

P3 2020/21 Capital Monitoring



2020/21 P3 Capital Monitoring Report

INTRODUCTION

This is the first capital monitoring report for 2020/21, summarising the forecast outturn at 31 March 2021 based on the financial activity to 30 June 2020.

The detail of this monitoring report is focused on the budget and forecast expenditure for fully approved projects in the 2020/21 financial year. The approved budget for 2020/21 is £60.067m (after re-profiling approved at Outturn) and current forecast for the financial year is £47.684m. There are additional schemes that have been identified as a priority for the Council, but approval will be subject to the identification of resources for funding and satisfactory business cases approved by Executive Cabinet.

SUMMARY

The current forecast is for service areas to have spent £47.684m on capital investment in 2020/21, which is £12.383m less than the current 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 (£0.123m) less the re-profiling of expenditure in some other areas (£12.503m).

Key messages at P3 monitoring are as follows:

- The delays in Vision Tameside Public Realm is due to the Council being asked to prioritise works to the junction in front of the new Interchange. A procurement exercise is due to start this month and works are expected to commence in November 2020. There have also been delays in Ashton Town Centre and Civic Square due to COVID and staff being redeployed to other priority areas of the Council. Design work is on-going throughout 20/21 and is expected to be completed later in the financial year.
- There have been unforeseen delays to the LED Street Lighting scheme which has resulted in delays between the procurement of materials and the appointment of consultants. Design work is expected to be completed shortly and the scheme is due to be completed by the end of the 2021/22 financial year.

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	2020/21 Budget	Actual to 30 June 2020	Projected 2020/21 Outturn	Projected Outturn Variation	P3 Slippage
	£000	£000	£000	£000	£000
Growth					
Investment & Development	10,311	601	8,308	2,003	(2,003)
Corporate Landlord	335	64	200	135	(137)
Estates	114	0	114	0	0
Operations and Neighbourhoods					
Engineers	10,496	367	5,886	4,610	(4,589)
Vision Tameside	5,792	20	527	5,265	(5,272)
Environmental Services	4,242	230	3,970	272	(342)
Transport (Fleet)	2,349	58	2,376	(27)	0
Stronger Communities	16	0	16	0	0
Children's					
Education	13,955	244	13,938	17	0
Children	442	47	442	0	0
Finance & IT					
Finance	3,730	3,740	3,740	(10)	0
Digital Tameside	3,282	959	3,249	33	0
Population Health					
Active Tameside	3,861	464	3,936	(75)	0
Adults					
Adults	1,142	44	982	160	(160)
Total	60,067	6,838	47,684	12,383	(12,503)

Table 1: Capital Monitoring Statement 2020/21

The current forecast is for service areas to have spent £47.684m on capital investment in 2020/21, which is £12.383m less than the current 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 (£0.123m) less the re-profiling of expenditure in some other areas (£12.503m).

2020/21 P3 Re-profiling

	2020/21 Re-profile Q1
	£000
Growth	
Investment & Development	2,003
Corporate Landlord	137
Estates	0
Operations and Neighbourhoods	
Engineering Services	4,589
Vision Tameside	5,272
Environmental Services	342
Transport	0
Stronger Communities	0
Children's	
Education	0
Children	0
Finance & IT	
Finance	0
Digital Tameside	0
Population Health	
Active Tameside	0
Adults	
Adults	160
Total	12,503

Table 2: Re-profiling requested into 2021/22

Proposed re-profiling of £12.503m include:

- **Investment & Development:** Re-profiling mainly relates to Godley Garden Village as a detailed programme outlining spend is yet to be agreed and also Disabled Facilities Grant as there has been a 50% reduction in work due to COVID-19 and work taking longer than usual to complete.
- **Corporate Landlord:** Re-profiling relates to Retrofit. There is a pipeline of work being planned, however this has been put on temporary hold due to the requirements on us to review our property assets based on service requirements for property post COVID 'lessons learnt'.
- **Engineering Services:** There were unforeseen delays in the procurement of materials and the appointment of consultants to undertake the LED designs. There is a delay in the Hyde to Mottram scheme following a recent feasibility study. Once the issues are addressed work can re-commence.
- **Vision Tameside:** Re-profiling relates to public realm works as well as delays on the Ashton Town Centre project which has been affected by COVID-19.
- **Environmental Services:** Re-profiling relates to Children's playgrounds. This scheme has been delayed in starting due to COVID-19. There are now additional delays to starting the scheme as Engineers have had to re-prioritise staff resources. It is expected that work will commence on site in October 2020.
- **Adults:** The funding relates to a number of 2 year fixed term posts to support the Moving with Dignity scheme. Delays in recruitment have meant that the funding requirement has been partly re-phased into 2021/22.

Programme Summary

TOTAL APPROVED AND EARMARKED CAPITAL PROGRAMME- JUNE 2020				
	2020/21 Budget (Approved)	2020/21 Projected Outturn	2021/22 Budget (Approved)	2020/21 Budget (Earmarked)
	£000	£000	£000	£000
Growth				
Investment & Development	10,311	8,308	6,720	9,630
Corporate Landlord	335	200	0	7,228
Estates	114	114	0	1,400
Operations and Neighbourhoods				
Engineering Services	10,496	5,886	0	12,250
Vision Tameside	5,792	527	0	0
Environmental Services	4,242	3,970	0	700
Transport	2,349	2,376	0	0
Stronger Communities	16	16	0	200
Children's				
Education	13,955	13,938	0	0
Children's	442	442	0	508
Finance & IT				
Finance	3,730	3,740	0	500
Digital Tameside	3,282	3,249	0	0
Population Health				
Active Tameside	3,861	3,936	0	0
Adults				
Adults	1,142	982	0	12,700
Total	60,067	47,684	6,720	45,116

Programme Summary - After Re-profiling

TOTAL APPROVED AND EARMARKED CAPITAL PROGRAMME- JUNE 2020				
	2020/21 Budget (Approved)	2020/21 Projected Outturn	2021/22 Budget (Approved)	2020/21 Earmarked Schemes (No approved Budget)
	£000	£000	£000	£000
Growth				
Investment & Development	8,308	8,308	8,723	9,630
Corporate Landlord	114	200	0	7,228
Estates	198	114	137	1,400
Operations and Neighbourhoods				
Engineering Services	5,907	5,886	4,589	12,250
Vision Tameside	520	527	5,272	0
Environmental Services	3,900	3,970	342	700
Transport	2,349	2,376	0	0
Stronger Communities	16	16	0	200
Children's				
Education	13,955	13,938	0	0
Children's	442	442	0	508
Finance & IT				
Finance	3,730	3,740	0	500
Digital Tameside	3,282	3,249	0	0
Population Health				
Active Tameside	3,861	3,936	0	0
Adults				
Adults	982	982	160	12,700
Total	47,564	47,684	19,223	45,116

Programme Changes & Summary


Changes to the Capital Programme	2020/21	2021/22	2022/23	Total
	£000	£000	£000	£000
Opening 2020/21 Approved Capital Programme	54,020	6,720	0	60,740
2019/20 Re-Profiling to 20/21	5,344			5,344
Changes per Executive Cabinet 22 April 2020				
- Statutory Compliance (Additional Budget)	61			61
Changes 17 June 2020				
- St Lawrence Road Denton (Approval of earmarked budget)	42			42
- Fairlea Denton and Greenside Lane (Additional Budget)	600			600
Period 3 Fully Approved Capital Programme	60,067	6,720	0	66,787

Status	Number of Schemes	2020/21 Budget	2021/22 Budget	2022/23 Budget	Total Budget
Approved	121	60,067	6,720	0	66,787
Earmarked	19	45,116	0	0	45,116
Total	140	105,183	6,720	0	111,903

Service Area Detail Overview

	2020/21 Budget	2020/21 Actual	2020/21 Projected Outturn	2020/21 Projected Outturn Variation	Re-profiling to be approved	Projected Outturn Variation after Slippage
	£000	£000	£000	£000	£000	£000
Growth						
Investment & Development	10,311	601	8,308	2,003	(2,003)	0
Corporate Landlord	335	64	200	135	(137)	(2)
Estates	114	0	114	0	0	0
Operations and Neighbourhoods						
Engineering Services	10,496	367	5,886	4,610	(4,589)	21
Vision Tameside	5,792	20	527	5,265	(5,272)	(7)
Environmental Services	4,242	230	3,970	272	(342)	(70)
Transport	2,349	58	2,376	(27)	0	(27)
Stronger Communities	16	0	16	0	0	0
Children's						
Education	13,955	244	13,938	17	0	17
Children	442	47	442	0	0	0
Finance & IT						
Finance	3,730	3,740	3,740	(10)	0	(10)
Digital Tameside	3,282	959	3,249	30	0	30
Population Health						
Active Tameside	3,861	464	3,936	(75)	0	(75)
Adults						
Adults	1,142	44	982	160	(160)	0
Total	60,067	6,838	47,684	12,380	(12,503)	(123)

Education Budget Virements

	2020/21 Opening Budget	Changes SPCMP 6 July 2020	Changes Executive Cabinet 29 July 2020	Total Budget
SCHOOL CONDITION SCHEMES				
Arlies Primary	23,000	25,000	16,000	64,000
Broadbottom Primary	8,000	100,000	(27,000)	81,000
Buckton Vale Primary	3,000	197,000	(150,000)	50,000
Corrie Primary	6,000		11,000	17,000
Gorse Hall Primary	5,000	10,000	(6,000)	9,000
Holy Trinity Gee Cross Primary	63,000	20,000		83,000
Hollingworth Primary	64,000		(64,000)	0
Lyndhurst Primary	13,000			13,000
Milton St Johns Primary	3,000			3,000
Ravensfield Primary	3,000			3,000
St Johns CE Dukinfield	21,000			21,000
Millbrook Primary	59,000	50,000	28,000	137,000
Russell Scott Primary	246,000			246,000
Asbestos Survey	98,000		(20,000)	78,000
Stock Condition Survey	27,000	50,000		77,000
Structural Engineers Fees	1,000	10,000		11,000
School Condition Related Works Contin	92,000	58,000		150,000
Micklehurst Primary	0	22,000		22,000
St Anne's Denton	0	150,000		150,000
Livingstone Primary	0	250,000	164,000	414,000
The Heys Primary	0	10,000	19,000	29,000
Fairfield Primary	0	80,000	38,000	118,000
Fire Safety Works	0	100,000		100,000
Glass balustrade protection works	0	10,000		10,000
Total Budgets	735,000	1,142,000	9,000 	1,886,000
School Condition Unallocated Funding	1,664,149	(1,142,000)	(9,000)	513,149
School Condition Total Funding	2,399,149	0	0	2,399,149

Further changes are required to the Education budgets for School Condition Schemes following the receipt of further cost information and quotes from the LEP in early July. Initial Budgets were high level estimates prior to receiving quotes for works. Most of these works are planned to take place over the summer holidays. Members are asked to approve the budget virements listed in this table. Members are also asked to give approval that, subject to the total overall budget for School Condition Schemes not exceeding £1.886m, the Assistant Director of Education, in consultation with the Assistant Director Finance, is given authority to undertake further virements of funding between these projects should further changes be required.

Prudential Indicators

	Limit	Actual	Amount within limit
	£000s	£000s	£000s
Operational Boundary for External Debt	202,431	141,510	(60,921)
Authorised Limit for External Debt	222,431	141,510	(80,921)

- 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	191,128	41,684	(149,444)
Upper Limit for variable	63,709	(55,325)	(119,034)

- 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	191,128	191,128	-

- The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for capital purposes, 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	105,183	6,838	(98,345)

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

Gross borrowing and the capital financing requirement	CFR @ 31/03/20 + increase years 1,2,3	Gross borrowing	Amount within limit
	£000s	£000s	£000s
	191,128	141,510	(49,618)

- 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.