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P10 2019/20 Capital Monitoring Summary

- This is the third capital monitoring report for 2019/20, summarising the forecast outturn at 31 March 2020 based on the financial activity to 31 January 2020.
- The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2019/20 financial year. The approved budget for 2019/20 is £53.793m. Additional schemes will be added to future detailed monitoring reports once business cases have been approved by Executive Cabinet.
- The current forecast is for service areas to have spent £41.470m on capital investment in 2019/20, which is £12.323m less than the current capital budget for the year. This variation is spread across a number of areas, and is made up of an underspend against specific schemes (£0.222m) less the re-phasing of expenditure in other areas totalling £12.101m.
- Retrospective approval of Statutory Compliance works of £0.533m will be approved at Strategic Planning and Capital Monitoring Panel.

CAPITAL MONITORING STATEMENT – JANUARY 2020					
	2019/20 Budget	Actual to 31 January 2020	Projected 2019/20 Outturn	P10 Slippage	Projected Outturn Variation after Slippage
	£000	£000	£000	£000	£000
Growth					
Investment & Development	3,575	1,955	3,191	384	0
Corporate Landlord	277	583	810	0	0
Estates	50	0	50	0	0
Operations and Neighbourhoods					
Engineers	12,818	7,037	9,075	3,694	49
Vision Tameside	3,156	2,381	3,143	13	0
Environmental Services	1,709	364	877	832	0
Transport (Fleet)	280	276	280	0	0
Stronger Communities	27	5	19	8	0
Children's					
Education	12,486	4,288	5,657	6,236	593
Finance & IT					
Finance	5,600	0	3,733	1,867	0
Digital Tameside	3,115	963	2,470	532	113
Population Health					
Active Tameside	10,360	10,346	12,010	(1,650)	0
Adults					
Adults	340	41	155	185	0
Total	53,793	28,239	41,470	12,101	755

2019/20 Re-profiling

RE-PROFILING REQUESTED INTO 2020/21			
	2019/20 Re-profile Q1	2019/20 Re-profile Q2	2019/20 Re-profile P10
	£000	£000	
Growth			
Investment & Development	0	2,748	384
Corporate Landlord	0	259	0
Estates	0	64	0
Operations and Neighbourhoods			
Engineering Services	1,695	532	3,694
Vision Tameside	0	5,552	13
Environmental Services	0	1,931	832
Transport	0	0	0
Stronger Communities	0	0	8
Children's			
Education	773	4,667	6,236
Finance & IT			
Finance	0	0	1,867
Digital Tameside	0	639	532
Population Health			
Active Tameside	0	5,610	(1,650)
Adults			
Adults	0	888	185
Total	2,468	22,890	12,101

It is proposed that the capital investment programme is re-profiled to reflect current information. Proposed re-profiling of £12.101m into the next financial year is identified in within the separate service area reports.

Re-profiling includes:

- Investment & Development: Ashton Town Hall urgent repair works are not expected to be completed until early in the next financial year, and take up of the new home repair schemes has been lower than originally estimated.
- Engineering Services: A number of resurfacing schemes have been rescheduled to summer 2020, and the Street Lighting Scheme has not progressed as quickly as originally anticipated.
- Vision Tameside- Re-profiling relates to public realm works.
- Environmental Services- Re-profiling relates mainly to the replacement of Cremators which is due to commence in March and complete by November 2020.
- Education: Delays across a number of schemes, with works expected to be completed in 2020/21.
- Finance & IT: The third Manchester Airport investment drawdown will take place in April 2020. Microsoft licensing purchases are now expected to conclude in July 2020.
- Active Tameside: Re-profiling from 2020/21 into 2019/20 due to the early completion of the New Wellness Centre Facility in Denton.

Once re-profiling has been taken into account, capital investment is forecast to be £0.222m less than the capital budget for this year. These resources will be returned to capital reserves.

Appendix 1 - Programme Summary

TOTAL APPROVED AND EARMARKED CAPITAL PROGRAMME- JANUARY 2020

	2019/20 Budget (Approved)	2019/20 Projected Outturn	2020/21 Budget (Approved)	Future Year Budgets (Earmarked)
	£000	£000	£000	£000
Growth				
Investment & Development	3,575	3,191	5,141	9,630
Corporate Landlord	277	810	259	7,822
Estates	50	50	64	1,400
Operations and Neighbourhoods				
Engineering Services	12,818	9,075	6,635	12,250
Vision Tameside	3,156	3,143	4,048	0
Environmental Services	1,709	877	2,331	700
Transport	280	280	2,406	0
Stronger Communities	27	19	0	200
Children's				
Education	12,486	5,657	6,593	0
Children's	0	0	0	950
Finance & IT				
Finance	5,600	3,733	0	500
Digital Tameside	3,115	2,470	25	0
Population Health				
Active Tameside	10,360	12,010	5,610	0
Adults				
Adults	340	155	888	12,700
Total	53,793	41,470	34,000	46,152

Programme Summary - After Re-profiling

TOTAL APPROVED AND EARMARKED CAPITAL PROGRAMME- JANUARY 2020

	2019/20 Budget (Approved)	2019/20 Projected Outturn	2020/21 Budget (Approved)	Future Year Budgets (Earmarked)
	£000	£000	£000	£000
Growth				
Investment & Development	3,191	3,191	5,525	9,630
Corporate Landlord	277	810	259	7,822
Estates	50	50	64	1,400
Operations and Neighbourhoods				
Engineering Services	9,124	9,075	10,329	12,250
Vision Tameside	3,143	3,143	4,061	0
Environmental Services	877	877	3,163	700
Transport	280	280	2,406	0
Stronger Communities	19	19	8	200
Children's				
Education	6,250	5,657	12,829	0
Children's	0	0	0	950
Finance & IT				
Finance	3,733	3,733	1,867	500
Digital Tameside	2,583	2,470	557	0
Population Health				
Active Tameside	12,010	12,010	3,960	0
Adults				
Adults	155	155	1,073	12,700
Total	41,692	41,470	46,101	46,152

Appendix 1- Programme Changes & Summary

Changes to the Capital Programme	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000
Period 6 Fully Approved Capital Programme	76,764	10,168	0	86,932
Period 6 Re-Profiling to 20/21	(22,890)	22,890		
Changes per Executive Cabinet 27 November 2019				
- Fleet Replacement (Additional Budget)	20			20
- Statutory Compliance (Additional Budget)	115			115
- Education Budget Changes	(386)	500		114
Changes per Executive Cabinet 18 December 2019				
- Ashton Town Hall (Approval of earmarked budget)	270			270
- Education- Special Provision Grant (Additional Budget)		442		442
- Strategic Investment in Manchester Airport (Budget Reduction)	(100)			(100)
Period 10 Fully Approved Capital Programme	53,793	34,000	0	87,793

Status	Number of Schemes	2019/20 Budget	2020/21 Budget	2021/22 Budget	Total Budget
Approved	146	53,793	34,000	0	87,793
Earmarked	21	40,152	6,000	0	46,152
Total	167	93,945	40,000	0	133,945

Appendix 1- Service Area Detail Overview

	2019/20 Budget	2019/20 Actual	2019/20 Projected Outturn	2019/20 Projected Outturn Variation	Re-profiling to be approved	Projected Outturn Variation after Slippage
	£000	£000	£000	£000	£000	£000
Growth						
Investment & Development	3,575	1,955	3,191	384	(384)	0
Corporate Landlord	277	583	810	(533)	0	0
Estates	50	0	50	0	0	0
Operations and Neighbourhoods						
Engineering Services	12,818	7,037	9,075	3,743	(3,694)	49
Vision Tameside	3,156	2,381	3,143	13	(13)	0
Environmental Services	1,709	364	877	832	(832)	0
Transport	280	276	280	0	0	0
Stronger Communities	27	5	19	8	(8)	0
Children's						
Education	12,486	4,288	5,657	6,829	(6,236)	593
Finance & IT						
Finance	5,600	0	3,733	1,867	(1,867)	0
Digital Tameside	3,115	963	2,470	645	(532)	113
Population Health						
Active Tameside	10,360	10,346	12,010	(1,650)	1,650	0
Adults						
Adults	340	41	155	185	(185)	0
Total	53,793	28,239	41,470	12,323	(12,101)	755

Appendix 2 – Budgeted Financing for 2019/20

(Approved & Earmarked Schemes)

Service Area	Grants and Contributions	Revenue Contributions	Prudential Borrowing	Reserves	Receipts	Total
	£000	£000	£000	£000	£000	£000
Growth						-
Investment and Development	2,432	0	0	10,773	0	13,205
Corporate Landlord	50	0	0	8,049	0	8,099
Estates	0	0	0	1,450	0	1,450
Operations and Neighbourhoods						
Engineers	4,009	0	0	15,059	0	19,068
Vision Tameside	0	0	0	3,156	0	3,156
Environmental Services	100	0	0	2,309	0	2,409
Transport	0	280	0	0	0	280
Stronger Communities	0	0	0	227	0	227
Children						
Education	12,486	0	0	0	0	12,486
Children	0	0	0	950	0	950
Finance						
Finance	0	0	5,600	500	0	6,100
Digital Tameside	150	0	0	2,965	0	3,115
Population Health						
Active Tameside	2,632	8	7,460	260	0	10,360
Adults						
Adults	340	0	0	12,700	0	13,040
Total	22,199	288	13,060	58,398	0	93,945

Appendix 2 - Financing by year

Proposed Financing at P10	£000	£000	£000
Approved and Earmarked	2019/20	2020/21	Total
Corporate	58,398	21,227	79,625
RCCO	288	-	288
Borrowing	13,060	4,740	17,800
Contribution	1,277	43	1,320
Grant	20,992	13,990	34,912
S106	-	-	-
Specific Receipt	-	-	-
Budgeted Financing	93,945	40,000	133,945
Available Corporate Funding			
Capital Reserve	16,287	-	16,287
Anticipated Receipts	37,000	-	37,000
Total Available Corporate Funding	53,287	-	53,287
Total Approved Schemes requiring Corporate Funding	18,246	15,227	33,473
Resources available after Financing Approved Schemes	35,041	(15,227)	19,814
Earmarked Schemes (as per approved capital programme)	40,152	6,000	46,152
Shortfall of Funding Available to Finance Earmarked Schemes	(5,111)	(21,227)	(26,338)

As illustrated in the above table, there is currently a shortfall of £26.3m. A prioritisation exercise has been completed in order to determine which earmarked schemes can be progressed.

Prioritisation Exercise Update - January 2020

Approved Schemes - call on future capital receipts	-17,186
Anticipated Capital Receipts - to be sold	37,000
Balance of Anticipated Capital Receipts for new schemes	19,814

Capital Scheme	Value	Remaining Resources £000	Funding Required	Total Score
Statutory Compliance	1,322	18,492	Capital Receipts	BUSINESS CRITICAL
New Children's Home	950	17,542	Capital Receipts	BUSINESS CRITICAL
Woodend Chimney	200	17,342	Capital Receipts	BUSINESS CRITICAL
Fairlea/Denton	470	16,872	To be determined	BUSINESS CRITICAL
Refurbishment of Ashton Town Hall	9,630	7,242	Capital Receipts	16
Pension Fund Building (Droylsden Library)	1,400	5,842	Capital Receipts	11
CCTV	900	4,942	Capital Receipts	11
Property- Refurbishment of Capital Assets	2,500	2,442	Capital Receipts	11
Hyde Town Hall Roof	1,300	1,142	Capital Receipts	11
Parking Enforcement System Upgrade	200	942	Capital Receipts	10
CUT- OFF BASED ON £37M OF CAPITAL RECEIPTS BEING ACHIEVED				
Asset Management Software	500	442	Capital Receipts	10
Hyde Indoor Market Redevelopment	2,500	-2,058	Capital Receipts	9
Crowded Places Pedestrian Safety	250	-2,308	Capital Receipts	9
Tameside Highways Asset Management Plan 20/21-22/23	9,000	-11,308	Capital Receipts	8
Borough Gateways	300	-11,608	Capital Receipts	3
Ashton Library	200	-11,808	Capital Receipts	3
A&E Streaming	700	-12,508	Capital Receipts	2
Total earmarked schemes	32,322			
Funding Shortfall / Additional Capital Receipts to be identified for sale			-12,508 New Capital Receipts Requirement	

Prioritisation Exercise Update - January 2020

Self Financing Schemes

Capital Scheme	Value £000	Funding Required
Fleet replacement	1,135	Prudential Borrowing
Denton Health Hub	6,900	Prudential Borrowing
Union Street Health Hub	5,500	Prudential Borrowing
Care Together Digital Funding	3,000	Prudential Borrowing
Total Self Financing Schemes (Subject to full business case)	16,535	

Other pressures and schemes since March 2019 Executive Cabinet Prioritisation report which have been approved:

Scheme	Value £000	Funding
Fleet Replacement Programme	2,400	Prudential Borrowing
Hyde Pool Extension	570	Capital receipts or Corporate
Wellness Centre	150	Capital receipts or Corporate
ICT Development	1,400	Prudential Borrowing
Active Medlock	120	Capital receipts or Corporate
Total	4,640	

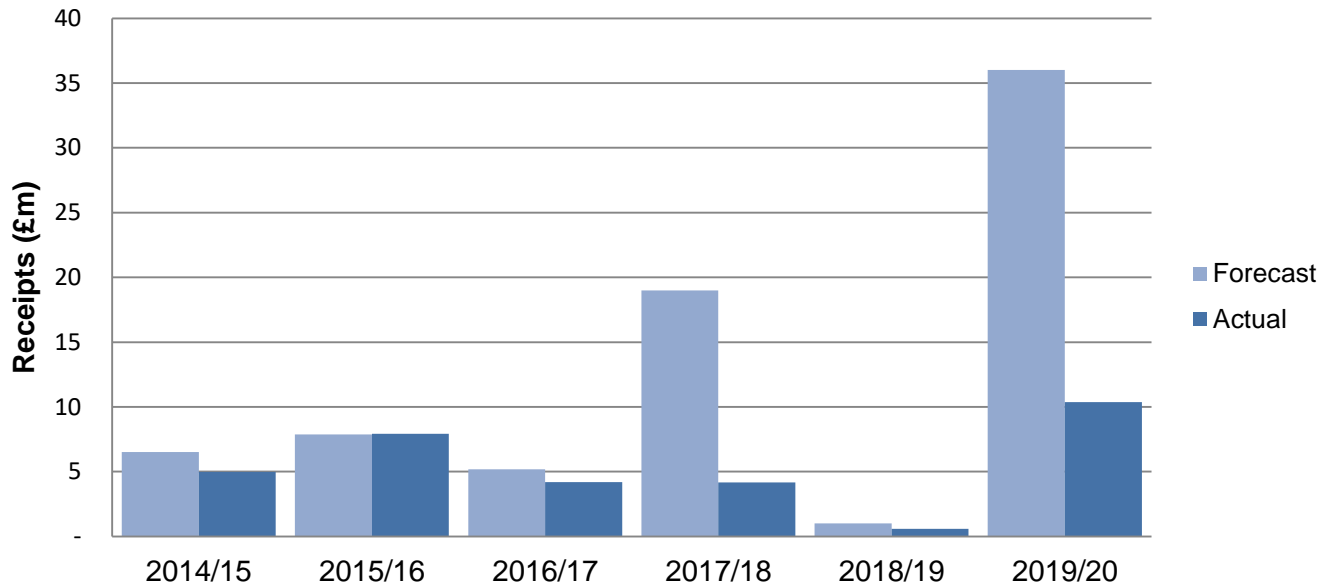
Prioritisation Exercise Update - January 2020

Revised Financing Table following updated Capital receipts level anticipated to be £37m.

Proposed Financing at P6	Total
Corporate	79,625
RCCO	268
Borrowing	17,800
Contribution	1,320
Grant	34,912
S106	0
Specific Receipt	-
Total	133,969
Available Corporate Funding	
Capital Reserve	16,287
Forecast Receipts	37,000
Total Available Corporate Funding	53,287
Total Approved Schemes requiring Corporate Funding	33,473
Surplus after Financing Approved Schemes	19,814
Earmarked Schemes (including business critical schemes)	48,857
Shortfall of Funding Available to Finance Earmarked Schemes	(29,043)
Prudential Borrowing (linked to specific schemes)	15,400
Fleet Reserve	1,135
Revised Shortfall of Funding Available to Finance Earmarked Schemes	(12,508)

Appendix 3 - Receipts (forward looking & in year)

Forecast and Actual Receipts from Fixed Asset Disposals



Officers are continuing with the disposal of development sites that have already been approved or agreed for development and sale, and which are mainly based around the legacy school sites following the Building Schools for the Future along with the sites identified for development by Matrix Homes. The prioritisation exercise assumes forecast to be 37m, capital receipts to date is circa £9.968m

A review of surplus non-operational Council assets is being undertaken to identify other sites for disposal. Disposals of any further sites are currently on hold pending the approval of the disposals policy.

Receipts achieved in year to 31st January are £9.968m.

Appendix 4 - Prudential Indicators

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Operational Boundary for External Debt	200,356	141,505	(58,851)
Authorised Limit for External Debt	220,356	141,505	(78,851)

- 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	182,611	21,853	(160,758)
Upper Limit for variable	60,870	(93,605)	(154,475)

- 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	182,611	182,611	-

- The Capital Financing Requirement (CFR) measures the Council's underlining need to borrow for capital purpose, 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	117,301	28,239	(89,062)

- This is the estimate of the total capital expenditure to be incurred.

Gross borrowing and the capital financing requirement	CFR @ 31/12/18 + increase years 1,2,3	Gross borrowing	Amount within limit
	£000s	£000s	£000s
	182,611	141,505	(41,116)

- 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).

Maturity structure for borrowing 2019/20		
Fixed rate		
Duration	Limit	Actual
Under 12 months	0% to 15%	0.25%
12 months and within 24 months	0% to 15%	0.26%
24 months and within 5 years	0% to 30%	3.26%
5 years and within 10 years	0% to 40%	2.51%
10 years and above	50% to 100%	93.72%

- 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, shorter term borrowing may be used. Given the low current long term interest rates, it is felt it is acceptable to have a long maturity debt profile.