

Report To:	CABINET
Date:	29TH JANUARY 2024
Heading:	2023/24 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT OCTOBER 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 October 2023 and forecast costs and income from 1 November 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 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.
- (4) 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.

Detailed Information

Budget Monitoring April 2023 to October 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 October 2023 and forecast income and expenditure from November 2023 to March 2024, compared to the current revised budget (based on original budget approved by Council on 2nd March 2023 and Council approved budget adjustments to 31st October 2023).
- 1.2 The current General Fund forecast is a £1,129k underspend compared to the revised budget; a decrease of £380k from the underspend of £1,547k reported for July.

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

General Fund	Revised Budget	Forecast	Current Forecast Variance	Previous Forecast Variance	Change
	£'000	£'000	£'000	£'000	£'000
Directorate					
Chief Executive Officer	727	727	0	0	0
Governance	2,758	2,804	46	0	46
Transformation	418	843	425	231	194
Place	4,924	5,011	87	(169)	256
Operations	7,361	7,150	(211)	(114)	(97)
Total Net Directorate Expenditure	16,188	16,535	347	(52)	399
Net Recharges	(3,365)	(3,337)	28	0	28
Capital Financing	3,730	2,085	(1,645)	(1,645)	0
Net Interest Payable /(Receivable)	31	227	196	196	0
Net Revenue Expenditure	16,584	15,510	(1,074)	(1,501)	427
Funding	(16,134)	(16,134)	0	0	0
Net Revenue Expenditure before transfer to(from) earmarked reserve	450	(624)	(1,074)	(1,501)	427

Transfer to/(from) earmarked reserve	186	93	(93)	(46)	(47)
Net Revenue Expenditure after transfer to/(from) earmarked reserve	636	(531)	(1,167)	(1,547)	380

- 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 October 2023.
- 1.5 The projected overspend in the Governance Directorate is mainly due to legal costs from the Voluntary Registration of Title project. This will be funded from the Corporate Transformation Reserve. In addition, 56 DSE chairs are to be purchased. This increase in spending will be funded from the Asset Repair and Replacement Reserve.
- 1.6 The projected overspend in the Transformation Directorate arises mainly from loss of income from two investment properties (Charlecote Hotel and the Callflex building in Rotherham) combined with unexpected security costs for the Callflex investment property. The projected overspend has increased since July as the Council is now liable for Business Rates on the Callflex premises. Subject to final outturn and if required, these costs will be funded from the Investment Property Reserve.
- 1.7 The projected underspend reported for July in the Place Directorate of £169k is now an overspend of £86k. The projected increase in costs of £255k is mainly due to £43k cost of covering the Executive Director of Place vacancy/ conclude project work, increased costs of CCTV of £31k and lower than anticipated Planning Fee income of £187k due to reduced demand.
- 1.8 The projected underspend in the Operations Directorate reported in July of £114k has increased by £98k to £212k. The main reasons for this are increased fuel cost savings of £99k in Neighbourhood Services and Waste, a net decrease in staffing costs in Neighbourhood Services of £70k and £50k in Garage Workshop, predominantly due to vacancies. These were offset by increased costs of £93k in Waste Services due to the pay award exceeding the budgeted level, the cost of Agency workers and a reduction of income of £25k from bulky waste collections.
- 1.9 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
Legal	Corporate Transformation Reserve	39
Corporate Health and Safety	Asset Repair and Replacement	8

3.3 The £39k withdrawal from the Corporate Transformation Reserve is to part fund the Voluntary Registration of Title legal project. This work will address an outstanding recommendation from the Council's External Auditors. The £8k withdrawal from the Asset Repair and Replacement Reserve is to fund the purchase of Office Chairs, ensuring workstations are Display Screen Equipment (DSE) compliant.

4. Summary for Housing Revenue Account (HRA)

4.1 Table 4 below sets out the 2023/24 HRA forecast outturn position based on actual income and expenditure to 31 October 2023 and forecast income and expenditure from November 2023 to March 2024, compared to the revised budget.

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	Previous Forecast Variance £'000	Change £'000
Income					
Rents, Charges and Contributions	(28,221)	(28,222)	(1)	12	(13)
Interest and investment income	(700)	(1,600)	(900)	(800)	(100)
Total Income	(28,921)	(29,822)	(901)	(788)	(113)
Expenditure					
Repairs and Maintenance	8,797	8,938	141	17	124
Supervision and Management	5,505	5,371	(134)	(123)	(11)
Interest payable and similar charges	3,548	3,548	0	0	0
Rents, Rates, Taxes and other charges	161	169	8	3	5
Depreciation and impairments of fixed assets	4,173	4,173	0	0	0
Debt Management Costs	44	44	0	0	0
Contribution to the Bad Debt Provision	200	200	0	0	0
Transfer to Major Repairs Reserve	2,188	1,101	(1,087)	0	(1,087)
Capital expenditure funded by the HRA	6,839	7,732	893	0	893
Total Expenditure	31,455	31,276	(179)	(103)	(76)
Net Cost of HRA Services	2,534	1,454	(1,080)	(891)	(189)

4.3 Interest and Investment Income

Increased Interest rates in the banking sector will increase the average annual interest rate on the HRA balances. Currently forecasting an increase of £900k but this is open to fluctuation dependant on the economy.

4.4 Repairs and Maintenance

Increase in costs due to pay award higher than budget £45k, void property clearances £65k, price increases of materials £14k and hire of vehicles £25k due to delays in acquiring new vehicles and other minor variances of £2k. Partly offset from a reduction in fuel costs of £10k.

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, less other small variances totalling £7k.

4.6 Rents, Rates, Taxes and other charges

Increases in Insurance premiums compared to the budget.

4.7 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 going into administration in July. 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.

4.8 Capital Expenditure Funded by the HRA

Capital expenditure funded by the HRA is forecast higher than budget due to approval for further new build developments and further property purchases.

5 HRA Savings/Efficiencies 2023/24

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

6. Capital Programme 2023/24 to 2027/28

6.1 The proposed Capital Programme and funding is summarised in Table 12 below. Appendix 3 shows a detailed breakdown of all the schemes below.

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

Table 5 – 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	425	413	0	0	0	838
General Fund	32,084	52,614	19,819	5,860	6,110	116,487
Housing Revenue Account	16,492	25,030	18,342	18,474	15,968	94,306
Grand Total	49,001	78,057	38,161	24,334	22,078	211,631
Capital Financing						
Developers Contributions - Area Schemes	251	403	0	0	0	654
Borrowing	0	0	0	0	0	0
Capital Receipts	64	0	0	0	0	64
Other Capital Grants and Contributions - Area Schemes	110	10	0	0	0	120
Sub Total - Area Schemes	425	413	0	0	0	838
Prudential Borrowing - General Fund	10,360	17,496	14,851	4,750	5,000	52,457
Direct Revenue Financing - General Fund	829	229	0	0	0	1,058
Developers Contributions - General Fund	634	0	0	0	0	634
Capital Receipts	1,608	0	0	0	0	1,608
Other Capital Grants and Contributions - General Fund	18,653	34,889	4,968	1,110	1,110	60,730
Sub Total - General Fund	32,084	52,614	19,819	5,860	6,110	116,487
Funded from HRA Reserves	13,507	20,203	16,862	16,994	14,488	82,054
Homes England	790	1,918	0	0	0	2,708
Green Homes Grants	21	0	0	0	0	21
Social Housing Decarbonisation Fund 2	49	945	0	0	0	994
Local Authority Housing Fund - second funding round	545	0	0	0	0	545
Nottingham City Council Retrofit	100	484	0	0	0	584
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	16,492	25,030	18,342	18,474	15,968	94,306
Grand Total	49,001	78,057	38,161	24,334	22,078	211,631

Area Capital Programme

6.3 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 13.

Table 6 – 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	20	16	0	0	0	36
Kirkby Area	61	189	0	0	0	250
Sutton Area	224	208	0	0	0	432
Rural Area	120	0	0	0	0	120
Total	425	413	0	0	0	838
Funded by						
Capital Receipts	64	0	0	0	0	64
Lawn Tennis Association	52	0	0	0	0	52
Nottinghamshire County Council (NCC)	10	10	0	0	0	20
Reserves	9	0	0	0	0	9
Section 106	237	403	0	0	0	640
Taylor Wimpey	39	0	0	0	0	39
Sustainable Transport S106	14	0	0	0	0	14
Total	425	413	0	0	0	838

6.4 Table 7 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or changes in project spend.

Table 7 – 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 Schemes	713	0	0	0	0	713
Changes to Hucknall Area Schemes	-17	16	0	0	0	-1
Changes to Sutton Area Schemes	48	208	0	0	0	256
Changes to Kirkby Area Schemes	-318	189	0	0	0	-129
Changes to Rural Area Schemes	-1	0	0	0	0	-1
Proposed Area Schemes to be Approved	425	413	0	0	0	838

Table 8 – 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						
Play Areas	-1	0	0	0	0	-1
Titchfield Park Brook	-10	10	0	0	0	0
Washdyke Recreation Ground	-6	6	0	0	0	0
Sub Total	-17	16	0	0	0	-1
Sutton Area						
Ashfield Estate Footpaths	-5	0	0	0	0	-5
Kingsmill Reservoir footpath links	-1	0	0	0	0	-1
Play Areas	-6	0	0	0	0	-6
Riley Recreation Ground	-1	0	0	0	0	-1
Sutton Lawn management Plan	8	0	0	0	0	8
Sutton Town Centre Improvements	1	0	0	0	0	1
Sub Total	-4	0	0	0	0	-4
Kirkby Area						
Annesley Public Open Space	-106	0	0	0	0	-106
Footpath Improvements Across the Larwood and Greenwood & Summit Wards	-15	0	0	0	0	-15
Forest Road Nature Area	-5	5	0	0	0	0
Kingsway Park: implementation of management plan	-184	184	0	0	0	0
Kirkby footpaths/cycle ways	-1	0	0	0	0	-1
Lindleys Lane Play/Youth Area	-6	0	0	0	0	-6
West Park	-1	0	0	0	0	-1
Sub Total	-318	189	0	0	0	-129
Rural Area						
Jacksdale Car Park	-1	0	0	0	0	-1
Grand Total	-340	205	0	0	0	-135

6.5 Changes to Existing Area Projects

Table 7 above shows only one proposed change to budget. The Annesley Public Open Space scheme has now been removed, Kingsway Park: Implementation of management is now not expected to be completed to 2024/25 and other smaller schemes have either been removed as they have been completed or have had their completion date moved to 2024/25. The actual allocation for each project is shown at Appendix 3.

Table 8 – Area Schemes (New schemes)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
Sutton Area						
Huthwaite Welfare Park	52	208	0	0	0	260
Grand Total	52	208	0	0	0	260

6.6 Huthwaite Welfare Park has been added to the capital programme which will form part of the wider Huthwaite Welfare Park Management Plan.

Table 9 - 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
September 2023 Capital Programme	713	0	0	0	0	713
Changes to Current Projects	-340	205	0	0	0	-135
New Schemes	52	208	0	0	0	260
Proposed November 2023 Capital Programme	425	413	0	0	0	838

Table 10 – 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
Changes to Current Projects						
Cemeteries	-2	0	0	0	0	-2
Demolition of Hucknall Toilets	-1	0	0	0	0	-1
External health and safety works required for the Urban Road office	-14	0	0	0	0	-14
Green Homes Grant (GF) (2)	27	0	0	0	0	27
Improvement Grants 1996 Act Disabled Facility Grant	0	102	0	0	0	102
Office Accommodation Works to Accommodate Police at Central Offices	-5	0	0	0	0	-5
Piggins Croft Car Park	-1	0	0	0	0	-1
Purchase of Vehicles	-66	66	0	0	0	0
Hucknall Leisure Centre (PSDS3)	-229	229	0	0	0	0
Solar Panels - Northern Depot	-2	0	0	0	0	-2
Towns Fund Projects	7,154	41,315	14,149	0	0	62,618
Tree Planting and Habitat Improvements, Ashfield-Wide	10	0	0	0	0	10
Urban Road Offices (PSDS3)	-207	207	0	0	0	0
Future High Street Funding Schemes						
Sutton Academy Community Theatre/Cinema	-2,100	2,100	0	0	0	0
Sutton Maker Space and Business Hub	484	0	0	0	0	484
Low Street vacant units	-1,229	0	0	0	0	-1,229
Fox Street pop-up food court and car park	-1	0	0	0	0	-1
Grand Total	3,818	44,019	14,149	0	0	61,986

6.7 Table 10 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** – Additional Grant Funding of £102k has been received during the year. It is not expected that this will be spent until 2024/25.
- **Purchase of Vehicles** – Vehicle purchases expected to occur in 2023/24 are now expected to be delayed until 2024/25.
- **Towns Fund** – The capital programme has now been updated to include the total cost of schemes expected to be rolled out.
- **Urban Road Offices (PSDS 3)** – This scheme is now not expected to be completed until 2024/25.
- **Sutton Academy Community Theatre / Cinema** – This scheme is now not expected to be completed until 2024/25.
- **Sutton Maker Space and Business Hub** – The cost of scheme was previously understated, and the revised scheme cost has now been updated.

- **Low Street Vacant Units** – Original scheme included a proposal to develop three sites only two sites are now being developed.

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

Table 11 – New General Fund Schemes

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
New Projects						
Ashfield Innovation and Technology Park	0	4,500	0	0	0	4,500
Grand Total	0	4,500	0	0	0	4,500

6.8 New technology park proposed for Lowmoor Road, Sutton in Ashfield.

Table 12 - 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 September 2023 Capital Programme	28,266	4,095	5,670	5,860	6,110	50,001
Changes to Current Projects	3,818	44,019	14,149	0	0	61,986
New Projects	0	4,500	0	0	0	4,500
Proposed November 2023 Capital Programme	32,084	52,614	19,819	5,860	6,110	116,487

Table 13 – General Fund – Financing of the Capital Programme

6.9 The table below show 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
September 2023 Capital Programme	28,266	4,095	5,670	5,860	6,110	50,001
Capital Grants	13,091	32,354	3,858	0	0	49,303
Capital Receipts	0	0	0	0	0	0
Direct Revenue Financing - General Fund	-229	229	0	0	0	0
Prudential Borrowing	-9,553	15,936	10,291	0	0	16,674
Developers Contributions - General Fund	509	0	0	0	0	509
Proposed November 2023 Capital Programme	32,084	52,614	19,819	5,860	6,110	116,487

6.10 Housing Revenue Account (HRA) Capital Programme

Key changes to existing schemes are as follows:

- **Decent Homes Schemes** – There have been changes to the profiling and mix of these schemes, however, overall expenditure remains unchanged.
- **Davies Avenue Housing Project – Frogopper Lane** – No further cost expected for this project.
- **Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall** – The cost of the scheme has increased as additional requirements have been identified.
- **Green Homes Grant (1) & (2)**- Reduction in total expenditure required for these schemes.
- **Major Repairs Temporary Accommodation** – Changes to the profiling of this scheme. Overall expenditure remains unchanged.
- **Maun View Sutton-in-Ashfield** - The cost of the scheme has increased as additional requirements have been identified.
- **Retrofit Infill Properties** – This scheme is dependent on the Council receiving the Retrofit grant to make improvements to Infill Properties.

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

Table 14 – 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	16,997	25,121	17,721	17,914	15,914	93,667
Changes to Current Projects						
Decent Home Schemes						
Catch up and Major Repairs	-513	-627	600	540	0	0
Service Improvements	16	-5	-5	-6	0	0
Exceptional Extensive Works	-40	0	20	20	0	0
Surveys	-50	50	0	0	0	0
Sub Total	-587	-582	615	554	0	0
Other Housing Revenue						
Account Schemes						
Davies Avenue Housing Project - Frog Hopper Lane	-4	0	0	0	0	-4
Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall	74	0	0	0	0	74
Green Homes Grant (HRA) (1)	-39	0	0	0	0	-39
Green Homes Grant (HRA) (2)	-6	0	0	0	0	-6
Major Repairs Temporary Accommodation	-73	7	6	6	54	0
Maun View Sutton-in-Ashfield	30	0	0	0	0	30
Retrofit Infill Properties	100	484	0	0	0	584
Sub Total	82	491	6	6	54	639
Grand Total	16,492	25,030	18,342	18,474	15,968	94,306
Capital Funding						
Funded from HRA Reserves	13,507	20,203	16,862	16,994	14,488	82,054
Homes England	790	1,918	0	0	0	2,708
Green Homes Grants	21	0	0	0	0	21
Local Authority Housing Fund - second funding round	545	0	0	0	0	545
Nottingham City Council Retrofit	100	484	0	0	0	584
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	16,492	25,030	18,342	18,474	15,968	94,306

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

7. Prudential and Treasury Management Indicators

7.1 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.

7.2 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]

Finance: [PH].

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 []

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;

2023/24 Forecast Outturn for General Fund, Housing Revenue Account (HRA) and Capital
Programme as at July 2023

Report Author and Contact Officer

Clive Howey

Interim Chief Accountant

Email: clive.howey@ashfield.gov.uk

Tel: 01623 457458

Sponsoring Executive Director

Craig Bonar

Executive Director - Transformation

Email: Craig.Bonar@ashfield.gov.uk

Tel: 01623 457203

Directorate:		Chief Executive Officer		
Forecast as at:		31/10/2023		
Service Area	Forecast Underspend OR Income over-recovery (-) £'000	Forecast Overspend OR Income under-recovery (+) £'000	Key reasons for forecast variance	
No forecast variances				
Total	0	0		
Net Forecast Under/Overspend	0			

Directorate:	Governance		
Forecast as at:	31/10/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Director		5	Vacancy factor not achievable
Legal		3	Thomson Reuters contract higher than expected after end of Legal Shared Service
		39	Voluntary Registration of Title project - funded from Transformation Reserve
CMAP		6	Annual charge higher than budget
Corporate Health & Safety		8	ODR to purchase 56 DSE chairs. Funded from Asset Repair & Replacement Reserve - first batch
Corporate Health & Safety	-28		Vacant post Risk Management Officer (NB offset by reduced Primary Recharge to HRA)
Elections	0		Vacant post Service Manager - offset by agency
Democratic Services		5	Vacancy factor not achievable
		4	Honorarium for extra duties pending review
		4	Independent Remuneration Panel Chair
Total	-28	74	
Net Forecast -Under/+Overspend	46		

Directorate:	Transformation		
Forecast as at:	31/10/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Digital Services		10	Additional Consultancy Services in respect of Iken legal case management system.
IT Services		7	Increased cost of software licences
GIS	-24		Higher income from Street Naming and Numbering
Investment Properties		146	Lower rental income from Hotel Investment Property
		70	Security costs at vacant Investment Property
		162	Reduced rental income from vacant Investment Property
		38	NNDR costs at vacant Investment Property
		8	Professional & Consultancy costs at vacant Investment Property
Financial Management		8	Increased staff costs due to overtime payments in respect of supporting new Financial Management System - funded from reserve approved as part of business case
Total	-24	449	
Net Forecast Under/Overspend	425		

Directorate:	Place		
Forecast as at:	31/10/2023		
	Forecast Underspend OR Income over-recovery (-) £'000	Forecast Overspend OR Income under-recovery (+) £'000	Key reasons for forecast variance
Executive Director		43	Additional costs for Interim Director to conclude projects work.
Community Safety	-164	19 31 6	Net saving from staff costs as a result of vacancies. Additional legal costs. Increased costs of CCTV Costs incurred in connection with Community Safety Strategy
Health & Wellbeing	-17		Net saving from staff costs as a result of vacancies
Leisure Centres		5 5 5	Consultancy Support and advice on energy costs incurred through the Leisure Operating Contract Ashfield Leisure Transformation Programme, Rural Leisure Review Security costs at Kirkby Leisure Centre
Licensing		12	Increased staff costs as a result of additional post (Licensing Technical Compliance Officer). Any overspend will be met from the Licensing reserve.
Regeneration	-66	10	Net saving from staff costs as a result of vacancies Adverts in respect of Parking Order
Planning	-6	187	Net saving from staff costs as a result of vacancies Lower Planning Fees, as a result of reduced applications
Environmental Health		16	Increased staff costs, vacancies offset by Agency costs and Market Supplements
Total	-253	339	
Net Forecast Under/Overspend	86		

Directorate:	Operations		
Forecast as at:	31/10/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Neighbourhood Services	-21 -65		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October. Fuel Costs - prices fallen during the financial year.
		20	Developer Contributions realigned in 2022-23 reducing amount in 2023-24.
	-95		Vacancy savings less agency costs, pay award, sickness cover and vacancy provision.
	-10		Increase to amount paid for the NCC grass cutting contract
		10	Early release of selston parish council contract
		9	Hire of Vehicles
		3	Pest control traps require replacing when they come to the end of their life span - usually once every 2 - 3 years.
Garage Workshop		7	Unexpected cost for repair and maintenance of the electric road sweepers.
	-50		Vacancy savings less agency costs, pay award and vacancy provision.
		4	Tool purchases
Waste Services	-100		Fuel Costs - prices fallen during financial year.
		45	Pay Award higher than budget
		48	Additional cost of Agency workers due to long term sickness cover, strike action at waste collection sites and flood damage clearance less vacant posts.
		25	reduction in income for paid bulky waste collections, impacted by us offering free bulky waste collections all year.
		5	Increased Insurance costs
		10	Net effect of increased costs of waste disposal against income in trade waste collections
	-40		Increase in prices for glass collection
		25	Hire of waste vehicles during the recycling centre strikes
Northern Depot	-32		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October.
		5	Equipment
		2	Pay Award higher than budget
Asset Management	-50		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October.
		17	Car Parks - Loss of income. Free Parking in December. Backdated NNDR charge for Kings Mill car park.
		10	Vacancy Factor not achieved plus pay award higher than budgeted.
Call Monitoring		6	Service closing with some costs incurred
Total	-463	251	
Net Under/Overspend	-212		

Corporate Costs	Corporate Costs			
Forecast as at:	31/10/2023			
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance	
Service Area	£'000	£'000		
Loan Interest Payable	-612		It was assumed loans would be refinanced in 2023/24 and additional borrowing required. It is now clear this is not required.	
Minimum Revenue Provision	-1,079		As borrowing is not required, MRP is reduced. It has also reduced due to switch funding and programme slippage.	
Direct Revenue Financing		46	£43k Windmill Scheme and £3k Shop Fronts. All funded from reserves.	
Net Interest Payable/Receivable		196	This is a net gain to the HRA, representing additional interest earned due to higher rates (internal borrowing).	
	-1,691	242		
Net Forecast Under/Overspend	-1,449			

Statement of Movement on General Fund Reserves							
Service Earmarked Reserve	Opening Balance at 1st April 2023	Approved Contributions	Approved Withdrawals	Approved Balance as at 31 October 2023	Requiring Approval Contributions	Requiring Approval Withdrawals	Forecast Closing Balance as at 31 March 2024
	£	£	£	£			£
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	335,000	(3,028,794)	0	0	(3,028,794)
District Planning Enquiry Fund	(201,140)	0	0	(201,140)	0	0	(201,140)
Asset Renewal	(640,476)	43,000	0	(597,476)	0	8,000	(589,476)
Leisure Maintenance Reserve	(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 Transformation Reserve	(847,789)	(150,000)	0	(997,789)	0	39,000	(958,789)
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)	(791,000)	651,000	(18,710,673)	0	47,000	(18,688,673)
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 October 2023 £	Forecast as at 31 October 2023		Forecast Closing Balance as at 31 March 2024 £	Forecast Comments
		Contributions £	Withdrawals £		Contributions £	Withdrawals £		
HRA Revenue Grants Reserve	-44,772	0	19,642	-25,130	0	0	-25,130	
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	99,642	-508,762	0	0	-508,762	

Appendix 3 - Capital Programme

General Fund Capital Schemes

	Lead Officer	Funding												
		2023/24	2024/25	2025/26	2026/27	2027/28	Total	Loan	Section 106	Grant	Grant Funder	Capital Receipt	Reserves	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000
General Fund														
Ashfield Innovation and Technology Park	John Bennett	0	4,500	0	0	0	4,500	4,500	0	0		0	0	4,500
Comm Facilities Investment - Selston Country Park	John Bennett	9	0	0	0	0	9	9	0	0		0	0	9
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	20	0	0	0	0	20	20	0	0		0	0	20
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	John Bennett	8	0	0	0	0	8	0	8	0		0	0	8
Green Homes Grant (GF) (2)	Paul Parkinson	44	0	0	0	0	44	0	0	44	Green Homes Grant	0	0	44
Hucknall Car Park - Titchfield Street	John Bennett	115	0	0	0	0	115	22	93	0		0	0	115
Hucknall Leisure Centre Car Park Extension	John Bennett	750	0	0	0	0	750	350	0	0		400	0	750
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	John Bennett	489	0	0	0	0	489	489	0	0		0	0	489
Hucknall Leisure Centre - New Pool	John Bennett	419	0	0	0	0	419	419	0	0		0	0	419
Hucknall Leisure Centre (PSDS3)	John Bennett	1,584	229	0	0	0	1,813	0	0	1,301	PSDS3	0	512	1,813
In District Regeneration	John Bennett	3,000	0	0	0	0	3,000	2,500	0	0		0	500	3,000
New Kirkby Leisure Centre - Fixtures, Fittings and Equipment	John Bennett	349	0	0	0	0	349	349	0	0		0	0	349
Idlewells Market Hall	John Bennett	9	0	0	0	0	9	9	0	0		0	0	9
Improvement Grants 1996 Act Disabled Facility Grant	Paul Parkinson	1,110	1,212	1,110	1,110	1,110	5,652	0	0	5,652	BCF	0	0	5,652
IT Wiring Infrastructure	Craig Bonar	1	0	0	0	0	1	1	0	0		0	0	1
Kings Mill Reservoir (The King and Miller to Kingfisher)	John Bennett	170	0	0	0	0	170	18	0	152	NCC £105k, MDC £27k, Development (HLF) £12k, NCC ROW £3k & Donations £5k	0	0	170
Kirkby Leisure Centre	John Bennett	1,320	0	0	0	0	1,320	1,275	0	45	Sport England £45k	0	0	1,320

Lindley's Windmill Roof	John Bennett	49	0	0	0	0	49	0	6	0	0	0	43	49
Market Stalls	John Bennett	1	0	0	0	0	1	1	0	0	0	0	0	1
Members' IT	Craig Bonar	37	0	0	0	0	37	37	0	0	0	0	0	37
New Cross Support Scheme	John Bennett	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	0	83
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure	John Bennett	11	0	0	0	0	11	11	0	0	0	0	0	11
Officers' IT for Agile Working (General Fund)	Craig Bonar	56	40	40	0	0	136	136	0	0	0	0	0	136
Public Space Protection Order and other UKSPF funded schemes	John Bennett	329	0	0	0	0	329	0	0	319	£25k Safer Streets, £289k UKSPF and £5k PCC	10	0	329
Purchase of Vehicles	John Bennett	1,384	1,566	4,500	4,750	5,000	17,200	17,200	0	0	0	0	0	17,200
Rapid Deployable CCTV Cameras and Installation	John Bennett	30	0	0	0	0	30	0	0	30	PCC	0	0	30
Retail Improvement Scheme	John Bennett	3	0	0	0	0	3	0	0	0	S106 Revenue	0	3	3
SAN Hardware	Craig Bonar	2	0	0	0	0	2	2	0	0	0	0	0	2
Safer Streets	John Bennett	31	0	0	0	0	31	0	0	31	Notts PCC	0	0	31
Safer Streets for Kirkby	John Bennett	81	0	0	0	0	81	0	0	81	Notts PCC	0	0	81
Discovery Centre and Planetarium	John Bennett	1,625	1,425	0	0	0	3,050	0	0	3,050	DLUHC	0	0	3,050
Switch Network Hardware	Craig Bonar	13	0	0	0	0	13	13	0	0	0	0	0	13
Towns Fund Projects	John Bennett	13,408	41,315	14,149	0	0	68,872	19,454	424	48,994	DLUHC £46,628k, LTA £108k, HLF £45k, Football Foundation £1,950k and ATTFE Sutton Academy Trust £264k	0	0	68,872
Towns Fund Accelerated Funding Projects	John Bennett	184	0	0	0	0	184	184	0	0	0	0	0	184
Tree Planting and Habitat Improvements, Ashfield-Wide	John Bennett	42	0	0	0	0	42	0	32	10	EMG Homes £4k, J Tomlinson £2k and £4k Trees for Cities	0	0	42
Urban Road Offices (PSDS3)	Paul Parkinson	1,328	207	0	0	0	1,535	317	0	666	PSDS3	552	0	1,535
Vehicle Tracking Scheme	John Bennett	5	0	0	0	0	5	5	0	0	0	0	0	5
Future High Street Funding Schemes														
Sutton Academy Community Theatre/Cinema	John Bennett	155	2,100	0	0	0	2,255	2,155	0	100	ATTFE Sutton Academy Trust £100k	0	0	2,255
Sutton Maker Space and Business Hub	John Bennett	1,452	0	0	0	0	1,452	1,452	0	0	0	0	0	1,452
Low Street vacant units	John Bennett	1,230	0	0	0	0	1,230	1,230	0	0	0	0	0	1,230
Fox Street pop-up food court and car park	John Bennett	490	0	0	0	0	490	214	71	205	DLUHC £205k	0	0	490
Total General Fund		32,084	52,614	19,819	5,860	6,110	116,487	52,457	634	60,730		1,608	1,058	116,487

Appendix 3 - Capital Programme

Housing Revenue Account Capital Schemes

Housing Revenue Account

	Lead Officer	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	2,708	10,005	10,972	11,195	9,727	44,607
Service Improvements	Paul Parkinson	1,177	3,780	2,900	2,963	2,772	13,592
Contingent Major Repairs	Paul Parkinson	105	105	105	102	140	557
Exceptional Extensive Works	Paul Parkinson	956	70	1,254	990	20	3,290
Surveys	Paul Parkinson	300	170	0	0	0	470
Disabled Adaptations	Paul Parkinson	786	360	410	450	450	2,456
Grand Total		6,704	15,150	16,301	16,360	13,769	68,284
Other Housing Revenue Account Schemes							
Afghan Resettlement Scheme	Paul Parkinson	1,024	0	0	0	0	1,024
Retrofit Infill Properties	Paul Parkinson	100	484	0	0	0	584
Community Centres New Housing Scheme	Paul Parkinson	423	422	0	0	0	845
Central Avenue New Housing Scheme	Paul Parkinson	100	3,205	0	0	0	3,305
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	40	0	0	0	0	40
Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall (Darley Avenue and Spruce Grove New Builds)	Paul Parkinson	514	25	0	0	0	539
Firewalls	Paul Parkinson	1	0	0	0	0	1
Green Homes Grant (HRA) (1)	Paul Parkinson	4	0	0	0	0	4
Green Homes Grant (HRA) (2)	Paul Parkinson	21	0	0	0	0	21
Housing Vehicles	John Bennett	368	423	487	560	644	2,482
Major Repairs Temporary Accommodation	Paul Parkinson	40	53	53	53	54	253
Maun View Sutton-in-Ashfield	Paul Parkinson	942	53	0	0	0	995
Northern View, Sutton-in-Ashfield	Paul Parkinson	0	3,583	0	0	0	3,583
SAN Hardwear	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	John Bennett	4	0	0	0	0	4
Warwick Close, Kirkby-in-Ashfield	Paul Parkinson	4,628	91	0	0	0	4,719
Grand Total		9,788	9,880	2,041	2,114	2,199	26,022
Total Housing Revenue Account		16,492	25,030	18,342	18,474	15,968	94,306

Appendix 3 - Capital Programme

Area Capital Schemes

	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	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000
Hucknall Area														
Titchfield Park Brook	John Bennett	10	10	0	0	0	20	0	0	20	NCC	0	0	20
Washdyke Recreation Ground	John Bennett	10	6	0	0	0	16	0	16	0		0	0	16
Total Hucknall Area		20	16	0	0	0	36	0	16	20		0	0	36
Sutton Area														
Football Changing Rooms	John Bennett	15	0	0	0	0	15	0	15	0		0	0	15
Kingsmill Reservoir management plan: Implementation Works	John Bennett	6	0	0	0	0	6	0	6	0		0	0	6
Roundhill Recreation Ground	John Bennett	9	0	0	0	0	9	0	5	0		4	0	9
Sudbury Drive Play Area	John Bennett	39	0	0	0	0	39	0	0	39	Taylor Wimpey	0	0	39
Sutton Lawn management Plan	John Bennett	22	0	0	0	0	22	0	14	0		0	8	22
Sutton Town Centre Improvements	John Bennett	71	0	0	0	0	71	0	70	0		0	1	71
Taylor Crescent Recreation Ground	John Bennett	10	0	0	0	0	10	0	10	0		0	0	10
Huthwaite Welfare Park	John Bennett	52	208	0	0	0	260	0	208	Lawn Tennis Association	52	0	0	260
Total Sutton Area		224	208	0	0	0	432	0	328	39		4	0	432

Appendix 3 - Capital Programme

Area Capital Schemes

	Lead Officer	2023/24	2024/25	2025/26	2026/27	2027/28	Total	Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total Funding	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000	
Kirkby Area															
Annesley Art Project	John Bennett	2	0	0	0	0	2	0	2	0		0	0	2	
Forest Road Nature Area	John Bennett	0	5	0	0	0	5	0	5	0		0	0	5	
Kingsway Park: implementation of management plan	John Bennett	20	184	0	0	0	204	0	204	0		0	0	204	
Sports pavilion, Titchfield Park	John Bennett	39	0	0	0	0	39	0	39	0		0	0	39	
Total Kirkby Area		61	189	0	0	0	250	0	250	0		0	0	250	

	Lead Officer	2023/24	2024/25	2025/26	2026/27	2027/28	Total	Loan	Section 106	Grant	Grant Funder	Capital Receipts	Reserves	Total Funding	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	e.g. Lottery	£'000	£'000	£'000	
Rural Area															
Rurals and Open Space	John Bennett	120	0	0	0	0	120	0	60	0		60	0	120	
Total Rural Area		120	0	0	0	0	120	0	60	0	0	60	0	120	
Total Area		425	413	0	0	0	838	0	654	59		64	0	838	

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	27.33

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	-3.46

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	17.94
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	94.209
Total	186.534	166.348	184.767	174.270

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	32.509
HRA	20.006	17.350	24.785	16.492
Total	54.117	32.708	31.611	49.001

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	3.252
Capital Grants	14.623	17.049	6.053	21.053
Capital Reserves	0.640	0.094	0.000	0.000
Direct Revenue Financing	13.138	10.944	21.695	14.336
Borrowing Requirement	22.176	1.991	1.750	10.360
Total	54.117	32.708	31.611	49.001

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	31st October 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	31st October 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	31st October 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.