

CABINET

DATE	14 th June 2023
REPORT OF	Councillor Stephen Harness - Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot – Executive Director Place and Resources
SUBJECT	2022/23 Provisional Financial Outturn
STATUS	Open
FORWARD PLAN REF NO.	CB 06/23/03

CONTRIBUTION TO OUR AIMS

The Council has two clear strategic priorities – Stronger Economy and Stronger Communities. In order to achieve these priorities, the Council needs to have a clear and robust Finance and Commissioning plan, which focusses on long-term financial sustainability.

EXECUTIVE SUMMARY

This report provides key information and analysis of the Council's financial position and performance at the end of the 2022/23 year. Further detail and analysis is provided within Appendix 1 to this report.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Notes the outturn position and refers the report to Scrutiny for consideration.
2. Approves re-profiling requests in respect of the 2022/23 capital programme as detailed in Annex 1.
3. Approves the revised Capital Programme for 2023/26 included at Annex 1.
4. Approves the year end reserves position as detailed within Appendix 1.
5. Approves the use of the Business Rates Equalisation Reserve to address any significant variances arising from technical adjustments linked to the completion of the year end accounts.

REASONS FOR DECISION

The report is important in informing Cabinet on the financial position and performance of the Council and highlighting key risks and opportunities.

1. BACKGROUND AND ISSUES

- 1.1 The Council is forecasting a balanced position against its annual revenue budget. However, the Council has faced significant social care demand, as well as cost and inflationary pressures during the 2022/23 financial year.
- 1.2 Where overspends against service budgets have been reported, these have been offset by underspends in other areas, additional funding allocations and the drawdown of reserves.

- 1.3 Whilst the level of reserves has reduced during the year, these are to be replenished through the recent budget process and review of provisions.
- 1.4 Clearly the current financial performance is a challenge to our long term financial resilience and sustainability. In order to bring spending down to manageable levels on a recurrent basis, a range of actions are being taken as part of the Council's improvement and transformation agenda. In the immediate term, additional spending controls remain in place at a corporate level.
- 1.5 Additional resources have been invested into services as part of the 2023/24 budget process, and we have seen demand in terms of children's safeguarding reduce over the last quarter. This will naturally reduce the Council's reliance on costly additional agency staff and external placements over the medium term.
- 1.6 Through the Capital Investment programme, the Council is continuing to take a more commercial approach and investments are supporting the Council's strategic objective of enabling the growth of a strong and sustainable local economy. Major investment within the Stallingborough Enterprise Zone and in the town centres are progressing well and will support the borough at a time of economic challenge and slowdown.
- 1.7 This year we have taken the opportunity to review the overall capital programme, to reflect current priorities, and ensure that our projects and programmes remain viable. This approach will help to ensure the Council continues to operate within its approved Treasury Management Strategy over the short to medium term and that any external borrowing remains affordable, sustainable and prudent.
- 1.8 Despite the current economic and demand led challenges the Council's remains committed to the achievement of financial sustainability by embracing the area's economic potential, growing the local tax base, and delivering efficient and affordable public services.

2. RISKS AND OPPORTUNITIES

Key risks and opportunities are detailed within Appendix 1.

3. OTHER OPTIONS CONSIDERED

Not applicable to monitoring report.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

The financial environment in which the Council is operating remains challenging and any significant financial issues will be communicated externally through a variety of media.

5. FINANCIAL CONSIDERATIONS

As set out in the report:

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The report provides details of the resources allocated towards Children and Young people across a range of Council services.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1. Ultimately all resourcing decisions taken by the Council impact upon the environment. For this reason, the Council must take climate change and environmental issues into account in the establishment of its financial plans.
- 7.2. The Council's financial strategy looks towards consuming resources more efficiently, eliminating waste and supporting and developing the green economy and infrastructure. This includes recognising and realising the economic and social benefits of a high-quality environment.

8. CONSULTATION WITH SCRUTINY

Report to be forwarded to all scrutiny panels.

9. FINANCIAL IMPLICATIONS

As set out on the report.

10. LEGAL IMPLICATIONS

There are no legal issues immediately arising from the content of this report given that it is a vehicle to advise and update as to current position. The recommendation for a referral to Scrutiny is prudent.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of the report

12. WARD IMPLICATIONS

All wards affected.

13. BACKGROUND PAPERS

- 13.1. Budget and Medium-Term Financial Plan 2023/24 – 2025/26
<https://democracy.nelincs.gov.uk/wp-content/uploads/2021/12/5.-Budget-and-Medium-Term-Financial-Plan-2022---2024.pdf>
- 13.2. 2022/23 Quarter 3 Financial Monitoring Report
[5.-Finance-Monitoring-Q3-Cabinet-Report.docx.pdf \(nelincs.gov.uk\)](5.-Finance-Monitoring-Q3-Cabinet-Report.docx.pdf)

14. CONTACT OFFICER(S)

Sharon Wroot – Executive Director Place and Resources

COUNCILLOR STEPHEN HARNESS
PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND ASSETS

Finance Monitoring Report 2022/23 – Provisional Outturn



Overview

The Council has faced significant social care demand, cost and inflationary pressures during the 2022/23 financial year.

Where overspends against service budgets have been reported, these have been offset by underspends in other areas, additional funding allocations and the drawdown of reserves.

Whilst the level of reserves has reduced during the year, these are to be replenished through the recent budget process and review of provisions.

Clearly the current financial performance is unsustainable over the medium term and further action is required to deliver long term financial sustainability. In order to bring spending down to manageable levels on a recurrent basis, a range of actions are being taken as part of the Council's improvement and transformation agenda. In the immediate term, additional spending controls remain in place at a corporate level.

Additional resources have been invested into services as part of the 2023/24 budget process, and we have seen demand in terms of children's safeguarding reduce over the last quarter. This will naturally reduce the Council's reliance on costly additional agency staff and external placements over the medium term.

Through the Capital Investment programme, the Council is continuing to take a more commercial approach and investments are supporting the Council's strategic objective of enabling the growth of a strong and sustainable local economy. Major investment within the Stallingborough Enterprise Zone and in the town centres are progressing well and will support the borough at a time of economic challenge and slowdown.

This year we have taken the opportunity to review the overall capital programme, to reflect current priorities, and ensure that our projects and programmes remain viable. This approach will help to ensure the Council continues to operate within its approved Treasury Management Strategy over the short to medium term and that any external borrowing remains affordable, sustainable and prudent.

Despite the current economic and demand led challenges the Council's remains committed to the achievement of financial sustainability by embracing the area's economic potential, growing the local tax base, and delivering efficient and affordable public services.

Sharon Wroot - Executive Director, Place and Resources (Section 151 Officer)

Outlook

The current Medium Term Financial Plan (MTFP) showed an opening gap in future years when it was approved in February 2023.

MTFP Summary	2024/25 £M	2025/26 £M
Funding	(177.3)	(182.0)
Service Budget	158.5	159.4
Other budgets	24.3	26.4
Contributions	2.5	2.5
Opening Gap	7.9	6.2

Key assumptions are being reviewed and revised as part of monitoring. These include economic and housing growth, interest rates, inflation and general price increases, government funding and demand trajectories. Current economic conditions are volatile and the potential effects of key risk factors have varying significance for projections of the Council's financial position.

Inflation

Inflation continues to affect Council finances, particularly inflation linked contracts. RPI over past 12 months was 11.4% and CPI 8.7% (April 2023) although is predicted to drop over the year. Whilst inflationary contract uplifts are included within service

budgets, these exceptional rates will result in additional pressures over the current MTFP period.

Energy costs

The energy crisis has been building up over the past year, as increased demand during the post-Covid reopening of economies coincided with Russia's invasion of Ukraine and a subsequent squeeze on gas supplies into Europe. Based on current market conditions we were estimating this to create a £6M pressure by the end of this current MTFP Period. However, as wholesale cost predictions have started to fall, this pressure may lessen slightly.

Interest rates

Interest rates started to climb last year as the market began to understand that the Bank of England's 'transitory' narrative around post-pandemic inflation firstly looked overly optimistic, and then was entirely undermined by the Russian invasion of Ukraine and soaring energy prices. This has created pressures for the Council in future years. The Council's capital programme has been reviewed and reprioritised in light of these issues.

Revenue Highlights

£0.0M Total Revenue
Forecast Variance

£12.5M Service Budgets
Forecast Variance

6.91%

% Representation of
Service Budget
Overspend to Net Budget

REVENUE	Original Budget £'M	Revised Budget £'M	Forecast £'M	Variance £'M
Resources	14.5	23.9	23.5	(0.4)
Environment	12.3	15.4	14.2	(1.2)
Economy & Growth	19.0	19.0	18.3	(0.7)
Children & Family Services	36.5	50.3	66.5	16.2
Public Health	(0.3)	1.3	1.3	0.0
Adult Services	50.7	49.5	48.1	(1.4)
	132.7	159.4	171.9	12.5
Corporate Budgets	21.2	32.2	25.9	(6.3)
	153.9	191.6	197.8	6.2
Earmarked reserves	1.2	(10.6)	(20.0)	(9.4)
School Balances	0.0	(0.1)	(0.1)	0.0
Total	155.1	180.9	177.7	(3.2)
Funding	(155.1)	(180.9)	(177.7)	3.2
Net	(0.0)	0.0	0.0	(0.0)

The Council has achieved a provisional balanced outturn position. However, service areas reported a £12.5M overspend after facing significant financial pressures within Children's Services from the legacy of the high level of demand within Children's safeguarding.

These pressures have been partially offset by savings within other services and from reduced borrowing costs, increased investment interest income and savings on other budgets. The remaining overspend has been met through the use of earmarked reserves, including the Business Rates Reserve that was set up to manage the fluctuations in business rate income between years. Detailed analysis of each key area is included within this report and we continue to look for ways to mitigate spending pressures. This is an on-going process, and will be a key feature of future financial plans as well as in year.

Capital Highlights

£8.6M
(Underspend)

Service Capital
Forecast Variance

14.3%

% Representation of Service
Capital Underspend to Approved
Programme

CAPITAL	Original Programme £'M	Approved Programme £'M	Forecast £'M	Variance £'M
Resources	11.1	2.4	2.3	(0.1)
Environment	9.8	5.3	3.0	(2.3)
Economy & Growth	42.9	45.4	42.9	(2.5)
Children & Family Services	3.7	6.9	3.2	(3.7)
Adult Services	3.2	0.0	0.0	0.0
Total Capital Budgets	70.7	60.0	51.4	(8.6)
Funding	(70.7)	(60.0)	(51.4)	8.6
Net	0.0	0.0	0.0	0.0

The underspend above, is due to a combination of unanticipated delays in the planning process, procurement challenges and work commencement across a number of schemes.

Delivery of the programme will continue to be closely monitored to ensure we are investing in schemes that are deliverable and affordable, and deliver benefits to the place. The next pages detail the proposed scheme re-profiling, along with other programme adjustments.

Capital Highlights

CAPITAL	2022/23 £'M
Approved Programme	60.0
Forecast Outturn	<u>51.4</u>
Underspend	<u>8.6</u>
Utilised on -	
Re-profiling into future years	10.1
Scheme overspends	<u>(2.3)</u>
Total	<u>8.6</u>

Annex 1 details proposed scheme re-profiling and the next page details other programme adjustments.

Capital Highlights

Beyond the capital budget re-profiling requests highlighted within the new Capital Programme, there are further adjustments to be made as follows (see Annex 1 for Revised Programme) -

CAPITAL	COMMENTS	2023/24 £'M	2024/25 £'M	2025/26 £'M
Clee HLF Townscape Heritage	Reprofiling of budget	(0.2)	0.2	-
Playing Pitch Reprovision	Cabinet approval of Clee Fields Scheme	1.2	(0.2)	-
Town Deal Investment	Reprofiling of budget	1.2	(1.2)	-
Central Clee Regeneration	Budget transfer to Clee Masterplan Scheme	-	(2.0)	-
Towns Fund	Reprofiling of budget	(6.6)	6.6	-
UK Shared Prosperity Fund	New scheme funded by grant	0.3	0.7	-
Cleethorpes Masterplan LUF	New scheme funded by grant	6.0	14.4	-
Local Transport Plan	Additional grant allocation for scheme	0.7	-	-
Bus Service Imp Plan	New scheme funded by grant	0.3	-	-
Capital investment	Transfer budget to new schemes	(0.4)	(1.4)	(1.6)
Education Management IT system	Scheme replaced by Childrens Platform	(0.9)	(0.3)	-
Childrens Services IT system	New integrated system scheme	1.2	1.7	1.6
Cremator Relining	New scheme	0.1	-	-
Schools Devolved Capital	Additional grant allocations for schools	0.1	-	-
Schools Backlog Maintenance	Change to reflect grant allocation	(0.1)	-	-
Basic Need	Reprofiling of budget and funding update	(5.9)	5.4	(1.0)
SEND Special Provision Fund	Additional grant	-	-	0.2
Total		(3.0)	23.9	(0.8)

Revenue

Resources

15.0%

Of Total Revenue
Service Budgets

(£0.4M)

Forecast Revenue
Underspend

1.7%

Variance as % Of Total
Budget Envelope

REVENUE	Revenue Budget £'M	Revenue Forecast £'M	Variance £'M
Policy Strategy and Resources	14.6	14.0	(0.6)
Deputy S151	3.8	3.6	(0.2)
Assistant Chief Executive	1.2	1.2	(0.0)
Law, Governance and Assets	4.3	4.7	0.4
	23.9	23.5	(0.4)

VARIANCE ANALYSIS	£M
Commissioning Pressures	0.0
Fees & Charges Income Shortfall	0.0
Service Pressures/Other Issues	(0.4)
	(0.4)

The overall underspend has primarily been achieved through effective vacancy management controls. However the Council is continuing to experience significant external legal fees and court costs as a result of the high levels of demand.

Capital

4.0%

Of Total Capital
Programme

(£0.1M)

Forecast Capital
Underspend

CAPITAL	Approved Programme £'M	Capital Forecast £'M	Variance £'M
Deputy S151	1.0	0.8	(0.2)
Policy Strategy and Resources	1.4	1.5	0.1
	2.4	2.3	(0.1)

Spend has largely been in line with approved budgets

Revenue

Environment

9.7%

Of Total Revenue
Service Budgets

(£1.2M)

Forecast Revenue
Underspend

7.8%

Variance as % Of Total
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Environment	15.4	14.2	(1.2)

VARIANCE ANALYSIS	£M
Commissioning Pressures	0.0
Fees & Charges Income Shortfall	(0.2)
Service Pressures/Other Issues	(1.0)
	(1.2)

Effective management of the New Lincs contract in respect of Waste Processing and Landfill has generated an underspend of £1M. There has also been some additional income generated through Port Health fees and Garden Waste scheme.

Capital

8.8%

Of Total Capital
Programme

(£2.3M)

Forecast Capital
underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Environment	5.3	3.0	(2.3)

A £0.3M underspend has been due to increased lead times for the delivery of vehicles and equipment through the Fleet Replacement scheme.

A delay in the start of the Depot Rationalisation scheme has created £1.7M in-year underspend and a further £0.3M underspend is due to the delay in starting the Scartho Cemetery Lodge Bereavement Services Project.

All of this spend will now be incurred in 23/24 and the respective capital budgets will be transferred into that year as part of the re-profiling requests detailed within this report.

11.9%

Of Total Revenue
Service Budgets

(£0.7M)

Forecast Revenue
Underspend

3.7%

Variance as % Of Total
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M	VARIANCE ANALYSIS	£M
Regeneration	4.5	3.2	(1.3)	Commissioning Pressures	-
Housing, Highways and Transport	14.5	15.1	0.6	Fees & Charges Income Shortfall	(0.6)
	19.0	18.3	(0.7)	Service Pressures/Other Issues	(0.1)
					(0.7)

The majority of the £1M underspend in Regeneration is against the Freshney Place scheme and this is mainly due to the rental income received since purchase. Other savings have been met through vacancy management controls.

The main overspends within Housing Highways and Transport are attributable to a shortfall in Planning fees of £0.4M and an additional £0.3M against the EQUANS contract. The main area of savings made were against the Housing Related Support contracts (£0.5M).

75.7%

Of Total Capital Programme

(£2.5M)

Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Regeneration	29.0	27.6	(1.4)
Housing, Highways and Transport	16.4	15.3	(1.1)
	45.4	42.9	(2.5)

Within Regeneration, there is some re-profiling against three major schemes in the capital programme, these are:-

- SHIIP (£0.7m)
- Central Clee Regeneration (£0.2m) and
- Towns Fund scheme (£0.3m).

The main SHIIP Scheme has incurred significant spend during the year but some reassessment of commitments at year-end has resulted in a need to re-profile some spend into future years.

The Central Clee Regen Scheme was delayed due to increased costs which led to successful additional external funding bids to be confirmed before works could commence. There has been some minor delay in works within the Towns Fund scheme that has deferred some spend into 23/24.

Within Housing Highways and Transport there are some minor delays in works under the Backlog Maintenance Programme (£0.3M), the Grimsby and Immingham Flood Innovation Scheme (£0.3M) and under the Local Transport Plan Programme (£0.2M).

31.6%

Of Total Revenue
Service Budgets

£16.2M

Forecast Revenue
Overspend

32.2%

Variance as % Of Total
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Education and Inclusion	7.9	7.4	(0.5)
Safer and Partnerships	2.1	1.9	(0.2)
Women, Children & Families	0.4	0.4	0.0
Safeguard and Early Help	12.2	15.3	3.1
Director Children Services	0.7	0.9	0.2
Regulated Provision	27.0	40.6	13.6
Total Children's & Family Services	50.3	66.5	16.2

VARIANCE ANALYSIS	£M
Commissioning Pressures	0.0
Fees & Charges Income Shortfall	(2.1)
Service Pressures/Other Issues	18.3
	16.2

2022/23 has been a challenging year for the Children's Services directorate, both in terms of service demand and the associated financial impact. However, work has been ongoing to reduce the number of Looked after Children (LAC) in a managed way over the year, resulting in approx. a 5% reduction since April 2022. This reduction is expected to continue into the new financial year as transformational work continues and the full impact of these changes is realised.

A significant proportion of the reported overspend is due to pressures on the placement budget as a result of legacy decisions and associated costs of high LAC numbers over recent years. The review and challenge of individual packages of care and the suitability and availability of local provision is underway, cost benefits were starting to be seen in the latter part of 2022/23 and are expected to continue and increase in 2023/24.

The reliance on agency social workers remained at the start of 2022/23 and contributes to the pressures above, however the overseas recruitment programme has been successful, resulting in the appointment of 32 Social workers that have commenced employment. This has helped to reduce the number of agency social workers employed at the end of 2022/23, with fewer needing to be employed in 2023/24 to deal with the legacy of the extra capacity in the system.

During the year the DfE have contributed approximately £0.8M for additional staffing, including additional Family Support Workers and Business Support staff who have been employed to relieve some pressure in the system in order to allow the social workers to focus more time with the families with a view to reducing the number who need social care interventions.

11.5%

Of Total Capital Programme

(£3.7M)

Forecast Capital Underspend

CAPITAL	Approved Programme £'M	Forecast £'M	Variance £'M
Education and Inclusion	4.4	0.8	(3.6)
Safer and Partnerships	2.5	2.4	(0.1)
Total	6.9	3.2	(3.7)

The works on planned new schools have now been delayed into 23/24 and the budgets are to be reprofiled into the new year to cover those works.

0.8%

Of Total Revenue
Service Budgets

£0.0M

Forecast Revenue
Overspend

0.0%

Variance as % Of Total
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Public Health	1.3	1.3	0.0
	1.3	1.3	0.0

VARIANCE ANALYSIS	£M
Commissioning Pressures	0.0
Fees & Charges Income Shortfall	0.0
Service Pressures/Other Issues	0.0
	0.0

The ring-fenced Public Health grant for 2022/23 was £11.9M. This grant is allocated to a number of services with the aim of improving the health of the local population.

The main services that benefit from the Public Health grant include

- Drugs & Alcohol
- Wellbeing Service
- Sexual Health
- Regulation and Enforcement
- Health Visitors
- Schools Nurses.

Some of the grant has been used as a contribution towards key contracts which impact on public health outcomes and these include Lincs Inspire, EQUANS and Adult Social Care.

Whilst there are demand needs, the work is targeted and tailored to the grant available. Due to the nature of the grant being ring fenced any under or overspend is rolled into a specific earmarked reserve for future utilisation on public health activities.

31.1%

Of Total Revenue
Service Budgets

(£1.4M)

Forecast Revenue
Underspend

2.8%

Variance as % Of Total
Budget Envelope

REVENUE	Budget £'M	Forecast £'M	Variance £'M
Adult Services	49.5	48.1	(1.4)
	49.5	48.1	(1.4)

VARIANCE ANALYSIS	£M
Commissioning Pressures	0.0
Fees & Charges Income Shortfall	0.0
Service Pressures/Other Issues	(1.4)
	(1.4)

A final outturn for Adult Services is an underspend of £1.4M. For Adult Social Care the underspend is £1.2M against the 2022/23 Partnership Agreement of £50.2M.

The underspend is a result of careful management of the budget envelope in 2022/23 through the maximising of grant allocations whilst also delivering on savings proposals.

Key cost drivers of the service remain the increasing demand and rising costs, mainly driven by the increased complexity of care needs of people leaving hospital earlier than they would have done previously, this position needs to be monitored closely into 2023/24.

Corporate Budgets

20.2%

Of Total Revenue
Budgets

(£6.3M)

Forecast Revenue
Underspend

CORPORATE BUDGETS	Budget £'M	Forecast £'M	Variance £'M
Pensions and Appropriations	(12.2)	(11.2)	1.0
Technical Adjustments	4.8	(0.2)	(5.0)
Borrowing Costs	13.0	10.7	(2.3)
Levies	0.7	0.7	(0.0)
Other Budgets	25.9	25.9	(0.0)
Total	32.2	25.9	(6.3)

The £6.3M underspend reported against other budgets is predominately due to corporate contingency of £2.3M held back to mitigate service overspends, reduced borrowing costs from a revision of the Capital Investment Programme of £1.8M, additional investment income from rising interest rates of £0.6M, as well as a range of other miscellaneous under and overspends.

Funding - Summary

69.0% Local Taxation Budget as
% of Total Funding

1.98% Council Tax uplift
22/23

FUNDING	Budget £'M	Forecast £'M	Variance £'M
Council Tax	(77.7)	(77.7)	0.0
Business Rates	(47.2)	(44.0)	3.2
Revenue Support Grant	(9.5)	(9.5)	0.0
Better Care Fund	(8.1)	(8.1)	0.0
Social Care Support	(8.2)	(8.2)	0.0
Capital Grants and Contributions	(25.9)	(25.9)	0.0
New Homes Bonus	(0.8)	(0.8)	0.0
Services Grants	(3.0)	(3.0)	0.0
Market Sustainability Grant	(0.5)	(0.5)	0.0
Total	(180.9)	(177.7)	3.2

The NNDR income shortfall is managed through the drawdown of the Business Rates Equalisation Reserve that was planned as part of the Council's Medium Term Financial Plan.

Local Taxation

Council Tax Collection	%
Q4 2022/23	92.18
Q4 2021/22	92.43
Q4 2020/21	92.48
Q4 2019/20	93.25

Non Domestic Rates Collection	%
Q4 2022/23	95.18
Q4 2021/22	95.79
Q4 2020/21	96.69
Q4 2019/20	97.95

Collection Rates:

Council Tax

Collection rates have remained relatively strong during what has been a very challenging year. Continued collection of previous years outstanding balances continues to show improvement. Team members are working hard to clear outstanding items whilst supporting those residents who continue to have difficulty meeting their payment requirements.

Non Domestic Rates (NDR)

The overall collectible liability has increased in year, particularly when reliefs for many businesses (primarily hospitality, retail & leisure) due to Covid19, were reduced from 01/07/21. Collection at the end of the quarter/year is lower than last year although in cash terms we have collected more than in the previous year. Pressures on collection income due to Covid19 are captured monthly and submitted to central government as part of the ongoing council wide financial return.

Volumes of work are still relatively high, and the team continue to assist with the payments of the various business grants in conjunction with Economic Development colleagues. Post assurance work regarding grants is now ongoing with audit colleagues.

Reserves

£8.3M General Fund

5.4%

General Fund as %
Of Net Budget

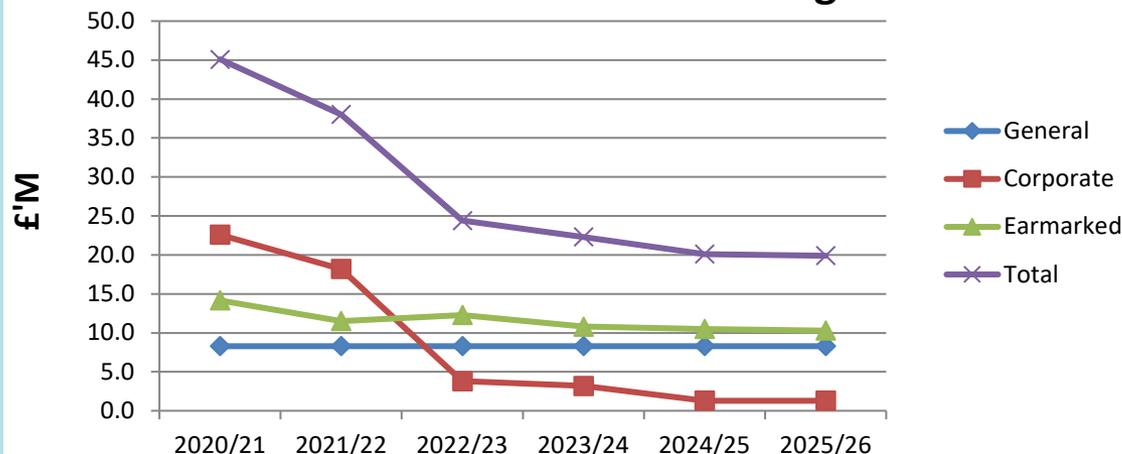
£16.1M

Forecast 2024/25 Total
Reserve Balance

General fund reserves, set aside to deal with any unforeseen events, remain at £8.3M. This is in line with the medium term financial plan and considered to be a prudent level taking into account the increased level of risk to which the Council is currently exposed.

In addition the Council maintains corporate reserves to address key risk areas. These are reviewed regularly, and considered as part of the monitoring and planning process throughout the year.

Council Reserves - Forecast Closing Balance



Key Corporate Earmarked Reserves

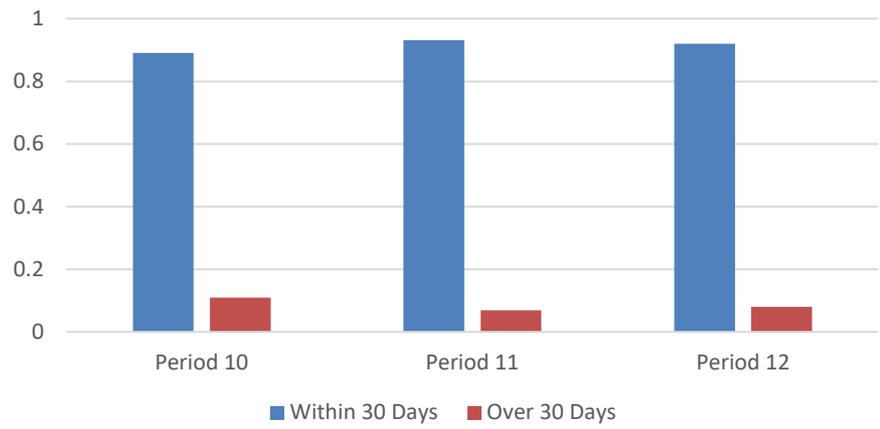
Name	22/23 Closing Balance £'M	Purpose
Business Rates Equalisation	3.0	Used to mitigate fluctuations in business rates income
Demand & Demographics	3.1	Required to ease demand and demographic pressures

Working Capital Management

92.0%

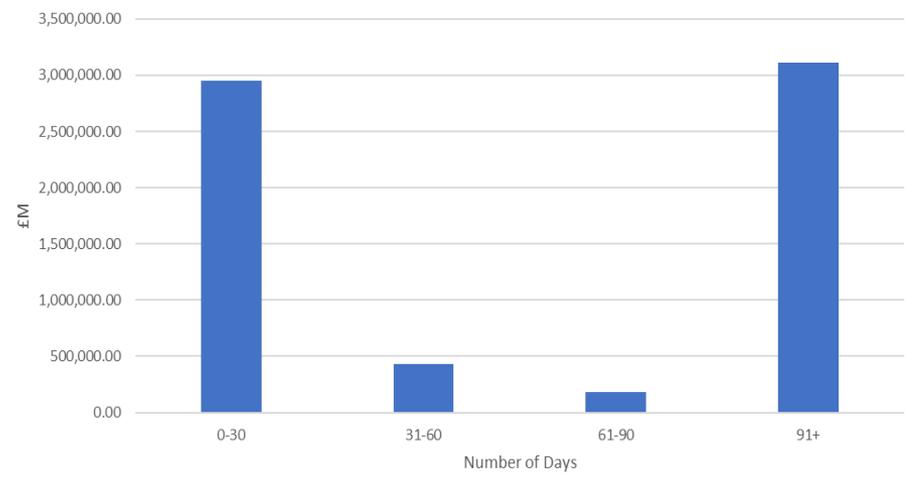
2022/23 Qtr4 % Creditor Invoices Paid within 30 days

Creditor Payments against Terms



The processing of creditor invoices within terms remains constant, as familiarisation with the new finance system and ways of working continues to develop. Quarter 3 invoices paid within terms was 91%, Quarter 4 is 92%. The volume of invoices processed Q3 and Q4 also remained constant at circa 19,000. It is expected that the improvements will continue in future periods.

Aged Sundry Debt



The overall debt has increased since 2022-2023 Q3 but only in the 0-30 day category, this relates to invoices raised but not yet due. Invoices due in the 31-60 and 61-90 have reduced since Q3, indicating that invoices are being paid in a more timely manner. With debt recovery processes now fully implemented this trend should continue into the 2023-24 financial year. The debt for 90+ days also includes older invoices where debt is being collected on agreed payment plans. Bad debts and write offs continue to be carefully monitored.

Capital Programme

Capital Programme

SCHEME	2023/24 Approved Capital Programme	2024/25 Approved Capital Programme	2025/26 Approved Capital Programme	Re-profiling Requested from 2022/23	Changes to the Programme 2023/24	Changes to the Programme 2024/25	Changes to the Programme 2025/26	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ECONOMY AND GROWTH										
Regeneration										
Clee HLF Townscape Heritage	1,026	290	0	192	-192	192		1,026	482	0
SHIIP Scheme	130	2,996	0	715				845	2,996	0
Playing Pitch Reprovision	3,366	300	0	103	1,192	-200		4,661	100	0
Unlocking the Potential	0	0	0					0	0	0
Cleethorpes Public Art	0	0	0	65				65	0	0
Heritage Action Zone	300	0	0					300	0	0
Town Deal Investment	1,320	1,955	0	-2	1,182	-1,182		2,500	773	0
Central Clee Regeneration	352	3,168	0	233		-2,000		585	1,168	0
CDF - Open for Culture	0	0	0	75				75	0	0
Future High Street Fund	0	0	0					0	0	0
Towns Fund	12,348	0	0	302	-6,650	6,650		6,000	6,650	0
Strategic Land Acquisition	0	0	0					0	0	0
UK Shared Prosperity Fund	0	0	0		256	672		256	672	0
Leisure Capital Grant	80	0	0					80	0	0
Freshney Place Leisure Development	9,475	13,447	5,547	143				9,618	13,447	5,547
Cleethorpes Masterplan - LUF Scheme	0	0	0		6,000	14,400		6,000	14,400	0

Capital Programme (Continued)

SCHEME	2023/24 Approved Capital Programme	2024/25 Approved Capital Programme	2025/26 Approved Capital Programme	Re-profiling Requested from 2022/23	Changes to the Programme 2023/24	Changes to the Programme 2024/25	Changes to the Programme 2025/26	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
ECONOMY AND GROWTH										
Housing, Highways and Transport										
Disabled Facilities Grants	3,500	3,500	3,500	31				3,531	3,500	3,500
Local Transport Plan Schemes	4,688	4,864	4,288	223	734			5,645	4,864	4,288
Housing Assistance Grants and Loans	478	0	0	111				589	0	0
Backlog Maintenance	1,670	0	0	328				1,998	0	0
Property Rationalisation Programme	0	0	0	65				65	0	0
Glepp Junction Improvement	0	0	0					0	0	0
Cartergate Office Development	0	0	0	137				137	0	0
Immingham Lock Flood Def Gates	0	0	0	62				62	0	0
A18 Laceby to Ludborough	0	0	0	67				67	0	0
Heritage Assets at Risk	400	0	0	68	3,600			4,068	0	0
Accelerated Cons Funding	0	0	0					0	0	0
Corporation Rd Bridge Refurb	4,063	0	0	-9				4,054	0	0
Poplar Road Expansion	0	0	0					0	0	0
Business Centre Improvement	327	0	0	20				347	0	0
Grimsby to Imm Ext Cycle Track	0	0	0					0	0	0
Rough Sleeper Accom Grant	73	0	0	1				74	0	0
Green Homes Grant LAD Phase 2	0	0	0	161				161	0	0
Gy and Imm Flood Innov Funding	2,847	0	0	266				3,113	0	0
Bradley Replacement 3G Pitch	0	0	0	46				46	0	0
Grant St Car Park	0	0	0					0	0	0
Sustainable Warmth - new scheme	640	0	0	-159				481	0	0
Flood Defences - Humberston Fitties	0	0	0	118				118	0	0
Changing Places Fund	0	0	0	84				84	0	0
A180 Structures	7,858	3,387	0					7,858	3,387	0
Abbey Walk Car Park Security Measures	0	0	0	23				23	0	0
Weelsby Avenue Depot Works	0	0	0	41				41	0	0
Grimsby Surface Water Flood Alleviation	0	0	0	85				85	0	0
Bus Service Improvement Plan	0	0	0		342			342	0	0

Capital Programme (Continued)

SCHEME	2023/24 Approved Capital Programme	2024/25 Approved Capital Programme	2025/26 Approved Capital Programme	Re-profiling Requested from 2022/23	Changes to the Programme 2023/24	Changes to the Programme 2024/25	Changes to the Programme 2025/26	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
RESOURCES										
Deputy S151										
Capital Investment	2,420	10,000	15,000	239	-437	-1,403	-1,626	2,222	8,597	13,374
Capital Investment - Education Development Centre	3,600	0	0		-3,600			0	0	0
Capital Rec't Flexibility	5,000	4,000	0					5,000	4,000	0
Policy, Strategy and Resources										
ICT Refresh	573	578	0	79				652	578	0
System Investment	0	0	0					0	0	0
Service Imp Educ	0	0	0	50				50	0	0
LMS Implementation	0	0	0	21				21	0	0
Sentinel Master Data Mgt	65	0	0	86				151	0	0
M365 Transformation Programme	175	131	0	-11				164	131	0
CRM Developments	95	77	0	9				104	77	0
Education Management Platform	783	343	0	74	-857	-343		0	0	0
Childrens Services Platform	0	0	0	0	1,188	1,746	1,626	1,188	1,746	1,626
ENVIRONMENT										
Fleet Replacement Programme	1,875	0	0	295				2,170	0	0
Household Recycling Scheme	57	0	0					57	0	0
Litter Bin Upgrade Plan	0	0	0					0	0	0
Enhancement of Bereavement Services	383	195	0	-44				339	195	0
Peoples Park Refurbishment	0	0	0					0	0	0
Depot Rationalisation	4,000	0	0	1,704				5,704	0	0
Scartho Cemetery Lodge & Waiting Rooms	291	0	0	248				539	0	0
Resort Management	0	0	0					0	0	0
Public Sector Decarbonisation	0	0	0					0	0	0
Environmental Services Mgt System	0	0	0	47				47	0	0
Regulatory Services Management System	0	0	0	14				14	0	0
Memorial Testing & Repairs	70	0	0	11				81	0	0
Play Areas	609	150	0	4				613	150	0
Cremators - Relining	0	0	0		106			106	0	0

Capital Programme (Continued)

SCHEME	2023/24 Approved Capital Programme	2024/25 Approved Capital Programme	2025/26 Approved Capital Programme	Slippage Requested from 2022/23	Changes to the Programme 2023/24	Changes to the Programme 2024/25	Changes to the Programme 2025/26	2023/24 Revised Capital Programme	2024/25 Revised Capital Programme	2025/26 Revised Capital Programme
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CHILDRENS SERVICES										
Safer and Partnerships										
CCTV Review & Upgrade	0	0	0	73				73	0	0
Safer Streets 2	0	0	0	0				0	0	0
Safer Streets 4	199	0	0	-3				196	0	0
Education and Inclusion										
Schools - Devolved Formula Cap Grant	60	0	0	23	139			222	0	0
Schools - Backlog Maintenance	350	350	350	64	-155			259	350	350
Schools - Basic Need Sufficiency of Places	8,500	8,000	1,500	3,358	-5,866	5,370	-1,004	5,992	13,370	496
SEND Special Prov Fund	2,452	2,000	883	136			183	2,588	2,000	1,066
New Nursery Places	0	0	0					0	0	0
TOTAL CAPITAL PROGRAMME	86,498	59,731	31,068	10,072	-3,018	23,902	-821	93,552	83,633	30,247
Funding										
External Grants	41,357	10,565	10,214	4,179	8,992	33,692	-821	54,528	44,257	9,393
Corporate Borrowing	40,017	44,730	20,854	5,261	-13,208	-10,058	0	32,070	34,672	20,854
Capital Receipts	5,000	4,000	0	0	0	0	0	5,000	4,000	0
Revenue Contributions	0	0	0	46	0	0	0	46	0	0
Other Private inc S106	124	436	0	586	1,198	268	0	1,908	704	0
TOTAL FUNDING	86,498	59,731	31,068	10,072	-3,018	23,902	-821	93,552	83,633	30,247