

Meeting Date: 16th July 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD09/13
Within Policy and
Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED
CAPITAL PROGRAMME 2013/14
Report of: DIRECTOR OF RESOURCES
Report Number: RD 11/13

Purpose / Summary:

This report provides details of the 2012/13 provisional outturn for the Council's Capital Programme and provides details of the revised Capital programme for 2013/14. The report was considered by the Executive on 31st May, by the Resources Overview and Scrutiny Panel (ROSP) on 6th June and to be considered by the Audit Committee on 22nd July 2013.

Recommendations:

Council is asked to:

- (i) approve the carry forward requests totalling £1,822,500 (£1,822,500 to be met in 2013/14) as set out in the report;
- (ii) approve the requests to carry forward £6,200 for new items of expenditure to be met in 2013/14;
- (iii) approve the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by Executive when revenue generating opportunities for land and property acquisitions become available;
- (iv) approve the revised Capital Programme for 2013/14 onwards should the carry forwards and Asset Management Plan budget revisions be approved.

Tracking

| | |
|------------------------|---------------------|
| Executive: | 31 May 2013 |
| Overview and Scrutiny: | 6 June 2013 |
| Council: | 16 July 2013 |
| Audit Committee: | 22 July 2013 |

Meeting Date: 31st May 2013
Portfolio: Finance, Governance and Resources
Key Decision: Yes: Recorded in the Notice Ref:KD09/13
Within Policy and
Budget Framework YES
Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED
CAPITAL PROGRAMME 2013/14
Report of: DIRECTOR OF RESOURCES
Report Number: RD 11/13

Purpose / Summary:

This report summarises the 2012/13 provisional out-turn for the capital budget and provides details of the revised capital programme for 2013/14. The out-turn shows that the net underspend for Council Services as at 31 March 2013 once committed expenditure totalling £1,822,500 is taken into account is £1,596,953. Requests for carry forwards for new items of expenditure totalling £6,200 have been made, and also the removal of the Asset Management Plan expenditure budgets of £1,546,800 from the capital programme, which results in a net underspend to £43,953.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The Statement of Accounts for 2012/13 will be presented to the Audit Committee on 22 July, followed by a three-month audit process.

Recommendations:

The Executive is asked to:

- (i) Note that subject to all recommendations below being approved, the net underspend will be £43,953.
- (ii) Note the net underspend as at 31 March 2013 of £1,596,953 **includes** committed expenditure to be met totalling £1,822,500 in 2013/14, which have been approved under delegated powers by the Director of Resources;
- (iii) Make recommendations to Council on 16 July on the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;
- (iv) Make recommendations to Council on 16 July on the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13,

£6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions become available.

- (v) Note the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Consider the revised programme for 2013/14 together with the proposed methods of financing, as detailed at para 5.2 and Appendix B, for recommendation to Council on 16 July;

Tracking

| | |
|------------------------|---------------------|
| Executive: | 31 May 2013 |
| Overview and Scrutiny: | 6 June 2013 |
| Council: | 16 July 2013 |

1. BACKGROUND

1.1 This report sets out the summarised financial out-turn for the Council's Capital Programme as follows:

- (i) the out-turn for individual schemes for 2012/13, summarised in **Appendix A**
- (ii) the revised programme for 2013/14, and the provisional programme for 2014/15 to 2017/18, summarised in **Appendix B**.

1.2 The report sets out the financial implications arising from the out-turn including the impact on capital resources for 2013/14. Members should note that the information contained in this report is provisional and subject to the formal audit process. Any significant changes required following the approval of the 2012/13 accounts will, if required, be reported to a future Executive meeting.

1.3 Please note that throughout this report the use of brackets indicates a favourable variance i.e. either an underspend or additional income received.

2. SUMMARY CAPITAL OUTTURN 2012/13

2.1 The original capital programme of £10,940,500 for 2012/13 was approved in February 2012. Since then, a review of the capital programme has been undertaken and the capital funding has been revised. In accordance with proper accounting practices it has been necessary to gross up the expenditure budgets to properly reflect the total cost of the schemes including those fully funded from external grant/contributions.

The revised programme for 2012/13 of £7,979,200 is a result of the following funding streams:

| | £ |
|---|------------------|
| Original 2012/13 Programme (approved February 2012) | 10,940,500 |
| Agreed Carry Forwards from 2011/12 (RD10/12 Council 17/07/12) | 1,692,800 |
| Agreed Carry forwards into 2013/14 (RD46/12) | (3,000,000) |
| Agreed Savings from 2012/13 Programme (RD46/12) | (2,080,300) |
| Additional Funding: Castle Way Cycle Ramp (RD01/12 Exec 05/04/12) | 370,000 |
| Additional Funding: Public Realm (RD34/12 Exec 03/09/12) | 40,000 |
| Reduced funding for Old Town Hall (ED30/12 Council 13/11/12) | (89,800) |
| Removal of funding from other projects to fund Old Town Hall (ED30/12 Council 13/11/12) | (85,600) |
| Use of Conservation Fund (ED29/11 Exec 30/08/11) | 8,900 |
| External contributions/grants | 6,400 |
| Schemes funded by Revenue budgets | 176,300 |
| Revised 2012/13 Capital Programme | 7,979,200 |

2.2 The provisional out-turn position for the 2012/13 capital programme is shown below:

| Directorate | Revised Annual Budget | Total Expenditure | Carry Forwards (Committed) | Variance | New Items | Return to Reserves | Final Variance |
|----------------------|-----------------------|-------------------|----------------------------|--------------------|--------------|--------------------|-----------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Resources | 3,615,700 | 1,527,740 | 463,400 | (1,624,560) | 0 | 1,546,800 | (77,760) |
| Community Engagement | 2,758,700 | 2,151,252 | 610,700 | 3,252 | 0 | 0 | 3,252 |
| Local Environment | 1,099,700 | 674,180 | 449,900 | 24,380 | 6,200 | 0 | 30,580 |
| Economic Development | 505,100 | 206,575 | 298,500 | (25) | 0 | 0 | (25) |
| Total | 7,979,200 | 4,559,747 | 1,822,500 | (1,596,953) | 6,200 | 1,546,800 | (43,953) |

2.3 The position for 2012/13 after committed carry forwards have been taken into account is an underspend of £1,596,953.

2.4 The remaining budget provided in 2012/13 for land and property acquisitions that will generate increased revenue income within the Asset Management Plan (£1,546,800) is requested to be returned to reserves to be released by the Executive when such acquisitions become available. A summary of the receipts and expenditure within the Asset Management Plan is shown below:

| | 2011/12 £ | 2012/13 £ |
|---|--------------------|--------------------|
| Opening Balance | 0 | (1,885,884) |
| Funds provided from Asset Management Reserve | (1,000,000) | 0 |
| Capital Receipts Generated | (1,348,400) | (4,111,210) |
| Expenditure incurred | 445,295 | 162,704 |
| Costs of Disposal funded from capital receipts | 17,221 | 62,994 |
| Receipts replenished from Invest to Save scheme | 0 | (18,069) |
| Balance of funds held in reserve for Asset Management Plan expenditure | (1,885,884) | (5,789,465) |

2.5 Additional budget for new and continuing schemes is requested for 2013/14 to be funded from the remaining budget in 2012/13. These are detailed below:

| Scheme | Variance (£) | Comments |
|--------------|-----------------|---|
| Play Areas | 6,200 | To fund additional equipment and furniture at St James Park and Richmond Green play areas included within the 2012/13 capital programme (carried forward from 2011/12). |
| Total | 6,200 | |

2.6 Currently included in the Revenue Outturn is £238,300 of Highways Claimed Rights Expenditure and £238,300 Highways Claimed Rights income that relates to capital schemes. In accordance with Capital Finance Regulations, this expenditure and income should be included in the Council's Capital Programme for Statement of Account purposes. There will be no impact on the overall bottom line in the Revenue and Capital Outturn as the expenditure is fully funded, however, this needs to be reflected correctly in the accounts. This is not currently reflected in the figures presented in this report and the amounts are reported in RD12/13 considered elsewhere on the agenda.

2.7 The main overspends after carry forwards are summarised below:

- Crematorium Extension (£21,844 overspend) in relation to cabling and IT works in excess of the building works originally budgeted for.
- Castle Street Public Realm Improvements (£21,770 overspend) in relation to construction work and traffic management. Included in the overspend is a request to carry forward £10,000 to complete the traffic management work now that the traffic orders have been granted.

2.8 Some schemes resulted in underspends (after carry forward requests) in the year and the main ones are summarised below:

- ICT Shared Service (£76,092 underspend). Remaining budget for Enterprise Licences is no longer required as alternative in house arrangements have been made.
- Talkin Tarn (£9,249 underspend). The cost of improvements to the car park were less than originally anticipated.

2.9 Otherwise schemes are progressing within budget, although some schemes have not been completed to the original timescales which has resulted in the request for carry forwards.

2.10 Further details for each directorate are included in **Appendices A1-A4**.

3. CARRY FORWARD REQUESTS

3.1 In accordance with the Council's Constitution, any net underspending/savings on service estimates under the control of the Director may be carried forward. This is to facilitate the achievement of more strategic five year budgeting which requires greater flexibility of budgets between years as set out in the Medium Term Financial Plan. Approval of carry forwards is subject to the following as contained in the Council's Constitution:

- *the authorisation of the Director of Resources where the request relates to a specific committed item of expenditure where, due to external or other factors, the Director has been unable to spend the approved budget by 31 March. The use of the resource will be restricted to the purpose for which the estimate was originally intended. The carry forward will only be approved by the Director of Resources if the expenditure is within both the Directorate's and the Authority's budget as approved for that year. Any carry forward which would result in an over-spend for the Authority will require authorisation by the Council.*
- *any overspending on service estimates in total on budgets under the control of the Director must be carried forward to the following year, and will constitute the first call on service budgets in the following year, unless the Council determines otherwise by way of a supplementary estimate. The Director of Resources will report the extent of overspending carried forward to the Executive, Resources Overview and Scrutiny Panel and to the Council.*

The delegated power applies only in so far as the carry forwards do not take the Council into an overspend position.

3.2 Carry forwards at the end of the year have been analysed to assess the year of potential expenditure to enable better profiling of budgets for future years. Of the

committed carry forwards shown in paragraph 2.2, it is estimated that the full £1,822,500 (net) will be spent in 2013/14.

- 3.3 The carry forwards in relation to new items of expenditure (£6,200) as detailed in para 2.5 are estimated to be spent in 2013/14.

4. FINANCING OF CAPITAL PROGRAMME 2012/13

- 4.1 Utilisation of resources to fund the 2012/13 Capital Programme in light of the out-turn is provisionally estimated as follows:

| | Revised Budget £ | Provisional Out-turn £ |
|---|---------------------|---------------------------|
| Capital Programme expenditure in year | 7,979,200 | 4,559,747 |
| Financed by: | | |
| Capital Receipts (including PRTB receipts) (note 1) | 5,067,300 | 2,554,285 |
| Capital Grants | | |
| • Disabled Facilities Grant | 663,000 | 663,000 |
| • General | 79,600 | 28,494 |
| Reserves & Balances (note 2) | | |
| • Earmarked Reserves | 1,026,900 | 606,637 |
| • Direct Revenue Financing | 666,200 | 617,909 |
| Contributions from other bodies incl S106 (note 3) | 476,200 | 89,422 |
| Total Financing | 7,979,200 | 4,559,747 |

Notes:

- Usable capital receipts carried forward from 2011/12 and those generated during the year amount to £9,296,053 compared to the revised estimate figure of £9,179,061, a decrease of £116,992. This is due to there being no general asset sales in year. Of the total sum available, £2,554,285 has been used to fund the Capital Programme in 2012/13, with the balance (£6,741,768) being carried forward to 2013/14 and held within the Capital Adjustment Account in order to reduce the Council's MRP liability as per the Treasury Management budget agreed in February 2013. In accordance with revised Capital Finance Regulations, costs associated with asset disposal totalling £62,994 that are included in the revenue outturn, can be funded from the capital receipt generated. This will result in a decrease to the capital receipts balance reported above at 31st March 2013.
- The use of capital receipts has been optimised in order to fund 2012/13 capital expenditure. Direct revenue funding, S106 receipts and earmarked reserves and provisions specifically set up to fund capital expenditure have also been used to fund capital expenditure in 2012/13. Capital receipts are

the last source of funding applied to finance the capital programme, external funding is always applied first. The use of the Asset Management Reserve was lower than expected in 2012/13 due to slippage on Asset Management Plan expenditure into future years. Internal borrowing in 2012/13 was not required. The implementation of PCIDSS and slippage on the Old Town Hall means £39,100 direct revenue funding for the schemes has also slipped into 2013/14.

3. The use of Section 106 receipts towards Castle Way Cycle Ramp and Public Realm (S106) was less than budgeted. £386,800 has been carried forward into 2013/14 to allow the schemes to complete.

5. FIVE YEAR CAPITAL PROGRAMME

- 5.1 A five-year Capital Programme for 2013/14 to 2017/18 is detailed in **Appendices B1-B2**.
- 5.2 The programme for **2013/14** totalling £4,760,200 is based upon the programme as agreed by Council in February 2013 of £9,280,000, the commitments brought forward from 2012/13 as identified above of £1,822,500, additional budget of £6,200 for continuing/new schemes subject to approval by Council as detailed above in paragraph 2.5, less budget provided of £76,000 in ICT Shared Service for Enterprise Licences, and less land and property acquisitions within the Asset Management Plan to be held in reserves until suitable revenue generating acquisitions become available (£6,272,500).
- 5.3 The 2013/14 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme. The main challenge for future years is the vehicle replacement programme (currently planned to be funded by internal borrowing).
- 5.4 It is suggested that the revised programme for 2013/14 as detailed in Appendix B1 is financed as follows:

| | <u>Original Budget</u> £ | <u>Revised Budget</u> £ |
|---|---------------------------------|--------------------------------|
| Original Programme | 9,280,000 | 9,280,000 |
| Add: Carried forward from 2012/13 | 0 | 1,828,700 |
| Less: Enterprise Licences | 0 | (76,000) |
| Less: Asset Review Expenditure (to be released from Reserve as and when required) | 0 | (6,272,500) |
| Total Expenditure to be financed | 9,280,000 | 4,760,200 |
| <u>Financed by:</u> | | |
| Capital Grants | | |
| • DFG | 663,000 | 663,000 |
| • General | 0 | 37,900 |
| Capital Receipts * | 7,932,100 | 3,141,100 |
| Contributions from other bodies | 330,000 | 716,800 |
| Direct Revenue Financing | 83,900 | 123,000 |
| Reserves | 0 | 32,900 |
| Internal Borrowing | 271,000 | 45,500 |
| Total Financing | 9,280,000 | 4,760,200 |

* Balance of capital receipts will reduce by £62,994 for costs of disposal as described in Note 1 para 4.1.

5.6 The proposed programme for **2014/15** to **2017/18** as detailed in Appendix B2 is based on the programme agreed by Council in February 2013 and the recommendations made in this report.

6 CONSULTATION

6.1 Consultation to Date.

Portfolio Holders and SMT have considered the issues raised in this report.

6.2 Consultation Proposed.

Resources Overview and Scrutiny Panel will consider the report on 6 June 2013.

7 CONCLUSION AND REASONS FOR RECOMMENDATIONS

7.1 The Executive is asked to:

- (i) Note that subject to all recommendations below being approved, the net underspend will be £43,953.
- (ii) Note the net underspend as at 31 March 2013 of £1,596,953 which includes committed expenditure to be met totalling £1,822,500 in 2013/14, which have been approved under delegated powers by the Director of Resources;
- (iii) Make recommendations to Council on 16 July on the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;

- (iv) Make recommendations to Council on 16 July on the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions become available.
- (v) Note the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Consider the revised programme for 2013/14 together with the proposed methods of financing, as detailed at para 5.2 and Appendix B, for recommendation to Council on 16 July;

8 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

8.1 The Council's capital programme reflects the current priorities in the Carlisle Plan e.g. Arts Centre and Leisure facilities.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices A1 to A4 and B1 to B2.
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS/RISKS: SMT and JMT have been involved in the preparation of this report. Individual capital schemes have different risks attached.

Chief Executive's – Not applicable

Community Engagement – Not applicable

Economic Development – Not applicable

Governance – The Council has a fiduciary duty to manage its finances properly and the proper reporting of the outturn figures is part of this process. Approval of full Council is

required for the additional use of capital reserves to fund expenditure commitments as set out in the report.

Local Environment – Not applicable

Resources – Financial implications are contained in the main body of the report.

PROVISIONAL GENERAL FUND CAPITAL OUTTURN 2012/13

APPENDIX A1

RESOURCES

Position as at 31 March 2013

| Scheme | Revised Annual Budget 2012/13 £ | Expenditure to date 2012/13 £ | Total Variance 2012/13 £ | Carry Forwards (Committed) £ | Carry Forwards (New items) £ | Return to Reserves £ | Adjusted Variance £ | Category of Carry Forward (Note 1) | Details of major variances |
|--|------------------------------------|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------|------------------------|------------------------------------|--|
| ICT Shared Service | 331,800 | 147,408 | (184,392) | 108,300 | 0 | 0 | (76,092) | A | Part of Shared Service Business Case. Underspend in relation to Enterprise Licences which are no longer required as alternative in house arrangements have been made. |
| Franking Machine | 0 | 7,697 | 7,697 | 0 | 0 | 0 | 7,697 | - | A necessary purchase to accommodate changes introduced by the Postal Service. |
| Planned Enhancements to Council Property | 322,000 | 305,803 | (16,197) | 0 | 0 | 0 | (16,197) | - | A strategic underspend to accommodate the Town Clocks Invest to Save project. |
| Town Clocks Invest to Save | 0 | 7,575 | 7,575 | 0 | 0 | 0 | 7,575 | - | To fit auto-winding and regulation of town clocks and is accommodated from within the Planned Enhancements to Council Property budget. Revenue savings will be generated to repay the capital investment. |
| Enhancements to Enterprise Centre | 25,000 | 24,705 | (295) | 0 | 0 | 0 | (295) | - | A revision to the original Planned Enhancements to Council Property to allow improvements to the Enterprise Centre due to the transfer of management to the Civic Centre. |
| Vehicles and Plant | 1,173,400 | 862,396 | (311,004) | 311,000 | 0 | 0 | (4) | A | Revised replacement plan. Carry forward relates to vehicles currently on order. |
| Bousteads Grassing Demolition | 0 | (452) | (452) | 0 | 0 | 0 | (452) | - | Project complete. |
| PCIDSS Capital | 32,000 | 1,437 | (30,563) | 30,600 | 0 | 0 | 37 | A | Implementation costs for a new security Standard in line with the Payment Card Industry (RD26/12 Executive 6/8/12). Project commencing and will complete in 2013/14. |
| Asset Management Plan | 1,709,500 | 154,305 | (1,555,195) | 0 | 0 | 1,546,800 | (8,395) | - | A five year Development and Investment Plan for the City Council's property portfolio with the aim of delivering additional income or reduced costs in the revenue costs in the revenue account on a recurring basis. It is proposed that the budgets are returned to reserves and earmarked for asset purchases to be released back into the programme by Executive when such acquisition opportunities become available. |
| Sustainable Energy Projects | 0 | 8,400 | 8,400 | 0 | 0 | 0 | 8,400 | - | Solar scheme approved during 2011/12 and funded from Asset Management Plan receipt. |
| Document Image Processing | 22,000 | 8,466 | (13,534) | 13,500 | 0 | 0 | (34) | A | Phased implementation in progress. Will complete in 2013/14. |
| TOTAL | 3,615,700 | 1,527,740 | (2,087,960) | 463,400 | 0 | 1,546,800 | (77,760) | | |

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

COMMUNITY ENGAGEMENT**Position as at 31 March 2013**

| Scheme | Revised Annual Budget 2012/13 £ | Expenditure to date 2012/13 £ | Total Variance 2012/13 £ | Carry Forwards (Committed) £ | Carry Forwards (New items) £ | Return to Reserves £ | Adjusted Variance £ | Category of Carry Forward (Note 1) | Details of major variances |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------|------------------------|------------------------------------|--|
| Customer Services | 10,000 | 8,125 | (1,875) | 0 | 0 | 0 | (1,875) | - | Improvements to the entrance of the Contact Centre including the purchase of self serve terminals. |
| Disabled Facilities Grants | 863,000 | 863,136 | 136 | 0 | 0 | 0 | 136 | - | Mandatory grants. A new Framework Agreement for procurement commenced early April 2012 which has improved the efficiency and effectiveness of systems. |
| Disabled Facilities Grants - Pilot | 0 | 4,800 | 4,800 | 0 | 0 | 0 | 4,800 | - | Expenditure fully funded by grant. |
| Community Resource & Training Centre | 261,100 | 261,002 | (98) | 0 | 0 | 0 | (98) | - | Project complete. Adjudication notice served by Contractor with substantial claim has been settled. |
| Families Accommodation Replacement | 1,616,900 | 1,008,250 | (608,650) | 608,600 | 0 | 0 | (50) | A | Project commencing as expected. Completion due Spring 2013. |
| Trinity Church Multi Use Games Area | 7,700 | 5,606 | (2,094) | 2,100 | 0 | 0 | 6 | A | Underspend due to successful agreement on final account. Balance required to allow replacement of existing seat and grass resurfacing. |
| Roman Frontier | 0 | 333 | 333 | 0 | 0 | 0 | 333 | - | Project complete. |
| TOTAL | 2,758,700 | 2,151,252 | (607,448) | 610,700 | 0 | 0 | 3,252 | | |

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

LOCAL ENVIRONMENT

Position as at 31 March 2013

| Scheme | Revised Annual Budget 2012/13 £ | Expenditure to date 2012/13 £ | Total Variance 2012/13 £ | Carry Forwards (Committed) £ | Carry Forwards (New items) £ | Return to Reserves £ | Adjusted Variance £ | Category of Carry Forward (Note 1) | Details of major variances |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------|------------------------|------------------------------------|--|
| ODPM - Making Space for Water | 4,500 | 0 | (4,500) | 0 | 0 | 0 | (4,500) | - | Funding towards flood work to parts of Crosby-on-Eden |
| Crematorium Extension | 60,000 | 81,844 | 21,844 | 0 | 0 | 0 | 21,844 | - | Improvements to Crematorium building to generate revenue savings. Overspend in relation to additional IT and cabling work in excess of original tender. |
| Talkin Tarn | 95,000 | 85,751 | (9,249) | 0 | 0 | 0 | (9,249) | - | Improvements to Talkin Tarn car park funded from surplus revenue income. |
| Play Area Developments | 66,900 | 62,182 | (4,718) | 0 | 6,200 | 0 | 1,482 | B | Non-committed carry forwards requested for additional furniture/equipment at St James Park and Richmond Green play areas. |
| Environmental Improvements | 46,400 | 45,774 | (626) | 0 | 0 | 0 | (626) | - | Budget carried forward from 2011/12 to complete work at Cenotaph, Verge Improvements and Back Lanes. All projects complete. |
| Kingstown Industrial Estate Roads | 317,900 | 284,961 | (32,939) | 32,900 | 0 | 0 | (39) | A | Refurbishment of Kingstown Broadway North carriageway to 10 year design life. Carry forward to complete works currently tendered and also allow additional works to a number of access crossings. |
| Castle Street Public Realm | 70,000 | 81,770 | 11,770 | 10,000 | 0 | 0 | 21,770 | A | Anticipated final overspend on project of £22,000. The carry forward of £10,000 will allow scheduled works to complete in 2013/14. |
| Connect 2 Cycleway | 15,000 | 3,235 | (11,765) | 11,700 | 0 | 0 | (65) | A | Contribution towards length of cycleway. Carry forward required to ensure works required to ensure adoption of the cycleway can be completed. |
| Castle Way Cycle Ramp | 370,000 | 23,159 | (346,841) | 346,800 | 0 | 0 | (41) | A | Approved by Executive 11/04/12 (RD01/12). Funded by Section 106 monies. Revised planning application submitted which has delayed expenditure in 2012/13. Carry forward required to ensure project can be completed in line with Section 106 agreement. |
| Public Realm Works S106 | 40,000 | 0 | (40,000) | 40,000 | 0 | 0 | 0 | A | Approved by Executive 3/09/12 (RD34/12). Funded by Section 106 monies. Carry forward required to ensure project can be completed in line with Section 106 agreement. |
| Clean Up Carlisle | 14,000 | 5,504 | (8,496) | 8,500 | 0 | 0 | 4 | A | Approved by Council 17/07/12 (LE22/12). Carry forward required to ensure the 2 year Clean Up Carlisle Campaign can be completed and full benefits received. |
| TOTAL | 1,099,700 | 674,180 | (425,520) | 449,900 | 6,200 | 0 | 30,580 | | |

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

PROVISIONAL GENERAL FUND CAPITAL OUTTURN 2012/13

APPENDIX A4

ECONOMIC DEVELOPMENT

Position as at 31 March 2013

| Scheme | Revised Annual Budget 2012/13 £ | Expenditure to date 2012/13 £ | Total Variance 2012/13 £ | Carry Forwards (Committed) £ | Carry Forwards (New items) £ | Return to Reserves £ | Adjusted Variance £ | Category of Carry Forward (Note 1) | Details of major variances |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------|---------------------------------|-------------------------|------------------------|------------------------------------|--|
| EA Central Plaza | 8,900 | 8,871 | (29) | 0 | 0 | 0 | (29) | - | Implementation of an Urgent Works Notice under Section 54 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to be funded from Conservation Fund approved by Executive 30.08.11 (ED29/11). |
| Old Town Hall Strategic TIC | 496,200 | 197,704 | (298,496) | 298,500 | 0 | 0 | 4 | A | Revised project approved by Council 13/11/13. Works started on site in January 2013 and will continue until the end of June 2013. |
| TOTAL | 505,100 | 206,575 | (298,525) | 298,500 | 0 | 0 | (25) | | |

Note 1

A - Committed expenditure (to be used for original purpose/externally funded)

B - New items of Expenditure

A/B - Combination of committed expenditure and new items of expenditure

2013/14 CAPITAL PROGRAMME

APPENDIX B1

| Scheme | Original Capital Programme 2013/14 £ | Carry Forwards from 2012/13 £ | New Projects to be added £ | Other Adjustments £ | Revised Capital Programme 2012/13 £ |
|--|---|----------------------------------|-------------------------------|------------------------|--|
| Current non-recurring commitments | | | | | |
| Public Realm S106 | 330,000 | 40,000 | | | 370,000 |
| Clean Up Carlisle | 12,000 | 8,500 | | | 20,500 |
| | 342,000 | 48,500 | 0 | 0 | 390,500 |
| Recurring commitments | | | | | |
| Asset Review Purchases | 6,272,500 | | | (6,272,500) | 0 |
| Planned Enhancements to Council Property | 300,000 | | | | 300,000 |
| Vehicles, Plant & Equipment | 259,500 | 311,000 | | | 570,500 |
| ICT Shared Service | 114,000 | 108,300 | | | 222,300 |
| IT Equipment | 79,000 | | | (76,000) | 3,000 |
| | 7,025,000 | 419,300 | 0 | (6,348,500) | 1,095,800 |
| New non-recurring commitments | | | | | |
| Arts Centre | 250,000 | | | | 250,000 |
| Public Realm Work | 100,000 | | | | 100,000 |
| Paternoster Row | 100,000 | | | | 100,000 |
| Harraby School and Community Campus contribution | 600,000 | | | | 600,000 |
| | 1,050,000 | 0 | 0 | 0 | 1,050,000 |
| Disabled Facilities Grants | | | | | |
| Private Sector Grants | 863,000 | | | | 863,000 |
| | 863,000 | 0 | 0 | 0 | 863,000 |
| Continuing Schemes | | | | | |
| Play Area Developments | | | 6,200 | | 6,200 |
| Old Town Hall | | 298,500 | | | 298,500 |
| Trinity Church MUGA | | 2,100 | | | 2,100 |
| Castle Street Public Realm | | 10,000 | | | 10,000 |
| Female & Families Accomodation | | 608,600 | | | 608,600 |
| Kingstown Industrial Estate | | 32,900 | | | 32,900 |
| PCIDSS Capital | | 30,600 | | | 30,600 |
| Document Image Processing | | 13,500 | | | 13,500 |
| Connect 2 Cycleway | | 11,700 | | | 11,700 |
| Castle Way Cycle Ramp (S106) | | 346,800 | | | 346,800 |
| | 0 | 1,354,700 | 6,200 | 0 | 1,360,900 |
| TOTAL | 9,280,000 | 1,822,500 | 6,200 | (6,348,500) | 4,760,200 |

2014/15 to 2017/18 PROPOSED CAPITAL PROGRAMME**APPENDIX B2**

| Scheme | Original Capital Programme 2014/15 £ | Original Capital Programme 2015/16 £ | Original Capital Programme 2016/17 £ | Original Capital Programme 2017/18 £ |
|---|---|---|---|---|
| Private Sector Grants | 863,000 | 863,000 | 863,000 | 663,000 |
| Planned Enhancements to Council Property | 300,000 | 300,000 | 300,000 | 300,000 |
| Vehicles, Plant & Equipment | 279,000 | 1,901,000 | 200,000 | 200,000 |
| Asset Review Purchases | 0 | 0 | 0 | 0 |
| Arts Centre | 161,000 | 175,000 | 0 | 0 |
| Harraby School and Community Campus Contribution | 500,000 | 500,000 | 0 | 0 |
| Old Town Hall/Greenmarket | 1,500,000 | 0 | 0 | 0 |
| Leisure Facilities | 0 | 5,000,000 | 0 | 0 |
| TOTAL | 3,603,000 | 8,739,000 | 1,363,000 | 1,163,000 |

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 MAY 2013

**EX.49/13 PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED CAPITAL
PROGRAMME 2013/14**
(Key Decision – KD.09/13)

Portfolio Finance, Governance and Resources

Relevant Overview and Scrutiny Panel Resources

Subject Matter

The Finance, Governance and Resources Portfolio Holder presented report RD.11/13 summarising the Provisional Outturn for the Council's Capital Budget, together with details of the revised Capital Programme for 2013/14. He informed Members that the outturn showed that the net underspend for Council services as at 31 March 2013 once committed expenditure totalling £1,822,500 was taken into account was £1,596,953. He added that requests had been made for carry forwards for new items of expenditure totalling £6,200, and also the removal of the Asset Management Plan expenditure budgets of £1,546,800 from the capital programme, which would result in a net underspend of £43,953.

The Finance, Governance and Resources Portfolio Holder set out the position with regard to carry forward requests on the Capital Programme. He also identified for Members the resources which had been used to fund the 2012/13 Capital Programme and detailed the 5 year Capital Programme for the period 2013/14 to 2017/18. He reported that the programme for 2013/14 totalled £4,760,200 based upon the programme agreed by Council in February 2013 of £9,280,000; the commitments brought forward from 2012/13 of £1,822,500; an additional budget of £6,200 for continuing / new schemes subject to approval by Council, less budget provided of £76,000 in ICT Shared Service for Enterprise Licences, and less land and property acquisitions within the Asset Management Plan to be held in reserves until suitable revenue generating acquisitions became available (£6,272,500).

The 2013/14 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The main challenge for future years related to the vehicle replacement programme (currently planned to be funded by internal borrowing).

The proposed funding arrangements for the revised 2013/14 programme were also outlined within the report.

The Finance, Governance and Resources Portfolio Holder expressed well deserved thanks to the Officers involved.

In conclusion, the Finance, Governance and Resources Portfolio Holder moved the recommendations set out in the report, which were duly seconded by the Deputy Leader and Economy and Enterprise Portfolio Holder.

Summary of options rejected None

DECISION

That the Executive:

- (i) Noted that, subject to all recommendations below being approved, the net underspend would be £43,953.
- (ii) Noted the net underspend as at 31 March 2013 of £1,596,953 included committed expenditure to be met totalling £1,822,500 in 2013/14, which had been approved under delegated powers by the Director of Resources;
- (iii) Recommended that the City Council on 16 July 2013 approves the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;
- (iv) Recommended that the City Council on 16 July 2013 approves the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions became available.
- (v) Noted the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Had considered the revised programme for 2013/14 together with the proposed methods of financing, as detailed at paragraph 5.2 and Appendix B, for recommendation to Council on 16 July 2013.

Reasons for Decision

To receive the report on the Provisional Capital Outturn for 2012/13 and make recommendations to the City Council on the 2013/14 Capital Programme

EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 6 JUNE 2013

ROSP.40/13 PROVISIONAL CAPITAL OUTTURN 2012/13 AND REVISED CAPITAL PROGRAMME 2013/14

The Director of Resources presented report RD.11/13 summarising the Provisional Outturn for the Council's Capital Budget, together with details of the revised Capital Programme for 2013/14. He informed Members that the outturn showed that the net underspend for Council services as at 31 March 2013 once committed expenditure totalling £1,822,500 was taken into account was £1,596,953. He added that requests had been made for carry forwards for new items of expenditure totalling £6,200, and also the removal of the Asset Management Plan expenditure budgets of £1,546,800 from the capital programme, which would result in a net underspend of £43,953.

The Director of Resources set out the position with regard to carry forward requests on the Capital Programme. He also identified for Members the resources which had been used to fund the 2012/13 Capital Programme and detailed the 5 year Capital Programme for the period 2013/14 to 2017/18. He reported that the programme for 2013/14 totalled £4,760,200 based upon the programme agreed by Council in February 2013 of £9,280,000; the commitments brought forward from 2012/13 of £1,822,500; an additional budget of £6,200 for continuing / new schemes subject to approval by Council, less budget provided of £76,000 in ICT Shared Service for Enterprise Licences, and less land and property acquisitions within the Asset Management Plan to be held in reserves until suitable revenue generating acquisitions became available (£6,272,500).

The 2013/14 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The main challenge for future years related to the vehicle replacement programme (currently planned to be funded by internal borrowing).

The proposed funding arrangements for the revised 2013/14 programme were also outlined within the report.

The Executive had on 31 May 2013 (EX.49/13) considered the report and decided:

That the Executive:

- (i) Noted that, subject to all recommendations below being approved, the net underspend would be £43,953.
- (ii) Noted the net underspend as at 31 March 2013 of £1,596,953 included committed expenditure to be met totalling £1,822,500 in 2013/14, which had been approved under delegated powers by the Director of Resources;

- (iii) Recommended that the City Council on 16 July 2013 approves the carry forward requests of £6,200 for new items of expenditure for furniture and equipment at Play Areas as detailed in paragraph 2.5;
- (iv) Recommended that the City Council on 16 July 2013 approves the removal of the Asset Management Plan expenditure budgets from the Council's capital programme (£1,546,800 from 2012/13, £6,272,500 from 2013/14, £1,035,800 from 2014/15 and £4,045,500 from 2015/16) to be released back from reserves on approval by the Executive when revenue generating opportunities for land and property acquisitions became available.
- (v) Noted the use of the Conservation Fund to fund expenditure on Central Plaza and the Asset Management Reserve to fund expenditure on Industrial Estates, Asset Management Plan and Community Resource and Training Centre in 2012/13;
- (vi) Had considered the revised programme for 2013/14 together with the proposed methods of financing, as detailed at paragraph 5.2 and Appendix B, for recommendation to Council on 16 July 2013.

In response to a question the Director of Resources confirmed that the Town Hall project was on target.

RESOLVED – That the Provisional Capital Outturn 2012/13 and Revised Capital Programme 2013/14 (RD.11/13) be noted.