

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
CABINET – TUESDAY, 26 MARCH 2024**

Title of Report	2023/24 QUARTER 3 GENERAL FUND FINANCE UPDATE	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder PH Briefed <input checked="" type="checkbox"/>	
Background Papers	Cabinet 19 September 2023: 2023/24 Quarter 1 General Fund and Housing Revenue Account (HRA) Finance Update	Public Report: Yes
	Cabinet 21 November 2023: 2023/24 Quarter 2 General Fund and Housing Revenue Account (HRA) Finance Update	Key Decision: Yes
Financial Implications	Any financial implications of this report are detailed in the body of the report and the attached appendices.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	No legal implications arising from this report.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Any staffing implications of this report are detailed in the body of the report and the attached appendices.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To provide Cabinet with an update on the financial position on the General Fund as at Quarter 3 2023/24.	
Reason for Decision	To update Cabinet on Quarter 3 and request approval for supplementary estimates as detailed in the recommendations below.	
Recommendations	CABINET IS RECOMMENDED TO: <ol style="list-style-type: none"> 1. NOTE THE FORECAST OVERSPEND ON GENERAL FUND FOR 2023/24 OF £333K BASED ON QUARTER 3 INFORMATION. 2. NOTE THE SPECIAL EXPENSES FORECAST OUTTURN FIGURES FOR 2023/24 BASED ON QUARTER 3 INFORMATION. 	

	<p>3. NOTE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH ARE BELOW £100K AND ARE EXTERNALLY FUNDED.</p> <p>4. APPROVE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH ARE ABOVE £100K AND ARE EXTERNALLY FUNDED.</p> <p>5. APPROVE ALL SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH REQUIRE COUNCIL FUNDING.</p> <p>6. NOTE THAT THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2 WHICH ARE ABOVE £250K AND ARE EXTERNALLY FUNDED.</p> <p>7. NOTE THE REVISED GENERAL FUND CAPITAL PROGRAMME DETAILED IN APPENDIX 5.</p>
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1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the spending position for the period 1 April 2023 to 31 December 2023 for the Council’s General Fund focusing on the significant variances from the approved budgets. It should be noted that due to the ongoing implementation of the new finance system, the ongoing audit of the 2021/22 Statement of Accounts and the vacancies within the Finance team, the in-depth analysis of the figures which would usually be undertaken has not been possible. Therefore, the focus has been on reporting the major variances based on the information available and discussions between Finance and the budget holders.
- 1.2 To update Members on supplementary estimates requested and to request approval for those over £100k which are externally funded and for approval for those over £100k which are Council funded.
- 1.3 To update Members on the capital programme for the period 1 April 2023 to 31 December 2023 on the proposed resourcing of the capital programme and the level of Council capital resources available, including capital receipts.
- 1.4 To update Members on the changes to the capital programme and note the variations to scheme budgets and re-profiling of budgets to future years.
- 1.5 To provide Members with an update on the Council’s Treasury Management activity during the period 1 April 2023 to 31 December 2023.

2.0 GENERAL FUND

2.1 General Fund Revenue

- 2.1.1 Table 1 below summarises the third quarter position summarised by Directorates. The current projections are that an overspend of £333k on the overall General Fund budget is expected to occur for 2023/24.

Table 1 – General Fund Revenue 2023/24 Quarter 3 Forecast Outturn Position

Directorate	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
Chief Executive Directorate	2,672	2,721	49
Place Directorate	2,446	2,918	472
Communities Directorate	7,936	8,786	850
Resources Directorate	3,439	3,938	499
Corporate & Democratic Core (CDC) & Other Budgets	896	299	(597)
NET COST OF SERVICES	17,389	18,725	1,336
Net Recharges from General Fund	(1,694)	(1,835)	(141)
NET COST OF SERVICES AFTER RECHARGES	15,695	16,827	1,132
Corporate Items & Financing	1,444	760	(684)
NET REVENUE EXPENDITURE	17,139	17,587	448
Contribution to/(from) Balances/Reserves	(52)	(52)	0
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	17,087	17,535	448

Financed By	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
TOTAL FUNDING AVAILABLE	(17,087)	(17,202)	(115)

FORECAST (UNDERSPEND) / OVERSPEND	0	333	333
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2.1.2 Cabinet should note that the estimated overspend at quarter three is a forecast only and may reduce or increase. A considerable amount of work is still required between now and the end of the financial year to bring the ledger up to date. It is a top priority for Finance over the coming weeks to ensure this happens and the team are actively working on ways to improve current processes to prevent the backlog in transactions occurring next financial year. The Council's Section 151 Officer recognises the urgency to address the current situation regarding the backlog in transactions. Despite this challenge, he is confident in the robustness of the financial forecasts. The Finance Team has been diligently working to process all transactions as swiftly as possible while maintaining accuracy and compliance with regulatory standards. The Council understand the importance of timely financial reporting and are committed to resolving these delays. In the interim, our forecasts have been carefully constructed by collaborating closely with officers from all departments.

2.1.3 There are a number of variances that make up the forecast outturn detailed above. Appendix 1a gives a more detailed analysis of the forecast outturn variances by service area along with Appendix 1b which provides a more detailed list of the major variances. It should be noted that

there is considerable overspending detailed on employees against service areas but this is in part offset by the £651k budget held Corporately for the pay award for 2023/24.

2.1.4 A summarised analysis of the major factors are detailed below along with mitigating factors which service areas have identified to offset some of these areas of overspending:

Place Directorate £535k

- Property £376k – there is a forecast overspend in the region of £109k on the Courtyard development of which £28k is due to a significant leak in the roof which required emergency works - some of this should be claimed back from the insurers but the amount is unknown at the time of reporting. The remaining £81k on the Courtyard development is due to reduced income from vacant units, reduced rent periods and one unit which is under enforcement action but unlikely to recover the debt. The rent-free periods offered to two tenants was due to a leak which the Council are hoping to recover from our insurers and may total £28k. Whitwick Business Centre is forecasting an overspend of £218k due to repairs, business rates and loss of from vacant units.
- Planning £192k – this is largely due to a forecast overspend of £206k on additional agency costs. The service faces a challenge of balancing its budget and meeting its demand. One of the main reasons for the budget overrun is the high agency costs incurred due to the difficulty of filling key positions. Therefore, it is essential to invest in the recruitment and retention of qualified staff who can deliver the service effectively and efficiently. The Planning Service has been advised that two major and strategic applications for residential and employment development are expected to be submitted in Quarter 4 and if both applications are submitted the fee income received would likely be between £450-600k. There is a risk the fee income may not be received until the 2024/25 financial year.

Community Services Directorate £850k

- Leisure Services £230k – the majority of this overspend (£135k) relates to the leisure contract. As part of the leisure contract the contractor can claim additional funding to cover significant increases in the price and cost of electricity and gas, subject to a utility benchmarking exercise being undertaken. Any amount claimed in 2023/24 will depend on utility prices and the profitability of the leisure centres during the year. The forecast is based on the agreed figure for 2022/23.
- Waste Services £637k – there is an overspend of £216k from increased vehicle hire costs due to the delayed delivery of refuse vehicles and the cost of temporary vehicle hire for the replacement of ageing fleet vehicles. Agency staff costs are overspent by £118k due to high levels of sickness within the service (averaging 11%), an increase in overtime of £114k due to industrial action, the need to clear the backlog of work and repairs to ageing fleet. Salaries are forecast to be £78k overspent but this is offset by the corporately held pay award budget. The vacancy saving of £78k wasn't achieved due to the statutory nature of the service being provided. There are further additional overspends due to increased purchase of vehicle parts due to an ageing fleet and the loss of income £137k from the HRA empty homes contract as the service was halted due to union action. These overspends are partly offset by increased income of (£133k) from recycling. The figures will be reviewed before the final outturn report to try and further mitigate these overspends wherever possible.
- Strategic Housing (£296k) – this underspend has occurred due to Housing utilising external grant income received for the Rough Sleeping Initiative and Ukraine specific Homelessness Prevention Grant to fund expenditure already included within the revenue budget leading to this saving.

Resources Directorate £499k

- ICT £61k – this is largely due to costs relating to the Accommodation project in relation to cloud back up and storage. The wi-fi solution costs for the new sites cost more than originally budgeted as well as additional works at Stenson House for a backup network to support CCTV in the event of network outage. The backup line was not part of the original design.
- Finance £425k – there is an overspend on agency and recruitment costs of £313k (please see section 2.1.4 below). This overspend is partly offset by (£110k) recharged to the Housing Revenue Account (HRA). There is also an overspend on insurance premiums of £117k of which (£58k) has been recharged to the HRA.

Corporate, Financing and Other Budgets (£1,312k)

- Pay award (£651k) – the Council included 4% in the 2023/24 budget for the pay award which was held Corporately. The actual pay award received was £1,925 per full time equivalent. The overspend on the pay award is reflected within the service areas and the underspend on the Corporate cost centre which largely offsets the overspend, although not fully.
- Investment Income (£470k) – this increase is largely due to the further increases in interest rates by the Bank of England. Additionally, investment balances have been higher than expected due to a number of factors including delayed repayment of grants to central government, increased level of reserves, slippage in capital programmes and extended periods between receipts and payments.
- Financing Costs (£214k) - the original budget included the cost of £2.8m of external debt being required in 2023/24, however, due to slippage on the Capital Programme, careful cash management and higher than forecast investment balances, this external debt has not been required, thereby reducing debt interest costs. Nonetheless, as we have had cash available and borrowing interest rates have not been favourable, we have not needed to take on any new external debt. The Council may at some point in the future have to convert some of the internal debt (currently £39.7m) into external debt, which will then increase the debt funding requirement.

2.1.5 There continues to be pressures within the Finance Team budget due to the continued delays in the production and audit of the Council's 2021/22 and 2022/23 Statement of Accounts. The Team is also experiencing issues with the recruitment and retention of key positions. These are currently being filled using interim support and are essential for getting the Finance Team back on track with both the new finance system, which was implemented on 1 April 2023 and the closedown of the Council's accounts, particularly as the end of the financial year for 2023/24 is also fast approaching. All additional costs will be offset against the increase in income from treasury management activities.

2.1.6 Although the overall forecast outturn detailed above is showing a £333k overspend, services are working to mitigate these areas of overspending, as detailed in the bullet points above, along with the potential of increased Planning fee income which would mitigate against the current overspend position. If this position is not recovered, the Council will need to fund the overspend from Council reserves.

2.2 Virements

- 2.2.1 A virement is where one or more budget(s) are reduced to fund an increase in another budget(s). There is no net change in the total budget agreed by Council arising from a virement.
- 2.2.2 New virement approval levels were approved as part of the constitution by Council in February 2023. These approval levels are detailed in Appendix 2(a).
- 2.2.3 There are no virements within quarter three which require approval by either Cabinet or Council.

2.3 Supplementary Estimates

- 2.3.1 Supplementary estimates are a new process that was also approved as part of the constitution by Council in February 2023 as per paragraph 2.2.2 above.
- 2.3.2 A supplementary estimate is an addition to the Council's agreed budget and should only be considered after all other options such as virements or savings have been considered.
- 2.3.3 Supplementary estimates include budgets fully funded by external grants or contributions.
- 2.3.4 All supplementary estimates which require Council funding require Cabinet approval whereas those fully externally funded are reported to Cabinet below £100k but require approval over £100k.
- 2.3.5 Appendix 2 details all supplementary estimates grouped by value and funding with details of the reasons for the requests. As can be seen from Appendix 2, the total external funding to be included in the 2023/24 budgets is £975k (of which £156k is capital) and the total to be transferred from reserves is £107k (of which £42k is capital).

2.4 Section 106

- 2.4.1 Section 106 funds of £7.4m were held by the Council as at 31 March 2023. During the financial year, the Council has received an additional £0.45m contributions and £1.05m has been spent by several organisations including the Council as well as parish councils, health authorities etc. A breakdown of the £6.8m balance as at 31 December 23 is provided at Appendix 3.
- 2.4.2 Future quarterly reports will be developed to provide further detailed information to Members on the status of monies spent or held through S106 agreements and their expiry date where relevant.
- 2.4.3 For information, the figure provided on the reserves balance for S106 in Table 2 below will not reconcile to any figures in Appendix 3. This is because the S106 balances consist of both spent amounts, which are accounted for as a Council reserve, and unspent amounts, which are considered a liability as they could potentially be refunded to the payer.

2.5 General Fund Reserves

- 2.5.1 The Council holds reserves that are earmarked for a particular purpose and are set aside to meet known or predicted future expenditure in relation to that purpose. The reserves are monitored alongside the budget as part of budget monitoring.

- 2.5.2 Assuming that reserves are utilised in line with the timescales agreed as part of their approval, reserves represent an effective means of utilising surpluses and underspends and ensuring delivery of projects.
- 2.5.3 Best practice indicates that reserves, if set aside for specific purposes should be spent in accordance with projections. Finance clinics (this is a dedicated meeting between finance officers and Heads of Service/Team Managers) focus on ensuring that earmarked reserves are expended in a timely manner in line with the purposes in which they have been set aside.
- 2.5.4 Table 2 below summarises the forecasted position in respect of earmarked reserves and other reserves held by the Council. Full details by service can be found in Appendix 4.

Table 2 – Usable Reserves forecast at 31 March 2024

Reserves	Balance at 01/04/2023 £m	Forecast Spend £m	No longer required £m	Forecast balance at 31/03/2024 £m
<u>General Fund</u>				
General Fund Earmarked Reserves	6.605	(0.965)	(0.080)	5.560
General Fund General Reserves (agreed minimum balance)	1.544	0.000	0.000	1.544
Medium Term Financial Plan (MTFP) Reserve	7.937	(0.10)	0.080	7.917
	16.086	(1.065)	0.000	15.021
<u>Other</u>				
S106 *	1.968	0.000	0.000	1.968
	18.054	(1.065)	0.000	16.989

* Balance at 01/04/23, please also see paragraph 2.4.3 above

2.6 General Fund Capital

- 2.6.1 Table 3 below details the quarter three position on the 2023/24 capital programme. Spend up to the end of quarter three was £4.5m, the three biggest areas of expenditure are in relation to Fleet Replacement, Accommodation Project and Marlborough Square Improvements. Full scheme-by-scheme analysis can be found in Appendix 5.

Table 3 – Quarter 3 2023/24 Outturn on the General Fund Capital Programme

Directorate	Original Budget	C/Fwd	In-Year Changes	Revised Budget	Expenditure as at Qtr 3	2023/24 Forecast Outturn	Variance	Carry Forward to Future Years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Place	2,843,155	7,444,583	- 5,764,108	4,523,629	2,237,613	4,299,620	224,009	6,281,470
Community	3,435,540	7,251,119	- 6,404,252	4,282,407	2,090,463	4,453,596	- 171,189	6,750,156
Resources	158,000	151,183	- 79,344	229,839	150,644	229,839	-	56,344
Total	6,436,695	14,846,885	- 12,247,705	9,035,875	4,478,720	8,983,055	52,820	13,087,970

- 2.6.2 The 2023/24 outturn is forecast to be £8.98m against revised budget of £9.04m. Schemes with the significant expenditure for the year include:

Accommodation Project – This is refurbishment works on Stenson House, a new customer service centre and Whitwick Business Centre. The works have now completed, and the buildings are all operational. Expenditure on the works this year is just over £1.82m

Marlborough Square improvement works – This is public realm works in Marlborough Square. Construction work is currently underway, and the works are due to complete in May 2024. Spend so far this year is just under £400k.

Fleet replacement programme – This is the purchase of environmentally-friendly vehicles to deliver council services. Spend on the programme so far this year is £1.60m.

2.6.3 £13.1m capital budget is projected to be carried forward to future years. This is detailed in Table 4 below.

Table 4 – Reprofiling of budget to future years

Directorate	Reprofiled to 2024/25	Reprofiled to 2025/26	Reprofiled to 2026/27	Total
	£'000	£'000	£'000	£'000
Place	5,128,547	1,152,923	-	6,281,470
Community	6,750,156	-	-	6,750,156
Resources	56,344	-	-	56,344
Total	11,935,047	1,152,923	-	13,087,970

2.6.4 The two largest budgets that have been re-profiled is £3.8m in relation to fleet replacement and £2.4m in relation to Disabled Facilities Grants. The fleet replacement is mostly due to long lead-in times in sourcing appropriate environmentally vehicles. There is a review underway in relation to Disabled Facilities Grants and therefore the expenditure has been reprofiled to future years.

2.7 Changes to the Capital Programme

2.7.1 Schemes in the capital programme are grouped under two categories and these are:

Development Pool: These are schemes not yet fully costed or funding sources identified. A full business case is required to be prepared and presented to the newly implemented Capital Strategy Group for consideration before the scheme can go ahead.

Active Programme: Schemes in this category have been approved (by either Capital Strategy Group, Cabinet or Council), fully funded and are being delivered.

2.7.2 Table 5 below details schemes for Cabinet approval to move from the development pool to the active projects.

Table 5 – Scheme Movements and New Schemes

Scheme	Budget £'000	Reason for Movement
Existing Schemes moved from Development Pool to Active Programme		
UKSPF: National Forest	126,500	Considered by Capital Strategy Group and approved to transfer from development pool to active programme subject to Cabinet Approval.
UKSPF: Moira Furnace	100,000	Considered by Capital Strategy Group and approved to transfer from development pool to active programme subject to Cabinet Approval.
	226,500	
New Schemes		
Whitwick and Coalville LC - Solar Panels	246,759	Considered by Capital Strategy Group and approved to be added to the active programme subject to Council Approval.
Parks Depot Storage Facility	22,000	Considered by Capital Strategy Group and approved to be added to the active programme subject to Council Approval.
Hermitage 3G Pitch - Lighting Column	20,000	Considered by Capital Strategy Group and approved to be added to the active programme subject to Council Approval.
	288,759	

2.7.3 As detailed in Table 5, there are three new schemes to be added to the Capital Programme that require Council approval:

Whitwick and Coalville Leisure Centre – Solar Panels

The Council has been awarded potential funding of £242,259 from Sport England as part of the Swimming Pool Support Fund to install additional solar panels at Whitwick and Coalville Leisure Centre. Match funding of £4,500 was applied to the funding application meaning a total project value of £246,759. The project is very much in its infancy and a business case is being developed prior to seeking corporate approval to deliver the project. A further report will be taken to Scrutiny, Cabinet and Council for approval.

Park Depot Storage Facility

A storage building at the Parks Depot has recently been identified as structurally unsound and in need of urgent demolition and replacement. Due to the need to maintain the parks depot as a safe and active site, a decision was taken on Health and Safety grounds to proceed with the demolition as soon as arrangements could be made. Work has now commenced. A replacement shed building will also be required to replace the accommodation that will be lost. There is no budget provision in the capital programme to cover the cost of this work at the current time and therefore it is proposed that £22,000 needs to be transferred from the Business Rates Reserve to cover the necessary expenditure. Retrospective authority will be sought from Council.

Hermitage 3G Pitch – Lighting Column

During routine inspections it was identified that a column was dangerous and required urgent replacement. Due to the urgent need to replace the lighting column, a decision was taken on Health and Safety grounds to proceed with the works. There is no budget provision in the capital programme to cover the cost of this work at the current time and therefore it is proposed that £20,000 needs to be transferred from the Hermitage 3G Pitch replacement budget in the capital programme for 2024/25 to cover the necessary expenditure. Retrospective authority will be sought from Council.

3.0 SPECIAL EXPENSES

- 3.1 Table 6 below summarises the forecast outturn position for Coalville Special Expenses and Other Special Expense areas. Further information is contained within Appendix 6 which provides a more detailed analysis.
- 3.2 At the end of the third quarter, Coalville Special expenses are forecast to be £5k over budget, Hugglescote Special Expenses on budget and Whitwick Special Expenses £9k over budget, with Other Special expense areas forecasting minor variances. It is forecast that budget shortfalls will be funded from balances available.
- 3.3 The total Special Expenses net revenue forecast for 2023/24 is £606k which is funded through Council Tax £586k, Grants of £16k, earmarked reserves (EMR) no longer required and returned to balances of £8k and a contribution to reserves of £4k.

Table 6 - Special Expenses 2023/24 Q3 Monitoring & Forecast Outturn Position

SPECIAL EXPENSES	Approved Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Annual Recurring Expenditure	591	606	15
Expenditure Requirement	591	606	15
Precept	586	586	0
Localisation of Council Tax Support Grant	16	16	0
EMR's not required – returned to balances	0	8	(8)
Transfer from/(to) reserves	(11)	(4)	7

- 3.4 The major variances are summarised in table 7 below:

Table 7 – Special Expenses Major Variances

Special Expenses - Major Variances	£'000
<u>Coalville</u>	
Events - Summer Event net saving	(3)
Cemetery - reduced burial & monument fees	9
Cemetery, Parks, Recreational Grounds, Open Spaces - reduced Grounds Maintenance recharges	(20)
Parks, Recreational Grounds, Open Spaces - increased repairs & maintenance	16
<u>Hugglescote</u>	
Cemetery - reduced burial fees	2
Cemetery - reduced Grounds Maintenance recharges	(2)
<u>Whitwick</u>	
Cemetery - reduced burial fees	10
Cemetery - reduced Grounds Maintenance recharges	(2)

- 3.5 The provisional balances as at 1 April 2023 and the forecast outturn as at 31 March 2024 are shown in table 8 below. As can be seen from the table, three of the Special Expense areas are forecast to be in a deficit position. This is not a sustainable position but following the review of the Special Expenses Policy it's anticipated these deficits will be recovered over future years to ensure that a minimum of 10% balances are retained.

Table 8 - Forecasted Special Expense Balances 2023/24

SPECIAL EXPENSE BALANCES	Provisional Balances 01.04.23	Forecast Contribution to/(from) Balances	Forecast Balances 31.03.24 Surplus/ (Deficit)
	£	£	£
Coalville	19,150	991	20,141
Whitwick	7,664	(8,499)	(835)
Hugglescote/Donington Le Heath	17,851	5,480	23,331
Coleorton	1,274	429	1,703
Lockington/Hemington	1,272	1,014	2,286
Measham	1,107	833	1,940
Oakthorpe & Donisthorpe	(17,250)	1,646	(15,604)
Ravenstone	492	912	1,404
Stretton	(1,501)	(219)	(1,720)
Appleby Magna	844	1,764	2,608

- 3.6 A list of the Special expense earmarked reserves as at the end of December 2023 are shown in table 9 below. Appendix 7 gives a more detailed analysis.

Table 9 - 2023/24 Special Expenses Earmarked Reserves

EARMARKED RESERVES	Balances 01.04.23	Spend to date	Forecast Spend	Reserves no longer required	Forecast Balance as at 31.03.24
	£	£	£	£	£
Coalville	92,999	(5,297)	(81,775)	(8,223)	3,001
Hugglescote	28,720	-	(11,210)		17,510
Whitwick	9,088	-	(3,088)		6,000
	130,807	(5,297)	(96,073)	(8,223)	26,511

4.0 TREASURY MANAGEMENT

- 4.1 The following outlines the Treasury position and variance to budget of the Council's Treasury management function. The Council's treasury management strategy for 2023/24 was approved at a Council meeting on 23 February 2023. The Council has invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 4.2 Table 10 shows the progression of budgets as at 31 December 2023 for Treasury Management elements.

Table 10 – Treasury Management Forecast Outturn 2023/24

Element	Original Budget	Variance	Revised Forecast
	£'000	£'000	£'000

Element	Original Budget	Variance	Revised Forecast
Investment Interest Income:			
<i>Deductions</i>	(189)	(185)	(374)
<i>GF</i>	(423)	(382)	(805)
<i>HRA</i>	(369)	(557)	(926)
Total	(981)	(1,124)	(2,105)
Borrowing Interest Expenditure	2,228	0	2,228
Borrowing Principal Repaid	2,734	3,507	6,241
Total	3,981	2,383	6,364

4.3 The Borrowing Principal Repaid will now increase from the Original Budget due to the repayment of the Authority's Lender Option Borrower Option (LOBO) loan with Commerzbank. The loan was repaid on 8 February 2024, following the lender taking up its option to increase the interest rate on the loan from 4.80% to 5.80%. The decision to repay the loan was taken to avoid locking into a high long term interest rate when cash was available to repay the loan. The saving on debt interest more than covers the loss of investment income which could be earned on the funds. The Council has no further LOBO loans.

4.4 Table 11 shows a summary of the Council's external investments and borrowing along with the rate of return/borrowing of both. The movements from 31 March 2023 are shown in Table 15 below:

Table 11 – Treasury Summary

	31.3.23 Balance £m	Movement £m	31.12.23 Balance £m	31.12.23 Rate %
Long-term borrowing	59.8	0.0	59.8	3.72%
Short-term borrowing	2.7	(2.1)	0.6	2.30%
Total borrowing	62.5	(2.1)	60.4	3.60%
Long-term investments	0.0	0.0	0.0	0.00%
Short-term investments	39.0	(3.0)	36.0	5.30%
Cash and cash equivalents	4.1	14.2	18.3	5.28%
Total investments	43.1	11.2	54.3	5.29%
Net borrowing	19.5	(13.3)	6.2	

4.5 Further information on the Council's borrowing and investments can be found on Appendix 8.

4.6 One of the investments held by the Council was a loan of £5m to Birmingham City Council. On 5 September 2023, Birmingham issued a Section 114 notice, stating that they lack the necessary resources to balance their budget. This shortfall primarily arises from their inability to meet sustainable liabilities linked to increasing equal pay claims. It's important to emphasise that the Council's funds were secure, as they are backed by central government support. The Council's treasury advisors at Arlingclose have confirmed this, expressing full confidence that the investments would be repaid in full at maturity. Previous instances of Section 114 notices at other local authorities have not led to investments going unpaid. The investment itself was £5m, at a 4% interest rate, with a one- year duration. The investment matured, and was repaid in full on 25 January 2024, having commenced on the 26 January 2023.

Policies and other considerations, as appropriate	
Council Priorities:	A well run Council.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	The Council plans to invest up to £3.5m in town centre regeneration and public realm works in the current financial year.
Environment and Climate Change:	The Council plans to invest up to £3.1m retrofitting Council homes to make them carbon neutral. Up to £0.5m is forecast to be spent on purchasing environmentally friendly vehicles and installing electric vehicle charging points throughout the district in the current financial year.
Consultation/Community/Tenant Engagement:	This report will be considered by Corporate Scrutiny Committee on 23 May 2024.
Risks:	<p>High levels of inflation can undermine the Council's financial reserves. As inflation rises, the real purchasing power of the Council's reserves steadily erodes, meaning the same amount of money can purchase progressively fewer goods and services. This erosion of value poses a challenge to the organisation's ability to maintain financial stability and achieve its long-term financial objectives.</p> <p>Furthermore, the Council has opted to allocate its increased interest earnings (resulting from increased base rate) towards funding its base revenue budget rather than reinvesting them into reserves. This strategic choice, combined with the inflationary pressure, leads to an overall devaluation of reserves. Essentially, this practice leaves the organisation with reduced financial resilience, as it does not adequately account for the eroding effect of inflation on its reserves.</p> <p>Although the current high levels of inflation are causing problems, reserves might be expected to grow with more moderate levels of inflation over the long term. Real returns (i.e. after inflation) are and have been negative despite investment returns rising. So even if the Council changed its policy to add interest earnings to reserves it still would not solve the whole problem. Indeed, very few investment returns are beating inflation and in general if you wanted higher returns you'd need to invest for a longer period and/or with riskier assets, which the Council has decided not to do.</p> <p>The budgets will continue to be monitored throughout the year to ensure the Council remains within its funding envelope.</p>
Officer Contact	<p>Anna Crouch Head of Finance & Deputy S151 Officer anna.crouch@nwleicestershire.gov.uk</p>

2023/2024 GENERAL FUND REVENUE QUARTER 3 FORECAST OUTTURN POSITION

Directorate & Service Area	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
Chief Executive			
Chief Executive	277	277	0
Human Resources	740	710	(30)
Legal & Support Services	1,655	1,734	79
Total Chief Executive Directorate	2,672	2,721	49
Place			
Strategic Director of Place	341	378	37
Property & Economic Regeneration	1,123	1,386	263
Planning & Infrastructure	973	1,145	172
Joint Strategic Planning	9	9	0
Total Place Directorate	2,446	2,918	472
Community Services			
Community Services	6,322	7,363	1,041
Strategic Housing	664	368	(296)
Strategic Director of Communities including Customer Services)	950	1,055	105
Total Community Services Directorate	7,936	8,786	850
Resources			
Strategic Director of Resources	115	147	32
Finance	990	1,415	425
Revenues & Benefits	1,131	1,112	(19)
ICT	1,203	1,264	61
Total Resources	3,439	3,938	499
Corporate & Democratic Core (CDC) & Other Budgets			
Corporate & Democratic Core	70	92	22
Pay award	651	0	(651)
Non Distributed - Revenue Exp on Surplus Assets	108	140	32
Non Distributed - Retirement Benefits	67	67	0
Total CDC & Other Budgets	896	299	(597)
NET COST OF SERVICES	17,389	18,662	1,273
Net Recharges from General Fund	(1,694)	(1,835)	(141)
NET COST OF SERVICES AFTER RECHARGES	15,695	16,827	1,132

2023/2024 GENERAL FUND REVENUE QUARTER 3 FORECAST OUTTURN POSITION

Directorate & Service Area	Annual Budget	Forecast Outturn	Forecast Outturn Variance
Corporate Items & Financing			
Net Financing Costs	1,763	1,549	(214)
Investment Income	(335)	(805)	(470)
Localisation of CT Support Grant - Parish & Special Expenses	16	16	0
Total Corporate Items & Financing	1,444	760	(684)
NET REVENUE EXPENDITURE	17,139	17,587	448
Contribution to/(from) Balances/Reserves	(52)	(52)	0
NET EXPENDITURE (AFTER RESERVE CONTRIBUTION)	17,087	17,535	448

Financed By	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
New Homes Bonus	(1,220)	(1,220)	0
Transfer from/(to) Collection Fund - CT Prev Yrs Surplus/(Deficit)	(25)	(25)	0
Council Tax	(5,771)	(5,771)	0
National Non-Domestic Rates Baseline	(2,494)	(2,494)	0
Business Rates Retained Growth & Renewables Disregard	(6,222)	(6,222)	0
2022/23 Services Grant	(97)	(97)	0
Minimum Funding Guarantee	(1,168)	(1,168)	0
Revenue Support Grant	(90)	(90)	0
Other Grants	0	(95)	(95)
Levy Account Surplus	0	(20)	(20)
TOTAL FUNDING AVAILABLE	(17,087)	(17,202)	(115)

FORECAST (UNDERSPEND) / OVERSPEND 2023/2024	0	333	333
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GENERAL FUND - 23/24 Q3 MONITORING SUMMARY OF VARIANCES

	£
CHIEF EXECUTIVES	
<u>HUMAN RESOURCES</u>	
Salary, NI, Pension - majority is 4% PA held corporately	33,000
Corporate Training	(19,000)
Employee Benefits	(8,000)
Staff Advertising	(14,000)
Consultancy	(20,000)
Software/Licences (£5k PVP development funded from consultancy savings/increase in Xpert HR fee)	8,000
Subscriptions	(10,000)
	<u>(30,000)</u>
<u>HEAD OF LEGAL & SUPPORT</u>	
Monitoring Officer - Legal costs and training	10,000
Salary, NI, Pension - 4% PA held corporately, vacancy rate, honoraria, increased hours funded by reduced hours in Legal)	24,000
	<u>34,000</u>
<u>LEGAL</u>	
Salary, NI, Pension & Agency - 4% PA held corporately £25k offset by vacancies/reduced hours	9,000
Staff Advertising	10,000
Reduced income	46,000
	<u>65,000</u>
<u>DEMOCRATIC SERVICES</u>	
Members - Special Responsibility Allowances	(4,000)
Electoral Registration (add'l printing/licence costs partly offset by reduced postage)	8,000
Salary, NI, Pension & agency - vacancies	(41,000)
Consultancy - AEA assistance for Elections	30,000
	<u>(7,000)</u>
<u>AUDIT</u>	
Salary, NI, Pension offset by reduced income for shared service/EMR (vacancies)	(13,000)
Agency	17,000
Recharge to HRA for Agency	(17,000)
	<u>(13,000)</u>
TOTAL CHIEF EXECUTIVES	<u><u>49,000</u></u>
PLACE	
<u>DIRECTOR</u>	
Cropston Drive - Legal & consultancy	19,000
Salary, NI, Pension - 4% PA held corporately + vacancy rate	18,000
	<u>37,000</u>
<u>PLANNING & DEVELOPMENT</u>	
Salary, NI, Pension - vacancies (with the 4% pay award this would have been -£77k)	(35,000)
Agency	206,000
Urban Design	21,000
	<u>192,000</u>
<u>PLANNING POLICY</u>	
Land Charges Fees - unspent contingency budget	(20,000)
	<u>(20,000)</u>
<u>ECONOMIC REGENERATION</u>	
Salary, NI, Pension - 4% PA held corporately + vacancy rate	29,000
Heritage Programme	(14,000)
Returned funding from LCC for Ashby Road works	(54,000)
IT licences for town centre WiFi	(11,000)
	<u>(50,000)</u>
<u>PROPERTY SERVICES</u>	
Tanyard House income from rent, maintenance & service charges due to vacant units	16,000
Whitwick Business Centre (WBC) repairs - largely due to the Accommodation Project	58,000
WBC Adhoc Grounds Maintenance	6,000

GENERAL FUND - 23/24 Q3 MONITORING SUMMARY OF VARIANCES

	£
WBC Telephones - no budget but still receiving bills, under investigation	7,000
Whitwick Business Centre various income due to vacant units and an incorrect budget	44,000
Business Rates for WBC and other Investment Properties	35,000
Repairs (Market Street, Moira Workshops & Courtyard)	42,000
Courtyard various income due to vacant units, 2 tenants given rent fee/reduced rent periods and one taken enforcement action	81,000
Town Hall Mews Service contracts	4,000
Marlborough Centre repairs	(12,000)
Marlborough Centre lost income from service charges as not currently charging	(17,000)
Council Offices - various savings incl. Service contracts, Business Rates & valuation fees	(54,000)
Council Offices - various overspends incl repairs, cleaning, catering, consultancy & IT maintenance	88,000
Property Services Salary, NI, Pension & Agency - 4% PA held corporately	15,000
	<u>313,000</u>
TOTAL PLACE	<u>472,000</u>
COMMUNITY SERVICES	
<u>LEISURE SERVICES</u>	
Leisure Contract - Utilities benchmarking and business rates (nndr)	135,000
Vacancy allowance not achieved	32,740
Increased salary, ni, pension - additional PA + 4% PA held corporately	61,958
	<u>229,698</u>
<u>WASTE SERVICES</u>	
Increased hire of vehicles due to delay in delivery of refuse vehicles and ageing fleet	215,767
Increase in refuse & recycling agency costs	118,530
Increased overtime	114,378
Vacancy allowance not achieved	78,350
Reduced Fuel	(90,676)
Cleansing Services Empty homes contract ended Aug 2023 (reduced recharge to HRA)	120,000
Increased recycling income	(133,234)
Fleet increased stock & non stock purchases	135,627
Increased salary, ni, pension - additional PA + 4% PA held corporately	78,243
	<u>636,985</u>
<u>CUSTOMER SERVICES</u>	
Increased salary, ni, pension - additional PA + 4% PA held corporately	88,244
Vacancy allowance not achieved	17,000
	<u>105,244</u>
<u>ENV HEALTH</u>	
Port Health purchase of equipment budget not used relates to EMR	(24,000)
Increased salary, ni, pension - additional PA + 4% PA held corporately	29,661
Vacancy allowance not achieved	17,630
	<u>23,291</u>
<u>ENV PROTECTION</u>	
New Market Income - stall income below budget	40,000
Increased salary, ni, pension - additional PA + 4% PA held corporately	90,804
Vacancy allowance not achieved	19,690
	<u>150,494</u>
<u>General Fund Housing</u>	
Grant funding used to fund budgeted activities	(296,000)
TOTAL COMMUNITY SERVICES	<u>849,712</u>
RESOURCES	
<u>DIRECTOR</u>	
Salary, NI, Pension and Agency	7,000
	<u>7,000</u>
<u>PROCUREMENT</u>	
Salary, NI, Pension - vacancies	(31,000)

GENERAL FUND - 23/24 Q3 MONITORING SUMMARY OF VARIANCES

	£
Consultancy	129,000
Recharge to HRA	(73,000)
	<u>25,000</u>
<u>ICT</u>	
Salaries, NI, Pension and Agency (4% PA held corporately partly offset by vacancies)	8,000
IT Maintenance - Cloud backup and storage - add'l costs due to accommodation project	53,000
	<u>61,000</u>
<u>FINANCE</u>	
New system mainly salary, NI, pension and agency costs	28,000
Total/Unit 4 licences	25,000
Other licences/subscriptions & VAT support	16,000
Insurance	117,000
Insurance recharge to HRA	(58,000)
Salary, NI, Pension and agency	313,000
Apprentice Levy - a percentage of pay so increases in line with pay award but budget not increased	5,000
Unidentified Income (assumed average of last 2 years)	(21,000)
	<u>425,000</u>
<u>REVENUES & BENEFITS</u>	
Discretionary Housing Payments	25,000
Audit Fee	20,000
IT Licences - Ascendant Covid Grants system	13,000
Summons income	(30,000)
Hardship discretionary payments - we received a Government grant for this which is unlikely to be spent. The unspent grant will	(39,000)
Government Grant - Business Rates Retention	(8,000)
	<u>(19,000)</u>
	<u>499,000</u>
TOTAL RESOURCES	
<u>CORPORATE & DEMOCRATIC CORE/NON-DISTRIBUTED COSTS</u>	
CDC - Audit Fee	22,000
NDC - Security	20,000
NDC - Business Rates	12,000
	<u>54,000</u>
<u>RECHARGES</u>	
Recharges to HRA	(110,000)
Recharges to Capital	(31,142)
	<u>(141,142)</u>
<u>CORPORATE & FINANCING</u>	
Investment income	(470,000)
Net Financing costs	(214,000)
Pay award	(651,000)
	<u>(1,335,000)</u>
<u>FUNDING</u>	
Levy account surplus	(20,158)
Business Rates Green Plant & Machinery exemption	(83,276)
Other Grants Energy Alternative Fuel New Burdens Grant	(11,490)
	<u>(114,924)</u>
	<u>332,646</u>
Total Forecast Overspend	

Supplementary Estimates - General Fund, HRA & Special Expenses (Capital & Revenue)

Capital/ Revenue	General Fund/ HRA / Special Expenses	Directorate	Service	Service Area	Recurring/ One-Off	Amount £	Funded By	Reason For Request
Externally Funded Between £0 and £99,999 (for info)								
Revenue	General Fund	Chief Executive	Legal & Support	Democratic Services	One-Off	5,907	Grant	Elections new burdens funding Voter ID etc
Capital	General Fund	Communities	Climate Change		One-Off	26,000	Grant	Grant received for electric vehicle charging points
						31,907		
Externally Funded Between £100,000 and £249,999								
Revenue	General Fund	Place	Planning	Planning & Development	One-Off	100,000	Grant	Nutrient Support Fund. Grant only received at the end of February, so unlikely to be spent until 24/25. Planning have obtained permission from DLUHC to carry grant forward to 24/25 if we have commitments, which we do.
Revenue	General Fund	Resources	Revenues & Benefits	Revenues & Benefits	One-Off	124,315	Grant	Local Council Tax Support Grant
Capital	General Fund	Place	Economic Regeneration	Economic Regeneration	One-Off	130,000	Grant	UK Shared Prosperity Fund Year 2 Capital - Hermitage Rec Eco Park originally identified as revenue is now capital.
Revenue	General Fund	Communities	General Fund Housing		One-Off	222,500	Grant	Asylum Dispersal Grant
						576,815		
Externally Funded Over £250,000								
Revenue	General Fund	Place	Property & Economic Regeneration	Economic Regeneration	One-Off	366,121	DLUHC	UK Shared Prosperity Fund Year 2 Revenue - less the £130k transferred to capital above.
						366,121		
TOTAL EXTERNALLY FUNDED						974,843		
Council Funded Between £0 and £99,999 (for info)								
Capital	General Fund	Communities	Open Space and Parks	Open Space and Parks	One-Off	22,000	Business rates reserve	To purchase parks depot storage facility
TOTAL COUNCIL FUNDED						22,000		
Council Funded Between £10,000 and £249,999 (for Cabinet Approval)								
Capital	General Fund	Communities	Environmental Protection	Markets	One-off	40,200	Business rates reserve	Purchase of stalls and trailer to transport stalls to Marlborough Square Outdoor Market
Revenue	General Fund	Communities	Environmental Protection	Markets	One-off	45,000	Business rates reserve	Maintenance budget for Marlborough Square
TOTAL COUNCIL FUNDED						85,200		
TOTAL SUPPLEMENTARY ESTIMATES						1,082,043		

Section 106 Q3 2023/24 Position

Legal Agreements under Section 106 of the Town and Country Planning Act secure developer contributions to mitigate the impacts of the development on the local area. The District Council holds funds generated from legal agreements on behalf of the Council and third parties, such as the Healthcare bodies or the National Forest Company. The Council then holds those funds in an interest-bearing account until they are spent by the body responsible for implementing the requirements in the legal agreement which secured them.

The table below summarises the position at December 2023 for the various types of contributions included in agreements.

Type of Contribution	Balance 31.03.23	Contributions Received	Contributions Paid to 3rd Parties	Expenditure by the Council	Balance at 31.12.23
Affordable Housing	2,315,798	120,160			2,435,958
Air Quality	51,380				51,380
CCTV	11,834				11,834
Healthcare	389,003	32,119	-68,347	-75	352,699
Highways	2,639,969				2,639,969
Land & Open Space	96,166			-7,514	88,652
National Forest	123,112	2,565	-49,573		76,104
Network Rail	17,516				17,516
Other Schemes	10,364				10,364
Parish Councils	363,359		-363,093		266
Police	214,263	67,021	-68,497		212,787
Recreation/Play Areas/Leisure	1,060,006	30,091	-352,212	-80,000	657,885
River Mease - Available *	80,726	30,536		-61,056	50,205
River Mease - Retain *	24,910	169,224			194,134
Grand Total	7,398,404	451,716	-901,722	-148,645	6,799,753

*River Mease monies are split in to two pots. Those in the 'Retain' pot is where payment has been made upon the grant of planning permission, but the requirement was for money to be paid at commencement of development. Therefore, until development commences this money cannot be used. If it was and the development did not start, the applicant would be able to reclaim the money.

North West Leicestershire District Council
Estimated reserves at 31/03/24

TEAM	Provisional balance as at 1/4/23 £	Contributions from fund/ commitments 23/24 £	No longer required £	Estimated balance as at 31/3/24 £	Comments
Earmarked Reserves:					
Chief Exec	334,000	0		334,000	£334k Dev Co, unknown date for spend.
Human Resources	30,000	0		30,000	
Legal & Support Services	147,010	(143,172)		3,838	Remaining balance for Audit Apprentice post
Property & Economic Regeneration	2,405,177	(2,197,847)		207,329	£131k remaining on Marlborough Sq + other minor reserves spent 24/25 and 25/26
Planning	777,060	(176,538)		600,522	Land Charges contingency £320k, to utilise future years shortfall, Neighbourhood Plan £83k + Local Plan £198k ongoing.
Joint Strategic Planning	91,017	33,613		124,630	Contingency - no plans to spend. Belongs to all 10 partners.
Customer Services	16,273	(10,000)		6,273	
Community Services	1,108,557	(317,372)		791,185	£442k climate change ongoing, funding of fixed term posts £113k 24/25, Leisure LRS/LSA £57k ongoing.
Strategic Housing	338,786	(131,139)		207,647	Residual grant funding to be applied to expenditure as appropriate.
Business Change	141,610	(34,002)		107,608	To fund 23/24 and 24/25 budgets
Finance	127,268	(127,268)		0	
Revenues & Benefits	142,645	0	(80,000)	62,645	£80k Contingency for ARG grant no longer needed. Remaining is contingency for Customer Service resource for Household Support.
ICT	5,500	(5,500)		0	
Other reserves	50,000	(50,000)		0	
MTFP Reserve	7,936,684	(100,000)	80,000	7,916,684	
Business Rates Reserve	890,142	2,194,496		3,084,638	
Total earmarked reserves - General Fund	14,541,727	(1,064,729)	0	13,476,999	
Total earmarked reserves - Special Expenses	130,807	(96,073)	(8,223)	26,511	
TOTAL EARMARKED RESERVES	14,672,534	(1,160,802)	(8,223)	13,503,510	
Other reserves General Fund:					
General Balance (minimum level of reserves)	1,544,493			1,544,493	
Total other Reserves - General Fund	1,544,493	0	0	1,544,493	
Other reserves Special Expenses:					
General Balance	30,903	(3,872)	8,223	35,254	
Total other Reserves - Special Expenses	30,903	(3,872)	8,223	35,254	
TOTAL ALL RESERVES - GENERAL FUND & SPECIAL EXPENSES	16,247,930	(1,164,674)	0	15,083,257	

Scheme	Approved Budget	2022/23 C/FWD	In Year Changes	Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Reprofiled to Future Years	Funding Source
ACTIVE PROGRAMME									
Coalville Regeneration Projects									
Accommodation Project	420,000	989,418	413,672	1,823,090	1,823,090	1,823,090	-	-	Business Rates Reserve
Marlborough Square Improvements		2,384,694	- 532,425	1,852,269	396,321	1,852,269	-	1,031,913	Grant/Ear Marked Reserve
Marlborough Centre Purchase and Renovation		3,490,951	- 3,390,951	100,000	9,075	100,000	-	3,390,951	Business Rates Reserve
Total - Coalville Regeneration Projects	420,000	6,865,062	- 3,509,704	3,775,359	2,228,486	3,775,359	-	4,422,864	
UK Shared Prosperity Fund Investment Plan Programme (UKSPF)									
Coalville Heritage Trail			20,000	20,000	-	20,000	-	44,000	Grant
Heart of the Forest			126,500	126,500	-	126,500	-	-	Grant
Hermitage Recreation Eco Park - Accessibility & Bridge Creation			30,000	30,000	-	30,000	-	100,000	
Mantle Lane Bridge			-	-	-	-	-	64,060	
Moira Furnace			100,000	100,000	13,259	100,000	-	-	Grant
UK Shared Prosperity Fund Investment Plan Programme (UKSPF)		197,000	- 197,000	-	-	-	-	3,000	
Total - UK Shared Prosperity Investment Plan Programme (UKSPF)	-	197,000	79,500	276,500	13,259	276,500	-	211,060	
Carbon Zero									
Electrical Vehicle (EV) Charging Point Installations		86,035	- 26,500	59,535	47,147	47,147	12,388	-	Grant
Electrical Vehicle (EV) Charging Infrastructure Strategy			-	-	-	-	-	50,000	
Electrical Vehicle (EV) Charging Point Installations (Depot)		7,100	- 7,100	-	-	-	-	12,100	
Electrical Vehicle (EV) Charging Point Installations (WBC)		151,000	- 84,901	66,099	66,099	66,099	-	-	
LED Lighting Replacement - Council Car Parks		70,600	-	70,600	38,412	38,412	32,188	-	
Total - Carbon Zero	-	314,735	- 118,501	196,234	151,657	151,658	44,576	62,100	
Systems/ICT Schemes									
Car Parking Machines - Modern Upgrade	13,300		-	13,300	12,188	13,300	-	-	Business Rates Reserve
Cloud Back-Up Solution			44,200	44,200	48,200	44,200	-	-	Business Rates Reserve
Finance System Review		137,639	-	137,639	56,690	137,639	-	-	Business Rates Reserve
SharePoint Intranet Upgrade			-	-	-	-	-	10,000	
Total Systems/ICT Schemes	13,300	137,639	44,200	195,139	117,077	195,139	-	10,000	
Vehicle, Plant and Equipment									
Air Quality		5,535	-	5,535	-	5,535	-	-	Grant
CCTV Replacement			95,000	95,000	13,396	95,000	-	-	Business Rates Reserve
Driver ID Fobs			11,035	11,035	9,600	9,600	1,435	-	Business Rates Reserve
Fleet Replacement		3,469,142	- 1,672,253	1,796,889	1,600,555	1,796,889	-	1,665,253	Business Rates Reserve/Capital Receipt

Scheme	Approved Budget	2022/23 C/FWD	In Year Changes	Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Reprofiled to Future Years	Funding Source
Hermitage 3G Pitch - Lighting Columns			20,000	20,000	-	20,000	-	-	Business Rates Reserve
Laptop Replacements			48,000	48,000	45,754	48,000	-	-	Business Rates Reserve
MOT Lane Upgrade			59,815	59,815	11,963	59,815	-	-	Business Rates Reserve
Public Conveniences - Ashby and Coalville			23,000	23,000	18,300	19,000	4,000	-	Business Rates Reserve
Refuse Bins and Recycling Containers	194,000		-	194,000	87,712	188,700	5,300	-	Business Rates Reserve
Whitwick and Coalville LC - Solar Panels			246,759	246,759	-	246,759	-	-	Business Rates Reserve
Total - Vehicle, Plant and Equipment	194,000	3,474,677	- 1,168,644	2,500,033	1,787,280	2,489,298	10,735	1,665,253	
New Construction or Renovation									
Appleby Magna Caravan Site - Redevelopment		38,510	-	38,510	37,027	37,027	1,483	-	Business Rates Reserve
Disabled Facilities Grants	670,310	2,208,703	- 2,341,013	538,000	171,833	538,000	-	2,428,744	Grant
Hermitage Access Road			25,000	25,000	-	25,000	-	-	Business Rates Reserve
Hermitage Recreation Eco Park - Tree Planting			32,260	32,260	-	32,260	-	-	Grant
Hermitage Recreation Ground Demolition		196,068	- 156,068	40,000	- 39,243	40,000	-	77,061	Business Rates Reserve
Memorial Clock Tower			1,000	1,000	625	1,000	-	9,000	Business Rates Reserve
Parks Depot Storage - Replacement Building			22,000	22,000	-	22,000	-	-	Business Rates Reserve
Whitwick and Coalville Leisure Centre		1,000,500	-	1,000,500	-	1,000,500	-	-	Business Rates Reserve
Total - New Construction or Renovation	670,310	3,443,782	- 2,416,821	1,697,270	170,241	1,695,787	1,483	2,514,805	
TOTAL ACTIVE PROGRAMME	1,297,610	14,432,895	- 7,089,970	8,640,535	4,468,001	8,583,741	56,794	8,886,082	
DEVELOPMENT POOL									
Coalville Regeneration Projects									
Coalville Regeneration Framework	500,000	344,675	- 819,675	25,000	- 390	25,000	-	541,616	Business Rates Reserve
Demolition of Council Offices	300,000		- 300,000	-	3,974	3,974	- 3,974	150,000	
Total - Coalville Regeneration Projects	800,000	344,675	- 1,119,675	25,000	3,584	28,974	- 3,974	691,616	
UK Shared Prosperity Investment Plan Programme (UKSPF)									
UK Shared Prosperity Investment Plan Programme	515,250		- 515,250	-	-	-	-	224,690	
Total - UK Shared Prosperity Investment Plan Programme (UKSPF)	515,250	-	- 515,250	-	-	-	-	224,690	
Carbon Zero									
Solar Panels - Ashby Leisure Centre/Coalville Leisure Centre	195,000		- 195,000	-	-	-	-	195,000	
Total - Carbon Zero	195,000	-	- 195,000	-	-	-	-	195,000	
Systems/ICT Schemes									
Cloud Back-Up Solution	10,000	13,544	- 23,544	-	-	-	-	-	
Server and Storage Additional Capacity	70,000		- 70,000	-	-	-	-	46,344	
SharePoint Intranet Upgrade	10,000		- 10,000	-	-	-	-	-	

Scheme	Approved Budget	2022/23 C/FWD	In Year Changes	Revised Budget	Actual Expenditure	Forecast Outturn	Variance	Reprofiled to Future Years	Funding Source
Total - Systems/ICT Schemes	90,000	13,544	- 103,544	-	-	-	-	46,344	
Vehicle, Plant and Equipment									
CCTV Cameras Replacement	100,500	44,469	- 144,969	-	-	-	-	49,969	
Driver ID Fobs		11,035	- 11,035	-	-	-	-	-	
Fleet Replacement Programme	2,186,230		- 2,186,230	-	-	-	-	2,186,230	
Kempower Mobile DC Charging Unit	15,860		- 15,860	-	-	-	-	15,860	
Laptop Replacements	68,000		- 68,000	-	-	-	-	-	
MOT Lane Upgrade	50,000		- 50,000	-	-	-	-	-	
Total - Vehicle, Plant and Equipment	2,420,590	55,504	- 2,476,094	-	-	-	-	2,252,059	
New Construction or Renovation									
The Courtyard Roof Repair	200,000		- 200,000	-	-	-	-	254,007	
Kegworth Public Realm Works	907,905	- 289,733	- 308,172	310,000	7,135	310,000	-	308,172	Grant/Ear Marked Reserve
Moira Furnace		280,000	- 230,000	50,000	-	50,000	-	230,000	
Memorial Clock Tower		10,000	- 10,000	-	-	-	-	-	
Total - New Construction or Renovation	1,107,905	267	- 748,172	360,000	7,135	360,000	-	792,179	
Special Expenses									
Staples Drive - Replacement Fencing	10,340		-	10,340	-	10,340	-	-	
Total - Special Expenses	10,340	-	-	10,340	-	10,340	-	-	
Contingency		12,264	- 9,815	2,449	-	-	2,449	-	
TOTAL DEVELOPMENT POOL	5,139,085	426,254	- 5,167,550	397,789	10,719	399,314	- 1,525	4,201,888	
TOTAL CAPITAL PROGRAMME	6,436,695	14,859,149	-12,257,520	9,038,324	4,478,720	8,983,055	55,269	13,087,970	

Special Expenses 2023/24 Q3 Monitoring & Forecast Outturn Position

COALVILLE SPECIAL EXPENSES	2023/24		
	Budget	Forecast Outturn	Variance
	£	£	£
Parks, Recreation Grounds & Open Spaces	325,520	325,301	(219)
Broomley's Cemetery & Closed Churchyard	4,860	11,264	6,404
Coalville in Bloom	0	(225)	(225)
Coalville Events	84,440	83,310	(1,130)
SPECIAL EXPENSES (NET COST OF SERVICE)	414,820	419,650	4,830
Service Management recharges/Admin Buildings	99,880	99,880	0
NET COST OF SERVICES AFTER RECHARGES	514,700	519,530	4,830
Contribution to/(from) Balances/Reserves	(2,402)	991	3,393
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	512,298	520,521	8,223
FUNDED BY:			
Precept	497,701	497,701	0
Localisation of Council Tax Support Grant	14,597	14,597	0
EMR not required - returned to balances	0	8,223	8,223
	512,298	520,521	8,223

OTHER SPECIAL EXPENSES	2023/24		
	Budget	Forecast Outturn	Variance
	£	£	£
WHITWICK	13,930	22,435	8,505
HUGGLESCOTE	18,760	18,997	237
COLEORTON	4,650	5,871	1,221
RAVENSTONE	480	455	(25)
MEASHAM	2,550	2,412	(138)
LOCKINGTON-CUM-HEMINGTON	2,500	2,372	(128)
OAKTHORPE & DONISTHORPE	4,320	4,047	(273)
STRETTON	1,440	1,660	220
APPLEBY MAGNA	2,190	2,076	(114)
OTHER SPECIAL EXPENSES (NET COST OF SERVICE)	50,820	60,325	9,505
Service Management recharges/Admin Buildings	25,750	25,750	0
NET COST OF SERVICES AFTER RECHARGES	76,570	86,075	9,505
Contribution to/(from) Balances/Reserves	12,865	3,360	(9,505)
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	89,435	89,435	0
FUNDED BY:			
Precept	88,161	88,161	0
Localisation of Council Tax Support Grant	1,274	1,274	0
	89,435	89,435	0

2023/24 Special Expenses Earmarked Reserves

COALVILLE SPECIAL EXPENSE RESERVES	Balances 01.04.23	Spend to date	Forecast Spend	Forecast Balance as at 31.03.24	Comments
	£	£	£	£	
<u>EARMARKED RESERVES</u>					
Local Authority Parks Improvement Programme	15,714	0	15,714	0	
Coalville in Bloom	5,000	5,000	5,000	0	
	20,714	5,000	20,714	0	
<u>PPM EARMARKED RESERVES</u>					
Claremont Drive Play Area Equipment Replacement	8,520	297	297	8,223	to be returned to balances
Scotlands Recreation - Repairs to potholes	4,054	0	4,054	0	
Broomleys Cemetery - Tree works	4,000	0	4,000	0	
Broomleys Cemetery - Path repairs (sealing)	3,000	0	0	3,000	to be c/fwd to 24/25
Cropston drive play area - Replacement play equip	33,050	0	33,050	0	
Sharpley Avenue play area - Replacement play equip	19,660	0	19,660	0	
	72,284	297	61,061	11,223	
TOTAL COALVILLE SPECIAL EXPENSE RESERVES	92,998	5,297	81,775	11,223	

OTHER SPECIAL EXPENSE RESERVES	Balances 01.04.23	Spend to date	Forecast Spend	Forecast Balance as at 31.03.24	Comments
	£	£	£	£	
<u>PPM EARMARKED RESERVES</u>					
Hugglescote Cemetery - remove trees, on going tree works	8,120	0	8,120	0	
Hugglescote Cemetery - sealing pathways	15,450	0	0	15,450	to be c/fwd to 24/25
Hugglescote Cemetery - new trees, remove stumps	3,090	0	3,090	0	
Hugglescote Cemetery - decorate Iron Gate	2,060	0	0	2,060	to be c/fwd to 24/25
Whitwick Cemetery - tree works	3,088	0	3,088	0	
Whitwick Closed Churchyard - repair paved surfaces, kill moss, renew path handrail	6,000	0	0	6,000	to be c/fwd to 24/25
TOTAL OTHER SPECIAL EXPENSE RESERVES	37,808	0	14,298	23,510	

Treasury Management – Borrowing & Investments

Borrowing

Table 1 below shows the breakdown of the types of external borrowing held by the Council:

Table 1 – Borrowing summary

	31.3.23 Balance	Net Movement	31.12.23 Balance	31.12.23 Weighted Average Rate	31.12.23 Weighted Average Maturity
	£m	£m	£m	%	(years)
Public Works Loan Board	55.1	-2.1	53.0	3.41%	12.8
Banks (LOBO)	3.5	0.0	3.5	4.80%	0.0
Banks (fixed-term)	3.9	0.0	3.9	4.74%	2.0
Local authorities (long-term)	0.0	0.0	0.0	0.00%	0.0
Local authorities (short-term)	0.0	0.0	0.0	0.00%	0.0
Total borrowing	62.6	-2.1	60.5	3.57%	14.8

Since the beginning of the reporting period the Council has paid £1.2m in interest on borrowing. The forecast amount to be spent on interest on loans for the financial year 2023/24 in total is £2.2m. The overall interest rate on borrowing is 3.57%. There is no change to this budget and spending is in line with expectations.

During the reporting period the Council has paid back £2.1m principal on its loans. It is forecasting to repay £2.7m in PWLB loan principal by the end of the year. £1.2m of this is annuity loans whereby regular payments are made throughout the lifetime of the loan and the other is a maturity loan of £1.5m.

The Council also has a Lender Option Borrower Option (LOBO) loan whereby the lender has the option on call dates throughout the year to offer an alternative interest rate. This offer can be taken up by the Authority or the loan can be repaid when that offer is made. The Council holds £3.5m in LOBO loans. Existing procedures are in place for decisive action to be taken in the case of a 'call' to ensure best value for the Council. On 8 February 2024 the lender attempted to increase the interest rate from 4.8% to 5.8%. The Authority took the decision to repay the loan without penalty, rather than agree to the revised rate, which is higher than the current market rates, which are forecast to start falling next financial year anyway.

The budget for borrowing principal repayments was in line to be met. The only variation is that the LOBO has been called and repaid. This will cause an increased cost pressure of £3.5m in year, which will be managed by reducing investment balances.

Investments

The breakdown of external investments held by the Council and movement since 31 December 2023 are shown in Table 2 below:

Table 2 – Investment summary

	31.3.23 Balance £m	Net Movement £m	31.12.23 Balance £m	31.12.23 Income Return %	31.12.23 Weighted Average Maturity (days)
Banks & building societies (unsecured)	2.0	-0.0	2.0	4.78%	1
Government (incl. local authorities)	37.0	-3.0	34.0	4.30%	88
Money Market Funds	4.1	14.2	18.3	5.28%	0
Total investments	43.1	11.2	54.3	4.65%	90

The Authority has budgeted £0.981m income from investments in 2023/24. Income received up to 31 December 2023 was £1.685m. We are now forecasting the risk adjusted interest received by 31 March 2024, to be £2.03m and after deductions income to be £1.732m. This will be split between the Housing revenue Account (HRA) and General Fund (GF) in the amounts £0.805m for the GF and £0.926m for the HRA.

It is important to note the difficulty in making accurate interest return forecasts in a volatile economic environment. These forecasts are likely to change again over the coming months as such an 80% risk adjustment is placed on anticipated income to avoid overreliance on interest return on budgets.

Title of Report	2023/24 QUARTER 3 HOUSING REVENUE ACCOUNT (HRA) UPDATE	
Presented by	Councillor Andrew Woodman Housing, Property and Customer Services Portfolio Holder PH Briefed <input checked="" type="checkbox"/>	
Background Papers	Cabinet 19 September 2023: 2023/24 Quarter 1 General Fund and Housing Revenue Account (HRA) Finance Update	Public Report: Yes
	Cabinet 21 November 2023: 2023/24 Quarter 2 General Fund and Housing Revenue Account (HRA) Finance Update	Key Decision: Yes
Financial Implications	Any financial implications of this report are detailed in the body of the report and the attached appendices.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	No legal implications arising from this report.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Any staffing implications of this report are detailed in the body of the report and the attached appendices.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To provide Cabinet with an update on the financial position on the Housing Revenue Account as at Quarter 3 2023/24.	
Reason for Decision	To update Cabinet on Quarter 3.	
Recommendations	CABINET IS RECOMMENDED TO: 8. NOTE THE FORECASTED OVERSPEND ON THE HOUSING REVENUE ACCOUNT OR 2023/24 OF £94K BASED ON QUARTER 3 INFORMATION. 9. NOTE THE REVISED HOUSING CAPITAL FORECAST DETAILED IN APPENDIX 2.	

3.0 PURPOSE OF THE REPORT

- 3.1 To inform Members of the spending position for the period 1 April 2023 to 31 December 2023 for the Council's Housing Revenue Account (HRA) focusing on the significant variances from the approved budgets. It should be noted that due to the ongoing implementation of the new finance system, the ongoing audit of the 2021/22 Statement of Accounts and the vacancies within the Finance team, the in depth analysis of the figures which would usually be undertaken has not been possible. Therefore, the focus has been on reporting the major variances based on the information available and discussions between Finance and the budget holders.
- 3.2 To update Members on the HRA capital programme for the period 1 April 2023 to 31 December 2023 on the proposed resourcing of the capital programme and the level of Council capital resources available, including capital receipts.
- 3.3 To update Members on the changes to the capital programme and note the variations to scheme budgets and re-profiling of budgets to future years.

2.0 HOUSING REVENUE ACCOUNT

2.1 HRA Income and Expenditure

- 2.1.1 Table 1 below shows the summary income and expenditure forecast outturn and variance for the HRA which is currently forecasting an overspend position at the end of quarter three of £94k.

Table 1 – HRA 2023/24 Quarter 3 Forecast Outturn Position

	Budget £'000	Forecast £'000	Variance £'000
Income	(20,139)	(20,213)	(74)
Operating Expenditure	17,077	17,245	168
Operating (surplus)/deficit	(3,062)	(2,968)	94
Appropriations	7,541	7,541	0
Net (surplus)/deficit	4,479	4,573	94

- 2.1.2 The service will continue to work to recover the position with use of reserves if required. A more detailed table of the forecast outturn position can be found at Appendix 1.
- 2.1.3 The Council continues to work actively to improve services delivered by the HRA and ensure the impact on tenants is considered in all service delivery. Work on this so far has included:
- Commissioning an independent review of processes.
 - Use of contractors to assist in delivering against repairs backlogs.
 - Working on reconfiguration of IT systems to improve efficiency and facilitate improved processes.
 - Recruiting staff to key vacant roles.
 - A plan for further actions within the service is also under preparation.

2.1.4 Other variances include:

- £552k forecast underspend on staff. This is due to a number of vacant posts across the organisation. This underspend is offset by a shortfall in income recharges to capital schemes which are forecast to be £305k lower than budgeted.
- Improvement in expected investment income of £100k due to higher interest rates.
- £101k adverse variance for expenditure on procurement due to a change in the way procurement advice is provided and a significant volume of procurement work for the HRA as part of the improvement plans.
- £164k additional interest on debt as some loans split between the General Fund and HRA were not included in the budget.
- £110k forecast overspend on Finance recharges. This is due to use of agency staff to cover roles which have been difficult to recruit to.

2.2 HRA Reserves

2.2.1 The HRA currently has a balance of £7.2m. A minimum balance of £1.0m is maintained to ensure the HRA has sufficient funding to cover unforeseen revenue expenditure and the remaining £6.2m to be used for capital projects and for the repayment of debt.

2.2.2 Earmarked reserves were reviewed in 2022/23 and as a result, all earmarked reserves were transferred to a Medium Term Financial Planning reserve for the HRA. This will enable reserves to be allocated corporately to achieve strategic aims.

2.2.3 Table 2 below shows a summary of usable HRA reserves:

Table 2 – HRA Usable Reserves forecast 2023/24

Reserves	Balance at 31/03/23	Forecast Contributions Received	Forecast Spend Required	Balance at 31/03/24
	£'000	£'000	£'000	£'000
<u>Housing Revenue Account</u>				
HRA Medium Term Financial Plan Reserve	530			530
HRA Balance	7,200		(4,574)	2,626
	7,730	0	(4,574)	3,156
HRA Capital Receipts	11,340	2,760	(6,510)	7,590
Major Repairs Reserve	2,730	3,400	(3,470)	2,660
Debt Repayment Reserve	0	3,730	0	3,730
	21,800	9,890	(14,554)	17,136

2.3.1 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

2.3.2 The Housing capital programme broadly consists of the Improvements and Modernisation programme as well as the New Build programme.

2.3.3 The Improvements and Modernisation Programme includes:

- Vital fire safety works.
- Major aids and adaptation works around safety, accessibility and increasing independent living for residents.
- Transforming older persons schemes to an integrated digital service, giving full and timely works and events and visits information to residents. This also allows the Council to share a digital layout with the Fire Service so in the event of an incident they can guide crews through the building.
- Replacement heating scheme, installing new Ideal Logic (hydrogen ready) efficient boilers or air source heat pumps (if replacing solid fuel systems) and correct insulation to improve thermal efficiency of Council homes. This will improve affordability of heating for tenants this winter as well as assisting the Council in achieving progress towards every property meeting Energy Performance Certificate Level C by 2028.

2.3.4 Most of the projects in the new build scheme are still at the design stage. The Council is exploring a number of delivery models to increase the number of affordable and social housing units across the District.

2.3.5 Table 3 shows the expenditure and forecast against budget as at quarter three.

Table 3 - Quarter 3 2023/2024 Outturn on the HRA Capital Programme

Scheme	Original Budget £'000	Prior Year C/fwd £'000	In-year Changes £'000	Revised Budget £'000	Expenditure @ Q3 £'000	23/24 Forecast Outturn £'000	Variance (Revised Budget v Outturn) £'000	Carry-Forward to Future Years £'000
Improvements and Modernisation	12,226	8,555	(13,125)	7,656	2,603	7,656	0	13,125
New Build	2,948	6,003	(8,896)	55	5	55	0	8,896
Total	15,174	14,558	(22,021)	7,711	2,608	7,711	0	22,021

2.3.6 Expenditure for quarter three was £2.61m and this was largely from the Improvements and Modernisation programme. The low level of expenditure on the New Build programme is due to schemes being at the design stage and also delays in procuring contractors.

Table 4 - Reprofileing of Future Years' Budgets

Scheme	Reprofiled to 24/25 £'000	Reprofiled to 25/26 £'000	Reprofiled to 26/27 £'000	Total £'000
Improvements and Modernisation	5,607	0	7,518	13,125
New Build	2,879	0	6,017	8,896
Total	8,486	0	13,535	22,021

2.3.7 The Improvements and Modernisation programme has the largest budget allocation to future years and this is to undertake projects such as fire safety works, asbestos remediation, major aids and adaptations and zero-carbon schemes.

2.3.8 It should be noted the table shows the re-profiling of expenditure from the budget agreed in February 2023, the majority of the reprofiling was reported to Cabinet as part of the Outturn Report 2022/23. It is being reported again for completeness and transparency.

2.3.9 The Council’s modifications to the QL Housing and Repairs data system involve enhanced recording capabilities, allowing them to track budget expenditures in greater detail and real-time, including information on when and where the spending occurs.” This system is in the process of being integrated with the Unit4 Finance system so that weekly reconciliation of forecast and actual budgets can be undertaken. Where programmes fall behind in delivery, adjustments can be made to ensure the Council delivers what it promises or communicates and takes action to intervene.

Policies and other considerations, as appropriate	
Council Priorities:	The spending from the budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	The Council is forecast to invest £850k retrofitting Council homes to reduce their environmental impact.
Consultation/Community/Tenant Engagement:	This report will go to Corporate Scrutiny Committee on 23 May 2024
Risks:	<p>High levels of inflation can undermine the Council’s financial reserves. As inflation rises, the real purchasing power of the Council’s reserves steadily erodes, meaning the same amount of money can purchase progressively fewer goods and services. This erosion of value poses a challenge to the organisation’s ability to maintain financial stability and achieve its long-term financial objectives.</p> <p>Furthermore, the Council has opted to allocate its increased interest earnings (resulting from increased base rate) towards funding its base revenue budget rather than reinvesting them into reserves. This strategic choice, combined with the inflationary pressure, leads to an overall devaluation of reserves. Essentially, this practice leaves the organisation with reduced financial resilience, as it does not adequately account for the eroding effect of inflation on its reserves.</p> <p>Although the current high levels of inflation are causing problems, reserves might be expected to</p>

	<p>grow with more moderate levels of inflation over the long term. Real returns (i.e. after inflation) are and have been negative despite investment returns rising. So even if the Council changed its policy to add interest earnings to reserves it still would not solve the whole problem. Indeed, very few investment returns are beating inflation and in general if you wanted higher returns you'd need to invest for a longer period and/or with riskier assets, which the council has decided not to do.</p> <p>There is a risk of availability of staff to resource the programme of work. There is also a national problem with increased costs of temporary staff. The service works closely with colleagues in Human Resources to recruit to vacant posts and continues to recruit through the apprentice programme.</p> <p>The budgets will continue to be monitored throughout the year to ensure the Council remains within its funding envelope.</p>
Officer Contact	<p>Anna Crouch Head of Finance & Deputy S151 Officer anna.crouch@nwleicestershire.gov.uk</p>

2023/24 HRA QUARTER 1 FORECAST OUTTURN POSITION

HOUSING REVENUE ACCOUNT SUMMARY	Annual Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Expenditure			
Repairs & Maintenance	7,694	7,672	(22)
Supervision & Management	3,995	4,021	26
Provision for Doubtful Debts	100	100	0
Depreciation	3,466	3,466	0
Capital Financing & Debt Management	1,822	1,986	164
Total Expenditure	17,077	17,245	168
Income			
Rent & Service Charges	(19,792)	(19,766)	26
Non-Dwelling Rents	(41)	(41)	0
Other Income	(20)	(20)	0
Investment Income	(286)	(386)	(100)
Total Income	(20,139)	(20,213)	(74)
Net Operating Expenditure/-Surplus	(3,062)	(2,968)	94
Appropriations			
Transfer to/from reserves	3,726	3,726	0
Revenue Contribution to Capital	3,815	3,815	0
Total Appropriations	7,541	7,541	0
NET (SURPLUS)/DEFICIT	4,479	4,573	94

North West Leicestershire District Council
HRA Capital Programme 2023/24

Scheme	Original Budget	Prior Year C/fwd	In-year Changes	Revised Budget	Expenditure @ P9	2023/24 Forecast Outturn	Variance	Carry-Forward to Future Years
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Development Pool:								
Acquisitions and New Build								
Queensway, Measham (Phase 4)		929	(915)	14	3	14	0	915
Howe Road, Whitwick (Phase 4)		823	(823)	0	0	0	0	823
Woulds Court, Moira (Phase 5)		2,089	(2,074)	15	(4)	15	0	2,074
Cedar Grove, Moira (Phase 5)	460	323	(783)	0	0	0	0	783
The Oaks	1,064	636	(1,686)	14	3	14	0	1,686
Phase 6 - Western Avenue		4	(4)	0	0	0	0	4
S106 purchase - Osgathorpe	0	395	(395)	0	0	0	0	540
S106 purchase - Ravenstone/The Coppice	0	82	(82)	0	0	0	0	82
Acquisition of affordable homes		722	(710)	12	4	12	0	565
EMH - Standard Hill	924	0	(924)	0	0	0	0	924
New Sites - Contingency	500	0	(500)	0	0	0	0	500
Active Programme:								
Improvements and Modernisation								
Home Improvement Programme								
2019 - 2024 Home Improvement Programme	4,500	5,738	(6,938)	3,300	1,934	3,300	0	6,938
Estate Improvements								
Off Street Parking	1,000	220	(220)	1,000	13	1,000	0	220
Footpaths and Unadopted Roads	50	100	(50)	100	0	100	0	50
Garage demolition and replacement	100	99	(124)	75	0	75	0	124
Place Shaping Pilot	0	250	(250)	0	0	0	0	250
Estate Projects - other	100	236	(300)	36	11	36	0	300
Commercial Boilers	150	0	(150)	0	0	0	0	150
Stock Condition Survey	450	0	(450)	0	0	0	0	450
Vehicles	55	0	0	55	0	55	0	0
Compliance								
Passive Fire Safety	1,100	0	(700)	400	8	400	0	700
Major Aids and Adaptations	400	0	0	400	368	400	0	0
Zero Carbon Programme	3,139	0	(2,289)	850	208	850	0	2,289
Supported Housing Improvements								
Speech Module	0	260		260	0	260	0	0
Sheltered Housing Improvements	100	650	(750)	0	0	0	0	750
Scheme Lighting	200	0	(164)	36	0	36	0	164
Tunstall System	260		(260)	0	0	0	0	260
Electrical Upgrades	0	200	(50)	150	0	150	0	50
Energy Performance Certificates	130	0	(130)	0	0	0	0	
Large Roof Replacement	300	0	(300)	0	0	0	0	300
Other Capital Spend								
Capital Works - Voids	0	494	0	494	0	494	0	
Housing Management IT System	192	308	0	500	61	500	0	0
Capital Salaries	0	0	0	0	0	0	0	0
Total	15,174	14,558	(22,021)	7,711	2,609	7,711	0	21,891