

**Report To:** **STRATEGIC PLANNING AND CAPITAL MONITORING PANEL**

**Date:** 30 November 2015

**Executive Member/Reporting Officer:** Cllr Jim Fitzpatrick - First Deputy (Performance & Finance)  
Peter Timmins – Interim Assistant Executive Director (Finance)

**Subject:** **CAPITAL MONITORING REPORT – 30 SEPTEMBER 2015**

**Report Summary:** This report summarises the capital monitoring position at 30 September 2015.

The report shows projected capital investment of £52.044m by March 2016.

Some schemes will be delivered earlier or later than planned, and this is set out in the report.

**Recommendations:**

- (i) That the current capital budget monitoring position is noted.
- (ii) That the resources currently available to fund the capital programme are noted.
- (iii) That the re-phasing to reflect up-to-date investment profiles is approved.
- (iv) That the current position in regards to Compulsory Purchase Orders (CPO's) and Indemnities is noted.
- (v) That the changes to the capital programme are noted.
- (vi) That the capital receipts position is noted.
- (vii) The Prudential Indicator position is noted.

**Links to Community Strategy:** The Capital Programme ensures investment in the Council's infrastructure is in line with the Community Strategy.

**Policy Implications:** In line with Council Policies.

**Financial Implication:** These are the subject of the report.

**(Authorised by the Section 151 Officer)**

It should be noted that for many schemes, a number of pressures exist, including necessary changes to the programme of work and wider cost pressures in the construction market, and such pressures present ongoing challenges. Those leading projects must ensure that the management of each scheme is able to deliver projects on plan and within the allocated budget.


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

It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered.

**Risk Management:** Failure to properly manage and monitor the Council's budget will lead to service failure and a loss of public confidence.

**Access to Information:** The background papers relating to his report can be inspected by contacting Peter Timmins , Interim Assistant

Executive Director, Finance by:

 phone: 0161 342 3864

 e-mail: [peter.timmins@tameside.gov.uk](mailto:peter.timmins@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 This is the second capital monitoring report for 2015/16, summarising the position as at 30 September 2015. There will be two further monitoring statements during 2015/16, which will be quarter three (for the period to the end of December 2015) and the final outturn report (for the period to the end of March 2016). All Capital Monitoring reports are submitted to the Board, Strategic Planning and Capital Monitoring Panel, Executive Cabinet and Overview (Audit) Panel.
- 1.2 The report incorporates an update on major capital schemes and an update on Compulsory Purchase Orders (CPOs), indemnities, and potential liabilities.

## 2. KEY POINTS

- 2.1 The current forecast is for services areas to have spent £52.044m on capital investment by March 2016. At present, the £52.044m of investment is £14.712m less than the current programmed spend.
- 2.2 This is detailed in section 3 of the report, explanations are also provided for capital projects with a projected variation of £0.100m or above over the life of the project.
- 2.3 Section 3 also details schemes with an in-year variation in excess of £0.100m and seeks approval to re-profile the capital expenditure of the project. An explanation for the need to re-profile the capital expenditure is also provided.
- 2.4 Table 1 below provides a high level summary of capital expenditure by service area.

**Table 1: Overall capital monitoring statement, April-September 2015**

<b>CAPITAL MONITORING STATEMENT - SEPTEMBER 2015</b>					
	<b>Table Reference</b>	<b>2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>PEOPLE</u></b>					
Adults		0	0	0	0
Education	Table 4	16,591	7,519	15,896	(695)
Community Services	Table 5	552	68	552	0
Public Health	Table 6	9,724	127	945	(8,779)
<b><u>PLACES</u></b>					
Asset Investment	Table 7	12,023	1,610	12,023	0
Partnership Management Development & Investment	Table 8	9,839	1,914	7,124	(2,715)
Digital Tameside	Table 9	3,076	856	3076	0
Engineering Services	Table 10	9,818	2,205	8,548	(1,270)
Environmental Health	Table 11	1,485	41	232	(1,253)
Transport	Table 12	3,648	915	3,648	0
<b>Subtotal</b>		<b>66,756</b>	<b>15,254</b>	<b>52,044</b>	<b>(14,712)</b>
<b>Unallocated</b>		<b>4,360</b>			
<b>Total</b>		<b>71,116</b>			

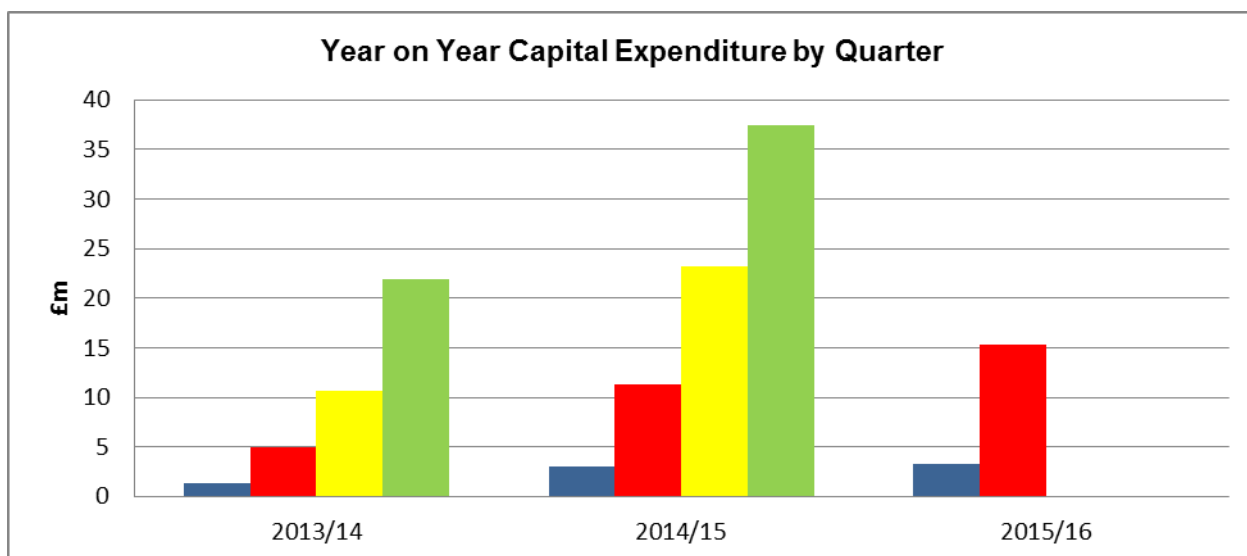
- 2.5 It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-phasing of £14.590m into the next financial year will reduce this variation to £0.122m this is identified within the individual service area tables below.
- 2.6 Table 2 below shows the current Resources funding the 2015/16 Capital programme, including the unallocated funding streams. The resourcing structure, however, is not final and the section 151 Officer will make the best use of resources available at the end of the financial year.

**Table 2: Funding statement 2015/16**

<b>Resources</b>	<b>£000</b>
Capital Grants	27,166
Unsupported Capital Expenditure (Borrowing)	26,295
Revenue Contributions	15,403
Specific Capital Receipts	1,747
Capital Contributions	496
Supported Capital Expenditure	9
<b>Total</b>	<b>71,116</b>

- 2.7 The chart below shows a year on year comparison of Capital expenditure on quarterly basis.

**Table 3: Comparison of quarterly capital spend levels, 2013-15**



### 3. CAPITAL EXPENDITURE TO DATE AND PROJECTED OUTTURN 2015/16

- 3.1 This section of the report provides an update of Capital expenditure to date along with details of re-phasing to be approved in this report and the overall projected outturn position of the Capital projects. Where variances of £0.100m and over are anticipated over the life of the scheme an explanation is also provided.

#### Education

- 3.2 The table below outlines the projected investment for Education services. An explanation has also been provided for the requested rephasing.

**Table 4: Detail of Education Capital Investment Programme**

<b>Education Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>Revised 2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
HYDE TARGETED BASIC NEED NEW SCHOOL	6,336	3,129	5,829	(507)	(507)
ASHTON TARGETED BASIC NEED NEW SCHOOL	2,175	2,074	2,083	(92)	
SAMUEL LAYCOCK TARGETED BASIC NEED EXTENSION	942	904	904	(38)	
SHORT BREAKS CENTRE AT CROMWELL SITE	912	0	912	0	
BUILDING SCHOOLS FOR THE FUTURE RESERVE - FUNDING STREAM	683	0	683	0	
DEVOLVED SCHOOLS CAPITAL	487	487	487	0	
YEW TREE - EXTENSION	469	0	469	0	
SPECIFIC CAPITAL RESERVE	403	0	403	0	
ALDWYN PRIMARY ADDITIONAL ACCOMMODATION	400	0	400	0	
ICT HIGH SCHOOLS - REPLACEMENT ICT SERVERS	400	379	400	0	
GRESWELL PRIMARY ROOF HEATING & ASBESTOS REMOVAL	363	13	363	0	
MILTON ST JOHN LIGHTING, POWER AND ALARM REPLACEMENT	350	20	350	0	
TWO YEAR OLD ENTITLEMENT GRANT - FUNDING STREAM	281	21	281	0	
PRIMARY CAPITAL PROGRAMME - RUSSELL SCOTT	276	4	276	0	
OTHER MINOR SCHEMES	3,316	489	3,258	(58)	
<b>Total</b>	<b>17,793</b>	<b>7,519</b>	<b>17,098</b>	<b>(695)</b>	<b>(507)</b>

**Table 4b: Education Capital Investment Programme – re-phasing**

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Education	Hyde Targeted Basic Need – New School	<b>No narrative provided</b>	(507)

**Community Services**

- 3.3 The table below outlines the projected investment for Community Services. At present no re-phasing is required.

**Table 5: Detail of Community Services Capital Investment Programme**

Community Services Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
IMPLEMENTING THE NEW LIBRARY OFFER	229	0	229	0	
SUPPORTING CUSTOMER EXPERIENCE AND CONTACT	179	0	179	0	
SAFE AND SECURE PROJECT	136	18	136	0	
STREET ART IN THE COMMUNITY	8	0	8	(8)	
<b>Total</b>	<b>552</b>	<b>18</b>	<b>552</b>	<b>(8)</b>	<b>0</b>

**Public Health**

- 3.4 The table below outlines the projected investment for Public Health. Explanations are also provided for the necessary rephasing.

**Table 6a: Detail of Public Health Capital Investment Programme**

Public Health Capital Programme Statement					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
HYDE LEISURE PHASE 2	405	0	50	(355)	(355)
ACTIVE TAMESIDE CENTRE	8,410	0	0	(8,410)	(8,400)
ACTIVE PLAYZONE	711	119	711	0	

COPLEY LEISURE CENTRE BOILER REPLACEMENT	150	0	150	0	
DROYLSDEN YOUTH CENTRE	48	8	34	(14)	
<b>Total</b>	<b>9,724</b>	<b>127</b>	<b>945</b>	<b>(8,779)</b>	<b>(8,755)</b>

**Table 6b: Public Health Capital Investment Programme – rephasing**

Explanation of Re-phasing at Quarter 2			
Service Area	Capital Project	Explanation for Re-phasing	Amount (£000)
Public Health	Active Tameside Centre	Active Tameside Centre – The existing partnership with Active Tameside is currently under review. The outcome of the review, including proposals for facility rationalisation, will be known in October of this year. Any new partnership arrangement will not come in to effect until the 1 April 2016. It is unlikely that there will be any spend against this budget in 2015/16. However, this may be subject to change.	(8,400)
Public Health	Hyde Leisure Phase 2	Hyde Leisure Pool Phase 2 - The capital budget for this scheme is being used as match funding towards a Football Foundation Grant funding bid to support the development of community football facilities at Hyde FC. The bid, submitted by the club some time ago has now reached a conclusion; the Football Foundation is not willing to support the existing application. The club is considering its position and may reapply to the Football Foundation or seek to remodel the project in consultation with the Council. A Key Decision is required to progress the scheme. It is unlikely that there will be any significant spend in year. The only spend, subject to a key decision; will be on design development (£0.050m).	(355)

**Asset Investment Partnership Management (AIPM)**

- 3.5 The table below outlines the projected investment for AIPM. At present no rephasing is required.

**Table 7; Detail of Asset Investment Partnership Management (AIPM) capital programme**

<b>AIPM Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>Revised 2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
VISION TAMESIDE	8,203	143	8,203	0	
DECANT COSTS	1,329	1,064	1,329	0	
OPPORTUNITY PURCHASE FUND	573	85	573	0	
DOCUMENT SCANNING	500	62	500	0	
BUILDING FABRIC WORKS	563	5	563	0	
MOTTRAM SHOWGROUND (OPF)	165	0	165	0	
WELLINGTON WORKS	131	6	131	0	
PREP OF OUTLINE PLANNING APPLICATIONS	130	6	130	0	
ENERGY CONSUMPTION PILOT SCHEME DUKINFIELD TOWN HALL	110	64	110	0	
STRUCTURAL, ASBESTOS, MECHANICAL AND ELECTRICAL SURVEYS	107	112	107	0	
DUKINFIELD CREMATORIA CLOCK TOWER	98	0	98	0	
DEVELOPMENT OF FORMER STAMFORD HIGH SCHOOL SITE	50	0	50	0	
OTHER MINOR SCHEMES	39	62	39	0	
TAC CCTV UPGRADE	25	0	25	0	
<b>Total</b>	<b>12,023</b>	<b>1,610</b>	<b>12,023</b>	<b>0</b>	<b>0</b>

**Development and Investment**

- 3.6 The table below outlines the projected investment for Development and Investment. Explanations are also provided for the necessary re-phasing.



**Table 8: Detail of Development and Investment Capital Programme**

<b>Development and Investment Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>Revised 2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
ASHTON TOWN CENTRE AND CIVIC SQUARE	5,077	579	2,477	(2,600)	(2,600)
ASHTON OLD BATHS	3,013	866	3,013	0	
DISABLED FACILITIES GRANTS	1,321	530	1,321	0	
ST PETERSFIELD	200	0	200	0	
GODLEY HILL DEVELOPMENT AND ACCESS ROAD	112	0	0	(112)	
GM BROADBAND	54	0	54	0	
LONGLANDS MILL	32	8	32	0	
HYDE TOWN CENTRE	27	0	27	0	
ASHTON MARKET HALL INCUBATOR UNITS	3	0	0	(3)	
<b>Total</b>	<b>9,839</b>	<b>1,983</b>	<b>7,124</b>	<b>(2,715)</b>	<b>(2,600)</b>

**Table 8b: Development and Investment Capital Investment Programme – re-phasing**

<b>Explanation of Re-phasing at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-phasing</b>	<b>Amount (£000)</b>
Development and Investment	Ashton Town Centre and Civic Square	An extensive consultation programme and the finalising of the scheme design have delayed the start on site. It was also crucial that the timing of this project was co-ordinated with the wider Vision Tameside redevelopment plans, in order to minimise disruption and ensure the town centre remained open for business. The start date was therefore delayed by several months which has had an impact on the projects spend profile. It is anticipated that £2.6m will be carried forward into 2016/2017 to enable Phase 1 of the project to be completed in September 2016. The remaining budget will contribute towards the completion of Phase 2 of the project which will commence to coincide with the opening of the new Shared Service Centre.	(2,600)

### Digital Tameside

- 3.7 The table below outlines the projected investment for Digital Tameside. At present no re-phasing is required.

**Table 9: Detail of Digital Tameside Capital Investment Programme**

<b>Digital Tameside Capital Programme Statement</b>					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
ICT - ENABLEMENT PROJECT	2,097	459	2,097	0	
WORKING DIFFERENTLY - IT HARDWARE & SOFTWARE	879	297	879	0	
MY HOME FINANCE	100	100	100	0	
<b>Total</b>	<b>3,076</b>	<b>856</b>	<b>3,076</b>	<b>0</b>	<b>0</b>

### Engineering Services

- 3.8 The table below outlines the projected investment for Engineering Services. Explanations are also included where re-phasing has been requested.

**Table 10a: Detail of Engineering Services Capital Investment Programme**

<b>Engineers Capital Programme Statement</b>					
Capital Scheme	Revised 2015/16 Budget	Actual	Projected Outturn	Projected Outturn Variation	Re-phasing to be approved in this Quarter
ASDA ROUNDABOUT	1,118	821	1,118	0	
LED STREET LIGHTING INVESTMENT	1,000	3	530	(470)	(470)
CHALLENGE FUNDING	1,000	0	750	(250)	(250)
CYCLE CITY AMBITION GRANT	511	67	511	0	
THE LONGDENDALE INTEGRATED TRANSPORT STRATEGY	480	0	0	(480)	(480)
BT ROUNDABOUT	424	32	424	0	
PRINCIPAL/NONPRINCIPAL ROADS - ASHTON	410	235	400	(10)	0
DENTON LINK ROAD	309	110	750	441	441

PRINCIPAL/NONPRINCIPAL ROADS - AUDENSHAW	241	22	240	(1)	0
MOSSLEY ROAD RETAINING WALL CONTINUATION SCHEME	240	7	395	155	0
PRINCIPAL/NONPRINCIPAL ROADS - HYDE	213	43	210	(3)	0
SHEPLEY BRIDGE	200	92	170	(30)	0
WILSON BROOK CULVERT	200	0	192	(8)	0
FOOTWAY WORKS	200	194	200	0	0
OTHER MINOR SCHEMES	3,272	579	2,788	(484)	(181)
<b>Total</b>	<b>9,818</b>	<b>2,205</b>	<b>8,678</b>	<b>(1,140)</b>	<b>(940)</b>

**Table 10b: Detail of Engineering Services Capital Programme – re-phasing**

<b>Engineers - Explanation of true variances over the life of a project</b>			
<b>Service Area</b>	<b>Project</b>	<b>Explanation</b>	<b>Amount (£000)</b>
Engineering	Mossley Road Retaining Wall – Budget £0.240m	Tenders have been returned for the scheme and are above estimated costs, the increased costs will be accommodated from within the overall structures budget.	155
<b>Explanation of Re-phasing at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-phasing</b>	<b>Amount (£000)</b>
Engineering	The Longdendale Integrated Transport Strategy	This initiative remains an objective within the Association of Greater Manchester Authorities (AGMA) approved Greater Manchester Transport fund but no expenditure is anticipated this year.	(480)
Engineering	LED Street Lighting Investment	Each contract submission required an economic assessment over a 25 year period to determine which supplier provided the least capital outlay and the greatest energy consumption saving. Once the winning supplier was identified we had to establish whether the extra initial cost of luminaire to guarantee it up to 25 years was worthwhile. Considering critical components and failure rates from 15 years onwards and taking account of the replacement costs it was determined that financially it wasn't in the Council's best interest to have a 25 year guarantee and that a 15 year guarantee was the better option. This guarantee change meant that an update report had to be done which delayed the award of the contract and consequently delayed the implementation of the installation programme.	(470)
Engineering	Denton Link Road	The anticipated start date on site will be January 2016 working through to December 2016. It is anticipated that whilst the majority of expenditure on the scheme will be within 2016/17, the expenditure incurred during the	441

		current financial year will be in excess of the original 2015/16 budget. This is as a result of the requirement to pay in advance for Utility Diversion Costs and Urban Traffic Control (UTC) design and installation costs.	
Engineering	Challenge Funding	The overall £3m budget for the three year programme is currently being developed following confirmation of funding in July 2015. The allocation from Department for Transport for this financial year is £1.0m. When the bid was submitted we suggested £0.5m for the 15/16 financial year however it is now currently anticipated that £0.75m will be spent this financial year.	(250)
Engineering	Ashton Town Centre Access Improvements	The work planned is to complement the Ashton Market Square scheme and Public Realm works to the college and Vision Tameside Phase 2 development. It is now anticipated that the work will be undertaken in coordination with the other capital schemes in the 2016/17 financial year.	(181)

### Environmental Services

- 3.9 The table below outlines the projected investment for Environmental Services. Explanations have also been included where re-phasing has been requested.

**Table 11a: Detail of Environmental Services Capital Investment Programme**

<b>Environmental Services Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>Revised 2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
GUIDE LANE FORMER LANDFILL SITE	509	34	40	(469)	(469)
RETROFIT (BASIC MEASURES)	359	5	32	(327)	(327)
CARBON REDUCTION	311	0	0	(311)	(311)
OTHER MINOR SCHEMES	306	0	160	(146)	
<b>Total</b>	<b>1,485</b>	<b>39</b>	<b>232</b>	<b>(1,253)</b>	<b>(1,107)</b>

**Table 11b: Detail of Engineering Services Capital Programme – re-phasing**

<b>Explanation of Re-phasing at Quarter 2</b>			
<b>Service Area</b>	<b>Capital Project</b>	<b>Explanation for Re-phasing</b>	<b>Amount (£000)</b>
Environmental Services	Guide Lane Former Landfill	<p><b>Gas Remediation Works</b> A procurement exercise has been undertaken to award a contract for the Gas Remediation works, no tenders were received and as a result the procurement process was stopped. A feedback exercise with contractors has been undertaken and as a result the scheme is now in the process of going back out to tender. Tenders are scheduled to be received and the preferred contractor is to be selected before the end of December. Actual works will not begin until March / April 2016 due to an obstruction caused by bats being in hibernation on the site.</p> <p><b>Demolition Works</b> The contractor who was awarded the demolition contract for the demolition of the properties has gone into liquidation and therefore this element of the works has had to be re-tendered, the process is currently ongoing.</p>	(469)
Environmental Services	Retrofit (Basic Measures)	This budget is used to 'top up' domestic retrofit measures that are primarily funded by ECO grants emanating from DECC. The supply of central funding available has been sporadic and will continue to be for the foreseeable future making it difficult to profile spend. However plans under the Devo Manc scheme (if successful) should see a much more consistent devolved funding regime	(327)
Environmental Services	Carbon Reduction	We are currently engaged in a Greater Manchester wide procurement exercise for the installation of solar panels onto buildings owned by the Council. This procurement exercise will finish in January 2016. If the procurement is successful then this capital money will be used to fund installations in the 2016/17 financial year.	(311)

**Transport**

3.10 The table below outlines the projected investment for Transport.

**Table 12: Detail of Transport Capital Investment Programme**

<b>Transport Capital Programme Statement</b>					
<b>Capital Scheme</b>	<b>Original 2015/16 Budget</b>	<b>Actual</b>	<b>Projected Outturn</b>	<b>Projected Outturn Variation</b>	<b>Re-phasing to be approved in this Quarter</b>
FLEET REPLACEMENT PROGRAMME	1,140	915	1,141	1	
<b>Total</b>	<b>1,140</b>	<b>388</b>	<b>1,141</b>	<b>1</b>	<b>0</b>

#### **4. COMPULSORY PURCHASE ORDERS, INDEMNITIES AND POTENTIAL LIABILITIES**

##### **Redmond Close**

- 4.1 The Council have purchased and demolished property numbers 2 – 18 (evens). Property number 22 is to remain in situ with a remedial solution to be installed. Property number 20 is adjoining number 22 and is to be demolished, a party wall agreement is now in place and the Council has undertaken a site investigation. A new gable end wall between numbers 20 / 22 needs to be reconstructed because of the demolition of number 20. The Council is currently going through a tendering process for the remedial works.

##### **Wellington Works**

- 4.2 This is a complex compulsory purchase compensation matter which has hit a serious dispute between the Council and the claimant; some costs are outstanding as an amount has not yet been agreed.

##### **Denton Link Road**

- 4.3 The Council entered into a CPO Indemnity and Development Agreement with the owners of the site in 2008 (subsequently amended in 2011). Through the agreement, the Council is indemnified by the developer against the CPO costs and the costs of the related consents needed to facilitate and complete the development.
- 4.4 Following the confirmation of the CPO by the Secretary of State and non-receipt of blight notices to date, and changes to the overall project, the developer has requested a variation to the Development and a CPO Indemnity agreement to better reflect the current situation and enable the Council to assume responsibility for the delivery of the link road.
- 4.5 A General Vesting Declaration (GVD) has been executed for land required within the CPO. The Council is currently in the process of registering its legal title to the land with HM Land Registry
- 4.6 The Council is currently completing a variation to the CPO Indemnity and Development Agreement to enable the delivery of the link road. Land Transfer Agreements with the developer and other third parties are also being progressed.

### **Ashton Northern Bypass**

- 4.7 As part of the Construction of the bypass the Council purchased and demolished a number of properties by CPO. One of the properties was a place of worship, the Council therefore agreed to construct a replacement building for the trustees. There are still a number of snagging issues that are yet to be resolved between the Contractor and the trustees before the transfer of legal ownership can be completed.

### **Hattersley CPO**

- 4.8 The Council is supporting the proposal for the development of the final phase of the new district centre for Hattersley. Outline planning consent was secured in February 2015 for a major retail development on land at the junction of Stockport Road and Ashworth Lane. The 75,000 square feet development will include new retail, food store and leisure units to enhance retail choice and amenities for local residents and thereby improving the long-term vitality and viability of Hattersley as a place to live.
- 4.9 The Council approved the making of a compulsory purchase order in respect of one outstanding property in June 2015 and is currently working with its partners, Peak Valley Housing Association and the Homes and Communities Agency, to secure the appointment of a developer partner. Peak Valley Housing Association will fully indemnify the Council's CPO costs through a CPO Indemnity Agreement.

## **5. CHANGES TO THE APPROVED 3 YEAR CAPITAL PROGRAMME**

- 5.1 Since the capital programme was approved at Executive Cabinet in August 2015 there has been an increase in the programme totalling £3.124m over the period 2015/16 – 2017/18. This increase mainly relates to the Challenge Fund grant allocation to Engineering Services. Full details are listed in **Appendix 1**.

## **6. CAPITAL RECEIPTS**

- 6.1 With the exception of capital receipts earmarked as specific scheme funding, all other capital receipts are retained in the Capital Receipts Reserve and utilised as funding for the Councils Corporately funded capital expenditure, together with any other available resources identified in the medium term financial strategy.
- 6.2 £11.3m of BSF Capital Receipts are to be repaid corporately, to repay temporary corporate funding of the Schools Capital Programme.
- 6.3 Receipts of £1.673m have been generated to date from the disposal of Council assets, with a further £14.636m forecast to be completed before 31 March 2016.

## **7. PRUDENTIAL INDICATORS**

- 7.1 The CIPFA Prudential Code for Finance in Local Authorities was introduced as a result of the Local Government Act (2003) and was effective from 1 April 2004. The Code sets out indicators that must be demonstrated that the objectives of the Code are being fulfilled. The Prudential Indicators for 2015/16 and the following two years were set out by the Council in February 2015.
- 7.2 The Prudential Indicators as at October 2015 are shown in **Appendix 2**.





# APPENDIX 1

## Changes to the Capital Programme

SERVICE	SCHEME	SOURCE OF FUNDING	BUDGET CHANGES 2015/16 £000	BUDGET CHANGES 2016/17 £000	BUDGET CHANGES 2017/18 £000	TOTAL £000
<b>Capital Programme 2015/16 Opening</b>			<b>75,831</b>	<b>39,328</b>	<b>27,488</b>	<b>159,964</b>
<b>A) Increases to the Programme</b>						
Education	BSF High School Telephone Lines	Grant	14			14
Education	Flowery Field Additional Furniture for New Building	Grant	16			16
Education	Linden Road Children's Centre - Refurbishment and Electrical	Grant	17			17
Education	Milton St John Primary - Temporary Emergency Works	Grant	16			16
Education	Inspire Academy - Pre-opening costs	Grant	115			115
Education	Broadoak Primary School - FF&E For new building	Grant	107			107
Education	Broadoak Parking Improvements	RCCO	68			68
Education	Capital Maintenance 15/16	Grant	63			63
Education	Micklehurst Fire Alarm Survey & Works	Grant	10			10
Education	Bradley Green Primary Roof	Grant	30			30
Education	Gorse Hall Windows	Grant	1			1
Engineers	Challenge Funding	Grant	1,000	1,500	500	3,000
Engineers	Discovery Academy – Remodelling Furniture	Grant		15		15
Education	BSF High School Telephone Lines	Grant	14			14
Education	Flowery Field Additional Furniture for New Building	Grant	16			16
Education	Linden Road Children's Centre - Refurbishment and Electrical	Grant	17			17
Education	Milton St John Primary - Temporary Emergency Works	Grant	16			16
Education	Inspire Academy - Pre-opening costs	Grant	115			115
Education	Broadoak Primary School - FF&E For new building	Grant	107			107
			<b>1,458</b>	<b>1,515</b>	<b>500</b>	<b>3,473</b>

<b>B) Reductions in Programme</b>					
Education	Basic Need Funding Stream	Grant		(230)	(230)
Education	Broad oak Parking Improvements	Grant	(63)		(63)
Education	Funding Stream - RCCO Reserve	Grant	(50)		(50)
Education	Audenshaw Primary – Emergency Works	Grant	(5)		(5)
			<b>(118)</b>	<b>(230)</b>	<b>0</b>
<b>C) Funding Transfers in Programme</b>					
AIPM	Building Fabric works	Corporate	154		<b>154</b>
AIPM	Vision Tameside (Correction to Slippage)	Corporate	(22)		<b>(22)</b>
Education	Livingstone Remodelling/Extension	Grant	(345)	345	<b>0</b>
Education	Milton St John Creation of Bulge Class	Grant	(40)	40	<b>0</b>
Education	Discovery Academy – Remodelling Furniture	Grant	(100)	100	<b>0</b>
Engineers	Ashton – Stalybridge Cycle Route	Grant	(400)	400	<b>0</b>
Engineers	Denton Link Road	Grant	(1,600)	1,600	<b>0</b>
Engineers	LED Street lighting	Grant	(4,000)	4,000	<b>0</b>
Engineers	Junction Improvements on/off at J23 M60	Grant	(250)	250	<b>0</b>
Engineers	Pinch Point Schemes	Grant	(150)	150	<b>0</b>
Engineers	Ashton Northern bypass – stage 2	Grant	(230)	230	<b>0</b>
Resources	Resources	Corporate	(132)		<b>(132)</b>
			<b>(7,115)</b>	<b>7,115</b>	<b>0</b>
<b>Net Changes</b>			<b>(5,776)</b>	<b>8,400</b>	<b>500</b>
<b>Capital Programme 2015/16 Outturn</b>			<b>71,116</b>	<b>49,016</b>	<b>34,531</b>
					<b>154,662</b>

#### Notes

RCCO stands for “Revenue Contribution to Capital Outlay” and describes where capital investment is funded from revenue sources.  
AIPM stands for Asset Investment Partnership Management.

## APPENDIX 2

### Prudential Indicators

<b>Actuals v limits as at 07/10/2015</b>			
	<b>limit</b>	<b>Actual @ 07/10/2015</b>	<b>amount within limit</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Operational Boundary for External Debt	£237,319	£120,098	-£117,221
Authorised Limit for External Debt	£257,319	£120,098	-£137,221
Upper Limit for fixed	£211,163	£33,593	-£177,570
Upper Limit for variable	£63,349	-£75,198	-£138,547
Capital financing requirement	£211,163	£203,045	-£8,118
Capital expenditure	£53,763	£49,416	-£4,347

### Prudential Indicators

<b>Gross borrowing and the capital financing requirement</b>	<b>cfr @ 31/03/15 + increase years 1,2,3</b>	<b>Gross borrowing @07/10/2015</b>	<b>amount within limit</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
	£211,163	£120,098	-£91,065

### Maturity structure for borrowing 2015/16

<b>Fixed rate</b>		
Under 12 months	0% to 15%	0.73%
12 months and within 24 months	0% to 15%	0.86%
24 months and within 5 years	0% to 30%	5.72%
5 years and within 10 years	0% to 40%	4.30%
10 years and above	50% to 100%	88.38%