Bolton Council

Report to:	Cabinet		
Date of meeting:	6th February 2023		
Report of:	Borough Treasurer	**Report Number:**	32600
Reporting Officer:	Tony Glennon	**Telephone Number:**	
Contact Officer:	Tony Glennon Borough Treasurer	**Telephone Number:**	
Report title:	Corporate Capital and One-off funding 2023-2026		

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:	Cabinet is recommended to approve: The Capital Strategy for 2023-2026 The Corporate Capital and Revenue Programme for 2023-2026 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	n/a		
Legal	No		
HR	No		
Procurement	No		
Climate Change	No		
Equality Impact Assessment	No		

(a) Pre-consultation reports Is there a need to consult on the proposals?	No
(b) Post consultation reports Please confirm that the consultation response has been taken into consideration in making the recommendations.	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 & BACKGROUND

1.1 On 16th February 2022 Council approved the capital programme for financial year 2022/23. 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 2022/23 capital programme and future programme to 2025/26.

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.

1.3 The Capital Strategy 2023-2026 can be found at Appendix 1.

2. ISSUES

2.1. Since 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.

3. MAIN BODY OF THE REPORT

3.1. CAPITAL OVERVIEW

3.2. 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.

3.3. The table below outlines the current funding position for 2022/23 onwards

	Current Capital Programme 2022-2026
	£m
Corporate Supported Borrowing	47.0
Corporate Revenue	4.7
Corporate Capital Receipts	8.0
Service Supported Borrowing	0
Service Revenue	18.3
Government Grants	149.0
Other Contributions	4.8
Total	**231.8**

3.4. OBSERVATIONS

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

3.6. The Capital programme only includes schemes which have started or will start in 2022/23 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.

3.7. The Council estimates it will have £158m of reserves at the end of 2022/23. Of this total, £44m is held specifically for capital schemes to fund projects such as the Schools Expansion programme.

3.8. **VAT**

3.9. 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.

3.10. 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%.

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

	%
2022/23	3.86%
2023/24	4.61%
2024/25	3.32%
2025/26	2.85%

3.12. The detailed calculations are set out in Appendix 3. The exempt input tax proportion is forecast to peak at 4.61% in 2023/24 before reducing and the 7 year average is 3.59%, therefore the Council remains within the HMRC limits.

3.13. 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.

3.14. 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.

3.15. 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.

3.16. MINIMUM REVENUE PROVISION

3.17. 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.

3.18. 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 2021, the value of this borrowing equalled £129.9m and results in an equal annual minimum revenue provision of £3.022m over the remaining 43 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.

3.19. 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 Borough Treasurer 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.

3.20. Work is being undertaken to implement International Financial Reporting Standard (IFRS) 16, which will come into effect from 1 April 2024 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.

3.21. **CAPITAL PRUDENTIAL INDICATORS**

3.22. 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 2023/24.

3.23. 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.

3.24. 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 2022/23	**Budget 2023/24**	**Budget 2024/25**	**Budget 2025/26**
Affordability				
Ratio of financing costs to net revenue stream - General Fund	3.40%	3.88%	3.97%	3.92%
Capital Expenditure and Capital Financing				
General Fund Capital Expenditure per Appendix 2 (£m)	£92.3m	£84.9m	£52.7m	£2m
Capital Financing Requirement (£m)	£274.6m	£283.8m	£281.6m	£279.4m

4. **OPTIONS**

4.1. n/a

5. **IMPACTS AND IMPLICATIONS:**

5.1 **Financial**

5.1.1 As above

5.2 **Legal**

5.2.1 NONE

5.3 **HR**

5.3.1 NONE

5.4 **Climate Change**

5.4.1 NONE

5.5 **Other**

5.5.1 NONE

6. **EQUALITY IMPACT ASSESSMENT (EIA)**

6.1. Under the Equality Act 2010, the council has a general duty to have due regard to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act;
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

6.2. It is important to consider how the proposals contained within this report may impact positively or negatively on protected characteristics. It has been determined that due to the high level focus of the report, it is not anticipated that the proposals within this report will have a differential impact on any of Bolton's diversity groups, including staff. A full EIA is therefore not required at this stage.

7. **CONSULTATION**

7.1. n/a

8. **VISION 2030**

8.1. n/a

9. **RECOMMENDATIONS**

9.1. Cabinet is recommended to approve:

- The Capital Strategy 2023-26 in Appendix 1
- The Corporate Programme (Capital and Revenue one-off schemes) for 2023-26 in Appendix 2.
- The Minimum Revenue Provision policy as set out in section 5 of this report.
- The Capital Prudential Indicators as set out in Section 6 of this report.

APPENDIX 1

CAPITAL STRATEGY 2023-2026

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 contrasts with 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 2023-2026 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 Borough Treasurer 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. The impact of Covid-19 has had an effect on these funding streams with no dividend expected to be paid for at least the next two years.

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 Borough Treasurer 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 £10,000 which is received from the sale of an asset. They cannot be spent on revenue items.

11.3.2 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 Borough Treasurer 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 Borough Treasurer 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 2024 a new International Financial Reporting Standard (IFRS 16) comes into operation. Under IFRS16 there is 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 are not defined in the regulations, but

there has been general consensus between the GM authorities that we will each use our capital de minimis for the cut-off (£12,000 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 Borough Treasurer 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

APPENDIX 2

DETAILED CORPORATE CAPITAL AND ONE-OFF FUNDING 2023-26

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	22/23	23/24	24/25	25/26	Total
Housing					
Private landlords/ empty dwellings (REFCUS)	47,625	42,000			89,625
Total Housing	**47,625**	**42,000**	**0**	**0**	**89,625**
Development & Regeneration					
Town Centre Improvement Fund	27,588	34,726			62,314
Hall ith Wood Museum	10,380	83,177			93,557
Great Lever Library (UCAN)		408,915			408,915
Town Centre Strategy	8,358,110	9,469,731	5,000,000		22,827,841
Towns Fund	8,836,391	11,735,094	3,143,500		23,714,985
Enabling works	4,718	392,289			397,007
Investments in District Town Centres	1,912,236	6,577,739	5,000,000		13,489,975
FHSF Farnworth	4,211,713	7,960,216			12,171,929
Rivington Chase HIF	11,675,924				11,675,924
Full Fibre Network GMCA (REFCUS)	150,578				150,578
Bolton College of Medical Sciences (REFCUS)	12,684,148	5,600,000			18,284,148
Disabled Facilities Grants (REFCUS)	4,116,270	666,970			4,783,240
Private Sector Renewal (REFCUS)	600,000	638,681			1,238,681
Total Development & Regeneration	**52,588,056**	**43,567,538**	**13,143,500**	**0**	**109,299,094**
Corporate Property					
Asset Management Plan - urgent works	112,513	36,919	0		149,432
Westhoughton Town Hall	102,101	1,793,321	0		1,895,422
Blackrod Library	109,643	0	0		109,643
61-63 Market St Little Lever	129,458	0	0		129,458
Corporate Property Capital Programme	1,091,255	2,648,795	0		3,740,049
Backlog Maintenance	367,058	2,000,000	2,000,000	2,000,000	6,367,058
Decarbonisation Works	423,365	0	0		423,365
One-Stop Shop Feasibility	37,559	72,802	0		110,361
Coroners Court	80,730	455,000	0		535,730
Total Corporate Property	**2,453,682**	**7,006,835**	**2,000,000**	**2,000,000**	**13,460,517**
Children's Services					
Building Maintenance Plan	5,328,684	4,896,263	5,280,000		15,504,947
School Capital Support Fund	20,000	100,000	100,000		220,000

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	22/23	23/24	24/25	25/26	Total
Schools Access Initiative	10,000	50,000	50,000		110,000
Devolved Formula Capital	682,848	750,000	750,000		2,182,848
Primary Expansion Programme	566,451	700,000			1,266,451
Special School Expansion Programme	354,699	7,326,206	11,326,000		19,006,905
Secondary Expansion Programme	84,630	30,000	4,000,000		4,114,630
Youth and Play Centres	230,408	153,075			383,483
Primary Places	41,251	27,500	62,000		130,751
Children's Centres	689,171				689,171
Improvement to Leisure Provision	133,627				133,627
School Schemes	129,328				129,328
Decarbonisation Programme - Schools	1,910,925				1,910,925
Decarbonisation Programme - LA	63,310				63,310
Primary Expansion Programme REFCUS	138,590	2,567,710	135,000		2,841,300
Special School Expansion Programme REFCUS	134,426	5,626,000	5,720,000		11,480,426
Secondary Expansion Programme REFCUS	641,126	3,208,521	10,141,780		13,991,427
Total Children's Services	**11,159,474**	**25,435,275**	**37,564,780**	**0**	**74,159,529**
Adult Services					
Day Care - Jubilee	5,581,887	163,710			5,745,597
Adults TEC	67,000				67,000
Decarbonisation Programme	70,251				70,251
ICP Hubs IT Infrastructure	122,892				122,892
Laburnum Lodge FFE	28,504				28,504
Total Adult Services	**5,870,533**	**163,710**	**0**	**0**	**6,034,243**
Environmental Services					
Highways					
Challenge Fund - Highways drainage	50,000	245,898			295,898
Section 31 Grant - KRN Structures	400,000	1,649,909			2,049,909
A666 Challenge Fund St Peters Way Improvement	10,000	395,175			405,175
Depot Improvement Plan - Mayor St		30,374			30,374
Road Warning Signals	11,258				11,258
Deansgate Public Realm	973,528				973,528
Highways Improvement Funding (Area Forum)	100,000	316,894			416,894
Highways investment	1,095,275				1,095,275
Highways Maintenance 22-23	666,000	334,000			1,000,000
External Highways					
GMCA Highways LTP	5,482,284				5,482,284
Bridges & Structures	660,841				660,841
ITB Funding	200,000	84,000			284,000
CRSTS - KRN Maintenance	2,000,000				2,000,000
Street Lighting	297,213	101,000			398,213

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	22/23	23/24	24/25	25/26	Total
LGF Crompton Way / Blackburn Road	639,227				639,227
LGF Town Centre 20mph scheme	174,801				174,801
LGF Bus Stop Improvement 2021	105,355				105,355
Bolton Salford Quality Bus Network	3,018,333				3,018,333
LSTF Bolton - Bury cycle route	41,023				41,023
City Cycle Ambition	78,736				78,736
MCF - Doffcocker to TC Bee Route	203,140	1,250,000			1,453,140
MCF - Bolton Town Centre East Phase 1 (T5)	209,913				209,913
MCF - Westhoughton (T6)	1,868	233,868			235,736
MCF - Astley Bridge (T6)	692	348,584			349,276
Safe Streets Cycling & Walking	16,338	46,188			62,525
MCF-Bolton to Farnworth	876,008	300,000			1,176,008
TFGM Development Fund	239,767	450,000			689,767
Capability Funding	137,500				137,500
Flood & Water Management Act Projects	46,000				46,000
Horwich Flood Alleviation	1,200,000	401,519			1,601,519
Non-Highways					
Equipped Play Area Strategy (S106)	37,525				37,525
Old Station Park	99,649				99,649
Mortfield Lodge Embankment works	70,868				70,868
Elgin St Prevent Landslip	33,186	167,155			200,341
Replacement of Fleet Vehicles	291,193	1,986,908			2,278,102
Public Realm (Area Forum)	191,647	106,326			297,973
Cleaner Greener	405,073	144,449			549,522
Parking improvements in the Moss Bank Park area	50,000	50,000			100,000
LUF - Parks Improvement	20,000	27,500			47,500
LUF - Parks Improvement - Tree Uplift	19,000				19,000
Total Environmental Services	**20,153,241**	**8,669,747**	**0**	**0**	**28,822,988**
TOTAL CAPITAL	**92,272,611**	**84,885,106**	**52,708,280**	**2,000,000**	**231,865,997**
Revenue Schemes					
Development & Regeneration					
Strengthening the Office Market in Town Centre		300,000			300,000
Town Centre Strategy (Revenue)	913,517	618,418			1,531,935
Economic Recovery	91,465				91,465
Corporate Property					
Coroner Court Revenue	171,196	13,804			185,000
Environmental Services					
Cleaner Greener	50,000	64,314			114,314

	Current Programme	Current Programme	Current Programme	Current Programme	Current Programme
	22/23	23/24	24/25	25/26	Total
Chief Executive's					
Anti-Social Behaviour / Home Watch	62,834				62,834
RLWC 2021	66,041				66,041
TOTAL REVENUE	**1,355,054**	**996,535**	**0**	**0**	**2,351,589**
GRAND TOTAL	**93,627,664**	**85,881,641**	**52,708,280**	**2,000,000**	**234,217,586**

APPENDIX 3

EXEMPT INPUT TAX MONITOR

Exempt Input Tax Monitor

	2021-22 Expenditure attracting VAT	2021-22 Exempt Proportion. %	2017-18 Exempt Expenditure £000s	2018-19 Exempt Expenditure £000s	2019-20 Exempt Expenditure £000s	2020-21 Exempt Expenditure £000s	2021-22 Exempt Expenditure £000s	2022-23 Projected Exempt Exp. £000s	2023-24 Projected Exempt Exp. £000s	2024-25 Projected Exempt Exp. £000s	2025-26 Projected Exempt Exp. £000s
Exempt Expenditure											
Revenue:											
Crematorium	841	100%	815	749	758	727	841	866	892	919	947
Greenspace	2,765	7%	144	165	220	113	197	117	120	124	128
Leverhulme Sports Centre	30	65%	28	34	39	18	19	19	19	20	20
Community Centres	27	100%	163	73	33	46	27	47	49	50	52
Urban Renewal	0	0%	95	79	-	-	-	-	-	-	-
Schools	36,768	3%	350	1,000	743	532	999	548	565	582	599
Libraries	735	7%	137	160	93	45	55	46	48	49	51
Museums	302	29%	86	79	99	45	88	47	48	50	51
Markets	398	99%	625	435	532	299	396	307	316	325	335
Admin Buildings	2,766	6%	154	187	186	187	172	193	199	205	211
Land & Property	880	97%	666	787	832	818	850	843	868	894	921
Castle Hill	1,451	0%	47	17	17	1	1	1	1	1	1
Legal Services	790	1%	10	6	8	5	9	5	5	5	5
Debt Management		100%	-	-	-	-	-	-	-	-	-
Total Revenue	**47,753**		**3,319**	**3,770**	**3,561**	**2,838**	**3,654**	**3,039**	**3,131**	**3,224**	**3,321**

APPENDIX 3 (cont'd)

	2021-22 Expenditure attracting VAT	2021-22 Exempt Proportion. %	2017-18 Exempt Expenditure £000s	2018-19 Exempt Expenditure £000s	2019-20 Exempt Expenditure £000s	2020-21 Exempt Expenditure £000s	2021-22 Exempt Expenditure £000s	2022-23 Projected Exempt Exp. £000s	2023-24 Projected Exempt Exp. £000s	2024-25 Projected Exempt Exp. £000s	2025-26 Projected Exempt Exp. £000s
Capital		**From rev %**									
Markets	-	99%	-	-	-	-	-	99	-	-	-
Crematorium	-	100%	-	119	-	-	-	-	-	-	-
Horwich Leisure Centre	-	65%	-	265	-	-	-	-	-	-	-
Schools	4,366	3%	262	490	384	120	119	229	236	243	251
Libraries	86	7%	-	3	7	6	6	6	50	52	53
Museums	-	29%	943	315	7	-	-	-	-	-	-
Greenspace	280	7%	42	21	7	8	20	8	8	8	9
Admin Buildings (incl Asset Reviews)	1,272	6%	17	79	97	342	79	167	172	177	182
Towns Fund -Market		99%	-	-	-	-	-	1,696	2,843	1,000	-
Towns Fund - WellSpring		0%	-	-	-	-	-	-	-	-	-
Towns Fund - Library		7%	-	-	-	-	-	89	190	-	-
Land & Property	-	97%	-	-	-	-	-	-	-	-	-
Total Capital			**1,264**	**1,292**	**500**	**476**	**224**	**2,294**	**3,498**	**1,480**	**494**
Total Exempt Expenditure			**4,583**	**5,063**	**4,062**	**3,314**	**3,878**	**5,334**	**6,629**	**4,704**	**3,816**
Exempt Input Tax at 20 %			**917**	**1,013**	**812**	**663**	**776**	**1,067**	**1,326**	**941**	**763**
Total Input Tax			**24,433**	**23,285**	**25,760**	**22,373**	**26,737**	**27,631**	**28,770**	**28,363**	**26,737**

	2014-15	2015-16	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Exempt as Proportion of Total	3.43%	3.07%	3.75%	4.35%	3.15%	2.96%	2.90%	3.86%	4.61%	3.32%	2.85%
										7 year average 3.59%	

The above method over-estimates likely exempt input tax to avoid the laborious extraction of data. It is based on current Customs 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 2025 is currently 3.59%