

Capital Budget Monitoring 2021-22- April to July2021: Summary of Key Variances

	Variance £'000
Economic Growth, Community Development & Placemaking	
<p>Strategic Acquisitions: The Strategic Acquisitions capital budget was established to meet the cost of acquiring and redeveloping commercial properties to support business start-ups and the small business sector. No capital expenditure was incurred on the project in the four months to July 021 and none of the available budget (£379,329) is currently expected to be used in the current financial year. 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. Any unused budget at the end of the current financial year will be carried forward to 2022-23 in order for it to remain available to take advantage of property acquisition and development opportunities that support the achievement of Council Priorities.</p>	(379)
<p>Maryport Regeneration (HAZ):</p> <p>The capital element of this programme of works involves:</p> <ul style="list-style-type: none"> the refurbishment of four key high street buildings (including Maryport Town Hall, the Maritime Museum, Heron Foods and 68 Crosby Street), an extensive shop-front grant scheme to facilitate the replacement of some of the poorer quality shopfronts small-scale public realm improvements. <p>The total budget for the programme of works is £872k. Expenditure of £21k was incurred on the programme in 2020-21. The remaining budget of £851k is currently profiled to be spent across financial years 2021-22: £451k (including £106k carried forward from 2020-21) and 2022-24: £400k.</p> <p>The scheme is funded from Heritage Action Zone Funding from Historic England of £593k (including capital funding of £470k); private sector contributions of £122k, capital receipts of £150k and borrowing of £130k.</p> <p>The variance of £91k forecast at the end of July includes £68k in respect of expenditure funded from private sector contributions. As noted in the 2020-21 capital outturn report, following changes to delivery and funding arrangements expenditure adjustments of £68,500 in 2021-22 and £54,000 in 2022-23 are required to remove from the existing budget that portion of total scheme expenditure funded from private sector contributions along with the related financing.</p>	(91)
<p>Regeneration and investment: 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 was incurred against this budget in 2020-21. £600k of the available budget was however transferred to provide match funding for the Lillyhall Infrastructure scheme. The remaining budget of £4.4m was carried forward from 2020-21 to 2021-22.</p> <p>No expenditure has been charged against the available budget during the four-month period April to July 2021.</p> <p>The departmental expenditure forecast and projected outturn of £280k comprises amounts allocated towards the renovation of Maryport Promenade toilets (£250k) and work on a permanent Gypsy and Travellers site (£30k).</p> <p>At the end of the current financial year, any unused budget will be re-profiled to 2022-23.</p>	(4,120)
<p>Solar Panels The current budget of £50,000 was established in 2020-21 and subsequently reprofiled to 2021-22, to fund a contribution towards the costs of installing solar panels at Allerdale House. To meet the overall costs of the scheme its delivery was contingent on obtaining funding from the Public Sector Low Carbon Skills Fund (LCSF). However, the Authority's application for funding was not successful and as a consequence, it has not been possible to progress the scheme.</p>	(50)

	Variance £'000
<p>Kirkgate Centre Contribution: 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 receipt of a satisfactory business case and the outcome of a bid made to the Heritage Lottery Fund by the charitable trust responsible for running the centre. No expenditure was incurred on the project in the four months to July and no expenditure is currently forecast to be incurred during the current financial year due in part to enforced closures caused by Covid. However, the trust has begun to complete building surveys to inform options appraisals and develop a business case. The unused budget will be re-profiled to 2022-23.</p>	(100)
<p>Workington (Accelerated) Towns funding scheme: The revised 2020-21 capital budget included £502,136, funded from the Accelerated Towns Fund grant allocation, for the acquisition and demolition of the former Opera House, Workington. However, following negotiations, the current owner offered to demolish the building enabling the Authority to purchase the cleared site. Contracts were exchanged on 16 March 2021 with completion due once demolition works are completed. Expenditure incurred on the project in 2020-21 totalled £20,295. The unused budget of £481,841 was carried forward to 2021-22. Accelerated Towns Fund Grant not applied to finance this scheme in 2020-21 was utilised to finance the Underpass & Public Realm Scheme (Brow Top Enhancements scheme) for which use of Accelerated Towns Fund Grant was also approved.</p> <p>The change from acquisition and demolition of the former Opera House to purchase of the cleared site has in turn had a favourable impact on costs and contributed to a favourable forecast variance for 2021-22 of £146,832. As a result of this forecast underspend, Accelerated Towns Fund Grant of £133,006, previously earmarked to finance this scheme will be redirected to finance the Underpass & Public Realm Scheme (Brow Top Enhancements scheme). Combined with the £281,285k of Accelerated Towns Funding utilised in 2020-21, this will equate the total Accelerated Towns Funding applied with the Authority's funding allocation of £750,000.</p>	(147)
<p>Workington - Towns funding scheme: The three-year capital programme 2021-22 to 2023-24, approved in March 2021, includes a budget of £20,950k relating to capital expenditure on the six priority projects contained in the Workington Town Investment Plan (TIP) and profiled to be spent during the period 2021-22 to 2023-24. The TIP formed the basis of the Authority's application for grant funding from the Government's Towns Fund. Further capital expenditure of £3,500k profiled to be spent in 2024-25 brought the total grant funding ask to £24,450k. The six priority projects included in the TIP were:</p> <ol style="list-style-type: none"> 1. Port of Workington – Clean Energy and Logistics Hub 2. Innovation and Entrepreneurship Programme 3. Townscape and Connectivity Improvements 4. Digital Accelerator 5. Workington Sports Village 6. Central Pocket Park <p>In March 2021, the Authority received notification that Government would provide funding of up to £23.1m in respect of projects 1 to 5 above. Following agreement of Heads of Terms the Authority now has a period of up to 12 months in which to develop the agreed projects and business cases in detail. This information will then be subject to assessment and agreement by Government, prior to funding being released in accordance with an agreed funding profile.</p> <p>In line with the prescribed process and timetable, business cases for the Town Deal projects are currently being developed for approval and submission to MHCLG by March 2022. No significant capital spend is therefore anticipated until 2022-23 and any unused budget in 2021-22 will be re-profiled to 2022-23.</p>	(2,100)

	Variance £'000
<p>Vertical Farm - Grant contribution: The budget of £5,500k was established to meet a proposed financial contribution towards the development of a centre of excellence and integrated vertical farming solution at the Authority's strategic site at Lillyhall North, Workington. The contribution was to be financed by a grant from the Cumbria Local Enterprise Partnership's Getting Building Fund programme. However, following approval of the Authority's 2021-22 capital budget it was confirmed that the project would no longer be proceeding through the LEP funding programme. The budget is therefore no longer required and will be removed from the capital programme, along with the associated financing, as part of the revised budget process for 2021-22.</p>	(5,500)
Items < £30k	13
Total variance: Economic Growth, Community Development & Placemaking	12,474
Policy, Governance and People Resources	
<p>Mandatory Disabled Facilities Grants: This scheme involves mandatory 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.</p> <p>The budget for 2021-22 is £1,932,117 including £554,612 carried forward from 2020-21. This represents an increase of 40% on the 2020-21 budget of £1,377,505. Total expenditure on DFGs in the four months to July 2021 was £127,364. This compares with expenditure of £48,171 and £301,077 for the corresponding four-month periods in 2020-21 and 2019-20 respectively.</p> <p>Based on the value of grants approved but not yet paid and current levels of grant approvals, the forecast outturn expenditure for the year to March is £1,126,741. This results in a forecast underspend for the year March 2022 of £805,376 against the current budget and £250,674 when compared to the original budget, (i.e. excluding budget carried forward from 2020-21). At the end of the current financial year, any unused budget will be re-profiled to 2022-23.</p>	(805)
<p>Discretionary Grants: The budget of £50k was originally established in 2020-21 to provide match funding in connection with an application to the Electricity North West Empowering Our Communities Fund, to deliver the Cold to Cosy Homes Scheme, in Allerdale, from April 2020). The scheme was launched in September 2020 and will run over two years. No expenditure was incurred on the project in 2020-21 and the budget was reprofiled from 2020-21 to 2021-22 as part of the 2020-21 revised capital budget.</p> <p>As a result of resourcing constraints, no further work has been undertaken during 2021-22 with regard to how the budget could be used to support the Cold to Cosy Homes Scheme and it remains unlikely that any such work will take place during the current financial year. None of the available budget is therefore expected to be used in the current financial year.</p>	(50)
<p>Conversion of Otley Road: The budget of £99,783 (including £49,783 carried forward from 2020-21) relates to the conversion of Council' owned commercial property, at Otley Road, Keswick, into residential accommodation. The total budget for this scheme is £180k. Expenditure of £80,217 was incurred on the scheme in 2020-21. A further £137,407 is forecast to be spent on the scheme in 2021-22 resulting in an expected overspend of £37,624.</p> <p>At the time of writing, details of the issues underlying the reported overspend have not been received from the budget holder.</p>	38
<p>Ladore Toilets Conversion: The budget of £44,500 (including £10k carried forward from 2020-21) was established to redevelop the disused toilet block adjacent to the Ladore Hotel in the Borrowdale Valley into holiday accommodation. As noted in the 2020-21 Capital Outturn report commencement of this project has been delayed pending the resolution of planning issues related to the site. As a result, no expenditure is expected to be incurred on this scheme in 2021-22.</p> <p>At the time of writing, no further updates have been received from the budget holder.</p>	(45)
Total variance: Policy, Governance & People Resources	(862)

	Variance £'000
Environmental Services	
Brow-Top Enhancement Scheme: The budget of £374,351, carried forward from 2020-21, covers various 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 adjacent to the Leisure Centre to create a dedicated events and activity area. Following the changes made to the delivery of the Opera House scheme outlined above and the subsequent redirection of Accelerated Towns Funding grant, additional elements were added to the Brow Top scheme, in relation to the underpass and in particular, to the outdoor events and activity area at the Leisure Centre. As a result, the scheme is currently forecast to be overspent by £65,292 when compared to the original budget. This overspend is however offset by the forecast underspend on the Opera House project of £146,832 and is fully funded from Accelerated Towns Funding grant redirected from the Opera House project.	65
Total variance: Environmental Services	65
Leisure and Tourism	
Items < £30k	22
Total variance: Leisure & Tourism	22
Total variance	(13,249)