

## CAPITAL INVESTMENT PROGRAMME REPORT 2018/19

### Quarter 2 - September 2018

#### 1 Background

- 1.1 The original capital programme for 2018/19 reflects the priorities outlined in the capital strategy as approved at Cabinet on 19 February 2018 and confirmed at the Council meeting on the 28 February 2018.
- 1.2 The position as at 30 September 2018 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 four years 2018 to 2022, approved by Council on 28 February 2018 is summarised in Table 1 and shows capital programme expenditure of £89.658m in 2018/19.

**Table 1 : Capital Programme 2018/19 to 2021/22**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Original Budget</b>	<b>89,658</b>	<b>105,681</b>	<b>37,605</b>	<b>11,234</b>	<b>244,178</b>

- 2.2 Table 2 shows the revised capital programme for 2018/19, with expenditure of £49.523m as at 30 September 2018, this is after taking account of approved new schemes and approved and proposed variations; a net decrease of £10.499m compared to £60.022m reported at Quarter 1.
- 2.3 Actual expenditure to 30 September 2018 was £17.915m (36.18% of forecast outturn). This spending profile is in line with previous years. The position will be kept under review and budgets will be managed in accordance with forecasts.

**Table 2 – 2018/19 Capital Programme**

Directorate	Revised Budget (M03) £000	Budget changes/virements (to M06) £000	Proposed Virement /Rephasing £000	Revised Budget (M06) £000	Forecast £000	Variance £000
Corporate and Commercial Services	14,902	0	(728)	14,174	14,174	0
People and Place	39,136	1,308	(8,580)	31,864	31,864	0
Community Health & Social Care Services	2,233	9	(362)	1,880	1,880	0
Reform	209	(12)	0	197	197	0
Housing Revenue Account	3,231	(389)	(1,745)	1,097	1,097	0
Funds Yet to be Allocated	311	0	0	311	311	0
<b>Grand Total</b>	<b>60,022</b>	<b>916</b>	<b>(11,415)</b>	<b>49,523</b>	<b>49,523</b>	<b>0</b>

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

2.4 The budget changes to month 6 of £0.916m represent changes agreed since the approval of the month 3 report at Cabinet on 17 September 2018. The proposed changes of £11.415m reflect anticipated virements and further rephasing of spending following the Annual Review of the capital programme, as detailed in Appendix G.

2.5 At this time there is no forecast variance projected but 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 and give a better picture of the likely outturn. A further breakdown of Table 2 on a scheme by scheme basis is shown at Appendices A to F and the detailed breakdown of proposed virement/rephasing is shown in Appendix G.

### **Annual Review of the Capital Programme**

2.6 In accordance with the terms of reference for the CIPB, each year there is a review of the capital programme which examines all schemes in the programme to:

- a) Ensure that schemes still meet corporate priorities
- b) Review their continued relevance in the context of a dynamic and constantly developing organisation
- c) Consider the progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations and rephasing of planned expenditure
- d) Identify any unutilised or underutilised resources
- e) Consider any reallocation of resources

2.7 The review has been completed for 2018/19 and has found that there are no resources available for reallocating to other projects but there is a requirement for significant reprofiling, as set out in the Appendix G, leading to a more deliverable capital programme.

- 2.8 The review identified that expenditure is expected to occur outside the current 4 year planning timescale and as such there is a requirement to extend the capital planning horizon to the current year plus four future years (to 2022/23).

### Re-profiling of the Capital Programme

- 2.9 The revised capital programme for 2018/19 to 2022/23, 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 – 2018/2023 Capital Programme**

Directorate Budget	Revised Budget 2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
Corporate and Commercial Services	14,174	3,691	1,583	1,719	1,385	22,552
People and Place	31,864	60,563	73,567	44,673	22	210,689
Community Health & Social Care Services	1,880	1,768	400	400	0	4,448
Reform	197	100	100	700	0	1,097
Housing Revenue Account	1,097	2,745	0	0	0	3,842
Funds Yet to Be Allocated	311	3,652	7,652	5,312	0	16,927
<b>Grand Total</b>	<b>49,523</b>	<b>72,519</b>	<b>83,302</b>	<b>52,804</b>	<b>1,407</b>	<b>259,555</b>

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

Funding	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
Grant & Other Contributions	(16,647)	(39,789)	(31,434)	(13,926)	0	(101,796)
Prudential Borrowing	(26,995)	(18,887)	(44,214)	(31,267)	(862)	(122,225)
Revenue	(88)	(2,359)	(4,750)	(2,550)	0	(9,747)
Capital Receipts	(5,793)	(11,484)	(2,904)	(5,061)	(545)	(25,787)
<b>Grand Total</b>	<b>(49,523)</b>	<b>(72,519)</b>	<b>(83,302)</b>	<b>(52,804)</b>	<b>(1,407)</b>	<b>(259,555)</b>

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

### Capital Receipts

- 2.10 The revised capital programme requires the availability of £5.793m of capital receipts in 2018/19 for financing purposes. The total net usable capital receipts currently received in year, inclusive of £8.747m carried forward from 2017/18, is £9.175m.

- 2.11 The capital receipts position as at 30 September 2018 is as follows:

**Table 4 – Capital Receipts 2018/19**

	£000	£000
Capital Receipts Financing Requirement		5,793
Usable Capital Receipt b/fwd	(8,747)	
Actual received to date	(428)	(9,175)
<b>Further Required/ (Surplus) in 2018/19</b>		<b>(3,382)</b>

- 2.12 As can be seen, there is currently an anticipated surplus of £3.382m of capital receipts in year. Given the significant amount of receipts needed to finance the capital programme in 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 ongoing review throughout the year.
- 2.13 The Capital Strategy and Capital Programme 2018/22 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.
- 2.14 As a result of the Annual Review, capital receipts have been reprofiled outside the current 4 year planning timescale and as such there is a requirement to extend the capital receipt forecast to the current year plus 4 future years (to 2022/23). The position as at 30 September 2018 is illustrated in the table below:

**Table 5 – Capital Receipts 2018/2023**

<b>Capital Receipts</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2022/23 £000</b>
Brought Forward from previous year	(8,747)	(10,522)	(8,609)	(5,395)	(545)
Estimated Capital Receipts in year	(7,568)	(8,571)	(690)	(211)	0
<b>Total Receipts</b>	<b>(16,315)</b>	<b>(19,093)</b>	<b>(9,299)</b>	<b>(5,606)</b>	<b>(545)</b>
Capital Receipts Financing Requirement	5,793	10,484	3,904	5,061	545
<b>Over/(Under) programming</b>	<b>(10,522)</b>	<b>(8,609)</b>	<b>(5,395)</b>	<b>(545)</b>	<b>0</b>

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

- 2.15 The capital receipts position is monitored on a monthly basis. The most recent projections are for receipts to exceed current planned requirements in later years of the programme. However, until there is more confidence as to the timing of planned asset disposals, a prudent approach has been adopted and these are excluded from current forecast.

### **3 Conclusion**

- 3.1 The Annual Review has been undertaken which has resulted in significant re-profiling into future years of the capital programme. The capital programme is subject to continual change, therefore, there is likely to be further rephasing across all years to reflect the current developments of 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 – Corporate and Commercial Services – Quarter 2  
 Appendix B - Summary – People and Place – Quarter 2  
 Appendix C - Summary – Community Health & Social Care Services – Quarter 2  
 Appendix D - Summary – Reform – Quarter 2  
 Appendix E - Summary – Housing Revenue Account – Quarter 2  
 Appendix F - Summary – Funds Yet To Be Allocated – Quarter 2  
 Appendix G - Summary – Proposed Variations – Quarter 2

**SUMMARY – Corporate and Commercial Services – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Corporate	11,300	0	0	11,300	11,300	0
IT	3,602	0	(728)	2,874	2,874	0
	<b>14,902</b>	<b>0</b>	<b>(728)</b>	<b>14,174</b>	<b>14,174</b>	<b>0</b>

**Major Variances Commentary**

No variances to report

**SUMMARY – People and Place – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Asset Management - Asset Management	3,607	231		3,838	3,838	0
Asset Management - Education Premises	1,365	529		1,894	1,894	0
Boroughwide Developments	4,456	74	(100)	4,430	4,430	0
Children, Young People & Families	101	(44)		57	57	0
Development	662	0		662	662	0
District Partnership - Boroughwide	60	40		100	100	0
Environment – Countryside	303	0		303	303	0
Environment – Parks	197	15		212	212	0
Environment - Playing Fields & Facilities	18	(1)		17	17	0
Parks & Playing Fields	31	0		31	31	0
Private Housing	260	(15)	(15)	230	230	0
Public Realm	350	0		350	350	0
Schools - General Provision	1,316	(177)		1,139	1,139	0
Schools – Primary	725	413		1,138	1,138	0
Schools – Secondary	1,844	46		1,890	1,890	0
Schools – Special	488	2		490	490	0
Strategic Acquisitions	5,303	1	(5,100)	204	204	0
Town Centre Developments	2,533	1	(1,000)	1,534	1,534	0
Transport - Accident Reduction	315	0		315	315	0
Transport - Bridges & Structures	4,079	0	(261)	3,818	3,818	0
Transport - Fleet Management	825	0	(531)	294	294	0
Transport - Highway Major Works/Drainage schemes	7,826	0	(1,195)	6,631	6,631	0
Transport – Metrolink	204	0		204	204	0
<b>Service area</b>	<b>Original</b>	<b>Approved</b>	<b>Proposed</b>	<b>Revised</b>	<b>Forecast</b>	<b>Year End</b>

	<b>Budget £000</b>	<b>Changes/ Virements £000</b>	<b>Virement £000</b>	<b>Budget £000</b>	<b>£000</b>	<b>Variance £000</b>
Transport - Minor Works	875	12	(78)	809	809	0
Transport – Miscellaneous	1,378	181	(300)	1,259	1,259	0
Transport - Street Lighting	15	0		15	15	0
<b>People and Place Total</b>	<b>39,136</b>	<b>1,308</b>	<b>(8,580)</b>	<b>31,864</b>	<b>31,864</b>	<b>0</b>

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

### **Major Variances Commentary**

No variances to report

**SUMMARY – Community Health & Social Care Services – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Adult Services	2,233	9	(362)	1,880	1,880	0
	<b>2,233</b>	<b>9</b>	<b>(362)</b>	<b>1,880</b>	<b>1,880</b>	<b>0</b>

**Major Variances Commentary**

No variances to report

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**SUMMARY – Reform – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Capital – District Investment Fund	208	(12)	0	196	196	0
Capital – District Partnership – Chadderton	1	0	0	1	1	0
<b>Reform Total</b>	<b>209</b>	<b>(12)</b>	<b>0</b>	<b>197</b>	<b>197</b>	<b>0</b>

**Major Variances Commentary**

No variances to report



**SUMMARY – Housing Revenue Account (HRA) – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Housing Revenue Account	3,231	(389)	(1,745)	1,097	1,097	0
	<b>3,231</b>	<b>(389)</b>	<b>(1,745)</b>	<b>1,097</b>	<b>1,097</b>	<b>0</b>

**Major Variances Commentary**

No variances to report

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**SUMMARY – Funds Yet To Be Allocated – Quarter 2**

<b>Service area</b>	<b>Revised Budget (M03) £000</b>	<b>Approved Changes /Virements £000</b>	<b>Proposed Virement £000</b>	<b>Revised Budget (M06) £000</b>	<b>Forecast £000</b>	<b>Year End Variance £000</b>
Funds Yet to be allocated	311	0	0	311	311	0
	<b>311</b>	<b>0</b>	<b>0</b>	<b>311</b>	<b>311</b>	<b>0</b>

**Major Variances Commentary**

No variances to report

**SUMMARY – Proposed Variations – Quarter 2**

Portfolio / Service / Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Capital Treasury and Technical Accounting</b>					
Funds yet to be allocated		(3,652,241.26)	2,652,241.26		
<b>Capital Treasury and Technical Accounting Total</b>	<b>0</b>	<b>(3,652,241.26)</b>	<b>2,652,241.26</b>	<b>0</b>	<b>0</b>
<b>Corporate and Commercial Services</b>					
Investment in IT	(54,035.26)	54,035.26		(500,000.00)	500,000.00
IT- PSN Programme	(19,800.36)	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)
IT - Server Refresh	(135,757.00)	135,757.00			
IT - Delivering Customer Focused Services	(379,200.00)	(885,800.00)			
IT - Creating an Agile & Efficient Council		(440,000.00)	170,000.00	270,000.00	
IT - Strengthening Governance & Capability	(370,199.64)	115,000.00	115,000.00	20,000.00	220,000.00
IT - Business Systems			(100,000.00)	700,000.00	665,000.00
Financial Systems	231,000.00	(231,000.00)			
<b>Corporate and Commercial Services Total</b>	<b>(727,992.26)</b>	<b>(1,272,007.74)</b>	<b>165,000.00</b>	<b>470,000.00</b>	<b>1,365,000.00</b>
<b>Community Health &amp; Social Care Services</b>					
Disabled Facilities Grant- Boroughwide	(213,627.61)	219,489.39			
Adult Social Care- General Provision	(148,792.79)	148,792.79			
<b>Community Health &amp; Social Care Services Total</b>	<b>(362,420.40)</b>	<b>368,282.18</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>People and Place</b>					
Backlog Maintenance - Moorhey Street Depot - Re-wire		(200,000.00)	200,000.00		
Essential Condition Works - General Provision		(600,000.00)	600,000.00		
Essential Condition Works - Royton & Crompton Secondary - Mechanical, Electrical and Roofing works		(250,000.00)	250,000.00		
Royton & Crompton School - Priority School Build Programme Phase 2 (PSBP2)		(4,000,000.00)	2,000,000.00	2,000,000.00	
Royton Town Hall		(500,000.00)	1,500,000.00		
Royton Town Centre Development	(100,000.00)	100,000.00			
Foxdenton Hall – Essential health & safety works		(200,000.00)	200,000.00		

Portfolio / Service / Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
Saddleworth School New Build		(1,859,920.94)	1,859,920.94		
Equity Homes Loans	(15,000.00)	15,000.00			
Foxdenton - Broadway Green Phase 2		(2,947,274.00)	2,947,274.00		
Education Basic Need General Provision		(6,785,069.30)	(6,479,981.70)	9,868,051.00	
Crompton House - Additional 4FE			3,397,000.00		
Town Centre Public Realm		(940,907.04)		940,907.04	
Strategic Acquisitions- General Provision	(100,000.00)	100,000.00			
Investment Property Purchase	(5,000,000.00)	(5,000,000.00)	5,000,000.00	5,000,000.00	
Oldham Coliseum Theatre – Phase C		(23,942,687.00)	11,731,400.00	12,211,287.00	
Eastern Gateway Improvements (Prince's Gate)		(7,000,000.00)	(2,550,000.00)	9,550,000.00	
Oldham Heritage & Arts Centre – Phase A		(13,000,000.00)	11,492,341.00	1,507,659.00	
Oldham Heritage & Arts Centre – Off Site Storage (Prince of Wales Units A&B)	(800,000.00)	800,000.00			
Town Centre Masterplan	(200,000.00)	(9,800,000.00)	10,000,000.00		
Bridge Work - King Street Roundabout Footbridge	(146,624.00)	146,624.00			
The Causeway Bridge, The Causeway off Gateway Crescent	(15,000.00)	15,000.00			
Foxdenton Lane Culvert No.2	(100,000.00)	100,000.00			
Fleet Replacement Vehicles 7 years	(530,596.00)	530,596.00			
Specific schemes to support Building Schools for the Future (BSF) projects	(16,866.00)	16,866.00			
Transport Investment	(1,178,690.00)	1,178,690.00			
Pedestrian and vehicle improvements	(77,671.00)	77,671.00			
Flood Defence: Delph New Road Oldham	(300,000.00)	300,000.00			
<b>People and Place Total</b>	<b>(8,580,447.00)</b>	<b>(73,645,411.28)</b>	<b>42,147,954.24</b>	<b>41,077,904.04</b>	<b>-</b>
<b>Housing Revenue Account</b>					
Supported Housing for adults with a Learning Disability and/or complex behaviour	(1,745,097.00)	1,745,097.00			
<b>Housing Revenue Account Total</b>	<b>(1,745,097.00)</b>	<b>1,745,097.00</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>(11,415,956.66)</b>	<b>(76,456,281.10)</b>	<b>44,965,195.50</b>	<b>41,547,904.04</b>	<b>1,365,000.00</b>

Funding	2018/19	2019/20	2020/21	2021/22	2022/23
Grant & Other Contributions	2,253,771.08	25,370,381.25	(15,676,672.59)	(11,953,341.52)	-
Prudential Borrowing	1,950,537.99	53,848,913.64	(29,486,704.55)	(24,266,048.93)	(839,698.15)
Revenue Contributions	1,359,097.00	(1,359,097.00)	2,550,000.00	(2,550,000.00)	-
Capital Receipts	5,852,550.59	(1,403,916.79)	(2,351,818.36)	(2,778,513.59)	(525,301.85)
<b>Grand Total</b>	<b>11,415,956.66</b>	<b>76,456,281.10</b>	<b>(44,965,195.50)</b>	<b>(41,547,904.04)</b>	<b>(1,365,000.00)</b>