformational expenditure and therefore impacts on the revenue budget (this was initially budgeted at £3.750m but it is forecast that £1.250m of expenditure on transformational projects will not be undertaken due to COVID-19)

- 2.11 The capital receipts position as at 30 September 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		9,847
Usable Capital Receipt b/fwd.	-	
Actual received to date	(1,251)	
Further Required/(Surplus) in 2020/21		8,596

(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. It is of course recognised that the pandemic has had an impact on business/economic activities making capital disposals more challenging, and as a direct consequence officers are working up a revised disposal strategy to maximise income to the Council. A review of the capital receipts schedule will be undertaken as part of the 2021-2026 Capital Strategy in line with the new disposal schedule.
- 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 30 September 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	-	5,910	6,561	21,403	25,098
Estimated Capital Receipts in Year – still to be received	(2,686)	(12,293)	(1,608)	(250)	(1,075)
Received in year	(1,251)				
Total Receipts Anticipated	(3,937)	(6,384)	4,954	21,153	24,023
Capital Receipts Financing Requirement	9,847	12,945	16,449	3,945	1,661
Over/(Under) programming	5,910	6,561	21,403	25,098	25,684

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

- 2.14 As shown above, the most recent projection indicates a potential shortfall in all 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, the review of the capital programme has taken place (the Summer Review). There has been extensive discussion with Project Managers and Finance Officers to determine an updated profile of expenditure for all schemes. It also examined any further opportunities to reallocate or decommission. It is also included an in-depth analysis of capital

receipts. The summary outcome can be found in Appendix G, and is explained below:

Corporate Services

2.16 The key changes are:

- Rephasing of approved expenditure of £1.213 from 2020/21 to 2021/22, and a net reduction in the capital programme of £9.018m.
- The £8.830m reduction in Funding for Emerging Priorities reflects a reduced requirement for prudentially borrowed resources as a result of the revision to the Creating a Better Place strategy approved by Cabinet. This will facilitate some revenue savings which can be captured for the Medium Term Financial Strategy, but not until 2024/25.

Children's Services

2.17 The key changes are the :

- Rephasing of approved expenditure of £11.987m from 2020/21 to 2021/22 and future years, and a net increase in the capital programme of £0.036m, which is a school's contribution to additional works.
- Realignment of resources, £3.800m, between the Basic Need Grant general provisions and the North Chadderton School expansion scheme.

Communities and Reform

2.18 The key change is the rephasing of £0.136m of approved expenditure from 2020/21 to 2021/22.

Community Services & Adult Social Care

2.19 The key change is the rephasing of £1.128m of approved expenditure from 2020/21 to 2021/22 and future years.

Housing Revenue Account

2.20 Rephasing of £0.783m from 2020/21 to 2023/24.

People and Place

2.21 The key changes are the:

- Rephasing of a net £37.190m of approved expenditure from 2020/21 to future years, and a net reduction of £1.613m in total in 2023/24 & 2024/25.

Reduction in the Private Housing – Foxdenton scheme of £2.284m as a consequence of a bridging grant for the project now not being required.

- Realignment of a sum of £0.900m from the Transport Investment budget to new transport initiatives within the overall transport capital programme.

- Inclusion of additional resources namely Growth Deal 3 Transport funding relating to £0.473m for Traffic Signal works at Waterloo Street and Rhodes Bank, and £0.177m for a number of smaller Growth Deal 3 schemes within the overall transport capital programme.
- Inclusion within the capital programme of the recently allocated new central government funding of £1.000m for the Towns Fund Grant.

Overall Summary

- 2.22 The overall position is a rephasing of a net £52.438m from 2020/21 to future years to reflect revised project implementation plans. There is also a net reduction in the overall capital programme of £10.594m as resources are no longer required due to a revision to the Creating a Better Place Programme (mostly from the later years of the programme).

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget following the outcome detailed review of the capital programme, it will allow for better financial information upon which to base the preparation of the Council's Annual Capital Strategy 2021/22 to 2025/26.
- 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 6 - Corporate Services
 Appendix B - SUMMARY – Month 6 - Children's Services
 Appendix C - SUMMARY – Month 6 - Communities and Reform
 Appendix D - SUMMARY – Month 6 - Community Health & Adult Social Care
 Appendix E - SUMMARY – Month 6 - Housing Revenue Account (HRA)
 Appendix F - SUMMARY – Month 6 - People and Place
 Appendix G - SUMMARY – Month 6 - Proposed Variations

SUMMARY – MONTH 6 (SEPTEMBER 2020) – Corporate Services

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Corporate	25,616	-	(1,026)	24,590	24,590	-
General Services	396	-	(187)	208	208	-
	26,011	-	(1,213)	24,798	24,798	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) - Children's Services

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	179	-	(119)	60	60	-
Schools – General Provision	712	-	(207)	505	505	-
Schools – Primary	5,778	-	(3,694)	2,084	2,084	-
Schools – Secondary	4,413	-	(968)	3,445	3,445	-
Schools – Special	657	-	-	657	657	-
Schools – New Build	10,231	-	(7,000)	3,231	3,231	-
	21,970	-	(11,987)	9,982	9,982	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) - Communities and Reform

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
District Investment Fund	260	1	(136)	125	125	-
	260	1	(136)	125	125	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) – Community Health & Adult Social Care

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Adult Services	3,132	5	(1,128)	2,009	2,009	-
	3,132	5	(1,128)	2,009	2,009	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	5,735	-	(783)	4,952	4,952	-
Reform Total	5,735	-	(783)	4,952	4,952	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) - People and Place

Service area	Revised Budget M05 £000	Approved Virements (to M06) £000	Proposed Virement / Rephase £000	Revised Budget M06 £000	Forecast £000	Year End Variance £000
Asset Management	2,568	-	(825)	1,743	1,743	-
Asset Management - Education Premises	3653	-	(1,943)	1,710	1,710	-
Boroughwide Developments	16,551	-	(14,134)	2,417	2,417	-
Other Development	268	-	(250)	18	18	-
District Partnership – Boroughwide	257	-	(200)	57	57	-
Environment – Countryside	45	-	-	45	45	-
Environment – Parks	400	5	(74)	331	331	-
Environment - Playing Fields & Facilities	12	-	(12)	-	-	-
ICT	5,091	-	(1,369)	3,722	3,722	-
Parks & Playing Fields	23	-	(2)	21	21	-
Private Housing – HMRF	250	-	(200)	50	50	-
Private Housing	800	-	(800)	-	-	-
Public Realm	177	-	(122)	55	55	-
Schools – Special	3	-	-	3	3	-
Schools – New Build	9,500	-	-	9,500	9,500	-
Town Centre Developments	28,750	-	(15,000)	13,750	13,750	-
Transport - Accident Reduction	673	-	(21)	652	652	-
Transport - Bridges & Structures	3,432	-	(551)	2,881	2,881	-
Transport - Fleet Management	1001	-	-	1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	9,828	-	(2,674)	7,154	7,154	-
Transport – Metrolink	-	-	48	48	48	-
Transport - Minor Works	1,440	(6)	55	1,489	1,489	-
Transport – Miscellaneous	523	-	884	1,407	1,407	-
Transport - Street Lighting	26	-	-	26	26	-
TOTAL	85,271	(1)	(37,190)	48,080	48,080	-

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

SUMMARY – MONTH 6 (SEPTEMBER 2020) – People and Place Cont'd

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 6 (SEPTEMBER 2020) – Proposed Variations

Portfolio / Service Area / Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Capital Treasury and Technical Accounting						
Corporate						
Funding for Emerging Priorities	(1,000)	1,000	-	-	(8,830)	(8,830)
Other miscellaneous movements (2 no)	(213)	26	-	-	-	(187)
Capital Treasury and Technical Accounting Total	(1,213)	1,026	-	-	(8,830)	(9,017)
Children's Services						
Schools – General Provision						
Education Basic Need General Provision	(166)	(3,614)	-	-	-	(3,780)
Schools – Primary						
Clarksfield Primary (Oasis Academy) Expansion	(2,626)	2,626	-	-	-	-
Mayfield Academy Expansion	(500)	500	-	-	-	-
Schools – Secondary						
Royton & Crompton Secondary – Mechanical, Electrical & Roofing works	(450)	450	-	-	-	-
North Chadderton School Expansion	(500)	500	3,800	-	-	3,800
Schools New Build						
Saddleworth School New Build	(7,000)	7,000	-	-	-	-
Other miscellaneous movements (48 no)	(745)	761				16
Children's Services Total	(11,987)	8,223	3,800	-	-	36
Communities and Reform						
District Investment Fund	(136)	136	-	-	-	-
Communities and Reform Total	(136)	136	-	-	-	-
Community Services & Adult Social Care						
Adult Services						
Disabled Facilities Grant - Boroughwide	(728)	728	-	-	-	-
Social Care- General Provision	(400)	(300)	-	-	700	-
Community Services & Adult Social Care Total	(1,128)	428	-	-	700	-

Portfolio / Service Area / Scheme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Housing Revenue Account						
HRA Capital Strategy	(783)	-	-	783	-	-
Housing Revenue Account Total	(783)	-	-	783	-	-
People and Place						
Asset Management – Corporate Premises Schemes	(825)	757	-	-	-	(67)
Asset Management – Education Premises Schemes	(1,944)	1,932	-	-	-	(12)
Boroughwide Developments						
Developments/ Acquisitions	(2,485)	2,485	-	-	-	-
Flexible Housing Fund	(9,500)	8,000	1,500	-	-	-
Foxdenton Redevelopment	(729)	729	-	-	-	-
Hollinwood Regeneration	(565)	565	-	-	-	-
Royton Town Hall	(750)	680	70	-	-	-
Env – Cemeteries and Crematorium – Mercury Abatement	-	(992)	992	-	-	-
IT – GM Fibre (Local Full Fibre Network)	(984)	984	-	-	-	-
Private Housing – Non-HMRF						
Foxdenton – Broadway Green Phase 2	(800)	(1,484)	-	-	-	(2,284)
Town Centre Developments						
Oldham Heritage & Arts Centre	(2,000)	2,000	-	-	-	-
Town Centre Masterplan	(14,000)	13,000	1,000	-	-	-
Towns Fund Grant	1,000					1,000
Trans - Bridges & Structures –						
MCF T6 - Park Bridge NCN 626 to Ashton	(377)	377	-	-	-	-
Trans - Highway Major Works/Drainage schemes						
2020/21 Highways Investment Programme Schemes – Amber	(720)	720	-	-	-	-
2020/21 Highways Investment Programme Schemes – Red	(330)	330	-	-	-	-
Mayors Cycling Fund - Oldham Town Centre Improvements	(547)	547	-	-	-	-
Transport Investment	(900)	-	-	-	-	(900)
GD3 - Waterloo Street - Rhodes Bank Traffic Signal Junction	473	-	-	-	-	473
Other miscellaneous movements (47 no)	(1,207)	1,066	82	75	161	177
People and Place Total	(37,190)	31,696	3,644	75	161	(1,613)

Grand Total – All Expenditure at 30 September 2020	(52,437)	41,509	7,444	858	(7,969)	(10,594)
(subject to rounding – tolerance +/- £1k)						

FINANCING BUDGETS TO BE REPROFILED AS AT 30 SEPTEMBER 2020	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Grant & Other Funding	9,659	1,465	(3,800)	-	-	7,324
Prudential Borrowing	40,540	(42,885)	(2,623)	(79)	7,865	2,817
Revenue Contributions	784	(1)	-	(783)	-	-
Capital Receipts	1,454	(88)	(1,021)	4	104	453
Grand Total	52,438	(41,509)	(7,444)	(858)	7,969	10,594
(subject to rounding – tolerance +/- £1k)						