



# Carlisle City Council

## Report to Business and Transformation Scrutiny Panel

Meeting Date: 24 February 2022  
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 2021  
Report of: Corporate Director of Finance and Resources  
Report Number: RD.71/21

### **Purpose / Summary:**

This report provides an overview of the budgetary position of the City Council's capital programme for the period April to December 2021 which was considered by the Executive on 21 February 2022.

### **Questions for / input required from Scrutiny:**

Members are asked to scrutinise the variances contained within this report.

### **Recommendations:**

Members of the Business and Transformation Scrutiny Panel are asked to scrutinise the overall budgetary position for the period April to December 2021.

### **Tracking**

Executive:	21 February 2022
Scrutiny:	24 February 2022
Council:	1 March 2022

# Carlisle City Council

## Report to Executive

Meeting Date:	21 February 2022
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 2021
Report of:	Corporate Director of Finance and Resources
Report Number:	RD71/21

### **Purpose / Summary:**

This report provides an overview of the Council's overall budgetary position for the period April to December 2021 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 2021;
- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £4,295,300 as detailed in para 3.9 and Appendix A from 2021/22 into 2022/23.

### **Tracking**

Executive:	21 February 2022
Scrutiny:	24 February 2022
Council:	1 March 2022

## **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 2021/22:

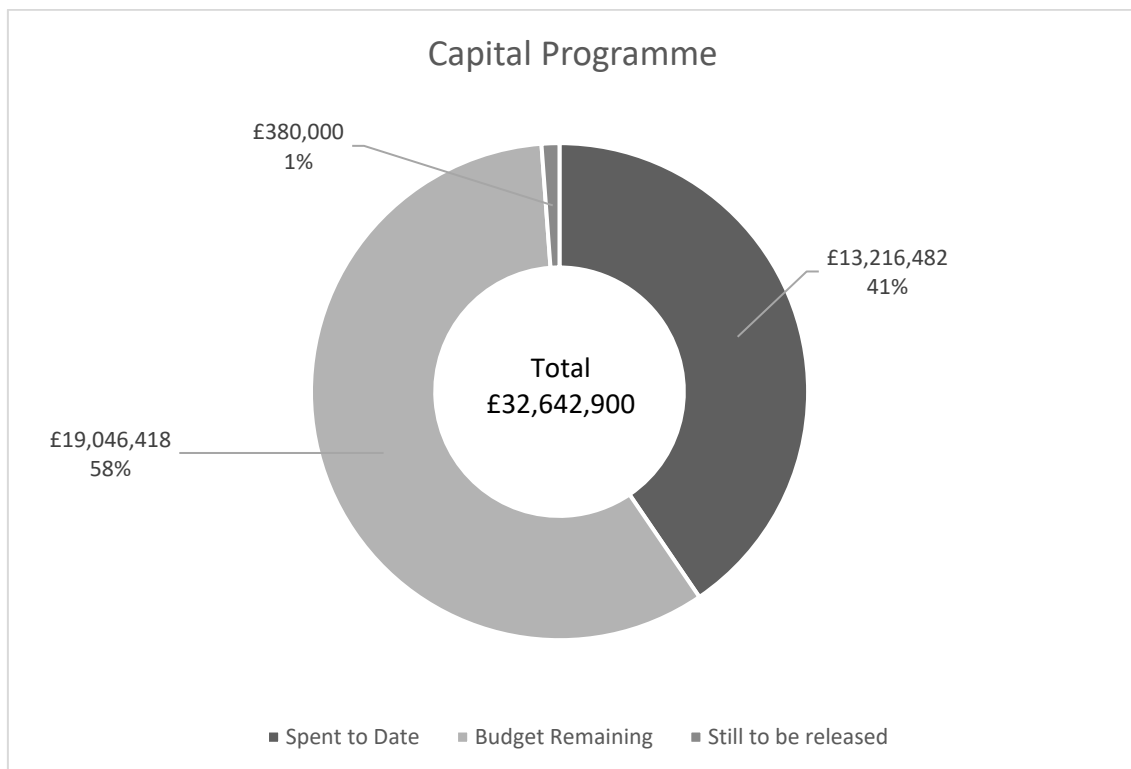
2021/22 Capital Budget	£
<b>2021/22 Capital Programme (RD16/21 Council 20/07/21)</b>	<b>28,057,900</b>
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	237,400
Revenue Contribution towards Bitts Park Towns Deal	68,900
Increase for grant funding towards Litter Binrastructure project	24,300
Future High Street Fund (ED22/21 Council 20/07/21)	1,436,000
Revenue Contribution towards the purchase of Waste Receptacles	44,000
Footway Lighting Melbourne Park (OD73/21)	22,200
S106 contribution towards Affordable Housing (ED25/21 Executive 02/08/21)	600,800
Revenue Contribution towards IT equipment	179,900
Revenue Contribution towards Civic Centre Development	2,000
Financials Upgrade (OD92/21)	80,900
Less reduction in Capital programme (RD51/21 Executive 22/11/21)	(394,800)
Removal of Reserves to be released by Executive (RD51/21 Executive 22/11/21)	(1,500,000)
External grant for Sustainable Warmth Competition (GD73/21 Executive 25/10/21)	2,210,000
Revenue Contribution towards Asset Demolition	35,000
Revenue Contribution towards Play Area Developments	10,000
Reduced grant towards Play Area Developments	(15,000)
Reduced insurance settlement for Bitts Park Water feature	(3,300)
External contribution towards Civic Centre Development	14,700
<b>Revised 2021/22 Capital Programme (at Dec 2021)</b>	<b>32,642,900</b>
Less Capital Reserves to be released by Executive (see para 3.10)	(380,000)
<b>Revised 2021/22 Capital Programme (released)</b>	<b>32,262,900</b>

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

### 3. 2021/22 Budget Monitoring

3.1 The position as at December 2021 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	20,352,900	10,622,662	10,625,252	2,590	3.3
Corporate Support	493,600	365,140	365,137	(3)	3.4
Economic Development	4,064,000	471,417	471,416	(1)	3.5
Finance and Resources	80,900	37,498	37,444	(54)	3.6
Governance & Regulatory Services	7,264,300	2,457,002	1,710,069	(746,933)	3.7
Exceptional Items	7,200	7,200	7,164	(36)	3.8
<b>Total</b>	<b>32,262,900</b>	<b>13,960,919</b>	<b>13,216,482</b>	<b>(744,437)</b>	
Reserves to be released	380,000	0	0	0	3.10
<b>Total</b>	<b>32,642,900</b>	<b>13,960,919</b>	<b>13,216,482</b>	<b>(744,437)</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 G** with the main issues being summarised in the paragraphs below.

- 3.2 As at the end of December, expenditure of £13,216,482 has been incurred on the Council's core capital programme. When considered against the profiled budget of £13,960,919 this equates to an underspend of £744,437.

- 3.3 There are no significant variances to report in Community Services.
- 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 £706,598 on Disabled Facilities Grants. Spend to the end of the third quarter of 2021/22 was £1,374,806 which is higher than the expenditure for the same period in 2020/21 (£1,305,880). The position is being closely monitored.
  - An underspend of £48,030 on Empty Property Grants
- 3.8 There are no significant variances to report in Exceptional Items (Flood Recovery Capital Expenditure).
- 3.9 The unspent balance remaining of the revised annual budget of £32,262,900 is £19,046,418. Therefore, an initial review of the 2021/22 capital programme has been undertaken to identify accurate project profiles and **the Executive are asked to recommend to Council the reprofiling of £4,295,300 from 2021/22 into future years as follows:**

Directorate	Annual Budget £	Carry Forwards 2022/23 £	Revised Annual Budget £	Spend to Date £	Budget Remaining £
Community Services	20,352,900	(32,000)	20,320,900	10,625,252	9,695,648
Corporate Support	493,600	(54,000)	439,600	365,137	74,463
Economic Development	4,064,000	(1,119,300)	2,944,700	471,416	2,473,284
Finance & Resources	80,900	0	80,900	37,444	43,456
Governance & Regulatory	7,264,300	(3,090,000)	4,174,300	1,710,069	2,464,231
Exceptional Items	7,200	0	7,200	7,164	36
<b>Total</b>	<b>32,262,900</b>	<b>(4,295,300)</b>	<b>27,967,600</b>	<b>13,216,482</b>	<b>14,751,118</b>
Reserves to be released	380,000	0	380,000	0	380,000
<b>Total</b>	<b>32,642,900</b>	<b>(4,295,300)</b>	<b>28,347,600</b>	<b>13,216,482</b>	<b>15,131,118</b>

The unspent balance remaining for the revised annual budget of £28,347,600 is £15,131,118 as at December 2021.

- 3.10 A couple of schemes are included in the capital programme for 2021/22 that require a report to be presented to the Executive for the release of funding before the project can go ahead.

Scheme	Budget £
Cemetery Infrastructure	30,000
Crematorium Infrastructure	350,000
<b>Total</b>	<b>380,000</b>

#### 4. Financing

- 4.1 The 2021/22 capital programme can be financed as follows:

	Annual Budget £	Revised Annual Budget £
<b>Total Programme to be financed (para 2.1)</b>	<b>32,642,900</b>	<b>28,347,600</b>
Financed by:		
Capital Receipts / Borrowing	0	0
Receipts Used to fund resources	(112,000)	(112,000)
Borrowing Requirement (in year)	21,035,900	20,101,900
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,600
• Future High Street Fund	1,436,000	316,700
• Sustainable Warmth Competition	2,210,000	0
• General	2,334,900	2,302,900
Direct Revenue Financing	2,515,700	2,515,700
Other Contributions	1,066,800	1,066,800
<b>Total Financing</b>	<b>32,642,900</b>	<b>28,347,600</b>

#### 5. Capital Resources

- 5.1 The following table shows the position as at December 2021 of the capital resources due to be received during 2021/22:

	2021/22 Annual Budget £	2021/22 Revised Budget £	2021/22 Actual £	2021/22 Variance £	Note
Capital Receipts					
· Asset Review	0	0	0	0	1
· Used to fund resources	112,000	112,000	0	(112,000)	1
· Vehicle Sales	0	0	(44,070)	(44,070)	2
· Other Sales	0	0	(5,940)	(5,940)	
· Renovation Grants Repaid	0	0	(2,281)	(2,281)	
Capital Grants					3
· Disabled Facilities Grant	(2,155,600)	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	(1,436,000)	(316,700)	(1,164,790)	(848,090)	
· Sands Centre	(134,000)	(134,000)	0	134,000	
· On Street Charging	(102,800)	(102,800)	(30,936)	71,864	
· Sustainable Warmth Competition	(2,210,000)	0	(19,955,000)	(19,955,000)	
· Towns Deal	0	0	(985,000)	(985,000)	
· General	(109,300)	(77,300)	(24,336)	52,964	
Capital Contributions					4
· Section 106	(997,600)	(997,600)	(188,897)	808,703	
· Disabled Facilities Grants	0	0	(19,885)	(19,885)	
· General	(69,200)	(69,200)	(49,179)	20,021	
<b>Total</b>	<b>(7,102,500)</b>	<b>(3,741,200)</b>	<b>(24,625,888)</b>	<b>(20,884,688)</b>	

Notes:

1. There are no receipts anticipated to be received from asset review sales in 2021/22. The asset review receipts have been revised downwards and reprofiled into future years in line with the current Asset Disposal Plan. This was considered by Council as part of the 2022/23 budget process on 1<sup>st</sup> February 2022.
2. Included within vehicle sales are receipts of £44,070 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. Capital grant in relation to Towns Deal has however been received in advance of expenditure with Government releasing 5% of the approved £19.7million deal up front to support project delivery. A further report will be presented to Executive (and possibly Council) for budgets to be updated and the projects to progress in accordance with the terms and conditions set out within the grant award.



Capital grant in relation to the County wide Sustainable Warmth Programme has also been received upfront in advance of any expenditure being incurred.

4. Contributions from Section 106 agreements to Play Area/Open Space Improvements (£374,600), Footway Lighting Improvements at Melbourne Park (£22,200) 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 2020/21 accounts, fixed assets totalled £191million (2019/20 £187million). This represents 97% 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 2021 debtors of £189,750 (£298,188 at 31 March 2021) 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 2021 totalled £166,016.21 (£1,487,658 at 31 March 2021).

## **7. Performance**

- 7.1 The 2021/22 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 £380,000 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 H**. An additional risk to the Council is the overall cost of COVID-19 in terms of increased costs and delays to supplies.

## **9. Consultation**

- 9.1 Consultation to date.  
SMT and JMT have considered the issues raised in this report.
- 9.2 Consultation Proposed  
Business and Transformation Scrutiny Panel will consider the report on 24 February 2022.

## **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 2021;

- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Make recommendations to Council to approve reprofiling of £4,295,300 as detailed in para 3.9 and Appendix A from 2021/22 into 2022/23.

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

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

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

- A to H

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.

## 2021/22 CAPITAL PROGRAMME

## APPENDIX A

Scheme	Original Capital Programme 2021/22 £	Other Adjustments £	Updated Capital Programme 2021/22 £	Proposed Carry Forwards £	Revised Capital Programme 2021/22 £
<b><u>Current non-recurring commitments</u></b>					
Sands Centre Redevelopment	16,922,600	0	16,922,600	0	16,922,600
Civic Centre Development	2,081,600	16,700	2,098,300	0	2,098,300
Energy Monitoring System	12,000	0	12,000	0	12,000
<i>Savings to Fund Civic Centre</i>	0	0	0	0	0
Future High Street Fund - Market Square	100,000	357,300	457,300	(377,300)	80,000
Future High Street Fund - 6-24 Castle Street	0	170,300	170,300	(42,600)	127,700
Future High Street Fund - Central Plaza	0	712,400	712,400	(632,400)	80,000
Future High Street Fund - Devonshire Street	0	73,600	73,600	(33,600)	40,000
Future High Street Fund - Delivery Costs	0	122,400	122,400	(33,400)	89,000
Cemetery Infrastructure	5,700	0	5,700	0	5,700
Skew Bridge Deck	67,000	0	67,000	0	67,000
Towns Deal - Bitts Park Improvements	99,200	68,900	168,100	0	168,100
Planning Software	150,000	0	150,000	0	150,000
Play Area Improvements	189,700	232,400	422,100	0	422,100
Carlisle Citadels	934,700	0	934,700	0	934,700
Towns Deal - Caldew Riverside	842,500	0	842,500	0	842,500
On Street Charging Points Infrastructure	102,800	0	102,800	0	102,800
Gateway 44	896,200	0	896,200	0	896,200
LED Footway Lighting Installation	29,700	0	29,700	0	29,700
Rough Sleeping Initiative	10,000	0	10,000	0	10,000
Swifts Wildlife Haven	70,000	0	70,000	0	70,000
IC All Risks - Bitts Park Water Feature	10,500	(3,300)	7,200	0	7,200
Bitts Park Public Realm	0	32,000	32,000	(32,000)	0
Financials Upgrade	0	80,900	80,900	0	80,900
Footway Lighting Melbourne Park	0	22,200	22,200	0	22,200
Asset Demolition	0	35,000	35,000	0	35,000
Affordable Homes	0	600,800	600,800	0	600,800
Sustainable Warmth Competition	0	2,210,000	2,210,000	(2,210,000)	0
	<b>22,524,200</b>	<b>4,731,600</b>	<b>27,255,800</b>	<b>(3,361,300)</b>	<b>23,894,500</b>
<b><u>Recurring commitments</u></b>					
Planned Enhancements to Council Property	458,800	0	458,800	(80,000)	378,800
Vehicles, Plant & Equipment	836,600	(394,800)	441,800	0	441,800
Recycling Containers	45,000	68,300	113,300	0	113,300
ICT Infrastructure	313,700	179,900	493,600	(54,000)	439,600
	<b>1,654,100</b>	<b>(146,600)</b>	<b>1,507,500</b>	<b>(134,000)</b>	<b>1,373,500</b>
<b><u>Disabled Facilities Grants</u></b>					
Private Sector Grants	3,387,200	0	3,387,200	(800,000)	2,587,200
Empty Property Grants	112,400	0	112,400	0	112,400
	<b>3,499,600</b>	<b>0</b>	<b>3,499,600</b>	<b>(800,000)</b>	<b>2,699,600</b>
<b>TOTAL</b>	<b>27,677,900</b>	<b>4,585,000</b>	<b>32,262,900</b>	<b>(4,295,300)</b>	<b>27,967,600</b>
<b><u>Capital Reserves to be released</u></b>					
Crematorium Infrastructure	350,000	0	350,000	0	350,000
Cemetery Infrastructure	30,000	0	30,000	0	30,000
Tullie House Levelling Up Fund	0	0	0	0	0
	<b>380,000</b>	<b>0</b>	<b>380,000</b>	<b>0</b>	<b>380,000</b>
<b>REVISED TOTAL</b>	<b>28,057,900</b>	<b>4,585,000</b>	<b>32,642,900</b>	<b>(4,295,300)</b>	<b>28,347,600</b>

**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

**APPENDIX B**

**COMMUNITY SERVICES**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	441,800	0	441,800	75,099	75,074	(25)	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	0	5,700	1,425	0	(1,425)	For further improvements to Fairy Beck due to be carried out in 2021/22.
Civic Centre Development	2,098,300	0	2,098,300	1,871,239	1,871,229	(10)	Project progressing as planned.
Play Area Developments	422,100	0	422,100	194,154	195,249	1,095	Projects progressing as planned.
Towns Deal - Bitts Park Improvements	168,100	0	168,100	168,100	168,222	122	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Skew Bridge Deck	67,000	0	67,000	3,773	3,776	3	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Swifts Wildlife Haven	70,000	0	70,000	63,630	62,149	(1,481)	Externally funded project to transform the former Swifts driving range into an urban site for wildlife and people following the end of its use as a leisure facility.
Bitts Park Public Realm	32,000	(32,000)	0	0	0	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,922,600	0	16,922,600	8,128,942	8,129,033	91	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Recycling Containers	113,300	0	113,300	113,300	120,520	7,220	Purchase of waste receptacles.
Energy Monitoring System	12,000	0	12,000	3,000	0	(3,000)	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
<b>Grand Total</b>	<b>20,352,900</b>	<b>(32,000)</b>	<b>20,320,900</b>	<b>10,622,662</b>	<b>10,625,252</b>	<b>2,590</b>	

**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

APPENDIX C

**CORPORATE SUPPORT**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	493,600	(54,000)	439,600	365,140	365,137	(3)	Part of ICT Strategy Business Case.
<b>Grand Total</b>	<b>493,600</b>	<b>(54,000)</b>	<b>439,600</b>	<b>365,140</b>	<b>365,137</b>	<b>(3)</b>	

**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

**APPENDIX D**

**ECONOMIC DEVELOPMENT**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Carlisle Citadels	934,700	0	934,700	307,466	307,392	(74)	Project approved as per Leader Decision Notice (LD.02/21) and is due to complete in 2021/22.
Towns Deal - Caldew Riverside Remediation	842,500	0	842,500	147,209	147,211	2	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Planning Software	150,000	0	150,000	0	0	0	Project yet to start.
Future High Street Fund - 6-24 Castle Street	170,300	(42,600)	127,700	0	0	0	Increase to capital programme approved by Council (ED22/21 20/07/21)
Future High Street Fund - Central Plaza	712,400	(632,400)	80,000	16,742	16,813	71	
Future High Street Fund - Market Square	457,300	(377,300)	80,000	0	0	0	
Future High Street Fund - Devonshire Street	73,600	(33,600)	40,000	0	0	0	
Future High Street Fund - Delivery Costs	122,400	(33,400)	89,000	0	0	0	
Affordable Homes	600,800	0	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)
<b>Grand Total</b>	<b>4,064,000</b>	<b>(1,119,300)</b>	<b>2,944,700</b>	<b>471,417</b>	<b>471,416</b>	<b>(1)</b>	

**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

**APPENDIX E**

**FINANCE AND RESOURCES**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Financials Upgrade	80,900	0	80,900	37,498	37,444	(54)	Increase to capital programme to cover necessary improvements to the Financials System, fully funded from existing budgets.
<b>Grand Total</b>	<b>80,900</b>	<b>0</b>	<b>80,900</b>	<b>37,498</b>	<b>37,444</b>	<b>(54)</b>	



**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

**APPENDIX F**

**GOVERNANCE & REGULATORY SERVICES**

Scheme	Annual Budget £	Proposed Carry Forwards £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Planned Enhancements to Council Property	458,800	(80,000)	378,800	141,664	146,690	5,026	Individual projects progressing as planned.
Rough Sleeping Initiative	10,000	0	10,000	0	0	0	Capital grant received from DLUHC for the development of the Rough Sleeping Initiative.
Gateway 44	896,200	0	896,200	51,784	51,784	0	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,387,200	(800,000)	2,587,200	2,081,404	1,374,806	(706,598)	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	112,400	0	112,400	70,250	22,220	(48,030)	Discretionary grants to assist getting empty properties back into use.
On Street Charging Infrastructure	102,800	0	102,800	34,174	34,175	1	To install Electric Vehicle charge points at locations within Carlisle where residents have no access to off-street parking to encourage the uptake of electric vehicles. This project is fully funded by external grant.
LED Footway Lighting Installation	29,700	0	29,700	20,526	20,527	1	To upgrade Footway Lights to LED lanterns throughout the District resulting in energy savings and increased reliability of the lights which should reduce future maintenance costs.
Footway Lighting Melbourne Park	22,200	0	22,200	22,200	22,175	(25)	Use of S106 funds for Footway Lighting Improvements in Melbourne Park (OD73/21)
Sustainable Warmth Competition	2,210,000	(2,210,000)	0	0	0	0	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.
Asset Demolition	35,000	0	35,000	35,000	37,692	2,692	Demolition of assets in preparation for land disposals.
<b>Grand Total</b>	<b>7,264,300</b>	<b>(3,090,000)</b>	<b>4,174,300</b>	<b>2,457,002</b>	<b>1,710,069</b>	<b>(746,933)</b>	

**DECEMBER 2021 - CAPITAL BUDGET MONITORING**

**APPENDIX G**

**EXCEPTIONAL ITEMS CAPITAL EXPENDITURE**

<b>Scheme</b>	<b>Annual Budget</b>	<b>Proposed Carry Forwards</b>	<b>Revised Annual Budget</b>	<b>Budget to date</b>	<b>Expenditure to date</b>	<b>Variance to date</b>	<b>Details of major variance</b>
	£	£	£	£	£	£	
IC Buildings Flood Capital	7,200	0	7,200	7,200	7,164	(36)	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
<b>Grand Total</b>	<b>7,200</b>	<b>0</b>	<b>7,200</b>	<b>7,200</b>	<b>7,164</b>	<b>(36)</b>	

## Capital Programme – Risk Assessment

## APPENDIX H

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.