



AGENDA

Executive

Monday, 22 November 2021 AT 16:00
In the Cathedral 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 MEETINGS

7 - 20

To confirm the Minutes of the meeting held on 27 September 2021 and 25 October 2021.

[Copy Minutes herewith / Minute Book Volume 48(3)]

PART A

To be considered when the Public and Press are present

A.1 BUDGET PROCESS 2022/23 - 2026/27

The reports in respect of the items listed under Agenda Item A.1 have been reproduced in a Budget Book and circulated under cover of a letter dated 12 November 2021 from the Corporate Director of Governance and Regulatory Services.

(Key Decision – KD.10/21)

(a) Budget Update – Revenue Estimates 2022/23 to 2026/27

(Budget Book Pages 1 – 28)

The Corporate Director of Finance and Resources to submit a report providing a summary of the Council's revised revenue base estimates for 2021/22, together with base estimates for 2022/23 and forecasts up to 2026/27 for illustrative purposes. Potential new spending pressures, bids and savings are also considered.

(Report RD.46/21)

(b) Review of Charges 2022/23

The Senior Management Team to submit charges review reports as follows:

(i) Community Services

(Report CS.37/21) (Budget Book Pages 29 - 54)

(ii) Economic Development

(Report ED.39/21) (Budget Book Pages 55 - 64)

(iii) Governance and Regulatory Services

(Report GD.55/21) (Budget Book Pages 65 - 96)

(iv) Licensing

(Report GD.82/21) (Budget Book Pages 117 - 128)

(c) Revised Capital Programme 2021/22 and Provisional Capital Programme 2022/23 to 2026/27

(Budget Book Pages 117 – 128)

The Corporate Director of Finance and Resources to submit a report summarising the revised capital programme for 2021/22 together with the proposed method of financing as set out in Appendices A and B. The report also summarises the proposed programme for 2022/23 to 2026/27 in the light of new capital proposals identified and summarises the estimated capital

resources available to fund the programme.
(Report RD.47/21)

**(d) Corporate Assets – 3 Year Repair and Maintenance Programme
2022/23 to 2024/25**

(Budget Book Pages 129 – 134)

The Corporate Director of Governance and Regulatory Services to submit a report setting out the repair and maintenance programme budget proposals for the Council's corporate property assets for the three-year period 2022/23 to 2024/25. A progress update on building maintenance is also provided.
(Report GD.79/21)

(e) Treasury Management Base Estimates

(Budget Book Pages 135 – 148)

The Corporate Director of Finance and Resources to submit a report on the Treasury Management Base Estimates.
(Report RD.49/21)

(f) Local Taxation 2022/23 – 2026/27

(Budget Book Pages 149 – 158)

The Corporate Director of Finance and Resources to submit a report outlining considerations as part of the budget process that need to be made in relation to aspects of funding received by the Council from local taxation.
(Report RD.48/21)

A.2 LOCAL GOVERNMENT REORGANISATION - IMPLEMENTATION RESERVE

**21 -
30**

(Key Decision)

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

The Corporate Director of Finance and Resources to submit a report summarising the resources required to fund the implementation costs of Local Government Reorganisation (LGR) within Cumbria, and requests appropriate delegations to the Council's S151 Officer to identify a funding source from earmarked reserves held by the Council in order to contribute up to £1.6million to a County wide Implementation Reserve.
(Copy report RD.54/21 herewith)

A.3 NOTICE OF EXECUTIVE KEY DECISIONS **31 -
42**

(Non Key Decision)

The Notice of Executive Key Decisions, published on 22 October 2021, is submitted for information.

The Corporate Director of Governance and Regulatory Services was scheduled to submit a report regarding the Corporate Asset 3 Year Repair and Maintenance Programme 2022/23 - 2024/25 (KD.25/21). This matter has been included in the Budget Process Key Decision Notice and will therefore be considered as part of KD.10/21.

The Corporate Director of Economic Development was scheduled to submit a private report noting the proposal for the redevelopment of the Citadels and approve the land assembly activity required by the Council to enable the delivery of the scheme (Key Decision - KD.23/21). However, discussions with the University of Cumbria are still ongoing to finalise the approach to delivery of the land assembly work stream for the project, the matter has been deferred.

(Copy Notice herewith)

**A.4 SCHEDULE OF DECISIONS TAKEN BY THE LEADER - PORTFOLIO
HOLDERS** **43 -
46**

(Non Key Decision)

A Schedule detailing decisions taken by the Leader / Portfolio Holders under delegated powers is attached for information.

(Copy Decisions herewith)

Background Papers – as detailed within the Schedule

A.5 SCHEDULE OF DECISIONS TAKEN BY OFFICERS **47 -
50**

(Non Key Decision)

A Schedule detailing decisions taken by Officers under delegated powers is attached for information.(Copy Decision Schedule herewith)

Background Papers – as detailed within the Schedule

51 -
52

The Minutes of the meeting held on 25 October 2021 are submitted for information.
(Copy Minutes herewith)

**53 -
76**

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 September 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.
(Copy Report RD.50/21 herewith)

77 -
94

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 September 2021.
(Copy Report RD.51/20 herewith)

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

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Members of the Executive

Councillor J Mallinson (Leader's Portfolio)

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 E Mallinson (Communities, Health and Wellbeing Portfolio Holder)

Councillor P Nedved (Economy, Enterprise and Housing Portfolio Holder)

Enquiries, requests for reports, background papers etc to:
committeeservices@carlisle.gov.uk

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 2 December 2021



Executive

Date: Monday, 27 September 2021

Time: 16:00

Venue: Council Chamber

Chair: Councillor John Mallinson

Present: Councillor Nigel Christian, Councillor Gareth Ellis, Councillor Mrs Elizabeth Mallinson, Councillor John Mallinson, Councillor Paul Nedved

Also Present: Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Corporate Director of Economic Development

Councillor Mrs Finlayson, Vice Chair of the Health and Wellbeing Scrutiny Panel

EX.100/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of the Culture, Heritage and Leisure Portfolio Holder and the Town Clerk and Chief Executive.

EX.101/21 DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

EX.102/21 PUBLIC AND PRESS

RESOLVED – That the Agenda be agreed as circulated.

EX.103/21 MINUTES OF PREVIOUS MEETINGS

RESOLVED - That the minutes of the Executive held on 2 August 2021 and 31 August 2021 were confirmed. The minutes were signed by the Chair.

EX.104/21 QUESTIONS BY MEMBERS OF THE PUBLIC

Pursuant to Procedure Rule 10.1, the Corporate Director of Governance and Regulatory Services to report the receipt of the following questions submitted on notice by a member of the public:

Victorian and Turkish Baths

Question 1.

“The Carlisle Plan was amended by the Executive at their meeting of 31 August 2021 to include the Turkish Baths. Under Delivering the Borderlands Inclusive Growth Deal, the Plan states that “works to the exterior of the building and the installation of new utilities systems” will be implemented. At a meeting of the Council on 27 April 2021, the Council Leader gave a statement in which he said that a budget had been identified within the Borderlands project to fund the exterior and interior work to the baths. Is the budget within the Borderlands project

conditional on the City Council making the site of the 1970s pool building available to the Borderlands project?"

The Leader responded to the question:

"The Station gateway project includes proposals to re-develop the area to the rear of the station to provide a new entrance, additional parking, drop off facilities and replacement bus services.

In order to accommodate the development, the City Council has made available the land currently occupied by the 1970s pools. However, this would require works to the Victorian and Turkish Baths which it was agreed would be funded by the Borderlands Project."

Pursuant to Procedure Rule 10.8 the member of the public asked a supplementary question:

"Were there any conditions tied to the £400,000 budget from the Borderlands Project?"

The Leader responded that he was not aware of any.

Question 2.

"At the meeting of the Executive on August 31st 2021, it was agreed to refer the Asset Management Plan for approval to Council. It was confirmed to the Business Transformation Scrutiny Committee that under the plan the Victorian and Turkish Baths are excluded from the maintenance programme and will be incorporated back into the programme on completion of the interior and exterior work that is to be funded by the budget from the Borderlands Project. Can the Executive detail how maintenance and general repairs to the Victorian and Turkish Baths will be funded between now and the incorporation of the Baths into the maintenance programme?"

The Leader responded to the question:

"With regards the maintenance programme, the Victorian and Turkish Baths has been taken out of the maintenance programme while the capital works are undertaken as part of the Borderlands Station gateway project as there won't be any need for maintenance during this period. Once these works are completed and assessed, the Baths will be included in the programme."

Pursuant to Procedure Rule 10.8 the member of the public asked a supplementary question:

"Was the Council responsible for the works and which budget would the maintenance work come from?"

The Leader responded that the works would be part of the Council's maintenance budget.

EX.105/21 NOTICE OF EXECUTIVE KEY DECISIONS (Non Key Decision)

Portfolio Cross-Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Notice of Executive Key Decisions dated 27 August 2021 was submitted for information. The Leader moved and the Finance, Governance and Resources Portfolio Holder seconded the paper.

Summary of options rejected None

DECISION

That, subject to the above, the Notice of Executive Key Decisions dated 27 August 2021 be received.

Reasons for Decision Not applicable

EX.106/21 SCHEDULE OF DECISIONS TAKEN BY OFFICERS (Non Key Decision)

Portfolio Cross Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Details of decision taken by Officer under delegated powers were submitted. The Leader moved and the Finance, Governance and Resource Portfolio Holder seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.107/21 JOINT MANAGEMENT TEAM (Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 31 August 2021 were submitted for information.

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

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 31 August 2021, attached as Appendix B, be received.

Reasons for Decision Not applicable

EX.108/21 ANNUAL EQUALITY REPORT 2020/21 AND EQUALITY ACTION PLAN 2021
(Non Key Decision)

Portfolio Communities, Health and Wellbeing

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Communities, Health and Wellbeing Portfolio Holder presented the Annual Equality Report for 2020/21 and the Equality Action Plan 2021. The Council had a positive approach to equality both in supporting staff and engaging with the community. This was demonstrated by the commitment to be open and transparent, acknowledging gaps in data and looking at how the Council can improve.

The Equality Action Plan 2021 set out actions on how the Council would work towards achieving the equality objectives and address the issues identified. The Communities Health and Wellbeing Portfolio Holder thanked the Health and Wellbeing Scrutiny Panel for their input.

The Communities, Health and Wellbeing Portfolio Holder moved the recommendation which was seconded by the Economy, Enterprise and Housing Portfolio Holder.

The Health and Wellbeing Scrutiny Panel has considered the report at their meeting on 2 September 2021(Minute Excerpt HWSP.57/21 referred).

The Vice Chair of the Health and Wellbeing Scrutiny Panel was in attendance at the meeting. She noted that the Panel had noted the outstanding work that staff had undertaken during a difficult time and the Panel had welcomed the report.

Summary of options rejected None

DECISION

That the Executive had considered and commented on the content of the Annual Equality Report and Equality Action Plan.

Reasons for Decision

The Annual Equality Report enabled the Council to fulfil requirements of the Public Sector Equality Duty.

EX.109/21 QUARTER 1 PERFORMANCE REPORT 2021/22

(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report PC.36/21 containing the Quarter 1 2021/22 performance against the current Service Standards and a baseline position for the Carlisle Plan 2021-23 actions as defined in the draft Plan. Performance against the 2021/22 Key Performance Indicators (KPIs) were included as a dashboard. The recommendations from the Member Task and Finish Group on performance reporting were also detailed.

The Business and Transformation; Health and Wellbeing and Economic Growth Scrutiny Panels had scrutinised the performance at meetings held on 26 August, 2 and 9 September 2021 respectively. Excerpts from the minutes of those meetings were also submitted (BTSP.68/21, HWSP.58/21 and EGSP.57/21 referred).

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

Summary of options rejected None

DECISION

That the Executive had:

- 1) given consideration to the performance of the City Council as presented in Report PC.36/21, and the observations of the Scrutiny Panels, with a view to seeking continuous improvement in how the Council delivered its priorities.
- 2) considered and agreed the recommendations made by the Member Task and Finish Group regarding future performance reports.

Reasons for Decision

To seek Executive consideration of the performance of the City Council as presented in the report

EX.110/21 AMENDMENT TO THE COMPLAINTS AND FEEDBACK POLICY

(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder reported that the Complaints and Feedback Policy was an important mechanism for residents to put forward feedback to

improve Council services. The Council had undertaken a review of the policy to improve the customer experience, better manage expectations and maximise internal efficiency when investigating and responding to complaints. Proposed amendments would highlight best practice and provide valuable feedback for service improvement.

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

Summary of options rejected Not to approve the revised Policy.

DECISION

That the revised Corporate Complaints and Feedback Policy be approved (CE.10/21)

Reasons for Decision

A defined Corporate Complaints and Feedback Policy would control customer expectation and improve the customer experience

The Meeting ended at: 16:10

Executive

Date: Monday, 25 October 2021

Time: 16:00

Venue: Cathedral Room

Present: Councillor Nigel Christian, Councillor Gareth Ellis, Councillor Mrs Elizabeth Mallinson, Councillor John Mallinson, Councillor Paul Nedved

Officers: Town Clerk and Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Corporate Director of Economic Development

EX.111/21 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of the Culture, Heritage and Leisure Portfolio Holder and the Deputy Chief Executive.

EX.112/21 DECLARATIONS OF INTEREST

Councillor Mrs Mallinson declared a disclosable pecuniary interest in accordance with the Council's Code of Conduct in respect of Agenda item A.2 – Acceptance of Potential Offer for Sustainable Warmth Competition Local Authority Delivery Phase 3 (LAD3) and home upgrade grants (HUG). The interest related to the fact that Councillor Mrs Mallinson was a private landlord and she would leave the meeting prior to consideration of that item of business.

Councillor J Mallinson declared a disclosable pecuniary interest in accordance with the Council's Code of Conduct in respect of Agenda item A.2 – Acceptance of Potential Offer for Sustainable Warmth Competition Local Authority Delivery Phase 3 (LAD3) and home upgrade grants (HUG). The interest related to the fact that Councillor J Mallinson was a private landlord and he would leave the meeting prior to consideration of that item of business.

EX.113/21 PUBLIC AND PRESS

RESOLVED - That the Agenda be agreed as circulated.

EX.114/21 MINUTES

RESOLVED - That the minutes of the Executive held on 27 September 2021 were confirmed.

EX.115/21 REGULATORY REFORM (HOUSING ASSISTANCE) (ENGLAND AND WALES) ORDER 2002 - CHANGES TO EXISTING HOUSING ASSISTANCE POLICY

(Key Decision KD.20/21)

Portfolio Communities, Health and Wellbeing

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Communities, Health and Wellbeing Portfolio Holder presented a review of the existing Regulatory Reform Order (RRO) Housing Renewal Assistance Policy which was last updated in 2018 and approved by Council in January 2019. Revisions had been necessary to ensure the Housing Renewal Assistance Policy was fit for purpose as an offer for residents and reflected the current demands on the service. The revised Policy had been attached to report GD.70/21 as an appendix.

The Communities, Health and Wellbeing noted that the report recommended that the City Council used its discretionary powers under the Regulatory Reform Order to further broaden the scope of the Disabled facilities grants (DFGs) and allow specific DFG funding to be used for grants to assist the elderly, disable or other vulnerable groups to live independently and to improve their living conditions and well-being. Specifically, minor works that supports ill health prevention, promote independence and delay transfer into care. She moved that this be added to the recommendations detailed in the report.

The Portfolio Holder highlighted the excellent work that City Council staff had undertaken with the NHS to support people moving from hospital to their own homes as safely as possible.

The Communities, Health and Wellbeing Portfolio Holder moved the recommendations and the Economy, Enterprise and Housing Portfolio Holder seconded them.

Summary of options rejected None

DECISION

That the Executive:

- i) had considered the proposed revised Housing Renewal Assistance Policy 2022 (appendix 1 of report GD.70/21)
- ii) referred the said Policy to the Health and Wellbeing Scrutiny Panel for consideration in accordance with the Council's Budget and Policy Framework;
- ii) that the City Council used its discretionary powers under the Regulatory Reform Order to further broaden the scope of the Disabled facilities grants (DFGs) and allow specific DFG funding to be used for grants to assist the elderly, disable or other vulnerable groups to live independently and to improve their living conditions and well-being. Specifically, minor works that supports ill health prevention, promote independence and delay transfer into care.

Reasons for Decision

The revised Housing Renewal Assistance Policy 2022 will assist in ensuring that best use is made of the DFG capital funding making use of existing capacity and expertise within the Housing and Pollution and Homelife teams.

The introduction of flexibility into the assistance process is being promoted as good practice nationally and in line with government and local policies.

EX.116/21 ACCEPTANCE OF POTENTIAL OFFER FOR SUSTAINABLE WARMTH COMPETITION LOCAL AUTHORITY DELIVERY PHASE 3 (LAD3) AND HOME UPGRADE GRANTS (HUG1)

(Key Decision KD.21/21)

Councillors Mallinson (J) (Chair) and Mrs Mallinson, having declared disclosable pecuniary interests, retired from the meeting and took no part in the consideration of this item of business.

The Deputy Leader assumed the Chair.

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder submitted a report requesting that the Executive should accept grant funding, if offered, from Business Energy and Industrial Strategy (BEIS) Sustainable Warmth Competition and act as the lead authority of a Cumbria Consortium of district councils for the delivery of the grant (GD.73/21)

The Economy, Enterprise and Housing Portfolio Holder reported that the City Council had applied for £19,955,000 of funding on behalf of the Cumbrian Sustainable Warmth consortium of district councils to address fuel poverty, improve energy efficiency and carbon savings and help boost the local economy to retrofit a target of 1,310, mainly private sector homes, with energy efficiency measures, including low carbon heating across Cumbria.

The Portfolio Holder thanked the Regulatory Services Manager and the Home Improvement Agency Team Leader for their work, and the Economic Growth Scrutiny Panel for their input.

The Economic Growth Scrutiny Panel had considered the matter at their meeting on 21 October 2021 (minute excerpt EGSP.65/21 referred).

The Economy, Enterprise and Housing Portfolio Holder moved, and the Environment and Transport Portfolio Holder seconded the recommendations.

Summary of options rejected not to accept the funding, if offered.

DECISION

That the Executive:

- i) Delegated authority to the Corporate Director for Governance and Regulatory Services to agree and sign the Memorandum of Understanding and, thereby, accept an offer of the Sustainable Warmth grant funding by Department for Business Energy and Industrial Strategy (BEIS).
- ii) Agreed that the Council acts as the accountable body for the Grant on behalf of the Cumbrian Consortium of district councils.

Reasons for Decision

Carlisle had over 2,250 owner-occupied and over 700 privately rented properties which had an EPC rating of E, F or G but which could achieve a minimum C Rating. This did not include the homes which did not have current EPCs but were still eligible for grant funding. The purpose of the Sustainable Warmth competition was to reduce carbon and make homes more energy efficient which would support the Council's credentials as climate change champions and add to the fuel poverty schemes already on offer. The scheme would also help boost the local economy.

Councillors Mallinson (J) and Mrs Mallinson returned to the meeting.

The Leader assumed the Chair.

EX.117/21 ST CUTHBERT'S GARDEN VILLAGE – DEVELOPMENT CORPORATION BUSINESS CASE PROGRESS REPORT AND KEY NEXT STEPS

(Key Decision KD.22/21)

Portfolio Economy, Enterprise and Housing

Relevant Scrutiny Panel Economic Growth

Subject Matter

The Economy, Enterprise and Housing Portfolio Holder provided an update on the Council's award of funding through the Government's New Towns Development Corporation Competition and to endorse the key next steps to develop the Development Corporation Business Case over the next 2 years. (ED.31/21)

The Economy, Enterprise and Housing Portfolio Holder gave a brief overview of the background before highlighting the Key Next Steps and Funding Programme 2021 to 2023.

The Portfolio Holder thanked the Head of Planning Policy and team for their ongoing work.

The Economy, Enterprise and Housing Portfolio Holder moved the recommendations. When seconding the recommendations the Environment and Transport Portfolio Holder was pleased to support the ongoing work for the Garden Village which would be as close to a zero carbon development as was possible. The Carlisle Southern Link Road would not only divert HGVs out of the City but would also provide improved public transport links as well and walking and cycling routes.

Summary of options rejected None

DECISION

That the Executive

1. Noted progress on the preparing the Development Corporation Business Case to date;
2. Approved the proposed next steps and hence indicative work programme to advance the Development Corporation Business Case, including proposed indicative funding profile, set out at Section 3;
3. Delegated authority to the Corporate Director of Economic Development to progress procurement, including contract awards (particularly where the winning tender was not necessarily the lowest bidder), where in keeping with the indicative work package and budgets, following consultation with the Portfolio Holder for Economy, Enterprise and housing.

Reasons for Decision

The Executive's approval for the indicative work packages and funding profile was required given the values involved and the need for transparency given the proposed expenditure of external grant funding. It also reflected that as a major corporate project that the Executive were comfortable with both the progress of the project and the future direction of travel.

EX.118/21 TULLIE HOUSE BUSINESS PLAN 2021–2030 (22/23 revision)

(Key Decision KD.24/21)

Portfolio Culture, Heritage and Leisure

Relevant Scrutiny Panel Health and Wellbeing

Subject Matter

The Leader presented report CS.41/21, the purpose of which was to introduce and allow consideration of the Tullie House Museum and Art Gallery Trust 2022/23 Business Plan in order that the Council may, in due course, agree core funding for the Trust. That was in line with Section 5 of the Partnership Agreement between the Council and Tullie House Trust, which stated that the Business Plan submitted by the Trust should be used as the basis for agreeing future years funding.

Details of the background position; core grant; lease arrangements; building and collection financial implications; impact of COVID-19 and impact of the proposals put forward by Tullie House Trust were provided within the report.

The Executive was asked to give initial consideration to the Business Plan and refer that to the Health and Wellbeing Scrutiny Panel for their review and recommendations.

The Leader concluded his presentation by moving the recommendation which was seconded by the Finance, Governance and Resources Portfolio Holder.

Summary of options rejected that the Business Plan should not be referred for scrutiny

DECISION

That the Executive had given initial consideration to the Tullie House Trust Business Plan (Report CS.41/21) and referred it to the Health and Wellbeing Scrutiny Panel on 25 November 2021 for their review and recommendations.

Reasons for Decision

The recommendations allowed the report, the associated Business Plan and core funding to be approved in line with the Partnership Agreement

EX.119/21 NOTICE OF EXECUTIVE KEY DECISIONS

(Non Key Decision)

Portfolio Cross-Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Notice of Executive Key Decisions dated 24 September 2021 was submitted for information.

The Corporate Director of Economic Development was scheduled to submit a report noting the proposals for the redevelopment of the Citadels and approve the land assembly activity required by the Council to enable the delivery of the scheme (Key Decision - KD.23/21). However, discussions with the University of Cumbria are still ongoing to finalise the approach to the delivery of the land assembly work stream for the the project, the matter has been deferred.

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

Summary of options rejected None

DECISION

That, subject to the above, the Notice of Executive Key Decisions dated 24 September 2021 be received.

Reasons for Decision Not applicable

EX.120/21 SCHEDULE OF DECISIONS TAKEN BY OFFICERS

(Non Key Decision)

Portfolio Cross Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

Details of decision taken by Officer under delegated powers wee submitted. The Leader moved and the Finance, Governance and Resource Portfolio Holder seconded the paper.

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.121/21 JOINT MANAGEMENT TEAM

(Non Key Decision)

Portfolio Cross-cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

The Minutes of the meeting of the Joint Management Team held on 27 September 2021 were submitted for information.

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

Summary of options rejected None

DECISION

That the Minutes of the meeting of the Joint Management Team held on 27 September 2021, attached as Appendix B, be received.

Reasons for Decision Not applicable

EX.122/21 REGULATION OF INVESTIGATORY POWERS: UPDATE

(Non Key Decision)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Finance, Governance and Resources Portfolio Holder submitted report GD.68/21 which provided an update on the Council's use of the surveillance powers open to it under the Regulation of Investigatory Powers Act 2000 (RIPA).

The Guidance says that elected members of a local authority should review the usage of the surveillance powers and set the policy once each year. The rules regulating surveillance were restrictive and the reality was that, since the transfer of the Council's benefit fraud to the Department for Work and Pensions, it was very unlikely that it would need to undertake any covert surveillance activity. The last authorisation of surveillance by the City Council predated the transfer of the Benefit Fraud Team. In effect, the Council did not make use of any covert surveillance in its activity.

The last authorisation was in March 2014 for a benefit fraud matter. A report was not brought before Members last year due to the fact that no activity had occurred and due to the pandemic lockdown RIPA was simply not relevant.

The Finance, Governance and Resources Portfolio Holder moved the recommendation to note and approve the report and the Leader seconded it.

Summary of options rejected None

DECISION

That the Executive noted and approved the content of the Report, including the Council's RIPA policy.

Reasons for Decision

To comply with the Regulation of Investigatory Powers Act 2000 (RIPA) and its associated Regulations and Guidance.

The Meeting ended at: 16:15

Carlisle City Council

Report to Executive

Item
A.2

Meeting Date: 22nd November 2021
Portfolio: Finance, Governance & Resources
Key Decision: Yes
Policy and Budget Framework: Yes
Public / Private: Public

Title: LOCAL GOVERNMENT REORGANISATION –
IMPLEMENTATION RESERVE
Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number: RD54/21

Purpose / Summary: This report summaries the resources required to fund the implementation costs of Local Government Reorganisation (LGR) within Cumbria, and requests appropriate delegations to the Council's S151 Officer to identify a funding source from earmarked reserves held by the Council in order to contribute up to £1.6million to a County wide Implementation Reserve.

Recommendations: Members are asked:

1. to note the requirement for a county wide LGR Implementation Reserve;
2. approve the release of £500,000 earmarked reserve for LGR and retain this in order to fund any costs which the Council may incur itself which are outwith the eligibility criteria for the Cumbria Wide Implementation Reserve;
3. approve, for recommendation to Council, the establishment of an implementation reserve/budget provision of up to £1.6million, as the City Council's contribution to the LGR implementation costs, subject to contributions being approved by all of the other the Cumbrian authorities;
4. delegate responsibility to the Corporate Director of Finance and Resources (S151 Officer) to identify a funding source for (3) from earmarked reserves but initially approve the funding from the £3.2million Operational Risk Earmarked Reserve;
5. authorise the Corporate Director of Finance and Resources to pay the contribution (or the appropriate proportion thereof) in (3) to Cumbria County Council in January 2022;
6. note the governance arrangements and scheme of delegation regarding the use of the reserve as set out in the report (Paragraph 2.3 and associated appendices); and

7. delegate responsibility to the Corporate Director of Governance and Regulatory Services following consultation with the Leader, the Portfolio Holder for Finance, Resources and Governance and the Corporate Director of Finance and Resources, to agree the terms contained within the Memorandum of Understanding, with all the other Cumbrian authorities, for the Implementation Reserve and sign the same.

Tracking

Executive:	22nd November 2021
Scrutiny:	Not applicable
Council:	4th January 2022

1. BACKGROUND

- 1.1. Following the Secretary of State's invitation, of 9th October 2020, to submit proposals on Local Government Reorganisation (LGR) in Cumbria, a consultation on the said proposals was launched which ran for eight weeks and ended on 19th April 2021.
- 1.2. On 21st July 2021 the outcome of the consultation was announced. Each local authority within Cumbria was notified that, subject to Parliamentary approval, two new unitary authorities would replace the current local government structure in Cumbria, with the Allerdale, Carlisle and Copeland areas being the footprint for a new unitary authority covering the west of the County, and Barrow, Eden and South Lakeland, being a footprint for a new unitary authority covering the east of the County, effective from 1st April 2023. All six districts and Cumbria County Council will cease to exist in their current format on 31st March 2023.
- 1.3. The East/West submission suggested that estimated annual savings of between £19.1million and £31.6million would be achieved and that the transition (implementation) would require a total one-off investment of between £17.6million and £23.8million.
- 1.4. Following the announcement, the Cumbria Chief Finance Officer's Group, attended by all S151 Officers of the seven Cumbrian authorities, have undertaken a high-level assessment of the financial impact of LGR and provided some indicative figures for implementation which have also been sense checked against other authorities which have been through the LGR process.
- 1.5. This report, therefore, provides an update to the indicative cost of implementation. It also covers the establishment of a County Wide LGR Implementation Reserve including governance arrangements, funding proposals and the required scheme of delegation for relevant officers.
- 1.6. This report does not deal with the costs of transformation nor how these will be funded, nor the level of savings these could generate, as these will be decisions for the new shadow authorities, once established, and will be dealt with at a later date.

2. PROPOSALS

2.1. Costs of Implementation

- 2.1.1. The indicative, and high level, budget for implementation of "safe and legal" authorities on 1st April 2023 is £18.920million as set out in the table overleaf:

East/West Unitary Authorities Indicative Implementation Costs	£
Implementation	2,266,667
External Support Costs	5,500,000
Internal Programme Management	4,000,000
ICT Costs	4,000,000
Sub- total	15,766,667
Contingency (20%)	3,153,333
Total Estimated Implementation costs	18,920,000

Table 1: Indicative Implementation costs

- 2.1.2. These costs and assumptions will continue to be updated as the financial modelling develops and the workstreams and themes, established by the LGR Programme Board, commence their work, and identify the level of resources required for delivery.
- 2.1.3. It is likely that the spend may be incurred over three financial years (2021/22 – 2023/24) with some costs incurred after vesting day. Work is ongoing to fully understand the legacy position and how this will be supported.
- 2.1.4. For each of the categories of spend above, detailed definitions are being developed in order to ensure consistency of approach for any expenditure incurred; **Appendix A** provides the detail to date.
- 2.2. Implementation Reserve**
- 2.2.1. It is therefore proposed that a County Wide Implementation Reserve be established, hosted by Cumbria County Council, in order to effectively and efficiently record, manage and monitor spend on the implementation of the new authorities. This is the preferred choice of the LGR Programme Board supported by the Finance and Commercial Programme Board, especially given the level of contribution being made by the County Council.
- 2.2.2. It is further proposed that all seven Cumbrian authorities contribute to the reserve with the County Council contributing 50% and the remaining 50% split equally between the district authorities. Therefore, the City Council's contribution will be up to £1.6million.

2.2.3. Following approval by the individual authorities, it is proposed that the reserve be established for January 2022 and be utilised in accordance with the governance arrangements set out below and in the associated appendices.

2.3. **Governance Arrangements of Reserve**

These governance arrangements are to be agreed by each Council through their own relevant arrangements and the following will form part of the delegated requirements:

2.3.1. **Purpose of Reserve** - To provide funds to resource the indicative implementation costs associated with LGR in Cumbria. **Appendix B** sets out more detail on the criteria to be used to determine whether the costs are eligible and are an appropriate charge to the Reserve.

2.3.2. **Conditions of Use** – Once paid over to Cumbria County Council, the management of the Reserve rests with the Senior Responsible Officer (SRO) for LGR. Approval to release funds from the reserve to individual themes and workstream programme boards (allocation being dependent upon their activity and responsibility) can only be given by the SRO (or a suitably appointed alternate officer) via an Officer Decision notice, under delegated powers. A scheme of delegation will need to be established by Cumbria County Council for the use and monitoring of the reserve.

- Allocations will be agreed to individual themes and workstream programme boards prior to January 2022 so that they can progress with spend on essential support prior to that date;
- Any advance spend incurred by individual authorities prior to January 2022 will be funded by each authority and recorded as such until such time that the collective reserve is established and the costs be fully charged against the reserve through a net payment being made after appropriate deductions (hence the reference to proportions in the recommendations);
- Throughout the transition process, and the use of the reserve for the programme delivery, compliance with relevant procurement legislation will be required and adherence to the County Council's internal governance arrangements post January 2022; and
- Individual spending and virement limits will be detailed in the scheme of delegation.

- 2.3.3. **Monitoring of the Reserve** – Spending delegations will be made to the individual Workstream Sponsors as set out in the draft Scheme of delegation, with monthly reporting of spend to the LGR Programme Board via the Finance and Commercial Programme Board. From the January 2022 a regular report on a monthly basis will be taken to the Programme Board group of commitments and actual expenditure against the Implementation Reserve as a whole and against individual budgets. These will come from the individual Boards for the themes and workstreams. These reports will also be made available to each individual authority.
- 2.3.4. A Memorandum of Understanding (MOU) will need to be prepared, agreed and signed by all the Cumbrian Councils which will set out clear roles and responsibilities in relation to the Implementation Reserve and delegations in this respect are sought. This MOU will reflect the principles as set out in this report and associated appendices.
- 2.3.5. At the end of the programme any Implementation Reserve not utilised will be equally allocated to the two new Unitary authorities. This will be as part of the initial establishment of the Unitary authorities with one Unitary hosting the ring-fenced reserve initially until all commitments and expenditure have been fully accounted for. It is expected implementation costs will continue to be incurred after vesting day.
- 2.3.6. There will need to be formal secondment mechanisms for staff who will become part of the programme to enable appropriate costs to be covered so that host authorities' budgets can then fund any backfill arrangements.
- 2.3.7. The accounting treatment of the reserve for the 2021/22-year end accounts is being considered to ensure that all authorities comply with relevant accounting standards and generally accepted accounting practice. This will form part of the outturn reports and Statement of Accounts for 2021/22 and 2022/23 as presented to Members.
- 2.4. **Funding Proposals**
- 2.4.1. Individual authorities will need to identify a funding source whether this be via a review of general and earmarked reserves, the submission of a capitalisation direction to MLUHC (utilising capital receipts and/or prudential borrowing) and/or alternative sources of funding. The Executive is asked to delegate responsibility to the S151 Officer to identify a funding source which will be reported to the next available Executive meeting but initially approve, for recommendation to Council, the use of the £3.2million Operational Risk Reserve earmarked as part of the 2020/21 outturn report.

3. RISKS

- 3.1. There are several risks to consider in terms of the Implementation Reserve which Members should be aware of:
- The estimated costs, as set out at Table 1, are only indicative at this stage and the position will continue to be updated as the financial modelling develops and the workstreams and themes, established by the LGR Programme Board, commence their work, and identify the level of resources required for delivery.
 - Spend is not managed effectively; however, by having a collective reserve which is managed and monitored centrally in line with approved delegations and robust governance arrangements, this risk will be mitigated.

4. CONSULTATION

- 4.1. None

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 5.1. To approve the County Wide Implementation Reserve to support LGR in Cumbria and to approve the required delegations and governance arrangements for the reserve.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1. To ensure effective service delivery for the residents and businesses of Cumbria.

Contact Officer: Alison Taylor

Ext: 7280

Appendices Appendix A – Categories of Spend (draft)
attached to report: Appendix B – Eligibility Criteria (draft)

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 – It is necessary to have sufficient funding to deliver LGR. It is also appropriate that there are relevant checks and controls on the use of the City Council's funds and these are to be put in place via the Memorandum of Understanding and the Scheme of Delegation referred to in the report.

PROPERTY SERVICES – No Property implications

FINANCE – An earmarked reserve was established as part of the 2020/21 outturn report which allocated £500,000 to support LGR, and this will be retained in order to fund any costs which the Council may incur itself and therefore outwith the eligibility criteria for the Cumbria Wide Implementation Reserve. Therefore £1.6million will need to be identified to ensure that funds are available to support the implementation work, as set out in this report. A review of earmarked reserves is therefore required, and this will be carried out by the S151 Officer supported by the Finance Team and the Senior Management Team. However, Members will recall that £3.2million was set aside in an Operational Risk Earmarked Reserve as part of the 2020/21 outturn report and it is proposed that this be used initially to fund the Council's contribution.

EQUALITY – None

INFORMATION GOVERNANCE – None

High Level Estimate of Implementation and Transformational Costs: 2 Unitaries, Cumbria

Potential

Implementation Reserve	£
Implementation	£2,266,667 Including election costs
External Support Costs	£750,000 Legal support £1,000,000 Audit & finance support (including VAT, treasury management, MTFP, council tax harmonisation) £500,000 HR support £1,000,000 Skills / learning costs £2,250,000 Other specialist advice
Internal programme management	£4,000,000 Programme Team, Organisational Design and Change Programme, Business analyst and business support for each Council
ICT Costs	£4,000,000
Sub-total Transition Costs	£15,766,667
Contingency 20% Transition Costs	£3,153,333
Estimated Implementation Costs inc Contingency	£18,920,000

Local Government Implementation Reserve – Criteria to determine eligibility (Draft)

1. To deliver the creation of 2 unitary authorities within Cumbria, a single Local Government implementation reserve will be created.
2. The following principles will be used to determine expenditure eligible to be met from the reserve:
 - a) Costs of creating the shadow unitary authorities (test: would this cost be incurred if LGR were not occurring?); or
 - b) Costs of establishing the safe and legal new unitary authorities including the aggregation and disaggregation of services, assets, liabilities and funding; or
 - c) Costs of staff seconded to the LGR programme team.
 - d) Examples of eligible expenditure against the reserve being, but not limited to, the following:
 - i. Additional staff capacity to deliver the programme
 - ii. Procurement of specialist support and advisory services
 - iii. Communication and public consultation
 - iv. Systems and Information Technology
 - v. Election costs with regards to the two new unitary authorities
 - vi. Running costs related to the shadow authorities
 - vii. Rebranding, implementation and creating the two new unitary authorities
3. The following costs will **not** be eligible for funding from implementation funding:
 - i. Costs of continued functioning of Council services and operations to vesting day; or
 - ii. Costs relating to transformation and investment to deliver savings; or
 - iii. To clarify, costs of creation of new entities including parish or town councils ahead of decisions by shadow authorities are not eligible.
 - iv. Costs beyond 1 April 2023 unless otherwise approved and falling into 2) above.
4. Any changes to the scope of the activity which can be funded from the reserve will only be made with the agreement of the County Council and all the District Councils.

NOTICE OF EXECUTIVE KEY DECISIONS

22 October 2021

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

4 June 2021	22 October 2021	18 February 2022
2 July 2021	12 November 2021	21 March 2022
30 July 2021	19 November 2021	
27 August 2021	17 December 2021	
24 September 2021	21 January 2022	

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). 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 / Chairman)
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 P Nedved (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.

Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.10/21	Budget Process 2022/23 – 2026/27	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate	19 January 2022
KD.19/21	Review of the Statement of Gambling Policy	31 August 2021 (EX.88/21)	20 December 2021
KD.20/21	Review of the Housing Renewal Assistance Policy	25 October 2021 consultation period to include Overview and Scrutiny as appropriate	20 December 2021
KD.23/21	Citadels Project		22 November 2021
KD.24/21	Tullie House Business Plan	25 October 2021 consultation period to include Overview and Scrutiny as appropriate	20 December 2021
KD.25/21	Corporate Assets 3 Year Repair and Maintenance Programme 2022/23 - 2024/25		22 November 2021

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.10/21
Type of Decision:	Executive
Decision Title:	Budget Process 2022/23 – 2026/27
Decision to be taken:	<p>The Executive will be asked to: Consider strategic financial issues arising from the budget setting process:</p> <ul style="list-style-type: none"> (a) Revenue Estimates including spending pressures, bids and savings (22nd November 2021) (b) Individual Charges Reviews (22nd November 2021) (c) Provisional Capital Programme including new spending proposals (22nd November 2021) (d) Corporate Assets – Repair and Maintenance Programme (22nd November 2021) (e) Treasury Management Base Estimates (22nd November 2021) (f) Local Taxation (including CTRS) (22nd November 2021) (g) Consideration of Scrutiny Consultation feedback (13th December 2021) (h) Draft Revenue Settlement Figures (if available) (20th December 2021) (i) Summary Revenue Budget (including decision on Business Rate Pooling) (20th December 2021) (j) Summary Capital Programme (if required) (20th December 2021) (k) Draft Treasury Management and Investment Strategy including MRP Strategy (20th December 2021) (l) Executive Draft Budget Proposals for consultation (20th December 2021) (m) Consideration of Final Budget Consultation (19th January 2022) (n) Draft Revenue Settlement Figures (if available) (19th January 2022) (o) Final Revenue Budget Summary (19th January 2022) (p) Provisional Capital Programme (19th January 2022) (q) Treasury Management and Investment Strategy including MRP Strategy (19th January 2022) (r) Executive's Final Budget Proposals (19th January 2022)
Date Decision to be considered:	22 November 2021, 13 December 2021, 20 December 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	19 January 2022
Is the Decision Public or Private?:	The decision will be taken in public.

Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Finance and Resources will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Finance and Resources, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Health and Wellbeing Scrutiny Panel - 22 November 2021, Economic Growth Scrutiny Panel - 2 December 2021, Business and Transformation Scrutiny 7 December 2021 and 6 January 2022

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.

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 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.19/21
Type of Decision:	Executive
Decision Title:	Review of the Statement of Gambling Policy
Decision to be taken:	The Executive will be asked to consider the draft Statement of Gambling Policy for the period 2022 - 2025
Date Decision to be considered:	31 August 2021 (EX.88/21)
Date Decision to be taken:	20 December 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	Report GD.49/21 - Gambling Act 2005 - Draft Statement of Principles 2022-2025 on 31 August 2021
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny 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.

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 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.20/21
Type of Decision:	Executive
Decision Title:	Review of the Housing Renewal Assistance Policy
Decision to be taken:	The Executive will be asked to approve a revision of the Housing Renewal Assistance Policy, to revise the discretionary housing assistance funding available through the Disabled Facility Grant.
Date Decision to be considered:	25 October 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	20 December 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Communities, Health and Wellbeing (Councillor Mrs Mallinson)
Relevant or Lead Overview and Scrutiny Panel:	Health and wellbeing Scrutiny 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.

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 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.23/21
Type of Decision:	Executive
Decision Title:	Citadels Project
Decision to be taken:	The Executive will be asked to note the proposals for the redevelopment of the Citadels and approve the land assembly activity required by the Council to enable the delivery of scheme.
Date Decision to be considered:	
Date Decision to be taken:	22 November 2021
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 Corporate Director of Economic Development will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Economic Development, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Leaders
Relevant or Lead Overview and Scrutiny Panel:	Economic Growth Scrutiny 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.

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 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.24/21
Type of Decision:	Executive
Decision Title:	Tullie House Business Plan
Decision to be taken:	The Executive will be asked to consider the Business Plan and refer to Health & Wellbeing Scrutiny Panel prior to making recommendations to Council
Date Decision to be considered:	25 October 2021 consultation period to include Overview and Scrutiny as appropriate
Date Decision to be taken:	20 December 2021
Is the Decision Public or Private?:	The decision will be taken in public.
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:	Health and Wellbeing Scrutiny 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.

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 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.25/21
Type of Decision:	Executive
Decision Title:	Corporate Assets 3 Year Repair and Maintenance Programme 2022/23 - 2024/25
Decision to be taken:	The Executive will be asked to approve the 3 year revenue maintenance programme and the capital budget of £250,000 and the list of associated projects.
Date Decision to be considered:	
Date Decision to be taken:	22 November 2021
Is the Decision Public or Private?:	The decision will be taken in public.
Documents submitted for consideration in relation to the Decision:	The report of the Corporate Director of Governance and Regulatory Services will be available five working days before the meeting
Contact Officer for this Decision:	Corporate Director of Governance and Regulatory Services, Carlisle City Council, Civic Centre, Carlisle, CA3 8QG
Relevant Portfolio Area:	Finance, Governance and Resources (Councillor Ellis)
Relevant or Lead Overview and Scrutiny Panel:	Business and Transformation Scrutiny 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.

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: 22 October 2021

Notice of Decision taken by The Leader – Councillor John Mallinson

Item
A.4

Leader's Decision Reference:	LD.10/21	
Subject Title:	Representative on Outside Bodies 2021/22 – Currock Community Centre Management Committee	
Subject Matter:	<p>The Executive made representations to outside bodies on 2 June 2021 (report GD.36/21) including three representatives to Currock Community Centre Management Committee.</p> <p>A vacancy arose following the sad passing of Councillor Denholm.</p>	
Relevant Portfolio Area:	Cross Cutting	
Decision Taken:	That Councillor Wills be appointed as a Carlisle City Council representative on the Currock Community Centre Management Committee.	
Key or Non-Key Decision:	NO	
	YES — Key Decision Reference:	
Date Decision Made:	10/11/21	
Reports and Background Papers considered:	Report GD.36/21 – Executive 2 June 2021	
Reasons for Decision:	To ensure that the Council is represented on outside bodies within the Community.	
Details of alternative options considered and rejected:	Not to appoint a Councillor to the vacancy on the Currock Community Centre Management Committee	
Interests Declared:	None	
Date published:	10/11/21	
Urgent Decision not subject to call in:	NO	
Consent of Chairman/Deputy Chairman of Council to Urgency:	N/A	
Deadline for call-in:	17 November 2021 @1700hours	
Implementation date if not called in:	18 November 2021	

Relevant Scrutiny Panel:	Business and Transformation Scrutiny Panel, Economic Growth Scrutiny Panel, Health and Wellbeing Scrutiny Panel
Call-in notified to and date notified:	
Approved for implementation on:	

Signed

Date 10 November 2021

All public reports can be viewed on the Council's website www.carlisle.gov.uk

Notice of Decisions taken by an Individual Portfolio Holder

Individual Portfolio Holder Decision Reference:		PF.3/21	
Subject Title:	Christmas Parking Concession		
Subject Matter:	Free car parking after 3pm in the following Carlisle City Council Car Parks:- Bitts Park; Lowther Street; Caldew Riverside; Viaduct; The Sands; Swifts Bank and West Walls Only on Thursdays: 2 nd , 9 th 16 th and 23 rd December 2021 when late night shopping is available. Estimated that this will result in the region of £10,000 loss of income and additional costs.		
Relevant Portfolio Area:	Environment and Transport Portfolio Holder		
Decision Taken:	To provide the proposed free car parking.		
Key or Non-Key Decision:	No	Key Decision Reference:	
Portfolio Holder who made Decision:	Councillor Nigel Edward Christian		
Date Decision Made:	09 November 2021		
Reports and Background Papers considered:	N/A		
Reasons for Decision:	To support local businesses by encouraging visits to the City Centre when late night shopping is taking place. To be funded from the Car Parking budget.		
Summary of Options rejected:	Not to offer free car parking.		
Interests declared:	None		
Date published:	11 November 2021	Urgent decision not subject to call in:	No
Consent of Chairman/ Deputy Chairman of Council to Urgency:	No		
Deadline for call-in:	18 November 2021 @1700 hours		
Implementation date if not called in:	19 November 2021		

Notice of Decisions taken by an Individual Portfolio Holder

Relevant Scrutiny Panel:	Economic Growth Scrutiny Panel
Call-in notified to and date notified:	
Approved for implementation on:	

All public reports can be viewed in the Customer Contact Centre of the Civic Centre, Carlisle and on the Council's website www.carlisle.gov.uk.

Officer Decisions

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/

Decision Ref No	Title: Subject and Decision Taken:	Reports and Background Papers considered:	Date Decision Taken:	Decision Maker:
OD.100/21	<p>Release of S106 Funds to Capital Programme, 11062 12/0793 – The Ridings, Durdar.</p> <p>A sum of £445,713.74 was received from Story Homes on 24/01/2020 as part of a Section 106 (developer contribution) agreement for a residential development off Durdar Road, Carlisle.</p> <p>The agreement states that the funds were to be utilised at Hammonds Pond, Upperby and divided as below:</p> <p>Footpath improvements - £205,960.57</p> <p>CCTV and security improvements - £12,657.00</p> <p>Landscaping and drainage improvements - £52,508.01</p> <p>Recreation facilities improvements - £174,588.16</p> <p>The Healthy City Team intends to use these funds in a phased approach to deliver high quality, community driven improvements across Hammonds Pond to benefit both the residents of the existing local area and those of the new Ridings estate.</p> <p>Phase 2 of the project focusses on significant upgrades to the network of formal and informal footpaths within the park.</p> <p>A sum of £5000 was previously released to procure the services of consulting engineers for specialist design work on foot bridges and pond edge revetments, this has now been completed.</p> <p>The remaining funding of £200,960.57 now requires adding into the 2021/22 capital programme (90253/9021/11062) in readiness for purchase orders to be placed following the end of the tendering process</p>	None	26 October 2021	Deputy Chief Executive
OD.101/21	<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 2020/21 which is to be recovered in</p>	RD13/21 Business Rates Outturn 2020/21	29 October 2021	Corporate Director of Finance and Resources

	2021/22 as a charge to the General Fund. The Section 31 grant was set aside in an earmarked reserve in 2020/21 and is now required to be released to General Fund in 2021/22 to offset the deficit brought forward. The total deficit brought forward is £9,462,618 and the earmarked reserve balance is £9,463,000.			
OD.102/21	<p>Licensing Decisions taken between 1 October 2021 and 1 November 2021</p> <p>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 http://CMIS.carlisle.gov.uk/CMIS/CouncilDecisions/OfficerDecisions.aspx)</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.	01 November 2021	Licensing Manager
OD.103/21	<p>Hammond's Pond Wildlife Sculpture – Budget and Receipt of Funds</p> <ul style="list-style-type: none"> 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. It was decided that the donation should be spent at the same time as a large-scale infrastructure improvement project (funded by S106 monies) is carried out on 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. The initial purchase is to be a piece of public art and an exercise inviting expressions of interest from a range of North of England based sculptors was undertaken with a target budget of approximately £20 – 25,000 for the piece. Carlisle City Council agreed to carry out procurement and arrange for installation of the item on the site, with the Friends making a financial contribution to the Council to cover all expenses incurred. Quotations for the manufacture, delivery and installation of the sculpture have been received and total approximately £22,500. <p>A capital code will therefore be set up with a balance of £22,500 to allow purchase orders to be placed and a legal agreement has been 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.</p>	None	05 November 2021	Deputy Chief Executive

OD.104/21	<p>Hammond's Pond Wildlife Sculpture – Award of Contract</p> <ul style="list-style-type: none"> • 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 resident in mid-2020, with a request it be used to deliver improvements across the park. • It was decided that the donation should be spent at the same time as a large-scale infrastructure improvement project (funded by S106 monies) is carried out on the park by the Council and that the money should be used to deliver items/ 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. • The initial purchase is to be a piece of public art, and an exercise inviting expressions of interest and quotations from seven North of England-based sculptors was undertaken with a target budget of approximately £20 – 25,000 for the piece. Carlisle City Council agreed to carry out procurement and arrange for installation of the item on the site, with the Friends making a financial contribution to the Council to cover all expenses incurred. • Four responses were received, all complying with the outline budget, theme and materials specification. These were assessed by the Chair and Secretary of the Friends, shortlisting three preferred designs to take forward to the wider group for discussion and voting. • The preferred design was for two life size (2.4m wingspan) mute swans taking flight from the water, to be constructed in stainless steel by Clare Bigger Sculptures Ltd, Simonstone, Lancs. • This artist was therefore requested to formalise their quote for the attention of Carlisle City Council and this was received, with a total value of £20,000 + VAT, in October 2021. The artist also provided a standard contract for the commissioned artwork to be put into place. • Installation of the sculpture will be undertaken by Lawson's Haulage Ltd, Cockermouth, at an addition cost of approximately £2,500. • Following review and comment from the Council's Finance and Legal teams it is proposed to: 	None	05 November 2021	Deputy Chief Executive
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	<ul style="list-style-type: none"> ○ Produce a formal contract between the Council and the Friends of Hammond's Pond to agree full recompense for the works procured by the Council. ○ Agree to the formal contract between the Council and the artist as proposed by the artist. <p>Set up a capital code to allow purchase orders to be placed.</p>			
OD.99/21	<p>Dataspace Live Software (Submit a Plan)</p> <p>To record the release of funds totaling £9,505 + vat from the Building Control Reserve to pay for electronic software.</p>	None	13 October 2021	Corporate Director of Economic Development

JOINT MANAGEMENT TEAM

Item
A.6

MINUTES – 25th October 2021

Attendees	Leader; Deputy Leader; PH Communities, Health & Wellbeing; PH Economy, Enterprise & Housing; PH Environment & Transport; Chief Executive; Corporate Director of Governance & Regulatory Services; Corporate Director of Finance & Resources; Corporate Director of Economic Development; Neighbourhood Services Manager; Guest Presenter
Apologies	PH Culture, Heritage & Leisure; Deputy Chief Executive

Agenda Item 1 – Minutes of Meeting 27th September 2021	Action
Noted and agreed	
Agenda Item 2 – Interim Cumbria Joint Municipal Waste Management Strategy including: possible impact of the Government's Waste and Resources Strategy	
The Neighbourhood Services Manager and Guest Presenter delivered a Presentation to attendees and responded to questions raised	
Agenda Item 3 – Summary Budget Paper For Revenue And Capital	
The Corporate Director of Finance & Resources tabled a paper for discussion	

Agenda Item 4 – Local Government Reorganisation	
The Chief Executive updated attendees with information available at this time	
Agenda Item 5 - Updates on Borderlands; The Sands; Civic Centre; St Cuthbert's Garden Village; Central Plaza	
Members of SMT in attendance provided the Executive with their update on the current position regarding each area	
Agenda Item 6 – Future Items for Notice of Executive Key Decisions	
Noted and agreed	
Agenda Item 7 - JMT Forward Plan	
Noted and updated	

Carlisle City Council

Report to Executive

Item
A.7

Meeting Date: 22 November 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Revenue Budget Overview & Monitoring Report: April to September 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD 50/21

Purpose / Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 2021 for revenue schemes only and provides details of the impact of COVID-19 on the revenue budget. The report also includes details of balance sheet management issues, bad debts written off in the period and progress against the budget savings is also provided.

Recommendations:

The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2021;
- (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.

Tracking

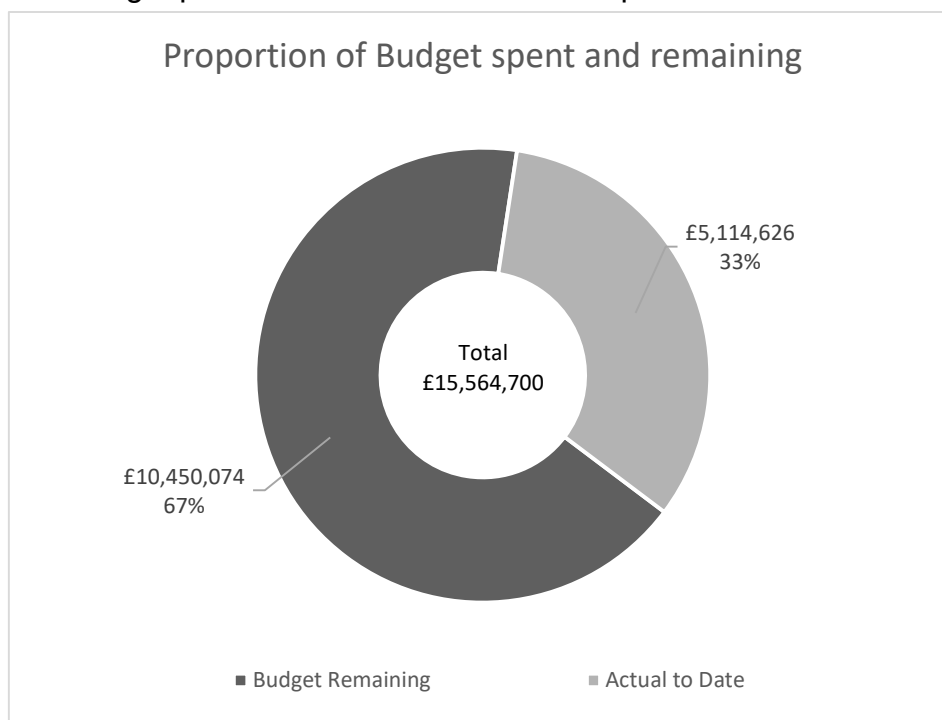
Executive:	22 November 2021
Scrutiny:	7 December 2021
Council:	n/a

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. 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. 2021/22 Revenue Budget Monitoring

- 2.1 The budget position of the Council as at September 2021 is as follows:



2.2 The summarised revenue budgetary position as at September 2021 is shown in the following table:

		Original Budget £	Net Updated £	Net Budget to Date £	Net Spend to Date £	Variance £
Community Services	B1	9,480,600	11,472,900	4,350,147	4,113,393	(236,754)
Corporate Support	B2	2,632,600	276,700	364,332	364,405	73
Economic Development	B3	974,700	2,116,900	869,020	679,455	(189,565)
Finance & Resources	B4	2,054,500	1,893,700	791,856	567,018	(224,838)
Governance & Regulatory Services	B5	1,305,800	2,330,700	942,246	793,978	(148,268)
Corporate Management	B6	(3,042,200)	(2,584,000)	(498,729)	(362,451)	136,278
Service Expenditure		13,406,000	15,506,900	6,818,872	6,155,798	(663,074)
Exceptional Items	B7	(25,000)	57,800	(466,904)	(1,041,172)	(574,268)
Service Expenditure		13,381,000	15,564,700	6,351,968	5,114,626	(1,237,342)
Parish Precepts		708,300	708,300	708,300	708,056	(244)
Total		14,089,300	16,273,000	7,060,268	5,822,682	(1,237,586)
Transfers to/(from) Reserves						
Cremator Replacement Reserve		0	41,000			
Revenue Grants Reserve		0	(380,300)			
General Fund Reserve		466,600	(1,346,700)			
Planning Services Reserve		0	18,900			
Economic Recovery Reserve		0	(50,000)			
Total Transfer to/(from) Reserves		466,600	(1,717,100)	217,682	1,803,471	1,585,789
Financed by:						
Precept from Collection Fund		(8,346,900)	(8,346,900)	(4,173,450)	(4,173,433)	17
Business Rate Retention		(6,209,000)	(6,209,000)	(3,104,500)	(3,452,720)	(348,220)
Total Grants		(14,555,900)	(14,555,900)	(7,277,950)	(7,626,153)	(348,203)
Total		(14,089,300)	(16,273,000)	(7,060,268)	(5,822,682)	1,237,586

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	180,574
Healthy Cities	B1	(104,745)	0
Recycling and Waste Management	B1	(249,056)	0
Building Control Income	B3	(55,787)	0
Development Control Income	B3	(100,564)	0
Loan Interest (incl. new borrowing)	B4	(188,962)	0
Building & Facilities	B5	(76,359)	0
The Lanes Income	B5	0	127,586
Asset Review Income	B5	(99,244)	0
Homeless Accommodation	B5	0	38,908
Profiled Budget Savings to Find	B6	0	211,904
Salary Turnover Savings	B6	(84,262)	0

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 due to Covid-19.
- A net underspend in Healthy Cities mainly due to savings at the Art Centre, Small Scale Community Projects and the GLL contract.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from garden waste, plastic and card recycling, sale of recyclates and Bring Sites.
- An increase in Building Control Income including Inspection Fee income, Building Notice fee income and Plan Deposit fee income
- An increase in Development Control fee income due to a significant application fee being received.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into as yet.
- A net underspend on Buildings and Facilities due to reduced costs for Building Cleaning, Civic Centre and Public Conveniences.
- Rental income losses from the Lanes to date. Projections for 2021/22 are being prepared and reviewed on a regular basis and the likely year end position will be reported more fully in a future monitoring report.
- Additional income generated from completed rent reviews.
- An underspend of £65,959 on expenditure on Homeless Accommodation and a shortfall in income of £104,868. 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.
- An overspend due to profiled budget savings to end of September for 2021/22 of £211,904. The annual position is reported more fully in paragraph 2.9.
- Additional salary turnover achieved against the budget to date.

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 2021/22 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 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 £
Flood Related	B7	0	(10,500)	0	0	0
Covid-19 Related Expenditure	B7	0	93,300	46,669	148,534	101,865
Covid-19 Government Funding	B7	0	(25,000)	(25,000)	(701,138)	(676,138)
Covid-19 Government Grants	B7	0	0	(484,289)	(484,342)	(53)
Covid-19 Specific Grants	B7	0	0	(4,284)	(4,226)	58
Total Exceptional Items		0	57,800	(466,904)	(1,041,172)	(574,268)

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

- A net underspend position on Council related expenditure as a result of Covid-19. However, the balance will be required to support other pressures/shortfalls in income (reported above) that are currently reported against individual service areas but are as a direct result of Covid-19 e.g. car parking income, and therefore will reduce the current reported underspend. The current Covid-19 position is as follows:

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	98,735	98,735
Reopening the High Street	29,740	0	29,740
Elections	18,353	0	18,353
Compliance and Enforcement	0	23,700	23,700
RBS New Burdens Expenditure	0	3,145	3,145
Rough Sleeping	14,297	0	14,297
Sales Fees & Charges Income Shortfalls	243,209	0	243,209
Sales Fees & Charges Reduction in Expenditure	(61,515)	0	(61,515)
Other Income Shortfalls	116,947	0	116,947
Commercial Income	128,543	0	128,543
Total Covid Pressures	489,574	125,580	615,154
Funding Received	0	(616,032)	(616,032)
Sales Fees and Charges Compensation accrued	0	(51,376)	(51,376)
Compliance and Enforcement Funding Applied	0	(23,700)	(23,700)
Test & Trace Funding Received	0	(33,729)	(33,729)
Reopening the High Street Funding Applied (to be claimed)	(29,740)	0	(29,740)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Surplus September 2021	451,838	(599,257)	(147,419)
Accommodation and Support Charges	0	46,653	46,653
Government Grants to Businesses & Individuals	0	(484,342)	(484,342)
Covid-19 Specific Grants	0	(4,226)	(4,226)
Revised Net Position on Covid-19	451,838	(1,041,172)	(589,334)

Note: Government grants to businesses and individuals are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government on completion of the schemes.

- 2.9 The following table shows the position as at September 2021 of savings achieved against the budget savings targets to date.

Savings Target	Target (£)	Achieved (£)	(Overachieved) /Outstanding (£)
Inflation savings	21,900	48,300	(26,400)
Energy Savings	20,000	0	20,000
To be found from 2021/22 onwards	500,000	0	500,000
Net Recurring position 2021/22	541,900	48,300	493,600
Found in 2021/22 on non-recurring basis	0	21,800	(21,800)
Total Non-Recurring position 2021/22	541,900	70,100	471,800

The recurring savings targets will need to be achieved in accordance with the three current strands contained within the approved Savings Strategy i.e. Asset Strategy;

Service Reviews; Core Budgets. £1.6million has been set aside in an earmarked reserve as part of the 2020/21 outturn which can be used on a non-recurring basis to fund any savings unachieved in year subject to approval to release funds by the Executive. However, the required savings as at the end of September 2021 (£211,904) can be accommodated from other underspends in the revenue budget.

3. Forecast Outturn Position 2021/22

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 Spending Review, 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 projected year end position will be reported more fully in a future monitoring report. 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 will be scrutinised fully and incorporated into the 2022/23 budget process where necessary.

3.4 Members should note that the impact of Covid-19 on the Council's revenue budget and the level of funding received to date makes forecasting the outturn position particularly difficult.

4. Impact of Covid

4.1 Emergency Funding

4.1.1. The MHCLG allocated emergency funding to local authorities to meet pressures across council services, as a result of reduced income, rising costs or increased demand. Monthly returns are submitted through DELTA to the MHCLG to report additional costs and loss of income. An assessment of the annual impact is very difficult to predict but as more data is collected each month, the position will become clearer and therefore the estimates of lost income and additional costs incurred may change.

- 4.1.2 Government funding was also received to distribute Covid-19 grants to businesses in the area and these have been distributed as quickly as possible. All grants paid are subject to a reconciliation process and any remaining balance of the grant income received will be required to be returned to Central Government.

4.2 Collection Fund

- 4.2.1 As a result of the 100% business rate relief provided to the retail, leisure and hospitality sector for the 1st quarter of 2021/22 and a 66% reduction from July 2021 to March 2022, the net business rates payable for 2021/22 has reduced by approximately £8.676million from £45.023million to £36.347million.
- 4.2.2 The Council will be recompensed during the year for the additional reliefs granted through a Section 31 grant so there will no cash flow or budget issues; however, the main risk relates to the receipt of the £36million payable from businesses and how these are affected by COVID-19 and economic recovery following lockdown. Collection rates are reported elsewhere on the agenda (RD49/21) and these will continue to be monitored to assess the financial impact on cash flow, bad debts and the potential for year-end deficits.

5. **Funding**

- 5.1 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 MHCLG announced a 3-year deficit recovery period for any arrears as at 31st March 2021.
- 5.2 Business Rates Income is largely prescribed by the amounts submitted to MHCLG 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.
- 5.3 The current estimates of Business Rates income for the quarter to the end of September compared to the initial estimates submitted in January are shown in **Appendix D**.

The figures show that based on 2021/22 NNDR1 (prepared in January 2021), the Council may receive an extra £348,220 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, the implications of Covid-19 and the amount of

reliefs granted during the year that are subject to Section 31 Grant reimbursement and an updated position will be reported later in the year. A 3-year deficit period is now permitted for any Collection Fund deficits as at 31 March 2021 in accordance with the funding package provided by MHCLG. There is likely to be a further deficit on the Business Rates Collection Fund in 2021/22 due to the continuation of business rate reliefs to retail, leisure and hospitality sectors for the first quarter of 2021/22 and reduced rates liabilities beyond that not being announced until after the NNDR1 estimates were submitted to MHCLG. Government is, however, compensating local authorities for this loss of income in the form of additional Section 31 grant and this will need to be set aside at the end of the year to match the deficit falling on general fund in 2022/23.

6. Balance Sheet Management

- 6.1 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 31/03/2021	Balance at Sep 2021	Note
Investments	£14.29m	£28.40m	(i)
Loans	£13.30m	£13.06m	(ii)
Debtors System	£1.38m	£1.24m	(iii)
Creditors System	£0.007m	£0.352m	

- (i) The anticipated annual return on these investments is estimated at £166,800 for 2021/22 with current forecasts anticipated to be in line with 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 2021/22 onwards), in terms of interest payable, is budgeted at £589,900 in 2021/22 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 September 2021 is currently 1.89%, well below the 5% limit.

7. Bad Debt Write-Offs

- 7.1 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 £29,434.77 have been written off during Quarter 2 to the end of September 2021. 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	1,103.84
Council Tax (Collection Fund)	24,903.73
NNDR	3,427.20
Total Write-offs	29,434.77

- 7.2 The “write-ons” itemised in Table 2 in **Appendix E**, totalling £3,948.22, are in respect of balances originally written off that have since been paid. The write-ons will be credited as follows:

	£
General Fund	29.85
Council Tax (Collection Fund)	3,799.99
NNDR	118.38
Total Write-ons	3,948.22

- 7.3 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.
- 7.4 The level of outstanding debt has increased during the pandemic and although a ‘soft’ debt recovery process was initially agreed whereby letters were issued asking debtors to contact the Council to discuss flexible repayment terms, and a signpost to the CTRS scheme for council tax payers, more formal debt recovery procedures are now in place in order to safeguard the Council's cash position.

8. Risks

- 8.1 The ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken.
- 8.2 The main risk to the Council is the overall cost of COVID-19 in terms of additional costs and shortfalls of income and how this compares to the level of emergency funded provided to date, and any future funding package. The economic recovery of

the city and surrounding areas is part of the Recovery Strategy and any financial impact will need to be closely monitored.

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 7 December 2021.

10. Conclusion and reasons for recommendations

10.1 The Executive is asked to:

- (i) Note the budgetary performance position of the Council to September 2021;
- (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.

11. Contribution to the Carlisle Plan Priorities

11.1 The Council's revenue budget is set in accordance with the priorities of the Carlisle Plan and the position for the second quarter of 2021/22 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 2021/22

VIREMENTS PROCESSED FOR PERIOD JULY TO SEPTEMBER 2021

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
23/07/2021 & 07/10/2021	Direct Revenue Financing to fund replacement of Waste Receptacles	Non-recurring	19,000	Neighbourhood Services Manager
09/08/2021 & 03/09/2021 & 11/10/2021	Release of funding from Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	(1,500)	Corporate Director of Finance and Resources
09/08/2021	Release of funding from Revenue Grant Reserve for Gas Safe	Non-recurring	100	Corporate Director of Finance and Resources
09/08/2021 & 03/09/2021 & 11/10/2021	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	34,800	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Electoral Registration	Non-recurring	5,100	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Warm Homes Fund	Non-recurring	4,000	Corporate Director of Finance and Resources
03/09/2021	Release of funding from Revenue Grant Reserve for Town's Deal	Non-recurring	1,300	Corporate Director of Finance and Resources
20/08/2021	Release of Economic Recovery Reserve for Restarting Communities Fund	Non-recurring	50,000	OD.86/21 Corporate Director of Economic Development
01/10/2021	Release of Planning Services Reserve to fund Improvements in Development Management	Non-recurring	56,100	OD.95/21 Chief Executive
24/09/2021	Direct Revenue Financing to fund Financials Upgrade	Non-recurring	68,500	OD.92/21 Corporate Director of Finance and Resources
24/09/2021	Provision of revenue budgets for costs associated with Financials Upgrade	Non-recurring	1,400	OD.92/21 Corporate Director of Finance and Resources
11/10/2021	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	600	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				
20/07/2021	Release of General Fund Reserves for Programme Management Office	Non-recurring	91,500	Council ED.22/21

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	20,932,200	(5,739,600)	(3,719,700)	11,472,900
Budget to date	9,389,820	(2,968,186)	(2,071,487)	4,350,147
Total Actual	9,109,176	(3,001,094)	(1,994,689)	4,113,393
Variance	(280,644)	(32,908)	76,798	(236,754)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(280,644)	(32,908)	76,798	(236,754)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Car Parking	1	(26,605)	199,855	56	173,305
Garage Services	2	(33,548)	6,012	70,872	43,336
Healthy Cities	3	(147,816)	43,072	0	(104,745)
Recycling and Waste Services	4	24,363	(268,641)	(4,778)	(249,056)
Miscellaneous	5	(97,037)	(13,206)	10,648	(99,595)
Total Variance to date		(280,644)	(32,908)	76,798	(236,754)

Note	Community Services - Comments
1.	Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income.
2.	Underspend on employee costs and supplies & services; shortfall in trading income (recharges).
3.	Main underspend relates to expenditure at the Art Centre; shortfall in income due to the venue being closed as a result of Covid-19 restrictions
4.	Underspend on transport costs, overspend on employee costs and savings not yet achieved. Surplus income from Plastic and Card recycling, Garden Waste, sale of recyclates and Bring Sites income.
5.	Minor underspends, increased income and reduced trading income (recharges) across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE SUPPORT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	3,769,300	(334,900)	(3,157,700)	276,700
Budget to date	2,213,251	(269,441)	(1,579,478)	364,332
Total Actual	2,173,346	(229,884)	(1,579,057)	364,405
Variance	(39,905)	39,557	421	73
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(39,905)	39,557	421	73

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Customer Contact Centre	1	(42,828)	39,721	169	(2,937)
Miscellaneous	2	2,923	(164)	252	3,010
Total Variance to date		(39,905)	39,557	421	73

Note	Corporate Support - Comments
1.	Underspends on employee related costs; offset by shortfall in income. The loss of income is been factored into the sales, fees & charges compensation claims to Government.
2.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	3,745,900	(1,121,600)	(507,400)	2,116,900
Budget to date	1,764,964	(642,141)	(253,803)	869,020
Total Actual	1,730,039	(796,849)	(253,735)	679,455
Variance	(34,925)	(154,708)	68	(189,565)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(34,925)	(154,708)	68	(189,565)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Regeneration	1	57,139	114	0	57,254
Development Control	2	(30,044)	(100,564)	0	(130,608)
Building Control	3	(21,260)	(55,787)	0	(77,047)
Miscellaneous	4	(40,760)	1,529	68	(39,163)
Total Variance to date		(34,925)	(154,708)	68	(189,565)

Note	Economic Development - Comments
1.	Overspend in relation to revenue costs of Paton House which is now being demolition; overspend on project related costs of which external funding is anticipated or has been received.
2.	Underspend on employee related costs, supplies and services & consultants fees; increased fee income received.
3.	Underspend on employee related costs; increased fee income received.
4.	Minor underspends and shortfalls in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	24,645,700	(19,759,500)	(2,992,500)	1,893,700
Budget to date	12,636,505	(9,944,809)	(1,899,840)	791,856
Total Actual	12,440,877	(9,974,389)	(1,899,470)	567,018
Variance	(195,628)	(29,580)	370	(224,838)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(195,628)	(29,580)	370	(224,838)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Treasury and Debt Management	1	(188,328)	(8,060)	0	(196,387)
Miscellaneous	2	(7,300)	(21,520)	370	(28,451)
Total Variance to date		(195,628)	(29,580)	370	(224,838)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet.
2.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	12,177,900	(6,074,200)	(3,773,000)	2,330,700
Budget to date	6,061,347	(3,231,893)	(1,887,208)	942,246
Total Actual	5,738,275	(3,076,564)	(1,867,733)	793,978
Variance	(323,072)	155,329	19,475	(148,268)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	(323,072)	155,329	19,475	(148,268)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Buildings & Facilities Services	1	(94,280)	(1,494)	19,415	(76,359)
The Lanes	2	7	127,586	0	127,593
Other Rental Properties	3	21,475	46,353	0	67,829
Asset Review Income	4	(99,244)	0	0	(99,244)
Homeless Accommodation	5	(65,959)	104,868	0	38,908
Regulatory Services	6	7,993	(57,865)	(349)	(50,221)
Miscellaneous	7	(93,064)	(64,119)	409	(156,774)
Total Variance to date		(323,072)	155,329	19,475	(148,268)

Note	Governance & Regulatory Services - Comments
1.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); additional rental income received; shortfall in trading income.
2.	Shortfall in rental income.
3.	Overspend on premises expenditure; shortfall in rental income including final adjustment for prior year head rent.
4.	Additional income generated from completed rent reviews.
5.	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.
6.	Various minor underspends; Additional licence income and agency fee income received.
7.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	(1,241,600)	(1,342,400)	0	(2,584,000)
Budget to date	172,553	(671,282)	0	(498,729)
Total Actual	307,948	(670,399)	0	(362,451)
Variance	135,395	883	0	136,278
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	135,395	883	0	136,278

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Other Financial Costs	1	131,515	883	0	132,398
Miscellaneous	2	3,880	0	0	3,880
Total Variance to date		135,395	883	0	136,278

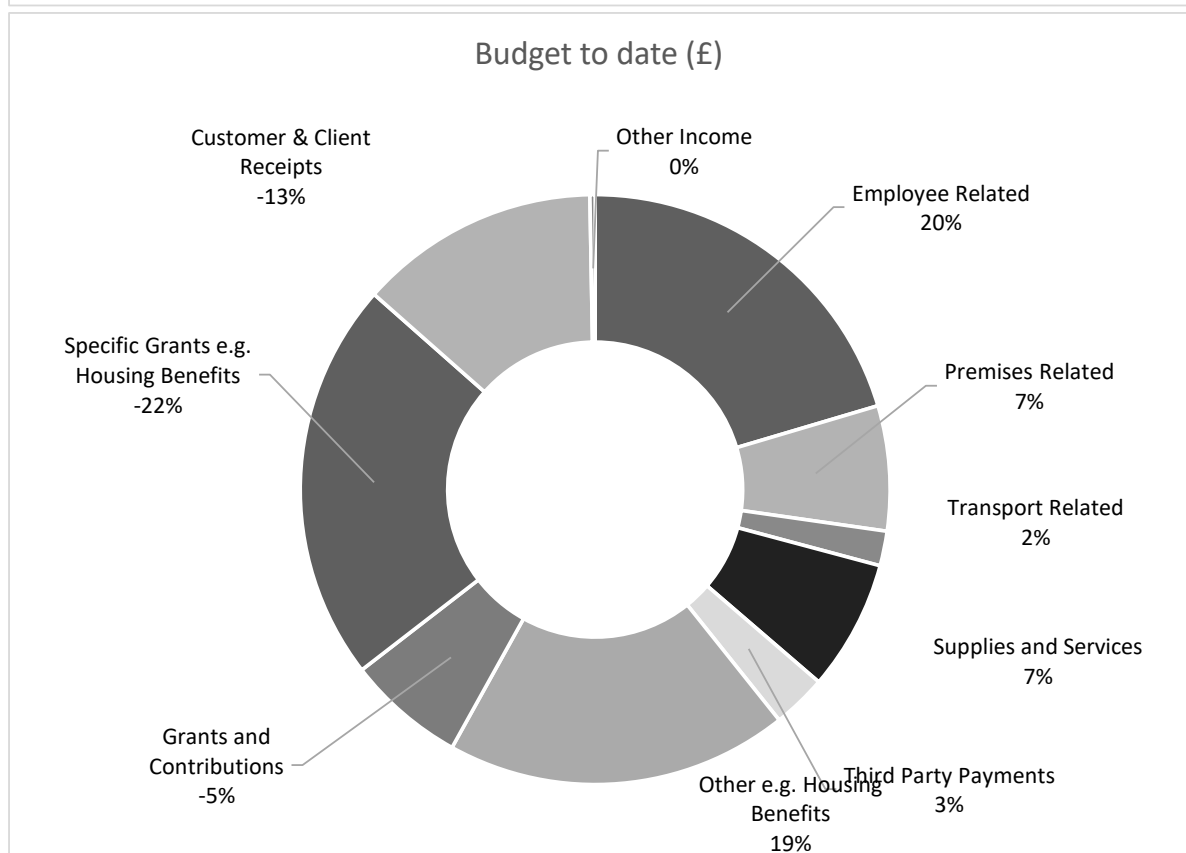
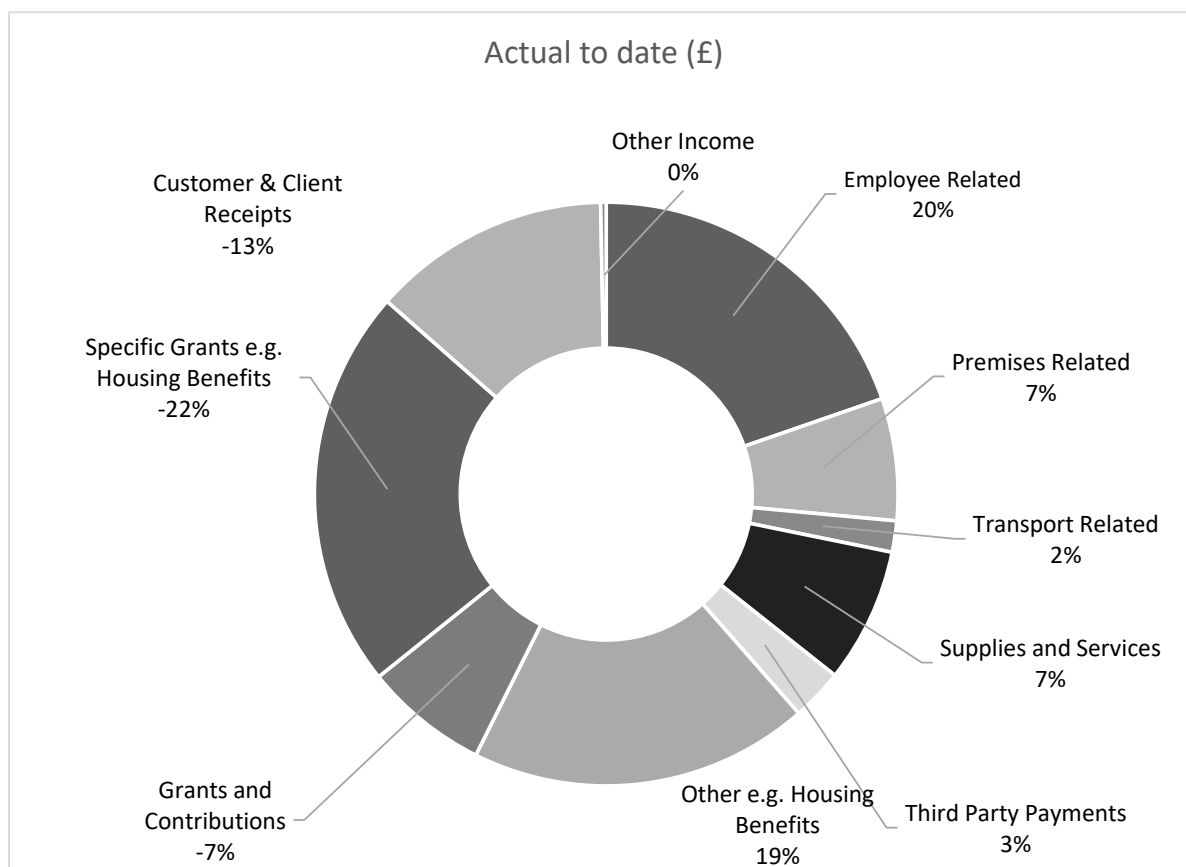
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£84,262) and shortfall in savings to be found (£211,904).
2.	Minor overspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Adjusted Total
Position as at 30 September 2021	£	£	£	£
Annual Budget	11,342,900	(11,285,100)	0	57,800
Budget to date	10,807,696	(11,274,600)	0	(466,904)
Total Actual	10,902,086	(11,943,258)	0	(1,041,172)
Variance	94,390	(668,658)	0	(574,268)
Carry Forwards/Reserves & Provisions				0
Adjusted Variance	94,390	(668,658)	0	(574,268)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Adjusted Variance
Service	Note	£	£	£	£
Covid-19 Related Expenditure & Grants	1	89,968	(664,236)	0	(574,268)
Flood Recovery	2	4,422	(4,422)	0	0
Total Variance to date		94,390	(668,658)	0	(574,268)

Note	Exceptional Items - Comments
1.	A net underspend position on Council related expenditure as a result of Covid-19. The balance will be required to support other pressures/shortfalls in income that are currently reported against individual service areas but are a direct result of Covid-19 e.g. car parking income
2.	Expenditure resulting from flooding caused by Storm Ciara funded by insurance settlement.

SUBJECTIVE ANALYSIS

BUSINESS RATES INCOME

	2020/21 Outturn	2021/22 NNDR1	2021/22 Q2
Local Share of Income (Per NNDR1)	(17,018,157)	(17,415,961)	(17,415,961)
Renewables (Per NNDR1)	(376,067)	(378,052)	(378,052)
Renewables Bfwd (NNDR3 Previous Year)	4,686	4,122	4,122
Enterprise Zone (Per NNDR1)	(469,480)	(307,797)	(307,797)
Tariff (Per Final Settlement)	12,568,846	12,568,847	12,548,847
Section 31 Grants (reimbursement of funded reliefs)		(1,798,403)	(1,667,248)
Section 31 Grants (Flooding)	(11,188,692)	0	0
Section 31 Grant Expanded Retail Discount, Nursery and Local Newspaper		0	0
Section 31 Grant B/Fwd (Earmarked Reserve)	0	(9,463,000)	(9,463,000)
Estimated Collection Fund Deficit/(Surplus) per NNDR1	216,038	9,265,582	9,265,582
Spreading of Deficit	0	197,036	197,036
Tax Income Guarantee Scheme Compensation	(22,487)	0	0
Levy Payable to Pool	1,256,125	1,439,547	1,359,251
Pool Redistribution	(712,221)	(600,000)	(700,000)
Total Income	(15,741,409)	(6,488,079)	(6,557,220)
Budget			
Baseline Funding	(3,335,200)	(3,335,200)	(3,335,200)
Business Rates Multiplier Grant	(133,700)	(173,800)	(173,800)
Additional Rates Income - Pooling/Growth	(2,400,000)	(2,700,000)	(2,700,000)
Total Budget	(5,868,900)	(6,209,000)	(6,209,000)
Additional Income retained	(9,872,509)	(279,079)	(348,220)

BAD DEBT PROVISION

TABLE 1		Write-Offs September 2021		
Type of Debt	No.	£	Comments	
NNDR (General)	1	3,427.20	01/07/21 to 30/09/21	
Council Tax	33	24,903.73	01/07/21 to 30/09/21	
Debtors:				
Private Tenants	0	0.00	01/07/21 to 30/09/21	
Housing Benefit Overpayments	0	0.00	01/07/21 to 30/09/21	
General Fund	12	771.84	01/07/21 to 30/09/21	
Penalty Charge Notices:				
On Street	0	0.00	01/07/21 to 30/09/21	
Off Street	4	332.00	01/07/21 to 30/09/21	
TOTAL	50	29,434.77		
TABLE 2		Write-Ons September 2021		
Type of Debt		£	Comments	
NNDR (General)	4	118.38	01/07/21 to 30/09/21	
Council Tax	22	3,799.99	01/07/21 to 30/09/21	
Debtors:				
Private Tenants	0	0.00	01/07/21 to 30/09/21	
Housing Benefit Overpayments	11	28.73	01/07/21 to 30/09/21	
General Fund	2	1.12	01/07/21 to 30/09/21	
TOTAL	39	3,948.22		

Carlisle City Council

Report to Executive

Item
A.8

Meeting Date: 22 November 2021
Portfolio: Finance, Governance and Resources
Key Decision: No
Policy and Budget Framework: Yes
Public / Private: Public

Title: Capital Budget Overview & Monitoring Report: April to September 2021
Report of: Corporate Director of Finance and Resources
Report Number: RD51/21

Purpose / Summary:

This report provides an overview of the Council's overall budgetary position for the period April to September 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 September 2021;
- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Approve the reduction to the 2021/22 capital programme as detailed in paragraph 3.3 and paragraph 3.10.

Tracking

Executive:	22 November 2021
Scrutiny:	7 December 2021
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 2021/22:

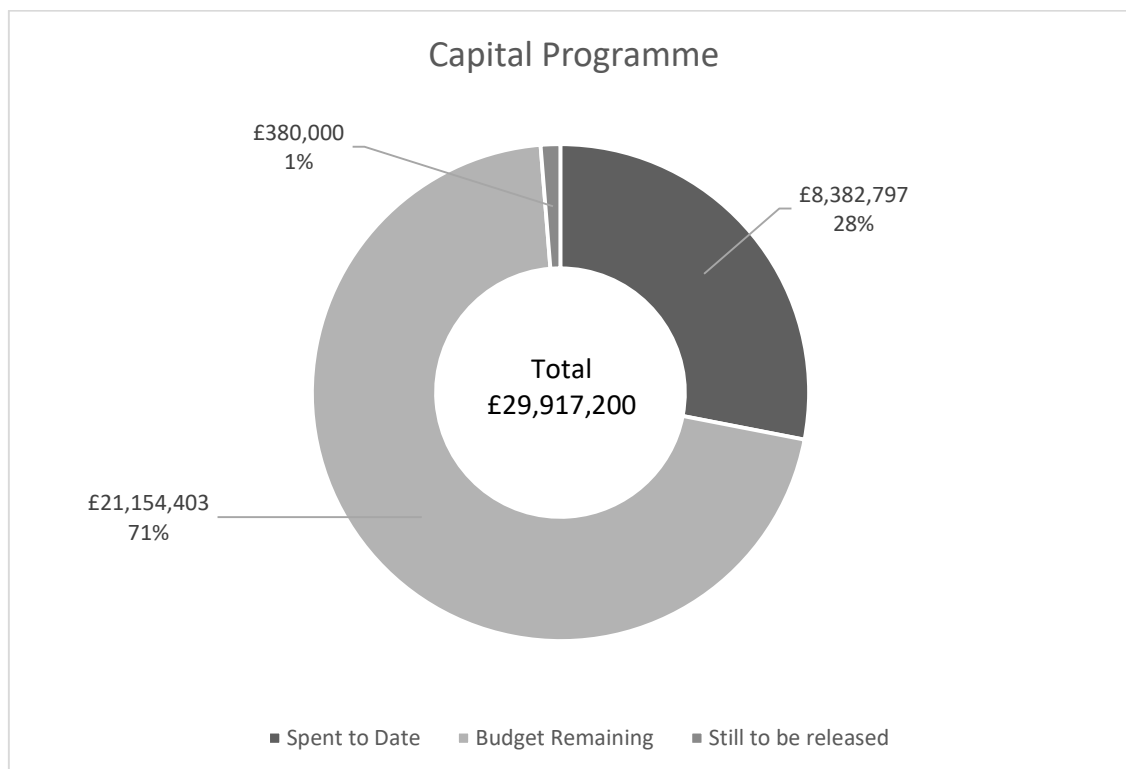
2021/22 Capital Budget	£
2021/22 Capital Programme (RD16/21 Council 20/07/21)	28,057,900
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	5,000
Revenue Contribution towards Bitts Park Towns Deal	30,000
Increase for grant funding towards Litter Bininfrastructure project	24,300
Future High Street Fund (ED22/21 Council 20/07/21)	1,436,000
Revenue Contribution towards the purchase of Waste Receptacles	19,000
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	1,900
Revenue Contribution towards Civic centre Reinstatement	2,000
Financials Upgrade (OD92/21)	80,900
Revised 2021/22 Capital Programme (at Sep 2021)	31,812,000
Less reduction in Capital programme by Executive (see para 3.3)	(394,800)
Removal of Reserves to be released by Executive (see para 3.10)	(1,500,000)
Revised 2021/22 Capital Programme	29,917,200
Less Capital Reserves to be released by Executive (see para 3.10)	(380,000)
Revised 2021/22 Capital Programme (released)	29,537,200

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 September 2021 can be summarised as follows:

Directorate	Revised Annual Budget £	Budget to Date £	Spend to date £	Variance to date £	Para. Ref.
Community Services	20,046,900	6,850,325	6,895,400	45,075	3.3
Corporate Support	315,600	126,958	126,942	(16)	3.4
Economic Development	4,064,000	213,185	213,227	42	3.5
Finance and Resources	80,900	12,400	12,444	44	3.6
Governance & Regulatory Services	5,019,300	1,578,738	1,129,994	(448,744)	3.7
Exceptional Items	10,500	10,500	4,790	(5,710)	3.8
Total	29,537,200	8,792,106	8,382,797	(409,309)	
Reserves to be released	380,000	0	0	0	3.10
Total	29,917,200	8,792,106	8,382,797	(409,309)	



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 September, expenditure of £8,382,797 has been incurred on the Council's core capital programme. When considered against the profiled budget of £8,792,106 this equates to an underspend of £409,309.
- 3.3 The variance in Community Services relates to an overspend of £38,278 on Bitts Park Improvements. Additional funding sources are being resourced.

Executive are asked to approve the reduction of £394,800 to the 2021/22 capital programme to realign the Vehicle Plant and Equipment budget with the updated Replacement Plan.

- 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 an underspend of £429,357 on Disabled Facilities Grants. Spend in the first half of 2021/22 was £877,799 which is considerably higher than the expenditure in the first half of 2020/21 (£730,583). The position is being closely monitored.
- 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 £29,537,200 is £21,154,403. A review of the 2021/22 capital programme will be undertaken to identify accurate project profiles for the remainder of the financial year and any potential slippage into future years.
- 3.10 A number 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 £	Note
Cemetery Infrastructure	30,000	
Crematorium Infrastructure	350,000	
Tullie House Levelling Up Fund	1,500,000	1
Total	1,880,000	

Notes:

1. The Government has recently announced that the Council's submission for levelling up funding was not successful as part of the first round of the bidding process; therefore, this allocation of £1.5million, which was the Council's 10% match funding, will be released back into capital resources i.e. reduce the Council's borrowing requirement.

Executive are asked to approve the reduction of £1,500,000 to the 2021/22 capital programme to remove this project from the programme.

4. Financing

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

	Annual Budget £	Revised Annual Budget £	Current Programme £
Total Programme to be financed (para 2.1)	31,812,000	29,917,200	29,537,200
Financed by:			
Capital Receipts / Borrowing	1,491,000	0	0
Receipts Used to fund resources	(112,000)	(112,000)	(112,000)
Borrowing Requirement (in year)	21,439,700	21,035,900	21,005,900
Capital Grants			
• Disabled Facilities Grant	2,155,600	2,155,600	2,155,600
• Future High Street Fund	1,436,000	1,436,000	1,436,000
• General	2,349,900	2,349,900	2,349,900
Direct Revenue Financing	2,232,100	2,232,100	1,882,100
Other Contributions	819,700	819,700	819,700
Total Financing	31,812,000	29,917,200	29,537,200

5. Capital Resources

5.1 The following table shows the position as at September 2021 of 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	(1,491,000)	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
Capital Grants					3
· Disabled Facilities Grant	(2,155,600)	(2,155,600)	(2,155,574)	26	
· Future High Street Fund	(1,436,000)	(1,436,000)	(1,164,790)	271,210	
· Sands Centre	(134,000)	(134,000)	0	134,000	
· On Street Charging	(102,800)	(102,800)	(2,292)	100,508	
· Towns Deal	0	0	(985,000)	(985,000)	
· General	(124,300)	(124,300)	(24,336)	99,964	
Capital Contributions					4
· Section 106	(787,700)	(787,700)	(150,376)	637,324	
· Disabled Facilities Grants	0	0	(17,571)	(17,571)	
· General	(32,000)	(32,000)	(34,500)	(2,500)	
Total	(6,151,400)	(4,660,400)	(4,578,509)	81,891	

Notes:

1. The asset review receipts have been revised downwards and reprofiled into future years in line with the current Asset Disposal Plan receipts which are considered as part of the budget reports elsewhere on this agenda (RD47/21).
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.
4. Contributions from Section 106 agreements to Play Area/Open Space Improvements (£164,700), 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 September 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 September 2021 totalled £260,152 (£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, noting that the Levelling Up bid was not successful.

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 7 December 2021.

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 September 2021;
- (ii) Note the adjustments to the 2021/22 capital programme as detailed in paragraph 2.1;
- (iii) Approve the reduction to the 2021/22 capital programme as detailed in paragraph 3.3 and paragraph 3.10.

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 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.

Scheme	Original Capital Programme 2021/22 £	Carry Forwards from 2020/21 £	Carry Forwards from 2020/21 £	Other Adjustments £	Proposed Savings £	Revised Capital Programme 2021/22 £
<u>Current non-recurring commitments</u>						
Sands Centre Redevelopment	15,236,700	700,000	985,900	0	0	16,922,600
Civic Centre Development	1,020,600	1,150,000	(89,000)	2,000	0	2,083,600
Energy Monitoring System	12,000	0	0	0	0	12,000
<i>Savings to Fund Civic Centre</i>	<i>(200,000)</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>0</i>	<i>0</i>
Future High Street Fund - Market Square	100,000	0	0	357,300	0	457,300
Future High Street Fund - 6-24 Castle Street	0	0	0	170,300	0	170,300
Future High Street Fund - Central Plaza	0	0	0	712,400	0	712,400
Future High Street Fund - Devonshire Street	0	0	0	73,600	0	73,600
Future High Street Fund - Delivery Costs	0	0	0	122,400	0	122,400
Cemetery Infrastructure	0	5,700	0	0	0	5,700
Skew Bridge Deck	0	68,500	(1,500)	0	0	67,000
Towns Deal - Bitts Park Improvements	0	125,000	(25,800)	30,000	0	129,200
Planning Software	0	150,000	0	0	0	150,000
Play Area Improvements	0	36,500	0	158,200	0	194,700
Carlisle Citadels	0	0	32,200	902,500	0	934,700
Towns Deal - Caldew Riverside	0	0	842,500	0	0	842,500
On Street Charging Points Infrastructure	0	0	102,800	0	0	102,800
Gateway 44	0	0	896,200	0	0	896,200
LED Footway Lighting Installation	0	0	29,700	0	0	29,700
Rough Sleeping Initiative	0	0	10,000	0	0	10,000
Swifts Wildlife Haven	0	0	0	70,000	0	70,000
IC All Risks - Bitts Park Water Feature	0	0	0	10,500	0	10,500
Bitts Park Public Realm	0	0	0	32,000	0	32,000
Financials Upgrade	0	0	0	80,900	0	80,900
Footway Lighting Melbourne Park	0	0	0	22,200	0	22,200
Affordable Homes	0	0	0	600,800	0	600,800
	16,169,300	2,235,700	2,783,000	3,545,100	0	24,733,100
<u>Recurring commitments</u>						
Planned Enhancements to Council Property	250,000	145,800	63,000	0	0	458,800
Vehicles, Plant & Equipment	255,000	0	781,600	(200,000)	(394,800)	441,800
Recycling Containers	45,000	0	0	43,300	0	88,300
ICT Infrastructure	101,300	150,000	62,400	1,900	0	315,600
	651,300	295,800	907,000	(154,800)	(394,800)	1,304,500
<u>Disabled Facilities Grants</u>						
Private Sector Grants	1,899,800	500,000	731,600	255,800	0	3,387,200
Empty Property Grants	0	0	3,000	109,400	0	112,400
	1,899,800	500,000	734,600	365,200	0	3,499,600
TOTAL	18,720,400	3,031,500	4,424,600	3,755,500	(394,800)	29,537,200
<u>Capital Reserves to be released</u>						
Crematorium Infrastructure	350,000	0	0	0	0	350,000
Cemetery Infrastructure	0	0	30,000	0	0	30,000
Tullie House Levelling Up Fund	0	0	0	1,500,000	(1,500,000)	0
	350,000	0	30,000	1,500,000	(1,500,000)	380,000
REVISED TOTAL	19,070,400	3,031,500	4,454,600	5,255,500	(1,894,800)	29,917,200

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Vehicles & Plant	441,800	68,099	75,074	6,975	Replacement of vehicles will be contained within overall annual budget.
Cemetery Infrastructure	5,700	0	0	0	For further improvements to Fairy Beck due to be carried out in 2021/22.
Civic Centre Development	2,083,600	1,472,692	1,472,697	5	Project progressing as planned.
Play Area Developments	194,700	164,592	164,587	(5)	Projects progressing as planned.
Towns Deal - Bitts Park Improvements	129,200	126,953	165,231	38,278	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020.
Skew Bridge Deck	67,000	3,357	3,355	(2)	Budget earmarked towards this scheme as part of the 2020/21 budget process. Released by Executive 13/01/2021.
Swifts Wildlife Haven	70,000	17,325	17,329	4	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	0	0	0	Externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,922,600	4,937,507	4,937,639	132	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and is currently on schedule.
Recycling Containers	88,300	59,800	59,488	(312)	Purchase of waste receptacles.
Energy Monitoring System	12,000	0	0	0	To provide an Energy Management System to be installed to monitor energy usage across Council owned property.
Grand Total	20,046,900	6,850,325	6,895,400	45,075	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
ICT Infrastructure	315,600	126,958	126,942	(16)	Part of ICT Strategy Business Case.
Grand Total	315,600	126,958	126,942	(16)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Carlisle Citadels	934,700	88,359	88,351	(8)	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	115,278	115,278	0	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	170,300	0	0	0	Increase to capital programme approved by Council (ED22/21 20/07/21)
Future High Street Fund - Central Plaza	712,400	9,548	9,598	50	
Future High Street Fund - Market Square	457,300	0	0	0	
Future High Street Fund - Devonshire Street	73,600	0	0	0	
Future High Street Fund - Delivery Costs	122,400	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)
Grand Total	4,064,000	213,185	213,227	42	

FINANCE AND RESOURCES

Scheme	Annual Budget £	Adjustments £	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
Financials Upgrade	0	80,900	80,900	12,400	12,444	44	Increase to capital programme to cover necessary improvements to the Financials System, fully funded from existing budgets.
Grand Total	0	80,900	80,900	12,400	12,444	44	

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	458,800	131,144	131,639	495	Individual projects progressing as planned.
Rough Sleeping Initiative	10,000	0	0	0	Capital grant received from MHCLG for the development of the Rough Sleeping Initiative.
Gateway 44	896,200	39,164	39,189	25	Development and Improvement costs associated with the Junction 44 retail development.
Disabled Facilities Grants	3,387,200	1,307,156	877,799	(429,357)	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	28,100	8,220	(19,880)	Discretionary grants to assist getting empty properties back into use.
On Street Charging Infrastructure	102,800	30,449	30,445	(4)	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	20,525	20,527	2	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	22,200	22,175	(25)	Use of S106 funds for Footway Lighting Improvements in Melbourne Park (OD73/21)
Grand Total	5,019,300	1,578,738	1,129,994	(448,744)	

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Budget to date £	Expenditure to date £	Variance to date £	Details of major variance
IC Buildings Flood Capital	10,500	10,500	4,790	(5,710)	Budget carried forward in relation to approved expenditure on the reinstatement of Bitts Park.
Grand Total	10,500	10,500	4,790	(5,710)	

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	Reasonably Probable	High	Improved capital programme monitoring through PRINCE 2 and monthly financial monitoring. Corrective action to be put in place where necessary. Increased costs as a result of COVID-19 may impact on
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.

