

Allerdale Borough Council

Executive - 20 July 2022

Capital Outturn 2021-22

Portfolio holder	Councillor Colin Sharpe Portfolio Holder - Finance & Legal
Report from	Catherine Nicholson, Chief Officer Assets & s151 Officer telephone no: 07711 - 634180 email: catherine.nicholson@allerdale.gov.uk
Wards affected	All
Is this a key decision	No

1.0 Reason for the decision

- 1.1 To inform Members of the capital outturn position for 2021-22 and to seek Members' approval of the associated budget carry forward requests.

2.0 Recommendations

- 2.1 Members are asked to:
- note the draft capital outturn position for the year ending 31 March 2022
 - approve the carry forward of £4,600,745 to 2022-23 to enable previously approved capital schemes to be completed.

3.0 Summary Capital Outturn Position

- 3.1 The 2021-22 element of the Council's revised three-year capital budget 2021-22 to 2023-24 is £7,568,589. Actual capital expenditure in the year to March 2022 was £2,941,680 leaving an outturn variance (underspend) of £4,626,909. Re-profiling adjustments of expenditure to subsequent financial years (budget carry-forwards) total £4,600,745, leaving a net underspend of £26,164.
- 3.2 The outturn variance (underspend) of £4,626,909 will result a reduction of:
- £3,244,295 in the application grant income to finance capital expenditure
 - £95,939 in the use of capital receipts
 - £12,388 in the contribution from general fund balances, and
 - £1,274,287 in the amount of unfinanced capital expenditure (i.e. expenditure funded from borrowing).

- 3.3 A summary of the 2021-22 capital outturn and associated financing is set out in tables 1 and 2 below.

Table 1: Capital Outturn Expenditure by Portfolio 2021-22

Portfolio	Current Budget £'000	Outturn £'000	Outturn Variance £'000	Budget C/F £'000	Variance £'000
Econ. Growth, Comm. Dev. & Placemaking	4,520	1,404	(3,116)	3,115	(1)
Policy, Governance & People Resources	2,125	869	(1,256)	1,261	5
Environmental Services	595	405	(190)	147	(43)
Leisure & Tourism	244	179	(65)	78	13
Customer Experience & Innovation	85	85	0	0	0
Total Capital Expenditure	7,569	2,942	(4,627)	4,601	(26)

Table 2: Capital Outturn Financing

Financing Source	Current Budget £'000	Outturn £'000	Outturn Variance £'000	Budget C/F £'000	Variance £'000
Capital Grants & Contributions:					
Housing	1,972	721	(1,251)	1,251	0
Non-Housing	3,555	1,562	(1,993)	1,950	(43)
	5,527	2,283	(3,244)	3,201	(43)
Allerdale B.C. Resources:					
Capital Receipts	472	376	(96)	120	24
General Fund Balances	13	0	(13)	11	(2)
Borrowing	1,557	283	(1,274)	1,269	(5)
Total financing	7,569	2,942	(4,627)	4,601	(26)

4.0 Budget Carry Forward Requests

- 4.1 Unused budgets totalling £4,600,745 have been requested to be carried forward to 2021-22. These are the result of changes to the timing of expenditure across financial years compared to the expenditure profile incorporated into the revised 2021-22 capital budget. Budget carry forwards do not impact on the overall budget allocated to the capital programme. Details of individual budget carry forward requests are set out in Appendix C. Appendix D sets out the impact of the budget carry forward requests on the Council's three-year capital programme 2022-23 to 2024-25.

5.0 Explanations of Key Variances (after budget carry forward requests)

- 5.1 Details of key variances, after taking account of budget carry forwards, are set out in Appendix E.

6.0 Capital Resources

6.1 Appendix F provides a summary of the movements in capital resources during 2021-22. Further details are set out in the following paragraphs.

Capital Receipts

6.2 The balance of capital receipts at the start of the financial year was £862,053. During the year £750,379 was received from the repayment of AIP loan notes (£605,379), disposal of investment property and other land holdings (£130,000), and repayment of capital grants (£15,000). Capital receipts of £375,800 were applied in 2021-22 leaving a balance available for allocation of £1,236,632.

6.3 After deducting ring-fenced receipts of £45,000, £756,132 of the remaining balance of has been committed to fund capital expenditure during 2022-23 and 2023-24. This leaves £435,500 available for allocation. This will be taken into account in future budget setting processes and will be allocated in line with the Authority's approved Capital Investment Strategy.

Capital Grants

6.4 The balance of capital grants at the start of the financial year was £2,568,045 including £1,704,635 received in advance at 31 March 2021. During the year grants of £7,398,705 were received. This included:

- £1,377,770 Disabled Facilities Grant
- £3,050,811 Future High Streets Grant
- £1,155,000 Towns Deal Funding, and
- £1,172,945 from the Government's Social Housing Decarbonisation Fund.

6.5 A total of £2,283,328 was applied in 2021-22 leaving a balance of £7,683,422, comprising capital grants received in advance of £6,213,251 and capital grants unapplied of £1,470,171. Excluding amounts ring-fenced, this balance is fully committed to finance capital expenditure in 2022-23.

6.6 The balance of capital grants at 31 March 2022 includes a number of grants awarded after approval of the 2021-22 revised capital budget and 2022-23 capital budget.

- £1,172,945 from the Government's Social Housing Decarbonisation Fund to support being undertaken by Home Housing Group for which the Authority is the accountable body
- £10,025 from Historic England in respect of being an initial advance a grant ward of £20,050 in respect of Workington Hall, and
- £10,000 contribution from Cumbria County Council towards enhancement works at Siddick Pond Nature Reserve.

6.7 These grants and associated expenditure, have been incorporated into the three-year capital budget 2022-23 to 2024-25 set out in Appendix D.

7.0 Delivery arrangements

7.1 Not applicable to this decision/report.

8.0 Implications and Impact

Contribution to Council Strategy Priorities, Outputs and Outcomes

8.1 None arising directly from this decision/report.

Finance/Resource implications

8.2 Financial issues and implications are included within the main body of this report.

Legal and governance implications

8.3 There are no legal or governance issues arising from this decision/report.

Risk analysis

8.4 Not applicable to this decision/report.

Increasing satisfaction and service

8.5 Not applicable to this decision/report.

Equality impacts

8.6 Not applicable to this decision/report.

Health and Safety impacts

8.7 Not applicable to this decision/report.

Health, wellbeing and community safety impacts

8.8 Not applicable to this decision/report.

Environmental/sustainability impacts

8.9 Not applicable to this decision/report.

Other significant implications

8.10 There are no other significant implications arising from report.

Appendices attached to this report

Appendix	Title of appendix
A	Capital Outturn 2021-22: Capital expenditure compared to budget
B	Capital Outturn 2021-22: Portfolio Summary and Financing
C	Summary of requested budget carry-forwards
D	Three-year capital budget 2022-23 to 2024-25
E	Capital Outturn 2021-22: Residual Variance Summary
F	Capital Resources

Background documents available

Name of background document	Where it is available
None	N/A

Report author(s) and contact officer(s):

Barry Lennox
Senior Manager - Finance (Deputy s151 Officer)
telephone no: 07355 - 032774
email: <mailto:barry.lennox@allerdale.gov.uk>