

CAPITAL INVESTMENT PROGRAMME REPORT 2021/22

Month 8 - November 2021

1 Background

- 1.1 The original capital programme for 2021/22 reflects the priorities outlined in the capital strategy as approved at Cabinet on 23 February 2021 and confirmed at the Council meeting on 4 March 2021.
- 1.2 The position as at 30 November 2021 is highlighted in this report but as the year concludes 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 2021/22 to 2025/26, approved by Council on 4 March 2021 is summarised in Table 1 and shows capital programme expenditure of £86.002m in 2021/22.

Table 1 : Original Budget - Capital Programme 2021/22 to 2025/26

2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	TOTAL £000
86,002	94,153	71,418	62,553	27,454	341,580

- 2.2 Table 2 shows the revised capital programme for 2021/22 as at 30 November 2021 at an overall expenditure level of £52.558m, following a number of changes explained in the following paragraphs, this is a reduction of £0.485m on the Quarter 2 position of £53.043m.
- 2.3 The approved virements of £0.062m (an increase to the 2021/22 budget) represents changes since the revised M06 position as detailed later in the report (para 2.5).
- 2.4 Actual expenditure to 30 November 2021 was £23.801m (45.29% of forecast outturn). This spending profile is lower than previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

Table 2 – 2021/22 Capital Programme

Directorate	Revised Budget (M06) £000	Approved Virements (to M08) £000	Proposed Virement/ Rephase £000	Revised Budget (M08) £000	Forecast £000	Variance £000
Corporate Services	4,880	-	-	4,880	4,880	-
Children's Services	15,403	-	-	15,403	15,403	-
Communities and Reform	36	-	-	36	36	-
Community Health & Adult Social Care	2,005	12	-	2,017	2,017	-
Housing Revenue Account	785	-	-	785	785	-
People and Place	29,934	50	(548)	29,437	29,437	-
Overall Total	53,043	62	(548)	52,558	52,558	-

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

- 2.5 The net approved budget change of £0.062m represents approved movements including expected spending related to the receipt of new funding, as detailed below:

£000's

276	-	Royton Town Hall – Service Realignment (Asset Management)
(276)	-	Royton Town Hall – Service Realignment (Boroughwide Developments)
(31)	-	Rochdale Canal Access – Service Realignment (Bridges & Structures)
31	-	Rochdale Canal Access – Service Realignment (Highways Major Works)
12	-	Private Contribution towards Disabled Facilities Grant (DFG) schemes
<u>50</u>	-	Expenditure associated with the Active Travel Fund Grant
62		

- 2.6 The proposed changes of £0.548m relates to rephasing of several transport schemes into later years, as detailed in Appendix G.
- 2.7 Due to the continued COVID 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.
- 2.8 The revised capital programme for 2021/22 to 2025/26, 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 – 2021/2026 Capital Programme

Directorate Budget	Revised Budget 2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Corporate Services	4,880	5,219	3,119	1,974	5,622	20,814
Children's Services	15,403	6,425	8,892	2,000	4,000	36,720
Communities and Reform	36	408	250	-	-	693
Community Health & Adult Social Care	2,017	1,204	200	200	-	3,621
Housing Revenue Account	785	3,283	8,127	7,914	1,150	21,259
People and Place	29,437	103,909	78,897	41,881	31,473	285,597
Grand Total	52,558	120,448	99,485	53,969	42,245	368,704

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

Funding	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Grant & Other Contributions	(19,850)	(46,594)	(21,867)	(5,411)	(2,406)	(96,128)
Prudential Borrowing	(26,294)	(66,456)	(68,628)	(35,989)	(38,597)	(235,964)
Revenue	(879)	(3,283)	(8,127)	(7,914)	(1,150)	(21,353)
Capital Receipts	(5,535)	(4,115)	(863)	(4,655)	(92)	(15,260)
Grand Total	(52,558)	(120,448)	(99,485)	(53,969)	(42,245)	(368,704)

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

- 2.9 The revised Provision for Emerging Priorities for 2021/22 to 2025/26, taking into account all the above amendments, is contained within the Corporate Services budget and is as follows:

Table 4 – Provision for Emerging Priorities

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Provision for Emerging Priorities	1,115	4,150	3,050	1,836	5,622	15,773

Capital Receipts

- 2.10 The revised capital programme requires the availability of £5.535m of capital receipts in 2021/22 for financing purposes. The total net usable capital receipts currently received in year is £9.052m. This ensures that there is no shortfall in the support for the revenue budget, as the first £2.000m of capital receipts have been used to provide funding under the flexible use of capital receipts initiative.
- 2.11 The capital receipts position as at 30 November 2021 is as follows:

Table 5 – Capital Receipts 2021/22

	£000	£000
Capital Receipts Financing Requirement		5,535
Usable Capital Receipt b/fwd.	-	
Actual received to date	(9,052)	
Further Required/(Surplus) in 2021/22		(3,517)

- 2.12 Given the significant level 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. Nonetheless, as is evident from the updated position, performance is good.

- 2.13 The Capital Strategy and Capital Programme 2021/26 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 2021 is illustrated in the table below:

Table 6 – Capital Receipts 2021/26

Capital Receipts	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Receipts Carried Forward	-	(5,073)	(4,430)	(4,892)	(237)
Estimated Capital Receipts	(1,556)	(3,472)	(1,325)	-	-
Received in year	(9,052)				
Total Receipts	(10,608)	(8,545)	(5,755)	(4,892)	(237)
Capital Receipts Financing Requirement	5,535	4,115	863	4,655	92
Over/(Under) programming	(5,073)	(4,430)	(4,892)	(237)	(145)

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

- 2.14 As shown above, the most recent projection indicates a much improved position. Rather than having a shortfall in later years of the programme, there are now projected surpluses through to 2025/26. This is evidence of the movement and progress of the asset disposal programme. The position will continue to be reviewed.

3 Conclusion

- 3.1 Whilst the capital programme has seen considerable reprofiling in year, expenditure to date is comparatively low. Therefore, the revised forecast spending level for 2022/23 will be closely monitored to ensure that any further changes are reflected in the month 9 report.

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 Services & 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 Changes

SUMMARY – MONTH 8 (NOVEMBER 2021) – Corporate Services

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Corporate	4,880	-	-	4,880	4,880	-
General Services	-	-	-	-	-	-
	4,880	-	-	4,880	4,880	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) - Children's Services

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Children, Young People & Families	13	-	-	13	13	-
Schools – General Provision	1,266	-	-	1,266	1,266	-
Schools – Primary	3,375	-	-	3,375	3,375	-
Schools – Secondary	7,462	-	-	7,462	7,462	-
Schools – Special	178	-	-	178	178	-
Schools – New Build	3,109	-	-	3,109	3,109	-
	15,403	-	-	15,403	15,403	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) - Communities and Reform

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
District Investment Fund	36	-	-	36	36	-
	36	-	-	36	36	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) - Community Services & Adult Social Care

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Adult Services	2,005	12	-	2,017	2,017	-
	2,005	12	-	2,017	2,017	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) - Housing Revenue Account (HRA)

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Housing Revenue Account	785	-	-	785	785	-
Reform Total	785	-	-	785	785	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) - People and Place

Service area	Revised Budget M06 £000	Approved Virements (to M08) £000	Proposed Virement / Rephase £000	Revised Budget M08 £000	Forecast £000	Year End Variance £000
Asset Management	2,044	276	12	2,332	2,332	-
Asset Management - Education Premises	2,093	-	-	2,093	2,093	-
Boroughwide Developments	4,584	(276)	-	4,308	4,308	-
Development (Economic)	13	-	-	13	13	-
District Partnership – Boroughwide	40	-	-	40	40	-
Environment – Cemeteries and Crematorium	37	-	-	37	37	-
Environment – Countryside	145	-	-	145	145	-
Environment – Parks	46	-	-	46	46	-
ICT	4,080	-	-	4,080	4,080	-
Parks & Playing Fields	13	-	-	13	13	-
Private Housing – HMRF	117	-	-	117	117	-
Public Realm	5	-	(5)	-	-	-
Town Centre Developments	1,891	-	-	1,891	1,891	-
Transport - Accident Reduction	1,626	50	(135)	1,540	1,540	-
Transport - Bridges & Structures	2,409	(31)	(70)	2,308	2,308	-
Transport - Fleet Management	881	-	-	881	881	-
Transport - Highway Major Works/Drainage schemes	7,634	31	-	7,665	7,665	-
Transport - Minor Works	472	-	3	475	475	-
Transport – Miscellaneous	1,776	-	(353)	1,423	1,423	-
Transport - Street Lighting	28	-	-	28	28	-
	29,934	50	(548)	29,437	29,437	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – MONTH 8 (NOVEMBER 2021) Proposed Changes

EXPENDITURE BUDGETS TO BE REPROFILED AS AT 30 NOVEMBER 2021	2021/22	2022/23	Comments
Directorate / Scheme	£	£	
People and Place			
Oldham War Memorial	(5,049)		Service Area Realignment
LIF- Failsworth War Memorial	12,318		Service Area Realignment / Additional resources
Width Restriction, Wrigley Head, Failsworth	(35,000)	35,000	Rephase to future year
Kings Road - Traffic Calming	(30,000)	30,000	Rephase to future year
Vehicle Activated signs - Installing and enhancement programme	(70,000)	70,000	Rephase to future year
Tame Water Culvert, Delph	(70,000)	70,000	Rephase to future year
Public Rights of Way (PRoW) Improvements	3,375	(3,375)	Acceleration from future year
Southlink Traffic Signal Junction (GD3)	(132,764)	132,764	Rephase to future year
GD3 – Market Hall Connectivity Improvements	(232,895)	232,895	Rephase to future year
GD3 - Waterloo Street - Rhodes Bank Traffic Signal Junction	81,142	(81,142)	Acceleration from future year
Growth Deal 3 - Programme Management Support	(68,391)	68,391	Rephase to future year
People and Place TOTAL	(547,263)	554,532	
FINANCING BUDGETS TO BE REPROFILED AS AT 30 NOVEMBER 2021	2021/22	2022/23	
Fund Source	£	£	
Revenue Contributions	(7,269)		
Grant and Other Contributions	554,532	(554,532)	
TOTAL	547,263	(554,532)	