

CAPITAL INVESTMENT PROGRAMME REPORT 2020/21

Month 8 – November 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 November 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 November 2020 at an overall expenditure level of £81.013m, following a number of changes explained in the following paragraphs.
- 2.3 The approved virements of £0.126m (an increase to the 2020/21 budget) represents changes since the M07 position as detailed later in the report (para 2.5)
- 2.4 Actual expenditure to 30 November 2020 was £50.566m (62.42% 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 (M07) £000	Approved Virements (to M08) £000	Proposed Virement/ Rephase £000	Revised Budget (M08) £000	Forecast £000	Variance £000
Corporate Services	24,798	-	(7,520)	17,278	17,278	-
Children's Services	10,047	-	410	10,457	10,457	-
Communities and Reform	125	-	-	125	125	-
Community Health & Adult Social Care	2,011	-	-	2,011	2,011	-
Housing Revenue Account	4,951	-	-	4,951	4,951	-
People and Place	48,187	126	(2,124)	46,190	46,190	-
Overall Total	90,121	126	(9,234)	81,013	81,013	-

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

- 2.5 The net budget change of net £0.126m in 2020/21 represents approved movements including new funding (together with £0.155m 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	
St Paul's Resources Centre	84	(84)	-
Northmoor Nursery – Schools Capital Nursery Fund	35	239	274
Tameside Council Contribution towards Highways	7	-	7
Total	126	155	281

- 2.6 The proposed changes of a net £9.234m reflect anticipated virements and further rephasing of spending as detailed in Appendix A. However, £0.440m is a reduction in the overall capital programme where schemes have been identified as not requiring the budget, giving an overall net reduction to the capital programme of £0.159m.

Table 3a - Scheme not requiring Budget

Scheme	£000	
Flexible Use of Capital Receipt	(440)	Reduction in qualifying expenditure
Total	(440)	

- 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 – 2020/21 to 2024/2025 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	17,277	4,693	4,200	3,200	1,500	30,871
Children's Services	10,457	24,252	8,800	-	-	43,509
Communities and Reform	125	137	-	-	-	262
Community Health & Adult Social Care	2,011	1,131	400	400	1,100	5,042
Housing Revenue Account	4,952	3,922	3,800	3,618	-	16,292
People and Place	46,190	92,687	96,030	49,944	23,803	308,654
Grand Total	81,013	126,822	113,230	57,162	26,403	404,630

(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	(20,151)	(36,355)	(3,252)	(1,973)	(1,973)	(63,704)
Prudential Borrowing	(53,553)	(73,801)	(89,029)	(43,621)	(22,769)	(282,773)
Revenue	(4,974)	(3,923)	(6,200)	(8,518)	-	(23,615)
Capital Receipts	(2,335)	(12,742)	(14,749)	(3,050)	(1,661)	(34,537)
Grand Total	(81,013)	(126,822)	(113,230)	(57,162)	(26,403)	(404,630)

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

- 2.9 The revised Provision for Emerging Priorities for 2020/21 to 2025/26, 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	342	1,442	4,200	3,200	1,500	10,684

Capital Receipts

- 2.10 The revised capital programme requires the availability of £2.335m of capital receipts in 2020/21 for financing purposes following a review of the Asset Disposal Programme, which required a realignment between capital receipts and prudential borrowing of £8.875m in 2020/21. Table 7 below still shows further variances which will be addressed as part of the 2021/22 - 2025/26 Capital Strategy.
- 2.11 The total net usable capital receipts currently received in year is £1.438m. Members should note that the first £2.335m 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 £1.415m of capital receipts will not be generated 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.

2.12 The capital receipts position as at 30 November 2020 is as follows:

Table 6 – Capital Receipts 2020/21

	£000	£000
Capital Receipts Financing Requirement		2,335
Usable Capital Receipt b/fwd.	-	
Actual received to date	(1,438)	
Further Required/(Surplus) in 2020/21		897

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

2.13 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.

2.14 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 November 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	-	-	6,636	18,923	20,598
Estimated Additional Capital Receipts in Year	(897)	(6,106)	(2,462)	(1,375)	(1,074)
Received in year	(1,438)				
Total Receipts Anticipated/ Available	(2,335)	(6,106)	4,174	17,548	19,524
Capital Receipts Financing Requirement	2,335	12,742	14,749	3,050	1,661
Over/(Under) programming	-	6,636	18,923	20,598	21,185

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

2.15 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 8 - Corporate Services
Appendix B - SUMMARY – Month 8 - Children's Services
Appendix C - SUMMARY – Month 8 - Communities and Reform
Appendix D - SUMMARY – Month 8 - Community Health & Adult Social Care
Appendix E - SUMMARY – Month 8 - Housing Revenue Account (HRA)
Appendix F - SUMMARY – Month 8 - People and Place
Appendix G - SUMMARY – Month 8 - Proposed Variations

APPENDIX A

SUMMARY – MONTH 8 (November 2020) – Corporate Services

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Corporate	24,590		(7,520)	17,069	17,069	-
General Services	208	-	-	208	208	-
	24,798	-	(7,520)	17,277	17,0277	-

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

Major Variances Commentary

No additional variances to report

APPENDIX B

SUMMARY – MONTH 8 (November 2020) - Children's Services

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	60	-	-	60	60	-
Schools – General Provision	485	-	-	485	485	-
Schools – Primary	2,084	-	410	2,494	2,494	-
Schools – Secondary	3,445	-	-	3,445	3,445	-
Schools – Special	657	-	-	657	657	-
Schools – New Build	3,316	-	-	3,316	3,316	-
	10,047	-	410	10,457	10,457	-

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

Major Variances Commentary

No additional variances to report

APPENDIX C

SUMMARY – MONTH 8 (November 2020) - Communities and Reform

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £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

APPENDIX D

SUMMARY – MONTH 8 (November 2020) – Community Health & Adult Social Care

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Adult Services	2,011	-	-	2,011	2,011	-
	2,011	-	-	2,011	2,011	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (November 2020) - Housing Revenue Account (HRA)

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £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 8 (November 2020) - People and Place

Service area	Revised Budget M07 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £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	-	(41)	3,681	3,681	-
Parks & Playing Fields	21	-	-	21	21	-
Private Housing – HMRP	50	-	-	50	50	-
Public Realm	55	-	-	55	55	-
Schools – Primary	-	119	-	119	119	-
Schools – Special	3	-	-	3	3	-
Schools – New Build	9,500	-	(583)	8,917	9,500	-
Town Centre Developments	13,750	-	-	13,750	13,750	-
Transport - Accident Reduction	652	-	(306)	347	347	-
Transport - Bridges & Structures	2,981	-	(379)	2,602	2,602	-
Transport - Fleet Management	1,001	-	-	1,001	1,001	-
Transport - Highway Major Works/Drainage schemes	7,052	7	(693)	6,366	6,366	-
Transport – Metrolink	48	-	-	48	48	-
Transport - Minor Works	1,561	-	(92)	1,470	1,470	-
Transport – Miscellaneous	1,444	-	(30)	1,414	1,414	-
Transport - Street Lighting	26	-	-	26	26	-
	48,187	126	(2,124)	46,190	46,773	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2020) - Proposed Variations

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 NOVEMBER 2020	2020/21	2021/22	2025/26	Comments
Directorate / Scheme	£	£	£	
Corporate Services				
Provision for CPOs	40,710			Reversal of capital creditor
Provision for CPOs	(440,000)			Removal of surplus budget provision
Stakeholder Loan - Manchester Airport Group	(7,121,581)	3,226,000	3,895,581	Rephasing to future years
Corporate Services Total	(7,520,871)	3,226,000	3,895,581	
Children's Services				
Clarksfield Primary (Oasis Academy) Expansion	410,000	(410,000)		Acceleration from future years
Children's Services Total	410,000	(410,000)		
People and Place				
IT - Business Systems	(40,710)			Reversal of capital creditor
Bridge Work - King Street Roundabout Footbridge	(280,000)	280,000		Rephasing to future years
BR 224 Rhodes Hill Culvert, Rhodes Hill Lees	83,000	(83,000)		Acceleration from future years
BR 144 Ash Footbridge	(3,000)	3,000		Rephasing to future years
Featherstall Road Roundabout (Signalisation and Provision of Pedestrian Facilities)	(5,000)	5,000		Rephasing to future years
Wellyhole Street / Constantine Street Traffic Calming	(14,682)	14,682		Rephasing to future years
Disabled Access Improvements	(3,025)	3,025		Rephasing to future years
DfT Safer Roads Fund	(277,000)	277,000		Rephasing to future years
LIF - Denshaw Road Safety Scheme (App 12)	(15,844)	15,844		Rephasing to future years
MCF T6 - Oldham Town Centre Improvements	(192,000)	192,000		Rephasing to future years
MCF T6 - Royton Town Centre Connection	(21,000)	21,000		Rephasing to future years
MCF T6 - Park Road NCN 626 to Town Centre	(20,000)	20,000		Rephasing to future years
MCF T6 - Park Bridge NCN 626 to Ashton	(25,000)	25,000		Rephasing to future years
2020/21 HIP Schemes - Amber	(130,000)	130,000		Rephasing to future years
Sandy lane, Royton - Traffic calming	(60,000)	60,000		Rephasing to future years

Chew Valley Road / Wellington Road, Greenfield - Minor Junction improvement	(17,679)	17,679		Rephasing to future years
Vehicle Activated signs - Instillation and enhancement programme	(67,500)	67,500		Rephasing to future years
DFT CF Waterloo & Wellington Bridges	(60,000)	60,000		Rephasing to future years
Challenge Fund- A62 Oldham Way- A669 Middleton Road Bridge Strengthening	(54,000)	54,000		Rephasing to future years
A669 Middleton Road / Garforth Street / Peel Street	(48,000)	48,000		Rephasing to future years
Haven Lane - Traffic Calming / 20 mph zone	(30,000)	30,000		Rephasing to future years
Park Road / Kings Road / Woodstock Street Junction Improvements	(35,000)	35,000		Rephasing to future years
A6104 Hollins Road Corridor Improvements	(97,000)	97,000		Rephasing to future years
Wellyhole Street / Constantine Street Traffic Calming	(25,000)	25,000		Rephasing to future years
Cycling / Walking Improvement Schemes	(20,000)	20,000		Rephasing to future years
Partington Street, Failsworth – Traffic Calming	(42,000)	42,000		Rephasing to future years
Rochdale Canal Access	(40,000)	40,000		Rephasing to future years
Land at Diggle	(583,006)			Realignment/Rephase within Service Area
Saddleworth School		583,006		Realignment/Rephase within Service Area
People and Place TOTAL	(2,123,446)	2,082,736		
TOTAL	(9,234,317)	4,898,736	3,895,581	

FINANCING BUDGETS TO BE REPROFILED AS AT 30 NOVEMBER 2020	2020/21	2021/22	2025/26	
Fund Source	£	£	£	
Grants and Contributions	809,117	(809,117)		Includes Capital Receipt to Prudential Borrowing realignment of £ 8.875m
Prudential Borrowing	(906,052)	(4,073,775)	(3,895,581)	
Revenue Contribution	-	-		Includes Capital Receipt to Prudential Borrowing realignment of £ 8.875m
Capital Receipts	9,331,252	(15,844)		
TOTAL	9,234,317	(4,898,736)	(3,895,581)	