

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Member for Resources)	Executive Cabinet	17 th June 2021

Provisional Revenue and Capital Outturn 2020/21

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.
2. The accounts are provisional at this stage and are also subject to final checking and scrutiny by the Council's external auditor. Should there be any significant changes to the general fund as a result of this process, a further report will be submitted to Executive Cabinet.

Recommendation(s)

3. Note the full year position for the 2020/21 revenue budget and capital investment programme.
4. Note the slippage requests outlined in Appendix 2 of the report to finance expenditure on specific items or projects in 2021/22.
5. Note the 2020/21 outturn position on the Council's reserves outlined in Appendix 3.
6. Approve the capital programme to be delivered in 2020/21 to 2023/24 as outlined in Appendix 4.
7. Approve the changes within the capital programme as detailed in paragraph 84 and 89 below.

Executive Summary of Report

8. There is a provisional underspend against the budget at year-end of £57k (as detailed in Appendix 1) after taking account of requests for slippage of committed items of £256k that have been approved by the Chief Finance Officer.
9. The capital outturn expenditure for 2020/21 is £9.087m.
10. 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 £4.057m.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £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)

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

Alternative Options Considered and Rejected

12. None

Corporate Priorities

13. 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

14. The net revenue budget for 2020/21 is £14.219m. This has been amended to include approved slippage from 2019/20 and any transfers to/from reserves.
15. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2021/22.
16. The Council's approved revenue budget for 2020/21 included target savings of £150,000 from management of the staffing establishment. The full saving of £150k has been achieved.
17. Capital expenditure in 2020/21 totalled £9.087m. The capital spend is detailed in Appendix 4.

Section A: Current Forecast Position – Revenue

18. The net expenditure at the end of the financial year shows a provisional underspend against the Council's budgets of £57k (after taking requests for slippage and other special items into account). Details of the revenue outturn position are shown in Appendix 1 and requests for slippage are outlined in Appendix 2. The main variances over and above those previously reported to Executive Cabinet are shown in table 1 below.

Analysis of Movements

Table 1 – Significant Variations from the Cash Budget

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

	£'000	£'000
Expenditure:		
Staffing Costs	138	
Pensions - Current Year Service	29	
Civic Offices (Utilities/Other costs)	<u>19</u>	
		186
Income:		
Rental Income - Investment properties	29	
Planning Application Fees	15	
Cemetery Income	17	
Market Rents – Rebates	(27)	
Car Park Pay & Display income	(20)	
Government Support for Fees & Charges	<u>245</u>	
		259
Major Projects/Other:		
Market Walk & Market Walk Extension	(148)	
Digital Office Park	13	
Primrose Gardens	31	
Housing Benefits	(62)	
Housing Benefits – Bad Debts Provision	(89)	
Net Financing Transactions	162	
Bad Debt Provision - General	(113)	
Bad Debt Provision - Market Walk	(438)	
Community Infrastructure Levy (CIL) Admin	56	
Other minor variances	<u>20</u>	
		(568)
Net Movement		(123)
Quarter 3 Net Forecast Underspend		13
New Burdens Business Grants Funding		167
Provisional Outturn Underspend 2020/21		57

Expenditure

19. The additional savings on staffing costs of £138,000 shown in table 1 above reflects the changes from the position reported to the end of December in the last monitoring report. The savings across the Council's directorates are shown in the table below.

Staffing Savings	£'000
Customer & Digital Services	86
Policy & Governance	30
Early Intervention	28
Commercial Services	(6)
Total Staffing Savings	138

20. 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. Further staffing savings have been achieved in 2020/21 for current year service pension costs. Agreement was made in advance with the Lancashire Pension Service to pay a fixed sum up front for the 2020/21 pension costs, based on an estimated but discounted price. The actual cost for staff pensions for 2020/21 was £1.359m but as the advance payment was only £1.330m a saving of £29k has been achieved.
22. As a result of the Covid-19 lockdown period and continuing Covid restrictions, the Council's Civic Offices have remained predominantly unoccupied with the majority of Council employees continuing to work from home. During this period, expenditure levels have reduced for the running costs of these buildings, including utility, cleaning and refuse costs, compared to those incurred under normal circumstances. The outturn position shows additional savings of £19k in the last quarter and savings of around £64k for the full year.

Income

23. In February of this year, the Council agreed a deed of variation on an existing lease with Eric Wright Group Ltd in relation to the ground rent for 110A Market Street, Chorley in order to resolve a long running dispute regarding overpaid ground rent. This has resulted in additional rental income of around £29k compared to previous forecasts.
24. Income from Planning Application fees had been consistently in line with budgeted levels throughout the first two quarters of 2020/21 with revenue increasing over the third quarter. This has continued with an additional £15k received over the final 3 months of the year giving a full year revenue surplus of £50k against the income budget of £550k.
25. Income streams from Chorley Cemetery were also higher in the fourth quarter of 2020/21 resulting in additional income of around £17k compared to the position previously reported in December.
26. Earlier in the financial 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. As a result of further restrictions currently in place, the Council decided to continue to provide essential support to local market traders and offer rent rebates for the winter period. This support has continued for the final quarter of the year and has resulted in a further reduction in rental income of around £27k.
27. Previous monitoring reports have highlighted a fall in the income received for car parking fees throughout the past year. Income levels continued to be below budget during the last quarter due to the extended lockdown and this resulted in a further reduction in revenue of £20k. The final income figure for 2020/21 was £200k compared to budgeted revenues of £375k.
28. The Government previously announced that they would support councils for the loss of fees and charges income but not commercial income in 20/21. The council will have to manage the first 5% of the shortfall in budgeted income and then the Government will provide 75% of any further loss. The final claim for compensation due to Chorley Council for the loss of income in 20/21 was £245k making a total of £589k claimed for the full year.

Other Items

29. The Council is permitted to use 5% of the income collected each year through the Community Infrastructure Levy (CIL) to cover the cost of administering CIL. The final figure

for CIL Admin costs in 2020/21 exceeded the total chargeable from CIL but the budget is prudently set at £50k so as a result there was a £56k underspend in 2020/21.

30. Due to a change in methodology following discussions with external audit there has been a charge for bad debts on Housing Benefits creating an additional provision in year of £89k. It is believed this is more than sufficient for the debts currently in place and should not be a recurring cost in future years.
31. The general sundry debtors bad debts provision has increased by £113k. This is above normal levels and is partially a consequence of debt levels being higher due to Covid and some debts not being able to be pursued yet through normal legal channels. Further detail on bad debts for Market Walk is provided below.

Market Walk & Market Walk Extension

32. The budgeted net rental income from Market Walk and Market Walk Extension after taking account of financing costs in 2020/21 is £1.373m

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

	2020/21 Budget £	2020/21 Actual £	2020/21 Variance £
Income – Market Walk	-1,664,780	-1,559,354	-105,426
Income – Market Walk Extension	-516,280	-249,018	-267,262
One off Costs	0	20,334	-20,334
Service Charge Operational budget	394,316	410,871	-16,555
Service Charge Income Loss per Approval	-78,989	47,159	-126,148
Service Charge Income	-421,606	-300,232	-121,374
Net Income (excluding financing)	-2,287,339	-1,630,240	-657,099
Financing Costs	914,640	914,640	0
Net Income (including financing)	-1,372,699	-715,600	-657,099
Income Equalisation Reserve (Annual Contribution)	50,000	0	50,000
Asset Management Reserve (Market Walk)	50,000	0	50,000
Net Income	-1,272,699	-715,600	-557,099
Provision for Bad Debts	0	438,253	-438,253
Revised Net Income	-1,272,699	-277,347	-995,352

Income

33. Income is £373k under budgeted levels at the Market Walk site due to some vacant sites in 2020/21 and reliefs granted due to 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. Income is also 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.

34. There has been a necessary £438k increase in cost since quarter 3 due to the bad debts provision now being recognised. It should be noted this is a provision based upon outstanding debt of which a considerable amount has been agreed to delay payment in 20/21. It is an audit requirement that assumptions over bad debts are made in this way and it is expected that this situation would significantly improve in 21/22 and as a result the provision be reduced and released back into the general fund.

Expenditure

35. Due to vacant units at the site £121k of the service charge will not be recoverable in 2020/21. It has also been approved by Full Council on 17 November 2020 to support tenants service charges and this has created a further overspend of £126k. 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.
36. There have been some one-off fees incurred in year around letting fees, fees relating to leasehold incentives and other miscellaneous one-off non-service charges that amount to £20k.

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. This will leave a £468k in the income equalisation reserve and £104k 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 Actual	2020/21 Variance
	£	£	£
Rental Income	(666,950)	(235,661)	(431,289)
Operational Costs (excluding financing)	498,670	485,704	12,966
Net Income (excluding financing)	(168,280)	250,043	(418,323)
Financing Costs	168,280	168,280	0
Net Income (including financing)	0	418,323	(418,323)

39. Income was £431k 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 following lockdown fell back. There have been a number of new tenants occupy office space and it is expected following the end to restrictions that income will begin to increase significantly in the new financial year.

40. Expenditure was slightly below budget due to reductions in energy costs during Covid-19 being offset by increased business rates due to vacant offices. Some of these business rates costs relate to backdated 2019/20 costs and with greater occupancy going forward this should reduce significantly in 2021/22.

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 £59k underspent in 2020/21.

Leisure Centres

42. Following the General Purposes Committee Report on 16th September 2020 Leisure Centres were brought back under Council operational control. The anticipated position is detailed in Table 4.

Table 4 Leisure Centres 20/21 (October to March 21)

	2020/21 Actual £
Income	(60,579)
Income - Furlough	(167,893)
Income - National Leisure Recovery Fund	(69,000)
Total Income	(297,472)
Staffing Costs	420,509
Operational Costs	348,180
Total Expenditure	768,689
Net Deficit	471,217
Leisure Budget Underspend (6 Months)	(206,000)
Net Deficit	265,217

43. There is a net deficit of £265k to be funded from the £1.634m Covid-19 grant paid by Government to the council. The deficit recorded is lower than reported in quarter 3 (£303k) and lower than the original forecast deficit of £761k for a number of reasons as detailed below.
44. Income reduced as the centres have been shut and a number of the functions are not currently operating even when the centres are open. Similarly, where possible, expenditure has been reduced and work absorbed among existing council structures. Following the

announcement of lockdown restrictions the Leisure staff were furloughed and as a result £168k was able to be recovered from government.

45. As a result of Leisure Centres being moved in house this has also resulted in an underspend of £206k against the existing management of the contracts budgets.
46. A bid to the National Leisure Relief Fund was submitted and Chorley Council was awarded £230k of which 30% was allowable against lockdown costs in 20/21. The remainder of the grant will be carried forward to fund the re-opening of the centres in 21/22.
47. Further detail on the £450k approved and the spending of this is included within capital narrative below. Details of all of the funding is included within the Covid 19 section of this report.

Other Items

48. The net financing budget, excluding major projects and the purchase of Logistics House, is £564k and was £312k underspent at year end. 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.

Impact of Covid-19

49. The impact of Covid-19 on the council's budgets has been varied and included 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

50. 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

51. 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 £15.2m. The council and other preceptors will receive compensatory grant payments, known as S31 grants, in 20/21 for this extended relief.
52. The gross shortfall of business rates income is £0.070m. Chorley Council's share of this deficit is approximately £28k meaning the council is £28k short of its budgeted business rates income in 20/21. This figure is a substantial improvement on early in the year and it should also be noted:
 - As a result of Covid reliefs there has been significant differences to the trends in previous years with Business Rates. There has been a shift in the way income is received and repaid by the Council. As a result in 20/21 an amount exceeding £4.5m

will need to be provided for in reserves to be repaid over the following three financial years.

- 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 £28k may therefore only result in a £9k impact for the council per year.

53. The outturn has not been adjusted in Table 1 to reflect 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

54. The gross shortfall of council tax income is £0.486m in 20/21. Chorley Council's share of this deficit is approximately £58k meaning the council is £58k short of its budgeted council tax income.

55. 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 into the new financial year. The same rephrasing of any deficits also applies to council tax income meaning the £58k 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 changed in this report.

Expenditure

56. The table below details the spend to 31st March on Covid related funding streams. It should be noted there was significant uncertainty around the Containing Outbreak Management Funding (COMF). The initial allocation of the funding was paid to Lower Tier authorities and no spend has yet been directly allocated against this fund. The grant has been carried forward into 21/22 to be applied against eligible spend.

Spend Area	Spend to Date	Spend Existing Resources Redeployed	Total 20/21 Spend
Staffing	228,163	1,011,900	1,240,063
Premises and Outdoor Work	150,357		150,357
Food and Essential Supplies	39,854		39,854
Operation tools & equipment	156,094		156,094
Information Technology	105,807		105,807
Waste Contract	28,437		28,437
Pest Control	18,605		18,605
Temporary Accommodation	95,186		95,186
Expenses Recovered	-70,522		-70,522
Leisure	774,180		774,180
Track and Trace Payments	143,500		143,500
Health Protection	60,632		60,632
Extending Council Tax Support	855,381		855,381
Sales Fees and Charges	588,826		588,826
National Leisure Relief Funding	69,000		69,000
Within Outturn	130,000		130,000
Total	3,373,500	1,011,900	4,385,400

57. The Council has spent in excess of £3.3m on Covid related expenditure in 20/21. All ringfenced and unringfenced grants have been committed or carried forward where applicable.

Government Funding

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

Grant	Allocation 20/21	Allocation 21/22
Initial Covid Funding - General	1,634,074	556,659
New Burdens Funding - Business Grants	130,000	
New Burdens Funding - Business Grants	58,500	
New Burdens Funding - Business Grants	23,229	
New Burdens Funding - Business Grants	166,800	
Extending Council Tax Support	855,381	177,916
Reopening High Streets	105,438	
Welcome Back Fund	0	105,438
Trace Support Payments - Individuals (£500)	42,000	
Trace Support Payments - Admin	26,249	
Trace Support Payments - Discretionary	25,249	
Trace Support Payments - Individuals (£500) - top up to 31/1/21	28,500	
Trace Support Payments - Discretionary - top up to 31/1/21	11,751	
Trace Support Payments - Individuals (£500) - top up to 31/3/21	20,000	
Trace Support Payments - Admin - top up to 31/3/21	20,383	
Trace Support Payments - Discretionary - top up to 31/3/21	16,000	
Trace Support Payments - Individuals (£500) - top up April 21	0	0
Trace Support Payments - Admin - top up April 21	0	17,046
Trace Support Payments - Discretionary - top up April 21	0	65,500
Health Protection Project (Part 1)- Test & Trace Staff	31,326	41,525
Health Protection Project (Part 2) - Test & Trace Staff & Non Staff	21,818	28,922
Health Protection Project (Part 3) - Food & Essential supplies	113,204	
Next Steps Accomodation Programme (NSAP)	61,500	
LA Compliance & Enforcement Grant	50,466	
Containing Outbreak Management Fund (COMF)	0	1,444,030
Sales Fees and Charges	588,826	
Clinically Extremely Vulnerable People (CEV)	294,896	
National Leisure Relief Funding	69,000	176,791
Covid 19 Winter Fund from LCC	0	9,110
Infection Control Fund	8,401	
Total	4,402,991	2,622,937

CV-19 Grant Funding Support

59. On the 22 October 2020 the Government announced the 4th tranche of Covid-19 grant support. The Government also announced that they would support councils for the loss of some income, fees and charges but not commercial income, in 20/21. The council had to manage the first 5% of shortfall in budgeted income and then the Government provided 75% of any further loss. This scheme has since been extended to the end of June 2021.
60. The Government provided £855k for the council to provide additional **council tax support** to its residents. These funds have been used to support recipients of working age local council tax support with a £150 reduction in their annual council tax bill and £808k has been paid out at 31st March with the remainder still to be applied retrospectively.
61. The council's **Test & Trace Support Payments** has already provided £98k of support to residents. The council will continue to support residents and make the £500 payments and will reclaim the money from Government. Approximately £46k of this grant has been carried forward for payments or to be returned to government.
62. The council has received additional funding to support the Government's **Test and Trace** service. The council has four dedicated contact tracers as well as staff seconded to manage the process. The council has also employed four dedicated information officers. The team are a key point of contact for businesses in Chorley Borough when it comes to supporting

them with their COVID-19 guidance queries. These posts are funded through the ERDF Reopening High Streets funding.

Business Grants

63. A summary of the business grants to be received and paid out to 31st March is below. It is assumed all business grant allocations will be either spent or returned to government. There is significant expenditure paid out on an ongoing basis and grants relating to periods prior to 31st March will only be finalised at the end of June 2021

Grant Name	Allocation	Spend to Date	Committed/Repaid	Total
Business Grants - 1st Lockdown	24,784,000	24,804,000	-20,000	24,784,000
Local Restrictions Support Grant (LRSNG) - Open 1 - To 5/11/20	473,682	473,682	0	473,682
Local Restrictions Support Grant (LRSNG) - Open 2 - 2/12/20 to 18/12/20	17,854	10,663	7,191	17,854
Local Restrictions Support Grant (LRSNG) - Open 3 - 19/12/20 to 30/12/20	12,603		12,603	12,603
Local Restrictions Support Grant (LRSNG) - Closed 1 - To 5/11/20	72,765	70,054	2,711	72,765
Local Restrictions Support Grant (LRSNG) - Closed 2 - 2/12/20 to 18/12/20	154,947		154,947	154,947
Local Restrictions Support Grant (LRSNG) - Closed 3 - 19/12/20 to 30/12/20	478,196	304,065	174,131	478,196
Local Restrictions Support Grant (LRSNG) - Closed (Addendum) - 5/11/20 to 2/12/20	1,572,534	1,107,378	465,156	1,572,534
Local Restrictions Support Grant (Closed Addendum Tier 4) - 30/12/20 to 4/1/21	TBC	179,762	179,762	0
Local Restrictions Support Grant (LRSNG) - Closed (Addendum) - 5/1/21 to 15/2/21	2,358,801		2,358,801	2,358,801
Local Restrictions Support Grant (Closed Addendum Tier 4) - 30/12/20 to 4/1/21	2,471,125	3,124,998	-653,873	2,471,125
Closed Businesses Lockdown Payment - 5/1/21 - 15/2/21	4,716,000	3,212,000	1,504,000	4,716,000
Additional Restrictions Grant (ARG) - share of Lancs £30m - to 31/3/21	2,364,320	0	2,364,320	2,364,320
Additional Restrictions Grant (ARG) - Top Up - to 31/3/21	1,050,119	1,686,253	-636,134	1,050,119
Additional Restrictions Grant (ARG) - SECOND Top Up - to 31/3/22	767,317		767,317	767,317
Wet Pubs	64,000	73,000	-9,000	64,000
Total	41,358,263	35,045,855	6,671,931	41,358,263

64. The Council received an initial funding allocation of £24.784m from the Government in May 2020:

- £22.045m was distributed in respect of Small Business & Retail, Hospitality & Leisure grants
- £1.130m was distributed as Discretionary Business Grants

The initial Government allocation was an estimate of the likely business need for grants however and, like many other councils, Chorley were not able to fully commit the grant allocation. The council was proactive in extending application deadlines and contacting businesses that it believed to be still eligible however it was not possible to fully commit the funding and £1.609m was returned to the Government.

Summary

65. Of the £1.012m existing resourced funding by grants it was agreed at Quarter 3 to create reserves of £450k Covid Commitments and £300k Covid Recovery. This leaves a further £104k to be allocated to reserves the reason for this largely being additional grant awards after quarter three around Clinically Extremely Vulnerable being larger than expected.

General Fund Resources and Balances

66. 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 outturn shows that the General Fund closing balance will be £4.057m as detailed in table 5 below.

Table 5 – Movement in General Fund Balance

General Balances	£m
Opening Balance 2020/21	4.000
Provisional revenue budget underspend	0.057
General Fund Closing Balance 2020/21	4.057

67. Appendix 3 provides further information about the specific earmarked reserves and provisions available used throughout 2020/21. In addition to the creation of Covid reserves as detailed above a further reserve has been created as a Business Rates Exceptional Payments reserve for £4.5m. This reserve is as a result of the grants and reliefs given during the Covid period and must be repaid over the 21/22-23/34 period so is not available for Council use.

Section B: Current Forecast Position – Capital

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

	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m
Approved Budget	46.331	3.939	3.175	0.000	53.445
Q1 Adjustment	(6.618)	7.068	0.000	0.000	0.450
Q2 Adjustment	(18.000)	19.896	0.000	0.000	1.896
Q3 Adjustment	(7.126)	7.212	0.000	0.000	0.086
Outturn Adjustment	(5.500)	7.963	0.000	1.175	3.638
Revised Budget	9.087	46.080	3.175	1.175	59.516

69. At quarter one there were adjustments to reflect the £450k new Leisure Centres funding and reprofiling of Alker Lane across financial years.
70. A significant reprofiling of expenditure took place as at Quarter two including on the Tatton, Leisure Centres, Whittle, Play and Open Space and Buckshaw S106 schemes to more accurately reflect the timing of spend. The overall increase in budget at quarter two is as a result of £1.73m increase in funding at Tatton (as per Council report on 17th November 2020 this is covered by an increase in external funding) and £98k for the purchase of a new vehicle. This is slightly offset by other minor budget amendments. In addition, there has been a £92k increase in budget for enhancements to play and open spaces.

71. At quarter three another appraisal of likely scheme timings took place. While the capital budget did not change significantly overall a number of schemes were reprofiled into the new year including schemes across Council buildings and in the Town Centre. The change overall in the programme is an additional grant allocation of £104k to the Chorley Adaptations Grant.
72. This outturn report reflects the final spent to 31st March. As a result a number of schemes have had balances moved into 20/21. There are a significant number of projects underway at year end and exact timing of spend was difficult to forecast. As a result schemes requiring significant spend to be reprofiled into 21/22 are; Astley (£796k), Play and Open Space (£574k), Westway (£1,068k), Town Centre and Markets (£647k), Affordable Housing (£877k) and Alker Lane (£1,299k). The full list is detailed in Appendix 3.
73. The increase in the capital programme at outturn is to reflect the approvals given as part of the budget report for 2023/24 £1.175, and the increase to the scheme at Alker Lane of £2.243m

Customer & Digital

74. The Bank Hall Restoration project was due to complete this financial year with the remaining £112k in the budget to be spent and reclaimed from the Heritage Lottery Fund. No claims were made and it is to be investigated in 21/22 whether this project is now complete and no further claims are required. There was £16k over accrued in 20/21 and this is now being adjusted to offset against the grant with no effect to Council budgets.
75. As per the EMD on 17th November 2020 a Replacement Vehicle budget was included at quarter 2 to the value of £98k to be funded via the sale of an existing vehicle £35k and the balance from reserves £63k.

Policy and Governance

Astley Hall and Park Development

76. The council has £1.647m estimated budget for this project for windows and render, other repairs and decoration work and for a Visitor route, new entrance, shop and staircase. The work was well underway at year end with completion due in 21/22.

Early Intervention & Support

Leisure Centres

77. There was budgeted Leisure Centre improvement works of £300k alongside the £450k approved at General Purposes Committee on the 16th September 2020 to cover set up as a result of the Leisure Centre Contract ending. Over £510k spent in 20/21 with the remainder required to be identified and spent as the centres begin opening up to full capacity.
78. Alongside this there is a further £2m for enhancements to the Leisure Centres within the programme. It was anticipated these works would begin Autumn/Winter periods to upgrade facilities but following the end of the contract this is being reviewed to better understand the required work based upon the future demands so as a result was moved into 21/22.

Chorley Health Centre

79. A new project relating to Chorley Health Centre £250k has been added to the 21/22 programme for spend on the reconfiguration and modernisation of Chorley Health Centre, Collison Avenue, Chorley. This is to be funded by Community Infrastructure Levy and is included within a report to this meeting.

Westway Playing Fields Sports Development

80. The total budget for the construction of the new site is £2.5m. The artificial grass pitch (AGP) and compact athletics track contract has been awarded with works underway. Works to the pavilion have also been procured with completion due in 2021. The overall project is due for completion in summer 21/22.

Play and Open Spaces

81. The budget has been reprofiled to better reflect expenditure across 2020/21 and 2021/22. In addition, the council committed an additional £92k of expenditure, funded through S106 and reserves, to further improve sites such as new play equipment, enhanced lighting, safety surfacing and wildflower planting at different sites throughout the borough.

Commercial Services

Whittle Surgery

82. Work on this project commenced on the 26th October and should take approximately 12 months. There was significant ongoing spend at year end as this project is now under construction.

Tatton Development

83. Work to demolish the bus station commenced on 26th October was completed in November. Robertson Construction have been appointed and work is now underway. Expenditure has been reprofiled across financial years to more accurately reflect likely timing of spend. A detailed update on this scheme went to Council on 17th November 2020 increasing the budget to £15.7m which was funded by a successful LEP bid of £5.2m.

Alker Lane

84. An update was taken to General Purposes Committee on 11th March 2021 to increase the budget to £11.443m which was offset by an increase in grant funding of £2.25m. A contractor has now been appointed and work began in May 2021.

Unit Above Iceland

85. This project has not yet started but work has been undertaken to assess likely costs against this £485k budget and as a result it is proposed to vire this budget to the following works:
- £135k for internal works at Strawberry Fields to increase commercial capability and relocate the CCTV monitoring service.
 - £150k for the relocated Management Suite at Market Walk
 - £200k to reconfigure the Unit above Iceland for a prospective new dentist.

Public Realm Town Centre

86. 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. The now vacant bingo hall and adjacent offices in the town centre are being demolished in order to open this site up

for additional car parking and public space. The remaining elements for the development of the sites have been reprofiled into 21/22.

Buckshaw Parkway

87. Feasibility study completed by Northern Rail showing likely costs to be significant and other funding options are to be explored to progress and finalise design. As a result, this funding has been reprofiled to 21/22 subject to further information being received

Affordable Housing

88. Four property purchases were completed before 31st March with more in process at that date and to be completed early in 21/22

Works to Existing Markets

89. A further £150k has been added to this scheme from 21.22. This is to reflect additional costs in trader cabin upgrades and toilet refurb works.

Capital Programme Financing 2020/21

Fund	Original Budget 2020/21 £'000	Quarter 1 2020/21 £'000	Quarter 2 2020/21 £'000	Quarter 3 2020/21 £'000	Quarter 4 2020/21 £'000	Change from Original Budget £'000
External Contributions	6.750	6.750	3.701	3.701	2.601	(4.149)
Grants	5.447	5.897	2.190	1.995	3.716	(1.731)
New Homes Bonus	0.347	0.347	0.347	0.107	0.012	(0.335)
Earmarked Reserves	1.397	1.397	1.530	0.638	0.429	(0.638)
Revenue	0.010	0.010	0.010	0.010	0.006	(0.004)
Capital Receipts	0.508	0.508	0.558	0.490	0.204	(0.304)
Borrowing	31.871	24.803	13.376	7.646	2.119	(29.752)
Capital Financing 20/21	46.331	39.713	21.713	14.587	9.087	(37.244)

90. The reduction in borrowing in 20/21 is the net effect of reprofiling the expenditure budgets plus the increase in other sources of funding including significant grants received.

91. The changes in grants in 20/21 reflect the maximisation of use where relevant spend has occurred especially in relation to Tatton and Leisure spend.

92. The increase in earmarked reserves at quarter two was mostly due to the additional funding relating to the planned enhancements to play areas, parks and open spaces. The reprofiling of expenditure has moved some of this funding into 21/22.

93. The significant changes at quarter two and quarter three and outturn reflect the reprofiling of expenditure as detailed above.

Implications of Report

94. 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

95. The financial implications are contained within this report

Comments of The Monitoring Officer

96. No Comment

Louise Mattinson
Director of Finance

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Bond/Neil Halton	5488	28/5/21	***