West Lindsey DISTRICT COUNCIL

Corporate Policy and Resources

Thursday, 11 November 2021

Subject: Budget and Treasury Monitoring - Quarter 2 2021/2022 (1st April 2021 to 30th September 2021)

Report by:	Assistant Director, Finance, Business and Property Services
Contact Officer:	Sue Leversedge Business Support Team Leader sue.leversedge@west-lindsey.gov.uk
Purpose / Summary:	This report sets out the revenue, capital and treasury management activity from 1 April 2021 to 30 September 2021.

RECOMMENDATION(S):

REVENUE

a) Members accept the forecast out-turn position of a £0.017m net contribution to reserves as at 30th September 2021 (see Section 2) relating to business as usual activity.

b) Members approve the use of Earmarked Reserves (2.4.1).

c) Members accept the use of Earmarked Reserves during the quarter approved by the Chief Finance Officer using Delegated powers (2.4.2), and the contributions to Earmarked Reserves (2.4.4).

d) Members accept the use of Earmarked Reserves during the quarter approved by Prosperous Communities Committee under delegated powers (2.4.3).

e) Members approve the amendment to the fees and charges schedules (2.3.2), to be effective immediately and recommend to Council any new Fees and Charges be implemented immediately.

CAPITAL

f) Members accept the current projected Capital Outturn as detailed in 3.1.1.

g) Members approve the Capital Budget amendments as detailed in 3.2.

TREASURY

h) Members accept the report, the treasury activity and the prudential indicators.

IMPLICATIONS

Legal: None arising as a result in this report.

Financial : FIN/99/22/CPR/SL

REVENUE

The draft revenue forecast out-turn position for 2021/2022 is currently reflecting a net contribution to reserves of £0.017m relating to business as usual activity as at 30th September 2021.

When then considering the impact of Covid-19 we are currently forecasting that the Covid Support Grants received from Government (£1.029m) will cover the additional costs and loss of income forecast for the financial year.

In addition, an Earmarked Reserve of £0.5m was approved through the MTFP for 2021/2022 as a contingency for the ongoing impacts of the pandemic on the Councils finances, and the position will continue to be monitored throughout the year.

The summary of forecast Covid financial implications are contained within the report at 2.2.7.

Summary of Out-turn Position 2021/2022		
	£ 000	
FORECAST OUTTURN AS AT 30.09.21	(198)	BEFORE CARRY FORWARDS
CARRY FORWARDS : BASE BUDGET-APPROVED IN YEAR	9	ALREADY APPROVED
CARRY FORWARDS : USE OF EARMARKED RESERVES	137	ALREADY APPROVED
SUB-TOTAL:	**(52)**	
SERVICE CARRY FORWARD REQUESTS	35	Pending Approval by Management Team 28.03.22
NET CONTRIBUTION (TO) / FROM GENERAL FUND BALANCES:	**(17)**	

The items with significant variances are contained within this report at 2.1 and 2.2.

CAPITAL

The anticipated capital out-turn position 2021/2022 is £8.755m. This is a variance of £2.576m on the approved budget. The required amendments to the Capital Programme are detailed at 3.2.

TREASURY

The Treasury Management activities during the reporting period are disclosed in the body of this report. Total external borrowing is currently £20m; however, additional borrowing will be required this financial year.

There have been no breaches of Treasury or Prudential Indicators within the period of this report.

Average investments for the period (Jun-Sep) was £21.286m, which achieved an average rate of interest of 0.754% (Apr-May was 20.217m, 0.86%).

Staffing: Salary budgets for 2021/2022 were set based on an estimated 0% pay award. The actual pay award for the year is yet to be confirmed, with the latest employer offer being 1.75%. This offer has not been accepted by the Unions and they are currently balloting members for industrial action.

The salary costs included in this report are based on this increase being applied for the year.

There is an estimated 0.02% (£0.003m) surplus for the year against original employee budgets as a result of staff turnover.

This is after the 2% (£0.183m) Vacancy Factor included within the 2021/2022 Budget, which was applied to salary budgets for posts which are on our organisational establishment (basic pay, superannuation and national insurance).

Without the vacancy factor, there would be a 1.47% surplus across all employee budgets.

Equality and Diversity including Human Rights: None arising as a result of this report.

Data Protection Implications: None arising as a result of this report.

Climate Related Risks and Opportunities: None arising as a result if this report.

Section 17 Crime and Disorder Considerations: None arising as a result of this report.

Health Implications: None arising as a result of this report.

Title and Location of any Background Papers used in the preparation of this report : N/A

Risk Assessment: This forecasts is based on known pressures and savings at this time. There is a risk that this will differ to those realised at the year end. Any surpluses will be considered and transferred to the General Fund Balance and any deficits will require funding from the General Fund Balance.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	**X**

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**		**No**	**X**

1. **Executive Summary**

This report provides the oversight of financial performance for:

REVENUE

- 'Business as Usual' Revenue Forecast Out-Turn (after carry forwards) - Contribution £0.017m. (0.12% of Net Revenue Budget – see 2.1 for details of significant variances).

- There is no forecast pressure above Covid-19 Support Grants from Government and contingency funds held within Earmarked Reserves at this time (see 2.2.7 for details).

CAPITAL

- Capital Forecast Out-Turn £8.755m, a variance of £2.576m against current budget £11.331m and include the following requests;

Members are asked to approve;

- Anticipated re-phasing of schemes to/from future years of £2.319m (see section 3.2.1).

- To increase the budget for the Disabled Facilities Fund by £0.080m. This is due to additional grant funding having been made available for 2021/2022.

- A capital budget of £0.026m funded from Maintenance of Facilities Reserve for the refurbishment of Richmond Lodge.

- Creation of a budget for Property Flood Resilience of £0.034m funded from external grant.

- £0.397m of Capital Funding no longer required as detailed in 3.2.2

- The revised capital budget of £8.755m.

TREASURY MANAGEMENT

- Treasury Management Report and monitoring:

- Investments held as at 30 September 2021 were:

    - Average investment interest rate for June to September was 0.754%.

    - Total Investments at the end of Quarter 2 was £20.5m.

The tables below reflect investment movements and prudential borrowing analysis:

Investment Movements	P1 £'000	Qtr. 2 £'000
Investments B/fwd (at 31.03.2021 incl. bank)	**16,872**	**16,376**
Add/(Less) Capital expenditure	(499)	(3,255)
Add/(Less) PWLB/Other LA Borrowing in year	0	0
Add/(Less) Net Revenue Expenditure	(2,604)	(2,018)
Add/(Less) Net Collection Fund Movement (Ctax/NNDR)	13,631	27,246
Add/(Less) Working Capital Movement	(11,024)	(17,747)
Investments c/fwd (at 30.09.2021)	**16,376**	**20,602**

Our prudential borrowing position reflects actual borrowing undertaken from the Public Works Loans Board/Other Local Authorities and the amount of internal borrowing required to meet the actual costs of borrowing up to the 30 September 2021.

	P1	Qtr. 2
Prudential Borrowing	**£’000**	**£'000**
Total External Borrowing (PWLB) and	16,500	16,500
Other Local Authorities	3,500	3,500
Internal Borrowing	18,832	20,198
Total Prudential Borrowing at 30.09.2021	**38,832**	**40,198**

REVENUE BUDGET MONITORING QUARTER 2
(1st April 2021 to 30th September 2021)
Forecast Outturn for 2021/2022

2. The Revenue Budget forecast for ‘business as usual’ out-turn currently stands at a net contribution to reserves of £0.017m as detailed in the table below.

   This is after taking account of £0.181m of revenue budget carry forwards. The details of which are provided at Appendix 4.

   Details of headline variances by Cluster can be found below at 2.1 and 2.2.

   Details of the Covid-19 financial implications can be found at 2.2.7.

SERVICE CLUSTER	2021/2022 Original Budget £	Revised Budget £	Forecast Outturn £	Outturn Variance £
Our People	1,529,000	2,126,300	1,947,927	(178,373)
Our Place	3,778,100	4,559,200	4,640,214	81,014
Our Council	6,372,700	6,883,000	6,795,409	(87,591)
Controllable Total	**11,679,800**	**13,568,500**	**13,383,550**	**(184,950)**
Corporate Accounting:				
Interest Receivable	(124,600)	(124,600)	(190,500)	(65,900)
Interest Payable	377,700	377,700	377,700	0
Investment Income	(1,434,900)	(1,434,900)	(1,434,900)	0
Precepts and Levies	2,574,700	2,574,700	2,572,300	(2,400)
Movement in Reserves:				
To / (From) General Fund	(1,943,700)	(3,399,000)	(3,399,000)	0
Use of Specific Reserves	(3,011,800)	(2,532,900)	(2,532,900)	0
Contribution to Specific Reserves	4,719,000	4,719,000	4,719,000	0
Repayment of Borrowing	442,900	442,900	442,900	0
Net Revenue Expenditure	**13,279,100**	**14,191,400**	**13,938,150**	**(253,250)**
Funding Total	(13,279,100)	(14,191,400)	(14,135,731)	55,669
NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR	**0**	**0**	**(197,581)**	**(197,581)**

Carry Forwards - approved in year	8,500
Carry Forwards - approved at year end	35,000
Carry Forwards - use of Earmaked Reserves	137,100
Net Contribution (To) / From General	**(16,981)**

2.1 The significant movements being;

Cluster	EXPENDITURE	Total £000	Direction of Travel
	BUDGET UNDERSPENDS		
	Salary (savings) / pressure. Includes 2% vacancy factor £183k. Includes estimated 1.75% pay award.	(£3)	↓
Our Council	Corporate Contingency budget not required.	(£20)	New
	PRESSURES		
Our Council	Software Licence Fee nationwide increase.	£52	↔
Our Council	Telephony costs - continued compliant connection to the Voter Registration Process and the DWP Benefits system.	£12	New
	Various forecast outturn variances <£10k	£48	↓
		£89	

Cluster	INCOME	Total £000	Direction of Travel
	BUDGETED INCOME EXCEEDED		
Corporate Accounting- Interest Received	Interest Receivable.	(£66)	↓
Our Council	Green Waste service income target exceeded - service subscriptions £46k, new bins £18k	(£64)	↑
Our Place	Planning Pre Application advice income forecast above budget for the year.	(£22)	New
Our Place	Shopping Trolley reclaimed income.	(£37)	↑
	BUDGETED INCOME NOT ACHIEVED		
Funding	Government Grants - Localised Council Tax Support administration subsidy grant.	£56	↔
Our Place	Property Services - Transfer of Housing Stock to P3	£27	New
		(£106)	

	TOTAL VARIANCE	**(£17)**

2.2 Significant items (>£10k) of note by Cluster:

2.2.1 Interest & Investment Income

- (£0.066m) - Interest receivable on investments is forecast to be £0.066m above budget for the year.

2.2.2 Our Council

- £0.009m - approved carry forwards into 2022/2023 (see Appendix 4 for details).

- £0.017m - There is a pressure on trade waste income due to the cancellation of a contract during the year. The service continues to grow and identify new customers; therefore, this forecast pressure might reduce over the remainder of the year. The final pressure will be offset by the use of the Commercial Contingency budget at year-end, if required.

- (£0.064m) - Income from Green Waste service received above budget for the year to date. £0.046m is from service subscriptions, and £0.018m from the sale of new bins.

- (£0.020m) – being the balance of a corporate contingency budget which is not required.

- £0.052m - Pressure for software licenses. This is the result of a nationally agreed framework and an increase in the number of licensed users. The ICT Team will over the next year look to reduce these costs by converting some users to an alternative license model, and by reviewing the applications used and suggesting alternative approaches to reduce costs.

- £0.012m – Pressure for telephony costs. To ensure the continued compliant connection to the Voter Registration Process and DWP Benefits system. The Council has engaged in a procurement exercise with a reduced requirement to try to reduce further costs.

2.2.3 Our People

- £0.137m - approved carry forwards into 2022/2023 (see Appendix 4 for details).

2.2.4 Our Place

- £0.035m - carry forwards into 2022/2023, pending approval at year-end (see Appendix 4 for details).

- £0.006m - There is a pressure on market fee income due to charges being suspended for April and May in support of traders in their financial recovery from Covid-19 impacts. Charges were reinstated from 1st June 2021. This pressure will be offset by the use of the Commercial Contingency budget.

- £0.027m – the transfer of housing stock to P3 has realised a net pressure for the year.

- (£0.022m) – the forecast income for planning pre-application advice is expected to be greater than budget, based on activity for this period.

- (£0.037m) of income has been received to date for the Shopping Trolley scheme. This scheme was not introduced to generate income but to help keep communities free of abandoned shopping trolleys, and we anticipate the number of reclaimed trolleys to reduce as supermarkets take action.

2.2.5 Funding

£0.056m reduction in funding against the budget. The budget was set at an estimated value of £0.159m. The final settlement was announced in March 2021 as £0.103m.

2.2.6 Establishment

A 2% vacancy factor against salary budgets was approved for 2021/2022 through the MTFP, which equates to a reduction of £0.183m.

Salary budgets for 2021/2022 were set based on an estimated 0% pay award. The actual pay award for the year is yet to be confirmed, with the latest employer offer being 1.75%. The salary costs included in this report are based on this increase being applied for the year.

Current vacancy levels after costs of interim staffing resources is forecast to achieve a further £0.003m budget underspend for the year; this represents 0.02% of the overall employee revised budget. This is detailed by cluster as follows:

Cluster	Sum of variance £
Our Council	(203,600)
Our People	(32,560)
Our Place	50,223
2% Vacancy Factor	183,400
Grand Total	**(2,537)**

2.2.7 Financial Implications of Covid-19

We are monitoring the ongoing financial implications of the Covid-19 pandemic and will update Members regularly.

We are currently forecasting that the Covid Support Grants received from Government (£1.029m) will cover the additional costs and loss of income forecast for the financial year.

In addition, an Earmarked Reserve of £0.5m was approved through the MTFP for 2021/2022 as a contingency for the ongoing impacts on the pandemic on the Councils finances, and the position will continue to be monitored throughout the year.

The tables below present the forecast financial impact of Covid-19 on the Council for 2021/2022.

Full Year 2021/2022 Financial Summary	£000	
Total Covid-19 pressure to date	789	
LA Covid Support Grant 20/21 - Balance Remaining Held in Earmarked Reserves	(434)	
LA Covid Support Grant 21/22	(510)	
Additional grant for loss of income (estimate)	(85)	(1,029)
Earmarked Reserve Approved 21/22 MTFP	(500)	
Net Covid-19 Allocation Balance Remaining	(740)	

Covid-19 Pressures	2021/22 Actuals £000
Loss of income due to service closures / changes - services covered by Sales, Fees and Charges Compensation Grant for the period Apr - Jun 2021 (Qtr 1)	162
Loss of income due to service closures / changes	323
Cost Pressures - Covid costs funded from Support Grant *	437
Other Income Received to Support Services	(12)
Savings	(121)
Total Pressures	789

* Cost Pressures - Covid costs funded from Support Grant	£000
Additional Resources - agency, backfillling, overtime	228
Health & Wellbeing - Leisure Management contractor support	56
Economic Development - additional resources for project development.	40
ICT Team - member laptop refresh (capital)	36
Theatre - cost of equipment to comply with Covid regulations	18
ICT Team - member laptop refresh (revenue)	17
Elections - additional postal vote application costs, risk assessments of polling stations	16
Democratic Representation - hire of premises and equipment to hold meetings	15
Other costs <£10k	11
	437

2.3 Fees and Charges

2.3.1 £2.516m has been received in Fees and Charges up to the end of the period against a budget for the period of £2.561m, a shortfall to date of £0.045m. However, the forecast for the year is a surplus of £.0.041m.

The most significant areas of additional income forecast for the year being:

- Garden Waste subscriptions £0.046m
- Garden Waste sale of new bins £0.018m
- Planning pre-application advice £0.022m

The significant areas of forecast income losses due to the ongoing impact of Covid-19, which are included in the claim against the Local Government Income Compensation Scheme for Lost Sales, Fees and Charges, are:

- Car Park income (season tickets and parking fees) £0.081m
- Trinity Arts Centre box office takings £0.074m
- Local Tax Collection – Court Costs Recovered £0.87m

2.3.2 Amendment to Fees and Charges Schedule

a. Crematorium

Prosperous Communities Committee			Crematorium			
	2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
	£	%	£	£	£	£	
Extra work (Pro tribute)	£17.50	0.0%	£0.00	£17.50	£3.50	£21.00	S

Obitus now offer our customers additional work for deviating from the standard product on tributes and this incurs an additional fee for the extra work.

'Extra work' - for adding video to the Pro tribute, any revisions, or any major departure from their standard product.

This extra work incurs a cost from Obitus of £15.00 + VAT, the RRP from Obitus is £17.50 + VAT to our customers.

b. Cemeteries

Prosperous Communities Committee — Cemeteries

	2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
	£	%	£	£	£	£	
Cost for interment of a person who had been a West Lindsey resident at the time of their death							
Single Grave not exceeding 9' x 4' (99 years) (B) For the interment of a West Lindsey resident	£637.00	3.9%	£25.00	£662.00	£0.00	£662.00	OS
Double Grave not exceeding 9' x 4' (99 years) (B) For the interment of a West Lindsey resident	£892.00	3.9%	£35.00	£927.00	£0.00	£927.00	OS
Single Grave not exceeding 9' x 4' (50 years) (B) for the interment of a West Lindsey resident	£319.00	3.9%	£12.50	£331.50	£0.00	£331.50	OS
Double Grave not exceeding 9' x 4' (50 years) (B) for the interment of a West Lindsey resident	£445.50	3.9%	£17.50	£463.00	£0.00	£463.00	OS
Cremated remains only grave not exceeding 4' 6" x 4' For the interment of a West Lindsey resident	£382.00	3.9%	£15.00	£397.00	£0.00	£397.00	OS
Cremated remains only grave not exceeding 4' 6" x 4' (C) (3 to 17 years) For the interment of a West Lindsey resident **	£103.00	3.9%	£4.00	£107.00	£0.00	£107.00	OS
Single grave (3 to 17 years) for the interment of a West Lindsey resident **	£172.00	0.0%	£0.00	£172.00	£0.00	£172.00	OS
Cost for interment of a person who had not been a West Lindsey resident at the time of their death							
Single Grave not exceeding 9' x 4' (99 years) (B) For the interment of a Non West Lindsey resident	£1,274.00	3.9%	£49.50	£1,323.50	£0.00	£1,323.50	OS
Double Grave not exceeding 9' x 4' (99 years) (B) For the interment of a Non West Lindsey resident	£1,784.00	3.9%	£69.50	£1,853.50	£0.00	£1,853.50	OS
Single Grave not exceeding 9' x 4' (50 years) (B) for the interment of a Non West Lindsey resident	£638.00	3.9%	£25.00	£663.00	£0.00	£663.00	OS
Double Grave not exceeding 9' x 4' (50 years) (B) for the interment of a Non West Lindsey resident	£891.00	3.9%	£34.50	£925.50	£0.00	£925.50	OS
Cremated remains only grave not exceeding 4' 6" x 4' For the interment of a West Lindsey Non resident	£764.00	3.9%	£30.00	£794.00	£0.00	£794.00	OS
Cremated remains only grave not exceeding 4' 6" x 4' (C) (3 to 17 years) For the interment of a Non West Lindsey resident **	£103.00	3.9%	£4.00	£107.00	£0.00	£107.00	OS
Single grave (3 to 17 years) for the interment of a Non West Lindsey resident **	£172.00	0.0%	£0.00	£172.00	£0.00	£172.00	OS

** There will be no charge up to 3 years

- The fees for cemeteries and burials relating to interments for persons who have not been a resident of West Lindsey, at the time of their death, will be doubled as per the fee schedule. There will be a discretionary aspect to this, for example, in cases where someone was a resident and was moved to a care home outside of the district. A guidance note will be placed onto the website with the fees to outline the position on this.

  The reason for this is to ensure that there is adequate space with the West Lindsey managed cemeteries of Market Rasen and Springthorpe to meet the demands over future years.

  The current fee schedule did not include a single grave for age 3 to 17, only for cremated remains. The fee has been added into the schedule for completeness.

  Please note that fees relating to the age group 3 to 17 are set at the same rate for both residents and non-residents of West Lindsey. There is no charge up to age 3.

c. Strategic Housing

Prosperous Communities Committee		Strategic Housing						
		2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
		£	%	£	£	£	£	
Financial Penalty - Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020	up to £30,000							OS

There is now provision within legislation to issue a financial penalty to landlords for failing to meet the required electrical standards.

d. Mobile Homes

Prosperous Communities Committee		Mobile Homes						
		2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
		£	%	£	£	£	£	
Mobile Homes Act 2013								
Caravan Site - Fit & Proper Person	Oneoff license	£243.00	0.0%	£0.00	£243.00	£0.00	£243.00	OS

Under Mobile Homes (Requirement for Manager of Site to be fit and proper person (England) Regulations 2020), the Council is required to assess whether a residential or mixed use caravan site manager (relevant person) is fit and proper. This requires a fee to be paid and it is proposed that this fee is £243. This fee amount is based on the determination made for vehicle (taxi) drivers' license and will be reviewed within the fees and charges process for the following year. This fee is required to come into effect immediately.

2.4 2021/2022 Use of and Contribution to Reserves

2.4.1 Use of Reserves – Member Approval Required

The following use of Earmarked Reserves is greater than £0.05m and requires the approval of Corporate Policy and Resources committee:

- £0.219m from Unapplied Grants reserve. Release of balance of Council Tax Hardship Grant into service.
- £0.126m from Unapplied Grants reserve. Release of balance of National Leisure Recovery Grant into service.

2.4.2 Use of Reserves – Delegated Decision

The Chief Finance Officer has used delegated powers to approve the use of earmarked reserves up to £0.05m.

- £0.02m from Environmental and Climate Change reserve. APSE climate change consultancy costs.
- £0.006m from Local Development Order (LDO) reserve. Shortfall in grant funding achieved in year for LDO officer.
- £0.006m from Finance Budget Risks reserve. To meet the forecast shortfall in the interest payable on borrowing budget.

- £0.046m from General Fund Balances. A bequest was made to the Council in 2020/2021, which will be applied to the Lea Fields Crematorium remembrance garden project (Capital). In honor of this generous donation, we will dedicate a fitting memorial in our new Garden of Remembrance, which is a communal area to be enjoyed by visitors to sit and reflect.

2.4.3 Use of Reserves – Delegation by Prosperous Communities Committee

- £0.02m from Community Grant Scheme reserve. West Lindsey Platinum Jubilee Community Fund.

2.4.4 Contributions to Reserves

- £0.013m Contribution to the Vehicle Replacement Reserve. Sale of two obsolete waste services vehicles.

2.5 Grants

As at 1st April 2021 we had an amount of £0.885m relating to grants received which had yet to be expended. Budget provision will be created throughout the financial year as required to deliver projects in accordance with grant terms. The forecast balance as at 31st March 2022 is £0.379m (including the use of earmarked reserves detailed at 2.4.1).

2.5.1 Successful Grant Bids and New Grant determinations

The following grants have been received/awarded during this period:

Grant Issued By	Name of Grant	£
Department for Levelling Up, Housing and Communities	Additional Restrictions Grant (ARG)	1,646,022
Department for Levelling Up, Housing and Communities	New Home Bonus	359,571
Department for Levelling Up, Housing and Communities	Rural Service Delivery	248,835
Dept Business, Energy & Industrial Strategy	Local Authority Delivery (LAD2)	246,910
Home Office	PCC Safer Streets Fund	171,681
Department for Levelling Up, Housing and Communities	CTAX Hardship Grants	158,801
Lincolnshire County Council	Outbreak & Prevention	118,224
Department for Levelling Up, Housing and Communities	Local Council Tax Support	102,763
Department for Levelling Up, Housing and Communities	Covid- Test and Trace Grants - Main Scheme	85,313
Misc local authorities	PA Consulting Work	81,431
Home Office	PCC Safer Streets Fund	71,100
Department for Levelling Up, Housing and Communities	Lower Tiers Services Grant	42,920
Department for Levelling Up, Housing and Communities	Rent in Advance	34,000
Department for Levelling Up, Housing and Communities	DCLG Stat Domestic A	31,785
Arts Council	Cultural Recovery Grant	19,669
Lincolnshire County Council	Covid Local Support	14,500
Department for Levelling Up, Housing and Communities	Emergency Planning	9,500
Department for Work and Pensions	DWP System Upgrades	8,897
Heritage Lottery	Townscape Heritage (THI)	8,232
Department for Work and Pensions	Kickstart Grant	3,011
Department for Levelling Up, Housing and Communities	Rough Sleepers Initiative	2,793
Lincolnshire County Council	Winter Grant Payments (Test & Trace)	2,500
Department for Levelling Up, Housing and Communities	Mobile Homes	568
Department for Levelling Up, Housing and Communities	New Burdens Funding	445
		3,469,470

The recent award of £34,000 of grant funding from the DLUHC for the Rent in Advance scheme will be spent in line with the grant conditions and will be used to support low-income earners in rent arrears – helping to prevent homelessness and support families get back on their feet. Support payments will be determined on a case by case basis, and paid directly to landlords.

Other Items for information

2.6 Planning Appeals

In Quarter 2 2021/2022 there were 9 appeals determined – 3 allowed and 6 dismissed.

There is 1 live application for costs.

Period	Number of Appeals	Allowed	Dismissed
June	**1**	0	1
July	**2**	1	1
August	**1**	1	0
September	**5**	1	4
Total for Quarter 2	**9**	**3**	**6**

2.7 Aged Debt Summary – Sundry Debtors Aged Debt Summary Quarter 2 Monitoring Report

At the end of September 2021, there was a total of £0.21m outstanding debt in the system over 90 days. The majority of this debt was over 150 days old and mainly comprised of:

- Environmental Protection & Licensing £0.057m – the debt recovery process is under way for all debt over 90 days, payment plans are being put in place where possible.

- Housing £0.052m – the majority of which are in the process of debt recovery, or a payment plan is being implemented.

- Housing Benefits overpayments £0.036m the majority of which will look to be recovered through ongoing entitlement or where appropriate on agreed repayment schedules.

The level of outstanding debt for the same period 2020/2021 is provided below for information.

2020/2021 Total £
227,938
370,266

Month	90 – 119 days £	120 – 149 days £	150+ days £	2021/2022 Total £
Quarter 1 - ending May 2021	8,813	8,120	163,504	180,437
Quarter 2 - ending Sept 2021	47,871	3,217	158,630	209,718

2.8 Changes to the Organisation Structure

- **Our Council - Lea Fields Crematorium**
  An additional crematorium officer has been approved to meet future demands and growth expectations. This has incurred a pressure of £0.012m in 2021/2022, but future years' costs will be offset by an increase in projected income.

- **Our Council / Our Place – Waste Management Team Structure Review**
  The Together 24 Review recommended restructuring the team as phase 2 of the roll out of the Business Plan; however recent retirements and leavers have resulted in the proposals being brought forward. The review has resulted in a saving of £0.033m in 2021/2022, with ongoing savings of £0.046m.

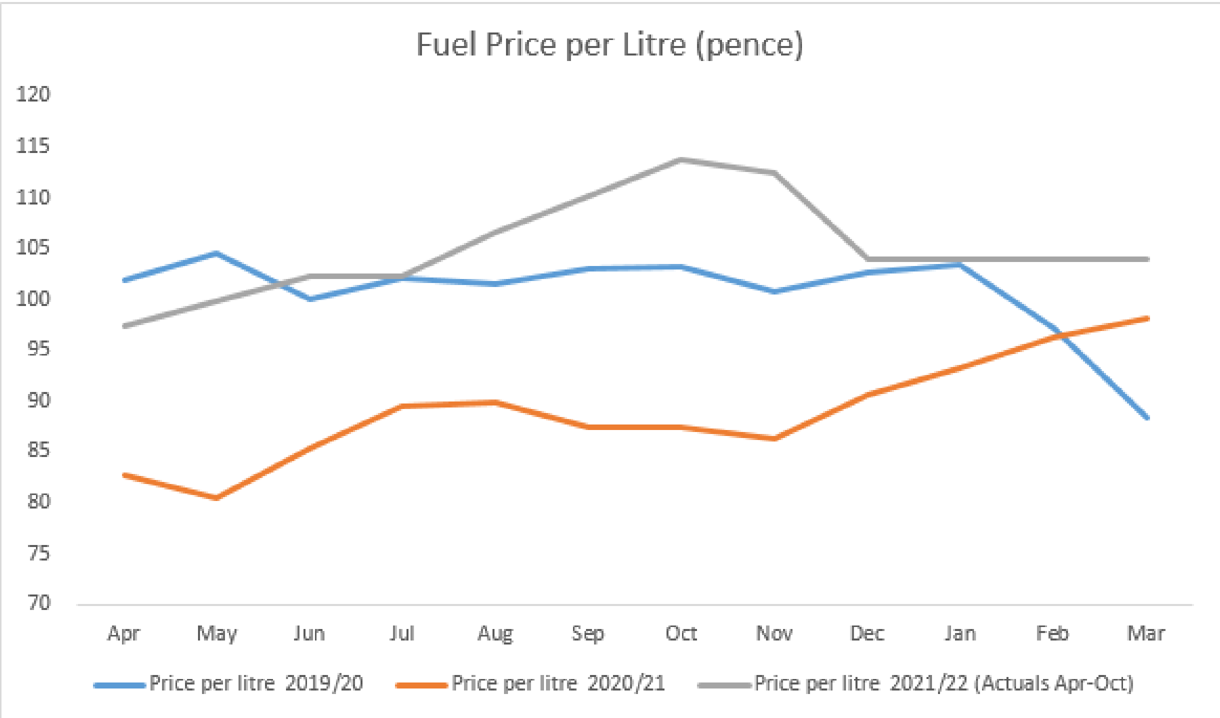
- **Our People – Homes Health and Wellbeing Structure**
  A review of the team has resulted in a saving of £0.016m in 2021/2022, with ongoing savings of £0.033m.

- **Our Place – Pollution Control**
  A review of the team resulted in the increase of two Environmental Protection Officer posts from band 8 to band 9. Both posts are vacant as at October 2021 resulting in a forecast saving of £0.01m in 2021/2022. This saving is to be moved to reserves to contribute towards the additional cost in 2022/2022, 2023/2024 and part 2024/2025. From 2025/2026 there will be a pressure of £0.007m pa.

2.9 Fuel

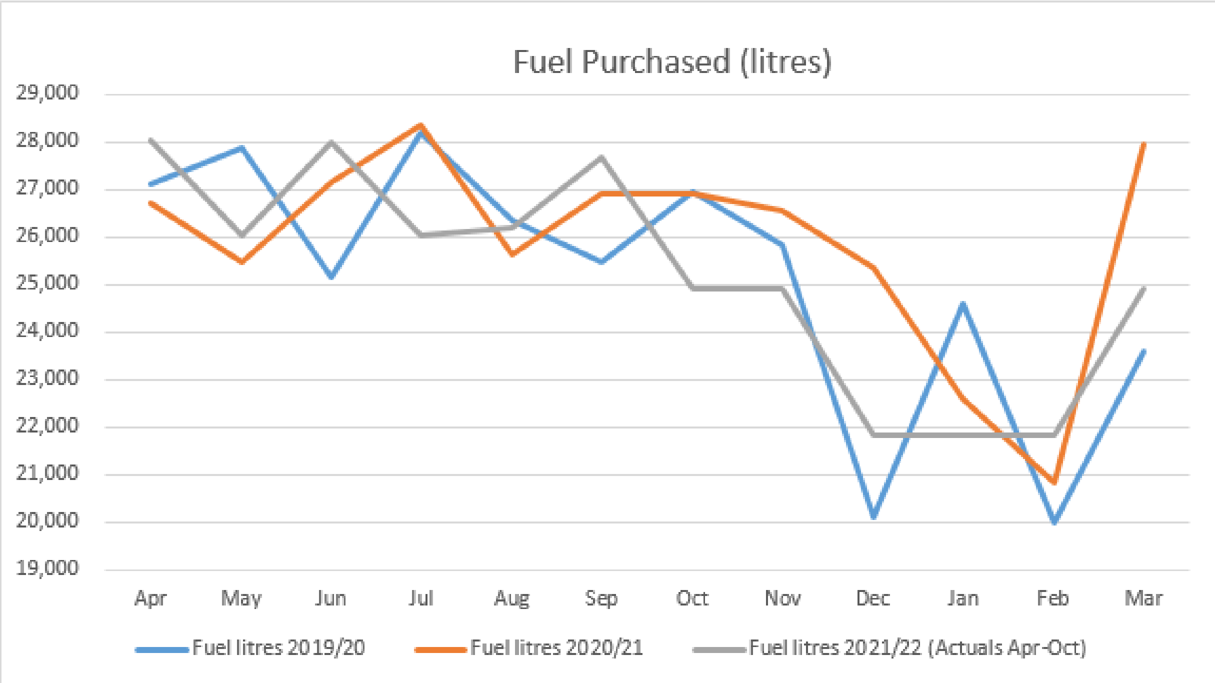
2.9.1 The chart below show the actual price paid per litre of fuel, in pence, during 2019/2020 and 2020/2021. The prices shown for 2021/2022 are actuals to date, for the period April to October 2021, and estimated rates for the remainder of the financial year.

During the period from September to the end of November a combination of fuel cards and fuel from the existing depot site tanks have been used, to deplete the stock held in the tanks, pending the transfer to the new site. It is anticipated that the fuel tank at the new depot site will be available for use from the 1st December 2021.



2.9.2 The chart below show the actual volume of fuel purchased, in litres, during 2019/2020 and 2020/2021. The volumes shown for 2021/2022 are actuals to date, for the period April to October 2021, and estimated consumption for the remainder of the financial year.

There is a drop in fuel purchased December to February, which reflects the pause in Garden Waste collections.



3.1 CAPITAL BUDGET MONITORING – Quarter 2

3.1.1 The Capital Budget forecast out-turn for schemes approved to spend (includes Stage 3 and BAU) totals £7.855m against a revised budget of £8.197m. Reasons for variations are detailed below. Pipeline Schemes (Pre Stage 1, Stage 1 and Stage 2) are expected to spend £0.900m (subject to formal approval). This gives an overall total spend of £8.755m as detailed in the table below.

Capital Investment Programme 2021/2022

Corporate Priority / Scheme	Actuals to 30/09/2021	Original Budget 2021/2022	Revised Budget 2021/2022	Forecast Outturn 2021/2022	Over / (Underspend)	Carry Forward Requests/ Drawbacks
	£	£	£	£	£	£
Total Capital Programme Gross Expenditure - Stage 3 and BAU	3,012,437	4,434,745	8,197,057	7,855,088	27,644	(369,613)
Stage 2	0	3,092,000	1,150,000	700,400	0	(449,600)
Stage 1	0	1,500,000	1,584,250	84,250	0	(1,500,000)
Pre-Stage 1	0	369,800	399,800	115,500	(284,300)	0
Total Capital Programme Gross Expenditure	3,012,437	9,396,545	11,331,107	8,755,238	(256,656)	(2,319,213)

3.1.2 The capital programme spend to date is £3.012m against a revised budget of £11.331m. Expenditure is forecast to be £8.755m resulting in an £2.576m variance. The variance consists of:

- £2.319m which is planned to be rephased. Of this £0.010m is to be brought forward from 22/23 with £2.329m to be slipped to future financial years.

- There are net projected underspends of £0.257m, the most significant item being £0.284m relating to the Trinity Arts Centre Improvement Projects where the current scheme has now closed and will be redesigned in line with the NHLF bid.

Subject to Committee approval, the capital programme will be reduced in this financial year to reflect the amendments with £8.755m being the new Revised Budget for future monitoring purposes.

3.1.3 Individual schemes are detailed in the table below and commentary provided on performance.

Capital Investment Programme 2021/22

Corporate Priority / Scheme	Stage (1 April 2021)	Stage	Actuals to 30/09/2021	Original Budget 2021/22	Revised Budget 2021/22	Forecast Outturn 2021/22	Over/ (Underspend)	Carry Forward Requests/ Drawbacks	Comments
			£	£	£	£	£	£	
Vulnerable Groups & Communities									
Extra Care Provision Scheme	Stage 1	Stage 1	0	1,500,000	1,500,000	0	0	(1,500,000)	Scheme to commence in 22/23 to be finalised in 24/25
LEAP - Supported Accomodation	-	Stage 3	0	0	100,000	20,000	0	(80,000)	Scheme aprroved Sept 2021 it is anticipated this will be finalised in 22/23
Property Flood Resilience	-	Stage 3	24,749	0	0	34,200	34,200	0	Claims submitted in 21/22 - these will be funded from external grant - the claim will be made once all applications have been received.
Health and Wellbeing									
Disabled Facilities Grants	BAU	BAU	398,521	857,714	897,240	977,140	79,900	0	Additional grant received in year assume this will all be spent
Private Sector Renewal	Stage 3	Stage 3	30,000	98,547	43,842	43,842	0	0	
Market Rasen Leisure Centre	Stage 4	Stage 4	(435)	0	0	0	0	0	
Economy									
Market Rasen 3 year vision	Stage 3	Stage 3	0	200,000	50,000	50,000	0	0	
Hemswell Masterplan - Public Realm Improvements	Stage 2	Stage 2	0	0	50,000	50,000	0	0	
Crematorium	Stage 4	Stage 4	(7,330)	0	0	0	0	0	
Crematorium Phase 2	Stage 3	Stage 3	7,162	154,000	154,000	154,000	0	0	
Gainsborough Heritage Regeneration - THI	Stage 2	Stage 2	0	402,000	500,000	50,400		(449,600)	There has been a delay in applications due to Covid - slip budget to 22/23
Gainsborough Shop Front Improvement Scheme	Stage 3	Stage 3	0	70,000	57,713	5,300		(52,413)	Slip to 22/23
5-7 Market Place - Redevelopment	Stage 3	Stage 3	607	342,300	337,200	250,000		(87,200)	Slippage to 22/23 - £27,800 relates to THI Grant funded element.
Trinity Arts Centre Improvement Projects	Pre-Stage 1	Pre-Stage 1	0	279,800	304,800	20,500	(284,300)	0	A new NLHF bid is in the process of been submitted and will therefore result in a new scheme been deisgned resulting in the closure of this scheme.
Gainsborough Growth - Grant for development (Cinema)	Stage 2	Stage 2	0	2,390,000	500,000	500,000	0	0	
Riverside Walk Acquisition	Stage 3	Stage 3	98,650	0	415,000	415,000	0	0	
Saxilby Industrial Units	Stage 4	Stage 4	(15,000)	0	0	0	0	0	
The Sun Inn - Capital Grant	Stage 3	Stage 3	0	0	32,856	0	(32,856)	0	Extension to scheme ended 31.8.21
Hemswell Cliff Investment for Growth	Stage 2	Stage 2	0	100,000	100,000	100,000	0	0	
Public Safety & Environment									
Vehicle Replacement Programme	BAU	BAU	347,560	438,400	438,400	438,400	0	0	
Depot Review	Stage 3	Stage 3	1,745,318	1,650,000	2,467,607	2,467,607	0	0	
CCTV Expansion	Stage 3	Stage 3	82,076	0	199,265	199,265	0	0	

Capital Investment Programme 2021/2022

Corporate Priority / Scheme	Stage (1 April 2021)	Stage	Actuals to 30/09/2021	Original Budget 2021/22	Revised Budget 2021/22	Forecast Outturn 2021/22	Over/ (Underspend)	Carry Forward Requests/ Drawbacks	Comments
			£	£	£	£	£	£	
Housing Growth									
Unlocking Housing - Living over the Shop	Stage 3	Stage 3	0	0	100,000	30,400	(69,600)	0	residual grant required to be repaid to GLLEP
Housing Infrastructure (Southern SUE)	Stage 3	Stage 3	0	218,784	2,193,784	2,193,784	0	0	
Finances									
Financial Management System	Stage 3	Stage 3	99,830	145,000	198,150	198,150	0	0	
Capital Enhancements to Council Owned Assets	BAU	BAU	27,982	50,000	50,000	76,000	26,000	0	Due to refurbishment of Richmond Lodge this will be financed from capital enhancements to council owned assets reserves which has sufficient funds.
Carbon Efficiency	Stage 3	Stage 3	0	210,000	210,000	50,000	0	(160,000)	Scheme under review to be commenced in 22/23
Richmond House Conservatory	Stage 3	Stage 3	0	0	20,000	20,000	0	0	
Customer									
Telephony (incl. Contact Centre)	Pre-Stage 1	Pre-Stage 1	0	20,000	20,000	20,000	0	0	
Income Management	Stage 1	Stage 1	0	0	48,650	48,650	0	0	
3 D Secure Payment Software	Stage 3	Stage 3	0	0	12,000	12,000	0	0	
Customer Relationship Management System	Stage 3	Stage 3	0	0	10,000	20,000	0	10,000	slipped in Q1 - a clawback from 22/23 is required
Staff & Members									
ERP Systems (Phase 2)	Stage 2	Stage 2	0	200,000	0	0	0	0	
Document management system	Pre-Stage 1	Pre-Stage 1	0	70,000	75,000	75,000	0	0	
Storage Refresh	Stage 3	Stage 3	172,747	0	210,000	200,000	(10,000)	0	scheme complete
Additional Laptop Provision for Covid Virtual Working	Stage 1	Stage 1	0	0	35,600	35,600	0	0	
Total Capital Programme Gross Expenditure			**3,012,437**	**9,396,545**	**11,331,107**	**8,755,238**	**(256,656)**	**(2,319,213)**	

3.2 Capital Programme Update 2021/2022

3.2.1 The following projects require re-phasing, affecting future financial years of the current capital programme in the 5-year MTFP:

Approval to carry forward £2.329m from 2021/2022 to future years are requested for the following schemes.

- Extra Care Provision scheme to commence 22/23 – (£1.5m total, £0.750m to 22/23 and 0.750m to 23/24)
- LEAP Supported Accommodation - (£0.080m)
- Gainsborough Heritage Regeneration THI – (£0.450m)
- Gainsborough Shop Front Improvement Scheme – (£0.052m)
- 5-7 Market Place Redevelopment – (£0.087m)
- Carbon Efficiency – (£0.160m)

Approval to bring forward funding £0.010m from 2022/2023 to 2021/2022 for the following scheme:

- Customer Relationship Management Programme – approval to bring forward £0.010m

3.2.2 £0.397m of the current capital programme has been assessed as not needed or no longer required for capital purposes, however two schemes require an increase of £0.14m resulting in a net underspend of £0.257m.

The Underspend of £0.397m is made up of the following amounts:

- Trinity Arts Improvement Projects scheme no longer progressing in its current form there will be a new bid made to NLHF - £0.284m
- The Sun Inn – Capital Grant - the scheme was extended until 31.08.2021 and is now closed - £0.033m.
- Unlocking Housing Living Over the Shop – residual grant to be repaid to the GLLEP - £0.070m
- Storage Refresh – this scheme is now complete- £0.010m

The overspend of £0.140m is made up of the following:

- DFG – additional grant has been received in 2021/2022 and approval is sort to increase the budget by this amount which is expected to be fully spent - £0.080m.
- Property Flood Resilience – Grant funded scheme where applications have continued – the increase in this budget will be fully financed from Grant Funding - £0.034m
- Capital Enhancements to Council Owned Assets – Richmond Lodge became vacant during 2020/2021 and requires a full refurbishment to bring the property up to the Decent Homes Standard – this will be financed from the Maintenance of

Facilities Reserve - £0.026m.

3.2.3 Following on from a report approved at this committee in September the schemes below have been adjusted to reflect the use of the grant funding for 5-7 Market Place Refurbishment.

5-7 Market Place Refurbishment – Increase in budget of £0.162m funded from the following schemes:

Gainsborough Shop Front Improvement Scheme – £0.015m
Gainsborough Heritage Regeneration THI - £0.072m
Unlocking Housing Living over the Shop - £0.075m.

Commercial Investment Properties 2021/2022

3.2.4 The Council has no plans to invest in any more properties during 2021/2022.

3.3 Acquisitions, Disposals and Capital Receipts

3.3.1 The Council has not made any asset acquisitions during Quarter 2.

3.3.2 The Council has not made any asset disposals during Quarter 2.

3.3.3 Capital Receipts - The total value of capital receipts at the end of Quarter 2 total £0.132m relating to;

- £0.88m from the Housing Stock Transfer Agreement share of Right to Buy receipts.
- £0.020m Loan repayments.
- £0.024m for the Council's share of the proceeds of two plots of land.

4. TREASURY MONITORING – PERIOD 2 (Jul - Sept)

The Treasury Management Strategy Statement (TMSS) for 2021/2022, which includes the Annual Investment Strategy, was approved by the Council on 01 March 2021. It sets out the Council's investment priorities as being:

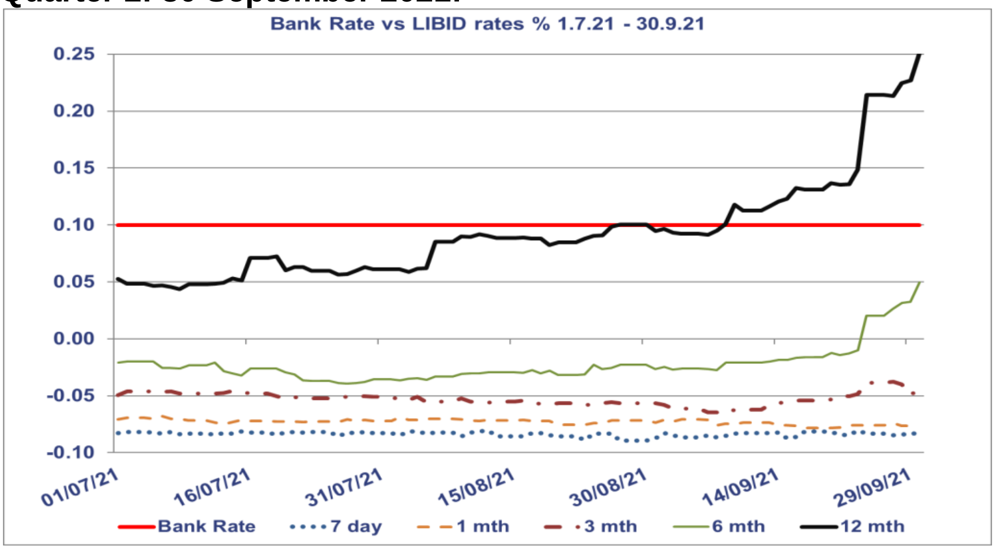
- Security of capital;
- Liquidity; and
- Yield.

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using our suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

4.1 Officers can confirm that there have been no breaches of Prudential Indicators as detailed at 4.7 below.

4.2 Interest received (Jul-Sep) has been in excess of the 7 day average libid (-0.08%) with an average yield of 0.754% (including CCLA) and 0.095% (excluding CCLA). It is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since the Bank Rate was cut to 0.10% in March 2020. Given this environment and the fact that Bank Rate may only rise marginally, or not at all, before the second half of 2023, investment returns are expected to remain low. The Council budgeted to receive £0.090m of investment income, the forecast outturn is now £0.154m.

Quarter 2: 30 September 2021:



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	-0.08	-0.07	-0.04	0.05	0.25
High Date	01/07/2021	23/09/2021	06/07/2021	27/09/2021	30/09/2021	30/09/2021
Low	0.10	-0.09	-0.08	-0.07	-0.04	0.04
Low Date	01/07/2021	27/08/2021	17/09/2021	08/09/2021	27/07/2021	08/07/2021
Average	0.10	-0.08	-0.07	-0.05	-0.02	0.09
Spread	0.00	0.01	0.01	0.03	0.09	0.21

4.3 Interest Rate Forecasts

The Council's treasury advisor, Link Group, have provided the following forecasts on 29 September 2021:

Link Group Interest Rate View 29.9.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

Link Asset Services detailed economic commentary on developments during quarter ended 30 September 2021 is included in Appendix 1.

Appendix 2 details Link Asset Services detailed commentary on Interest Rate Forecasts (as at end Sept)

Appendix 3 details the Approved countries for investments as at 30 September 2021.

4.4 Investment in Local Authority Property Fund (CCLA)

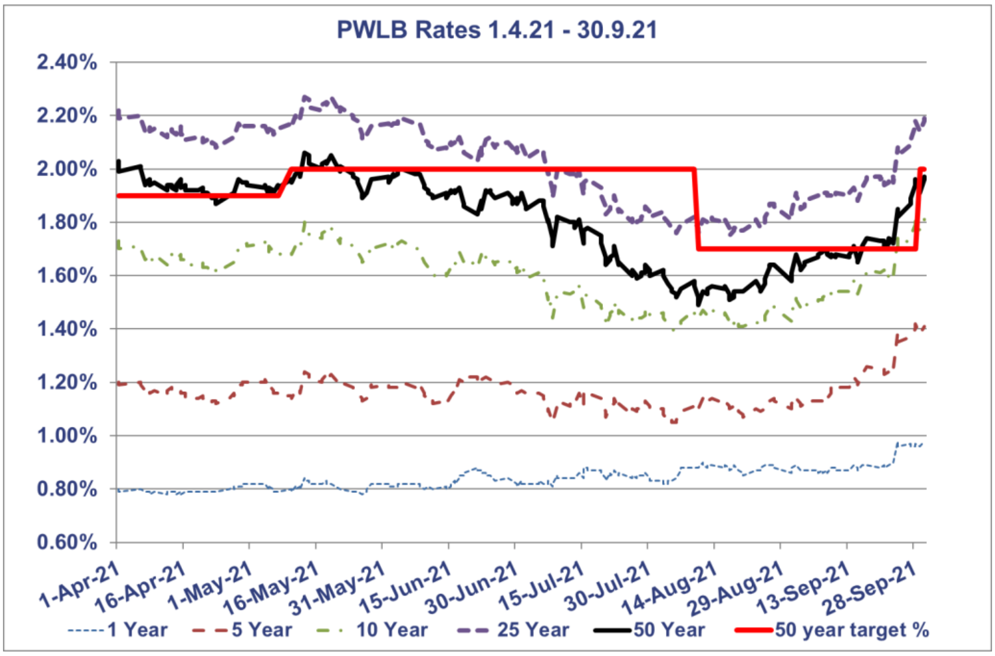
The total the Council has invested now stands at £3m (of an approved £4m). Interest is receivable on a quarterly basis with Q2 due during October.

4.5 New External Borrowing

No new borrowing was undertaken in the second quarter of the financial year.

The Council's total external borrowing stands at £20m.

It is anticipated that further borrowing will be undertaken during this financial year and that borrowing at the end of 2021/2022 will be £25m.



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.78%	1.05%	1.39%	1.75%	1.49%
Date	08/04/2021	08/07/2021	05/08/2021	17/08/2021	10/08/2021
High	0.98%	1.42%	1.81%	2.27%	2.06%
Date	24/09/2021	28/09/2021	28/09/2021	13/05/2021	13/05/2021
Average	0.84%	1.16%	1.60%	2.02%	1.81%
Spread	0.20%	0.37%	0.42%	0.52%	0.57%

4.6 Borrowing in advance of need

The Council has not borrowed in advance of need during the period ending 31 September 2021.

4.7 Compliance with Treasury and Prudential Limits

It is statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy (TMS).

During the financial year to date the Council has operated within these treasury and prudential indicators and in compliance with the Council's Treasury Management Practices.

The prudential and treasury Indicators are shown below and take into account the revisions to the Capital Programme as detailed in section 3 of this report.

	Original £'000	P1 £'000	Q2 £'000
Treasury Indicators			
Authorised limit for external debt	45,000	45,000	45,000
Operational boundary for external debt	40,062	32,500	30,000
External Debt Long term Leases Investments	31,000 0 (12,133)	27,500 0 (12,645)	25,000 0 (17,689)
Net Borrowing	**18,867**	**14,855**	**7,311**
Prudential Indicators			
Capital Expenditure	9,396	10,930	8,755
Capital Financing Requirement (CFR)* *Of Which Commercial Property*	41,340 *22,999*	40,101 *20,585*	40,088 *20,585*
Annual change in CFR*	1,278	1,575	1,562
External Debt	31,000	27,500	25,000
Under/(over)borrowing	10,340	12,601	15,088
Ratio of financing costs to net revenue stream*	7.12%	8.40%	7.98%
Incremental impact of capital investment decisions:			
Increase/(Reduction) in Council Tax (band change per annum)	£0.00	(£0.15)	£2.27

4.8 The Monthly Investment Review report for September is attached below;

APPENDIX 1

LINK Group

West Lindsey District Council

Monthly Investment Analysis Review

September 2021

Monthly Economic Summary

General Economy

The Flash (i.e. provisional) UK Manufacturing PMI dropped to 56.3 in September from 60.3 in August, somewhat lower than market forecasts of 59.0. Although it signalled the weakest pace of expansion in the sector since February, due to supply chain delays, slower new order growth and rising material and labour shortages, the survey remained at levels historically consistent with robust economic growth. Similarly, the Flash Services PMI eased to 54.6 in September from 55.0 in August, also pointing to the slowest growth in the services sector in seven months. Notably, respondents reported that input price inflation accelerated amid reports of higher wage costs, product shortages and increased transportation costs - and that companies raised their own charges at the fastest pace since the series began in 1996. As a result of the falls in both indices, the Flash Composite PMI (which incorporates both sectors), eased to 54.1 in September, from 54.8 in August. Mirroring these developments, the Construction PMI (which is released one month behind), also fell to 55.2 in August from 58.7 in July and below market expectations of 56.9 as a restricted supply of materials, labour and transport began to weigh on overall activity. Input cost inflation, meanwhile, accelerated to the second-fastest rate in the 24-year history of the survey.

The combination of supply chain delays, slower order growth and rising material and labour shortages noted in the PMI surveys may also have weighed on GDP, which expanded by just 0.1% m/m in July compared to forecasts of a 0.7% rise. However, upward revisions to previous releases meant that the economic output was now forecast to be around 1% less than prior to the pandemic compared to 2% previously. Product and labour shortages may also have contributed to the 0.1% m/m decline in exports in July, which caused the UK trade deficit to widen to £3.1 billion compared to £2.5 billion in June.

Unemployment data, meanwhile, also confirmed the tightening of the labour market reported in the PMI surveys. Employment rose by 183,000 in the three months to July, which was the largest rise since January 2020 – and occurred despite firms having to start paying 10% of the wages of their furloughed workers. A fall of 86,000 in unemployed workers, meanwhile, allowed the unemployment rate to ease to 4.6% in July from 4.7% in June. More timely data revealed that PAYE employment increased by a further 241,000 during August, suggesting that labour market strength may continue – although the end of the furlough scheme in September represents a future source of uncertainty. The rise in vacancies to a record 1,034,000, 249,000 above their pre-pandemic level, suggests that labour shortages intensified during August. Against this backdrop, average earnings growth (excluding bonuses) eased to 6.8% y/y in the three months to July compared to 7.3% y/y in the three months to June as compositional and base effects began to fade. However, the Monetary Policy Committee (MPC) noted this month private sector regular pay growth had been around 4%, after accounting for these factors.

UK inflation, as measured by the Consumer Price Index, increased to 3.2% y/y in August from 2% in July and above market forecasts of 2.9%. However, base effects – including last year's Eat Out to Help Out scheme (which artificially depressed prices) - accounted for the majority of the rise. That said, the MPC noted at this month's policy meeting that the scheduled rise in utility prices and further base effects will likely contribute to inflation rising to slightly above 4% later in the year. Against this backdrop, the Committee judged that its existing monetary policy remained appropriate. However, the MPC also noted that some developments since the August Monetary Policy Report appeared to have strengthened the case for a modest tightening of monetary policy. As a result, Gilt yields rose as month-

Judging by the 0.9% m/m fall in August retail sales, the stalling of the UK's economic recovery in July highlighted by the GDP data has likely continued. However, some of the fall may also be explained by households changing their spending patterns following the expiration of lockdown. As a result, retail sales are now unchanged compared to a year ago. The prospect of looming energy price rises, food costs and tax rises, meanwhile, saw the GfK Consumer Confidence index decline to -13 in September from -8 in August.

The UK's public sector net borrowing (excluding public sector banks) was estimated to have been £20.5 billion in August - the second-highest August borrowing since monthly records began in 1993 - but £5.5 billion less than in August 2020. Although public sector net borrowing was estimated to have been £93.8 billion in the financial year-to-August 2021, this is £88.9 billion less than in the same period last year and £31.9 billion below that forecast by the OBR.

In the US, non-farm payrolls rose 235,000 in August, the lowest in 7 months and well below forecasts of 750,000 as a surge in COVID-19 infections may have discouraged companies from hiring and workers from actively looking for a job. Nevertheless, the gain saw the unemployment rate fall to 5.2% from 5.4% in July. The US economy, meanwhile, was confirmed to have grown at a 6.7% annualised rate in Q2 compared to the first estimate of 6.3%. Against this backdrop, the Federal Reserve forecast at its September policy meeting that core inflation would remain above 2% until 2023. As a result, the central bank judged that "a moderation in the pace of asset purchases may soon be warranted" and increased their median interest rate projections to 0.3% in 2022 (from 0.1% previously) and 1% in 2023 (from 0.6%).

As in the US, Q2 growth in the Eurozone was also revised higher during the month, to 2.2% q/q from 2% previously. Inflation, meanwhile, was confirmed at 3% y/y in August compared to 2.2% in July and its highest since November 2011. However, the ECB judged at its policy meeting that most of this year's increase in inflation will prove temporary. As expected, the central bank left rates unchanged and, in light of the bloc's recovery, elected to plan PEPP purchases at a "moderately lower pace…than in the previous two quarters."

Housing

Nationwide reported that house price growth eased to 10% y/y this month compared to 11% y/y in August. On the month, prices rose 0.1%. The Halifax survey, meanwhile, confirmed that prices rose 7.1% y/y and 0.7% m/m in August. According to the Nationwide, house prices are now around 13% higher than when the pandemic began.

Currency

The prospect of above target inflation and anaemic economic growth saw Sterling fall against both the US Dollar and the Euro this month.

September	Start	End	High	Low
GBP/USD	$1.3786	$1.3484	$1.3872	$1.3425
GBP/EUR	€1.1630	€1.1635	€1.1727	€1.1558

Forecast

In light of the hawkish nature of the minutes from September's MPC meeting, Link Group has revised its forecast for Bank Rate to bring forward its first rate rise to June 2022.

Bank Rate	Now	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.75%
Capital Economics	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	-

West Lindsey District Council

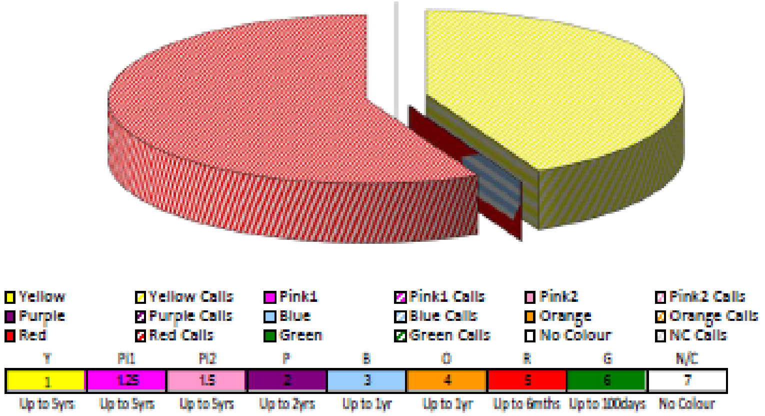
Current Investment List

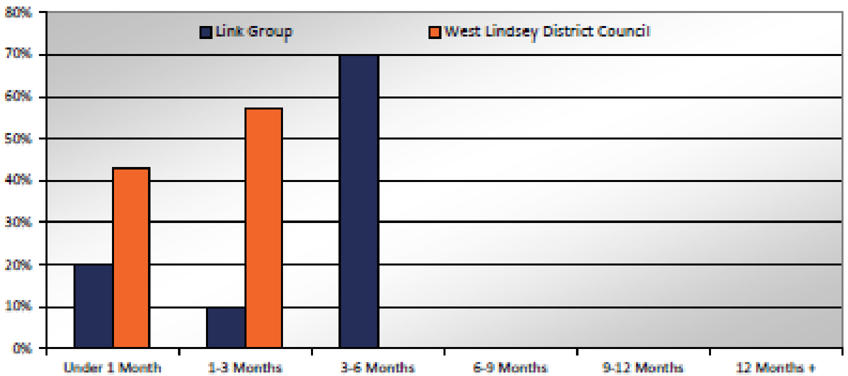
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default
MMF Aberdeen Standard Investments	7,500,000	0.01%		MMF	AAAm	
Lloyds Bank Plc (RFB)	5,000,000	0.03%		Call32	A+	0.004%
Santander UK PLC	5,000,000	0.30%		Call35	A	0.005%
Borrower - Funds	**Principal (£)**	**Interest Rate**	**Start Date**	**Maturity Date**		
CCLA-LAPF	3,000,000	11.60%				
Total Investments	**£20,500,000**	**1.78%**				
Total Investments - excluding Funds	**£17,500,000**	**0.10%**				**0.004%**
Total Investments - Funds Only	**£3,000,000**	**11.60%**				

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

West Lindsey District Council

Portfolio Composition by Link Group's Suggested Lending Criteria





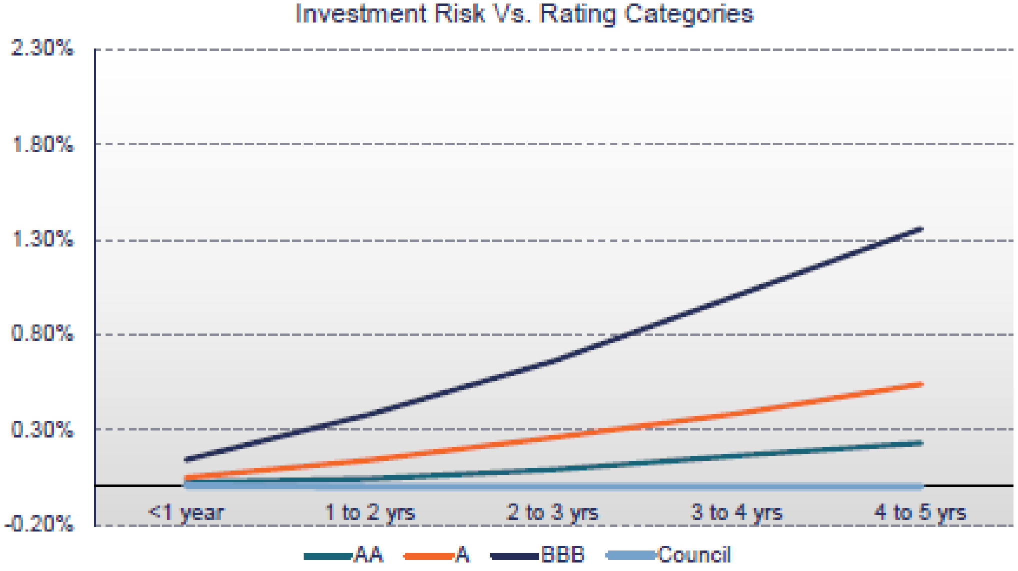
Portfolios weighted average risk number = 3.29

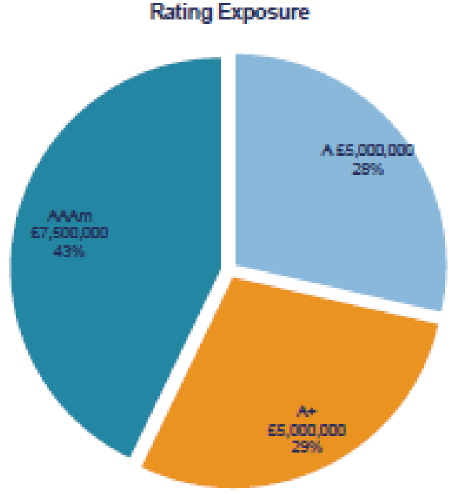
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs WAM	Excluding Calls/MMFs/USDBFs WAM at Execution
Yellow	42.86%	£7,500,000	100.00%	£7,500,000	42.86%	0.01%	0	0	0	0
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Red	57.14%	£10,000,000	100.00%	£10,000,000	57.14%	0.17%	34	34	0	0
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	**£17,500,000**	**100.00%**	**£17,500,000**	**100.00%**	**0.10%**	**19**	**19**	**0**	**0**

West Lindsey District Council

Investment Risk and Rating Exposure





Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.04%	0.09%	0.16%	0.23%
A	0.05%	0.14%	0.26%	0.38%	0.54%
BBB	0.14%	0.38%	0.66%	1.01%	1.36%
Council	0.00%	0.00%	0.00%	0.00%	0.00%

Historic Risk of Default
This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk
This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures
This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

West Lindsey District Council

Monthly Credit Rating Changes
FITCH

Date	Update Number	Institution	Country	Rating Action
24/09/2021	1844	Deutsche Bank AG	Germany	The Long Term Rating was upgraded to 'BBB+' from 'BBB'. At the same time, the Viabiiity Rating was upgraded to 'bbb+' from 'bbb'
24/09/2021	1845	BNP Paribas	France	The Outlook on the Long Term Rating was changed to Stable from Negative.
24/09/2021	1846	Belgium Sovereign Rating	Belgium	The Outlook on the Sovereign Rating was changed to Stable from Negative.

West Lindsey District Council

Monthly Credit Rating Changes
MOODY'S

Date	Update Number	Institution	Country	Rating Action
				There were no rating changes to report.

West Lindsey District Council

Monthly Credit Rating Changes
S&P

Date	Update Number	Institution	Country	Rating Action
				There were no rating changes to report.

West Lindsey District Council

APPENDIX 1: Economics update

During the quarter ended 30th September 2021:

There was only a 0.1% m/m rise in GDP in July as rising virus cases and product/labour shortages stalled the recovery;

- *There were signs that activity failed to pick up momentum in August and September as shortages worsened;*
- *Virus restrictions were lifted in full and the ending of the furlough scheme;*
- *There was a sharp acceleration in CPI inflation to a nine-year high of 3.2% in August;*
- *and strong gains in gilt yields, while sterling weakened and the FTSE 100 made little headway.*

The economic recovery stalled in Q3, despite the full lifting of COVID-19 restrictions on activity. The 0.1% m/m gain in GDP in July was much weaker than the 1.0% m/m increase in June and left the economy 1.0% below its February 2020 pre-pandemic level. Services output was particularly weak, falling by 0.3% m/m. In part, this was due to a rise in consumer caution prompted by the uptick in COVID-19 cases.

But the bigger drag on output in July came from product and labour shortages. Manufacturing and construction output were held back by shortages of semiconductors and construction materials, respectively. In addition, the acute labour shortages caused by the so-called 'pingdemic', which meant that 1.1 million people were asked by the NHS App or Test & Trace system to self-isolate at its peak in mid-July, may have knocked between 0.5%-1.0% off the level of GDP in one month.

Despite the easing of the 'pingdemic' since July, recent business surveys have indicated that **product and labour shortages have continued to drag on activity.** For example, the IHS Markit/CIPS composite activity PMI slipped from 59.2 in July to 54.1 in September, with survey respondents highlighting difficulties hiring workers and acquiring materials.

And there are signs that consumer confidence has taken a knock. Retail sales volumes fell by 0.9% m/m in August, which was the fourth consecutive month of declines. There is little sign that this fall in retail spending was offset by rises in spending elsewhere. The Bank of England CHAPS data show the value of consumer spending on electronic cards has stagnated in recent months, while consumer credit rose by a tepid £0.4bn in August, compared to the average monthly increase of £1.2bn in the two years before the pandemic. Meanwhile, households are refraining from dipping into the large stock of savings amassed during the pandemic. Cash in households' bank accounts picked up by £9.1bn in August, which was well above the average monthly increase of £4.7bn in the year before the pandemic. Given that these data refer to the period before the recent energy crisis and petrol shortages, we would not be surprised if households became even more cautious in September.

Meanwhile, the government seems intent on unwinding fiscal stimulus. Public finances data for August revealed that the government's financial position isn't as bad as the Office for Budget Responsibility predicted back in March. But any windfall looks set to be used to reduce borrowing at a faster pace, rather than provide any extra support to the economy. Indeed, the £12bn rise in annual spending on social care announced in September is set to be fully funded by the new health and social care levy.

Trade flows have picked up following the easing of Brexit trade frictions, but the rebound in imports has outpaced that of exports. In fact, export values *declined* by 0.1% m/m in July – compared to growth of 1.1% in import values, which may at least in part be attributable to the UK's product and labour shortages. Total trade flows remain well below pre-crisis levels, with export values to the EU, excluding erratics, 4.4% below their December level in July, while imports were 16.4% below. Given that Brexit trade frictions will take a while to clear fully, we don't anticipate trade with the EU to recover to pre-virus levels soon.

Putting all this together, **we expect GDP growth petered out in Q3. In levels terms, we have pencilled in the economy hovering around 1.0% below its February 2020 peak for the next few months.** Indeed, our CE BICS indicator supports our view that the economy failed to make much headway over the quarter.

We now expect the economy to return to its pre-virus level by January, which is a few months later than we previously thought. For one thing, the end of summer has brought an uptick in new COVID-19 infections. Although these are yet to translate into more hospitalisations, this could be a headwind for consumer-facing services if households become more cautious. For another, the combined effect of September's petrol shortages, higher household energy bills, and the ending of the furlough scheme threaten to depress (non-fuel) consumption.

Consumer price inflation jumped from 2.0% in July to a nine-year high of 3.2% in August and is on track to reach 4.5% by the end of this year. Base effects linked to the sharp fall in prices in August 2020, mainly driven by the Eat Out to Help Out restaurant discount scheme, accounted for around 0.9 percentage points (ppt) of the 1.2 ppt rise. But there were signs that a pick-up in underlying price pressures accounted for the remaining 0.3 ppt, which was driven by inflation in hotels, new and second-hand cars and food. The jump in inflation in August came alongside further signs that cost pressures are still building earlier in the price pipeline. The prices balances of the IHS Markit/CIPS composite PMI rose sharply, suggesting that shortages are increasingly feeding through to higher prices. Meanwhile, manufacturing input producer price inflation (PPI) picked up from 10.4% in July to 11.0% in August and output PPI rose from 5.2% to 6.0%.

The labour market has continued to tighten. Data for July and August brought signs that labour market slack is declining fast, even as firms began to pay 10% of the wages of furloughed workers. LFS employment rose by 183,000 in the three months to July – the largest rise in employment since January 2020 – and the ILO unemployment rate nudged down from 4.7% in June to 4.6%.

Vacancies soared above 1m for the first time on record and were 27.5% above their pre-crisis level in July, suggesting that labour shortages have worsened. Meanwhile, underlying annual pay growth is estimated to have risen from a range of 3.5%-4.9% in June to 3.6%-5.1% in July. **While we expect the expiry of the furlough scheme at the end of September to ease some labour shortages, it may not be enough to plug all the gaps in the labour market.**

The Bank of England shares our view that the near-term surge in inflation is likely to prove temporary, but the minutes of September's Monetary Policy Committee (MPC) meeting indicated that it is becoming increasingly worried about the inflation outlook. What's more, the Bank appears less concerned about the faltering economic recovery than we had thought. Instead, the minutes, together with recent comments from Governor Andrew Bailey, emphasised the large weight that the Bank places on inflation expectations and other 'second-round' effects in determining the appropriate stance of monetary policy. On this count, public and market-based measures of inflation expectations have picked up in recent months, with the latter rising especially sharply. We suspect the rise in inflation expectations was the key factor prompting the hawkish shift by the MPC at its September meeting. This, together with the fact that underlying wage growth has risen faster than we anticipated, has **led us to bring forward our forecast for the first interest rate hike from 2023 to May 2022**. But, given that we still think that the pandemic will reduce the UK's supply potential by less than is widely assumed, we expect the pace of tightening thereafter to be slower than most expect.

Investors have also brought forward their expectations of monetary tightening, which – combined with the rise in inflation expectations – has boosted gilt yields. In fact, the 10-year gilt yield has surged to above 1.00% in recent days, which is its highest level since mid-2019. We expect the 10-year yield to remain more-or-less where it is until the end of this year, and to reach 1.25% and 1.50% by end-2021 and end-2022, respectively.

By contrast, sterling and the FTSE 100 have continued to flounder as investors have increasingly discounted the murkier outlook for GDP growth. After a fairly strong start in July, the FTSE 100 struggled to make much headway over the remainder of Q3. We still expect the favourable valuation and composition of the FTSE 100 should help it to make up some ground on the S&P 500 over the rest of 2021, but the faltering domestic recovery adds to the downside risks to this view.

In the US, inflation fell from 5.4% in July to 5.3% in August amid the fading of reopening inflation and the spread of the Delta COVID-19 variant. The FOMC hinted in its September meeting that it would announce a taper to its quantitative easing programme in November and some Fed officials shifted forward their expectations of the first rate hike. Our view is that inflation in the US will prove more persistent than in the UK, underpinning our forecast for the Fed to undertake a more aggressive tightening cycle than the Bank of England from 2023. **That's why we expect Treasury yields to rise by more than gilt yields** and suggests that the risks to our forecast for sterling to rise to $1.40 by end-2023 are to the downside.

Meanwhile, the UK's slowing recovery suggests **the scope for the pound to rise against the euro is limited**. We have pencilled in sterling remaining broadly where it is currently, at €1.16, until end-2023.

In the euro-zone, the recovery appears to be continuing at pace and there is little sign that the spread of the Delta COVID-19 variant or supply shortages are significantly hampering activity. Meanwhile, flash HICP inflation rose to 3.4% in September, and we suspect that it will pick up to 4.0% later this year. But it should drop back sharply in 2022, which is why we expect the ECB to continue with its ultra-loose monetary policy.

APPENDIX 2: Interest Rate Forecast

Forecasts for Bank Rate

Bank Rate is not expected to go up fast after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is.

It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

The current PWLB rates are set as margins over gilt yields as follows: -.

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

Gilt yields. Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. During September, gilt yields from 5 – 50 years have steadily risen and rose further after the hawkish tone of the MPC's minutes last week. Our forecasts show a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2024.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10 year treasury yields and UK 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

US treasury yields. During the first part of the year, US President Biden's, and the Democratic party's, determination to push through a $1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the $900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy has been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash strong inflationary pressures. This could then force the Fed to take much earlier action to start increasing the Fed rate from near zero, despite their stated policy being to target average inflation. It is notable that in the September Fed meeting, Fed members again moved forward their expectation of when the first increases in the Fed rate will occur. In addition, shortages of workers appear to be stoking underlying wage inflationary pressures which are likely to feed through into CPI inflation. A run of stronger jobs growth figures could be enough to meet the threshold set by the Fed of “substantial further progress towards maximum employment” for a first increase in the Fed rate.

A further concern in financial markets is when will the Fed end QE purchases of treasuries and how will they gradually wind them down. These purchases are currently acting as a downward pressure on treasury yields. In his late August speech at the Jackson Hole conference, Fed Chair Powell implied that the central bank plans to start tapering its asset purchases before the end of this year. But the plan is conditional on continued improvement in the labour market, which the August employment report suggests is proceeding more slowly than the Fed anticipated. That may mean that any announcement of tapering is pushed back, possibly even into early 2022.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases are likely to be faster and stronger than Bank Rate increases in the UK. Nonetheless, any upward pressure on treasury yields could put upward pressure on UK gilt yields too.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.

Significant risks to the forecasts

- COVID vaccines do not work to combat new mutations and/or new vaccines take longer than anticipated to be developed for successful implementation.
- The pandemic causes major long-term scarring of the economy.
- The Government implements an austerity programme that supresses GDP growth.
- The MPC tightens monetary policy too early – by raising Bank Rate or unwinding QE.
- The MPC tightens monetary policy too late to ward off building inflationary pressures.

- Major stock markets e.g. in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market sell-offs on the general economy.

- Geo-political risks are widespread e.g. German general election in September 2021 produces an unstable minority government and a void in high-profile leadership in the EU when Angela Merkel steps down as Chancellor of Germany; on-going global power influence struggles between Russia/China/US.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ and the ECB now has a similar policy.
- ***For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.***
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels

of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

APPENDIX 3: Approved countries for investments as at 30th September 2021

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

APPENDIX 4

REVENUE CARRY FORWARDS – BASE BUDGETS ALREADY APPROVED

Budget underspends to be carried forward into 2022/2023, which have been approved during the year are provided below for information only.

The following carry forwards are base budgets which have been approved previously by Management Team or Committee.

• Please note the figures quoted are as forecast as at September 2021 out-turn monitoring. The final carry forward figures will reflect the actual outturn position at year-end.

BASE BUDGET C/FWDS APPROVED IN YEAR			Sept 21	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Prosperous Communities	Our Council	Land Charges	9	Land charges project - 2 year software £8.5k to be cfwd to 22/23 ICT Board 27.07.21 FIN/55/22. Horizon is a land charges specific system which is being used for the two years until the CRM system can be developed. The contract starts on 1st November. The costs per annum is £8,500. However there is a requirement for training in the first year which is £1,700.
		TOTAL	9	

APPENDIX 4

REVENUE CARRY FORWARDS – USE OF EARMARKED RESERVES

Budget underspends to be carried forward into 2022/2023, which have been approved during the year are provided below for information only.

The following carry forwards are approved use of Earmarked Reserves where the project spend has slipped into future years.

• Please note the figures quoted are as forecast as at September 2021 out-turn monitoring. The final carry forward figures will reflect the actual outturn position at year-end.

USE OF EARMARKED RESERVES			Sept 21	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Prosperous Communities	Our People	General Grants etc	36	Members Local Grants - Balance to be cfwd (£144k over 4 years 19/20 - 22/23)
Prosperous Communities	Our People	General Grants etc	101	Community Grants - Balance to be cfwd (£500k over 5 years 18/19 to 22/23)
		TOTAL	137	

APPENDIX 4

REVENUE CARRY FORWARDS – PENDING APPROVAL BY MANAGEMENT TEAM AT YEAR-END

Bids for budget underspends to be carried forward into 2022/2023, which require Management Team approval are as follow.

• Please note the figures quoted are as forecast as at September 2021 out-turn monitoring. The final carry forward figures will reflect the actual outturn position at year-end.

BASE BUDGET C/FWDS PENDING APPROVAL BY MT			Sept 21	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
Prosperous Communities	Our Place	Cemeteries and Churchyards	25	Cemetery wall repairs £20k for cemetery walls, £5k for tree works.
Prosperous Communities	Our Place	Cemeteries and Churchyards	10	Memorial testing - £7k for works scheduled for Summer 2022, £3k towards tree works.
		TOTAL	35	