

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>16<sup>TH</sup> SEPTEMBER 2024</b>
<b>Heading:</b>	<b>2024/25 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT JULY 2024</b>
<b>Executive Lead Member:</b>	<b>EXECUTIVE LEAD MEMBER FOR FINANCE, REVENUES AND BENEFITS – CLLR RACHEL MADDEN</b>
<b>Ward/s:</b>	<b>ALL</b>
<b>Key Decision:</b>	<b>YES</b>
<b>Subject to Call-In:</b>	<b>YES</b>

## **Purpose of Report**

To summarise the Council's forecast financial outturn position to 31 March 2025 compared to the latest approved budgets for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The forecast financial outturn is based on the actual financial activity to 31 July 2024 and forecast costs and income from 1 August 2024 to 31 March 2025.

## **Recommendation(s)**

Cabinet is requested:

- (1) To note the current forecast outturn for the General Fund, Housing Revenue Account (HRA) and Capital Programme for 2024/25.
- (2) To approve the reserve movements outlined in section 3.2.
- (3) To recommend to Council the amendments and the addition of new schemes to the Capital Programme 2024/25 to 2028/29 and the funding of the Capital Programme as set out in Section 6 and Appendix 3 of the report.
- (4) To note the monitoring of Prudential and Treasury Management indicators for 2024/25 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 2024 to July 2024 (General Fund and HRA)**

#### **1. Summary Budget for General Fund**

1.1 Table 1 below sets out the 2024/25 net revenue forecast outturn position based on actual income and expenditure to July 2024 and forecast income and expenditure from August 2024 to March 2025, compared to the current revised budget (based on original budget approved by Council on the 4<sup>th</sup> March 2024 and Council approved budget adjustments to 31st July 2024).

1.2 The current General Fund forecast is a £524k underspend compared to the budget.

**Table 1 - Net General Fund Revenue Forecast to 31 March 2025 by Directorate**

<b>General Fund</b>	<b>Original Budget</b>	<b>Forecast</b>	<b>Current Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Directorate</b>			
Chief Executive Officer	770	770	0
Governance	2,710	2,703	(7)
Transformation	1,052	1,142	90
Place	4,716	4,706	(10)
Operations	7,664	7,693	29
<b>Total Net Directorate Expenditure</b>	<b>16,913</b>	<b>17,014</b>	<b>101</b>
Net Recharges	(3,486)	(3,486)	0
Capital Financing	3,553	2,987	(566)
Net Interest Payable /(Receivable)	(135)	(71)	64
<b>Net Revenue Expenditure</b>	<b>16,844</b>	<b>16,444</b>	<b>(400)</b>
<b>Funding</b>	<b>(17,570)</b>	<b>(17,570)</b>	<b>0</b>
<b>Net Revenue Expenditure before transfer to(from) earmarked reserve</b>	<b>(726)</b>	<b>(1,126)</b>	<b>(400)</b>
Transfer to(from) earmarked reserve	726	602	(124)
<b>Net Revenue Expenditure after transfer to(from) earmarked reserve</b>	<b>0</b>	<b>(524)</b>	<b>(524)</b>

- 1.3 Appendix 1 provides details of the variances for each Directorate, Corporate Costs and Funding.
- 1.4 Appendix 2 provides details of the approved and forecast earmarked reserves movements as at 31 July 2024.
- 1.5 The projected overspend in the Transformation Directorate relates directly to the utilisation of agency in relation to the implementation of the new Finance system, Technology One. These costs will be covered through the Corporate Transformation Reserve.
- 1.6 The main reason for the projected underspend in the Place Directorate is vacancies in Community Safety, ASBO Case Officers and Regeneration.
- 1.7 The Operations Directorate projected overspend is mainly due to staff cost pressures and additional vehicle hire costs, largely mitigated by staff vacancies and reduced fuel costs.
- 1.8 The variances in Capital Financing Costs and Net Interest are mainly due to higher than expected interest receivable on investments and due to slippage on capital expenditure on schemes in the Capital Programme. This gives a projected net underspend of £502k.

## **2. General Fund Savings/Efficiencies Monitoring 2024/25**

- 2.1 The 2024/25 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 2024/25**

<b>Saving / Efficiency</b>	<b>Detail</b>	<b>Budgeted Saving</b>	<b>Forecast Achieved Saving</b>	<b>Forecast Saving Shortfall</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Council Wide Base Budget Review	Line by line review of all service budgets to realign to service budget requirements	486	486	0
Regeneration	Savings generated from the review of the Service during 2023/24	1	1	0
Revenues and Benefits	Renegotiated contract with CIVICA for the Revenues and Benefits system	82	82	0
	<b>Total</b>	<b>569</b>	<b>569</b>	<b>0</b>

2.2 The position outlined above shows that all of the £569k 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 Cabinet approval is requested for the following movement of reserves and corresponding budget adjustments.

**Table 3 – Reserves Movements 2024/25**

<b>Budget Contributed to:</b>	<b>Reserve movement from:</b>	<b>£'000</b>
Asset Management	Asset Management and Renewal	45
Operations - Environment	Asset Management and Renewal	13
Asset Management/IT	Asset Management and Renewal	14
Assets – Depot Garage	Asset Management and Renewal	25
Parks and Open Spaces	Asset Management and Renewal	15
Markets	Asset Management and Renewal	4
Governance	Corporate Transformation	8

3.3 The withdrawals from the Asset Management and Renewal Reserve are to fund:

- £45k for asbestos management reports for non-domestic assets;
- £13k to carry out bridge inspections at Skegby Link;
- £14k to replace the uninterruptable power supply to the ICT Server Room;
- £25k to replace the Depot Garage ramp;
- £15k to upgrade sports facilities locking system;
- £4k to purchase a scrubber/drier for Idlewells Market.

The £8k withdrawal from the Corporate Transformation Reserve is to extend the honoraria payment within Governance for six months.

#### 4. Summary for Housing Revenue Account (HRA)

- 4.1 Table 4 sets out the 2024/25 HRA forecast outturn position based on actual income and expenditure to July 2024 and forecast income and expenditure from August 2024 to March 2025, 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 2025**

Description	2024/25 Revised Budget £'000	2024/25 Forecast Outturn £'000	Current Forecast Variance £'000
<b>Income</b>			
Rents, Charges and Contributions	(30,581)	(30,681)	(100)
Interest and investment income	(700)	(1,700)	(1,000)
<b>Total Income</b>	<b>(31,281)</b>	<b>(32,381)</b>	<b>(1,100)</b>
<b>Expenditure</b>			
Repairs and Maintenance	9,412	9,412	0
Supervision and Management	5,517	5,536	19
Interest payable and similar charges	3,548	3,548	0
Rents, Rates, Taxes and other charges	176	176	0
Depreciation and impairments of fixed assets	4,692	4,692	0
Debt Management Costs	44	44	0
Contribution to the Bad Debt Provision	200	200	0
Transfer to Major Repairs Reserve	8,722	4,165	(4,557)
Capital expenditure funded by the HRA	4,736	4,590	(146)
<b>Total Expenditure</b>	<b>37,047</b>	<b>32,363</b>	<b>(4,684)</b>
<b>Net Cost of HRA Services</b>	<b>5,766</b>	<b>(18)</b>	<b>(5,784)</b>

#### 4.3 Interest and Investment Income

Interest rates have remained high in the banking sector in the first half of the year producing a high interest return on the HRA balances. Currently forecasting an increase of £1.0m which allows for a drop in the interest rates going forward.

#### 4.4 Supervision and Management

The annual regulatory fee to the Ombudsman has increased by £19k.

#### 4.5 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 2024/25 due to delayed works on Capital Programme schemes due to the onboarding of a new major repairs contractor.

#### 4.6 Capital Expenditure Funded by the HRA

Capital expenditure funded by the HRA is forecast lower than budget due to reduced estimates of costs on the new build expenditure.

### 5 HRA Savings/Efficiencies 2024/25

5.1 The 2024/25 HRA budget included no proposed savings and efficiencies.

### 6. Capital Programme 2024/25 to 2028/29

6.1 The proposed Capital Programme and funding is summarised in Table 5 below. Appendix 3 shows a detailed breakdown of all the schemes below.

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

**Table 5 – Capital Programme (2024/25 to 2028/29)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Capital Expenditure</b>						
Area Schemes	848	0	0	0	0	848
General Fund	78,672	19,819	5,860	6,110	1,110	111,571
Housing Revenue Account	17,871	22,365	19,904	18,442	17,541	96,123
<b>Grand Total</b>	<b>97,391</b>	<b>42,184</b>	<b>25,764</b>	<b>24,552</b>	<b>18,651</b>	<b>208,542</b>
<b>Capital Financing</b>						
Developers Contributions - Area Schemes	764	0	0	0	0	764
Reserves	7	0	0	0	0	7
Capital Receipts	4	0	0	0	0	4
Other Capital Grants and Contributions - Area Schemes	73	0	0	0	0	73
<b>Sub Total - Area Schemes</b>	<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>
Prudential Borrowing - General Fund	19,623	18,709	4,750	5,000	0	48,082
Direct Revenue Financing - General Fund	1,015	0	0	0	0	1,015
Developers Contributions - General Fund	752	0	0	0	0	752
Capital Receipts	1,232	0	0	0	0	1,232
Other Capital Grants and Contributions - General Fund	56,050	1,110	1,110	1,110	1,110	60,490
<b>Sub Total - General Fund</b>	<b>78,672</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>1,110</b>	<b>111,571</b>
Funded from HRA Reserves	13,788	20,648	18,524	17,062	16,161	86,183
Homes England	621	337	0	0	0	958
Social Housing	961	0	0	0	0	961
Decarbonisation Fund 2						
Local Authority Housing Fund - second funding round	293	0	0	0	0	293

Nottingham City Council Retrofit	578	0	0	0	0	578
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	751	500	500	500	500	2,751
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
<b>Sub Total - HRA</b>	<b>17,871</b>	<b>22,365</b>	<b>19,904</b>	<b>18,442</b>	<b>17,541</b>	<b>96,123</b>
<b>Grand Total</b>	<b>97,391</b>	<b>42,184</b>	<b>25,764</b>	<b>24,552</b>	<b>18,651</b>	<b>208,542</b>

### Area Capital Programme

6.2 These consist of mainly self-financed schemes that enhance the local environment. Developers' contributions (known as Section 106 funding) make up the largest funding source. Additional grant funding is sought wherever possible to maximise the benefit to local communities. Area schemes are included in Table 6.

**Table 6 – Area Schemes (2024/25 to 2028/29)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Area</b>						
Hucknall Area	31	0	0	0	0	31
Kirkby Area	261	0	0	0	0	261
Sutton Area	387	0	0	0	0	387
Rural Area	60	0	0	0	0	60
Skegby Area	109	0	0	0	0	109
<b>Total</b>	<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>
<b>Funded by</b>						
Capital Receipts	4	0	0	0	0	4
Lawn Tennis Association	63	0	0	0	0	63
Nottinghamshire County Council (NCC)	10	0	0	0	0	10
Reserves	7	0	0	0	0	7
Section 106	764	0	0	0	0	764
<b>Total</b>	<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>

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)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Approved Area Schemes</b>	<b>413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>413</b>
Changes to Hucknall Area Schemes	15	0	0	0	0	15
Changes to Sutton Area Schemes	179	0	0	0	0	179
Changes to Kirkby Area Schemes	72	0	0	0	0	72
Changes to Rural Area Schemes	60	0	0	0	0	60
Changes to Skegby Area Schemes	109	0	0	0	0	109
<b>Proposed Area Schemes to be Approved</b>	<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>

**Table 8 – Area Schemes (changes to budget – by scheme)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Hucknall Area</b>						
Washdyke Recreation Ground	-1	0	0	0	0	-1
<b>Sub Total</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>
<b>Sutton Area</b>						
Roundhill Recreation Ground	9	0	0	0	0	9
Sutton Lawn Management Plan	43	0	0	0	0	43
Huthwaite Welfare Park	52	0	0	0	0	52
Kingsmill Reservoir Management Plan: Implementation Works	6	0	0	0	0	6
<b>Sub Total</b>	<b>110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>
<b>Kirkby Area</b>						
Kingsway Park: implementation of Management Plan	-34	0	0	0	0	-34
<b>Sub Total</b>	<b>-34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-34</b>
<b>Grand Total</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>

### 6.3 Changes to Existing Area Projects

Table 8 above shows proposed changes compared to budget. The actual allocation for each project is shown at Appendix 3.

Table 9 below shows new Area Projects since the budget was approved.



**Table 9 – Area Schemes New Projects**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Nabbs Lane Park	16	0	0	0	0	16
Papplewick Sports pitches Equipment'	60	0	0	0	0	60
Biodiversity Net Gain Projects	69	0	0	0	0	69
Annesley Green Space	106	0	0	0	0	106
Healdswood Recreation Ground	109	0	0	0	0	109
<b>Grand Total</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>360</b>

**Table 10 - Area Schemes Summary Reconciliation of Current Capital Programme to Proposed July 2024 Capital Programme**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>March 2024 Capital Programme</b>	<b>413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>413</b>
Changes to Current Projects	75	0	0	0	0	75
New Schemes	360	0	0	0	0	360
<b>Proposed July 2024 Capital Programme</b>	<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Changes to Current Projects</b>						
Idlewells Market Hall	9	0	0	0	0	9
Vehicle Tracking Scheme	5	0	0	0	0	5
Hucknall Car Park - Titchfield Street	115	0	0	0	0	115
Kirkby Leisure Centre	621	0	0	0	0	621
Officers' IT for Agile Working (General Fund)	5	0	0	0	0	5
Members' IT	37	0	0	0	0	37
SAN Hardware	0	0	0	0	0	0
New Servers	-20	0	0	0	0	-20
External health and safety works required for the Urban Road office	12	0	0	0	0	12
Green Space Improvements	7	0	0	0	0	7

Tree Planting and Habitat Improvements, Ashfield-Wide	34	0	0	0	0	34
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	296	0	0	0	0	296
Hucknall Leisure Centre - New Pool	262	0	0	0	0	262
Depot Roof	364	0	0	0	0	364
Green Homes Grant (GF) (2)	37	0	0	0	0	37
Safer Streets	31	0	0	0	0	31
Community Facilities Investment - Selston Country Park	3	0	0	0	0	3
In District Regeneration	3,000	0	0	0	0	3,000
Lindley's Windmill Roof	5	0	0	0	0	5
Safer Streets for Kirkby	81	0	0	0	0	81
Hucknall Leisure Centre (PSDS3)	196	0	0	0	0	196
Urban Road Offices (PSDS3)	336	0	0	0	0	336
Hucknall Leisure Centre Car Park Extension	744	0	0	0	0	744
Rapid Deployable CCTV Cameras and Installation	30	0	0	0	0	30
Lammas Leisure Centre carbon reduction	50	0	0	0	0	50
Improvement Grants 1996 Act Disabled Facility Grant	253	0	0	0	1,110	1,363
Purchase of Vehicles	-6	0	0	0	0	-6
Kings Mill Reservoir (The King and Miller to Kingfisher)	103	0	0	0	0	103
Public Space Protection Order and other UKSPF funded schemes	205	0	0	0	0	205
Towns Fund Projects	7,759	0	0	0	0	7,759
Urban Road Offices (PSDS3)	85	0	0	0	0	85
<b>Future High Street Funding Schemes</b>						
Sutton Academy Community Theatre/Cinema	35	0	0	0	0	35
Sutton Maker Space and Business Hub	153	0	0	0	0	153
Low Street vacant units	652	0	0	0	0	652
Fox Street pop-up food court and car park	485	0	0	0	0	485
<b>Grand Total</b>	<b>15,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,110</b>	<b>17,094</b>

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

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

**Table 12 – New General Fund Schemes**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>New Projects</b>						
LUF Hucknall Programme	9,281	0	0	0	0	9,281
Desktop Refresh	87	0	0	0	0	87
<b>Grand Total</b>	<b>9,368</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,368</b>

**Table 13 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed July 2024 Capital Programme**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Current March 2024 Capital Programme</b>	<b>53,320</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>0</b>	<b>85,109</b>
Changes to Current Projects	15,984	0	0	0	1,110	17,094
New Projects	9,368	0	0	0	0	9,368
<b>Proposed July 2024 Capital Programme</b>	<b>78,672</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>1,110</b>	<b>111,571</b>

**Table 14 – General Fund – Financing of the Capital Programme**

The table below shows the changes in financing required to move from the existing Capital Programme to the proposed 2024/25 – 2028/29 Capital Programme.

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>March 2024 Capital Programme</b>	<b>53,320</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>1,110</b>	<b>86,219</b>
Capital Grants	21,042	-3,858	0	0	0	17,184
Capital Receipts	1,079	0	0	0	0	1,079
Direct Revenue Financing - General Fund	702	0	0	0	0	702
Prudential Borrowing	1,777	3,858	0	0	0	5,635
Developers Contributions - General Fund	752	0	0	0	0	752
<b>Proposed July 24 Capital Programme</b>	<b>78,672</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>1,110</b>	<b>111,571</b>

## 6.8 Housing Revenue Account (HRA) Capital Programme

Key changes to existing schemes are as follows:

- **Decent Homes Schemes** – The Capital Programme now includes estimated expenditure for 2028/29. There is a significant reduction in the budget for 2024/25 which is primarily due to the delay with the onboarding of the new major works contractor.
- **Central Avenue New Housing Scheme** – Budget has been amended to match agreed developer's payment schedule. Work commenced in June.
- **Community Centres New Housing Scheme** - Currently waiting on planning approval and has been reprofiled.
- **Afghan Resettlement Scheme** – Carryover funding from previous financial year.

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

**Table 15 – Housing Revenue Account (changes to budget)**

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
<b>Expenditure Approved</b>	<b>22,060</b>	<b>21,113</b>	<b>18,515</b>	<b>16,009</b>	<b>0</b>	<b>77,697</b>
<b>Changes to Current Projects</b>						
<b>Decent Home Schemes</b>						
Management Fee	0	0	0	0	701	<b>701</b>
Catch up and Major Repairs	-5,819	176	1,030	1,928	11,476	<b>8,791</b>
Service Improvements	514	782	820	936	3,650	<b>6,702</b>
Contingent Major Repairs	-20	-48	15	0	140	<b>87</b>
Exceptional Extensive Works	910	-727	0	0	20	<b>203</b>
Surveys	10	-30	-20	70	0	<b>30</b>
<b>Sub Total</b>	<b>-4,405</b>	<b>153</b>	<b>1,845</b>	<b>2,934</b>	<b>15,987</b>	<b>16,514</b>
<b>Other Housing Revenue Account Schemes</b>						
Disabled Adaptations	155	0	0	0	500	<b>655</b>
Green Homes Grant (HRA) (1)	4	0	0	0	0	<b>4</b>
Davies Avenue Housing Project - Frog Hopper Lane	25	0	0	0	0	<b>25</b>
Vehicle Tracking Scheme	4	0	0	0	0	<b>4</b>
Retrofit Infill Properties	74	0	0	0	0	<b>74</b>
Major Repairs Temporary Accommodation	5	0	0	0	54	<b>59</b>
Investment in New or Existing Dwellings	73	-501	-501	-501	1,000	<b>-430</b>
Warwick Close, Kirkby-in- Ashfield	-31	0	0	0	0	<b>-31</b>
Community Centres New Housing Scheme	613	0	0	0	0	<b>613</b>

Warwick Close, Kirkby-in-Ashfield	88	0	0	0	0	88
Central Avenue New Housing Scheme	-1,207	1,600	45	0	0	438
Afghan Resettlement Scheme	373	0	0	0	0	373
Housing Vehicles	4	0	0	0	0	4
Officers' IT for Agile Working (HRA)	36	0	0	0	0	36
<b>Sub Total</b>	<b>216</b>	<b>1,099</b>	<b>-456</b>	<b>-501</b>	<b>1,554</b>	<b>1,912</b>
<b>Grand Total</b>	<b>17,871</b>	<b>22,365</b>	<b>19,904</b>	<b>18,442</b>	<b>17,541</b>	<b>96,123</b>
<b>Capital Funding</b>						
Funded from HRA Reserves	13,788	20,648	18,524	17,062	16,161	86,183
Homes England	621	337	0	0	0	958
Social Housing Decarbonisation Fund 2	961	0	0	0	0	961
Local Authority Housing Fund - second funding round	293	0	0	0	0	293
Nottingham City Council Retrofit	578	0	0	0	0	578
Future 1-4-1 Capital Receipts Funding Recently Built and New Schemes	751	500	500	500	500	2,751
Non 1-4-1 Capital Receipts	880	880	880	880	880	4,400
<b>Total Capital Funding</b>	<b>17,871</b>	<b>22,365</b>	<b>19,904</b>	<b>18,442</b>	<b>17,541</b>	<b>96,123</b>

## 6.9 Additional Capital Scheme and Increased cost to an Approved Scheme

### 6.9.1 Operational services and depot

The Council's depot is the base for a number of frontline operational services including waste and recycling collection, grounds maintenance and housing repairs. Since the buildings at the depot were originally constructed several decades ago, the delivery of these services has changed considerably. Some of the current buildings on site are no longer fit for purpose and cannot be safely maintained any further. There is a need to invest in the site to ensure the Council can continue to deliver statutory and essential services for local residents.

The Council has looked at a number of options for investment. The aims of this investment are to future-proof the delivery of operational services to residents, saving money in the long-term by reducing costs of operating the depot, and reducing the carbon impact of the site. One option considered has looked at whether these services should be moved to an alternative location in the District. However, moving them to another location would involve a significantly high cost (estimated at least £15-20million) as there would be a need to purchase land, construct new buildings and transfer a number of licences which are required to operate the site. This option has therefore been discounted. A second option explored the interest from other Councils in the area in having a shared depot, either in Ashfield or nearby. No other Council was interested in exploring this, so this option was also discounted. A further option has been considered which would involve the

demolition of the two current main buildings on the site and replacing them with a new single building. This new building would be constructed to a high standard of environmental sustainability which would help reduce energy costs of operating the site. However, it would come with a high upfront construction cost (estimated at £10-15million) which would not necessarily be covered by the reduction in energy costs.

The preferred option is to adopt a phased approach to investment in the site. The first phases of this work would involve the construction of a new building for the neighbourhood services teams and a replacement electricity substation on the site. The new building for neighbourhood services is required as the current building is at the end of its useable life and is no longer fit for purpose. Structural engineers have directed that the current building cannot be used beyond December 2025. There are also imminent, significant changes to the provision of waste and recycling collection services provided by the Council, as set out in the separate report to Cabinet on 16<sup>th</sup> September. Constructing a new building will also ensure that energy costs are reduced and this money will, over time, pay back the investment needed in providing the new building and put more resources into operational services. Plans for this new building have been developed and a planning application will be submitted in September. The cost of constructing this new building and the associated works required for drainage will be £6.667million.

As part of this phase of works, the Council has been working with Vision West Notts College (VWNC) to look at whether it will be feasible to bring their learners onto the depot site to gain practical experience and see firsthand how Council services operate. In constructing a new neighbourhood services building, an additional facility is proposed to be added which will allow VWNC to train learners in vehicle maintenance. This will work alongside the Council's own fleet management service. Additionally, plans are being developed for VWNC to provide civil engineering training on the depot site. This is part of the Towns Fund regeneration programme. The Council is keen to work with VWNC to bring these facilities onto the depot site as it will provide significant benefits for local residents who are learners and will also provide opportunities to train the future Council workforce. An estimated cost of the construction of the vehicle maintenance facility is included in the £6.667million for the new building. An agreement will be reached with VWNC to ensure that any elements of the new building relating to their provision will be covered financially by them.

As the Council's transport fleet is renewed, opportunities are taken to reduce the emissions from Council vehicles. This has led to an increase in the number of electric vehicles used by the Council such as street sweepers, refuse collection vehicles and vans. The electricity infrastructure at the depot is dated and not able to accommodate the increase in electricity consumption from the charging of these cleaner, electric vehicles. Therefore, to ensure that the Council is able to continue the decarbonisation of the fleet and work towards achievement of Carbon Net Zero, investment is required in infrastructure at the depot. In particular a new electricity substation is required which will be able to sufficiently charge the electric vehicles for the current fleet and those planned to come during the next few years. The cost of this investment will be £1.101 million.

Further work at the depot will be brought forward in a second phase of activity which will include demolition of the current neighbourhood services building, new acoustic fencing to reduce the noise impact of the site on local residents, flood mitigation and drainage infrastructure. The cost of these investments will be £1.655 million.

Whilst this represents a significant investment in the depot, and the initial ask is to fund these requirements from the Council's capital budget, opportunities to bring in external funding to support the delivery of these works will be explored wherever available. This includes contributions from VWNC but could also include Government grants or funding from the East Midlands Combined

County Authority. The aim will be to reduce the requirement on the Council's capital budget and support the delivery of essential operational Council services, critical to our residents.

The total estimated net capital cost of these works is £7.066m which includes the required contribution from VWNC. It is proposed that this is added to the Council's capital programme and at this stage it is to be funded through borrowing. However, the Council will continue to explore all potential sources of external funding and as these materialise updates to the Capital Programme will reflect this additional income to ensure Cabinet and Council remain aware of the latest position.

Subject to Council approval, this will be included in the next Capital Programme update.

#### 6.9.2 Approved Scheme – Public Sector Decarbonisation Scheme (PSDS)

The Council remains committed to continue to deliver works to help reduce carbon emissions and move towards Carbon Net Zero. There are currently two Decarbonisation Schemes included in the approved Capital Programme (Hucknall Leisure Centre and Urban Road Offices) to a value of £3.828m, £2.012m (53%) is externally grant funded. The current cost estimate is now £4.186m. It is proposed that this increase (£358k) is added to the Capital Programme and will be funded through Prudential Borrowing.

The final costs of these schemes is currently being determined and will be known by the end of September. If these differ to the above £4.186m, any variation will be reported to Cabinet/Council in the next Financial Monitoring Report for consideration and approval.

### 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 and will also be included in future monitoring reports.

7.2 Detailed information on the indicators including original and revised indicators for 2024/25 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 28/08/2024]

**Finance:** As set out in the body of this report and the appendices. [PH 04/09/2024].

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:**

<b>Risk</b>	<b>Mitigation</b>
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 29/08/2024]

### **Environmental/Sustainability**

No implications

### **Equalities:**

No implications

### **Background Papers**

Annual Budget and Council Tax 2024/25 and Medium-Term Financial Strategy Update to Council  
4<sup>th</sup> March 2024

Draft Outturn Report 2023/24 to Cabinet 16<sup>th</sup> September 2024

### **Report Author and Contact Officer**

**Andrew Page**

**Financial Services Manager**

**Email: [Andrew.page@ashfield.gov.uk](mailto:Andrew.page@ashfield.gov.uk)**

**Tel: 01623 457503**

### **Sponsoring Director**

**Craig Bonar**

**Executive Director - Transformation**

**Email: [Craig.Bonar@ashfield.gov.uk](mailto:Craig.Bonar@ashfield.gov.uk)**

**Tel: 01623 457203**



<b>Directorate:</b>	<b>Chief Executive's Department</b>		
<b>Forecast as at:</b>	<b>31/07/2023</b>		
<b>Service Area</b>	<b>Forecast Underspend OR Income over-recovery (-) £'000</b>	<b>Forecast Overspend OR Income under-recovery (+) £'000</b>	<b>Key reasons for forecast variance</b>
No forecast variances			
Total	0	0	
Net Forecast Under/Overspend	0		

<b>Directorate:</b>	<b>Governance</b>		
<b>Forecast as at:</b>	<b>31/07/2024</b>		
	<b>Forecast Underspend OR Income over-recovery (-)</b>	<b>Forecast Overspend OR Income under-recovery (+)</b>	<b>Key reasons for forecast variance</b>
<b>Service Area</b>	<b>£'000</b>	<b>£'000</b>	
Multiple areas	-7		Multiple small underspends
Total	-7	0	
Net Forecast -Under/+Overspend	-7		

<b>Directorate:</b>	<b>Transformation</b>		
<b>Forecast as at:</b>	<b>31/07/2024</b>		
	<b>Forecast Underspend OR Income over-recovery (-)</b>	<b>Forecast Overspend OR Income under-recovery (+)</b>	<b>Key reasons for forecast variance</b>
<b>Service Area</b>	<b>£'000</b>	<b>£'000</b>	
Digital Services		55	Agency Costs associated with a range of activities covered by reserves.
Financcail Services		35	Net staffing costs associated with implementing the new Finance system and covering a substantive post. Costs covered by reserves.
Total	0	90	
Net Forecast Under/Overspend	90		

<b>Directorate:</b>	<b>Place</b>		
<b>Forecast as at:</b>	<b>31/07/2024</b>		
	<b>Forecast Underspend OR Income over-recovery (- )</b>	<b>Forecast Overspend OR Income under- recovery (+)</b>	<b>Key reasons for forecast variance</b>
<b>Service Area</b>	<b>£'000</b>	<b>£'000</b>	
ASBO Case Officers	-3		Net saving from staff costs as a result of vacancies
Community Safety	-5		Net saving from staff costs as a result of vacancies
Regeneration	-2		Net saving from staff costs as a result of vacancies
Total	-10	0	
Net Forecast Under/Overspend	-10		

Directorate:

Operations

Forecast as at:

31/07/2024

Service Area	Forecast Underspend OR Income over-recovery (-) £'000	Forecast Overspend OR Income under-recovery (+) £'000	Key reasons for forecast variance
Operations Director	-20		Vacancy saving
Garage Workshop	-18		Vacancy saving
	-2		Sale of Vehicles under £10k
Waste Services	-29	55	Fuel Costs - current fuel prices less than budget figure Reconfiguration of waste rounds now in progress to increase efficiency and reduce the additional cost pressures. 20 Additional vehicle hire 10 Increase in Trade Refuse disposal costs 11 Additional new bin purchases 2 Increased cost of vehicle insurance
Neighbourhood Services	-18	20	Increased Developer contributions, new developments added in year 2024/25
	-12	25	Fuel Costs - current fuel prices less than budget figure Cemeteries - reduced income compared to budget to date Additional agency and overtime staff costs
Asset Management	-15		Vacancy Savings
Total	-114	143	
Net Under/Overspend	29		

Corporate Costs	Corporate Costs		
Forecast as at:	31/07/2024		
	Forecast Underspend OR Income over-recovery (- ) £'000	Forecast Overspend OR Income under-recovery (+) £'000	Key reasons for forecast variance
Service Area			
Loan Interest Payable	-908		It was assumed borrowing would be required in 2023/24. This was not required due capital programme slippage.
Minimum Revenue Provision	-673		As borrowing is not required, MRP is reduced. It has also reduced due to switch funding and programme slippage.
Direct Revenue Financing		1,015	Huknall Leisure Centre PSDS3 £509k; In District Regeneration £500k; Lindley's Windmill Roof £5k; Towns Fund Projects £1k
Net Interest Payable/Receivable		64	Interest received/paid recalculated and extrapolated for full year. This will require review as year progresses.
	-1,581	1,079	
Net Forecast Under/Overspend	-502		



<b>Statement of Movement on Reserves</b>							
<b>Service Earmarked Reserve</b>	<b>Opening Balance at 1st April 2024</b>	<b>Approved Contributions</b>	<b>Approved Withdrawals</b>	<b>Approved Balance as at 31 July 2024</b>	<b>Requiring Approval Contributions</b>	<b>Requiring Approval Withdrawals</b>	<b>Closing Balance as at 31 March 2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>			<b>£</b>
<b>Earmarked Reserves</b>							
Elections	(55,858)	(54,000)	0	(109,858)	0	0	(109,858)
Insurance Related Funds (Inc Risk Mngt)	(375,815)	(75,000)	0	(450,815)	0	0	(450,815)
Revenue Grant Reserve	(3,807,810)	0	0	(3,807,810)	0	0	(3,807,810)
District Planning Enquiry Fund	(120,140)	0	0	(120,140)	0	0	(120,140)
Asset Renewal	(600,060)	0	0	(600,060)	0	116,000	(484,060)
Leisure Maintenance Reserve	(1,900,519)	(494,000)	0	(2,394,519)	0	0	(2,394,519)
NNDR Equalisation Reserve	(5,982,109)	0	1,209,000	(4,773,109)	0	0	(4,773,109)
Supported Housing Trading Fund	(53,376)	0	0	(53,376)	0	0	(53,376)
Corporate Change Reserve	(838,551)	(150,000)	0	(988,551)	0	8,000	(980,551)
Commercial Property Investment Reserve	(4,400,000)	0	0	(4,400,000)	0	0	(4,400,000)
Economic Development and Place Reserve	(225,350)	0	0	(225,350)	0	0	(225,350)
Joint Crematorium Reserve	(642,139)	0	0	(642,139)	0	0	(642,139)
Selective Licencing	(138,044)	0	0	(138,044)	0	0	(138,044)
Licensing Reserve	(271,087)	0	0	(271,087)	0	0	(271,087)
Covid-19 Grant Reserve	0	0	0	0	0	0	0
Legal Reserve	(35,000)	(10,000)	0	(45,000)	0	0	(45,000)
Winter Maintenance Reserve	(20,000)	(5,000)	0	(25,000)	0	0	(25,000)
Commercial Property Dilapidations Reserve	(540,000)	(10,000)	0	(550,000)	0	0	(550,000)
IT Reserve	(25,000)	(10,000)	0	(35,000)	0	0	(35,000)
<b>Total Earmarked Reserves</b>	<b>(20,030,857)</b>	<b>(808,000)</b>	<b>1,209,000</b>	<b>(19,629,857)</b>	<b>0</b>	<b>124,000</b>	<b>(19,505,857)</b>
NNDR/Ctax S31 & Compensation Reserve	0	0	0	0	0	0	0
<b>General Reserve</b>	<b>-10,000,805</b>			<b>-10,000,805</b>	<b>0</b>	<b>0</b>	<b>-10,000,805</b>



<b>Statement of Movement on HRA Reserves</b>								
		<b>Approved</b>			<b>Forecast as at 31 July 2024</b>			
<b>Service Earmarked Reserve</b>	<b>Opening Balance 1 April 2024</b>	<b>Contributions</b>	<b>Withdrawals</b>	<b>Balance as at 31 July 2024</b>	<b>Contributions</b>	<b>Withdrawals</b>	<b>Forecast Closing Balance as at 31 March 2025</b>	<b>Forecast Comments</b>
HRA Revenue Grants Reserve	-53,424	0	10,000	-43,424	0	0	-43,424	No Change
HRA Eco Funding Reserve	-243,430	0	130,000	-113,430	0	0	-113,430	No Change
HRA Insurance Reserve	-156,905	-30,000	30,000	-156,905	0	0	-156,905	No Change
HRA Technology Investment	-25,566	0	25,566	0	0	0	0	No Change
HRA Welfare Reform Reserve	-90,399	0	50,000	-40,399	0	0	-40,399	No Change
<b>Total HRA Earmarked Reserves</b>	<b>-569,724</b>	<b>-30,000</b>	<b>245,566</b>	<b>-354,158</b>	<b>0</b>	<b>0</b>	<b>-354,158</b>	

**Appendix 3 - Capital Programme**

**General Fund Capital Schemes**

	Funding					Total	Loan	Section 106	Grant	Grant Funder e.g. Lottery	Capital Receipts	Reserves	Total
	2024/25	2025/26	2026/27	2027/28	2028/29								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>													
Ashfield Innovation and Technology Park	4,500	0	0	0	0	4,500	4,500	0	0		0	0	4,500
Comm Facilities Investment - Selston Country Park	3	0	0	0	0	3	3	0	0		0	0	3
Depot Roof	364	0	0	0	0	364	0	0	0		364	0	364
External health and safety works required for the Urban Road office	12	0	0	0	0	12	12	0	0		0	0	12
Firewalls	0	0	0	0	0	0	0	0	0		0	0	0
Flood Support Schemes	0	0	0	0	0	0	0	0	0	CLG	0	0	0
Green Space Improvements	6	0	0	0	0	6	0	6	0		0	0	6
Green Homes Grant (GF) (1)	0	0	0	0	0	0	0	0	0		0	0	0
Green Homes Grant (GF) (2)	37	0	0	0	0	37	0	0	37	Green Homes Grant	0	0	37
Hucknall Car Park - Titchfield Street	115	0	0	0	0	115	22	93	0		0	0	115
Hucknall Leisure Centre Car Park Extension	744	0	0	0	0	744	350	0	0		394	0	744
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	296	0	0	0	0	296	296	0	0		0	0	296
Hucknall Leisure Centre - New Pool	262	0	0	0	0	262	262	0	0		0	0	262
Hucknall Leisure Centre (PSDS3)	719	0	0	0	0	719	210	0	0	PSDS3	0	509	719
In District Regeneration	3,000	0	0	0	0	3,000	2,500	0	0		0	500	3,000
Lammas Leisure Centre carbon reduction	169	0	0	0	0	169	0	0	169	Sport England - Swimming Pool support fund	0	0	169
Idlewells Market Hall	9	0	0	0	0	9	9	0	0		0	0	9
Improvement Grants 1996 Act Disabled Facility Grant	1,465	1,110	1,110	1,110	1,110	5,905	0	0	5,905	BCF	0	0	5,905
IT Wiring Infrastructure	0	0	0	0	0	0	0	0	0		0	0	0
Kings Mill Reservoir (The King and Miller to Kingfisher)	103	0	0	0	0	103	18	0	85	NCC £67k, MDC £10k, Development (HLF) £0k, NCC ROW £3k & Donations £5k	0	0	103
Kirkby Leisure Centre	621	0	0	0	0	621	621	0	0	Sport England £0k	0	0	621
Lindley's Windmill Roof	5	0	0	0	0	5	0	0	0		0	5	5
Members' IT	37	0	0	0	0	37	37	0	0		0	0	37
New Servers	0	20	0	0	0	20	20	0	0		0	0	20
Officers' IT for Agile Working (General Fund)	45	40	0	0	0	85	85	0	0		0	0	85
Public Space Protection Order and other UKSPF funded schemes	205	0	0	0	0	205	0	0	195	£25k Safer Streets, £165k UKSPF and £5k PCC	10	0	205
Purchase of Vehicles	1,560	4,500	4,750	5,000	0	15,810	15,810	0	0		0	0	15,810
Rapid Deployable CCTV Cameras and Installation	30	0	0	0	0	30	0	0	30	PCC	0	0	30
SAN Hardware	0	0	0	0	0	0	0	0	0		0	0	0
Safer Streets	31	0	0	0	0	31	0	0	31	Notts PCC	0	0	31
Safer Streets for Kirkby	81	0	0	0	0	81	0	0	81	Notts PCC	0	0	81
Discovery Centre and Planetarium	1,425	0	0	0	0	1,425	0	0	1,425	DLUHC	0	0	1,425
Switch Network Hardware	0	0	0	0	0	0	13	0	0		0	0	13
Desktop Refresh	87	0	0	0	0	87	87	0	0		0	0	87
Towns Fund Projects	48,905	14,149	0	0	0	63,054	19,454	558	43,041	DLUHC £40.674k, LTA £108k, HLF £45k, Football Foundation £1,950k and ATTFE Sutton Academy Trust £264k	0	1	63,054
Towns Fund Accelerated Funding Projects	170	0	0	0	0	170	170	0	0		0	0	170
Tree Planting and Habitat Improvements, Ashfield-Wide	34	0	0	0	0	34	0	24	10	EMG Homes £4k, J Tomlinson £2k and £4k Trees for Cities	0	0	34
Urban Road Offices (PSDS3)	921	0	0	0	0	921	457	0	0	PSDS3	464	0	921
Vehicle Tracking Scheme	5	0	0	0	0	5	5	0	0		0	0	5
LUF Hucknall Programme	9,281	0	0	0	0	9,281	0	0	9,281	LUF	0	0	9,281
<b>Future High Street Funding Schemes</b>													
Sutton Academy Community Theatre/Cinema	2,135	0	0	0	0	2,135	2,135	0	0	ATTFE Sutton Academy Trust £100k	0	0	2,135
Sutton Maker Space and Business Hub	153	0	0	0	0	153	153	0	0	FHSF £663 + Town Fund £587 (Used in 23-24)	0	0	153
Low Street vacant units	652	0	0	0	0	652	652	0	0		0	0	652
Fox Street pop-up food court and car park	485	0	0	0	0	485	214	71	200	DLUHC £200k	0	0	485
<b>Total General Fund</b>	<b>78,672</b>	<b>19,819</b>	<b>5,860</b>	<b>6,110</b>	<b>1,110</b>	<b>111,571</b>	<b>48,095</b>	<b>752</b>	<b>60,490</b>		<b>1,232</b>	<b>1,015</b>	<b>111,484</b>

## Appendix 3 - Capital Programme

### Housing Revenue Account Capital Schemes

#### Housing Revenue Account

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000		£'000
<b>HOUSING REVENUE ACCOUNT</b>						
<b>Decent Homes Schemes</b>						
Management Fee	701	701	701	701	701	3,505
Catch up and Major Repairs	4,184	12,631	12,225	11,655	11,476	52,171
Service Improvements	4,294	3,950	3,783	3,708	3,650	19,385
Contingent Major Repairs	85	120	117	140	140	602
Exceptional Extensive Works	980	1,413	970	20	20	3,403
Surveys	180	0	0	70	0	250
Disabled Adaptations	615	410	450	450	500	2,425
<b>Grand Total</b>	<b>11,039</b>	<b>19,225</b>	<b>18,246</b>	<b>16,744</b>	<b>16,487</b>	<b>81,741</b>
<b>Other Housing Revenue Account Schemes</b>						
Affordable Housing Developments Sutton In Ashfield	0	0	0	0	0	0
BEIS Social Housing Decarbonisation Fund	0	0	0	0	0	0
Afghan Resettlement Scheme	550	0	0	0	0	550
Retrofit Infill Properties	578	0	0	0	0	578
Community Centres New Housing Scheme	1,408	0	0	0	0	1,408
Central Avenue New Housing Scheme	2,000	1,600	45	0	0	3,645
Investment in New or Existing Dwellings	1,501	1,000	1,000	1,000	1,000	5,501
Davies Avenue Housing Project - Frog Hopper Lane	25	0	0	0	0	25
Development of Unviable Garage Sites in Kirkby-in-Ashfield and Hucknall (Darley Avenue and Spruce Grove New Builds)	25	0	0	0	0	25
Firewalls	0	0	0	0	0	0
Green Homes Grant (HRA) (1)	4	0	0	0	0	4
Green Homes Grant (HRA) (2)	0	0	0	0	0	0
Housing Vehicles	427	487	560	644	0	2,118
Hucknall Infill Sites	0	0	0	0	0	0
Major Repairs Temporary Accommodation	93	53	53	54	54	307
Maun View Sutton-in-Ashfield	53	0	0	0	0	53
Northern View, Sutton-in-Ashfield	0	0	0	0	0	0
SAN Hardware	0	0	0	0	0	0
Switch Network Hardware	0	0	0	0	0	0
Officers' IT for Agile Working (HRA)	76	0	0	0	0	76
Vehicle Tracking Scheme	4	0	0	0	0	4
Warwick Close, Kirkby-in-Ashfield	88	0	0	0	0	88
<b>Grand Total</b>	<b>6,832</b>	<b>3,140</b>	<b>1,658</b>	<b>1,698</b>	<b>1,054</b>	<b>14,382</b>
<b>Total Housing Revenue Account</b>	<b>17,871</b>	<b>22,365</b>	<b>19,904</b>	<b>18,442</b>	<b>17,541</b>	<b>96,123</b>

**Appendix 3 - Capital Programme**

**Area Capital Schemes**

	Start Date	Completion Date	Funding											
			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
<b>Hucknall Area</b>														
Titchfield Park Management Programme			10	0	0	0	10	0	0	10	NCC	0	0	10
Washdyke Recreation Ground			5	0	0	0	5	0	5	0		0	0	5
Nabbs Lane Park			16	0	0	0	16	0	16	0		0	0	16
<b>Total Hucknall Area</b>			<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>21</b>	<b>10</b>		<b>0</b>	<b>0</b>	<b>31</b>
<b>Sutton Area</b>														
Kingsmill Reservoir management plan: Implementation Works	Ongoing	Ongoing	6	0	0	0	6	0	6	0		0	0	6
Roundhill Recreation Ground	Sep-18	Mar-19	9	0	0	0	9	0	5	0		4	0	9
Sutton Lawn management Plan		Mar-18	43	0	0	0	43	0	36	0		0	7	43
Sutton Town Centre Improvements			0	0	0	0	0	0	0	0		0	0	0
Huthwaite Welfare Park			260	0	0	0	260	0	208	52	Lawn Tennis association	0	0	260
Biodiversity Net Gain Projects			69	0	0	0	69	0	69	0		0	0	69
<b>Total Sutton Area</b>			<b>387</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>387</b>	<b>0</b>	<b>324</b>	<b>52</b>		<b>4</b>	<b>7</b>	<b>387</b>

**Appendix 3 - Capital Programme**

**Area Capital Schemes**

	Start Date	Completion Date	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
<b>Kirkby Area</b>														
Annesley Art Project			0	0	0	0	0	0	0	0		0	0	0
Forest Road Nature Area	Ongoing	Ongoing	5	0	0	0	5	0	5	0		0	0	5
Kingsway Park: implementation of management plan	Ongoing	Ongoing	150	0	0	0	150	0	139	11	Lawn Tennis	0	0	150
Annesley Green Space	Ongoing	Ongoing	106	0	0	0	106	0	106	0		0	0	106
<b>Total Kirkby Area</b>			<b>261</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>261</b>	<b>0</b>	<b>250</b>	<b>11</b>		<b>0</b>	<b>0</b>	<b>261</b>

	Start Date	Completion Date	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
<b>Rural Area</b>														
Jacksdale Car Park			0	0	0	0	0	0	0	0		0	0	0
Papplewick Sports pitches Equipment'			60	0	0	0	60	0	60	0		0	0	60
Rurals and Open Space			0	0	0	0	0	0	0	0		0	0	0
<b>Total Rural Area</b>			<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>60</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>60</b>
<b>Skegby</b>														
Healdswood Recreation Ground			109	0	0	0	109	0	109	0		0	0	109
<b>Total Rural Area</b>			<b>109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>0</b>	<b>109</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>109</b>
<b>Total Area</b>			<b>848</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>848</b>	<b>0</b>	<b>764</b>	<b>73</b>		<b>4</b>	<b>7</b>	<b>848</b>

## Prudential Indicators of Affordability

The Prudential Indicators for 2024-25 were agreed at the Council meeting on 4<sup>th</sup> March 2024  
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.**

	2023/24 Revised %	2023/24 Outturn %	2024/2025 Original %	2024/25 Revised %
Housing Revenue Account	7.34	4.86	8.22	9.18
General Fund	22.94	14.14	25.85	21.7

The General Fund indicator is lower than forecast due to slippage 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.**

	2023/24 Revised %	2023/24 Outturn %	2024/2025 Original %	2024/25 Revised %
General Fund	-6.79	-8.88	0.48	-5.83

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 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 2024/25 can be found on Table 3 below.

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

	<b>2023/24 Revised %</b>	<b>2023/24 Outturn %</b>	<b>2024/2025 Original %</b>	<b>2024/25 Revised %</b>
<b>General Fund (Band D)</b>	23.51	6.01	32.43	28.98
<b>HRA (52 weeks)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 in the 2023/24 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 2024/25 estimate of the Capital Financing Requirement is shown in Table 4 below.

**Table 4 – Estimates of Capital Financing Requirement.**

	<b>31<sup>st</sup> March 2024 Revised</b>	<b>31<sup>st</sup> March 2024 Outturn</b>	<b>31st March 2025 Original</b>	<b>31st March 2025 Revised</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Housing Revenue Account	80.061	80.061	80.061	80.061
General Fund	103.270	87,982	108.878	104,970
<b>Total</b>	<b>183.331</b>	<b>168.043</b>	<b>188.939</b>	<b>185.031</b>

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 2024/25 years split between the General Fund and the Housing Revenue Account

The estimated total capital expenditure for 2024/25 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	2023/24 Revised	2023/24 Outturn	2024/25 Original	2024/25 Revised
General Fund	32.368	16.351	53.733	79.520
HRA	13.287	13.216	22.060	17,871
<b>Total</b>	<b>45.655</b>	<b>29.567</b>	<b>75.793</b>	<b>97,391</b>

The increase in General Fund is due to slippage on Towns Fund schemes, Future High Street Fund Scheme, In District Regeneration in 2023/24. 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	2023/24 Revised	2023/24 Outturn	2024/25 Original	2024/25 Revised
Capital Receipts	2.149	1.153	1.604	2.867
Capital Grants	21.072	12.463	37.828	58.575
Capital Reserves	0	206	0	0
Direct Revenue Financing	12.074	11,613	18.515	16.326
Borrowing Requirement	10.360	4.132	17.846	19.623
<b>Total</b>	<b>45.655</b>	<b>29.567</b>	<b>75.793</b>	<b>97.391</b>

The increased borrowing requirement is mainly due to slippage from 2023/24. The increase in capital grants is largely due to slippage as above, plus additional DLUHC Levelling Up Fund funding for the Hucknall Programme £9.3m.

f) Balance Sheet Summary and Forecast

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.

**Table 7 - Balance Sheet Summary**

31st March	2023 Revised	2023 Outturn	2024 Original	2024 Revised
Capital Financing Requirement	183.3	168.0	188.9	185.0
Less: External Borrowing	-90.5	-86.3	-86.3	-105.9
<b>Under/(Over) Borrowed</b>	<b>92.8</b>	<b>81.7</b>	<b>102.6</b>	<b>79.1</b>
Less: Useable Reserves plus working Capital	-81.6	-121.3	-78.1	-109.5
<b>Investments / (New borrowing)</b>	<b>-11.2</b>	<b>39.6</b>	<b>-24.5</b>	<b>30.4</b>

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**

	<b>2023/24 Original</b>	<b>2023/24 Outturn</b>	<b>2024/2025 Original</b>	<b>30<sup>th</sup> June 2024 Actual External Debt</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	215	193	250	263

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 30<sup>th</sup> June 2024 is shown in Table 9.

**Table 9 – Operational Boundary for External Debt**

	<b>2023/24 Original</b>	<b>2023/24 Outturn</b>	<b>2024/2025 Original</b>	<b>30<sup>th</sup> June 2024 Actual External Debt</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Borrowing	187	171	191	188

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**

<b>Principal Outstanding</b>	<b>2023/24 Original</b>	<b>2023/24 Outturn</b>	<b>2024/25 Original</b>	<b>30<sup>th</sup> June 2024 Actual</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Fixed Rates	215.0	193.0	250.0	263.0
Variable Rates (No more than 40% of the operational boundary).	86.0	86.0	100.0	86.0

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 31/03/24 £m	Forecast Position for 31/03/2024	Actual Amount 30/06/2024	Forecast Position for 30/06/2024	Lower Limit %	Revised Upper Limit %
Under 12 Months	1.227	4.67%	1.227	4.67%	0.00%	10.00%
Under 24 Months	3.963	6.02%	3.963	6.02%	0.00%	15.00%
Under 5 Years	4.314	9.43%	4.314	9.43%	0.00%	20.00%
Under 10 Years	16.009	22.35%	16.009	22.35%	0.00%	25.00%
Under 20 Years	26.009	33.40%	26.009	33.40%	0.00%	40.00%
Under 30 Years	31.009	38.92%	31.009	38.92%	0.00%	50.00%
Under 40 Years	64.009	75.37%	64.009	75.37%	0.00%	80.00%
Under 50 Years	86.309	100.00%	86.309	100.00%	0.00%	100.00%
50 Years and Above	0.000	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 31<sup>st</sup> July 2024 £0 and as at 31<sup>st</sup> March 2024 £0.