



Date of Meeting	30 <sup>th</sup> May 2023
Portfolio	Cabinet Member for Finance and Corporate
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Public/Private Document	Public

## 2022/23 Outturn Finance Report

### Executive Summary

1. To inform Cabinet of the Council's outturn 2022/23 financial position as at the end of March 2023.
  - 1.1 The Finance Update report contains details of the following:
    - The 2022/23 Revenue outturn position, being an in-year saving of £37k, prior to the transfer of this balance to the Equalisation Reserve.
    - The 2022/23 General Fund pressure relating to Covid related issues is £3,439k, and is offset by the use of government funding;
    - £3,292k of the Contain Outbreak Management Fund (COMF) grant brought forward from 2021/22 has been spent in 2022/23.
    - Capital expenditure in 2022/23 of £104,897k, after rephasing in the final quarter of £16,619k into future years and capital budget increases of £11,235k. The majority of the rephased expenditure, £14,361k (86%), relates to schemes within Neighbourhood Directorate, of which £7,763k are funded by prudential borrowing with balance of £6,598k being funded externally through grants or capital receipts. The remaining balance of £2,258k is funded by prudential borrowing and externally via grants or capital receipts.
    - The 2022/23 Collection Fund position being a surplus of £6,650k,
    - Quarter 4 updates on:
      - Property Growth Fund position as detailed in section 4.6; and
      - Treasury Management position, discussed in section 4.7 and Appendix D.

## Recommendations

- 2.1 Cabinet notes the 2022/23 outturn financial positions for Revenue, Capital, and the Collection Fund as at the end of March 2023, as detailed in section 4.
- 2.2 Cabinet approves the Budget Pressure requests detailed in section 4.3.
- 2.3 Cabinet notes the Budget Carry Forwards summary detailed in section 4.3.1.
- 2.4 Cabinet notes the net Capital budget changes of £11,235k, detailed in section 4.5.1.
- 2.5 Cabinet notes the Capital re-phasing of £16,619k into future years detailed in section 4.5.2.
- 2.6 Cabinet approves the requests to switch budgets as detailed in section 4.5.3.
- 2.7 Cabinet notes the Property Growth Fund update in section 4.6
- 2.8 Cabinet notes the Treasury Management update in section 4.7, and appendix D

## Reason for Recommendation

3. Cabinet Members should be kept updated on the financial position of the authority, as effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities.

This report focuses on the 2022/23 outturn financial position as at the end of March 2023.

## Key Points for Consideration

4. **Revenue Budget 2022/23**
- 4.1 The budget set by Budget Council on 23rd February 2022 was £248,947k. Increases in the budget to Quarter 4, 2022/23 are detailed in the following table:

<b>When</b>	<b>Reason for change</b>	<b>Amount £'000</b>
Mar-22	Approved budget	248,947
Jun-22	Increase in 2022/23 Extended rights to free travel allocation	18
Dec-22	Recognition of Covid CARF grant funding utilised in 2022/23	4,400
Mar-23	Section 31 Business Rates relief compensation adjustment	(763)
Mar-23	New burdens grant re Covid Business Rates grants reconciliations	46
Mar-23	Covid Sales fees & charges compensation reduction	(163)
Mar-23	Net of other minor adjustments	(1)
	<b>GRAND TOTAL</b>	<b>252,484</b>

The Revenue Budget Table in 4.1.1 provides detail of budget allocations and the 2022/23 outturn financial position.

- 4.1.1 The 2022/23 outturn position is a General Fund in-year saving of £37k, which excludes any Covid related pressures. The in-year saving will be transferred to the Equalisation reserve. Significant pressures continue to be experienced in Adults and Children's directorates.

The pressures have been partly mitigated by the transfer of funding from the Social Care Pressure Reserve and the Dedicated Schools Grant Adjustment Account, and the residual balance by in year savings in other directorates.

The current economic uncertainty is impacting on the Council, particularly in relation to forecast energy, agency staff and placement costs, and is being monitored closely. The impact of the economic conditions and how they are to be funded continues to be considered as part of work on the 2024/25 Budget and the Medium Term Financial Strategy.

The outturn position is net of budget carry forward requests and reserve applications.

Services are trying to mitigate on-going Covid pressures, however pressures totalling £3,439k, have been identified which have been funded from the Covid Reserve brought forward from 2021/22. A further £3,292k of COMF grant brought forward from 2021/22 has been allocated to fund various initiatives across the council.

The following table provides detail by Directorate of the 2022/23 revenue outturn, net of Covid funding:

Directorate/Detail	Current Controllable Net Budget	Controllable Outturn Q4	In-Year Saving/ (Overspend)	Transfer (to)/ from Reserves	Previous forecast - Q3 Monitoring	Movement since February Cabinet
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care	59,320	60,011	(691)	691	(363)	(328)
Children's	48,508	51,844	(3,336)	3,336	(2,017)	(1,319)
Economy	16,162	15,997	165	(165)	(128)	293
Neighbourhoods	56,594	55,659	935	(935)	1,493	(558)
Public Health	16,912	16,677	235	(235)	285	(50)
Corporate Services	18,887	18,543	344	(344)	499	(155)
<b>Total Services Spending</b>	<b>216,383</b>	<b>218,731</b>	<b>(2,348)</b>	<b>2,348</b>	<b>(231)</b>	<b>(2,117)</b>
Contribution from Integrated Pool Budget	121,338	121,338	0	0	0	0
Contribution to Integrated Pool Budget	(121,338)	(121,338)	0	0	0	0
<b>Total Pooled Budgets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Finance Control - Corporate Budgets	44,163	41,778	2,385	(2,385)	1,655	730
Finance Control Budget Pressures	1,091	1,091	0	0	0	0
Transfer to Equalisation Reserve	0	0	0	37	0	0
<b>Total Finance Control Spending</b>	<b>45,254</b>	<b>42,869</b>	<b>2,385</b>	<b>(2,348)</b>	<b>1,655</b>	<b>730</b>
<b>Net Expenditure</b>	<b>261,637</b>	<b>261,600</b>	<b>37</b>	<b>0</b>	<b>1,424</b>	<b>(1,387)</b>
<b>Uncontrollable Budget Spend</b>	<b>(9,153)</b>	<b>(9,153)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Budget</b>	<b>252,484</b>	<b>252,447</b>	<b>37</b>	<b>0</b>	<b>1,424</b>	<b>(1,387)</b>

The variations to controllable Revenue budget, by service, are detailed below. Further detail may be found in Appendix A:

Service	Narrative	Amount £'000
<b>Adult Care</b>	The service is reporting a pressure due to high costs in Nursing and Residential placements along with out of area placements; this has been mitigated in part by in year savings within staffing costs due to staff turnover. Additional one off income from Health towards placements has also mitigated some of the pressure.	(691)
<b>Children's</b>	General Fund - Children's Services outturn position for 2022/23 is an overspend of £3.336m, net of £3.181m of one-off Covid funding. The pressure is as a result of an increase in placements compared to the projections in the Children's strategy, resulting in an overspend of £1.983m. This has also been due to small number of children that have been placed in expensive external residential provision. The service is taking action at looking at alternative provision. There is an overspend of £1.707m, on SEND due to	(3,336)

Service	Narrative	Amount £'000
	<p>increased Education Health and Care Plans (EHCPs) increasing services requirements on SEN Transport, and Disability Services.</p> <p>Service pressures have been partially mitigated by in year savings of £0.354m relating to vacant posts and an overachievement of income.</p> <p>The final outturn position on the High Needs Block is an overspend of £0.861m increasing the cumulative deficit on the reserve to £7.7m. The number of EHC plans has continued to increase and the demand for special school places and alternative provision is beyond current capacity. The plan for deficit recovery will be reviewed in line with the work being undertaken on the Delivering Better Value in SEND programme.</p>	
<b>Economy</b>	<p>The Economy Directorate is reporting an in-year saving of £0.165m as a result of staff savings from long standing vacancies in some areas, and being unable to recruit to a number of vacant posts in other areas of the service. There are also savings as a result of securing alternative external funding for project development and additional rental income from Council assets.</p> <p>These savings have mitigated significant pressures associated with the Council's defence of a legal case relating to the land at Crawford Street. The service has also been able to mitigate pressure from the costs associated with the legal agreement with The Canal and River Trust for agreed maintenance and operation of the canal within the borough, this cost increases annually in line with RPI.</p>	165
<b>Neighbourhoods</b>	<p>The Neighbourhoods Directorate is reporting an in-year saving of £0.935m. This is due to funds refunded from Waste Levy reserve, vacant posts within EM, ICT, C&amp;T, Policy, Customer Access and properties which is mitigating pressures on FM trading accounts and electricity costs for Street Lighting.</p> <p>Strategic Housing: - there continues to be a pressure relating to the Homelessness service area due to increased numbers of service users, and accommodation costs that can only be partially offset by government Housing Benefit subsidy. The 2022/23 pressure is £1,816k which is £685k more than the 2021/22 equivalent. Corporate funding has been provided to address the budget shortfall. Work is on-going to address the demand pressures, including introducing additional growth within the budget and Medium Term Financial Strategy, and developing a strategy to improve housing provision and to reduce the pressure.</p>	935
<b>Public Health</b>	<p>In year saving arising from staffing vacancies and additional one off income from Health to contribute to contract uplifts on children 0 – 19.</p>	235

<b>Service</b>	<b>Narrative</b>	<b>Amount £'000</b>
<b>Finance Control</b>	Income from Investments increased along with regular interest rate rises through the year and cash balances exceeded those originally expected when setting the budget. The policy of continuing to internally borrow rather than take new external loans reduced interest costs also.	2,385
<b>Corporate Services</b>	The Directorate is reporting an in-year saving of £0.344m as a result of staff savings due to delays in recruitment to vacant posts, temporary arrangements and one-off funding. There are also savings as a result of additional one-off income from Health Partners and Government Grants. These savings are mitigating pressures with the Purchase to Pay Scheme, additional costs associated with the Elections Act 2022, and 3 ongoing inquests within the Coroners Service. The Directorate has carried forward budget into 2023/24 for the renewal of the Greater Jobs Contract, and the additional costs of the Election Act and the ongoing Coroners inquests.	344
<b>Total</b>		<b>37</b>

4.1.2 Usage of the Covid grants brought forward from 2021/22, relating to the general un-ringfenced Covid grant and the Contain Outbreak Management Fund (COMF) grant are shown below.

4.1.2.1 Covid pressures to be funded by the Covid grant brought forward from 2021/22 are detailed below:

<b>Covid Pressures £'000</b>	
<b>Balance of unringfenced Covid Reserve b/fwd from 2021/22</b>	<b>5,118</b>
<b>Pressures</b>	

Children's - relating to external placements exceeding the forecast in the strategy, additional staffing costs to manage the caseload and fund First Response project team, and other Covid related pressures	3,181
Economy - shortfall in third party income relating to Council buildings	60
Neighbourhoods - staffing costs in Strategic Housing service dealing with Council's on-going Covid response; and increased accommodation costs to house homeless people due to a change in regulations.	132
Corporate Services - staffing cost relating to the Test & Trace Support grant reconciliation process, and residual expenditure relating to support given.	32
Bad debt provision no longer required	(60)
Covid Sales fees & charges compensation reduction	163
New burdens grant re Covid Business Rates grants and minor variations	(69)
<b>Total 2022/23 pressure</b>	<b>3,439</b>
<b>Unutilised Covid Reserve funding to c/fwd to 2023/24</b>	<b>1,679</b>

A further £1,117k has currently been earmarked for use in 2023/24, relating to Children's directorate, and the Public Protection service area in Neighbourhoods.

4.1.2.2 Use of the COMF grant brought forward from 2021/22 is shown below:

<b>COMF funding</b>	<b>£'000</b>
<b>Balance of funding b/fwd from 2021/22</b>	<b>5,257</b>
<b>Funding allocation:</b>	

Children's - to fund Children's Development initiatives	57
Economy - Boroughwide support for employment, training and advisory services	53
Neighbourhoods - Support for wider vulnerable groups and targeted community interventions	696
Public Health - Health Improvement Service recovery pump priming fund, support to the voluntary sector and the Citizens' Advice Bureau, Infection Prevention & Control, and increased Public Health staffing costs	2,442
Other - vaccination support costs	44
<b>Total funding allocated</b>	<b>3,292</b>
<b>Carry forward COMF funding</b>	<b>1,965</b>

The unutilised funding of £1,965k will be carried forward for use in 2023/24.

The financial impact and timeframe relating to the longer term effects of Covid-19 have fed into the Council's financial planning going forward, through the Medium Term Financial Strategy and the 2023/24 Budget Setting process.

The 2022/23 Budget also included one off support towards Covid-19 of £4m, should it be required, however given the current economic climate this funding will be re-purposed to manage inflationary pressures.

#### 4.2 Health & Social Care Pool Budget

Pool budget expenditure is higher than budgeted, primarily due to overspends against Local Authority Adult and Children's Social Care budgets addressed elsewhere in this report.

Under the existing Section 75 agreement both partners are responsible for their own variation to budget and so both partners contributions have been amended to reflect the variation to budget.

The full Health & Social Care Pool Budget Outturn will be reported to Locality Board. The following table provides a high level summary of the pool outturn position.

<b>Health &amp; Social Care Pool</b>	<b>Budget £m's</b>	<b>Outturn £m's</b>	<b>Variance £m's</b>
<u>Expenditure</u>			
Total Adult Pooled Services	128.9	128.6	(0.3)
Total Children's Pooled Services	69.5	75.9	6.4
<b>Total Health and Social Care Pooled Budgets</b>	<b>198.4</b>	<b>204.5</b>	<b>6.1</b>
<u>Contribution from partners</u>			
Health	(77.1)	(76.3)	0.8



Local Authority	(121.3)	(128.2)	(6.9)
<b>Total Contributions</b>	<b>(198.4)</b>	<b>(204.5)</b>	<b>(6.1)</b>
<b>Outturn Position</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### 4.3 Budget Pressures

The Budget Pressure Fund for 2022/23 is £1,091.0k. The following table details requests received for quarter 4, to the end of March 2023:

Service	Ongoing £000s	One off £000s	Total £000s	Narrative
<b>Quarter 4 Opening Balance</b>	<b>246.2</b>	<b>844.8</b>	<b>1,091.0</b>	
<b>Future Year Allocations 2023/24 onwards</b>				
Children's	100.0			Foster Carers rate increase
Economy		175.0		Asset review - staffing and support costs
Public Health		230.0		Staffing costs to fund service projects

The closing balance for budget pressures in 2022/23 is £1,091.0k; £246.2k ongoing and £844.8k one off; this balance will be carried forward into 2023/24.

##### 4.3.1 Budget Carry Forwards

A summary of Budget Carry Forwards which have been processed, and are included in the reported revenue variances are detailed below:

Directorate	Automatic Requests £k	Non-Automatic Requests £k	Total £k
	£'000	£'000	£'000
Adult Care	101	0	101
Children's	206	0	206
Corporate Services	34	492	526
Economy	0	0	0
Neighbourhoods	869	189	1,057
Public Health	0	230	230
<b>Total</b>	<b>1,210</b>	<b>911</b>	<b>2,120</b>

The requests have been reviewed and approved by the Portfolio Holder for Finance and Corporate Services, with support from the Section 151 Officer.

#### 4.4 Transformation Fund

The Transformation Fund is funding £1.3m of activity in 2022/23 in the form of:

- a review of transformation plans and completion of PIDs for priority areas for the next 2 years, funding for a Project Management Office to support the action that will arise from this, and some continuing work on Intelligent Automation (£0.8m)
- support for the Children’s Directorate with their Transformation plans and commissioning work (£0.1m)
- increasing our capacity within the Planning Team to meet our stretching economic growth targets (0.2m)
- funding the acclaimed Integrated Place team whose “whole case” approach rather than looking at individual service components within complex services has received recognition at a GM and national level (£0.2m)

After future year commitments of these current projects are accounted for, the balance on the Transformation Fund for other transformational work stands at £2.3m.

#### 4.5 **Capital Budget 2022/23**

The final outturn for the 2022/23 Capital Budget is £104,897k. The table below shows a summary of the budget movements since the end of December 2022:

	2022/23	2023/24	2024/25
	£'000s	£'000s	£'000s
<b>BUDGET AS AT END OF DECEMBER 2022</b>	<b>110,281</b>	<b>181,788</b>	<b>56,205</b>
Capital Budget Changes	11,235	-	-
Rephasing requested Quarter 4	(16,619)	16,619	-
<b>BUDGET AS AT END OF MARCH 2023</b>	<b>104,897</b>	<b>198,407</b>	<b>56,205</b>

The tables below provide a summary by Directorate of rephasing and budget changes agreed during 2022/23:

#### **Summary of rephasing 2022/23**

Service	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	£'000s	£'000s	£'000s	£'000s	£'000s

Adult Care	-	1,019	386	159	<b>1,564</b>
Children's Services	23,105	9,631	3,700	4,449	<b>40,885</b>
Economy	11,397	1,132	23,624	(2,350)	<b>33,803</b>
Neighbourhoods	9,144	5,337	9,816	14,361	<b>38,658</b>
Public Health	568	-	-	-	<b>568</b>
Corporate Services	2,000	(1,745)	-	-	<b>255</b>
<b>TOTAL</b>	<b>46,214</b>	<b>15,374</b>	<b>37,526</b>	<b>16,619</b>	<b>115,733</b>

During the summer a review of the Capital Programme for 2023/24 and future years will be undertaken with Service Directorates and Heads of Service. The objective of the review is to consider whether schemes can be re-prioritised, rephased into future years or reduced, which will help to reduce the forecast revenue cost.

### Summary of budget changes 2022/23

Service	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Adult Care	-	-	-	-	-
Children's Services	4,655	631	1,170	5,719	<b>12,175</b>
Economy	-	112	7,171	1,037	<b>8,320</b>
Neighbourhoods	(829)	943	670	4,479	<b>5,263</b>
Public Health	-	-	-	-	-
<b>TOTAL</b>	<b>3,826</b>	<b>1,686</b>	<b>9,011</b>	<b>11,235</b>	<b>25,758</b>

#### 4.5.1 Capital Budget Changes

Details of the increases to capital budgets above £500k are shown in the following table with further details shown in Appendix B (3):

Service	Narrative	Funding Method	Capital Budget Increases/ (Reductions) £000's
Children's	Schools Devolved Formula Capital RCCO budget to match actual expenditure	RCCO	1,292
Children's	Schools PFI Lifecycle Costs budget to match actual expenditure	RCCO	2,035
Children's	Increase budget to partially bring forward High Needs Capital Allocation due	External	1,816
Neighbourhoods	Rough Sleepers Accommodation Programme – Whitworth Road	External	775
Neighbourhoods	Setup capital budgets for new grant funding from the Football Association awarded to Roach Dynamos Pavilion	External	533
Property & Highways	Create Town Centre external Commission budgets	External	2,100
	<b>Total Capital Budget Changes above £500k</b>		<b>8,551</b>
	Total Capital Budget Changes below £500k – see Appendix B (3)		2,684
	<b>Total Capital Budget Changes</b>		<b>11,235</b>

4.5.2 As part of the financial monitoring and analysis of ongoing pressures being placed on the Council, a review of the Capital Programme has been undertaken throughout the year to reduce the future debt repayment burden on the Council as part of the Medium Term Financial Strategy and to understand spend in the current year and the impact on the Council's cash flow.

In 2022/23 there has been increased use of revenue contributions (RCCO) to fund capital expenditure relating to short life assets, rather than fund by Prudential Borrowing, funded by the savings from rephasing of capital schemes due to be funded by borrowing. In 2022/23 £4,446k has been applied on this basis, and this will help to reduce interest and MRP costs in future years.

The Capital Programme for 2023/24 to 2027/28 was presented to Members at Cabinet and then Budget Council in February, and set out plans to use a further £4,669k from Contribution from Revenue (RCCO) to reduce the financial burden on the cost of borrowing.

Capital Re-phasing requests of £16,619k, which have been approved by the Chief Finance Officer, are shown in Appendix B (2).

The estimated revenue savings to be achieved through the rephasing of schemes above, funded via prudential borrowing, have not been accounted for in the Outturn Revenue monitoring, and have been excluded from the 2023/24 Estimates process. Members will be updated as part of Quarter 1 Revenue

monitoring 2023/24 of the impact of the rephasing of these schemes on the Capital Programme and Treasury Management budgets.

4.5.3 The following budget switches are requested to fund expenditure:

<b>Service</b>	<b>Scheme</b>	<b>Budget Switches £000s</b>
Neighbourhoods	Asset Management Group Funding transferred to Bowlee Gym	75
Property & Highways	Bowlee Gym funding transferred from Asset Management Group	(75)
	<b>TOTAL</b>	<b>0</b>

4.5.4 Capital Receipts

Capital receipts are received on the sale of various assets including land, buildings and vehicles. The movements in the Capital Receipts Reserve during 2022/23, and provisional forecasts for 2023/24 to 2025/26 are included in the following table:

<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Capital Receipts balance as at 1st April	9,624	11,910	6,497	6,797
Use of Capital Receipts to fund 2022/23 Capital Programme, including prior year schemes rephased into 2022/23	-	-	-	-
Use of Capital Receipts to fund provisional 2023/24 and 2024/25 Capital Programmes, and 2022/23 rephasing into future years	-	(5,950)	(100)	(100)
Earmarked use of receipts to fund other future commitments	-	(3,118)	-	-
Forecast/ actual Capital Receipts income	2,286	3,655	400	-
<b>Forecast/ actual uncommitted Capital Receipts balance as at 31st March</b>	<b>11,910</b>	<b>6,497</b>	<b>6,797</b>	<b>6,697</b>

The forecast uncommitted Capital Receipts Reserve balance as at the end of 2025/26 is £6,697k.

The Capital Programme for 2023/24 to 2027/28 was presented to Members at Cabinet and then Budget Council in February, and set out plans to use £4,000k of capital receipts to reduce the financial burden on the cost of borrowing, which is included in the table above.

4.6 **Property Growth Fund**

4.6.1 The Fund comprises both the Property Growth Fund (PGF) and the Asset Development Fund. The Fund monitoring position is reported in detail to the

Property Growth Fund Sub-Committee, and has previously been included in the overall Council position as part of Economy Directorate forecasts within the Finance Update Report. To ensure Cabinet Members have a greater overview of this area, a summary of the Q4 position for the overall Fund in terms of (i) capital expenditure, and (ii) revenue position for 2022/23 can be seen in the tables below:

PGF Summary Capital Position, Q4 2022/23:

<b>PROPERTY GROWTH FUND CAPITAL BUDGET SUMMARY</b>	<b>PROPERTY GROWTH FUND</b>	<b>ASSET DEVELOPMENT FUND</b>	<b>TOTAL</b>
	£m	£m	£m
<b>Approved Budget</b>			
2017/18	30.000	2.000	<b>32.000</b>
2018/19	20.000	1.000	<b>21.000</b>
2019/20	30.000	1.000	<b>31.000</b>
2020/21	10.000	-	<b>10.000</b>
2022/23	5.000	-	<b>5.000</b>
2023/24	20.000	-	<b>20.000</b>
2024/25	20.000	-	<b>20.000</b>
In-year Virements	(39.053)	0.607	<b>(38.446)</b>
<b>Total</b>	<b>95.947</b>	<b>4.607</b>	<b>100.554</b>
<b>Spend to 31/3/23</b>	<b>(53.420)</b>	<b>(1.815)</b>	<b>(55.235)</b>
<b>Budget remaining</b>	<b>42.527</b>	<b>2.792</b>	<b>45.319</b>
<b>Committed spend - current projects</b>	<b>(2.128)</b>	<b>(0.587)</b>	<b>(2.715)</b>
<b>Uncommitted budget remaining</b>	<b>40.399</b>	<b>2.205</b>	<b>42.604</b>
<b>Expected spend - developing projects</b>	<b>(2.197)</b>	<b>(1.405)</b>	<b>(3.602)</b>
<b>Forecast Budget Remaining</b>	<b>38.202</b>	<b>0.800</b>	<b>39.002</b>

PGF Summary Revenue Position, Q4 2022/23:

PROPERTY GROWTH FUND REVENUE SUMMARY	PROPERTY GROWTH FUND	ASSET DEVELOPMENT FUND	TOTAL
	£m	£m	£m
<b>Capital investment to 31/3/23</b>	<b>53.420</b>	<b>1.815</b>	<b>55.235</b>
Approved Savings Target 2022/23	(1.200)	(0.035)	(1.235)
Reduction to reflect actual investment activity	0.426	-	0.426
In-year Virements	(0.007)	(0.003)	(0.010)
<b>Adjusted Savings Target 2022/23</b>	<b>(0.781)</b>	<b>(0.038)</b>	<b>(0.819)</b>
Actual Income 2022/23	3.400	0.076	3.476
Actual Expenditure 2022/23	(2.369)	(0.065)	(2.434)
<b>Actual Net income 2022/23</b>	<b>1.031</b>	<b>0.011</b>	<b>1.042</b>
Contribution to Savings	(0.781)	(0.011)	(0.792)
Contribution (to)/from Reserves	(0.250)	-	(0.250)

#### 4.6.2 Property Growth Fund Performance

Up to the end of Quarter 4 2022/23 the Council had invested a total of £53.4m across nine properties, leaving a balance of £40.4m to invest after expected further spend on committed projects. The gross rental income achieved at Quarter 4 from these properties in 2022/23 was £3.4m (a gross yield of 6.4%).

After expenditure of £2.369m, the net income received from the investments was £1.031m (a net yield of 1.93% before reserves contributions). This net income contributes to both the Council's revenue budget, and also to the earmarked reserve, which sets funds aside to cover future repairs, capital expenditure or reductions in income. At the end of 2021/22 the balance held in the PGF earmarked reserve was £1.68m. The in-year contribution to the reserve in 2022/23 was £250k. Following a £122k utilisation of the reserve to fund costs associated with the managed workspace at Maclure Road, the reserve balance is £1.8m at the end of 2022/23.

The Fund's target yields are 6.5% (gross) and 1.5% (net). While the gross yield at 6.4% was slightly under target, the net yield of 1.93% has exceeded the target, due to overall expenditure being lower than forecast.

#### 4.6.3 Asset Development Fund Performance

Up to the end of Quarter 4 2022/23 the Council had invested a total of £1.815m in completed Asset Development Fund schemes, as well as schemes in progress/under development. £76k of income has been received from operational schemes in 2022/23, however additional costs due to schemes under development have meant that the in-year net income target of £35k has not been achieved in full, as shown in the table above. The variance of -£27k forms part of the overall Economy Directorate outturn.

## **4.7 Treasury Management**

4.7.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. Treasury Management activity aims to effectively manage the Council's cash flow requirements through borrowing and investment. The service operates within CIPFA's Prudential Code and the approved Treasury Management Strategy to ensure risk is appropriately managed when seeking to minimise the costs of borrowing and maximise returns on investment.

The 2022/23 outturn position for Treasury Management is an in year saving of £2,385k, due to significant re-phasing of the 2021/22 Capital Programme, which has reduced the amount of Minimum Revenue Provision required and the potential cost of borrowing in 2022/23. The authority also continues to operate an internally borrowed position, using existing balance sheet resources to defer the cost of external borrowing. Investment income has increased substantially due to Base Rate increases and the maintenance of higher than anticipated cash balances/ reserves. This is partially offset by a revenue contribution towards the 2022/23 Capital Programme which will help reduce future debt repayment costs. Some of the in-year saving will directly fund capital schemes that would have been funded from borrowing, to reduce the ongoing debt repayment costs, which will help reduce the future years' budget gap.

4.7.2 Appendix D provides detail of the Treasury Management position at March 2023.

## **4.8 Collection Fund**

4.8.1 The 2022/23 Collection Fund outturn position is a surplus of £6,450k, comprising:

- £3,494k surplus relating to Business Rates.
- £3,156k surplus relating to Council Tax.

4.8.2 Table 1 shows the 2022/23 Collection Fund outturn position, and the allocation between precepting authorities.

**Table 1 – 2022/23 Collection Fund outturn**



	<b>Business Rates</b>	<b>Council Tax</b>	<b>Total</b>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>2022/23 Collection Fund surplus</b>	<b>(3,494)</b>	<b>(3,156)</b>	<b>(6,650)</b>
<b><u>Preceptors' share of 2022/23 outturn</u></b>			
Rochdale BC	(3,459)	(2,656)	(6,115)
GMCA Mayoral Police & Crime Commissioner	-	(345)	(345)
GMCA Mayoral General (including Fire Services)	(35)	(155)	(190)
<b>2022/23 Outturn surplus</b>	<b>(3,494)</b>	<b>(3,156)</b>	<b>(6,650)</b>

The following table provides the explanation of variances relating to Business Rates:

<b>Explanation of variance</b>	<b>Variation to budget, £'000</b>
Net income is £1,941k less than budget, mainly linked to government relief schemes to provide support to businesses. Covid-19 Additional Relief of £4,400k has been given relating to 2021/22 charges, partially offset by a reduction of £884k relating to Retail Relief; Section 31 government grant to offset the discount given is received in the Council's General Fund. Empty Property relief is £1,217k less than budget, although there had been uncertainty relating to the impact of the current economic situation. Other minor income variations total £358k, in year saving.	1,941
Reduced charge relating to the bad debt provision, although there continues to be uncertainty relating to the impact of the current economic conditions on debt collection.	(873)
Minor variations relating to the allowance for Cost of Collection, the allowance for rateable value revaluations, and Renewable Energy income	45
Actual deficit brought forward from 2021/22 is £5,842k lower than had been forecast as part of the 2022/23 Budget process. £4.4m of the variation relates to the Covid Additional Restrictions Funding discount which had been forecast to be given in 2021/22, but the scheme was not finalised until the beginning of the current financial year.	(5,842)
Deficit brought forward from 2020/21 to be repaid in 2023/24 - 3 year spread	1,235
<b>2022/23 Outturn variance</b>	<b>(3,494)</b>

The following table provides an explanation of variances relating to Council Tax:

<b>Explanation of variance</b>	<b>Variation to budget, £'000</b>
The increased CT income of £1,895k is due mainly to a reduction of £1,992k relating to LCTS, due to a reduction in claimant numbers compared to budget. There is uncertainty regarding the impact on individuals of the economic climate due to the cost of living increase, and rise in energy costs. There are other minor variations, totalling £97k, relating to gross income, levels of discount and prior year adjustments.	(1,895)
Reduced charge relating to the bad debt provision, although impacted by current economic uncertainty.	(689)
Actual surplus brought forward from 2021/22 is £1,193k higher than had been forecast as part of the 2022/23 Budget process.	(1,193)
Deficit brought forward from 2020/21 to be repaid in 2023/24 - 3 year spread	621
<b>2022/23 Outturn variance</b>	<b>(3,156)</b>

The Council's share of the 2022/23 Collection Fund outturn surplus is £6,115k.

The recovery of the Collection Fund from the impact of the Covid-19 pandemic continues to be uncertain, and has been supported by government and local initiatives to assist businesses and Council Tax payers. There will be a longer term impact on Collection Fund income which is dependent on the recovery of businesses and households.

Businesses and households are now also affected by the current economic uncertainty relating to interest rates, inflation and energy costs.

The impact of these issues will affect the Council's core funding for services. Work has been ongoing to assess the longer term impact on the Council's financial position, as part of the 2023/24 Estimates process and the Medium Term Financial Strategy, and will continue as the 2024/25 Estimates process progresses.

#### 4.9 **Alternatives considered**

4.9.1 Not reporting on financial performance puts at risk the achievement of the Council's Medium Term Financial Plan. Effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

### **Costs and Budget Summary**

## 5. **Financial Implications**

The main body of the report provides a detailed analysis of the 2022/23 Finance Outturn position.

### **Risk and Policy Implications**

6. There are no significant legal implications arising as a result of this report to the Cabinet and the Corporate Overview and Scrutiny Committee, but it should be noted that debts, which are recoverable, can be enforced by Court action in accordance with the Court Procedure Rules.

The current economic uncertainty and resulting inflationary pressures, particularly on energy and staffing costs will impact on the Council's forecast spend and future year budgets, and will continue to be monitored throughout the year.

Staff recruitment and retention issues are both a Council and national issue, particularly relating to Social Care staff. The impact of the pandemic and economic factors are resulting in difficulties in staff recruitment and retention. A recruitment fair was held earlier in the year to try to raise awareness and interest in the council as an employer. A budget pressure request was approved at August 2022 Cabinet to recruit to a Recruitment and Retention Strategy Officer to develop and implement recruitment and retention strategies.

Children's Services are dealing with high levels of demand for placements for children, and it is likely that demand will continue to increase. The service continues to proceed with its strategy, and to address issues relating to both the safeguarding of children, and staffing levels. The service continues to have a high reliance on agency staff, and agency costs continue to rise as a result of market conditions.

Adult Social Care have significant placement budgets, and spend can be volatile due to transitions from Children's and demand for new placements, including complex and expensive placements. Inflationary pressures are putting further pressure on provider fees, and there are risks associated with the transition towards Fair Cost of Care.

The cost of living crisis continues to put pressure on the Council's financial position both in 2022/23 and in the medium term as inflationary increases and the subsequent pressure on pay and contract inflation continue to grow. The Council is managing the current higher level of uncertainty regarding cost increases by budgeting for an additional inflationary fund to manage any increases above forecast costs.

Unresolved appeals against the 2017 revaluation assessments cause uncertainty and financial risk for the Business Rates income retained by the Council. The situation is monitored on a monthly basis to ensure that any changes in the trend for successful appeals are recognised due to the future

impact on Business Rates income and the impact for the provision for any backdated elements.

A Business Rates revaluation has taken effect in April 2023. The Valuation Office Agency revalue all properties throughout the country, and on an on-going basis, alters rating assessments if new information comes to light indicating that the valuation is inaccurate. These could relate to a demolition, new property builds or other physical changes to a property. The number of alterations, financial impact and timing of the revaluations are not within the control of the Council. There is an on-going risk that issues decided nationally by the VOA could potentially impact on the Council's Business Rates income.

The future level of collection of Corporate Debt (including Commercial Income), Business Rates and Council Tax debt is a potential financial risk, particularly with the on-going impact of the Covid-19 pandemic, and the current economic uncertainty. Collection performance is monitored on a monthly basis to ensure that debt is recovered as efficiently and effectively as possible, whilst making adjustments to reflect the current circumstances, and so that any trends may be highlighted and action taken as necessary, at the appropriate time. Debt collection is likely to continue to be affected by the impact of Covid-19 and the economic uncertainty. Provisions have been increased to reflect the increased risk of non-collection.

The risks inherent in property investment are set out in full in the reports made to the Property Growth Fund Sub-Committee. Risks identified are regularly reviewed and are being mitigated as far as is possible.

### Consultation

7. All services engage with the production of the directorate based financial information within this report. The Leadership Team, Assistant Portfolio Holder for Finance and Corporate, and Opposition Portfolio holder for Finance have been informed of the 2022/23 outturn financial position of the Council and its implications for future years. The report will be presented to the Corporate Overview and Scrutiny Committee on 31<sup>st</sup> July 2023.

Background Papers	Place of Inspection
8. For further information about this report or access to any background papers contact Samantha Smith	No1 Riverside Floor 2

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**Appendix A – Revenue Budget ‘Variations to budget’ narrative – Quarter 4, March 2023**

Service	Narrative	Budget £'000	Actual £'000	Variance £'000
<b>Adult Care</b>	Neighbourhoods:- Increase in placements costs and out of area placement costs along with the new pressure of £265k for the Emergency Duty Team which has traditionally been funded by Children's Service (historically always a cost pressure) however this is now being apportioned based on service use between Adults and Children's. Pressures are mitigated in part by one off additional income from Health towards placements.	51,171	52,632	(1,461)
	Boroughwide Services:- Pressures are due to higher costs in Nursing, Residential placements and out of area placements.	4,904	5,208	(304)
	In House Provider Services:- In year saving in staffing costs due to staff turnover.	1,971	1,454	517
	Governance Business Support & Home Improvement Agency:- In year saving in staffing costs due to staff turnover.	1,568	1,011	557
	Other Adult Care services with nil variation to budget	(294)	(294)	0
	<b>Adult Care Variation to Budget</b>		<b>59,320</b>	<b>60,011</b>
<b>Children's</b>	Cared for Children:- There is additional Covid-19 funding of £3.003m that has partially mitigated the overspend position. The cared for children's numbers are higher than the planned strategy, and there have been additional high cost external placements that have added additional costs. The service is continuing to take action to look at alternative provision.	26,410	27,980	(1,570)
	Child Protection & Care Proceedings:- Increased use of translation services and court pre-proceedings activity.	2,930	3,072	(142)
	Early Help/Sure Start:- There is increased income of £190k and vacant posts of £164k across the service. The net variance of £354k is net of £1,330k that has been transferred from the DSG reserve to support the service budget.	5,296	4,942	354
	Special Educational Needs and Disability (SEND):- The costs of SEN Transport has increased, £1,517k, with the continued increases in pupil numbers and the costs of	7,035	8,742	(1,707)

Service	Narrative	Budget £'000	Actual £'000	Variance £'000
	Disability Services with increased placements £190k. The pressure is net of £861k which has been transferred from the High Needs Block of the DSG reserve.			
	Management and Administration:- Additional costs for legal services provided by Manchester City Council for Childrens Legal Services due to increased demand for services	1,354	1,625	(271)
	Other Children's services with nil variation to budget	5,483	5,483	0
	<b>Children's Services Variation to Budget</b>	<b>48,508</b>	<b>51,844</b>	<b>(3,336)</b>
<b>Economy</b>	Planning & Building Control :- In-year pressure due to the costs associated with the legal agreement with The Canal and River Trust for agreed maintenance and operation of the canal within the borough, this cost increases annually in line with RPI. The service has been able to mitigate the majority of this significant pressure from in-year staff savings as it has been unable to recruit to a number of vacant posts.	754	759	(5)
	Economic Development :- In-year savings as a result of securing alternative external funding for project development. There has also been a delay in recruitment which has resulted in one-off staff savings.	956	827	129
	Properties :- The service has been able to mitigate pressures from an outstanding legal case via staff savings from longstanding vacancies and through additional rental income from Council assets	361	313	48
	Asset Rationalisation :- In-year pressure re annual maintenance costs	9	16	(7)
	Other Economy services with nil variation to budget	14,082	14,082	0
	<b>Economy Services Variation to Budget</b>	<b>16,162</b>	<b>15,997</b>	<b>165</b>
<b>Public Health</b>	Sexual Health:- Underspend on Sexual Health activity	1,742	1,717	25
	Public Health Advice:- Minor variance	29	23	6
	Substance Missuse:- Minor variance	2,802	2,800	2

Service	Narrative	Budget £'000	Actual £'000	Variance £'000
	Children 0-19 Public Health:- Additional one off income from Health to contribute to contract uplift costs	6,920	6,842	78
	Health Protection:- Minor Variance	461	463	(2)
	Public Health Staffing & Non-Staffing:- Underspend on staffing due to vacancies.	1,284	1,155	129
	Other Public Health services with minor variance	3,674	3,677	(3)
	<b>Public Health Variation to Budget</b>	<b>16,912</b>	<b>16,677</b>	<b>235</b>
<b>Finance Control/</b>	Interest:- Continued internal borrowing and rephasing of the capital programme has reduced interest expense as well as increases in investment income. A contribution of £1m (including the benefits of the GM Pensions advance) has been made to establish a reserve relating to future movements in the valuation of long term investment and non-collection of long term debtors.	6,159	3,932	2,227
<b>Tax &amp; Treasury</b>	Debt Repayment:- Minor variations on external debt repayment.	15,017	15,005	12
	Other Income: - Additional rental income on land investment outside of Economy and interest on deferred loan repayments	(4,297)	(4,442)	145
	Other Finance Control services, with minor variation to budget	28,375	28,374	1
	<b>Finance Control Variation to Budget</b>	<b>45,254</b>	<b>42,869</b>	<b>2,385</b>
	Waste Disposal Levy:- In year underspend due to return of Waste Levy reserve from GMCA	15,113	14,059	1,054
	Facilities Management:- In year pressure due to increase in staff pay award and food provisions in relation to the Catering & Cleaning trading account with schools. Managed Property Services have an overspend due to fuel & vehicle hire	655	1,046	(391)
<b>Neighbourhoods</b>	Environmental Management:- There is a saving in year due to vacant posts within parks/sports/HIT team & Clean & Green	12,635	12,458	177
	ICT Service :- In year saving due to staff vacant posts	4,729	4,677	52
	Community & Townships:- There is an in year saving due to staff vacancies within the Library service, CCTV and Community Safety.	3,698	3,458	240
	Policy, Performance & Improvement:- In year saving due to staff vacancies	481	466	15



Service	Narrative	Budget £'000	Actual £'000	Variance £'000
	Communications Team :- In year pressure due to additional staff costs in relation to the new Council website	593	638	(45)
	Customer Access :- In year saving due to vacant posts and additional one-off income	1,594	1,500	94
	Strategic Housing :- minor in year saving	2,602	2,601	1
	Your Trust :- In year pressure due to GMCA contribution to Pivot wellbeing & Utilities	2,509	2,527	(18)
	Properties:- Underspend mainly due to income generated from Training & Conference Suite, and salary underspends in Building Management Team and Business Support Team.	2,943	2,850	93
	Street Lighting:- Pressure on Street Lighting Electricity	3,725	4,066	(341)
	Covid-19 Pressures:- minor variance due to 21/22 debtor	(10)	(14)	4
	Other Neighbourhoods services with nil variation to budget	5,327	5,327	0
	<b>Neighbourhoods Service Variation to Budget</b>	<b>56,594</b>	<b>55,659</b>	<b>935</b>
<b>Corporate Services</b>	Finance Services:- In-year staff savings due to delays in recruitment, and additional one off income, are mitigating pressures associated with the Purchase to Pay Scheme.	1,884	1,862	22
	Other Managed Budgets:- In-year savings as a result of vacant posts and other temporary arrangements and one-off savings.	2,967	2,831	136
	Revenues and Benefits:- In-year staff savings due to one off/temporary funding, plus additional income from Free School Meal Assessments.	5,849	5,690	159
	Legal Services:- In-year staff savings as a result of vacant posts are mitigating pressures within certain areas of income generation.	2,498	2,453	45
	Human Resources:- In-year staff savings and one off income from Health Partners.	1,837	1,729	108
	Internal Audit:- In-year staff savings due to a delay in recruitment are mitigating pressure re income received for Admin Penalties.	936	915	21

Service	Narrative	Budget £'000	Actual £'000	Variance £'000
	Governance:- In-year pressure as a result of additional costs associated with the Elections Act 2022 are being partially mitigated from staff savings within Committee Services and Registrar.	2,380	2,435	(55)
	Coroners:- In-year pressure as a result of increased costs associated with 3 inquests. The reported pressure includes a budget carry forward in relation to the potential costs of these ongoing inquests in 2023/24.	536	628	(92)
	Other Corporate Services with nil variation to budget	0	0	0
	<b>Corporate Services Variation to Budget</b>	<b>18,887</b>	<b>18,543</b>	<b>344</b>
	<b>Total Variation to Revenue Budget - 2022/23</b>			<b>37</b>

## Appendix B – Capital Spend by Scheme as at March 2023

Service	Scheme	2022/23 Budget, £k	2022/23 Outturn, £k	Variation, £k	2023/24 Budget, £k	2024/25 Budget, £k	Total Budget, £k
Adult Care	Better Care Fund	250	179	71	-	-	250
Adult Care	Disabled Facilities Grant	3,205	3,117	88	4,392	2,987	10,584
<b>Adult Care</b>		<b>3,455</b>	<b>3,296</b>	<b>159</b>	<b>4,392</b>	<b>2,987</b>	<b>10,834</b>
Children's	Aiming High For Disabled Child	-	-	-	42	-	42
Children's	BSF IT and Development	2,035	2,035	-	-	-	2,035
Children's	Devolved Formula Capital	1,559	796	763	445	445	2,449
Children's	Early Years Capital Grant	42	3	39	19	-	61
Children's	New Place Planning	735	343	392	38,959	5,200	44,894
Children's	Schools Cap Condition Programme	5,854	4,420	1,434	3,308	1,808	10,970
Children's	Special Provision Capital Fund	1	1	-	570	-	571
Children's	CWD Residential Home	50	-	50	3,404	-	3,454
Children's	High Needs Provision Capital Allocations	1,922	151	1,771	4,482	-	6,404
<b>Children's</b>		<b>12,198</b>	<b>7,749</b>	<b>4,449</b>	<b>51,229</b>	<b>7,453</b>	<b>70,309</b>
Economy	Definitive ROW Improvement Programme	5	4	1	46	-	51
Economy	River Roch Flood Storage	1,250	1,250	-	2,000	-	3,250
Economy	Rochdale Gateways Environmental Programme	5	-	5	-	-	5
Economy	Stakehill Industrial Estate	-	2	(2)	36	-	36
Economy	Asset Development Fund	179	106	73	2,719	-	2,898
Economy	Property Growth Fund	2,350	2,030	320	22,207	20,000	44,557

Service	Scheme	2022/23 Budget, £k	2022/23 Outturn, £k	Variation, £k	2023/24 Budget, £k	2024/25 Budget, £k	Total Budget, £k
Economy	Milnrow TC Butterworth Hall Flood Risk Mgt	-	-	-	100	-	100
Economy	Turf Hill Flood Risk Mgt	250	-	250	250	-	500
Economy	East Lancashire Railway	36	37	(1)	272	-	308
Economy	Lower Falinge	3	-	3	-	-	3
Economy	Birch Fountain & Horse Trough-Middleton	13	7	6	15	-	28
Economy	Tonge Hall	13	14	(1)	17	-	30
Economy	Michael Faraday Avenue	817	820	(3)	90	-	907
Economy	Rail Corridor Strategy	500	356	144	3,604	2,000	6,104
Economy	Rochdale Flood Innovation Programme	400	245	155	3,440	876	4,716
Economy	Towns Fund	617	647	(30)	12,158	3,834	16,609
Economy	Slopes Restoration	328	269	59	1,500	-	1,828
Economy	Industrial Property Portfolio	30	-	30	2,719	812	3,561
Economy	Central Retail Park Residential	2,250	3,286	(1,036)	5,755	-	8,005
Economy	Northern Gateway Feasibility and Study	292	120	172	-	-	292
Economy	Town Centres Capital Programme	56,156	58,651	(2,495)	29,783	3,719	89,658
Economy	Joint Service Centres PFI	82	82	-	-	-	82
Economy	Springhill Park Barn	-	-	-	500	-	500
Economy	Heywood Middleton	-	-	-	4,650	-	4,650
Economy	Station Gardens Rochdale	-	-	-	6,650	-	6,650
<b>Economy</b>		<b>65,576</b>	<b>67,926</b>	<b>(2,350)</b>	<b>98,511</b>	<b>31,241</b>	<b>195,328</b>

Service	Scheme	2022/23 Budget, £k	2022/23 Outturn, £k	Variation, £k	2023/24 Budget, £k	2024/25 Budget, £k	Total Budget, £k
Neighbourhoods	ICT Infrastructure Refresh Programme	1,049	984	65	217	444	1,710
Neighbourhoods	ICT Programmes (Staff)	553	477	76	600	500	1,653
Neighbourhoods	Office 365	229	55	174	221	-	450
Neighbourhoods	Townships Capital Programme	119	27	92	400	400	919
Neighbourhoods	Housing Standards Fund	1,384	835	549	4,300	800	6,484
Neighbourhoods	New Cemetery Sites	544	440	104	1,947	-	2,491
Neighbourhoods	Replacement Parks/Street Machinery	133	123	10	120	120	373
Neighbourhoods	Rights Of Way	130	131	(1)	80	80	290
Neighbourhoods	Section 106 - Environmental Management	1,963	874	1,089	434	-	2,397
Neighbourhoods	Townships Capital - Environmental Management	251	130	121	-	-	251
Neighbourhoods	Upgrade Play Equipment	105	105	-	243	75	423
Neighbourhoods	Dell Road Landslide	803	769	34	-	-	803
Neighbourhoods	HLCP Projects	515	34	481	3,511	-	4,026
Neighbourhoods	Vehicle Replacement Programme	2,209	2,093	116	3,488	572	6,269
Neighbourhoods	Waste Bin Replacement Programme	235	186	49	419	303	957
Neighbourhoods	Asset Management Group	3,728	2,638	1,090	3,661	2,550	9,939
Neighbourhoods	Local Transport Plan	3,321	2,551	770	2,861	2,714	8,896
Neighbourhoods	Townships Capital - Highways	903	339	564	-	-	903
Neighbourhoods	Burglary Reduction Scheme	100	100	-	100	100	300
Neighbourhoods	N1R Revolving Doors	-	-	-	120	-	120

Service	Scheme	2022/23 Budget, £k	2022/23 Outturn, £k	Variation, £k	2023/24 Budget, £k	2024/25 Budget, £k	Total Budget, £k
Neighbourhoods	Decarbonisation Scheme	2,013	1,533	480	255	-	2,268
Neighbourhoods	Junction 19	5,465	4,775	690	7,051	-	12,516
Neighbourhoods	Developer Contributions	267	246	21	180	100	547
Neighbourhoods	GM Full Fibre Programme	337	302	35	-	-	337
Neighbourhoods	Service Desk System Replacement	266	109	157	-	-	266
Neighbourhoods	Compulsory Purchase Order Programme	2,889	228	2,661	2,446	1,000	6,335
Neighbourhoods	Travellers Authorised Stopping Site	2	2	-	-	-	2
Neighbourhoods	Climate Emergency	200	158	42	2,189	1,000	3,389
Neighbourhoods	Car Parking Machines	4	4	-	-	-	4
Neighbourhoods	Allotments 2017-18 Manifesto Funding	83	73	10	50	-	133
Neighbourhoods	Accelerated Housing	2,084	435	1,649	1,463	-	3,547
Neighbourhoods	Affordable Housing	2,708	474	2,234	80	-	2,788
Neighbourhoods	Customer Transformation Programme	390	299	91	200	-	590
Neighbourhoods	GM One Network	163	155	8	790	-	953
Neighbourhoods	CCTV Upgrade	141	131	10	376	-	517
Neighbourhoods	Library Self Service	8	-	8	-	-	8
Neighbourhoods	Extended Library Hours	91	82	9	-	-	91
Neighbourhoods	NR1 Audio Equipment	139	139	-	-	-	139
Neighbourhoods	Property Transfers from Highways	-	-	-	199	-	199
Neighbourhoods	Highways Investment Programme	502	289	213	4,629	3,190	8,321

Service	Scheme	2022/23 Budget, £k	2022/23 Outturn, £k	Variation, £k	2023/24 Budget, £k	2024/25 Budget, £k	Total Budget, £k
Neighbourhoods	ICT Capital	-	-	-	635	-	635
Neighbourhoods	Bowlee Free School	567	427	140	-	-	567
Neighbourhoods	Highways Plant & Machinery	1,213	789	424	700	-	1,913
Neighbourhoods	Beelines Award	1,756	1,756	-	2,035	-	3,791
Neighbourhoods	Neighbourhood Regeneration Scheme	423	351	72	-	-	423
Neighbourhoods	Levelling Up Parks	67	43	24	-	-	67
Neighbourhoods	TFGM Grants	217	217	-	-	-	217
Neighbourhoods	Flood Innovation	-	-	-	1,000	-	1,000
Neighbourhoods	Home Upgrade	-	-	-	1,000	-	1,000
Neighbourhoods	Arboriculture	-	-	-	100	-	100
Neighbourhoods	Town Hall Kitchen	-	-	-	521	-	521
Neighbourhoods	Link4Life (Your Trust) Capital Project	18	18	-	1,258	576	1,852
<b>Neighbourhoods</b>		<b>40,287</b>	<b>25,926</b>	<b>14,361</b>	<b>50,079</b>	<b>14,524</b>	<b>104,890</b>
Corporate Services	Investment Fund	-	-	-	2,005	-	2,005
<b>Corporate Services</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,005</b>	<b>-</b>	<b>2,005</b>
<b>Total Capital Outturn Position at March 2023</b>		<b>121,516</b>	<b>104,897</b>	<b>16,619</b>	<b>206,216</b>	<b>56,205</b>	<b>383,366</b>

## **Appendix B (2) – 2022/23 Capital budget rephasing**

<b>Service</b>	<b>Narrative</b>	<b>Rephasing Requested £000s</b>	<b>Funding Source</b>
Adults	Better Care Fund - Integrated Adult Social Care and Health community Team moves progressing well and will continue into 2023/24.	71	External
Adults	Disabled Facilities Grant - Funding is for adaptations and building works. An Increased spend from 21/22, due to Covid-19 restrictions being lifted and contractors being able to enter homes and complete adaption requirements.	88	External
Childrens	Devolved Formula Capital:-There are 35 schools that are rephasing their budgets into the next financial year. This funding is ring-fenced to schools and they have the ability to move funding between financial years.	763	External
Childrens	Early Years Capital Grant :- Family Hubs Transformation Fund received at the end of the Financial year will be spent in 2023-2024	39	External
Childrens	New Place Planning: - Schemes are still in the planning stage therefore funding will be spent in future years.	392	External
Childrens	Schools Capital Condition Programme : - Various schemes are still to be completed in 2023-2024 including works at Spotland Primary school	1,434	External
Childrens	CWD Residential Home :- This project is still at an early stage and funds will be rephased into 2023-2024	50	Borrowing
Childrens	High Needs Provision Capital allocation:- Plans for this funding are still at an early stage and funding will be transferred in to 2023-24	1,771	External
Economy	ASSET DEVELOPMENT FUND - Costs not materialised as expected in 2022/23, rephase to 2023/24.	73	Capital Receipts
Economy	BIRCH FOUNTAIN & HORSE TROUGH-MIDDLETON - Works will continue in early 2023/24	6	Borrowing
Economy	MICHAEL FARADAY AVENUE - KINGSWAY - Minor overspend against projected spend for 2022/23. Rephase back from 2023/24	(3)	External
Economy	TURF HILL FLOOD RISK MANAGEMENT - Works expected to continue in 2023/24. Rephase to 2023/24	250	Borrowing
Economy	RAIL CORRIDOR STRATEGY - Negotiations around acquisitions taking longer than expected which has delayed completion. Rephase to 23/24.	144	Borrowing



<b>Service</b>	<b>Narrative</b>	<b>Rephasing Requested £000s</b>	<b>Funding Source</b>
Economy	ROCHDALE FLOOD INNOVATION PROGRAMME - Costs not materialised as expected in 2022/23, rephase to 2023/24.	155	External
Economy	TOWNS FUND - Minor overspend against projected spend for 2022/23. Rephase from 2023/24	(30)	External
Economy	SLOPES RESTORATION - Works to continue in 2023/24. Rephase to 2023/23	59	Borrowing
Economy	CRP RESIDENTIAL - Works are ahead of schedule; rephase budget back from 2023/24	(1,036)	Mixed
Economy	ROCHDALE GATEWAYS ENVIR PROG - Minor underspend against projected spend for 2022/23. Rephase to 2023/24	5	Borrowing
Economy	STAKEHILL INDUSTRIAL ESTATE - Minor overspend against projected spend for 2022/23. Rephase from 2023/24	(2)	Borrowing
Economy	DEFINITIVE R O W IMPROV PROG - Minor underspend against projected spend for 2022/23. Rephase to 2023/24	1	Borrowing
Economy	INDUSTRIAL PROPERTY PORTFOLIO - Minor underspend against projected spend for 2022/23. Rephase to 2023/24	30	Borrowing
Economy	TOWN CENTRES CAPITAL PROGRAMME - Work on the Upperbanks scheme is ahead of schedule due to the favourable weather. Budget to be rephased back from 2023/24.	(2,495)	Mixed
Economy	TONGE HALL - Minor overspend against projected spend for 2022/23. Rephase from 2023/24	(1)	RCCO
Economy	EAST LANCASHIRE RAILWAY - Minor overspend against projected spend for 2022/23. Rephase from 2023/24	(1)	Borrowing
Economy	LOWER FALINGE - Minor underspend against projected spend for 2022/23. Rephase to 2023/24	3	External
Economy	NORTHERN GATEWAY FEASIBILITY AND STUDY - Works ongoing; rephase to 2023/24	172	Borrowing
Economy	PROPERTY GROWTH FUND -	320	Borrowing
Neighbourhoods	ICT INFRASTRUCTUR REFRESH PROG - Request budget to be rephased to 22/23, peaks & troughs in equipment needs, ongoing programme	65	Borrowing
Neighbourhoods	ICT PROGRAMMES (STAFF) Request to rephase budget to 22/23 due to in year reduction in staff activity	76	Borrowing
Neighbourhoods	OFFICE 365 Delay in project, request budget to be rephased to 22/23	174	Borrowing

<b>Service</b>	<b>Narrative</b>	<b>Rephasing Requested £000s</b>	<b>Funding Source</b>
Neighbourhoods	TOWNSHIPS CAPITAL PROGRAMME Request to rephase budget to 22/23 due to ongoing projects	92	Borrowing
Neighbourhoods	NEIGHBOURHOOD REGEN SCHEME - Request budget to be rephased to 23/24, progress has been delayed.	72	Borrowing
Neighbourhoods	HOUSING STANDARDS FUND - Progressing well and a request is made to rephase budget to 23/24.	549	Mixed
Neighbourhoods	NEW CEMETERY SITES Request to rephase budget to cover the cost of replacing the cremators and associated building works at Rochdale Cemetery. The timeframe for the tendering of this contract has been protracted due the impact of Covid 19	104	Borrowing
Neighbourhoods	REPLACEMENT PARKS/STREET MACHI A request is made to rephase budget to fund additional equipment required for cut and collect in line with council's biodiversity strategy	10	Borrowing
Neighbourhoods	RIGHTS OF WAY	(1)	Borrowing
Neighbourhoods	SECTION 106 A request is made to rephase budget to support a programme of works on a number of schemes.	1,089	External
Neighbourhoods	TRANSFERS FROM TOWNSHIPS A request is made to rephase budget to support a programme of works on a number of schemes.	121	Borrowing
Neighbourhoods	DELL ROAD LANDSLIDE Budget has been allocated during the year to cover the cost of major repairs to Dell Road following a landslide. A request is made to rephase the remaining budget to enable the works to be completed	34	Mixed
Neighbourhoods	LEVELLING UP PARKS A request is made to rephase budget to continue the project	24	External
Neighbourhoods	HLCP PROJECTS A request is made to rephase budget to enable completion of a number of Invest to Save development schemes at Hollingworth Lake	481	Invest to Save
Neighbourhoods	VEHICLE REPLACEMENT PROGRAMME The process to replace a number of fleet vehicles is constant. During the procurement process it has been established that, in the current economic climate, the time taken to purchase vehicles has extended beyond the normal timeframes and a request is therefore made to rephase budget into 23/24	116	Borrowing

<b>Service</b>	<b>Narrative</b>	<b>Rephasing Requested £000s</b>	<b>Funding Source</b>
Neighbourhoods	WASTE BIN REPLACEMENT PROGRAMM A request is made to rephase the remaining budget to 23/24 to continue procuring household waste bins	49	Borrowing
Neighbourhoods	AMG - A number of schemes could not be completed but were committed in 22/23 and will be finalised in early 2023/24. A request is made to rephase the budget.	1,090	Borrowing
Neighbourhoods	LOCAL TRANSPORT PLAN - A number of schemes could not be completed in 22/23 and will be finalised in 2023/24. A request is made to rephase the budget.	770	Mixed
Neighbourhoods	TRANSFER FROM TOWNSHIPS - Highways Delay in the delivery of Township capital schemes due to timing of approvals and final specifications. A request is made to rephase the budget.	564	Borrowing
Neighbourhoods	DECARBONISATION SCHEME - A number of schemes could not be completed in 22/23 and will be finalised in 2023/24. A request is made to rephase the budget.	480	External
Neighbourhoods	JUNCTION 19 - Scheme is progressing well and a request is made to rephase budget to 23/24.	690	Mixed
Neighbourhoods	DEVELOPER CONTRIBUTIONS - Planned work on-going which will continue into 23/24. A request is made to rephase budget to 23/24.	21	External
Neighbourhoods	GM FULL FIBRE PROGRAMME Request to rephase budget to 22/23 - ongoing project due to end 23/24	35	Borrowing
Neighbourhoods	SERVICE DESK SYSTEM REPLACEMENT Delay in project, request budget to be rephased to 23/24	157	Borrowing
Neighbourhoods	COMPULSORY PURCHASE ORDER PROGRAMME - Funding has to be allocated in advance of pursuing the CPO in order to meet statutory guidelines. Orders have been postponed, the spend will catch-up as final orders are confirmed and owners are compensated. A request is made to rephase.	2,661	Borrowing
Neighbourhoods	CLIMATE EMERGENCY Request to rephase budget to 23/24 - ongoing project covering multiple years	42	Borrowing
Neighbourhoods	ALLOTMENTS 2017-18 MANIFESTO FUNDING Request to rephase budget into 2023/24 to complete works that are underway to create new allotments at the site in Great Howarth.	10	Borrowing

<b>Service</b>	<b>Narrative</b>	<b>Rephasing Requested £000s</b>	<b>Funding Source</b>
Neighbourhoods	ACCELERATED HOUSING - Request budget to be rephased to 23/24, progress has been delayed.	1,649	Borrowing
Neighbourhoods	AFFORDABLE HOUSING - Delay on the project in 22/23 a request to rephase budget to 23/24 is made.	2,234	Mixed
Neighbourhoods	CUSTOMER TRANSFORMATION PROGRAMME Request budget to be rephased to 23/24, ongoing project covering multiple years	91	Borrowing
Neighbourhoods	GM ONE NETWORK Request budget to be rephased to 23/24, ongoing project covering multiple years	8	Borrowing
Neighbourhoods	CCTV UPGRADE Request budget to be rephased to 23/24, ongoing project covering multiple years	10	Borrowing
Neighbourhoods	LIBRARY SELF SERVICE Request budget to be rephased to 23/24, ongoing project covering multiple years	8	RCCO
Neighbourhoods	EXTENDED LIBRARY HOURS Request budget to be rephased to 23/24, ongoing project covering multiple years	9	RCCO
Neighbourhoods	HIGHWAYS PLANT AND MACHINERY - On-going work with regards to Highways insourcing. A request is made to rephase the budget to 23/24.	424	Borrowing
Neighbourhoods	CARRIAGE WAYS Scheme is progressing well and a request is made to rephase budget to 23/24.	213	Mixed
Neighbourhoods	BOWLEE FREE SCHOOL - Scheme is progressing well and a request is made to rephase budget to 23/24.	140	Borrowing
	<b>Grand Total of Rephasing</b>	<b>16,619</b>	

### **Appendix B (3) – 2022/23 Capital Budget Changes below £500k**

Section 4.5.1 in the main report details Capital Budget Changes over £500k.

<b>Service</b>	<b>Narrative</b>	<b>Funding Method</b>	<b>Capital Budget Increases/ (Reductions) £000's</b>
Children's	Increase s106 contributions to match total received in year	External	295
Children's	Create budget for Family Hubs Transformation Fund	External	17
Children's	Increase budget on s106 contributions to match contributions received	External	240
Children's	Increase budget on Family Hubs Transformation Fund 2 Allocation	External	24
Economy	Lifecycle costs for Joint Service Centre PFI	RCCO	82
Economy	Create budget for Hopwood Hall additional works	External	95
Economy	Create remainder of ERDF grant budget Richard St	External	195
Economy	Create remainder of Historic England grant budget Drake St	External	194
Economy	Create remainder of NLHF grant budget	External	168
Economy	Create UKSPF budget Fire station/ Richard St	External	295
Economy	Temperley Taylor contribution	External	8
Neighbourhoods	July-Oct 22 for ICT equipment	RCCO	20
Neighbourhoods	Claim for Dell Road repair	RCCO	174
Neighbourhoods	Broad Lane Vicinity S106 Sports Provision	External	33
Neighbourhoods	Bowlee Sports S106 Sports Provision	External	48
Neighbourhoods	Denehurst Park Open Space S106	External	10
Neighbourhoods	Shore Gardens S106	External	2
Neighbourhoods	Littleborough Sports Centre S106	External	61
Neighbourhoods	Hare Hill Park Open Space S106	External	10
Neighbourhoods	Langley Open Space S106	External	57
Neighbourhoods	Langley Formal Sport S106	External	57
Neighbourhoods	Alkington Woods Open Space S106	External	41
Neighbourhoods	Rhodes Play Area S106	External	1
Neighbourhoods	Peel Lane S106	External	47
Neighbourhoods	Your Trust ICT equipment purchased from ICT refresh	RCCO	4
Neighbourhoods	ICT equipment	RCCO	17

Service	Narrative	Funding Method	Capital Budget Increases/ (Reductions) £000's
Neighbourhoods	Langley Land Pool	Capital Receipts	348
Neighbourhoods	Broad Lane Vicinity - reduce original scheme of £33,925 by 50%	External	(16)
Neighbourhoods	Hare Street	Capital Receipts	11
Neighbourhoods	Create capital budgets for approved Bullough Moor S106 scheme	External	4
Neighbourhoods	Utilise old S106 funding	External	22
Neighbourhoods	RSAP DLUCH grant	External	258
Neighbourhoods	Warm Homes Contribution	External	90
Neighbourhoods	Lenny Barn playing fields	External	9
Neighbourhoods	Healey Dell towards Cronkeyshaw Common along the old railway line	External	35
Property & Highways	LTP Correcting Allocation	External	(339)
Property & Highways	Town Hall Heat Pump	External	70
	<b>Total Capital Budget Changes below £500k</b>		<b>2,684</b>
	Total Capital Budget Changes above £500k (see 4.5.1)		8,551
	<b>Total Capital Budget Changes</b>		<b>11,235</b>

## Appendix C – Collection Fund

### Business Rates

The 2022/23 outturn position relating to Business Rates is a surplus of £3,494k:

Description	Budget	2022/23 Outturn	(Surplus)/ Deficit
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Gross income	(86,329)	(86,460)	(131)
Net Small Business Rate relief	8,271	8,540	269
Mandatory Charitable relief	4,218	4,223	5
Discretionary relief	4,153	7,168	3,015
Empties & Part Occupied relief	4,000	2,783	(1,217)
<b>Net Income</b>	<b>(65,687)</b>	<b>(63,746)</b>	<b>1,941</b>
Less:			
Charge re bad debt provision	1,040	167	(873)
Allowance for cost of collection	318	324	6
Provision for rateable value revaluations	1,943	1,955	12
Renewable energy schemes	583	610	27
<b>Net yield</b>	<b>(61,803)</b>	<b>(60,690)</b>	<b>1,113</b>
2021/22 payments to preceptors/billing authority	61,803	61,803	-
<b>In year deficit</b>	<b>-</b>	<b>1,113</b>	<b>1,113</b>
Deficit brought forward from 2021/22 into 22/23	10,666	4,824	(5,842)
Payments from preceptors/billing authority re 2021/22 deficit per 2022/23 Budget process	(9,431)	(9,431)	-
<b>2022/23 in year deficit/ (surplus)</b>	<b>1,235</b>	<b>(3,494)</b>	<b>(4,729)</b>
Deficit brought forward from 2020/21 to be repaid in 2023/24 - 3 year spread	(1,235)	-	1,235
<b>Net surplus</b>	<b>-</b>	<b>(3,494)</b>	<b>(3,494)</b>

## Council Tax

The 2022/23 position relating to Council Tax is a surplus of £3,156k.

### 2022/23 Council Tax Income

Description	Budget	2022/23 Outturn	(Surplus)/ Deficit
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>INCOME</b>			
Income from Council Tax	(158,711)	(158,102)	609
Income from premium on Empty Properties	(527)	(862)	(335)
Council Tax discounts	15,755	15,412	(343)
Local Council Tax Support Scheme (LCTSS)	21,565	19,573	(1,992)
Prior year adjustments	211	377	166
<b>Total income</b>	<b>(121,707)</b>	<b>(123,602)</b>	<b>(1,895)</b>
<b>EXPENDITURE</b>			
Charge re bad debt provision	3,043	2,354	(689)
<b>Total expenditure</b>	<b>3,043</b>	<b>2,354</b>	<b>(689)</b>
<b>Net income to be raised for precept/ billing authority after LCTSS awarded</b>	<b>(118,664)</b>	<b>(121,248)</b>	<b>(2,584)</b>
2022/23 payments to Preceptors	118,664	118,664	-
<b>In year (surplus)/ deficit</b>	<b>-</b>	<b>(2,584)</b>	<b>(2,584)</b>
Surplus brought forward from 2021/22	(776)	(1,969)	(1,193)
2022/23 Payments to preceptors as per 2022/23 Budget process	1,397	1,397	-
<b>2022/23 (Surplus)/ Deficit</b>	<b>621</b>	<b>(3,156)</b>	<b>(3,777)</b>
Deficit brought forward from 2020/21 to be repaid in 2023/24 - 3 year spread	(621)	-	621
<b>Net surplus</b>	<b>-</b>	<b>(3,156)</b>	<b>(3,156)</b>



## **Appendix D - Treasury Update Quarter 4, 2022/23**

### **Introduction**

The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. Treasury Management activity aims to effectively manage the Council's cash flow requirements through borrowing and investment. The service operates within CIPFA's Prudential Code and the approved Treasury Management Strategy to ensure risk is appropriately managed when seeking to minimise the costs of borrowing and maximise returns on investment.

The 2022/23 outturn position for Treasury Management is an in year saving of £2,385k, due to significant re-phasing of the 2021/22 Capital Programme, which has reduced the amount of Minimum Revenue Provision required and the potential cost of borrowing in 2022/23. The authority also continues to operate an internally borrowed position, using existing balance sheet resources to defer the cost of external borrowing. Investment income has increased substantially due to Base Rate increases and the maintenance of higher than anticipated cash balances/ reserves. This is partially offset by a revenue contribution towards the 2022/23 Capital Programme which will help reduce future debt repayment costs. Some of the in-year saving will directly fund capital schemes that would have been funded from borrowing, to reduce the ongoing debt repayment costs, which will help reduce the future years' budget gap.

### **Economic Update**

The main points to note this quarter are:

- Persistent inflationary pressure – CPI peaked at 11.1% in October and remains high (10.4% in February) with the main recent contributing factors cited as food and housing.
- Increases in Bank of England Base Rate to deal with this – 4.25% at the end of March. From 0.75% in March 2022, the Monetary Policy Committee pushed through rises at every meeting over the period with increases of 0.5% in December and February and 0.25% in March.
- Gilt yields (which drive the cost of borrowing from the Public Works Loans Board) are still showing signs of volatility, standing at 4.35% for a 10-year loan and 4.41% for 50 years on 31/3/23 - still significantly higher than at the start of the financial year when both rates were around 2.4%.
- Increases to yields on deposits with financial institutions – a typical 3-month deposit at the end of March will pay around 4.25% with Money Market Funds at 4.0% (prior to the initial bank rate increase in December 2021 – these rates were around 0.15% and 0.02% respectively).

## Debt

The table below summarises the Council's debt position at 31<sup>st</sup> March 2023.

<b>Debt Type</b>	<b>Balance at 1/04/22 £M</b>	<b>New Borrowing to 31/03/23 £M</b>	<b>Repayments to 31/03/23 £M</b>	<b>Balance to 31/03/23 £M</b>	<b>Average Rate %</b>	<b>Average Maturity Years</b>
PWLB Debt	95.173	-	(6.838)	88.335	2.380	10.58
Market Debt	120.000	-	-	120.000	4.410	44.01
Other Debt	0.182	-	(0.062)	0.120	-	0.83
<b>Total Debt</b>	<b>215.355</b>	<b>-</b>	<b>(6.900)</b>	<b>208.455</b>	<b>3.520</b>	<b>29.82</b>

External borrowing at 31<sup>st</sup> March 2023 totalled £208.455m. No additional borrowing was undertaken during the year.

The Council's interest cost on its borrowing portfolio for the year was £7.487m. This compares to a revised estimate for the year of £7.639m – an overall saving of £0.152m. The saving is a consequence of increased rephasing of the 2021/22 capital programme and further utilisation of internal borrowing – using existing cash reserves and balances to temporarily defer borrowing.

The interest cost saving is net of a contribution of £0.567m towards a £1m reserve (along with a £0.433m benefit from upfront payment of GM pension contributions) to support the possibility of a fall in the valuation of the Council's long term investments, potential bad debt in relation to long term debtors, and the potential requirement to recognise fair value losses in the general fund if the current IFRS9 statutory override is not extended past the 31<sup>st</sup> of March 2025.

The Council's estimated Capital Financing Requirement at 31<sup>st</sup> March 2023 is £493m. Adjusted to remove PFI debt and externally managed debt, the Council's Borrowing Requirement at year-end is £409m. Deducting expected actual borrowing (£208m) from this figure shows that the Council is currently projecting internal borrowing of £201m at year end.

The Council's Operational Boundary (the limit which borrowing should not normally exceed) in 2022/23 (adjusted for PFI projects and externally managed debt) is £569m. The Authorised Limit (a control on our maximum level of borrowing) is £731m. Current borrowing (adjusted for PFI liabilities) is £295m – comfortably within the approved limits with no problems anticipated in staying within the limits through the year.

The Council sets maturity limits to ensure it is not exposed to a requirement for large amounts of debt repayment at a particular time. It remained comfortably within these limits through the quarter as shown below.

<b>Period of Maturity</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Actual</b>
Under 12 months	60%	0%	3.3%
Between 12 & 24 months	60%	0%	3.2%
Between 2 & 5 years	60%	0%	10.0%
Between 5 & 10 years	70%	0%	8.2%
Over 10 years	100%	25%	75.1%

### **Investments**

The Council continues to make its Treasury investments in accordance with the CIPFA Treasury Management Code of Practice, with investment priorities of:

- Security of capital
- Liquidity
- Yield

At the end of December the Council held short term Treasury investments of £75.0m (compared to a balance of £146.0m at the end of last year and £117.5m at 30/9/22). The reduction in balances reflects the timing of receipts and expenditure relating to grants and reserves and progress on the capital programme which thus far has not required any new borrowing.

The Council has earned £2.318m on its short-term investments this year. The average rate earned on short-term investments in the year was 2.16% with an average rate earned of 3.81% in the last quarter.

A summary of current short-term investments is shown below:

<b>Credit Rating</b>		
<b>Fitch Credit Rating</b>	<b>Amount £m</b>	<b>%</b>
AAA	33.8	45.0
AA-	7.0	9.4
A+	31.2	41.6
A	0.0	0.0
A-	3.0	4.0
<b>Total</b>	<b>75.0</b>	<b>100.0</b>

<b>Type of Investment</b>		
<b>Investments Types</b>	<b>Amount £m</b>	<b>%</b>
Fixed Term Bank Deposits	27.0	36.0
Fixed Term Authority Deposits	5.0	6.7
Notice Accounts	5.0	6.7
Call and Overnight	4.2	5.6
Money Market Funds	33.8	45.0
<b>Total</b>	<b>75.0</b>	<b>100.0</b>

<b>Institutions</b>		
<b>Location:</b>	<b>Amount £m</b>	<b>%</b>
UK Banks	15.2	20.3
UK Government	5.0	6.7
European Banks	7.0	9.3
Asia / Australasia	14.0	18.6
Rest of the World Banks	0.0	0.0
Money Market Funds	33.8	45.1
<b>Total</b>	<b>75.0</b>	<b>100.0</b>

<b>Maturity</b>		
<b>Maturing:</b>	<b>Amount £m</b>	<b>%</b>
Instant Call	38.0	50.7
Less than 1 Month	23.0	30.7
1-3 Months	7.0	9.3
3-6 Months	7.0	9.3
6 Months to 1 Year	0.0	0.0
Over 1 Year	0.0	0.0
<b>Total</b>	<b>75.0</b>	<b>100.0</b>

The Council holds a longer-term investment with the CCLA Property Fund for which Dividends of £0.172m were earned this year.

The contribution of our total treasury investment portfolio to the Council's overall budget compared to the latest revised estimate is £2.056m (after netting off a share of contributions paid internally to PFI schemes and schools of £0.190m).

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached in the period ended 31st March 2023.