



# AGENDA

## Executive

**Monday, 20 February 2023 AT 16:00  
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG**

### **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

### **PUBLIC AND PRESS**

To agree that the items of business within Part A of the agenda should be dealt with in public and that the items of business within Part B of the agenda should be dealt with in private.

### **DECLARATIONS OF INTEREST**

Members are invited to declare any disclosable pecuniary interests, other registrable interests and any interests, relating to any items on the agenda at this stage.

### **MINUTES OF PREVIOUS MEETING**

**7 - 10**

To agree the Minutes of the meeting of the Executive held on 18 January 2023  
(Copy Minutes herewith)

## PART A

### To be considered when the Public and Press are present

- A.1 PROJECT TULLIE** **11 -  
20**
- (Key Decision)
- (The Leader has agreed to this Key Decision item being considered at this meeting, although not in the Notice of Executive Key Decisions)
- The Corporate Director of Economic Development to submit a report which outlined the proposals for Project Tullie.  
(Copy Report ED.05/23 herewith)
- A.2 NOTICE OF EXECUTIVE KEY DECISIONS** **21 -  
26**
- (Non Key Decision)
- The Notice of Executive Key Decisions, published on 20 February 2023, is submitted for information.
- (Copy Notice herewith)
- A.3 SCHEDULE OF DECISIONS TAKEN BY OFFICERS** **27 -  
30**
- (Non Key Decision)
- A Schedule detailing decisions taken by Officers under delegated powers is attached for information.
- (Copy Schedule herewith)  
Background Papers – as detailed within the Schedule
- A.4 JOINT MANAGEMENT TEAM** **31 -  
32**
- (Non Key Decision)
- The Minutes of the meeting of the Joint Management Team held on 18 January 2023 are submitted for information.
- (Copy Minutes herewith)

**A.5 REVENUE BUDGET OVERVIEW & MONITORING REPORT - APRIL TO DECEMBER 2022** **33 - 54**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit a report providing an overview of the Council's overall budgetary position for the period April to December 2022 for revenue schemes only.

(Copy Report RD.58/22 herewith)

**A.6 CAPITAL BUDGET OVERVIEW & MONITORING REPORT - APRIL TO DECEMBER 2022** **55 - 70**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit a report providing an overview of the budgetary position of the City Council's capital programme for the period April to December 2022.

(Copy Report RD.59/22 herewith)

**A.7 TREASURY MANAGEMENT OCTOBER - DECEMBER 2022** **71 - 82**

(Non Key Decision)

The Corporate Director of Finance and Resources to submit the regular quarterly report on Treasury Transactions, including the requirements of the Prudential Code.

(Copy Report RD.60/22 herewith)

## **PART B**

**To be considered when the Public and Press are excluded from the meeting**

### **B.1 THE SANDS CENTRE REDEVELOPMENT CONTRACT AND GLL MANAGEMENT FEE REALIGNMENT**

(Key Decision KD.01/23)

*The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)*

The Deputy Chief Executive to submit a report regarding the realignment of the management fee for the Leisure Contract for 2022/23 with GLL following the confirmed sectional and practical completion of the Sands Centre Redevelopment.

(Copy Report CS.05/23 herewith)

#### **Members of the Executive**

Councillor J Mallinson (Leader's Portfolio)

Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)

Councillor Mrs Bowman (Economy, Enterprise and Housing Portfolio Holder)

Councillor N Christian (Environment and Transport Portfolio Holder)

Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)

Councillor Mrs E Mallinson (Communities, Health and Wellbeing Portfolio Holder)

Enquiries, requests for reports, background papers etc to:  
[democraticservices@carlisle.gov.uk](mailto:democraticservices@carlisle.gov.uk)

**Notes to Members:**

Decisions made at this meeting, if not subject to call-in, will normally become live on 2 March 2023





**Executive**

**Date:** Wednesday, 18 January 2023

**Time:** 16:00

**Venue:** Flensburg Room

**Present:** Councillor Mrs Marilyn Bowman, Councillor Nigel Christian, Councillor Gareth Ellis, Councillor Stephen Higgs, Councillor Mrs Elizabeth Mallinson, Councillor John Mallinson

**Officers:** Corporate Director of Governance and Regulatory Services  
Corporate Director of Finance and Resources  
Corporate Director of Economic Development

**EX.01/23 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of the Town Clerk and Chief Executive and the Deputy Chief Executive.

**EX.02/23 DECLARATIONS OF INTEREST**

There were no declarations of interest submitted.

**EX.03/23 PUBLIC AND PRESS**

RESOLVED - It was agreed that the items in Part A be dealt with in public and the items in Part B be dealt with when the Public and Press are excluded.

**EX.04/23 MINUTES**

RESOLVED - That the minutes of the meetings held on 24 October 2022 and 19 December 2022 be agreed as a correct record.

**EX.05/23 COST OF LIVING SCHEME**

(Key Decision)

(The Leader had agreed to the Key Decision being considered at this meeting, although not in the Notice of Executive Key Decisions)

**Portfolio** Finance, Governance and Resources

**Relevant Scrutiny Panel** Place Panel

**Subject Matter:**

The Finance, Governance and Resources Portfolio Holder submitted details of a proposed local Cost of Living Scheme for the residents of the Carlisle District (RD.57/22). Council, at its meeting on 11 October 2022, approved a Motion which set aside a fund of £110,000 to support households facing fuel poverty across Carlisle. The report set out the options to determine the operation of the Scheme.

The Finance, Governance and Resources Portfolio Holder moved the recommendations and the Leader seconded them.

**Summary of options rejected** not to implement the Motion agreed by Council

**DECISION**

That the Executive approved the proposed scheme as set out in report RD.57/22, option e, to utilise the allocated funding of £110,000 approved by Council on 11 October 2022.

**Reason for decision**

To implement the Motion agreed by Council on 11 October 2022.

**EX.06/23 SCHEDULE OF DECISIONS TAKEN BY THE LEADER / PORTFOLIO HOLDER**

(Non Key Decision)

**Portfolio** Cross Cutting

**Relevant Scrutiny Panel**

People Panel; Place Panel; Resources Panel

**Subject Matter:**

Details of decisions taken by the Leader / Portfolio Holders under delegated powers were submitted.

**Summary of options rejected** None

**DECISION**

That the decisions, attached as Appendix A, be noted.

**Reason for Decision** Not applicable

**EX.07/23 SCHEDULE OF DECISIONS TAKE BY OFFICERS**

(Non Key Decision)

**Portfolio** Cross Cutting

**Relevant Scrutiny Panel**

People Panel; Place Panel; Resources Panel

**Subject Matter:**

Details of decisions taken by Officers under delegated powers were submitted.

**Summary of options rejected** None

**DECISION**

That the decisions attached as Appendix B, be noted.



**Reason for Decision** Not applicable

**EX.08/23 JOINT MANAGEMENT TEAM**

(Non Key Decision)

**Portfolio** Cross Cutting

**Relevant Scrutiny Panel**

People Panel; Place Panel; Resources Panel

**Subject Matter:**

The minutes of the meeting of the Joint Management Team on 19 December 2022 were submitted for information.

**Summary of options rejected** None

**Decision**

That the minutes of the Joint Management Team held on 19 December 2022, attached as Appendix C, be received.

**EX.09/23 DRAFT LONGTOWN PLACE PLAN**

(Non Key Decision)

**Portfolio** Leader's Portfolio

**Relevant Scrutiny Panel** Place Panel

**Subject Matter:**

The Leader submitted an overview of the Place Programme that formed part of the Borderlands Inclusive Growth deal, which was aimed at revitalising the small market towns across the region through the delivery of key capital projects that would drive economic growth. Longtown had been selected as the town in the Carlisle District to be included in the Place Programme. (ED.02/23)

Officers from the City Council had been supporting the community in Longtown to develop a Place Plan, which was required to access the funding. The report outlined the vision, objectives and proposed action areas set out in the draft Longtown Place Plan which the Executive was asked to endorse.

The Leader moved the recommendations.

In seconding the recommendations the Culture, Heritage and Leisure Portfolio Holder thanked all those involved in the Place Programme work which had produced practical and achievable proposals which would be moved forward using the funding available.

**Summary of options rejected** Not to endorse the Longtown Place Plan

## **DECISION**

That the Executive:

1. Endorsed the contents of report ED.02/23 and the Longtown Place Plan provided in Appendix A.
2. Delegated authority to the Corporate Director of Economic Development, following consultation with the Leader and Portfolio Holder for Enterprise, Economy and Housing to finalise the Longtown Place Plan for submission to the Borderlands Place Programme Board.

## **Reason for decision**

The Longtown Place Plan would contribute towards the Carlisle Plan priority of delivering on the Borderlands Inclusive Growth Deal by working with local communities in Longtown to develop a locally-owned place plan that would seek investment in the town from the Borderlands Inclusive Growth Deal.

The Longtown Place Plan would also contribute towards the Carlisle Plan priority of delivering inclusive and sustainable economic growth and ensuring this growth benefits rural communities within the wider Carlisle District.

The Meeting ended at: 16:07

## Report details

Meeting Date:	20 February 2023
Portfolio:	Leaders
Key Decision:	Yes
Policy and Budget Framework	No
Public / Private	Public
Title:	Project Tullie
Report of:	Corporate Director of Economic Development
Report Number:	ED.05/23

## Purpose / Summary:

This purpose of the report is to outline the proposals for Project Tullie that have been developed by the Tullie House Trust. The Project will be delivered through drawing down on a funding package that includes Future High Streets Funding, Town Deal, Arts Council and National Heritage Lottery funding.

As the detailed design proposals have been developed for the Project, the existing substation, which stands within the complex, had been identified as posing a significant impediment to the delivery of the preferred scheme, which would deliver the most benefits.

Therefore, this report also seeks approval from the Executive, for recommendation to Council, to provide £500,000 of funding, with the objective of supporting the relocation of the substation up to this amount, which would be held in a ring-fenced capital reserve, within the 2022/23 Capital Programme, and which can be released following consideration and approval of a viable and affordable business case by the Executive of Carlisle City Council and/or Cumberland Council.

## Recommendations:

The Executive is asked to:

1. Note the proposals for Project Tullie outlined in Section 2 this report
2. Note the location of the existing substation and the impediment it creates to the formation of the proposed new entrance and orientation point

3. Approve, for recommendation to Council, a budget of £500,000 to be made available to support the Project, which would be held in a ring-fenced capital reserve, within the 2022/23 Capital Programme, which can be released following consideration and approval of a viable and affordable business case by the Executive of Carlisle City Council and/or Cumberland Council, as set out in paragraph 2.5.

### **Tracking**

Executive:	20 February 2023
Scrutiny:	
Council:	28 February 2023

## **1. Background**

- 1.1 Project Tullie (“the Project”) is the long-term plan developed by the Tullie House Trust (“THT”) for re-purposing and refurbishing the museum and art gallery to appeal to new audiences. THT see the delivery of the project as crucial to creating a more sustainable financial position and fulfilling their strategic priorities and associated objectives.
- 1.2 The Project is comprised of several phases that will be delivered through drawing down on a funding package that includes Future High Streets Funding, Town Deal, Arts Council and National Heritage Lottery funding.
- 1.3 On 25 April 2022, the City Council Executive approved [ED.09/22; EX.65/22] to a) grant THT an extension of its existing leases for the Tullie House Museum and the Millennium Gallery and b) the transfer of the freehold interest of 6-24 Castle Street at nil value and c) a £800,000 capital contribution to the future refurbishment of the properties as part of the Project. This enabled THT to satisfy funders’ requirements and the project to be considered viable to proceed.
- 1.4 As the detailed design proposals for the Project have been developed, an existing substation, which stands within the Tullie House complex, had been identified as posing a significant impediment to the delivery of the preferred scheme. The relocation of the substation would significantly benefit the Project and allow the maximum outputs, outcomes and benefits to be derived.

## **2. Proposals**

- 2.1 The scheme developed by the THT focuses on improving the entrance and circulation within the museum, including the provision of an entrance and orientation point, repurposing existing gallery / atrium space, and renovating the properties on Castle Street to create contemporary, multi-functional facility.
- 2.2 The preferred scheme, illustrated in Figure 1 below, would deliver key improvements to visitor infrastructure including catering, access, exhibitions, and new visitor experiences. A key element involves the creation of a new entrance from an existing opening in the wall that runs alongside the footway from the Castle Street entrance.
- 2.3 To deliver the preferred scheme and create the new entrance requires the relocation of the existing electricity substation, as indicated on the plan, which is located in the space between the rear of the Castle Street properties and the 1990’s extension to the museum.
- 2.4 The THT have been in dialogue with Electricity North West (ENW) regarding the costs, timeframe and complexity of moving the substation to an alternative location

within the curtilage of the museum. ENW has confirmed that a suitable alternative location can be found and have provided a cost plan that indicates that the cost of the relocation will be c. £500,000.

- 2.5 The proposed earmarked capital reserve will total £500,000 and be used to support the relocation of the substation. It would be considered as the City Council's contribution, and match funding, to the National Lottery Heritage Fund bid that is being progressed by the THT. The management of the reserve (capital scheme) rests with the Corporate Director of Economic Development (or equivalent Chief Officer at the Cumberland Council) and can only be released by the Executive following the consideration and approval of a viable and affordable business case by the Executive of Carlisle City Council and/or Cumberland Council.

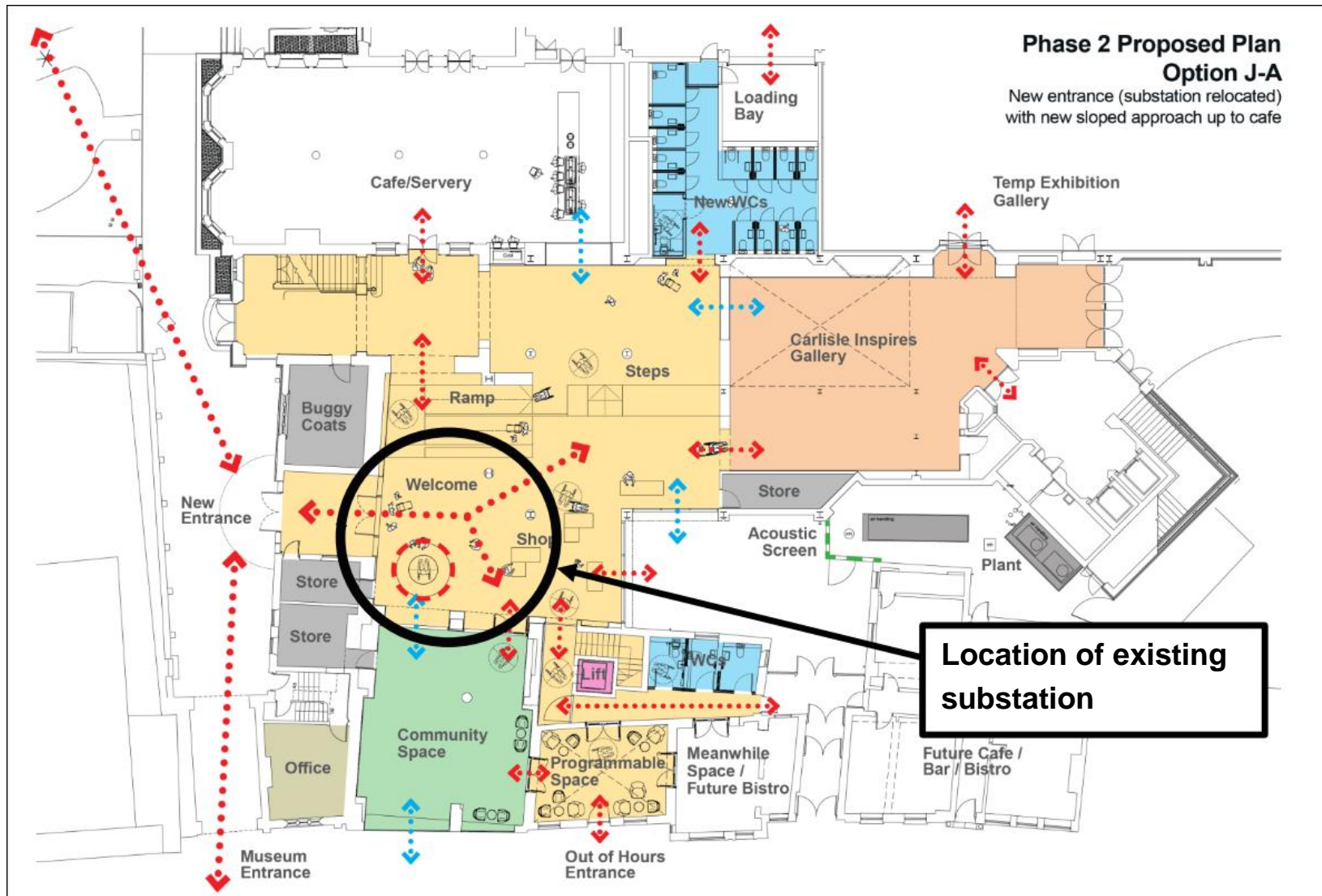


Fig 1: Preferred Project Tullie scheme

### 3. Risks

3.1 The following risks have been identified in relation to the Project.

Risk	Consequence	Mitigation
That the sub-station is cannot be relocated	The preferred option cannot be delivered, and a less preferable option is progressed that generates lower outputs, outcomes and benefits.	Electricity North West has confirmed that it is technically feasible to relocate the sub-station.  The necessary funding is secured to enable the relocation to proceed.
The necessary budget cannot be secured to support the relocation	Relocation may not happen. Budget for the relocation would need to be found from de-scoping of the project potentially resulting in lower outputs, outcomes and benefits	The necessary funding is secured to enable the relocation to proceed without de-scoping.
Cost of works exceeds the available budget.	The scheme is de-scoped by amending the specification. Risk that quality of scheme is reduced, and outputs are not met.	The cost plan will be updated throughout the design. A contingency of 10% for construction applied and further 7% design risk contingency has been applied.
That the preferred option does not deliver the expected outputs, outcomes and benefits	Project not perceived as a success by THT, users and partners.	Consultation with THT, users and partners has informed the current project concept.  Subsequent design stages would be subject to rigorous to ensure project was aligned with needs and aspirations of THT, users and partners,
Unknown hidden building defects and conditions	Delays to the delivery of the project and/or increased costs.	Updated surveys will be undertaken as part of the planned enabling works, including asbestos
Proposals fail to secure planning approval and listed building consent	Delays to the delivery of the project and/or increased costs.	Early and ongoing informal consultation and engagement with statutory consultees, the Planning Authority and the Conservation Officer



#### **4. Consultation**

4.1 The THT have presented the proposals to members in January 2023 and are now commencing with a programme of consultation to support the submission of a planning application for the preferred scheme.

#### **5. Conclusion and reasons for recommendations**

5.1 The Project is comprised of several phases of planned investment aimed at improving the quality of the visitor offer and experience and ultimately, the future financial sustainability of the museum. It will involve the repair and refurbishment of museum complex and Castle Street, which will drive the regeneration of Castle Street and improve the vitality and viability of the historic quarter of the city.

5.2 The preferred scheme focuses on improving the entrance and circulation within the museum, including the provision of a welcome entrance, repurposing existing gallery / atrium space and renovating the properties on Castle Street to create contemporary, multi-functional facility.

5.3 As the detailed design proposals for the scheme have been developed, an existing substation, which stands within the Tullie House complex, had been identified as posing a significant impediment the delivery of the preferred option. The relocation of the substation would enable the new entrance to be created. Electricity North West has confirmed that the relocation of the substation to an alternative location within the curtilage of the museum is feasible and that the cost of the relocation will be c. £500,000.

5.4 The proposed earmarked capital reserve will total £500,000 and be used to support the relocation of the substation and would be considered as the City Council's contribution to the bid by THT to the National Lottery Heritage Fund.

5.5 Therefore, the Executive is asked to:

- Note the proposals for Project Tullie outlined in Section 2 this report
- Note the location of the existing substation and the impediment it creates to the formation of the proposed new entrance and orientation point
- Approve, for recommendation to Council, a budget of £500,000 to be made available to support the Project, which would be held in a ring-fenced capital reserve, within the 2022/23 Capital Programme, which can be released following consideration and approval of a viable and affordable business case by the Executive of Carlisle City Council and/or Cumberland Council, as set out in paragraph 2.5.

## **6. Contribution to the Carlisle Plan Priorities**

6.1 The successful implementation of the Project will support the delivery of the vision set out in the Carlisle Plan, which is to enable Carlisle to grow and prosper as the capital of the Borderlands region. The scheme will contribute directly to the priority of delivering inclusive and sustainable economic growth, by improving the cultural offer of Carlisle and making the city a more attractive place for investment.

### **Contact details:**

Contact Officer: Steven Robinson Ext: x7535

### **Appendices attached to report:**

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Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

### **Corporate Implications:**

Legal - The provision of £500,000 should be reviewed against the subsidy control principles once the business case has been presented by Tullie House to ensure that the council, if it is minded to agree to make the contribution, complies with its duties under the Subsidy Control Act 2022.

This element of the project relies on a third party to deliver the movement and relocation of the infrastructure and the requirement of planning permission and possibly listed building consent. This requirement may constrain the time that THT have to deliver the outcomes in accordance with their agreement under the Future High Street Fund and Town Deal funding agreements. As the council is the accountable body under these funding streams the council is liable to any sanctions DLUHC may be entitled to take if the project is unable to deliver its agreed outputs/outcomes in the agreed timescale.

Property Services - Relocation of the substation has previously been discussed with Tullie House and they were advised early on that their initial budget of £80,000 would be insufficient to move the infrastructure to a new location. We would recommend that full due diligence is undertaken on any quotations from ENW to ensure that best consideration is obtained.

The location will need careful consideration to ensure its impact on Council assets is minimised and, should the site be on City Council owned land, consent will be required for the facility and any associated infrastructure.

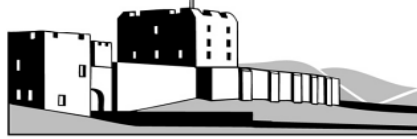
Finance – The governance arrangements for the proposed £500,000 earmarked capital reserve are set out in the body of the report. The reserve can only be released by the Executive, following approval of a robust business case, that is both viable and affordable. The scheme can be funded from borrowing, which will need to be undertaken by Cumberland Council, at the appropriate time, although use of internal borrowing may be more appropriate. Provisions for borrowing costs are currently included within the Council's Treasury Management Budgets for 2023/24 which have been aggregated into Cumberland's Revenue Budget for 2023/24.

Equality - None

Information Governance - None



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CITY COUNCIL**



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Item  
A.2

# **NOTICE OF EXECUTIVE KEY DECISIONS**

**20 JANUARY 2023**

## Notice of Key Decisions

This document provides information on the 'key decisions' to be taken by the Executive within the next 28 days. The Notice will be updated on a monthly basis and sets out:

- Details of the key decisions which are to be taken;
- Dates of the Executive meetings at which decisions will be taken;
- Details of who will be consulted and dates for consultation;
- Reports and background papers which will be considered during the decision making process;
- Details of who to contact if further information is required
- Details of where the document can be inspected
- Details of items which the public may be excluded from the meeting under regulation 4(2) and the reason why
- Details of documents relating to the decision which need not, because of regulation 20(3) be disclosed to the public and the reason why.

The dates on which each new Notice will be published are set below:

### Publication Dates

20 January 2023

17 February 2023

Key decisions are taken by the City Council's Executive and these are usually open to the public. Agendas and reports and any other documents relevant to the decision which may be submitted can be viewed in the Customer Contact Centre at the Civic Centre, Carlisle or on the City Council's website ([www.carlisle.gov.uk](http://www.carlisle.gov.uk)). Agendas and reports are published one week ahead of the meeting.

A Key Decision is an Executive decision which is likely –

- (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant\* having regard to the local authority's budget for the service or function to which the decision relates;
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.

\*significant expenditure or savings to the authority in excess of £70,000

The City Council's Executive Members are:

Councillor J Mallinson (Leader / Chair)

Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)

Councillor N Christian (Environment and Transport Portfolio Holder)

Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)

Councillor Mrs Mallinson (Communities, Health and Wellbeing Portfolio Holder)

Councillor Mrs Bowman (Economy, Enterprise and Housing Portfolio Holder)

Should you wish to make any representations in relation to the items being held in private or If you require further information regarding this notice please contact Democratic Services on 01228 817039 or [committeeservices@carlisle.gov.uk](mailto:committeeservices@carlisle.gov.uk).

## Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.01/23	GLL Management Fee Realignment		20 February 2023

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## Notice of Key Decisions to be taken by the Executive

The following key decision is to be made on behalf of Carlisle City Council:

Key Decision Reference:	KD.01/23
Type of Decision:	Executive
Decision Title:	GLL Management Fee Realignment
Decision to be taken:	The Executive will be asked to approve the realigned management fee for the Leisure Contract for 2022/23 with GLL following the confirmed sectional and practical completion of the Sands Centre Redevelopment
Date Decision to be considered:	
Date Decision to be taken:	20 February 2023
Is the Decision Public or Private?:	The decision will be taken in private. The report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)
Documents submitted for consideration in relation to the Decision:	The report of the Deputy Chief Executive will be available five working days before the meeting
Contact Officer for this Decision:	Deputy Chief Executive, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Culture, Heritage and Leisure (Councillor Higgs)
Relevant or Lead Overview and Scrutiny Panel:	People Panel

All public reports can be viewed in the Customer Contact Centre of the Civic Centre, Carlisle, the Public Library and on the Council's website [www.carlisle.gov.uk](http://www.carlisle.gov.uk).

Other documents relevant to the matter may be submitted to the decision maker. These, if available, may be obtained by contacting the named contact officer.



Notice prepared by Councillor John Mallinson,  
Leader of Carlisle City Council

Date: 20 January 2023



## Officer Decisions

A.3

Below is a list of decisions taken by Officers which they have classed as significant, full details and supporting background documents can be viewed on the Council's website [www.carlisle.gov.uk/CMIS/](http://www.carlisle.gov.uk/CMIS/)

Decision Ref No	Title: Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:	Decision Maker:
OD.5/23	<p>Release of Business Rates Section 31 Grant Earmarked Reserve</p> <p>The Council received compensation for loss of business rates income as a result of the COVID-19 pandemic in 2020/21 in the form of a section 31 grant. This grant was credited to the General Fund in accordance with proper accounting practice as opposed to the Collection Fund where business rates income would normally be held. Therefore, there was a deficit on the Collection Fund in 2021/22 which is to be recovered in 2022/23 as a charge to the General Fund. The Section 31 grant was set aside in an earmarked reserve in 2021/22 and is now required to be released to General Fund in 2022/23 to offset the deficit brought forward.</p> <p>The total deficit brought forward is £3,429,462 and the earmarked reserve balance is £3,155,170.</p>	RD26/22 Business Rates Outturn 2021/22	09 January 2023	Corporate Director of Finance and Resources
OD.6/23	<p>Homeless Prevention and Accommodation Services</p> <p>The Homeless Prevention and Accommodation Service team managers of Carlisle City Council have made the attached decisions <b>date</b>, under the express authorisation delegated to relevant officers in accordance with the Council's policy requirements.</p>	Individual assessments of need and vulnerability are considered on a case by case basis to inform decision making; these include personal sensitive information. The assessments are not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person	10 January 2023	Homelessness Prevention and Accommodation Manager

		(including the authority holding that information).		
OD.7/23	<p>Release of S106 Funds to Capital Programme, 11073 18/0490</p> <ul style="list-style-type: none"> <li>• A sum of £15,000 was received from Top Notch Contractors on 23/04/2019 as part of a Section 106 (developer contribution) agreement for a residential development off Holywell Crescent, Carlisle.</li> <li>• The agreement states that the funds were to be utilised for the maintenance and improvement of public open space and play areas at Melbourne Park or Alexandra Drive.</li> <li>• The Healthy City Team intends to use a proportion of these funds to replace an existing cableway (zip wire) at Melbourne Park play area.</li> <li>• The current cableway is approximately 30 years old and has become uneconomic to repair, the other equipment in the play area was replaced in 2015 and remains in very good condition.</li> <li>• Options for replacing the cableway were limited due to restricted space within the play area, which is fenced to prevent the access of dogs. Amendments to an entry point to the site have allowed a longer cableway to specified, maximising the use of space, and providing greater play value.</li> <li>• The project was tendered to suppliers on the authority's Play Areas Framework Agreement, with five return quotations being received. Following assessment of value for money, quality and aesthetics, an order was placed with Sutcliffe Play Ltd to supply and install a new 25 metre cableway for the total of £11,741.21.</li> <li>• Site preparation and removal of the existing cableway will be completed by council staff and local contractors at a cost of £970.00.</li> <li>• The sum of £12,700.00 therefore requires releasing from the S106 contribution to the capital programme for the 2022/23 financial year to allow for works to be completed in late January/early February 2023.</li> </ul>	None	18 January 2023	Deputy Chief Executive
OD.8/23	Hammond's Pond Access Platform - Budget and Receipt of Funds Page 28 of 82	None	23 January 2023	Deputy Chief Executive

	<ul style="list-style-type: none"> <li>• Carlisle City Council works cooperatively with the Friends of Hammond's Pond to manage the park in the best interests of all users. The Friends received a donation of approximately £50,000 from a local resident in mid-2020, with a request it be used to deliver improvements across the park.</li> <li>• It was decided that the donation should be spent at the same time as a large-scale infrastructure improvement project (funded by S106 monies) was carried out in the park by the Council and agreed that the money should be used to deliver items/park features which would not normally be provided by the Council, but which would be appropriate to the park and enhance its overall character and aesthetic.</li> <li>• Following the successful commissioning and installation of a public art feature, the Hammond's Pond Swans, in 2022, the next project is to provide an accessible pond platform allowing visitors to gain a different perspective of the site and better view the wildlife which inhabits the water.</li> <li>• The project will be based around an existing concrete platform which, although in sound structural condition, can only be accessed via steep steps and has no perimeter guardrail.</li> <li>• A specification was drawn up to construct a raised, anti-slip, deck on the existing concrete base, set level with the adjacent footpath and featuring steel guardrails, allowing unrestricted public access.</li> <li>• The project was tendered via an existing framework agreement and three quotes were received, the most competitive being from Evans Agricultural Contractors Ltd, for the sum of £19,998.00.</li> <li>• A capital code will therefore be set up with a balance of £20,000 to the authority to procure the new platform and a legal agreement is being made with the Friends of Hammond's Pond, in which they commit to transfer the full sum to the council upon completion of the works.</li> </ul>			
OD.9/23	<p>Licensing Decisions taken between 03/01/23 and 31/03/23  The Licensing Manager has granted the attached licences or permissions under an express authorisation delegated to her and in accordance with the Council's policy requirements. (can be viewed on the Council website <a href="http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx">http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx</a>)</p> <p style="text-align: right;">Page 29 of 82</p>	Applications for various licences. Private Not for Publication by Virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act.	30 January 2023	Licensing Manager

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**JOINT MANAGEMENT TEAM**

Item  
A.4

**MINUTES – 18<sup>th</sup> January 2023**

<b>Attendees</b>	Leader; Deputy Leader; PH Culture, Heritage & Leisure; PH Environment & Transport; PH Economy, Enterprise & Housing; PH Communities, Health & Wellbeing; Corporate Director of Governance & Regulatory Services; Corporate Director of Finance & Resources; Corporate Director of Economic Development
<b>Apologies</b>	Chief Executive; Deputy Chief Executive

<b>Agenda Item 1 – Minutes of Meeting 19<sup>th</sup> December 2022</b>	<b>Action</b>
Noted and agreed	
<b>Agenda Item 2 - Updates on Borderlands; St Cuthbert's Garden Village; Central Plaza</b>	
Members of SMT attending provided the Executive with their update on the current position regarding each area	
<b>Agenda Item 3 – Future Items for Notice of Executive Key Decisions</b>	
Noted	
<b>Agenda Item 4 - JMT Forward Plan</b>	
Noted	

<b>Agenda Item 5 – Other Business – Sustainable Warmth</b>	
The Corporate Director of Governance & Regulatory Services provided attendees with a verbal update on the above	



Meeting Date: 20 February 2023  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Policy and Budget Framework: Yes  
 Public / Private: Public

Title: Revenue Budget Overview & Monitoring Report: April to December 2022  
 Report of: Corporate Director of Finance and Resources  
 Report Number: RD.58/22

**Purpose / Summary:**

This report provides an overview of the Council’s overall budgetary position for the period April to December 2022 for revenue schemes only. The report also includes details of balance sheet management issues and bad debts written off in the period.

**Recommendations:**

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2022;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Approve the creation of an earmarked reserve for Talkin Tarn as set out in paragraph 2.7 for recommendation to Council.

**Tracking**

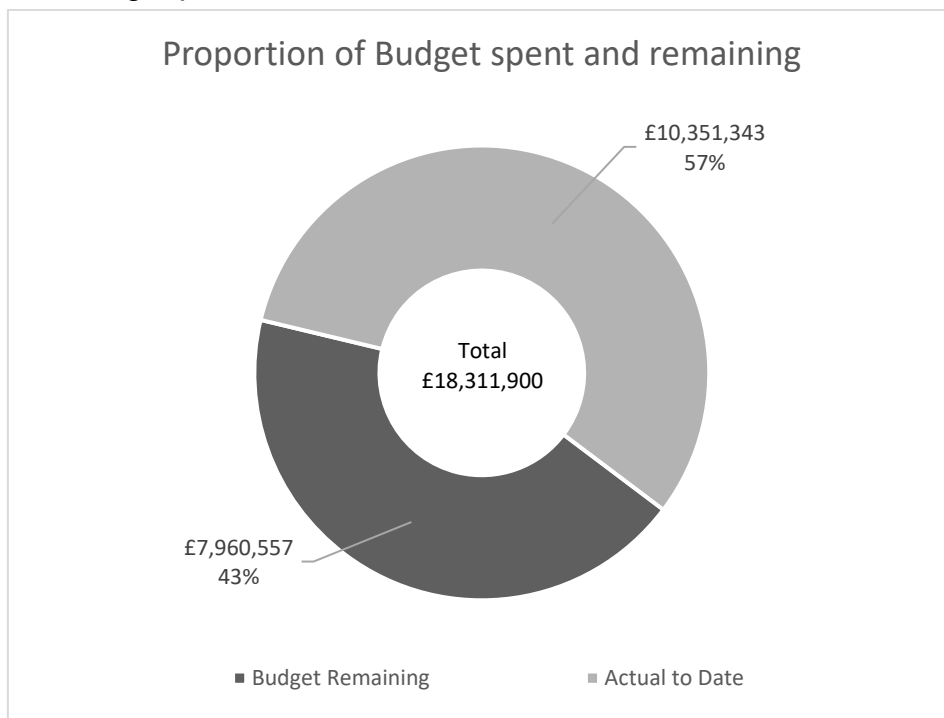
Executive:	20 February 2023
Scrutiny:	23 February 2023 (People Panel)
Council:	28 February 2023

## 1. Background

- 1.1. In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in **Appendix A**. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2. All Managers currently receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.
- 1.3. Please note that throughout this report:
- (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.

## 2. 2022/23 Revenue Budget Monitoring

- 2.1 The budget position of the Council as at December 2022 is as follows:



2.2 The summarised revenue budgetary position as at December 2022 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	11,263,900	12,254,200	9,404,674	9,443,702	39,028
Corporate Support	B2	143,600	237,500	375,946	359,471	(16,475)
Economic Development	B3	1,897,400	2,814,400	1,936,252	1,840,922	(95,330)
Finance & Resources	B4	2,859,600	2,586,200	1,520,608	598,751	(921,857)
Governance & Regulatory Services	B5	2,013,100	3,890,100	2,808,214	2,603,010	(205,204)
Corporate Management	B6	(3,474,000)	(4,380,100)	(4,918,693)	(4,813,814)	104,879
<b>Service Expenditure</b>		<b>14,703,600</b>	<b>17,402,300</b>	<b>11,127,001</b>	<b>10,032,042</b>	<b>(1,094,959)</b>
Exceptional Items	B7	215,400	909,600	697,776	319,301	(378,475)
<b>Service Expenditure</b>		<b>14,919,000</b>	<b>18,311,900</b>	<b>11,824,777</b>	<b>10,351,343</b>	<b>(1,473,434)</b>
Parish Precepts		731,500	731,500	731,500	731,304	(196)
<b>Total</b>		<b>15,650,500</b>	<b>19,043,400</b>	<b>12,556,277</b>	<b>11,082,647</b>	<b>(1,473,630)</b>
<b>Transfers to/(from) Reserves</b>						
Cremator Replacement Reserve		0	61,500			
Revenue Grants Reserve		0	(610,700)			
General Fund Reserve		166,100	(1,801,800)			
Planning Services Reserve		0	(25,500)			
Council Tax Income Reserve		0	(23,000)			
Carry Forward Reserve		0	(130,000)			
Operational Risk Reserve		(777,000)	(777,000)			
Building Control Reserve		0	(20,300)			
Tullie House Reserve		0	(800,000)			
Caldew Riverside Reserve		0	100,000			
<b>Total Transfer to/(from) Reserves</b>		<b>(610,900)</b>	<b>(4,026,800)</b>	<b>(1,293,827)</b>	<b>947,465</b>	<b>2,241,292</b>
Financed by:						
Precept from Collection Fund		(8,663,000)	(8,640,000)	(6,480,000)	(6,497,259)	(17,259)
Revenue Support Grant		0	0	0	(403)	(403)
Business Rate Retention		(6,376,600)	(6,376,600)	(4,782,450)	(5,532,450)	(750,000)
<b>Total Grants</b>		<b>(15,039,600)</b>	<b>(15,016,600)</b>	<b>(11,262,450)</b>	<b>(12,030,112)</b>	<b>(767,662)</b>
<b>Total</b>		<b>(15,650,500)</b>	<b>(19,043,400)</b>	<b>(12,556,277)</b>	<b>(11,082,647)</b>	<b>1,473,630</b>

2.3 Further details for each directorate can be found in **Appendices B1 – B7**. Each appendix shows a breakdown of the variances for the Directorate, with comments and a note of any performance issues. Although the net position is shown in the table above, the main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl. contracts)	B1	0	183,657
Bereavement Services	B1	0	148,925
Recycling and Waste Management	B1	(204,772)	0
Development Control Income	B3	(64,428)	0
Loan Interest (incl. new borrowing)	B4	(481,418)	0
Minimum Revenue Provision	B4	(79,479)	0
Investment Interest	B4	(230,168)	0
Revenues and Benefits	B4	(127,984)	0
Electoral Services	B5	(94,991)	0
Market Hall	B5	0	105,440
Asset Review Income	B5	(119,417)	0
Homeless Accommodation	B5	0	72,957
Salary Turnover Savings	B6	0	173,272

2.4 Some of the significant service expenditure and income variances are set out below:

- A shortfall in car parking income from tickets, permits and PCNs.
- A net overspend on Bereavement Services due to increased gas and electricity and reduced income from Cremation fees.
- A net underspend in Recycling and Waste Services due to increased income from plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Development Control fee income received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2022/23 being entered into yet.
- A saving on Minimum Revenue Provision (MRP) due to the year-end Capital Financing Requirement being lower than anticipated due to underspends and carry forwards in the 2021/22 capital programme.
- Additional investment interest generated due to higher cash balances and increases in interest rates.
- A net underspend in Revenues and Benefits mainly due to additional grant income received.
- An underspend on Election costs as a result of there being no City Council elections in 2022/23.
- Overspend at Market Hall in relation to payment of consultants for the proposed Towns Deal project.
- Additional income generated from completed rent reviews.
- An underspend of £25,539 on expenditure on Homeless Accommodation and a shortfall in income of £98,496. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff.

- A shortfall in salary turnover achieved against the budget to date due to the 2022/23 pay award. The recurring pressure will be addressed as part of the Cumberland Council budget process.

- 2.5 A subjective analysis of the summarised budgetary position excluding exceptional items as at September is shown in **Appendix C**.
- 2.6 As usual the Council's virement procedures will be utilised in 2022/23 to accommodate new areas of spend outwith the current base budgets which can be funded from underspends, as highlighted within this monitoring report, thus avoiding the additional use of reserves, or pressures on future years budgets.
- 2.7 Following the Place Panel on 1 December 2022 which reviewed the potential management arrangements at Talkin Tarn County Park following the Panel's visit to the site, the panel recommended:
1. that the Executive be asked to consider creating an earmarked reserve for surplus/carry forward monies for Talkin Tarn.
  2. that the Executive be asked to look into ways to reduce or remove Talkin Tarn's National Non Domestic Rate levy. The proposal was seconded and the Panel indicated its assent.

The Executive on 19 December 2022 decided to:

1. develop ideas for the creation of an earmarked reserve for surplus/carry forward monies in relation to Talkin Tarn
2. look at ways to reduce the National Non Domestic Rates levied at Talkin Tarn.

**It is therefore proposed to set up an earmarked reserve for Talkin Tarn capital infrastructure projects for any net surplus income each financial year. Approval to release funds from the reserve could only be approved by an Officer Decision Notice by the Deputy Chief Executive in consultation with the Portfolio Holder and Corporate Director of Finance and Resources (or relevant officers within Cumberland Council). The projects would be subject to the normal governance and procurement procedures.**

The National Non Domestic Rates levied at Talkin Tarn have been reviewed and there is no relief or discount that can be applied to reduce the liability, as it is the Billing Authority that are liable (i.e. the Council). Under the discretionary rate relief rules, the Council are not eligible for relief.

- 2.8 The following table provides a summary position of the income and expenditure within Exceptional Items:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Covid-19 Related Expenditure	B7	56,300	56,300	42,232	55,603	13,371
Covid-19 Government Grants	B7	0	0	0	(21,389)	(21,389)
Covid-19 Specific Grants	B7	0	(8,900)	(34,021)	(33,955)	66
Local Government Reorganisation	B7	159,100	862,200	689,565	319,042	(370,523)
<b>Total Exceptional Items</b>		<b>215,400</b>	<b>909,600</b>	<b>697,776</b>	<b>319,301</b>	<b>(378,475)</b>

2.9 Further details for this “directorate” can be found in **Appendix B7**. The main variances are also summarised below.

- A net overspend position on Council related expenditure as a result of Covid-19.
- Any costs associated with Local Government Reorganisation should either be covered through the City Council’s own budget approved or reimbursed from the Implementation Reserve.

### 3. Forecast Outturn Position 2022/23

3.1 The Council’s financial position is affected by a number of external factors that have a financial impact during the course of the year and ultimately at the year end.

These include:

- The general effect of local economic activity on the Council’s income streams e.g. car parking, tourism and leisure activities, and property rentals especially in relation to the retail sector and especially economic recovery following Covid-19.
- Fuel prices, energy costs and other inflationary issues.
- The effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control.
- The impact of the delay to the Fair Funding Review and Business Rates Retention Review.
- The impact of Covid-19 on Council’s budgetary position.

3.2 The Council’s financial position will continue to be closely monitored and the year end position will be reported fully at outturn. It will be important to maintain a prudent approach to ensure a sustainable position for future years to avoid any significant variance at year end.

3.3 The areas of significant variance noted in this report have been scrutinised fully and have been considered (where relevant) as part of the 2023/24 budget process for Cumberland Council where the position is deemed to be recurring in nature.

#### **4. Funding**

- 4.1 The main sources of funding for the Council are Council Tax Income and Business Rates income. Council Tax income does not vary in year from the amounts set at the budget, as any variation in Council Tax income received is usually adjusted in the Collection Fund Surplus/Deficit calculation for the following year's budget. However, the DLUHC announced a 3-year deficit recovery period for any arrears as at 31st March 2021.
- 4.2 Business Rates Income is largely prescribed by the amounts submitted to DLUHC on the NNDR1 form which estimates Business Rate Income for the year when calculated in January, however, there are two elements of this income that can vary throughout the year, namely, section 31 grants paid by government for business rates reliefs granted, and the levy and pooling calculations to the Cumbria Pool.
- 4.3 The current estimates of Business Rates income for the quarter to the end of December (still subject to review) are shown in **Appendix D**.

The figures show that based on current estimates the Council may receive an extra £750,000 (subject to review) in business rates income over and above what it has budgeted for. However, it is anticipated that this position could change significantly throughout the year depending upon the performance of other authorities in the Cumbria Pool and the amount of reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported at outturn.

The previous 2-years saw government provide rating support to the retail leisure and hospitality sectors as a response to the COVID-19 pandemic. This resulted in larger deficits on the collection fund, however, for 2022/23 there is no such support so there should be no exceptional deficits on the collection fund and any surpluses or deficits reported at the end of the year will be as a result of actual collection rates.

#### **5. Balance Sheet Management**

- 5.1 In line with CIPFA guidance and good practice, information relating to significant items on the Council's balance sheet is shown below. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis.

Balance Sheet item	Balance at 31/03/2022	Balance at Dec 2022	Note
Investments	£25.87m	£28.80m	(i)
Loans	£12.83m	£12.59m	(ii)
Debtors System	£1.74m	£0.99m	(iii)
Creditors System	£0.007m	£0.167m	

- (i) The anticipated annual return on these investments is estimated at £198,200 for 2022/23 with current forecasts anticipated to be significantly above these projections. Further details on the overall Treasury Management performance can be found elsewhere on the agenda.
- (ii) The cost of managing this debt (including any new debt budgeted for from 2022/23 onwards), in terms of interest payable, is budgeted at £850,000 in 2022/23 with costs currently showing a saving against budget due to new borrowing not entered into yet.
- (iii) There may be a significant impact on the cash flow of the Council if outstanding debts are not received. Any debts deemed to be irrecoverable are written off against a bad debt provision set up specifically for this purpose. Other significant debts relate to Council Tax, NNDR, and Housing Benefit overpayments.
- (iv) The Council's VAT partial exemption calculation for the period ending December 2022 is currently 1.97%, well below the 5% limit.

## 6. Bad Debt Write-Offs

- 6.1 The Corporate Director of Finance and Resources has delegated authority for the write-off of outstanding debts for NNDR, Council Tax and Debtors (including Penalty Charge Notices). In accordance with this, the Executive is asked to note that debts totalling £90,028.94 have been written off during Quarter 3 to the end of December 2022. A summary of bad debts is given in Table 1 in **Appendix E** of this report and these costs will fall against the following:

	£
General Fund	7,850.24
Council Tax (Collection Fund)	82,178.70
NNDR	0.00
<b>Total Write-offs</b>	<b>90,028.94</b>

- 6.2 The "write-ons" itemised in Table 2 in **Appendix E**, totalling £1,661.97 are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:



	£
General Fund	167.67
Council Tax (Collection Fund)	1,494.30
NNDR	0.00
Total Write-ons	1,661.97

6.3 In the case of the General Fund, the write-offs will be charged against provisions for bad debts. However, VAT, which has been identified separately, will be recouped in future VAT returns. Any write-off/write-on of Council Tax/NNDR will fall against the provisions within the Collection Fund. Any Council Tax court costs written off will be charged against the Bad Debt Provision within the General Fund.

## 7. Risks

7.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.

7.2 The main risk to the Council is the impact of energy and other cost of living inflationary pressures and also any on-going impact of COVID-19 in terms of additional costs and shortfalls of income.

## 8. Consultation

8.1 Consultation to date.

SMT and JMT have considered the issues raised in this report.

8.2 Consultation Proposed

People Panel will consider the report on 23 February 2023.

## 9. Conclusion and reasons for recommendations

9.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to December 2022;
- (ii) Note the action by the Corporate Director of Finance and Resources to write-off bad debts as detailed in paragraph 6;
- (iii) Note the release of reserves as set out in the table at paragraph 2.2, and note the virements approved as detailed in Appendix A;
- (iv) Approve the creation of an earmarked reserve for Talkin Tarn as set out in paragraph 2.7 for recommendation to Council.

## 10. Contribution to the Carlisle Plan Priorities

10.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the third quarter of 2022/23 shows the delivery of these priorities within budget.

**Contact details:**

Contact Officer: Emma Gillespie

Ext: 7289

**Appendices attached to report:**

- A, B1 to B7, C to E

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

**Corporate Implications:**

Legal - The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

Property Services - Property asset implications are contained within the main body of the report.

Finance - Financial implications are contained within the main body of the report.

Equality - This report raises no explicit issues relating to the public sector Equality Duty.

Information Governance - There are no information governance implications.

## REVENUE BUDGET MONITORING 2022/23

## VIREMENTS PROCESSED FOR PERIOD OCTOBER TO DECEMBER 2022

Date	Virement Details	Recurring/ Non- recurring	Value	Authorised By
<b>Requested by Officers (under £35,000 or delegated authority)</b>				
13/10/2022	Release of Building Control Reserve to fund purchase of software licences	Non-recurring	9,500	OD.110/22 Corporate Director of Economic Development
25/10/2022	Provision of budget for Legacy project	Non-recurring	10,000	Corporate Director of Finance and Resources
25/10/2022 & 07/12/2022	Release of funding from Revenue Grant Reserve for Sustainable Food City Co-ordinator	Non-recurring	12,800	Corporate Director of Finance and Resources
25/10/2022 & 07/12/2022	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	24,300	Corporate Director of Finance and Resources
25/10/2022	Virement to provide recurring budget for additional Member Support Officer costs	Recurring	7,100	Corporate Director of Governance and Regulatory Services
25/10/2022	Virement to provide recurring budget for additional Regeneration costs	Recurring	63,900	Corporate Director of Economic Development
04/11/2022 & 12/12/2022 & 06/01/2023	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	198,700	Corporate Director of Finance and Resources
08/11/2022 & 06/01/2023	Direct Revenue Financing from sale of Waste Receptacles towards Capital programme	Non-recurring	8,400	Neighbourhood Services Manager
12/12/2022	Release of funding from Revenue Grants Reserve for Homeless Accommodation	Non-recurring	41,800	Corporate Director of Finance and Resources
13/12/2022	Release of funding from Tullie House Reserve in respect of necessary repairs and re-purposing work to Castle Street property	Non-recurring	800,000	Corporate Director of Finance and Resources
<b>Approved by Executive (£35,000 to £70,000 or delegated authority)</b>				
<b>Approved by Council (over £70,000)</b>				
03/01/2023	Creation of an earmarked reserve for Caldew Riverside Remediation	Non-recurring	100,000	Council ED.01/23

## REVENUE BUDGET MONITORING 2022/23

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	21,920,700	(5,930,700)	(3,735,800)	<b>12,254,200</b>
Budget to date	16,989,305	(4,431,464)	(3,153,167)	<b>9,404,674</b>
Total Actual	17,157,674	(4,575,028)	(3,138,944)	<b>9,443,702</b>
<b>Variance</b>	<b>168,369</b>	<b>(143,564)</b>	<b>14,223</b>	<b>39,028</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>168,369</b>	<b>(143,564)</b>	<b>14,223</b>	<b>39,028</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	16,744	161,728	15	<b>178,487</b>
Bereavement Services	2	46,310	102,583	32	<b>148,925</b>
Healthy Cities	3	(77,144)	(7,108)	0	<b>(84,252)</b>
Recycling and Waste Services	4	228,421	(426,101)	(7,273)	<b>(204,953)</b>
Miscellaneous	5	(45,962)	25,334	21,449	<b>821</b>
<b>Total Variance to date</b>		<b>168,369</b>	<b>(143,564)</b>	<b>14,223</b>	<b>39,028</b>

Note	Community Services - Comments
1.	Various minor overspends including budget savings to be found; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Overspends on premises related costs; reduced income from cremation fees partly offset by increased income from Cemeteries fees.
3.	Underspends in relation to Leisure contract payments and Old Fire Station.
4.	Overspend on employee and transport costs. Surplus income from Plastic and Card recycling, Sale of recyclates and Bring Sites income.
5.	Minor underspends, shortfall in income and reduced trading income (recharges) across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	4,000,400	(307,500)	(3,455,400)	<b>237,500</b>
Budget to date	3,224,426	(256,582)	(2,591,898)	<b>375,946</b>
Total Actual	3,152,755	(201,472)	(2,591,812)	<b>359,471</b>
<b>Variance</b>	<b>(71,671)</b>	<b>55,110</b>	<b>86</b>	<b>(16,475)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(71,671)</b>	<b>55,110</b>	<b>86</b>	<b>(16,475)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact	1	(44,503)	59,563	92	<b>15,153</b>
Miscellaneous	2	(27,168)	(4,453)	(6)	<b>(31,628)</b>
<b>Total Variance to date</b>		<b>(71,671)</b>	<b>55,110</b>	<b>86</b>	<b>(16,475)</b>

Note	Corporate Support - Comments
1.	Underspends on employee related costs, shortfall in reception service fee income.
2.	Minor underspends and additional income across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	4,990,400	(1,759,600)	(416,400)	<b>2,814,400</b>
Budget to date	3,217,404	(968,810)	(312,342)	<b>1,936,252</b>
Total Actual	3,158,147	(1,004,925)	(312,300)	<b>1,840,922</b>
<b>Variance</b>	<b>(59,257)</b>	<b>(36,115)</b>	<b>42</b>	<b>(95,330)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(59,257)</b>	<b>(36,115)</b>	<b>42</b>	<b>(95,330)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Development Control	1	(24,444)	(64,428)	0	<b>(88,872)</b>
Miscellaneous	2	(34,813)	28,313	42	<b>(6,458)</b>
<b>Total Variance to date</b>		<b>(59,257)</b>	<b>(36,115)</b>	<b>42</b>	<b>(95,330)</b>

Note	Economic Development - Comments
1.	Minor underspends and increased fee income received to date.
2.	Minor underspends and shortfall in income across services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	32,872,200	(27,367,300)	(2,918,700)	<b>2,586,200</b>
Budget to date	26,129,346	(22,219,626)	(2,389,112)	<b>1,520,608</b>
Total Actual	25,516,270	(22,528,668)	(2,388,851)	<b>598,751</b>
<b>Variance</b>	<b>(613,076)</b>	<b>(309,042)</b>	<b>261</b>	<b>(921,857)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(613,076)</b>	<b>(309,042)</b>	<b>261</b>	<b>(921,857)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(560,083)	(230,168)	0	<b>(790,252)</b>
Revenues and Benefits	2	(49,126)	(78,903)	45	<b>(127,984)</b>
Miscellaneous	3	(3,866)	29	216	<b>(3,621)</b>
<b>Total Variance to date</b>		<b>(613,076)</b>	<b>(309,042)</b>	<b>261</b>	<b>(921,857)</b>

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet & savings on Minimum Revenue Provision; improved levels of investment interest achieved.
2.	Various minor underspends; Increased level of Government Grants received.
3.	Minor underspends across other services within the Directorate.

## REVENUE BUDGET MONITORING 2022/23

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	14,019,000	(6,304,100)	(3,824,800)	<b>3,890,100</b>
Budget to date	10,676,671	(4,999,493)	(2,868,964)	<b>2,808,214</b>
Total Actual	10,550,639	(5,115,607)	(2,832,022)	<b>2,603,010</b>
<b>Variance</b>	<b>(126,032)</b>	<b>(116,114)</b>	<b>36,942</b>	<b>(205,204)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(126,032)</b>	<b>(116,114)</b>	<b>36,942</b>	<b>(205,204)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Industrial Estates	1	42,489	(54,690)	0	<b>(12,201)</b>
The Market Hall	2	105,430	10	0	<b>105,440</b>
Strategic Asset Investment	3	(109,797)	(3,625)	49	<b>(113,373)</b>
Homeless Accommodation	4	(25,539)	98,496	0	<b>72,957</b>
Electoral Services	5	(91,003)	(3,994)	6	<b>(94,991)</b>
Regulatory Services	6	(9,026)	(59,167)	13	<b>(68,180)</b>
Miscellaneous	7	(38,586)	(93,143)	36,874	<b>(94,855)</b>
<b>Total Variance to date</b>		<b>(126,032)</b>	<b>(116,114)</b>	<b>36,942</b>	<b>(205,204)</b>

Note	Governance & Regulatory Services - Comments
1.	Overspend on third party payments; increased rental income as a result of backdated rent reviews.
2.	Overspend in relation to payment of consultants for the Towns Deal project.
3.	Additional income generated from completed rent reviews; increased level of valuation fees received.
4.	Underspend on employee related expenditure and supplies and services; shortfall in income as a direct result of Covid-19 as changes to occupancy levels and the available provision have had to be made to ensure the health and wellbeing of residents and staff.
5.	Underspend on Election costs as a result of there being no City Council elections in 2022/23.
6.	Underspend on employee related expenditure; improved levels of licence income and agency fees received.
7.	Minor underspends and increased income across other services within the Directorate.



## REVENUE BUDGET MONITORING 2022/23

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	(2,404,300)	(1,975,800)	0	<b>(4,380,100)</b>
Budget to date	(3,484,999)	(1,433,694)	0	<b>(4,918,693)</b>
Total Actual	(3,382,040)	(1,431,774)	0	<b>(4,813,814)</b>
<b>Variance</b>	<b>102,959</b>	<b>1,920</b>	<b>0</b>	<b>104,879</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>102,959</b>	<b>1,920</b>	<b>0</b>	<b>104,879</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	131,309	1,920	0	<b>133,229</b>
Miscellaneous	2	(28,350)	0	0	<b>(28,350)</b>
<b>Total Variance to date</b>		<b>102,959</b>	<b>1,920</b>	<b>0</b>	<b>104,879</b>

Note	Corporate Management - Comments
1.	Shortfall in savings for Salary Turnover (£173,272); partly offset by additional savings found (£38,800).
2.	Minor underspends across other services within the Directorate.

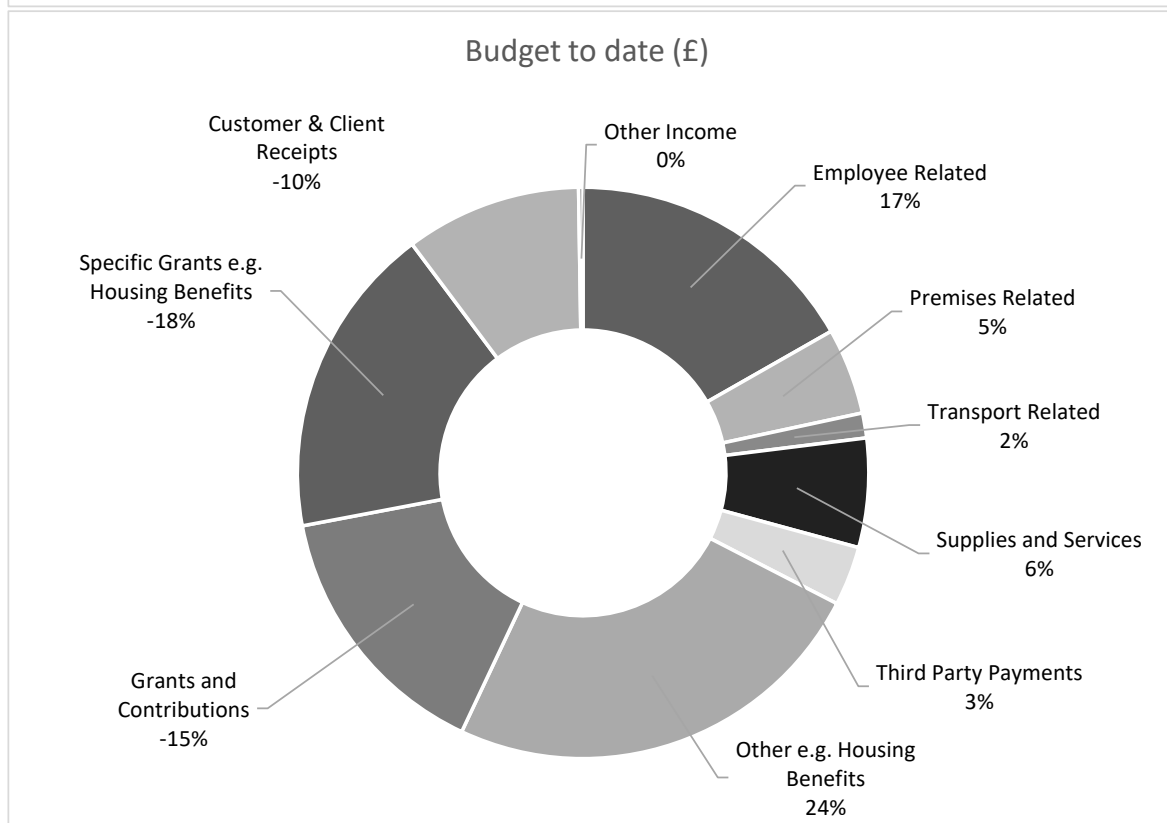
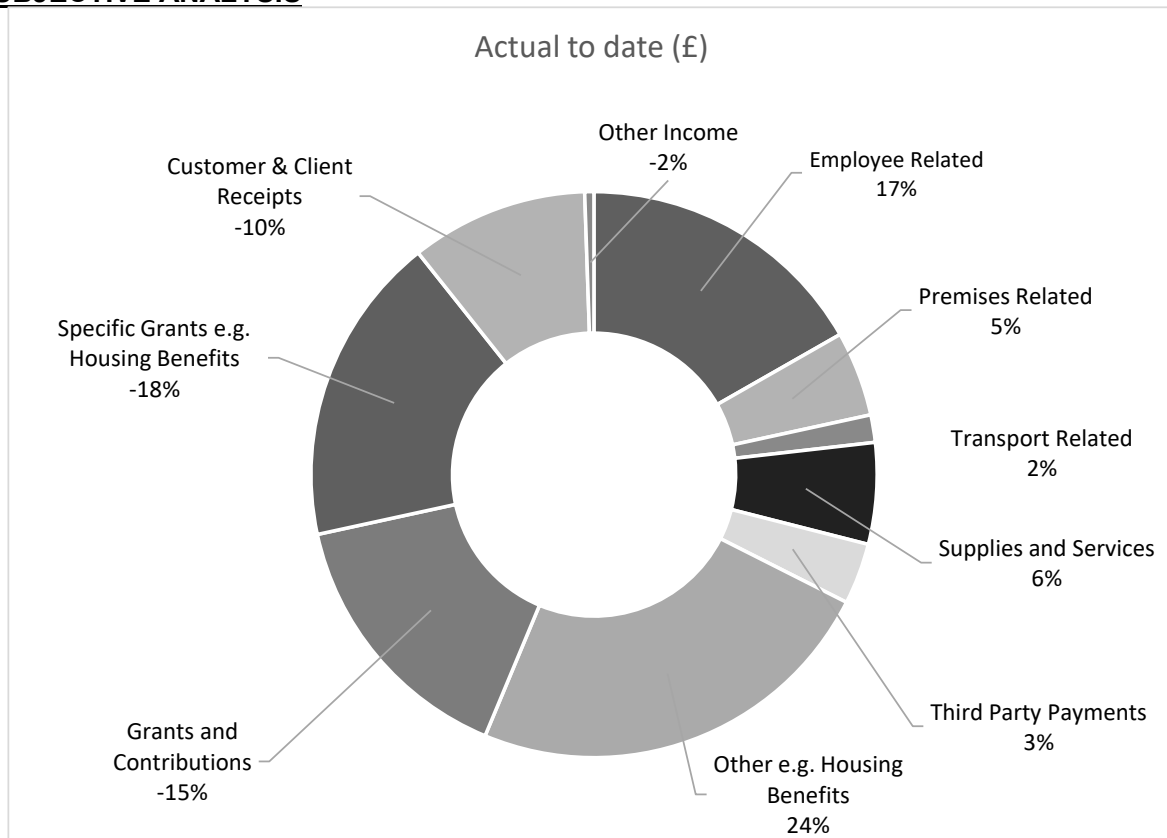
## REVENUE BUDGET MONITORING 2022/23

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 December 2022	£	£	£	£
Annual Budget	1,245,900	(336,300)	0	<b>909,600</b>
Budget to date	988,984	(291,208)	0	<b>697,776</b>
Total Actual	634,820	(315,519)	0	<b>319,301</b>
<b>Variance</b>	<b>(354,164)</b>	<b>(24,311)</b>	<b>0</b>	<b>(378,475)</b>
<b>Carry Forwards/Reserves &amp; Provisions</b>				<b>0</b>
<b>Adjusted Variance</b>	<b>(354,164)</b>	<b>(24,311)</b>	<b>0</b>	<b>(378,475)</b>

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	16,433	(24,385)	0	<b>(7,952)</b>
Local Government Reorganisation	2	(370,597)	74	0	<b>(370,523)</b>
<b>Total Variance to date</b>		<b>(354,164)</b>	<b>(24,311)</b>	<b>0</b>	<b>(378,475)</b>

Note	Exceptional Items - Comments
1.	A net underspend position on Council related expenditure as a result of Covid-19.
2.	A net underspend position on Local Government Reorganisation expenditure. The balance will be required to support the ongoing process.

**SUBJECTIVE ANALYSIS**



**BUSINESS RATES INCOME**

	2021/22 Outturn	2022/23 NNDR1	2022/23 Q3
Local Share of Income (Per NNDR1)	(17,415,961)	(16,489,930)	(16,489,930)
Renewables (Per NNDR1)	(378,052)	(412,335)	(412,335)
Renewables Bfwd (NNDR3 Previous Year)	4,122	0	0
Enterprise Zone (Per NNDR1)	(418,227)	(225,003)	(225,003)
Tariff (Per Final Settlement)	12,569,244	12,568,847	12,568,847
Section 31 Grants (reimbursement of funded reliefs)			
Section 31 Grants (Flooding)	(5,055,072)	(3,206,585)	(3,284,541)
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper			
Estimated Collection Fund Deficit/(Surplus) per NNDR1	9,462,618	2,958,134	2,958,134
Spreading of Deficit	0	197,036	197,036
Levy Payable to Pool	1,349,235	1,660,000	1,443,000
Pool Redistribution	(700,000)	(940,000)	(726,608)
<b>Total Income</b>	<b>(582,093)</b>	<b>(3,889,836)</b>	<b>(3,971,400)</b>
<b>Budget</b>			
Section 31 Grant B/Fwd (Earmarked Reserve)	9,462,618	3,155,200	3,155,200
Baseline Funding	(3,335,200)	(3,335,700)	(3,335,700)
Business Rates Multiplier Grant	(173,800)	(340,900)	(340,900)
Additional Rates Income - Pooling/Growth	(2,700,000)	(2,700,000)	(2,700,000)
<b>Total Budget</b>	<b>3,253,618</b>	<b>(3,221,400)</b>	<b>(3,221,400)</b>
<b>Additional Income retained</b>	<b>(3,835,711)</b>	<b>(668,436)</b>	<b>(750,000)</b>

**BAD DEBT PROVISION**

TABLE 1 Type of Debt	Write-Offs December 2022		Comments
	No.	£	
NNDR (General)	0	0.00	01/10/22 to 31/12/22
Council Tax	74	82,178.70	01/10/22 to 31/12/22
Debtors:			
Private Tenants	0	0.00	01/10/22 to 31/12/22
Housing Benefit Overpayments	5	2,886.99	01/10/22 to 31/12/22
General Fund	7	4,713.25	01/10/22 to 31/12/22
Penalty Charge Notices:			
On Street	0	0.00	01/10/22 to 31/12/22
Off Street	3	250.00	01/10/22 to 31/12/22
<b>TOTAL</b>	<b>89</b>	<b>90,028.94</b>	

TABLE 2 Type of Debt	Write-Ons December 2022		Comments
	No.	£	
NNDR (General)	0	0.00	01/10/22 to 31/12/22
Council Tax	6	1,494.30	01/10/22 to 31/12/22
Debtors:			
Private Tenants	0	0.00	01/10/22 to 31/12/22
Housing Benefit Overpayments	3	41.35	01/10/22 to 31/12/22
General Fund	10	126.32	01/10/22 to 31/12/22
<b>TOTAL</b>	<b>19</b>	<b>1,661.97</b>	



Meeting Date: 20 February 2023  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Policy and Budget Framework: Yes  
 Public / Private: Public

Title: Capital Budget Overview & Monitoring Report: April to December 2022  
 Report of: Corporate Director of Finance and Resources  
 Report Number: RD.59/22

**Purpose / Summary:**

This report provides an overview of the Council’s overall budgetary position for the period April to December 2022 for the Council’s capital programme.

**Recommendations:**

The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2022;
- (ii) Note the adjustments to the 2022/23 capital programme as detailed in paragraph 2.1;

**Tracking**

Executive:	20 February 2023
Scrutiny:	23 February 2023
Council:	n/a

## 1. Background

- 1.1. In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. It is the responsibility of individual Chief Officers to control income and expenditure within their service areas and to monitor performance, taking account of financial information provided by the Corporate Director of Finance and Resources.
- 1.2. All Managers receive a monthly budget monitoring report covering their areas of responsibility. Information is collated from the main accounting system and then adjusted to correct any known budget profiling trends, timing differences and commitments. The report has been developed in line with the need to provide sound financial management information to inform the decision-making process.
- 1.3. Please note that throughout this report:
  - (i) the use of a bracket represents a favourable position i.e. either an underspend or additional income received,
  - (ii) the term 'underspend' is taken to include both reduced expenditure and/or increased income,
  - (iii) the term 'overspend' includes both spending above budget and/or shortfall in income.
- 1.4. It is important to understand the distinction between capital and revenue expenditure.

**The general rule is that all expenditure must be treated as revenue expenditure unless it meets strict criteria allowing it to be treated as capital expenditure.**

Capital expenditure is for fixed assets such as acquisition of land and buildings, construction, conversion or enhancement of existing buildings, or the purchase of new technology, vehicles, plant, machinery or equipment that yields benefits to the Council and the services it provides for more than one year.

Revenue expenditure is for the day to day running costs of providing Council services such as staff costs, premises, transport, and goods and services used in the delivery of services.

## 2. Capital Budget Overview

- 2.1 The following statement shows the annual capital programme for 2022/23:



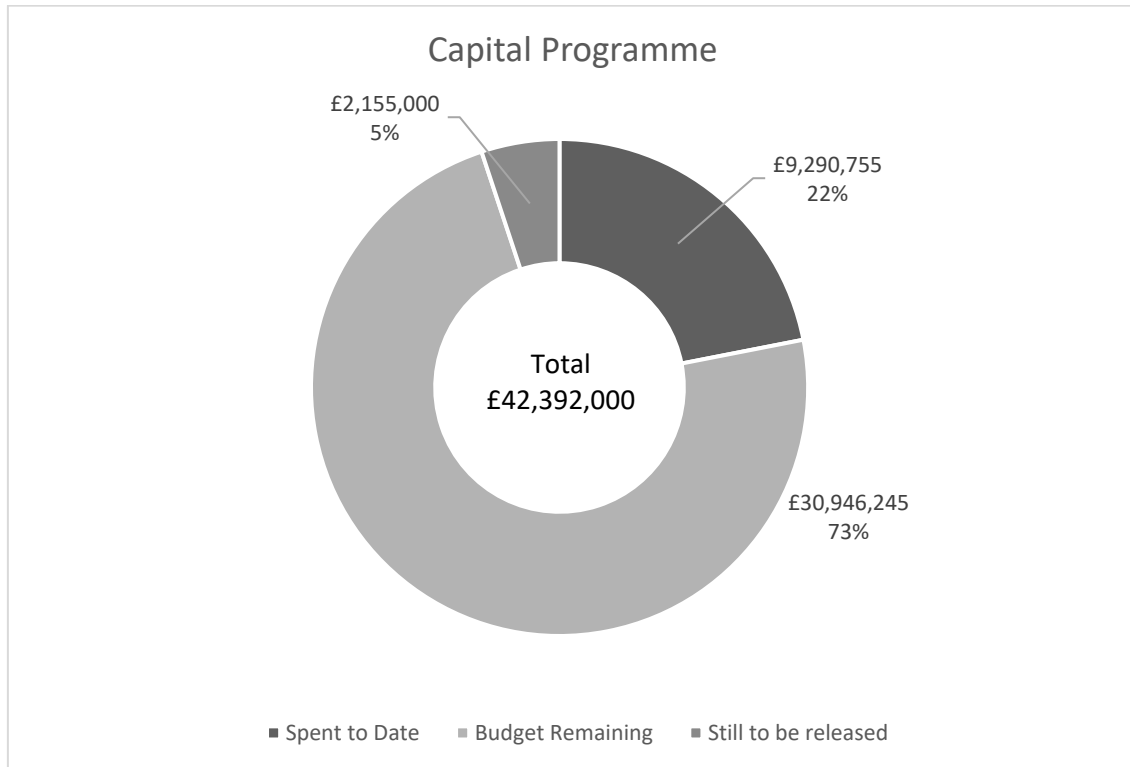
2022/23 Capital Budget	£
<b>2022/23 Capital Programme (RD24/22 Council 19/07/22)</b>	<b>45,447,400</b>
Increase from S106 contributions towards Play Area Improvements (OD56/22 & OD57/22)	242,500
Increase from S106 contributions towards CCTV equipment (OD54/22)	1,900
Revenue Contribution towards the purchase of Waste Receptacles	27,500
Carry Forward of Capital Reserves to be released by Executive in to 2023/24 (RD53/22 Council 03/01/2023)	(5,000,000)
External Grant repaid for Sustainable Warmth	(707,300)
External Grant for Town Deal Projects (ED24/22 Council 11/10/2022)	2,261,500
External Grant for UK Shared Prosperity Fund (ED29/22 Council 08/11/2022)	52,000
External Grant for Parks Levelling Up Projects	66,500
<b>Revised 2022/23 Capital Programme (at Dec 2022)</b>	<b>42,392,000</b>
Less Capital Reserves to be released by Executive (see para 3.9)	(2,155,000)
<b>Revised 2022/23 Capital Programme (released)</b>	<b>40,237,000</b>

2.2 A breakdown of the revised capital programme can be found in **Appendix A**.

### 3. 2022/23 Budget Monitoring

3.1 The position as at December 2022 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	9,539,900	6,471,281	6,421,293	(49,988)	3.3
Corporate Support	494,000	169,482	181,664	12,182	3.4
Economic Development	6,491,100	339,930	339,805	(125)	3.5
Finance and Resources	43,500	0	0	0	3.6
Governance & Regulatory Services	23,668,500	13,749,725	2,347,993	(11,401,732)	3.7
<b>Total</b>	<b>40,237,000</b>	<b>20,730,418</b>	<b>9,290,755</b>	<b>(11,439,663)</b>	
Reserves to be released	2,155,000	0	0	0	3.9
<b>Total</b>	<b>42,392,000</b>	<b>20,730,418</b>	<b>9,290,755</b>	<b>(11,439,663)</b>	



Schemes still to be released by the Executive are outwith the budget monitoring process until the budgets have been released.

A detailed analysis of the schemes within each directorate can be found in **Appendices B to F** with the main issues being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £9,290,755 has been incurred on the Council's core capital programme. When considered against the profiled budget of £20,730,418 this equates to an underspend of £11,439,663.
- 3.3 The variance in Community Services relates an underspend of £50,318 on the Civic Centre Development due to a credit balance on the project as a result of expenditure confirmed and agreed at a reduced level to the creditor list input at year end. There are however additional outstanding commitments which are likely to utilise this underspend position.
- 3.4 There are no significant variances to report in Corporate Support.
- 3.5 There are no significant variances to report in Economic Development.
- 3.6 There are no significant variances to report in Finance and Resources.
- 3.7 The variance in Governance & Regulatory Services is attributable to the following:

- an underspend of £493,760 on Disabled Facilities Grants. Spend to the end of the third quarter of 2022/23 was £1,754,957 which is higher than the expenditure for the same period in 2021/22 (£1,374,806). The level of commitment for grants awarded as at end of December is approximately £1.4million which together with the expenditure to date equates to £3.154million against an annual budget of £3,564,000. However, not all grant commitments will result in payments in 2022/23 due to the timing of works. Further grants and commitments will also be awarded during the remainder of the year.
- An underspend of £10,879,374 on Sustainable Warmth Projects (LAD3 and HUG1) against the revised delivery plan. This project is being closely monitored and regular detailed discussions are taking place with the funding provider, which will result in a further revised delivery plan. An extension request has been submitted to Government ministers and if approved, the expenditure plan will be reprofiled however it is likely that some funding will be returned under the terms and conditions of the grant. As at end of January, 848 properties have been surveyed and 235 measures installed.

3.8 The unspent balance remaining of the revised annual budget of £40,237,000 is £30,946,245. A review of the 2022/23 capital programme will be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.

3.9 A number of schemes are included in the capital programme for 2022/23 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £	Note
Cemetery Infrastructure	30,000	
Crematorium Infrastructure	2,125,000	
<b>Total</b>	<b>2,155,000</b>	

#### 4. Financing

4.1 The 2022/23 capital programme can be financed as follows:

	Annual Budget £	Current Programme £
<b>Total Programme to be financed (para 2.1)</b>	<b>42,392,000</b>	<b>40,237,000</b>
<u>Financed by:</u>		
Capital Receipts / Borrowing	285,500	285,500
Receipts Used to fund resources	(112,000)	(112,000)
Borrowing Requirement (in year)	11,256,100	10,426,100
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,600
• Sustainable Warmth Grant	19,247,700	19,247,700
• Future High Street Fund	2,780,200	2,780,200
• Town Deal	2,261,500	2,261,500
• General	1,052,200	1,052,200
Direct Revenue Financing	2,392,500	1,067,500
Other Contributions	1,072,700	1,072,700
<b>Total Financing</b>	<b>42,392,000</b>	<b>40,237,000</b>

## 5. Capital Resources

5.1 The following table shows the position as at December 2022 of capital resources due to be received during 2022/23:

	Annual Budget £	Actual £	Variance £	Note
Capital Receipts				
· Asset Review	(285,500)	(199,600)	85,900	1
· Used to fund resources	112,000	0	(112,000)	1
· Vehicle Sales	0	(61,678)	(61,678)	2
· Renovation Grants Repaid	0	(21,045)	(21,045)	2
Capital Grants				3
· Disabled Facilities Grant	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	(1,739,900)	(1,739,866)	34	
· Sands Centre	(200,000)	0	200,000	
· Town Deal	(2,261,500)	(2,332,250)	(70,750)	
· Sustainable Warmth	707,300	707,303	3	
· General	(118,500)	(66,500)	52,000	
Capital Contributions				4
· Section 106	(1,038,200)	(352,219)	685,981	
· Disabled Facilities Grants	0	(10,824)	(10,824)	
· General	(34,500)	(34,930)	(430)	
<b>Total</b>	<b>(7,014,400)</b>	<b>(6,267,183)</b>	<b>747,217</b>	

Notes:

- Receipts for 2022/23 are anticipated to be received from asset review sales (£285,500).

2. Included within vehicle sales are receipts of £6,498 for individual vehicle sales that are below the de minimis for capital receipts. These will be transferred to revenue at the year end and will be used to fund the capital programme in line with the capital strategy.
3. Capital grants are generally received once associated capital expenditure has been incurred and the amounts then reclaimed from the sponsoring body.
4. Contributions from Section 106 agreements to Play Area Improvements/CCTV Equipment (£437,400) and Affordable Housing (£600,800).

## **6. Balance Sheet Management**

- 6.1 In line with CIPFA guidance and best practice, information relating to significant capital items on the Council's balance sheet is provided in this section. The information concentrates on those items that may have a material impact on the Council if not reviewed on a regular basis and will ensure that the Council is using its resources effectively and that appropriate governance arrangements are in place around the use of Council assets and liabilities.
- 6.2 Fixed assets are revalued annually to ensure that an up to date value is held in the balance sheet. The revaluation programme is the responsibility of Property Services. It should be noted that some expenditure will be incurred during the course of the year which can be correctly classified as capital expenditure, but which will not increase the value of any of the Council's assets. This expenditure is written off to the revaluation reserve or through the Comprehensive Income and Expenditure Account as appropriate.
- 6.3 The value of fixed assets is a significant part of the balance sheet. In the 2021/22 accounts, fixed assets totalled £216million (2020/21 £191million). This represents 105% of the net current assets of the City Council.
- 6.4 Debtors  
This relates to the amount of income due to the Council that has not yet been received. For capital items, this mainly relates to grants and contributions that the Council is able to claim towards funding capital expenditure. Generally capital debtors arise due to timing differences where a cut off point occurs (e.g. the financial year-end) and/or expenditure has been incurred in advance of making the grant claim. As at December 2022 debtors of £187,743 (£342,313 at 31 March 2022) were outstanding for capital grants, contributions and receipts.

## 6.5 Creditors

This is the amount of money due to be paid by the Council for goods and services received from its external customers and contractors. For capital schemes this also includes retentions i.e. the amount due to the contractor after a specified period (normally one year) following the completion of a project; this time is used to assess and correct any defects outstanding on the scheme. Amounts earmarked for retention as at December 2022 totalled £136,253 (£1,924,994 at 31 March 2022).

## 7. Performance

- 7.1 The 2022/23 programme has been kept to a level that takes account of the Council's ability to deliver schemes with regard to capacity and available resources. Work is ongoing to continue to monitor the profiling of budgets, and these are adjusted to reflect progress in current capital schemes. It is likely that there will still be a requirement for some carry forwards at the year end due to further slippage and delays on projects. Members are reminded that budgets now totalling £2,155,000 are being held in reserves until approved by Executive for release.
- 7.2 The Senior Management Team will provide strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities will be managed by a Transformation Sub-Group chaired by the Chief Executive. Decisions to proceed or otherwise with proposed projects will be made in the usual way in accordance with the Council decision making framework.
- 7.3 A review of all capital expenditure incurred is ongoing to ensure that the expenditure has been correctly allocated between revenue and capital schemes. This will facilitate the year end classification of assets.

## 8. Risks

- 8.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included at **Appendix G**. The most significant risk to the Council is the overall impact of inflation in terms of increased costs.

## 9. Consultation

- 9.1 Consultation to date.  
SMT and JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed  
People Panel will consider the report on 23 February 2023.

## **10. Conclusion and reasons for recommendations**

10.1 The Executive is asked to:

- (i) Note and comment on the budgetary position and performance aspects of the capital programme for the period April to December 2022;
- (ii) Note the adjustments to the 2022/23 capital programme as detailed in paragraph 2.1.

## **11. Contribution to the Carlisle Plan Priorities**

11.1 The Council's capital programme supports the current priorities in the Carlisle Plan.

Contact Officer: Emma Gillespie

Ext: 7289

### **Appendices attached to report:**

- A to G

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

### **Corporate Implications:**

Legal - The Council has a fiduciary duty to manage its finances properly and the proper reporting of the budget monitoring is part of this process.

Property Services - Property asset implications are contained within the main body of the report.

Finance - Financial implications are contained within the main body of the report.

Equality - This report raises no explicit issues relating to the public sector Equality Duty.

Information Governance - There are no information governance implications.

Scheme	Original Capital Programme 2022/23 £	Carry Forwards from 2021/22 In Year £	Carry Forwards from 2021/22 Year End £	Other Adjustments £	Carry Forwards into 2023/24 £	Revised Capital Programme 2022/23 £
<b><u>Current non-recurring commitments</u></b>						
Sands Centre Redevelopment	3,450,200	0	3,240,900	0	0	6,691,100
Future High Street Fund - Market Square	1,011,800	377,300	80,000	(390,000)	0	1,079,100
Future High Street Fund - 6-24 Castle Street	510,700	42,600	110,700	(170,200)	0	493,800
Future High Street Fund - Central Plaza	1,787,300	632,400	37,500	(1,669,700)	0	787,500
Future High Street Fund - Devonshire Street	220,900	33,600	40,000	(54,500)	0	240,000
Future High Street Fund - Delivery Costs	122,500	33,400	24,000	(100)	0	179,800
Play Area Improvements	250,000	0	205,500	242,500	0	698,000
Sands Car Park Resurfacing	210,000	0	0	0	0	210,000
Swifts Car Park Resurfacing	200,000	0	0	0	0	200,000
Sustainable Warmth Competition	17,745,000	2,210,000	0	(707,300)	0	19,247,700
Bits Park Public Realm	0	32,000	10,000	0	0	42,000
Energy Monitoring System	0	0	12,000	0	0	12,000
Cemetery Infrastructure	0	0	5,700	0	0	5,700
Planning Software	0	0	150,000	0	0	150,000
Towns Deal - Caldew Riverside	0	0	646,600	0	0	646,600
Gateway 44	0	0	300,000	0	0	300,000
Rough Sleeping Initiative	0	0	4,800	0	0	4,800
Financials Upgrade	0	0	43,500	0	0	43,500
Affordable Homes	0	0	600,800	0	0	600,800
CCTV Equipment	0	0	0	1,900	0	1,900
Parks Levelling Up Fund	0	0	0	66,500	0	66,500
Town Deal - Start with the Park	0	0	0	500,000	0	500,000
Town Deal - Southern Gateway	0	0	0	259,700	0	259,700
Town Deal - Tullie House	0	0	0	265,200	0	265,200
Town Deal - Lighting Up Carlisle	0	0	0	180,000	0	180,000
Town Deal - Digital & Community Learning Hub	0	0	0	1,000,000	0	1,000,000
Town Deal - Carlisle Business Exchange Centre	0	0	0	56,600	0	56,600
UK Shared Prosperity Fund (UKSPF)	0	0	0	52,000	0	52,000
	<b>25,508,400</b>	<b>3,361,300</b>	<b>5,512,000</b>	<b>(367,400)</b>	<b>0</b>	<b>34,014,300</b>
<b><u>Recurring commitments</u></b>						
Planned Enhancements to Council Property	250,000	80,000	127,700	0	0	457,700
Vehicles, Plant & Equipment	1,185,500	0	366,700	0	0	1,552,200
Recycling Containers	45,000	0	0	27,500	0	72,500
ICT Infrastructure	410,400	54,000	29,600	0	0	494,000
	<b>1,890,900</b>	<b>134,000</b>	<b>524,000</b>	<b>27,500</b>	<b>0</b>	<b>2,576,400</b>
<b><u>Disabled Facilities Grants</u></b>						
Private Sector Grants	1,899,800	800,000	608,400	255,800	0	3,564,000
Empty Property Grants	0	0	82,300	0	0	82,300
	<b>1,899,800</b>	<b>800,000</b>	<b>690,700</b>	<b>255,800</b>	<b>0</b>	<b>3,646,300</b>
<b>TOTAL</b>	<b>29,299,100</b>	<b>4,295,300</b>	<b>6,726,700</b>	<b>(84,100)</b>	<b>0</b>	<b>40,237,000</b>
<b><u>Capital Reserves to be released</u></b>						
Crematorium Infrastructure	1,775,000	0	350,000	0	0	2,125,000
Carlisle Southern Link Road	5,000,000	0	0	0	(5,000,000)	0
Cemetery Infrastructure	0	0	30,000	0	0	30,000
	<b>6,775,000</b>	<b>0</b>	<b>380,000</b>	<b>0</b>	<b>(5,000,000)</b>	<b>2,155,000</b>
<b>REVISED TOTAL</b>	<b>36,074,100</b>	<b>4,295,300</b>	<b>7,106,700</b>	<b>(84,100)</b>	<b>(5,000,000)</b>	<b>42,392,000</b>



**DECEMBER 2022 - CAPITAL BUDGET MONITORING**

**APPENDIX B**

**COMMUNITY SERVICES**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	1,552,200	306,700	308,079	1,379	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	4,277	0	(4,277)	For further improvements to Cemetery due to be carried out in 2022/23.
Civic Centre Development	0	0	(50,318)	(50,318)	There is a credit balance on the project as a result of expenditure confirmed and agreed at a reduced level to the creditor list input at year end. There are however additional outstanding commitments which are likely to utilise this underspend position.
Play Area Developments	698,000	549,544	552,018	2,474	Projects progressing as planned.
Sands Car Park Resurfacing	210,000	5,460	5,457	(3)	Resurfacing and enhancement work to the Sands car park.
Swifts Car Park Resurfacing	200,000	0	0	0	Resurfacing and enhancement work to the Swifts car park which will serve as an overflow car park for the Sands.
Bitts Park Public Realm	42,000	3,617	3,617	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	6,691,100	5,549,998	5,550,270	272	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Recycling Containers	72,500	49,785	50,250	465	Purchase of waste receptacles.
CCTV Equipment	1,900	1,900	1,920	20	Fully funded by S106 monies.
Parks Levelling Up Fund	66,500	0	0	0	Government grant received for the creation and improvement of parks and green spaces and the planting of trees.
<b>Grand Total</b>	<b>9,539,900</b>	<b>6,471,281</b>	<b>6,421,293</b>	<b>(49,988)</b>	

**DECEMBER 2022 - CAPITAL BUDGET MONITORING**

**APPENDIX C**

**CORPORATE SUPPORT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	494,000	169,482	181,664	12,182	Part of ICT Strategy Business Case.
<b>Grand Total</b>	<b>494,000</b>	<b>169,482</b>	<b>181,664</b>	<b>12,182</b>	

**DECEMBER 2022 - CAPITAL BUDGET MONITORING**

**APPENDIX D**

**ECONOMIC DEVELOPMENT**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Towns Deal - Caldew Riverside Remediation	646,600	46,491	46,481	(10)	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Planning Software	150,000	0	0	0	Project yet to start.
Future High Street Fund - 6-24 Castle Street	493,800	0	0	0	Increase to capital programme approved by Council (ED22/21 20/07/21)
Future High Street Fund - Central Plaza	787,500	11,892	11,869	(23)	
Future High Street Fund - Market Square	1,079,100	47,481	47,423	(58)	
Future High Street Fund - Devonshire Street	240,000	40,008	40,000	(8)	
Future High Street Fund - Delivery Costs	179,800	73,180	73,164	(16)	
Town Deal - Start with the Park	500,000	21,950	21,948	(2)	Increase to capital programme approved by Council (ED24/22 11/10/22).
Town Deal - Southern Gateway	259,700	0	0	0	
Town Deal - Tullie House	265,200	0	0	0	
Town Deal - Lighting Up Carlisle	180,000	98,928	98,920	(8)	
Town Deal - Digital & Community Learning Hub	1,000,000	0	0	0	
Town Deal - Carlisle Business Exchange Centre	56,600	0	0	0	
Affordable Homes	600,800	0	0	0	Use of Affordable Homes Commuted Sums to bring empty properties back into use approved by Executive 02/08/2021 (ED25/21)
UK Shared Prosperity Fund	52,000	0	0	0	Government grant received to support the delivery of the Year 1 UKSPF Investment Plan.
<b>Grand Total</b>	<b>6,491,100</b>	<b>339,930</b>	<b>339,805</b>	<b>(125)</b>	

**DECEMBER 2022 - CAPITAL BUDGET MONITORING**

**APPENDIX E**

**FINANCE AND RESOURCES**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Financials Upgrade	43,500	0	0	0	To cover necessary improvements to the Financials System, fully funded from existing budgets.
<b>Grand Total</b>	<b>43,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**DECEMBER 2022 - CAPITAL BUDGET MONITORING****APPENDIX F****GOVERNANCE & REGULATORY SERVICES**

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	457,700	98,947	97,806	(1,141)	Individual projects progressing as planned.
Rough Sleeping Initiative	4,800	4,800	4,800	0	Capital grant received from DLUHC for the development of the Rough Sleeping Initiative.
Gateway 44	300,000	91,950	91,945	(5)	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,564,000	2,248,717	1,754,957	(493,760)	Mandatory Grants. Grant work is picking up but it is still uncertain how this year's expenditure will be affected. The position is being closely monitored.
Empty Property Grants	82,300	61,735	24,000	(37,735)	Discretionary grants to assist getting empty properties back into use.
Sustainable Warmth Competition	19,247,700	11,231,576	352,202	(10,879,374)	Externally funded project by Business Energy and Industrial Strategy (BEIS) to address fuel poverty, improve energy efficiency and carbon savings and help boost local economy with energy efficiency measures across Cumbria. Detailed discussions are being held with the funding partner regarding a revised delivery plan.
Energy Monitoring System	12,000	12,000	9,996	(2,004)	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
Asset Management Plan	0	0	12,287	12,287	Expenditure in relation to the demolition of the former Raffles Community House.
<b>Grand Total</b>	<b>23,668,500</b>	<b>13,749,725</b>	<b>2,347,993</b>	<b>(11,401,732)</b>	

Risk	Likelihood	Impact	Mitigation
Capital projects are approved without a full appraisal of the project and associated business case.	Remote	High	Strengthen the role of Transformation Sub-Group when considering capital project appraisals, to include consideration of business cases
Full capital and revenue costs of a project not identified.	Remote	High	Capital spending must meet statutory definitions. Financial Services to regularly review spending charged to capital. Appraisals to identify revenue costs, including whole life costs to improve financial planning.
VAT partial exemption rules are not considered.	Remote	High	Reduced impact following the decision to elect to tax land and property. To be considered as part of Project Appraisals and assessed by Financial Services.
Capital projects are not monitored nor reviewed (post contract) to ensure that the original business case assumptions have been achieved	Reasonably probable	Marginal	Better project management skills (including contract monitoring) have been introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects, including post contract reviews.
Capital projects are not delivered to time and/or are delayed due to the impact of COVID-19/Brexit on the supply of contractors and materials	Reasonably Probable	High	Significant slippage in the current capital programme. Better project management skills to be introduced through PRINCE 2. Project managers to take more ownership and responsibility for the delivery of projects. The review of the capital programme currently underway will address some of these issues.
Capital projects are not delivered to budget. Major variations in spending impact on the resources of the Council. Delays and increased costs due to COVID-19/significant inflationary increases	Reasonably Probable	High	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary.
Assumptions on external funding for capital projects are unrealistic	Remote	High	Potential shortfalls arising from changes to external funding have to be met from other Council resources, so assumptions need to be backed by firm offers of funding before projects are submitted for appraisal. Risk increased due to uncertainty around funding, e.g. Government grants
Spending subject to specific grant approvals e.g. housing improvement grants, disabled persons adaptations varies from budget	Remote	Marginal	Specific grants are generally cash limited so variations in projects supported by funding of this nature will be monitored closely to ensure target spend is achieved to avoid loss of grant or restrictions on subsequent years grant funding.
Shortfall in level of capital resources generated from Capital Receipts	Probable	High	Economic downturn will impact - early warning so as not to over commit capital resources.

Meeting Date: 20 February 2023  
 Portfolio: Finance, Governance and Resources  
 Key Decision: No  
 Policy and Budget Framework: YES  
 Public / Private: Public

Title: TREASURY MANAGEMENT OCTOBER TO DECEMBER 2022  
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES  
 Report Number: RD 60/22

**Purpose / Summary:**

This report provides the regular quarterly report on Treasury Transactions including the requirements of the Prudential Code.

**Recommendations:**

That this report be received, and the Prudential Indicators noted as at the end of December 2022.

**Tracking**

Executive:	20 February 2023
Audit Committee:	16 March 2023
Council	n/a

## 1. INTRODUCTION

1.1 The purpose of this report is to inform Members on various Treasury Management issues. The report is set out as follows:

(i) **Appendix A** sets out the schedule of Treasury Transactions for the period to October - December 2022

- **Appendix A1** – Treasury Transactions October to December 2022
- **Appendix A2** – Investment Transactions October to December 2022
- **Appendix A3** – Outstanding Investments at December 2022

(ii) **Appendix B** discusses the Prudential Code and Prudential Indicators for 2022/23:

- **Appendix B1** – Prudential Code background
- **Appendix B2** – Prudential Indicators

## 2. RISKS

2.1 Treasury Management considers risks associated with investments with counterparties however the Treasury Management strategy statement outlines the risk management approach to minimise this.

## 3. CONSULTATION

3.1 Consultation to Date.  
None.

## 4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 That this report be received, and the Prudential Indicators noted as at the end of December 2022.

## 5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 To ensure that the Council's investments are in line with the appropriate policies including the Treasury Management Strategy Statement.

**Contact Officer:** Emma Gillespie

**Ext:** 7289

**Appendices  
attached to report:**

**Appendix A1** – Treasury Transactions October to December 2022

**Appendix A2** – Investment Transactions October to December  
2022

**Appendix A3** – Outstanding Investments at December 2022

**Appendix B1** – Prudential Code background

**Appendix B2** – Prudential Indicators



**Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:**

- **None**

**Corporate Implications:**

**Legal** - The Council has a fiduciary duty to manage its finances properly and the proper reporting of budget monitoring is part of this process.

**Property Services** – Not applicable

**Finance** - Included in the report

**Equality** - This report raises no explicit issues relating to the public sector Equality Duty

**Information Governance**- No implications

TREASURY TRANSACTIONS  
OCTOBER 2022 to DECEMBER 2022

1. LOANS (DEBT)1.1 Transactions October to December 2022

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	0	0
Local Bonds	0	0	0	0
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	<b>0</b>		<b>0</b>	

This provides a summary of any loans that have been raised or repaid, analysed by type, since the previous report. Procedures, adopted to map the cash flow more accurately, ensure better forecasting and limits the amount of short term/overnight borrowing which may be required.

1.2 Loans (Debt) Outstanding at December 2022

	£
P.W.L.B.	8,325,000
P.W.L.B.	4,250,000
Short Term Loans	12,800
	<b>12,587,800</b>

1.3 Loans Due for Repayment (Short Term)

	PWLB £	Overnight £	Other £	Total £
Short Term Debt at end of December 2022	475,000	0	12,800	<b>487,800</b>

1.4 Interest Rates

Bank base rates for the period covered by this report began at 2.25% before ticking up to 3% on the 3<sup>rd</sup> of November and then to 3.50% on the 15<sup>th</sup> of December.

## 2 INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	19,850,000	0.73 - 3.65	23,000,000	0.73 - 2.05
	<b>19,850,000</b>		<b>23,000,000</b>	

A full schedule of short term investment transactions is set out in **Appendix A2**. **Appendix A3** shows outstanding short-term investments at 31 December 2022.

## 3 REVENUES COLLECTED

To: 31 December 2021		Collected £	% of Amount Collectable %
2022/23	Council Tax	61,803,776	84.26
	NNDR	34,794,195	81.62
<b>Total</b>		<b>96,597,971</b>	<b>83.29</b>
2021/22	Council Tax	59,038,440	84.02
	NNDR	29,270,978	79.75
<b>Total</b>		<b>88,309,418</b>	<b>82.55</b>
2020/21	Council Tax	55,482,133	83.13
	NNDR	17,181,774	77.31
<b>Total</b>		<b>72,663,907</b>	<b>81.68</b>

Collection levels have recovered to pre covid levels.

## 4 BANK BALANCE

At 31 December 2022 £1,454,658 in hand.

This records the Council's bank balance at the end of the last day covered by the report.

5 PERFORMANCE ON TREASURY MANAGEMENT TRANSACTIONS TO DECEMBER 2022

April –December 2022

	Profiled Budget £000	Actual £000	Variance £000
Interest Receivable	(148)	(378)	(230)
Interest Payable	569	87	(482)
Less Rechargeable	0	0	0
	<b>569</b>	<b>87</b>	<b>(482)</b>
Principal Repaid (MRP)	147	68	(79)
Debt Management	12	13	1
<b>NET BALANCE</b>	<b>580</b>	<b>(210)</b>	<b>(790)</b>

The profiled budget is to 31 December 2022.

Interest receivable is ahead of expectations due to higher than forecast average cash balances and increases to base rate since the last report.

Interest payable is lower than expected as no new borrowing has been undertaken in this financial year.

The CCLA property investment saw a decrease in the capital value to the end of December. Dividends and yield levels are currently 4.08%.

**APPENDIX A2**

**SHORT TERM INVESTMENT TRANSACTIONS OCTOBER TO DECEMBER 2022**

INVESTMENTS MADE		INVESTMENTS REPAID	
	£		£
HSBC	3,850,000.00	HSBC	5,000,000.00
HSBC	5,000,000.00	Standard Chartered	1,000,000.00
Standard Chartered	1,000,000.00	Nationwide	1,000,000.00
Standard Chartered	1,000,000.00	HSBC	5,000,000.00
HSBC	5,000,000.00	Standard Chartered	1,000,000.00
Goldman Sachs	2,000,000.00	Nationwide	1,000,000.00
Standard Chartered	1,000,000.00	HSBC	5,000,000.00
Nationwide	1,000,000.00	Nationwide	1,000,000.00
		Standard Chartered	1,000,000.00
		Federated Investors	2,000,000.00
<b>TOTAL</b>	<b>19,850,000</b>		<b>23,000,000</b>
		Bfwd	29,946,079
		Paid	19,850,000
		Repaid	23,000,000
		<b>Total</b>	<b>26,796,079</b>
		<b>CCLA Change</b>	<b>(603,136)</b>
		<b>Total</b>	<b>26,192,943</b>

### Outstanding Investments as at 31 December 2022

Category	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Current Days to Maturity	Days to maturity at execution	Total Interest Expected (£)
Y	MMF Federated Investors (UK)	1,900,000	3.11%			MMF		
R	Nationwide Building Society	1,000,000	2.03%	18/07/2022	27/01/2023	27	193	10,734
R	Standard Chartered Bank	1,000,000	2.30%	29/07/2022	27/01/2023	27	182	11,468
R	Standard Chartered Bank	1,000,000	3.23%	28/10/2022	27/01/2023	27	91	8,053
O	HSBC UK Bank Plc (RFB)	5,000,000	3.50%			Call31		
R	Standard Chartered Bank	1,000,000	3.49%	25/11/2022	24/02/2023	55	91	8,701
R	Goldman Sachs International Bank	2,000,000	3.09%	02/12/2022	02/03/2023	61	90	15,238
R	Nationwide Building Society	1,000,000	3.44%	22/12/2022	24/03/2023	83	92	8,671
R	Standard Chartered Bank	1,000,000	3.15%	26/08/2022	24/03/2023	83	210	18,123
R	Standard Chartered Bank	1,000,000	3.65%	22/12/2022	24/03/2023	83	92	9,200
R	Santander UK PLC	7,000,000	2.66%			Call180		
<b>Total Investments</b>		<b>£22,900,000</b>	<b>3.03%</b>					<b>£90,189</b>

Borrower	Current Market Value (£)	Current Yield	Start Date	Initial Investment (£)	Entry Cost (£) <sup>1</sup>	Initial Market Value (£)	Unrealised Growth (£)
CCLA Property Fund	3,292,943	4.08%	31/07/2014	3,000,000	(163,104)	2,836,896	292,943

1. Entry Costs were charged against Treasury Management Budget in 2014/15

N.B Interest is recognised in the appropriate financial year in which it is due.

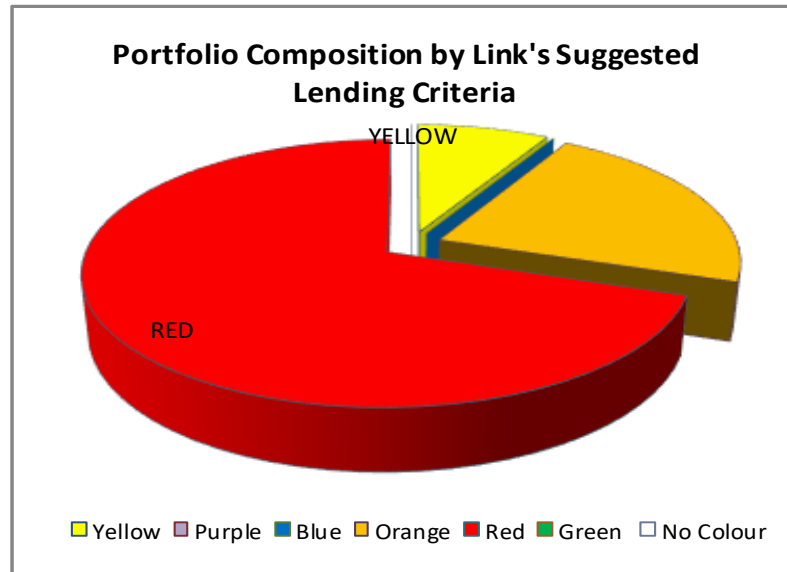
The category colour represents the duration of investment recommended by Link, the Council's Treasury Advisors. Those investments with no colour, are still within the Council's investment Strategy and are therefore deemed suitable for investing.

# Investment Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return (WARoR)	Weighted Average Days to Maturity (WAM)	Weighted Average Dats to Maturity from Execution WAM at Execution
Yellow	8.30%	1,900,000	100.00%	1,900,000	8.30%	3.11%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	21.83%	5,000,000	100.00%	5,000,000	21.83%	3.50%	31	31
Red	69.87%	16,000,000	43.75%	7,000,000	30.57%	2.88%	110	149
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
<b>Total</b>	<b>100.0%</b>	<b>22,900,000</b>	<b>60.70%</b>	<b>13,900,000</b>	<b>60.70%</b>	<b>3.03%</b>	<b>84</b>	<b>111</b>

Risk Score for Colour (1 = Low, 7 = High)	Dec 2022	Sep 2022	Jun 2022	Mar 2022
1	0.1	0.1	0.20	0.0
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	0.9	0.9	1.5	1.8
5	3.5	3.1	2.3	2.7
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
<b>Average</b>	<b>4.4</b>	<b>4.1</b>	<b>4.0</b>	<b>4.5</b>

	Link's Suggested Criteria
Y	Up to 5 Years
P	Up to 2 Years
B	Up to 1 Year
O	Up to 1 Year
R	Up to 6 months
G	Up to 3 months
N/C	No Colour



Normal' Risk Score	Dec 2022	Sep 2022	Jun 2022	Mar 2022
	3.5	3.5	3.5	3.5

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

- 1.1 The Local Government Act 2003 brought about a new borrowing system for local authorities known as the Prudential Code (the Code). This gives to Councils much greater freedom and flexibility to borrow without government consent so long as they can afford to repay the amount borrowed.
- 1.2 The aim of the Code is to support local authorities when making Capital investment decisions. These decisions should also be in line with the objectives and priorities as set out in the Council's Corporate Plan.
- 1.3 The key objectives of the Code are to ensure, within a clear framework, that the Capital investment plans of the Council are affordable, prudent and sustainable, or if appropriate, to demonstrate that they may not be. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. These objectives are consistent with and support local strategic planning, local asset management planning and proper option appraisal. They also encourage sound treasury management decisions.

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the council to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision making process.
- 2.2 Appendix B2 sets out the latest performance indicators for the current year.

3. Prudential Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the revenue consequences of such borrowing (i.e. the cost of the debt) are sustainable, affordable and prudent in the medium to long term.



PRUDENTIAL INDICATORS

Central to the operation of the Prudential code is the compilation and monitoring of prudential indicators covering affordability, prudence, Capital expenditure, and treasury management. Set out below are the indicators for 2022/23 to date as detailed in the Treasury Management Strategy Statement for 2022/23.

**(a) Affordability**

	2022/23 Original Estimate £	2022/23 Revised Estimate £
<b>(i) Capital Expenditure</b>	36,074,100	42,392,000
<b>(ii) Financing Costs</b> Total Financing Costs	1,049,900	(223,434)
<b>(iii) Net Revenue Stream</b> Funding from Govt Grants/Local Taxpayers	14,309,000	14,309,000
<b>(iv) Ratio of Financing Costs to Net Revenue Stream</b> The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.	7.34%	(1.56%)
<b>(v) Incremental Impact on Council Tax</b> This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.	8.85	8.85
<b>(vi) Authorised Borrowing Limit</b> Maximum Level of Borrowing and Other Long term Liabilities	52,100,000	52,100,000
	41,106,000	41,106,000
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

	2022/23 Original Estimate £	2022/23 Revised Estimate £
<b>(vii) Operational Borrowing Limit</b> Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	47,100,000	47,100,000
	41,106,000	41,106,000
<b>(viii) Capital Financing Requirement (CFR)</b> As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	50,878,000	50,878,000

**(b) Prudence and Sustainability**

	2022/23 Original £
<b>(i) New Borrowing to Date</b> Long Term Borrowing has been taken in 2022/23 to date	0 0
<b>(ii) Percentage of Fixed Rate Long Term Borrowing</b> at December 2022	100%
<b>(iii) Percentage of Variable Rate Long Term Borrowing</b> at December 2022 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	0%
<b>(iv) Minimum Level of Investments Classified as Specified</b> Level of Specified Investments as at December 2022  As part of the Capital Investment Strategy for 2022/23, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%