

Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	15 Oct 2020

REVENUE AND CAPITAL BUDGET MONITORING 2020/21 REPORT 1 (END OF AUGUST 2020)

PURPOSE OF REPORT

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2020/21.

RECOMMENDATION(S)

2. Note the full year forecast position for the 2020/21 revenue budget and capital investment programme.
3. Note the forecast position on the Council's reserves.
4. Note the capital programme to be delivered in 2020/21 to 2022/23

EXECUTIVE SUMMARY OF REPORT

5. The projected revenue outturn currently shows a forecast overspend of £81k against budget.
6. The forecast of capital expenditure in 2020/21 is £39.513m.
7. The Council's budget for 2020/21 included a savings target of £150k from management of the staffing establishment. The full savings of £150k has been achieved.
8. The Council's Medium-Term Financial Strategy reported that working balances are currently maintained at £4.0m due to the financial risks facing the Council. The forecast level of general fund balances as at 31 March 2021 will be £3.919m.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget	2, a contract worth £100,000 or more
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	by £100,000 or more	
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)
(If the recommendations are accepted)

9. To ensure the Council's budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10. None

CORPORATE PRIORITIES

11. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	✓	A strong local economy	✓
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

12. The net revenue budget for 2020/21 is £14.433m. This has been amended to include approved slippage from 2019/20 and any transfers to/from reserves.
13. Appendix 2 provides further information about the specific earmarked reserves and provisions available for use throughout 2020/21.
14. The Council's approved revenue budget for 2020/21 included target savings of £150,000 from management of the staffing establishment.
15. Following the recommendations made in the 2019/20 Provisional Revenue and Capital Outturn Report, in-year revenue underspends have been set aside to fund the following items:
- £63,000 to the Change Management Reserve.
 - £100,000 to finance the revenue implications of future planning appeals.
 - £100,000 to finance works to the council's CCTV operations centre.
 - £203,000 to increase the business rates retention reserve.
16. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first three months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
17. The latest forecast of capital expenditure in 2020/21 is £39.513m. The latest capital forecast is detailed in Appendix 3 based upon actual and committed expenditure during the first three months of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

SECTION A: CURRENT FORECAST POSITION – REVENUE

18. The projected outturn shown in Appendix 1 forecasts a budget shortfall of £81k. The significant variances from the budget are shown in the table 1 below.

ANALYSIS OF MOVEMENTS

Table 1 – Forecasted Significant Variations from the Cash Budget

Note: Overspends/shortfalls in income are shown as ().

	£'000	£'000
Expenditure:		
Staffing Costs	365	
Contribution to Corporate Savings Target	(150)	
Streetscene - Transport/Supplies/External Tree Work	55	
Waste and Recycling Contract	46	
Chorley Flower Show & Events	45	
Non-Domestic Rates (car parks)	72	
Property Maintenance/Repairs	<u>50</u>	
		483
Income:		
Council Tax Summons/Committal Costs	(140)	
Building Control Income	(30)	
Disabled Facilities Grant Admin Fee	(18)	
Market Rents - General Market/Street Markets	(137)	
Car Parking Fees/Permits/Excess Charges	(185)	
Hire of Community Centres	(52)	
Forecast Government Support for Fees & Charges	<u>170</u>	
		(392)
Major Projects/Other:		
Market Walk & Market Walk Extension	(91)	
Primrose Gardens	28	
Digital Office Park	(391)	
Net Financing Transactions	150	
Other minor variances	<u>2</u>	
		(302)
Covid-19 Government Funding		
Forecast total Government Funding	2,500	
Forecast expenditure or future commitment	<u>(2,370)</u>	
		130
Forecast Overspend		(81)

Expenditure

19. Significant staffing savings have been achieved in the current year to date across all the Council's directorates as shown in the table below. Additional savings have also been achieved from the implementation of the second phase of shared services with South Ribble Borough Council, over and above the £114k savings already reported.

Staffing Savings	£'000
Customer & Digital Services	66
Policy & Governance	51
Early Intervention	116
Commercial Services	60
Shared Services	72
Total Staffing Savings	365

20. The forecast variations profiled above make assumptions regarding the start dates of staff to vacant posts, these assumptions are monitored on a monthly basis. The main savings are predominantly a result of vacant posts, due to delayed recruitment to a number of positions both as a result of the Covid-19 lockdown and pending the implementation of new departmental structures.
21. From the £365k staffing savings identified to date, the total 2020/21 corporate savings target of £150k for management of the establishment has been transferred.
22. As a result of the Covid-19 lockdown period earlier this year, Streetscene services were unable to carry out much of the scheduled work for that period. This has resulted in reduced costs for the use of general supplies, transport related costs and external tree services. The forecast saving at this stage is £55k
23. The Waste and Recycling contract with FCC Environment Services (UK) commenced on 1st April 2019, achieving a £1.240m base budget saving on the previous contract with Veolia. Year two of the contract with FCC has also yielded initial budget savings amounting to £71k, largely due to a lower than budgeted CPI inflation rate. FCC are currently delivering blue, green and brown bins at an annual cost of £26k. This will reduce the forecast contract budget saving to around £46k. The new contract includes performance targets for the number of missed collections which FCC have struggled to achieve over the initial months of 2020/21. FCC have acknowledged maintaining the service delivery during the Covid-19 pandemic and lockdown period has been and continues to be challenging. Communications regarding performance targets and additional tonnages of waste during the Covid-19 period are ongoing.
24. Due to the Covid-19 pandemic, Chorley Flower Show scheduled for early August, like many other events was cancelled this year. Although this was replaced with the Virtual Flower Show event, the costs were significantly reduced. The Council's Picnic in the Park event scheduled for June was also cancelled and it remains to be seen what the impact will be for future events. The savings to date from cancelled events is around £45k.
25. Earlier this year the Council received notification from the Valuation Office that the rateable value for the Flat Iron car park had been significantly reduced due to changes associated with the Market Walk Extension development. This not only reduced the cost of business rates for the current year but also included refunds backdated for previous years giving an overall saving of around £72k.
26. As a result of the Covid-19 lockdown period at the start of the financial year, the Council's external contractors for maintenance and repairs were unable to carry out much of the planned or reactive maintenance work on the Council's properties. It is still uncertain at this stage how much of this backlog of work can be carried out by the end of the financial year but the latest forecast suggests a prudent underspend against budget of around £50k

Income

27. A majority of the Council's income streams have been affected by the impact of Covid-19 with forecast losses in a number of areas. The government has recently announced a compensation scheme to support local authorities for the loss of some of this income. This is discussed further at paragraph 54 but it is estimated that the income to Chorley Council, in 20/21 only, is £170k. This will be reported to the Government throughout the year with revised forecasts and grant allocations provided every quarter.
28. The first few months of the financial year has shown a significant shortfall in income from Council Tax Summons/Committal Costs in the region of £140k compared to budgeted levels.
29. Another area where income levels to date are lower than budgeted is Building Control income. Income for April to August is around £30k lower than anticipated but levels have improved slightly in recent weeks. Around £15k of this shortfall should be covered by the government compensation scheme.
30. In 2020/21 the Council budgeted to complete works to the value of £800k under the local authority's statutory duty to provide aids and adaptations under the Disabled Facilities Grant to those who qualify. As part of the arrangement, the Council is allowed to claim an administration fee calculated at 12.5% of all completed works during the year which gave an estimated £100k income for the current year. As a result of the Covid-19 lockdown it is unlikely that this level of work will now be achieved and a revised value of completed works is around £656k. This will generate an income for 2020/21 of around £82k giving a shortfall of around £18k compared to the budget. Any unspent DFG funding can be carried forward in 2021/22 if required.
31. Earlier this year the Council took the decision to cancel the first quarterly rental charges for market traders for the Covered Market and Street Markets due to Covid-19 restrictions during lockdown. Also, to further reduce the risk from Covid-19, the decision was taken to close the market on Mondays when most of the table-top traders are open. This has resulted in a forecast loss of income for the Council of around £137k. The government compensation scheme does not cover loss of rental income so the full cost will be borne by the Council
32. A similar decision was taken by the Council in that there would be no parking charges for April to June during the lockdown period resulting in reduced income from parking fees. Income levels from July and August have also been below the average anticipated and achieved in previous years. As would be expected, income from parking permits and excess charges is also below budgeted levels. The current forecast is for a combined income shortfall of around £185k, around £119k of which should be covered by the government compensation scheme
33. The Government's Covid-19 restrictions have also impacted on the income generated from the hire of the Council's community centres. With no income for April to June and reduced income for July and August, income levels are currently forecast to be around £52k lower than anticipated in the budget for 2020/21. It is expected that around £36k of this will be recovered from the government compensation scheme.

MARKET WALK & MARKET WALK EXTENSION

34. The budgeted net rental income from Market Walk and Market Walk Extension after taking account of financing costs in 2020/21 is £1.266m.

Table 2: Market Walk and Market Walk Extension Income 2020/21

	2020/21 Budget £	2020/21 Forecast £	2020/21 Variance £
Income – Market Walk	(1,664,780)	(1,521,203)	(143,578)
Income – Market Walk Extension	(516,280)	(426,724)	(89,556)
Operational Costs (excluding financing) - Service Charge	500,596	500,596	0
Service Charge Income	(500,596)	(398,596)	(102,000)
Net Income (excluding financing)	(2,181,060)	(1,845,927)	(335,134)
Financing Costs	914,640	914,640	0
Net Income (including financing)	(1,266,420)	(931,287)	(335,134)
Income Equalisation Reserve (Annual Contribution)	50,000	0	50,000
Asset Management Reserve (Market Walk)	50,000	0	50,000
Net Income	(1,166,420)	(931,287)	(235,134)
Proposed Use of Income Equalisation Reserve	0	(143,578)	143,578
Revised Net Income	(1,166,420)	(1,074,864)	(91,556)

Income

35. Income is expected to be £143k under budgeted levels at the existing Market Walk Site due to several leases being renegotiated in 2020/21 post Covid-19. The council has been flexible with its tenants by offering a rescheduling of rent payments in 2020/21 over a longer period where necessary. As a result of this action occupancy remains high at the existing Market Walk shopping centre. Income is mainly lower in 2020/21 due to the renewal of a number of leases; these lease renewals have meant our tenants remain at the shopping centre over the coming years but do include, as standard, a one-off rent free period. There remains four units unoccupied at the new extension to the shopping centre with a unit in the process of being let to a tenant agreeing final terms.

Expenditure

36. Due to vacant units at the suite it is forecast that £102k of the service charge will not be recoverable in 2020/21. It should be noted that tenants that have agreed contract extensions and renewals, even with rent free periods, continue to pay business rates liabilities and the service charges.

Reserves

37. The council budgets to set aside £50k towards both the income equalisation reserve and asset management reserve. It is proposed that these reserves are not increased in 20/21 and that £143k is utilised from the income equalisation reserve. This will leave a forecast £324k in the income equalisation reserve and £103k in the Market Walk asset maintenance reserve.

MAJOR PROJECTS & OTHER ITEMS

Strawberry Fields Digital Office Park

38. Strawberry Fields was budgeted to break-even in 20/21 with income covering the running and borrowing costs of the facility. Table 3 outlines the forecast for 20/21.

Table 3: Digital Office Park Income 2020/21

	2020/21 Budget £	2020/21 Outturn £	2020/21 Variance £
Rental Income	(666,950)	(242,857)	(424,093)
Operational Costs (excluding financing)	498,670	466,205	32,465
Net Income (excluding financing)	(165,280)	223,348	391,628
Financing Costs	168,280	168,280	0
Net Income (including financing)	0	391,628	391,628

39. Income is expected to be £424k short of the budget in 2020/21 due to the number of vacant units and reduced take up during the Covid-19 period. It was confirmed in August 2020 that the eligibility criteria for the units can be widened until August 2022 resulting in a significant increase in interest in the offices and flexible working spaces. Demand for room bookings increased significantly in September but further bookings will be limited by Covid-19 restrictions. As such, the income projections included in table 3 remain prudent until further certainty regarding restrictions is known.
40. Expenditure is below budget due to reductions in energy costs during Covid-19 and work is ongoing to split the Business Rates charges for the building to enable each unit to be charged directly and reduce the central liability.

Primrose Gardens

41. Primrose Gardens continues to perform well with occupancy now at 97% that is higher than budgeted for. As such the project is forecast to underspend by £28k in 2020/21.

Other Items

42. The net financing budget, excluding major projects and the purchase of Logistics House, is £564k and is currently forecast to be £150k underspent. The Government has supported councils' cash flow management during 20/21 by delaying payments due, such as the payment of precepts to the Government, as well as paying upfront for initiatives such as the business grants scheme. As such the council has not had to take any additional borrowing in

20/21 and has earned more on cash balances than forecast. The underspend of £150k is a prudent estimate given the uncertainty present in the latter six months of the financial year.

IMPACT OF COVID-19

43. The impact of Covid-19 on the Council's budgets is varied and includes delays to recruitment and restructuring, reduction in income and additional expenditure. The major impacts on the budget are summarised below. This includes the various grant funding streams received to help the council manage the transition back to business-as-usual.

Income

44. It has been well documented that the country has undergone a significant reduction in economic activity pushing the economy into recession. The impact on local residents and businesses is potentially vast, especially in the service industries. Two areas this may significantly affect the council's finances is the impact on its business rates and council tax collection funds.

Business Rates

45. The original gross (including amounts paid over to the Government and other preceptors) collectable business rates for Chorley Council was budgeted at £26m for 20/21. As part of the budget on 11 March the Government announced that it would increase the discount on business rates liability for businesses in the retail, hospitality and leisure industry to 100% for 20/21. This has reduced the council's gross collectable to an estimated £16.3m. The council and other preceptors will receive compensatory grant payments, known as S31 grants, in 20/21 for this extended relief.
46. After adjusting for this reduction in collectable business rates the analysis below gives the forecast outturn position for Chorley Council's business rates collection fund.

	Cumulative Income				
	Apr £m	May £m	Jun £m	Jul £m	Aug £m
Forecast	2.273	3.608	4.935	6.157	7.771
Actual	1.804	2.889	4.509	5.502	7.148
Deficit	0.469	0.719	0.426	0.655	0.623

47. Based on current collection rates it is estimated the gross shortfall of business rates income could be £0.623m. Chorley Council's share of this deficit would be approximately £250k meaning the council would be £250k short of its budgeted business rates income in 20/21. Although this figure seems large it should be noted:
- The council is not currently pursuing outstanding business rates debt. It is likely there are many businesses that are not currently able to pay but that will be able to meet the liability over the remainder of the year or over a longer agreed period. As such it is expected that the current collection rates will improve therefore reducing the forecast deficit.
 - The Government has announced that councils will be able to spread out the loss of business rates and council tax income over the next three years, rather than in one year. A deficit of £250k may therefore only result in a £80k impact for the council per year.

- The council holds a business rates retention reserve of £1.415m to fund one-off shortfalls in the business rates it collects. This includes managing downward revaluations, the risk surrounding this has however now been reduced as the scheduled 2021 national revaluations have been put back to 2023. The reserve is therefore considered more than sufficient to manage the risk surrounding business rates income.

48. The outturn has not been adjusted in Table 1 due to the uncertainty regarding the final shortfall in businesses rates income. It has also not been adjusted because, due to the complexities of the business rates system, any shortfall is likely to be recognised in 2021/22 rather than this financial year.

Council Tax

	Cumulative Income				
	Apr £m	May £m	Jun £m	Jul £m	Aug £m
Forecast	7.336	13.857	20.438	26.897	33.216
Actual	7.060	13.252	19.635	26.023	32.478
Deficit	0.276	0.605	0.803	0.874	0.738

49. Based on current collection rates it is estimated the gross shortfall of council tax income could be £0.738m in 20/21. Chorley Council's share of this deficit would be approximately £90k meaning the council would be £90k short of its budgeted council tax income in.
50. As with business rates income the council is not currently pursuing outstanding debt and so it is likely that, with the correct support offered by the council, that the collection rates will improve throughout the year. The same rephrasing of any deficits also applies to council tax income meaning the potential £90k deficit may be spread over three years. Finally, as with business rates, any shortfall in 2020/21 would be recognised in the 2021/22 accounts and so the outturn has not been updated in this report.

Expenditure

51. The council has spent over £170k on Covid-19 relating expenditure including £40k on additional PPE, £30k on additional cleaning and over £40k on additional support for the homeless and for those at risk of becoming homeless.
52. In addition to this amount, as per the report to the General Purposes Committee on 16 September 2020, £450,000 is to be made available from Government Covid-19 Funding and/or General Reserves to pay for set up costs in the council taking over the running of its leisure centres. In addition, there will be up to £800,000 from the Government Covid-19 Funding and/or General Reserves to fund the support running the leisure centres to the end of 2020/21 this will also include funding expenditure to develop the future options for the delivery of leisure service in the borough.

Government Funding

53. The following major sources of funding has been provided by the Government to support Chorley Council during the pandemic.

Funding	CBC £	Funding Guidance
1 st Tranche CV-19 Funding	51,797	None
2 nd Tranche CV-19 Funding	1,180,904	None
3 rd Tranche CV-19 Funding	177,413	None
TOTAL	1,410,114	
New Burdens Funding – Business Grants	130,000	None
Extending Council Tax Support	855,000	Yes
Reopening High Streets	105,438	Yes
TOTAL CV-19 Related Funding	2,500,552	

CV-19 Grant Funding Support

54. On the 2 July 2020 the Government announced the 3rd tranche of Covid-19 grant support. The Government has also announced that they will support councils for the loss of some income, fees and charges but not commercial income, in 20/21. The council will have to manage the first 5% of shortfall in budgeted income and then the Government will provide 75% of any further loss. Officers will report the loss of income on a quarterly basis to Government.
55. The grant support by Government as well as funding for loss of income is welcomed by the council however, there has been no grant guidance documentation published by the Government for the £1.410m funding Chorley Council has received. It is understood, although not confirmed, that the Government may begin setting limits on how this funding can be spent, for example that it cannot be used to cover the loss of commercial income.

Other Funding Support

56. On top of the CV-19 funding the council has also received £130k to cover the costs of administering the business grants scheme. The total cost of administering the scheme will certainly be in excess of this amount such has been the demand on staff time across teams such as business support, revenue and benefits and finance. It is understood that this support relates to the administration of the first tranche of funding. The management of the discretionary grant scheme has been equally onerous and the Government is being lobbied to also provide funding for the administration of this scheme.
57. The council also received £105k 'Reopening High Streets Safely Fund'. This grant is ERDF funding and as such the restrictions as to how this can be spent are prohibitive. Further guidance has been received and the council is committed to fully spending this allocation including spend on staff that will support and advise businesses in the public environment.
58. As outlined below Table 1 of this report outlines the assumed additional spend against the total Covid-19 funding streams.

	Forecast
Forecast Additional CV-19 Expenditure	2,370,552
CV-19 Funding	2,500,552

59. To be prudent at this stage in the financial year, it is assumed all funding from the Government will either meet any additional costs incurred by the council or be returned if not fully committed against. The only deviation from this approach is the assumption that the £130k to cover the costs of administering the business grants scheme will meet budgeted staff costs and as such provides a £130k budget underspend to the council.

GENERAL FUND RESOURCES AND BALANCES

60. With regard to working balances, and as per Appendix 1, the Council holds a £4m General Fund balance to manage budget risks not covered by earmarked reserves or provisions. The current forecast to the end of August shows that the General Fund closing balance could be around £3.919m as detailed in table 3 below. It should be noted however that there may be further call for the use of general balances throughout 2020/21.

Table 3 – Movement in General Fund Balance

General Balances	£m
Opening Balance 2020/21	4.000
Forecast revenue budget overspend	(0.081)
Forecast General Fund Closing Balance 2020/21	3.919

61. Appendix 2 provides further information about the specific earmarked reserves and provisions available for use throughout 2020/21.

SECTION B: CURRENT FORECAST POSITION – CAPITAL

62. The approved capital budget as per the revenue and capital outturn report approved on 30th July 2020 and subsequent adjustments, including the adjustments outlined in this report, are tabled below.

	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Approved Budget	46.331	3.939	3.175	53.445
Q1 Adjustment	(6.618)	7.068	0.000	0.450
Revised Budget	39.713	11.007	3.175	53.895

63. It is likely there will need to be a significant reprofiling of expenditure from 20/21 to 21/22. A number of major schemes are about to get underway and at that point there will be greater certainty as to which financial year costs will fall.
64. At quarter one there have been adjustments to reflect the £450k new Leisure Centres funding and reprofiling of Alker Lane across financial years.

Customer & Digital

65. The Bank Hall Restoration project is due to complete this financial year with the remaining £112k in the budget to be spent and reclaimed from the Heritage Lottery Fund.

Policy and Governance

Astley Hall and Park Development

66. The council has the following estimated budget for this project:

Budget	£
Astley Hall	1,100,000
Footpath Lighting	107,000
Outdoor activities at Astley Park	100,000
Refurbishment Ackhurst Lodge	250,000
Hallgate Car Park	30,000
Garden of Reflection	12,000
TOTAL	1,599,000

67. An EMD has been submitted to progress the procurement of the works to Astley Hall including £700k for windows and render, £200k for other repairs and decoration work and £200k for a Visitor route, new entrance, shop and staircase.

Early Intervention & Support

Leisure Centres

68. It is anticipated that Leisure Centre improvement works will be begin in the Autumn/Winter periods utilising existing procurement frameworks to ensure work can be undertaken. There is £300k currently in the programme for Leisure Centre improvements for significant repairs and maintenance work that needs to be undertaken.

69. Alongside this there is a further £2m for enhancements to the Leisure Centres within the programme. It is anticipated these works will also begin in the Autumn/Winter periods to upgrade facilities.
70. At the General Purposes Committee on the 16th September 2020 it was agreed that up to a further £450k would be allocated from Covid-19 Funding to cover works as a result of the Leisure Centres contract ending. These will include works to transfer IT systems, upgrade gym equipment, work around signage and various other changes across all three sites.

Commercial Services

Whittle Surgery

71. Work on this project is due to commence on the 19th October and should take approximately 12 months. It is expected that a significant amount of the construction work will be completed in 20/21 with most of the interior work to follow in 21/22. A reprofiling of the expenditure will take place before quarter two.

Tatton Development

72. Work to demolish the bus station is due to commence shortly. An update on the project is also included on this Executive Cabinet agenda. A planning application has been submitted for approval. It is expected much of this work will take place in 21/22 and a reprofiling of expenditure to better reflect spend periods will need to take place.

Alker Lane

73. On 30 July Executive Cabinet agreed to proceed with a planning application and the procurement of a contractor for the works at Alker Lane. The current total budget is £9.2m with funding from the receipts of the sales of some units as well as borrowing that will be more than repaid through the income generated by the site. An application for £2.2m to the Lancashire Enterprise Partnership (LEP) has been successful with payment subject to the legal agreement being signed off.

Public Realm Town Centre

74. As outlined in the budget, Chorley Council will continue its commitment to deliver the town centre masterplan with £4m set aside in the budget to achieve this. An opportunity has arisen to demolish the now vacant bingo hall and adjacent offices in the town centre and open this site up for additional car parking and public space. The estimated cost of the demolition is £500k including £250k for the removal of asbestos and £50k for hoardings. The demolition works are expected to begin in November 2020 with Units 7-11 and following that the former Buzz Bingo site in January 2021. The remaining elements for the development of the site are likely to be in 21/22 and capital programme will be re-profiled to reflect this expenditure when we have greater certainty.
75. The council received £150k from Government to work up and submit a Future High Street Fund bid that included developing the Market St site. The council was expecting to hear the outcome of this bid in Autumn 2020, discussions with Government are ongoing. Other planned work relating to this budget includes the resurfacing of Queens Rd car park to provide an enhanced distribution of spaces and to improve the safety of the car park.

Westway Playing Fields Sports Development

76. The total budget for the construction of the new site is £2.5m in 20/21. The artificial grass pitch (AGP) and compact athletics track contract has been awarded with works beginning in October 2020 and subject to take four months subject to sewer diversion works. Works to the pavilion have also been procured with completion due in February 2021.

CAPITAL PROGRAMME FINANCING 2020/21

Fund	Original Budget 2020/21 £'000	Quarter 1 2020/21 £'000	Change £'000
External Contributions	6.750	6.750	0.000
Grants	5.447	5.897	0.450
New Homes Bonus	0.347	0.347	0.000
Earmarked Reserves	1.397	1.397	0.000
Revenue	0.010	0.010	0.000
Capital Receipts	0.508	0.508	0.000
Borrowing	31.871	24.803	(7.068)
Capital Financing 2018/19	46.331	39.713	(6.618)

77. The reduction in borrowing in 20/21 is the net effect of reprofiling the expenditure budgets for Alker Lane and the town centre public realm demolition works.

78. The increase in grants in 20/21 is to reflect the additional £450k approved for Leisure Centres that is forecast to be funded through the £1.4m Covid-19 grant.

IMPLICATIONS OF REPORT

79. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

80. The financial implications are contained within this report

COMMENTS OF THE MONITORING OFFICER

81. No Comment

JAMES THOMSON

DEPUTY DIRECTOR OF FINANCE (S151)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Bond/James Thomson	5488/5025	01/10/2020	***