

Report To:	CABINET
Date:	18TH SEPTEMBER 2023
Heading:	2023/24 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT JULY 2023
Executive Lead Member:	EXECUTIVE LEAD FOR FINANCE, REVENUES AND BENEFITS – CLLR RACHEL MADDEN
Ward/s:	ALL
Key Decision:	YES
Subject to Call-In:	YES

Purpose of Report

To summarise the Council's forecast financial outturn position to 31 March 2024 compared to the latest approved budgets for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The forecast financial outturn is based on the actual financial activity to 31 July 2023 and forecast costs and income from 1 August 2023 to 31 March 2024.

Recommendation(s)

Cabinet is requested:

- (1) To note the current forecast outturn for the General Fund, Housing Revenue Account (HRA) and Capital Programme for 2023/24.
- (2) To approve the budget adjustments outlined in section 3.1, Table 3 and the reserve movements outlined in section 3.2 Table 4.
- (3) To approve the proposed revised communal heating charges payable from 30th October 2023 outlined in section 6, Table 6, ensuring residents benefit from the reduced charges in a timely manner.
- (4) To recommend to Council the amendments and the addition of new schemes to the Capital Programme 2023/24 to 2027/28 and the funding of the Capital Programme as set out in Section 7 and Appendix 3 of the report.
- (5) To note the monitoring of Prudential and Treasury Management indicators for 2023/24 detailed in Appendix 4.

Reasons for Recommendation(s)

In accordance with the Council's Financial Regulations to report to those charged with Governance the financial position.

Alternative Options Considered

The financial position has to be reported to those charged with governance. Therefore, there are no other options.

The decrease in the communal heating service charge is calculated to cover the costs of providing the heating to the housing court schemes. To delay the decrease in costs would mean the benefit of the decrease is not passed on to tenants promptly. To not decrease the charge would mean tenants are overcharged.

Detailed Information

Budget Monitoring April 2023 to July 2023 (General Fund and HRA)

1. Summary Budget for General Fund

- 1.1 Table 1 below sets out the 2023/24 net revenue forecast outturn position based on actual income and expenditure to July 2023 and forecast income and expenditure from August 2023 to March 2024, compared to the current revised budget (based on original budget approved by Council on the 2nd March 2023 and Council approved budget adjustments to 31st July 2023).

1.2 The current General Fund forecast is a £1,547k underspend compared to the revised budget.

Table 1 - Net General Fund Revenue Forecast to 31 March 2024 by Directorate

General Fund	Original Budget	Revised Budget	Forecast	Current Forecast Variance
	£'000	£'000	£'000	£'000
Directorate				
Chief Executive Officer	727	727	727	0
Governance	2,704	2,747	2,747	0
Transformation	525	428	659	231
Place	4,598	4,924	4,755	(169)
Operations	7,346	7,361	7,247	(114)
Total Net Directorate Expenditure	15,900	16,187	16,135	(52)
Net Recharges	(3,327)	(3,365)	(3,365)	0
Capital Financing	3,730	3,730	2,085	(1,645)
Net Interest Payable /(Receivable)	31	31	227	196
Net Revenue Expenditure	16,334	16,583	15,082	(1,501)
Funding	(16,134)	(16,134)	(16,134)	0
Net Revenue Expenditure before transfer to(from) earmarked reserve	200	449	(1,052)	(1,501)
Transfer to/(from) earmarked reserve	186	186	140	(46)
Net Revenue Expenditure after transfer to(from) earmarked reserve	386	635	(912)	(1,547)

- 1.3 Appendix 1 provides details of the variances for each Directorate, Corporate Costs and Funding.
- 1.4 Appendix 2 provides details of the approved and forecast earmarked reserves movements as at 31 July 2023.
- 1.5 The projected overspend in the Transformation Directorate arises mainly from loss of income from two investment properties (Charlecote Hotel and the former Callflex DWP building in Rotherham) combined with unexpected security costs for a vacant investment property. Subject to final outturn and if required, these costs will be funded from the Investment Property Reserve.
- 1.6 The main reason for the projected underspend in the Place Directorate is vacancies in Community Safety and Regeneration.
- 1.7 The Operations Directorate projected underspend is mainly due to decreases in energy costs, partly offset by additional costs of engaging agency workers to cover vacant posts.

1.8 The variances in Capital Financing Costs and Net Interest are mainly due to higher than expected interest payable and receivable on borrowing and investment. This, combined with slippage in the planned capital programme give a projected net underspend of £1,449k.

2. General Fund Savings/Efficiencies Monitoring 2023/24

- 2.1 The 2023/24 budget included the proposed savings and efficiencies as detailed in Table 2 below. The forecast achievement of these savings is identified, on the following basis:
- saving has been achieved (green),
 - saving forecast to be achieved but actions are still required to secure the saving (amber),
 - saving will not be achieved (red).

Table 2 - General Fund Savings/Efficiencies Monitoring 2023/24

Saving / Efficiency	Detail	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
		£'000	£'000	£'000
Planning Fee Income	Additional income based on up to date demand levels for planning applications	100	100	0
Customer Services	Savings generated from the review of the Service during 2022/23	51	51	0
Leisure	Additional income from Photovoltaic Panels on Leisure Centres not included in the Leisure Operating Contract	60	60	0
	Total	211	211	0

2.2 The position outlined above shows all of the £211k savings are forecast to be achieved. £60k (categorised amber) of the £211k forecast savings are anticipated to be achieved, with actions currently being reviewed to ensure they are fully achieved.

3. General Fund Budget Adjustments and Reserve Movements

- 3.1 There are no General Fund budget adjustments to report.
- 3.2 Cabinet approval is requested for the following movement of reserves and corresponding budget adjustments.

Table 3 – Reserves Movements 2023/24

Budget Contributed to:	Reserve movement from:	£'000
Capital Financing	Asset Repair and Renewal	43
Capital Financing	Revenue Grants Reserve	3

3.3 The £43k withdrawal from the Asset Management and Renewal Reserve is to part fund the Lindley's Windmill Roof capital scheme. This was included in a report to Council on 7th July 2022. The £3k withdrawal from the Revenue Grants Reserve is to fund improvement to Shop Fronts in the District.

4. Summary for Housing Revenue Account (HRA)

4.1 Table 4 sets out the 2023/24 HRA forecast outturn position based on actual income and expenditure to July 2023 and forecast income and expenditure from August 2023 to March 2024, compared to the original budget approved by Council 2nd March 2023.

4.2 Details of any significant variances incorporated within the forecast outturn are detailed in the commentaries below the table.

Table 4 – Housing Revenue Account Forecast to 31 March 2024

Description	2023/24 Revised Budget £'000	2023/24 Forecast Outturn £'000	Current Forecast Variance £'000
Income			
Rents, Charges and Contributions	(28,221)	(28,209)	12
Interest and investment income	(700)	(1,500)	(800)
Total Income	(28,921)	(29,709)	(788)
Expenditure			
Repairs and Maintenance	8,797	8,814	17
Supervision and Management	5,505	5,382	(123)
Interest payable and similar charges	3,548	3,548	0
Rents, Rates, Taxes and other charges	161	164	3
Depreciation and impairments of fixed assets	4,173	4,173	0
Debt Management Costs	44	44	0
Contribution to the Bad Debt Provision	200	200	0
Transfer to Major Repairs Reserve	9,897	2,188	(7,709)
Capital expenditure funded by the HRA	6,986	6,839	(147)
Total Expenditure	39,311	31,352	(7,959)
Net Cost of HRA Services	10,390	1,643	(8,747)

Interest and Investment Income

Increased Interest rates in the banking sector will increase the average annual interest return on the HRA balances. Currently forecasting an increase of £0.8m but this is open to fluctuation dependant on the economy for the remainder of the year.

4.4 Repairs and Maintenance

Increase in costs due to void property clearances £15k and hire of vehicles £11k due to delays in acquiring new vehicles. Partly offset from the reduction in fuel costs £9k.

There could be further future variances due to a contractor entering administration in July 2023. These will be reported to Cabinet once confirmed.

4.5 Supervision and Management

Forecasting an underspend due to expected gas price decreases for the annual contract from October of £132k, Ombudsman fees increased by £9k.

4.6 Transfer to the Major Repairs Reserve (MRR)

The current forecast outturn shows the reduced level of financing required from the HRA for the major repair element of the Capital Programme for 2023/24. The main reason for the forecast position is the Major Works Contract partner entering administration in July 2023. This has caused a programme of works to fall into future financial years, while the Council tenders for a new partner for the housing major works schemes.

4.7 Capital Expenditure Funded by the HRA

Capital expenditure funded by the HRA is forecast lower than budget due to the movement between financial years of various new build schemes. Overall, the individual new schemes are estimating higher costs from the rise in construction labour and materials.

5 HRA Savings/Efficiencies 2023/24

5.1 The 2023/24 HRA budget included no proposed savings and efficiencies.

6 Communal Heating Charges (District Heating)

- 6.1 Users of communal heating pay a weekly charge designed to cover the cost to the Council for providing this heating. Historically the weekly charge has been reviewed annually and takes into account any under/over recovery in the previous year.
- 6.2 As noted in Section 4.5 of the report, energy costs are forecast to decrease when the next contract is implemented in October 2023. These decreases are outside the levels included in calculating the Communal Heating Charge applied from 3rd April 2023, which was approved by Cabinet on the 24th January 2023 as part of the 2023/24 Rent Setting Report.
- 6.3 It is proposed to implement an in-year decrease to the Communal Heating Charge from 30th October 2023. An analysis of the revised forecast costs for the scheme show that it is now likely to be over-recovered based on the current service charge levels.
- 6.4 Implementing a timely in-year decrease enables the forecast reduction to be passed to tenants quickly and helps to mitigate some of the adverse impact of the cost of living crisis on these residents.
- 6.5 Table 5 below shows the movements of the weekly heating charges over the last 18 months along with the proposed revised 2023/24 weekly heating charges and the reduced cost for the final 19 weeks of 2023/24 (November to March).

Table 5 – Movement in Weekly Heating Charges from 2022/23 to 2023/24

	April - October 2022	November 2022 - March 2023	April - October 2023	Proposed November 2023 - March 2024	Proposed Weekly Decrease	TOTAL 19 Week Decrease (Nov - Mar)
	£	£	£	£	£	£
Band A	11.04	22.08	30.47	17.67	-12.80	-243.20
Band B	11.88	23.76	32.79	19.02	-13.77	-261.63
Band C	12.47	24.94	34.42	19.96	-14.46	-274.74
Band D	13.24	26.48	36.54	21.19	-15.35	-291.65
Band E	13.74	27.48	37.92	21.99	-15.93	-302.67
Band F	14.31	28.62	39.50	22.91	-16.59	-315.21

7. Capital Programme 2023/24 to 2027/28

7.1 The proposed Capital Programme and funding is summarised in Table 6 below. Appendix 3 shows a detailed breakdown of all the schemes below.

The three areas of the Capital Programme (Area Schemes, General Fund and HRA) are discussed in more detail below.

Table 6 – Capital Programme (2023/24 to 2027/28)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Capital Expenditure						
Area Schemes	713	0	0	0	0	713
General Fund	27,202	4,095	5,670	5,860	6,110	48,937
Housing Revenue Account	15,450	21,494	17,721	17,914	15,914	88,493
Grand Total	43,365	25,589	23,391	23,774	22,024	138,143
Capital Financing						
Developers Contributions - Area Schemes	562	0	0	0	0	562
Borrowing	8	0	0	0	0	8
Capital Receipts	61	0	0	0	0	61
Other Capital Grants and Contributions - Area Schemes	82	0	0	0	0	82
Sub Total - Area Schemes	713	0	0	0	0	713
Prudential Borrowing - General Fund	19,413	1,560	4,560	4,750	5,000	35,283
Direct Revenue Financing - General Fund	546	0	0	0	0	546
Developers Contributions - General Fund	125	0	0	0	0	125
Capital Receipts	1,556	0	0	0	0	1,556
Other Capital Grants and Contributions - General Fund	5,562	2,535	1,110	1,110	1,110	11,427
Sub Total - General Fund	27,202	4,095	5,670	5,860	6,110	48,937
Funded from HRA Reserves	13,201	18,069	16,241	16,434	14,434	78,379
Homes England	650	1,000	0	0	0	1,650
Green Homes Grants	70	0	0	0	0	70
Social Housing Decarbonisation Fund 2	49	945	0	0	0	994
Future 1-4-1 Capital Receipts Funding Recently Built and New Schemes	600	600	600	600	600	3,000
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
Sub Total - HRA	15,450	21,494	17,721	17,914	15,914	88,493
Grand Total	43,365	25,589	23,391	23,774	22,024	138,143

Area Capital Programme

7.2 These consist of mainly self-financed schemes that enhance the local environment. Developers' contributions (known as Section 106 funding) make up the largest funding source. Additional grant funding is sought wherever possible to maximise the benefit to local communities. Area schemes are included in Table 7.

Table 7 – Area Schemes (2023/24 to 2027/28)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Area						
Hucknall Area	37	0	0	0	0	37
Kirkby Area	379	0	0	0	0	379
Sutton Area	176	0	0	0	0	176
Rural Area	121	0	0	0	0	121
Total	713	0	0	0	0	713
Funded by						
Borrowing	8	0	0	0	0	8
Capital Receipts	61	0	0	0	0	61
Nottinghamshire County Council (NCC)	37	0	0	0	0	37
Section 106	554	0	0	0	0	554
Skanska	6	0	0	0	0	6
Taylor Wimpey	39	0	0	0	0	39
Sustainable Transport S106	8	0	0	0	0	8
Total	713	0	0	0	0	713

Table 8 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or changes in project spend.

Table 8 – Area Schemes (changes in proposed expenditure)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Approved Area Scheme	763	0	0	0	0	763
Changes to Hucknall Area Schemes	-50	0	0	0	0	-50
Proposed Area Schemes to be Approved	713	0	0	0	0	713

Table 9 – Area Schemes (changes to budget – by scheme)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Hucknall Area						
Titchfield Park Brook	-50	0	0	0	0	-50
Grand Total	-50	0	0	0	0	-50

7.3 Changes to Existing Area Projects

Table 9 above shows only one proposed change to budget. The actual spend and funding for the Titchfield Park Brook scheme had previously been overstated. The actual allocation for each project is shown at Appendix 3.

Table 10 - Area Schemes Summary Reconciliation of Current Capital Programme to Proposed September 2023 Capital Programme

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
July 2023 Capital Programme	763	0	0	0	0	763
Changes to Current Projects	-50	0	0	0	0	-50
Proposed September 2023 Capital Programme	713	0	0	0	0	713

Table 11 – General Fund Projects (changes in budget – by scheme)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
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Changes to Current Projects

Improvement Grants 1996 Act						
Disabled Facility Grant	-155	2	2	2	1,110	961
Purchase of Vehicles	-1,319	-547	4,314	4,750	5,000	12,198
Grand Total	-1,474	-545	4,316	4,752	6,110	13,159

7.4 Table 11 above shows the proposed changes to budget on a scheme by scheme basis.

Key changes to Existing General Fund Projects.

- **Improvement Grants 1996 Act Disabled Facility Grant** – For the purpose of the Capital Programme it has been assumed that the current year funding will be repeated over the next four years. The unspent allocation from previous years has been allocated equally over the current financial year and the next four years.
- **Purchase of Vehicles** – Reduction in vehicle purchases in years 2023/24 and 2024/25 due mainly as a result of extending the lives of existing vehicles. Increase in vehicle purchases from 2025/26 onwards due to the introduction of new electric refuse collection vehicles purchases.

The actual allocation for each project is shown at Appendix 3.

7.5 The Council has received an allocation £6.2m from the Government's Future High Street Fund (FHSF). The FHSF schemes and their funding is included on Appendix 3 of this report.

7.6 Ashfield District Council has secured £62.6m from the Government Towns Fund. The Capital Programme is being updated as these schemes commence implementation.

Table 12 – New General Fund Schemes

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
New Projects						
Rapid Deployable CCTV Cameras and Installation	30	0	0	0	0	30
Grand Total	30	0	0	0	0	30

7.7 The Rapid Deployable CCTV Cameras are part of a funding application with the Nottinghamshire Police and Crime Commissioner. If the request for funding is unsuccessful the scheme will be removed from the Capital Programme. The outcome of the Council's bid is expected in September 2023.

Table 13 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed September 2023 Capital Programme

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Current July 2023 Capital Programme	28,646	4,640	1,354	1,108	0	35,748
Changes to Current Projects	-1,474	-545	4,316	4,752	6,110	13,159
New Projects	30	0	0	0	0	30
Proposed September 2023 Capital Programme	27,202	4,095	5,670	5,860	6,110	48,937

Table 14 – General Fund – Financing of the Capital Programme

The table below shows the changes in financing required to move from the existing Capital Programme to the proposed 2023/24 – 2027/28 Capital Programme.

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
July 2023 Capital Programme	28,646	4,640	1,354	1,108	0	35,748
Capital Grants	-125	2	2	2	1,110	991
Capital Receipts	0	0	0	0	0	0
Direct Revenue Financing - General Fund	0	0	0	0	0	0
Prudential Borrowing	-1,319	-547	4,314	4,750	5,000	12,198
Developers Contributions - General Fund	0	0	0	0	0	0
Proposed September 2023 Capital Programme	27,202	4,095	5,670	5,860	6,110	48,937

7.8 Housing Revenue Account (HRA) Capital Programme

Key changes to existing schemes are as follows:

- **Decent Homes Schemes** – The Capital Programme now includes estimated expenditure for 2027/28. There is a significant reduction in the budget for 2023/24 which is primarily due to the Council's main contractor entering administration.

- **Affordable Housing developments - Sutton-in-Ashfield** – There is not expected to be any further expenditure required for this scheme.
- **Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall** – The cost of the scheme has reduced due to the number of plots being developed being less than previously anticipated.
- **Housing Vehicles** - The estimated expenditure on housing vehicles has now been included for the years 2024/25 to 2027/28.
- **Hucknall Infill Sites** - There is not expected to be any further expenditure required for this scheme.
- **Investment in New or Existing Council Dwellings** – The Government is allowing local authorities to retain amounts that would have been paid to the Treasury in 2022/23 and 2023/24 and to use this money to part fund the purchase of new or existing dwellings. As the Council is only able to fund 40% of the dwelling purchases through 1-4-1 receipts the additional funding means that the Council has to spend more in order to meet the new targets set out by DLUHC.
- **Northern View, Sutton-in-Ashfield** – This scheme is not expected to commence until 2024/25.
- **Warwick Close** – Reprofiling of the capital expenditure. The overall cost remains unchanged.

In addition, Councillor T Hollis, Executive Lead Member for Strategic Housing and and Climate Change has approved an Executive Decision to accept a grant award of £544,800 from the Local Authority Housing Fund Round 2, to acquire 6 properties that will be used to resettle Afghan families. Subject to full Council approval, this will increase the HRA Capital Programme by £1,020,000, with this being funded by up to £544,800 grant funding and £475,200 from HRA reserves (average circa £170k per property). This is not included in this report as it is subject to full Council approval on 25th September 2023. This report recommends Cabinet recommend the inclusion of this in the HRA Capital Programme.

Full details of the HRA Capital Programme are shown in Appendix 3.

Table 15 – Housing Revenue Account (changes to budget)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Expenditure Approved	27,439	15,889	15,288	14,925	0	73,541
Changes to Current Projects						
Decent Home Schemes						
Management Fee	0	0	0	0	660	660
Catch up and Major Repairs	-4,800	646	434	427	9,727	6,434
Service Improvements	-3,630	1,475	762	578	2,772	1,957
Contingent Major Repairs	-52	20	15	-27	140	97
Exceptional Extensive Works	19	-1,134	234	950	20	89
Surveys	350	120	0	0	0	470
Disabled Adaptations	0	0	0	0	450	450
Sub Total	-8,113	1,127	1,445	1,928	13,769	10,157
Other Housing Revenue Account Schemes						
Affordable Housing developments - Sutton-in-Ashfield	-13	0	0	0	0	-13
Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall	-176	-25	0	0	0	-201
Housing Vehicles	-21	331	487	560	644	2,001
Hucknall Infill Sites	-10	0	0	0	0	-10
Investment in New or Existing Dwellings	0	445	501	501	1,501	2,948
Maun View Sutton-in-Ashfield	17	53	0	0	0	70
Northern View, Sutton-in-Ashfield	-3,583	3,583	0	0	0	0
Warwick Close, Kirkby-in-Ashfield	-91	91	0	0	0	0
Sub Total	-3,877	4,478	988	1,061	2,145	4,795
Grand Total	15,450	21,494	17,721	17,914	15,914	88,493
Capital Funding						
Funded from HRA Reserves	13,201	18,069	16,241	16,434	14,434	78,379
Homes England	650	1,000	0	0	0	1,650
Green Homes Grants	70	0	0	0	0	70
Social Housing Decarbonisation Fund 2	49	945	0	0	0	994
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	600	600	600	600	600	3,000
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
Total Capital Funding	15,450	21,494	17,721	17,914	15,914	88,493

8. Prudential and Treasury Management Indicators

8.1 The 2021 Prudential Code and Treasury Management Code introduced a new requirement that monitoring of the treasury management indicators should be reported quarterly (along with the other prudential indicators) as part of the Authority's general revenue and capital monitoring. To comply with this, the Prudential and Treasury Management Indicators are included in this report and will also be included in future monitoring reports.

8.2 Detailed information on the indicators including original and revised indicators for 2023/24 is shown at Appendix 4.

Implications

Corporate Plan:

The Revenue and Capital Budgets and Outturn position reflect delivery of the priorities in the Corporate Plan.

Legal:

This report ensures compliance with the Council's approved Financial Regulations. [RLD 24/08/2023]

Finance: [PH 25/08/2023].

Budget Area	Implication
General Fund – Revenue Budget	As set out in the body of this report and the appendices.
General Fund – Capital Programme	As set out in the body of this report and the appendices.
Housing Revenue Account – Revenue Budget	As set out in the body of this report and the appendices.
Housing Revenue Account – Capital Programme	As set out in the body of this report and the appendices.

Risk:

Risk	Mitigation
Failure to spend within approved budgets could impact the financial sustainability of the Council.	Regular financial monitoring reports to SLT and Cabinet. Financial Regulations. Finance training for Budget Managers and Budget Holders

Human Resources:

No HR implications [KB04/09/2023]

Environmental/Sustainability

No implications

Equalities:

No implications

Background Papers

Annual Budget and Council Tax 2023/24 and Medium-Term Financial Strategy Update to Council
2nd March 2023

Draft Outturn Report 2022/23 to Cabinet 31st July 2023

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Directorate:	Operations		
Forecast as at:	31/07/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Neighbourhood Services	-22		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October.
	-19		Fuel Costs - prices fallen in the first part of the financial year.
		20	Developer Contributions realigned in 2022-23 reducing amount in 2023-24.
		25	Additional cost of Agency workers due to vacant posts
Garage Workshop		7	Unexpected cost for repair and maintenance of the electric road sweepers.
Waste Services	-47		Fuel Costs - prices fallen in the first part of the financial year.
	-15		Higher income from Trade Waste.
		25	Additional cost of Agency workers due to long term sickness cover.
Transport	-38		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October.
Asset Management	-50		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October.
Total	-191	77	
Net Under/Overspend	-114		

Statement of Movement on General Fund Reserves							
Service Earmarked Reserve	Opening Balance at 1st April 2023	Approved	Approved	Approved Balance as at 31 July 2023	Requiring Approval	Requiring Approval	Forecast Closing Balance as at 31 March 2024
		Contributions	Withdrawals		Contributions	Withdrawals	
	£	£	£	£			£
Earmarked Reserves							
Elections	(151,858)	(84,000)	197,000	(38,858)	0	0	(38,858)
Insurance Related Funds (Inc Risk Mngt)	(339,533)	(75,000)	0	(414,533)	0	0	(414,533)
Revenue Grant Reserve	(3,363,794)	0	332,000	(3,031,794)		3,000	(3,028,794)
District Planning Enquiry Fund	(201,140)	0	0	(201,140)	0	0	(201,140)
Asset Renewal	(640,476)	0	0	(640,476)	0	43,000	(597,476)
Leisure Maintenance Reserve (joint Use Pre 2021)	(1,141,678)	(290,000)	0	(1,431,678)	0	0	(1,431,678)
NNDR Equalisation Reserve	(5,982,109)	0	82,000	(5,900,109)	0	0	(5,900,109)
Supported Housing Trading Fund	(53,376)	0	0	(53,376)	0	0	(53,376)
Corporate Change Reserve	(847,789)	(150,000)	0	(997,789)	0	0	(997,789)
Commercial Property Investment Reserve	(4,200,000)	(200,000)	0	(4,400,000)	0	0	(4,400,000)
Economic Development and Place Reserve	(251,759)	0	0	(251,759)	0	0	(251,759)
Joint Crematorium Reserve	(635,035)	0	0	(635,035)	0	0	(635,035)
Selective Licencing	(73,044)	0	0	(73,044)	0	0	(73,044)
Licensing Reserve	(247,845)	0	37,000	(210,845)	0	0	(210,845)
Covid-19 Grant Reserve	(381,237)	0	0	(381,237)	0	0	(381,237)
Legal Reserve	(25,000)	(10,000)	0	(35,000)	0	0	(35,000)
Winter Maintenance Reserve	(15,000)	(5,000)	0	(20,000)	0	0	(20,000)
Commercial Property Dilapidations Reserve	(30,000)	(10,000)	0	(40,000)	0	0	(40,000)
IT Reserve	(15,000)	(10,000)	0	(25,000)	0	0	(25,000)
Total Earmarked Reserves	(18,595,673)	(834,000)	648,000	(18,756,673)	0	46,000	(18,735,673)
NNDR/Ctax S31 & Compensation Reserve	(320,473)	0	232,334	(88,139)	0	0	(88,139)
General Reserve	-9,234,870		386,000	-8,848,870			-8,848,870

Statement of Movement on HRA Reserves

Service Earmarked Reserve	Opening Balance 1 April 2023	Approved		Balance as at 31 July 2023	Forecast as at 31 July 2023		Forecast Closing Balance as at 31 March 2024	Forecast Comments
		Contributions	Withdrawals		Contributions	Withdrawals		
HRA Revenue Grants Reserve	-44,772	0	0	-44,772	0	19,642	-25,130	Grant for Tenant Survey Measures will be utilised.
HRA Eco Funding Reserve	-243,430	0	0	-243,430	0	0	-243,430	
HRA Insurance Reserve	-124,237	-30,000	30,000	-124,237	0	0	-124,237	
HRA Technology Investment	-25,566	0	0	-25,566	0	0	-25,566	
HRA Welfare Reform Reserve	-140,399	0	50,000	-90,399	0	0	-90,399	
Total HRA Earmarked Reserves	-578,404	-30,000	80,000	-528,404	0	19,642	-508,762	

Appendix 3 - Capital Programme														
General Fund Capital Schemes														
	Lead Officer	2023/24	2024/25	2025/26	2026/27	2027/28	Total	Funding						
		£'000	£'000	£'000	£'000	£'000	£'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Capital Receipts £'000	Reserves £'000	Total £'000
General Fund														
Cemeteries	Jas Hundal	2	0	0	0	0	2	2	0	0		0	0	2
Comm Facilities Investment - Selston Country Park	Jas Hundal	9	0	0	0	0	9	9	0	0		0	0	9
Demolition of Hucknall Toilets	Paul Parkinson	1	0	0	0	0	1	1	0	0		0	0	1
Depot Roof	Paul Parkinson	646	0	0	0	0	646	0	0	0		646	0	646
External health and safety works required for the Urban Road office	Paul Parkinson	34	0	0	0	0	34	34	0	0		0	0	34
Firewalls	Craig Bonar	2	0	0	0	0	2	2	0	0		0	0	2
Flood Support Schemes	Craig Bonar	49	0	0	0	0	49	0	0	49	CLG	0	0	49
Green Space Improvements	Jas Hundal	8	0	0	0	0	8	0	8	0		0	0	8
Green Homes Grant (GF) (1)	Paul Parkinson	0	0	0	0	0	0	0	0	0		0	0	0
Green Homes Grant (GF) (2)	Paul Parkinson	17	0	0	0	0	17	0	0	17	Green Homes Grant	0	0	17
Hucknall Car Park - Titchfield Street	Jas Hundal	115	0	0	0	0	115	22	93	0		0	0	115
Hucknall Leisure Centre Car Park Extension	Jas Hundal	750	0	0	0	0	750	350	0	0		400	0	750
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	Jas Hundal	489	0	0	0	0	489	489	0	0		0	0	489
Hucknall Leisure Centre - New Pool	Jas Hundal	419	0	0	0	0	419	419	0	0		0	0	419
Hucknall Leisure Centre (PSDS3)	Jas Hundal	1,480	0	0	0	0	1,480	179	0	1,301	PSDS3	0	0	1,480
In District Regeneration	Craig Bonar	3,000	0	0	0	0	3,000	2,000	0	0		500	500	3,000
New Kirkby Leisure Centre - Fixtures, Fittings and Equipment	Jas Hundal	349	0	0	0	0	349	349	0	0		0	0	349
Lammam Leisure Centre - Fixtures, Fittings and Equipment	Jas Hundal	0	0	0	0	0	0	0	0	0		0	0	0
Idlewells Market Hall	Jas Hundal	9	0	0	0	0	9	9	0	0		0	0	9
Improvement Grants 1996 Act Disabled Facility Grant	Paul Parkinson	1,110	1,110	1,110	1,110	1,110	5,550	0	0	5,550	BCF	0	0	5,550
IT Wiring Infrastructure	Craig Bonar	1	0	0	0	0	1	1	0	0		0	0	1
Kings Mill Reservoir Car Park Expansion	Jas Hundal	0	0	0	0	0	0	0	0	0		0	0	0
											NCC £105k, MDC £27k,			
Kings Mill Reservoir (The King and Miller to Kingfisher)	Jas Hundal	170	0	0	0	0	170	18	0	152	Development (HLF) £12k, NCC ROW £3k & Donations £5k Sport England £45k	0	0	170
Kirkby Leisure Centre	Jas Hundal	1,320	0	0	0	0	1,320	1,275	0	45		0	0	1,320
Lindley's Windmill Roof	Jas Hundal	49	0	0	0	0	49	0	6	0		0	43	49
Market Stalls	Jas Hundal	1	0	0	0	0	1	1	0	0		0	0	1
Members' IT	Craig Bonar	37	0	0	0	0	37	37	0	0		0	0	37
New Cross Support Scheme	Jas Hundal	1	0	0	0	0	1	0	0	1	RHB	0	0	1
New Servers	Craig Bonar	43	20	20	0	0	83	83	0	0		0	0	83
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure	Jas Hundal	11	0	0	0	0	11	11	0	0		0	0	11
Office Accommodation Works to Accommodate DWP at Central Offices	Paul Parkinson	0	0	0	0	0	0	0	0	0		0	0	0
Office Accommodation Works to Accommodate Police at Central Offices	Paul Parkinson	5	0	0	0	0	5	0	0	5	Police	0	0	5
Officers' IT for Agile Working (General Fund)	Craig Bonar	56	40	40	0	0	136	136	0	0		0	0	136
Piggins Croft Car Park	Paul Parkinson	1	0	0	0	0	1	1	0	0		0	0	1
Public Space Protection Order and other UKSPF funded schemes	Jas Hundal	329	0	0	0	0	329	0	0	319	£25k Safer Streets, £289k UKSPF and £5k PCC	10	0	329
Purchase of Vehicles	Jas Hundal	1,450	1,500	4,500	4,750	5,000	17,200	17,200	0	0		0	0	17,200
Rapid Deployable CCTV Cameras and Installation	Jas Hundal	30	0	0	0	0	30	0	0	30	PCC	0	0	30
Retail Improvement Scheme	Jas Hundal	3	0	0	0	0	3	0	0	0	\$106 Revenue	0	3	3
SAN Hardware	Craig Bonar	2	0	0	0	0	2	2	0	0		0	0	2
Safer Streets	Jas Hundal	31	0	0	0	0	31	0	0	31	Notts PCC	0	0	31
Safer Streets for Kirkby	Jas Hundal	81	0	0	0	0	81	0	0	81	Notts PCC	0	0	81
Discovery Centre and Planetarium	Jas Hundal	1,625	1,425	0	0	0	3,050	0	0	3,050	DLUHC	0	0	3,050
Solar Panels - Northern Depot	Paul Parkinson	2	0	0	0	0	2	2	0	0		0	0	2
Switch Network Hardware	Craig Bonar	13	0	0	0	0	13	13	0	0		0	0	13
Towns Fund Projects	Jas Hundal	6,438	0	0	0	0	6,438	6,422	0	16	NCC £16k	0	0	6,438
Tree Planting and Habitat Improvements, Ashfield-Wide	Jas Hundal	32	0	0	0	0	32	0	18	14	Trees for cities	0	0	32
Urban Road Offices (PSDS3)	Paul Parkinson	804	0	0	0	0	804	138	0	666	PSDS3	0	0	804
Vehicle Tracking Scheme	Jas Hundal	5	0	0	0	0	5	5	0	0		0	0	5
Future High Street Funding Schemes														
Sutton Academy Community Theatre/Cinema	Jas Hundal	2,255	0	0	0	0	2,255	2,155	0	100	Private Sector £100k	0	0	2,255
Sutton Maker Space and Business Hub	Jas Hundal	968	0	0	0	0	968	968	0	0		0	0	968
Low Street vacant units	Jas Hundal	2,459	0	0	0	0	2,459	2,459	0	0		0	0	2,459
Fox Street pop-up food court and car park	Jas Hundal	491	0	0	0	0	491	491	0	0		0	0	491
Total General Fund		27,202	4,095	5,670	5,860	6,110	48,937	35,283	125	11,427		1,556	546	48,937

Appendix 3 - Capital Programme

Housing Revenue Account Capital Schemes

Housing Revenue Account		2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
HOUSING REVENUE ACCOUNT							
Decent Homes Schemes							
Management Fee	Paul Parkinson	672	660	660	660	660	3,312
Catch up and Major Repairs	Paul Parkinson	3,221	10,632	10,372	10,655	9,727	44,607
Service Improvements	Paul Parkinson	1,161	3,785	2,905	2,969	2,772	13,592
Contingent Major Repairs	Paul Parkinson	105	105	105	102	140	557
Exceptional Extensive Works	Paul Parkinson	998	70	1,234	970	20	3,290
Surveys	Paul Parkinson	350	120	0	0	0	470
Disabled Adaptations	Paul Parkinson	788	360	410	450	450	2,456
Grand Total		7,291	15,732	15,686	15,806	13,769	68,284
Other Housing Revenue Account Schemes							
Affordable Housing Developments Sutton In Ashfield	Paul Parkinson	0	0	0	0	0	0
BEIS Social Housing Decarbonisation Fund	Paul Parkinson	0	0	0	0	0	0
Investment in New or Existing Dwellings	Paul Parkinson	1,501	1,501	1,501	1,501	1,501	7,505
Davies Avenue Housing Project - Frog Hopper Lane	Paul Parkinson	44	0	0	0	0	44
Development of Unviable Garage Sites in Kirby-in-Ashfield and Hucknall (Darley Avenue and Spruce Grove New Builds)	Paul Parkinson	440	25	0	0	0	465
Firewalls	Paul Parkinson	1	0	0	0	0	1
Green Homes Grant (HRA) (1)	Paul Parkinson	43	0	0	0	0	43
Green Homes Grant (HRA) (2)	Paul Parkinson	27	0	0	0	0	27
Housing Vehicles	Jas Hundal	368	423	467	560	644	2,462
Hucknall Infill Sites	Paul Parkinson	0	0	0	0	0	0
Major Repairs Temporary Accommodation	Paul Parkinson	113	46	47	47	0	253
Maun View Sutton-in-Ashfield	Paul Parkinson	912	53	0	0	0	965
Northern View, Sutton-in-Ashfield	Paul Parkinson	0	3,583	0	0	0	3,583
SAN Hardware	Paul Parkinson	1	0	0	0	0	1
Switch Network Hardware	Paul Parkinson	4	0	0	0	0	4
Officers' IT for Agile Working (HRA)	Paul Parkinson	73	40	0	0	0	113
Vehicle Tracking Scheme	Jas Hundal	4	0	0	0	0	4
Warwick Close, Kirby-in-Ashfield	Paul Parkinson	4,628	91	0	0	0	4,719
Grand Total		8,159	5,762	2,035	2,108	2,145	20,209
Total Housing Revenue Account		15,450	21,494	17,721	17,914	15,914	88,493

Appendix 3 - Capital Programme

Area Capital Schemes

	Start Date	Completion Date	Lead Officer	2023/24	2024/25	2025/26	2026/27	2027/28	Total	Funding						
										Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total Funding
										£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000
Hucknall Area																
Play Areas			Jas Hundal	1	0	0	0	0	1	1	0	0		0	0	1
Titchfield Park Brook			Jas Hundal	20	0	0	0	0	20	0	0	20	NCC	0	0	20
Washdyke Recreation Ground			Jas Hundal	16	0	0	0	0	16	0	16	0		0	0	16
Total Hucknall Area				37	0	0	0	0	37	1	16	20		0	0	37
Sutton Area																
Ashfield Estate Footpaths			Jas Hundal	5	0	0	0	0	5	0	5	0		0	0	5
Football Changing Rooms			Jas Hundal	15	0	0	0	0	15	0	15	0		0	0	15
Kingsmill Reservoir footpath links		Mar-19	Jas Hundal	1	0	0	0	0	1	0	1	0		0	0	1
Kingsmill Reservoir management plan: Implementation Works	Ongoing	Ongoing	Jas Hundal	6	0	0	0	0	6	0	0	6	Skanska	0	0	6
Play Areas			Jas Hundal	6	0	0	0	0	6	6	0	0		0	0	6
Riley Recreation Ground			Jas Hundal	1	0	0	0	0	1	0	1	0		0	0	1
Roundhill Recreation Ground	Sep-18	Mar-19	Jas Hundal	9	0	0	0	0	9	1	0	8	LIS	0	0	9
Sudbury Drive Play Area			Jas Hundal	39	0	0	0	0	39	0	0	39	Taylor Wimpey	0	0	39
Sutton Lawn management Plan		Mar-18	Jas Hundal	14	0	0	0	0	14	0	6	8	NCC SLC	0	0	14
Sutton Town Centre Improvements			Jas Hundal	70	0	0	0	0	70	0	70	0		0	0	70
Taylor Crescent Recreation Ground	Sep-18	Mar-19	Jas Hundal	10	0	0	0	0	10	0	10	0		0	0	10
Total Sutton Area				176	0	0	0	0	176	7	108	61		0	0	176

Appendix 3 - Capital Programme

Area Capital Schemes

	Start Date	Completion Date	Lead Officer	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000	Loan £'000	Section 106 £'000	Grant £'000	Grant Funder e.g. Lottery	Capital Receipts £'000	Reserves £'000	Total Funding £'000
Kirkby Area																
Annesley Art Project			Jas Hundal	2	0	0	0	0	2	0	2	0		0	0	2
Annesley Public Open Space			Jas Hundal	106	0	0	0	0	106	0	106	0		0	0	106
Footpath Improvements Across the Larwood and Greenwood & Summit Wards			Jas Hundal	15	0	0	0	0	15	0	15	0		0	0	15
Forest Road Nature Area	Ongoing	Ongoing	Jas Hundal	5	0	0	0	0	5	0	5	0		0	0	5
Kingsway Park: Implementation of management plan	Ongoing	Ongoing	Jas Hundal	204	0	0	0	0	204	0	204	0		0	0	204
Kirkby footpaths/cycle ways	TBD	TBD	Jas Hundal	1	0	0	0	0	1	0	1	0		0	0	1
Lindleys Lane Play/Youth Area	TBD	TBD	Jas Hundal	6	0	0	0	0	6	0	6	0		0	0	6
Sports pavilion, Titchfield Park	TBD	TBD	Jas Hundal	39	0	0	0	0	39	0	39	0		0	0	39
West Park			Jas Hundal	1	0	0	0	0	1	0	0	0		1	0	1
Total Kirkby Area				379	0	0	0	0	379	0	378	0		1	0	379
Rural Area																
Jacksdale Car Park			Jas Hundal	1	0	0	0	0	1	0	0	1	NCC	0	0	1
Rurals and Open Space			Jas Hundal	120	0	0	0	0	120	0	60	0		60	0	120
Total Rural Area				121	0	0	0	0	121	0	60	1	0	60	0	121
Total Area				713	0	0	0	0	713	8	562	82		61	0	713

Prudential Indicators of Affordability

The Prudential Indicators for 2023-24 were agreed at the Council meeting on 2nd March 2023
The Prudential Indicators for affordability are as follows:

- a) Estimate of the ratio of financing costs to the net revenue stream split between the Housing Revenue Account and the General Fund

For the HRA this is calculated by dividing the HRA capital financing costs by the total estimated Council Dwelling Income. For the General Fund this is calculated by dividing the General Fund capital financing costs by the estimated Council Tax Receipt plus Central Government Grants.

Table 1 – Ratio of financing costs to net revenue stream for the Housing Revenue Account and General Fund.

	2022/23 Revised	2022/23 Outturn	2023/2024 Original %	2023/24 Revised %
Housing Revenue Account	11.87	10.44	10.57	7.34
General Fund	21.05	15.32	30.08	22.94

The General Fund indicator is lower than forecast due to slippage and switch funding of borrowing in 2022/23 reducing the amount of Minimum Revenue Provision in 2023/24 the HRA indicator has reduced due to interest receivable amounts on HRA balances being higher than previously anticipated and higher than expected rental income.

Table 2 – Ratio of financing costs to net revenue stream for the General Fund including Investment Property income.

	2022/23 Revised	2022/23 Outturn	2023/2024 Original %	2023/24 Revised %
General Fund	-9.30	-11.17	-1.38	-6.79

The reason the above figures are negative is due to the Item 8 credit and investment property income being greater than the other financing costs e.g. Minimum Revenue Provision and interest payable. The General Fund indicator is lower than forecast due to slippage and switch funding of borrowing in 2022/23 reducing the amount of Minimum Revenue Provision in 2023/24.

- b) Estimate of the incremental impact of capital investment decisions on the Council Tax and Rent Levels

These indicators have been prepared using the revised Capital Programme, on the same agenda as this report.

The revised indicator for 2023-24 can be found on Table 3 below.

Table 3 - Incremental Impact of capital investment decisions on Council Tax and Rent Levels

	2022/23 Revised	2022/23 Outturn	2023/2024 Original %	2023/24 Revised %
General Fund (Band D)	19.88	24.31	34.79	23.51
HRA (52 weeks)	0	0	0	0

The table is calculated by dividing the estimated finance costs of the in year capital expenditure by; the estimated number of Council Tax Band D equivalents for the General Fund and the number of Council Dwellings for the HRA. As there has not been any new HRA borrowing in the two years above the indicator is showing a zero. The reason for the difference on the General Fund is due to slippage and switch funding from the 2022/23 Capital Programme.

c) Net borrowing and the Capital Financing Requirement split between the General Fund and the Housing Revenue Account

In order to ensure that in the medium term borrowing is only undertaken for capital purposes, local authorities are required to ensure that external borrowing does not exceed, except in the short term, the total of their capital financing requirement over the planning period. In broad terms the capital financing requirement reflects an authority's need to borrow for capital purposes and is a measure of the assets contained on the balance sheet which have as yet not been fully financed, i.e. there is still some indebtedness outstanding.

The latest 2023/24 estimate of the Capital Financing Requirement is shown in Table 4 below.

Table 4 – Estimates of Capital Financing Requirement.

	31st March 2023 Revised	31st March 2023 Outturn	31st March 2024 Original	31st March 2024 Revised
	£m	£m	£m	£m
Housing Revenue Account	80.061	80.061	80.061	80.061
General Fund	106.473	86.287	104.706	103.270
Total	186.534	166.348	184.767	183.331

As mentioned in b) above there is not expected to be any new HRA borrowing and unlike the General Fund there is not a requirement to charge Minimum Revenue Provision (MRP) for the HRA. The decrease in General Fund is due to higher than expected MRP payments and a small decrease in the expected borrowing requirement.

d) Capital Expenditure

Estimates of capital expenditure for 2023/24 years split between the General Fund and the Housing Revenue Account

The estimated total capital expenditure for 2023/24 as detailed in the Capital Programme, is shown below in Table 5:

Table 5 – Housing Revenue Account and General Fund Capital Expenditure estimates.

Capital Expenditure £m	2022/23 Revised	2022/23 Outturn	2023/24 Original	2023/24 Revised
General Fund	34.111	15.358	6.826	27.915
HRA	20.006	17.350	24.785	15.450
Total	54.117	32.708	31.611	43.365

The increase in General Fund is due to slippage on Towns Fund schemes, Future High Street Fund Scheme, In District Regeneration and vehicle purchases in 2022/23. The decrease for the HRA is largely due to the main contractor for the decent homes work going into administration.

e) Capital Programme Funding

Table 6 shows how the expenditure in Table 5 is to be funded.

Table 6 - Capital Expenditure Funding

Financing of Capital Programme £m	2022/23 Revised	2022/23 Outturn	2023/24 Original	2023/24 Revised
Capital Receipts	3.540	2.630	2.113	3.097
Capital Grants	14.623	17.049	6.053	7.100
Capital Reserves	0.640	0.094	0.000	0.000
Direct Revenue Financing	13.138	10.944	21.695	13.747
Borrowing Requirement	22.176	1.991	1.750	19.421
Total	54.117	32.708	31.611	43.365

The increased borrowing requirement is mainly due to slippage and switch funding from 2022/23. The increase in capital grants is largely due to additional DLUHC Levelling Up Fund 2 funding for the Science Discovery Centre and Planetarium and the decrease in direct revenue financing is largely due to the reduction in Decent Homes Expenditure as a result of the main contractor going into administration.

f) Balance Sheet Summary and Forecast

The Council has an increasing CFR until the end of 2023/24 due to switch funding being used to finance many unfunded schemes in 2022/23. This position is continually reviewed due to the level of reserves and working capital having many variables and due to slippage in delivery of the capital programme making forecasting with certainty difficult.

Table 7 shows the original and revised balance sheet summary for 2023-24.

Table 7 - Balance Sheet Summary

31st March:	2023 Revised	2023 Outturn	2024 Original	2024 Revised
Capital Financing Requirement	186.5	166.3	184.8	183.3
Less: External Borrowing	-90.5	-90.5	-86.3	-86.3
Under(Over) Borrowing	96.0	75.8	98.5	97.0
Less: Usable Reserves plus working Capital	-81.6	-79.4	-78.1	-92.1
Investments / (New Borrowing)	-14.4	3.6	-20.4	-4.9

See c) above for explanation of the change in the Capital Financing Requirement. The Usable Reserves is higher than previously expected as a result of HRA reserves being higher than anticipated caused by a decrease in 2023/24 capital expenditure as a result of the main contractor going into administration.

External Debt

g) **Authorised Limit**

This is calculated by taking into account current external debt, new borrowing for loans which mature or for capital purposes and the need to borrow on a short term basis to cover for temporary shortfalls in revenue income and expenditure.

A comparison with the authorised limit to the actual external debt is shown in Table 8 below.

Table 8 – Authorised Limit

	2022/23 Original	2022/23 Outturn	2023/2024 Original	30 th June 2023 Actual External Debt
	£m	£m	£m	£m
Borrowing	217	91	215	90

The Authority's debt is currently significantly below the Authorised Limit.

h) **Operational Boundary**

As well as an authorised limit the local authority must also set an operational boundary for its external debt for the next three years. The operational boundary is based on the most likely or prudent but not worst case scenario in relation to cash flow.

The future Operational Boundary comparison to actual external debt as at 30th June 2023 is shown in Table 9.

Table 9 – Operational Boundary for External Debt

	2022/23 Original	2022/23 Outturn	2023/2024 Original	30 th June 2023 Actual External Debt
	£m	£m	£m	£m
Borrowing	188	91	187	90

The Authority is currently significantly below the Operational Boundary.

Treasury Management

i) Interest rate exposure

These indicators relate to both fixed and variable rate interest and are net of any investments.

Depending on the level of interest rates and their expected movement in the year, the Council may accept all of its new borrowings in the form of either fixed or variable rate debt. The figures in Table 10 give the following maximum levels, when compared to the authorised limit of exposure to fixed and variable interest rates, which are prudent limits for the forthcoming years:

Table 10 - Interest Rate Exposure

Principal Outstanding	2022/23 Original	2022/23 Outturn	2023/24 Original	30th June 2023 Actual
	£m	£m	£m	£m
Fixed Rates	217.0	72.5	215.0	72.5
Variable Rates (No more than 40% of the operational boundary).	86.8	18.0	86.0	17.0

The Council is significantly within the boundaries previously set.

j) Maturity Structure of borrowing

This indicator relates only to fixed rate debt and is therefore a measure of the longer-term exposure to interest rate risk.

Table 11 shows the proposed lower and upper limits, given the current structure of the Council's debt portfolio:

Table 11 - Maturity Structure of Debt

Maturity Structure of Fixed Rate Borrowing	Actual Amount 31/03/2023 £m	Forecast Position for 31/03/2023	Actual Amount 30/06/2023 £m	Forecast Position for 30/06/2023	Lower Limit %	Upper Limit %
Under 12 Months	4,227	4.67%	3,227	3.60%	0.00%	10.00%
Under 24 Months	5,454	6.02%	4,454	4.97%	0.00%	12.50%
Under 5 years	8,541	9.43%	7,541	8.42%	0.00%	20.00%
Under 10 years	20,236	22.35%	19,236	21.48%	0.00%	25.00%
Under 20 years	30,236	33.40%	29,236	32.65%	0.00%	40.00%
Under 30 years	35,236	38.92%	34,236	38.24%	0.00%	50.00%
Under 40 years	68,236	75.37%	67,236	75.09%	0.00%	80.00%
Under 50 years	90,536	100.00%	89,536	100.00%	0.00%	100.00%
50 Years and Above	0	0.00%	0	0.00%	0.00%	0.00%

All the Council debt maturities are within the targets set.

k) Principal sums invested for more than 364 days

Maximum investments over £5m as at 30th June 2023 £0 and as at 31st March 2023 £0.

