

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ECONOMIC DEVELOPMENT COMMITTEE

meeting date: 16 JUNE 2022
title: CAPITAL OUTTURN 2021/22
submitted by: DIRECTOR OF RESOURCES
principal author: ANDREW COOK

1 PURPOSE

- 1.1 To report the 2021/22 capital programme outturn for this Committee and to seek member approval for the slippage of a capital scheme budget from the 2021/22 financial year to the 2022/23 financial year.
- 1.2 Relevance to the Council's ambitions and priorities:
- Community Objectives – none identified.
 - Corporate Priorities - to continue to be a well-managed council providing efficient services based on identified customer need.
 - Other Considerations – none identified.

2 2021/22 CAPITAL PROGRAMME BACKGROUND

- 2.1 One capital scheme for this Committee's original estimate budget, totalling £66,750, was approved by the Special Policy and Finance Committee and Full Council at their meetings in February 2021 and March 2021 respectively. The scheme budget had been moved from the 2020/21 capital programme to the 2021/22 capital programme.
- 2.2 In addition to the original estimate budget, two 2020/21 capital schemes were not completed by 31 March 2021 and had unspent budget available at that date. The total unspent budget of £35,000 on those schemes, known as slippage, was moved into the 2021/22 capital programme budget, after approval by this Committee in June 2021.
- 2.3 As a result of the above, the total approved budget for this Committee's capital programme of two schemes was £101,750.
- 2.4 The revised capital programme budget of £50,000 for two schemes was then approved by the Special Policy and Finance Committee in February 2022, following a review of progress on all schemes in the capital programme. This included moving £51,750 of budget on one scheme into the 2022/23 financial year. The revised estimate budget is shown at Annex 1.
- 2.5 During the financial year this Committee has received reports monitoring the progress of schemes within the capital programme.

3 CAPITAL OUTTURN 2021/22

- 3.1 Annex 1 shows this Committee's capital programme outturn position by scheme, including budget approvals, actual expenditure in-year and requested slippage into 2022/23. The table overleaf summarises the final outturn position.

Original Estimate 2021/22 £	Budget Moved from 2020/21 £	Slippage from 2020/21 £	Total Approved Budget 2021/22 £	Revised Estimate 2021/22 £	Budget Moved to 2022/23 £	Actual Expenditure 2021/22 £	Requested Slippage into 2022/23 £
0	66,750	35,000	101,750	50,000	51,750	7,950	3,000

3.2 Actual expenditure on this Committee's capital programme was £7,950, which is 15.9% of the revised estimate budget.

3.3 One of the two schemes in the revised capital programme was completed in-year.

3.4 One scheme was not completed in-year, as follows:

- **Economic Development Initiatives (-£30,000):** Appraisal work on a piece of land along the A59 with a budget of £30,000 was the one scheme identified as appropriate for funding from this capital budget in 2021/22. The total estimated cost of the A59 land appraisal work at financial year-end was £27,000, with £16,528 related to work completed in 2021/22. Based on the work undertaken by the external consultants up to financial year-end, there was no certainty at that stage that the A59 land appraisal expenditure would result in the development of a capital asset.

Given the above, the A59 land appraisal estimated costs of £27,000 and associated funding from earmarked reserves are to be accounted for through the Council's revenue accounts rather than the capital programme, because at 31/3/2022 there was no certainty that the A59 land appraisal expenditure would result in the development of a capital asset. Therefore, the £16,528 actual expenditure on A59 land appraisal work in 2021/22 was charged to the Economic Development revenue cost centre and the expenditure on this capital scheme was nil.

Slippage of the remaining £3,000 Economic Development Initiatives capital budget into 2022/23 is requested to add to the £51,750 budget already moved to 2022/23 to fund any appropriate economic development opportunities that arise in 2022/23.

Note – Members will make the final decision on whether to further consider the land potential along the A59, based on the external consultants' final report presented elsewhere on the agenda for this meeting.

4 SLIPPAGE

4.1 Where capital schemes are not complete at year-end and budget is requested to be moved into the next financial year, this is known as slippage. For this Committee slippage of £3,000 into 2022/23 is requested for the Economic Development Initiatives scheme.

4.2 Attached at Annex 2 is the individual "Request for slippage" form. This Committee is asked to consider and approve this request.

5 RISK ASSESSMENT

5.1 The approval of this report may have the following implications:

- Resources – There are no additional financing requirements needed for this Committee's 2021/22 capital programme. Capital resources are already in place to fund the £3,000 requested slippage to the 2022/23 financial year.
- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

6 CONCLUSION

6.1 Actual expenditure on this Committee's capital programme was £7,950, which is 15.9% of the revised estimate budget.

6.2 One of the two schemes in the revised capital programme was completed in-year.

6.3 There was no capital expenditure in 2021/22 on one scheme. Slippage of £3,000 has been requested to fund expenditure on that scheme in 2022/23.

7 RECOMMENDED THAT COMMITTEE

7.1 Approve the slippage of £3,000 budget into the 2022/23 capital programme for the Economic Development Initiatives scheme.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

ED3-22/AC/AC
24 May 2022

For further information please ask for Andrew Cook.

BACKGROUND PAPERS: None

ECONOMIC DEVELOPMENT COMMITTEE – CAPITAL PROGRAMME OUTTURN 2021/22

Cost Centre	Scheme	Original Estimate 2021/22 £	Budget Moved from 2020/21 £	Slippage from 2020/21 £	Additional Approvals 2021/22 £	Total Approved Budget 2021/22 £	Revised Estimate 2021/22 £	Budget Moved to 2022/23 £	Actual Expenditure 2021/22 £	Requested Slippage into 2022/23 £
ECDVI	Economic Development Initiatives	0	66,750	15,000	0	81,750	30,000	51,750	0	3,000
GWSGN	Gateway Signs for Whalley, Longridge and Clitheroe	0	0	20,000	0	20,000	20,000	0	7,950	0
Total Economic Development Committee		0	66,750	35,000	0	101,750	50,000	51,750	7,950	3,000

**ECONOMIC DEVELOPMENT COMMITTEE – CAPITAL PROGRAMME
OUTTURN 2021/22**

ANNEX 2

Request for slippage into 2022/23

Cost Centre and Scheme Title	ECDVI: Economic Development Initiatives
Scheme Description	The project is to establish a general source of pump-priming and pre-investment funding to support the delivery of the Council's economic priorities. The bid particularly seeks to support our high growth sectors in the provision of land and premises or tourism infrastructure where applicable.
Head of Service	Colin Hirst
Year Originally Approved	2021/22 (Annual recurring scheme)
Revised Estimate 2021/22 for the Scheme	£30,000
Actual Expenditure in the Year 2021/22	£0
Variance - (Underspend) or Overspend	(£30,000)
Please provide full reasons for the (under) or over spend variance shown above?	<p>Appraisal work on a piece of land along the A59 with a budget of £30,000 was the one scheme identified as appropriate for funding from this capital budget in 2021/22. The total estimated cost of the A59 land appraisal work at financial year-end was £27,000, with £16,528 related to work completed in 2021/22. Based on the work undertaken by the external consultants up to financial year-end, there was no certainty at that stage that the A59 land appraisal expenditure would result in the development of a capital asset.</p> <p>Given the above, the A59 land appraisal estimated costs of £27,000 and associated funding from earmarked reserves are to be accounted for through the Council's revenue accounts rather than the capital programme, because at 31/3/2022 there was no certainty that the A59 land appraisal expenditure would result in the development of a capital asset. Therefore, the £16,528 actual expenditure on A59 land appraisal work in 2021/22 was charged to the Economic Development revenue cost centre and the expenditure on this capital scheme was nil.</p> <p><i>Note – Members will make the final decision on whether to further consider the land potential along the A59, based on the external consultants' final report presented elsewhere on the agenda for this meeting.</i></p>

Slippage Request

Please grant the amount of Budget Slippage from 2021/22 to 2022/23 requested.	£3,000
Please give detailed information on the reasons for any request for slippage. Please provide as much information as possible in order to allow the request to be fully considered.	The 2021/22 revised estimate budget for this scheme was £30,000, but £27,000 of that budget and associated funding are to be accounted for through the Council's revenue accounts. It is requested that the remaining £3,000 unspent capital budget from 2021/22 is moved to 2022/23 to help fund any appropriate development opportunities in 2022/23.
By what date would the work or services related to any requested slippage be completed, if it were to be approved.	Within the 2022/23 financial year, dependent on any appropriate economic development initiatives being identified.