

## Capital Budget Monitoring 2020-21- April to December 2020: Summary of Key Variances

	Variance £'000
<b>Economic Growth, Community Development &amp; Placemaking</b>	
<p><b>Strategic Acquisitions:</b> The capital budget of £379,329 was established to meet the cost of acquiring and redeveloping commercial properties to support business start-ups and the small business sector. The current budget includes £200,000 carried forward from 2019-20. No expenditure has been incurred against this budget in the period April to December 2020. However, the Council continues to explore opportunities to acquire land and property that will contribute to the delivery of key strategic objectives and, in particular, the regeneration schemes in Workington and Maryport. A request to carry forward any unused budget will be submitted as part of the 2020-21 outturn report in order for the budget to remain available to take advantage of property acquisition and development opportunities that support the achievement of Council Priorities.</p>	(379)
<p><b>Lillyhall Infrastructure:</b> The Council is seeking to progress development of the site, acquired in 2018-19, by securing planning approval and carrying out enabling infrastructure works alongside an element of speculative commercial development to enable 'product' in terms of sites and units to be brought to the market and thus provide availability and certainty to attract business to the location. The budget of £2.2m covers planning approval for a hybrid application to include detailed approval for enabling infrastructure and speculative industrial and commercial development and the delivery of enabling infrastructure. The scheme is financed from Growth Deal grant funding from Cumbria LEP (£1.6m) and borrowing (£600k). No expenditure was incurred on the project in the April to December 2020. Following receipt of a conditional funding offer in September 2020, required changes to the business case have now been approved by Cumbria LEP. Finalisation of the grant funding agreement and planning consent are expected in February. This will allow on-site work to commence in March 2021 with works scheduled to be completed by July 2021. A request to carry forward any unused budget is expected to be submitted as part of the 2020-21 outturn report.</p>	(1,870)
<p><b>Maryport Regeneration (HAZ):</b> The Maryport HAZ scheme includes the refurbishment of four key high street buildings (including Maryport Town Hall and the Maritime Museum), an extensive shopfront grant scheme and public realm works. The total budget for the scheme is £905k and is funded from the HAZ grant of £470k, private sector contributions of £155k, capital receipts of £150k and borrowing of £130k. Total scheme expenditure of £905k is profiled to be spent across financial years 2020-21: £160k; 2021-22: £345k and 2022-24: £400k. Underpinning the forecast variance reported at the end of quarter 3 (December 2020) are delays to works at Maryport Town Hall, 1 Senhouse Street (Maritime Museum) and 68 Crosby Street as a result of restrictions arising from the Covid-19 pandemic.</p>	(94)
<p><b>Regeneration and investment:</b> Following the Executive's decision in June 2019 not to proceed with previous proposals for the stadium development, the capital budget of £5m previously allocated for the project in 2019-20 was reprofiled from 2019-20 to 2020-21 and repurposed for use in supporting regeneration and investment opportunities. No expenditure has been incurred against this budget in the period April to December 2020. £600k of the available budget has however been transferred to provide match funding for the Lillyhall Infrastructure scheme, as part of the 2020-21 revised budget, to offset the loss of third party contributions associated with the Lillyhall scheme. A request to reprofile any unused budget to 2021-22 is expected to be submitted as part of the 2020-21 capital outturn report.</p>	(4,400)
<p><b>Kirkgate Centre Contribution:</b> A budget of £100k was approved in 2017-18 to enable the Council to make a capital contribution to support the financing of a project to renovate and extend the facilities at the Kirkgate Arts and Heritage Centre, Cockermouth. The Council's contribution is subject to the outcome of a bid made to the Heritage Lottery Fund by the charitable body responsible for running the centre. No expenditure was incurred on the project in the nine months to December 2020 and no expenditure is currently forecast to be incurred during the current financial year. The unused budget will be reprofiled to 2021-22.</p>	(100)

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<b>Workington (Accelerated) Towns funding scheme:</b> The current budget includes provision for the acquisition and demolition of the former Opera House, Workington. However, following negotiations the current owner has offered to demolish the building, enabling the Authority to purchase the cleared site. The scheme is fully grant funded from the Accelerated Towns Fund. Grant not applied to this element of the scheme will be utilised to finance the Underpass & Public Realm Scheme (Brow-top enhancements) in respect of which the use of Accelerated Towns Fund Grant was also approved.	(256)
Items < £30k	(28)
<b>Policy, Governance and People Resources</b>	
<b>Mandatory Disabled Facilities Grants:</b> This scheme involves mandatory and discretionary grant support to individuals to meet the cost of housing adaptations that enable people to stay living in their own home for longer. The Authority has a statutory duty to provide adaptations to the homes of disabled people who qualify for a mandatory DFG. Expenditure on DFGs is fully funded from an annual grant paid to upper-tier authorities as part of the Better Care Funding allocations and cascaded to district councils responsible for providing DFGs. During the period April to December, Covid-19 and the measures introduced to control transmission of the virus, have had a significant impact on the ability of contractors to undertake work related to DFG applications and on the levels of DFG expenditure incurred to date. It has also added to the challenges of forecasting demand for grant support and levels of expenditure over the remainder of the year. In recognition of the unpredictability of demand for DFGs and the uncertainties, generated in large part by the Covid-19 pandemic, over levels of expenditure expected to be incurred over the remainder of the current financial year, no adjustments were included in the revised 2020-21 capital budget. A request to carry forward any unused budget and associated grant funding will be submitted as part of the 2020-21 capital outturn report. Following approval of the revised 2020-21 capital budget, the Authority received a further allocation of DFG grant funding for 2020-21 of £163,505. A proposal to increase the DFG budget for 2020-21 to reflect this additional allocation will be submitted as part of the 2021-22 budget proposals.	(532)
<b>Conversion of Otley Road:</b> Conversion of Otley Road, Keswick into residential accommodation. The total budget for this scheme is £130k inclusive of £40k carried forward from 2019-20. Expenditure on the scheme will be funded from capital receipts	(99)
Items < £30k	(8)
<b>Environmental Services</b>	
<b>Biodiversity and Green Infrastructure programmes:</b> Expenditure on aspects of the "Get Cumbria Buzzing" schemes have been delayed as a result of the diversion of staff resources to progress Workington Town Fund projects. This accounts for approximately £118k of the reported underspend. The remainder of the underspend (£18k) relates to a major wetland creation project at Siddick Pond, the design of which is currently being finalised. A planning application will be submitted during February with a tendering exercise expected to be undertaken in March/April.	(130)
<b>Brow-Top Enhancement Schemes:</b> Works to enhance the quality of the public realm in the vicinity of Brow Top, Workington, transform the Central Way underpass and develop vacant land immediately to the west of the Leisure Centre to create a dedicated events and activity area.	(36)
Items < £30k	(63)
<b>Leisure and Tourism</b>	

	Variance £'000
<p><b>Solway Coast Pathway:</b> Construction works on the Solway Coast Pathway project is progressing well with the new path expected to be completed by mid-February 2021. However, a number of items of unforeseen works have increased the level of anticipated expenditure in 2020-21 and contributed to the forecasted adverse variance. Total projected expenditure on the scheme remains within budget. The total remaining budget for the scheme is £1,046,729. This includes £200k currently profiled to be spent in 2021-22. The forecast overspend will be addressed by way of a corresponding reduction to the 2021-22 budget.</p>	50
<b>Total variance</b>	<b>7,945</b>