

CAPITAL INVESTMENT PROGRAMME 2022/23

Quarter 1 - June 2022

1 Background

- 1.1 The original capital programme for 2022/23 reflected the priorities outlined in the capital strategy as approved at Cabinet on 14 February 2022 and confirmed at the Council meeting on 2 March 2022.
- 1.2 The position as at 30 June 2022 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 Table 1 below shows the capital programme for 2022/23 to 2026/27 and reflects the priorities outlined in the capital strategy as approved at Cabinet on 14 February 2022 and confirmed at the Council meeting on the 2 March 2022.

Table 1 – 2022/23 to 2026/27 Capital Strategy

Directorate Budget	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Community Health & Adult Social Care	2,547	2,543	2,543	1,900	400	9,933
Children's Services	5,425	8,816	3,000	4,000	-	21,241
Communities and Reform	908	250	-	-	-	1,158
Housing Revenue Account	3,383	8,227	8,014	1,250	-	20,874
People and Place	81,465	65,038	49,722	39,800	36,400	272,425
Corporate Services	4,000	69	138	138	10,120	14,465
Funding for Emerging Priorities	2,520	2,050	836	1,722	163	7,291
Grand Total	100,248	86,993	64,253	48,810	47,083	347,387

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

Funding	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Grant & Other Contributions	(45,503)	(25,838)	(10,381)	(4,587)	(2,500)	(88,809)
Prudential Borrowing	(46,990)	(50,703)	(44,124)	(42,073)	(43,583)	(227,473)
Revenue	(3,283)	(8,127)	(7,914)	(1,150)	-	(20,474)
Capital Receipts	(4,472)	(2,325)	(1,835)	(1,000)	(1,000)	(10,632)
Grand Total	(100,248)	(86,993)	(64,253)	(48,810)	(47,083)	(347,387)

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

- 2.2 Following a change to the management reporting arrangements in the Council (as outlined in section 1.5 of Annex 1), the revised 2022/23 to 2026/27 Capital Strategy is shown in table 2 below.

Table 2 – Restated Capital Strategy to Reflect New Management Reporting Arrangements

Directorate Budget	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Community Health and Adult Social Care	908	250	-	-	-	1,158
Children's Services	5,425	8,816	3,000	4,000	-	21,241
Communities	2,547	2,543	2,543	1,900	400	9,933
Place and Economic Growth	75,875	61,438	46,622	37,050	33,650	254,635
Housing Revenue Account	3,383	8,227	8,014	1,250	-	20,874
Corporate/Information Technology	5,590	3,600	3,100	2,750	2,750	17,790
Capital, Treasury & Technical Accounting	4,000	69	138	138	10,120	14,465
Funding for Emerging Priorities	2,520	2,050	836	1,722	163	7,291
Total Expenditure	100,248	86,993	64,253	48,810	47,083	347,387

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

Funding	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Grant & Other Contributions	(45,503)	(25,838)	(10,381)	(4,587)	(2,500)	(88,809)
Prudential Borrowing	(46,990)	(50,703)	(44,124)	(42,073)	(43,583)	(227,473)
Revenue	(3,283)	(8,127)	(7,914)	(1,150)	-	(20,474)
Capital Receipts	(4,472)	(2,325)	(1,835)	(1,000)	(1,000)	(10,632)
Grand Total	(100,248)	(86,993)	(64,253)	(48,810)	(47,083)	(347,387)

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

- 2.3 Following the 2021/22 Month 9 report which was approved at Cabinet on 21 March 2022, the 2022/23 Capital Programme was revised to reflect anticipated reprofiling. Forecast expenditure for 2022/23 was increased to £113.065m. Taking into account the 2021/22 outturn adjustment of £5.461m and months 10 to 12 approved movements of £3.505m, this produced a revised budget of £111.109m, as presented in table 3. Following a detailed review of the capital programme in June 2022, it is suggested that a further £32.414m of planned expenditure is reprofiled into future financial years. Further detail of the proposed movements is contained in Appendix F. Assuming all the movements are approved it would leave a revised budget of £78.695m.

Table 3 – 2022/23 Capital Programme

Directorate	2022/23 as at M09 2021/22 (restated) £000	2021/22 Outturn Adjustment £000	Other Approved Budget changes £000	Revised Budget 2022/23 £000	Proposed Virement/ Rephase £000	Revised Budget (M03) £000	Forecast £000	Variance £000
Community Health and Adult Social Care	2,547	(494)	5	2,058	-	2,058	2,058	-
Children's Services	8,024	162	94	8,280	(1,561)	6,719	6,719	
Communities	928	(180)	1	749	1	750	750	
Place and Economic growth	84,585	(2,467)	1,687	83,805	(26,252)	57,553	57,553	-
Housing Revenue Account	3,965	(692)		3,273	10	3,283	3,283	-
Corporate/ Information Technology	6,337	(1,790)	1,588	6,135	(1,767)	4,368	4,368	
Capital, Treasury & Technical Accounting	4,159	-	(30)	4,129	(165)	3,964	3,964	-
Funding for Emerging Priorities	2,520	-	160	2,680	(2,680)	-	-	-
Overall Total	113,065	(5,461)	3,505	111,109	(32,414)	78,695	78,695	-

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

2.4 Given that this is the position as at Quarter 1 and in view of the current challenges being faced including recovery from COVID-19 and the economic position, there must remain an element of uncertainty about the forecast position: that said the forecasts are based on the latest and most up to date information. A further breakdown of the 2022/23 Capital Programme (Table 3) on a service by service area basis is shown at Appendices A to H and the detailed breakdown of proposed virement/rephasing, both expenditure and financing, is shown in Appendix I.

2.5 Actual expenditure to 30 June 2022 was £6.787m (8.62% of the proposed 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.

Re-profiling of the Capital Programme

2.6 The revised capital programme for 2022/23 to 2026/27, 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 – 2022/23 to 2026/27 Capital Programme

Directorate Budget	Revised Budget 2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Community Health and Adult Social Care	2,058	2,343	2,343	2,300	400	9,444
Children's Services	6,719	7,493	3,410	5,691	942	24,254
Communities	750	250	-	-	-	1,000
Place and Economic Growth	57,553	60,573	74,258	41,550	28,666	262,601
Housing Revenue Account	3,283	8,127	7,914	1,150	-	20,474
Corporate/ Information Technology	4,368	5,080	3,910	2,200	1,850	17,408
Capital Treasury & Technical Accounting	3,964	138	138	234	10,120	14,594
Funding for Emerging Priorities	-	2,680	2,050	836	1,885	7,451
Grand Total	78,695	86,684	94,023	53,961	43,862	357,225

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

Funding	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Grant & Other Contributions	(45,212)	(30,947)	(13,952)	(4,587)	(2,500)	(97,198)
Prudential Borrowing	(27,406)	(44,788)	(70,055)	(47,324)	(40,362)	(229,935)
Revenue	(3,237)	(8,027)	(7,814)	(1,050)	-	(20,128)
Capital Receipts	(2,840)	(2,922)	(2,202)	(1,000)	(1,000)	(9,964)
Grand Total	(78,695)	(86,684)	(94,023)	(53,961)	(43,862)	(357,225)

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

- 2.7 Following the approval of the Capital Strategy in March 2022, a number of year end adjustment and new approvals have taken place. This leaves the revised 2022-2027 capital programme at £357.225m, an increase of £9.838m, which is broken down in the table below.

Table 5 – Capital Programme Movement

Expenditure movement	£000s
Acceleration to 2021/22 from 2022/23	(5,461)
Rephased from 2021/22 into future years	14,475
New Grant funded schemes	1,464
New General Fund revenue schemes	61
Reduction in Housing Revenue Account projects	(404)
Reduction in grant due to revised offer letter	(297)
Total Expenditure Increase	9,838

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

Funding movement	£000s
Grant & Other Contributions	(8,389)
Prudential Borrowing	(2,462)
Increased General Fund revenue contributions	(61)
Reduced HRA funding	404
Capital Receipts reduction	670
Total Funding Increase	(9,838)

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

- 2.8 The revised Provision for Emerging Priorities for 2022/23 to 2026/27, taking into account all the above amendments is shown in the table below:

Table 6 - Provision for Emerging Priorities

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Provision for Emerging Priorities	-	2,680	2,050	836	1,885	7,451

Capital Receipts

- 2.9 The capital programme requires the availability of £2.840m of capital receipts in 2022/23 for financing purposes. This includes £2.500m to support transformational activity in the General Fund using the flexibility allowed by Government (section 9 in Annex 1). The current usable capital receipts forecast in year is £5.625m, a projected surplus of £2.785m. The total net usable capital receipts currently received in year is £1.364m, the first call being the £2.500m outlined above.
- 2.10 The capital receipts position as at 30 June 2022 is as follows:

Table 7 – Capital Receipts 2022/23

	£000	£000
Capital Receipts Financing Requirement		2,840
Usable Capital Receipt b/fwd.	-	
Actual received to date	(1,364)	
Further Required in 2022/23		1,476

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

- 2.11 Given the significant value 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.
- 2.12 The Capital Strategy and Capital Programme 2022/27 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 June 2022 is illustrated in the table below:

Table 8 – Capital Receipts 2022/23 to 2026/27

Capital Receipts	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Capital Receipts Carried Forward	-	(2,785)	(1,188)	1,014	2,014
Estimated Capital Receipts	(4,261)	(1,325)	-	-	-
Received in year	(1,364)				
Total Receipts	(5,625)	(4,110)	(1,188)	1,014	2,014
Capital Receipts Financing Requirement	2,840	2,922	2,202	1,000	1,000
Over/(Under) programming	(2,785)	(1,188)	1,014	2,014	3,014

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

- 2.13 The most recent projection, as per the table above shows a reducing balance of surplus receipts and indicates a potential shortfall in the last three years of the programme. However, it is prudent to retain the current programme and review this during the course of the current year.

Annual Review of the Capital Programme

- 2.14 In accordance with previous practice, there will once again be a review of the capital programme over the summer months (the Summer Review). This will examine any further opportunities to reallocate, decommission or reprofile resources. It will also include an in-depth analysis of capital receipts which may lead to opportunities to increase resource levels to support new projects or provide an alternative to prudential borrowing.

3 Conclusion

- 3.1 Whilst the current projected position is showing the outturn to match the budget, a detailed review of the capital programme (the Annual Review) is being undertaken to establish if there are any surplus resources that can be realigned or any further re-profiling required. It is therefore likely that there will be some further rephrasing across all years to reflect the current developments relating to individual projects/schemes.
- 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 – Quarter 1 - Community Health and Adult Social Care
Appendix B - SUMMARY – Quarter 1 - Children’s Services
Appendix C - SUMMARY – Quarter 1 - Communities
Appendix D - SUMMARY – Quarter 1 - Place and Economic Growth
Appendix E - SUMMARY – Quarter 1 - Housing Revenue Account (HRA)
Appendix F - SUMMARY – Quarter 1 – Corporate/ Information Technology (IT)
Appendix G - SUMMARY – Quarter 1 - Capital Treasury and Technical
Accounting
Appendix H - SUMMARY – Quarter 1 - Funding for Emerging Priorities
Appendix I - SUMMARY – Quarter 1 - Proposed Variations

APPENDIX A

SUMMARY – Quarter 1 - Community Health and Adult Social Care

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Adult Services	2,547	(494)	5	2,058		2,058	2,058	-
Community Health and Adult Social Care Total	2,547	(494)	5	2,058		2,058	2,058	-

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

Major Variances Commentary

No additional variances to report

APPENDIX B

SUMMARY – Quarter 1 – Children’s Service

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Schools - General Provision	2,359	(37)	(853)	1,469	(905)	564	564	-
Schools - Primary	1,552	98	559	2,209	(646)	1,563	1,563	-
Schools - Secondary	4,185	278	132	4,595	(6)	4,589	4,589	-
Schools - Special	(72)	(177)	255	6	(3)	3	3	-
Schools New Build	-	-	-	-		-	-	-
Children’s Service Total	8,024	162	94	8,280	(1,561)	6,719	6,719	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 – Communities

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Local Investment Fund	928	(180)	1	749	1	750	750	-
Communities Total	928	(180)	1	749	1	750	750	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 – Place and Economic Growth

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Asset Mgt - Asset Management	8,515	(321)	(89)	8,105	232	8,337	8,337	-
Asset Mgt - Education Premises	4,343	(107)	2,025	6,261	(232)	6,029	6,029	-
Boroughwide Developments	14,124	(1,961)	120	12,283	(3,264)	9,019	9,019	-
Development	13	-	(1)	12	-	12	12	-
Boroughwide Projects	77	3	-	80	-	80	80	-
Cemeteries and Crematorium	38	(38)	9	9	-	9	9	-
Countryside	185	(30)	-	155	-	155	155	-
Parks	33	5	1	39	(1)	38	38	-
Playing Fields & Facilities	2	-	-	2	-	2	2	-
Parks & Playing Fields	13	-	-	13	-	13	13	-
Private Housing - HMRF	142	152	(165)	129	-	129	129	-
Private Housing - Non-HMRF	-	63	-	63	-	63	63	-
Public Realm	75	-	-	75	-	75	75	-
Strategic Acquisitions	1,000	(2)	2	1,000	(1,000)	-	-	-
Town Centre Developments	31,667	(1,426)	(197)	30,044	(15,550)	14,494	14,494	-
Accident Reduction	1,055	265	18	1,338	361	1,699	1,699	-
Bridges & Structures	4,493	213	-	4,706	658	5,364	5,364	-
Fleet Management	1,273	134	36	1,443	-	1,443	1,443	-
Highway Major Works/Drainage schemes	13,701	341	(119)	13,923	(8,256)	5,667	5,667	-
Minor Works	631	108	23	762	(37)	725	725	-
Miscellaneous	3,205	128	25	3,358	842	4,200	4,200	-
Street Lighting	-	5	-	5	(5)	-	-	-
Place and Economic Growth Total	84,585	(2,467)	1,687	83,805	(26,252)	57,553	57,553	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Housing Revenue Account (HRA)

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Housing Revenue Account	3,965	(692)	-	3,273	10	3,283	3,283	-
HRA Total	3,965	(692)	-	3,273	10	3,283	3,283	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 – Corporate/Information Technology

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Information Technology	6,337	(1,790)	1,588	6,135	(1,767)	4,368	4,368	-
Information Technology Total	6,337	(1,790)	1,588	6,135	(1,767)	4,368	4,368	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 – Capital Treasury and Technical Accounting

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget M03 £000	Forecast £000	Year End Variance £000
Cross Cutting /Corporate	4,159	-	(30)	4,129	(165)	3,964	3,964	-
Capital Treasury and Technical Accounting Total	4,159	-	(30)	4,129	(165)	3,964	3,964	-

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

Major Variances Commentary

No additional variances to report

SUMMARY – Quarter 1 - Funding for Emerging Priorities

Service area	Original Budget £000	2021/22 Rephasing/ Acceleration £000	Approved Changes /Virements £000	Revised Budget 2022/23 £000	Proposed Virement £000	Revised Budget £000	Forecast £000	Year End Variance £000
Funding for Emerging Priorities	2,520	-	160	2,680	(2,680)	-	-	-
Funding for Emerging Priorities Total	2,520	-	160	2,680	(2,680)	-	-	-

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

Major Variances Commentary

No additional variances to report

APPENDIX I
SUMMARY – Quarter 1 - Proposed Variations – Rephase/Acceleration/Realignment

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Grand Total £000
Community Health and Adult Social Care						
Social Care - General Provision	-	(200)	(200)	400	-	-
Community Health and Adult Social Care Total	-	(200)	(200)	400	-	-
Children's Service						
Education Basic Need General Provision	(76)	(2,691)	410	2,691	-	334
SEND - Special Provision Capital Fund (SPCF) General Provision	(736)	736	-	-	-	-
Schools Feasibility Funding	(93)	93	-	-	-	-
Transfers to Academies	(111)	111	-	-	-	-
Mayfield Academy Expansion	(334)	-	-	-	-	(334)
Devolved Formula Capital Schools projects - DFC (34 projects)	(211)	211	-	-	-	-
Saddleworth School New Build (WH Shaw Site)			58	(1,000)	942	-
Children's Service Total	(1561)	(1540)	468	1691	942	-
Communities						
LIF - Local Investment Fund	1	-	-	-	-	1
Communities Total	1	-	-	-	-	1
Place and Economic Growth						
Corporate Property - Major Repair Works (Priority 1)	232	-	-	-	-	232
Essential Condition Works - General Provision	18	-	-	-	-	18
Mills Hill Primary School - Electrical upgrade	100	-	-	-	-	100
Mills Hill Primary Electrical Rewire	(350)	-	-	-	-	(350)
Regen Projects (7)	(3,265)	(4,752)	6,000	2,000	16	(1)
Self Delivery - Housing on Council Land	-	-	2,500	2,500	(5,000)	-
Strategic Acquisitions- General Provision	(1,000)	1,000	-	-	-	-
Town Centre Redevelopment	(15,550)	-	15,550	-	-	-

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Grand Total £000
Transport (63 individual projects)	(6,437)	2,941	3,496	-	-	-
Place and Economic Growth Total	(26,252)	(811)	27,546	4,500	(4,984)	(1)
Housing Revenue Account						
PFI2 Extra Care Housing Scheme	(5)	-	-	-	-	(5)
HRA Capital Strategy	15	(100)	(100)	(100)	-	(285)
Housing Revenue Account Total	10	(100)	(100)	(100)	-	(291)
Corporate/Information Technology						
IT (14 individual Projects)	(1,767)	1,992	1,225	(550)	(900)	-
Corporate/Information Technology TOTAL	(1,767)	1,992	1,225	(550)	(900)	-
Capital Treasury and Technical Accounting						
Provision for CPOs	(165)	69		96		-
Capital Treasury and Technical Accounting TOTAL	(165)	69		96		-
Funding for Emerging Priorities						
Funding for Emerging Priorities	(2,680)	630	1,214	(886)	1,722	-
Funding for Emerging Priorities TOTAL	(2,680)	630	1,214	(886)	1,722	-
Grand Total	(32,414)	40	30,153	5,151	(3,221)	(291)