

REPORT TO EXECUTIVE
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DATE	13 <sup>th</sup> July 2022
PORTFOLIO	Resources & Performance Management
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2021/22 Final Capital Outturn Position
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PURPOSE
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1. To report to Members on the performance of the 2021/22 capital investment programme and present the financing of capital expenditure incurred during 2021/22.
2. To seek approval of a revised 2022/23 capital budget after incorporating net carry forward commitments (slippage) from 2021/22.

RECOMMENDATION
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3. That the Executive Members are requested to recommend that Full Council approve:
  - a) The final position on capital spending and financing of £33.504m for 2021/22 as shown in Appendices 1 & 2, which equates to 90% of the final resources position.
  - b) The revised capital budget for 2022/23 totalling £41.408m as outlined in Appendix 3, (including net carry forward of £3.617m).

REASONS FOR RECOMMENDATION
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4. To conclude the capital budget monitoring process for 2021/22 and report the final outturn position as outlined in the Council's Statement of Accounts for 2021/22.
5. To increase the 2022/23 Council capital programme for amounts carried forward from 202/22 and other budget adjustments as shown in Appendix 3.

## SUMMARY OF KEY POINTS

### **Capital Outturn Position**

#### 6. **Budget Changes and Expenditure Outturn Position:**

After incorporating all the recommendations approved throughout the financial year, the original capital budget of £18.792m (approved at Full Council on 24 February 2021) was revised to a final position of £36.671m per the cycle 3 capital monitoring report presented to the Executive on the 14 February 2022.

Appendix 1 shows the final resources and outturn position. Additional resources have been utilised in financing the outturn expenditure position totalling £0.715m split between:

- £0.205m of brought-forward funding from 2022/23 (“reverse slippage”), utilising in advance, resources originally approved within the 2022/23 capital programme at Full Council on 14 February 2022.
- £0.510m of other additional resources were identified, utilising more of the Better Care Funding.

Resources of £0.060m were no longer required, including £0.007m of Empty Homes Programme underspends, £0.007m Vehicle and Machinery Replacement revenue contribution, which were deducted from the budget and £0.046m for the Worsthorne Rereation Ground Improvements.

Therefore, the final position available to finance capital expenditure in 2021/22 totalled £37.325m. The final outturn level of expenditure incurred for 2021/22 totalled £33.504m which gives a net underspend of £3.821m or 90% spend against the final resources position.

Appendix 2 lists the financing elements of each scheme within the 2021/22 capital programme spend, totalling £33.504m.

#### 7. **Carry Forward Requests (slippage)**

Members are asked to note that a net £3.617m (£3.822m slippage less £0.205m reverse slippage) is the total that has been recommended to be carried forward into 2022/23. The following schemes account for the majority of the total slippage requested:

##### **Levelling Up Fund (£846k)**

The Council received confirmation of the successful Levelling Up Fund bid in October 2021. The bid consisted of three schemes: UCLan Burnley Campus Expansion, Town 2 Turf Public Realm Transformation and Railway Station Accessibility Improvement. Work on the schemes will span three financial years (21/22 - 23/24) with a total spend of £22.5m. Due to a delay in receiving contract documentation from government, expenditure in year 1 has been reduced.

##### **Pioneer Place (£891k)**

Following the development agreement going unconditional the budget has been re-profiled to reflect the agreed timetable of works.

### **Burnley Pendle Growth Programme (£300k)**

All works have been completed. Awaiting invoice from LCC

### **Building Infrastructure Works (£478k)**

The capital schemes included in this budget spanned the 2020/21 and 2021/22 financial years. The majority of the works planned for 2021/22 are now complete, with slippage requested into 2022/23 to fund those works outstanding

### **NW Burnley Growth Corridor - Phase 1 (£366k)**

Programme and budget is on track to spend its committed allocations. The slippage is requested to correct reprofiling of remaining budget into future years

Further details can be seen in Appendix 1.

## **8. Revised Capital Budget for 2022/23**

Members are asked to approve a revised capital budget for 2022/23 after incorporating the adjustments identified within this outturn report.

Appendix 3 details the 2022/23 capital programme financing elements along with incorporating the year end resources adjustments and brought-forward funding elements identified within this outturn report, and incorporating the carry forward requests. This results in a revised capital programme totalling £41.408m.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

9. As shown in the body of the report and appendices.

## **POLICY IMPLICATIONS**

10. The final outturn position will be reflected in the Statement of Accounts which shows the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending. Following a consultation exercise by MHCLG the deadline for the completion of the draft Statement of Accounts has been extended from 31<sup>st</sup> May to 31<sup>st</sup> July and the audited Statement of Accounts from 31<sup>st</sup> July to 30<sup>th</sup> September. These deadlines are in accordance with recommendation 10 of the Redmond Review. The Statement of Accounts will be reported to the Audit and Standards Committee.

## **DETAILS OF CONSULTATION**

11. None.

## **BACKGROUND PAPERS**

12. None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Adil Ahmed – Principal Accountant**