

P6 2022/23 Capital Monitoring



2022/23 P6 Capital Monitoring Report

INTRODUCTION

This is the second capital monitoring report for 2022/23, summarising the forecast outturn at 31 March 2023 based on the financial activity to 30 September 2022.

The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2022/23 financial year. The approved budget for 2022/23 is £48.018m and the current forecast for the financial year is £40.758m. 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.

SUMMARY

Table 1 on the next page provides a high level summary of capital expenditure by service area. The current forecast is for service areas to have spent £40.758m on capital investment in 2022/23, which is £7.260m less than the current capital budget for the year. This variation is spread across Investment & Development, Transport, Education and Adults directorates and is made up of variations on a number of specific schemes which are detailed at Appendix 2A, 2B, 2C and 2E.

Table 2 shows the budgeted resources funding the 2022/23 capital projects by service area. The final resourcing structure will be determined by the Director of Finance, making the best use of resources available at the end of the financial year as part of the year end financing decisions.

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.

2022/23 P6 Capital Monitoring Report

	2022/23 Budget	Actual to 30 September 2022	Projected 2022/23 Outturn	Projected Outturn Variation
	£000	£000	£000	£000
Place: Property, Development and Planning (Appendix 2A)				
Investment & Development	19,599	2,016	15,188	4,411
Corporate Landlord	4,182	731	4,182	0
Vision Tameside	263	156	263	0
Active Tameside	71	0	71	0
Place: Operations and Neighbourhoods (Appendix 2B)				
Engineers	5,664	443	5,663	1
Environmental Services	1,657	230	1,569	88
Transport (Fleet)	542	161	162	380
Stronger Communities	16	0	16	0
Children's (Appendix 2C)				
Education	11,914	2,149	11,256	658
Children	455	0	455	0
Finance & IT (Appendix 2D)				
Digital Tameside	65	4	68	(3)
Adults (Appendix 2E)				
Adults	3,590	956	1,837	1,753
Governance (Appendix 2F)				
Governance	0	28	28	(28)
Total	48,018	6,874	40,758	7,260

Table 1: Capital Monitoring Statement 2022/23

The current forecast is for service areas to have spent £40.758m on capital investment in 2022/23, which is £7.260m less than the current capital budget for the year. This variation is spread across Investment & Development, Transport, Education and Adults directorates and is made up of variations on a number of specific schemes which are detailed at Appendix 2A, 2B, 2C and 2E.

2022/23 P6 Budgeted Capital Financing

Table 2: Budgeted Capital Financing 2022/23

The final resourcing structure will be determined by the Director of Finance, making the best use of resources available at the end of the financial year as part of the year end financing decisions.

Budgeted Financing for 2022/23	Grants and Contributions	Revenue Contributions	Prudential Borrowing	Reserves & Receipts	Total
	£000	£000	£000	£000	£000
Place: Property, Development and Planning					-
Investment and Development	16,303	127	0	3,169	19,599
Corporate Landlord	2,892	20	0	1,270	4,182
Vision Tameside	0	0	0	263	263
Active Tameside	0	0	31	40	71
Place: Operations and Neighbourhoods					
Engineers	3,643	0	0	2,021	5,664
Environmental Services	246	0	0	1,411	1,657
Transport	0	162	380	0	542
Stronger Communities	0	0	0	16	16
Children's					
Education	11,692	222	0	0	11,914
Children	88	0	0	367	455
Finance					
Digital Tameside	0	0	50	15	65
Adults					
Adults	3,590	0	0	0	3,590
Governance					
Governance	0	0	0	0	0
Total	38,454	531	461	8,572	48,018

Budgeted Financing for Future Years Approved Schemes

Budgeted Financing for Future Years	Grants and Contributions	Revenue Contributions	Prudential Borrowing	Reserves & Receipts	Total
	£000	£000	£000	£000	£000
Place: Property, Development and Planning					-
Investment and Development	14,232	132	0	1,435	15,799
Corporate Landlord	0	0	0	0	0
Vision Tameside	0	0	0	0	0
Active Tameside	0	0	0	0	0
Place: Operations and Neighbourhoods					
Engineers	4,201	0	0	4,251	8,452
Environmental Services	0	0	0	80	80
Transport	0	0	446	0	446
Stronger Communities	0	0	0	0	0
Children's					
Education	23,225	0	0	0	23,225
Children	0	0	0	0	0
Finance					
Digital Tameside	0	0	260	0	260
Adults					
Adults	456	0	0	0	456
Governance					
Governance	0	0	0	0	0
Total	42,114	132	706	5,766	48,718

P6 Programme Summary

TOTAL APPROVED CAPITAL PROGRAMME- SEPTEMBER 2022			
	2022/23 Budget (Approved) £000	2022/23 Projected Outturn £000	Future Years Budget (Approved) £000
Place: Property, Development and Planning			
Investment & Development	19,599	15,188	15,799
Corporate Landlord	4,182	4,182	0
Vision Tameside	263	263	0
Active Tameside	71	71	0
Place: Operations and Neighbourhoods			
Engineering Services	5,664	5,663	8,452
Environmental Services	1,657	1,569	80
Transport	542	162	446
Stronger Communities	16	16	0
Children's			
Education	11,914	11,256	23,225
Children's	455	455	0
Finance & IT			
Digital Tameside	65	68	260
Adults			
Adults	3,590	1,837	456
Governance			
Governance	0	28	0
Total	48,018	40,758	48,718

The approved capital programme currently totals £96.736m. The programme will be updated throughout the financial year once changes have been approved by Executive Cabinet.

Changes made to the programme since the last monitoring report are shown on the next page.

Programme Changes & Summary

Changes to the Capital Programme	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000
Period 3 Approved Capital Programme	44,809	37,776	12	82,597

Changes per Exec Cabinet 27th July 2022

- Disabled Facilities Grant (New Budget)	2,849			2,849
- Basic Need Grant (Additional Budget)		429		429
- Devolved Formula Capital Grant (Additional Budget)	325			325
- High Needs Provision Grant (Additional Budget)	261	6,965		7,226

Changes per Exec Cabinet 28th September 2022

- Highways Maintenance (New Budget)		3,536		3,536
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Changes per 30th September 2022

- Decarbonisation of the Public Estate 3 (Reduction In Budget)	(225)			(225)
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Period 6 Fully Approved Capital Programme	48,018	48,706	12	96,736
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Capital Financing

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 further capital projects will be approved in the short term unless the schemes are fully funded from external sources. Any additional priority schemes that are put forward for consideration and that are not fully grant funded will need to be evaluated, costed and subject to separate Member approval. There will be a revenue cost for any new capital schemes that are not fully funded from alternative sources and the implications of this will need to be carefully considered, given the on-going pressures on the revenue budget.

The current approved capital programme for 2022/23 includes £7.973m of schemes which will need to be funded from capital receipts and existing capital reserves. A further £11.065m is included within the programme for approved and earmarked schemes in future years. Careful monitoring of progress in realising these capital receipts must be undertaken throughout the year to ensure that there is timely and pro-active disposal of assets and that the actual receipts are in line with projections.

No new capital investment will be agreed until 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 as part of the 2023/24 budget setting process.

Prudential Indicators

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Operational Boundary for External Debt	206,642	140,603	(66,039)
Authorised Limit for External Debt	226,642	140,603	(86,039)

- The Authorised Limit for External Debt sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council.
- The Operational Boundary for External Debt comprises the Council's existing debt plus the most likely estimate of capital expenditure/financing for the year. It excludes any projections for cash flow movements. Unlike the Authorised Limit, breaches of the Operational Boundary (due to cash flow movements) are allowed during the year, as long as they are not sustained over a period of time.
- These limits include provision for borrowing in advance of the Council's requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Upper Limit for fixed	199,265	2,742	(196,523)
Upper Limit for variable	66,422	6,833	(59,589)

- These limits are in respect of the Council's exposure to the effects of changes in interest rates.
- The limits reflect the net amounts of fixed/variable rate debt (i.e. fixed/variable loans less fixed/variable investments). These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital Financing Requirement	199,265	199,265	-

- The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for capital purposes, i.e. its borrowing requirement. The CFR is the amount of capital expenditure that has not yet been financed by capital receipts, capital grants or contributions from revenue.
- The CFR increases by the value of capital expenditure not immediately financed, (i.e. borrowing) and is reduced by the annual Minimum Revenue Provision for the repayment of debt.

Prudential Indicators

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Capital expenditure	101,436	6,874	(94,563)

Gross borrowing and the capital financing requirement	CFR @ 31/03/22 + increase years 1,2,3	Gross borrowing	Amount within limit
	£000s	£000s	£000s
	199,265	140,603	(58,662)

Maturity structure for borrowing 2022/23		
Fixed rate		
Duration	Limit	Actual
Under 12 months	0% to 15%	0.87%
12 months and within 24 months	0% to 15%	2.28%
24 months and within 5 years	0% to 30%	0.39%
5 years and within 10 years	0% to 40%	2.14%
10 years and above	50% to 100%	94.32%

- This is the estimate of the total capital expenditure to be incurred, it includes the approved capital programme and earmarked schemes.
- To ensure that medium term debt will only be for capital purposes, the Council will ensure that the gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR).
- These limits set out the amount of fixed rate borrowing maturing in each period expressed as a percentage of total fixed rate borrowing. Future borrowing will normally be for periods in excess of 10 years, although if longer term interest rates become excessive and there is a sufficient need for cash, shorter term borrowing may be used. Given current cash levels and the rising interest rate environment, it is unlikely that any changes are made to the debt profile in the near-term.

Appendix 2A - Place: Property, Development and Planning

Development & Investment Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Ashton Town Hall	113	0	2	113	0
Stalybridge HAZ	1,593	1,592	727	1,593	0
Ladysmith Cricket Club	40	0	0	40	0
Denton Baths Demolition	62	0	0	62	0
Two Trees Demolition- Capital	4	0	0	4	0
Droylsden Library Relocation - Capital	146	0	12	146	0
Godley Garden Village – Capital	11,207	0	899	11,207	0
Hattersley Station Passenger Facilities	561	0	272	561	0
Leveling Up	5,648	14,207	103	1,237	4,411
Ashton Old Baths - Phase 3	225	0	1	225	0
Total	19,599	15,799	2,016	15,188	4,411

Godley Garden Village

Due to delays with planning consent, a formal request will be made to Homes England to extend the spend deadline to March 24 in relation to the Housing Infrastructure Fund works. This is expected by the end of November, at which point the works can be re-programmed accordingly and the projected outturn for this financial year revised with the remaining budget re-profiled into 23/24.

Projected Outturn Variation:

Levelling Up- £4.411m

Ashton Town Hall - Work has now started including the taking down of a number of internal ceilings and removing “stud” walls to fully expose the structural fabric of the building and hidden architectural features. This partial internal strip-out will facilitate the completion of detailed surveys required to fully inform the ongoing design process for the restoration of the building envelope, including the roof and internal layout. Listed Building consent has been approved for the above works.

Ashton Public Realm - Work has been finalised on the preparation of a preferred option for the improvement of the Market Square. Subject to approval in a separate report the public consultation will now commence in November 2022 for a period of four weeks.

Former Interchange Site - the Council is currently finalising the acquisition of this site from TfGM following which enabling infrastructure work will commence to unlock the site for new uses.

The £4.411m sum to be re-phased is the balance of the original estimated expenditure for 2022/23 that will no longer be incurred in the current financial year due to the afore referenced ongoing Town Hall survey work and consultation on public realm improvements.

Appendix 2A - Place: Property, Development and Planning

Corporate Landlord Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Decarbonisation of the Public Estate	459	0	527	459	0
Decarbonisation of the Public Estate Phase 3	3,047	0	254	3,047	0
Retrofit	5	0	(26)	5	0
Statutory Compliance	671	0	(25)	671	0
Total	4,182	0	731	4,182	0

Vision Tameside Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Vision Tameside	263	0	156	263	0
Total	263	0	156	263	0

Active Tameside Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Extension to Hyde Leisure Pool	71	0	0	71	0
Total	71	0	0	71	0

Appendix 2B - Place: Operations and Neighbourhoods

Engineers Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
MCF, Walking , Cycling & Other	1,714	0	91	1,714	0
Bridges, Structures & Inspections	679	0	68	679	0
Other Highways & Town Capital	344	0	116	344	0
Street Lighting	480	0	(10)	479	1
Principal Highways & Town Capital	2,208	0	177	2,208	0
Public Realm	0	4,916	(6)	0	0
Safer Roads	25	0	0	25	0
Highways Maintenance- Funding Stream	0	3,536	0	0	0
Flood Prevention & Resilience	214	0	7	214	0
Total	5,664	8,452	443	5,663	1

Environmental Services Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Children's Playground Facilities	421	0	0	350	71
Cemeteries and Crematoria	990	80	210	990	0
Greenspace	246	0	0	210	36
Fairlea, Denton & Greenside Lane, Droylsden - Slope Stability Works	0	0	20	20	(20)
Total	1,657	80	230	1,569	88

Appendix 2B - Place: Operations and Neighbourhoods

Transport Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Fleet Replacement 20/21 - 21 Vehicles	162	0	161	162	0
Fleet Replacement 22/23 - 40 Vehicles	380	446	0	0	380
Total	542	446	161	162	380

Projected Outturn Variation:

Fleet Replacement 22/23 - 40 Vehicles- £0.380m

It is now unlikely that any of the scheme will be delivered in the current financial year so the full scheme will need re-profiling and carrying forward to 23/24. This is due to a combination of delays in PID authorisation which prevented the fleet going out to tender before the retirement of previous Transport Manager and longer than anticipated vehicle delivery schedules. The first batch of 13 vehicles has been put out to quotation via TPPL and has returned submissions significantly higher than the estimated costs. Currently awaiting further advice on how to proceed based on the increased costs.

Community Services Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Libraries for 21 st Century	16	0	0	16	0
Total	16	0	0	16	0

Appendix 2C - Education

Education Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Secondary Schools	4,816	0	1,094	4,815	1
Primary Schools	5,835	9,462	912	5,381	454
School Minor Works	318	24	14	318	0
Devolved Formula Capital	536	0	128	536	0
Unallocated Basic Need	248	5,816	0	200	48
Unallocated School Condition Grant	6	0	0	6	0
Unallocated Health Pupil Capital	0	0	0	0	0
Unallocated Special Provision Capital	0	0	0	0	0
Unallocated 2yo Entitlement	155	0	0	0	155
Unallocated High Need Provision	0	7,923	0	0	0
Unallocated Developer Contribution	0	0	0	0	0
Total	11,914	23,225	2,149	11,256	658

Appendix 2C – Education Projected Outturn Variation

Primary Schools £0.454m

St Anne's Denton - (£0.410m) - This scheme is to address safeguarding concerns around the entrance to the school and to install a disabled toilet facility. There will be an extension to the building to provide a secure entrance, fit for use office accommodation and a disabled toilet. Further surveys have been undertaken leading to a re-evaluation of the scheme which is currently being reviewed by the LEP. The main works are delayed and the scheme is expected to continue into the next financial year. The £0.410m will be required in 2023/24 to progress the main works.

There are other minor variations below £0.100m to individual Primary School schemes of £0.044m.

Unallocated 2 Year Old Entitlement £0.155m

This is being reviewed to make plans for the best use the funding. This grant was to support sufficiency for early years places for two year olds. There isn't currently a need to increase places in this area. Advice is to be sought as to whether this funding can be utilised for other Capital projects.

Appendix 2C – Children’s Social Care

Children’s Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Respite Unit	367	0	0	367	0
Unallocated Short Breaks	88	0	0	88	0
Total	455	0	0	455	0

Appendix 2D - Finance & IT

Digital Tameside Capital Programme

Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Digital by Design	15	0	1	15	0
Microsoft Office & Server Licencing	50	260	0	50	0
Tameside Digital Infrastructure	0	0	3	3	(3)
Total	65	260	4	68	(3)

Appendix 2E - Adults

Adults Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Disabled Facilities Grant (Adaptations)	3,207	0	871	1,669	1,538
Housing Assistance	158	0	0	0	158
Moving With Dignity	190	195	86	153	37
Disability Assessment Centre	0	250	0	0	0
Occupational Therapist - Equipment Review	35	11	0	15	20
Total	3,590	456	956	1,837	1,753

Projected Outturn Variation:

Disabled Facilities Grant (Adaptations) £1.538m

The mandatory adaptations scheme is anticipated to have a spend of approximately £1.7 million. The remaining budget, which represents the entire 22/23 disabled facilities grant, is set to be reviewed by the Adults Social Care Service as part of a paper, with the view to fund upcoming capital schemes. This is due to go to board in November 2022.

Housing Assistance £0.158m

Due to the focus on mandatory adaptations, there is currently no capacity to carry out housing assistance, so the expenditure is likely to be zero. Any remaining budget is set to be reviewed by the Adults Social Care Service as part of a paper, with the view to fund upcoming capital schemes. This is due to go to board in November 2022.

Appendix 2F - Governance

Governance Capital Programme					
Capital Scheme	2022/23 Budget £000	Future Year Budgets £000	2022/23 Actual to Date £000	2022/23 Projected Outturn £000	2022/23 Projected Outturn Variation £000
Organisational & Workforce Development (Worksmart)*	0	0	28	28	(28)
Total	0	0	28	28	(28)

*Refer to **Appendix 3**