

# Appendix 15 Capital Investment

## Capital Programme 2021-24

	2021/22 Budget (Approved) £000	2021/22 Budget (Earmarked) £000	2022/23 Budget (Approved) £000	2023/24 Budget £000	Total Budget £000
<b>Adults</b>					
Adults Commissioning Service	2,263	-	401	-	2,664
<b>Children's Services</b>					
Children's Social Care Safeguarding & Quality Assurance	449	-	-	-	449
<b>Digital Tameside</b>					
Digital Tameside	425	500	-	-	925
<b>Education</b>					
School Related Works	13,489	-	20,409	-	33,898
<b>Investment, Development and Housing</b>					
Development & Investment	9,011	2,896	10,778	-	22,685
<b>Operations and Neighbourhoods</b>					
Cultural & Customer Services	16	-	-	-	16
Engineers, Highways & Traffic Management	12,376	-	5,013	-	17,389
Operations & Greenspace	2,360	-	252	-	2,612
Waste & Fleet Management	127	-	165	-	292
<b>Active Tameside</b>					
Active Tameside	881	-	-	-	881
<b>Strategic Property</b>					
Corporate Landlord	4,053	-	500	-	4,553
Estates	63	-	40	-	103
<b>Other</b>					
Provision for unanticipated pressures	-	1,800	-	-	1,800
<b>Total</b>	<b>45,513</b>	<b>5,196</b>	<b>37,558</b>	<b>-</b>	<b>88,267</b>

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## **Financing Capital Expenditure**

The Council has limited resources available to fund Capital Expenditure. On 29 September 2021, Executive Cabinet approved the allocation of the remaining capital reserves to immediate priorities. No new capital investment will be agreed until the revenue budget position for 2022/23 is clearer and the Council has a sustainable medium term financial plan. A further review of Capital Priorities and the affordability of future borrowing to fund Capital Expenditure will be undertaken following conclusion of the 2022/23 budget setting process. No further capital projects will be approved in the short term unless the schemes are fully funded from external sources.

Directorate bids for Capital Investment over the period 2021 to 2026 were submitted in May 2021, with a combined value of £186 million. This far exceeded the previously earmarked schemes of approximately £40m, and is not affordable given the revenue pressures currently facing the Council. Discussions with Officers and Members in June 2021 therefore confirmed a number of principles for spending decisions in respect of the Capital Programme:

- Financing of Capital Projects needs to be part of a holistic view of the Council's financial position
- The Council's needs a sustainable financial plan before any major commitments made on Capital Investment
- The revenue budget challenge currently facing the Council means that there should not be any immediate commitment to further use of reserves (beyond that already identified for Capital) or additional borrowing
- A significant number of potential schemes should not proceed without external funding
- The limited resources currently available need to be prioritised and should focus on legal obligations, cost avoidance and invest to save

A number of schemes identified as priority for future investment include revenue generation or invest to save elements, where borrowing may be appropriate to facilitate investment. Borrowing to fund Capital Investment has revenue consequences as budget is required to fund interest and repayment of loans, and therefore any such schemes will need to be subject to full business cases. The Council will need a sustainable financial plan for the revenue budget before borrowing commitments are agreed

No further capital investment will be agreed until the revenue budget position for 2022/23 is clearer and the Council has a sustainable medium term financial plan. It is therefore proposed that a further review of Capital Priorities and the affordability of future borrowing to fund Capital Expenditure is undertaken following conclusion of the 2022/23 budget setting process.