

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	28 November 2016
<b>Executive Member/Reporting Officer:</b>	Cllr Jim Fitzpatrick - First Deputy (Performance & Finance) Ian Duncan– Assistant Executive Director (Governance, Resources, and Pensions)
<b>Subject:</b>	<b>CAPITAL MONITORING QUARTER 2 2016/17</b>
<b>Report Summary:</b>	<p>This report summarises the capital monitoring position at 30 September 2016 based on information provided by project managers.</p> <p>The report shows projected capital investment of £57.517m by March 2017.</p> <p>Some schemes will be delivered earlier or later than planned, and this is set out in the report.</p>
<b>Recommendations:</b>	<ul style="list-style-type: none"> <li>(i) That the current capital budget monitoring position is noted.</li> <li>(ii) That the resources currently available to fund the capital programme are noted.</li> <li>(iii) That the re-profiling to reflect up-to-date investment profiles is approved.</li> <li>(iv) That the current position in regards to Compulsory Purchase Orders (CPOs) and Indemnities is noted.</li> <li>(v) That the changes to the capital programme are approved.</li> <li>(vi) That the capital receipts position is noted.</li> <li>(vii) The updated Prudential Indicator position is approved.</li> </ul>
<b>Links to Community Strategy:</b>	The Capital Programme ensures investment in the Council's infrastructure is in line with the Community Strategy.
<b>Policy Implications:</b>	In line with Council Policies.
<b>Financial Implication:</b>	These are the subject of the report.
<b>(Authorised by the Section 151 Officer)</b>	It should be noted that for many schemes, a number of pressures exist, including necessary changes to the programme of work and wider cost pressures in the construction market, and such present ongoing challenges. Those leading projects must ensure that the management of each scheme is able to deliver projects on plan and within the allocated budget.
<b>Legal Implication:</b>	It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered.
<b>(Authorised by the Borough Solicitor)</b>	

**Risk Management:**

Failure to properly manage and monitor the Council's budget will lead to service failure and a loss of public confidence.

**Access to Information:**

The background papers relating to his report can be inspected by contacting Ian Duncan, Assistant Executive Director, Governance, Resources and Pensions by:



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## 1. INTRODUCTION

- 1.1 This is the second capital monitoring report for 2016/17, summarising the position as at 30<sup>th</sup> September. There will be two further monitoring statements during 2016/17. All Capital Monitoring reports are submitted to the Board, Strategic Planning and Capital Monitoring Panel, Executive Cabinet and Overview (Audit) Panel.
- 1.2 The report incorporates an update on major capital schemes and an update on Compulsory Purchase Orders (CPOs), indemnities, and potential liabilities.

## 2. KEY POINTS

- 2.1 The current forecast is for services areas to have spent £56.556m on capital investment by March 2017, which is £12.655m less than the current programmed spend.
- 2.2 This is detailed in section 3 of the report, explanations are also provided for capital projects with a projected variation of £0.100m or above over the life of the project.
- 2.3 Section 3 also details schemes with an in-year variation in excess of £0.100m and seeks approval to re-profile the capital expenditure of the project. An explanation for the need to re-profile the capital expenditure is also provided.
- 2.4 Table 1 below provides a high level summary of capital expenditure by service area.

**Table 1: Overall capital monitoring statement April-September 2016**

<b>CAPITAL MONITORING STATEMENT - SEPTEMBER 2016</b>				
	<b>Annual Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>PEOPLE</u></b>				
Education	12,948	1,192	11,434	(1,514)
Children's Services	658	341	658	0
Stronger Communities	784	17	798	14
Active Tameside	4,503	3,168	4,503	0
Adults Services	824	0	824	0
<b><u>PLACES</u></b>				
AIPM	18,540	1,227	12,346	(6,194)
Development & Investment	6,863	1,479	6,116	(747)
Digital Tameside	1,468	71	1,078	(390)
Engineering Services	12,498	2,419	12,022	(476)
Environmental Health	1,105	9	1,105	0
Operations	345	27	168	(177)
Transport	5,580	821	2,409	(3,171)
<b><u>Exchequer</u></b>				
	90	0	90	0
Unallocated	3,005	0	3,005	0
<b>Total</b>	<b>69,211</b>	<b>10,772</b>	<b>56,556</b>	<b>(12,655)</b>

2.5 It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-profiling of £12.380 into the next financial year is identified within the individual service area tables below.

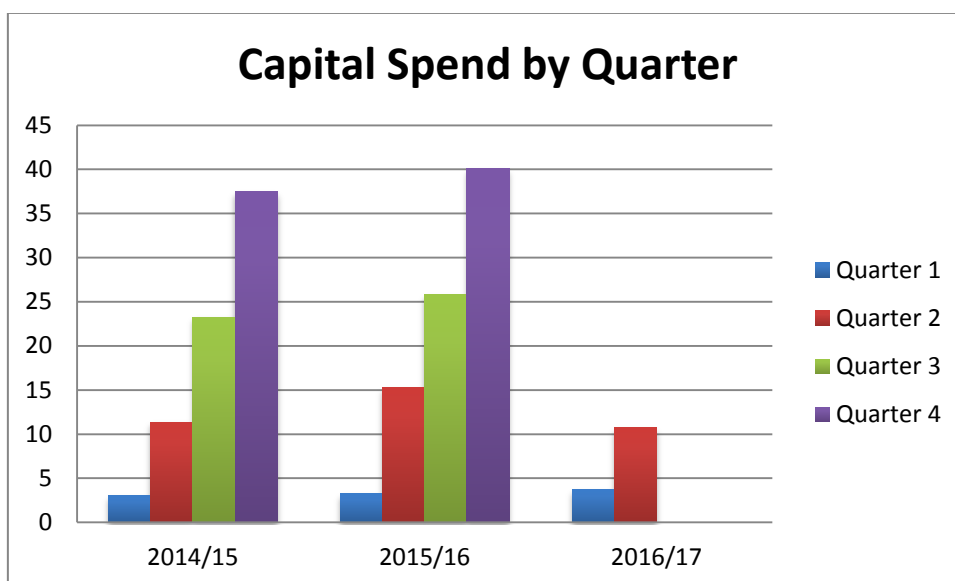
2.6 Table 2 below shows the current Resources funding the 2016/17 capital programme. The resourcing structure, however, is not final and the Assistant Executive Director (Finance) will make the best use of resources available at the end of the financial year.

**Table 2: Funding statement 2016/17**

Resources	£000
Capital Grants	23,595
Unsupported Capital Expenditure (Borrowing)	39,248
Revenue Contributions	3,614
Specific Capital Receipts	2,144
Capital Contributions	610
<b>Total</b>	<b>69,211</b>

2.7 The chart below shows a year on year comparison of capital expenditure on quarterly basis.

**Table 3: Comparison of quarterly capital spend levels 2014/15 - 2016/17**



### 3 CAPITAL EXPENDITURE TO DATE AND PROJECTED OUTTURN 2016/17

3.1 This section of the report provides an update of Capital expenditure to date along with details of re-profiling to be approved in this report and the overall projected outturn position of the Capital projects. Where variances of £0.100m and over are anticipated over the life of the scheme an explanation is also provided.

#### Education

3.2 The table below outlines the projected investment for Education services. An explanation has also been provided for the requested re-profiling.

**Table 4: Detail of Education Capital Investment Programme**

<b>Education Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Aldwyn Primary Additional Accommodation	2,383	98	1,192	(1,191)	(1,191)
Basic Need - Funding Stream	2,335	0	2,335	0	
Alder Buy Out Fitness Centre	1,000	0	1,000	0	
Building Schools For The Future Reserve - Funding Stream	683	0	683	0	
Hyde Targeted Basic Need New School	673	675	673	0	
Livingstone Remodelling/Extension	544	38	544	0	
Devolved Schools Capital	473	0	473	0	
Specific Capital Reserve	403	0	403	0	
Two Year Old Entitlement Grant - Funding Stream	264	28	264	0	
Primary Capital Programme - Russell Scott	256	0	0	(256)	
St Damian's Classroom Alterations	250	3	250	0	
St James' Hattersley - Additional Classroom	220	0	220	0	
Greenside Boiler And Fan Convectors	220	22	220	0	
Greenside Lighting, Fire Alarm And Small Power	208	0	208	0	
Livingstone Heat Emitters And Pipework	193	0	193	0	
Gorse Hall Small Power	189	0	189	0	
Arlies Fan Convectors, Controls And Lst Radiator Covers	180	0	180	0	
Waterloo Boiler And Heat Emitters	119	0	119	0	
Hollingworth Kitchen & Dining Refurbishment (UIFSM 2)	118	0	118	0	
Discovery Academy - Remodelling/Furniture	115	64	115	0	
Broadoak Primary External Areas	100	0	100	0	
St Anne's Denton Flat Roofs	100	0	100	0	
School Condition Related Works Contingency	92	0	92	0	

Other Minor Schemes	1,830	264	1,763	(67)	
<b>Total</b>	<b>12,948</b>	<b>1,192</b>	<b>11,434</b>	<b>(1,514)</b>	<b>(1,191)</b>

**Table 4b: Education Capital Investment Programme – Variations**

<b>Explanation of Variations Over the Life of Projects</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Variation</b>	<b>Amount (£000)</b>
Education	Primary Capital Programme – Russell Scott	There is significant demand in the system for reactive and planned school works. All schemes which have not progressed or where there are wider issues are being reviewed. Russell Scott has recently received a significant investment package and works are continuing. Other schools are coming forward with higher priority schemes which require investment.	(256)

**Table 4c: Education Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount £000</b>
Education	Aldwyn Primary Additional Accommodation	The Scheme to extend Aldwyn Primary School and Hawthorns School is likely to be delayed until the new calendar year. Although Strategic Planning and Capital Monitoring Panel approved the expenditure for the project this is dependent on a Value For Money Assessment (currently being carried out) and the agreement of satisfactory contracts between the Council, the TIP and Carillion. The contractors would prefer to begin the construction work at the end of January/early February to avoid the worst of the winter weather. The works are still predicted to be completed for the start of the September 2017 term. This slightly delayed start will mean that a proportion of the expenditure will be incurred in the 2017-18 financial year.	(1,191)

### Children's Services

- 3.3 The table below outlines the projected investment for Children's services. At present no re-profiling is require.

<b>Children's Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Purchase of Two Children's Homes	658	341	658	0	
<b>Total</b>	<b>658</b>	<b>341</b>	<b>658</b>	<b>0</b>	<b>0</b>

### Community Services

- 3.4 The table below outlines the projected investment for Community Services. At present no re-profiling is required.

**Table 5: Detail of Community Services Capital Investment Programme**

<b>Stronger Communities Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Libraries In The 21St Century	559	0	573	14	
Supporting Customer Experience And Contact	179	0	179	0	
Safe And Secure Project (Alleygating And Burglary Reduction)	38	17	38	0	
Street Art In The Community	8	0	8	0	
<b>Total</b>	<b>784</b>	<b>17</b>	<b>798</b>	<b>14</b>	<b>0</b>

### Active Tameside

- 3.5 The table below outlines the projected investment for Public Health. No re-profiling is required at this time.

**Table 6: Detail of Active Tameside Capital Investment Programme**

<b>Active Tameside Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
ACTIVE TAMESIDE WELLNESS CENTRE & WIDER INVESTMENT	4,064	2,828	4,064	0	
HYDE UNITED FC	415	337	415	0	
DROYLSDEN YOUTH CENTRE	24	3	24	0	
<b>Total</b>	<b>4,503</b>	<b>3,168</b>	<b>4,503</b>	<b>0</b>	<b>0</b>

**Adult Services**

- 3.6 The table below outlines the projected investment for Adult Services. No re-profiling is required at this time.

**Table 7: Detail of Adult Services Capital Investment Programme**

<b>Adult Services Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Unallocated Funding	824	0	824	0	
<b>Total</b>	<b>824</b>	<b>0</b>	<b>824</b>	<b>0</b>	<b>0</b>

**Asset Investment Partnership Management (AIPM)**

- 3.7 The table below outlines the projected investment for AIPM. An explanation for requested re-profiling is also provided.

**Table 8: Detail of Asset Investment Partnership Management (AIPM) capital programme**

<b>AIPM Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
Vision Tameside	17,000	770	11,000	(6,000)	(6,000)
Opportunity Purchase Fund (Individual Approval Required)	500	6	500	0	
Building Fabric Works	393	361	393	0	



Mottram Showground (OPF)	161	1	2	(159)	(159)
Prep Of Outline Planning Applications / Review Of Playing Field Provision	116	0	116	0	
Dukinfield Crematoria Clock Tower	98	0	54	(44)	(44)
Tame Street Emergency Generators	93	0	93	1	
Other Minor Schemes	71	89	188	117	(71)
Document Scanning	58	0	0	(58)	(58)
Development Of Former Stamford High School Site	50	0	0	(50)	(50)
<b>Total</b>	<b>18,540</b>	<b>1,227</b>	<b>12,346</b>	<b>(6,194)</b>	<b>(6,382)</b>

**Table 8b: AIPM Capital Investment Programme – Re-profiling**

**Explanation of Re-profiling at Quarter 2**

Service Area	Capital Project	Explanation for Re-profiling	Amount £000
AIPM	Vision Tameside	The re-profiling the of this scheme takes in to account the construction milestone schedule timeframe in which works will be carried out for when the new building will open which is estimated to be approx September 2018.	(6,000)
AIPM	Mottram Showground (OPF)	The progress on this scheme has been delayed	(159)

**Development and Investment**

3.8 The table below outlines the projected investment for Development and Investment. An explanation for requested re-profiling is provided below.

**Table 9: Detail of Development and Investment Capital Programme**

**Development and Investment Capital Programme Statement**

Capital Scheme	2016/17 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-profiling to be approved in this Quarter
Ashton Town Centre And Civic Square	3,052	927	3,052	0	
Disabled Facilities Grants	2,247	519	1,500	(747)	(700)
Ashton Old Baths	916	0	916	0	
Grant Funding Yet To Be Allocated	259	0	259	0	
St Petersfield	229	33	229	0	
Godley Hill Development And Access Road	110	0	110	0	

Longlands Mill	24	0	24	0	
Hyde Town Centre	23	0	23	0	
Ashton Market Hall Incubator Units	3	0	3	0	
<b>Total</b>	<b>6,863</b>	<b>1,479</b>	<b>6,116</b>	<b>(747)</b>	<b>(700)</b>

**Table 9b: Development and Investment Capital Programme – Re-profiling**

<b>Explanation of Re-profiling at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount £000</b>
Development and Investment	Disabled Facilities Grant	It is very difficult to predict expenditure on Adaptations because each job is different from the next one and demands individual attention. As the allocation for DFG is now unring-fenced it may be possible to carry forward any unspent allocation into the next financial year. Although the projected outturn is currently £1.5M this is difficult to predict at this point in time due to the nature of the works	(700)

### Digital Tameside

- 3.9 The table below outlines the projected investment for Digital Tameside. An explanation has also been provided for the requested re-profiling.

**Table 10: Detail of Digital Tameside Capital Investment Programme**

<b>Digital Tameside Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
ICT – Vision Tameside	767	17	377	(390)	(390)
Working Differently - ICT Hardware & Software	411	3	411	0	
Digital By Design	124	15	124	0	
Town Centre Wi-Fi	121	36	121	0	
Disaster Recovery Site	45	0	45	0	
<b>Total</b>	<b>1,468</b>	<b>71</b>	<b>1,078</b>	<b>(390)</b>	<b>(390)</b>

**Table 10b: Digital Tameside Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount £000</b>
Digital Tameside	ICT Vision Tameside	The re-profiling the of this scheme takes in to account the timeframe in which works will be carried out for when the new TAC will open which is estimated to be approx September 2018.	(390)

**Engineering Services**

3.10 The table below outlines the projected investment for Engineering Services. Explanations are also included where re-profiling has been requested.

**Table 11: Detail of Engineering Services Capital Investment Programme**

<b>Engineers Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Led Street Lighting Investment	2,304	331	2,304	0	
Highways Maintenance Funding	2,606	710	2,606	0	
Challenge Funding	2,199	112	2,199	0	
Denton Link Road	1,353	693	1,353	0	
Pothole Funding	1,000	292	1,000	0	
The Longdendale Integrated Transport Strategy	480	0	0	(480)	(480)
Ashton - Stalybridge Cycle Route	228	1	228	0	
Junction Improvements On/Off At J23 M60	359	0	359	0	
Ashton Northern Bypass - Stage 2	279	93	279	0	
Ashton Town Centre Improvements	191	2	191	0	
Hattersley Station passenger facilities	304	0	304	0	
Access to Metro link Stops	300	0	300	0	
Huddersfield Narrow Canal	185	1	185	0	
Other Minor Schemes	710	184	714	4	
<b>Total</b>	<b>12,498</b>	<b>2,419</b>	<b>12,022</b>	<b>(476)</b>	<b>(480)</b>

**Table 11b: Detail of Engineering Services Capital Programme – re-profiling**

<b>Explanation of Re-profiling at Quarter 1</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount (£000)</b>
Engineering	The Longdendale Integrated Transport Strategy	Ongoing studies on the development of this project will not be finalised in 2016/17.	(480)

**Environmental Services**

- 3.11 The table below outlines the projected investment for Environmental Services. No re-profiling has been requested.

**Table 12: Detail of Environmental Services Capital Investment Programme**

<b>Environmental Services Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Guide Lane Former Landfill Site	465	2	465	0	
Retrofit (Basic Measures)	329	7	329	0	
Carbon Reduction - Invest To Save Schemes Approval Required	311	0	311	0	
<b>Total</b>	<b>1,105</b>	<b>9</b>	<b>1,105</b>	<b>0</b>	<b>0</b>

**Operations**

- 3.12 The table below outlines the projected investment for Operations. An explanation has also been provided for the requested re-profiling.

**Table 13: Details of Operations Capital Investment Programme**

<b>Operations Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Allotment Railings And Infrastructure Improvement	76	2	14	(62)	(62)
Dukinfield Park Improvements	40	6	20	(20)	(20)
Tree Planting Programme	40	0	10	(30)	(30)
Rocher Vale & Hulmes And Hardy Wood	29	10	15	(14)	(14)
Children's Play	20	0	0	(20)	(20)

Stamford Park Infrastructure	20	0	10	(10)	(10)
War Memorials	20	0	10	(10)	(10)
Sunnybank Park - Landscaping	19	2	19	0	
Green Space Improvements - Hyde	16	0	16	0	
Other Minor Schemes	65	7	54	(11)	(11)
<b>Total</b>	<b>345</b>	<b>27</b>	<b>168</b>	<b>(177)</b>	<b>(177)</b>

**Table 13b: Operations Capital Investment Programme – Re-Profiling**

<b>Explanation of Re-profiling at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount £000</b>
Operations	Minor Park and infrastructure improvements	Appraisals and Surveys currently being carried out. Work unlikely to be carried out until 2017/18	(85)
Operations	Allotments Railings infrastructure improvements	Audits of all sites being carried out. Further spend likely 17/18.	(62)
Operations	Tree Planting	Rolling programme of tree planting. Work to be done winter 2016/17, 2017/18.	(30)

### **Transport**

- 3.13 The table below outlines the projected investment for Transport. An explanation has also been provided for the requested re-profiling.

**Table 14: Detail of Transport Capital Investment Programme**

<b>Transport Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Refuse Collection Fleet	3,060	0	0	(3,060)	(3,060)
Procurement of 58 Fleet Vehicles	2,442	743	2,331	(111)	
Light Vans	39	39	39	0	
3 Ransom Mowers	39	39	39	0	
<b>Total</b>	<b>5,580</b>	<b>821</b>	<b>2,409</b>	<b>(3,171)</b>	<b>(3,060)</b>

**Table 14b: Transport Capital Investment Programme – Re-profiling**

<b>Explanation of Re-profiling at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-profiling</b>	<b>Amount £000</b>
Transport	Refuse Collection Fleet	This scheme has been delayed as a result of the additional post tender requirements. There will be a minimum 26 week delivery time once ordered, so spend will be reprofiled into 2017/18.	(3,060)

**Exchequer**

- 3.14 The Table below outlines the projected Investment for Exchequer. No re-profiling has been requested.

**Table 15: Detail of Exchequer Capital Investment Programme**

<b>Exchequer Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>2016/17 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-profiling to be approved in this Quarter</b>
Online Forms	90	0	90	0	
<b>Total</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>0</b>

**4. COMPULSORY PURCHASE ORDERS, INDEMNITIES AND POTENTIAL LIABILITIES****Redmond Close**

- 4.1 The Council has purchased and demolished property numbers 2 – 18 (evens). The original plan was for Property number 22 to remain in situ with a remedial solution to be installed, as the occupants refused to move. Property number 20 is adjoining number 22 and is to be demolished. The Council went through two unsuccessful tendering processes for the remedial works in an attempt to deliver the engineering solution inside an acceptable financial envelope. This has not been possible and a further report will be required to enable consideration of this matter by elected members.

**Wellington Works**

- 4.2 This is a complex compulsory purchase compensation matter, which involved lengthy litigation between the Council and the claimant. Consequently, costs of the most recent proceedings are outstanding as an amount has yet to be agreed.

**Denton Link Road**

- 4.3 The Council entered into a CPO Indemnity and Development Agreement with the owners of the site in 2008 (subsequently amended in 2011). Through the agreement, the Council is indemnified by the developer against the CPO costs and the costs of the related consents needed to facilitate and complete the development.
- 4.4 Following the confirmation of the CPO by the Secretary of State and non-receipt of blight notices to date, and changes to the overall project, the developer has requested a variation to the Development and a CPO Indemnity agreement to better reflect the current situation and enable the Council to assume responsibility for the delivery of the link road.

- 4.5 A General Vesting Declaration (GVD) has been executed for land required within the CPO. The Council is currently in the process of registering its legal title to the land with HM Land Registry.
- 4.6 The Council has recently completed a variation to the CPO Indemnity and Development Agreement to enable the delivery of the link road. Land Transfer Agreements with the developer and other third parties are also being progressed.

#### **Hattersley CPO**

- 4.7 The Council is supporting the proposal for the development of the final phase of the new district centre for Hattersley. Outline planning consent was secured in February 2015 for a major retail development on land at the junction of Stockport Road and Ashworth Lane. The 75,000 square feet development will include new retail, food store and leisure units to enhance retail choice and amenities for local residents and thereby improving the long-term vitality and viability of Hattersley as a place to live.
- 4.8 The Council approved the making of a compulsory purchase order in respect of one outstanding property in June 2015 and is currently working with its partners, Peak Valley Housing Association and the Homes and Communities Agency, to secure the appointment of a developer partner. Peak Valley Housing Association will fully indemnify the Council's CPO costs through a CPO Indemnity Agreement.

### **5 CHANGES TO THE APPROVED 3 YEAR CAPITAL PROGRAMME**

- 5.1 Since the previous Capital Monitoring report there has been an increase in the programme totalling £2.136m over the period 2016/17 – 2018/19 due to changes requested in other reports. These include an increase to the Disabled Facilities Grant allocation, some increases to the engineers programme, and several smaller changes. Full details are listed in **Appendix 1**.

### **6 CAPITAL RECEIPTS**

- 6.1 With the exception of capital receipts earmarked as specific scheme funding, all other capital receipts are retained in the Capital Receipts Reserve and utilised as funding for the Council's corporately funded capital expenditure, together with any other available resources identified in the medium term financial strategy.
- 6.2 £11.3m of BSF Capital Receipts are to be repaid corporately, to repay previous temporary funding of the Schools Capital Programme.
- 6.3 Receipts of £1.194m have been generated in year to date from the disposal of Council assets. The forecast proceeds from asset sales for the financial year is £5.19m.

### **7 PRUDENTIAL INDICATORS**

- 7.1 The CIPFA Prudential Code for Finance in Local Authorities was introduced as a result of the Local Government Act (2003) and was effective from 1 April 2004. The Code sets out indicators that must be demonstrated that the objectives of the Code are being fulfilled. The initial Prudential Indicators for 2016/17 and the following two years were set out by the Council in February 2016. The Capital Expenditure indicator has been updated to reflect the latest position.
- 7.2 The latest Prudential Indicators are shown in **Appendix 2**.

Appendix 1 – Changes to the Capital Programme

SERVICE	SCHEME	SOURCE OF FUNDING	BUDGET	BUDGET	BUDGET	TOTAL
			CHANGES	CHANGES	CHANGES	
			2016/17	2017/18	2018/19	£000
			£000	£000	£000	£000
<b>Capital Programme Q1 Monitoring</b>			<b>74,997</b>	<b>52,020</b>	<b>11,524</b>	<b>138,541</b>
<b>A) Increases to the Programme</b>						
Development And Investment	Disabled Facilities Grants Hattersley Station Passenger Facilities	Grant	381			<b>381</b>
Engineering Services	Access To Metrolink Stops	Grant	304	446		<b>750</b>
Engineering Services	Huddersfield Narrow Canal	Grant	300			<b>300</b>
Engineering Services	Ashton Canal Links	Grant	185			<b>185</b>
Engineering Services	Link To Velodrome	Grant	180			<b>180</b>
Engineering Services	Dukinfield Corridor	Grant	176			<b>176</b>
Engineering Services	Permanent Pothole Repair	Grant	160			<b>160</b>
Transport	Ransome Mowers	RCCO	117			<b>117</b>
Engineering Services	Minor Scheme Increases	Var.	39			<b>39</b>
			48			<b>48</b>
			<b>1,890</b>	<b>446</b>	<b>0</b>	<b>2,336</b>
<b>B) Reductions to Programme</b>						
Education	Dowson Lower School Heat Emitters	School Condition Allocation	(78)			<b>(78)</b>
Engineering Services	Clarendon Road Car Park, Hyde	Borrowing	(62)			<b>(62)</b>
Education	Dowson Infant Windows	School Condition Allocation	(50)			<b>(50)</b>
Education	Minor Scheme Reductions	Var.	(10)			<b>(10)</b>
			<b>(200)</b>	<b>0</b>	<b>0</b>	<b>(200)</b>
<b>C) Funding Transfers in Programme</b>						
AIPM	Vision Tameside	Borrowing	(3,778)	3,778		<b>0</b>



Engineering Services	LED Street Lighting Investment	Corporate	(2,304)	2,304		0
Engineering Services	Reprofiling of Engineers Grants	Grants	(694)	694		
Digital Tameside	ICT - Vision Tameside	Borrowing	(600)	380	220	0
AIPM	Document Scanning	Borrowing	(100)	100		0
Resources	Unallocated	Borrowing	(961)			(961)
Development And Investment	Ashton Old Baths	Borrowing (Sept. SPCMP)	871			871
Exchequer	Online Forms	Borrowing	90			90
			<b>(7,476)</b>	<b>7,256</b>	<b>220</b>	<b>0</b>
<b>Net Changes to Programme</b>			<b>(5,786)</b>	<b>7,702</b>	<b>220</b>	<b>2,136</b>
<b>Capital Programme 2016/17 Q2</b>			<b>69,211</b>	<b>59,722</b>	<b>11,744</b>	<b>140,677</b>

#### Notes

RCCO stands for "Revenue Contribution to Capital Outlay" and describes where capital investment is funded from revenue sources.

AIPM stands for Asset Investment Partnership Management.

Education changes agreed as part of Education Capital Programme Progress update at September Strategic Planning & Capital Monitoring Panel.

## Appendix 2 – Prudential Indicators

### Actuals v limits as at 05/10/2016

	limit	Actual @ 05/10/16	amount within limit
	£000's	£000's	
Operational Boundary for External Debt	£268,176	£119,218	-£148,958
Authorised Limit for External Debt	£288,176	£119,218	-£168,958
Upper Limit for fixed	£199,173	-£28,416	-£227,589
Upper Limit for variable	£66,391	-£17,335	-£83,726
Capital financing requirement	£199,173	£189,253	-£9,920
Capital expenditure	£69,211	£56,556	-£12,655

### Prudential Indicators

Gross borrowing and the capital financing requirement	CFR @ 31/03/16 + increase years 1,2,3	Gross borrowing @ 05/10/16	amount within limit
	£199,173	£119,218	-£79,955

### Maturity structure for borrowing 2016/17

#### Fixed rate

Under 12 months	0% to 15%	0.87%
12 months and within 24 months	0% to 15%	5.21%
24 months and within 5 years	0% to 30%	0.86%
5 years and within 10 years	0% to 40%	4.03%
10 years and above	50% to 100%	89.03%