

## **Council**

---

<b>Date of Meeting:</b>	14 December 2022
<b>Report Title:</b>	Financial Review 2022/23 - Supplementary Estimates
<b>Report of:</b>	Alex Thompson: Director of Finance and Customer Services
<b>Ward(s) Affected:</b>	Not applicable

---

### **1. Purpose of Report**

- 1.1. This report seeks approval from Council for a supplementary revenue estimate and supplementary capital estimates as part of the Financial Review 2022/23. The items were noted by the Finance Sub-Committee on 9 November 2022.
- 1.2. The report supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for being an open and enabling organisation, and ensuring that there is transparency in all aspects of Council decision making.

### **2. Executive Summary**

- 2.1. Council is being asked to approve increased expenditure related to a fully funded supplementary revenue estimate and supplementary capital estimates. The transactions form a part of the Financial Review 2022/23 report that was presented to Finance Sub-Committee on 9 November.
- 2.2. The supplementary revenue estimate relating to expenditure budgets for grant that is in addition to those approved in the MTFS report in February 2022. The Local Enterprise Partnership (LEP): Skills Bootcamp grant is funding provided to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities.
- 2.3. The supplementary capital estimates relate to schemes that were identified as part of a review of the capital programme and require additional budgets due to emerging inflationary pressures.

### **3. Recommendations**

**3.1.** Council is asked to approve:

**3.1.1.** a supplementary revenue estimates for a specific grant coded directly to services over £1,000,000 in accordance with Financial Procedure Rules **Appendix 1**.

**3.1.1.1.** **Table 1** Local Enterprise Partnership (LEP): Skills Bootcamp - £1.037m

**3.1.2.** Supplementary capital estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2**.

**3.1.2.1.** **Table 1** A500 Dualling - £20.755m

**3.1.2.2.** **Table 2** Maintenance Block – LTP - £6.235m

**3.1.2.3.** **Table 3** Managing and Maintaining Highways £2.300m

**3.1.2.4.** **Table 4** Northwest Crewe Package - £2.042m

**3.1.2.5.** **Table 5** North Cheshire Garden Village - £15.817m

**3.1.2.6.** **Table 6** Strategic Capital Projects - £11.087m

### **4. Reasons for Recommendations**

**4.1.** The Council monitors in-year performance through a reporting cycle, which includes outturn reporting at year-end. Reports during the year reflect financial and operational performance and provide the opportunity for Members to note, approve or recommend changes in line with the Council's Financial Procedure Rules.

**4.2.** The overall process for managing the Council's resources focuses on value for money and good governance and stewardship. Financial changes that become necessary during the year are properly authorised and this report sets out those areas where any further approvals are now required.

**4.3.** This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.

### **5. Other Options Considered**

**5.1.** Not applicable.

### **6. Background**

**6.1.** The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the Constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.

- 6.2.** The Council's Capital Programme was balanced over the four years of the Medium Term Financial Strategy 2022 to 2026 and included allocations for Exceptional Inflation and Strategic Projects. There has been a programme wide review to establish the ongoing impact of the rise of inflation on the programme to ensure accurate costs and the profile of spending can be reported to each committee. A number of Supplementary Capital Estimates have been requested so that the schemes can still be delivered within the expected timescales and will therefore reduce further costs arising if the schemes are delayed. It will be important to review in the context of the new Medium Term Strategy and the 2023/24 budget.

## **7. Consultation and Engagement**

- 7.1.** As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council-wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

## **8. Implications**

### **8.1. Legal**

- 8.1.1.** The requirement for a Council to approve supplementary revenue estimates and capital virements referred to above in accordance with the Finance Procedure Rules.

### **8.2. Finance**

- 8.2.1.** The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 8.2.2.** The requirement for a Council to approve supplementary revenue estimates and supplementary capital estimates referred to above in accordance with the Finance Procedure Rules.

### **8.3. Policy**

- 8.3.1.** Financial management supports delivery of all Council policies. The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

#### **8.4. Equality**

- 8.4.1. Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

#### **8.5. Human Resources**

- 8.5.1. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

#### **8.6. Risk Management**

- 8.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.

- 8.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

#### **8.7. Rural Communities**

- 8.7.1. The report provides details of service provision across the borough.

#### **8.8. Children and Young People/Cared for Children**

- 8.8.1. The report includes expenditure relating to grant funding in respect to services to children and young people.

#### **8.9. Public Health**

- 8.9.1. Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

#### **8.10. Climate Change**

- 8.10.1. Climate change implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

<b>Access to Information</b>	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) <a href="mailto:alex.thompson@cheshireeast.gov.uk">alex.thompson@cheshireeast.gov.uk</a> 01270 685876
Appendices:	Appendix 1 Supplementary Revenue Estimates Appendix 2 Capital Virement
Background Papers:	The following are links to key background documents: <a href="#">Medium-Term Financial Strategy</a> <a href="#">First Financial Review, Item No.14</a> <a href="#">Financial Review 2022/23, Item No.5</a>

# Appendix 1 Supplementary Revenue Estimates

**Table 1 Skills Bootcamp Supplementary Revenue Estimate**

Committee	Type of Grant	£000	Details
Finance Sub-Committee  (Expenditure: Economy and Growth)	Local Enterprise Partnership (LEP): Skills Bootcamp  (Specific Purpose)	1,037	<p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion.  <a href="https://publishing.service.gov.uk">Skills Bootcamps (publishing.service.gov.uk)</a></p>
<b>Total Specific Purpose Allocation for Council Approval</b>		<b>1,037</b>	

## Appendix 2 Supplementary Capital Estimates

(Note in the Corporate Policy Committee report the supplementary capital estimates over £1m were at Appendix 6 Section 5 Table 6)

**Table 1 A500 Dualling Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Highways &amp; Transport</b>		
A500 Dualling	20,755,000	This was identified as part of a review of the capital programme to require additional budget as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.

1. The Council is promoting the A500 Dualling scheme which will be substantially funded through the Department for Transport's ("DfT") Large Local Majors (LLM) programme, subject to DfT approval of the Full Business Case. The scheme was included into the DfT LLM programme in June 2020 as a result of Outline Business Case bid that was submitted by the Council.
2. In working towards the Full Business Case, the current market conditions are causing unprecedented price pressures on the likely scheme costs. Due to these conditions, an interim cost review on the scheme has been undertaken, working with the contractor engaged on the scheme, Balfour Beatty.
3. The updated interim scheme forecast is based on market testing of the supply chain and a series of assumptions regarding other factors affecting the Final Actual Cost of the scheme. The updated scheme estimate indicates an increase from the MTFS figure of £68.7m to £89.5m.
4. Given the cost pressures, consideration now needs to be given to the options available to the council as promoter of the scheme.
5. In terms of the current MTFS the scheme is therefore unaffordable at the current scheme cost estimates. To make the scheme affordable would require an adjustment to the Council's overall capital programme as presented in the MTFS with the gap being funded by CEC. This would

affect the cost of borrowing and have an impact on revenue budget. Other options could also include deferring, seeking additional third-party contributions, de-scoping or cancelling the scheme.

6. Whilst the request for additional budget is funded from prudential borrowing, we will continue to seek and maximise third party funding for this project. Only committing to this in the event that other funding is not sourced.
7. The cost of the additional borrowing required to fund the £20.755m will be an average annual cost of £1.334m.
8. The A500 for the extent of the proposed dualling scheme between M6 J16 and Meremoor Moss Roundabout at the west end of the scheme is identified by HS2 as a designated HS2 Phase 2 construction traffic route. Traffic modelling by HS2 indicates that improvements at Meremoor Moss Roundabout are required to accommodate their future construction traffic needs.
9. The A500 Dualling scheme includes improvements at Meremoor Moss Roundabout suitable for the projected HS2 construction traffic levels. If the scheme does not go ahead then HS2 would need to make improvements at this roundabout themselves to accommodate their construction traffic. There is therefore an argument that a contribution from HS2 to the A500 scheme would be a reasonable proposition. The Council's HS2 Programme Director's team plan to engage with HS2 on this matter.
10. The likelihood of any contribution from HS2 and the amount of contribution are yet to be determined. During recent engagement with the DfT the A500 project team have highlighted the cost pressures facing the project and the potential for some degree of cost share with HS2 as the scheme is of mutual benefit.
11. The scope of the scheme is focused on and limited to the dualling of the single carriageway between M6 J16 and Meremoor Moss Roundabout to the west, the only remaining single carriageway section of the A500, and the improvement of the Meremoor Moss roundabout itself. The scheme has been value engineered through the design process to minimise the amount of work, and therefore also cost, to deliver the dualling and roundabout capacity requirements to the appropriate standards.
12. Descoping of the scheme from the current design to substantially reduce cost can only realistically include leaving part of the route as single carriageway. Initial review of this indicates that this would substantially reduce the capacity improvements of the scheme. The substantial reduction in the scheme benefit is expected to impact the business case to the extent that DfT funding for the scheme would no longer be available.
13. Deferring the start of the works will most likely increase the scheme cost as a consequence of further inflation beyond 2024, in which case both the scheme cost and the funding

gap would increase further. It is also very unlikely that the DfT would increase their £55.1m funding offer.

14. The DfT have not formally advised a time limit for their funding but if the scheme is deferred there will be an increased risk of DfT funding no longer being available. In January 2022 the DfT asked for and were given assurance that the Council's schemes on the Large Local Major Schemes programme (A500 and MEB) would be ready to start construction by the end of the forthcoming Spending Review period i.e., March 2025.
15. Deferring the scheme would delay the substantial network, strategic and economic benefits that would be derived from the scheme. The scheme remains a high priority for the Council and is a key component in the Council's transport objectives for the Borough. The scheme features in the Council's Local Plan and the Infrastructure Delivery Plan for Cheshire East. In January 2022 the Highways and Transport committee approved the making of Compulsory Purchase and Side Road Orders and the continued support for the scheme including funding up to Full Business Case.
16. As the detailed design for the scheme has been completed there would be limited re-spend required for scheme development if the scheme is deferred. There would be remobilisation costs and design review costs against any changes in highways standards. An extended delay may

also require that a new planning application would have to be made.

17. By deferring the A500 scheme the borrowing and minimum revenue payments of £1.3m would not start until later years which will have a positive impact on the council's spend profile, which is an important consideration given the current financial deficit, in year, 2023/24 and 2024/25. The impact of deferring the scheme would mean the minimum revenue provision repayment would also be deferred and would start at a later date but will have the same overall financial impact on the Councils' capital financing budget over time. If the scheme costs have increased due to the delay because of price increases once the scheme commences that too will have a negative impact on the capital financing budget and the annual repayments required.
18. The cost implication of cancelling the scheme could mean abortive costs of up to £9.951m. There will be some costs within that total that could still be treated as capital expenditure such as land acquisition costs, at this time that value is unknown until a review of the total expenditure to date has taken place. Abortive costs are usually written off to revenue unless a capitalisation direction can be sought from the Secretary of State.

**Table 2 Maintenance Block (LTP) Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Highways &amp; Transport</b>		
Maintenance Block - LTP	6,235,000	This was identified as part of a review of the capital programme to require additional budget as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.

19. The Government provides local authorities with annual funding to deliver its Local Transport Plan (LTP) objectives. These are provided through LTP Block grants for Integrated Transport and Maintenance. The latter includes the Incentive Fund which is allocated to local authorities based on how they score in relation to Asset Management.

20. In March 2022 the Government wrote to all local authorities advising them of their LTP block allocations for 2022/23 and advising that the same allocations would be provided for three years. In real terms this is a reduction in funding over the period which is being further exacerbated by the significant changes in national and global market conditions as a result of a variety of exceptional issues such as Covid / Brexit / HS2 resulting in additional price pressures in the construction market.

21. The most significant impact on the cost forecast is from forecast construction costs. In current market conditions,

this has proved a challenging exercise, with materials such as steel experiencing unprecedented price inflation and supply issues, meaning each supplier needs to take a clear view on risk when submitting prices, which accentuates the inflation effect. As an example, Ringway Jacobs are reporting instances of suppliers only being prepared to hold quoted prices for a matter of hours/days on oil based products such as surface dressing and road surface materials, and steel and electronics such as street lighting columns and traffic signal equipment, due to the extreme volatility of the current market.

22. The market is also being affected by the long term skills shortages within the construction industry accentuated by HS2 with an increase demand for skilled staff and resources. In addition, changes to the tax treatment of red diesel for the construction industry has also added significant sums to the cost of delivering the highway service.

23. The review of the impact of price inflation and future inflation costs are based on future inflation forecasts from the Building Cost Information Services (BCIS) Highways Maintenance price adjustment formula indices published nationally. This data is updated by the BCIS regularly and subject to volatility.

24. As an update, the following table extract is from the latest BCIS Indices Series 4 Highways Maintenance Inflation Tracker. This shows the inflationary increases between October 2021 and 2022 ranges from 10.52% for Street lighting to 25.37% for Machine surfacing, with professional services costs increasing by 9.88%.

	Routine, Cyclic & Time Charge Works	Renewals & Construction Works	Professional Services	Machine Surfacing	Hand Surfacing / Patching	Surface Dressing	Road Markings	Street Lighting	Vehicle Maintenance
Indices for Oct-21	115.3	123.6	120.2	127.7	123.7	156.9	122.1	118.1	113.6
Indices for Oct-22	132.1	145.5	133.4	163.7	151.4	190	143.7	131.9	126.4

25. The LTP block grant provides critical core annual funding for maintenance of the public highway in the borough. The impact of high inflation on costs is affecting the ability to deliver all the schemes on the approved road repair programme this year and without redress will reduce the number of schemes that will form future years programmes.

26. The cost of the additional borrowing required to fund the £6.235m will be £0.571m.

**Table 3 Managing and Maintaining Highways Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Highways &amp; Transport</b>		
Managing and Maintaining Highways	2,300,000	This was identified as part of a review of the capital programme to require additional budget as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.

27. In recent years the Council has provided additional investment for Highway Maintenance which amounted to £19m for the 3 year period 2022/23 to 2024/25. The business cases to support the associated funding requests were made in 2020 and 2021. Since then, the construction industry has seen significant changes in national and global market conditions as a result of a variety of exceptional issues such as Covid / Brexit / HS2, resulting in price pressures in the construction market.

28. The most significant impact on the cost forecast is from forecast construction costs. In current market conditions, this has proved a challenging exercise, with materials such as steel experiencing unprecedented price inflation and supply issues, meaning each supplier needs to take a clear view on risk when submitting prices, which accentuates the inflation effect. As an example, Ringway Jacobs are reporting instances of suppliers only being prepared to hold quoted prices for a matter of hours/days

on oil based products such as surface dressing and road surface materials, and steel and electronics such as street lighting columns and traffic signal equipment, due to the extreme volatility of the current market.

29. The market is also being affected by the long term skills shortages within the construction industry accentuated by HS2 with an increase demand for skilled staff and resources. In addition, changes to the tax treatment of red diesel for the construction industry has also added significant sums to the cost of delivering the highway service.

30. The review of the impact of price inflation and future inflation costs are based on future inflation forecasts from the Building Cost Information Services (BCIS) Highways Maintenance price adjustment formula indices published nationally. This data is updated by the BCIS regularly and subject to volatility.

31. As an update, the table extract below is from the latest BCIS Indices Series 4 Highways Maintenance Inflation Tracker. This shows the inflationary increases between October 2021 and 2022 ranges from 10.52% for Street lighting to 25.37% for Machine surfacing, with professional services costs increasing by 9.88%.

	Routine, Cyclic & Time Charge Works	Renewals & Construction Works	Professional Services	Machine Surfacing	Hand Surfacing / Patching	Surface Dressing	Road Markings	Street Lighting	Vehicle Maintenance
Indices for Oct-21	115.3	123.6	120.2	127.7	123.7	156.9	122.1	118.1	113.6
Indices for Oct-22	132.1	145.5	133.4	163.7	151.4	190	143.7	131.9	126.4

32. The additional Council investment is designed to deliver increased maintenance of the public highway in addition to that possible through the annual LTP Maintenance block grant. The impact of high inflation on costs is affecting the ability to deliver all the schemes on the approved road repair programme in the current financial year and without redress will reduce the number of schemes that can be delivered in future years with the additional investment.

33. The cost of the additional borrowing required to fund the £2.300m will be £0.211m.

**Table 4 North West Crewe Package Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Highways &amp; Transport</b>		
Northwest Crewe Package	2,042,000	This was identified as part of a review of the capital programme to require additional budget as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.

- 34. The North West Crewe Highway Package involves the construction of 3km of new carriageway and 7 new roundabouts to improve the local road network in the Leighton area of Crewe. The scheme enables the delivery of three Local Plan strategic housing sites.
- 35. The scheme is currently in its construction phase. Construction started in May 2022 under contract with Balfour Beatty Ltd.
- 36. The construction contract is a form of New Engineering Contract (NEC) which is an industry standard contract form which shares risks between the client and contractor in a way understood by both parties – which allows for a shared understanding of risks.
- 37. The North West Crewe Highway Package scheme is let under a target cost form of the contract, which allows for price variations during the contract and shares any pain / gain from those variations between the client and contractor. Many of the cost impacts of the of the current

exceptional construction inflation rates, which are much higher than in the original business case, are risks which lies with the scheme client.

- 38. The construction programme is now 6 months into an approximately 2 year programme. The updated cost estimate now takes into account best current estimates of inflation and of any relevant compensation events which have occurred since construction started, where these could not be contained within the existing risk allowances. (eg for areas of landfill material which was found to be larger than originally recorded or surveyed).
- 39. It should be noted that, as the scheme is currently being constructed, forecast costs are only estimates and can be affected by the many variable factors that can impact progress towards completion (eg weather).
- 40. The cost of the additional borrowing required to fund the £2.042m will be £0.131m.

41. Cancelling the scheme at this stage is not a realistic option. Planning permission has been obtained, detailed designs completed, the land acquired and a construction contract entered into. There are financial penalties if a construction contract is cancelled. Approximately £8m has been spent to date in developing the scheme and commencing construction.

42. In addition, a total of £15m of grants would need to be returned if the scheme were not to be delivered. Also, the delivery of approximately 1,250 houses planned in the Council's Local Plan Strategy, which are dependent on the highway scheme and which have planning permission, with S106 contributions to the scheme, could not be delivered, putting at risk the council's 5 year housing supply.

**Table 5 North Cheshire Garden Village Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Economy &amp; Growth</b>		
North Cheshire Garden Village	15,817,000	This was identified as part of a review of the capital programme to require additional budget as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves.

43. A large part of the development site is in the Council's ownership so the Council will have a lead role in delivering the strategic infrastructure. It is anticipated that works will be fully funded through s106 contributions, housing infrastructure grant funding (HIF) and capital receipts.
44. The project has suffered from significant cost increases caused by construction inflation and delays with the planning application. In addition to the wider cost inflation issue, as part of the planning policy requirements, the development must facilitate the preservation and refurbishment of Dairy House Farm, a Grade II listed building. A feasibility study has recently been undertaken in relation to this work, which has identified that the cost of this work will be substantially higher than originally anticipated.
45. If the Council were to decide not to proceed with the project, the substantial land receipts would not be realised, the capital costs invested to bring forward the development site to date would need to be written off to revenue, the HIF grant would not be crystallised and there would be a loss of 1500 homes which were to be delivered as part of planned development in the Local Plan.
46. There may in the future be potential to manage or reduce the capital investment required of the Council to cashflow the project, potentially by descoping infrastructure works or considering alternative delivery models. A detailed review, with input from specialist advisors, is proposed to inform the Council's delivery strategy following the determination of the hybrid planning application.

47. There is a requirement to spend the HIF grant according to an agreed programme with Homes England. It should also be noted that the Council will be obliged to undertake certain elements of the work programme regardless, for example the stabilisation and repair of Dairy House Farm.

**48.** The cost of the additional borrowing required to fund the £15.817m will be an average annual cost of £1.017m.

**Table 6 Strategic Capital Projects Supplementary Capital Estimate**

Service	Amount £	Reason and Funding Source
<b>Supplementary Capital Estimates over £1,000,000</b>		
<b>Corporate Policy</b>		
Strategic Capital Projects	11,087,000	To replenish the Strategic Capital Projects allocation to fund future strategic projects. This will be funded by prudential borrowing.

49. The Strategic Capital project block allocation provides readily available funding to support strategic projects, investment opportunities and change requests. The majority of the budget approved in the 2022-26 MTFS was vired to the Middlewich Eastern Bypass project, approved at the Council meeting on the 19 October 2022. This reduced the amount available for future projects and the contingency it provides to protect against emerging risks from market factors.

50. The Supplementary Capital estimate request replenishes the block allocation and gives back the flexibility in the

Capital Programme which is vital in funding future projects that are required within the financial year at short notice and need an approved budget.

51. The cost of the additional borrowing required to fund the £11.087m will be an average annual cost of £1.015m.

52. If the additional request was not approved this would leave only £1.9m to fund any requests in 2022/23 or future years. Part of this funding is already earmarked to fund the Council's ongoing invest in the Life Sciences fund at £1.2m in 2022/23.