Bolton Council

Report to:	Council		
Date of meeting:	19th February 2020		
Report of:	Director of Corporate Resources	**Report number:**	CEX150
Contact officer:	Sue Johnson	**Telephone number**	X1502
Report title:	Corporate Capital and One-off funding 2020-2023		
Not confidential This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
Purpose:	To propose a Capital Strategy, Corporate Capital and Revenue Programme, a Minimum Revenue Provision (MRP) Policy and Capital Prudential Indicators for the next three years.		
Recommendations:	That Council recommend: The Capital Strategy for 2020-2023 The Corporate Capital and Revenue Programme for 2020/201 The MRP Policy as set out in section 5 The Capital Prudential Indicators as set out in section 6		
Decision:			
Background documents:			
Signed:	Leader/Executive Cabinet Member	Monitoring Officer	
Date:			

Consultation with other officers		
Finance	Yes	Sue Johnson
Legal	No	
HR	No	
Equality Impact Assessment required?	No	
(a) Pre-consultation reports Is there a need to consult on the proposals? **(b) Post consultation reports** Please confirm that the consultation response has been taken into consideration in making the recommendations.		No No

Vision outcomes Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	1. Start Well	X
	2.Live Well	X
	3.Age Well	X
	4.Prosperous	X
	5. Clean and Green	X
	6.Strong and Distinctive	X

1 INTRODUCTION

1.1 On 20th February 2019 Council approved the capital programme for financial year 2019/20. The report set out the capital proposals and resources for the year and compared the likely capital resources available. The report detailed the capital programme which met the above requirements and was consistent with the proposed revenue budget. This report provides an update to the 2019/20 capital programme and future programme to 2022/23.

1.2 From 2019/20 CIPFA's Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

1.3 The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

1.4 The Capital Strategy 2020-2021 can be found at Appendix 1.

2 CAPITAL OVERVIEW

2.1 The significant reductions in the Council's revenue budget have meant that the maximisation of capital funding has become a vital part of ensuring the Council can continue to pursue its key objectives. In recent years, capital monies have been allocated to support the strategic road network across the Borough and to enable developments in the town centre.

2.2 The table below outlines the current funding position for 2020/21 onwards

	Current Capital Programme 2019-2023
	£m
Corporate Supported Borrowing	93.5
Corporate Revenue	12.9
Corporate Capital Receipts	16.2
Service Supported Borrowing	0.9
Service Revenue (largely Children's)	8.2
Government Grants (largely Children's)	46.7
Other Contributions	8.0
Total	**186.40**

3 OBSERVATIONS

3.1 Additional expenditure may be possible in the course of the year if sponsoring services identify additional sources of finance or obtain grant support.

3.2 A report reviewing the current year's projected capital expenditure and resources is to be considered at the meeting of the Executive Cabinet Member – Leader's Portfolio on 11th February 2020. It is likely some commitments from 2019/20 will be carried forward to be met in 2020/21. Matching resources will be carried forward but additional expenditure commitments for schemes with potentially limited VAT recovery will require individual appraisal.

3.3 The Capital programme only includes schemes which have started or will start in 2019/20 plus those annual rolling programmes funded from external resources such as schools. The detailed programme in subsequent years will need to be considered as part of the overall budget process for these years.

3.4 The Council estimates it will have £91m of reserves at the end of 2019/20. Of this total, £38m is held specifically for capital schemes to fund projects such as the Schools Expansion programme

4 VAT

4.1 As part of the appraisal of the capital programme the proposals have been assessed for their anticipated impact on the Council's VAT recovery position.

4.2 Full VAT recovery is only permitted where less than 5% of VAT recovered relates to activities which are exempt from VAT (largely land transactions, paid for Education, Markets and Cremation). Where the 5% limit is exceeded no VAT recovery on VAT Exempt Activity is permitted unless the 7 year average is below 5%.

4.3 If the proposed programme is approved the exempt input tax proportion is estimated as follows:

	%
2019/20	4.00
2020/21	4.16
2021/22	4.28
2022/23	4.41

4.4 The detailed calculations are set out in Appendix 3. The 7 year average is 3.93% and is therefore within the HMRC limit.

4.5 Full VAT recovery is projected in each of the years however there is little margin to accommodate scheme slippage. Due to the reduction in resources generally there is a greater degree of uncertainty about the total value of VAT to be recovered and thus the value of VAT exempt schemes which can be accommodated. It is also possible that VAT regulations will change.

4.6 In land and property development schemes it is possible to take schemes out of the Exempt VAT calculation by "Opting to tax" i.e. charging VAT voluntarily. This can mean we don't go above the 5% limit. However, there are instances where options to tax are rendered invalid for example where the future use of the property is for residential or educational purposes. Opting to tax may make sites less attractive to some purchasers.

4.7 It is important that input tax totals and expenditure projections are closely monitored. Where additional expenditure is identified, it may be necessary to opt to tax on that or another scheme.

5 MINIMUM REVENUE PROVISION

5.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2003/3146) took effect from 31st March 2008. They require the basis on which the Minimum Revenue Provision (MRP) is calculated for future years to be approved by Council. This is the amount Councils are required to set aside for debt repayment each year.

5.2 General Fund Borrowing that was previously supported through the RSG system will be provided for in equal annual instalments over a 50 year period commencing 1st April 2015. As at 1st April 2019, the value of this borrowing equalled £142.1m and results in an equal annual minimum revenue provision of £3.022m over the remaining 47 years, the final instalment of which will be provided for by no later than 31 March 2065. For non-Housing schemes financed from unsupported borrowing, from 1st April 2008 MRP will be made for repayment equal to the estimated depreciation charge on those assets calculated on an equal instalment basis, calculated in accordance with normal accounting practice.

5.3 In instances where the Council incurs borrowing in order to lend funds to a third party, in accordance with the revised guidelines issued by the Secretary of State, MRP is required to be provided over the useful life of the asset created. In certain instances and after undertaking comprehensive due diligence, if the Director of Corporate Resources is satisfied that any agreed repayment date will be met, the guidance will be reviewed and, if appropriate, no MRP will be set-aside. Annually the Council will undertake a financial assessment of the third parties' ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

5.4 Work is being undertaken to implement International Financial Reporting Standard (IFRS) 16, which will come into effect from 1 April 2020 and will result in operating leases and similar instruments coming onto the balance sheet. Similar to PFI and finance lease liabilities, the MRP associated with each of these instruments will charged on an annuity basis through the breakdown of the lease charge. This will have no impact on the General Fund Balance, as the MRP charge will be no different to the charge the Council currently incurs under the old method, and is purely an accounting requirement to highlight overall leasing liabilities.

6 CAPITAL PRUDENTIAL INDICATORS

6.1 Prudential Indicators seek to provide measures of affordability and prudence reflecting Capital Expenditure, Debt and Treasury Management. Debt and Treasury Management indicators are addressed in the Treasury Management and Investment Strategy 2020/21.

6.2 Borrowing requirements for capital purposes are shown as a trend; these reflect capital expenditure and financing plans. The financing costs are reflected in the Medium Term Financial Strategy.

6.3 Capital expenditure profiles reflect current business plans. They are the aggregate expenditure figures from all sources of finance (borrowing, grants, capital receipts and revenue). The capital financing requirement demonstrates the impact of borrowing to meet capital expenditure plan net of provisions for debt repayment.

		Revised 2019/20	**Budget 2020/21**	**Budget 2021/22**	**Budget 2022/23**
Affordability					
Ratio of financing costs to net revenue stream - General Fund		3.90%	3.59%	3.67%	3.60%
Capital Expenditure and Capital Financing					
General Fund Capital Expenditure per Appendix 2 (£m)		£74.5m	£109.9m	£1m	£1m
Capital Financing Requirement (£m)		£256.1m	£308.2m	£299.3m	£276.9m

7 Impacts and Implications

7.1.1 Financial – as above

7.1.2 Legal - none

7.1.3 HR - none

7.1.4 Other – none

8 CONCLUSION

8.1 Appendix 1 contains the Capital Strategy 2020-23

8.2 Appendix 2 to this report sets out a proposed Corporate Programme for capital and one-off revenue schemes including identified slippage, which can be funded from anticipated resources.

8.3 Appendix 3 contains the Exempt VAT monitor for 2020-2021

9 RECOMMENDATION

9.1 The Council recommend;

9.1.1 The Capital Strategy 2020-21 in Appendix 1

9.1.2 The Corporate Programme (Capital and Revenue one-off schemes) for 2020-21 in Appendix 2.

9.1.3 The Minimum Revenue Provision policy as set out in section 5 of this report.

9.1.4 The Capital Prudential Indicators as set out in Section 6 of this report.

APPENDIX 1

CAPITAL STRATEGY 2020-2021

1 Purpose

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

1.2 The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.

2 Council Objectives

2.1 The Council has agreed a number of corporate aims, priorities and objectives which guide its work. These are set out in the Council's Corporate Plan. Capital investment projects must be in line with these overall objectives as well as individual service aims and objectives. The following processes are designed to ensure this happens.

3 Capital Expenditure

3.1 Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset that is needed to provide services. Fixed assets are tangible or intangible assets that yield benefits to the Council generally for a period of more than one year, e.g. land, buildings, roads, vehicles. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services.

3.2 The capital programme is the authority's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, design fees and the acquisition of vehicles and major items of equipment. The current detailed capital programme for 2020-2021 is shown in appendix 2

4 Capital vs. Treasury Management Investments

4.1 Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

4.2 For Treasury Management investments the security and liquidity of funds are placed ahead of the investment return. The management of associated risk is set out in the Treasury Management Policy and the Annual Investment Strategy.

4.3 The annual Treasury Management and Investment Strategy is set out in a separate report to Cabinet.

5 Due Diligence

5.1 For all capital investments, the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of additional risk being considered.

5.2 Due diligence process and procedures will include:

- effective scrutiny of proposed investments by the relevant committee;
- identification of the risk to both the capital sums invested and the returns;
- understanding the extent and nature of any external underwriting of those risks;
- the potential impact on the financial sustainability of the Council if those risks come to fruition;
- identification of the assets being held for security against debt and any prior charges on those assets;
- where necessary independent and expert advice will be sought.

5.3 The Director of Corporate Resources will ensure that members are adequately informed and understand the risk exposures being taken on.

6 Key Capital Considerations

6.1 In recent years resources to fund capital expenditure has been severely restricted. The two major areas of development are the Town Centre Strategy, where the council has borrowed £100m to fund the estimated £1bn masterplan, and the Schools building expansion programme (funded by central government grant).

6.2 Other schemes have tended to be funded from either capital receipts generated or from any surplus monies available from the dividend from the shareholding in Manchester airport

6.3 Key considerations when determining if a new scheme should be funded include;

- Maintenance of the essential infrastructure of the organisation;
- Essential Health and Safety works;
- Essential rolling programmes;
- Whether wholly financed by external/internal funding;
- Match funded investment for regeneration projects;
- Invest to save schemes.

6.4 The need for a capital scheme may be identified by a Service through one or more of the following processes.

- Annual service plans
- Corporate Asset Management Strategy
- Education and Schools Asset Management Plans
- Reviews and external inspections
- The need to respond to new legislation / initiatives

6.5 Additionally, consideration should be given to:

6.5.1 Prudence:

- Recognition of the ability to prioritise and refocus following transformation work;
- Recognition of the capacity in the organisation to deliver such a programme;
- Recognition of the knowledge and skills available and whether these are commensurate with the appetite for risk;
- Recognition of the future vision of the authority;
- The approach to commercial activities including ensuring effective due diligence, expert advice and scrutiny, defining the risk appetite and considerations of proportionality in respect of overall resources;
- The approach to treasury management and the management of risk as set out in the Treasury Management Strategy.

6.5.2 Affordability:

- Revenue impact of the proposals on the Medium Term Financial Plan;
- The borrowing position of the Council, projections of external debt and the use of internal borrowing to support capital expenditure;
- The authorised limit and operational boundary for the following year;
- Whether schemes are profiled to the appropriate financial year.

6.5.3 Sustainability:

- A long-term view of capital expenditure plans, where long term is defined by the financing strategy of and risks faced with reference to the life of the project/assets;
- Provision for the repayment of debt over the life of the underlying debt as set out in the Minimum Revenue Provision policy;
- An overview of asset management planning including maintenance requirements and planned disposals.

6.6 Possible sources of funding can then be considered for each of the proposed capital schemes. Each project will be considered in terms of revenue funding to cover the operational running costs of the asset and any borrowing repayment costs, and also how the asset will be funded in terms of capital expenditure.

7 VAT Considerations

7.1 It is important when appraising any capital scheme that an assessment is made on the anticipated impact on the Council's VAT recovery position.

7.2 Full VAT recovery is only permitted where less than 5% of VAT recovered relates to activities which are exempt from VAT (largely land transactions, paid for Education, Markets and Cremation). Where the 5% limit is exceeded no VAT recovery on VAT Exempt Activity is permitted unless a 7 year average can demonstrate the 5% rule has been adhered to.

7.3 Due to the reduction in resources generally there is a greater degree of uncertainty about the total value of VAT to be recovered and thus the value of VAT exempt schemes which can be accommodated. It is also possible that VAT regulations will change.

7.4 In land and property development schemes it is possible to take schemes out of the Exempt VAT calculation by “Opting to tax” i.e. charging VAT voluntarily. However, there are instances where options to tax are rendered invalid for example where the future use of the property is for residential or educational purposes. Opting to tax may make sites less attractive to some purchasers. There is also an option to tax on Cremation and Market activities. The current Town Centre development further re-enforces the need to consider VAT implications at all times.

7.5 Given the fine margins around VAT partial exemption, it is important that input tax totals and expenditure projections are closely monitored. Where additional expenditure is identified, it may be necessary to opt to tax on that or another scheme.

8 Management Framework

8.1 The officer governance structure of the Council comprises the Departmental and Corporate Leadership teams.

8.2 The teams receive reports on proposed capital projects and recommends to the Cabinet proposals for the development of the capital programme.

9 Member Approval Process

9.1.1 Cabinet receive the proposed Capital Programme in February each year which is then subject to scrutiny via the relevant scrutiny committee before being recommended to full Council.

9.1.2 Members approve the overall borrowing levels at the budget meeting in February each year as part of the Treasury Management Report. The taking of loans then becomes an operational decision for the Director of Corporate Resources who will decide on the basis of the level of reserves and money market position whether borrowing should be met internally from the Capital Reserve/Capital Receipts or whether to enter into external borrowing.

9.1.3 Once the Council has approved the capital programme, then expenditure can be committed against these approved schemes subject to the normal contract procedure rules and the terms and conditions of funding.

9.1.4 Whether capital projects are funded from grant, contributions, capital allocations or borrowing, the revenue costs must be able to be met from existing revenue budgets or identified (and underwritten) savings or income streams.

9.1.5 In-year reports for specific schemes are taken to the appropriate Cabinet Member for consideration and approval. This report will contain details about funding options.

10 Monitoring of the Capital Programme Expenditure

10.1 Once detailed capital programmes have been approved by members, the financial spend is monitored on a monthly basis by officers with quarterly reports to Members.

11 Funding Strategy and Capital Policies

11.1 This section sets out the policies of the Council in relation to funding capital expenditure and investment.

11.2 External Funding

11.2.1 Services must seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government. However, services must underwrite any cost overruns on externally funded schemes.

11.2.2 Prior to submitting bids for grant funding, an assessment of the risk of a contract price increase, associated with market conditions or abnormal building plan demands attached to some grants, must be completed to estimate the likelihood of additional funding being needed.

11.2.3 In respect of match funding bids then the relevant service must fully identify the necessary match funding resources from within existing service budgets. If this is not possible then the appropriate service must raise this for consideration with the members of the Corporate Leadership Team and the relevant Portfolio Holder prior to submitting any bid for funding.

11.3 Capital Receipts

11.3.1 A capital receipt is an amount of money exceeding £12,000 which is received from the sale of an asset. They cannot be spent on revenue items.

11.3.2 An annual capital receipts income generation target of £2m is proposed for 2020/21 and will be reviewed for future years. The general policy is that any capital receipts are then pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by the regulations.

11.4 Revenue Funding

11.4.1 Services may use their revenue budgets to fund capital expenditure. This may be via the capital reserve which is an internal fund set up to finance capital expenditure as an alternative to external borrowing.

11.4.2 Service directors and the Director of Corporate Resources will need to take an overview and decide the most appropriate way of funding their service areas.

11.5 Prudential/Unsupported Borrowing

11.5.1 Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the government so services need to ensure they can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing.

11.5.2 Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. Services must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as their key priority for the budget process and to be factored into the medium term financial strategy accordingly.

11.5.3 The Director of Corporate Resources will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA’s Prudential Code for Capital Finance.

11.6 Pump Priming and Invest to Save Schemes

11.6.1 Occasionally projects arise for which services require assistance with meeting the set-up costs of projects which may bring long term service delivery improvements and/or cost savings. The initial set up costs may be of a revenue or capital nature. Assistance for these schemes must be considered on an individual basis by the Corporate Leadership Team and then the Cabinet with consideration to the Council’s overall priorities and resources.

11.6.2 For ‘invest to save’ schemes assistance may be given for initial set up costs, but it is expected that in the longer term these schemes will produce savings and/or additional income that will as a minimum fund any additional operational or borrowing costs. If the additional savings/income does not cover the additional costs incurred, then the service will be required to fund the gap from their existing budgets (i.e. they will underwrite the savings/income).

11.7 Leasing

11.7.1 From April 2020 a new International Financial Reporting Standard (IFRS 16) comes into operation. Under IFRS16 there’s no longer any differentiation between finance and operating leases - instead everything is brought onto the balance sheet as a new ‘right of use’ (ROU) asset type (we can subsequently reclassify these assets to different headings if appropriate).

11.7.2 There are exceptions to this where the underlying asset is a 'low value' asset, or where the lease is a short term (less than 12 months) lease. Low value assets aren't defined in the regulations, but there's been general consensus between the GM authorities that we'll each use our capital de minimis for the cut-off (£12k for Bolton)

12 Procurement and Value for Money

12.1 Procurement is the purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

12.2 The Council has a Procurement team that ensures they provide value for money and to see where efficiency savings can be achieved. This also covers capital procurement.

12.3 It is essential that all procurement activities comply with EU procurement directives and adhere to the relevant requirements stipulated in directives. Guidance on this can be sought from the Procurement team. Procurement must also comply with the Council's policies and regulations such as Contract Procedural Rules and Financial Regulations.

12.4 The main aim is to hold 'value for money' as a key goal in all procurement activity to optimise the combination of cost and quality.

13 Performance Management

13.1 Clear measurable outcomes should be developed for each capital scheme. After the scheme has been completed, services should check if outcomes have been achieved.

13.2 Post scheme evaluation reviews should be completed by Departments for all schemes over £0.5 million and for strategic capital projects.

13.3 Reviews should look at the effectiveness of the whole project in terms of service delivery outcomes, design and construction, financing etc. and identify good practice and lessons to be learnt in delivering future projects.

14 Risk Management

14.1 Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully.

14.2 Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.

14.3 The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.

14.4 To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored.

14.5 It is important to identify the appetite for risk by each scheme and for the capital programme as a whole, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle of control of risk and optimising returns consistent with the level of risk applies.

14.6 The Director of Corporate Resources will report explicitly on the affordability and risk associated with the Capital Strategy. Where appropriate she will have access to specialised advice to enable her to reach his conclusions.

14.7 An assessment of risk should therefore be built into every capital project and major risks recorded in a Risk Register.

14.8 Further consideration on risk can be found in Treasury Management Practice 1 (TMP1) in the Treasury Management and Annual Investment Strategy report to Members

15 Other Considerations

15.1 Capital Schemes must comply with legislation, such as the Disability Discrimination Act, VAT and also Council policies, Contract Procedure Rules and Financial Regulations. Reference should also be made to other strategies and plans of the Council.

15.2 Important Linking Documents for reference are:

- Corporate Plan;
- Individual Service Plans;
- Procurement Strategy;
- Financial Regulations;
- Treasury Management Strategy;

February 2020

APPENDIX 2

DETAILED CORPORATE CAPITAL AND ONE-OFF FUNDING 2020-23

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	19/20	**20/21**	**21/22**	**22/23**	**Total**
Housing					
Private landlords/ empty dwellings	29,114				29,114
Disabled Facilities Grants	2,501,909	3,050,000			5,551,909
Private Sector Renewal	1,495,271	2,000,000			3,495,271
Total Housing	4,026,294	5,050,000	0	0	9,076,294
Development & Regeneration					
Town Centre Improvement Fund	1,164	94,813			95,977
Development Enabling Fund	2,132	15,000			17,132
Public Art S106	27,544	0			27,544
Public Realm Impl Frmwk	150,000	0			150,000
Horwich Former Leisure Centre site	7,126	0			7,126
Smithills Hall Internal Refurbishment	23,518	0			23,518
Town Centre Strategy	22,625,575	35,808,862			58,434,437
Octagon	7,000,016	1,035,000			8,035,016
Hall ith Wood Museum	119,512	0			119,512
Bromley Cross Library Heating System	44,346	0			44,346
Great Lever Library (UCAN)	3,734	412,923			416,657
Airport Drop and Go 19-20	3,700,000	1,900,000			5,600,000
Investments in District Town Centres - Cabinet Feb-19	105,000	16,545,000			16,650,000
					0
Full Fibre Network		4,049,596			4,049,596
Total Development & Regeneration	33,809,668	59,861,194	0	0	93,670,862
Corporate Property					
Asset Management Plan - urgent works	1,194,438				1,194,438
Westhoughton Town Hall	258,224	2,340,000			2,598,224
Blackrod Library	65,640	102,286			167,926
61-63 Market St Little Lever	1,538,491	2,000,000			3,538,491
Corporate Property Capital Programme	500,000	2,395,000	1,000,000	1,000,000	4,895,000

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	19/20	20/21	21/22	22/23	Total
Festival Hall & Albert Halls Cooling System	5,125				5,125
Mere Hall - Service Move Works	594,986	6,225			601,211
Total Corporate Property	4,156,904	6,843,511	1,000,000	1,000,000	13,000,415
Children's Services					
Building Maintenance Plan	2,878,587	2,042,448			4,921,035
School Capital Support Fund	142,135	100,000			242,135
Schools Access Initiative	17,800	50,000			67,800
Devolved Formula Capital	800,961	800,000			1,600,961
Primary Expansion Programme	1,348,848	6,578,585			7,927,433
Special School Expansion Programme	664,870	690,000			1,354,870
Secondary Expansion Programme	4,752,823	50,000			4,802,823
Youth and Play Centres	330,029	265,000			595,029
Primary Places	51,512	35,000			86,512
Childrens Centres	651,041	233,700			884,741
Improvement to Leisure Provision	25,100	125,000			150,100
School Schemes (including BMP contributions)	271,989				271,989
Leisure and Youth Provision Cabinet Feb 2015	87,347	40,000			127,347
Special School Expansion Programme REFCUS	9,019	2,500,000			2,509,019
Secondary Expansion Programme REFCUS	6,575,742	5,697,426			12,273,168
Total Children's Services	18,607,803	19,207,159	0	0	37,814,962
Adult Services					
Day Care - Jubilee	406,146	4,593,854			5,000,000
Supported Housing Developments		166,098			166,098
Total Adult Services	406,146	4,759,952	0	0	5,166,098
Environmental Services					
Highways					
DfT Highways LTP	3,888,715				3,888,715
Pothole Action Fund	178,037				178,037
Concrete lighting columns over 40 years	110,826				110,826

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	19/20	20/21	21/22	22/23	Total
old renewals					
Street Lighting LED Programme	855,997				855,997
Improved Street Lighting - Cabinet Feb 16 & Feb-18	523,098				523,098
Depot Improvement Plan - Mayor St	38,267	30,000			68,267
Footpaths Strategic Investment	5,823				5,823
Road Warning Signals - Cabinet Feb 16	305,375				305,375
Dropped Kerbs Cabinet Feb-17	60,121				60,121
Insurance Programme: High Risk Road Maintenance	781,862				781,862
Highways Improvement Funding (Area Forum)	501,345	470,000			971,345
Residential Roads and Pavements - Cabinet Feb-19	250,000	1,750,000			2,000,000
Highways investment Sep-19	3,000,000	7,000,000			10,000,000
A666 Challenge Fund St Peters Way Improvement	137,097	780,000			917,097
Tonge Moor Corridor Junction Improvement	21,549	90,000			111,549
Bolton Salford Quality Bus Network	407,588	580,000			987,588
Highways Flood Damage - Dft	1,641	162,519			164,160
Cycle Access to Bolton: East (Middlebrook Way)	51,109	200,000			251,109
City Cycle Ambition	166,911	30,000			196,911
MCF - Doffcocker to TC Bee Route	30,000	1,570,000			1,600,000
Bolton Culvert Repairs	15,000				15,000
Equipped Play Area Strategy (S106)	236,068				236,068
Old Station Park	10,960	65,000			75,960
Replacement of Waste bins	200,000				200,000
Replacement of Fleet Vehicles	45,430	41,669			87,099
3G Sports Pitches - Cabinet Feb 16	753,842	31,500			785,342
Heaton Fold Summer House Building	130,000				130,000
Public Realm (Area Forum)	424,014	689,486			1,113,500
Behavioural Change/Cleaner Greener	370,000	650,000			1,020,000
					0
Total Environmental Services	13,500,677	14,140,173	0	0	27,640,850
Chief Exeuctive's					
Community Empowerment Fund Cabinet Feb 2015/16	27,000				27,000

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	19/20	**20/21**	**21/22**	**22/23**	**Total**
Total Chief Executive's	27,000	0	0	0	27,000
TOTAL CAPITAL	**74,534,492**	**109,861,989**	**1,000,000**	**1,000,000**	**186,396,481**
Revenue Schemes					
	19/20	20/21	21/22	22/23	Total
Development & Regeneration					
Strengthening the Office Market in Town Centre	300,000				300,000
Town Centre Strategy	1,000,000	1,000,000	1,000,000		3,000,000
Full Fibre Network - Project Management		90,000			90,000
Children's Services					
Children Social Care - DFG	3,938				3,938
Adult Services					
					0
Environmental Services					
Anti-Social Behaviour / Home Watch Feb-18 Cabinet	100,000				100,000
Behavioural Change					0
Cleaner Greener	980,000				980,000
Chief Executive's					
Voluntary & Community Groups Fund (Revenue part of Community Empowerment Fund)	654,875				654,875
					0
TOTAL REVENUE	3,038,814	1,090,000	1,000,000	0	5,128,814
GRAND TOTAL	77,573,306	110,951,989	2,000,000	1,000,000	191,525,294

APPENDIX 3

EXEMPT INPUT TAX MONITOR

Exempt Input Tax Monitor

Exempt Expenditure	2018-19 Expenditure attracting VAT	2018-19 Exempt Proportion. %	2014-15 Exempt Expenditure £000s	2015-16 Exempt Expenditure £000s	2016-17 Exempt Expenditure £000s	2017-18 Exempt Expenditure £000s	2018-19 Exempt Exempt Exp. £000s	2019-20 Projected Exempt Exp. £000s	2020-21 Projected Exempt Exp. £000s	2021-22 Projected Exempt Exp. £000s	2022-23 Projected Exempt Exp. £000s
Revenue:											
Crematorium	749	100%	785	754	723	815	749	771	795	818	843
Greenspace	2,074	8%	80	91	74	144	165	170	175	180	185
Leverhulme Sports Centre	34	100%	59	58	66	28	34	35	36	37	38
Community Centres	73	100%	121	219	192	163	73	75	77	80	82
Jubilee Pool	-	100%	11	8	1	-	-	-	-	-	-
Urban Renewal	302	26%	117	119	94	95	79	81	83	86	88
Schools	33,725	3%	469	473	578	350	1,000	1,030	1,061	1,092	1,125
Libraries	915	17%	68	55	75	137	160	165	170	175	180
Museums	285	28%	60	65	78	86	79	81	84	86	89
Markets	435	100%	604	438	544	625	435	448	461	475	489
Admin Buildings	2,109	9%	83	82	102	154	187	192	198	204	210
Land & Property	816	96%	645	644	641	666	787	811	835	860	886
Castle Hill	1,222	1%	26	30	25	47	17	18	18	19	19
Legal Services	286	2%	18	15	11	10	6	7	7	7	7
Debt Management	-	100%	-	15	-	-	-	-	-	-	-
Total Revenue	**43,025**		**3,146**	**3,066**	**3,203**	**3,319**	**3,770**	**3,884**	**4,000**	**4,120**	**4,244**

APPENDIX 3 (cont'd)

Exempt Input Tax Monitor

	2018-19 Expenditure attracting VAT	2018-19 Exempt Proportion. From rev %	2014-15 Exempt Expenditure	2015-16 Exempt Expenditure	2016-17 Exempt Expenditure	2017-18 Exempt Expenditure	2018-19 Exempt Exp.	2019-20 Projected Exempt Exp.	2020-21 Projected Exempt Exp.	2021-22 Projected Exempt Exp.	2022-23 Projected Exempt Exp.
Capital											
Markets	-	100%	104	-	-	-	-	100	100	103	106
Crematorium	119	100%	21	-	-	-	119	-	-	-	-
Horwich Leisure Centre	265	100%	-	-	-	265	265	-	-	-	-
Schools	16,526	3%	120	78	150	262	490	505	520	535	551
Libraries	16	17%	13	2	6	-	3	12	18	19	19
Museums	1,137	28%	22	44	53	943	315	33	-	-	-
Greenspace	264	8%	56	53	22	42	21	81	83	85	88
Admin Buildings (incl Asset Reviews)	894	9%	393	55	60	17	79	260	268	276	284
Land & Property	-	96%	-	-	-	-	-	-	-	-	-
Total Capital	**19,221**		**728**	**232**	**290**	**1,529**	**1,292**	**990**	**988**	**1,018**	**1,049**
Total Exempt Expenditure	**62,246**		**3,874**	**3,298**	**3,493**	**4,848**	**5,063**	**4,873**	**4,988**	**5,138**	**5,292**
Exempt Input Tax at 20 %			**775**	**660**	**699**	**970**	**1,013**	**975**	**998**	**1,028**	**1,058**
Total Input Tax			**22,597**	**21,517**	**26,063**	**24,433**	**23,285**	**24,351**	**24,000**	**24,000**	**24,000**
	2012-13	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Exempt as Proportion of Total	**4.12%**	**6.01%**	**3.43%**	**3.07%**	**2.68%**	**3.97%**	**4.35%**	**4.41%**	**4.16%**	**4.28%**	**4.41%**
											7 year average **3.99%**

The above method over-estimates likely exempt input tax to avoid the laborious extraction of data. It is based on current HMRC Guidance on the status of activities. Future projections may be distorted by changes in VAT regulations and service delivery methods.

The seven year average for VAT up to March 2020 is currently 3.99%