

**Oldham Council**

**Capital Strategy**  
**2017/18 to 2020/21**

## **Capital Strategy 2017/18 to 2020/21**

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## 1 Aims of the Capital Strategy and its Links to the Council's Corporate Property Strategy and Budget Framework

- 1.1 The overarching aim of the 2017/18 to 2020/21 Capital Strategy is to provide a framework within which the Council's capital investment plans will be delivered. It has been prepared to cover a four year time-frame from 2017/18 to 2020/21. Recognising that there is some uncertainty, especially in relation to funding in later years, the Strategy therefore focuses on 2017/18 and 2018/19 in detail. Investment plans are driven by the Council's Corporate Plan, the last refresh of which was approved at the Council meeting of 20 May 2015, although work is taking place to refocus the Corporate Priorities for 2017/18. The Council has set out its goal to deliver a Co-operative Future where everyone does their bit to create a confident and ambitious borough. The Co-operative Future will be made possible through the delivery of three corporate objectives:
- **A productive place** where business and enterprise thrive;
  - **Confident communities** where everyone does their bit;
  - **A co-operative Council** delivering good services to support a co-operative borough.
- 1.2 These objectives reflect the on-going commitment to ensure the Council works to serve the people of Oldham in all that it does and provides strong leadership for the borough. Such leadership is essential if the borough is to be able to meet the immediate challenges faced in a way that means it is stronger and able to make the most of opportunities in the future.
- 1.3 The Capital Strategy must also align to the Medium Term Property Strategy (MTPS) which is currently being revised to reflect most recent service transformation changes and financial challenges.
- 1.4 The MTPS presents a framework for strategic management of the Council's land and property portfolio, reflecting corporate priorities, aims and objectives and driving transformational change in service delivery. Aligned to service priorities, individual scheme proposals are included within approved capital spending plans or are to be considered for a resource allocation over the period of the Capital Strategy.
- 1.5 The revised MTPS will incorporate the recently streamlined Community Use of Assets Framework, reflecting statutory requirements and aligned to the Council's Co-operative ethos. In addition it will encompass the Building Maintenance Policy which sets a clear process protocol, prioritising assets closely aligned to future investment requirements. In addition, the Strategic Estates Plan will be reflected which will ensure alignment with wider public sector partners, maximising opportunities for revenue efficiencies and release of assets for disposal, regeneration and development via a 'One Oldham' Borough-wide approach.
- 1.6 The Council is continuing to review the structure of the property function and anticipates making further changes which will improve the way in which strategic property objectives can be delivered. This will enable the Council to accelerate progress and realise benefits within a shorter timeframe, whilst maximising regeneration and inward investment opportunities.
- 1.7 In addition, the 2017/18 to 2020/21 Capital Strategy will be influenced by the principles which frame the overarching budget process for 2017/18, which are driven by the concept of a Co-operative Council. The Council is therefore aiming to take a strategic view in relation to capital investment so that it can be directed to make a real and demonstrable impact on the economy of Oldham by:

- (a) Regenerating the borough, building on the investment programme first approved during 2012/13 and as amended in subsequent years, by attracting and securing significant amounts of external investment to supplement Council resources and deliver an enhanced borough-wide regeneration offer.
- (b) Prioritising the regeneration investment to develop the local economy and to support job creation and the Get Oldham Working initiative.
- (c) Using the regeneration investment to drive up Gross Value Added (GVA) and increase the yield from business rates, taking advantage of the 100% Business Rates retention Pilot scheme which will commence across Greater Manchester from 1 April 2017. This will provide additional resources which can either be used to support the Council's budget or to pursue opportunities for further investment in both Oldham and across Greater Manchester.

1.8 The Council will also:

- a) Work with partners as a co-operative and commissioning borough particularly with regard to the integration of health and social care to take advantage of joint investment opportunities, co-location and the release of surplus assets.
- b) Instigate further transformational approaches to the delivery of services with and by communities and staff, that maximise involvement and delivery at a more local level, working with residents to reset priorities, manage expectations and promote self-help.
- c) Get the basics right, drive improved business performance with more flexible ICT systems and instigate new delivery models with place-based working.
- d) Focus on effective service delivery, achieving social value and maximising the impact of the resources invested.

1.9 The corporate objectives therefore also help underpin one of the main priorities of the Council which is the continuing development of a new relationship with citizens, communities, partners and staff.

1.10 The Council has established and chairs a Strategic Estates Group (SEG), which is attended by a wide range of public sector partners, including Clinical Commissioning Group (CCG), NHS Property Services Ltd (NHSPS), Greater Manchester Police (GMP), North West Ambulance Service (NWAS), North West Fire Service (NWFS), Community Health Partnerships (CHP), Action Oldham, and Pennine Care. The Department of Health initially required all CCG's to establish a SEG within their locality, and whilst the group initially had a 'Health' focus, this has been broadened to encompass a 'One Oldham Estate' approach, closely aligned to the Government's One Public Estate (OPE) principles which in essence seek to maximise the efficient use of the public sector estate by co-location/joint service delivery, releasing surplus land and property to support regeneration, residential development and inward investment. The SEG has a 'strategic' rather than 'operational' focus, and has developed a Strategic Estates Plan (SEP), identifying development of integrated public sector hubs and mapping existing estate and utilisation as key priorities. The SEP is closely aligned to and supports delivery of Oldham's Locality Plan.

## **2 The Principles of the Capital Strategy**

- 2.1 Having regard to the aims of the Capital Strategy in the achievement of corporate objectives, in order to focus capital resources and to gain maximum benefit from their use, the overarching principles of the Capital Strategy as detailed in the rest of the document are summarised in paragraphs 2.2 to 2.17.
- 2.2 The Capital Investment Programme Board (CIPB) will lead the strategic direction of capital investment for the Council. The CIPB will operate on a commissioning basis. This will enable funding to be better aligned with other partners and funding sources and will link into the principles of the Co-operative Council. In accordance with the commissioning approach being championed within the Council, there continues to be a requirement for links to regional strategies and programmes. As such, the Council must ensure that, when it applies for funds on a regional basis (either individually or part of a collective bid), it uses its best endeavours to reflect local and regional priorities. The Council must therefore ensure that its Capital Strategy reflects the Greater Manchester (GM) Strategy and links into those strategies of other GM Authorities and partners.
- 2.3 The first call on capital resources will always be the financing of any over-programming from previous financial years. In addition, all schemes already approved in the capital programme or contractually committed will be supported and sufficient resources will be provided to enable them to proceed or complete. These schemes are presented in Annex A, Current Capital Priorities.
- 2.4 A capital project sponsor must also be able to demonstrate that a rigorous process of options appraisal has been followed, requiring evidence of need, cost, risk, outcomes and methods of financing. Capital investment proposals which will result in a revenue cost saving or efficiency are encouraged. The Strategic Regeneration Project Management Office has a clear role in ensuring that all the key questions have been asked at the initiation stage of a project.
- 2.5 All capital investment decisions will be made with reference to Council objectives and regional strategies and, only after a positive contribution to one or more of the objectives has been demonstrated, is a project to be considered for resource allocation.
- 2.6 The CIPB will ensure that the Council can take full advantage of the freedom and flexibility afforded by the removal of ringfencing from most funding allocations to facilitate achievement of the Council's objectives. All un-ringfenced capital funding and other non-specific Council capital resources that are not required to support existing commitments will initially be pooled into one central fund. Regard will however be had to obligations around the:
- a) Transport agenda and transport grant funding.
  - b) Current pressure on primary and secondary school places in certain areas of Oldham and the lack of capacity in the current school stock and the Basic Need Government grant funding allocation to address such issues.
  - c) Funding of adaptations to homes for the disabled and Disabled Facilities Grant funding.
  - d) Adult Social Care funding requirements arising from the pooled budget arrangements.

Unringfenced grants received in support of the above initiatives will be pass-ported in full to these four areas.

- 2.7 Pooled and locally ring-fenced corporate resources will be managed by the CIPB; it will review all bids for resources, evaluate them and then agree on the prioritisation of

resources accordingly. A proposal will be prioritised in accordance with criteria set out in Section 7 of the Strategy.

- 2.8 The CIPB will also review any bids for and use of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council and achievement of Council objectives.
- 2.9 The CIPB will recommend the use of both un-ringfenced and ringfenced resources and also the general prioritisation of resources so that Council, Cabinet and Cabinet Members exercising delegated authority can make a final well-informed decision on the utilisation of resources, as appropriate.
- 2.10 There will be no ringfencing of capital receipts to specific projects, with the exception of:
  - a) The Equity Loan Initiative which was established when Housing Market Renewal (HMR) resources were ringfenced to the HMR programme.
  - b) Saddleworth School as part of the Priority Schools Building Programme.
- 2.11 Building upon established good practice and the successful exercises undertaken in earlier financial years, the CIPB will initiate periodic reviews of the capital programme which will examine all schemes in the programme to:
  - a) Ensure that schemes still meet corporate priorities.
  - b) Review schemes' continued relevance in the context of a dynamic and constantly developing organisation.
  - c) Consider the progress of schemes, including any reasons for delayed starts or variations to approved budgetary allocations and re-phasing of planned expenditure.
  - d) Identify any unutilised or underutilised resources.
  - e) Consider any reallocation of resources.
- 2.12 For the purposes of preparing the Capital Strategy and Capital Programme for 2017/18, an assumption has been made that all resources that remain unallocated within the 2016/17 programme will be treated as though they are fully-committed in 2016/17 and carried forward into 2017/18 as a central pool for reallocation to other projects.
- 2.13 As well as using traditional funding mechanisms to fund capital schemes, the Council will also consider the use of new initiatives and develop these options if it is considered financially advantageous in the context of the Council achieving its capital investment objectives.
- 2.14 Any PFI or other similar public/private partnerships and initiatives requiring the deployment of Council capital resources or impacting in any way on the overarching capital investment policies or plans of the Council should be presented for consideration to the CIPB. The resources deployed to support such projects will also be subject to on-going review by the CIPB.
- 2.15 The Council is conscious that the Government could in the future introduce a range of grant funding opportunities for which bids must be submitted at short notice, some of which may have a matched funding requirement. The Council will respond as it considers appropriate to bidding opportunities, ensuring that bids are submitted which align with its objectives and capital investment priorities and that matched funding

requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly.

- 2.16 Given the evolving devolution agenda and the expectation that the Council will work in a collaborative manner with AGMA and NHS partners, bids to the Greater Manchester Combined Authority, the NHS or other organisations which may have a matched-funding requirement will be prioritised. Regard will be given during the appraisal process to ensuring that the Council's objectives and capital investment priorities are achieved.
- 2.17 The Council will have a number of capital investment priorities. Whilst these are initially set on an annual basis, it will review and update the priorities in accordance with in-year developments, responding to local and national emerging issues. The priorities for 2017/18 to 2020/21 are set out in Section 3.

### **3 Priority Areas for Investment**

The priority investment areas identified for the 2017/18 to 2020/21 period covered by this Capital Strategy document are set out below:

#### **3.1 Continuation Funding**

There are requirements for continued funding of existing programmes of work summarised as follows:

- a) Corporate Major Repairs /Disability Discrimination Act (DDA) Adaptations/ Legionella / Health and Safety Projects (Corporate Landlord Function).  
This budget aims to enable the Council to secure the integrity of the corporate estate and ensures that the Council is compliant with its statutory obligations under DDA and Health and Safety legislation.
- b) School Condition Works – the Council has provided resources to address the most immediate needs (priority 1) for condition works within the school estate. There is however, increasing demand on the school condition works budget to address priority one condition issues as well as other preventative works prior to arrival at priority one status.

An overarching allocation of £3.255m has been included in the capital programme for 2017/18. Funds of £2.909m of corporate property resources remains available with some funding having already been committed to specific projects. There is also £1.500m per year thereafter to cover Corporate Major Repairs, DDA Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function) and also school condition works. The Capital Investment Programme Board (CIPB) continues to recommend, as a priority, that the first call on any future underspends identified within the Capital Programme is to cover the works outlined above. The allocations include an indicative School Condition Allocation (SCA) for 2017/18.

#### **3.2 New Projects**

New projects for which funding may be required and for which funds could be allocated are as follows. Each of these projects would need to be progressed by the submission of detailed and fully costed business cases demonstrating how they take forward corporate priorities. These projects are:

- a) Adult Social Care - Mindful that the Council has extensive responsibilities to deliver an adequate standard of adult social care, and the increasing level of joint working with National Health Service partners the Council will consider the utilisation of available Government resources and any local funding to address identified needs or opportunities to support income generation and facilitate enhanced service provision.
- b) Unforeseen emergency/health and safety works – Mindful of its responsibilities, the Council will consider requirements relating to works which fall outside the scope of the current programme and/or budgetary provision.
- c) Low Carbon and Energy Efficiency Initiatives - The Council wishes to invest to support its pursuit of the green agenda and address carbon reduction requirements. The Council has a requirement to ensure that it is seeking to maximise energy efficiency. Most energy efficiency and renewable energy projects the Council would like to undertake can be delivered through a number of efficient OJEU compliant framework agreements and pay back their investment over varying periods of time



from a combination of Government subsidies and the actual energy savings themselves, making prudential borrowing a viable option for such schemes. The Council will also consider options to work jointly with other Local Authorities on out of borough projects that will benefit Oldham and enhance the Council's contribution to energy efficiency.

- d) School Investment/ Pupil Place Pressures - There continues to be pressure on primary places within certain areas of Oldham, with little or no capacity at a number of schools as the school population continues to increase. The recently completed Northmoor Academy is one of a number of projects that have been initiated to address such pressures. The Department for Education continues with its significant injection of resources with the notification of a further £15.405m of Basic Need funding for 2017/18 and £22.824m for 2018/19. School capacity and the standard of the facilities within schools remains a priority and the Council will consider additional investment in its own right or to complement any Government resources that may become available.
- e) Priority Schools Building Programme (PSBP) - The preferred site for Saddleworth School was announced in January 2015, with an anticipated opening in early 2018. Whilst the building of the new school is subject to a Judicial Review, the Council has earmarked a total of £2.019m of resources to support the programme; however current forecasts suggest this may not be sufficient to fully deliver the scheme. Additional funding will be prioritised. In February 2015 the Council was notified that, of the bids submitted, only the PSBP Round 2 bid for Royton and Crompton had been successful. There is still on-going debate with the Education Funding Agency (EFA) about the scope and level of funding available. The precise level of funding available therefore remains unconfirmed. This is however, an important scheme for the Council and an allocation of Council resources will be prioritised if required.
- f) Playing Pitch Strategy - The Council is currently updating its Playing Pitch Strategy and will therefore aim to attend to any works arising from the Strategy.
- g) Surplus Sites - The Council has an extended portfolio of surplus sites scheduled for disposal, for which up front capital funding may be required for enabling and other works to ensure that the land is suitable for commercial redevelopment. The capital programme is reliant on the income generated from these sales. It should also be noted that the pool of available sites for sale could potentially be significantly reduced if there is the ear marking of key plots for inclusion in a Joint Venture Development Company to support town centre and borough wide regeneration. The benefits from assets sales will be realised over a longer period.
- h) Working with NHS Partners - Particular emphasis is being placed on working with the NHS around the integration of adult social care. Capital investment opportunities will be evaluated and prioritised accordingly. In addition, opportunities for the co-location of Council and Health services will be explored, including new build integrated facilities in communities such as Shaw and Crompton.
- i) Association of Greater Manchester Authorities (AGMA) GM Investment Fund Loans - In line with the approved AGMA scheme initiated and underwritten by the Greater Manchester Combined Authority (GMCA), the Council may manage loans to qualifying businesses to support the growth ambitions as set out in the GM strategy.
- j) Town Centre Regeneration - The Council is continuing to make a considerable investment in the town centre. Plans for the Heritage Centre and the new Coliseum Theatre have received significant external grant support which is enabling both schemes to progress. The development/refurbishment of other Town Centre

heritage assets and the regeneration of the Cultural Quarter would complement the investment in both these projects as well as the Old Town Hall. Whilst the Princes Gate project is being redesigned due to a change in market conditions, the ambitions for this development still remain with funding in place to allow it to proceed. As the programme of work evolves, this may require complementary investment for additional strategic acquisitions, car parking, public realm works or other regeneration developments, particularly around improving the retail offer, including the market.

- k) Borough-Wide Regeneration - The Council is investing in borough-wide regeneration initiatives and again, as the position evolves, there may be a requirement for increased investment in new or existing projects including strategic acquisitions.
- l) Car Parking - There is a requirement to invest in town centre car parking and a review has recently identified some short term action to increase capacity, however longer term, the lack of adequate town centre car parking provision needs to be further addressed.
- m) Housing Initiatives - The Council, linked to its revised and updated Housing Strategy, will look to utilise any Central Government funding that may become available, through either the General Fund or the HRA. This could include initiatives involving and working in partnership with the private sector. In this regard in 2017, the Council will be developing a Private Sector Housing Strategy which will highlight current and future challenges and opportunities around existing private housing. It is anticipated that the Strategy will be themed around the priorities of People, Place and Property and will highlight areas and themes where targeted resources will have most impact. This could include initiatives to advise home owners, work with private landlords, reduce the number of empty properties and improve the environmental quality of neighbourhoods. A provision for capital resources may be required for initiatives such as targeted environmental work within specific neighbourhoods and works or equity loans to address empty homes.
- n) Equity Home Loans - Oldham Council takes the lead role at an AGMA level in the provision of an Equity Home Loan service. Building on the current provision (£0.404m in 2016/17 and with £0.117m already rephased to 2017/18) funding of £0.417m and £0.300m has been made available in each of 2017/18 and 2018/19.
- o) Supported Housing – It may be necessary to consider schemes for the provision of an alternative accommodation offer for adults with complex learning difficulties either by way of a new-build scheme or to provide an alternative housing offer utilising the existing stock
- p) Greater Manchester Devolution and Related Initiatives – Developments under the devolution agenda is an evolving programme of activity at the wider GM level. Working in partnership with the GMCA and other local authorities, the Council will seek to support new initiatives.
- q) Partnership and Joint Working - The Council will aim to pursue joint partnership working with other public bodies, not for profit organisations and the private sector where it is commercially advantageous to do so and to keep under review existing relationships.
- r) Matched Funding for Grant Bids - The Council is conscious that the Government or the Greater Manchester Combined Authority may introduce a range of grant funding opportunities for which bids must be submitted at short notice, some of which may

have a matched funding requirement. The Council's strategy will be to respond as it considers appropriate to bidding arrangements, ensuring that bids are submitted which align with its objectives and that matched funding requirements are considered on a scheme by scheme basis with resource requirements prioritised accordingly. The Council is mindful that if the Growth Deal 3 bid that has already been submitted, if successful, there will be a requirement to identify £0.875m of Council resources to support the project.

- s) Supporting the Councils Co-operative Ethos - The Council will aim to support projects which promote its co-operative ethos, subject to the presentation of an appropriate business case.
- t) Refinancing of PFI and Public Private Partnership (PPP) type agreements – The Council will participate in the refinancing of either equity share or bank funded debt where it is considered financially and/ or operationally advantageous for the Council to do so.
- u) Warm Homes Oldham - The Council's award-winning Warms Homes Oldham scheme in its first three years has lifted over 3,400 people out of fuel poverty. An issue for the scheme from 2017/18 is a major reduction in the availability of national grant funding. This will leave the scheme without a means of installing the heating and energy efficiency measures necessary to help people out of fuel poverty and improve the home energy efficiency of homes. Capital funding could provide significant support for households assisted through the Warm Homes Oldham scheme. This could include new boilers, central heating installation and home insulation. Funding these measures would help bring these households out of fuel poverty and deliver the resulting benefits in their health and wellbeing.

## **4 Devolution Manchester- The Greater Manchester Strategy**

Devolution continues to transfer more powers and responsibilities from national government to Greater Manchester. Greater Manchester's local councils have a history of working together. This record of co-operation, and the creation of the GMCA, helped us lead the way on city-region devolution through the original 2014 Devolution Agreement.

The agreement gives the region additional powers, and greater accountability through a new elected mayor. The mayor will lead the GMCA and will be elected in a ballot of all Greater Manchester voters in 2017.

The region built upon this innovative agreement with further devolution announcements in the Summer Budget 2015 along with additional powers outlined in the November 2015 Spending Review and Autumn Statement of December 2015. In March 2016, the fourth devolution deal was agreed between Greater Manchester Combined Authority and Government this included the Memorandum of Understanding that devolved £6bn of health and social care spending to Greater Manchester.

Of the transferred powers the most significant relate to housing and infrastructure.

The GMCA has received more control of local transport, with a long-term government budget to help plan a more modern, better-connected network. However in the Autumn Statement of November 2016, the region received a much smaller funding allocation than expected (only £40m was received when £300m was requested). In addition the region received new planning powers to encourage regeneration and development, and currently the GM Spatial Strategy is being consulted on.

The £300m Greater Manchester Housing Fund is helping to free up land, regenerate housing and build new homes. The fund has committed over £97m to build 1,184 units at 9 sites across Greater Manchester. There has been one site in Oldham that has received support - the old Star Inn site in Failsworth. This is only open to private developers.

The Earn Back Model uses a formula, linked to changes in rateable values over time at the GM level, to provide a revenue stream to GM over 30 years if additional GVA is created relative to a baseline. Earn Back provides an additional incentive for GM to prioritise local government spending to maximise GVA growth. If successful in driving economic growth, under Earn Back, Manchester will receive a larger proportion of the resultant tax take generated from this growth than would otherwise be the case under the business rates retention regime which will be piloted from April 2017. The 'earned back' resources would be used for further investment, similarly prioritised on net GVA impact at GM level. This will create a genuinely revolving Investment Programme which rewards GM for delivering growth.

### **4.1 Greater Manchester Strategy**

Investment priorities at a GM level will remain guided by the Greater Manchester Strategy (GMS). However investment proposals will be determined through the Chief Executive Investment Group supported by a Combined Authority team based at Manchester City Council.

While the strategic approach and priorities of the GM Strategy remain as vital and relevant as ever, the changing economic and policy context means the Association of Greater Manchester Authorities (AGMA), the Homes and Communities Agency and GM partners will need to be flexible, innovative and pragmatic if the Council is to achieve the ambitions for Greater Manchester. To this end the Greater Manchester Strategy has been recently updated and is constantly reviewed.

The GMCA has produced a draft plan to manage the supply of land for jobs and new homes across Greater Manchester. The Greater Manchester Spatial Framework (GMSF) will ensure that we have the right land in the right places to deliver the homes and jobs needed up to 2035, along with identifying the new infrastructure (such as roads, rail, Metrolink and utility networks) required to achieve this.

It will be the overarching development plan within which Greater Manchester's ten local planning authorities can identify more detailed sites for jobs and homes in their own area. As such, the GMSF will not cover everything that a local plan would cover and individual districts will continue to produce their own local plans.

Importantly, the GMSF addresses the environmental capacity of Greater Manchester, setting out how to enhance and protect the quality of the natural environment, conserve wildlife and tackle low carbon and flood risk issues, so that GM can accommodate growth sustainably.

## **4.2 The Vision**

By 2020, the Manchester city region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where all our residents are able to contribute to and benefit from sustained prosperity.

The GMS focuses on the two key drivers of growth (including housing) and reform in order to secure Greater Manchester's place as one of Europe's premier city regions. It will be recognised for its commitment to a low carbon economy and a good quality of life. Greater Manchester is administering a Housing Fund, which will ultimately be controlled by the Mayor.

The total value of the fund is £300 million over 10 years; it will be used to support the private sector in the form of recoverable loans and longer-term equity. The funding may be recycled within the private sector before returning it to Her Majesty's Treasury, with Greater Manchester guaranteeing an 80% recovery rate on principal, plus interest earned. Oldham is therefore providing a guarantee for £21 million of the total investment

Priority actions within the GMS, which all align to Oldham aims and objectives are:

- a) Creating the conditions for growth: Diversifying the economic base, developing a market facing investment strategy, creating a blueprint for successful town centres, attracting and retaining talent through investment in attractive housing offers and improving GM connectivity
- b) Business: Growing the business base, improving the international competitiveness of GM companies and capitalising on the opportunities of a low carbon economy
- c) Worklessness and Skills: Delivering an employer led skills system, broadening the opportunities available to young people to reduce youth unemployment and creating and implementing a flexible approach to the provision of skills and employment support to enable the jobless to enter work. Helping guide the investment of the skills capital programme.
- d) Reducing dependency and demand: Developing community budgets and taking forward the early years/troubled families agendas, reform of health and social care and support for cross public service leadership.

Some of these priorities are about making sure that the right conditions for growth exist, doing everything to encourage businesses to invest in GM and helping them to thrive

when they do. Others are about changing the way that the public sector works, using resources in new ways to be more efficient and effective, and improve the quality of life of all our residents.

The Mayor (the Mayoral election will confirm the permanent appointment in 2017) and the GMCA will take responsibility for making sure that priorities are delivered. Partnerships and frameworks for delivery are set up across Greater Manchester, and the GMCA will hold those partnerships to account, checking on progress, monitoring performance measures and making sure that we are using our resources in the most effective and efficient way possible.

The approach to GM funding remains the same with a commitment to provide a revolving fund via the GM Investment Fund and Housing Investment Fund. Its aim is to develop a co-ordinated view of capital investment allowing GM to achieve more for less.

A new GM focused European Programme has now opened and a series of GM wide projects have been commissioned. There will be some opportunities for grant via ERDF but this will be minimal and will be focussed on business growth and low carbon initiatives. Further to that it is likely that grant will be limited to those projects that demonstrate a gap in funding and seeking support from the EVERGREEN II programme.

Whilst there has been a degree of uncertainty around delivery of the GM European Structural Fund Investments (flowing the referendum decision), this was clarified in a statement by the Chancellor that guaranteed the structural fund programmes beyond Brexit.

This guarantee also related to other structural fund programmes such as INTERREG. Some of these programmes allow capital investments on pilot projects and 2017 may be the final year that the UK is able to bid for resources. It is therefore important that, where appropriate, the Council seeks to apply for these resources in order to secure investment in the Council's strategic objectives.

To summarise, there is a need to ensure that there is an iterative process between Oldham Council and the Greater Manchester policy/investment-making mechanisms. The Council is playing a major role in shaping the investment frameworks that supports the delivery of the GMS and as such the Capital Strategy is well aligned to the emerging frameworks. This is essential if we are to be successful in securing both public and private sector funding in the future.

In future the GM Investment Fund will demand a single pot approach to external funding and as such decisions will not be taken on the appropriateness of a funding pot to a proposal but on the strategic need of a project in delivering the GM priorities. Oldham is well placed in streamlining its aspirations for funding and has undertaken a significant amount of work in establishing a realistic priority for key projects both around the borough and within the town centre.

In order to ensure that the capital programme is aligned to the GMS and Investment Fund conditions there is a need to ensure that all elements of deliverability are covered in advance of bids for loan funding. This may mean future 'up front' investment in such things as site surveys and/or planning applications.

The 2017/18 to 2020/21 Capital Strategy therefore includes principles and priorities which will complement the GMS and maximise external funding opportunities for the Council.

This approach is best evidenced in the changes to a range of Government grants that are now being channelled through a local Growth and Reform Plan. Greater Manchester's Growth and Reform plan setting out its aim to become a financially self-sustaining city region has been approved by Government as part of the devolution negotiations.

### **4.3 The Northern Powerhouse**

The Northern Powerhouse is a vehicle for addressing productivity gaps between different areas of the country and aims to deliver a stronger, more sustainable economy for all parts of the UK. Through the Local Growth Fund, Central Government has approved over £2.9bn of Growth Deals in the North to help address these issues by supporting locally-led projects to boost economic growth.

The Government is devolving wide-ranging powers directly from Whitehall to local areas. Opportunities for growth are best identified by those with detailed local knowledge, and the Local Growth Fund enables places to tailor transformational interventions to local circumstances.

On 23 January 2017, the Government announced that £130.1m would be made available to Greater Manchester (through the region's LEP) to support a range of projects. The Government also published its Industrial Strategy as a green paper offering businesses the chance to strike new 'sector deals', driven by the interests of companies and the people they employ, to address sector-specific challenges and opportunities.

As part of the deals, a range of support will be on offer, including addressing regulatory barriers to innovation and growth, looking at how trade and investment deals can be used to increase exports, or supporting the creation of new institutions to provide leadership, support innovation or boost skills. The Council will work with other Local Government bodies and businesses in order to gain the maximum benefit to Oldham.

## **5 Capital Resources to Support Capital Expenditure**

### **5.1 The Utilisation of Capital Funding Opportunities**

The Council's strategy for deploying resources is to ensure that all resources are utilised to achieve Council objectives. With the Government placing a greater emphasis on regional initiatives, the Council's Capital Strategy and capital planning arrangements need to be consistent with, and linked to, the Greater Manchester Capital Strategy but also enhance the Council's own co-operative ethos and other corporate initiatives such as Get Oldham Working, with some devolving of resources and decision-making to Districts and neighbourhoods. As such, the aspirations of District Partnerships need to be considered and they will be consulted, as appropriate, over possible bids for any available funding. The District Investment Fund is retained at £0.200m per year throughout the life of the programme, enabling District Partnerships to bid into the fund to finance more substantial projects that meet their local priorities.

As most capital financing can be used for projects at the Council's discretion, the Council is able to address its own priorities and shape the capital programme to a locally, rather than a nationally, driven agenda.

The Council will ensure that it takes full advantage of the freedom and flexibility arising from the removal of ringfencing of most resources to facilitate the achievement of Council objectives. All un-ringfenced capital funding and other non-specific Council capital resources, that are not required to finance existing commitments, will be pooled into one central fund. This corporate resource will then be managed so that only schemes which can demonstrate the attainment of Council capital priorities will be allocated funds. The Capital Investment Programme Board (CIPB) will review all bids for resources, evaluate them and then make recommendations to:

- a) Cabinet/Council on the prioritisation of resources for the initial 2017/18 to 2020/21 capital programme
- b) The appropriate decision-maker for any subsequent revisions to the capital programme

The Cabinet/Council will make the final decision on the overarching capital programme for 2017/18 to 2020/21 and will subsequently delegate (subject to the provisions in the Council's Constitution) the updating of the programme and revisions to projects following review and recommendations by the CIPB.

The CIPB will review the usage of any ringfenced resources to ensure alignment with other spending plans and the maximisation of benefits to the Council.

In determining the size of the central fund, the CIPB will have regard to the following:

- a) The statutory fourth Greater Manchester Local Transport Plan (GMLTP4) was approved by GMCA on 16th December 2016. It includes a long-term transport strategy for Greater Manchester to 2040 and a five year delivery plan which will be updated annually, based on confirmed funding, including the Growth Deal minor works programme allocation and other Local Transport Capital allocations. The Council receives grant funding from the LTP from the wider Greater Manchester allocation, which comes with a national and regional expectation that it will be used for LTP purposes. Oldham has been allocated a confirmed settlement of £2.180m for 2017/18, which on receipt will be passported via this Capital Strategy for investment in and maintenance of Oldham's transport network, in accordance with current Local Transport Plan expectations, along with the allocations for 2018/19 to



2020/21 as these are confirmed. The 2017/18 allocation is subject to agreement by Greater Manchester Combined Authority (GMCA) that they will allocate the resource in accordance with the Department for Transport allocations.

- b) The current pressure on primary and secondary places in certain areas of Oldham and the lack of capacity in the current stock. The Government has announced Basic Need allocations, £15.405m in 2017/18 and £22.824m in 2018/19 which, although unringfenced is understood to be intended specifically for the purpose of providing additional school places.
- c) In 2016 the Department of Health confirmed the Better Care Funding in the form of the expanded Disabled Facilities Grant funding amounting to £1.618m for 2016/17, to meet the Council's obligation to finance adaptations to the homes of disabled residents and its commitments to wider social care previously funded by the Social Care Reform grant. However, to date no new notifications have been received and services are estimating similar allocation levels as in 2016/17.
- d) Any resources allocated by Central Government after approval of the Council's 2017/21 Capital Strategy/Capital Programme.

The Council will therefore passport all of the un-ringfenced transport, education basic need and disabled facilities grants to support spending in the respective areas.

Grant funding allocations notified to the Council also include information about capital maintenance funding for Voluntary Aided (VA) schools. This grant is paid directly to the Church of England and Roman Catholic Diocesan authorities and is not therefore included within the Council's capital programme. Expenditure undertaken by the Council on VA schools is planned with regard to the availability of contributions from these grant and diocesan resources.

## **5.2 Methods of funding capital expenditure**

### **a) Government Grants and Non-Government Contributions**

Capital resources from Central Government can be split into two categories:

- i) Un-ringfenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding and the Council will initially allocate these resources to a general pool from which prioritised schemes can be financed (with the exception of transport, disabled facilities, basic need, school meals and social care grant funding).
- ii) Ring-fenced – resources which are ringfenced to particular areas and therefore have restricted uses.

Where there is a requirement to make an application to an external agency for external funding and, when appropriate, to commit Council resources as matched funding to any bid for external resources, a business case (following the three stage process described at Section 6) must be presented to the CIPB for approval. This must justify the bid for external resources and any Council matched funding.

Examples of ringfenced grants for which the Council has successfully bid and which support current capital projects include Arts Council Grant and Heritage Lottery Grant.

Additional Government grant funding notifications may yet be received and these will be incorporated into the programme as appropriate.

## **b) Prudential Borrowing**

The Council will investigate opportunities to resource capital projects using prudential borrowing where plans are sustainable, affordable and prudent. Full appraisal will take place to ensure that, where appropriate, sufficient revenue returns are generated to cover the cost of borrowing.

Where it is considered that prudential borrowing is the appropriate method of funding, but it requires additional revenue financing, the cost will be built into the revenue budget planning process.

The Council approved a major programme of strategic investment in 2012/13 which has been subject to on-going refinement as schemes are developed and external funding is finalised. The CIPB will review the detailed capital expenditure plans before allocations of resources are committed to ensure that the costs of prudential borrowing are understood and affordable.

For the last four years the Council has been able to take advantage of the Public Works Loans Board (PWLB) certainty rate, whereby there is a 20 basis points discount on standard loans from the PWLB under the prudential borrowing regime for authorities that provide improved information on their long term borrowing and associated capital spending plans. The obvious benefit to the Council of the certainty rate will be reflected in the future with reduced Treasury Management borrowing costs in relation to any PWLB borrowing undertaken. It has been confirmed that the Council has qualified for certainty rate for the period 1 November 2016 to 31 October 2017.

In the 2016 Autumn Statement, the Government announced that it would consult on lending local authorities up to £1 billion at discounted rates to support infrastructure projects that are high value for money. Under the Government's proposal, the local authority sector would be able to secure borrowing at a new Local Infrastructure Rate which would be set at gilts + 60 basis points. Loans at the new rate will be available for a period of three years, with a maximum term of 50 years. If this funding stream is confirmed the Council will pursue opportunities as appropriate.

## **c) Capital Receipts**

Section 9 (1) of the Local Government Act 2003 defines a capital receipt as "a sum received by the authority in respect of the disposal by it of an interest in a capital asset".

Section 9 (2) defines a capital asset as "an asset is a capital asset if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure".

Capital receipts are usually restricted to use for:

- i) Financing new capital investment.
- ii) Reducing borrowing under the Prudential Framework.
- iii) Paying a premium charged in relation to any amounts borrowed.
- iv) Meeting any liability in respect of credit arrangements.
- v) Meeting disposal costs (not exceeding 4% of the receipt).

However, the Government introduced flexibility around the use of Capital Receipts with guidance in March 2016 confirming that for a three year period covering 2016/17 to 2018/19 capital receipts can be used to support the revenue costs of transformation projects. The Council is not currently anticipating using this flexibility in 2017/18.

In general capital receipts arising from the disposal of housing assets and for which account is made in the Housing Revenue Account (HRA), are governed by the Local

Authorities (Capital Finance and Accounting) (England) Regulations 2003. In summary the regulations require that receipts arising from:

- i) Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government;
- ii) All other disposals may be retained in full provided they are spent on affordable housing, regeneration or the paying of housing debt.

Such receipts have reduced substantially since the transfer of the housing stock to First Choice Homes Oldham (FCHO).

Where the sale of an asset leads to the requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and provided for, capital receipts will be available to support the capital programme as a corporate resource.

The Council will not ringfence capital receipts to specific projects with the exception of :

- i) The Equity Loan Initiative
- ii) Saddleworth School as part of the Priority Schools Build Programme

In considering the 2017/18 capital programme, and given the position with regard to capital receipts, a prudent approach has been taken and there has been no assumption of any additional capital receipts to finance new expenditure over and above those already known amounts underpinning the programme. A small amount of additional capital receipts has been anticipated in 2019/20 and 2020/21.

The Council is facing considerable uncertainty about the realisation of anticipated capital receipts. The level of receipts upon which the programme relies to fund existing commitments has been affected by the property market which has impacted on the:

- i) Ability of the Council to sell assets within the timescale anticipated.
- ii) Level of receipt that can actually be generated, which has sometimes been less than originally expected.

In addition, given the Council's objective to rationalise the corporate estate, the marketing of increasing numbers of surplus assets has the potential to affect both (i) and (ii) above and this will need to be carefully managed. Mindful of these issues the Council has specific staffing resources to manage the phased disposal of former schools sites, residual Housing Market Renewal sites and other strategic regeneration sites.

It should also be noted that the pool of available sites for sale could potentially be significantly reduced if there is ear marking of key plots for inclusion in a Joint Venture Regeneration Development Company which will mean any benefit arising from the deployment of the asset will be realised over the long term.

The Council has established the Corporate Property Board (CPB) to take a more holistic and strategic approach to asset disposals and acquisitions. Further detail about asset reviews is provided at Section 6.2. Monitoring of capital receipts is undertaken through an officer sub-group that reports to the CIPB and the CPB; follow-up actions are initiated to address any comments raised. The capital monitoring report presented to Cabinet at months 3, 6, 8 and 9 also advises Members of receipts compared to target.

**d) Revenue Contributions**

A service or school may wish to offer some of its revenue budget or reserves to support the financing of a capital project. This is acceptable if it can be demonstrated that this funding is unfettered.

**e) Use of Leasing**

Some of the assets used by the Council are financed by a lease arrangement, for example vehicles. With the advent of Prudential Borrowing this source of financing is becoming less attractive. Indeed, the replacement fleet management policy demonstrates this development. There may however be instances where leasing could offer value for money and it will remain a consideration when options are being appraised.

**f) Value Added Tax Shelter**

One of the implications of the Housing Stock transfer that took place in February 2011 is the creation of a Value Added Tax (VAT) shelter. This will allow First Choice Homes Oldham (FCHO) to obtain the same VAT exemption on its capital works as the Council. The shelter only applies for first-time improvements and is expected to run to 2024/25. The savings are to be shared with the Council with FCHO retaining all the benefit in the first four years and the savings thereafter split 50:50 with the Council, which are estimated in total to be £14.600m, excluding the effects of inflation, although the first £6.000m may be top-sliced to deal with outstanding FCHO asbestos liabilities. Any sums received will need to be treated as a capital receipt and have brought a direct benefit to the Council from 2015/16 onwards.

First Choice Homes (FCHO) has provided an indicative notification of the release of resources from the VAT shelter for 2017/18 and this is being used to support the capital receipt requirement underpinning the capital programme.

**g) Section 106 Agreements**

In considering an application for planning permission, the Council may seek to secure benefits to an area or restrict uses or activities related to a proposed development through the negotiation of a 'planning obligation' with the developer. Such obligations, authorised by Section 106 of the Town and Country Planning Act 1990, generally either improve the quality of the development, or overcome difficulties which would otherwise result in planning permission being refused. A planning obligation must be:

- i) Necessary to make the development acceptable in planning terms;
- ii) Directly related to the development; and
- iii) Fairly and reasonably related in scale and kind to the development.

As such, therefore, the Council may in some instances receive funds to enable it to undertake works arising from these planning obligations. Examples of the use of planning obligations are the:

- i) Provision of affordable housing.
- ii) Improvement to community facilities - Public open space/play areas, educational facilities.
- iii) Improved transport facilities - contributions have previously been used towards Oldham bus station, park and ride and provision of cycle lanes.
- iv) Public art.
- v) Renewable energy measures.

- vi) Specific measures to mitigate impact on a local area - parking restrictions, landscaping or noise insulation.

The use of any Section 106 funding will be presented to the CIPB and the Repositioning Oldham Project Investment Team for review.

#### **h) Community Infrastructure Levy**

The Community Infrastructure Levy (CIL) is a planning charge based on legislation that came into force on 6 April 2010. When adopted, a CIL levy allows the Council to raise contributions from new development to help pay for infrastructure that is needed to support planned growth. CIL contributions can be used to supplement other funding streams and can wholly or partly fund a variety of strategic infrastructure projects ranging from transport, green infrastructure, flood defences, education and health, subject to pooling restrictions.

Where a CIL charging schedule is in place, it largely replaces Section 106 Obligations in delivering strategic infrastructure. However, S106 would still be used for affordable housing and site development-related infrastructure requirements that are deemed necessary to make a development acceptable. Some developments would pay both Section 106 and CIL, but they would fund different types of infrastructure. Contributions may also be sought for Section 278 of the Highways Act where modifications are required to the highways network.

Local authorities who wish to charge a CIL levy must produce a Preliminary Draft Charging Schedule, followed by a Draft Charging Schedule setting out CIL rates for their area. A CIL charging schedule sets out a rate in pounds per square metre (sq. m) on the gross internal floorspace of the net additional liable development. The charging schedule must balance:

- i) The need for infrastructure investment to enable growth; and
- ii) The need to ensure the bulk of planned growth remains viable.

A charging schedule must be informed by an evidence base, including an Economic Viability Study and an Infrastructure Delivery Plan.

In January 2014, the Council made a decision to prepare an Economic Viability Study to assess the viability of having a CIL charging schedule for the borough and appointed consultants to undertake it. The Viability Study looked at the types of development that are likely to come forward over the Local Plan period (up to 2026) and included an analysis of which types of developments can accommodate a CIL charge. The Study also assessed the viability of having charging zones for different areas within Oldham for residential development.

The findings of the Viability Study informed a Preliminary Draft Charging Schedule (PDCS) that set out proposed CIL charges per square metre on new floor space for different types and locations of development in Oldham.

The PDCS and the Economic Viability Study were issued for public consultation in February 2015. Following this consultation, and as a result of internal discussion, the Council commissioned consultants to prepare an Addendum Report to review consultation responses, review the evidence feeding into the Viability Study and update the proposed CIL Charging Schedule based on the renewed evidence.

The CIL Addendum Report was completed in September 2015 and the Council considered the impact of the proposed CIL charges on key future development in the

borough. However, no firm decision was reached on whether to adopt CIL and its implementation was overtaken by the need to progress the GMSF and Council's Local Plan. A decision whether to progress CIL will be made in 2017 as both planning strategies firm up.

- i) **Private Finance Initiative (PFI)** is a means by which the Council can facilitate major new infrastructure projects. Typically the schemes involve partnerships between the public and private sector to fund public sector infrastructure projects with private capital. Oldham has considerable experience of PFI with two schools projects, two housing projects, the Library and Lifelong Learning Centre and the street lighting initiative.

Currently no new PFI projects or initiatives are anticipated. Any such proposals would be presented to the CIPB for evaluation before presentation for Members' approval.

- j) **Local Capital Finance Company (formerly UK Municipal Bonds Agency Plc)**  
The Local Government Association (LGA) has now set up the Local Capital Finance Company (formerly known as the UK Municipal Bonds Agency) the aim of which is to seek to provide Councils with a cheaper source of long term borrowing and to introduce sector owned diversity into the Local Government lending market. The Council has invested a total sum of £0.100m in the equity of the Company.

The Council has undertaken this investment to access a potentially cheaper source of long term borrowing and any other beneficial financing arrangements that may become available. The Council will keep under review the availability and cost of funds from the Company as an alternative source of finance with a view to borrowing at an appropriate time if terms are preferential. As an investor, the Council would expect to benefit from any profits generated by the Company.

## **6. Capital Investment and Disposal Appraisal**

### **6.1 Capital Investment**

All capital investment will be commissioned on the recommendation of the Capital Investment Programme Board (CIPB) which will enable any expenditure and its funding to be better aligned with corporate priorities, partners and funding sources. Partners, from both the public and private sector will be at regional and local levels as well as at a district level.

Within the Council, a concept for a potential capital project should originate from, or at least be 'owned' by Senior Management Teams (SMTs) or Directorate Management Teams (DMTs). The SMT or DMT that 'owns' the concept should prepare, or direct the preparation of a Strategic Business Case (SBC) for the proposed project. The Strategic Business Case should be submitted to CIPB for consideration, with the exception of Strategic Regeneration projects where the Project Management Board (PMB) first reviews the SBC.

If the CIPB (or the PMB in the case of Strategic Regeneration Projects) is satisfied that the proposal meets investment criteria, it will be given approval to progress to Stage 2 of the process – the completion of an Outline Business Case (OBC). The OBC builds on the SBC providing more detailed information including the benefits that could be realised and may include a number of options to deliver the proposed benefits. The OBC will be submitted to the CIPB for consideration, and if it is satisfied with the proposal will give guidance for the development of a preferred option.

Stage 3 of the process entails the completion of a Final Business Case (FBC) which will then be submitted to the CIPB for final consideration. Again, building on the OBC, the FBC will contain evidence of a:

- a. Detailed financial analysis of all costs/income including how the project is financially sustainable and that any adverse revenue implications can be dealt with within existing budgets.
- b. Robust delivery plan including how the chosen option delivers the highest impact in achieving the required outcomes with identified key project milestones enabling progress review.
- c. Risk assessment and that appropriate actions to negate these risks have been identified.
- d. Full exit strategy where the project involves a disposal.
- e. Method of procurement that represents value for money.

By adopting the process outlined above, CIPB exercises control over capital projects through the recommendation of approval of:

- a. Strategic Business Cases (SBC) outlining the initial idea or 'concept' for a project.
- b. Outline Business Cases (OBC) which will focus on links to the Corporate Plan and outcomes.
- c. Full Business Cases (FBC) – the final investment decision. This will focus on the how the priorities set out in the OBC will be delivered, including:
  - i) Project description
  - ii) Consultation
  - iii) Expenditure and funding including whole life costs and revenue implications
  - iv) Outputs

- v) Option Appraisal
- vi) Value for Money
- vii) Delivery
- viii) Risk Management
- ix) Sustainability, Forward strategy and evaluation
- x) Asset Management
- xi) Procurement
- xii) Equality Impact Assessment
- xiii) Environmental Impact Assessment
- xiv) Contribution to the achievement of corporate initiatives including Get Oldham Working

Depending on the circumstances of the bid for resources, the CIPB has the discretion to vary the 3 stage review process and omit one or more of the stages.

### Gateway Review System

The Council has adopted a gateway review system for all projects within the capital programme to promote the following principles:

- a. Carrying out structured reviews at decision checkpoints, defined by boundaries between management stages, to test the project's management and its readiness to progress to the next stage.
- b. Promoting project assurance through the application of a structured project management system.
- c. Informing the governance process.

The Gateway Review structure is designed to be efficient by only requiring detail when it is needed to get to the next stage. It also tries to minimise additional work for team members by using templates that build on each other, reducing the need for reworking.

Gateway Reviews are undertaken by the Strategic Regeneration Project Management Office which has been specifically set up to ensure there is a robust review process in place to support the delivery of capital schemes and therefore to support the work of the CIPB.

There are four Gateway Reviews which are initiated at key milestones in the delivery of a programme, Gateways 1 to 3 are undertaken in the approval process for the Strategic, Outline and Final business cases respectively, Gateway 4 is undertaken in support of the delivery and handover phase. It is important to note that the Gateway report is used to advise and inform those responsible for making the investment decision, the decision will not be made by the Gateway Review team.

## **6.2 Service Challenge & Review, Efficient Use of Assets**

In light of unprecedented financial challenges in recent years, the Council embarked on an ambitious programme of transformation utilising the corporate estate as a key driver for change.

A strategic review of the Council's operational land and property portfolio was approached within a tri-track framework;

- a. The core office estate
- b. The operational asset base used for district based service delivery
- c. Land



The Smarter Workplaces programme radically reviewed the Council's wider 'office portfolio', and realised significant efficiency savings by vacating a number of properties, and consolidating provision of back office functions within three key buildings. Significant capital receipts were also realised by asset disposal.

Opportunities have recently been identified to further streamline the Council's core office accommodation, working collaboratively with other public sector partners, to exploit collective town centre property ownerships to maximise benefits from Regeneration, inward investment and improve efficiency in operating costs. Options are currently being explored and external funding being sought via the Government's One Public Estate (OPE) Programme to support feasibility work. This links into the work undertaken by the Strategic Estates Group (SEG).

With regard to the review of operational district assets, the Property Team and services continue to work closely alongside wider public and third sector partners to ensure that portfolios are best fit for purpose and efficient usage is maximised.

Disposal of land assets is being progressed aligned to corporate objectives and incorporated into the corporate disposals programme.

Planned review of the Council's investment portfolio will be accelerated as part of proposals to further improve delivery of the Council's Strategic Asset management function.

Governance of the Council's land and property portfolio is provided via the Land and Property Protocols which form part of the Council's Constitution, providing a strategic governance framework within which land and property transactions are undertaken and the corporate portfolio is managed in a consistent, transparent and appropriate manner. The Protocols are regularly updated to reflect Statutory, Administrative and Organisational changes.

The Corporate Property Board oversees acquisition and disposal of land and property assets and monitors the progress of the corporate disposals programme and performance of the investment portfolio.

## **7 How the Capital Requirements Will Be Prioritised**

- 7.1 Once a bid for capital expenditure has passed through the Gateway process and has demonstrated that it meets Council Objectives and links to the Greater Manchester Strategy (if appropriate) and it has been agreed that it is suitable for capital investment, the strategic requirements will be prioritised using the following criteria (it should be noted that these are not mutually exclusive or in ranking order):
- 7.2 The criteria examine whether the proposal is:
- a. Related to mandatory, contractual or legislative service delivery requirements.
  - b. Required to achieve the delivery of a specific revenue budget saving within the revenue budget setting process.
  - c. Required to support Service Plan priorities.
  - d. Enhancing the Co-operative Council agenda and demonstrating the enhancement of Social Value.
  - e. Supporting the Get Oldham Working priority initiative and demonstrating how it delivers the aim of local jobs for local people.
  - f. Supporting integrated working with NHS partners or in support of other GM devolution objectives
  - g. Linked into other regional objectives.
  - h. Enhancing the asset management/estate management agenda.
  - i. Providing general revenue saving or offering the delivery of a more efficient service.
  - j. Fully-funded from external resources.
  - k. Bringing in substantial external resources for which Council matched funding is required.
  - l. Likely to have the highest impact on achieving improved performance against the Council's key objectives.
  - m. Making a contribution to carbon reduction targets and renewable energy initiatives.
  - n. Supporting regeneration and economic growth, particularly in the town centre and district centres.
- 7.3 The results of this process will be presented to Members each year as part of the capital budget setting process, or during the year if projects come forward outside the normal timeframe.

## **8 How the Council Will Procure its Capital Projects**

- 8.1 The structure of the Council's procurement and strategic relationship management function includes designated Commercial Procurement Managers whose focus is to support all capital projects.
- 8.2 Integration of revenue and capital financial planning provides opportunities for greater efficiency by selection of the most effective procurement processes to ensure the best commercial solution.
- 8.3 The Council is keen to ensure that Social Value, particularly contributions to the Get Oldham Working initiative, is demonstrated during the procurement process, linked to the principles of the co-operative agenda. Therefore this is of key importance in the procurement of all capital schemes. The social value deliverables are actively monitored by the procurement team throughout the life of the contract.
- 8.4 Efficiency gains via procurement will be achieved by:
  - a. Efficient procurement processes which are constantly being enhanced with opportunities being developed to ensure the best commercial solution is selected and delivered.
  - b. Expanding the range of providers included within the Council's early payment discount scheme.
  - c. Strategic contract management of the wider supply chain to ensure continuous savings through the life of the project.
  - d. Procuring fixed price contracts with risk/reward terms to incentivise further efficiencies.
  - e. Joining in Association of Greater Manchester Authorities (AGMA) wide procurement initiatives which will provide savings through economies of scale.
  - f. PFI and Public Private Partnership (PPP) agreements and other innovative financing arrangements where practicable.
  - g. Leasing/borrowing strategies which will consider the most effective means of acquiring assets.

## **9 How the Council Will Measure the Performance of the Capital Programme**

- 9.1 The capital commissioning approach that has been adopted by the Council is supported by a strong programme management process in order to ensure a coordinated corporate approach to the strategic alignment of investments. The process has been modelled on PRINCE 2 project management methodology and the Office of Government Commerce (OGC) Gateway Review System, incorporating risk assessment, risk management, option appraisal, cost v benefit analysis, etc. This ensures that investments are planned, managed and delivered prudently.
- 9.2 The Capital Investment Programme Board (CIPB) has a remit to review the financial performance of the capital programme and it receives a monthly monitoring report. In addition financial monitoring reports will be considered by Cabinet at months 3, 6, 8 and 9, together with a capital outturn report. Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports.
- 9.3 The undertaking of the detailed annual review of the capital programme provides the opportunity to review all schemes or focus on specific areas of concern.
- 9.4 Where a potential cost overrun has been identified, the CIPB will explore possible solutions in detail. It will also consider any under spending or identified surplus resources which can be added to the central pool of resources. The CIPB may also suggest a reallocation of resources to other projects.
- 9.5 Where there is a delay in the commitment of programme/project resources, the CIPB will require project managers to report the reasons for the delay and consider whether it would be appropriate to recommend the decommissioning of the project and the reallocation of un-ringfenced resources to other projects.
- 9.6 The performance of the capital programme is also measured by the prudential indicators which are reported to Cabinet/Council as part of the Treasury Management Strategy, the Treasury Management half-yearly review, and the annual review.

## **10 The Capital Investment Programme Board**

- 10.1 The Capital Investment Programme Board (CIPB) is an Advisory Board and is chaired by the Deputy Leader and Cabinet Member for Finance and HR. The lead Chief Officer for CIPB is the Executive Director Economy, Skills and Neighbourhoods. The Leader of the Council has a standing invitation to all meetings. The Board is supported by senior Finance Officers, the Director of Economy and Skills, the Director of Education and Early Years and the External Funding Manager. The Board has detailed Terms of Reference which are included at Annex B.
- 10.2 All Directorates are represented at Director Level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet Member to attend when a project within their portfolio is being discussed.
- 10.3 The Board meets on a monthly basis to ensure there is a managed approach to:
- a. Discussing and recommending actions in relation to capital issues
  - b. Developing the Capital Strategy,
  - c. Developing the capital programme for the year ahead
  - d. Considering and approving business cases
  - e. Monitoring performance of individual capital projects and the whole capital programme
  - f. Reviewing the availability of capital resources and reprioritisation of resources as required
- 10.4 The CIPB also undertakes an annual review of the capital programme which will examine all schemes in the programme to:
- a. Ensure that schemes still meet corporate priorities
  - b. Review their continued relevance in the context of a dynamic and constantly developing organisation
  - c. Consider the progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations and rephasing of planned expenditure
  - d. Identify any unutilised or underutilised resources
  - e. Consider any reallocation of resources
- 10.5 It will also initiate periodic reviews of the whole or part of the programme as required in response to specific issues or concerns.
- 10.6 The Board oversees capital projects from inception to completion to ensure they are delivered efficiently and effectively and in line with the Council's corporate objectives.
- 10.7 The Board assesses all submissions for capital expenditure prior to them entering into the normal reporting process for approval. The Board therefore makes recommendations to the appropriate decision maker/ forum, whether this is a Member under delegated responsibility, Cabinet or Council.

**CURRENT CAPITAL PRIORITIES**

The Council has an approved capital programme which has already committed resources to support schemes for 2017/18 and future financial years.

Annex C sets out the proposed programme for 2017/21 taking into account the latest information and proposals. In order to set out a full explanation of the capital commitment and also the capital aspirations for the Council, the Capital Strategy identifies these schemes and explains their nature and importance, together with those projects that the Council would wish to undertake if there are sufficient resources to allow new projects to proceed.

Explanations of all key areas of approved capital expenditure are set out in the following paragraphs in portfolio order.

**1. CORPORATE AND COMMERCIAL SERVICES PORTFOLIO PROJECTS****a) IT Investment**

The capital investment programme that was approved in 2012 included a £6.000m allocation for IT enhancements for the duration of the 2013/15 ICT Strategy. Of this sum £1.155m has been redeployed into 2017/18. There are some committed ICT investments which include:

- i) Corporate Management Information Systems  
Provision of £0.069m across all years of the strategy to the continued integrated Agresso system upgrade and improvements
- ii) Government Connect  
An annual £0.020m allocation for ensuring the Council complies with Government connect initiative requirements and Public Sector Network
- iii) Unity ICT  
An annual provision of £0.160m for the IT server refresh programme in line with the Councils ICT contract with the Unity Partnership

**b) ICT Strategy**

The Council is now in the process of developing the ICT 'Digital' Strategy for 2017/20. The outcome will inform ICT investment priorities going forward.

The ICT initiatives that are likely to influence future capital investment plans are set out below:

- i) Business Intelligence and Information Management
- ii) Digital Self-Service
- iii) Increased Mobility of the Workforce
- iv) Collaborative Working
- v) Enterprise Scalability & Agility
- vi) Business Process Standardisation
- vii) Open Data, Application Programming Interfaces (APIs), & Digital Society

In order to facilitate the investment an indicative new allocation of £8.1m has been included in the capital programme covering the period 2017/18 to 2020/21. The

allocation of resources to specific schemes will be on the basis of a business case and detailed project review.

## 2. ECONOMY, SKILLS AND NEIGHBOURHOODS PORTFOLIO PROJECTS

There are a number of projects within the Economy, Skills and Neighbourhoods Portfolio:

### Corporate Property-Related Projects

There are several major property related initiatives within the approved capital programme as follows:

a) Major Repairs, Disability Discrimination Act Adaptations, Legionella, Health and Safety Projects

The Council will continue to fund major repairs, including dilapidations. In addition there are increasing demands on the Council to comply with health and safety requirements across all its service areas, and to ensure that there is adequate funding for Legionella, asbestos and Disability Discrimination Act requirements together with compliance with Care Quality Commission national standards in the establishments providing adult social care services.

As highlighted elsewhere in the Capital Strategy, the Council is mindful of the requirements to maintain the school estate and other capital maintenance and health and safety projects. As a consequence the Council has allocated additional resources in 2017/18 and then £1.500m in each of the remaining years to 2020/21 to contribute towards school maintenance and other corporate property expenditure (including car parking). This has been supplemented by the Schools Condition Allocation bringing the total resources available to £2.909m in 2017/18.

It is probable that additional resources will be required for schools and corporate property maintenance initiatives and these are therefore included as a priority funding issue for the 2017/18 Strategy.

b) Neighbourhood Development Fund (District Development)

A sum of £0.185m of the funding allocation approved in 2014/15 and 2015/16 for the delivery of neighbourhood branding, greening and other innovative projects has been re-profiled to 2017/18.

c) Other Priority Regeneration Projects

In addition to the Town Centre regeneration projects there are several other priority regeneration projects that the Council has agreed or will continue to support via the investment programme.

i) *Hollinwood / Langtree*

This is a proposed redevelopment of vacant sites surrounding junction 22 of the M60 motorway at Hollinwood. The scheme is being brought forward in conjunction with the appointed strategic development partner, Langtree Plc, as well as other key land owners and stakeholders at this location, via the Hollinwood Board and the establishment of a newly formed Hollinwood Partnership. Capital investment from the Council to assist in accelerating delivery, extends to 2017/18. This, however, will result in capital receipts as end

users are secured and developments on Council-owned sites are completed, thus minimising the actual net capital contribution required by the Council.

ii) *Foxdenton*

A Local Development Framework (LDF) for Foxdenton was adopted on 9 November 2011. There has been a site allocation of 121 acres (including around 10 acres of Council-owned land) and this has now been confirmed in planning policy terms as a Business Employment Area. The LDF also accepts the principal that there will be up to c 500 unit residential development on the site in order to help cross-subsidise the provision of infrastructure etc. and to make the wider development viable.

There is the potential for the development to deliver in the region of 500 new homes, 0.7 million square feet of new business space and the creation up to 1,800 jobs over the next 5-10 years. The Council is currently consulting with local residents and businesses over this development.

To facilitate commercial and residential developments of this nature some additional highway investment is required which is reflected within the overall Transport capital programme.

iii) *Oldham Strategic Investment Framework*

The Council has an ambition to develop employment sites across the Borough which will add to the Council's agenda for increased skills and jobs and diversification of the housing offer within Oldham. Such schemes may require upfront Council investment for which the Investment Framework would be available.

The SIF was published in summer 2016 and sets out an investment framework focussed on priority employment sectors and a supporting programme covering people (skills) place (physical investment) and business support. It will be reviewed annually and supported by the capital programme.

d) Developments in Royton

In line with the Co-operative Council ethos, a capital priority is investment in neighbourhoods, in particular the creation of hubs around neighbourhood town halls. An allocation of resource of £2.194m has been included in the 2017/18 capital programme for schemes in Royton.

e) Schools

There are several grant funded initiatives which are either included in the capital programme or which are going to potentially be made available as follows:

i) *Priority Schools Building Programme – Saddleworth School*

Under the Priority Schools Buildings Programme (PSBP) the Council submitted a successful bid for Saddleworth School. The PSBP will fund only the buildings but will not cover loose fixtures and fittings, ICT hardware and travel costs associated with moving the site of the school or highways infrastructure required to support the new location. Council resources will be used to support expenditure not supported by grant.

On 19 January 2015 The Secretary of State for Education announced the preferred site for the school, however, the school project is subject to a Judicial Review and therefore there can be no progress until the Review findings have



been announced. The Council has earmarked a total of £2.019m of resources to support the completion of the replacement school. Of this sum, £1.667m has been profiled into 2017/18, pending the outcome of the Review. Current projections forecast that the resource allocated may not be sufficient to deliver the support needs currently identified. Additional resources will be prioritised as appropriate.

ii) *Priority Schools Building Programme - Phase 2*

On 9th February 2015 the Government announced that only the bid for Royton and Crompton had been successful, however there is still on-going negotiation about the scope of the works and the precise level of funding available remains unconfirmed. Meetings are ongoing with the Education Funding Agency (EFA) and the Council is doing all it can to progress this important scheme.

iii) *Schools Investment Programme*

Having recognised the need for additional investment in schools across the borough a programme of new schemes addressing the specific needs of the school estate was developed and approved by Council in July 2012. This took into account not only the condition of existing buildings but school capacity issues.

A full programme of work was approved for the 2013/14 and 2014/15. Most of the schemes have now completed on site, but Royton and Crompton Secondary remains outstanding. As outlined above, this project has been delayed and a final decision on Council funding can only be made once the availability of Government grants has been clarified.

iv) *Education Basic Need Funding to 2018/19*

The Council has received notification of a funding award of £15.405m in 2017/18 and £22.824m in 2018/19, of which £7.931m and £10,924m respectively remain available for allocation against the priorities within the Education Provision Strategy.

The Provision Strategy details the statutory duty of the Council to deliver sufficient schools places within the primary and secondary sector. In addition it should be noted that, because the funding is based on local authority validated data, the Department for Education reserves the right to abate for any overpayment made resulting from inaccurate data.

v) *School Condition Allocation (formerly Education Capital Maintenance Grant)*

This funding is pooled with other Council resources to support corporate major repairs, DDA, legionella and health and safety projects. February 2016 saw formal confirmation of the 2016/17 allocation, assuming that further Oldham schools will convert to academies and that associated funding will be lost; £1.755m has been included in for 2017/18.

vi) *Devolved Formula Capital*

The Devolved Formula Capital (DFC) indicative funding allocation is £0.424m for 2017/18.

vii) *Early Years Provision*

The Early Years Capital Fund allocation is £0.371m for 2017/18 as notified in January 2017.

f) Town Centre and Borough-Wide Regeneration

The capital programme report that was approved in July 2012 included a substantial investment in town centre and borough-wide regeneration. This extensive programme reflects the Council's commitment to re-energising the local economy and creating jobs. The investment is aimed at pump-priming a selected number of key regeneration projects which will stimulate private sector investment and economic growth and improving the infrastructure which supports local communities such as roads, schools, adult care and the leisure offer.

A new Investment Programme is to be developed to continue the economic growth of the Borough and in particular the Town Centre. Some of the emerging projects within the new programme are highlighted below along with an update on current schemes.

*Town Centre Regeneration*

The new investment programme encompasses large scale projects and some projects currently within the design stages of construction. Through a co-operative, 'town team' approach, the Council will work with partners to ensure realisation of the long term vision for a more economically, socially and environmentally connected Oldham of the future.

At the heart of Oldham is the Town Centre where there is great capacity for growth. The Council has capitalised on the Metrolink expansion, ultrafast next generation broadband and vastly improved public realm to create the setting for new development and investment opportunities. The Council has already committed resources to make sure this happens and is now working with development and investor partners who are leading edge, creative and keen to work with a Co-operative Council on key development projects including:

i) *Town Centre hotels offer and Queen Elizabeth Hall*

The Council is continuing work to bring forward schemes to deliver mid-upper range hotel options in Oldham Town Centre for which there is proven market demand. In addition proposals will be brought forward for redevelopment and refurbishment of the Queen Elizabeth Hall which capitalises on the Hall's conference facility potential. Delivery options are currently under development/consideration.

ii) *Cultural Quarter Regeneration*

The programme involves the refurbishment of the former Grade II listed Oldham Library (Phase A), redevelopment of 84 Union Street (Phase B), a new Coliseum Theatre (Phase C) and restoration of other prominent Heritage Buildings in the vicinity (Phase D), to the Council has secured external funding for Phases A and C from both the Heritage Lottery Fund and Arts Council. Additional external fund raising for the Coliseum Theatre is being underwritten by prudential borrowing which will not be required if the funding is secured. The programme will be delivered as a phased approach, with the first phases opening in 2019/20.

iii) *Eastern Gateway / Prince's Gate*

The scheme is a strategic gateway into the Town from the East of the Borough. The scheme originally envisaged by the Council is currently being redesigned due to changes in market conditions and resources remain available to support the project in line with previous estimates. The vision for the site continues to be a retail-led scheme with residential and commercial components, for which market demand continues to be strong.

- iv) *Redevelopment of Tommyfield Market and former Leisure Centre sites*  
The former leisure centre was situated on Lord Street, a prominent site within the Town Centre close to the retail core and Old Town Hall and Parliament Square development. The future use of the site is currently undergoing feasibility for a commercial development and will be a short term surface car park until construction of the site begins.

The indoor market requires investment and reconfiguration to remain sustainable. There are a variety of options for the market site to allow for commercial use and a sustainable, vibrant market long term. These various options will be developed during 2017/18.

All of the schemes build upon the wider improvements within the Town Centre, including the transformation of the Old Town Hall.

g) Transportation Projects

There are a number of key transport-related projects that the Council is planning to undertake in 2017/18. The transport programme is managed largely with regard to the Greater Manchester Transport Strategy and Local Transport Plan complemented by other projects as set out below.

- i) *Greater Manchester Transport Strategy, Local Transport Plan and Metrolink*  
There is a statutory requirement for Local Transport Authorities to prepare a Local Transport Plan (LTP) and keep it under review and refresh as they see fit; the requirement to update the plan every five years no longer applies. Greater Manchester has previously produced three LTPs, in 2001, 2006 and 2011. LTP3 was linked to a previous Spending Review and included spending plans for the period 2011/2015. LTPs are required to cover both policy and implementation elements, although these can be to different timescales e.g. with a long-term strategy and short term implementation plans.

The Greater Manchester Combined Authority (GMCA), via Transport for Greater Manchester, is now responsible for producing the Local Transport Plan. GMCA has developed a fourth Local Transport Plan (LTP4), which includes a new long-term GM transport strategy to 2040 and five year spending plans, which will be updated annually, based on confirmed resources. LTP4 was approved by GMCA on 16 December 2016.

The LTP3 period has been one of rapid change and significant governance reform that has seen a number of changes to the way in which Government support for capital investment is organised, including a move towards devolving Local Transport finance, particularly for major schemes (i.e. those costing more than £5m) and the introduction of the Local Growth Fund from 2015/16 and accompanying Growth Deals.

Two of the previous main Local Transport Plan funding blocks remain in place under the new funding arrangements. These are the integrated transport block and the capital maintenance block

- ii) *Integrated Transport Block*  
The integrated transport block (ITB) provides funding support for transport capital improvement schemes costing less than £5m. In Greater Manchester's case, this grant is paid to and managed by the GMCA at a regional level; it is not paid directly to Oldham. In July 2014 the Department for Transport (DfT) confirmed the ITB allocations for the period 2015/16 to 2017/18 and issued indicative

allocations for 2018/19 to 2020/21. Nationally, the total funding available for ITB in the period to 2021 was confirmed as £2.7bn (£458m per annum). Of this, £200m is being top sliced each year for the Local Growth Fund, with the remaining ITB of £258m per year being allocated by formula.

The new ITB allocations are based on a revised formula, which introduced a performance element into some of the criteria. The data used for the assessment will be refreshed in 2017, before the allocations for 2018/19 to 2020/21 are confirmed. The Greater Manchester formula based allocation is £97.050m over the six year period (£16.175m per year). This is in line with the assumption made in the Growth and Reform Plan submission to the Local Growth Fund, that GMCA would receive £90-£100m based on a per capita allocation, which would be sufficient to meet the Metrolink and Greater Manchester Transport Fund top slice commitments, totalling £96m. As such, the formula based ITB is fully committed and there will no element of this grant available to individual local authorities.

*iii) Capital Maintenance (for bridges, highways and street lighting)*

This area of work is funded by grant paid directly by the DfT to the GMCA, which determines the distribution of the grant across the 10 Greater Manchester local authorities. The total available nationally is £5.8bn over the six year period (£976m per year). There are 3 elements to this grant; a needs-based element, a new 'incentive' element and a new Challenge Fund.

The needs-based element is calculated by formula. Following a period of formal consultation on a revised distribution formula, in December 2014 the DfT issued capital maintenance 'needs-based' allocations for the six year period 2015/16 to 2020/21. The allocations for the three year period 2015/16 to 2017/18 are actuals, with the allocations for the following three year period being indicative. Although the allocations are calculated on an individual local authority basis, the Greater Manchester local authority allocations will be paid directly to GMCA for GMCA to determine the distribution of the resource.

Oldham's allocations over the full funding period are as follows:

|         |         |            |
|---------|---------|------------|
| 2015/16 | £2.452m | Actual     |
| 2016/17 | £2.248m | Actual     |
| 2017/18 | £2.180m | Actual     |
| 2018/19 | £1.973m | Indicative |
| 2019/20 | £1.973m | Indicative |
| 2020/21 | £1.973m | Indicative |

From 2018/19 onwards, the figures are indicative pending a data refresh, the collection of cycleway and footway data (a new element to be included in the formula) and a review of the bridges element in the formula.

Oldham was successful in securing grant from the competitive Challenge Fund for major maintenance projects, with the Council's bid securing £3.160m for a programme of named schemes over the three year period 2015/16 to 2017/18. A match-funding contribution of £0.840m formed part of the bid to DfT; this is being met from the Council's needs-based capital allocation for highway maintenance.

For the purposes of longer term financial planning for transport investment, the Council assumed that GMCA would distribute the capital maintenance block in line with DfT's distribution for the three year period 2016/17 to 2018/19 and a

three year programme with a value of £6.401m and a reserve scheme list with a value of £2.585m have been developed and received formal approval in November 2015. The first year of that programme was delivered in 2016/17 and schemes for delivery in 2019/20 will be identified to maintain a 3-year rolling programme. In the event that the full resource is not allocated to Oldham the programme will be reviewed and reduced accordingly.

Whilst Local Transport Plan funding is not ringfenced, it comes with the expectation of both the DfT and GMCA that it will be invested in delivering the Local Transport Plan strategy. As such the capital maintenance allocation for 2017/18 and subsequent years to 2020/21 will be passported for investment in and maintenance of Oldham's transport network.

The capital programme includes a number of transport-related grants received for expenditure in 2015/16 which were reported in previous Capital Strategy updates. There is likely to be some re-profiling of these grants where the grant conditions allow and completion is scheduled beyond 31 March 2017. In addition, the Council has also received a number of additional grants during 2016/17 which were not anticipated at the time last year's Capital Strategy was prepared and which have been brought into the programme, including;

- £0.002m Greater Manchester Casualty Reduction Partnership Award Fund;
- £0.137m Local Highways Maintenance Incentive Fund; and
- £0.137m Pothole Action Fund (2016/17)

An additional £0.265m of Environment Agency Flood Defence Grant in Aid (FDGiA) has also been received for 2017/18.

The Autumn Statement also announced a further Pothole Action Fund allocation of £0.193m for 2017/18.

iv) *Local Growth Fund*

A new Local Growth Fund (LGF) was introduced by Government and became operational from 2015/16 onward. The LGF combines a number of funding streams, including local transport major scheme funding and part of the Integrated Transport Block (£200m nationally for the period 2015/16 to 2020/21).

The funding is being allocated through Strategic Economic Plans, mostly through a competitive process. Greater Manchester submitted a bid for a minor works capital programme to the competitive element of the Integrated Transport Block included in the LGF. Greater Manchester's minor works bid was £110m for the six year period 2015/16 to 2020/21

In the event, the DfT did not award funding for the full six year period, but for the first two years only. The Greater Manchester bid secured £8.910m for 2015/16 and £6.300m for 2016/17 for minor transport schemes, of which Oldham received £2.000m towards the highway infrastructure for the Old Town Hall scheme in 2015/16. In October 2015, the Government invited Greater Manchester to bid for further LGF funding to 'top up' the initial allocation. An additional Growth Fund 2 bid was submitted to DfT on 3 October 2014 for further minor works resources of £47.900m for the period 2015/16 to 2016/17. The second Growth Fund bid secured £34.600m for transport schemes, which includes £4.970m for delivery of the following Oldham schemes in 2016/17 to 2017/18:

|  | Growth Fund<br>2 Allocation<br>£000 |
|--|-------------------------------------|
| Albert Street, Hollinwood Junction                                 | 800                                 |
| Town Centre Metrolink pedestrian/cycle access                      | 70                                  |
| Local Sustainable Transport Fund - Sustainable Access Enhancements | 150                                 |
| Oldham Mumps Park & Ride and Highway Infrastructure                | 3,500                               |
| Town Centre Connectivity - Yorkshire Street                        | 450                                 |
| TOTAL  | 4,970                               |

In Oldham's case, a total match-funding contribution of £0.950m in respect of the Albert Street and the Oldham Mumps schemes formed part of the bid to DfT. This match funding is already included within the Council's existing capital programme.

In April 2016 the Government invited Local Enterprise Partnerships (LEPs), including the Greater Manchester LEP, to submit bids to a third round of its Growth Fund. A GM bid was submitted to Government in July 2016 for £290m Growth Deal 3 funding, including £30.600m for Oldham. If the bid is successful, Oldham could receive £30.600m over the 4-year period 2017/18 - 2020/21. This would come with a Council match-funding requirement of £5.300m, of which £0.875m has yet to be identified from Council resources. If the bid is successful, identifying the matched funding requirement will be a priority.

v) *Fleet Management*

Oldham Council introduced the existing Fleet Replacement Programme in 2012/13 as per the strategy approved at the Cabinet meeting on 6 February 2012; the objective of which was to gradually replace leased and hired vehicles with purchased vehicles that would have an useful economical life ranging from 3 to 7 years. Since then Fleet have carried out this policy whenever a vehicle is due to be replaced.

The financial year 2017/18 is the sixth year of the seven year Fleet Replacement Programme. The existing replacement cycle has been reviewed in March 2016 with a view to CIPB noting the fleet replacement requirements for a further five years to 2020/21. It is anticipated that in 2019/20 further expenditure of £3.300m will be required to be included in the capital programme subject to a detailed business case in 2018/19. This will be financed from prudential borrowing, with annual repayments being made from within existing revenue resources.

vi) *Gateways and Corridors Highways Improvement Programme - '24 Hour Repair Promise'*

Previous years' capital programmes have included funding for the Gateway Corridor Improvement Programme (£2.000m prudential borrowing in 2014/15-2015/16). This supported a '24 Hour Repair Promise' to Oldham's priority network, initially focused on the 'Gateway Corridors' that emanate from Oldham Town Centre.

The roads identified as potential 'Gateways' or 'Corridors' to be upgraded as part of the 24 Hour Repair Promise were as follows:

- A671 Rochdale Road / Oldham Road

- A663 Shaw Road / Milnrow Road
- A62 Manchester Road (P2 - M60 to Town Centre) - Gateway
- A672 Ripponden Road
- A627 Chadderton Way - Gateway
- A627 Ashton Road
- A62 Oldham Road (P1 - M60 to Boundary) - Gateway
- A669 Middleton Road
- A669 Lees Road / Oldham Road
- A62 Huddersfield Road

The Gateway Corridor Highway Improvement Programme and the '24 hour repair promise' has continued beyond 2015/16 but is limited to those schemes included the Local Transport Plan programme

vii) *Roads Funding 2017/18*

On 13 January 2017, the DfT announced a number of funding streams, including new funding that has been allocated to GM for 2017/18 and potential bidding opportunities for interim 2017/18 funding that DfT is releasing from the Safer Roads Fund and the Highway Maintenance Challenge Fund (tranche 2).

The Council will work closely with the GMCA to maximise the uptake of any grant available.

viii) *Cycling and Walking to Work Fund*

On 26 January 2017, the DfT announced £64m of funding to encourage more cycling and walking to work. GM has been allocated £1.5m from the fund as part of investment in three city regions to connect people with employment and apprenticeship opportunities. This may provide the Council with an additional opportunity to bid for funding to support local schemes that support cycling and walking to work.

h) Private Sector Housing

The following housing-related initiatives are within the approved capital programme.

i) *Housing Market Renewal and the South Werneth Redevelopment*

Funding for the Housing Market Renewal (HMR) Pathfinder programme was stopped by the Government in March 2011 but its sudden demise left legacy issues to address. The Council had some HMR liabilities in relation to empty properties and sites in the Council's possession that needed to be addressed.

The South Werneth redevelopment proposal was approved by Cabinet in March 2012 to address the problem created with the withdrawal of HMR funding and the partial completion of the housing redevelopment programme. A report was considered by Cabinet in January 2014 and approved the disposal of the land at open market value to Community Build Werneth Limited. A start on site is anticipated in early 2017.

The Council has commissioned a development brief for North Werneth to provide design guidance for both Hartford Mill and adjacent undeveloped land. The brief will articulate the vision and ambition for this part of Werneth as well as assist the case for obtaining permission to demolish Hartford Mill.

There remain a number of commitments relating to HMR legacy issues in Werneth and Derker. Several outstanding liabilities also remain where sales are in dispute or where payments for properties that were already acquired and demolished have yet to be made.

In Derker, Keepmoat Homes have completed their development at Churchill Gardens (165 homes) 12 months ahead of schedule. The Council is seeking to dispose of the remaining sites in Derker in 2017 through the Homes and Communities Agencies Developer Partners Panel 2 (DPP2).

ii) *Equity Loans Initiative*

The Home Improve Equity Loan product was developed to offer homeowners the opportunity to have essential repair works carried out to their property, by borrowing the money against available equity within their property. The scheme now operates on a borough-wide basis. These funds are repaid back to the Council upon sale or transfer of the property as notified by the land registry.

Home Improve Equity Loans play a crucial role in the sustainability of housing within Oldham and by helping residents to remain in their neighbourhood, thus helping to maintain sustainable communities.

The Council currently works in partnership with Guinness Northern Counties, who provide the financial and legal assistance to the homeowners as independent advisers. The Council carries out the administration and technical assistance, which also includes procuring the tenders and contractors on site to completion. All works are tendered to local contractors who are registered with Construction Line.

Oldham Council has taken the lead role at an Association of Greater Manchester Authorities (AGMA) level in the procurement of an Equity Loan provider. This regional initiative is enabling all AGMA Councils to offer a similar product with reduced overheads.

Resources of £0.404m were included in the 2016/17 capital programme and further provision of £0.417m and £0.300m has now been incorporated for 2017/18 and 2018/19. Recycled capital receipts that are ring fenced to replenish the resources for this initiative will also fund the planned expenditure.

The scheme is also assisting the DFG team with large extensions or difficult cases, with an additional option for top up above the mandatory £0.025m as an adaptation loan.

### **3. HEALTH AND WELLBEING PORTFOLIO PROJECTS**

3.1 There are four project areas within the Health and Wellbeing Portfolio:

a) Adult Social Care

Mindful of the continued demand pressures faced by Adult Social Care services, in addition to the funding received through the Better Care Fund, the Capital Programme includes a £0.400m general Adult Social Care provision which can be utilised in accordance with need in this area including additional support for disabled adaptations and transformational schemes to further integrate health and social care which may require a call on capital expenditure. The ongoing requirement for this additional funding will be kept under review.



b) Better Care Fund (Disabled Facilities Grants)

The demand for major property adaptations to premises continues to rise, particularly because of the increase in numbers of elderly clients and also of very disabled children, where medical advances have seen improvements in life expectancy. Because of the number of requests and the limitation of resources to process the applications, the timescale for the successful completion of approved adaptations is currently increasing.

An update to the Council's Adaptations Policy and Procedures is imminent. This will include the promotion of rehousing as the preferred option wherever possible. However alternative adapted/adaptable properties are very limited in supply (particularly for the family dynamics within the borough). There are also plans to introduce a framework contract to reduce the cost of building work associated with adaptations. It is hoped that such improvements will meet the demographic growth in demand but are unlikely to reduce waiting times at the same time.

The service level agreement between FCHO and the Council for major adaptations ended in February 2016 and requests for adaptations to FCHO properties are now means tested and made directly to the Council in line with DFG requirements. This is having an additional detrimental impact on client waiting times.

For 2016/17, the Better Care Fund (BCF) capital allocation in the form of Disabled Facilities Grant (DFG) was £1.618m, the grant was un-ringfenced but, given the Council's obligation to undertake adaptations, the strategy of the Council is to passport the full grant allocation for the intended purpose; to support housing adaptations. There is currently no notification of funding for 2017/18. There is however an anticipation that it will be of a similar amount and any funding received will be allocated using the same principles as were applied in 2016/17.

c) District Investment Fund

The District Investment Fund (DIF) was created in 2011 and is now a well-established concept. It is intended to fund larger scale neighbourhood investments that meet local needs and achieve value for money. The capital programme for 2017/18 includes capital funding of £0.190m reprofiled from 2016/17. £0.200m per annum of new funding is provided from 2017/18 onwards.

#### **4. HOUSING REVENUE ACCOUNT (HRA)**

4.1 Set out below are the HRA schemes with a confirmed resource requirement for 2017/18:

a) Safety works – Extra care Housing

As part of the introduction of an extra care housing offer into six sheltered group schemes, capital works are being undertaken. These include the installation of CCTV, improved boundary treatments, the installation of sensory gardens and improved landscaping at Hopwood Court, Tandle View Court, Trinity House, Aster House and Old Mill house. The installation and improvement of landscaping at Tandle View Court, Trinity House and Old Mill House will be subject to further reports in 2017/18, once exact costs are known.

b) Solar Photovoltaic panels – PFI sheltered housing

Following approval, in 2015 a pilot programme was completed to install photovoltaic (PV) panels on two group schemes and 32 bungalows within the Council's sheltered

housing PFI project. The cost was £0.287m, funded through the Housing Revenue Account.

The benefits of the scheme are:

- i) reductions in energy bills for tenants in bungalows and flats by an estimated £150 to £200 per annum.
- ii) reductions in service charges for grouped schemes by reducing expenditure on communal heating and lighting (currently borne by the Council's Housing Revenue Account).
- iii) the provision of a source of income for the Council in respect of Feed-in-Tariff.

Due to the pilot's proven success, the intention has always been to roll out the installation programme across the whole scheme at an estimated additional capital cost of £1.4m. However, reductions to Feed-in-Tariff rates (which did not impact upon the pilot phase) have diminished the financial benefits to both residents and the Council. Rolling out the programme to bungalows is no longer viable unless Feed-in-Tariff rates are increased or the costs of Solar Photovoltaic panels falls significantly further in the future.

Approval to roll out the installation of Solar Photovoltaic panels to viable group schemes was granted by Cabinet in October 2016. The capital provision for the works is £0.675m, based on £0.075m in 2016/17 and £0.600m in 2017/18.

Through the Housing Revenue Account, a number of additional capital schemes will be progressed during 2017/18 and future years.

c) Supported Housing For Adults With Complex Learning Disabilities (SHALD)

In June 2016, Cabinet approved in principle for HRA capital funding to be allocated to help support the feasibility and subject to all necessary consents, the development of new build accommodation for adults with learning difficulties and complex behaviours. Any costs associated with developing the feasibility for the project would be funded through the Housing Revenue Account. Provision has been made available within the capital programme for advance design works in 2016/17, with additional financial provision in 2017/18 to support the construction costs. The Council was notified on 5 January that a bid for £0.580m for Homes and Community Agency funding has been successful. NHS England has also confirmed a £0.500m contribution to the project. The final capital implication will be confirmed in 2017 once the construction price tenders are returned from the market.

d) Houses for Sale at Primrose Bank

As part of the Gateways to Oldham PFI scheme, the Council entered into a development agreement with Inspiral Developments (Oldham) Limited (IDO) to build out homes for private sale. Due to the poor level of sales of the initial phase of this development, IDO has not exercised its option to build out subsequent stages and has agreed to relinquish its rights for one of the sites. This enabled the Council to commence a development comprising 16 houses for private sale. The proposed site is fundamental in terms of achieving the transformation objectives of the project and much of the estate infrastructure has already been completed on this site.

The main benefits of the project are to:

- i) Complete the Primrose Bank regeneration project in an area that could remain blighted.
- ii) Build attractive homes for sale, addressing the shortage of family homes in the borough.

- iii) Support a mix of tenure within the Primrose Bank area.

Following a tender process through HCA's Development Partner Panel framework, Cabinet approved the appointment of Keepmoat as the development partner in October 2015. Construction commenced in October 2016 after receiving non-refundable plot reservation fees from 13 out of 16 prospective purchasers. Ongoing sales marketing is continuing to sell the remaining plots on the open market.

The fall-back position, in the event the properties do not sell, is to add the houses to the Council's HRA stock. The cost of this option (assuming a worst case where no properties sell privately) would be recouped from net rental income over the term of the HRA business plan, without incurring a net loss to the Housing Revenue Account.

- e) Prince's Gate Affordable Housing

The reconfigured, the Prince's Gate scheme continues to include the development of an affordable housing offer. Indicative funding is available within the Housing Revenue Account to support new affordable housing development. This could include 55 apartments in the first phase of the development programme to be delivered from 2017/18. In addition a supporting indicative capital bid to the Homes and Communities Agency affordable housing programme was submitted on the 1 September 2016. The Council was notified on 5 January that a bid for £1.250m for Homes and Community Agency funding has been successful.

- f) Introduction of Wi-Fi into the communal areas within our older peoples' housing service.

There is a growing take up of online access to a range of web-based customer services within the older peoples' housing services population, particularly as the services that they need are increasingly becoming web based, including some Council services through the Resident First programme.

It has always been an intention of the service model to encourage greater use of the communal facilities by the wider community. Public Wi-Fi not only provides an opportunity to encourage the community into the facilities directly but also provides an opportunity to encourage other agencies to better use the facilities and deliver a broader range of services.

All 19 group schemes managed by Housing and Care 21 and a number of bungalows have communal areas. They act as community hubs, open to the wider neighbourhood. Currently they do not have the infrastructure in place to support free public access to Wi-Fi, but this initiative is now progressing.

## **5. FUNDS YET TO BE ALLOCATED**

- 5.1 As a result of the 2016/17 annual review of the capital programme and consequent rolling forward of resources the realignment of other resources and the introduction of new funding, there are funds yet to be allocated of £7.400m in 2017/18 and £1.400m in 2018/19. This is available for allocation to priority projects.

## **PRIORITIES FOR 2017/18 ONWARDS**

This section highlights potential priority investment areas for 2017/18 onwards. These will be taken forward subject to the availability of resources and the approval of a full business case. Further details are provided at Section 3 of the Capital Strategy 2017/21.

### **1. EXISTING PROGRAMMES**

There is a requirement for continued funding of existing programmes of work:

- a) Corporate Major Repairs, Disability Discrimination Act (DDA) Adaptations, Legionella, Health and Safety Projects (Corporate Landlord Function).
- b) School Condition Works.

### **2. NEW PROJECTS**

In addition to the projects specifically referred to above, the following is a list of further/new projects for which funding may be required:

- a) Adult Social Care
- b) Unforeseen/emergency Health and Safety works
- c) Low Carbon and Energy Efficiency Initiatives
- d) School Investment/ Pupil Places Pressures
- e) Priority School Building Works
- f) Playing Pitch Strategy
- g) Surplus Sites
- h) Working with NHS Partners
- i) AGMA GM Investment Fund Loans
- j) Town Centre Regeneration
- k) Borough-Wide Regeneration
- l) Car Parking
- m) Housing Initiatives
- n) Equity Home Loans
- o) Supported Housing for Adults With Complex Learning Disabilities
- p) Greater Manchester Devolution-Related Initiatives
- q) Partnership and Joint Working
- r) Matched Funding for Grant Bids
- s) Support for the Council's Co-operative Ethos
- t) Refinancing PFI and Public Private Partnership (PPP) type agreements
- u) Warm Homes Oldham

**CAPITAL INVESTMENT PROGRAMME BOARD****1.0 TERMS OF REFERENCE**

The Capital Investment Programme Board (CIPB)'s terms of reference are:

- a) To develop the overall Capital Strategy and annual programme in accordance with the priorities set out in the Council's corporate plan.
- b) The recommendation of the overall Capital Strategy and programme to Cabinet and Council.
- c) Once the overall Strategy and annual programme of expenditure have been approved at Council:
  - i) The consideration and recommendation of approval of the detail of the thematic programmes (e.g. Highways Capital Programme).
  - ii) The consideration and recommendation of approval of any amendments to the annual programme.
  - iii) The recommendation of approval of any new capital projects.
  - iv) The detailed appraisal of projects, taking into consideration the Council's Capital Strategy, priorities and annual aims and objectives.
  - v) The review of potential commercial risk and Value for Money issues on any proposal for the use of capital.
  - vi) To provide a forum for establishing and providing robust challenge and debate around the capital programme.
  - vii) To undertake a detailed annual review of the capital programme.
  - viii) Monitoring of the performance of projects and programmes within the Council's capital programme.
  - ix) The review of the Council's capital programme on an on-going basis and to ensure it is achieving the agreed outcomes and consideration of the financial monitoring report.

**2.0 MEMBERSHIP**

2.1 The Chair of the CIPB is the Deputy Leader and Cabinet Member for Finance and HR. The Leader of the Council will have a standing open invitation; other Cabinet Members may be invited to attend CIPB at the discretion of the Chair.

The lead Chief Officer for CIPB is the Executive Director, Economy, Skills and Neighbourhoods.

Officers in attendance at CIPB are:

- a) The Director of Economy and Skills

- b) The Director of Finance
- c) Senior Members of the Finance Team.
- d) Director of Education and Early Years
- e) External Funding Manager.
- f) Representatives from Legal Services, Human Resources, Procurement and Information Technology as required.

2.2 All Directorates will be represented at Director level by invitation to attend CIPB as and when projects for which they are responsible are being considered. The Chair may also invite the relevant Cabinet member to attend when a project within their portfolio is being discussed.

2.3 The CIPB is supported in its work by the Strategic Regeneration Project Management Office which oversees the management and governance of strategic regeneration projects.

### **3.0 REPORTING**

3.1 CIPB will report to Cabinet, Council and the Overview and Scrutiny Performance and Value for Money Select Committee as appropriate.

3.2 CIPB has a remit to review the financial performance of the capital programme and it will receive a monthly monitoring (highlight) report.

3.3 Issues that have been considered and agreed at the CIPB can be reported to Cabinet as necessary via the regular financial monitoring reports, presented at months 3, 6, 8 and 9.

### **4.0 DECISION MAKING**

4.1 In relation to the approved capital programme, CIPB will make recommendations regarding the approval of business cases and virements both within and between approved programme areas. In all such cases, the decision maker is the Deputy Leader and Cabinet Member for Finance and HR, in consultation with the Executive Director, Economy, Skills and Neighbourhoods, and the Director of Finance

### **5.0 DECISION RECORDING**

5.1 CIPB will make recommendations on receipt of a formal delegated decision report which will be presented to the appropriate Members/Officers for approval. Key decisions must be included in the published key decision document and all decisions taken (see above) will be recorded on Modern.gov

### **6.0 GOVERNANCE**

6.1 CIPB is the only group within the Council (below Council level) that can recommend investment in projects within the approved capital programme. Therefore, the key role of CIPB is to consider the following milestones which define key stage boundaries that require investment decisions. A project can only progress to the next stage on the recommendation of CIPB.

- a) Strategic business case – initial concept/scope of a project.
- b) Outline business case - delivery strategy to design and procurement stage.

- c) Full business case - design and procurement stage to delivery and handover stage.

6.2 The Council has agreed that provision is not necessary for capital expenditure incurred in lieu of capital receipts. Any such schemes will be classified by the CIPB as 'Borrowing in Lieu of Capital Receipts'. CIPB will also determine which capital receipts will be used to finance the scheme and as the receipts are achieved they will be applied to repay the debt

## **7.0 CIPB SUB-GROUPS**

7.1 CIPB may at its discretion convene a sub-group for a specific purpose or purposes. Updates from these meetings are reported to CIPB.

The core officer membership for each sub-group comprises:

- a) The relevant Director for specific Boards as Chair; e.g. the Director of Education & Early Years chairs the Schools Capital Programme Board.
- b) The Director of Legal Services
- c) The Director of Finance

Current sub-groups are:

- a) Major Projects and Joint Ventures Programme Board
- b) Corporate Property Board
- c) Schools Capital Programme Board
- d) ICT Programme Board
- e) Transport Programme Board
- f) Residential Development Board

7.2 In addition there is an External Funding Group, chaired by the Director of Finance. The remit of this Group is to:

- a) Manage external funding at a strategic level.
- b) Identify potential grants and additional sources of funding.
- c) Manage the process for applying the funding and approve all bids for funding.
- d) Monitor on-going compliance with grant terms and conditions and assess any financial risk including grant claw back.
- e) Provide a Regeneration Plan/framework that can enable the Council to proactively react to funding opportunities as they arise.
- f) Ensure there are sufficient resources for the Council to be fully embedded within Association of Greater Manchester Authorities (AGMA), particularly important in light of devolution.
- g) Ensure there are sufficient personnel to enable the Council to proactively react to funding opportunities as they arise.

## CAPITAL PROGRAMME 2017/18 to 2020/21

| BUDGETS                                   | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Corporate and Commercial Services</b>  |                 |                 |                 |                 |
| IT Investment                             | 3,904           | 2,849           | 2,249           | 1,249           |
| <b>TOTAL</b>                              | <b>3,904</b>    | <b>2,849</b>    | <b>2,249</b>    | <b>1,249</b>    |
| <b>Economy, Skills and Neighbourhoods</b> |                 |                 |                 |                 |
| Corporate Property                        | 2,909           | 1,500           | 1,500           | 1,500           |
| Children, young People and Families       | 371             |                 |                 |                 |
| Neighbourhood Development Fund            | 185             |                 |                 |                 |
| Other Priority Regeneration               | 2,427           |                 |                 |                 |
| Royton Town Centre Developments           | 2,194           |                 |                 |                 |
| Schools - General                         | 9,111           | 10,923          |                 |                 |
| Schools - Primary                         | 6,802           |                 |                 |                 |
| Schools - Secondary                       | 4,287           | 12,900          | 2,450           |                 |
| Town Centre and Boroughwide Regeneration  | 11,500          | 23,514          | 24,013          | 4,120           |
| Transport                                 | 12,910          | 1,975           | 1,973           | 1,973           |
| Private Sector Housing                    | 417             | 300             |                 |                 |
| <b>TOTAL</b>                              | <b>53,113</b>   | <b>51,112</b>   | <b>29,936</b>   | <b>7,593</b>    |
| <b>Health and Wellbeing</b>               |                 |                 |                 |                 |
| Adult Social Care                         | 400             | 400             | 400             | 400             |
| Disabled Facilities                       | 1,728           |                 |                 |                 |
| District Investment Fund                  | 390             | 200             | 200             | 200             |
| <b>Total</b>                              | <b>2,518</b>    | <b>600</b>      | <b>600</b>      | <b>600</b>      |
| <b>Housing Revenue Account</b>            |                 |                 |                 |                 |
| Extra Care Housing                        | 2,848           |                 |                 |                 |
| <b>Total</b>                              | <b>2,848</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        |
| <b>Capital General</b>                    |                 |                 |                 |                 |
| Funds to be Allocated                     | 7,400           | 1,400           |                 |                 |
| <b>Total</b>                              | <b>7,400</b>    | <b>1,400</b>    | <b>0</b>        | <b>0</b>        |
| <b>BUDGETS TOTAL</b>                      | <b>69,783</b>   | <b>55,961</b>   | <b>32,785</b>   | <b>9,442</b>    |



## CAPITAL PROGRAMME 2017/18 to 2020/21

| FINANCING   | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|
| <b>Ringfenced Grants</b>                              |                 |                 |                 |                 |
| Highways Maintenance Challenge Funding                | (1,952)         |                 |                 |                 |
| Devolved Formula Capital (Schools)                    | (1,130)         |                 |                 |                 |
| Flood Defence - Flood & Coastal Risk Management Grant | (117)           |                 |                 |                 |
| GM - Local Highways Flood Damage Fund                 | (365)           |                 |                 |                 |
| Grant in Aid  | (435)           |                 |                 |                 |
| Greater Manchester - Integrated Transport Block Grant | (115)           |                 |                 |                 |
| Local Growth and Reform (Round 2) – Transport         | (214)           |                 |                 |                 |
| Local Growth and Reform (Round 2) - Regeneration      | (800)           | (1,500)         |                 |                 |
| Early Years Capital Fund                              | (371)           |                 |                 |                 |
| <b>Total</b>  | <b>(5,499)</b>  | <b>(1,500)</b>  |                 |                 |
| <b>Un-Ringfenced Grants</b>                           |                 |                 |                 |                 |
| Basic Need Capital Grant                              | (15,461)        | (22,824)        | (2,450)         |                 |
| Schools Condition Allocation                          | (2,472)         | (218)           |                 |                 |
| Disabled Facilities Grant                             | (1,805)         |                 |                 |                 |
| Local Transport Plan (LTP) Grant                      | (223)           |                 |                 |                 |
| LTP - Highway Maintenance Grant                       | (2,900)         | (1,975)         | (1,973)         | (1,973)         |
| Universal Infant Free School Meals (Kitchens)         | (115)           |                 |                 |                 |
| <b>Total</b>  | <b>(22,976)</b> | <b>(25,017)</b> | <b>(4,423)</b>  | <b>(1,973)</b>  |
| <b>Capital Receipts</b>                               |                 |                 |                 |                 |
| Agreed Council Resources                              | (6,221)         | (7,033)         | (2,880)         | (1,880)         |
| Revenue Contributions Brought Forward                 |                 | (73)            |                 |                 |
| <b>TOTAL</b>  | <b>(6,221)</b>  | <b>(7,106)</b>  | <b>(2,880)</b>  | <b>(1,880)</b>  |
| <b>Other Contributions</b>                            |                 |                 |                 |                 |
| Contributions from Third Parties                      | (106)           | (4,259)         | (3,241)         |                 |
| <b>TOTAL</b>  | <b>(106)</b>    | <b>(4,259)</b>  | <b>(3,241)</b>  |                 |
| <b>Other Resources<br/>- Prudential Borrowing</b>     | <b>(32,233)</b> | <b>(10,779)</b> | <b>(22,241)</b> | <b>(5,589)</b>  |
| <b>Revenue Contributions</b>                          |                 |                 |                 |                 |
| Housing Revenue Account                               | (2,748)         | (7,300)         |                 |                 |
| <b>TOTAL</b>  | <b>(2,748)</b>  | <b>(7,300)</b>  |                 |                 |
| <b>FINANCING TOTAL</b>                                | <b>(69,783)</b> | <b>(55,961)</b> | <b>(32,785)</b> | <b>(9,442)</b>  |
| <b>(Under)/Over Programming</b>                       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |