

Title of Report	DRAFT 2023/24 QUARTER 1 GENERAL FUND AND HOUSING REVENUE ACCOUNT (HRA) FINANCE UPDATE	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder PH Briefed <input type="checkbox"/>	
Background Papers	Cabinet 31 January 2023:	Public Report: Yes
	General Fund Budget & Council Tax 2023/24 HRA Budget & Rents 2023/24 Capital Strategy, Treasury Management Strategy & Prudential Indicators 2023/24	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/No	
Legal Implications	No legal implications arising from this report.	
	Signed off by the Monitoring Officer: Yes/No	
Staffing and Corporate Implications		
	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 and Housing Revenue Account (HRA) as at Quarter 1 2023/24.	
Reason for Decision	To update Cabinet on Quarter 1 and request approval for supplementary estimates as detailed in the recommendations below.	
Recommendations	CABINET IS RECOMMENDED TO: 1. NOTE THE FORECAST OVERSPEND ON GENERAL FUND FOR 2023/24 OF £252K BASED ON QUARTER 1 INFORMATION. 2. NOTE THE SPECIAL EXPENSES FORECAST OUTTURN FIGURES FOR 2023/24 BASED ON	

	<p>QUARTER 1 INFORMATION.</p> <p>3. NOTE THE FORECAST OVERSPEND ON THE HOUSING REVENUE ACCOUNT FOR 2023/24 OF £436K BASED ON QUARTER 1 INFORMATION.</p> <p>4. NOTE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2(c) WHICH ARE BELOW £100K AND ARE EXTERNALLY FUNDED.</p> <p>5. APPROVE THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2(c) WHICH ARE ABOVE £100K AND ARE EXTERNALLY FUNDED.</p> <p>6. APPROVE ALL SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2(c) WHICH REQUIRE COUNCIL FUNDING.</p> <p>7. RECOMMEND TO FULL COUNCIL THAT THE SUPPLEMENTARY ESTIMATES DETAILED ON APPENDIX 2(c) WHICH ARE ABOVE £250K AND ARE EXTERNALLY FUNDED ARE APPROVED.</p> <p>8. NOTE THE CHANGES IN THE CAPITAL PROGRAMME DETAILED IN TABLE 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 30 June 2023 for the Council's General Fund, and Housing Revenue Account (HRA), and update them of any significant variances from the approved budgets.
- 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 any which are Council funded.
- 1.3 To update Members on the capital programme for the period 1 April 2023 to 30 June 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 request approval for 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 30 June 2023.

2.0 GENERAL FUND

2.1 General Fund Revenue

- 2.1.1 Table 1 below summarises the first quarter position summarised by Directorates. The current projections are that an overspend of £252k on the overall General Fund budget is expected to occur for 2023/24.

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

Directorate	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
Chief Executive Directorate	2,797	2,797	0
Place Directorate	2,478	2,596	118
Communities Directorate	8,078	8,046	(32)
Resources Directorate	3,488	3,503	15
Corporate and Democratic Core and Other Budgets	896	1,344	448
NET COST OF SERVICES	17,737	18,286	549
Net Recharges from General Fund	(1,828)	(1,828)	0
NET COST OF SERVICES AFTER RECHARGES	15,909	16,458	549
Corporate Items and Financing	1,444	1,171	(273)
NET REVENUE EXPENDITURE	17,353	17,629	276
Contribution to/(from) Balances/Reserves	(266)	(290)	(24)
NET EXPENDITURE (AFTER RESERVE CONTRIBUTIONS)	17,087	17,339	252

- 2.1.2 Cabinet should note that the estimated overspend at quarter one is a forecast only and may reduce or increase. Close monitoring of performance against budget must be a top priority for managers to identify any areas that pose significant budget pressures.
- 2.1.3 There are a number of variances that make up the forecast outturn detailed above. Appendix 1 gives a more detailed analysis of the forecast outturn variances by service area. 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 £118k

- Property £33k – the forecast overspend is largely due to a significant leak in the roof at the Courtyard development which has required emergency works at a cost of circa £30k. Some of this should be claimed back from the insurers but the amount is unknown at the moment.

- Planning £85k – this is largely due to a forecast overspend of £75k on additional agency costs and £10k for other staffing costs. 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

- New Market £30k – there is currently a forecast shortfall in income due to the loss of traders although other traders have been approached and are interested in growing their business.
- Leisure Services £63k – 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 a provisional figure for 2022/23 which is still to be confirmed and is subject to negotiation.
- Waste Services – there is likely to be increased recycling income if prices and tonnages remain at current levels along with increased trade refuse income if the current number of customers are retained and green bin income is on budget. This additional income will be offset by increased vehicle hire costs due to delayed delivery of refuse vehicles due to worldwide market shortages and delays on parts and raw materials and increased agency staff to cover sickness and absence levels. As a result of the uncertainty around these figures the forecast on Waste Services remains on budget, however, further work is being undertaken ahead of the quarter two reporting.
- Strategic Housing (£125k) – Housing is 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.

Corporate, Financing and Other Budgets

- Pay award £448k – the Council has included 4% in the 2023/24 budget for the pay award, but the latest indications are that this could be as high as 6.75%. Final confirmation of the actual pay award is still to be received. Part of the pay award for Chief Officers has been agreed at 3.5% which is under forecast.
- Investment Income (£273k) – 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.

2.1.4 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

as the process for setting the 2024/25 budget commences. All additional costs will be offset against the increase in income from treasury management activities.

- 2.1.5 Although the forecast outturn detailed above is showing a £252k overspend, services are working to mitigate these areas of overspending, as detailed in the bullet points in paragraph 2.1.3 above, along with the potential of increased Planning fee income which would mitigate against the current overspend position.
- 2.1.6 Managers are expected to bring their spending back within budget which the Council successfully achieved in the last financial year. The implications on the Medium Term Financial Plan (MTFP) also need to be considered as there is a substantial gap to be closed. There is a budget shortfall in 2024/25 of £1.6m which rises to an annual budget shortfall of £3.9m in 2027/28. This is a cumulative gap over the course of the five-year MTFP of £10.2m.
- 2.1.7 Officers are also exploring options for any potential funding opportunities available. An example of this is the Planning Skills Delivery Fund (PSDF) recently launched by the Department of Levelling Up, Housing and Communities (DLUHC). Local Planning Authorities can now apply for funding (up to £100k), which can be used to hire additional planning officers and invest in other resources to help clear planning backlogs. Officers are assessing whether the Council meets the bidding criteria and if the Council is eligible, a bid will be submitted. There are, however, no guarantees that the Council would be successful.

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 one 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. These approval levels are detailed in Appendix 2(b).
- 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(c) details all supplementary estimates grouped by value and funding with details of the reasons for the requests. As can be seen from Appendix 2(c), the total external funding to be included in the 2023/24 budgets is £1.69m (of which £213k is capital) and the total to be transferred from reserves is £197k (of which £121k is HRA).

2.4 Section 106

- 2.4.1 Section 106 funds of £7.4m were held by the Council as at 31 March 2023. These funds will be spent by several organisations including the Council but also parish councils, health authorities etc. A breakdown of the £7.4m is provided at Appendix 3.
- 2.4.2 Future quarterly reports will be developed throughout the year 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 will not reconcile to any figures in Appendix 3. This is because the S106 balances are made up of amounts which have already been spent against and are accounted for as a Council reserve, as well as amounts held with no expenditure against them which are accounted for as a liability as they could potentially be returned 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
General Fund General Fund Earmarked Reserves	6.042	(1.867)	(0.122)	4.053

Reserves	Balance at 01/04/2023 £m	Forecast Spend £m	No longer required £m	Forecast balance at 31/03/2024 £m
General Fund General Reserves (agreed minimum balance)	1.544			1.544
Medium Term Financial Plan (MTFP) Reserve	7.937	(0.383)		7.554
	15.523	(2.25)	(0.122)	13.151
<u>Other</u> S106 *	1.968			1.968
	17.491	(2.25)	(0.122)	15.119

* Balance at 01/04/22, please also see paragraph 2.4.3 above

2.5 General Fund Capital

- 2.5.1 Table 3 below details the quarter one position on the 2023/24 capital programme. Spend in the period was £0.48m and this was largely by the accommodation programme (work on the Council offices). Full scheme-by-scheme analysis can be found in Appendix 5.

Table 3 - Quarter 1 2023-24 Outturn on the General Fund Capital Programme

Department	Original Budget £'000	Prior Year C/fwd £'000	In-year Changes £'000	Revised Budget £'000	Spend @ P3 £'000	23/24 Forecast Outturn £'000	Variance (Rev Budget v Forecast Outturn) £'000	Carry- Forward to Future Years £'000
Place	2,868	8,082	(5,106)	5,845	427	5,164	680	5,081
Community Services	3,597	5,097	(6,598)	2,096	51	2049	47	6,598
Resource	158	364	(23)	499	2	499	0	0
Total	6,623	13,543	(11,727)	8,439	480	7,712	727	11,679

- 2.5.2 Expenditure is expected to pick up during the year and the forecast outturn for 2023/24 is £6.97m. £11.63m of the budget is projected to be carried forward to future years. This is detailed in Table 4 below.

Table 4 - Reprofileing of budgets to future years

Department	Reprofiled to 24/25 £'000	Reprofiled to 25/26 £'000	Reprofiled to 25/26 £'000	Total £'000
Place	3,878	1,203	0	5,081
Community Services	6,548	0	0	6,598
Resource	0	0	0	0
Total	10,476	1,203	0	11,679

- 2.5.3 Community services has the largest budget allocation to future years and this is mostly due to long lead times in sourcing appropriate environmentally friendly vehicles for the Council's fleet replacement programme. 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.

2.6 Changes to the Capital Programme

2.6.1 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.

2.6.2 Table 5 below details schemes which have moved from the development pool to the active pool during the year.

Table 5 – Scheme Movements in the Capital Programme

Capital Scheme	Revised Budget £'000	Reason for Movement
General Fund		
SharePoint Intranet Upgrade	10	Considered and transferred from development programme to active programme.
Cloud Back-Up Solution	44	Considered and transferred from development programme to active programme.
Laptop Replacement	68	Considered and transferred from development programme to active programme.
Server & Storage Additional Capacity	43	Considered and transferred from development programme to active programme.
Public Conveniences	23	New scheme - Funded from underspends within the programme.
CCTV Replacement Programme	95	Considered and transferred from development programme to active programme.
EcoPark	162	New scheme - externally funded via grant receipts.
Hermitage Access Road	25	Considered and transferred from development programme to active programme.
Total	470	

2.6.3 One of the major schemes in the capital programme is the Accommodation Project. This scheme is the major refurbishment of the Council offices which includes works to the new customer service centre, Whitwick Business Centre and Stenson House. The total scheme budget is £5.01m and the current forecast spend is £5.43m. This means the scheme is anticipated to overspend by £0.42m. The overspend is due to the need to do backlog maintenance works especially to Stenson House. The overspend will be financed from programme contingency fund of £0.21m, £0.15m budget for vehicle charging points and £0.06m from underspends within existing schemes.

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 first quarter, actual expenditure, including grounds maintenance, events and burial income are all forecast to be on budget.
- 3.3 The total Special Expenses net revenue budget for 2023/24 is £591k which is funded through Council Tax and Grants of £602k which provides a budgeted surplus of £11k to be transferred to reserves.

Table 6 - Special Expenses 2023/24 Q1 Monitoring & Forecast Outturn Position

SPECIAL EXPENSES	Approved Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Annual Recurring Expenditure	591	591	0
Expenditure Requirement	591	591	0
Precept	586	586	0
Localisation of Council Tax Support Grant	16	16	0
Transfer from/(to) reserves	(11)	(11)	0

- 3.4 The provisional balances as at 1 April 2023 and the forecast outturn as at 31 March 2024 are shown in table 7 below. As can be seen from the table, two of the Special Expense areas are forecast to be in a deficit position. This is not a sustainable position and further work is planned for 2023/24, including a review of the Special Expenses Policy, to ensure that a minimum of 10% balances are retained.

Table 7 - 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	(2,402)	16,748
Whitwick	7,664	6	7,670
Hugglescote/Donington Le Heath	17,851	5,717	23,568
Coleorton	1,274	1,650	2,924
Lockington/Hemington	1,272	886	2,158
Measham	1,107	695	1,802
Ravenstone	492	887	1,379
Appleby Magna	844	1,650	2,494

- 3.5 A list of the Special expense earmarked reserves as at the end of June 2023 are shown in table 8 below. Appendix 7 gives a more detailed analysis.

Table 8 - 2023/24 Special Expenses Earmarked Reserves

EARMARKED RESERVES	Balances 01.04.23	Spend to date	Forecast Spend	Forecast Balance as at 31.03.24
	£	£	£	£
Coalville	92,998	3,974	92,998	0
Hugglescote	28,720	0	28,720	0
Whitwick	9,088	0	9,088	0
	130,806	3,974	130,806	0

4.0 HOUSING REVENUE ACCOUNT (HRA)

4.1 HRA Income and Expenditure

- 4.1.1 Table 9 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 one of £436k.

Table 9 – HRA 2023/24 Quarter 1 Forecast Outturn Position

	Budget £'000	Forecast £'000	Variance £'000
Income	(20,139)	(20,183)	(44)
Operating Expenditure	17,077	17,556	480
Operating (surplus)/deficit	(3,062)	(2,627)	436
Appropriations	7,541	7,541	0
Net (surplus)/deficit	4,479	4,914	436

- 4.1.2 The service will seek to recover the budget position through vacancy management and use of reserves. A more detailed table can be found at Appendix 8.
- 4.1.3 The Council is actively working 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.

4.1.4 To address these improvements, it is proposed to utilise £121k of HRA reserves. The approvals for these are being sought as part of the Supplementary Estimates set out in Appendix 2.

4.1.5 Other variances include:

- £180k anticipated shortfall for 2023/24 pay award. The Council has included 4% in the 2023/24 budget for the pay award, but latest indications are that this could be as high as 6.75%. Final confirmation of the actual pay award is still to be received.
- Improvement in expected investment income of £119k due to higher interest rates.
- £75k adverse variance for rent income based on first quarter rents received.

4.1.6 The overspend of £436k will reduce by £121k if the reserve drawn downs detailed in Appendix 2 are approved.

4.2 HRA Reserves

4.2.1 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.

4.2.2 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.

4.2.3 Table 10 below shows a summary of usable HRA reserves:

Table 10 – HRA Usable Reserves forecast 2023/24

Reserves	Balance at 31/03/23 £m	Forecast Contributions Received £m	Forecast Spend Required £m	Balance at 31/03/24 £m
<u>Housing Revenue Account</u>				
HRA Medium Term Financial Plan Reserve	0.53			0.53
HRA Balance	7.20		(4.92)	2.28
	7.73	0.00	(4.92)	2.81
HRA Capital Receipts	11.34	2.76	(6.51)	7.59
Major Repairs Reserve	2.73	3.40	(3.47)	2.66
Debt Repayment Reserve	0.00	3.73	0.00	3.73
	21.80	9.89	(14.90)	16.79

4.3 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

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

4.3.2 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.

4.3.3 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.

4.3.4 Table 1 shows the expenditure and forecast against budget as at quarter one.

Table 11 - Quarter 1 2023/2024 Outturn on the HRA Capital Programme

Scheme	Original Budget	Prior Year C/fwd	In-year Changes	Revised Budget	Spend @ P3	23/24 Forecast Outturn	Variance (Rev Budget v Forecast Outturn)	Carry-Forward to Future Years
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Improvements & Modernisation	12,226	8,555	(8,486)	12,295	1,286	12,045	250	7,612
New Build	2,948	6,148	(7,078)	2,018	5	2,018	0	7,857
Total	15,174	14,703	(15,564)	14,313	1,291	14,063	250	15,469

4.3.5 Expenditure for quarter one was £1.29m and this was largely from the improvements and modernisation programme. This low level of expenditure for quarter one is the result of taking an early review of the programme in the context of sector wide issues as well as the time take to procure contractors.

4.3.6 The forecast is £0.25m below budget. This is mainly on the Homes Improvement Programme where the expenditure of £4.3m is forecast against a budget of £4.5m. This is the result of the programme of expenditure being allocated against workstreams with realistic timings. The programme will be continued to be monitored against these timings.

Table 12 - Reprofilling of Future Years Budgets

Scheme	Reprofiled to 24/25	Reprofiled to 25/26	Reprofiled to 25/26	Total
	£'000	£'000	£'000	£'000
Improvements and Modernisation	2,793	5	5,738	8,536
New Build	1,139	0	5,794	6,933
Total	3,932	5	11,532	15,469

- 4.3.3 The improvements and modernisation programme has the largest budget allocation to future years and this is to undertake projects such as fire safety works, roof replacement and zero-carbon schemes.
- 4.3.4 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 but is expected to be refined again at the end of Quarter 2.
- 4.3.5 Changes to the QL Housing and Repairs data system mean the Council will be recording in more detail and in real-time what budgets are being spent, when, and where. 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 promise or communicates and takes action to intervene.

5.0 TREASURY MANAGEMENT

- 5.0.1 The following report 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.
- 5.0.2 Table 13 shows the progression of budgets as at 30 June 2023 for Treasury Management elements.

Table 13 – Treasury Management Forecast Outturn 2023/24

Element	Original Budget	Variance	Revised Forecast
	£'000	£'000	£'000
Investment Interest Income:			
<i>Deductions</i>	(189)	(104)	(293)
<i>GF</i>	(336)	(273)	(609)
<i>HRA</i>	(457)	(119)	(576)
Total	(982)	(496)	(1,478)
Borrowing Interest Expenditure	2,228	0	2,228
Borrowing Principle Repaid*	2,734	0	2,734
Total	3,980	(496)	3,484

**there is a possibility of repayment of the Councils Lender option borrower option (LOBO) loan of £3.5m – further details are outlined in paragraph 5.2.4*

- 5.0.3 Table 14 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 14 – Treasury Summary

	31.3.23 Balance £m	Movement £m	30.06.23 Balance £m	30.06.23 Rate %
Long-term borrowing	59.8	0.0	59.8	3.6%
Short-term borrowing	2.7	0.0	2.7	4.2%
Total borrowing	62.5	0.0	62.5	3.6%
Long-term investments	0.0	0.0	0.0	0.0%
Short-term investments	39.0	(4.0)	35.0	4.6%
Cash and cash equivalents	4.1	13.9	18.0	4.7%
Total investments	43.1	9.9	53.0	4.7%
Net borrowing	19.5	(9.9)	9.6	

- 5.0.4 Further information on the Council's borrowing and investments can be found on Appendix 10.

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:	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:	Corporate Scrutiny Committee 31 August 2023

Risks:	The budgets will continue to be monitored throughout the year to ensure the Council remains within its funding envelope.
Officer Contact	Anna Crouch Head of Finance & Deputy S151 Officer anna.crouch@nwleicestershire.gov.uk

2023/2024 GENERAL FUND REVENUE QUARTER 1 FORECAST OUTTURN POSITION

Directorate & Service Area	Annual Budget	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000
Chief Executive	402	402	0
Human Resources	740	740	0
Legal & Support Services	1,655	1,655	0
Total Chief Executive Directorate	2,797	2,797	0
Strategic Director of Place	341	341	0
Property & Economic Regeneration	1,143	1,176	33
Planning	985	1,070	85
Joint Strategic Planning	9	9	0
Total Place Directorate	2,478	2,596	118
Strategic Director of Community Services			
Community Services	6,322	6,415	93
Strategic Housing	798	673	(125)
Customer Services	958	958	0
Total Communities Directorate	8,078	8,046	(32)
Strategic Director of Resources			
Finance	1,148	1,163	15
Revenues & Benefits	1,131	1,131	0
ICT	1,209	1,209	0
Total Resources	3,488	3,503	15
Corporate & Democratic Core (CDC) & Other Budgets			
Corporate & Democratic Core	70	70	0
Pay award	651	1,099	448
Non Distributed - Revenue Exp on Surplus Assets	108	108	0
Non Distributed - Retirement Benefits	67	67	0
Total CDC & Other Budgets	896	1,344	448
NET COST OF SERVICES	17,737	18,286	549
Net Recharges from General Fund	(1,828)	(1,828)	0
NET COST OF SERVICES AFTER RECHARGES	15,909	16,458	549

2023/2024 GENERAL FUND REVENUE QUARTER 1 FORECAST OUTTURN POSITION

Directorate & Service Area	Annual Budget	Forecast Outturn	Forecast Outturn Variance
Corporate Items & Financing			
Net Financing Costs	1,763	1,763	0
Investment Income	(335)	(608)	(273)
Localisation of CT Support Grant - Parish & Special Expenses	16	16	0
Total Corporate Items & Financing	1,444	1,171	(273)
NET REVENUE EXPENDITURE	17,353	17,629	276
Budget Proposals Funded from Reserves - One-Off	(290)	(290)	0
Contribution to/(from) Balances/Reserves	24	0	(24)
NET EXPENDITURE (AFTER RESERVE CONTRIBUTION)	17,087	17,339	252

Virements

- Council policy is that it shall **not exceed the budgets allocated** to each relevant budget head.
- However, it shall be **entitled to vire across budget heads** within such limits as shall be laid down in the Financial Procedure Rules.
- A virement is **defined as 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

Value	Approval Level Required		
	Within a Budget Head	Between Budget Heads in same Directorate	Between Directorates
Between £0 - £4,999	Heads of Service	Heads of Service	Heads of Service
Between £5,000 and £24,999	Heads of Service and Chief Executive/Strategic Directors	Chief Executive/Strategic Directors and Portfolio Holder(s)	Chief Executive/Strategic Directors and Portfolio Holder(s)
Between £25,000 and £99,999	Chief Executive/Strategic Directors and Portfolio Holder(s)	Chief Executive/Strategic Directors and Portfolio Holder(s)	Chief Executive/Strategic Directors and Portfolio Holder(s)
Between £100,000 and £249,999	Cabinet	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council	Full Council
Notes: <ol style="list-style-type: none"> 1. In all circumstances virements require approval by the S151 Officer. 2. All relevant parties listed above must be in agreement. 3. Virements should not be artificially disaggregated. 4. Virement rules apply to capital and revenue. 			

Supplementary Estimates

- A supplementary estimate is an **addition to the Council's agreed budget**
- Supplementary estimates can be **one-offs, or recurring**
- In either case, supplementary estimates **should only be considered after all other options**, such as virements, or savings, have been considered
- Supplementary estimates **include budgets fully funded by external grant or contribution**

Value	Approval Level Required	
	Fully Externally Funded	Requires Council Funding
Between £0 and £99,999	Head of Service and Chief Executive/Strategic Directors [then reported to Cabinet at next meeting]	Cabinet
Between £100,000 and £249,999	Cabinet	Cabinet
£250,000 and over	Full Council	Full Council
Notes:		
1. In all circumstances Supplementary Estimates require approval by the S151 Officer.		
2. Council funding includes (but is not limited to) revenue budget, reserves, Section 106, capital receipts and borrowing. S151 Officer decision will undertaken an assessment.		
3. Supplementary Estimates should not be artificially disaggregated.		
4. Supplementary Estimates rules apply to capital and revenue.		

Draft Supplementary Estimates & Virements - 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								
Capital	General Fund	Communities	Public protection team	Public protection team	One-Off	90,264	DLUHC	DFG capital grant adjustment
Capital	General Fund	Place	Property & Economic Regeneration	Economic Regeneration	One-Off	90,000	DLUHC	UK Shared Prosperity Fund Year 2 Capital
Capital	General Fund	Communities	Leisure Services	Leisure Services	One-Off	32,260	National Forest	Eco-Park (at Hermitage recreational ground) new funding
						212,524		
Revenue	General Fund	Communities	Housing	Strategic Housing	One-Off	92,397	DLUHC	Ukraine Homeless Prevention Grant
Revenue	General Fund	Communities	Environmental Protection	Community Service	One-Off	70,744	LCC	DFG/Lightbulb Grant (increase for 23/24)
Revenue	General Fund	Communities	Environmental Health/Border Inspection	Community Service	One-Off	16,994	FSA	(FSA)Food Standards Agency Project for Port Health
Revenue	General Fund	Communities	Community Safety	Community Service	Recurring	34,370	DLUHC	Domestic Abuse Grant
Revenue	General Fund	Communities	Stronger & Safer Communities	Community Service	One-Off	6,555	OPPC	CSP/ Police Crime Commissioner-Community Safety projects
Revenue	General Fund	Resources	Revenues & Benefits	Revenues	One-Off	8,116	DLUHC	Business Rates Retention Scheme
Revenue	General Fund	Resources	Revenues & Benefits	Revenues	One-Off	10,565	DLUHC	New burdens for implementing LCTSS
Revenue	General Fund	Resources	Revenues & Benefits	Benefits	One-Off	9,927	DWP	Various benefits grants to be paid out to CAPITA
Revenue	General Fund	Resources	Revenues & Benefits	Benefits	One-Off	12,231	DWP	Benefits HBA (unsure if needs to be paid to CAPITA)
Revenue	General Fund	Resources	Revenues & Benefits	Benefits	One-Off	96	DWP	Benefits Digital Forms (unsure if needs to be paid to CAPITA)
Revenue	General Fund	Chief Exec	Legal & Support	Democratic Services	One-Off	37,235	DLUHC	Electoral Integrity (Voter ID)
Revenue	General Fund	Chief Exec	Legal & Support	Democratic Services	One-Off	2,125	DLUHC	Electoral Integrity (Implementation of Elections Act 2022)
Revenue	General Fund	Communities	Leisure Services	Leisure Services	One-Off	20,600	National Forest	Eco-Park (at Hermitage recreational ground) new funding
Revenue	General Fund	Communities	Cleansing Services	Waste Services	One-Off	10,000	LCC	Grant to purchase additional litter bins throughout the district
						331,955		
Externally Funded Between £100,000 and £249,999								
Revenue	General Fund	Communities	Housing	Strategic Housing	Recurring	143,649	DLUHC	Homeless Prevention Grant
Revenue	General Fund	Place	Property & Economic Regeneration	Economic Regeneration	One-off	117,272	DLUHC	UK Rural Prosperity Fund (approved by Cabinet 25-07-23)
Revenue	General Fund	Resources	Revenues & Benefits	Revenues	One-off	124,315	DLUHC	Local Council Tax Support Scheme
						385,236		
Externally Funded Over £250,000								
Revenue	General Fund	Communities	Housing	Strategic Housing	Recurring	531,860	DLUHC	Rough Sleeping Initiative grant
						531,860		
TOTAL EXTERNALLY FUNDED								
						1,461,575		
Council Funded Between £0 and £99,999								
Revenue	General Fund	Communities	Housing	Strategic Housing	One-Off	75,693	Earmarked Reserve	Underspend from 22/23 forms part of 23/24 RSI allocation
Revenue	HRA	Communities	Housing	Dir and Head of Housing	One-Off	45,225	HRA Reserve	Additional finance support to enable HRA transformation
Revenue	HRA	Communities	Housing	Dir and Head of Housing	One-Off	75,000	HRA Reserve	Externally produced Asset Management Plan
Revenue	Special Expenses	Communities	Leisure Services	Leisure Services	One-Off	1,274	Coleorton Special Expense Balances	Removal of play equipment and safety surfacing and to grass over the area at Forresters close.
TOTAL COUNCIL FUNDED						197,192		
TOTAL SUPPLEMENTARY ESTIMATES						1,658,767		

PLEASE NOTE:

THERE ARE NO VIREMENTS FOR APPROVAL AS PART OF THE QUARTER ONE REPORT

SECTION 106

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 31 March 2023 for the various types of contributions included in agreements.

Type of Contribution	Balance 31 Mar 22 £'000	Received 2022/23 £'000	Spent 2022/23 £'000	Interest Received £'000	Balance 31 Mar 23 £'000
River Mease (available to spend)	(195)	(1)	119	(4)	(81)
River Mease (retained until obligation met)	(15)	(10)	0	0	(25)
Air Quality	(50)	0	0	(1)	(51)
Police	(210)	0	0	(4)	(214)
Recreation/Play Areas/Leisure	(816)	(240)	13	(17)	(1,060)
Affordable Housing	(2,271)	0	0	(45)	(2,316)
Parish Councils	(144)	(442)	223	0	(363)
National Forest	(57)	(65)	0	(1)	(123)
Healthcare	(606)	(22)	246	(7)	(389)
Highways	(2,589)	0	0	(51)	(2,640)
Network Rail	(17)	0	0	(1)	(18)
CCTV	(12)	0	0	0	(12)
Land and open space	(109)	0	15	(2)	(96)
Sence Valley	(10)	0	0	0	(10)
Total	(7,101)	(780)	616	(133)	(7,398)

By way of explanation, the River Mease monies are split in to two pots. Those in the pot to be retained until the obligation is met, 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.

It is important to note that these figures are not static as contributions can be spent at any time during the year, once a scheme has been prepared. For example, since April, payments have been made out of the Parish Councils total such that there is no longer anything left in this pot to spend.

Future quarterly reports will be developed throughout the year to provide further detailed information to members on the status of monies spent or held through S106 agreements.

North West Leicestershire District Council

Estimated Reserves at 31/3/24

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	475,610	(70,805)		404,805	£334k Dev Co, unknown date for spend. Remaining £71k to be spent in 24/25 funding Business Change Post
Human Resources	30,000	(30,000)		0	
Legal & Support Services	147,010	(134,937)		12,073	Remaining balance for Audit Apprentice post, but currently vacant.
Property & Economic Regeneration	2,313,362	(353,323)		1,960,040	Assumed Marlborough & Kegworth + other minor reserves spent Q4 25/25
Planning	784,343	(378,045)		406,298	Remaining is Land Charges contingency £287k to utilise future years shortfall, Neighbourhood Plan funding £93k ongoing.
Joint Strategic Planning	91,017	0		91,017	Contingency - no plans to spend. Belongs to all 10 partners.
Community Services	1,142,425	(675,616)		466,809	£310k climate change ongoing, funding of fixed term posts £113k 24/25, Leisure LRS/LSA £44k ongoing.
Strategic Housing	338,786	(75,694)	(42,408)	220,684	Residual grant funding to be applied to expenditure as appropriate.
Customer Services	16,273	(16,273)		0	
Finance	127,268	(127,268)		0	
Revenues & Benefits	151,645	0	(80,000)	71,645	£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	
MTFP Reserve	7,936,684	(383,000)		7,553,684	Est £107k required for Capital Accountant. Est deficit for year £276k.
Business Rates Reserve	369,093			369,093	
Total earmarked reserves - General Fund	13,979,017	(2,250,461)	(122,408)	11,606,147	
Total earmarked reserves - Special Expenses	130,807	(130,807)		(0)	
TOTAL EARMARKED RESERVES	14,109,823	(2,381,268)	(122,408)	11,606,147	
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	31,668			31,668	
Total other Reserves - Special Expenses	31,668	0	0	31,668	
TOTAL ALL RESERVES - GENERAL FUND & SPECIAL EXPENSES	15,685,984	(2,381,268)	(122,408)	13,182,307	

North West Leicestershire District Council
Quarter 1 2023/24 General Fund Capital Programme Monitor

Scheme	Original Budget £'000	Prior Year C/fwd £'000	In-year Changes £'000	Revised Budget £'000	Expenditure @ P3 £'000	23/24 Forecast Outturn £'000	Variance (Revised Budget v Forecast Outturn) £'000	Carry-Forward to Future Years £'000	Notes
GENERAL FUND									
Active Programme:									
Disabled Facilities Grant	670	123	0	793	0	793	0	0	
Council Offices Works	720	798	0	1,518	361	1,518	0	0	
Finance System Review		138		138	0	138	0	0	
SharePoint Intranet Upgrade	10			10		10	0		Moved from development pool to active programme
Laptop Replacement	68			68	1	68	0		Moved from development pool to active programme
Server and storage additional capacity	70		(20)	50		50	0		Moved from development pool to active programme
Cloud Back-up Solution	10	13	20	43		43	0		Moved from development pool to active programme
Car Parks	0	86	(2)	84	0	84	0	1	
Leisure Centres	0	1,112	(1,112)	0	0	0	0	1,112	
Electric Vehicle Charging Points	0	248	(85)	163	16	127	36	85	
Marlborough Square Improvements	0	2,745	(592)	2,252	64	2,253	(1)	592	
Appleby Magna Caravan site redevelopment	0	39	0	39	0	39	0	0	
Bins and Recycling Containers	194	0	0	194	0	194	0	0	
Commercial Property Works	0	3,499	(3,391)	108	0	108	0	3,391	
CCTV replacement programme	101	44	(50)	95		95	0	50	Moved from development pool to active programme
Public Conveniences	23			23		23	0		New scheme - funded from underspends within the capital programme
Hermitage Access Road	25			25		25	0		New scheme - funded from underspends within the capital programme
Hermitage EcoPark	162			162		162	0		New scheme - funded from external grant income
Development Pool:									
Heritage Assets Work	0	290	(230)	60	1	60	0	230	
Transport Account Vehicles	2,252	3,480	(5,351)	381	35	371	10	5,351	
Hermitage Recreational Ground Building demolition	0	196	(171)	25	1	24	1	146	
Coalville Regeneration	500	345	(720)	25	0	25	0	720	
The Courtyard Roof Repair	200	0	0	200		200	0		
Solar Panels - Leisure Centres	195			195		195	0	0	
UK Shared Prosperity Fund	515	165	0	680	0	0	680	0	
Kegworth Public Realm Works	908	0	0	908	0	908	0	0	
Other schemes	0	223	(23)	200	0	200	0	0	
TOTAL	6,623	13,543	(11,727)	8,439	480	7,712	727	11,679	

Special Expenses 2023/24 Q1 Monitoring & Forecast Outturn Position

COALVILLE SPECIAL EXPENSES	2023/24		
	Budget	Forecast Outturn	Variance
	£	£	£
Parks, Recreation Grounds & Open Spaces	325,520	325,520	0
Broomley's Cemetery & Closed Churchyard	4,860	4,860	0
Coalville in Bloom	0	0	0
Coalville Events	84,440	84,440	0
SPECIAL EXPENSES (NET COST OF SERVICE)	414,820	414,820	0
Service Management recharges/Admin Buildings	99,880	99,880	0
NET COST OF SERVICES AFTER RECHARGES	514,700	514,700	0
Contribution to/(from) Balances/Reserves	(2,402)	(2,402)	0
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	512,298	512,298	0
FUNDED BY:			
Precept	497,701	497,701	0
Localisation of Council Tax Support Grant	14,597	14,597	0
	512,298	512,298	0

OTHER SPECIAL EXPENSES	2023/24		
	Budget	Forecast Outturn	Variance
	£	£	£
WHITWICK	13,930	13,930	0
HUGGLESCOTE	18,760	18,760	0
COLEORTON	4,650	4,650	0
RAVENSTONE	480	480	0
MEASHAM	2,550	2,550	0
LOCKINGTON-CUM-HEMINGTON	2,500	2,500	0
OAKTHORPE & DONISTHORPE	4,320	4,320	0
STRETTON	1,440	1,440	0
APPLEBY MAGNA	2,190	2,190	0
OTHER SPECIAL EXPENSES (NET COST OF SERVICE)	50,820	50,820	0
Service Management recharges/Admin Buildings	25,750	25,750	0
NET COST OF SERVICES AFTER RECHARGES	76,570	76,570	0
Contribution to/(from) Balances/Reserves	12,865	12,865	0
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
	£	£	£	£
EARMARKED RESERVES				
Local Authority Parks Improvement Programme	15,714	0	15,714	0
Coalville in Bloom	5,000	3,974	5,000	0
	20,714	3,974	20,714	0
PPM EARMARKED RESERVES				
Claremont Drive Play Area Equipment Replacement	8,520	0	8,520	0
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	3,000	0
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	0	72,284	0
TOTAL COALVILLE SPECIAL EXPENSE RESERVES	92,998	3,974	92,998	0

OTHER SPECIAL EXPENSE RESERVES	Balances 01.04.23	Spend to date	Forecast Spend	Forecast Balance as at 31.03.24
	£	£	£	£
PPM EARMARKED RESERVES				
Hugglescote Cemetery - remove trees, on going tree works	8,120	0	8,120	0
Hugglescote Cemetery - sealing pathways	15,450	0	15,450	0
Hugglescote Cemetery - new trees, remove stumps	3,090	0	3,090	0
Hugglescote Cemetery - decorate Iron Gate	2,060	0	2,060	0
Whitwick Cemetery - tree works	3,088	0	3,088	0
moss, renew path handrail	6,000	0	6,000	0
TOTAL OTHER SPECIAL EXPENSE RESERVES	37,808	0	37,808	0

2023/24 HRA QUARTER 1 FORECAST OUTTURN POSITION

HOUSING REVENUE ACCOUNT SUMMARY	Annual Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
Expenditure			
Repairs & Maintenance	7,693	8,104	411
Supervision & Management	3,995	4,064	69
Provision for Doubtful Debts	100	100	0
Depreciation	3,466	3,466	0
Capital Financing & Debt Management	1,822	1,822	0
Total Expenditure	17,077	17,556	480
Income			
Rent & Service Charges	(19,792)	(19,717)	75
Non-Dwelling Rents	(41)	(41)	0
Other Income	(20)	(20)	0
Investment Income	(286)	(405)	(119)
Total Income	(20,139)	(20,183)	(44)
Net Operating Expenditure/-Surplus	(3,062)	(2,627)	436
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	4,914	436

North West Leicestershire District Council

HRA Capital Programme 2023/24

Scheme	Original Budget	Prior Year C/fwd	In-year Changes	Revised Budget	Expenditure @ P3	2023/24 Forecast Outturn	Variance (Revised budget v Forecast Outturn)	Carry-Forward to Future Years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Development Pool:								
Acquisitions and New Build								
Queensway, Measham (Phase 4)		929	(599)	330	0	330	0	599
Howe Road, Whitwick (Phase 4)		823	(823)	0	0	0	0	823
Woulds Court, Moira (Phase 5)		2,089	(2,019)	70	1	70	0	2,019
Cedar Grove, Moira (Phase 5)	460	323	(668)	115	0	115	0	668
The Oaks	1,064	636	(1,625)	75	0	75	0	1,625
Phase 6 - Western Avenue		4	(4)	0	0	0	0	4
S106 purchase - Osgathorpe	0	540	(540)	0	0	0	0	540
S106 purchase - Ravenstone/The Coppice	0	82	(82)	0	0	0	0	82
Acquisition of affordable homes		722	(718)	4	4	4	0	573
EMH - Standard Hill	924	0		924	0	924	0	0
New Sites - Contingency	500	0	0	500	0	500	0	0
Active Programme:								
Improvements and Modernisation								
Home Improvement Programme								
2019 - 2024 Home Improvement Programme	4,500	5,738	(5,738)	4,500	1,068	4,300	200	5,738
Estate Improvements								
Mobility Scooter stores	0	0	0	0	0	0	0	0
Off Street Parking	1,000	220	0	1,220	0	1,220	0	0
Footpaths and Unadopted Roads	50	100	0	150	0	150	0	0
Garage demolition and replacement	100	99	0	199	0	199	0	0
Place Shaping Pilot	0	250	(250)	0	0	0	0	250
Estate Projects - other	100	236	(55)	281	0	281	0	5
Commercial Boilers	150	0	0	150	0	150	0	0
Stock Condition Survey	450	0	50	500	0	500	0	0
Vehicles	55	0	0	55	0	55	0	0
Compliance								
Passive Fire Safety	1,100	0	0	1,100	83	1,100	0	0
Major Aids and Adaptations	400	0	0	400	116	400	0	0
Zero Carbon Programme	3,139	0	(1,439)	1,700	7	1,700	0	1,439
Supported Housing Improvements								
Speech Module	0	260	(260)	0	0	0	0	260
Sheltered Housing Improvements	100	650	(600)	150	0	100	50	600
Scheme Lighting	200	0	0	200	0	200	0	0
Tunstall System	260	0	50	310	0	310	0	0
Electrical Upgrades	0	200	0	200	0	200	0	0
Energy Performance Certificates	130	0	0	130	0	130	0	0
Large Roof Replacement	300	0	0	300	0	300	0	0
Other Capital Spend								
Capital Works - Voids	0	494	(244)	250	0	250	0	244
Housing Management IT System	192	308	0	500	12	500	0	0
Capital Salaries	0	0	0	0	0	0	0	0
Total	15,174	14,703	(15,564)	14,313	1,291	14,063	250	15,469

Treasury Management – Borrowing and 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 £m	Net Movement £m	31.06.23 Balance £m	31.06.23 Weighted Average Rate %	31.06.23 Weighted Average Maturity (years)
Public Works Loan Board	55.1	0.0	55.1	3.4%	15.7
Banks (LOBO)	3.5	0.0	3.5	4.8%	31.6
Banks (fixed-term)	3.9	0.0	3.9	4.7%	30.6
Local authorities (long-term)	0.0	0.0	0.0	0.0%	0.0
Local authorities (short-term)	0.0	0.0	0.0	0.0%	0.0
Total borrowing	62.6	0.0	62.6	0.0	17.5

Since the beginning of the reporting period the Council has paid £81k in interest on borrowing. The forecasted amount to be spent on interest on loans for the financial year 23/24 in total is £2.2m. The overall interest rate on borrowing is 3.6%. There is no change to this budget and spending is in line with expectations.

During the reporting period the Council has not yet paid back any principle on its loans. It is forecasting to repay £2.7m in PWLB loan principle 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.

The budget for borrowing principle repayments are in line to be met. The only variation that may occur is if the LOBO is called and repaid. This will cause an increase cost pressure of £3.5m in year.

Investments

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

Table 2 – Investment summary

	31.3.23	Net	30.06.2023	30.06.2023	30.06.2023
	Balance	Movement	Balance	Income Return	Weighted Average Maturity
	£m	£m	£m	%	days
Banks & building societies (unsecured)	2.0	0.0	2.0	4.5%	1.3
Government (incl. local authorities)	37.0	(4.0)	33.0	4.6%	86.8
Money Market Funds	4.1	13.9	18.0	4.7%	0.3
Total investments	43.1	9.9	53.0	4.7%	88.5

- 5.0.1 The Authority has budgeted £795k in interest income from investments after deductions in 2023/24. Actual income received by 30 June 2023 was £539k. The Council is now forecasting the risk adjusted interest received by 31 March 2024 to be £1.5m and after deductions income to be £1.2m. It is important to note the difficulty in making accurate interest return forecasts in a volatile economic environment. These forecasts is 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.