

Appendix 4

Capital Outturn and Requests for Supplementary Capital Estimates and Virements

Update on Capital Programme

- 2.1 Since the Mid-year Review the Capital Programme has increased by £35.0m for the next four-year period.
- 2.2 Most of these changes have already been reported either separately to Council or part of the budget alignment reports that are being taken to the relevant service committees and onto full Council where necessary throughout June.
- 2.3 All the changes relate to additional grant funding that has been received since the Medium-Term Financial Strategy

was approved in February 2022, within Children and Families we have received Basic Need Grant of £10.7m, High Needs Funding of £8.8m and £0.7m School Condition Grant. Within the Place Directorate we have received £5.8m Pothole funding, Sustainable Warmth Grant, £3.3m and £0.6m Sustainable Travel Grant.

- 2.4 There are also a number of capital virements that have taken place at Outturn to re-align revised budgets to actual expenditure. **(Annexes B & C). Table 1** below shows the movements in quarter for each Directorate.

2.5 **Table 1: Summary Capital Programme**

Directorate	MYR Budget 2021/25 £m	SCE's / Virements in Quarter 2021/25 £m	Transfers to/from Addendum 2021/25 £m	Budget Reductions at Outturn 2021/25 £m	SCE's at Outturn 2021/25 £m	Revised Outturn Budget 2021/25 £m
Adults, Health & Integration	0.5	0	0	0	0	0.5
Children & Families	53.5	22.3	0	0	0	75.8
Place	336.7	14.2	0	(0.1)	0	350.8
Corporate	38.8	(1.4)	0	0	0	37.4
	429.5	35.1	0	(0.1)	0	464.5

- 2.6 The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve).
- 2.7 The final Outturn position as the 31 March 2022 showed total capital expenditure of £84.5m against a Mid-year forecast position of £144.9m. The slippage of £60.4m has been re-profiled into future years as shown in **Annex A**.
- 2.8 **Annex B** details requests of and Capital Virements up to and including £100,000 approved by delegated decision which are included for noting purposes only.
- 2.9 **Annex C** details requests of Capital Virements up to and including £5,000,000 to be approved by Finance Sub Committee.
- 2.10 **Annex D** lists details of reductions in Approved Budgets where schemes are completed, and surpluses can now be removed. These are for noting purposes only.

Annex A: Revised Capital Programme

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2021/22 - 2024/25

	Actuals 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Total Forecast 2021-25 £000
Committed Schemes - In					
Adults, Health and Integration	12	468	0	0	480
Children and Families	9,251	33,026	26,419	44	68,740
Place	64,676	128,295	63,499	25,223	281,693
Corporate	7,714	13,928	7,668	7,668	36,978
Total Committed Schemes -	81,653	175,717	97,586	32,935	387,891

CAPITAL PROGRAMME 2021/22 - 2024/25

	Actuals 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Total Forecast 2021-25 £000
New Schemes					
Adults, Health and Integration	0	0	0	0	0
Children and Families	543	3,977	2,269	250	7,039
Place	2,161	35,797	19,035	12,147	69,140
Corporate	187	217	0	0	404
Total New Schemes	2,891	39,991	21,304	12,397	76,583
Total	84,544	215,708	118,890	45,332	464,474

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2021/22 - 2024/25

	Actuals 2021/22 £000	Forecast 2022/23 £000	Forecast 2023/24 £000	Forecast 2024/25 £000	Total Forecast 2021-25 £000
Funding Requirement					
Indicative Funding					
Analysis: (See note 1)					
Government Grants	37,944	128,968	65,068	13,783	245,763
External Contributions	3,964	36,285	8,497	13,181	61,927
Revenue Contributions	627	0	0	0	627
Capital Receipts	2,625	1,000	1,000	1,000	5,625
Prudential Borrowing (See note 2)	39,385	49,455	44,325	17,368	150,533
Total	84,544	215,708	118,890	45,332	464,474

Note 1:

The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next four years 2021-2025 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 2:

Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

Annex B: Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements that have been made up to £100,000		
Education and 14-19 Skills		
Adelaide Academy	2,593	} Virements to cover the School Organisation and Capital Team Salary Recharges charged to the schemes in year funded from the Basic Need future years block allocation
Nantwich Planning Area (Secondary Schools - 300 Plac	80,497	
Malbank High School	302	
Nantwich Planning Area (Secondary Schools - 300 Plac	220	
Holmes Chapel Planning Area	12,511	
Macclesfield Planning Area	14,010	
Wilmslow High School BN	15,785	
Wilmslow Primary Planning Area	520	
Monks Coppenhall SEN Expansion	1,190	
Sandbach High School - Basic Need	3,433	
Sandbach Boys School - Basic Need	3,853	} Virements to cover the School Organisation and Capital Team's Salary Recharges charged to the scheme in year funded from the SEN Phase 2 Block
Shavington Planning Area - Secondary	9,755	
Puss Bank SEN Expansion	582	} Virements to cover the School Organisation and Capital Team's Salary Recharges charged to the scheme in year funded from the SEN Phase 2 Block
Springfield Satellite Site (Dean Row)	20,053	
Future Years Basic Need - Nantwich Primary schools - Kingsley Fields, Wilmslow and Congleton Areas	9,686	Net Virement from various projects - that are now complete and the unspent Basic Need Funding can be re-couped
Pupil Referral Unit - New Site	9,633	Virement from the Basic Need Block Allocation to cover the in-year overspend on this project
Elworth CoE Primary School	94,133	Virement from the Basic Need Block Allocation to cover the in-year overspend on this project and the Salary Recharges from the School Organisation and Capital Team,
SEN Placement Expn - Phase 2	14,005	Net Virement from various projects - that are now complete and the unspent Sen Phase 2 Funding can be re-couped
Schools Condition Capital Grant	10,279	Net Virement from various projects - that are now complete and the unspentSchool Condition Funding can be re-couped
Special Provision Fund - Ivy Bank - New RP building	50,000	Virement from SEN/High Needs Grant allocation to fund the new resource provision buiding works

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements that have been made up to £100,000		
Prevention and Support		
Ash Grove Nursery Expansion	73	} Virements to cover the School Organisation and Capital Team's Salary Recharges charged to the scheme in year funded from the School Condition Block allocation
Beechwood Nursery Expansion	1,042	
Growth and Enterprise		
Crewe Towns Fund - Mill Street Corridor	3,265	Crewe Towns Fund grant approved at MTFS 22-26, to bring forward to 21-22
Environment and Neighbourhood Services		
Church Lane Community Park Development	2,996	Virement from Parks Development Fund to cover in-year expenditure as now S106 funds available.
Nantwich Pool Improvements	135,068	Virement from Macclesfield Leisure Centre project to cover in-year expenditure and overspend.
Transformation Services		
Digital Customer Enablement	33,155	Budget approved in the 22-26 MTFS, part brought forward to be spent in 21-22
Total Capital Budget Virements Approved	528,638	

Annex C: Requests for Supplementary Capital Estimates (SCEs) and Virements

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Capital Budget Virements above £100,000 up to and including £5,000,000		
Education and 14-19 Skills		
Expansion of Park Lane School	795,799	Virement to be funded from the Provision of Sufficient School Places - SEND and the School Condition grant to fund the in-year overspend and funding for 2022/23
Congleton Planning Area	400,000	Virement from the Basic Need Block Allocation to fund Secondary High School Expansions
Shavington Planning Area - Secondary	500,000	Virement from the Basic Need Block Allocation to fund Secondary High School Expansion
Springfield Satellite Site (Dean Row)	600,000	Virement from the SEN/High Needs Block Allocation to the new SEN provision at Dean Row, Handforth
Total Capital Virements requested	2,295,799	

Annex D: Capital Budget Reductions

Service / Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Finance Sub Committee are asked to note the reductions in Approved Budgets				
Education and 14-19 Skills				
Devolved Formula Capital Grant	775,000	746,693	28,307	Reduction in the allocation to be received in 2022/23 against the figures forecast in the MTFS 2022-26
Highways and Infrastructure				
Bentley Road Safety Project S106	194,918	68,564	126,354	This funding has now been used against Highways Maintenance Scheme, where this work has been carried out.
	969,918	815,257	154,661	