

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 7 – October 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 October 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 October 2020 at an overall expenditure level of £90.121m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £0.173m (an increase to the 2020/21 budget) represents changes since the M06 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 31 October 2020 was £47.508m (52.72% 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 (M06) £000	Approved Virements (to M07) £000	Proposed Virement/ Rephase £000	Revised Budget (M07) £000	Forecast £000	Variance £000
Corporate Services	24,798	-	-	24,798	24,798	-
Children's Services	9,982	65	-	10,047	10,047	-
Communities and Reform	125	-	-	125	125	-
Community Health & Adult Social Care	2,009	1	-	2,011	2,011	-
Housing Revenue Account	4,952	-	-	4,952	4,952	-
People and Place	48,080	107	-	48,187	48,187	-
Overall Total	89,946	173	-	90,121	90,121	-

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

- 2.5 The net budget change of net £0.173m in 2021/22 represents approved movements including new funding (together with £4.074m new resource in 2021/22, as detailed below:

Table 3 – Net Budget Changes 2020/21 and 2021/22

Scheme	2020/21 £000	2021/22 £000
NEW - DfT Challenge funding	100	4,074
NEW - DfT Emergency Active Travel Fund Tranche 1 / GD3 Bus Stop Accessibility Project	72	
NEW - DFG Private Contribution	1	
Realign - Saddleworth School / GD3 / Shaw Street	(102)	
Realign - Shaw Street resurfacing budget from Regeneration to Transport.	(20)	
Realign - Realignment of GD3 budgets to individual Cost Centres	37	
Realign - Saddleworth School resurfacing scheme budget to Regeneration	85	
Total	173	4,074

- 2.6 There are no proposed additional changes to the profiling of expenditure this month.
- 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.

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	10,047	24,213	8,800	-	-	43,060
Communities and Reform	125	137	-	-	-	262
Community Health & Adult Social Care	2,011	1,131	400	400	1,100	5,042
Housing Revenue Account	4,951	3,922	3,800	3,618	-	16,292
People and Place	48,187	90,898	96,030	49,944	23,803	308,862
Grand Total	90,121	121,768	113,230	57,162	26,403	408,683

(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	(20,834)	(35,391)	(3,252)	(1,973)	(1,973)	(63,423)
Prudential Borrowing	(52,647)	(69,727)	(89,029)	(43,621)	(22,769)	(277,793)
Revenue	(4,974)	(3,923)	(6,200)	(8,518)	-	(23,615)
Capital Receipts	(11,666)	(12,727)	(14,749)	(3,050)	(1,661)	(43,853)
Grand Total	(90,121)	(121,768)	(113,230)	(57,162)	(26,403)	(408,684)

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

- 2.9 The revised Provision for Emerging Priorities for 2020/21 to 2024/25, having regard to 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 £11.666m of capital receipts in 2020/21 for financing purposes. The total net usable capital receipts currently received in year is £1.321m. Members should note that the first £3.310m 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 £0.440m of expenditure on transformational projects will not be undertaken due to COVID-19). It is therefore highly unlikely that any capital receipts will be used to finance any projects other than the Flexible Use of Capital Receipts within the capital programme in 2020/21.

2.11 The capital receipts position as at 31 October 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		11,666
Usable Capital Receipt b/fwd.	-	
Actual received to date	(1,321)	
Further Required/(Surplus) in 2020/21		10,345

(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 of 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 a key element of the work undertaken to prepare the 2021/22 to 2025/26 Capital Strategy in line with the new asset 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 31 October 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	-	7,705	8,139	21,280	24,080
Estimated Additional Capital Receipts in Year	(2,640)	(12,293)	(1,608)	(250)	(1,075)
Received in year	(1,321)				
Total Receipts Anticipated/ Available	(3,961)	(4,588)	6,531	21,030	23,006
Capital Receipts Financing Requirement	11,666	12,727	14,749	3,050	1,661
Over/(Under) programming	7,705	8,139	21,280	24,080	24,667

(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. A review of the asset disposal programme is underway and an update will be provided to Members at the earliest opportunity. The outcome of the review will inform the Capital Strategy for 2021/22 to 2025/26.

3 **Conclusion**

- 3.1 Whilst the current projected position is showing the outturn to match the budget following the outcome of the 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 7 - Corporate Services
Appendix B - SUMMARY – Month 7 - Children's Services
Appendix C - SUMMARY – Month 7 - Communities and Reform
Appendix D - SUMMARY – Month 7 - Community Health & Adult Social Care
Appendix E - SUMMARY – Month 7 - Housing Revenue Account (HRA)
Appendix F - SUMMARY – Month 7 - People and Place

SUMMARY – MONTH 7 (October 2020) – Corporate Services

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
Corporate	24,590	-	-	24,590	24,590	-
General Services	208	-	-	208	208	-
	24,798	-	-	24,798	24,798	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 7 (October 2020) - Children's Services

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	60	-	-	60	60	-
Schools – General Provision	505	(20)	-	485	485	-
Schools – Primary	2,084	-	-	2,084	2,084	-
Schools – Secondary	3,445	-	-	3,445	3,445	-
Schools – Special	657	-	-	657	657	-
Schools – New Build	3,231	85	-	3,316	3,316	-
	9,982	65	-	10,047	10,047	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 7 (October 2020) - Communities and Reform

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
District Investment Fund	125	-	-	125	125	-
	125	-	-	125	125	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 7 (October 2020) – Community Health & Adult Social Care

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
Adult Services	2,009	1	-	2,011	2,011	-
	2,009	1	-	2,011	2,011	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 7 (October 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	4,952	-	-	4,952	4,952	-
Reform Total	4,952	-	-	4,952	4,952	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 7 (October 2020) - People and Place

Service area	Revised Budget M06 £000	Approved Virements (to M07) £000	Proposed Virement / Rephase £000	Revised Budget M07 £000	Forecast £000	Year End Variance £000
Asset Management	1,743	-	-	1,743	1,743	-
Asset Management - Education Premises	1,710	-	-	1,710	1,710	-
Boroughwide Developments	2,417	-	-	2,417	2,417	-
Development	18	-	-	18	18	-
District Partnership – Boroughwide	57	-	-	57	57	-
Environment – Countryside	45	-	-	45	45	-
Environment – Parks	331	-	-	331	331	-
ICT	3,722	-	-	3,722	3,722	-
Parks & Playing Fields	21	-	-	21	21	-
Private Housing – HMRF	50	-	-	50	50	-
Public Realm	55	-	-	55	55	-
Schools – Special	3	-	-	3	3	-
Schools – New Build	9,500	-	-	9,500	9,500	-
Town Centre Developments	13,750	-	-	13,750	13,750	-
Transport - Accident Reduction	652	-	-	652	652	-
Transport - Bridges & Structures	2,881	100	-	2,981	2,981	-
Transport - Fleet Management	1,001	-	-	1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	7,154	(102)	-	7,052	7,052	-
Transport – Metrolink	48	-	-	48	48	-
Transport - Minor Works	1,489	72	-	1,561	1,561	-
Transport – Miscellaneous	1,407	37	-	1,444	1,444	-
Transport - Street Lighting	26	-	-	26	26	-
	48,080	107	-	48,187	48,187	-

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

Major Variances Commentary

No additional variances to report