

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	15 March 2021
Executive Member / Reporting Officer:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth) Kathy Roe – Director of Finance
Subject:	CAPITAL PROGRAMME MONITORING REPORT 2020/21 - AS AT MONTH 10
Report Summary:	<p>This is the third capital monitoring report for 2020/21, summarising the forecast outturn at 31 March 2021 based on the financial activity to 31 January 2021. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2020/21 financial year. The approved budget for 2020/21 is £56.338m (after re-profiling approved at P7 monitoring) and current forecast for the financial year is £46.410m. There are additional schemes that have been identified as a priority for the Council, and, where available, capital resource has been earmarked against these schemes, which will be added to the Capital Programme once satisfactory business cases have been approved by Executive Cabinet.</p> <p>APPENDIX 1 provides further detail. Detailed capital update reports for each Directorate area are included on the agenda of the Strategic Planning and Capital Monitoring Panel (SPCMP). This report provides a summary of the financial position against the overall programme but further details on scheme delivery can be found in the Directorate reports.</p>
Recommendations:	That Strategic Planning and Capital Monitoring Panel be recommended to note the Capital Programme 2020/21 forecast and approve the re-profiling of capital budgets as set out in Appendix 1 .
Policy Implications:	Budget is allocated in accordance with Council Policy
Financial Implications: (Authorised by the Section 151 Officer & Chief Finance Officer)	<p>The current approved capital programme requires a minimum of £21,544k of capital receipts or reserves. Two further earmarked schemes are also expected to be approved requiring a further £2,857k of receipts or reserves. Any additional priority earmarked schemes that are approved by Executive Cabinet will increase the amount of corporate funding needed for the capital programme. The Council currently has £14.953m is capital reserves and the anticipated level of capital receipts is £15.3m based on the disposal of surplus assets approved by Executive Cabinet in September 2020.</p> <p>Earmarked schemes not included on the approved capital programme exceed £40m. Assuming that the planned disposals proceed, there is a forecast balance of £5.8m of capital receipts to fund future earmarked capital schemes, meaning the broader capital ambition of the Council is currently unaffordable until such time as additional capital receipts are generated. The Growth Directorate is reviewing the estate and developing a further pipeline of surplus sites for disposal. A full refresh of the Capital Programme is to be undertaken alongside this review of the</p>

estate. A refreshed and reprioritised Capital Programme will then be proposed for Member approval in Spring or early Summer 2021.

Because demand for capital resources exceeds availability, it is essential that those leading projects ensure that the management of each scheme is able to deliver them on plan and within the allocated budget.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

It is a statutory requirement for the Council to set a balanced budget. It is vital that the capital expenditure position is regularly monitored so as to maintain a balanced budget and ensure that the priorities of the Council are being delivered. If there are insufficient capital receipts it will be necessary to review the programme and align so that expenditure doesn't exceed the available resources. The Council also needs to ensure that it has a clear programme which it would commit to if it had funding so it is able to put forward for a grant funding which Government will make available to deal with the impact of Covid.

Risk Management:

Associated details are specified within the presentation.

Failure to properly manage and monitor the Strategic Commission's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.

Background Papers:

Background papers relating to this report can be inspected by contacting :

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1. INTRODUCTION

- 1.1 This is the third capital monitoring report for 2020/21, summarising the forecast outturn at 31 March 2021 based on the financial activity to 31 January 2021. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2020/21 financial year. The approved budget for 2020/21 is £56.338m (after re-profiling approved at P7 monitoring) and current forecast for the financial year is £46.410m. There are additional schemes that have been identified as a priority for the Council, and, where available, capital resource has been earmarked against these schemes, which will be added to the Capital Programme and future detailed monitoring reports once satisfactory business cases have been approved by Executive Cabinet.

2. SUMMARY

- 2.1 The current forecast is for service areas to have spent £46.410m on capital investment in 2020/21, which is £9.928m less than the current capital budget for the year. This variation is spread across a number of areas, and is made up of a number of over/underspends on a number of specific schemes (£0.318m) less the re-profiling of expenditure in some other areas (£9.610m).
- 2.2 Detailed capital update reports for each Directorate area are included on the agenda of the Strategic Planning and Capital Monitoring Panel (SPCMP). This report provides a summary of the financial position against the overall programme but further details on scheme delivery can be found in the Directorate reports to SPCMP.
- 2.3 Key messages at P10 monitoring are as follows:
- Proposed re-profiling of £9.610m of budgets into 2021/22 due to delays across a number of schemes. Some of these delays have arisen due to COVID-19.

3. RECOMMENDATIONS

- 3.1 As set out on the front of the report.