Report To:	**STRATEGIC PLANNING AND CAPITAL MONITORING PANEL**
Date:	6 July 2020
Executive Member / Reporting Officer:	Cllr Ryan – Executive Member (Finance and Economic Growth) Kathy Roe – Director of Finance
Subject:	**CAPITAL PROGRAMME OUTTURN REPORT 2019/20**
Report Summary:	**Appendix One** sets out the Capital Programme Outturn for 2019/20 and provides a forward look to the financing of the 2020/21 Programme. The existing 2020/21 programme is dependent on the realisation of planned capital receipts. The current and forecast economic conditions means there is an increased risk that capital receipts may not be achieved or that values are diminished. If additional capital receipts cannot be realised, there is a risk that the Capital Programme is not financially sustainable. This report was considered by Executive Cabinet on 27 May 2020 as part of the wider finance report.
Recommendations:	Members of Panel are recommended to : 1. Note the Capital outturn position and financing for 2019/20, and the capital financing risks for 20/21 and beyond as set out in **appendix one**. Members are asked note that Executive Cabinet on 27 May 2020 were asked to **approve**: i) The re-profiling of £5.344m of Capital Budgets to reflect up to date investment profiles; ii) The updated Prudential Indicator position which was approved by Council in February 2019 iii) Budget virement of £178k to Vision Tameside from Vision Tameside Public Realm; and iv) Reprioritisation of corporate funded capital budget of £110k for Godley Green to be returned to the funding pot following approval of the £10m from Homes England.
Policy Implications:	Budget is allocated in accordance with Council Policy
Financial Implications: (Authorised by the Section 151 Officer & Chief Finance Officer)	The existing 2020/21 capital programme is dependent on the realisation of planned capital receipts. The current and forecast economic conditions means there is an increased risk that capital receipts may not be achieved or that values are diminished. If additional capital receipts cannot be realised, there is a risk that the Capital Programme is not financially sustainable.
Legal Implications: (Authorised by the Borough Solicitor)	It is a statutory requirement for the Council to set a balanced budget. 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. If there are insufficient

capital receipts it will be necessary to review the programme and align so that expenditure doesn't exceed the available resources. The Council also needs to ensure that it is has a clear programme which it would commit to if it had funding so it is able to put forward for a grant funding which Government will make available to deal with the impact of Covid.

Risk Management:

Associated details are specified within the presentation.

Demand for capital resources exceeds availability and it is essential that those leading projects ensure that the management of each scheme is able to deliver them on plan and within the allocated budget.

Close monitoring of capital expenditure on each scheme and the resources available to fund capital expenditure is essential and is an integral part of the financial planning process. We continue to experience significant delays to a number of projects, resulting in slippage in the programme.

There is very limited contingency funding set aside for capital schemes, and any significant variation in capital expenditure and resources, particularly the delivery of capital receipts, will have implications for future revenue budgets or the viability of future capital schemes.

Access to Information:

Background papers relating to this report can be inspected by contacting :

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1. BACKGROUND

1.1 This is the final capital monitoring report for 2019/20, summarising the outturn position on capital expenditure at 31 March 2020.

1.2 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 £42.013m (after re-profiling approved at Period 10) and outturn for the financial year is £37.341m. 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. CAPITAL PROGRAMME 2019/20

2.1 The approved Capital Programme budget for 2019/20 is £42.013m. Service areas have spent £37.341m on capital investment in 2019/20, which is £4.672m less than the capital budget for the year. This variation is spread across a number of areas, and is made up of a number of over/underspends on a number of specific schemes (£0.673m) less the re-phasing of expenditure in some other areas (£5.344m). 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. Further detail is included at **Appendix 1.**

2.3 The Capital Programme for 2020/21 and beyond is summarised in **Appendix 1.** After the financing of expenditure in 2019/20 the Council is holding a balance of £14.593m in the Capital Investment Reserve to fund the £18.792m of budgeted schemes that require corporate funding. Delivery of the Capital Programme is now therefore highly dependent on the realisation of planned Capital Receipts. The current COVID-19 pandemic increases the risk that Capital receipts will either not be achievable or that values will be diminished, putting the delivery of Capital Investment objectives at risk.

3. RECOMMENDATIONS

3.1 As stated on the front cover of the report.