

TRAFFORD COUNCIL

Report to: Executive

Date: 28 September 2020

Report for: Information

Report of: The Executive Member for Finance and Investment and the Corporate Director of Finance and Systems

Report Title:

Budget Monitoring 2020/21 – Period 4 (April to July 2020).

Summary:

The purpose of this report is to inform Members of the current 2020/21 forecast outturn figures relating to both Revenue and Capital budgets. It also summarises the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Recommendation(s)

It is recommended that the Executive:

- a) note the updated positions on the revenue budget, collection fund and capital programme and;
- b) note the level of design fees on the regeneration scheme at the former Sale Magistrates Court as detailed in Paragraph 35 of the report.

Contact person for access to background papers and further information:

David Muggeridge, Finance Manager, Financial Accounting Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue and Capital expenditure to be contained within available resources in 2020/21.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Other Options

Not Applicable

Consultation

Not Applicable

Reasons for Recommendation

Not Applicable

Finance Officer Clearance ...GB.....

Legal Officer Clearance JLF.....

CORPORATE DIRECTOR'S SIGNATURE ... 

REVENUE BUDGET

Budget Monitoring - Financial Results

1. The approved budget for 2020/21 agreed at the 19 February 2020 Council meeting is £175.26m. In determining the budget an overall gap of £18.56m was addressed by a combination of additional resources of £8.50m, including projected growth in business rates, council tax and use of reserves and £10.06m of service savings and additional income.
2. Since the budget was set, the outbreak of COVID-19 has had far reaching implications on the Council's expenditure, income and overall funding both in the current financial year and also future years; the impact of this will be included in the draft budget to be presented to Executive on 12 October 2020.
3. Monitoring the impact of COVID-19 is undertaken and reported to MHCLG monthly and based on the return submitted on 4 September 2020 the total pressures in 2020/21 amount to £45.58m. Included in the latest projections are some favourable updates in a number of areas:-
 - Improved council tax collection;
 - Loss of income from traded services is better than anticipated due to all pupils returning to schools on a full time basis in early September 2020;
 - Sustainability support to care providers ceasing earlier than originally forecast.
4. In July 2020 the Executive received the first budget monitoring report of the year which indicated a potential budget shortfall of £17.70m but at the time of writing the report the Government announced a further package of support measures to support local authorities, details of which have now been made available and include:
 - A third tranche of funding worth £1.81m (£14.47m in total) to support expenditure pressures, of which £1.40m was used to cover pressures in March 2020, leaving £13.07m for 2020/21;
 - Support for reductions in Sales, Fees and Charges income, with the Government covering 75% of losses beyond 5% of planned income, estimated to be worth £3.00m;
 - Phased repayment of Collection Fund deficits over the next 3 years. At this stage in the year it is projected a shortfall in income from council tax and business rates of £7.74m; this will not impact on the budget position in 2020/21 and instead be spread over the following three years. Government has given a commitment to determine what support is needed to help councils meet the pressures of irrecoverable tax income at the Spending Review;
 - Exceptional Support at an individual authority level for those with unique circumstances.
5. In addition the Council is also projected to receive specific funding of £12.55m from government grants like Test and Trace and Infection Control Grant and contributions are anticipated from Trafford Clinical Commissioning Group (CCG) to support the NHS to ensure speed of discharges from hospital and provision of PPE.

6. A full review of budgets has been undertaken and including the support above the projected outturn is for an overspend of £2.248m, before the application of corporate reserves.
7. As part of the work undertaken on the budget a full review of Council reserves has been undertaken to identify the levels available to support both any remaining in-year shortfalls and the budget in future years. Whilst officers continue to work with MHCLG to support the financial position it is clear there is an expectation from Government that authorities will share an element of the burden. Work is ongoing through the Corporate Leadership Team and the Executive to review a range of budget options that support the Council's recovery ambitions and help address the budget shortfalls in the current and future years but in the event that an overspend remains for 2020/21 then this will be financed from reserves.
8. As in period 2, the variances included in the projections in the report, need to be treated with caution as there are many unknowns such as:
 - how demand, particularly in adults and children's social care services will impact on the budget during the remainder of the year;
 - the risk and implications of a second spike in infections would inevitably increase the costs associated with hospital discharges as well as other council income streams;
 - The end of the Government's Job Retention Scheme in October 2020 will increase the pressure on Council Tax collection rates and could lead to an increase in benefits such as Council Tax Support and Housing Benefit awards.
9. Detailed below in Table 1 is a summary breakdown of the service and funding variances against budget, with Table 2 providing an explanation of the variances:

Table 1: Budget Monitoring results by Service	2020/21 Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)	Percentage
Children's Services	41,920	43,489	1,569	3.7%
Adult Services	49,295	50,703	1,408	2.9%
Public Health	12,115	12,137	22	0.2%
Place	29,284*	35,571	6,287	21.5%
Strategy and Resources	5,066*	7,646	2,580	50.9%
Finance & Systems	7,812*	7,638	(174)	(2.2)%
Governance & Community Strategy	6,391*	7,024	633	9.9%
Total Directorate Budgets	151,883	164,208	12,325	8.1%
Council-wide budgets	23,378*	17,825	(5,553)	(23.8%)
Net Service Expenditure variance	175,261	182,033	6,772	3.91%

Funding				
Business Rates (see para. 20)	(65,531)	(65,531)	0	
Council Tax (see para. 15)	(103,990)	(103,792)	198	0.19%
Reserves Budget Support	(4,524)	(4,524)		
Reserves to Support COVID-19		(4,722)	(4,722)	
Collection Fund surplus	(1,216)	(1,216)		
Funding variance	(175,261)	(179,785)	(4,524)	(4.86%)
Net Revenue Outturn variance	0	2,248	2,248	1.28%
Dedicated Schools Grant	139,392	140,015	623	0.4%

Budget Adjustments and Virements

* Following the recent Strategic Services Review there have been a number of changes to the Directorate Structure, and therefore net Revenue Budgets, as detailed in Appendix 1. There has also been one small budget re-alignment between Place and Council-wide of £38k.

Main variances, changes to budget assumptions and key risks

10. The main variances contributing to the projected overspend in service budgets of £6.772m, any changes to budget assumptions and associated key risks are highlighted below:

Table 2: Main variances	Forecast Variance (£000's)	Explanation/Risks
Children's Services	1,569	<p>Projected outturn variance £1.569m adverse; a favourable movement of £12k since Period 2.</p> <p>The coronavirus pandemic has had a significant impact on the service both in terms of changes to its service delivery and finances. The estimated pressures are outlined below:</p> <ul style="list-style-type: none"> • The overall savings target for the service was £1.611m, of which £974k is not anticipated to be achieved; • Anticipated increase in overall demand in placements of £226k (Note 1); • Anticipated surge in demand and subsequent support required at an early stage £600k; • Underspend on staffing budgets of £1.371m (Note 2); • Additional transport costs of £800k due to social distancing requirements; • Loss of income of £251k, an adverse movement of £21k, mainly seen at the two nurseries and those service areas unable to provide face to face training;

		<ul style="list-style-type: none"> • Other minor additional costs £89k (Note 3). <p>Note 1</p> <p>Current projections indicate there is an estimated overspend of £226k, no movement from P2. However there has been movement within the different categories of care.</p> <p>The numbers of children as at the end of July are as follows:-</p> <ul style="list-style-type: none"> • children in care 378, a reduction of 1; • child protection is 217, an increase of 6; • children in need 758, an increase of 62. <p>The above position assumes that £541k of the original savings target will be achieved in full and as at the end of July £380k of this has been achieved.</p> <p>A contingency of £224k is also included to cover any further demand and potential timeline changes to the anticipated reductions mentioned above.</p> <p>Note 2</p> <p>There are underspends in staffing of £1.371m; this is a favourable movement of £299k, which is mainly due to further delays in recruiting to the posts created as a result of the additional investment in the service.</p> <p>Note 3</p> <p>The adverse variance in running costs and income across the service is £89k; an adverse movement of £266k. The reason for this adverse movement are as follows:</p> <ul style="list-style-type: none"> • Home to School transport £232k, this being the full year effect of pressures seen in 19/20. The impact of routes and numbers for the new school year in September 2020 are yet to be finalised and could increase the overspend in this area; • Minor variances £34k.
Adult Services	1,408	<p>Projected Outturn variance £1.408m adverse, a favourable movement of £2.702m since Period 2</p> <p>The coronavirus pandemic has had a significant impact on the service both in terms of changes to its service delivery and finances and is planning for a second spike in COVID-19 infection. The areas of estimated pressures are outlined below:</p>

- The overall savings target for the service was £1.348m, of which £949k is not anticipated to be achieved, no movement;
- Payments to care providers of £1.785m to meet additional costs and provide sustainability in the market, favourable movement of £2.548m due to this support ceasing at the end of September 2020;
- Anticipated increase in client demand of £1.0m following the isolation of many vulnerable people within the population both due to increased physical need and mental health support, favourable movement of £52k;
- £2.204m below budget on Adult clients; no movement (Note 1);
- Additional staffing and other costs of £125k, adverse movement of £58k;
- Additional Personal Protective Equipment £610k of which £490k is recovered from CCG and £120k is met by the Council, no movement;
- £367k below budget due to vacancies and one-off savings; favourable movement of £160k (Note 2).

In addition to this there are further estimated costs as outlined below:

- £7.357m which will be met by the CCG from their allocation given by NHSE for hospital discharges; although a neutral cost to the Council, this has increased by £3.55m since Period 2 and reflects the costs of new clients that have come into the system as a result of speedy discharges from hospital with clients returning to the community quicker than usual with support from Social Care through a combination of Home, Residential and Nursing care. From 1st September appropriate care costs will revert back to the Council's budget and estimates have been assumed in our forecast outturn;
- £2.270m for infection control for care providers which will be met by government grant.

Note 1

Adult Clients currently projects a £2.204m favourable variance; no movement since P2.

This budget has and continues to increase in both its complexity and volatility as a result of the coronavirus pandemic.

Although there is no movement from P2 within the forecast there is an estimate of the costs of those on going packages of care, currently met by Trafford CCG from the outset of COVID-19 in line with the national COVID-19 guidance, which during September/October 2020 will become the financial responsibility of the appropriate organisation. The current forecast cost for these care packages is

		<p>£4.2m. At this stage an estimate has been included of £962k (just over 20%) as to the amount that will either transfer to the CCG as continuing health care (CHC) packages or from client contributions once financial assessments have been undertaken. It should be noted that this estimate has the potential to vary and it will not be until the next monitoring report that a more exact figure will be available together with the client numbers in receipt of adult social care.</p> <p>Within the projection there is a contingency of £1.892k set aside for additional increases in demand/cost pressures throughout the financial year.</p> <p>Savings of £263k have been achieved mainly as a result of the work undertaken during 2019/20 and its full year impact into 2020/21, with an expectation that another £100k will be achieved by the end of March 2021. The remaining target for adult clients of £748k is not anticipated to be achieved due to the need to respond to the COVID-19 pandemic.</p> <p>It must be noted that the risk posed by a second spike in COVID-19 infections would place an increased demand on the Service due to the requirement to support the NHS to ensure speed of discharges from hospital. At this stage the only allowance included within these projections is that as from the 1st September 2020, up to 6 weeks cost of discharges from hospital will be met by Trafford Clinical Commissioning Group (CCG).</p> <p>Note 2 The current forecasts indicate there is a favourable variance of £367k; a favourable movement of £160k. This is due to the following:</p> <ul style="list-style-type: none"> • £209k favourable variance on staffing due to vacancies; favourable movement of £26k; • £206k favourable variance on client equipment and maintenance due to the impact of COVID-19; favourable movement of 134k; • £48k adverse variance on contracts; no movement.
Public Health	22	<p>Projected Outturn variance £22k adverse, a favourable movement of £11k since Period 2.</p> <p>All of this variance, £22k, is projected as COVID-19 related Council spend on staffing a favourable movement of £11k since period 2.</p> <p>In addition to this there are further estimated costs due to COVID-19 of £1.157m for the test and trace service which will be met by a specific government grant.</p> <p>Due to the need to respond to the COVID-19 pandemic, discussions with Manchester Foundation Trust on the community contract are currently on hold. The current forecast anticipates that spend will be</p>

		in line with current budget.
Place	6,287	<p>Projected outturn variance £6.287m adverse, a favourable movement of £43k since Period 2</p> <p>The forecast pressures include:</p> <ul style="list-style-type: none"> • Income losses on parking fees and fines £887k, property rentals £763k, outdoor media advertising £631k, planning fees £565k, building control fees £168k, licencing £132k, highways permits £98k, street trading £60k and pest control £38k. Income pressures are £54k lower than last reported which relates to outdoor media and planning fees. The figures also include the potential requirement to support Trafford Leisure which has estimated trading deficits for 2020/21 due to the current closure of the centres in line with Government requirements, as reported previously. The approach to reopening centres and the financial implications are currently being considered and are to be the subject to a further report; • Expenditure pressures £705k waste disposal, £114k waste collection, £140k for rough sleepers, £50k inclusive neighbourhoods, £50k high street reopening, £35k traffic management, £22k play areas, £22k operational buildings and £14k staff overtime. Expenditure pressures are £164k lower than last reported which includes £250k related to waste disposal, based on latest collection tonnage estimates, offset by the new pressures identified relating to high streets, play areas and staff overtime above; • Non-COVID-19 related overspends in the forecast outturn includes £193k relating to property related costs, an additional £93k, which includes those awaiting disposal or redevelopment, and a shortfall in building control income £111k since March; • These are offset by a forecast underspend of £320k relating to staff vacancies (5.8% of the staff budget), an increase of £27k, plus additional income above budget for Altair £120k and other rents £19k; • The Planning service is a ring-fenced account and has a forecast underspend of £230k in staffing and running costs which can be utilised to offset the COVID-19 income pressures for Planning application fees above. This is a £122k adverse movement due to additional costs forecast. <p>The Strategic Investment Property Portfolio is being closely monitored and pressures are forecast in achieving the budgeted levels of income primarily from the town centre related assets, namely Streford Mall, Stamford Quarter and Grafton Centre. At this stage the estimated income from the other assets is broadly as expected, although, a number of tenants have requested to pay rent on a monthly basis. Any shortfall in budgeted income at year end will be</p>

		<p>met through a reduced contribution to the Strategic Property Investment Reserve or offset by additional income. The portfolio is therefore still forecast to provide a net benefit to the Council's revenue budget of £7.43m in 2020/21, while making a prudent contribution to the risk reserve; the projected balance estimated to be £5.562m at 31/3/21.</p> <p>Since the last monitoring report, an additional facility agreement has been agreed by the Investment Management Board; comprising an early drawdown of the agreed debt facility for the Hut Group to support new regeneration. This additional income, forecast to be a net £408k in 2020/21 will be used to offset any income shortfalls that may arise from the town centre related assets.</p>
Strategy and Resources	2,580	<p>Projected outturn variance £2.580m adverse, a favourable movement of £1.618m since Period 2</p> <p>The forecast Covid-19 pressures include:</p> <ul style="list-style-type: none"> • Traded income - forecast losses have reduced based on the recovery of free school meal grants (passported from schools) over the summer term and also the expected full return of pupils to schools from September 2020, which had previously been assumed to be phased up to the end of December 2020. Trading losses now include £2.154m in Catering (reduction of £1.078m), £50k in Cleaning (reduction of £193k) and £396k in the Music Service (reduction of £264k). There is also a net £74k loss of income from staff parking which is suspended until September 2020, which is £51k lower, and £7k loss of other SLA income; • Additional expenditure relating to staffing £20k. <p>The above pressures include assumptions around improvements in the impact of COVID-19 on the various finances as the year progresses. This is a key risk.</p> <p>Other Variances £121k favourable, a favourable movement of £32k since Period 2:</p> <ul style="list-style-type: none"> • Forecast staff costs are £170k below budget across the Directorate based on actual and projected vacancies across the year (2.3% of the staff budget), a favourable movement of £10k; • General running costs are overspent by £16k, adverse movement of £8k; • Net additional income above budget of £24k, favourable movement of £13k; • Bereavement Services net additional income after costs of £69k, favourable movement of £17k;

		<ul style="list-style-type: none">• These are offset by the budgeted Directorate-wide efficiency saving target of £126k.
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Finance & Systems	(174)	<p>Projected outturn variance £174k favourable, a favourable movement of £138k since Period 2</p> <p>COVID-19 Forecast Pressures £137k, an adverse movement of £50k since Period 2:</p> <p>This relates to additional unplanned expenditure of £142k, an increase of £50k, directly related to the COVID-19 pandemic, in particular related to ICT equipment and systems. Exchequer also has a number of COVID-19 related cost pressures relating to staff £31k, welfare assist food costs £20k and £8k for NNDR software changes. These are offset by a £64k increase in the Local Housing Allowance grant.</p> <p>Other Variances £311k favourable, a favourable movement of £188k</p> <ul style="list-style-type: none"> • Forecast staff costs are £287k below budget across the Directorate, an increase of £38k, based on actual and projected vacancies across the year (3.4% of the staff budget). This includes £206k in Finance, mainly related to Exchequer Services where staff turnover is traditionally high, and £81k in ICT; • General running costs are forecast to be underspent by £205k, an increase of £141k, mainly due to reduced ICT systems and maintenance costs in advance of planned capital expenditure in-year; • Other additional income is £7k above budget, favourable movement of £9k; • These are offset by the budgeted Directorate-wide efficiency saving target of £188k, which is expected to be achieved in full.
Governance & Community Strategy	633	<p>Projected outturn variance £633k adverse, an adverse movement of £53k since Period 2</p> <p>COVID-19 Forecast Pressures £620k, an adverse movement of £99k since Period 2 (losses of income £360k and additional unplanned expenditure £260k):</p> <ul style="list-style-type: none"> • Losses of income relate to Sale Waterside Arts Centre £199k and £71k for events including Flixton House, adverse movement of £11k. Land charges income is projected to be £55k less than budget, which is an increase of £25k, and Registrar's £30k, which is £28k higher. There is also a £5k loss of income expected from library lettings; • Additional expenditure includes £415k of legal costs related to fees and additional agency staff required due to the increase in caseload, an increase of £32k. This is offset by the previously reported £150k saving from the local election being deferred until 2020/21 plus other running cost savings of £5k;

		<p>The above pressures include assumptions around improvements in the impact of COVID-19 on the various finances as the year progresses. This is a key risk.</p> <p>Other Variances £13k adverse, favourable movement of £46k:</p> <ul style="list-style-type: none"> • Forecast staff costs are £366k below budget across the Directorate, an increase of £98k, based on actual and projected vacancies reviewed across the year (6.2% of the staff budget). This includes £146k in Legal Services, £85k in Access Trafford (contact centre), £111k in Partnerships and Communities and £24k in Arts and Culture; • General running costs are overspent by £105k, adverse movement of £27k, mainly due to CRM software costs; • There is a shortfall in income projected of £72k, adverse movement of £25k, which includes £29k in capital fees, related to staff vacancies, and a £27k reduced forecast of grants in Democratic Services; • The net overall underspend of the above is offset by the budgeted Directorate-wide efficiency saving target of £202k.
Council-wide budgets	£(5,553)	<p>Projected outturn variance £5.553m favourable, a favourable movement of £5.814m since Period 2</p> <ul style="list-style-type: none"> • COVID-19 Support Grant – favourable £8.353m, positive movement of £1.814m since period 2. The Government announced a 3rd tranche of COVID-19 Support Grant of £1.814m in July 2020. All of these support grants have been accounted for in Council Wide as a centrally held resource for monitoring purposes. • COVID-19 Sales, Fees and Charges Compensation Scheme – £3.0m favourable - alongside the announcement of the 3rd COVID-19 support grant in July 2020, the Government announced a compensation scheme for lost income from Sales, Fees and Charges. Further details are shown in paragraph 27 and initial estimates suggest a figure of £3.0m will be recovered; this has been accounted for in Council Wide in the same manner as the support grants. • £5.193m adverse variance on Treasury Management – due to the impact of COVID-19 on the economy the MAG Dividend which is no longer expected of £5.597m , alongside a reduction in investment income due to lower interest rates of £120k, offset by additional income from strategic investments of £524k; • The Housing Benefit budget is notoriously difficult to predict and has been compounded by a backlog of claims, which has now been cleared but has identified further

		<p>overpayments, alongside the suspension of the collection of previous overpayments during the first quarter of the year. At period 2 a significant pressure on the net Housing Benefit budget (payments made, less subsidy and overpayment recovery) of £804k was predicted and broad estimates suggest this remains so, although there is a wide margin for error given the unknowns. Overpayment recovery was suspended in line with Government advice as a result of COVID-19 and a figure of £300k has been included in the forecast to reflect the full year impact. It was considered prudent at the end of the last financial year to bolster the Housing Benefit Reserve by a figure of £500k and this will be drawn on as a minimum to alleviate some of the in-year pressure. A reserve contribution of £500k will reduce the pressure to £304k. As the year progresses more accurate forecasts will be developed.</p> <ul style="list-style-type: none"> • £203k relating to Trafford's share of the AGMA wide Trafford Park Mortuary facility set up in response to the COVID-19 pandemic. • £100k relating to Trafford's share of the increased costs of the South Manchester Coroners' service due to the COVID-19 pandemic.
Dedicated Schools Grant	623	<p>Projected outturn variance £623k adverse, an adverse movement of £458k since Period 2</p> <p>The adverse position is associated with the high needs block which is forecasting a pressure of £667k, an increase of £449k from Period 2. This is represented by an increase in Out of Borough placements of £321k, £116k in SEN first term adjustments and backdated claims, £26k due to additional costs being incurred on the National Teaching & Advisory Service, offset by small under spends in Behaviour & Attendance & the PRUs. The remaining favourable variance has been caused by underspends in the schools block which is within de-delegated budgets and will be ring fenced for future years.</p>

MTFP SAVINGS AND INCREASED INCOME

11. The 2020/21 budget is based on the achievement of permanent base budget savings and increased income of £10.055m (see para. 1 above). At this stage the latest forecast indicates that there is a projected shortfall in the savings programme of £2.75m, and this includes a number being affected by COVID-19.

RESERVES

12. The balance brought forward as at 1 April 2020 of usable reserves was £91.35m, including schools and capital reserves. In February 2020, a figure of £4.53m was agreed to help support the 2020/21 revenue budget.

13. A full review of available reserves has commenced which will identify the minimum amount required to support the different risks the Council is exposed to. This will allow the release of reserves to support the COVID-19 pressures which will continue to be felt in 2021/22 budget and future years. The findings from the detailed assessment will be included in the Council's draft budget report.

TRANSFORMATION FUND

14. An update on the delivery of the projects financed from Transformation Funding will be provided in the period 6 monitoring report.

COLLECTION FUND

Council Tax

15. The 2020/21 surplus on the Council Tax element of the Collection Fund is shared between the Council (82%), the Police & Crime Commissioner for GM (13%) and GM Fire & Rescue Authority (5%). The total surplus brought forward as at 1 April 2020 was £1.12m. At the time the 2020/21 budget was prepared, an estimated surplus of £1.466m was anticipated and used to support the budget. The effect of this will result in an overpayment being made by the Collection Fund which will be made good in 2021/22 by the three preceptors. Trafford's share is £285k and was set aside in 2019/20 in an earmarked reserve for this purpose.
16. During the first four months of the year the challenges faced by COVID-19 have placed considerable pressure on the Council Tax Collection Fund and there is currently a forecast deficit of £7.02m caused by a fall of in year collection rates, an increase in Local Council Tax Support and higher than anticipated application of discounts and reliefs.
17. The Council has received a Government sponsored COVID-19 Council Tax Hardship Grant of £1.56m which will be used to compensate the Collection Fund for the Hardship Cases and will reduce the in year deficit to £5.46m, of which the Council's share would be £4.46m.
18. Of the pressures being experienced, a figure of £6.79m can be attributed to COVID-19, consisting of Cash Collection pressures, increase in Council Tax Support Scheme and delays in new properties coming online. Although there has been an improvement in cash collection rates since period 2, there remains potential uncertainty in the projections due to the unknown impact when the Government Job Retention Scheme is wound down later in the year.
19. As at 31 July 2020 the forecast year end balance on the Council Tax Collection Fund is a deficit of £5.80m (£8.65m at Period 2), consisting of an overpayment of £345k in the brought forward balance plus an in year shortfall of £5.46m. The Council's share of this is £4.74m, of which £284k has been identified in an earmarked reserve and £4.46m which will need to be identified. As highlighted in paragraph 4, the Government announced changes, enabling local authorities to

spread their tax deficits over three years rather than the usual one. This will reduce the financial impact of the COVID-19 related deficit, of which Trafford's share is £4.26m in 2020/21, to a neutral amount, however this will need to be recovered between the period 2021 to 2023.

Business Rates

20. The 2020/21 budget included anticipated growth in retained business rates, related S31 grants and redistribution of prior year surpluses of £11.35m. Projecting business rates is by its nature complex and prone to variation, in addition the impact of COVID-19 has added further uncertainty to the accuracy of projections, therefore only quarterly updates will be given throughout the year.
21. In order to support businesses with the impacts of COVID-19, the Government has provided various rate relief packages. The largest relief has been awarded to all retail and leisure sites who have been granted a 100% rates holiday until 31st March 2021. These reliefs, which are currently estimated at £89.9m, will result in an equivalent reduction in the rateable income paid into the Collection Fund and therefore a substantial deficit in the current year. However, this loss will be fully compensated via a Section 31 Grant paid into the Council's General Fund.
22. The level of reliefs represents approximately 50% of the total rateable income with the remaining 50% largely relating to non-retail sites. The ability of both retail and non-retail businesses weathering the impact of COVID-19 will be unknown for some time, adding to the uncertainty in forecasting rateable income for the year. As mentioned in paragraph 21, the Council is compensated for the Government sponsored 100% retail rates relief, however if there is a fall in retail occupancy due to an economic downturn during the year this may lead to an increase in vacant properties/insolvencies and a requirement to repay the grant.
23. During the first quarter of the year, all recovery and billing activity was suspended, which has added a further level of uncertainty in forecasting collection rates. Recovery activity has recently recommenced and will be used to inform collection rates over the remainder of the year. As a broad estimate, an assumption continues to be made that there will be a reduction in income from non-retail businesses of 5% over the year, resulting in a shortfall of £3.48m, a marginal improvement since period 2 of £76k. The Government has announced changes, enabling local authorities to spread their tax deficits over three years rather than the usual one. This will reduce the financial impact of the COVID-19 related deficit of £3.48m in 2020/21 to a neutral amount, however this will need to be recovered between the period 2021 to 2023.
24. The underlying Rateable Value (RV) provides a useful indication of the health of the rates baseline. In the financial year 2019/20, there continued to be significant volatility in the rating system as a result of a pattern of properties being converted to residential settings and this was reflected in a reduced RV when setting the 2020/21 budget. However, proposed new sites were added to offset some of this loss. As at July 2020, the RV is approximately £900k above budget,

which is a positive sign, however once again, the impact on the long term RV as a result of COVID-19 cannot be predicted at this stage.

25. For completeness, Business rates collection for this year as at 31 July 20 is 25.60% (compared to 38.73% for 19/20) and is because retail premises are not required to pay rates during 2020/21. Due to the impact of COVID-19, additional support measures were introduced by the Government in March 2020 to enable local authorities to offer financial support to local organisations to pay business rates. This included special payment arrangements to defer 2020/21 instalments until July 2020. This has had a direct impact on the collection rates for the first 4 months and is likely to continue for the rest of the year. The broad estimated shortfall in income, highlighted in paragraph 23, includes the impact on reduced collection rates.

Impact of COVID-19

26. As a result of the COVID-19 Pandemic, the Government has announced a number of packages to support businesses and to help local authorities respond to some of the underlying pressures in their local area.
27. Since the Period 2 monitor, the Government announced a further set of support measures, including:
 - A new scheme to reimburse councils for lost income from sales, fees, and charges to compensate councils for relevant unforeseen losses that are irrecoverable. Councils will absorb the first 5% of all relevant irrecoverable losses compared to their original plans, with the Government compensating councils for 75 pence in every pound of loss thereafter. The exact benefit to the Council is currently being calculated, however initial estimates suggest a figure of £3.0m;
 - Changes enabling local authorities to spread their tax deficits over three years rather than the usual one. The benefit to the Council and Business Rates has been expanded on in paragraph 23;
 - A further £500m of un-ring-fenced funding to respond to spending pressures, of which Trafford's share is £1.81m.
28. Whilst the Service Areas have reported their COVID-19 related pressures separately, the COVID-19 Support Grant (1st, 2nd and 3rd tranches) has been accounted for in Council Wide as a centrally held resource for monitoring purposes. Likewise, the estimated income of £3.0m from the Sales, Fees and Charges compensation scheme will also be accounted for in Council Wide. The Council Tax Hardship Grant along with the Rates Relief Grants are also accounted for in Council Wide, however these will be utilised to offset pressures felt within Council Tax and Business Rates in the Collection Fund.
29. The net pressures being felt in 2020/21 have been detailed in the service narratives and a summary is shown in Table 3, along with the grant funding, CCG and earmarked reserves contributions, with the remaining balance being the subject of ongoing discussions with Government Departments in meeting the substantial and ongoing impact in 2020/21.

Table 3 – Impact of COVID-19 on Services	Period 2 2020/21 £000	Period 4 2020/21 £000	Change P4 to P2 £000
Estimated Gross Service Pressures	37,215	36,556	(659)
Estimated Funding Pressures (Council Tax and Rates)	11,207	9,022	(2,185)
Gross COVID-19 Pressures	48,422	45,578	(2,844)
CCG contribution – PPE – Adults Services	(506)	(490)	16
CCG contribution - Hospital Discharges	(3,805)	(7,357)	(3,552)
Infection Control (Care Homes) Grant	(2,270)	(2,270)	
Public Health – Test and Trace Grant	(1,157)	(1,157)	
Council Tax Hardship Grant	(1,277)	(1,277)	
Total Specific Grants and Recharges to CCG	(9,015)	(12,551)	(3,536)
COVID-19 Support Grant 2nd Tranche	(6,539)	(6,539)	
COVID-19 Support Grant 3rd Tranche		(1,814)	(1,814)
COVID-19 Support SFC Income Loss Support		(3,000)	(3,000)
Total Government Support	(6,539)	(11,353)	(4,814)
COVID-19 Support Reserve (Bal of 1 st Tranche held in reserve)	(4,722)	(4,722)	
Business Rate Risk Reserve	(3,500)		3,500
Airport Dividend Reserve	(500)		500
Strategic Investment Property Risk Reserve (*)	(900)	(900)	
Council Tax Deficit removed and recovered 2021 onwards		(4,257)	(4,257)
Business Rates Deficit removed and recovered 2021 onwards		(3,488)	(3,488)
Total Reserves and Funding Contribution	(9,622)	(13,367)	(3,745)
Net COVID-19 Pressures 2020/21	23,246	8,307	(14,939)

(*) The use of the Strategic Investment Property Reserve is the estimated cost of COVID-19 related pressures within the Strategic Investment Property Portfolio held within the Place Directorate.

Net COVID-19 related pressures are estimated at £8.3m at period 4, these have been offset to a degree by favourable movements across other services to arrive at a net overspend of £2.25m.

CAPITAL PROGRAMME

Approved Budget

30. The value of the indicative capital programme for 2020/21 to 2022/23 that was approved in February 2020 was £369.38m which includes £200.00m of Asset Investment Strategy resources which are covered in the next section of this report. The overall programme has since increased by £84.85m to £454.23m, of which £45.50m relates to the general capital programme and £39.35m to the Asset Investment Strategy. This increase is due to a number of factors as follows;

- Net Slippage from 2019/20 included in the Outturn Report to Executive in June 2020 - £27.15m;
- Manchester Airport - Project Mere approved at Executive April 2020 - £12.95m;
- New Basic Need allocation 2021/22 advised from the DFE- £7.84m;
- Highways Pot Hole & Challenge Fund revised assumed allocation - £1.62m;
- Care Home Purchase and Refurbishment was removed from Programme in May 2020 under delegated authority (no longer progressing) – £4.0m;
- Other minor net reductions– £0.06m;
- Increase in Asset Investment Strategy of £39.35 as a result of slippage in the 2019/20 programme as reported in Capital Outturn report in June 2020.

The revised programme for the next three years by service area including the above variations to the approved programme is detailed in the table below;

Table 4 - Capital Programme (Revised Programme 2020-23)	Overall Approved Programme £m	Overall Revised Programme £m	Variance £m
Service Analysis:			
Children's Services	23.30	39.51	16.21
Adult Social Care	13.93	10.00	(3.93)
Place	129.70	161.21	31.51
Governance & Community Strategy	0.42	0.50	0.08
Finance & Systems	2.03	3.66	1.63
General Programme Total	169.38	214.88	45.50
Asset Investment Strategy	200.00	239.35	39.35
Total Capital Programme 2020-23	369.38	454.23	84.85

The full list of schemes for the indicative capital programme is shown in Appendix 2

31. Since the budget was approved by Council in February 2020 there have been a number of factors that have necessitated a review of the delivery plans to ensure the programme remains realistically achievable and affordable in-year:-
- Impact on COVID-19 – this has impacted on the cash flow of the Council, and a decision was taken to prioritise delivery of schemes where the Council already has the capital resources, for example those financed from capital grants. This was reported to Executive in April 2020.
 - Review of slippage– historically there has always been a level of underspending on the capital programme carried forward from previous years. Therefore the opportunity has been made to review the programme to ensure it is re-aligned at a level which can be realistically be delivered in-year.
 - Changes in the level of forecast capital receipts funding the capital programme is impacting on the available funding of both the overall capital programme and the ability to fund the programme in the short term. This includes both the amounts and the phasing of expected receipts and development return.
32. The original approved capital programme for 2020/21 was £62.77m and with the addition of the net slippage from 2019/20 of £27.15m this increased the revised programme for 2020/21 to £89.92m. Following the review of the planned expenditure above, the programme is now further revised to £42.80m, an overall net reduction of £19.97 from the original approved budget. The table below shows the service analysis of the original and current revised budget for 2020/21, and the explanation of the movement between the two.

Table 5 - Capital Programme 2020/21	Original Approved Programme £m	Revised Programme £m	Variance £m
Service Analysis:			
Children’s Services	15.19	8.64	(6.55)
Adult Social Care	5.13	1.84	(3.29)
Place	40.80	29.98	(10.82)
Governance & Community Strategy	0.42	0.08	(0.34)
Finance & Systems	1.23	2.26	1.03
General Programme Total	62.77	42.80	(19.97)

The following table provides a summary of the factors that have been included in the revised programme for 2020/21.

Table 6 - Capital Programme 2020/21	Budget 2020/21 £m
Original Approved Programme (Feb-20)	62.77
Net Slippage from 2019/20	27.15
COVID-19 Reprioritising	(35.93)
Other Programme Changes	12.45
Period 4 Budget Re-alignment	(23.64)
Revised Programme	42.80

Details of the above factors are as follows:

- **Slippage from 2019/20 £27.15m** – as detailed in the capital outturn reported to Executive in June 2020. An element of this slippage has again been slipped into 2021/22 as part of the COVID-19 reprioritisation and the Period 4 re-alignment exercise detailed below. The remaining main elements of slippage from 2019/20 that are still currently forecast to be delivered within 2020/21 are;
 - Basic Need – School Places - £4.29m;
 - Schools Capital Maintenance - £867k;
 - Manchester Airport - Project Apollo - £1.83m;
 - Greater Manchester – Full Fibre Initiative - £704k;
 - Corporate Landlord Programme - £978k;
 - Leisure Centre Schemes - £920k;
 - ICT improvements £1.20m;
 - Integrated Transport - £2.11m;
 - Highways Structural Maintenance - £2.23m.

- **COVID-19 Reprioritisation (£35.93m)** – as detailed above and reported to Executive in April 2020, an exercise to reprioritise schemes to assist with cash flow was undertaken. Schemes totalling £35.93m were reprioritised to be delivered later in the capital programme. The main areas that were affected were;
 - Basic Need – School Places – £(11.50)m;
 - Public Realm Works – Altrincham and Stretford – £(2.50)m;
 - Trafford Waters – Infrastructure – £(1.50)m;
 - Altrincham and Stretford Leisure Centres – £(8.00)m;
 - Urmston to Sale Water Park Cycling Scheme – £(1.50)m;

- Mayors Cycling & Walking Challenge Fund – £(2.68)m;
 - Carrington A1 Relief Road – £(6.00)m;
 - Other – £(2.25)m.
- **Other Programme Changes £12.45** – In addition to the re-profiling of spend there have been other changes that are now reflected within the revised Capital Programme for 2020/21, these are;
 - Manchester Airport - Project Mere - £12.95m;
 - Highways Pot Hole & Challenge Fund - £1.62m;
 - Care Home Purchase – £(1.40)m;
 - Care Home Refurbishment – £(600)k;
 - Other – £(120)k.
33. In addition to the changes above, as part of the period 4 monitoring there has been an exercise undertaken with individual service areas to identify where schemes need to be re-profiled to a later date, which totals **£(23.64)m**. This is to ensure that the programme reflects those schemes which are currently considered as deliverable within the financial year, and taking account of the pressures highlighted previously. The main areas of additional re-profiling are as follows;
- Children Services
 - A number of schools schemes that were to be delivered in 2020/21 have been delayed as a result of slippage from the last financial year – £(1.38)m;
 - A review of current school schemes is taking place to include additional Basic Need grant identified for the next financial year to ensure the best use of resources – £(500)k;
 - Delivery of the School Access Initiative has been revised to reflect delays in the scheme – £(100)k;
 - Other - £(50)k.
 - Adult Social Care
 - Disabled Facilities Grant works have taken a significant impact as a result of COVID-19 and the ability to access clients properties to deliver works, this will be kept under constant review as the year progresses – £(1.30)m;
 - Other – £(50)k.
 - Place
 - Structural Maintenance – the programme has been reviewed and prioritised to ensure delivery of key schemes, with budgets re-profiled to reflect this - £(1.07)m;

- The Mayors Challenge Fund – there will be some initial costs in this financial year but the main element and bulk of the work is not expected to start until next financial year- £(1.00)m;
 - Urmston to Sale Water park scheme - there will be a small level of initial costs this year with the schemes being delivered next year – £(750)k;
 - Carrington Relief Road and junction improvement schemes – again there will be some initial costs this year with the scheme being delivered next year –£(1.80)m;
 - Pot Hole & Challenge Fund – there has been an increase in the assumed level of funding which is reflected in the re-profiling of the budget – £(1.60)m;
 - Work on Street Lighting, Bridges and Integrated Transport is based on previous levels of delivery – £(823)k;
 - Leisure Centre costs for Altrincham and Stretford have been re-phased into the next financial year as a review of leisure is undertaken, any essential works that need to be carried out will be undertaken as required – £(3.66)m;
 - Public realm works for Altrincham and Stretford have been delayed until the next financial year. – £(1.25)m;
 - Manchester Airport – Project Mere, the main element of payment will be made in this financial year with the final payment to be made in 2021/22 – £(3.25)m;
 - Parks and open space expenditure, the majority of which is funded by section 106 monies with no immediate time limits, has been re-phased with a number of historic schemes still needing to be completed within the service – £(1.74)m;
 - Works on Public building and improvements at Sale Waterside and Trafford Town Hall have been delayed until the review of accommodation has been carried out in light of COVID-19 and potential new ways of working – £(898)k;
 - CCTV Programme has been delayed – £(500)k;
 - There are a number of other smaller schemes that total £(1.25)m that have been delayed until next year.
- Governance and Community Strategy
 - Other – £(65)k.
 - Finance and Systems
 - A review of the ICT programme of works has been carried out to identify where resources previously allocated to schemes could be reprioritised to deal with shifting demands within the ICT service. These revised priorities are now reflected within the forecast budget – £(603)k.

Status and Progress of schemes

34. Throughout the remainder of the year further work will be undertaken to assess the progress of the delivery of individual schemes against the revised programme and the anticipated level of outturn performance for the financial year 2020/21 will be updated accordingly. Any specific issues that will have an impact on the delivery of schemes with the forecast anticipated programme in terms of timescales or within approved resources will be highlighted.

35. Sale Magistrates

In line with the Council approved Investment Strategy of June 2017 with the objective of delivering new income streams to support the budget, the former Sale Magistrates building was acquired from Homes England for the sum of £3.5m plus associated SDLT (£3.69m in total). The Council then undertook the demolition of the existing building and site clearance for an additional capital investment of some £452,550 and further investment of £155,000 of project planning, procurement and holding costs. The Council and STAR procurement undertook the procurement for a Delivery Partner with ultimately Seddon's Construction being appointed to deliver a scheme based on the construction of 92 properties which exceeds the requirement to construct 35 properties as per Homes England conditions of sale. It is currently anticipated that the schemes will cost in the region of £17.8m with a £3m net development return currently assumed towards supporting the Council Capital Programme.

In order to progress the scheme so construction work can commence there is a requirement to carry detailed architectural works, surveys and planning fees before any final scheme is approved by the Planning authority. The cost of such works is currently anticipated to be in the region of £575k and will need to be expended by the Council before any scheme is approved. As with any scheme until the planning application is approved there are potential risks around the delivery of a scheme and as such means that these costs are at risk if no scheme is approved. The potential risks have been mitigated through engagement with the Council's planning team both through the procurement process and subsequently there will be member and resident consultation in advance of a planning application being submitted. In such a scenario where a scheme is not approved the £575k will be need to be covered from within the Council's revenue budget.

Resources

36. The general capital programme is resourced by a combination of both internal and external funding and is detailed in the table below:

Table 7 - Capital Programme Resources 2020-23	Original approved programme £m	Revised Programme £m	Variance £m
External:			
Grants	90.77	110.51	19.74
Contributions	9.29	11.73	2.44
Sub-total	100.06	122.24	22.18
Internal:			
Receipts requirement	25.04	34.61	9.57
Borrowing	43.83	56.96	13.13
Reserves & revenue contributions	0.45	1.07	0.62
Sub-total	69.32	92.64	23.32
Total Resourcing	169.38	214.88	45.50

37. In February 2020 the original approved capital programme 2020-23 funding requirement was £169.38m. The revised level of funding for the capital programme is £214.88m, which is an increase of £45.50m. Of this increase £22.41m relates to new funding and approvals, with the remainder covered by previous funding approvals and reductions in the programme as detailed below. As stated previously in paragraph 30 the reason for the increase is;
- Net Slippage from 2019/20 - £27.15m;
 - Manchester Airport - Project Mere (New Borrowing) - £12.95m;
 - Basic Need allocation 2021/22 (New Grant) -7.84m;
 - Highways Pot Hole & Challenge Fund (New Grant) - £1.62m;
 - Care Home Purchase and Refurbishment (no longer progressing) – £(4.0)m;
 - Other net reductions– £(0.06)m.
38. It is anticipated that the increases in the borrowing requirement will be managed within the original approved borrowing levels, including approvals from prior years, and also the additional approval gained in April 2020 for the funding of the Manchester Airport – Mere Project.
39. A review of the current Land Sales Programme and Development Programme has been undertaken and compared to the requirement identified to fund the original three year capital programme approved in February 2020. This now indicates an over-programmed level within the capital programme of £2.76m which is an increase of £170k from £2.59m. This is as a result of an overall reduction in the level of receipts anticipated. In addition to this, delays in realising capital receipts and development returns are increasing the requirement for short term borrowing, forecast to be £7.79m over the next two years. These delays are a result of a number of factors including amendments to schemes and the impact of COVID-19.

It is to be noted that some developments are now forecasting larger returns than previously assumed. Work is also ongoing to review the programme to see if any sales can be advanced to assist in the short term or if any potential development schemes could become straight land sales, although this will more than likely carry a lower return but less risk than developments.

Attached in Appendix 2 is a list of the current Land Sales programme and development sites along with the anticipated year in which the council will realise a receipt from the scheme.

40. The table below highlights the overall level of over-programming and the shortfall within the next two years which will need to be addressed.

Table 8 - Capital Programme Resources	Budget 2020/21 £m	Budget 2021/22 £m	Budget 2022/23 £m	Budget Total £m
General Programme Investment	42.80	119.55	52.53	214.88
Grants	17.27	65.55	27.69	110.51
External Contributions	3.21	6.74	1.78	11.73
Revenue and reserves	0.66	0.22	0.19	1.07
Prudential Borrowing	15.64	34.51	6.81	56.96
Forecast Capital Receipts	1.91	8.85	21.09	31.85
Total Funding	38.69	115.87	57.56	212.12
Surplus / (Deficit)	(4.11)	(3.68)	5.03	(2.76)

There are a number of options that will be considered in order to address the forecast deficit for the next two years of £7.79m and the level of over-programming of £2.76m. The options are as follows:

- Re-phasing of capital schemes that are funded from receipts will assist in reducing the short-term deficit. Work has already been undertaken with services to identify some schemes that can and have now been delayed mainly until the next financial year;
- Deletion of schemes currently funded from receipts would assist with short term pressures and reduce the level of over programming within the programme. Historic schemes where work has not yet commenced will be reviewed as part of the new round of bidding to identify if all these schemes are still required and still align with council priorities. This will also include a wider review of the programme to identify any potential schemes that are no longer required;
- Identify additional opportunities for land sales and development returns that are currently not assumed within the anticipated levels of receipts.

Work is continually ongoing to identify any sites that are no longer required that could be either sold or developed in addition to other development opportunities across the borough;

- Short term borrowing as detailed in the February 2020 capital strategy could be used to fund the deficit in the capital programme for the next two years until receipts are realised and then used to repay the borrowing. This would have an additional revenue cost of approximately £230k that will need to be identified and prioritised within service reserves. This also carries a risk that if receipts are not realised within predicted time scales, or at all, the borrowing will then need to be paid for on a longer or more permanent basis for which there are no resources currently identified.

Future years and bidding process

41. The reprogramming of the capital programme for 2020/21, proposed in this report, has resulted in a programme of works totalling £172.08m for the remaining two years of the three year programme. Based on current levels of activity there is a high risk that a programme of this size may not be deliverable within this timeframe, not least due to capacity. It is to be noted that within this there are some significant elements of standalone works, these include:

- Altrincham and Stretford Leisure Centres - £46.3m;
- Mayors Cycling and Walking Challenge Fund - £34.7m;
- Carrington A1 Relief Road - £13.5m.

As part of the ongoing monitoring process the phasing of future years' works will also be reviewed with the objectives of setting a programme that is both deliverable and affordable.

42. The council will continue to undertake an annual bidding process in order to progress new schemes into the programme with the aim to reflect emerging and changing priorities over time and the availability of resources.

Requests for new bids will be made in September 2020 with a deadline of the end of October 2020 so these can then be considered as part of the annual budget setting process in February 2021.

It is to be noted that before bids are to be considered within the current capital programme there are a number of historic schemes approved in 2018/19 or before, that have not yet commenced with resources currently committed to them. As part of any forthcoming capital bids process, a review of these schemes will be carried out to see if these resources are still required, or are still a priority.

It is anticipated that any request for new schemes that are not accompanied with funding in the form of grants, contributions or savings to cover the cost of borrowing are unlikely to be approved into the capital programme. Bids will also be considered on deliverability and scheduling risks.

Asset Investment Fund

43. In February 2020 approval was given to increase the Asset Investment Fund to £500m, supported by prudential borrowing, to support the Council's Investment Strategy. The transactions that have been agreed by the Investment Management Board to date have a total committed cost of £357.73m. The facility agreement at The Crescent (£44.26m anticipated outlay) is due to be repaid this year, meaning the balance of the approved £500m which is available for further investment is £186.53m (table 9 below). These investments are forecast to generate a net benefit to the revenue budget this year of £7.43m.

Table 9 : Asset Investment Fund	Prior Years £m	2020/21 £m	Commitment £m	Total £m
Total Investment Fund				500.00
Cost				
K Site, Stretford:-				
Equity in Trafford Bruntwood LLP	10.69	0.21	1.35	12.25
Development Loan to Bruntwood	10.69	0.21	1.35	12.25
Sonova House, Warrington	12.17			12.17
DSG, Preston	17.39			17.39
Grafton Centre incl. Travelodge Hotel, Altrincham	10.84			10.84
Trafford Magistrates Court	4.10			4.10
The Fort, Wigan	13.93			13.93
Sainsbury's, Altrincham	25.60			25.60
Brown Street, Hale	3.34	0.54	3.61	7.49
The Crescent, Salford (*)	39.67	4.59	(44.26)	0
CIS Building, Manchester	60.00			60.00
Stretford Mall & Stamford Quarter				
Stretford Mall, Equity	8.82			8.82
Stamford Quarter, Equity	16.69			16.69
Acquisition Loan to Bruntwood	25.57			25.57
The Hut Group		25.00	42.50	67.50
Former sorting office, Lacy Street, Stretford	0.86		0.10	0.96
Various Development Sites	0.29			0.29
Total Capital Investment	260.65	30.55	4.65	295.85
Albert Estate Treasury Investment	17.62			17.62
Total Investment	278.27	30.55	4.65	313.47
Balance available				186.53

Issues / Risks

44. A key risk is the ability to deliver the revised capital programme in 2020/21, and this will continue to be closely monitored and reported throughout the year and as any significant issues may arise.
45. In addition, there is the risk that the level of Capital receipts that will be realised in the year and in future will be insufficient to fund the relevant schemes in the capital programme. A prudent approach to estimating these asset receipts and development returns will continue to be taken with only receipts that have a significant level of certainty being included in the resource forecasts.

Recommendations

46. It is recommended that that the Executive:
 - a) note the updated positions on the revenue budget, collection fund and capital programme and;
 - b) note the level of design fees on the regeneration scheme at the former Sale Magistrates Court as detailed in Paragraph 35 of the report.

Appendix 1

Service Review/Virements	Children's (£000's)	Adults (£000's)	Place (£000's)	Strategy & Resources (was People & Traded Services) (£000's)	Finance & Systems (£000's)	Governance & Community Strategy (£000's)	Council -wide (£000's)	Total (£000's)
Period 2 Report	41,920	61,410	28,311	3,343	8,812	8,125	23,340	175,261
Service Review:								
Sport & Leisure			105			(105)		0
Community Safety and Emergency Planning			906			(906)		0
Modernisation				1,000	(1,000)			0
Business Intelligence				723		(723)		0
Virements:								
Sale PFI loan debt interest			(38)				38	0
Total movements	0	0	973	1,723	(1,000)	(1,734)	38	0
Period 4 Report	41,920	61,410	29,284	5,066	7,812	6,391	23,378	175,261

2020-23 INDICATIVE CAPITAL PROGRAMME				
DESCRIPTION	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Schools				
Basic Need – School Places	1.87	9.34		11.21
Worthington Primary School	1.40	0.43		1.83
Stamford Park Schools	0.13	6.23	1.50	7.86
Sale High School	0.25	0.72		0.97
Blessed Thomas Holford College	1.05	3.97	1.50	6.52
School Access Initiative	0.05	0.10		0.15
Devolved Formula Capital	0.43	0.86	0.61	1.90
Capital Maintenance Grant	2.16	3.39	1.80	7.35
SEND Capital	0.14			0.14
Delamere School – Hydrotherapy Pool	0.57	0.37		0.94
Kings Road Primary School	0.25			0.25
Sub-total	8.30	25.41	5.41	39.12
Children’s Services				
Foster Carers – Accommodation Improvements	0.17			0.17
Hayeswater Centre – Improving outdoor provision		0.03		0.03
Youth Services – Street Talk Mobile Unit	0.04			0.04
Liquid Logic – Children’s & Delegation Portals	0.13	0.02		0.15
Sub-total	0.34	0.05		0.39
Adults Social Care				
Disabled Facility Grants	1.58	4.18	2.88	8.64
Assistive Technology/Technology Innovation	0.11	0.10	0.10	0.31
Right Care For You	0.05	0.05		0.10
Shawe Road, Urmston – Complex Needs (Change of use)		0.80		0.80
Liberty Protection Safeguards (Liquidlogic updates)	0.05	0.05		0.10
Replacement SAP/CRM Softbox	0.05			0.05

Sub-total	1.84	5.18	2.98	10.00
Place				
Town Centres Loans Fund	0.10	0.10		0.20
Altair Development	0.71			0.71
Development Sites	0.04	0.15		0.19
Business Loan Scheme	0.10	0.40		0.50
Altrincham Town Centre – Public Realm	0.50	2.25	0.50	3.25
Stretford Town Centre – Public Realm	0.09	1.50		1.59
Market Street, Altrincham – Redevelopment	0.24			0.24
Greater Manchester Full Fibre	0.64	0.50		1.14
Manchester Airport – Project Apollo	3.73			3.73
Manchester Airport – Project Mere	9.70	3.25		12.95
Trafford Waters, Trafford Park - Infrastructure	0.87	5.08	0.50	6.45
Public Building Repairs and Compliance Programme	0.45	0.57	0.30	1.32
DDA Programme	0.11	0.17	0.07	0.35
Sale Waterside – Furniture and Equipment	0.07			0.07
Sale Waterside Improvements		0.30		0.30
Standing Desk Provision		0.03		0.03
Sale Waterside – Kitchen Improvements		0.10		0.10
Sale Waterside – Shower and changing facilities	0.03			0.03
Trafford Town Hall – Heating and cooling system	0.07	0.08		0.15
Trafford Town Hall and Sale Waterside – Security	0.02	0.12		0.14
Trafford Town Hall – DDA Works	0.05			0.05
Altrincham Leisure Centre	0.07	17.00	5.00	22.07
Stretford Leisure Centre	0.01	11.34	13.00	24.35
Leisure Centre – Essential Safety, Compliance Work and Review	0.37	0.60	0.15	1.12
Football Facility Provision	0.48	0.99		1.47
Sports Provision – Artificial surface replacement			0.25	0.25
Integrated Transport Schemes	0.45	0.27	0.15	0.87
Borough wide - Boundary / Village Entry Signs	0.04	0.03	0.03	0.10
Altrincham Town Centre Cycle Link		0.42		0.42

Urmston to Sale Water Park Cycling Scheme	0.11	2.25		2.36
Mayors Cycling and Walking Challenge Fund	1.13	17.67	17.07	35.87
Residents Parking Scheme	0.27			0.27
Electric Vehicle Charging Points	0.25	0.25		0.50
Cycle Parking at Stations	0.16			0.16
City Cycle Ambition Grant	0.04			0.04
Casualty Reduction Programme	0.03			0.03
Emergency Active Travel	0.37			0.37
Highways Structural Maintenance	4.57	3.18	2.57	10.32
Pot Hole & Challenge Fund		1.74	0.14	1.88
Highway Works – Framework Agreement	0.02			0.02
Highways Incentive Funding		0.39	0.39	0.78
Highway Tree Funding	0.05	0.05		0.10
Street Lighting	0.51	1.00	0.65	2.16
Bridge Assessments and Strengthening	0.87	0.35		1.22
Carrington Junction and Relief Road	0.96	11.80	2.00	14.76
Highways Infrastructure	0.13	0.57		0.70
Pet Crematorium	0.06			0.06
New Chapel and Installing resomation cremators		1.00	0.95	1.95
Countryside Access – Infrastructure & Biodiversity	0.11	0.09		0.20
Play Area Refurbishments	0.18	0.18	0.08	0.44
Parks & Open Space, Outdoor Sports & RRF - S.106 Funded	0.33	0.54	0.07	0.94
Red Rose Forest	0.07	0.26	0.15	0.48
Parking – Legacy Signs Management	0.07			0.07
Assistance to Owner Occupiers	0.07	0.04	0.04	0.15
Housing Standards / Empty Property Initiatives	0.04	0.03	0.03	0.10
Affordable Housing Fund	0.42			0.42
CCTV Transformation Programme - Phase 2	0.16	0.40		0.56
CCTV Cameras - Fly-tipping Prevention	0.06	0.10		0.16
Sub-total	29.98	87.14	44.09	161.21

Governance & Community Strategy				
Timperley Sports Club		0.35		0.35
Waterside Arts Centre	0.08	0.07		0.15
Sub-total	0.08	0.42		0.50
Finance & Systems				
Civica - New Web Front-end	0.02	0.03		0.05
ICT Services and Infrastructure	0.64	0.35	0.05	1.04
Office 365 - Implementation, training etc.	0.30	0.15		0.45
Windows 10 Implementation	0.90	0.32		1.22
Systems Upgrades SAP/RFC/Accounts Payable	0.25			0.25
Development / Low Code Solution	0.10	0.20		0.30
Meeting Room – Video Conferencing	0.05	0.10		0.15
Improved Digital Resilience		0.20		0.20
Sub-total	2.26	1.35	0.05	3.66
GENERAL PROGRAMME TOTAL	42.80	119.55	52.53	214.88
Capital Investment Portfolio	139.35	100.00	0.00	239.35
TOTAL INVESTMENT	182.15	219.55	52.53	454.23

Anticipated Year for Land Sales and Development Returns

Land Sale Programme

2020/21

Equity Housing Properties - 12 Norton Street, Stretford
Equity Housing Properties - 68 Thornbury Rd, Stretford
Sale Cemetery Lodge
Flixton Road Children's Home, Urmston
Brook Road, Urmston
Virgil Street, Old Trafford

2021/22

Friars Court, Sale
Altair Developments
Trafford MES - Flixton Road, Flixton
65/65a Roseneath Road, Urmston
2A Houldsworth Ave, Timperley
Hale Library

2022/23/24

Land at Central Road, Partington

Development Schemes

2021/22

Brown Street, Hale
Sale Magistrates Court
Trafford Park Depot (2nd Avenue)
Higher Road Depot, Urmston
Town Centres Re-gear

2022/23/24

Jubilee Centre
Claremont Centre & Chapel Road DC, Sale
Stokoe Avenue, Broadheath
Tamworth, Old Trafford (Phase 2)
K Site, Stretford - Residential Development
Trafford High School - Lydney Road, Flixton
Denmark Street, Altrincham