

Report To:	BOARD
Date:	9 March 2023
Executive Member / Reporting Officer:	Councillor Jacqueline North – First Deputy (Finance, Resources and Transformation) Stuart Fair – Interim Director of Finance
Subject:	2022/23 P10 CAPITAL MONITORING REPORT
Report Summary:	This is the third capital monitoring report for 2022/23, summarising the forecast outturn at 31 March 2023. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2022/23 financial year.
Recommendations:	That Strategic Planning and Capital Monitoring Panel be recommended to: <ul style="list-style-type: none"> (i) Note the forecast position for 2022/23 as set out in Appendix 1. (ii) Note the funding position of the approved Capital Programme as set on page 4 of Appendix 1. (iii) Note the changes to the Capital Programme as set out on page 9 in Appendix 1 (iv) Note the updated Prudential Indicator position set out on pages 10-11 of Appendix 1, which was approved by Council in February 2022 (v) approve a budget of £0.060m to be drawn down from the £0.500m allocation for works in Tameside One for the worksmart programme as set out in Appendix 2(f).
Policy Implications:	Budget is allocated in accordance with Council Policy
Financial Implications: (Authorised by the Section 151 Officer)	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.
Legal Implications: (Authorised by the Borough Solicitor)	The Council has a Statutory requirement to set a balanced budget. Further 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. Given the current financial climate the council should ensure that its capital programme is kept under close review to ensure that expenditure does not exceed the available resources. Members need to be comfortable they both understand and agree any changes or movements in the budget in order to deliver a balanced budget as required by law.

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. BACKGROUND

- 1.1 This is the third capital monitoring report for 2022/23, summarising the forecast outturn position at 31 March 2023. The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2022/23 financial year.

2. CAPITAL PROGRAMME SUMMARY

- 2.1 The approved budget for 2022/23 is £52.477m and the projected outturn for the financial year is £22.891m. 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.
- 2.2 The current forecast is for service areas to have spent £22.891m on capital investment in 2022/23, which is £29.586m less than the current capital budget for the year. This variation is spread across various directorates and is made up of a number of over/underspends on various schemes (£0.724m) less the re-profiling of expenditure in other areas (£28.862m) due to delays on a number of schemes.
- 2.3 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.

3. WORKSMART CAPITAL BUDGET ALLOCATION

- 3.1 In September 2021, Executive Cabinet received an update on the Capital Programme, in the context of limited resources being available to fund capital expenditure. The report requested approval of the allocation of the limited remaining capital resources to a small number of earmarked schemes, including an indicative allocation of £0.500m for the Worksmart scheme.
- 3.2 **Appendix 2(f)** provides an update on the Worksmart programme and requests formal approval of a budget of £0.060m to be drawn down from the £0.500m allocation for works in Tameside One.

4. RECOMMENDATIONS

- 4.1 As stated on the front cover of the report.