

CARLISLE CITY COUNCIL

Report to:- The Chairman and Members of The Policy and Resources Committee

Date of Meeting:- 30 August 2001

Agenda Item No:-

Public

Policy

Delegated: No

Accompanying Comments and Statements

Environmental Impact Statement:

No

No

Corporate Management Team Comments:

No

No

City Treasurers Comments:

Yes

Yes

City Solicitor & Secretary Comments:

No

No

Head of Personnel Services Comments:

No

No

Title:-

2000/01 CAPITAL OUTTURN AND DETERMINATIONS

Report of:-

The City Treasurer

Report reference:-

Financial Memo 2001/02 No 71

Summary:-

The attached Report sets out a summary of 2000/01 Capital Outturn. The report also details certain determinations that the City Council must make under the terms of the 1989 Local Government and Housing Act.

Recommendation:-

The Policy and Resources Committee recommend to full Council:-

1. That the Capital Outturn for 2000/01 be noted;
2. That the determinations for 2000/01 be agreed as set out in para 9.2.

Contact Name: David Steele

Tele No. 7288

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

CITY OF CARLISLE

To: The Chairman and Members of
The Policy and Resources Committee
30 August 2001

Financial Memo
2001/02 No. 71

2000/01 CAPITAL OUTTURN AND DETERMINATIONS

1. INTRODUCTION

1.1 The purpose of this report is firstly to produce a final statement of 2000/01 Capital Outturn. Provisional outturn expenditure has already been separately reported to Committee earlier this year. The report also details certain determinations that the City Council must make under the terms of the 1989 Local Government and Housing Act.

2. CAPITAL OUTTURN 2000/01

2.1 Reports detailing provisional outturn on 2000/01 capital expenditure have already been presented to Committee earlier this year. Final figures compared with provisional outturn are as follows:

	<u>Provisional Outturn</u> £	<u>Final Outturn</u> £
Housing Programme - Public Sector	2,831,753	2,831,753
- Private Sector	<u>1,077,428</u>	<u>1,077,427</u>
	3,909,181	3,909,180
General Fund Programme	<u>2,747,114</u>	<u>2,802,198</u>
Total all Services	<u>£6,656,295</u>	<u>£6,711,378</u>

2.2 The increase shown under General fund arises through some expenditure being shown gross that was shown on a net basis in the provisional outturn. The outturn figures above are calculated on a cash basis i.e. ignoring any creditor provisions that may have been made as capital financing is normally done on a cash basis.

2.3 The above expenditure was financed as follows:

	£
Borrowing (Credit Approvals)	3,419,000
Capital Receipts Applied	712,566
Specified Capital Grant	152,615
Millennium Commission	461,218
Grants from Private Developers	45,650
Revenue Contribution to Capital	6,675
Capital Projects Fund	1,515,978
Repairs and Renewals fund	206,585
Unfinanced (Grant Pending)	<u>191,091</u>
	<u>£6,711,378</u>

3. 1989 LOCAL GOVERNMENT AND HOUSING ACT DETERMINATIONS

3.1 Under the 1989 Local Government and Housing Act, local authorities are required to make certain determinations in respect of the preceding financial year. These determinations as laid out in the Act, are:

- a. The use to be made of credit approvals (whether as authority to capitalise expenditure or to enter into a credit arrangement).
- b. The use to be made of usable capital receipts (whether to meet expenditure for capital purposes or as voluntary provision for credit liabilities or as credit cover to enter credit arrangements).
- c. The amounts to be set aside from revenue as provision for credit liabilities (including setting aside amounts from revenue for credit cover to enter credit arrangements).
- d. The amounts which have been taken into account in determining the authority's credit ceiling or initial credit ceiling and are to be treated as having been repaid by reference to amounts set aside as provision for credit liabilities.
- e. Whether expenditure which is to be reimbursed or defrayed out of money provided by some other person is to be capitalised.

Information relating to these determinations is set out below.

4. CREDIT APPROVALS

4.1 Credit Approvals in 2000/01 were used as follows:

	<u>General Fund</u>	<u>Housing General Fund</u>	<u>H.R.A.</u>	<u>Total</u>
	£	£	£	£
Basic Credit Approval	-	924,812	2,371,188	3,296,000
Supplementary Credit Approvals	-	155,000	123,000	278,000
Less Capital Grants Received	-	(152,615)	-	(152,615)
Total Net Credit Approvals	NIL	927,197	2,494,188	3,421,385
<u>Use of Credit Approvals to fund Capital Expenditure</u>	<u>NIL</u>	<u>924,812</u>	<u>2,494,188</u>	<u>3,419,000</u>
Credit Approvals Unutilised	NIL	2,385	NIL	2,385

5. USE OF USABLE CAPITAL RECEIPTS

5.1 Usable capital receipts (i.e. those not required to be set aside for future debt redemption) were applied as follows in 2000/01:

	<u>Receipts b/fwd 1.4.00</u>	<u>Usable Received 00/01</u>	<u>Used to fund Capital Exp.</u>	<u>Reserved to cover credit argmnts.</u>	<u>Receipts c/fwd 31.3.01</u>
	£	£	£	£	£
General Fund	NIL	375,000	375,000	NIL	NIL
Housing Gen. Fund	NIL	29,438	29,438	NIL	NIL
H.R.A.	244,393	815,018	308,128	NIL	751,283
Total	244,393	1,219,456	712,566	NIL	715,283

6. MINIMUM REVENUE PROVISION (MRP)

6.1 Local authorities are obliged to make provision for a specified minimum level of principal repayment to the consolidated loans pool. The current specified sums are 2% in respect of the H.R.A. credit ceiling and 4% in respect of the General Fund credit ceiling at the end of the previous financial year. The credit ceiling of a local authority is its debt outstanding offset by reserved i.e. 'frozen' capital receipts. In 2000/01 the relevant provisions were as follows:-

	<u>General Fund</u> £	<u>HRA</u> £
Credit Ceiling as at 1st April 2000	8,848,897	23,217,174
Minimum Revenue Provision 1st April 2000	353,956 (4%)	464,343 (2%)
Deduct net adjustment re loss of revenue grant post commutation of improvement grants	(560,859)	-
Net Minimum Revenue Provision 2000/01	<u>£ NIL</u>	<u>£464,343</u>
Add Debt Repayment per budget	£30,000	-
Actual Minimum Revenue Provision 2000/01	<u>£30,000</u>	<u>£464,343</u>

7. USE OF RESERVED CAPITAL RECEIPTS TO REPAY DEBT

7.1 Reserved Capital Receipts used to repay debt in 2000/01

<u>General Fund</u>	<u>H.R.A.</u>
NIL	NIL

8. EXPENDITURE TO BE CAPITALISED WHICH IS TO BE REIMBURSED OR DEFRAID FROM MONEY PROVIDED BY SOME OTHER PERSON

8.1 No expenditure fell within this category.

9. RECOMMENDATIONS

That Policy and Resources Committee recommend to full Council:-

9.1 That the Capital Outturn for 2000/01 be noted.

9.2 That the determinations for 2000/01 be agreed as follows:-

	<u>General Fund</u>	<u>Housing General Fund</u>	<u>H.R.A.</u>	<u>Total</u>
	£	£	£	£
Use of Credit Approvals	NIL	924,812	2,494,188	3,419,000
Use of Usable Capital Receipts	375,000	29,438	308,128	712,566
Usable Capital Receipts Reserved to cover credit arrangements	NIL	NIL	NIL	NIL
Net Minimum Revenue Provision	NIL	30,000	464,343	494,343
Usable Capital Receipts used to Repay Debt	NIL	NIL	NIL	NIL
Expenditure to be Capitalised Which is to be Reimbursed or Defrayed from Money Provided by Some Other Person	NIL	NIL	NIL	NIL

D. THOMAS
City Treasurer

Contact Name: David Steele

Tele No: 7288

City Treasury
Carlisle
16 August 2001
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