

Report To:	CABINET
Date:	8TH APRIL 2024
Heading:	2023/24 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT DECEMBER 2023
Executive Lead Member:	EXECUTIVE LEAD MEMBER 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 December 2023 and forecast costs and income from 1 January 2024 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 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 6 and Appendix 3 of the report.
- (3) 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 December 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 December 2023 and forecast income and expenditure from January 2024 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 December 2023).
- 1.2 The current General Fund forecast is a £650k underspend compared to the revised budget; a decrease of £517k from the underspend of £1.167m reported for October.

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	745	18	0	18
Governance	2,758	2,794	36	46	(10)
Transformation	68	808	740	425	315
Place	4,924	5,292	368	87	281
Operations	7,711	7,517	(194)	(211)	17
Total Net Directorate Expenditure	16,188	17,157	968	347	621
Net Recharges	(3,365)	(3,395)	(30)	28	(58)
Capital Financing	3,730	2,145	(1,585)	(1,645)	60
Net Interest Payable /(Receivable)	31	209	178	196	(18)
Net Revenue Expenditure	16,584	16,116	(469)	(1,074)	605
Funding	(16,134)	(16,134)	0	0	0
Net Revenue Expenditure before transfer to/(from) earmarked reserve	450	(18)	(469)	(1,074)	605
Transfer to/(from) earmarked reserve	186	5	(181)	(93)	(88)
Net Revenue Expenditure after transfer to/(from) earmarked reserve	636	(13)	(650)	(1,167)	517

- 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 December 2023.
- 1.5 The projected overspend in the Governance Directorate has decreased by £10k to £36k in December. This is mainly due to the post of Election Services Manager being vacant.
- 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 security costs for the Callflex investment property. Also, the loss of the retail firm Wilkos' has also decreased rental income. The Range have now taken on this tenancy and expect to commence trading at Easter. The projected overspend has increased since October by £84k to £504k. Subject to final outturn and if required, these costs will be funded from the Investment Property Reserve. Further increases since October are £45k Communications staff costs, £126k staff and contractor costs in Revenues and Benefits Services and £29k additional staff costs in Estates.
- 1.7 The projected overspend reported for October in the Place Directorate of £86k has increased to £368k. The projected increase in costs of £282k is mainly due to £120k additional costs for Leisure Services (see Appendix 1 for detail), increased staffing costs of £27k in the Planning Service and an increase in Strategic Housing costs of £107k.
- 1.8 The projected underspend in the Operations Directorate reported in October of £212k has decreased by £18k to £194k.
- 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 £1.407m.

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.

3. General Fund Budget Adjustments and Reserve Movements

- 3.1 There are no General Fund budget adjustments to report.
- 3.2 There are no reserve movements for approval in the period 31 October 2023 to 31 December 2023.

4. Summary for Housing Revenue Account (HRA)

4.1 Table 3 below sets out the 2023/24 HRA forecast outturn position based on actual income and expenditure to 31 December 2023 and forecast income and expenditure from January 2024 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 3 – 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)	(28,262)	(41)	(1)	(40)
Interest and investment income	(700)	(1,600)	(900)	(900)	0
Total Income	(28,921)	(29,862)	(941)	(901)	(40)
Expenditure					
Repairs and Maintenance	8,797	9,071	274	141	133
Supervision and Management	5,505	5,339	(166)	(134)	(32)
Interest payable and similar charges	3,548	3,548	0	0	0
Rents, Rates, Taxes and other charges	161	169	8	8	0
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	0	(2,188)	(1,087)	(1,101)
Capital expenditure funded by the HRA	6,839	7,346	507	893	(386)
Total Expenditure	31,455	29,890	(1,565)	(179)	(1,386)
Net Cost of HRA Services	2,534	28	(2,506)	(1,080)	(1,426)

4.3 Rent, Charges, and Contributions

Rental income higher due to less Right to Buy completions taking place in this financial year.

4.4 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.

4.5 Repairs and Maintenance

Increase in costs due to pay award higher than budget £45k, void works and property clearances £165k, surveyor work requirement due to damp and mould cases £20k, price increases of materials £20k and hire of vehicles £25k due to delays in acquiring new vehicles.

4.6 Supervision and Management

Forecasting an underspend due to expected gas price decreases for the annual contract from October of (£136k), Vacancy savings of (£57k). Outsourced legal solicitors due to increase in damp and mould claims £20k and Ombudsman fees increased by £9k, less other small variances totalling (£2k).

4.7 Rents, Rates, Taxes and other charges

Increases in Insurance premiums compared to the budget.

4.8 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 a new partner for the housing major works schemes.

4.9 Capital Expenditure Funded by the HRA

Capital expenditure funded by the HRA is forecast higher than budget due to approval for a further new build development 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 4 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 4 – 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	31,943	53,320	19,819	5,860	6,110	117,052
Housing Revenue Account	13,287	22,060	21,113	18,515	16,009	90,984
Grand Total	45,655	75,793	40,932	24,375	22,119	208,874
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	17,846	14,851	4,750	5,000	52,807
Direct Revenue Financing - General Fund	791	313	0	0	0	1,104
Developers Contributions - General Fund	634	0	0	0	0	634
Capital Receipts	1,455	153	0	0	0	1,608
Other Capital Grants and Contributions - General Fund	18,703	35,008	4,968	1,110	1,110	60,899
Sub Total - General Fund	31,943	53,320	19,819	5,860	6,110	117,052
Funded from HRA Reserves	11,283	18,202	19,633	17,035	14,529	80,682
Homes England	700	958	0	0	0	1,658
Green Homes Grants	0	0	0	0	0	0
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	80	504	0	0	0	584
Future 1-4-1 Capital Receipts Funding Recently Built and New Schemes	630	571	600	600	600	3,001
Non 1-4-1 Capital Receipts	0	880	880	880	880	3,520
Sub Total - HRA	13,287	22,060	21,113	18,515	16,009	90,984
Grand Total	45,655	75,793	40,932	24,375	22,119	208,874

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 5.

Table 5 – 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 6 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or changes in project spend.

Table 6 – 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 7 – 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 until 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 December 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
Removal of Unspent Budget within Hucknall	-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
Lindley's Windmill Roof	46	0	0	0	0	46
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)	20	523	0	0	0	543
Solar Panels - Northern Depot	-2	0	0	0	0	-2
Towns Fund Projects	6,970	41,315	14,149	0	0	62,434
Towns Fund Accelerated Funding Projects	184	0	0	0	0	184
Tree Planting and Habitat Improvements, Ashfield-Wide	10	0	0	0	0	10
Urban Road Offices (PSDS3)	371	500	0	0	0	871
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	4,691	44,606	14,149	0	0	63,446

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 this 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.

6.8 A Cabinet Report was approved on 25th September 2023 relating to the Public Sector Decarbonisation Scheme 3b (PSDS3b) project that set out revised budgets based on early engagement with Leisure Energy (designer/supplier/installer). Since 25th September 2023, extensive work has been carried out on developing the designs for the projects, which indicate there may be a further shortfall requiring additional capital funding. Full costs for each project will not be 100% certain until RIBA Stage 4 equivalent designs are completed, and costs returned by contractors on the 11th April 2024. It should be noted that for each project there is also a £100,000 contingency in each project already built into these figures. Every attempt will be made to mitigate the need for additional capital by using the contingency and value engineering methods.

Project	Cost as 25th September 2023 Report £'000	Revised Estimated Cost March 2024 £'000	Additional Funding Requirement £'000
Hucknall Leisure Centre	1,823	2,033	210
Central Offices	1,655	1,795	140

6.9 The additional spend for Hucknall Leisure Centre (totalling £210,000) is due to:

- The requirement for a new substation according to the District Network Operator (DNO). This was not part of the original budget, as initial advice received from Leisure Energy (LE) was that there was sufficient capacity within the local power network to not require a substation for the option selected. Further detailed work on designs and engagement with the DNO has indicated that a new substation is required. This has been budgeted for at £200,000 (estimated based upon DNO indications although a refreshed quotation is required), however this may vary. This estimated cost for the sub-station includes for additional capacity which may be required in future should the Council wish to install solar panels on the roof (up to 120kwp).
- Additional project management costs of £10,000 for Kinver Business Solutions (appointed project managers). This is due to the project extending further than the initial proposed deadline of March 2024. This needs to be budgeted for to ensure adequate resource is in place for the Council to deliver the projects successfully.

6.10 The additional spend for Central Offices is due to:

- An error by Leisure Energy in their original estimated cost submission whereby they had failed to include their design costs of c.£130,000.
- Additional project management costs of £10,000 for Kinver Business Solutions (appointed project managers). This is due to the project extending further than the initial proposed deadline of March 2024. This now needs to be budgeted for to ensure adequate resource is in place for the Council to deliver the projects successfully.

- 6.11 It is recognised that these projections will not represent the exact additional capital funding requirement. Final costs are still being developed by the contractor, LE, and will not be received until mid-April 2024, but are not expected to alter significantly. Every attempt will be made to utilise the contingencies and value engineering to minimise these additional expected costs.

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
Lammas Leisure Centre carbon reduction	50	119	0	0	0	169
Grand Total	50	4,619	0	0	0	4,669

- 6.12 New technology park proposed for Lowmoor Road, Sutton in Ashfield. Also, funding from Sports England to support works at the Lammas Leisure Centre.

Table 12 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed December 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	27,202	4,095	5,670	5,860	6,110	48,937
Changes to Current Projects	4,691	44,606	14,149	0	0	63,446
New Projects	50	4,619	0	0	0	4,669
Proposed December 2023 Capital Programme	31,943	53,320	19,819	5,860	6,110	117,052

Table 13 – General Fund – Financing of the Capital Programme

- 6.13 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	13,141	32,473	3,858	0	0	49,472
Capital Receipts	-153	153	0	0	0	0
Direct Revenue Financing - General Fund	-267	313	0	0	0	46
Prudential Borrowing	-9,553	16,286	10,291	0	0	17,024
Developers Contributions - General Fund	509	0	0	0	0	509
Proposed December 2023 Capital Programme	31,943	53,320	19,819	5,860	6,110	117,052

6.14 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, slippage has been reviewed in 23/24 and moved to 25/26 to aid future planning.
- **Afghan Resettlement** – Allocation added to the Capital Programme for 23/24 and balance retained in 24/25
- **Community Centres new housing scheme** – Allocation added to the Capital Programme and profiled accordingly over 23/24 and 24/25.
- **Central Avenue new housing scheme** – Allocation added to the Capital Programme and profiled accordingly over 23/24 and 24/25.
- **Retrofit Infill Properties** – This scheme is dependent on the Council receiving the Retrofit grant to make improvements to Infill Properties.
- **Northern View, Sutton in Ashfield** – Removed from the Capital Programme.

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	15,450	21,494	17,721	17,914	15,914	88,493
Changes to Current Projects						
Decent Home Schemes						
Management Fee	118	41	41	41	41	282
Catch up and Major Repairs	-1,996	-627	2,083	540	0	0
Service Improvements	-252	-5	263	-6	0	0
Contingent Major Repairs	-63	0	63	0	0	0
Exceptional Extensive Works	-956	0	936	20	0	0
Surveys	300	170	0	0	0	470
Sub Total	-2,849	-421	3,386	595	41	752
Other Housing Revenue Account Schemes						
Disabled Adaptations	-100	100	0	0	0	0
Afghan Resettlement Scheme	847	177	0	0	0	1,024
Community Centres New Housing Scheme	50	795	0	0	0	845
Central Avenue New Housing Scheme	100	3,205	0	0	0	3,305
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)	-27	0	0	0	0	-27
Investment in New or Existing Dwellings	73	-73	0	0	0	0
Major Repairs Temporary Accommodation	-108	42	6	6	54	0
Maun View Sutton-in-Ashfield	30	0	0	0	0	30
Northern View, Sutton-in-Ashfield	0	-3,583	0	0	0	-3,583
Warwick Close, Kirkby-in-Ashfield	60	-60	0	0	0	0
Retrofit Infill Properties	-270	384	0	0	0	114
Sub Total	686	987	6	6	54	1,739
Grand Total	13,287	22,060	21,113	18,515	16,009	90,984
Capital Funding						
Funded from HRA Reserves	11,283	18,152	19,633	17,035	14,529	80,632
Homes England	700	1,008	0	0	0	1,708
Green Homes Grants	0	0	0	0	0	0
Local Authority Housing Fund - second funding round	545	0	0	0	0	545
Nottingham City Council Retrofit	80	504	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	630	571	600	600	600	3,001
Non 1-4-1 Capital Receipts	0	880	880	880	880	3,520
Total Capital Funding	13,287	22,060	21,113	18,515	16,009	90,984

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 20/03/2024]

Finance: [CWH 18/03/2024].

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 [KB 19/03/2024]

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

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

Report Author and Contact Officer

Clive Howey

Interim Chief Accountant

Email: clive.howey@ashfield.gov.uk

Tel: 01623 457458

Sponsoring Director

Craig Bonar

Executive Director - Transformation

Email: Craig.Bonar@ashfield.gov.uk

Tel: 01623 457203

Directorate:		Chief Executive Officer	
Forecast as at:		31/12/2023	
Service Area	Forecast Underspend OR Income over-recovery (-) £'000	Forecast Overspend OR Income under-recovery (+) £'000	Key reasons for forecast variance
CEO		18	Higher staff costs due to vacancy factor not achieved.
Total	0	18	
Net Forecast Under/Overspend	18		

Directorate:	Governance		
Forecast as at:	31/12/2023		
	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		2	Thomson Reuters contract higher than expected after end of Legal Shared Service
		38	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		Risk Management Officer post vacant
Elections	-13		Vacant post Service Manager - offset by agency
		11	Postage higher than budgeted - driven by necessary electoral registration canvassing
Democratic Services		6	Honorarium for extra duties
Members		5	Independent Remuneration Panel Chair
	-4		Other net Directorate wide savings
Total	-45	81	
Net Forecast Overspend	36		

Directorate:	Transformation		
Forecast as at:	31/12/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Service Director			5 Increased staff costs due to vacancy factor not achieved.
Digital Services	-32		10 Additional Consultancy Services in respect of Iken legal case management system. Lower net pay costs, as a result of vacancies 7 Increased cost of software licences
Policy & Performance			8 Higher net staff costs, as a result of Agency costs 10 Social value portal
GIS	-24		Higher income from Street Naming and Numbering 4 Increased staff costs due to vacancy factor not achieved
Communications			45 Higher net staff costs as a result of Agency costs

	Revenues and Benefits		100	Increased net staff costs, due to vacancy factor not achieved, overtime (£25k), and honoraria (£26k), funded from New Burdens funding
			26	Payments to Contractors funded from New Burdens funding
	Customer Experience		20	Higher net staff costs mainly as a result of Agency costs
	Investment Properties		146	Lower rental income from Hotel Investment Property
			13	Legal costs in respect of relet of former Wilko building
			115	Security costs at vacant Investment Property
			163	Reduced rental income from vacant Investment Property
			57	NNDR costs at vacant Investment Property
			10	Professional & Consultancy costs at vacant Investment Property
	Estates		29	Higher net staff costs mainly as a result of Agency costs
	Financial Management		7	Increased staff costs due to overtime payments in respect of supporting new Financial Management System - funded from reserve approved as part of business case
			21	Higher staff costs as a result of Agency costs, and vacancy factor not achieved
	Total	-56	796	
	Net Forecast Under/Overspend	740		

Directorate:	Place		
Forecast as at:	31/12/2023		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Community Safety	-156		Net saving from staff costs as a result of vacancies. 19 Additional legal costs. 31 Increased costs of CCTV 11 Community Safety Partnership Plan development
Health & Wellbeing	-21		Net saving from staff costs as a result of vacancies
Leisure Centres			24 Papplewick Centre investments (LED lighting, cleaning, decorating) 35 New management agreement with Everyone Active to manage additional leisure facilities, funded from S106 Developer Contributions 19 Specialist advice and support for funding bids, assessment of rural leisure facilities and energy costs 25 Leisure Operating Contract costs for legal advice and security at Kirkby Leisure Centre 31 Lower contributions to Capital charges from SLM 1 APSE Performance Networks Membership Fees 2023 (Bench-marking and Performance Data Service)

Markets		8	Increased Business Rates, Water and Insurance costs at Idlewells indoor market
	-15		Increased income from rents at Idlewells indoor market
Licensing		11	Increased staff costs as a result of additional post (Licensing Technical Compliance Officer). Any overspend will be met from the Licensing reserve.
Regeneration	-61		Net saving from staff costs as a result of vacancies
		10	Adverts in respect of Parking Order
		15	Costs associated with Green Spaces review (to be funded from Asset Renewal Reserve)
Planning		27	Higher staff costs as a result of vacancy factor not achieved
		187	Lower Planning fee income, as a result of reduced applications
Strategic Housing		107	Higher net staff costs, mainly due to Agency costs in Homelessness Assistance due to temporary roles and sickness absence cover, and vacancy factor not achieved
Executive Director		60	Additional costs for Interim Director to conclude project work.
Total	-253	621	
Net Forecast Under/Overspend	368		

Northern Depot	-37		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October. 10 Equipment, licence and Fleet text messaging costs. 6 Pay Award higher than budget
Waste Services	-125		Fuel Costs - prices fallen during financial year. 55 Pay Award higher than budget and overtime to cover bank holidays 89 Additional cost of Agency workers due to long term sickness cover, strike action at waste collection sites and flood damage clearance less vacant posts. 30 Reduction in income for paid bulky waste collections. 5 Increased Insurance costs 10 Net effect of increased costs of waste disposal against income in trade waste collections
	-58		Increase in income from glass collection recycling price rises 38 Hire of waste vehicles during industrial action and to cover while regular waste vehicles are in for repair 35 Purchase of new bins over budget figure - recovered from bin charges.
Asset Management	-56		Premises Expenses - Estimated reduction in unit cost of gas and electricity from October 2023. 17 Car Parks - Loss of income. Free Parking in December. Backdated NNDR charge for Kings Mill car park. 36 Vacancy Factor not achieved, plus pay award higher than budgeted - £10k. Agency covering vacancies, market supplement, new standby cover introduced - £26k.
	-82		Non-Domestic Assets - Decarbonisation Plan. One off to be met from Reserves, work will not commence until 2024/25 so carry forward agreed of £82k budget to 2024/25
Call Monitoring			6 Residual costs on service closure.
Total	-630	436	
Net Under/Overspend	-194		

Corporate Costs	Corporate Costs		
Forecast as at:	31/12/2023		
	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		106	£43k Windmill Scheme, £54k Health & Safety and £3k Shop Fronts. All funded from reserves.
Net Interest Payable/Receivable		177	This is a net gain to the HRA, representing additional interest earned due to higher rates (internal borrowing).
	-1,691	283	
Net Forecast Under/Overspend	-1,408		

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)	51,000	0	(589,476)	0	0	(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	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)	(783,000)	651,000	(18,702,673)	0	0	(18,727,673)
NNDR/Ctax S31 & Compensation Reserve	(320,473)	0	232,334	(88,139)	0	88,139	0
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 December 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	-17,915	8,964	-34,081	
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	-17,915	8,964	-517,713	

Appendix 3 – Capital Programme

	Lead Officer	Funding												
		2023/24	2024/25	2025/26	2026/27	2027/28	Total	Loan	Section	Grant	Grant Funder	Capital Receipt	Reserves	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	106	£'000	e.g. Lottery	£'000	£'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
Cemeteries	John Bennett	0	0	0	0	0	0	0	0	0		0	0	0
Comm Facilities Investment - Selston Country Park	John Bennett	9	0	0	0	0	9	9	0	0		0	0	9
Demolition of Hucknall Toilets	Paul Parkinson	0	0	0	0	0	0	0	0	0		0	0	0
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) (1)	Paul Parkinson	0	0	0	0	0	0	0	0	0		0	0	0
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	1,500	523	0	0	0	2,023	210	0	1,301 PSDS3		0	512	2,023
In District Regeneration	John Bennett	3,000	0	0	0	0	3,000	2,500	0	0		0	500	3,000
Lammas Leisure Centre carbon reduction	John Bennett	50	119	0	0	0	169	0	0	169 Sport England - Swimming Pool support fund		0	0	169
New Kirkby Leisure Centre - Fixtures, Fittings and Equipment	John Bennett	349	0	0	0	0	349	349	0	0		0	0	349
Lammas Leisure Centre - Fixtures, Fittings and Equipment	John Bennett	0	0	0	0	0	0	0	0	0		0	0	0
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 Car Park Expansion	John Bennett	0	0	0	0	0	0	0	0	0		0	0	0
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	95	0	0	0	0	95	0	6	0		0	89	95
Market Stalls	John Bennett	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	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	83
Northern Depot Office Rationalisation and Wireless CCTV Infrastructure	Paul Parkinson	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	0	0	0	0	0	0	0	0	0		0	0	0
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	0	0	0	0	0	0	0	0	0		0	0	0
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	Paul Parkinson	1,384	1,566	4,500	4,750	5,000	17,200	17,200	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	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
Solar Panels - Northern Depot	Paul Parkinson	0	0	0	0	0	0	0	0	0		0	0	0
Switch Network Hardware	Craig Bonar	13	0	0	0	0	13	13	0	0		0	0	13
											DLUHC £46,628k, LTA£108k, HLF £45k, Football Foundation £1,950k and ATTFE Sutton Academy Trust £264k	0	0	68,872
Towns Fund Projects	John Bennett	13,408	41,315	14,149	0	0	68,872	19,454	424	48,994		0	0	68,872
											EMG Homes £4k, J Tomlinson £2k and £4k Trees for Cities	0	0	184
Towns Fund Accelerated Funding Projects	John Bennett	184	0	0	0	0	184	184	0	0		0	0	184
Tree Planting and Habitat Improvements, Ashfield-Wide	John Bennett	42	0	0	0	0	42	0	32	10		0	0	42
Urban Road Offices (PSDS3)	Paul Parkinson	1,175	500	0	0	0	1,675	457	0	666	PSDS3	552	0	1,675
Vehicle Tracking Scheme	Paul Parkinson	5	0	0	0	0	5	5	0	0		0	0	5
											ATTFE Sutton Academy Trust £100k	0	0	2,255
Future High Street Funding Schemes														
Sutton Academy Community Theatre/Cinema	John Bennett	155	2,100	0	0	0	2,255	2,155	0	100		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	1,452
Low Street vacant units	John Bennett	1,230	0	0	0	0	1,230	1,230	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		31,943	53,320	19,819	5,860	6,110	117,052	52,807	634	60,899		1,608	1,104	117,052

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	790	701	701	701	701	3,594
Catch up and Major Repairs	Paul Parkinson	1,225	10,005	12,455	11,195	9,727	44,607
Service Improvements	Paul Parkinson	909	3,780	3,168	2,963	2,772	13,592
Contingent Major Repairs	Paul Parkinson	42	105	168	102	140	557
Exceptional Extensive Works	Paul Parkinson	40	70	2,170	990	20	3,290
Surveys	Paul Parkinson	300	170	0	0	0	470
Disabled Adaptations	Paul Parkinson	686	460	410	450	450	2,456
Grand Total		3,992	15,291	19,072	16,401	13,810	68,566
Other Housing Revenue Account Schemes							
Afghan Resettlement Scheme	Paul Parkinson	847	177	0	0	0	1,024
Retrofit Infill Properties	Paul Parkinson	80	504	0	0	0	584
Community Centres New Housing Scheme	Paul Parkinson	50	795	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	1,574	1,428	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	0	0	0	0	0	0
Housing Vehicles	Paul Parkinson	368	423	487	560	644	2,482
Major Repairs Temporary Accommodation	Paul Parkinson	5	88	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	0	0	0	0	0
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	Paul Parkinson	4	0	0	0	0	4
Warwick Close, Kirkby-in-Ashfield	Paul Parkinson	4,688	31	0	0	0	4,719
Grand Total		9,295	6,769	2,041	2,114	2,199	22,418
Total Housing Revenue Account		13,287	22,060	21,113	18,515	16,009	90,984

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	£'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	52	Lawn Tennis association		0	0	260
Total Sutton Area		224	208	0	0	0	432	0	328	91			4	9	432

Appendix 3 - Capital Programme

Area Capital Schemes

	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
<u>Kirkby Area</u>														
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 £'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
<u>Rural Area</u>														
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	111		64	9	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	7.85
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	-0.75

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	3.152
Capital Grants	14.623	17.049	6.053	21.153
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 December 2023 Actual External Debt
	£m	£m	£m	£m
Borrowing	217	91	215	97

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 December 2023 Actual External Debt
	£m	£m	£m	£m
Borrowing	188	91	187	97

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 December 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.