



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

**Stockport**  
**team**  
**ambition**  
**respect**

# Resources, Commissioning and Governance

Portfolio Performance  
and Resources  
Third Quarter Update Report  
2021/22



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**ONESTOCKPORT**

|      |           |         |     |             |    |
|------|-----------|---------|-----|-------------|----|
| Date | 14 Feb 22 | Version | 1.0 | Approved by | TM |
|------|-----------|---------|-----|-------------|----|

# RESOURCES, COMMISSIONING & GOVERNANCE - PORTFOLIO OVERVIEW



Two years on from the start of the Covid pandemic it's worth considering the changing context of how we are operating; the challenges and constraints of that context and reflecting that in addition to the huge impact on local residents and businesses there has also been significant impact on council staff and what and how council services have been provided.



In financial terms we know that there has been a massive reduction in our council income in spite of help through government grants; as we know many staff have changed how and where they worked and even what they did so it's important that we recognise the individual impact that this might be having as I'm sure at the outset most people wouldn't have expected this situation to have lasted as long as it has - and possibly now a changing context to 'having to live with Covid' from here on in.

In parallel we've also seen a slight upturn in sickness rates – not surprisingly from the Omicron Covid variant which had a massive impact across all sectors of Stockport but also an increase in mental health issues (stress; anxiety; depression). Given our reliance on our staff being as resilient as possible, their wellbeing is really important not just to us as an employer but also to residents who rely on the services they provide.

In terms of Q3 our Council Tax and Business rates collection aren't quite where we would have expected to be in 'normal times' – but we continue to have the highest collection rates across Greater Manchester.

We know that we've been slightly delayed in our special 'SK' payments for local firms (normally done in 10 days) but the same staff who would be doing this work have been beavering away making sure that our Business Support Grant applications have been assessed, verified and processed – something which those businesses which meet the government criteria are heavily reliant upon.

Our Q3 portfolio revenue budgets are broadly on target (accepting that that's reliant on a large chunk of allocated reserves being utilised) but we still could be faced with some unexpected twists before the end of the financial year.

Part of this year's capital programme has been deferred into the next financial year but I'm really pleased that there is still a significant amount of activity across a range of council service areas from roofing and changing rooms improvements in the leisure estate to basic need and urgent maintenance work in the education sector; using the Public Sector Decarbonisation scheme to work towards our climate action targets and providing the finance for TLC to update and improve their fleet renewal. In addition significant work has started in upgrading Stopford House as the first step in our town centre assets improvement, with lots of interest from other public sector organisations to move in once we've completed – and providing an income stream – whilst at the same time again helping to contribute to our green agenda targets.

So overall – and particularly when we look at some other councils across the country – I'm pleased at what we have done so far and I'm optimistic about the coming months.

**Cllr Tom McGee, Deputy Leader and Cabinet Member for Resources, Commissioning and Governance**

### Revenue Budget 2021/22 (Forecast)

|                   | £000   |
|-------------------|--------|
| Cash Limit        | 25,274 |
| Forecast          | 25,274 |
| (Surplus)/Deficit | 0      |

#### Reserves

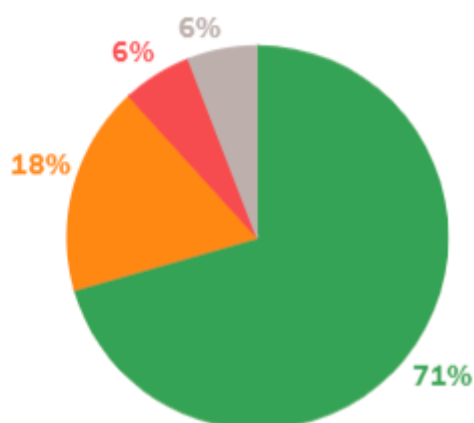
Approved use of reserves balance is £1.479m, a draw down from them of £0.407m is assumed in the forecast outturn, together with £0.045m from other reserves. In addition, an allocation of £4.690m from the Covid-19 income scarring contingency.

### Capital Programme

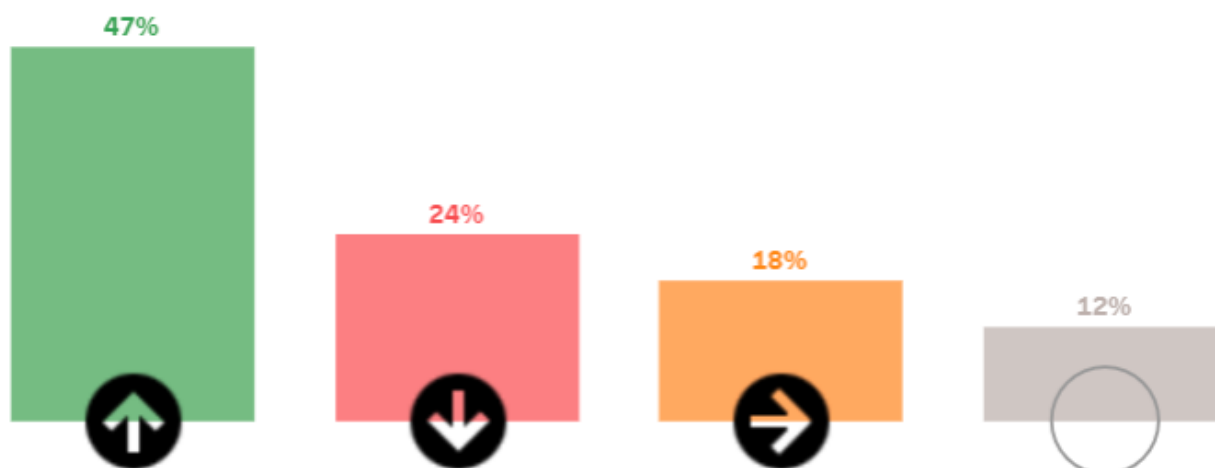
|                        | £000   |
|------------------------|--------|
| 2021/22 Capital Budget | 28,318 |
| 2022/23 Capital Budget | 62,944 |
| 2023/24 Capital Budget | 1,805  |

### Portfolio Performance Summary – Resources, Commissioning and Governance

#### Performance Against Target (RAG Rating):



#### Performance Against Previous (Trajectory):



# RESOURCES, COMMISSIONING & GOVERNANCE

## 1. DELIVERING OUR PRIORITIES



This report is based on the **2021/22 Portfolio Agreement**, considered by the Corporate, Resource Management and Governance Scrutiny Committee on 15<sup>th</sup> June and approved by Cabinet on 29<sup>th</sup> June 2021. The link to the Agreement can be [found here](#).

The Third Quarter Update Report focuses on the Portfolio **performance measures** which are reported where new data or forecasts are available since the Mid-Year Report. Latest data across all measures is available via the Portfolio Dashboard and will be included in the Annual Report.

These are categorised to reflect the Council's influence and responsibility as Council, Partnership or Contextual. These categories are used to determine the type of target used as numerical, comparator, direction of travel or if no target is set. Definitions for these categories and target types are included within the Agreement.

**Highlight and exception commentary** is provided for performance measures. Where performance or progress in delivering priorities has been impacted by the Covid-19 pandemic and resulting restrictions, this is reflected within the commentary. As highlighted in the Agreements, it has not been possible to set annual targets for some measures due to these impacts, but 'direction of travel' will continue to be shown for these. For those measures reported quarterly, a full-year forecast is included where possible, based on actual performance to date as well as any other factors that are expected to affect performance in future quarters.

The Portfolio Performance Dashboards are published alongside these reports, and the Resources, Commissioning and Governance Dashboard can be [found here](#). This contains further historical trend data in addition to comparative data (where available) the latest of which relates to 2020/21.

The criteria for RAG rating and direction of travel status is shown below. The rationale for any variations to this will be clearly highlighted within the commentary.

### Key to symbols used in tables

|  |   |  |  |
|--|---|--|--|
|  | Red; Indicator is performing significantly (>5%) below target |  | Getting worse; The forecast year-end position for this indicator is less favourable than the previous year-end.  |
|  | Amber; Indicator is performing slightly (<5%) below target    |  | Stable; The forecast year-end position for this indicator is within 1% either side of the previous year-end.     |
|  | Green; Indicator is on track or performing above target       |  | Getting better; The forecast year-end position for this indicator is more favourable than the previous year-end. |





**Bold measures** are 'headline' measures included in the Corporate Report.











**GMS** – measure is included in the Greater Manchester Strategy outcomes framework.







## Priority 1: A strong Council, built around our communities

*Over the next 12 months, we will ensure that the Council remains financially resilient and provides value for money for all its residents, continue to support elected members to ensure robust governance and transparent decision making, and work together to look at the goods and services we buy to keep the 'Stockport Pound' in Stockport, exploring opportunities for social value and corporate social responsibility to support an inclusive economy.*

### Performance Measures and Targets:

| PI Code   | Short Name                          | Good Performance | 2019/20 | 2020/21 | 2021/22     |        |   |   |
|---|-------------------------------------|------------------|---------|---------|-------------|--------|---|---|
|   |                                     |                  | Actual  | Actual  | Q3 Forecast | Target | Status  | Trend   |
| Council Measures  |                                     |                  |         |         |             |        |   |   |
| RCG.1.1<br>BV.09  | In-year Council Tax collection rate | High             | 97.14%  | 97.36%  | 97.00%      | 96.30% |    |    |
| <p>The Council Tax collection rate as at 31 December was 81.46% and comparable to the same time last year. The service has had an additional £10m to collect for 2021/22. This includes £460k attributed to a Single Person Discount Review resulting in the removal of awards in respect of 1,340 accounts. These reviews will now be carried out on a rolling basis.</p> <p>Stockport had the highest collection rate in GM for 2020/21, and joint highest in the NW. Seven of the ten Greater Manchester authorities were reporting slightly reduced collection rates at Q3 compared to 2020/21.</p>   |                                     |                  |         |         |             |        |   |   |
| RCG.1.2<br>BV10   | In-year Business Rates collection   | High             | 97.45%  | 93.42%  | 92.50%      | 94.00% |  |  |
| <p>The Business Rates collection rate as at 31 December was 77.28% compared to 78.8% at the same point in 2020/21. The amount of Business Rates that we are required to collect has increased by £22.1m compared to last year, which is largely attributable to the reduction in Government's Expanded Retail Discount given to eligible businesses to support their response and recovery from the impact of the pandemic – discount has reduced from 100% to 66% discount with effect from 1 July.</p> <p>During the latter part of Q3, the team has been focussed on the development, administration and distribution of two new Government business support schemes:</p> <ul style="list-style-type: none"><li>- Omicron Hospitality and Leisure Business Continuity Grants to local hospitality and leisure businesses impacted by Government's Plan B restrictions in December.</li><li>- Covid-19 Additional Relief Fund (CARF) – a discretionary scheme to help those businesses affected by the pandemic but who have been ineligible for existing support via Business Rates relief i.e. Expanded Retail Discount. It will be directed towards businesses who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact. This will be in the form of a Business Rates relief (reduction) given to eligible businesses in respect of 2021/22 liabilities. It is likely that any reductions will be applied to 2021/22 accounts during 2022/23 and therefore may not be reflective in the final outturn.</li></ul> <p>The final outturn is forecast to be 92.5% based on the current position. Given the challenges including the number of additional Government business support grant and relief schemes the Team have had to administer during this financial year, this reflects excellent performance. Whilst a number of factors could have an adverse impact on this performance over the remaining quarter, which includes team capacity, it is expected that this performance will be maintained. The Q3 position for Stockport is the fourth highest across Greater Manchester Authorities.</p> |                                     |                  |         |         |             |        |   |   |

| PI Code  | Short Name   | Good Performance | 2019/20 | 2020/21 | 2021/22     |                 |   |   |
|--|--|------------------|---------|---------|-------------|-----------------|---|---|
|  |  |                  | Actual  | Actual  | Q3 Forecast | Target          | Status  | Trend   |
| Council Measures   |  |                  |         |         |             |                 |   |   |
| RCG.1.3  | Average time taken in calendar days to process Housing Benefit (HB) new claims and change events                             | Low              | 7.4     | 6.1     | 5.9         | 7.0             |    |    |
| As at the end of quarter 3, the average time taken to process Housing Benefit new claims and changes was 5.9 days, a 2 day improvement at this point last year and a further improvement on the previous quarter. Performance is fully expected to be maintained for the remainder of the year and the target met.   |  |                  |         |         |             |                 |   |   |
| RCG.1.4  | Partnership Measure<br>Average time taken in calendar days to process Council Tax Support (CTS) new claims and change events | Low              | 19.1    | 15.1    | 10.9        | 18.0            |    |    |
| Average processing times as at 31 December were 10.9 days compared to 17 days last year. Performance for 2021/22 remains exceptional despite significant increases in applications during 2020/21, ongoing maintenance of those claims and staff being deployed to support the Test & Trace Support Payment Scheme. The Council Tax Support caseload is now starting to return to pre-pandemic levels. The target is forecast to be met by the end of the financial year.  |  |                  |         |         |             |                 |   |   |
| RCG 1.9  | Housing Benefit Accuracy Award Indicator   | High             | 69.8%   | 71.0%   | N/A         | Aim to maximise |  |  |
| The difficulty in setting a robust target along with delays in obtaining the data from the DWP for this measure have been highlighted previously. No data has been published for 2021/22 as yet, and in December, we received a letter from the DWP confirming that they were pausing publication back for a few months due to the pressures Local Authorities are currently under. The measure will therefore be removed from the PPRR and 2022/23 PPRA, though we will look to re-instate it once DWP begin to publish data again. |  |                  |         |         |             |                 |   |   |
| RCG 1.5<br>BV8(i)  | % of invoices paid within 30 days  | High             | 95.6%   | 94.6%   | 95.0%       | 95.0%           |  |  |
| During the third quarter of 2021/22 a total of 9,863 invoices were processed of which 94.1% were paid within 30 days. The average number of days to pay was 22 days. The Council aims to pay all non-local suppliers invoices within 30 days of receipt in line with standard payment terms. As at Q3 95% of invoices are forecast to be paid within 30 days which is in line with the target set.   |  |                  |         |         |             |                 |   |   |
| RCG 1.10   | Percentage of invoices paid to local suppliers in 10 days  | High             | 74.9%   | 88.0%   | 82.1%       | 85.0%           |  |  |
| Payments to local suppliers within 10 days for the quarter was at 80.4% and average days to pay were 12 days. The Council aims to pay local suppliers (with an SK postcode) invoices within 10 days of receipt to support local business sustainability through improved cash flow. This compares to the standard 30 day payment terms applied to other suppliers. As at Q3 82.1% of local suppliers are forecast to be paid within 10 days which is slightly under the target set.  |  |                  |         |         |             |                 |   |   |

| PI Code                  | Short Name  | Good Performance | 2019/20 | 2020/21 | 2021/22     |                 |   |   |
|--------------------------|---|------------------|---------|---------|-------------|-----------------|---|---|
|                          |   |                  | Actual  | Actual  | Q3 Forecast | Target          | Status  | Trend   |
| Council Measures         |   |                  |         |         |             |                 |   |   |
| RCG.1.6<br>BSDR<br>27.01 | Total property costs (occupancy, operational and m'gement) per m² | Low              | £43.26  | £44.18  | £42.90      | Aim to maintain |  |  |
| RCG.1.7<br>BSDR<br>27.04 | Total property occupancy / ownership costs (revenue) per m²       | Low              | £15.50  | £15.39  | £14.89      | Aim to maintain |  |  |
| RCG.1.8<br>BSDR<br>27.15 | Total Annual Energy Consumption (KW/h) per m²                     | Low              | 100.33  | 90.28   | 83.55       | Aim to minimise |  |  |

## Priority 2: Valuing partnerships and collaboration

*Over the next 12 months, we will develop delivery plans based on the vision set out in our shared One Stockport Borough Plan, continue to develop the One Stockport leadership network and facilitate collaboration across sectors, 'build back better' across our estate, and work with partners across health and care to design our locality model and respond to national changes regarding Integrated Care Systems.*

### Narrative update

Our draft 2022/23 **Council Plan** was published in January and was due to be considered for adoption at the Budget Council Meeting alongside the Budget and Medium-Term Financial Plan. The new Plan is aligned to the ONE Stockport Borough Plan themes and ambitions, setting out our delivery plans over the forthcoming year.

We are continuing to work with our strategic partners to develop an **Outcomes Framework** to support delivery of the Borough Plan, alongside a number of key partnership strategies and plans which underpin delivery of our long-term ambitions. These include a new Mental Health & Wellbeing Strategy and Economic Plan, along with refreshed Safer Stockport Partnership and Active Communities strategies.

Work is progressing to develop viable proposals for re-development around 4 key transport hubs in Stockport. The **Stockport Stations Alliance** have appointed consultants to prepare outline sketch proposals and detailed viability studies for further consideration. Discussions have been held with Planning Officers to help determine the form and density of potential schemes.

**NB - There are no performance measures for this priority, but the outcomes framework for the Borough Plan will be used to inform Portfolio Reports during the course of the year.**

### Priority 3: Maximising the opportunities of digital

*Over the next 12 months, we will support intelligence-led decision making and service design through the availability of interactive service data and dashboards for all service managers, as well as continuing to automate data-related business processes and implement our Master Data Management Strategy. We will also build on reliable, secure technical foundations, ensuring the flexibility to adapt as needs change and for systems to be able to talk to each other so information can be shared and combined to achieve greater value.*

#### Narrative update

Our strategy for a **Radically Digital Stockport** was considered by CRMG Scrutiny in January. This outlines how the Council is developing its ambitions for the next phase of our digital journey, including an overview of our priorities for the year ahead and how we intend to approach the development of an inclusive, robust and ambitious digital strategy.

The Strategy sets out the three pillars based around;

- Digital Communities;
- Digital Place; and
- Digital Council



alongside proposed outcomes and deliverables. Engagement will continue on the draft Strategy ahead of seeking approval of the final version by Cabinet in March.

***NB - Further measures relating to our digital ambitions are reported within the Citizen Focus and Engagement Portfolio Report.***

## Priority 4: Caring about our staff and engaging them in the future

Over the next 12 months we will deliver our 'One Team' People Plan based around five pillars and continue to make our estate Covid-secure, planning for new ways of working.

### Performance Measures and Targets;



| PI Code              | Short Name   | Good Performance | 2019/20 | 2020/21 | 2021/22     |        |   |   |
|----------------------|--|------------------|---------|---------|-------------|--------|---|---|
|                      |  |                  | Actual  | Actual  | Q3 Forecast | Target | Status  | Trend   |
| Council Measures     |  |                  |         |         |             |        |   |   |
| RCG.4.1<br>BV12 (ii) | The average number of working days lost due to sickness absence per employee | Low              | 9.59    | 8.14    | 9.93        | 9.00   |  |  |

The latest figure is based on a 12-month rolling picture, so covers Jan-Dec 2021. Covid-related sickness absence accounts for 12.2% of overall sickness during the year, equivalent to 1.21 days. All sickness increased at a similar level (+16%) to Covid-related sickness in Q3.

Sickness absence dropped significantly during the first year of the pandemic with the year end (20/21) figure of 8.14 FTE days (14.3% below the target of 9.5 days) being the lowest level of sickness absence the council had achieved since 2008. It has been increasing month-on-month during 2021/22, however, particularly since August. The mid-year position (21/22) was also reported to CRMG Scrutiny in January as a slight increase with 8.61 FTE days lost to sickness absence, but this was within the target figure.

There are a number of reasons for increased sickness levels such as the cumulative impact of increased demand and pressures on employees over the last two years, the impact of the Omicron variant and shifting to more hybrid ways of working for those who have been largely working from home.

The underlying figures without Covid-related sickness increased from 7.48 days at the end of September to 8.72 days at the end of December. The average figure is now around 10% above our target of 9.0 days, and has therefore been rated as 'Red'. This will be closely monitored as new ways of working are rolled out. In addition, a comprehensive report on sickness absence and employee wellbeing was considered at January's CRMG Scrutiny Meeting, and this references the action underway to reduce sickness absence including support for managers and employees.

|                |   |      |     |     |     |                 |   |   |
|----------------|---|------|-----|-----|-----|-----------------|---|---|
| RCG 4.2<br>NEW | Number of Stockport Council employees undertaking apprenticeship qualifications | High | 124 | 177 | 185 | Aim to maximise |  |  |
|----------------|---|------|-----|-----|-----|-----------------|---|---|

There are currently 190 employees undertaking apprenticeship qualifications, reflecting an increase since March 2021 and from the 181 reported at Q2. A number of these are due to finish before the end of March 2022, so the final figure may be slightly lower.

## 2. RESOURCES, COMMISSIONING & GOVERNANCE

### FINANCIAL RESOURCES & MONITORING



#### 2.1 Revenue – Cash limit

|                   | Previously<br>Reported<br>(Q2+)<br>£000 | Increase/<br>(Reduction)<br>£000 | Budget at Q3<br>£000 |
|-------------------|---|----------------------------------|----------------------|
| Cash Limit Budget | 25,274                                  | 0                                | 25,274               |

#### Budget Changes since previously reported at Quarter 2+

Budget changes and updated outturn forecasts between Q2 and Q2+ were reported as part of the 2021/22 Q2+ Budget Monitoring Update taken to Corporate Resource Management and Governance Scrutiny Group (CRMG) held on 18<sup>th</sup> January 2022 and the Cabinet on 1<sup>st</sup> February 2022. For further information, please see agenda item 7 at this link:

<https://democracy.stockport.gov.uk/ieListDocuments.aspx?CId=1015&MId=27529&Ver=4> . There have been further changes made since then to this Portfolio's cash limit budget.

#### Outturn Forecast

| Net Cash<br>Limit | Forecast Net<br>Expenditure | Forecast<br>Appropriations | Forecast<br>Outturn |
|-------------------|-----------------------------|----------------------------|---------------------|
| £000              | £000                        | £000                       | £000                |
| 25,274            | 25,726                      | (452)                      | 0                   |

The Portfolio continues to project a balanced position, though this includes utilising a share of the Council's Covid-19 scarring contingency it set aside as part of the 2021/22 budget. The scarring is still estimated at £4.690m and mitigates the income losses expected in the Investment and Development account (I&D).

The rest of the Portfolios activities – the support services – look reasonably balanced at this stage, and continued vacancy and recruitment lags may give rise to some surplus that could help mitigate the I&D pressure above. Alternatively, a few developments in Technology will occur in the coming months including providing a capable Wi-Fi network for the town hall campus area, and the need to replace Local Area Network (LAN) life expired equipment. This will be in readiness for a new Wide Area Network (WAN) service that builds on the recent Local Full Fibre Network (LFFN) capital project in the Regeneration Portfolio. These issues will be a consideration at year end if a surplus position is realised.

## 2.2 Earmarked Reserves

Most earmarked reserves are held at a corporate level and services produce a business case to drawdown funds, which is approved through Corporate Leadership Team and Members. This strategic approach is designed to provide financial resilience for the Council and to ensure that Council reserves are used on an invest-to-save basis and to support Council priorities. The exceptions to this are ringfenced reserves and the Directorate Flexibility Reserve.

**The table below reflects any approved revised balances in reserves, aligned to the 2021/22 Reserves Policy report taken to Cabinet on the 21<sup>st</sup> September.**

| Reserve Category    | Reserve Narration               | To be used for                             | Balance of Reserve/ "Approved Use" £000 | Planned use of Reserves / "Approved Use" 2021/22 £000 | Balance of Reserve/ "Approved Use" £000 |
|---------------------|---------------------------------|--|---|---|---|
| Linked To Budget    | Transformation – Invest to Save | Business Intelligence Predictive Modelling | 21                                      | 0   | 21                                      |
| Linked To Budget    | Transformation – Invest to Save | Early Payments Programme                   | 51                                      | 0   | 51                                      |
| Linked To Budget    | Workforce Investment            | The All-Age Programme                      | 250                                     | 0   | 250                                     |
| Strategic Priority  | Equipment Refresh               | Servers and data backup                    | 29                                      | (29)  | 0                                       |
| Strategic Priority  | Digital By Design               | Radical Digital Authority                  | 952                                     | (407)   | 545                                     |
| Strategic Priority  | Equipment Refresh               | Civica Pay Cash Management                 | 66                                      | 0   | 66                                      |
| Directorate Reserve | Flexibility                     | Temporary Posts – Financial Transactions   | 70                                      | 0   | 70                                      |
| Directorate Reserve | Flexibility                     | Apprenticeships                            | 40                                      | 0   | 40                                      |
| <b>TOTAL</b>        |                                 |  | <b>1,479</b>                            | <b>(436)</b>  | <b>1,043</b>                            |

The revenue outturn forecast presented this quarter assumes £0.452m of appropriations from earmarked reserves including £0.407m from the allocations above and a further £0.045m from reserves allocations held in another Portfolio. The Servers and Data Backup scheme is being accounted for as an item in the capital programme.

## 2.3 Portfolio Savings Programme

| Proposal   | Risk Rating | Value<br>£000 | Additional Information  |
|--|-------------|---------------|---|
| Adjustment to budget in line with expected expenditure / income. | Green       | 60            | Fall in consumption of office stationery and sundries; enforcement fees in Benefits and Taxation.   |
| Vacancy management.  | Green       | 276           | Deletion of vacant posts from the establishment.  |
| Technology costs and new solutions.                              | Green       | 166           | IT and Data licence savings including developing in-house document storage solutions; fewer copiers/printers (MFDs); electoral registration (canvassing, printing and mailing cost savings) |
| <b>Total</b>   |             | <b>502</b>    |   |

### Risk rating

**Green** – good confidence (90% plus) the saving is/will be delivered or minor variances (<£0.050m) that will be contained within the portfolio.

**Amber** – progressing at a reasonable pace, action plan being pursued may be some slippage across years and/or the final position may also be a little unclear.

**Red** – Significant issues arising, or further detailed consultation required which may be complex/contentious.

## 2.4 Capital Programme

| *Expenditure<br>as at<br>31 Dec 2021<br>£000 | Scheme  | 2021/22<br>Programme<br>£000 | 2022/23<br>Programme<br>£000 | 2023/24<br>Programme<br>£000 |
|--|---|------------------------------|------------------------------|------------------------------|
|  | <b>Non Education Capital Schemes</b>          |                              |                              |                              |
| 3,140  | Asset Management Plan                         | 4,307                        | 5,924                        | 1,805                        |
| 13   | Reprovision of Dialstone Facility             | 13                           | 3,009                        | 0                            |
| 0  | Borough Care                                  | 0                            | 0                            | 0                            |
| 7  | Disposal of Assets                            | 27                           | 0                            | 0                            |
| 0  | IT - Nutanix                                  | 66                           | 0                            | 0                            |
| 363  | Town Centre Asset review                      | 583                          | 13,845                       | 0                            |
| 0  | Manchester Airport - Shareholder Support Loan | 0                            | 3,290                        | 0                            |
| 1,700  | TLC Fleet Vehicle Loan Facility               | 1,700                        | 0                            | 0                            |
| 600  | Public Sector Decarbonisation Scheme (PSDS)   | 4,491                        | 1,111                        | 0                            |
| <b>5,823</b>                                 | <b>Sub-total</b>                              | <b>11,187</b>                | <b>27,179</b>                | <b>1,805</b>                 |
|  | <b>Education - Schools Capital Programme</b>  |                              |                              |                              |
| (19)   | Early Years                                   | 13                           | 0                            | 0                            |
| 1,937  | Primary Sector                                | 5,115                        | 6,673                        | 0                            |
| 2,342  | Secondary Sector                              | 3,003                        | 392                          | 0                            |
| 3,652  | Special Sector                                | 8,023                        | 9,645                        | 0                            |
| 0  | Cross Sector                                  | 0                            | 0                            | 0                            |
| 0  | Special Educational Needs                     | 0                            | 0                            | 0                            |
| 0  | Other Schemes                                 | 0                            | 0                            | 0                            |
| 0  | Funding to be allocated                       | 0                            | 19,055                       | 0                            |
| 606  | Individual School Schemes                     | 977                          | 0                            | 0                            |
| <b>8,518</b>                                 | <b>Sub-total</b>                              | <b>17,131</b>                | <b>35,765</b>                | <b>0</b>                     |
| <b>14,341</b>                                | <b>TOTAL</b>                                  | <b>28,318</b>                | <b>62,944</b>                | <b>1,805</b>                 |

\* This relates to expenditure on SAP and accruals for goods received or work performed up to the period end.

## Resources

| Resources                    | 2021/22<br>£000 | 2022/23<br>£000 | 2023/24<br>£000 |
|------------------------------|-----------------|-----------------|-----------------|
| Capital Grants               | 13,362          | 14,325          | 0               |
| Directly Funded Borrowing    | 3,172           | 13,845          | 0               |
| Unsupported Borrowing        | 10,956          | 31,765          | 1,805           |
| Capital Receipts             | 40              | 3,009           | 0               |
| External Contributions       | 614             | 0               | 0               |
| Commutated Sums              | 14              | 0               | 0               |
| Revenue Contributions (RCCO) | 160             | 0               | 0               |
| <b>TOTAL</b>                 | <b>28,318</b>   | <b>62,944</b>   | <b>1,805</b>    |

**Programme Amendments**

| <b>Scheme</b>                                    | <b>2021/22<br/>£000</b> | <b>2022/23<br/>£000</b> | <b>2023/24<br/>£000</b> | <b>Funding<br/>Source</b>  | <b>Reason</b>                    |
|--|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------------|
| Asset Management Plan                            | (1,096)                 | 1,096                   | 0                       | USB                        | Rephased to 2022/23              |
| IT - Nutanix                                     | 37                      | 0                       | 0                       | RCCO                       | Addition to existing scheme      |
| Town Centre Asset review                         | 3                       | 13,845                  | 0                       | DFB                        | Addition to existing scheme      |
| Manchester Airport -<br>Shareholder Support Loan | (3,290)                 | 3,290                   | 0                       | USB                        | Rephased to 2022/23              |
| Public Sector Decarbonisation<br>Scheme (PSDS)   | (1,111)                 | 1,111                   | 0                       | Cap Grant                  | Rephased to 2022/23              |
| <u>Education Schemes</u>                         |                         |                         |                         |                            |                                  |
| Primary  | 60                      | (60)                    | 0                       | CM                         | Rephased to 2021/22              |
| Special  | (94)                    | 108                     | 0                       | BN &<br>HNPC +<br>Comm Sum | Scheme rephasing and<br>addition |
| Funding to be allocated                          | 0                       | (10)                    | 0                       | HNPC                       | Scheme alignment                 |
| Primary  | 10                      | 0                       | 0                       | HNPC                       | Scheme alignment                 |
| Great Moor Inf - PB schemes                      | 106                     | 0                       | 0                       | DFB                        | Additional budget<br>requirement |
| <b>Total</b>                                     | <b>(5,375)</b>          | <b>19,380</b>           | <b>0</b>                |                            |                                  |

Commentary

- **Asset Management Plan (AMP)** – Due to the impact of Covid-19 all schemes were reviewed during 2020/21 in terms of programme, priority and cost. In order to mitigate project risk, a significant number of items were rephased into 2021/22.

The most significant of these is the rephasing of £2.3million across quarter 1 and quarter 2 of the proposed spend on the leisure estate - much of the funding was allocated to car park and changing room works which are now progressing to a revised programme. Changing room works to Avondale Life Leisure, along with lift replacement at the same site concluded during quarter 1 2021/22; roofing works have also now concluded at Avondale. Works are completed at Romiley Life Leisure to fully refurbish the changing rooms and the car park works at Romiley Life Leisure have started on site recently. The car park works at Hazel Grove have been rephased into 2022/23.

Other significant projects that have progressed in 2021/22 include the refurbishment of Gatley Hill House, with an overall cost of £0.750m, which is now on site and the replacement of lift controls within Stopford House, with an overall cost of £0.550m, which has been completed.

A proportion of the allocated budgets for Heritage and Library projects have been deferred into 2022/23.

- **IT – Nutanix** – Additional components including switches, security gateway software and a cloud based management server have been identified. Additional costs of £0.037m are to be financed by RCCO meaning the projected total spend for the year and remainder of the scheme are £0.066m.
- **Town Centre Asset Review** – This review focuses on meeting the current and future business needs of the Council, ensuring future resilience to the office estate provision being fit for purpose, agile and an efficient workplace whilst also having a positive impact on the Council's CAN objectives. The business case has passed through scrutiny and cabinet and has been approved subject to the call-in period.

The current design phase is expected to cost £0.583m with the accrued spend to the end of December 2021 being £0.363m.

- **TLC Fleet Vehicle Loan Facility** - During 2020/21, TLC's Board authorised the order of a further range of vehicles, to be financed via the agreed £10.800m loan facility with SMBC. Such specialised vehicles, especially Refuse Collection Vehicles (RCVs), typically take up to a year to be produced, often involving the manufacture of chassis in Germany and the addition of bodyworks, specialised lift mechanisms, cranes etc. at different facilities in the UK. Such lead times have been extended in some cases because of delays related to Covid-19 and also a shortage of components following Brexit.

These vehicles have started to arrive in late summer 2021, September and early October 2021.

Consequently, between 1<sup>st</sup> April and 31<sup>st</sup> August 2021, TLC did not need to draw down any of the loan facility. However, on 24<sup>th</sup> September 2021, TLC drew down two separate tranches (totalling £1.700m) from the two loan facilities that constitute the total facility of £10.800m.

The first tranche (£1.300m) was against Loan No.1 and will be used to finance additions to the Refuse, Arbs and Streetcare fleets. It is to be noted that Loan No.1 is to finance vehicles that will be used solely on cost contracts delivered to SMBC, and hence is at a lower rate of interest. The second tranche (£0.400m) was against Loan No.2 and will be used to finance additions to the Highways Capital fleet. It is to be noted that Loan No.2 is to finance vehicles that may be used on both cost contracts delivered to SMBC and third-party commercial contracts, and hence is at a higher, fully state-aid-compliant, rate of interest.

Currently, at the end of quarter 3, TLC does not anticipate drawing any further tranches, from either loan, in 2021/22.

- **Public Sector Decarbonisation Scheme (PSDS)** - The PSDS project is a 100% grant funded scheme encompassing projects across 16 buildings, including corporate buildings and schools. The work will deliver energy efficiencies through insulation measures (for example double-glazed windows) and install decarbonisation technologies in the form of Air Source Heat Pumps, Solar hot water supply. The grant is time constrained as it must be spent before the end of March 2022. An allowance is made for retention payments and minor snagging as agreed with GMCA.

Spend to the end of December 2021 was £0.345m with the remaining spend being programmed across the next 3 months.

- **Education** – A number of school schemes across all sectors relating to both maintenance/condition and basic need provision of school places are in progress (c £17m) and

due for completion within their individual scheme plans. The LA continues to review and assess school projects for the future linked to the latest asset management plan reviews of all school buildings, with an approximate £90m back-log of works required across all the school estate.

Unallocated government grant / new individual school schemes approved at the December 2021 Cabinet meeting will not commence until 2022/23 and further scheme details / commitments will be reported in the 2022/23 cycle.