

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	21 March 2024
Executive Member / Reporting Officer:	Cllr Jacqueline North –First Deputy (Finance, Resources & Transformation) Ashley Hughes – Director of Resources
Subject:	Period 10 2023/24 Forecast Outturn – Capital.
Report Summary:	This report reviews the financial position for the Capital budget, including the forecast outturn position. The Capital programme is forecasting an underspend in-year of £11.593m. At month 10 £11.764m of reprofiling into 2024/25 has been requested, bringing the total reprofiling requested in year to £23.649m
Recommendations:	That Executive Cabinet APPROVES: <ul style="list-style-type: none"> 1) The reprofiling of £11.764m of capital spend outlined in table 3 2) Other capital changes of £5.058m in table 7. That Executive Cabinet NOTES: <ul style="list-style-type: none"> 3) The Capital programme position of projected spend of £39.916m, following Cabinet approval to reprofile project spend of £11.764m into 2024/25.
Policy Implications:	Budget is allocated in accordance with Council policy.
Financial Implications:	As contained within the report.
(Authorised by the Section 151 Officer & Chief Finance Officer)	
Legal Implications:	This is an update report only - it does not authorise any decisions or actions. To do that depending on the amount of capital involved will be made via an executive or key decision which may require recommendations to either Cabinet or Council. Accordingly any intentions or proposal set out in the updates will require governance and cannot rely on a mention in this report and/or appendix setting out updates.
(Authorised by the Borough Solicitor)	
Risk Management:	Associated details are specified within the report. Failure to properly manage and monitor the Council'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 Gemma McNamara, Interim Assistant Director of Finance (Deputy 151 Officer):



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1 CAPITAL PROGRAMME

- 1.1 This is the third detailed capital monitoring report for 2023/24, summarising the forecast outturn position at 31 March 2024. As was introduced in the month 6 report it, includes a number of appendices (**Appendices 1 – 11**), which provide updates on the status of every scheme in each service area. This new combined report replaces the previous separate service area updates and will be presented to Strategic Planning and Capital Monitoring Panel in March.
- 1.2 The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2023/24 financial year. In addition to fully approved projects the Programme also includes earmarked schemes, which have been added to the programme but not specifically allocated yet, for example contingency budgets.
- 1.3 The Council's Capital Programme for 2023/24 to 2025/26 contains £116.321m of schemes, of which £111.493m are fully approved and £4.828m are earmarked. A major risk facing the programme is the ongoing inflationary and supply pressures in the construction sector, which limits the affordability of projects. This is worsened where projects are delayed into future years which means the effects of inflation are further magnified.
- 1.4 Table 1 below shows the full Capital Programme by Service area.

Table 1 – Capital Programme 2023/24 – 2025/26

	2023/24	2024/25	2025/26	Earmarked	Total
	£m	£m	£m	£m	£m
Place: Property, Development and Planning					
Development & Investment	8.718	34.702	8.007	1.542	49.680
Corporate Landlord	0.993	-	-	-	0.993
Vision Tameside	0.073	-	-	-	0.073
Active Tameside	0.102	-	-	-	0.102
Place: Operations and Neighbourhoods					
Engineers, Highways & Traffic Management	8.046	1.195	-	-	9.241
Operations & Greenspace	1.176	0.200	-	-	1.376
Waste & Fleet Management	-	0.826	-	-	0.826
Estates	0.057	-	-	0.046	0.103
Community Safety and Homelessness	0.328	-	-	-	0.328
Management & Operations	0.250	0.478	-	-	0.728
Children					
School Related Works	26.567	8.476	-	-	35.043
Children's Social Care Safeguarding & Quality Assurance	1.234	2.612	-	-	3.846
Adults Social Care					
Commissioning & Homes for All	3.933	6.757	0.020	-	10.710
Governance					
Governance	0.032	-	-	0.440	0.472
Total (excl. Contingency)	51.509	51.957	8.027	2.028	113.521
Contingency	-	-	-	2.800	2.800
Total	51.509	51.957	8.027	4.828	116.321

- 1.5 This Programme reflects the reprofiling previously requested in the Period 6 Capital update (£1.024m) along with other approved changes requested in the individual service area reports. A full breakdown of the changes is in the below table:

Table 2 – Changes to the Capital Programme

	2023/24	2024/25	2025/26	Earmarked	Total
	£m	£m	£m	£m	£m
Reprofiling					
Education					
St Anne's Denton	(0.410)	0.410	-	-	-
Hawthorn's Primary	4.833	(4.833)	-	-	-
Primary School Minor Changes	(0.077)	0.077	-	-	-
St Thomas More	(0.120)	0.120	-	-	-
Rayner Stephens	(0.616)	0.616	-	-	-
Development & Investment					
Levelling Up - Ashton	(1.000)	1.000	-	-	-
UKSPF Development & Investment	(0.110)	0.110	-	-	-
Operations & Greenspace					
Other Minor Variations	(0.084)	0.084	-	-	-
Management & Operations					
Cemeteries & Crematoria	(0.478)	0.478	-	-	-
Engineers					
Other Highways and Town Capital	(0.564)	0.564	-	-	-
Children's Social Care					
Minor Variations	(0.088)	0.088	-	-	-
Adult Services					
Minor Variations	(0.262)	0.262	-	-	-
Total Reprofiling (P6)	1.024	(1.024)	-	-	-
Other Changes					
Education					
Primary Schools	0.451	(0.023)	-	-	0.428
Secondary Schools	0.109	-	-	-	0.109
Unallocated Basic Need	-	0.770	-	-	0.770
Unallocated School Condition Grant	(0.370)	-	-	-	(0.370)
Unallocated High Need Provision	-	(0.109)	-	-	(0.109)
Devolved Schools Capital	0.449	-	-	-	0.449
Operations & Greenspace					
St Peter's Ward - S106	0.040	-	-	-	0.040
Cheetham Park - S106	0.023	-	-	-	0.023
Homeless Families	0.328	-	-	-	0.328
Engineers					
Street Lighting	0.195	-	-	-	0.195
Bridges, Structures & Inspections	0.586	-	-	-	0.586
Other Highways and Town Capital	0.775	0.631	-	-	1.406
Flood Prevention and Resilience	0.060	-	-	-	0.060
Principal Highways and Town Capital	1.805	-	-	-	1.805
Walking and Cycling Schemes	0.363	-	-	-	0.363

Estates					
Mottram Showground	0.490	-	-	(0.049)	-
Development & Investment					
Godley Green Garden Village	(3.976)	(5.304)	-	-	(9.280)
UKSPF Development & Investment	0.010	0.905	-	-	0.915
Stalybridge HAZ	(0.230)	-	-	-	(0.230)
Total Other Changes	0.667	(3.130)	-	(0.049)	(2.512)
Total Changes	1.691	(4.154)	-	(0.049)	(2.512)
P6 Programme	49.818	56.111	8.027	4.877	118.833
P10 Programme	51.509	51.957	8.027	4.828	116.321

The total approved budget for 2023/24 is £51.509m, as outlined in Table 3 below.

Table 3 – Capital Expenditure by Service Area

	2023/24 Budget	Actual to Date	Projected Outturn	Projected Outturn Variation	Reprofiling (to) / from future years	Projected Variation after reprofiling
	£m	£m	£m	£m	£m	£m
Place: Property, Development and Planning						
Development & Investment	8.718	3.004	4.962	(3.756)	(3.735)	(0.021)
Corporate Landlord	0.993	0.228	0.668	(0.325)	(0.277)	(0.048)
Vision Tameside	0.073	-	0.073	-	-	-
Active Tameside	0.102	0.103	0.103	0.001	-	0.001
Place: Operations and Neighbourhoods						
Engineers	8.046	3.045	4.442	(3.604)	(2.320)	(1.284)
Ops & Greenspace	1.176	0.411	0.819	(0.357)	(0.393)	0.036
Fleet Replacement	0.000	-	-	-	-	-
Estates	0.057	0.088	0.103	0.046	-	0.046
Community Safety & Homelessness	0.328	-	-	(0.328)	(0.328)	-
Management & Ops	0.250	0.073	0.250	-	-	-
Children						
Education	26.567	19.166	24.577	(1.990)	(3.433)	1.443
Children's Social Care	1.234	0.222	0.365	(0.869)	(0.869)	-
Resources						
Digital Tameside	-	-	-	-	-	-

Adults Social Care						
Adults	3.933	1.895	3.524	(0.409)	(0.409)	-
Governance						
Governance	0.032	0.030	0.030	(0.002)	-	(0.002)
Total	51.509	28.265	39.916	(11.593)	(11.764)	0.171

1.6 Services are projecting expenditure of £11.593m less than the current capital budget for the year. Re-profiling of £11.764m has been requested.

Budget reprofiling of projects

1.7 Total reprofiling of £11.764m is requested at month 10, as illustrated in table 3. More detailed narratives around the variations are provided below.

Development & Investment

1.8 **Ashton LUF – (£1.514m)** - Works to Ashton Town Hall have been paused following completion of the intrusive survey works and the associated updates to the cost plan for the full scope of external restoration and roof replacement. A revised programme of works is currently being prepared for approval with delivery to start from April 2024. Additional time allowed for consultation and engagement on the Market Square public realm works, which will now start on site in Spring 2024 with procurement of contractors and materials underway. Acquisition of the former bus station site from Transport for Greater Manchester (TfGM) is later than originally programmed, this remains under discussion between the Council and TfGM.

1.9 **Stalybridge Regeneration – (£1.700m)** - There are delays with the scheme due to additional time allowed for preparation of public realm strategy to inform the next phase of capital public realm works in the Town Centre, which will now commence from Summer 2024 onwards. Additional time has allowed for re-scoping of the programme of works to the Astley Cheetham Art Gallery and Library with updated survey works underway and of a revised programme of works being prepared for approval.

1.10 **Godley Green Garden Village – (£0.439m)** - The £0.439m to be re-profiled into 24/25 is budget that has not been utilised for land options as previously anticipated. The budget will be repurposed to support other post planning consent work streams including finalising negotiations of the S106 Agreement, further work on the options available to the Council for the comprehensive delivery of the Godley Green site. These will be subject to further Board Reports.

1.11 **Minor Variations – (£0.082m)**

Corporate Landlord

1.12 **Statutory Compliance – (£0.277m)** - £0.277m will be re-profiled into 24/25 financial year due to the team being unable to deliver a large number of jobs due to a reduced capacity on the team. There is also a delay on whether certain costs can be capitalised or if costs should be paid from in revenue.

Engineers

1.13 **MCF Walking, Cycling & Other – (£0.934m)** – This variation is made up of the following:

- **MCF Crown Point - (£0.595m)** - Works are due to commence in the upcoming months to produce revised proposals for this scheme, to take into account a reduction in the budget available from TfGM therefore the budget will need to be re-profiled into 24/25.
- **Active Neighbourhoods - (£0.061m)** - Following the submission and subsequent feedback from TfGM a final Business Case submission is due to be made in January

2024 for two proposed Bee Network schemes at Rayner Lane, Droylsden / Audenshaw and Stamford Drive Stalybridge to Granville Street Ashton-under-Lyne.

- **AFT Travel Fund - (£0.278m)** - Works to deliver the cycle lane upgrade scheme at Stockport Road, Ashton-under-Lyne, is substantially complete. Works to upgrade cycle lanes at Guide Lane Audenshaw and Oldham Road/Newman Street, Ashton-under-Lyne have commenced and are on programme. It is proposed to carry forward £0.278m into 2024/25 for the completion of the construction works.

1.14 **Bridges, Structures & Inspections – (£0.908m)** – Total reprofiling is as follows:

- **Bridge Scour Protection - (£0.155m)** - The tender process for these works is ongoing. It is anticipated that following appointment of a contractor, works will commence on site April 2024.
- **Bridge Parapet Refurbishment Scheme - (£0.112m)** - This relates to the works to refurbish Victoria Bridge, Trinity Street, Stalybridge. Works have been delayed due to conflict with Network Rail electrification works and related traffic diversions. Works are anticipated to start May 2024 following completion of Network Rail works.
- **Manchester Road Retaining Wall Mossley - (£0.106m)** - This scheme is for strengthening works to a retaining wall on Manchester Road, Mossley. Discussions are ongoing with Network Rail with regards to liability and agreement on apportionment of costs. The scheme has been delayed until a resolution of the above has been reached with Network Rail.
- **Victoria St Embankment Hyde - (£0.150m)** - This scheme is for stabilisation works to the highway embankment at Victoria Street Hyde. Appraisal of preliminary design options is underway. Procurement of consultancy services for detailed design and cost estimates is to follow following the options appraisal process. The current estimate for the works is circa £0.750m. It will be necessary to carry forward £0.150 to complete the detailed design and to build up a fund to cover the anticipated cost of the works.
- **Other Minor Variations – (£0.385m)**

1.15 **Other Highways & Town Capital – (£0.478m)** – Total reprofiling is as follows

- **Highway and Traffic Control- Former Robertson's Jam Site – (£0.313m)** - These works are funded by S106 developer contributions for the former Robertson's Jam site. Various measures, as defined in the S106 agreement, to mitigate the impact of the development are currently being designed and implemented. The balance of the developer contribution needs to be spent by June 2026. As some mitigation measures have yet to be implemented, it is necessary to carry forward £0.313m into 2024/25.
- **Other Minor Variations – (£0.165m)**

Operations and Greenspace

- 1.16 **Knott Hill and Hartshead Pike – (£0.175m)** - The delays in spending this funding are due to having to carry out additional site visits to re-evaluate this work in order to deliver the project within budget. As this has taken additional time and it is winter it would not be appropriate to start work as the movement of vehicles and plant would cause additional damage in the wet weather. Therefore the work will take place in Spring 2024 to ensure minimum damage to the site and disruption to residents.

1.17 **Other Minor Variations – (£0.168m)**

Community Safety and Homelessness

- 1.18 **Homeless Families Leasing Scheme – (£0.328m)** - Executive Cabinet resolved to support the Homeless families leasing scheme in November 2023. However, due to the delays in getting the project up and running the budget for this service will need to be re-profiled in its entirety into 2024/25.

Education

Primary Schools

- 1.19 **Oakdale – (£0.240m)** - The Fire Stopping work is yet to be tendered so the work for this part of the project has not yet started. Therefore, £0.240m is to be re-phased as the work will be undertaken in 2024/25.
- 1.20 **Corrie Primary – (£0.298m)** - Works have commenced on the roof replacement and are due to be completed in April. Therefore, £0.298m is to be re-phased into 2024/25.
- 1.21 **Other Minor Variations – (£0.050m)**

Secondary Schools

- 1.22 **Rayner Stephens – (£0.356m)** - A revised scheme of works is being developed as the cost of previous plans exceeded the budget available. As a result, there is likely to be a delay in the expenditure occurring and therefore, budget should be re-phased to 2024/25.
- 1.23 **Alder Community High – (£0.519m)** - There is a delay with completing the legal requirements for the scheme to allow work to start on site. The legal delay is due to circumstances outside of the Council's control. The Project Team are continuing to work on elements of the project which will minimise the risk of delays on site once the legal requirements are complete. Therefore, budget of £0.519m is to be re-phased to 2024/25.
- 1.24 **Longdendale High – (£0.650m)** - The school have been through the planning process and the planners require additional drainage for the development. The building project company the Trust are using are indicating that costs are likely to increase. Further governance is required to request the additional funding. Tenders are due to be returned mid March and therefore, budget should be re-phased to 2024/25.
- 1.25 **All Saints High School – (£0.682m)** - The final phase of works is still being finalised by the school and therefore, budget should be re-phased to 2024/25.
- 1.26 **Devolved Schools Capital – (£0.507m)** - Schools undertake their own capital projects funded through Devolved Formula Capital (DFC) to maintain their buildings and fund small-scale capital projects. An exercise with schools has been completed to establish commitments against this funding and as a result £0.507m is to be re-phased into 2024/25.
- 1.27 **Other Minor Variations – (£0.129m)**

Children's Social Care

- 1.28 **Respite Unit (Boyd's Walk) – (£0.367m)** - The design of the new Children's Respite Unit, to replace the unit situated on Boyds Walk in Dukinfield is progressing and is currently at stage 3. The planning pre-application process has been concluded. The design of the centre has included a period of value engineering which has slowed progress. This slowdown has resulted in the need to slip unspent budget from 2023/24 to 2024/5.
- 1.29 **New Children's Home (Boyd's Walk) – (£0.502m)** - The design of the new Children's Home to replace Boyd's Walk in Dukinfield is progressing and is currently at stage 3. The planning pre-application process has been concluded. The design of the centre has included a period of value engineering which has slowed progress. This slowdown has resulted in the need to slip unspent budget from 2023/24 to 2024/5.

Adults

- 1.30 **Accommodation – Grosvenor St / Police Station – (£0.155m)** - Payments to Great Places for the adaptations will still take place, however the £0.155m payment for Grosvenor Street will now take place in June 2024.

1.31 **Extra Care Assistive Technology - £0.113m** - This variation is a combination of a £0.080m bulk purchase of CRS at-home alarms for future installations, and a £0.030 replacement of hardware at Beaumont House which was not previously accounted for. This total project budget is sufficient to account for this additional spend.

1.32 **Other Minor Variations – (£0.367m)**

Full Scheme Variations

1.33 Along with the in-year variations above there are a number of schemes forecasting lifetime variations as follows:

Education

1.34 **Devolved Schools Capital - £1.446m** - Schools undertake their own capital projects which they fund from revenue (as a revenue contribution to capital). At present £0.559m of requests for revenue funded projects have been submitted which need to be added to the Capital Programme. A new funding stream for schools, Connect the Classroom, has been introduced to improve internet speed in schools. To date, Tameside maintained schools have bid and been granted £0.880m to upgrade their networks in 2023/24. This needs to be added to the Capital Programme.

Engineers

1.35 **Highways Maintenance – (£1.262m)** - £1.262m of Highway Maintenance Grant is to be reallocated to support the cost pressures on the Highways Reactive Maintenance revenue budget, as allowable under the grant conditions. Cost pressures are driven by significant increases in material prices and a general deterioration in the highway network.

Capital Financing

1.36 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.

1.37 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.

Table 4: Financing of the Full Capital Programme

Funding Source	Approved Schemes			Earmarked Schemes	Total
	2023/24	Future Years	Total		
	£m	£m	£m	£m	£m
Grants & Contributions	45.431	52.800	98.231	-	98.231
Revenue Contributions	0.492	0.157	0.649	-	0.649
Prudential Borrowing	0.031	2.415	2.446	-	2.446
Receipts & Reserves	5.555	4.612	10.167	4.828	14.995
Total	51.509	59.984	111.493	4.828	116.321

Capital Reserves and Receipts

- 1.38 Capital reserves of £1.511m are available, of this £1.489m related to reserves held for specific schemes, Godley Green Garden Village and Stalybridge Heritage Action Zone. The remaining £0.022m is held in a general capital reserve.

Table 5: Capital Reserves

	Available Capital Reserves
	£m
Specific Capital Reserves	1.489
General Capital Reserve	0.022
Total Capital Reserves	1.511

- 1.39 The low level of capital reserves is in part consequence of the low level of capital receipts available in prior years. The value of receipts used to finance capital expenditure in the past three years is outlined in the table below:

Table 6: Capital Receipts

Year	Capital Receipts
	£m
2023/24 (to date)	2.051
2022/23	0.401
2021/22	0.476
2020/21	0.055
Total Capital Receipts	2.983

- 1.40 Approved and earmarked schemes already in the capital programme for future years are reliant on £14.995m of capital receipts and reserves and therefore securing capital receipts will be vital to ensure the programme can be funded. Careful monitoring of progress in realising capital receipts must be undertaken to ensure that there is timely and pro-active disposal of assets and that the actual receipts are in line with projections.
- 1.41 The latest disposal programme forecasts £22.385m of receipts from 2023/24 to 2025/26. Disposals have been RAG rated to identify the level of risk associated with the realisation of the capital receipt. Of the total anticipated capital receipts in 2023/24, £1.796m has completed, none is rated as 'green', £2.278m is rated as 'amber' with conditions to be satisfied, and none is rated as 'red' with significant uncertainty over delivery. There is a further £5.431m of projected capital receipts in 2024/25 and £12.880m in 2025/26. Of the full three year disposal programme, £17.151m is rated amber and £3.438m is rated red.
- 1.42 The failure to deliver these receipts would have an adverse effect on the delivery of the capital programme, meaning either schemes would have to be delayed or alternative financing, such as borrowing, would have to be sought. Borrowing incurs both interest and minimum revenue position (MRP) charges which would be additional revenue costs to the Council. Although there are currently schemes on the programme to be funded by borrowing (see table 4), it is not anticipated that any new borrowing will be taken up in year.

Change Requests

- 1.43 There are a number of requests for changes to scheme budgets outlined in Table 7, below. Further detail on these is provided in the relevant appendices.

Table 7: Change Requests

Service	Scheme	Requested Change £m
Estates	Mottram Showground	0.046
Development and Investment	Swimming Pool Support Fund Phase II	0.166
Development and Investment	Ashton Old Baths	(0.011)
Development and Investment	Droylsden Library Relocation	(0.011)
Corporate Landlord	Decarbonisation of the Public Estate Phase 3	(0.047)
Corporate Landlord	Demolition of former Active Tameside sites – Ashton Swimming Pool and Longdendale Recreation Centre	2.000
Engineers	Principal/General Bridge Inspections	(0.112)
Engineers	Flood Protection	0.112
Engineers	Highway Maintenance	0.368
Ops & Greenspace	S106 Land at Broadway Hyde	0.016
Ops & Greenspace	S106 Former site of St Anne's Nursery Audenshaw	0.053
Waste & Fleet Management	Community Response Vehicles	0.150
Adults	Community Support living well at home	0.025
Adults	Occupational therapy project	0.962
Adults	Unallocated Adults Capital Grants	(1.137)
Education	Milton St Johns	0.002
Education	Asbestos Surveys	(0.041)
Education	Unallocated School Condition Funding	0.086
Education	Devolved Formula Capital Projects	0.008
Education	Direct Revenue Funded Projects	0.559
Education	Connect the Classroom Projects	0.880
Education	Childcare Expansion Grant	0.552
Education	Musical Instruments Purchases Grant	0.119
Education	Longdendale High School	0.313
		5.058

1.31 Further details of all schemes and change requests are found in Appendices 1-11.

1.32 Former Active Tameside sites – Ashton and Longdendale;

The Executive Cabinet report of October 2023 sought approval to declare both sites surplus to Council requirements in accordance with the Council's disposal policy, and to seek approval to demolish both existing buildings. It was highlighted in the financial implications that the Council does not have revenue or capital funding in place to fund the proposed demolition work. Following receipt of external grants which can be used to fund a number of other Council priorities, it is proposed that corporate funding of £2.000m is made available to allow the work to progress. Once demolition is complete, a revaluation of both sites should

be requested from the Valuation Office Agency to ensure the Council does not incur any Business Rates.