



**Corporate Policy and
Resources**

Thursday, 16 June 2022

Subject: Budget and Treasury Monitoring Final Outturn 2021/2022

Report by:	Director of Corporate Services (S151)
Contact Officer:	Sue Leversedge Business Support Team Leader sue.leversedge@west-lindsey.gov.uk
Purpose / Summary:	This report sets out the final budget outturn position for revenue and capital 2021/2022, and requests approval for transfer to General Fund working balances.

RECOMMENDATION(S):

- a) Members accept the out-turn position of £1.612m gross contribution to reserves against the revised budget for 2021/2022, which includes £0.828m of approved revenue carry forwards into 2022/2023. The remaining balance being a contribution to reserves of £0.784m.
- b) Members approve £0.25m be carried forward into 2022/2023 to support service resourcing.
- c) Members approve the remaining balance of £0.534m be transferred to the General Fund Working Balance.
- d) Members accept the use of Earmarked Reserves approved by the Chief Finance Officer using Delegated powers (Section 2.3.1).
- e) Members accept the contributions to Earmarked Reserves (Section 2.3.2).

- f) Members approve the amendment to the fees and charges schedules (2.4) to be effective immediately.
- g) Members accept the final capital outturn position of £7.812m (Section 3).
- h) Members approve the amendments to capital schemes detailed at 3.1.4.
- i) Members accept the final treasury management indicators (Section 5).

IMPLICATIONS

Legal: None arising as a result of this report

Financial : FIN/30/23/SL

The Council approved a revenue budget, including Council Tax charges, for 2021/2022 of £13.279m at its meeting in March 2021 (£14.357m 2020/2021). There was no requirement to utilise the General Fund Balance to provide a balanced budget.

The actual outturn has realised a surplus of £1.612m, £0.828m of which relates to one off budget provision for the delivery of projects which span financial years and will therefore be carried forward. This leaves a remaining surplus budget of £0.784m (5.9% of the Revised Revenue Budget).

It is proposed to carry forward £0.25m of this balance into 2022/2023 to support service resourcing. The remaining balance of £0.534m to be transferred to the General Fund Working Balance which now stands at £5.406m.

The total amount of the General Fund Reserves is £28.622m (£26.546m 2019/2020).

The forecast outturn position for 2021/2022 was presented to this Committee on 14 April 2022 as part of the Budget and Treasury Management Monitoring report for Quarter 4 2021/2022.

The forecast outturn position at that time was a net contribution to reserves of £1.043m.

The purpose of this report is to present to Members the final outturn position for the year, following the closure of accounts. The final outturn position is a net contribution to reserves of £1.612m, an increase of £0.569m from the previous forecast, as detailed at 2.2.

CAPITAL

The capital outturn position for 2021/2022 has moved since the Quarter 4 reporting. The outturn is £7.812m which includes a provision of £0.742m for non-reclaimable VAT relating to capital investments in 2019/2020 which affected our Partial Exemption position. This is explained further at paragraph 3.1.2 of the report. It is hoped that our ongoing challenge with HMRC will result in recovery of this VAT in the future.

For comparison purposes the actual approved Capital Programme expenditure for 2021/2022 was £7.812m (£7.228m Quarter 4) against revised budget of £10.326m. Final net carry forwards total £2.838m (£2.399m Quarter 4) and final overspend of £0.324m (£0.204m underspend Quarter 4).

The main variation relates to carry forward of £0.337m the Cinema Land where only the land deposit has been paid in 2021/2022, and the increase in overspend due to the payment to HMRC of irrecoverable VAT of £0.742m.

Staffing :

Salary budgets for 2021/2022 were set based on an estimated 0% pay award. The actual pay award for the year has been confirmed at 1.75%, payable in March 2022 backdated to April 2021.

There is a forecast 1.35% (£0.176m) surplus for the year against revised employee budgets due to several vacancies across services, some of which have been covered by interim or agency staff.

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 2.75% (£0.359m) surplus across all employee budgets.

Due to current high inflation rates, there is a risk of an increased pay award for 2022/2023 than the current budgeted increase of 2%. It is therefore proposed to carry forward £0.25m of the current year surplus to support the cost of service resourcing in 2022/2023. The carry forward would provide for a 4% pay award.

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 of 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 is a monitoring report only.

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

The Council set a budget of £13.279m at its meeting in March 2021. The final outturn position has realised a surplus of £1.612m.

Final movements against the revised budget are:

- 'Revenue Forecast Out-Turn (after carry forwards of £0.828m) – Net contribution to reserves £0.784m. (5.9% of Net Revenue Budget – see 2.1 for details of significant variances).
- £0.25m requested to be carried forward into 2022/2023 to support service resourcing, in addition to the £0.828m previously approved. Total carry forwards £1.078m.
- Remaining balance of £0.534m to be transferred to the General Fund Balance. This will result in a General Fund balance as of 31 March 2022 of £5.406m. This is £2.906m above the Minimum Working Balance of £2.5m.

CAPITAL

- Capital Actual Out-Turn – Final outturn £7.812m (Budget £10.326m), variance of £2.514m, of which £2.838m is requested for carry forward and £0.324m being net overspends on scheme budgets.
- It is requested that The Sun Inn Capital Grant Budget of £0.033m is reinstated in 2022/2023, to reflect the latest variation of the agreement, allowing for claims to be submitted up to August 2022. This will be funded from reserves.
- It is requested that £0.013m be transferred from capital to revenue in relation to the Thriving Gainsborough Grant for Cinema Development for Consultant/Legal Fees.

2. FINAL REVENUE BUDGET OUTTURN 2021/2022

The final Revenue outturn for 2021/2022 is a net contribution to reserves of £0.784m as detailed in the table below. This is after taking account of £0.828m of budget carry forwards.

SERVICE CLUSTER	2021/2022					
	Original Budget	Revised Budget	Actual Outturn	Outturn Variance before Cfws	Carry Forwards	Outturn Variance after Cfws
	£	£	£	£	£	£
Our People	1,529,000	2,803,800	1,931,300	(872,500)	298,600	(573,900)
Our Place	3,778,100	4,239,400	4,247,963	8,563	210,000	218,563
Our Council	6,372,700	6,463,000	5,937,931	(525,069)	319,000	(206,069)
Controllable Total	11,679,800	13,506,200	12,117,195	(1,389,005)	827,600	(561,405)
Corporate Accounting:						
Interest Receivable	(124,600)	(148,900)	(212,444)	(63,544)	0	(63,544)
Interest Payable	377,700	383,500	132,165	(251,335)	0	(251,335)
Investment Income	(1,434,900)	(1,378,200)	(1,377,405)	795	0	795
Precepts and Levies	2,574,700	2,574,700	2,572,242	(2,458)	0	(2,458)
Movement in Reserves:						
To / (From) General Fund	(1,943,700)	(3,497,400)	(3,543,200)	(45,800)	0	(45,800)
Use of Specific Reserves	(3,011,800)	(4,132,300)	(4,147,142)	(14,842)	0	(14,842)
Contribution to Specific Reserves	4,719,000	5,432,500	8,261,811	2,829,311	0	2,829,311
Repayment of Borrowing	442,900	637,100	823,027	185,927	0	185,927
Net Revenue Expenditure	13,279,100	13,377,200	14,626,250	1,249,050	827,600	2,076,650
Funding Total	(13,279,100)	(13,377,200)	(16,237,673)	(2,860,473)	0	(2,860,473)
NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR	0	0	(1,611,423)	(1,611,423)	827,600	(783,823)

Carry Forwards - approved in year	55,100
Carry Forwards - approved at year end	399,400
Carry Forwards - use of Earmarked Reserves	373,100
Total Carry Forwards	827,600

2.1 The significant movements since our Quarter 4 reporting being;

Cluster	EXPENDITURE	Total £000	Direction of Travel
BUDGET UNDERSPENDS			
	Salary (savings) / pressure. Includes 2% vacancy factor £183k. Includes est. 1.75% pay award.	(£176)	↑
Interest Payable & Receivable	Reduction in the credit loss provision for Housing Benefit debt £210k, and Standard Sundry debt £32k	(£242)	New
Our Council	Corporate Contingency budget not required.	(£20)	↔
PRESSURES			
Movement in Reserves	Voluntary Revenue Provision - Commercial Properties.	£180	↔
Our Council	Software Licence Fee nationwide increase, and continued compliant connection to the Voter Registration Process and DWP Benefits System.	£26	↑
Our Council / Our Place	Fuel - increased costs.	£16	↑
	Various forecast outturn variances <£10k	£24	↑
		(£192)	

Cluster	INCOME	Total £000	Direction of Travel
BUDGETED INCOME EXCEEDED			
Corporate Accounting- Interest Received and Paid	Interest Receivable £64k, Interest Payable £9k.	(£73)	↓
Funding	Government Grants - Business Support Admin Grant to support costs of administering support schemes.	(£280)	↑
Our Council	Green Waste service income target exceeded - service subscriptions £46k, new bin sales £27k.	(£73)	↑
Our Council	Bulky Waste Collections income has exceeded the target for the year.	(£30)	↑
Our Place	Planning Pre Application advice income forecast above budget for the year.	(£27)	↔
Our Place	Planning Fee Income has exceeded budgeted levels.	(£68)	↓
Our Place	Shopping Trolley reclaimed income.	(£68)	↑
BUDGETED INCOME NOT ACHIEVED			
Our Place	Property Services - loss of rental income due to transfer of Housing Stock to P3.	£27	↔
		(£592)	

TOTAL VARIANCE	(£784)
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2.2 The movement of (£0.597m) from the Net Contribution to General Fund Balances of (£0.187m) reported on 14 April 2022 (Quarter 4) to this Committee is due to;

NET CONTRIBUTION TO RESERVES FOR THE YEAR:		£ 000
Reported at Qtr. 4 2021/2022		(187)
Final Outturn 2021/2022		(784)
Increase in Net Contribution to Reserves		(597)

Expenditure:		£ 000
Reduction in the credit loss provision for Housing Benefit Debt		(210)
Reduction in pressure on software licences and telephony costs		(49)
Reduction in the credit loss provision for Standard Sundry Debt		(32)
Increase in salary savings		(25)
Increased savings on outturn variances <£10k		(21)
Reduction on pressure on fuel costs		(7)
Increased spend on legal services		57
		(287)

Income:		£ 000
Government Grants- New Burdens Grants to support admin of Covid support grants		(327)
Increase in shopping trolley reclaimed income		(15)
Increase in bulky waste collection income		(6)
Green Waste Service - increase in sale of new bins		(3)
Reduction in civil parking enforcement fines received		11
Reduction in planning fee income		12
Reduction in interest receivable		18
		(310)

Increase in Net Contribution to Reserves		(597)
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2.2.1 Government Grants

This is New Burdens grant funding issued by the Department for Levelling Up, Housing and Communities (DLUHC) in 2021/2022 to support the Council in the administration of Covid support. In the main services have been able to contain the delivery of the Covid Support grants within existing budget provision.

2.2.2 Reduction in the Credit Loss Provision for Housing Benefit Debt

The Benefits team have worked to reduce the outstanding total of overpaid Housing Benefit by just under £0.5m during 2021/2022.

This has been achieved by the team increasing their proactive work on finding the debtors' current employers and making attachments to their earnings, by referring debts promptly to the Department for Works and Pensions (DWP) for recovery from DWP benefits, and by contacting debtors to remind them that they have debt and re-negotiating monthly payment terms. All repayment plans are also closely monitored to ensure they are up to date.

As a result of this work by the Benefits team, the level of outstanding debt has significantly reduced, resulting in a reduction in the credit loss provision required for

the non-recovery of outstanding debt by £0.21m, contributing to the overall surplus position.

2.3 2021/2022 Use of and Contribution to Reserves

2.3.1 Use of Reserves

The Chief Finance Officer has used delegated powers to approve the use of earmarked reserves up to £0.05m – An additional £0.038m has been approved since the Q4 monitoring report presented to CP&R in April 2022 as detailed below;

- £0.005m from the Project Investment reserve. Upgrade of the income management system.
- £0.016m from Election's reserve. Spend on by-elections during the year 2021/2022.
- £0.017m from Maintenance of Facilities reserve. To meet budget shortfall for property repairs and maintenance works, and consultancy spend.

2.3.2 Contribution to Reserves

Additional contributions to reserves since the Quarter 4 monitoring report total £0.651m.

- £0.006m to Community Grant Scheme reserve. Funds generated from the Community Lottery scheme. The application of these funds to be determined by Members (£0.008m held in reserves in total).
- £0.005m to Maintenance of Facilities reserve. FITS income received during the year in excess of budgeted income (budget of £0.017m pa, income received 2021/2022 £0.022m).
- £0.089m to Construction Infrastructure Levy (CIL) reserve. Contribution to CIL of year end balances.
- £0.292m return Covid support grant to the Covid reserve. Previously drawn down for SLM Leisure support, but not required as funded from external grant.

Year-End Movement to Unapplied Grants Reserve

Unspent balance of grants received during 2021/2022, with no conditions to repay:

- £0.01m Defra – Biodiversity Net Gain Funding.
- £0.032m DLUHC - Statutory Domestic Abuse Duty grant.
- £0.028m Cabinet Office - Electoral Registration – District Elections (Covid).
- £0.008m HM Land Registry Activity grant.
- £0.122m Department Health & Social Care - Outbreak Prevention Grant.
- £0.007m DLUHC - Council Tax Hardship Grant.
- £0.052m DWP - Test and Trace Scheme Grant.

2.3.3 Covid Implications of Contribution to Reserves

The movement of £0.292m to the Covid reserve included above at 2.3.2 has increased the balance on the reserve to £0.691m at year-end 2021/2022. £0.232m has been committed in future years, leaving an unallocated balance of £0.459m.

2.4 Amendment to Fees and Charges 2022/2023

The DBS check included on the schedule for Licensing has reduced from £44 to £38, effective from 1st April 2022. This fee is set by the Disclosure and Barring Service, and Lincoln City Council undertake the checks on our behalf. We were notified of the amendment in April 2022.

2021/22	Proposed Increase / (Decrease)		2022/23	VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
£	%	£	£	£	£	

Taxi Licensing (Including Horse Drawn Omnibus)								
	On New or Renewal							
DBS Check		£44.00	-13.6%	-£6.00	£38.00	£0.00	£38.00	OS

Other Items for Information

2.5 Grants – Successful Grant Bids and New Grant Determinations

The following grants have been received since the Quarter 4 monitoring report presented to this Committee in April 2022:

Grant Issued By	Name of Grant	£
Lincolnshire County Council	Household Support Grant	274,544
Department for Levelling Up, Homes and Communities	Sales Fees and Charges Support	85,204
Lincolnshire County Council	Waste Collection - Purple Bins	49,849
Department for Levelling Up, Homes and Communities	Neighbourhood Planning Grant	40,000
Department for Levelling Up, Homes and Communities	Welcome Back Fund	30,722
Heritage Lottery Fund	THI claims	25,440
Local Government Association	LGA Housing Advisers Programme 2021-22	25,000
Department for Levelling Up, Homes and Communities	Redmond Review Implementation Grant	17,228
Department for Levelling Up, Homes and Communities	Family Annexe Council Tax Discount	15,299
Department for Levelling Up, Homes and Communities	Lower Tiers Services Grant	10,735
Department for Work and Pensions	DWP - Verification Earnings & Pensions	8,993
Department for Levelling Up, Homes and Communities	Transparency Code - New Burdens	8,103
Nottingham City Council	PRS enforcement and Compliance	5,314
Department for Work and Pensions	Kickstart	4,895
		601,326

3 CAPITAL UPDATE – Final Outturn 2021/2022

3.1.1 The Capital Budget out-turn for schemes totals £7.812m against a revised budget of £10.326m. This has resulted in a variance of £2.514m, of which a net £2.838m is requested for carry forward into 2022/2023, and £0.324m being the net overspend on scheme budgets. The budget has been amended from Quarter 4 with the amounts requested and approved at the previous meeting of this committee.

3.1.2 Approvals to Carry Forward £2.838m, are requested as detailed in the table below, with the most significant being;

- £0.53m Local Authority Delivery Grant Phase 2 – Green Homes Grant – the grant has been extended to 30.6.2022.
- £0.057m Disabled Facilities Grant – Money is all allocated to projects but delays in getting the work completed before 31.3.2022.
- £0.05m Market Rasen 3 Year Vision – individual projects have not been able to complete prior to 31.3.2022.
- £0.05m Hemswell Masterplan Public Realm Improvements – project to spend in 2022/23.
- £0.05m Gainsborough Heritage Regeneration THI – spend anticipated in 2022/23 alongside the LUF Bid.
- £0.25m 5-7 Market Place Redevelopment – delays to the commencement of the building works.
- £0.697m Gainsborough Growth – Grant for Development Cinema – delays to the purchase of the land slip 2022/23.
- £0.046m CCTV Expansion – completion expected early 2022/23.
- £0.048m Income Management System work expected to commence in April 2022.
- £0.100m Hemswell Cliff Investment for Growth – to be a focus for 2022/23
- £0.091m Vehicle Replacement Programme – vehicles on order but to be delivered 2022/23
- £0.100m of the remaining Depot budget to be slipped to 2022-23 for the build of the Wash Bay – costings are still being obtained.
- £0.05m Carbon Efficiency – light replacement to be carried out in 2022/23
- £0.047m Document Management System – project to go live early 2022/23
- £0.203m Thriving Gainsborough LUF (various schemes) – slip to 2022/23.
- £0.337m – WLDC Purchase of Cinema Land – deposit paid in 2021/22.
- £0.02m Telephony – project to complete in 2022/23
- £0.042m – Website Replacement – to complete April 2022.

The remaining £0.07m is made up of small carry forward requests as detailed in the summary table below (individually less than £0.02m).

3.1.3 The net overspend position of £0.324m relates to schemes that have either underspent or overspent or schemes that are requesting amendments.

Scheme which has overspent;

- £0.002m Private Sector Renewal - this has been financed from Investment for Growth Reserve.

Schemes which have underspent are:

- Crematorium Phase 2 - £0.035m
- Property Flood Resilience - £0.005m
- Capital Enhancements to Council Owned Assets - £0.015m
- Additional Laptop Provision for Virtual Working - £0.022m
- New Depot £0.282m
- Riverside Walkway £0.045m
- Various small underspend £0.003m

3.1.4 Approval is sought for amendments to the following scheme:

- Thriving Gainsborough Grant for Cinema Development - £0.013m for Consultant/Legal Fees to be transferred to revenue.
- The Sun Inn Capital Grant – approval to reinstate the budget of £0.033m funded from reserves. This reflects the latest variation of the agreement, allowing for claims to be submitted up to August 2022.

Capital Financing – Irrecoverable VAT

Discussions have been ongoing with HMRC, with the support of our tax advisors PSTax, during the last 12 months regarding the impact of capital investment in 2018/2019 and 2019/2020 on the construction of assets which resulted in the Council exceeding the partial exemption calculation de minimis level of 5%.

In May 2022 we received an assessment from HMRC requesting the repayment of £0.742m of VAT relating to 2019/2020 only. For 2021/2022 this amount will be recognised as capital expenditure (provision) funded from borrowing as there remains uncertainty as we continue to appeal this decision.

The appeal is on the basis that this investment is a one-off project resulting in a partial exemption breach above the 5% de minimis. All years' prior being less than 1% and all years following below than 2.5%. This was a known risk but was considered unlikely due to the nature of the investment being a one off.

The out-turn position and narrative for capital schemes is provided in the table below;

Corporate Priority / Scheme	Stage (1 April 2021)	Stage	Actuals to 31/03/2022	Original Budget 2021/22	Revised Budget 2021/22	Contingency Budget	Revised Budget Excluding Contingency Budget	Actual Outturn 2021/22	Over/ (Underspend) Against Revised Budget 2021/22	Carry Forward Requests/ Drawbacks	Contingency Budget Spent	Comments
			£	£	£	£	£	£	£	£	£	
Vulnerable Groups & Communities												
Extra Care Provision Scheme	Stage 1	Stage 1	0	1,500,000	0	0	0	0	0	0	0	
LEAP - Supported Accommodation	-	Stage 3	28,570	0	28,600	0	28,600	28,570	(30)	0	0	Scheme approved Sept 2021 it is anticipated this will be finalised in 22/23 - minor drawback from 22/23 anticipated.
Property Flood Resilience	-	Stage 3	28,909	0	34,200	0	34,200	28,909	(5,291)	0	0	Claims submitted in 21/22 - these will be funded from external grant - the claim will be made once all applications have been received.
Rough Sleeper Accommodation Project	-	Stage 2	42,000	0	42,000	0	42,000	42,000	0	0	0	The grant was to be paid on completion of a Grant Funding Agreement, it was finalised sooner than anticipated so the spend came out this financial year instead of the projected 2022/2023.
Local Authority Delivery Grant Phase 2 - Green Homes	-	Stage 3	30,497	0	560,000	0	560,000	30,497	0	(529,503)	0	Agreement took longer than anticipated to sign with Eon who are delivering the scheme on our behalf. Funding was due to all be spent by 31st March 2022 but Government extended the deadline of spend until 30th June 2022.
Health and Wellbeing			0									
Disabled Facilities Grants	BAU	BAU	920,323	857,714	977,140	0	977,140	920,323	0	(56,817)	0	All the DFG budget has been committed but due to a shortage of contractors not all work will be finalised before 31.3.2022.
Private Sector Renewal	Stage 3	Stage 3	46,000	98,547	43,842	0	43,842	46,000	2,158	0	0	Small overspend - project is now finished.
Market Rasen Leisure Centre	Stage 4	Stage 4	0	0	0	0	0	0	0	0	0	
Economy												
Market Rasen 3 year vision	Stage 3	Stage 3	0	200,000	50,000	0	50,000	0	0	(50,000)	0	Budget reapproved by PC & CPR in September for historic building grant scheme. Scheme developed and opened to applicants in Qtr. 3 21/22. A number of building owners have raised interest in the scheme since open, however due to individual project timelines none are expected to be in a position to draw down funds in this financial year.
Hemswell Masterplan - Public Realm Improvements	Stage 2	Stage 2	0	0	50,000	0	50,000	0	0	(50,000)	0	£10k of spend in April/May 2022 to purchase wet pour base for a play park and additional play equipment to aid the play parks adoption by Hemswell Cliff Parish Council to be slipped to 22/23. £40k to be carried over to 2022/2023 and spent in conjunction with the £100k Investment for Growth for Building Regeneration / Community Space.
Crematorium	Stage 4	Stage 4	0	0	0	0	0	0	0	0	0	
Crematorium Phase 2	Stage 3	Stage 3	119,173	154,000	154,000	0	154,000	119,173	(34,827)	0	0	May be a small underspend on this project need final confirmation on values due to contractor.
Gainsborough Heritage Regeneration - THI	Stage 2	Stage 2		402,000	50,400	0	50,400	0		(50,400)	0	Building owners have been withholding applications due a lack of confidence and uncertainty due to COVID and the announcement of LUF funding which is supplementary to this scheme. Interested building owners have started coming forward following the results of LUF bid have been communicated, however due to project timelines no applicants will be in the position to draw down funds in this financial year.
Gainsborough Shop Front Improvement Scheme	Stage 3	Stage 3	5,300	70,000	5,300	0	5,300	5,300	0	0	0	
5-7 Market Place - Redevelopment	Stage 3	Stage 3	0	342,300	250,000	0	250,000	0		(250,000)	0	Delays to start of building works due to limiting factors such as quantity surveyor availability and other professional services such as legal. Expecting to have paid out £40k preliminary costs and £150k relating to GLEP LOTS grant and match funding before year end. Original scheme budget included contingency of £59.5k (10%), this has been slipped into 2022/23 as at Qtr. 1.
Trinity Arts Centre Improvement Projects	Stage 3	Stage 3	19,480	279,800	20,500	0	20,500	19,480	(1,020)	0	0	
Gainsborough Growth - Grant for development (Cinema)	Stage 2	Stage 2	8,625	2,390,000	718,916	0	718,916	8,625	(13,454)	(696,837)	0	£13k used to fund costs incurred in our revenue accounts
Riverside Walk Acquisition	Stage 3	Stage 3	370,211	0	415,000	0	415,000	370,211	(44,789)	0	0	
Saxilby Industrial Units	Stage 4	Stage 4	0	0	0	0	0	0	0	0	0	
The Sun Inn - Capital Grant	Stage 3	Stage 3	0	0	0	0	0	0	0	0	0	
Hemswell Cliff Investment for Growth	Stage 2	Stage 2	0	100,000	100,000	0	100,000	0	0	(100,000)	0	Focus for spend is to invest in rejuvenation of run down building to provide a community space. Its location can facilitate links with community and business park which is an aim of the Masterplan. Focus 2022/2023 is to gain funding agreement for community space within ex-sergeants mess (currently New Owners Charity). No spend to date due to no engagement with previous owner and no feasible opportunities within business park arose during this financial year.
Thriving Gainsborough - LUF Resources	-	Stage 3	53,292	0	259,300	0	259,300	53,292	0	(206,008)	0	LUF Budget needs to be slipped to 2022/23
WLDC - Cinema Land	-	Stage 3	37,500	0	375,000	0	375,000	37,500	0	(337,500)	0	Deposit paid for Land Purchase
Thriving Gainsborough - LUF Townhall THI	-	Stage 3	2,625	0	0	0	0	2,625		2,625	0	
Welcome Back Fund	-	Stage 3	30,722	0	30,000	0	30,000	30,722	722	0	722	Welcome back Fund has been approved to spend - this is the capital element which will be financed from Grant receipts.

Corporate Priority / Scheme	Stage (1 April 2021)	Stage	Actuals to 31/03/2022	Original Budget 2021/22	Revised Budget 2021/22	Contingency Budget	Revised Budget Excluding Contingency Budget	Actual Outturn 2021/22	Over/ (Underspend) Against Revised Budget 2021/22	Carry Forward Requests/ Drawbacks	Contingency Budget Spent	Comments
			£	£	£	£	£	£	£	£	£	
Public Safety & Environment												
Vehicle Replacement Programme	BAU	BAU	347,560	438,400	438,400	0	438,400	347,560	0	(90,840)	0	
Depot Review	Stage 3	Stage 3	2,085,709	1,650,000	2,467,607	500,000	1,967,607	2,085,709	(281,898)	(100,000)	218,102	Depot is now operational - still awaiting final invoices. The original scheme budget included £500k contingency budget (10%). £200k of the contingency has been spent. £100k requested to slip to 2022/23 for construction of wash bay
CCTV Expansion	Stage 3	Stage 3	120,929	0	167,265	0	167,265	120,929	(336)	(46,000)	0	The scheme is not quite complete as at 31.3.2022 carry forward is required at year-end due to contractor/supplier delays. £32k is to be reallocated to revenue to cover the cost of a 5 year line connection fee.
Housing Growth												
Unlocking Housing - Living over the Shop	Stage 3	Stage 3	30,409	0	30,400	0	30,400	30,409	9	0	9	
Housing Infrastructure (Southern SUE)	Stage 3	Stage 3	2,193,183	218,784	2,193,784	0	2,193,784	2,193,183	(601)	0	0	
Finances												
Financial Management System	Stage 3	Stage 3	179,302	145,000	198,150	0	198,150	179,302	0	(18,848)	0	
Capital Enhancements to Council Owned Assets	BAU	BAU	49,857	50,000	76,000	0	76,000	49,857	(15,143)	(11,000)	0	The budget is based on the Asset Management Plan, but, before work is undertaken external consultants are asked to review the life of an asset and if the works need undertaking or can be delayed and sometimes events occur outside of the Council's control that means some works are brought forward or may not have been on the plan i.e. death of a tenant and work required on a property to enable the property to be re let. Slippage of £11k for completion of Market electric sockets
Carbon Efficiency	Stage 3	Stage 3	0	210,000	50,000	0	50,000	0	0	(50,000)	0	Scheme for light replacement to be slipped to 2022/23.
Richmond House Conservatory	Stage 3	Stage 3	0	0	20,000	0	20,000	0	0	(20,000)	0	The works quote came in at £150k all parties agreed a total cost of £60k for the works, therefore, all 3 parties have had to reconsider the project.
Customer												
Telephony (incl. Contact Centre)	Pre-Stage 1	Pre-Stage 1	0	20,000	20,000	0	20,000	0	0	(20,000)	0	Work is ongoing and will slip into April 2022.
Income Management	Stage 1	Stage 1	38,590	0	86,240	0	86,240	38,590	0	(47,650)	0	Work commenced but due to complete August 2022.
3 D Secure Payment Software	Stage 3	Stage 3	2,500	0	12,000	0	12,000	2,500	0	(9,500)	0	Final implementation stage will be Summer 2022 with the system upgrade.
Customer Relationship Management System	Stage 3	Stage 3	5,144	0	16,700	0	16,700	5,144	0	(11,556)	0	Software costs - budget to be reduced to revenue.
Website Replacement	-	-	32,883	0	75,000	0	75,000	32,883	0	(42,117)	0	Reinstate budget previously agreed for 2022-23 in MTFP 2021-22. May be some slippage
Staff & Members												
ERP Systems (Phase 2)	Stage 2	Stage 2	0	200,000	0	0	0	0	0	0	0	
Document management system	Stage 3	Stage 3	28,563	70,000	75,000	0	75,000	28,563	0	(46,438)	0	
Storage Refresh	Stage 3	Stage 3	199,247	0	200,000	0	200,000	199,247	0	(753)	0	
Additional Laptop Provision for Covid Virtual Working	Stage 1	Stage 3	13,633	0	35,600	0	35,600	13,633	0	(21,967)	0	Number of laptops required is less than initially expected.
Total Capital Programme Gross Expenditure			7,070,734	9,396,545	10,326,344	500,000	9,826,344	7,070,734	(417,221)	(2,838,390)	218,832	
Capital Financing Irrecoverable VAT			0	0	0	0	0	741,759	741,559	0	0	Payment to HMRC re irrecoverable VAT - see narrative in report.
			7,070,734	9,396,545	10,326,344	500,000	9,826,344	7,812,493	324,338	(2,838,390)	218,832	

4 STATUTORY REQUIREMENTS TO PUBLISH;

SECTION 137 EXPENDITURE, BUILDING CONTROL ACCOUNT

We are required to publish the following data on our website as part of Statutory Requirements, annually each year. They are included in this report for information.

4.1 SECTION 137 EXPENDITURE

Section 137 of the 1972 Local Government Act (as amended) empowers local authorities to make contributions to certain charitable funds AND not for profit bodies providing a public service in the United Kingdom. For 2021/2022, the maximum amount allowable is £8.41 per head of population (94,869) which equates to £0.798m.

The Council's expenditure in 2021/2022 under this power was £0.316m (£0.268m in 2020/2021), being £0.482m below the maximum amount allowable.

4.2 BUILDING CONTROL ACCOUNT

The Building Control Regulations 2010 requires authorities to publish a financial statement relating to the building regulations chargeable and non-chargeable account. The following statement shows the deficit for the chargeable and non-chargeable work for the year 2021/2022.

	Chargeable 2021/22 £'000's	None Chargeable 2021/22 £'000's	Total 2021/22 £'000's
Expenditure for year	263	186	449
Income for year	(266)	0	(266)
(Surplus)/Deficit for year	(3)	186	183

4.3 Community Infrastructure Levy (CIL)

Following a change in the CIL Regulations 2010 (as amended). The Government have introduced a new reporting requirement called an Infrastructure Funding Statement (IFS), which includes Section 106 monitoring and must be published on or before the 31st of December of that year. The IFS for 2020/2021 is now published on the Council's website and the IFS for 2021/2022 will be published on or before 31st December 2022.

A summary of the CIL receipts and expenditure for financial year 2021/2022 is included at **Appendix 1**.

5 FINAL TREASURY MANAGEMENT POSITION

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

As of 31 March, the Council held treasury investments (principal only) of some £19.950m (£16.820m 2020/21), with the average daily investments for the year being £23.681m (£21.167m 2020/21). This reflects the significant grant income we received from Government in advance of distributions to businesses, and the vulnerable in addition to supporting our own additional costs and income losses. Interest from investment totalled £0.167m (£0.185m 2020/21) at a weighted average interest rate of 0.762% (0.896% 2020/21) reflecting the continued low interest rates over the financial year.

Borrowing rose to £21.5m (£20m 2020/21) with £16.5m being held with the PWLB and £5m held with Oxfordshire County Council. The average interest rate of the portfolio is 1.68% and cost £0.372m during the year.

The maturity analysis of borrowing is detailed below;

Maturity analysis of financial liabilities		31 March 2022 £'000
Less than 1 year		5,000
Between 1 and 2 years		2,500
Between 2 and 5 years		0
Between 5 and 25 years		5,500
Between 25 and 50 years		8,500
Total		21,500

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

	Original £'000	P1 £'000	Q2 £'000	Q3 £'000	Q4 £'000	Q4 £'000
Treasury Indicators						
Authorised limit for external debt	45,000	45,000	45,000	45,000	45,000	45,000
Operational boundary for external debt	40,062	32,500	30,000	30,000	39,425	40,476
External Debt Investments	31,000 (12,133)	27,500 (12,645)	27,500 (17,689)	25,000 (19,219)	21,500 (15,326)	21,500 (20,020)
Net Borrowing	18,867	14,855	7,311	5,781	6,174	1,480
Prudential Indicators						
Capital Expenditure	9,396	10,930	8,755	8,876	7,017	7,813
Capital Financing Requirement (CFR)	41,340	40,101	40,088	39,425	39,425	40,476
<i>Of which relates to Commercial Property</i>	<i>22,959</i>	<i>20,585</i>	<i>20,585</i>	<i>20,585</i>	<i>20,585</i>	<i>20,585</i>
Annual change in CFR	1,278	1,575	1,562	1,915	1,915	864
External Debt	31,000	27,500	25,000	25,000	21,500	21,500
Under / (Over) Borrowing	10,340	12,601	15,088	14,425	17,925	18,976
Ratio of financing costs to net revenue stream	7.12%	6.99%	7.98%	6.70%	7.82%	9.60%
Incremental impact of capital investment decisions:						
Increase / (Reduction) in Council Tax (band change per annum)	£0.00	-£0.15	£2.27	£2.27	£2.27	£1.88