

AGENDA

Executive

Wednesday, 25 May 2022 AT 16:00
In the Flensburg Room, Civic Centre, Carlisle, CA3 8QG

APOLOGIES FOR ABSENCE

To receive apologies for absence.

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.

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.

MINUTES OF PREVIOUS MEETING

5 - 8

To sign the Minutes of the meeting of the Executive held on 21 February 2022 and 21 March 2022.

[Minute Book Vol 48(6)]

To confirm the minutes of the meeting of the Executive on 25 April 2022.
(Copy Minutes herewith)

PART A

To be considered when the Public and Press are present

A.1 2021/22 PROVISIONAL OUTTURN REPORTS

(Key Decision - KD.11/22)

A.1 PROVISIONAL GENERAL FUND REVENUE OUTTURN 2021/22 9 - 34 **(a)**

The Corporate Director of Finance and Resources to submit a report on the Provisional General Fund Revenue Outturn for 2021/22.
(Copy Report RD.03/22 herewith)

A.1 PROVISIONAL CAPITAL OUTTURN 2021/22 AND REVISED CAPITAL 35 - **(b) PROGRAMME 2022/23 54**

The Corporate Director of Finance and Resources to submit a report summarising the 2021/22 provisional Capital Outturn, and providing details of the revised Capital Programme for 2022/23.
(Copy Report RD.04/22 herewith)

A.1 TREASURY MANAGEMENT OUTTURN 2021/22 55 - **(c) 72**

The Corporate Director of Finance and Resources to submit a report providing the annual report on Treasury Management, together with the regular report on Treasury Transactions.
(Copy Report RD.05/22 herewith)

A.1 COUNCIL TAX PROVISIONAL OUTTURN 2021/22 73 - **(d) 80**

The Corporate Director of Finance and Resources to submit a report summarising the 2021/22 provisional outturn and performance position for Council Tax.
(Copy Report RD.06/22 herewith)

A.1 ELECTED MEMBERS' ALLOWANCES - PROVISIONAL OUTTURN REPORT 81 - **(e) FOR 2021/22 86**

The Corporate Director of Finance and Resources to submit a report on the amount of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2021/22.
(Copy Report RD.07/22 herewith)

A.2	<u>NOTICE OF EXECUTIVE KEY DECISIONS</u>	87 - 92
	(Non Key Decision)	
	The Notice of Executive Key Decisions, published on 22 April 2022, is submitted for information. (Copy Notice herewith)	
A.3	<u>SCHEDULE OF DECISIONS TAKEN BY OFFICERS</u>	93 - 98
	(Non Key Decision)	
	A Schedule detailing decisions taken by Officers under delegated powers is attached for information. (Copy Schedule herewith)	
	Background Papers – as detailed within the Schedule	
A.4	<u>JOINT MANAGEMENT TEAM</u>	99 - 100
	(Non Key Decision)	
	The Minutes of the meeting of the Joint Management Team held on 19 April 2022 are submitted for information. (Copy Minutes herewith)	
A.5	<u>REPRESENTATIVES ON OUTSIDE BODIES</u>	101 - 102
	(Non Key Decision)	
	The Corporate Director of Governance and Regulatory Services to submit a report seeking the nomination of Members to serve on various outside bodies. (Copy Report GD.31/22 herewith and Appendix to follow)	
	Background Papers – Carlisle City Council's Constitution is available on the Council website	

PART B

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

- NIL -

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 Mrs Bowman (Economy, Enterprise and Housing Portfolio Holder)

Councillor Meller (Local Government Reorganisation Transition)

Notes to Members:

Decisions made at this meeting, if not subject to call-in, will normally become live on 7 June 2022

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



Executive

Date: Monday, 25 April 2022

Time: 16:00

Venue: Cathedral Room

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

Officers: Town Clerk & Chief Executive
Deputy Chief Executive
Corporate Director of Governance and Regulatory Services
Corporate Director of Finance and Resources
Head of Property Services
Head of Regeneration

EX.55/22 APOLOGIES FOR ABSENCE

No apologies for absence were submitted.

EX.56/22 PUBLIC AND PRESS

RESOLVED - It was agreed that the items in Part A be dealt with in public and the items in private be dealt with in Part B.

EX.57/22 DECLARATIONS OF INTEREST

No declarations of interest were submitted.

EX.58/22 MINUTES OF PREVIOUS MEETING

RESOLVED - That the minutes of the meetings held on 21 February and 21 March 2022 be agreed as a correct record.

EX.59/22 CALL-IN

The Leader reported that the Mayor had, on 13 April 2022 agreed that item B.1 - Tullie House - Phase 2 (Arts Council England, Town Deal and Future High Streets Funded Project) be exempt from call in. Call-procedures would overlap the City Council meeting on 26 April 2022 when the Council will be asked to approve the matter.

EX.60/22 SCHEDULE OF DECISIONS TAKEN BY LEADER - PORTFOLIO HOLDERS

(Non Key Decision)

Portfolio Cross Cutting

Relevant Scrutiny Panel Economic Growth

Subject Matter

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

Summary of options rejected None

DECISION

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

Reasons for Decision Not applicable

EX.61/22 SCHEDULE OF DECISIONS TAKEN BY OFFICERS

(None Key Decision)

Portfolio Cross Cutting

Relevant Scrutiny Panel

Health and Wellbeing; Economic Growth; Business and Transformation

Subject Matter

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

Summary of options rejected None

DECISION

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

Reason for Decision Not applicable

EX.63/22 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 on 21 March 2022 were submitted for information.

Summary of options rejected None

DECISION

That the minutes of the meeting of the Joint Management Team held on 21 February 2022, attached as Appendix c, be received.

Reasons for Decision Not applicable

EX.64/22 PUBLIC AND PRESS

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraph numbers (as indicated in brackets against the minutes) of Part 1 of Schedule 12A of the 1972 Local Government Act.

EX.65/22 TULLIE HOUSE - PHASE 2 (ARTS COUNCIL ENGLAND, TOWN DEAL AND FUTURE HIGH STREETS FUNDED PROJECT)

(Public and Press excluded by virtue of Paragraph 3)

(Key Decision)

******(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, The Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Leader's

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Leader presented an update on the Project Tullie proposals and in particular Phase 2, which concerned the redevelopment of the Tullie House atrium, community classroom, rear yard and properties on Castle Street. The report recommended property transactions and grant funding arrangements to support the Tullie House aspirations.

The Culture, Leisure and Heritage Portfolio Holder thanked officers for their hard work in producing the report.

The Leader moved the recommendations and the Culture, Leisure and Heritage Portfolio Holder seconded them.

Summary of options rejected Not to enter into a grant funding agreement or transfer the freehold interest

DECISION

That the Executive:

- i) Delegated authority to the Head of Property Services following consultation with the Portfolio Holders for Finance, Governance and Resources, and Culture, Heritage and Leisure to agree the final terms of a variation and any other supplementary property documentation as required to give effect to an extension of the two existing Tullie House Trust leases (on the same terms except as required to accord with the requirements of the external funding bodies) by 6 years to expire 31.03.2047.
- ii) Approved, for recommendation to Council, the transfer of the freehold interest in the Disposal Property to the Tullie House Trust for the nominal consideration of £1.00 conditional upon appropriate grant funding agreements being entered by the THT with external funding bodies and the Council as detailed in the Heads of Terms contained in Appendix 5 and delegate authority to the Head of Property Services following consultation with the Portfolio Holder for Finance, Governance and Resources and Culture, Heritage and Leisure to agree the final terms of the disposal contract.
- iii) Gave approval to enter into a Grant Funding Agreement with Tullie House Trust to enable the Future High Streets Fund funding allocated to the Disposal Property, to be made available to PTph2 for repair and re-purposing work.
- iv) Gave approval to enter into a Grant Funding Agreement with Tullie House Trust to enable the Town Deal funding allocated to Tullie House Welcome and Entrance project, to be made available to PTph2.
- v) Delegated authority to the Corporate Director of Economic Development to agree the final terms of the grant funding agreements following consultation with the Corporate Director of Finance and Resources, Corporate Director of Governance and Regulatory Services, Portfolio Holder for Economic Development and the Leader of the Council.
- vi) Approved, for recommendation to Council, a capped capital contribution initially funded from prudential borrowing for inclusion in the capital programme to fund a Reverse Premium as specified in Appendix 5 to the THT to enable them to carry out necessary repairs and re-purposing work to the Disposal Property as part of PTph2 with a requirement that the THT determine the most economically efficient manner of procuring and carrying out the re-purposing works required to put the Disposal Property into a useable condition capable of beneficial occupation.
- vii) Gave approval to remove the Disposal Property from the Council's Asset Disposal Plan on the understanding that the potential capital receipt is being foregone to facilitate PTph2.

Reason for Decision

The successful implementation of the PTph2 scheme and the Future High Streets Fund and Town Deal programmes would support the delivery of the vision set out in the Carlisle Plan, which was to enable Carlisle to grow and prosper as the capital of the Borderlands region.

The PTph2 scheme would contribute directly to the priority of delivering inclusive and sustainable economic growth, by improving the cultural offer of Carlisle and making the city a more attractive place for investment.

The Meeting ended at: 16:05

Carlisle City Council

Report to Executive

Item
A.1 (a)

Meeting Date:	25 May 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	Yes: Recorded in the Notice Ref: K.11/22
Policy and Budget Framework	Yes
Public / Private	Public
Title:	Provisional General Fund Revenue Outturn 2021/22
Report of:	Corporate Director of Finance and Resources
Report Number:	RD.03/22

Purpose / Summary:

This report summarises the 2021/22 provisional outturn for the General Fund revenue budget and gives reasons for the variances. Once transfers to earmarked reserves and funding of the carry forward requests in 2022/23 have been accounted for, the outturn position will result in a net overall contribution to General Fund Reserves of £17,000 (as set out in paragraph 6.4).

Requests are made to carry forward committed expenditure of £1,967,900, net transfers to/from reserves and provisions of £2,479,629 and transfer to the building control reserve of £46,666, which, if approved, will result in an overall net overspend position of £215,029 on Council Services; however, it is estimated that additional funding from Business Rates income will be realised currently estimated at £256,325 (subject to the completion of the NNDR3 return and confirmation of any pooling gains).

It should be noted that the information contained in this report is provisional subject to the formal audit process. The draft Statement of Accounts for 2021/22 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 28 September (tbc).

Recommendations:

The Executive is asked to:

- (i) Note the net underspend of £4,232,500 for Council Services as at 31 March 2022;
- (ii) Consider the committed expenditure totalling £1,967,900, to be incurred in 2022/23 which has been reviewed by the Corporate Director of Finance and Resources, and

the release of £1,967,900 from the General Fund Reserve in 2022/23 as detailed in Appendix D1 of the report for recommendation to Council;

- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £2,419,124, in addition to the transfer to the building control reserve of £46,666 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Note the transfer to new and existing provisions of £60,505 as detailed in paragraph 6.1 and Appendix D2 of the report;
- (v) Approve, for recommendation to Council, the revised delegations for the release of the Planning Services Reserve.

Tracking

Executive:	25 May 2022
Scrutiny:	9 June 2022 (People Panel)
Council:	19 July 2022

1. Background

- 1.1 In accordance with the City Council's Financial Procedure Rules, the Corporate Director of Finance and Resources is required to report to the Executive on the overall budget position, the monitoring and control of expenditure against budget allocations and the exercise of virement on a regular basis. Further details of virements processed can be found in Appendix A. It is the responsibility of individual Directors 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 This report shows the provisional outturn position for the General Fund Revenue budgets for 2021/22.
- 1.3 A summary of the overall position is shown in paragraph 2. Further details for each directorate are included in Appendices **B1 – B7** as follows:
 - (i) A comparison of the outturn position against the budget.
 - (ii) An analysis of the major variances relating to both income and expenditure, with comments from the Directors.
 - (iii) The items of carry forwards to cover committed expenditure to be expended in line with the original purpose. These requests follow the procedure agreed by Council with every form being signed off by the relevant Director after discussion with the Portfolio holder, and the Corporate Director of Finance and Resources.
 - (iv) Reserves to be established and/or increased to support possible future funding obligations.
- 1.4 Members should note that the information contained in this report is provisional and subject to the formal audit process. The draft Statement of Accounts for 2021/22 will be presented to the Audit Committee on 8 July, with formal approval of the audited accounts on 28 September (tbc). Any significant changes required following the approval of the 2021/22 accounts will, if necessary, be reported to a future Executive meeting.
- 1.5 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 reduced income levels.

2. Summary Revenue Outturn 2021/22

- 2.1 The provisional outturn position for the General Fund is summarised below and explanations for the main variances are provided in the appendices. The significant variances and key issues are highlighted in paragraph 3:

Directorate / Appendix	Original Budget £	Net Updated Budget £	Net Spend to Date £	Variance £	Carry Forwards £	Reserves/ Provisions £	Adjusted Variance £
Community Services (B1)	9,480,600	11,147,000	10,615,290	(531,710)	222,800	134,200	(174,710)
Corporate Support (B2)	2,632,600	291,600	193,228	(98,372)	83,000	0	(15,372)
Economic Development (B3)	974,700	2,389,700	1,093,223	(1,296,477)	349,000	690,673	(256,804)
Finance & Resources (B4)	2,054,500	2,189,200	2,099,158	(90,042)	5,300	46,505	(38,237)
Governance & Regulatory Services (B5)	1,305,800	2,039,100	959,018	(1,080,082)	524,500	408,251	(147,331)
Corporate Management (B6)	(3,042,200)	(2,129,900)	(1,892,029)	237,871	80,200	0	318,071
Core Service Expenditure	13,406,000	15,926,700	13,067,888	(2,858,812)	1,264,800	1,279,629	(314,383)
Exceptional Items (B7)	(25,000)	2,161,200	787,512	(1,373,688)	703,100	0	(670,588)
Service Expenditure	13,381,000	18,087,900	13,855,400	(4,232,500)	1,967,900	1,279,629	(984,971)
Additional Transfers to Reserves (see para 6.1)						1,200,000	1,200,000
Net Overspend Position	13,381,000	18,087,900	13,855,400	(4,232,500)	1,967,900	2,479,629	215,029
Parish Precepts	708,300	708,300	708,289	(11)	0	0	(11)
Total	14,089,300	18,796,200	14,563,689	(4,232,511)	1,967,900	2,479,629	215,018
Transfers to/(from) Reserves							
Cremator Replacement Reserve	0	89,500	89,538	38	0	0	38
Economic Recovery Reserve	0	(50,000)	(50,000)	0	0	0	0
Revenue Grants Reserve	0	(520,200)	(520,299)	(99)	0	0	(99)
General Fund Reserve	466,600	(1,346,700)	3,163,065	4,509,765	(1,967,900)	(2,479,629)	62,236
Planning Services Reserve	0	57,400	57,400	0	0	0	0
Prosecution Reserve	0	(1,700)	(1,700)	0	0	0	0
Building Control Reserve		(9,500)	(9,500)	0	0	0	0
Business Rate S31 Reserve		(9,463,000)	(9,463,000)	0	0	0	0
Council Tax Hardship Reserve		(359,100)	(359,100)	0	0	0	0
Council Tax Income Reserve		(23,000)	(23,016)	(16)	0	0	(16)
Operational Risk Reserve		(2,100,000)	(2,100,000)	0	0	0	0
Total Transfer to/(from) Reserves	466,600	(13,726,300)	(9,216,612)	4,509,688	(1,967,900)	(2,479,629)	62,159
Financed by:							
Precept from Collection Fund	(8,346,900)	(8,323,900)	(8,344,370)	(20,470)	0	0	(20,470)
Business Rates Deficit B/Fwd	0	9,463,000	9,462,618	(382)	0	0	(382)
Business Rate Retention	(6,209,000)	(6,209,000)	(6,465,325)	(256,325)	0	0	(256,325)
Total Grants	(14,555,900)	(5,069,900)	(5,347,077)	(277,177)	0	0	(277,177)
Total	(14,089,300)	(18,796,200)	(14,563,689)	4,232,511	(1,967,900)	(2,479,629)	(215,018)

2.2 The table above details the net Council budget. The Council's original gross budget for 2021/22 was £46.44m and although there are many individual variances as detailed by directorates in **Appendices B1 – B7**, the net overspend equates to 0.46% of this budget. The main variances are summarised in the table below.

Budget Area		Underspend £	Overspend £
Car Parking Income (excl Contracts)	B1	0	341,782
Bereavement Services	B1	0	55,557
Garage Services	B1	0	106,548
Grounds Maintenance	B1	(58,764)	0
Healthy City	B1	(85,730)	0
Corporate Training	B1	(57,302)	
Recycling and Waste Management	B1	(421,030)	0
Building Control	B3	(145,649)	0
Development Control Income	B3	(119,403)	0
Loan Interest (incl. new borrowing)	B4	(305,202)	0
Benefits Payments and Subsidy	B4	0	217,520
Electoral Services	B5	(74,055)	0
Building & Facilities	B5	(126,300)	0
Industrial Estates	B5	(68,565)	0
The Lanes Income	B5	0	232,452
Market Hall Income	B5	0	50,348
Asset Review Income	B5	(126,400)	0
Asset Disposal Costs	B5	0	122,355
Homeless Accommodation	B5	0	57,678
Homeless Prevention and Welfare	B5	(104,788)	0
Regulatory Services	B5	(132,504)	0
Budget Savings to Find	B6	0	403,700

3. Explanation of Significant Variances & Key Issues

3.1 The provisional outturn position for 2021/22 is an overspend of £215,029 after taking into account carry forward requests of £1,967,900 as set out in paragraph 5, and transfers to/from earmarked reserves and provisions totalling £2,479,629, as set out in paragraph 6.

3.2 Some of the significant service expenditure and income variances are set out below. Many of these have been reported throughout the year in budget monitoring reports and further explanations are provided in the appendices.

- A shortfall in car parking income from tickets, permits and PCNs due to Covid-19. A budget pressure has been included in the 2022/23 budget to reflect this.
- A net overspend on Bereavement Services due to reduced income from Cremation fees partly offset by increased income from Cemeteries burial fees.
- A net overspend in Garage Services mainly due to a shortfall in trading income.

- A net underspend in Grounds Maintenance in relation to Grounds and Cemeteries Grounds mainly in relation to transport costs and supplies and services.
- A net underspend in Healthy Cities mainly due to Small Scale Community Projects and the leisure contract payments.
- A net underspend on Corporate Training mainly due to £44,600 budget earmarked for Apprentice posts that remains unspent at year end.
- A net underspend in Recycling and Waste Services due to reduced transport costs and increased income from plastic and card recycling, sale of recyclates and Bring Sites.
- A net underspend in Building Control due to underspends in employee costs and increased 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 couple of significant application fees being received.
- A net overspend of £217,520 on Benefits Overpayments and Subsidy.
- A saving from interest on borrowing due to no new borrowing scheduled for 2021/22 being entered into.
- An underspend on Election costs as a result of there being no City Council elections in 2021/22; some of the underspend was used to support the Community Governance Review in Stanwix.
- A net underspend on Buildings and Facilities due to reduced costs for Building Cleaning, Civic Centre and Public Conveniences.
- A net underspend on Industrial Estates due to increased rental income as a result of backdated rent reviews partly offset by reduced levels of income due to vacant units at G44 Retail Park.
- Rental income losses from the Lanes.
- Rental income losses from the Market Hall.
- Additional income generated from completed rent reviews.
- An overspend due to an income target for the use of capital receipts to fund asset disposal costs. This will be carried out as a year end exercise for the production of the Statement of Accounts. Due to the level of capital receipts received in the year, the maximum allowable credit to General Fund Reserve will be £3,080 (4% of £77,000 capital receipts received in year) subject to certain criteria being met.
- An underspend of £257,043 on expenditure on Homeless Accommodation and a shortfall in income of £314,721. This is a direct result of Covid-19 as changes to occupancy and the available provision have had to be made to ensure the health and wellbeing of residents and staff. A budget pressure has been included in the 2022/23 budget to reflect this.

- A net underspend on Homeless Prevention and Welfare in relation to underspends on employee costs with the Supporting People Team.
- A net underspend in Regulatory Services mainly due to improved levels of Customer and Client receipts.
- An overspend due to budget savings for 2021/22 of £403,700.

3.3 A subjective analysis of the summarised outturn position is shown in **Appendix C**.

3.4 The reallocation of central departments' balances to service areas still has to be carried out, which explains many of the small balances held on some management and support service cost centres. This reallocation will be completed before the Statement of Accounts is prepared but has no impact on the overall out-turn position.

3.5 Members are regularly updated on the budget position throughout the year, with quarterly reports being considered by the Executive and scrutinised by Business and Transformation Scrutiny Panel (now People Panel). Many of the variances shown in the Appendices have previously been reported with any necessary steps to mitigate the impact on the future budget position dealt with as part of the 2022/23 budget. However, some pressures may have an ongoing impact which must be addressed during the forthcoming 2023/24 budget process by the new Cumberland Council.

4. Exceptional Items (Covid-19 & Local Government Reorganisation)

4.1 Emergency funding has been received to support Council services in 2021/22 in terms of additional expenditure and loss of income. Monthly returns have been submitted to the DLUHC to report additional costs and loss of income. The following table provides a summary position of the income and expenditure pressures related to Covid and where they are accounted for within the draft outturn position. Any loss of income from Business Rates and Council Tax will add to this sum.

	Charged to Core Services £	Exceptional Items £	Total £
Losses Reported on Covid Return	0	201,430	201,430
Reopening the High Street	107,530	0	107,530
Elections	20,138	0	20,138
Compliance and Enforcement	0	139,153	139,153
RBS New Burdens Expenditure	0	10,522	10,522
Rough Sleeping	25,810	0	25,810
Sales Fees & Charges Income Shortfalls	455,635	0	455,635
Sales Fees & Charges Reduction in Expenditure	(76,961)	0	(76,961)
Other Income Shortfalls	241,535	0	241,535
Commercial Income	72,973	0	72,973
Total Covid Pressures	846,660	351,105	1,197,765
Funding Received	0	(801,320)	(801,320)
Sales Fees & Charges Compensation	0	(51,377)	(51,377)
Compliance and Enforcement Funding Applied	0	(139,153)	(139,153)
Test & Trace Funding Received	0	(33,729)	(33,729)
Reopening the High Street Funding Applied	(107,530)	0	(107,530)
Additional Funding for Elections	(7,996)	0	(7,996)
General Fund Deficit March 2022	731,134	(674,474)	56,660
Accommodation and Support Charges	0	93,306	93,306
Covid-19 Specific Grants	0	(28,176)	(28,176)
Local Government Reorganisation	0	1,396,892	1,396,892
Flood Related	0	(36)	(36)
Revised Net Position on Exceptional Items	731,134	787,512	1,518,646

5. Carry Forward Requests

5.1 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 Corporate Director of Finance and 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 Corporate Director of Finance and 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 Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation (now People) 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.

- 5.2 Details of the carry forward requests, which itemise committed expenditure, are contained within **Appendix D1**. The requests have been subject to the scrutiny of the relevant Director and Portfolio Holder prior to formal consideration by SMT and the Corporate Director of Finance and Resources who is satisfied that budgets of £1,967,900 should be carried forward into 2022/23.

The relevant Director will be able to give further details of carry forward requests if required at the meeting. **Budget Holders are encouraged to utilise external grants and base budgets prior to funding expenditure from these carry forward requests.**

- 5.3 For information, the table below provides details of the outturn position (excluding funding) and level of carry forward requests over the last five years for illustrative purposes:

	2021/22 Provisional £	2020/21 £	2019/20 £	2018/19 £	2017/18 £
Variance at 31 March	(4,232,500)	(5,949,905)	(2,390,532)	18,685	(1,539,526)
Carry forward requests	1,967,900	971,400	811,000	406,700	663,800
Final Variance	(2,264,600)	(4,978,505)	(1,579,532)	425,385	(875,726)
Less Transfers	<u>2,479,629</u>	<u>4,905,042</u>	<u>1,510,437</u>	<u>206,275</u>	<u>1,276,247</u>
Service Expenditure variance	215,029	(73,463)	(69,095)	631,660	400,521
Percentage variance on service expenditure of original gross budget	0.46%	(0.13)%	(0.12)%	1.15%	0.71%

6. Reserves and Provisions

- 6.1 Details of transfers into and from new/existing reserves and provisions requested as part of the outturn process are contained within Appendix D2 and are summarised below.

	Net Approval Requested £
Leisure Reserve (new)	400,000
Tullie House (new)	800,000
Prosecutions Reserve	15,500
Carry Forward Reserve	240,000
Revenue Grants Reserve	963,624
Total Additional Transfers to Reserves	2,419,124
Civil Penalties Provision	14,000
Revenues and Benefits Provision	46,505
Total Additional Transfers to Provisions	60,505
Total Additional Transfers	2,479,629

- 6.2 In accordance with statutory requirements any surplus or deficit generated by the Building Control function is required to be held as an identified earmarked reserve and can only be utilised for Building Control. In 2021/22 the required amount to be transferred to the Building Control Reserve is £46,666. This is in addition to £9,500 released during 2021/22 to fund eligible costs.
- 6.3 It is recommended that the delegations for the release of the Planning Services Reserve are amended to allow the Corporate Director of Economic Development to authorise release of the reserve through an Officer Decision Notice. The reserve is ring-fenced by statute to support improvements to the Planning Service and is not available for general use by the Council and any release will be in line with this condition.
- 6.4 The level of Council reserves was approved by Council in February. Due to the level of underspend identified within this report and if all of the carry forward requests and transfers to/from earmarked reserves are approved, an additional £17,000 will be transferred to the General Fund Reserve as a result of the 2021/22 outturn (subject to the completion of the NNDR3 return and final confirmation of any pooling gains).

	31/03/2022 £'000s	31/03/2023 £'000s	31/03/2024 £'000s	31/03/2025 £'000s	31/03/2026 £'000s	31/03/2027 £'000s
Prudent Level of Reserves	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Council Resolution General Fund Reserve	(4,091)	(4,258)	(3,354)	(2,699)	(2,844)	(3,228)
Revised Level of Reserves	(4,091)	(4,258)	(3,354)	(2,699)	(2,844)	(3,228)
Carry Forwards Approved In Year	0	0				
Underspend position to be returned to Reserves - Base Budget	(2,859)					
Underspend position to be returned to Reserves - Covid	(1,374)					
Additional Funding from Council Tax	(20)					
Potential additional Funding from Business Rates (tbc)	(256)					
<u>Transfer to earmarked reserves & provisions: ⁽¹⁾</u>						
- see paragraph 6.1	2,480					
- see paragraph 6.2	47					
Committed Carry Forwards	0	1,968	0	0	0	0
Cost of Disposal	(3)					
Revised Reserves Balance	(6,076)	(4,275)	(3,371)	(2,716)	(2,861)	(3,245)

Note 1: Transfers to/(from) earmarked reserves subject to approval

- 6.5 The Carry Forward Reserve is retained as a general reserve rather than an earmarked reserve as budgets will be released back into the General Fund Reserve if the expenditure incurred in line with the original requests can be met from within base budgets.

7. Bad Debt Provision

- 7.1 The Council's bad debt provision has been increased in respect of penalty charge notices and housing benefit overpayments, and reduced in respect of sundry debtors and this has been allocated directly to the services. Further details can be found in report RD06/22 elsewhere on the agenda.

8. Balance Sheet

- 8.1 In line with suggested best practice, information relating to significant items on the Council's balance sheet has been reported regularly to Members during the course of the year. The Council's balance sheet as at 31 March 2022 forms part of the annual Statement of Accounts that will be considered by the Audit Committee on 8 July, with final approval of the audited accounts on 28 September (tbc).
- 8.2 The VAT partial exemption calculation has been finalised for 2021/22 resulting in 2.32% for the year which is well below the 5% limit set by HMRC. However, this will increase as expenditure is incurred on the capital programme especially on VAT exempt activities i.e. Cremator replacements.

- 8.3 The 2021/22 Council Tax Collection Fund projected deficit has decreased from £1,202,145 deficit to £587,456 deficit (Council share decreased from £144,909 deficit to £70,813 deficit).
- 8.4 2021/22 is the ninth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the eighth year the Council has participated in the Cumbria Pooling arrangement.
- 8.5 The detailed figures for Business rates are still to be finalised and further detail is considered elsewhere on the agenda in report RD06/22. The Council budgeted for additional income of £2,700,000 over the baseline level of £3,335,000. Any surplus on the budget will be an additional contribution to General Fund Reserves. It is currently estimated at £256,325.

Due to the COVID-19 pandemic, Government announced that there would continue to be additional expanded relief given to the retail, leisure and hospitality sector for the first part of 2021/22. As in 2020/21, the Council would not collect Business Rates from these businesses in the period the relief was given, and the Government provided compensation to local authorities in the form of a Section 31 Grant. The Council has therefore received approx. £8.1m to date in respect of this expanded retail and nursery relief. However, this compensation has been paid gross, i.e. the 50% local share and the 50% central government share. Once the NNDR3 is completed and a final amount of relief is known for the year, the Council will only recognise its share of the grant in the general fund which will be approximately 40% of the above amount.

As the grant is credited to the general fund and not the collection fund as is the case for any rating income collected, the Collection Fund will be in deficit to a similar amount (due to the non-collection of the business rate income). Therefore, it will again be necessary to carry forward a proportion of the received S.31 grant to offset the potential deficit into 2022/23 through an earmarked reserve (as was the case in 2021/22).

The Council Tax Provisional outturn report provides further details and is considered elsewhere on the agenda (RD06/22).

9. Risks

- 9.1 Risks to future years' budget (for the new Cumberland Council) and development of ongoing impact of issues identified will be monitored carefully in budget monitoring reports and appropriate action taken. The impact on COVID-19 and inflationary pressures on the Council's resources are the greatest risks to ensuring that the Medium-Term Financial Plan is able to support service delivery whilst ensuring that

reserves are maintained. The completion of the NNDR3 return and final confirmation of any pooling gains is needed before any funding is released to support Council projects.

10. Consultation

10.1 Consultation to date.

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

10.2 Consultation Proposed

People Panel will consider the report on 9 June 2022.

11. Conclusion and reasons for recommendations

11.1 The Executive is asked to:

- (i) Note the net underspend of £4,232,500 for Council Services as at 31 March 2022;
- (ii) Consider the committed expenditure totalling £1,967,900, to be incurred in 2022/23 which has been reviewed by the Corporate Director of Finance and Resources, and the release of £1,967,900 from the General Fund Reserve in 2022/23 as detailed in Appendix D1 of the report for recommendation to Council;
- (iii) Approve the creation of new reserves and transfers into and from the new and existing reserves of £2,419,124, in addition to the transfer from the building control reserve of £46,666 as detailed in paragraphs 6.1 and 6.2 and Appendix D2 of the report for recommendation to Council;
- (iv) Note the transfer to new and existing provisions of £60,505 as detailed in paragraph 6.1 and Appendix D2 of the report;
- (v) Approve, for recommendation to Council, the revised delegations for the release of the Planning Services Reserve.

12. Contribution to the Carlisle Plan Priorities

12.1 The Council's budget is set in accordance with the priorities of the Carlisle Plan and the 2021/22 outturn shows the delivery of these priorities within budget.

Contact Officer: Emma Gillespie

Ext: 7289

Appendices attached to report:

- A, B1 to B7, C and D1 to D2

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 outturn figures is part of this process. Approval of full Council is required for the use of revenue reserves to fund expenditure commitments as set out in the report.

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 JANUARY TO MARCH 2022

Date	Virement Details	Recurring/ Non-recurring	Value	Authorised By
Requested by Officers (under £35,000 or delegated authority)				
10/01/2022	Central Plaza Project Development Costs	Non-recurring	50,000	OD.06/22 Corporate Director of Economic Development
20/01/2022 & 25/04/2022	Direct Revenue Financing to fund replacement of Waste Receptacles	Non-recurring	28,100	Neighbourhood Services Manager
31/01/2022	Direct Revenue Financing to fund demolition of property assets pending disposal	Non-recurring	9,000	Head of Property Services
02/02/2022 & 07/04/2022	Release of funding from Revenue Grant Reserve for One Public Estate	Non-recurring	61,100	Corporate Director of Finance and Resources
04/02/2022 & 03/03/2022	Return of funding released in year to Revenue Grant Reserve for Domestic Abuse Victim Support	Non-recurring	(120,700)	Corporate Director of Finance and Resources
04/02/2022 & 03/03/2022 & 12/04/2022 & 04/05/2022	Release of funding from Revenue Grant Reserve for St Cuthbert's Garden Village	Non-recurring	101,600	Corporate Director of Finance and Resources
04/02/2022 & 03/03/2022 & 12/04/2022	Release of funding from Revenue Grant Reserve for Towns Deal	Non-recurring	70,900	Corporate Director of Finance and Resources
28/02/2022	Virement to fund additional payment to Cumbria Chamber of Commerce	Non-recurring	10,000	Corporate Director of Economic Development
02/03/2022	Direct Revenue Financing towards Bitts Park project	Non-recurring	10,000	Health and Wellbeing Manager
04/03/2022	Release of funding from Revenue Grant Reserve for Partnerships Place Co-ordinator	Non-recurring	1,400	Corporate Director of Finance and Resources
17/02/2022	Rural Strategy for Carlisle and Eden Districts	Non-recurring	25,000	OD.24/22 Corporate Director of Economic Development
17/02/2022	Borderlands Place Programme: Longtown Place Plan	Non-recurring	30,000	OD.25/22 Corporate Director of Economic Development
29/03/2022	Virement from Asset Review Income as contribution towards Legal Services	Non-recurring	17,000	Head of Property Services
05/04/2022	Return of funding released in year to Revenue Grant Reserve for Rough Sleeping Initiative	Non-recurring	(115,300)	Corporate Director of Finance and Resources
06/04/2022	Release of funding from Revenue Grant Reserve for Supporting People	Non-recurring	1,700	Corporate Director of Finance and Resources
26/04/2022	Special Events Contribution to Restarting Communities	Non-recurring	7,400	Health and Wellbeing Manager
26/04/2022	Release of Council Tax Hardship Reserve in respect of hardship grants awarded in 2021/22	Non-recurring	359,100	OD.49/22 Corporate Director of Finance and Resources
13/04/2022	Release of Planning Reserve to fund improvements to the operation of Development Management	Non-recurring	29,300	OD.55/22 Chief Executive
06/05/2022	Release of Council Tax Income Guarantee to offset the deficit on the Collection Fund as a result of loss of Council Tax income in 2020/21 due to the Covid-19 pandemic	Non-recurring	23,000	Corporate Director of Finance and Resources
Approved by Executive (£35,000 to £70,000 or delegated authority)				
Approved by Council (over £70,000)				

REVENUE BUDGET MONITORING 2021/22

COMMUNITY SERVICES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	20,938,600	(6,071,900)	(3,719,700)			11,147,000
Budget to date	20,938,600	(5,640,300)	(4,151,300)			11,147,000
Total Actual	20,501,448	(5,867,937)	(4,018,221)			10,615,290
Variance	(437,152)	(227,637)	133,079			(531,710)
Carry Forwards/Reserves & Provisions				222,800	134,200	357,000
Adjusted Variance	(437,152)	(227,637)	133,079	222,800	134,200	(174,710)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Car Parking	1	(37,666)	347,413	50	0	0	309,798
Bereavement Services	2	14,077	41,434	46	0	0	55,557
Garage Services	3	(41,655)	11,227	126,077	10,900	0	106,548
Grounds Maintenance	4	(49,923)	(7,475)	(7,866)	6,500	0	(58,764)
Healthy Cities	5	(78,415)	(9,315)	0	2,000	0	(85,730)
Corporate Training	6	(61,273)	(590)	4,561	0	0	(57,302)
Other Green Spaces	7	14,185	(100,869)	18	15,000	42,700	(28,966)
Recycling and Waste Services	8	(15,256)	(465,329)	(9,845)	69,400	0	(421,030)
Miscellaneous	9	(181,225)	(44,134)	20,037	119,000	91,500	5,178
Total Variance to date		(437,152)	(227,637)	133,079	222,800	134,200	(174,710)

Note	Community Services - Comments
	<ol style="list-style-type: none"> Various minor underspends including premises related costs; Shortfall in ticket income, contract income and penalty charge notice income. Minor overspends on premises related costs; reduced income from cremation fees partly offset by increased income from Cemeteries burial fees. Underspends on employee costs and supplies & services; shortfall in trading income (recharges). Underspends on transport related costs and supplies & services. Underspends in relation to Member's small scale community projects and Leisure contract payments. Underspend on budget earmarked for Apprentice posts. Underspends on expenditure at Talkin Tarn; increased car parking income at Talkin Tarn County Park & Grazing Land Management (request to transfer to reserve) Underspend on transport costs, overspend on savings not yet achieved. Surplus income from Plastic and Card recycling, sale of recyclates and Bring Sites income. 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	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	3,840,500	(319,100)	(3,229,800)			291,600
Budget to date	3,840,500	(319,100)	(3,229,800)			291,600
Total Actual	3,677,026	(244,219)	(3,239,579)			193,228
Variance	(163,474)	74,881	(9,779)			(98,372)
Carry Forwards/Reserves & Provisions				83,000	0	83,000
Adjusted Variance	(163,474)	74,881	(9,779)	83,000	0	(15,372)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
ICT Services	1	(62,759)	(4,519)	(9,711)	67,500	0	(9,489)
Miscellaneous	2	(100,715)	79,400	(68)	15,500	0	(5,883)
Total Variance to date		(163,474)	74,881	(9,779)	83,000	0	(15,372)

Note	Corporate Support - Comments
1.	Underspends on employee related costs, partly offset by overspends on supplies and services (including software licenses and IT support).
2.	Minor underspends and shortfall in income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

ECONOMIC DEVELOPMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	4,371,200	(1,474,100)	(507,400)			2,389,700
Budget to date	4,371,200	(1,474,100)	(507,400)			2,389,700
Total Actual	3,942,706	(2,342,013)	(507,470)			1,093,223
Variance	(428,494)	(867,913)	(70)			(1,296,477)
Carry Forwards/Reserves & Provisions				349,000	690,673	1,039,673
Adjusted Variance	(428,494)	(867,913)	(70)	349,000	690,673	(256,804)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Regeneration	1	(169,864)	23	0	216,700	0	46,859
Development Control	2	(21,197)	(129,450)	0	0	10,047	(140,601)
Building Control	3	(88,645)	(57,004)	0	0	0	(145,649)
Investment and Policy	4	(160,387)	(680,600)	0	132,300	680,626	(28,061)
Miscellaneous	5	11,600	(882)	(70)	0	0	10,648
Total Variance to date		(428,494)	(867,913)	(70)	349,000	690,673	(256,804)

Note	Economic Development - Comments
1.	Underspend on Programme Management Office costs (carry forward requested).
2.	Underspend on employee related costs; increased fee income received.
3.	Underspend on employee related costs; increased fee income received.
4.	Underspend on grants paid out and consultant fees; increased grant income received (carry forward and transfer to revenue grant reserve requested).
5.	Minor overspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

FINANCE AND RESOURCES	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	26,145,900	(20,964,200)	(2,992,500)			2,189,200
Budget to date	26,145,900	(20,964,200)	(2,992,500)			2,189,200
Total Actual	25,930,852	(20,855,395)	(2,976,299)			2,099,158
Variance	(215,048)	108,805	16,201			(90,042)
Carry Forwards/Reserves & Provisions				5,300	46,505	51,805
Adjusted Variance	(215,048)	108,805	16,201	5,300	46,505	(38,237)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Treasury and Debt Management	1	(305,803)	(20,025)	16,294	0	0	(309,534)
Benefits Payments and Subsidy	2	33,439	184,080	0	0	0	217,520
Miscellaneous	3	57,315	(55,250)	(93)	5,300	46,505	53,777
Total Variance to date		(215,048)	108,805	16,201	5,300	46,505	(38,237)

Note	Finance and Resources - Comments
1.	Saving on borrowing costs due to no new borrowing arrangements entered into yet; improved levels of investment interest achieved.
2.	A net overspend due to lower levels of Housing Benefit Overpayments received.
3.	Minor underspends and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

GOVERNANCE AND REGULATORY	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	12,867,000	(7,127,000)	(3,700,900)			2,039,100
Budget to date	12,867,000	(7,127,000)	(3,700,900)			2,039,100
Total Actual	11,816,176	(7,186,272)	(3,670,886)			959,018
Variance	(1,050,824)	(59,272)	30,014			(1,080,082)
Carry Forwards/Reserves & Provisions				524,500	408,251	932,751
Adjusted Variance	(1,050,824)	(59,272)	30,014	524,500	408,251	(147,331)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Electoral Services	1	(66,571)	(7,515)	30	0	0	(74,055)
Buildings & Facilities Services	2	(423,875)	(21,790)	30,865	288,500	0	(126,300)
The Lanes	3	2,215	232,452	0	0	0	234,667
The Market Hall	4	13,812	50,348	0	0	0	64,160
Other Rental Properties	5	15,346	(233,314)	0	0	240,000	22,032
Industrial Estates	6	36,975	(105,540)	0	0	0	(68,565)
Strategic Asset Investment	7	(90,554)	(7,627)	35	140,700	0	42,554
Homeless Accommodation	8	(287,043)	274,721	0	30,000	40,000	57,678
Homeless Prevention & Welfare	9	(96,882)	(40,221)	0	0	32,315	(104,788)
Regulatory Services	10	(69,039)	(123,044)	(957)	30,000	30,536	(132,504)
Miscellaneous	11	(85,209)	(77,742)	41	35,300	65,400	(62,210)
Total Variance to date		(1,050,824)	(59,272)	30,014	524,500	408,251	(147,331)

Note	Governance & Regulatory Services - Comments
1.	An underspend on election costs as a result of there being no City Council elections in 2021/22.
2.	Underspend on premises expenditure (including Public Conveniences and Civic Centre); increase in rental income received & a shortfall in trading income.
3.	Shortfall in rental income.
4.	Shortfall in rental income.
5.	Overspend on premises expenditure; dilapidations settlement received (transfer to reserve requested).
6.	Overspend on third party payments; increased rental income as a result of backdated rent reviews.
7.	Additional income generated from completed rent reviews; overspend on income target for the use of capital receipts to fund asset disposal costs.
8.	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.
9.	Underspend on employee related expenditure; increased level of Government grants received.
10.	Underspend on employee related expenditure and supplies & services; Additional licence income and agency fee income received.
11.	Minor underspend and increased income across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

CORPORATE MANAGEMENT	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	(760,000)	(1,369,900)	0			(2,129,900)
Budget to date	(760,000)	(1,369,900)	0			(2,129,900)
Total Actual	(512,161)	(1,379,868)	0			(1,892,029)
Variance	247,839	(9,968)	0			237,871
Carry Forwards/Reserves & Provisions				80,200	0	80,200
Adjusted Variance	247,839	(9,968)	0	80,200	0	318,071

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Other Financial Costs	1	356,413	(10,014)	0	0	0	346,399
Miscellaneous	2	(108,574)	46	0	80,200	0	(28,328)
Total Variance to date		247,839	(9,968)	0	80,200	0	318,071

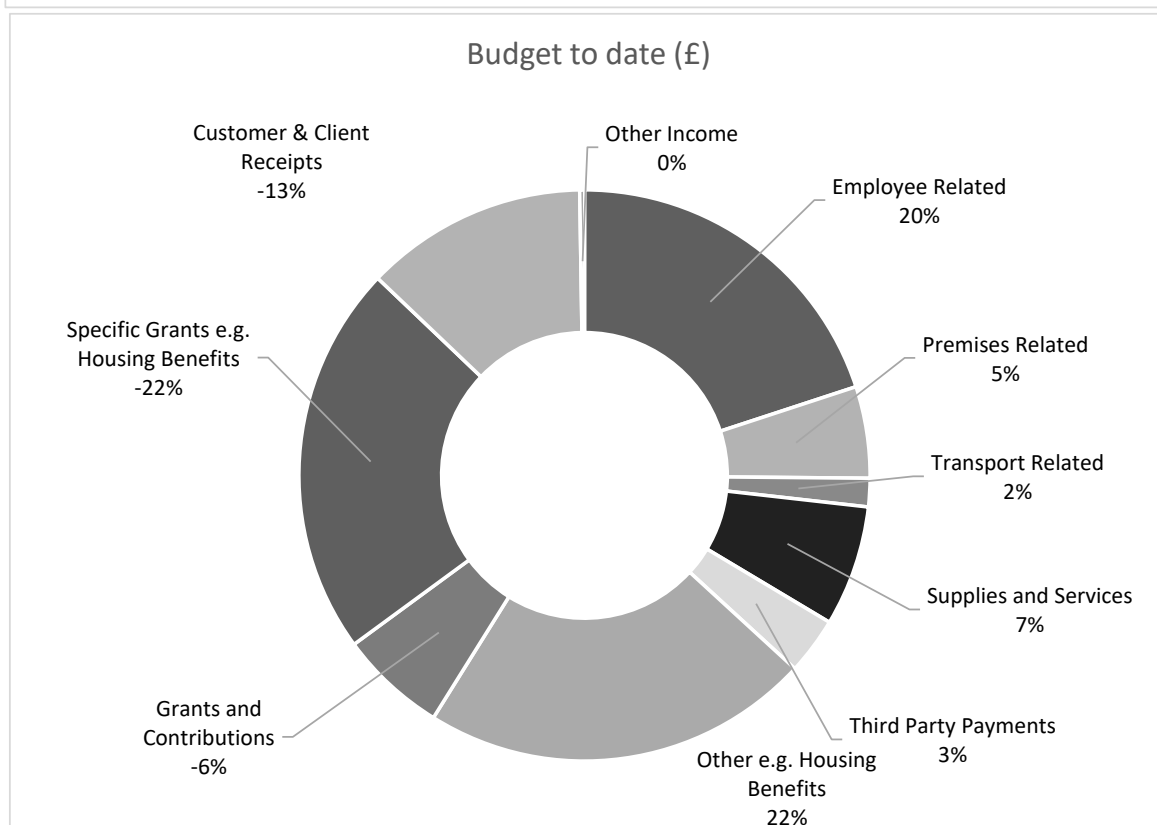
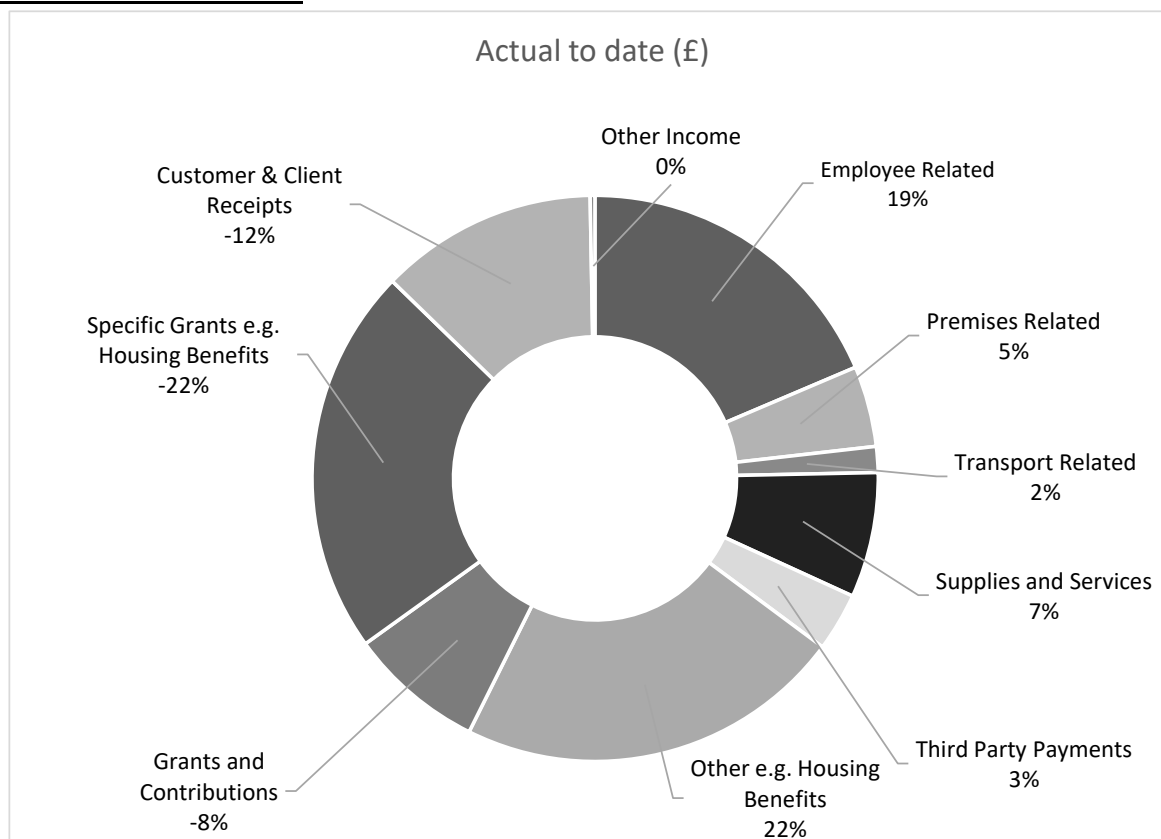
Note	Corporate Management - Comments
1.	Improvements in savings for Salary Turnover (£45,500) and shortfall in savings to be found (£403,700).
2.	Minor underspends across other services within the Directorate.

REVENUE BUDGET MONITORING 2021/22

EXCEPTIONAL ITEMS	Gross Expenditure	Gross Income	Recharges	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Total
Position as at 31 March 2022	£	£	£	£	£	£
Annual Budget	14,930,900	(12,769,700)	0			2,161,200
Budget to date	14,930,900	(12,769,700)	0			2,161,200
Total Actual	14,463,606	(13,676,094)	0			787,512
Variance	(467,294)	(906,394)	0			(1,373,688)
Carry Forwards/Reserves & Provisions				703,100	0	703,100
Adjusted Variance	(467,294)	(906,394)	0	703,100	0	(670,588)

Analysis of Variances		Expenditure Variance	Income Variance	Recharges Variance	Carry Forwards Awaiting Approval	Reserves / Provisions	Adjusted Variance
Service	Note	£	£	£	£	£	£
Covid-19 Related Expenditure & Grants	1	212,025	(889,769)	0	0	0	(677,744)
Local Government Reorganisation	2	(683,741)	(19,367)	0	703,100	0	(8)
Miscellaneous	3	4,422	2,742	0	0	0	7,164
Total Variance to date		(467,294)	(906,394)	0	703,100	0	(670,588)

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.	A net underspend position on Local Government Reorganisation expenditure. The balance will be required to support the ongoing process.
3.	Expenditure resulting from flooding caused by Storm Ciara funded by insurance settlement.

SUBJECTIVE ANALYSIS

Directorate/Section	Description	Requests into 2022/23 £
Corporate Support		
ICT Services	To fund commitments to enhance cyber security, vulnerability scanning and threat hunting.	67,500
Customer Contact	To fund required staffing commitments in 2022/23.	15,500
		83,000
Finance and Resources		
Internal Audit	To fund specialist work & contribute towards the cost of the External Quality Assessment.	5,300
		5,300
Corporate Management		
Corporate Management	To fund any proposed additional audit fees e.g. in relation to Redmond Review	27,600
Direct Revenue Financing	Budgets originally allocated to fund schemes within 2021/22 capital programme. Schemes have slipped into 2022/23 thus requiring the funding to be carried forward.	52,600
		80,200
Community Services		
Neighbourhood Services	To ensure continuation of Market Factor Supplements for the HGV drivers for the 2 year period in line with Carlisle City Council policy.	57,900
Small Scale Community Projects	For committed projects at Currock.	2,000
HR & Payroll	For iTrent development and additional, temporary staffing resources within HR.	11,000
Carlisle Partnership - Healthy Communities and Older People	Budget required for partnership projects in relation to committed spend in 2022/23. Funds released from Revenue Grant Reserve in advance of spend.	7,500
Staff Health & Wellbeing Budget	Budgeted for a Celebration of Learning event in December 2021 to encompass two years of celebrations which didn't take place due to a further Covid lockdown.	7,000
Transport Services	To ensure continuation of Market Factor Supplements for the Mechanics for the 2 year period in line with Carlisle City Council policy.	22,400
Fleet & Workshop	For committed orders for various items of battery powered Small Plant Machinery for the Grounds Maintenance team.	6,500
Policy and Communications - Staffing Resources	Funding for Data Analyst Apprentice.	25,500
Policy and Communications - Staffing Resources	Funding for Digital Marketing Officer role.	26,800
Talkin Tarn Lighting Project	To update the lighting around the buildings at Talkin Tarn.	15,000
Environmental Support	Allocated budget towards Environmental support not used due to internal recruitment to permanent posts. Expenditure to be used for purchased equipment and ongoing employee costs.	41,200
		222,800
Economic Development		
Longtown Place Plan	Executive approval to progress with inclusion of Longtown in the Borderlands Place Programme was given (KD.29/20).	30,000
Rural Strategy for Carlisle & Eden	The proposal relates to the development of a Rural Strategy for Carlisle and Eden. The Carlisle Economic Strategy (approved by full Council (ED.34/21) commits the Council to produce a rural strategy for Carlisle district.	25,000
City Centre Business Support - BID	Support the work of the City Centre Task Force.	5,000
City Centre Business Support - BID	Business start up grant funding that applicants can apply for if their proposal involves the use of empty properties within the city centre.	8,500
Affordable Housing	Required to fund the Self and Custom Build Housing Grants programme approved by Executive in July 2020.	38,000
St Cuthbert's Garden Village Examination	Required to support delivery of the Local Plan.	69,300
Carlisle South	The Garden Village project is a key corporate priority.	25,000
Programme Management Office	There has been a delay in the recruitment of PMO staff and therefore there is an underspend during 2021/22. These posts have now been filled. The PMO will operate for a 3 year period and therefore underspends will be addressed during the next financial year 2022/23 as the PMO begins to operate at full capacity.	148,200
		349,000
Governance & Regulatory		
Homeless Prevention	To be used to fund staffing pressures in 2022/23.	30,000
Licensing	To cover additional staffing resources and pressures in 2022/23.	20,000
Food and Public Protection	To fund committed Agency support.	10,000
Asset Disposal	To fund resources required to deliver the project.	115,600
Land Drainage	To fund repair works to the banks of Hammonds Pond which have eroded due to damage to the existing bank protection and wave damage from the water.	14,700
Property Development	To fund casual administrative work required to support the Major Projects Team.	25,100
Repair & Maintenance Programme	Outstanding items of work approved in the 3 year maintenance plan that have not been completed due to Covid, planning, weather and significant resources issues. The sums above represent committed items of work across the operational portfolio where liabilities arise based on owner and occupier arrangements.	288,500
Town Twinning	The Town Twinning Civic exchange was not held in 2021/22 due to the pandemic. As 2022/23 is due to be the last year of Carlisle City Council it is likely that this year's exchange will go ahead in which case Carlisle will pay for all food, accommodation, events and transport for delegates	9,400
City Lighting	Although the capital element of the LED programme is complete, the surveys revealed more columns that required replacement than initially expected. Altitude are required to replace a further 30 columns in 22/23 (8 of which are still to be purchased) and the work has been committed as there is statutory duty to replace the columns once identified.	11,200
		524,500
Exceptional Items		
LGR Implementation Reserve	To provide continued funding for the LGR Programme Director who is employed by the City Council. Funds have been retained from the County wide Implementation Reserve which covers the period of employment until May 2023.	209,000
LGR Council Costs	As a provision for any one-off costs associated with LGR which cannot be recovered from the Implementation Reserve hosted by Cumbria County Council.	494,100
		703,100
Total General Fund Carry Forward Requests		1,967,900

Reserve/Provision	Purpose	Management of the Reserve	Approval to Release Funds	2021/22 In to Reserve £	Total £
NEW					
Tullie House	To provide funds for property works and future repair works at Tullie House.	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve only be given by an Officer Decision Notice by the Corporate Director of Finance and Resources.	800,000	800,000
Leisure Reserve	To provide funds for additional expenditure related to the leisure management contract.	Management of the Reserve rests with the Deputy Chief Executive.	Approval to release funds from the reserve only be given by an Officer Decision Notice by the Deputy Chief Executive.	400,000	400,000
EXISTING					
Prosecutions Reserve	For future anticipated Barrister & legal fees		Approval to release funds from the reserve only be given by an Officer Decision Notice by the Corporate Director of Governance & Regulatory Services in consultation with the Chief Executive, Portfolio Holder & Corporate Director of Finance & Resources.	15,500	15,500
Carry Forward Reserve	To hold carry forward budgets. Any expenditure in relation to a carry forward will if possible be funded from base budgets but can be called from this reserve if the section is likely to be in an overspend position at year end. (Dilapidations for Stanwix House)	Management of the Reserve rests with the Corporate Director of Finance and Resources.	Approval to release funds from the reserve only be given by the Corporate Director of Finance & Resources and/or The Chief Executive.	240,000	240,000
Revenue Grants Reserve	A reserve to hold revenue grant funds received by the Council which have not yet been utilised.	Management of the Reserve rests with the Corporate Director of Finance and Resources	Approval to release funds from the reserve only be given by the Corporate Director of Finance and Resources in consultation with the relevant Chief Officer.		963,624
Community Services	One Public Estate: One Public Estate - Sustainable Grant Funding Repayment			20,000	
Community Services	Health and Wellbeing: Grazing Land Management			42,700	
Community Services	Partnerships: Health & Wellbeing Sustainable Food Coordinator			25,300	
Community Services	Partnerships: NCLF Place Co-ordinator			46,200	
Governance & Regulatory Services	Homelessness: AFO Prison Leavers Grant (DLUHC)			40,000	
Governance & Regulatory Services	Homelessness: Grant for Domestic Abuse supported accommodation (DLUHC)			32,315	
Governance & Regulatory Services	Land Charges: Local Land Charges Migration Grant			65,400	
Governance & Regulatory Services	Homelife: FILT Gas Safe 2021/22			1,036	
Economic Development	Development Control: Bio-diversity net gain grant (DEFRA)			10,047	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Capacity Fund)			250,000	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Design Code Pathfinder)			120,000	
Economic Development	Investment & Policy: St Cuthbert's Garden Village (Development Corporation Business Case)			310,626	
TOTAL RESERVE REQUESTS				2,419,124	2,419,124
EXISTING PROVISION					
Civil Penalties Provision	In relation to costs to be funded from Civil Penalties income as per the Housing and Planning Act 2016.			14,000	14,000
NEW PROVISION					
Revenues and Benefits	Funds received as reimbursement of overcharged magistrate court fees paid for council tax liability orders applied for between April 2014 and July 2018.			46,505	46,505
TOTAL PROVISION REQUESTS				60,505	60,505
TOTAL REQUESTS FOR RESERVES & PROVISIONS				2,479,629	2,479,629

Carlisle City Council

Report to Executive

Item
A.1 (b)

Meeting Date:	25 May 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	Yes: Recorded in the Notice Ref: K.11/22
Policy and Budget Framework	Yes
Public / Private	Public
Title:	Provisional Capital Outturn 2021/22 and Revised Capital Programme 2022/23
Report of:	Corporate Director of Finance and Resources
Report Number:	RD.04/22

Purpose / Summary:

This report summarises the 2021/22 provisional out-turn for the capital budget and provides details of the revised capital programme for 2022/23. The out-turn shows that the net underspend for Council Services as at 31 March 2022 once committed expenditure totalling £7,106,700 is taken into account is £364,314.

It should be noted that the information contained in this report is provisional subject to the formal audit process. The draft Statement of Accounts for 2021/22 will be presented to the Audit Committee on 8 July, with final approval of the audited accounts on 28 September (tbc).

Recommendations:

The Executive is asked to:

- (i) Note the net underspend as at 31 March 2022 of £364,314 which includes committed expenditure to be met totalling £7,106,700, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Consider the revised programme for 2022/23, together with the proposed methods of financing and virement request, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

Tracking

Executive:	25 May 2022
Scrutiny:	9 June 2022 (People Panel)
Council:	19 July 2022

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 2021/22, summarised in **Appendix A**
 - (ii) the revised programme for 2022/23, and the provisional programme for 2023/24 to 2026/27, 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 2022/23. 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 2021/22 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. Capital Budget Overview

- 2.1 The original capital programme of £19,070,400 was approved in February 2021. 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 2021/22 of £28,425,600 is a result of the following funding streams:

2021/22 Capital Budget	£
Original 2021/22 Programme (approved Feb 2021)	19,070,400
Carry forwards from 2020/21 (RD65/20 Council 02/03/21)	3,031,500
Carry forwards from 2020/21 (RD16/21 Council 20/07/21)	4,454,600
Increase for Empty Property Grants (GD13/21 Executive 08/03/21)	109,400
Increase from S106 contributions towards Play Area Improvements (OD26/21 & OD34/21)	153,200
Increase for Carlisle Citadels Project (LD02/21 23/02/21)	902,500
Increase for Swifts Wildlife Haven (OD27/21)	70,000
Adjustment to external funding for Swifts Wildlife Haven	1,100
Increase for Bitts Park Water Feature (CS33/20 Executive 14/12/20)	10,500
Additional Disabled Facilities Grant (RD16/21 Council 20/07/21)	255,800
Increase for Tullie House Levelling Up Fund (ED17/21 Council 15/06/21)	1,500,000
Increase from S106 contributions for Bitts Park Public Realm (OD60/21)	32,000
Increase from S106 contributions towards Play Area Improvements (OD47/21)	237,400
Increase for grant funding towards Litter Binrastructure project	24,300
Future High Street Fund (ED22/21 Council 20/07/21)	1,436,000
Footway Lighting Melbourne Park (OD73/21)	22,200
S106 contribution towards Affordable Housing (ED25/21 Executive 02/08/21)	600,800
Financials Upgrade (OD92/21)	80,900
Less reduction in Capital programme (RD51/21 Executive 22/11/21)	(394,800)
Removal of Reserves to be released by Executive (RD51/21 Executive 22/11/21)	(1,500,000)
External grant for Sustainable Warmth Competition (GD73/21 Executive 25/10/21)	2,210,000
Revenue Contribution towards the purchase of Waste Receptacles	72,100
Revenue Contribution towards IT equipment	179,900
Revenue Contribution towards Civic Centre Development	2,000
Revenue Contribution towards Vehicle Replacements	5,200
Revenue Contribution towards Bitts Park Towns Deal	68,900
Revenue Contribution towards Bitts Park Public Realm	10,000
Revenue Contribution towards Asset Demolition	44,000
Revenue Contribution towards Play Area Developments	10,000
Revenue Contribution towards Skew Bridge Deck	9,100
Reduced grant towards Play Area Developments	(15,000)
Reduced insurance settlement for Bitts Park Water feature	(3,300)
External contribution towards Civic Centre Development	14,700
External contribution towards Sands Centre Development	2,500
External contribution towards Disabled Facilities Grants	13,000
Agreed Carry Forwards into 2022/23 (RD77/21 Council 01/03/22)	(4,295,300)
Revised 2021/22 Capital Programme	28,425,600
Less Capital Reserves to be released by Executive (see para 3.10)	(380,000)
Revised 2021/22 Capital Programme (released)	28,045,600

2.2 The provisional outturn position for the 2021/22 capital programme is shown below:

Capital Expenditure	Revised Annual Budget	Total Expenditure	Variance	Carry Forwards (Committed)	Adjusted Variance
	£	£	£	£	£
Community Services	20,364,900	16,722,875	(3,642,025)	3,828,800	186,775
Corporate Support	439,600	409,978	(29,622)	29,600	(22)
Economic Development	2,944,700	1,246,381	(1,698,319)	1,689,600	(8,719)
Finance & Resources	80,900	37,444	(43,456)	43,500	44
Governance & Regulatory Services	4,208,300	2,530,744	(1,677,556)	1,135,200	(542,356)
Exceptional Items	7,200	7,164	(36)	0	(36)
Total Expenditure	28,045,600	20,954,586	(7,091,014)	6,726,700	(364,314)
Reserves to be released	380,000		(380,000)	380,000	0
Total Expenditure	28,425,600	20,954,586	(7,471,014)	7,106,700	(364,314)

2.3 The position for 2021/22 after committed carry forwards have been taken into account is an underspend of £364,314.

2.4 The main variances after carry forwards are summarised below:

- An overspend of £161,287 on the Civic Centre Development project in relation to increased consultant fees.
- An overspend of £26,284 on the purchase of Waste Receptacles.
- An underspend of £532,583 on the Gateway 44 Retail Park Development. Capital expenditure in relation to the remaining empty units has been revised downwards.

2.5 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.

2.6 Further details for each directorate are included in **Appendices A1-A6**.

2.7 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 has been carried out throughout the year to monitor the profiling of budgets and these have been adjusted to reflect progress in current capital schemes. The year end position for the capital programme is improved from previous years due to the implementation of the corporate reserves procedure and the improved profiling.

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 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 Corporate Director of Finance and 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 Corporate Director of Finance and 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 Corporate Director of Finance and Resources will report the extent of overspending carried forward to the Executive, Business and Transformation Scrutiny Panel (now People 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.

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 £7,106,700 will be spent in 2022/23.

4. Financing of the Capital Programme 2021/22

- 4.1 Utilisation of resources to fund the 2021/22 capital programme in light of the outturn is provisionally estimated as follows:

	Revised Budget £	Provisional Out-turn £
Capital Programme expenditure in year	28,425,600	20,954,586
Financed by:		
Capital Receipts (note 1)	0	82,940
Capital Receipts - to fund cost of disposal	(112,000)	(3,080)
Capital Grants		
• Disabled Facilities Grant	2,155,600	2,155,574
• Future High Street Fund	316,700	124,527
• Carlisle Citadels	934,700	925,928
• General (note 2)	1,501,300	545,861
Reserves & Balances (note 3)		
• Direct Revenue Financing	2,624,900	2,222,432
Contributions from other bodies incl S106 (note 4)	1,050,300	253,082
Borrowing Requirement (In Year)	19,954,100	14,647,322
Total Financing	28,425,600	20,954,586

Notes:

1. There were no usable capital receipts carried forward from 2020/21. Capital receipts generated during the year amount to £82,940 compared to the revised estimate figure of £0, an increase of £82,940.

The total sum available has been used to fund the Capital Programme in 2021/22, with the balance of funding required (£14,647,322) being financed from a borrowing requirement that is significantly lower than anticipated.

In accordance with Capital Finance Regulations, costs associated with asset disposal totalling £3,080 that are included in the revenue outturn, can be funded from the capital receipt generated.

2. Any balance of funding from capital grants has been carried forward into 2022/23 to allow the schemes to complete.
3. The use of capital receipts has been optimised in order to fund 2021/22 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 2021/22. Capital receipts are the last source of funding applied to finance the capital programme; external funding is always applied first.

4. Additional contributions were received towards DFGs, Play Areas, Sands Centre Development, Civic Centre Development and Footway Lighting Melbourne Park.

5. Five Year Capital Programme

- 5.1 A five-year Capital Programme for 2022/23 to 2026/27 is detailed in **Appendices B1-B2**.
- 5.2 The programme for 2022/23 totalling £45,447,400 (subject to approval) is based upon the programme as agreed by Council in February 2022 of £36,074,100, the commitments brought forward from 2021/22 as identified above of £7,106,700, the commitments brought forward from 2021/22 already approved of £4,295,300, an increase of £255,800 for additional Disabled Facilities Grant award which has recently been advised and totals £2,155,574, and the following additional adjustments:
 - Executive are asked to make recommendation to Council for the reprofiling of £2,284,500 for Future High Street Projects due to revised grant payment profiles provided.
- 5.3 The 2022/23 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme.
- 5.4 It is suggested that the revised programme for 2022/23 as detailed in Appendix B1 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	36,074,100	36,074,100
Add: Carried forward from 2021/22 (in Year)	0	4,295,300
Add: Carried forward from 2021/22 (Year End)	0	7,106,700
Add: Other adjustments to programme	0	(2,028,700)
Total Expenditure to be financed	36,074,100	45,447,400
<u>Financed by:</u>		
Capital Grants		
• DFG	1,899,800	2,155,600
• Sustainable Warmth	17,745,000	19,955,000
• Future High Street Fund	3,363,200	2,780,200
• General	66,000	933,700
Capital Receipts	285,500	285,500
Receipts used to fund resources	(112,000)	(112,000)
Contributions from other bodies	0	828,300
Direct Revenue Financing	1,962,400	2,365,000
Borrowing Requirement (In Year)	10,864,200	16,256,100
Total Financing	36,074,100	45,447,400

- 5.5 The proposed programme for **2023/24** to **2026/27** as detailed in Appendix B2 is based on the programme agreed by Council in February 2022, the increased Disabled Facilities grant (projected to be recurring) and the proposed reprofiled Future High Street Fund projects.

6. Risks

- 6.1 Individual capital schemes have different risks involved. A risk assessment of the overall capital programme is included at **Appendix C**. An additional risk to the Council is the overall cost of COVID-19 in terms of increased costs and delays to supplies.

7. Consultation

- 7.1 Consultation to date.
Portfolio Holders and SMT have considered the issues raised in this report.
- 7.2 Consultation Proposed
People Panel will consider the report on 9 June 2022.

8. Conclusion and reasons for recommendations

- 8.1 The Executive is asked to:
- (i) Note the net underspend as at 31 March 2022 of £364,314 which includes committed expenditure to be met totalling £7,106,700, which is

recommended by the Corporate Director of Finance and Resources for approval to Council;

- (ii) Consider the revised programme for 2022/23, together with the proposed methods of financing and virement request, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

9. Contribution to the Carlisle Plan Priorities

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

Contact Officer: Emma Gillespie

Ext: 7289

Appendices attached to report:

- A1 to A6 and B1 to B2 and C

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 outturn figures is part of this process. Approval of full Council is required for the use of capital reserves to fund expenditure commitments as set out in the report.

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.

COMMUNITY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Vehicles & Plant	447,000	80,274	(366,726)	366,700	(26)	Slippage of planned vehicle replacements from 2021/22 into 2022/23. A revised replacement plan for the next 5-10 years has been provided as part of the 2022/23 budget process.
Cemetery Infrastructure	5,700	0	(5,700)	5,700	0	For further improvements to Fairy Beck due to be carried out in 2022/23.
Civic Centre Development	2,098,300	2,259,587	161,287	0	161,287	Overspend on the project due to increase consultant fees and equipment costs.
Play Area Developments	422,100	215,728	(206,372)	205,500	(872)	Slippage of projects from 2021/22. Funding provided from S106 monies.
Towns Deal - Bitts Park Improvements	168,100	168,222	122	0	122	Project complete.
Skew Bridge Deck	76,100	76,110	10	0	10	Project complete.
Swifts Wildlife Haven	71,100	71,099	(1)	0	(1)	Project complete.
Bitts Park Public Realm	10,000	0	(10,000)	10,000	0	Slippage from 2021/22 into 2022/23 of externally funded project to undertake public realm improvement works at Bitts Park.
Sands Centre Redevelopment	16,925,100	13,684,171	(3,240,929)	3,240,900	(29)	Capital expenditure for the enhancement work to Leisure Facilities. Progress is being monitored and a revised expenditure profile has been implemented to take account of delays as a result of Covid-19 restrictions.
Recycling Containers	141,400	167,684	26,284	0	26,284	Purchase of waste receptacles are overspent against the annual budget.
Grand Total	20,364,900	16,722,875	(3,642,025)	3,828,800	186,775	

CORPORATE SUPPORT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
ICT Infrastructure	439,600	409,978	(29,622)	29,600	(22)	Part of ICT Strategy Business Case. Implementation has been delayed.
Grand Total	439,600	409,978	(29,622)	29,600	(22)	

ECONOMIC DEVELOPMENT

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Carlisle Citadels	934,700	925,922	(8,778)	0	(8,778)	Project complete.
Towns Deal - Caldew Riverside Remediation	842,500	195,932	(646,568)	646,600	32	Funding received from the Town Deal Capital Accelerated Fund and presented and approved by Executive 14/12/2020. Slippage from 2021/22 into 2022/23.
Planning Software	150,000	0	(150,000)	150,000	0	Project yet to start.
Future High Street Fund - 6-24 Castle Street	127,700	16,950	(110,750)	110,700	(50)	Slippage from 2021/22 into 2022/23 in line with revised approved Memorandum of Understanding.
Future High Street Fund - Central Plaza	80,000	42,531	(37,469)	37,500	31	
Future High Street Fund - Market Square	80,000	0	(80,000)	80,000	0	
Future High Street Fund - Devonshire Street	40,000	0	(40,000)	40,000	0	
Future High Street Fund - Delivery Costs	89,000	65,046	(23,954)	24,000	46	Use of Affordable Homes Commuted Sums to bring empty properties back into use approved by Executive 02/08/2021 (ED25/21). Slippage from 2021/22 into 2022/23.
Affordable Homes	600,800	0	(600,800)	600,800	0	
Grand Total	2,944,700	1,246,381	(1,698,319)	1,689,600	(8,719)	

FINANCE AND RESOURCES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Financials Upgrade	80,900	37,444	(43,456)	43,500	44	Increase to capital programme to cover necessary improvements to the Financials System, fully funded from existing budgets. Slippage from 2021/22 into 2022/23.
Grand Total	80,900	37,444	(43,456)	43,500	44	

GOVERNANCE & REGULATORY SERVICES

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
Planned Enhancements to Council Property	378,800	251,085	(127,715)	127,700	(15)	Some slippage of planned projects into 2022/23.
Rough Sleeping Initiative	10,000	5,215	(4,785)	4,800	15	Capital grant received from DLUHC for the development of the Rough Sleeping Initiative. Slippage into 2022/23.
Gateway 44	896,200	63,617	(832,583)	300,000	(532,583)	Development and Improvement costs associated with the Junction 44 retail development. Slippage into 2022/23 for additional work require to reconfigure remaining units.
Disabled Facilities Grants	2,600,200	1,991,777	(608,423)	608,400	(23)	Mandatory Grants. Carry forward required into 2022/23.
Empty Property Grants	112,400	30,095	(82,305)	82,300	(5)	Discretionary grants to assist getting empty properties back into use. Carry forward required into 2022/23.
On Street Charging Infrastructure	102,800	102,227	(573)	0	(573)	Project complete.
LED Footway Lighting Installation	29,700	20,527	(9,173)	0	(9,173)	Project complete.
Footway Lighting Melbourne Park	22,200	22,175	(25)	0	(25)	Project complete.
Energy Monitoring System	12,000	0	(12,000)	12,000	0	To provide an Energy Management System to be installed to monitor energy usage across Council owned property. Slippage into 2022/23.
Asset Demolition	44,000	44,026	26	0	26	Project complete.
Grand Total	4,208,300	2,530,744	(1,677,556)	1,135,200	(542,356)	

EXCEPTIONAL ITEMS CAPITAL EXPENDITURE

Scheme	Revised Annual Budget £	Expenditure to date £	Variance to date £	Carry Forwards £	Adjusted Variance £	Details of major variance
IC Buildings Flood Capital	7,200	7,164	(36)	0	(36)	Project complete.
Grand Total	7,200	7,164	(36)	0	(36)	

2022/23 CAPITAL PROGRAMME
APPENDIX B1

Scheme	Original Capital Programme 2022/23 £	Carry Forwards from 2021/22 £	Carry Forwards from 2021/22 £	Other Adjustments £	Revised Capital Programme 2022/23 £
<u>Current non-recurring commitments</u>					
Sands Centre Redevelopment	3,450,200	0	3,240,900	0	6,691,100
Energy Monitoring System	0	0	12,000	0	12,000
Future High Street Fund - Market Square	1,011,800	377,300	80,000	(390,000)	1,079,100
Future High Street Fund - 6-24 Castle Street	510,700	42,600	110,700	(170,200)	493,800
Future High Street Fund - Central Plaza	1,787,300	632,400	37,500	(1,669,700)	787,500
Future High Street Fund - Devonshire Street	220,900	33,600	40,000	(54,500)	240,000
Future High Street Fund - Delivery Costs	122,500	33,400	24,000	(100)	179,800
Cemetery Infrastructure	0	0	5,700	0	5,700
Carlisle Southern Link Road	5,000,000	0	0	0	5,000,000
Planning Software	0	0	150,000	0	150,000
Play Area Improvements	250,000	0	205,500	0	455,500
Sands Car Park Resurfacing	210,000	0	0	0	210,000
Swifts Car Park Resurfacing	200,000	0	0	0	200,000
Towns Deal - Caldew Riverside	0	0	646,600	0	646,600
Gateway 44	0	0	300,000	0	300,000
Rough Sleeping Initiative	0	0	4,800	0	4,800
Bitts Park Public Realm	0	32,000	10,000	0	42,000
Financials Upgrade	0	0	43,500	0	43,500
Affordable Homes	0	0	600,800	0	600,800
Sustainable Warmth Competition	17,745,000	2,210,000	0	0	19,955,000
	30,508,400	3,361,300	5,512,000	(2,284,500)	37,097,200
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	250,000	80,000	127,700	0	457,700
Vehicles, Plant & Equipment	1,185,500	0	366,700	0	1,552,200
Recycling Containers	45,000	0	0	0	45,000
ICT Infrastructure	410,400	54,000	29,600	0	494,000
	1,890,900	134,000	524,000	0	2,548,900
<u>Disabled Facilities Grants</u>					
Private Sector Grants	1,899,800	800,000	608,400	255,800	3,564,000
Empty Property Grants	0	0	82,300	0	82,300
	1,899,800	800,000	690,700	255,800	3,646,300
TOTAL	34,299,100	4,295,300	6,726,700	(2,028,700)	43,292,400
<u>Capital Reserves to be released</u>					
Crematorium Infrastructure	1,775,000	0	350,000	0	2,125,000
Cemetery Infrastructure	0	0	30,000	0	30,000
	1,775,000	0	380,000	0	2,155,000
REVISED TOTAL	36,074,100	4,295,300	7,106,700	(2,028,700)	45,447,400

Scheme	Proposed Capital Programme 2023/24 £	Original Capital Programme 2024/25 £	Original Capital Programme 2025/26 £	Original Capital Programme 2026/27 £
Private Sector Grants	2,155,600	2,155,600	2,155,600	2,155,600
Planned Enhancements to Council Property	250,000	250,000	250,000	250,000
Vehicles, Plant & Equipment	2,131,500	1,139,000	1,166,000	1,213,000
ICT Infrastructure	0	75,700	101,400	101,400
Recycling Containers	45,000	45,000	45,000	45,000
Sands Centre Redevelopment	0	0	0	0
Carlisle Southern Link Road	0	0	0	0
Crematorium Infrastructure	875,000	0	0	0
Replacement of Flare Data Management System	0	0	0	0
Future High Street Fund - Market Square	1,692,700	0	0	0
Future High Street Fund - 6-24 Castle Street	624,200	0	0	0
Future High Street Fund - Central Plaza	3,919,600	0	0	0
Future High Street Fund - Devonshire Street	250,900	0	0	0
Future High Street Fund - Delivery Costs	122,500	0	0	0
TOTAL	12,067,000	3,665,300	3,718,000	3,765,000

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

Carlisle City Council

Report to Executive

Item
A.1 (c)

Report details

Meeting Date:	25 May 2022
Portfolio:	Finance, Governance and Resources
Key Decision:	Yes: Recorded in the Notice Ref: KD.11/22
Policy and Budget Framework	Yes
Public / Private	Public
Title:	TREASURY MANAGEMENT OUTTURN 2021/22
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number	RD 05/22

Purpose / Summary:

This report provides the annual report on Treasury Management (Appendix A), as required under both the Financial Procedure rules and the CIPFA Code of Practice on Treasury Management. Also included is the regular report on Treasury Transactions (Appendix B).

Recommendations:

That this report be received and approved for recommendation to Council.

Tracking

Executive:	25 May 2022
Scrutiny:	09 June 2022 (People Panel)
Audit Committee:	08 July 2022
Council:	19 July 2022

1. Background

- 1.1 The purpose of this report is to inform Members on various Treasury Management issues.
- 1.2 **Appendix A1** to this report sets out a final report on Treasury Management in 2021/22 as required by the CIPFA Code of Practice on Treasury Management. **Appendix A2** highlights some performance measures and **Appendix A3** shows the final prudential indicators for 2021/22.
- 1.3 **Appendices B1-B3** details the schedule of Treasury Transactions for the period 1 January 2022 – 31 March 2022.

2. Risks

- 2.1 The Council's Treasury Management function is responsible for investing the Council's surplus cash balances and managing cash flows appropriately. The Treasury Management Strategy Statement and the Treasury Management Practices are completed and approved in line with the CIPFA Code and include appropriate mechanisms for dealing with the Council's investments and borrowing needs.

3. Consultation

- 3.1 People Scrutiny Panel will consider the report on 09 June 2022 and the Audit Committee will do so on 08 July 2022.

4. Conclusion and reasons for recommendations

- 4.1 That this report be received and approved for recommendation to Council.

5. Contribution to the Carlisle Plan Priorities

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

Contact details:

Contact Officer: Emma Gillespie Ext: 7289

Appendices attached to report:

- **Appendices attached to report:**
 - Appendix A1 – Treasury Management 2021/22**
 - Appendix A2 – Performance Measurement Statistics**
 - Appendix A3 – Prudential Code and Prudential Borrowing**
 - Appendix B1 – Treasury Transactions**
 - Appendix B2 – Investment Transactions**
 - Appendix B3 – Outstanding Investments**

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:

Legal – Treasury Management activities are delegated to the Corporate Director of Finance and Resources and Financial Procedure Rule 3.19 requires that she prepare an annual report on the topic. This Report fulfils that obligation.

Property Services – Not applicable

Finance – Included in the report

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

Information Governance – No implications

TREASURY MANAGEMENT 2021/22

1. INTRODUCTION

- 1.1 The CIPFA Code of Practice on Treasury Management (2021) requires that full Council should receive both a mid-term and an annual report on treasury management activities during the year. This report on the treasury function during 2021/22, while being first presented to the Executive, is therefore required to have the approval of full Council in order to comply with the CIPFA Code.
- 1.2 Regular reports on treasury transactions are presented to the Executive while an interim report on treasury management in 2021/22 was presented in November 2021 (RD49-21). The purpose of this report is to complete the process of accounting for the treasury function in the last financial year in compliance with the Code. Any funding and other financing transactions are detailed and placed in the context of money market conditions in 2021/22 while the City Council's investment activities are also discussed.

Separate papers (**A2** and **A3**) provide information on performance in 2021/22 and on the Prudential Code on local authority borrowing.

2. MONEY MARKET CONDITIONS

- 2.1 The following table sets out the levels of bank base rate in 2021/22.

	%
1 April 2021 – 15 December 2021	0.10
16 December 2021 – 02 February 2022	0.25
03 February 2022 – 16 March 2022	0.50
17 March – 31 March	0.75

- 2.2 Base rate has steadily risen through the back half of 2021/22 from 0.10% up to 0.75% at 31/03/22.
- 2.3 The pattern of long-term borrowing rates in 2021/22 can be gauged by the following table of Public Works Loans Board (PWLB) fixed rate maturity loans during the year. These are the rates cited in the regular Treasury Transactions reports and relate to the type of loan that historically has most usually been taken up by the City Council.

	1 Yr %	10 Yr %	25 Yr %
1 April 2021	1.02	1.46	2.17
31 March 2022	2.17	2.47	2.79
Highest Rate in 2021/22	2.28	2.58	2.88
Lowest Rate in 2021/22	0.99	1.29	1.76
Span of Rates	1.29	1.29	1.12

3. LONG TERM FUNDING

3.1 The Prudential Code on local authority borrowing came into operation on 1 April 2004. The principal effect of the Code was to abolish most central government control of local authority borrowing, a principle that has been a cornerstone of local government finance for over a century. Instead, authorities must follow the guidance laid down in the Code and they will be expected to comply with its requirements. These cover not just borrowing but any decision that determines whether the capital investment plans of an authority are affordable, prudent and sustainable. The Code is discussed in more detail in **Appendix A3**.

3.2 The City Council did not draw down any external long-term loans in 2021/22. The capital programme was funded internally from borrowing undertaken in 2019/20, by drawing from the authority's own resources, and from external grants and contributions.

4. DEBT RESCHEDULING

4.1 The City Council's long-term loans portfolio at the end of March 2022 consisted of two PWLB loans taken out at £9m and £5m (both taken out in 2019/20). Principal on both loans will be repaid each year with final repayments due in 2059 & 2039 respectively.

5. LOANS OUTSTANDING

5.1 Set out below is a schedule of outstanding external loans as at 31 March 2022.

	£
Public Works Loans Board (PWLB)	12,812,500
Short Term Loans	<u>12,800</u>
Total Loans Outstanding	<u>£12,825,300</u>

6. INVESTMENT TRANSACTIONS

- 6.1 As is apparent from the regular 'Treasury Transactions' reports, the City Council continues to be a frequent investor in the short-term money market and the interest earned from these transactions makes a valuable contribution to the overall level of the Council's revenue budget. Investments are placed only with the institutions that fall within the guidelines of the Council's approved Investment Strategy and a full schedule of investments at 31 March 2022 is set out in **Appendix B3**.
- 6.2 The total at that date (£25.866m) can be compared with an average figure in 2021/22 of over £25.307m and a peak amount of over £31.518m. The closing balance in 2020/21 was £14.289m.
- 6.3 The Investment Strategy for 2021/22 embraced a mixture of longer-term investments and monies lent out for shorter periods to meet anticipated cash flow needs e.g., grant and precept payment dates. There were no changes made to counter party limits in 2021/22.
- 6.4 Investment income in 2021/22 at £186,535 was above the original estimate of £166,800. Actual investment rates obtained from banks and building society investments in 2021/22 were generally around those expected when the budget was set. Increased cash balances due to large upfront funding payments (e.g., sustainable warmth project) helped to increase the overall investment return for the year. The average yield on the Council's investments held including the property fund in 2021/22 was 0.82%. This is a favourable return considering the position of bank base rates during the year and compares well against other local authorities.
- 6.5 At 31 March the investment in the CCLA Property Fund was yielding a return of 3.25%. Dividends received in 2021/22 totalled £127,825.99. The investment has also grown in capital value since the investment was placed in July 2014 from £2,836,893 (after entry costs of £163,107) to £3,866,729 (an increase of £1,029,836). The capital value for 2021/22 increased by £577,371. The overall increase in value offsets the initial entry costs but is still subject to fluctuations in the overall performance of the fund.

7 INVESTMENT STRATEGY 2022/23

- 7.1 The Investment Strategy must be agreed before the start of each financial year and the 2022/23 Strategy was approved by Council on 1 February 2022. While the principles of the Strategy remain fundamentally sound, any amendments to the current schedule of investments, if agreed by the Executive, must be approved by Council.

8. PERFORMANCE MANAGEMENT

8.1 The CIPFA Code places an increased emphasis on performance monitoring in an attempt to measure the efficiency of the treasury function. With treasury management, the difficulty in assessing performance arises from the very different circumstances of each authority and the fact that, for example, a long-term borrowing decision can affect an authority's measured performance for many years to come. Borrowing decisions invariably impact on investment decisions since, in cash flow terms, one can be the mirror image of the other.

8.2 **Appendix A2** sets out some performance indicators in respect of both loans and investments outturn for 2021/22 and 2020/21.

9. TREASURY CONSULTANCY SERVICE (TCS)

9.1 The City Council continues to employ Link Asset Services as its treasury management consultants. Link provide daily bulletins on both borrowing and investment issues and this helps advise both the investment and funding decisions that are taken by the Council.

10 CONCLUSIONS

10.1 At the end of March 2022, the City Council has substantial long-term PWLB borrowing of £12.812m. The loans will be paid back in equal instalments of principal over the lifetime of the loan. No additional borrowing was undertaken during 2021/22, although there was an anticipation that this would be undertaken. Enhanced cash balances during the year negated the requirement to take any additional long-term borrowing. The Medium-Term Financial Plan anticipates external borrowing to support the Council's capital programme in 2022/23 and this will be further assessed during future planning of the MTFP during the course of this year. The focus of the authority's treasury management activities also remains very much on the investment aspect of the function.

10.2 Investment conditions were very similar to as they were in 2020/21, although increases to bank base rates did start to occur during the latter part of the year, in part to try and mitigate increased inflationary pressures in the economy. The City Council's investment interest was still lower than the previous year, however the performance achieved was slightly better than bank base rate levels. Uncertainties around timing of repayments of S.31 grants led to cash balances being invested on a shorter-term basis to ensure the council had enough liquidity for day-to-day activities. These shorter dated investments then attracted lower investment returns. For this authority, as indeed for most others, reduction in investment income poses a very significant financial challenge. This has been alleviated somewhat by the decision to invest in the CCLA property fund which has performed well since initial investment.

- 10.3 The outlook for interest rates in the UK remains uncertain but there is a general expectation that bank base rates will rise steadily through 2022, particularly to counter any inflationary pressures on the overall economy.

CITY OF CARLISLEPERFORMANCE MEASUREMENT STATISTICS1. LOANS MANAGEMENT

	2021/22 %	2020/21 %
Average External Debt Rate - Carlisle	1.64	2.64

Comment

Average loan debt statistics tend to reflect borrowing decisions taken over a period of many years.

2. INVESTMENT MANAGEMENT (Inc. Property Fund)

	2021/22 %	2020/21 %
Average Return in Year - Carlisle	0.82	1.15
Average Bank Base Rate in Year	0.18	0.10

Comment

The City Council's rate of return in 2021/22 on its investments was below that obtained in 2020/21; this was due to keeping investments and cash balances available for liquidity purposes which then attracted lower investment returns.

THE PRUDENTIAL CODE AND PRUDENTIAL BORROWING

1. Introduction

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

2. Prudential Indicators

- 2.1 To demonstrate that the Council has fulfilled these objectives, the Code sets out indicators that must be used. It is for the Council itself to set any indicative limits or ratios. It is also important to note that these indicators are not designed to be comparative performance figures indicators but to support and record the Council's decision-making process.
- 2.2 The final performance indicators for the current year, as compared to those reported in during the budget cycle are set out below. The compilation and monitoring of these indicators is central to the operation of the Code.

3 Supported and Unsupported (or Prudential) Borrowing

- 3.1 Local authorities have always funded a substantial element of their capital programme via borrowing. This continues to be the case but until the introduction of the Prudential Code any local authority borrowing was essentially based upon a government 'permission to borrow'. This was deemed to be supported borrowing as credit limits were supported through funding from Revenue Support Grant. Following the introduction of the Prudential Code in 2003, the permission to borrow was essentially withdrawn and Councils were given greater freedom to borrow so long as they can demonstrate that the revenue

consequences of such borrowing (i.e., the cost of the debt) are sustainable, affordable and prudent in the medium to long term.

	2021/22 Provisional Outturn £	2021/22 Revised Estimate £
(i) Capital Expenditure	20,954,586	28,045,600
(ii) Financing Costs		
Interest Payable - Re Borrowing	215,197	520,400
Investment Income	(186,535)	(166,800)
Total Financing Costs	28,662	353,600
(iii) Net Revenue Stream		
Funding from Govt Grants/Local Taxpayers*	14,556,000	14,556,000
(iv) Ratio of Financing Costs to Net Revenue Stream	0.20%	2.43%
The figures monitor financing costs as a proportion of the total revenue stream from government grants and local taxpayers. The increase in the ratio of financing costs is mainly attributable to the forecast reduction in investment income.		
(v) Incremental Impact on Council Tax	12.66	18.19
This indicator allows the effect of the totality of the Council's capital investment decisions to be considered at budget setting time.		
(vi) Authorised Borrowing Limit	45,100,000	45,100,000
Maximum Level of Borrowing and Other Long term Liabilities	12,825,300	12,825,300
The authorised borrowing limit is determined by Council prior to the start of the financial year. The limit must not be altered without agreement by Council and should not be exceeded under any foreseeable circumstances.		

* Business Rates Outturn still to be confirmed

	2021/22 Provisional Outturn £	2021/22 Revised Estimate £
(vii) Operational Borrowing Limit Maximum Level of Borrowing and Other Long term Liabilities The operational borrowing limit is also determined by Council prior to the start of the financial year. Unlike the authorised limit, it may be breached temporarily due to cashflow variations but it should not be exceeded on a regular basis.	40,100,000 12,825,300	40,100,000 12,825,300
(viii) Capital Financing Requirement (CFR) As at 31 March The CFR is a measure of the underlying borrowing requirement of the authority for capital purposes.	34,154,851	40,544,000

(a) Prudence and Sustainability

	2021/22 £
(i) Target New Borrowing to Date Long Term Borrowing taken in 2021/22	29,500,000 0
(ii) Target Percentage of Fixed Rate Long Term Borrowing Actual as at 31 March 2022	100% 100%
(iii) Target Percentage of Variable Rate Long Term Borrowing Actual as at 31 March 2022 Prudent limits for both fixed and variable rate exposure have been set at 100%. This is due to the limited flexibility available to the authority in the context of its overall outstanding borrowing requirement.	100% 0%
(iv) Target Minimum Level of Investments Classified as Specified Actual Level of Specified Investments as at 31 March 2022 As part of the Investment Strategy for 2021/22, the Council set a minimum level of 50% for its specified as opposed to non specified investments. The two categories of investment were defined as part of the Strategy but for the City Council non specified investments will presently refer mainly to either investments of over one year in duration or investments placed with building societies that do not possess an appropriate credit rating. These tend to be the smaller building societies.	50.00% 100.00%

TREASURY TRANSACTIONS
1 JANUARY 2022 TO 31 MARCH 2022

1. LOANS (DEBT)

1.1 Transactions 1 January 2022 to 31 March 2022

	Raised		Repaid	
	£	%	£	%
P.W.L.B	0	0	112,500	1.80
P.W.L.B	0	0	125,000	1.33
Short Term Loans	0	0	0	0
Overnight Borrowing	0	0	0	0
	0		237,500	

This provides a summary of loans that have been raised or repaid, analysed by type, since the previous report.

1.2 Loans (Debt) Outstanding at 31 March 2022

	£
P.W.L.B	12,812,500
Short Term Loans	12,800
	12,825,300

1.3 Loans Due for Repayment

	PWLB £	Total £
Short Term Debt at 31 March 2022	475,000	475,000
		475,000

1.4 Interest Rates

Both Link Group and Capital Economics predict that rates will rise steadily through 2022/23 to 1.25% and 1.50% respectively by March 2023.

2. INVESTMENTS

	Made		Repaid	
	£	%	£	%
Short Term Investments	9,650,000	0.41-1.35	14,650,000	0.13-0.66
	9,650,000		14,650,000	

A full schedule of investment transactions is set out in **Appendix B2**. **Appendix B3** shows outstanding investments at 31 March 2022.

3. REVENUES COLLECTED

	Collected £	% of Amount Collectable %
Council Tax	67,732,678	96.59
NNDR	35,971,869	97.89
2021/22	103,704,547	97.03
Council Tax	63,686,663	95.67
NNDR	20,375,547	94.34
2020/21	84,062,210	95.34
Council Tax	62,143,990	97.12
NNDR	43,138,152	97.38
2019/20	105,282,142	97.22

Final collection levels were very similar to those of the previous two years.

4. BANK BALANCE

At 31 March 2022 the bank balance was £7,021,204.98 in credit.

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

5. OUTTURN ON TREASURY MANAGEMENT IN 2021/22

	Revised Estimate £000	Actual £000	Variance £000
Interest Receivable	167	186	19
Interest Payable	520	215	(305)
Less Rechargeable	(18)	(2)	16
	502	213	(289)
Debt Management	12	12	(0)
NET BALANCE	681	411	(270)

INVESTMENT TRANSACTIONS 1 JANUARY 2022 TO 31 MARCH 2022

INVESTMENTS MADE			INVESTMENTS REPAID	
	£			£
Standard Chartered	2,000,000.00		Standard Chartered	2,000,000.00
HSBC	1,000,000.00		Goldman Sachs	1,000,000.00
HSBC	3,650,000.00		Goldman Sachs	1,000,000.00
Standard Chartered	1,000,000.00		Goldman Sachs	1,000,000.00
Standard Chartered	2,000,000.00		HSBC	1,000,000.00
			HSBC	2,350,000.00
			HSBC	1,300,000.00
			Standard Chartered	1,000,000.00
			Federated	4,000,000.00
TOTAL	9,650,000			14,650,000
			Bfwd	30,696,229
			Paid	9,650,000
			Repaid	14,650,000
			CCLA increase	170,500
			Total	25,866,729

Appendix B3

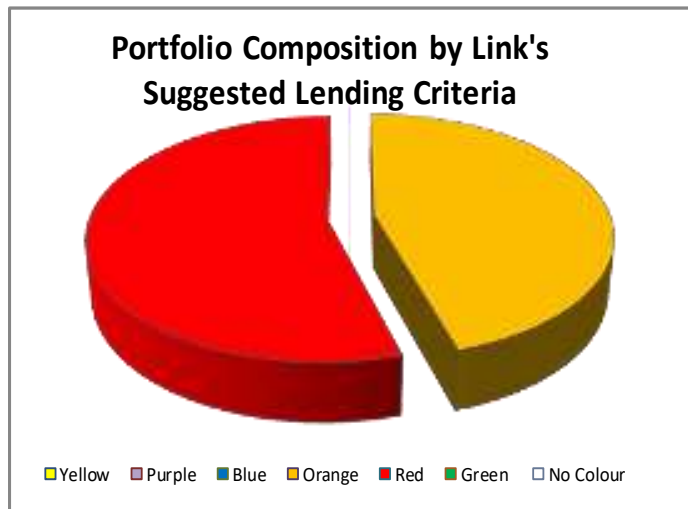
1. Entry Costs were charged against Treasury Management Budget in 2014/15

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Investments Summary Sheet

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	Weighted Average Rate of Return WARoR	Weighted Average Days to Maturity WAM	Weighted Average Days to Maturity from Execution WAM at Execution
Yellow	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Purple	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Blue	0.00%	-	0.00%	-	0.00%	0.00%	0	0
Orange	45.45%	10,000,000	100.00%	10,000,000	45.45%	0.71%	16	16
Red	54.55%	12,000,000	58.33%	7,000,000	31.82%	0.76%	142	159
Green	0.00%	-	0.00%	-	0.00%	0.00%	0	0
No Colour	0.00%	-	0.00%	-	0.00%	0.00%	0	0
	100.00%	22,000,000	77.27%	17,000,000	77.27%	0.74%	85	94

Weighted Average Risk				
Risk Score for Colour (1 = Low, 7 = High)	Mar 2022	Dec 2021	Sep 2021	Jun 2021
1	0.0	0.1	0.0	0.00
2	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0
4	1.8	1.5	1.7	1.9
5	2.7	2.4	2.8	2.6
6	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0
	4.5	4.0	4.5	4.5



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

Normal' Risk Score	3.5	3.5	3.5	3.5
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Carlisle City Council

Report to Executive

Item
A.1 (d)

Report details

Meeting Date:	25 May 2022
Portfolio:	Finance Governance and Resources
Key Decision:	Yes: Recorded in the Notice Ref: KD11/22
Policy and Budget Framework	Yes
Public / Private	Public
Title:	COUNCIL TAX PROVISIONAL OUTTURN 2021/22
Report of:	CORPORATE DIRECTOR OF FINANCE AND RESOURCES
Report Number:	RD.06/22

Purpose / Summary:

This report summarises the 2021/22 provisional outturn and performance position for Council Tax.

Recommendations:

Members are asked to:

- (i) note the provisional outturn position at 31 March 2022 for Council Tax, and
- (ii) note the current position with regard to business rates and to write offs and bad debt trends.

Tracking

Executive:	25 May 2022
Scrutiny:	9 June 2022 (People Panel)
Council:	19 July 2022

1. Background

1.1 The aim of this report is to:

- i) Advise Members of the current position on the 2021/22 Council Tax and Business Rates Accounts i.e., the total value of accounts raised and how much has been collected in the 2021/22 financial year.
- ii) Highlight and explain any variances against the expected (or budgeted) position.

2. Council Tax Provisional Outturn as at 31 March 2022

2.1 Collection Fund (Council tax)

2.1.1 The Council Tax Collection Fund records all the entries in relation to income and expenditure in relation to Council Tax. For budgeting purposes, the Collection Fund position is estimated on 15th January each year and it is this figure that forms the basis of the following year's budget.

2.1.2 In setting the budget for 2021/22, the position on the collection fund was estimated to a deficit of £1,204,081, with the Council's share being £146,948.37. However, amended regulations (Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020) during the COVID-19 pandemic allowed Council's the opportunity to 'spread' the in-year (2020/21) deficit over 3-years. Therefore, the amount of the deficit recognised in 2021/22 was £526,608, with the Council's share being £64,268.29.

2.1.3 When the final position was calculated at the end of 2020/21 the deficit on the Council Tax Collection Fund was actually £1,202,142 of which the Council's share was £144,909.44 (compared to £146,948.37). This decrease in the deficit is then taken into account and redistributed in the budgeted estimate for 2022/23.

2.1.4 The actual collection fund position for 2021/22 has been calculated and the deficit has decreased, now standing at £587,456 with the Council's share being £70,813. This improved position is as a result of the normalisation of recovery Council Tax debt following the pandemic. In January 2022, the estimated collection fund position was a surplus of £981,853. When the estimate was prepared in January the expected level of income between January and March was anticipated to be higher. The year end collection rate of 96.59% remained lower than pre-pandemic levels (97.12% in 2019/20). The current position on the Council Tax Collection Fund is shown below:

Carlisle City Council	£000
Balance Brought Forward (Surplus) / Deficit	1,202
Council Tax Income (Net)	(70,305)
Precepts from Major Preceptors	
Cumbria County Council	51,932
Police & Crime Commissioner for Cumbria	9,435
Carlisle City Council	8,411
Impairment of Debts / Bad Debt Provision	439
In Year Deficit	(88)
Contribution towards previous years (surplus) / Deficit	527
Total Carried Forward Deficit	587
Distributed to preceptors:	
Cumbria County Council	437
Police & Crime Commissioner for Cumbria	79
Carlisle City Council	71

The Council's share of the deficit on the Collection fund is carried forward on the Balance Sheet and will be distributed as part of the budget process in 2023/24 as part of the new Cumberland Council. The in-year deficit is as a result of an increase in the bad debt provision and a decrease in income collected.

3. Council Tax Collection Performance

- 3.1 The Council's Council Tax collection performance for 2021/22 was 96.59% (2020/21 – 95.67%).

4. NNDR Provisional Outturn as at 31 March 2022

- 4.1 It should be noted that the statutory return to government on the final Business Rate Retention Scheme (BRRS) position, known as the NNDR3 is still being compiled with the deadline for this form to be submitted being 30 June. Therefore, it is not possible at this time to report the final outturn position and the impact on both the Collection Fund and General Fund. A separate report will be brought to the next Executive (27 June 2022) with the final NNDR outturn and collection fund position once the NNDR3 has been completed.
- 4.2 2021/22 is the ninth year of the Business Rate Retention Scheme and the Collection Fund Accounting Regulations and the sixth year the Council has participated in the Cumbria Pooling arrangement.

- 4.3 For 2021/22, the BRRS baseline for the Council of £3.335m was used as its budget estimate for income to be retained from Business Rates and an additional £2.700m was estimated to be generated from additional business rate income over the baseline level and from the effects of participating in the Cumbria Pool. A further £0.174m was expected for the Business Rate Multiplier Grant.
- 4.4 Under normal circumstances any additional income over and above the baseline level is shared 50/50 between the Council and Central Government in what is known as a 'levy'. However, local areas can form combined pools, where the net position of top ups and tariffs result in the pool being a net top-up authority. The benefit of forming the pool is that 100% of additional income is kept within that pool and not paid over to central government, meaning the local area benefits from growth in business rate income. However, there are also potential risks as the pool has to deal with any fall in business rates itself as the Government will not pay any safety net payments when income falls below 92.5% of the baseline.
- 4.5 The County Council are the administering body for the pool, with all Districts in Cumbria participating in the arrangement. Each district pays the 50% levy that would have gone to Central Government into the Pool. This is then distributed amongst the members on an agreed formula. The distribution is as follows:

Gross Retained Levies

- Administration Costs by County Council
- = Net Retained Levy

40% distributed on basis of spending baseline proportions

40% distributed on basis of gross levy proportions (i.e. how much each authority pays into the pool)

20% retained as a volatility reserve for any future decline in income

4.6 2021/22 Outturn

There are three elements to the 2021/22 outturn, firstly the performance of the City Council's Business Rate Retention, secondly the performance of the Pool and finally the performance of the Collection Fund.

Once the final outturn is known and the NNDR3 completed, the impact will be included in the Statement of Accounts including the impact on the Cumbria Business Rates Pool.

Due to the COVID-19 pandemic, Government announced that there would continue to be additional expanded relief given to the retail, leisure and hospitality sector for the first part of 2021/22. As in 2020/21, the Council would not collect Business

Rates from these businesses in the period the relief was given, and the Government provided compensation to local authorities in the form of a Section 31 Grant. The Council has therefore received approx. £8.1m to date in respect of this expanded retail and nursery relief. However, this compensation has been paid gross, i.e., the 50% local share and the 50% central government share. Once the NNDR3 is completed and a final amount of relief is known for the year, the Council will only recognise its share of the grant in the general fund which will be approximately 40% of the above amount.

As the grant is credited to the general fund and not the collection fund as is the case for any rating income collected, the Collection Fund will be in deficit to a similar amount (due to the non-collection of the business rate income). Therefore, it will again be necessary to carry forward a proportion of the received S.31 grant to offset the potential deficit into 2022/23 through an earmarked reserve (as was the case in 2021/22).

5. Bad Debt Write-Offs for NNDR, Council Tax and Debtors (including Penalty Charge Notices)

- 5.1 In accordance with Constitution, the Corporate Director of Finance and Resources is delegated with authority for the write-off of outstanding debts, without limit, and the Executive is asked to note that debts totalling £28,207.05 have been written off for the period 1st January 2022 to 31st March 2022; such bad debts are summarised for the Executive's information in Table 1 of this report. The total amount written off in 2021/22 of £564,125.07 compares to total write-offs in 2020/21 of £630,397.33.
- 5.2 The write-ons itemised in Table 1 totalling £30,701.56 are in respect of balances originally written off that have since been paid and credit write-offs for the period 1st January 2022 to 31st March 2022.
- 5.3 Also noted in Table 1 are the cumulative write offs and write-ons 1st April 2021- 31st March 2022. Total write-ons for 2021/22 were £48,231.59 compared to £15,549.36 in 2020/21.

Table 1

<u>Type of Debt</u>	Write offs 01/04/21 - 30/06/21 Quarter 1				Write offs 01/07/21 - 30/09/21 Quarter 2				Write offs 01/10/21 - 31/12/21 Quarters 3				Write offs 01/01/22 - 31/03/22 Quarter 4				Total Write offs 2021/22			
	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons	No	Write Offs	No	Write Ons
NNDR	20	394,188.42	8	3,223.13	1	3,427.20	4	118.38	8	7,269.74	10	1,728.54	5	23,317.75	3	267.17	34	428,203.11	25	5,337.22
NNDR (PSC)																	0	0.00	0	0.00
Council Tax	31	37,602.05	16	2791.91	33	24,903.73	22	3,799.99	62	62,761.23	23	5,654.67	15	3,461.69	48	30,102.58	141	128,728.70	109	42,349.15
Debtors																	0	0.00	0	0.00
Private																	0	0.00	0	0.00
Tenants	14	2,133.13					11	28.73			43	182.89			14	249.49	14	2,133.13	68	461.11
Housing																	0	0.00	0	0.00
Benefit																	0	0.00	0	0.00
Overpayments	11	105.18	3	0.67	12	771.84	2	1.12	11	454.50			10	1344.61	11	82.32	44	2,676.13	16	84.11
General Fund																	0	0.00	0	0.00
Penalty																	0	0.00	0	0.00
Charge																	0	0.00	0	0.00
Notices																	0	0.00	0	0.00
On Street 16																	0	0.00	0	0.00
Off Street 3	23	1969.00			4	332.00							1	83.00			28	2,384.00	0	0.00
																	0	0.00	0	0.00
TOTAL	99	435,997.78	27	6,015.71	50	29,434.77	39	3,948.22	81	70,485.47	76.00	7,566.10	31	28,207.05	76	30,701.56	261	564,125.07	218	48,231.59

6. Outturn position, Write-Offs/Write-ons via Debtor type

6.1 The outturn position in respect of 2021/22 on a cumulative basis by fund indicates total debts written off amount to £564,125.07.

6.2 Write offs were debited as follows:

	£
Council Tax (Collection Fund	128,728.70
NNDR	428,203.11
General Fund	7,193.26
Total	564,125.07

6.3 Write-ons were credited as follows:

	£
Council Tax (Collection Fund	42,349.15
NNDR	5,337.22
General Fund	545.22
Total	48,231.59

6.4 In the case of General Fund, the write-offs will be charged against provisions made for bad debts (except for PCN's which are accounted for on a cash basis). However, VAT which has been separately identified will be recouped in future VAT returns. Write-off/Write on of Council Tax will fall against the Collection Fund provisions within those accounts. Any Council Tax Court Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

	General Fund	Council Tax	Total
Opening Bad Debt Provision	1,326,778	2,711,505	4,038,283
Closing Bad Debt Provision	1,336,646	3,010,562	4,347,208

N.B. The Bad Debt provision for NNDR is still to be calculated.

7. Risks

7.1 With the implementation of Business Rate Retention, the Council relies on Business Rate income to support its service delivery. Any significant loss of income would have a significant impact on the Council's Medium-Term Financial Plan.

8. Consultation

- 8.1 People Panel will consider the report on 9 June 2022.

9. Conclusion and reasons for recommendations

- 9.1 The provisional outturn position and comments on performance will feed into the overall Revenue accounts for 2021/22.

10. Contribution to the Carlisle Plan Priorities

- 10.1 The collection of Council Tax and NNDR directly affects all residents receiving services from Carlisle City Council.

Contact details:

Contact Officer: Steven Tickner

Ext: 7280

Appendices attached to report:

-

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 statutory obligation to collect Council Tax (Local Government Finance Act 1992 and Council Tax (Administration and Enforcement) Regulations 1992 and NNDR (Local Government Finance Act 1988).

Property Services – No implications

Finance – Included within this report

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

Information Governance- No implications

Carlisle City Council

Report to Executive

Item
A.1 (e)

Meeting Date: 25 May 2022
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.11/22
 Policy and Budget Framework: Yes
 Public / Private: Public

Title: Elected Members' Allowances - Provisional Outturn 2021/22
 Report of: Corporate Director of Finance and Resources
 Report Number: RD.07/22

Purpose / Summary:

This report sets out the level of allowances paid to Members as part of the Elected Members' Allowances Scheme for 2021/22.

Recommendations:

The Executive is asked to receive the report and note the overall underspend of £17,937 on allowances for 2021/22.

Tracking

Executive:	25 May 2022
Scrutiny:	9 June 2022 (People Panel)
Council:	n/a

1. Background

- 1.1 Set out in the attached **Appendix 1** are the amounts paid directly to individual Members as part of the Elected Members' Allowances Scheme for 2021/22 as required under paragraph 15 of the Local Authority (Members Allowances) (England) regulations 2003.

2. Proposals

- 2.1 The detail in respect of Travel and Subsistence for Members collectively is provided in paragraph 2.6.
- 2.2 The overall position is summarised as follows:

	Budget £	Outturn £	Variance £
Basic Allowance	191,000	186,224	(4,776)
Special Responsibility allowance	88,700	84,460	(4,240)
Dependent Carers' Allowance	0	0	0
Travel	7,900	979	(6,921)
Subsistence	2,000	0	(2,000)
Total	289,600	271,663	(17,937)

- 2.3 There is an underspend overall of £17,937.
- 2.4 The Basic Allowance budget is under-spent because budgets are allocated for a full year from April and there were vacancies on the Council for some part of the year.
- 2.5 The Special Responsibility Allowance budget is slightly under-spent. This is partly due to committees not sitting until later in the year and therefore allowances only being paid for part of the year. In addition, Members are only entitled to receive one Special Responsibility Allowance and therefore if they hold two positions that attract an allowance only one will be paid.

2.6 Details of Travel and Subsistence:

	Budget £	Outturn £
Public Transport		
• Public transport costs in respect of attendance at committee meetings and other approved duties	2,100	117
• Planning Site visits and other approved duties	1,200	580
	3,300	697
Mileage Expenses		
Mileage costs in respect of attendance at committee meetings and other approved duties	4,600	282
Subsistence Expenses		
Subsistence costs in respect of attendance at committee meetings and other approved duties	2,000	0

Please note that subsistence covers items such as:

- Accommodation
- Car parking charges
- Out of pocket expenses
- Meals

3. Risks

3.1 There are no risks associated with the Members outturn report.

4. Consultation

4.1 The report will be considered by people Panel on 9 June 2022.

5. Conclusion and reasons for recommendations

5.1 The Executive is asked to receive the report and note the overall underspend of £17,937, with the Members' Allowances Scheme for 2021/22.

6. Contribution to the Carlisle Plan Priorities

6.1 Members allowances form part of the Council's revenue budget and there is a requirement to report the outturn against the budget as part of the overall Council outturn position.

Contact Officer: Alison Taylor

Ext: 7290

Appendices attached to report:

- Appendix 1 – Members' Allowances summary 2021/22

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 - As stated within the body of the Report, the details herein are required to be reported by virtue of Regulation 15 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

Property Services – not applicable.

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

Equality - not applicable.

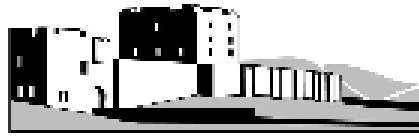
Information Governance - not applicable.

MEMBERS' ALLOWANCES SUMMARY 2021/22

APPENDIX 1

Init	Surname	Basic	Became a councillor	Ceased to be a councillor	SRA	Travel	Subsistence	Notes
Ruth	Alcroft	4,887.00						
Trevor	Allison	4,887.00						
Louise	Atkinson	4,887.00						
James	Bainbridge	4,887.00			4,497.00			
Robert	Betton	4,887.00			542.78			
Pamela	Birks	4,887.00						
Jeffrey	Bomford	4,887.00						
Marilyn	Bowman	4,887.00			1,929.00			SRA wef 24/05/2021
Lisa	Brown	4,887.00			4,497.00			
Nigel	Christian	4,887.00			6,735.00			
John	Collier	4,887.00			745.94	21.76		SRA wef 03/08/2021
Helen	Davison	4,887.00			163.74			SRA ceased 21/05/2021
John	Denholm	1,484.49		21/07/21				
Gareth	Ellis	4,887.00			11,229.00			
Christine	Finlayson	4,887.00			374.75			SRA wef 01/03/2022
Anne	Glendinning	4,887.00						
Colin	Glover	4,887.00			471.77			SRA ceased 21/05/2021
Stephen	Higgs	4,887.00			6,735.00			
Neville	Lishman	4,400.93	07/05/21					
Elizabeth	Mallinson	4,887.00			6,735.00			
John	Mallinson	4,887.00			17,967.00	117.22		
Ann	McKerrell	4,887.00						
Niall	McNulty	(105.10)		23/03/21	(24.26)			SRA ceased 23/03/2021
Keith	Meller	4,887.00			4,497.00			
Linda	Mitchell	4,400.93	07/05/21					
Michael	Mitchelson	4,887.00						
David	Morton	4,887.00			3,647.57			SRA wef 09/06/2021
Nigel	Nedved	4,887.00			5,413.35			SRA wef 24/05/2021
John	Paton	4,101.59		02/02/22	3,774.27			SRA wef 24/05/2021
Lucy	Patrick	4,887.00						
Fiona	Robson	4,887.00						
David	Shepherd	4,887.00						
Lee	Sherriff	4,887.00						
Christopher John	Southward	4,887.00						
Peter	Sunter	4,400.93	07/05/21					
Valerie	Tarbitt	4,033.09		28/02/22				
Les	Tickner	4,887.00			2,903.23			SRA wef 21/05/2021
Raymond	Tinnion	4,887.00			652.79	259.76		SRA ceased 21/05/2021
Jeanette	Whalen	4,887.00						
Jo-Anne	Williams	4,887.00			163.74			
Christopher	Wills	2,088.80	28/10/21					
STANDARDS COMMITTEE					1,010.04			
PLANNING VISITS						580.00		
Payroll System Adjustments		147.12			(200.67)			
	Sum:	186,223.78			84,460.04	978.74	0.00	

Note: subsistence covers items such as accommodation, car parking charges, out of pocket expenses and meals.



NOTICE OF EXECUTIVE KEY DECISIONS

22 April 2022

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

21 January 2022
18 February 2022
21 March 2022
22 April 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 / Chair)
Councillor G Ellis (Deputy Leader, and Finance, Governance and Resources Portfolio Holder)
Councillor N Christian (Environment and Transport Portfolio Holder)
Councillor S Higgs (Culture, Heritage and Leisure Portfolio Holder)
Councillor Mrs Mallinson (Communities, Health and Wellbeing Portfolio Holder)
Councillor Mrs Bowman (Economy, Enterprise and Housing Portfolio Holder)

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

Index of Active Key Decisions

		Date Decision to be considered:	Date Decision to be taken:
KD.11/22	2021/22 Provisional Outturn Reports	25 May 2022	27 June 2022

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.11/22
Type of Decision:	Executive
Decision Title:	2021/22 Provisional Outturn Reports
Decision to be taken:	<p>The Executive will be asked to consider and approve the 2021/22 Provisional Outturn reports and make recommendations on any carry forward requests to Council on 19th July 2022</p> <ul style="list-style-type: none"> • Provisional Revenue Outturn • Provisional Capital Outturn • Elected Members Allowances – Provisional Outturn • Council Tax and National Non-Domestic Rates – Provisional Outturn <p>(Note A: additional dates also proposed for Business Rates Outturn due to deadline for NNDR3 (31st July))</p> <ul style="list-style-type: none"> • Treasury Management Provisional Outturn
Date Decision to be considered:	25 May 2022
Date Decision to be taken:	27 June 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:	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 April 2022

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.43/22	<p>Officer Decisions – Homeless Prevention and Accommodation Services</p> <p>The Homeless Prevention and Accommodation Service team managers of Carlisle City Council have made the attached decisions 1 January 2022 to 31 March 2022, under the express authorisation delegated to relevant officers in accordance with the Council's policy requirements.</p>	Individual assessments of need and vulnerability are considered on a case by case basis to inform decision making; these include personal sensitive information. The assessments are not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).	21 April 2022	Homelessness Prevention and Accommodation Manager
OD.45/22	<p>Future High Street Memorandum of Understanding for Financial Year 2022/23</p> <p>Memorandum of Understanding ('MOU') sets out the terms, principles and practices that will apply to the working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and Carlisle City Council ('the Council')(collectively 'the Parties') regarding the administration and delivery of the Future High Street Fund ('FHSF') proposal at Carlisle City Centre. This MOU applies to the financial year ('FY') 2022/23.</p> <p>This MOU for the FY 2022/23 will replace any previous MOU upon signature by the Parties and will be to be updated on an annual</p>	Memorandum of Understanding between DLUHC and Carlisle City Council - 2022/2023	21 April 2022	Corporate Director of Economic Development

	<p>basis for the duration of the programme.</p> <p>The Executive accepted the funding in their meeting of July 2021 (Report ED.19/21) and entered into than MOU to confirm such acceptance. This document represents an update to the MoU due to the new financial year and therefore further Executive approval is not required.</p> <p>Decision to record the agreement to update the MOU to reflect the new financial year and updated terms of the FHSF.</p>			
OD.46/22	<p>Carlisle Market Hall</p> <p>Appointment of an architectural firm to undertake a feasibility study into the refurbishment of the asset.</p>	None	22 April 2022	Head of Property Services
OD.47/22	<p>Site 4F Durrhill Industrial Estate Carlisle (land adjoining 4B DIE)</p> <p>Agreement to request for consent to underlet.</p>	None.	22 April 2022	Head of Property Services
OD.48/22	<p>Bute House, Sites 1 and 1A Rosehill Industrial Estate, Carlisle</p> <p>Agreement to request for consent to underlet</p>	None	20 April 2022	Head of Property Services
OD.49/22	<p>Release of Council Tax Hardship Reserve</p> <p>To release the balance of £359,100 from the Council Tax Hardship Grant Reserve respect of hardship grants awarded in 2021/22</p>	None	26 April 2022	Corporate Director of Finance and Resources
OD.50/22	<p>Transfer of funds from Planning Reserve to Development Management Operational Budget</p> <p>To transfer £29,300 to cover a series of in-year improvements to the operation of Development Management to improve efficiency of service delivery and staff training/resources for the following budget areas:</p> <p>Salary Costs £10,200</p> <p>Additional IT hardware/software- £18, 800</p>	None	13 April 2022	Chief Executive

	Admin salaries: £300			
OD.51/22	Elected Member Training Councillor John Mallinson to attend District Council Network Conference on 28 th June 2022.	None.	03 May 2022	Deputy Chief Executive
OD.52/22	Provision of Managerial support To Allerdale Borough Councils Building Control Department For the Head of Building Control at Carlisle City Council to provide management support to Allerdale Borough Council's Building Control Service on a part time basis.	None	03 May 2022	Director of Economic Development
OD.53/22	Licensing decisions taken between 1 April 2022 and 30th April 2022 The Licensing Manager of Carlisle City Council has granted the following licences or permissions in the previous month under the express authorisation delegated to her and in accordance with the Council's policy requirements.	None	03 May 2022	Licensing Manager
OD.54/22	<p>Release of S106 Funds to Capital Programme, 11062 12/0793 – The Ridings, Durdar.</p> <ul style="list-style-type: none"> 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. The agreement states that the funds were to be utilised at Hammonds Pond, Upperby and divided as below: <p>Footpath improvements - £205,960.57 CCTV and security improvements - £12,657.00 Landscaping and drainage improvements - £52,508.01 Recreation facilities improvements - £174,588.16</p> <ul style="list-style-type: none"> 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. 	None	26 April 2022	Deputy Chief Executive

	<ul style="list-style-type: none"> • CCTV and lighting improvements will be progressed as a two-stage process. Stage one includes the provision of additional CCTV cameras within the café building, installation of a new electricity supply to the Blackwell Road area of the park and a planning application fee for new lights and CCTV cameras at the Blackwell Road car park. • The sum of £1900.00 now requires adding into the 2022/23 capital programme to account for the following purchase orders: <ul style="list-style-type: none"> ◦ PWS Systems – installation of 2 no. internal CCTV cameras (£436.00). ◦ EEC Limited – supply and installation of new feeder pillar plus connection to grid (£1200.00). ◦ Carlisle City Council Planning Services – application fee (234.00). 			
OD.55/22	<p>Transfer of funds from Planning Reserve to Development Management Operational Budget</p> <p>To transfer £29,300 to cover a series of in-year improvements to the operation of Development Management to improve efficiency of service delivery and staff training/resources for the following budget areas:</p> <p>Salary Costs £10,200 Additional IT hardware/software- £18, 800 Admin salaries: £300</p>	None	13 April 2022	Chief Executive
OD.56/22	<p>Release of S106 Funds to Capital Programme, 11061 13/0983 – Speckled Wood, Cumwhinton Road</p> <ul style="list-style-type: none"> • A sum of £57,815.96 was received from Persimmon Homes on 15/02/2017 as part of a Section 106 (developer contribution) agreement for a residential development off Cumwhinton Road, Carlisle. • The agreement states that the funds were to be utilised for the improvement of sports facilities at Dale End Field (located off London Road). • The Healthy City Team have already made use of £16,569.15 to support the construction of a small BMX track on the site for local youngsters. 	None	22 April 2022	Deputy Chief Executive

	<ul style="list-style-type: none"> The remaining budget is to be used to carry out a significant refurbishment to the existing Multi-Use Games Area (MUGA) at Dale End Field. The MUGA was installed in 2004 and receives heavy use year-round, recent condition surveys have highlighted substantial amounts of corrosion in the steel posts to which the sports fencing is attached. Investigations into the viability of replacing parts of the existing MUGA revealed that the original manufacturer is no longer in business and that it is more cost effective to completely replace the MUGA fencing within the original footprint than to attempt bespoke repairs. <p>The remaining funding of £41,246.81 now requires adding into the 2022/23 capital programme (90253/9021/90845) in readiness for purchase orders to be placed.</p>			
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JOINT MANAGEMENT TEAM

Item
A.4

MINUTES – 19th April 2022

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

Agenda Item 1 – Minutes of Meeting 21st March 2022	Action
Noted and agreed	
Agenda Item 2 – Local Government Reorganisation	
The Chief Executive updated attendees with information available at this time	
Agenda Item 3 - Updates on Borderlands; The Sands; Civic Centre; St Cuthbert's Garden Village; Central Plaza	
Members of SMT attending the meeting provided the Executive with their update on the current position regarding each area	

Agenda Item 4 – Future Items for Notice of Executive Key Decisions	
Noted, discussed and agreed	
Agenda Item 5 - JMT Forward Plan	
Noted and updated	

Carlisle City Council

Report to

Item
A.5

Report details

Meeting Date:	25 May 2022
Portfolio:	All areas
Key Decision:	Not applicable
Policy and Budget Framework	Yes/No
Public / Private	Public
Title:	REPRESENTATIVES ON OUTSIDE BODIES
Report of:	Corporate Director of Governance and Regulatory Services
Report Number:	GD.31/22

Purpose / Summary:

To nominate Elected Members to serve on various outside bodies.

Recommendations:

The Executive is requested to determine the nominations and note the position regarding those organisations for which appointments are no longer required.

Tracking

Executive:	25 May 2022
Scrutiny:	
Council:	

1. Background

1.1 Set out in Appendix A are the details of those bodies to which the Executive is responsible for making appointments. The table shows the outside organisation, the current representative, the required appointment and the Executive's proposals.

1.2 The Council's Membership on the National Association of Councillors has expired and representation is no longer required.

2. Conclusion and reasons for recommendations

2.1 In order to seek instructions to determine the nominations and note the position regarding those organisations for which appointments are no longer required.

2.2 In order to seek instructions from the Executive regarding appointments to outside bodies for 2021/22

Contact details:

Contact Officer: Rachel Plant

Ext: 7039

Appendices attached to report:

- Appendix A – Representations and Proposals - to follow

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

- Carlisle City Council's Constitution

Corporate Implications:

Legal - have been included in the drafting of the report

Property Services – N/A

Finance - to ensure that the Council are represented on outside bodies within the Community.

Equality - None

Information Governance- By serving on outside bodies in this capacity, Elected Members are representing the Council. Therefore, the Council is considered the data controller or data owner of the information presented by the Elected Member to the outside body, and also any information they receive. This means that the information must be processed in accordance with Council policies and procedures, and that information may be accessible to the public.