

Report to Council

**Agenda
Item:**

15 (ii)

Meeting Date: 20th July 2021
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref: KD.09/21
 Within Policy and Budget Framework YES
 Public / Private Public

Title: PROVISIONAL CAPITAL OUTTURN 2020/21 – CARRY FORWARDS
 Report of: CORPORATE DIRECTOR OF FINANCE AND RESOURCES
 Report Number: RD.16/21

Purpose / Summary:

This report provides details of the 2020/21 provisional outturn for the Council's Capital Programme and provides details of the revised Capital Programme for 2021/22. The provisional outturn was considered by the Executive on the 2 June and Business and Transformation and Scrutiny Panel of the 3 June.

Recommendations:

Council is asked to:

- (i) Approve the carry forward requests totalling £4,454,600 to be met in 2021/22 as set out in the report;
- (ii) Approve the revised programme for 2021/22, together with the proposed methods of financing and virement request, as detailed at paragraph 3.

Tracking

Executive:	2 June 2021 (RD06/21)
Scrutiny:	BTSP 3 June 2021 (RD06/21)
Audit Committee:	8 July 2021 (RD06/21 - for information only)
Council:	20 July 2021

1. BACKGROUND

- 1.1 This report provides details of the 2020/21 provisional outturn for the Council's Capital programme and provides details of the revised Capital Programme for 2021/22.
- 1.2 The provisional outturn position for the 2020/21 capital programme is summarised below:

Directorate	Revised Annual Budget	Total Expenditure	Variance	Carry Forwards (Committed)	Revised Variance
	£	£	£	£	£
Community Services	8,601,200	6,962,839	(1,638,361)	1,651,200	12,839
Corporate Support	161,000	98,454	(62,546)	62,400	(146)
Economic Development	1,814,700	942,667	(872,033)	874,700	2,667
Governance & Regulatory Services	7,959,400	6,119,494	(1,839,906)	1,836,300	(3,606)
Total	18,536,300	14,123,454	(4,412,846)	4,424,600	11,754
Capital Exceptional Items	85,000	48,758	(36,242)	0	(36,242)
Total	18,621,300	14,172,212	(4,449,088)	4,424,600	(24,488)
Reserves to be released	30,000	0	(30,000)	30,000	0
Total	18,651,300	14,172,212	(4,479,088)	4,454,600	(24,488)

2. CARRY FORWARD REQUESTS

- 2.1 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 and to the Council.*

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

2.3 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 **Appendix A**, it is estimated that the full £4,454,600 will be spent in 2021/22.

3. 2021/22 CAPITAL PROGRAMME AND FINANCING

3.1 The updated Capital Programme for 2021/22 is detailed in **Appendix A** totalling £28,057,900 is based upon the programme as agreed by Council in February 2021 of £19,070,400, the commitments brought forward from 2020/21 as identified above of £4,454,600, the commitments brought forward from 2020/21 already approved of £3,031,500, an increase of £255,800 for additional Disabled Facilities Grant awarded which has recently been advised and totals £2,155,574, and the following additional adjustments:

- An increase of £109,400 for Empty Property Grants as approved by Executive (GD.13/21);
- An increase of £153,200 from S106 contributions towards Play Area improvements (OD.26/21 and OD.34/21);
- An increase of £902,500 for Carlisle Citadels project (LD.02/21);
- An increase of £70,000 for Swifts Wildlife Haven (OD.27/21); and
- An increase of £10,500 for Bitts Park Water Features as approved by Executive (CS.33/20).

3.2 The 2021/22 Capital Programme includes £200,000 savings that need to be identified to provide the required funding for the Civic Centre Reinstatement project. It is **recommended by Executive to Council for approval** for this to be funded by a virement from the Vehicle and Plant Replacement budget.

3.3 The 2021/22 programme will be continually reviewed to ensure the Council has the capacity to deliver this level of programme.

- 3.4 If all of the carry forward requests are approved, it is suggested that the revised programme for 2021/22 is financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	19,070,400	19,070,400
Add: Carried forward from 2020/21 (in Year)	0	3,031,500
Add: Carried forward from 2020/21 (Year End)	0	4,454,600
Add: Other adjustments to programme	0	1,501,400
Total Expenditure to be financed	19,070,400	28,057,900
<u>Financed by:</u>		
Capital Grants		
• DFG	1,899,800	2,155,600
• General	0	2,325,600
Capital Receipts	1,011,000	1,491,000
Receipts used to fund resources	(112,000)	(112,000)
Contributions from other bodies	0	159,700
Direct Revenue Financing	1,337,400	2,098,300
Borrowing Requirement (In Year)	14,934,200	19,939,700
Total Financing	19,070,400	28,057,900

4. RISKS

- 4.1 Individual capital schemes have different risks involved.

5. CONSULTATION

- 5.1 Consultation to Date.
Portfolio Holders and SMT have considered the issues raised in this report.

6. CONCLUSIONS AND REASONS FOR RECOMMENDATIONS

- 6.1 Council is asked to:
- (i) Approve the carry forward requests totalling £4,454,600 to be met in 2021/22 as set out in the report;
 - (ii) Approve the revised programme for 2021/22, together with the proposed methods of financing and virement request, as detailed at paragraph 3.

7. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

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

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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 – 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. It is worth noting that the report includes the increase in funding for the Disabled Facilities Grants (DFGs).

INFORMATION GOVERNANCE – There are no information governance implications.

2021/22 CAPITAL PROGRAMME

APPENDIX A

Scheme	Original Capital Programme 2021/22 £	Carry Forwards from 2020/21 £	Carry Forwards from 2020/21 £	Other Adjustments £	Revised Capital Programme 2021/22 £
<u>Current non-recurring commitments</u>					
Sands Centre Redevelopment	15,236,700	700,000	985,900	0	16,922,600
Civic Centre Development	1,020,600	1,150,000	(89,000)	0	2,081,600
Energy Monitoring System	12,000	0	0	0	12,000
<i>Savings to Fund Civic Centre</i>	<i>(200,000)</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>0</i>
Cemetery Infrastructure	0	5,700	0	0	5,700
Skew Bridge Deck	0	68,500	(1,500)	0	67,000
Towns Deal - Bitts Park Improvements	0	125,000	(25,800)	0	99,200
Planning Software	0	150,000	0	0	150,000
Play Area Improvements	0	36,500	0	153,200	189,700
Carlisle Citadels	0	0	32,200	902,500	934,700
Towns Deal - Caldew Riverside	0	0	842,500	0	842,500
On Street Charging Points Infrastructure	0	0	102,800	0	102,800
Gateway 44	0	0	896,200	0	896,200
LED Footway Lighting Installation	0	0	29,700	0	29,700
Rough Sleeping Initiative	0	0	10,000	0	10,000
Swifts Wildlife Haven	0	0	0	70,000	70,000
IC All Risks - Bitts Park Water Feature	0	0	0	10,500	10,500
	16,069,300	2,235,700	2,783,000	1,336,200	22,424,200
<u>Recurring commitments</u>					
Planned Enhancements to Council Property	250,000	145,800	63,000	0	458,800
Vehicles, Plant & Equipment	255,000	0	781,600	(200,000)	836,600
Recycling Containers	45,000	0	0	0	45,000
ICT Infrastructure	101,300	150,000	62,400	0	313,700
	651,300	295,800	907,000	(200,000)	1,654,100
<u>Housing Related Grants</u>					
Private Sector Grants	1,899,800	500,000	731,600	255,800	3,387,200
Empty Property Grants	0	0	3,000	109,400	112,400
	1,899,800	500,000	734,600	365,200	3,499,600
TOTAL	18,620,400	3,031,500	4,424,600	1,501,400	27,577,900
<u>Capital Reserves to be released</u>					
Crematorium Infrastructure	350,000	0	0	0	350,000
Future High Street Fund - Market Square	100,000	0	0	0	100,000
Cemetery Infrastructure	0	0	30,000	0	30,000
	450,000	0	30,000	0	480,000
REVISED TOTAL	19,070,400	3,031,500	4,454,600	1,501,400	28,057,900

EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 2 JUNE 2021

**EX.47/21 PROVISIONAL CAPITAL OUTTURN 2020/21 AND REVISED CAPITAL
PROGRAMME 2021/22**
(Key Decision – KD.09/21)

Portfolio Finance, Governance and Resources

Relevant Scrutiny Panel Business and Transformation

Subject Matter

The Deputy Leader submitted report RD.06/21 summarising the 2020/21 provisional outturn for the Council's Capital Budget; and providing details of the revised Capital Programme for 2021/22. The outturn showed that the net underspend for Council services as at 31 March 2021 once committed expenditure totalling £4,454,600 was taken into account was £24,488.

Details of the resources which had been utilised to fund the 2020/21 Capital Programme, together with the 5 year Capital Programme for the period 2022/23 to 2025/26 were also provided.

The 2021/22 programme would be continually reviewed to ensure the Council had the capacity to deliver that level of programme. The information contained within the report was provisional and subject to the formal audit process.

The Deputy Leader concluded by moving the recommendations, which were duly seconded by the Leader.

Summary of options rejected that the net underspend and the revised programme for 2021/22 should not be recommended to Council

DECISION

That the Executive:

- (i) Noted the net underspend as at 31 March 2021 of £24,488 which includes committed expenditure to be met totalling £4,454,600, which is recommended by the Corporate Director of Finance and Resources for approval to Council;
- (ii) Had considered the revised programme for 2021/22, together with the proposed methods of financing and virement request, as detailed at paragraph 5 and Appendix B, for recommendation to Council.

Reasons for Decision

To receive the report on the Provisional Capital Outturn for 2020/21 and make recommendations to the City Council on the 2021/22 Capital Programme