



**Corporate Policy and
Resources Committee**

6th February 2018

**Subject: Budget and Treasury Management Monitoring – Period 3 2017/18
including Treasury Mid-Year Report.**

Report by:	Director of Resources (S151) Ian Knowles
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Purpose / Summary:	This report sets out the revenue, capital and treasury management activity from 1 April 2017 to 31 December 2017

RECOMMENDATION(S):

- a) That Members accept the forecast out-turn position of a £9k net contribution to reserves as at 31 December 2017. (1).
- b) Members note the use of Earmarked Reserves during the quarter approved by the Director of Resources using Delegated powers (1.5.1).
- c) Members approve capital expenditure of £35k for the resurfacing of the former Lidl Car Park, £11.3k for Bridge Street Extension and a £20k contribution towards a new conservatory at Richmond House, funding will be from the Maintenance of Facilities Reserve (2.2.5)
- d) Members approve the Revised Capital Budget of £12.730m (2.1.1)
- e) Members accept the Commercial Income position.

- f) That Members accept the Treasury Management and Prudential Indicators to 31 December 2017 and note the breach in Counterparty Investment Limit made on 23 January 2018.
- g) That Members approve the amendment to Building Control fees and charges (1.4.2)
- h) That Members approve the introduction of an Admin Planning fee (1.4.3) and accept the Statutory Increase of 20% on Planning Fees.

IMPLICATIONS

Legal: None arising as a result of this report.

Financial FIN/117/18/TJB

The draft revenue forecast out-turn position for 2017/18 is currently reflecting a net contribution to reserves of £9k as at 31 December 2017, this is after approved carry forwards of £388k, and carry forward requests of £37k detailed at Appendix A.

There is a risk that there may be a deficit at the year-end which dependent on the source, would require funding from either volatility/contingency reserves or General Fund Balance. However we are aware that there will be additional S31 Grant funding awarded relating to NNDR in 2017/18 which we are unable at this stage to quantify.

The items with significant variances are contained within this report at 1.1.

The capital forecast out-turn position for 2017/18 is £10.851m.

The request to expend £35k on the reconfiguration of the former Lidl car park can be met from existing capital budgets and financing as detailed at 2.2.5.

The Treasury Management activities during the reporting period are disclosed in the body of this report. Average investments were £21.820m which achieved an average rate of interest of 1.16% (1.17% April-September)

There has been no external borrowing undertaken.

There have been no breaches of Treasury or Prudential Indicators within the period of this report and we again out-perform our benchmark in relation to investment yields.

Whilst low risk, a breach in the maximum amount invested in Certificates of Deposit was made on the 23 January 2018. In error an investment of £1m for a period of 1 month has taken the total amount invested to £2.5m, £0.5m above the approved limit of £2m. Appropriate action and a review of procedures has been undertaken to mitigate future breaches.

Staffing: None arising as a result of this report.

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

Risk Assessment: This is a monitoring report only.

Climate Related Risks and Opportunities: This is a monitoring report only.

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

None.

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

**REVENUE BUDGET MONITORING PERIOD 3
(Forecast out turn for 2017/18)**

- 1 The Revenue Budget forecast out-turn currently stands at a net contribution to reserves of £9k as detailed in the table below;

	2017/18 Budget £	2017/18 Forecast Outturn £	December 2017 Forecast Outturn Variance £
SERVICE CLUSTER			
People	5,323,800	5,383,983	60,183
Places	1,200,300	1,799,030	598,730
Policy and Resources	(6,416,700)	(6,558,321)	(141,621)
Controllable Total	107,400	624,692	517,292
Corporate Accounting:			
Interest and Investment Income	(220,200)	(288,280)	(68,080)
Interest Payable	398,300	63,000	(335,300)
Precepts and Levies	2,210,787	2,210,787	0
Movement in Reserves:			
To / (From) General Fund	(2,405,300)	(2,405,300)	0
Use of Specific Reserves	(2,195,300)	(2,195,300)	0
Contribution to Specific Reserves	3,775,800	3,752,900	(22,900)
Repayment of Borrowing	195,900	95,900	(100,000)
Net Revenue Expenditure	1,867,387	1,858,399	(8,988)
Funding Total	(1,867,387)	(1,867,387)	0
NET SUBSIDY FROM / (CONTRIBUTION) TO RESERVES FOR THE YEAR	0	(8,988)	(8,988)

1.1 The significant movements being;

EXPENDITURE	£000	Direction of Travel
BUDGET UNDERSPENDS		
Salary savings.	-£131	↓
Health Insurance premium reduced due to reducing payroll.	-£14	↔
Fuel - forecast saving based on current fuel prices and previous year usage. Approved by Management Team as a contribution towards Depot Health & Safety works.	-£30	↓
Planning project budget - contract costs less than expected.	-£39	new
Planning appeal costs less than expected.	-£15	new
Leisure Procurement project drawing to a close-budget not required.	-£20	↔
Base budget review after actual outturn savings.	-£49	↔
Insurance renewal contract saving.	-£32	↔
PRESSURES		
Car park enforcement costs increased due to new contract.	£13	↓
Property Services costs - net pressure across all properties (due to voids/unplanned R&M)	£18	new
Treasury Services costs -CCLA	£18	new
Legal Shared Services - LCC	£17	new
Leisure Centre - unplanned repairs and maintenance.	£15	new
Market Rasen Depot construction work - Health, Safety & Welfare issues - to be funded from savings on fuel.	£50	↔
Various forecast outturn variances <£10k	£23	↑
	-£176	

INCOME	£000	Direction of Travel
BUDGETED INCOME EXCEEDED		
Business Improvements - provision of services to other Authorities.	-£21	↔
Building Control - additional fee earning income guaranteed for 6 months	-£13	↓
Housing Benefits - DWP grants for extra work carried out in year.	-£28	↑
Elections - Grants from Cabinet Office to support elections work which has been carried out within existing budget provision.	-£15	↓
Estimate share of Legal Services surplus - payable by LCC at year end.	-£16	↓
Interest and Investment Income - impact of capital programme slippage.	-£58	new
Sale of new/replacement bins income exceeded.	-£16	↑
Section 106 contributions to offset legal costs - income from LCC.	-£30	↑
Planning Fee income - large application and 20% statutory increase from mid Jan	-£50	new
Trade Waste income - increased demand for service .	-£48	↓
BUDGETED INCOME NOT ACHIEVED		
Net impact of investment properties acquisitions not yet realised. (Borrowing cost savings, Lease Income pressure)	£215	↔
Market stallage income not expected to meet budgeted target based on current take up. Review of market service in progress.	£14	↓
Car Park Income target not realised.	£12	↑
Housing Benefits - forecast net outturn position.	£134	↓
Impact of later acquisition date and potential lease unlikely until new year. Carparking income expected to be generated from February 2018	£57	↓
Corporate Fraud - commercial income not achievable.	£30	↔
	£167	
TOTAL VARIANCE		-£9

1.2 Significant items of note;

- 1.2.1 Approval to spend up to £20m on investment property (with £13m budgeted this financial year) was estimated to provide a net contribution of £270k in 2017/18 raising to £600k by 2020/21. Our first acquisition of £2.4m was made early in October and this will achieve a £100k contribution to the savings target. Whilst we continue to identify suitable properties which meet our Policy criteria our bids have been unsuccessful. However, we are forecasting to make further acquisitions before the year end. A £215k net pressure is likely for the year (includes a saving on borrowing costs and pressure on rental income).
- 1.2.2 The acquisition of the former Lidl building was anticipated to generate a full years lease income and additional car parking income. Due to lengthy negotiations on sale and agreement of vacant possession dates, the property was in our ownership from December. The property is currently being marketed for lease which is unlikely to be formalised this financial year. The Car Park is due to be operational from February 2017, therefore this has resulted in a forecast revenue budget pressure of £57k.
- 1.2.3 Current vacancy levels after costs of interim staffing resources is forecast to achieve a £131k budget underspend.
- 1.2.4 The utilisation of fuel savings will be utilised to contribute to the £50k costs of the required health, safety and welfare works at Market Rasen Depot site.

1.3 Commercial Projects and Income Target

- 1.3.1 The Commercial Plan 2015/16 – 2019/20 was intended to be a proactive response in contributing to future financial sustainability. This was to be achieved through charging, trading and investment in order to reduce the net subsidy on services. A target of contribution of £1m was set.
- 1.3.2 Progress against this target has delivered £348k of ongoing savings thus far as detailed below;
- £100k Investment in Commercial Property £46k (2017/18) (Target £600k by 2020/21)
 - £124k Trade Waste Income (2017/18 Forecast)
 - £ 15k Building Control Complimentary Services
 - £ 55k Pre-Application Planning Advice
 - £ 25k Surestaff Lincs Ltd (Recruitment Agency)
 - £ 29k Commercial Loan income
- 1.3.3 Green Waste Charging will commence in 2018/19 and is forecast to generate a net contribution of £502k. In addition a tendering exercise has been undertaken for the provision of Leisure Management which will save the authority £268k whilst also

contributing to the borrowing costs of funding improved facilities at Gainsborough and a new dry leisure facility at Market Rasen.

- 1.3.4 With regard to Trade Waste we can only estimate future levels of income from Business Plan target sales, and Members are aware the fluctuations in Planning Fee income can be significant year on year, all of which therefore pose a risk to the budget position, therefore the approval of a £200k Commercial Contingency budget is included within the Medium Term Financial Plan to mitigate financial risks.

1.4 Fees and Charges

- 1.4.1 £3.280m has been received in Fees and Charges up to the end of the period further detail including data on the level of demand is attached in the graphs at Appendix B.

1.4.2 Amendment to Building Control fees and charges

The fee for the reactivation/inspection of a dormant Building Regulations where a completion certificate has not been issued. Dormant refers to an application where there has been no contact with Building Control for 5 years. The fees set should be based on one hour of time on a cost recovery basis, which allows the correct amount of time to perform an inspection and administer the request. The likely volumes on a yearly basis would be between 100 and 200 applications where there hasn't been any contact, but this is an optional service and the client will not have to take up the offer at the time they are written to, to advise that this is the case, however, they would need to pay the same fee if they contact us at a later date for example when they come to sell their home and require the sign off of their finished works. As time goes on the need for this service and charge would reduce as we introduce though the performance standards a more robust approach to timescales on projects in terms of site inspections.

	2017/18	Proposed Increase		2018/19	VAT Amount	2018/19 Charge Inc. VAT	VAT Rate
	£	% Type	or £	£	£	£	
Building Control - as per above plus officer time	£51.00	3.50%		£52.79	£0.00	£52.79	OS

1.4.3 Admin Fee for Planning Applications

It is proposed that a fee be introduced to recover some of the costs currently borne by the Council where an applicant withdraws a planning application or where it is returned for being invalid, after work has already been carried out by officers. Many Councils now apply this administration fee as a standard practice. The consistently high number of invalid applications received and withdrawn applications are a challenge for staff resources, as considerable officer time is spent on carefully checking, validating and consulting on all applications from the moment they are received by the Council.

The high number of invalid applications causes a particularly significant demand on staff time. In 2016-17 alone, the Council received 754 applications that were invalid on receipt. In order to check if an application is invalid, the technical team often spend well over an hour, and frequently considerably more, checking the content, accuracy and completeness of applications and speaking with applicants and agents. The quality of submitted planning applications is a national issue and difficult for the Council to control. At the same time, in order to provide a high quality of customer service it is necessary to work closely with applicants to try and assist them in making a complete application where possible. However, if the application is then subsequently withdrawn by the applicant or is returned to them, they currently receive a full refund of the fees paid, and none of the officer time and resource (including also any copying, writing to the applicant and printing) is recovered by the Council. In 2016-17 75 applications were withdrawn by applicants, all of which will have had the full fee refunded. This represented a significant cost to the Council.

S.93 of the Local Government Act makes provision for Councils to charge an administration fee where an application is withdrawn or returned for being invalid, and this assists Planning Authorities in recovering costs. This has a number of benefits; it offers an incentive for applicants to submit complete planning applications the first time and for genuine developments only, it improves the quality of the information submitted (which in turn assists local communities by making accurate information available to them quicker), and it allows the Council to charge for the Officer time and administration costs incurred. The fee must be based upon cost recovery for average time spent considering the application up to the point it is returned. On this basis it is proposed to levy a flat fee of £50 for all applications that are withdrawn or where an application is returned for being invalid, with immediate effect. For invalid applications the team will continue to work with applicants for a reasonable period to try and make an application valid if practicable to do so. This will partially assist in the recovery of costs where applications are withdrawn and setting this fee based on 'minimum time spent' recognises that larger major applications will often require many hours detailed analysis and actual costs incurred by the Council will in nearly all cases be higher than this proposed administration fee.

1.4.4 Planning Fees – Increase in Statutory Fees and Charges

The recent announcement that statutory fees will be increased by 20% from 17 January 2018 is estimated to generate £188.4k in additional income from 2018/19, and this has been built into the MTFP.

The updated fees and charges for Planning Applications is contained within this report at Appendix C for your information.

1.5 Use and Contribution to Reserves

1.5.1 2017/18 Use of Reserves – Delegated Decisions

The Director of Resources has used delegated powers to approve the use of earmarked reserves up to £50k, new delegated decisions totalled £33.8k;

£33.8k – from Community Grant Scheme reserve (RE92). To cover cost of Community Defibrillator equipment (FIN/143/17). New applications are approved on a case by case basis and approved by the Member Grant Funding Panel based on need and demand

1.6 Grants

As at 1st April 2017 we had an amount of £435k 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.

1.6.1 Successful Grant Bids and New Grant determinations

The following grants have been awarded during this period:

Grant Issued By	Name of Grant	Revenue/ Capital	£
DWP	New Burdens/Universal Credit Funding	Revenue	50,820
DCLG	Flexible Homeless Support Grant	Revenue	43,310
DCLG	Neighbourhood Planning Grant	Revenue	40,000
DWP	New Burdens Grant-implementing homelessness reduction act	Revenue	21,076
DWP	To Support upgrade of IT in preparation for the Homelessness Reduction Act	Revenue	9,202
DCLG	Social Impact Bond	Revenue	40,000
TOTAL:			204,408

Other Items for information

1.7 Planning Appeals

In period 3 2017/18 there were 19 appeals determined, as follows;

October 2017 – 6 appeals – 2 allowed, 4 dismissed.

November 2017 – 8 appeals – 7 allowed, 1 dismissed.

December 2017 – 5 appeals – all dismissed.

1.8 Aged Debt Summary – Sundry Debtors

Aged Debt Summary Period 3 Monitoring Report

At the end of December 2017 there was a total of £196k outstanding debt in the system over 90 days. The majority of this debt was over 150 days old and mainly comprised of:

Housing Benefits £71k

Housing £61k

Property and Assets £19k

Month	90 – 119 days	120 – 149 days	150+ days	Total
April	23,860	1,933	217,685	243,477
May	8,164	918	312,972	322,054
June	19,899	18,498	238,043	276,440
July	3,757	12,416	185,453	201,627
August	7,844	3,746	195,946	207,536
September	9,307	7,664	181,812	198,784
October	5,217	9,125	182,904	197,246
November	40,685	3,638	185,425	229,747
December	8,100	4,573	182,889	195,562

1.9 CHANGES TO THE ORGANISATION STRUCTURE

Changes to the Employee Structure include;

- Tourism – net impact £17k saving in 2018/19 and 2019/20, and an ongoing saving of £28k thereafter.
- Senior Management – Deletion of the post of Chief Executive, retitled and regraded posts of the 3 existing Directors to Executive Directors net saving of £94k per annum

REVENUE CARRY FORWARDS – ALREADY APPROVED

Budget underspends to be carried forward into 2018/19 which have been approved during the year are provided below for information only.

BASE BUDGET C/FWDS APPROVED IN YEAR			Dec-17	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
PC	People	Housing Strategy	31	Selective Licensing - to fund post in 17/18 and 6mths in 18/19. Approved by GCLT 07.02.17
PC	Places	Economic Development	7	Economic Reperation - Delay in project spend - Employment & Skills
PC	Places	Economic Development	3	Economic Regeneration - Delay in project spend - Place Board
CP&R	Policy and Resources	Democratic Representation	11	Members training budget - any balance c/fwd at each year end.
CP&R	Policy and Resources	Support Services - Corporate	250	The investment in business case development budget. Original funding from Earmarked Reserves.
TOTAL			302	

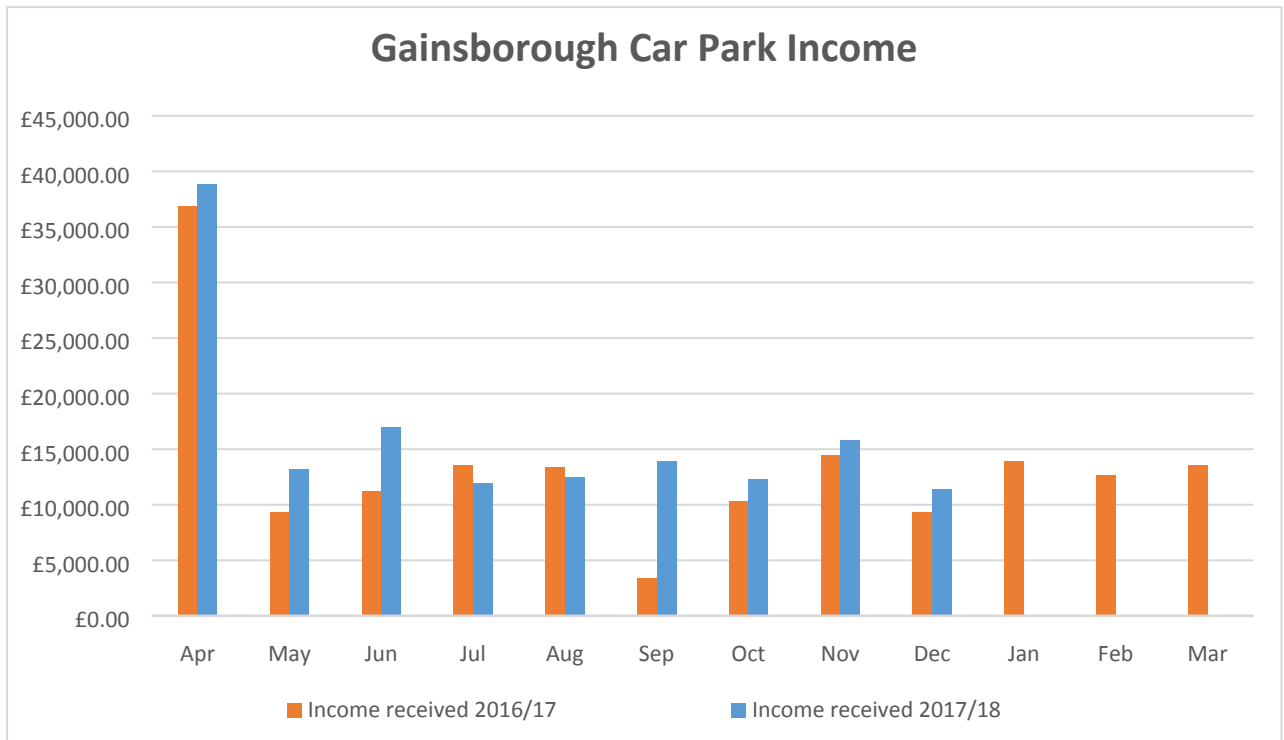
USE OF EARMARKED RESERVES			Dec-17	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
PC	Places	Culture, Heritage & Leisure	30	Delay in start of MAYFLOWER 400 project .
PC	Places	Economic Development	35	Economic Regeneration - Delay in project spend - Development Partner
PC	People	Community Action & Community Safety	6	Community Payback Scheme.
PC	Places	Neighbourhood Planning & Local Plans	15	Neighbourhood Planning 'Top Up' funding (£25k allocated per annum) - not used in 17/18 so needs rolling in to 18/19
TOTAL			86	

REVENUE CARRY FORWARDS – PENDING APPROVAL BY MANAGEMENT TEAM

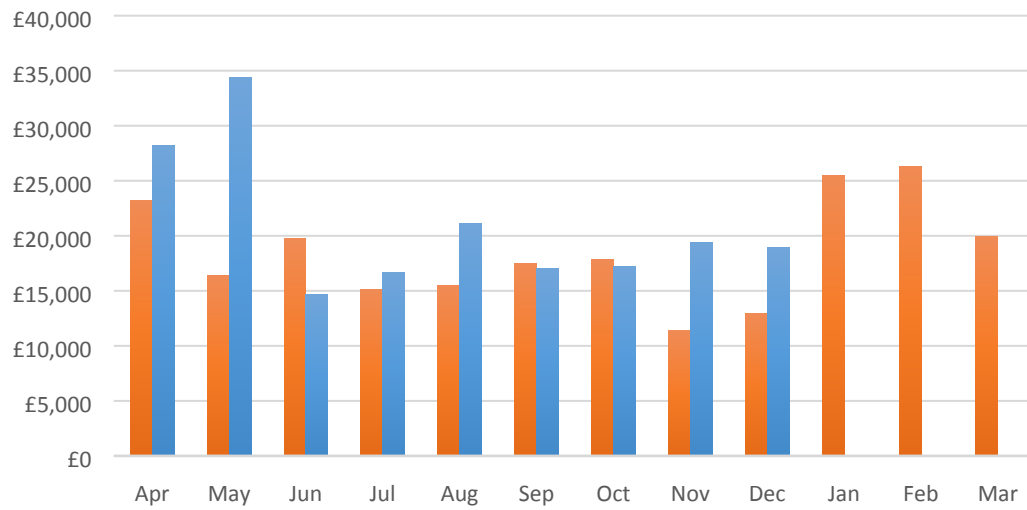
Bids for budget underspends to be carried forward into 2018/19 which require Management Team approval are as follows;

BASE BUDGET C/FWDS PENDING APPROVAL BY CMT			Dec-17	
Committee	Cluster	Business Unit	£ 000	Purpose of Carry Forward
PC	People	Building Control	5	Awaiting Trading Company to be set up.
CP&R	Policy and Resources	Business Improvement & Commercial Development	7	Economic Regeneration - Delay in project spend - Development Partner
PC	People	Cemeteries & Churchyards	10	Dry stone walling project. Project delayed until 2018/19.
PC	Places	Economic Development	7	Economic Regeneration - Delay in project spend - Consultancy Support
PC	People	Homelessness/ Housing Advice	6	Software support underspend - new system has been procured to commence April 18.
PC	People	Private Sector Housing Renewal	2	Approved training budget - course now due to commence 2018/19.
TOTAL			37	

FEES AND CHARGES

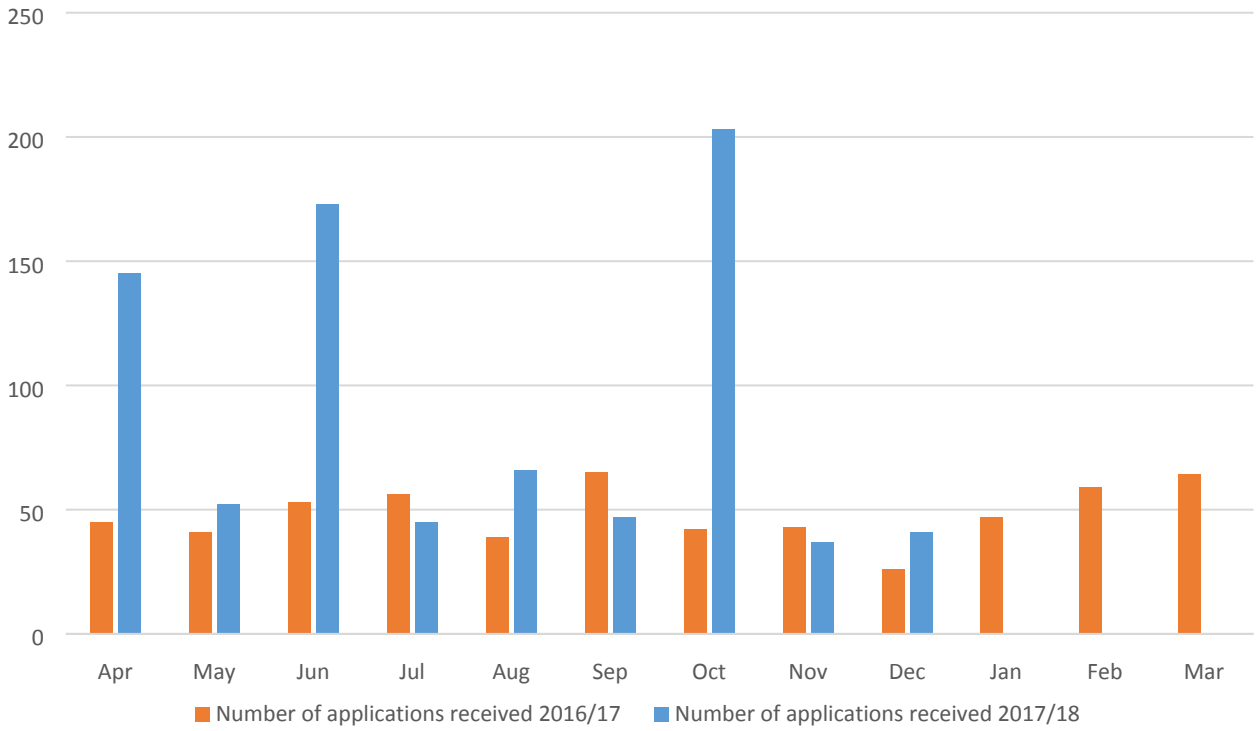


Building Control Income

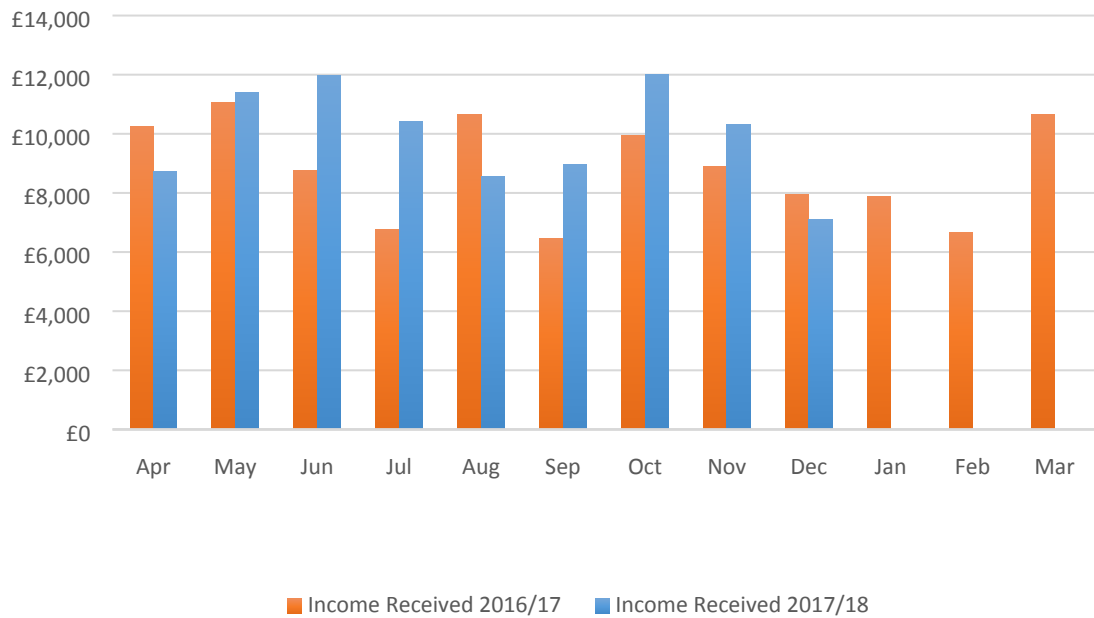


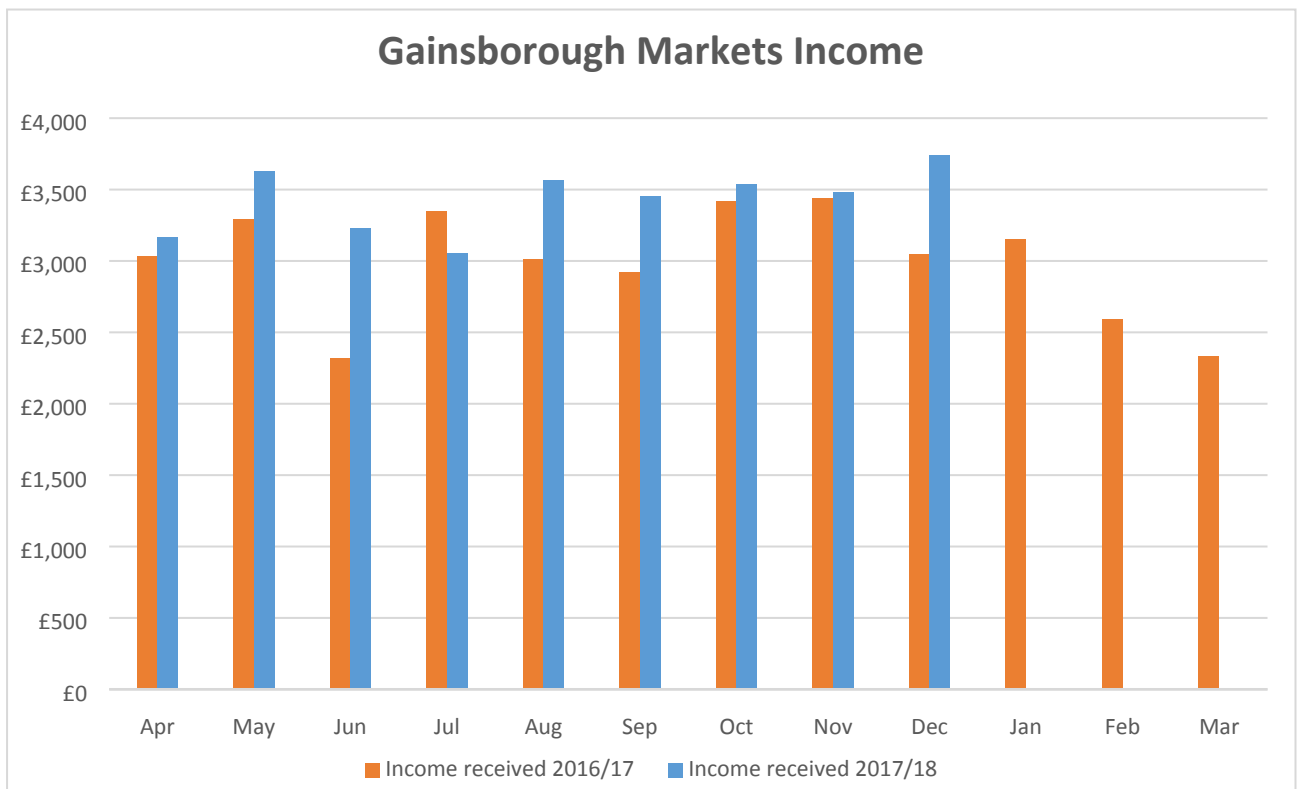
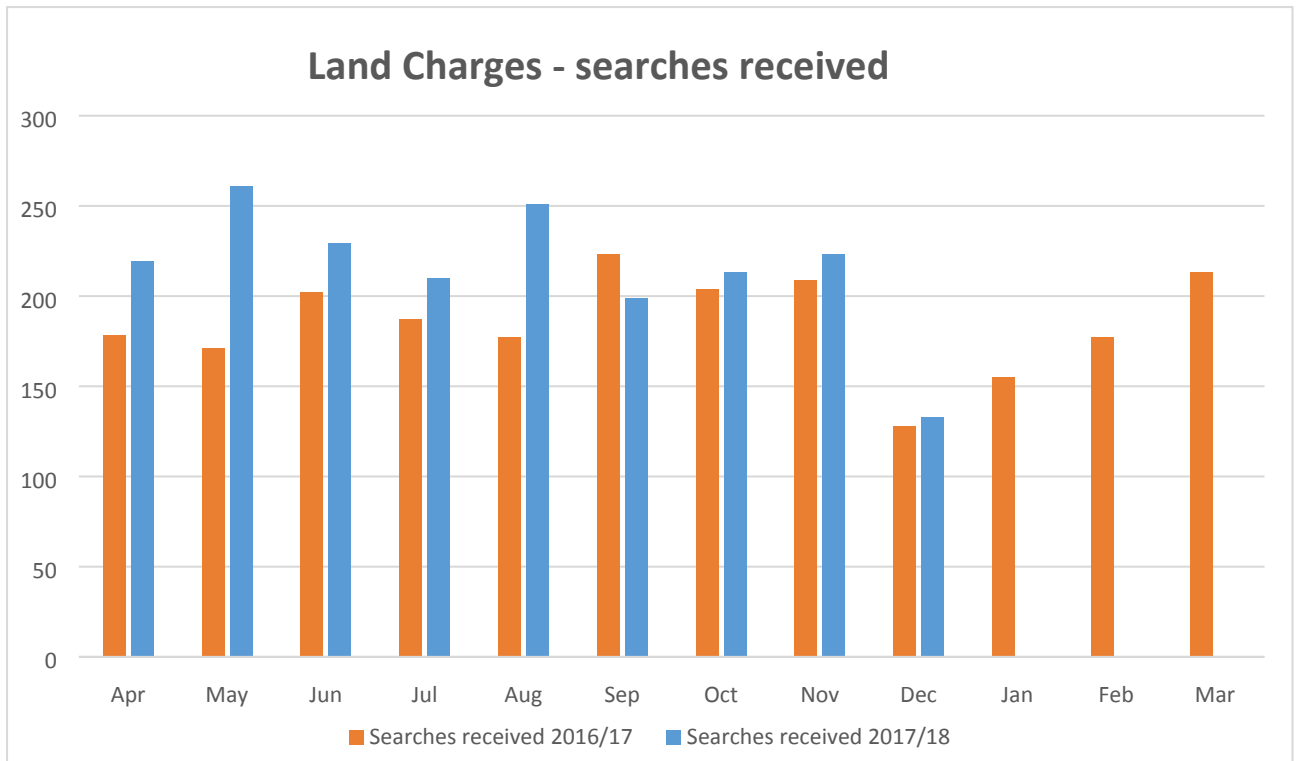
■ Income received 2016/17 ■ Income received 2017/18

Building Control Applications Received

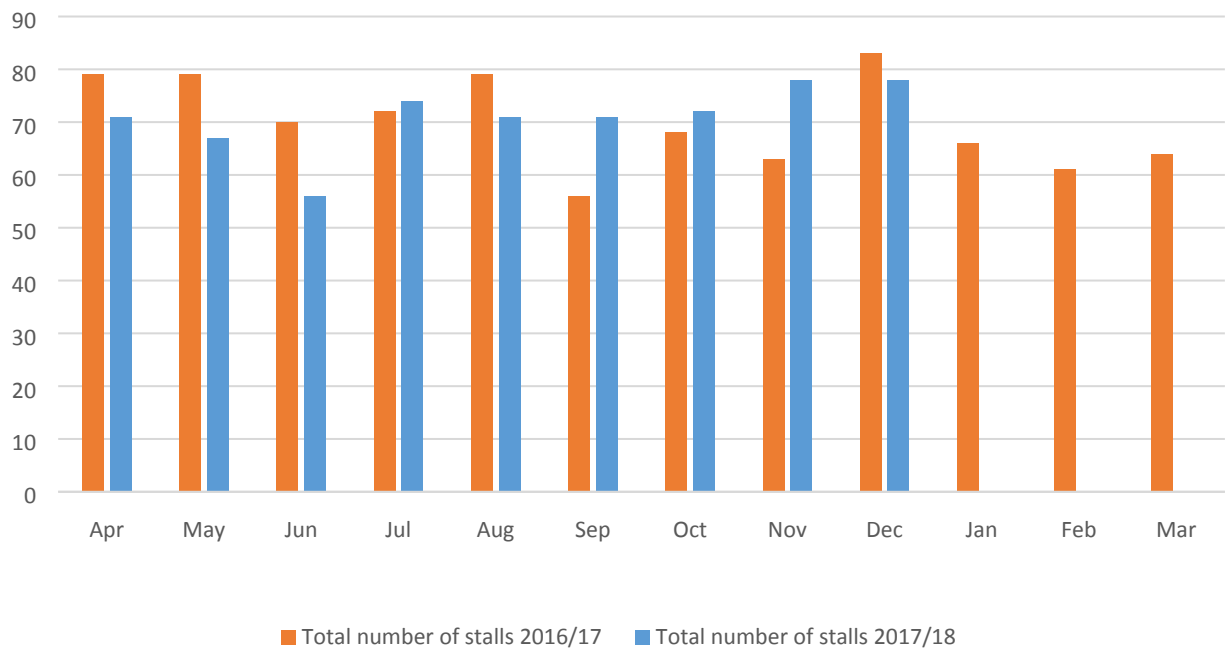


Land Charges Income

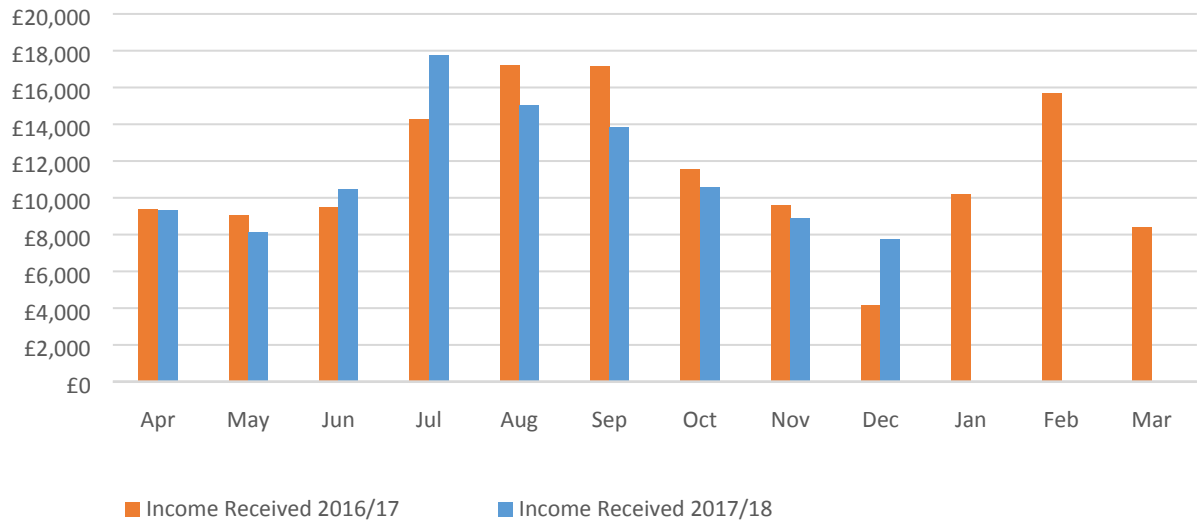




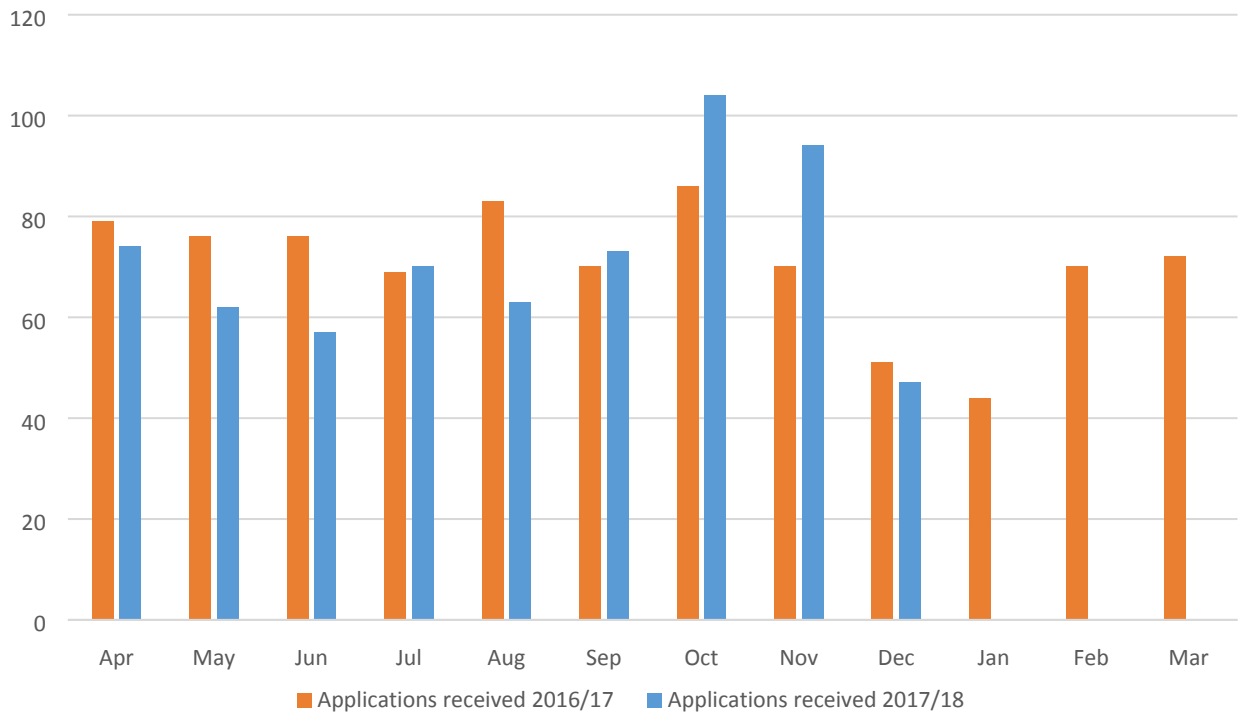
Gainsborough Market Number of Stalls



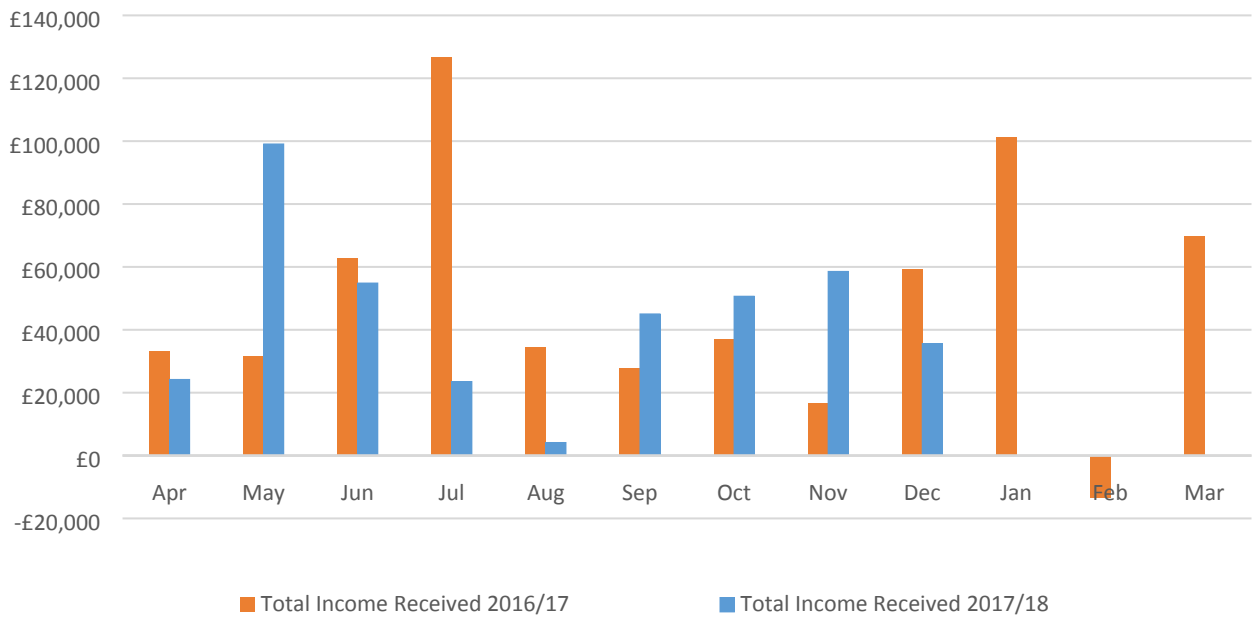
Licensing Income



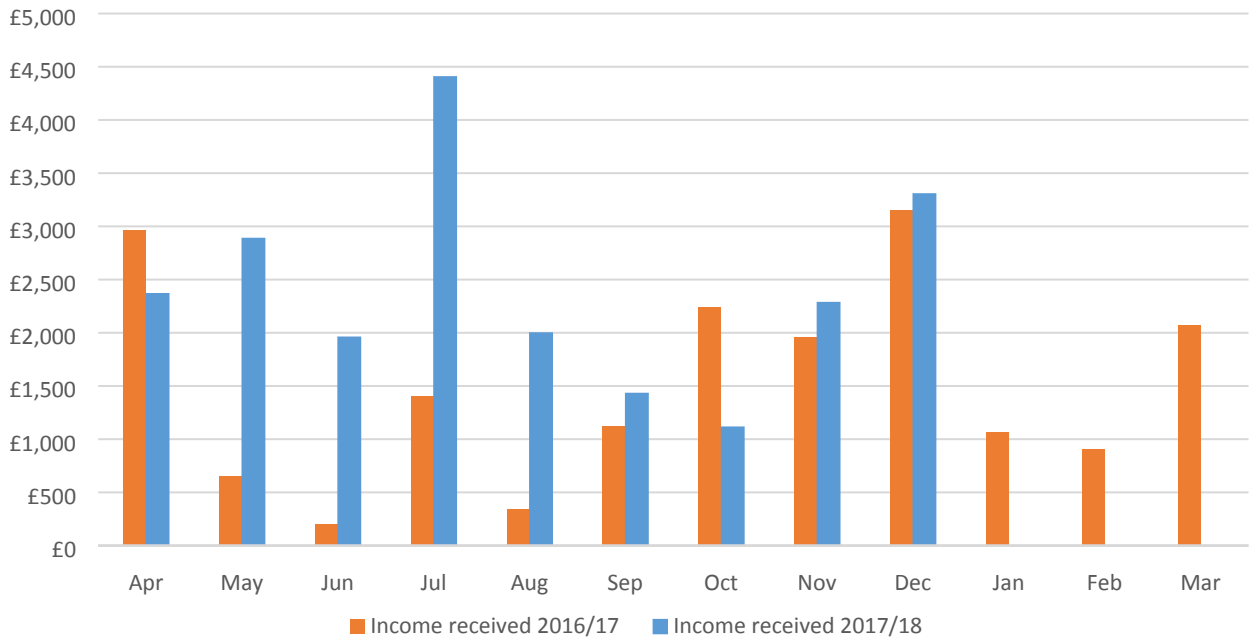
Licensing - Applications



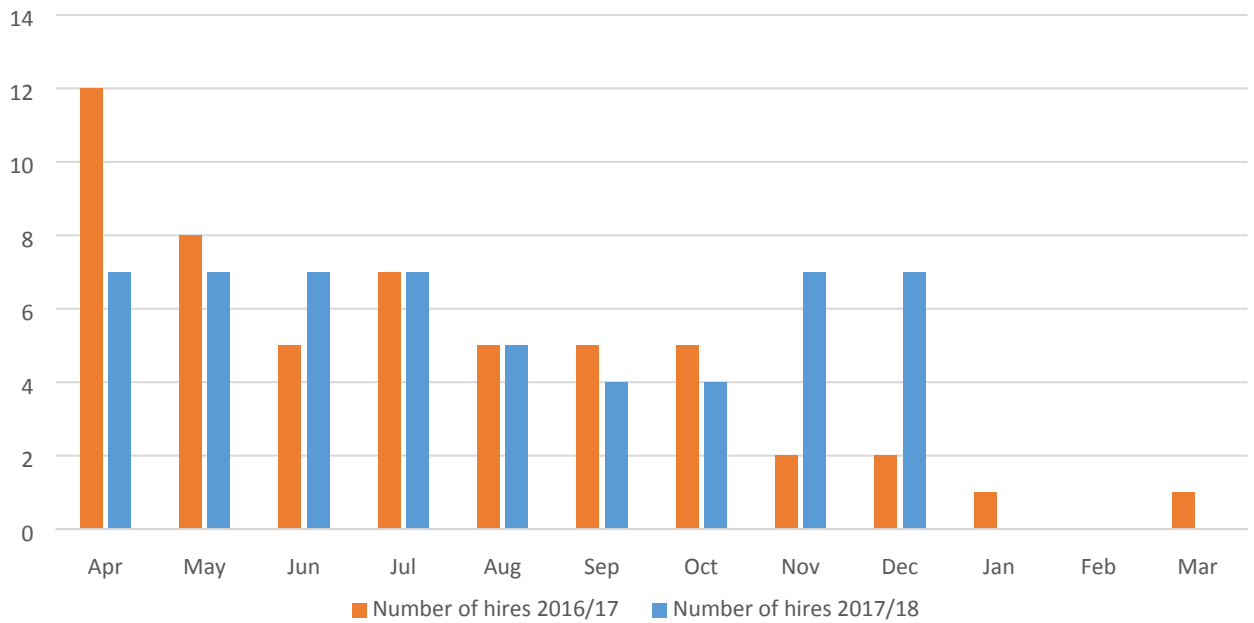
Gainsborough Property Income



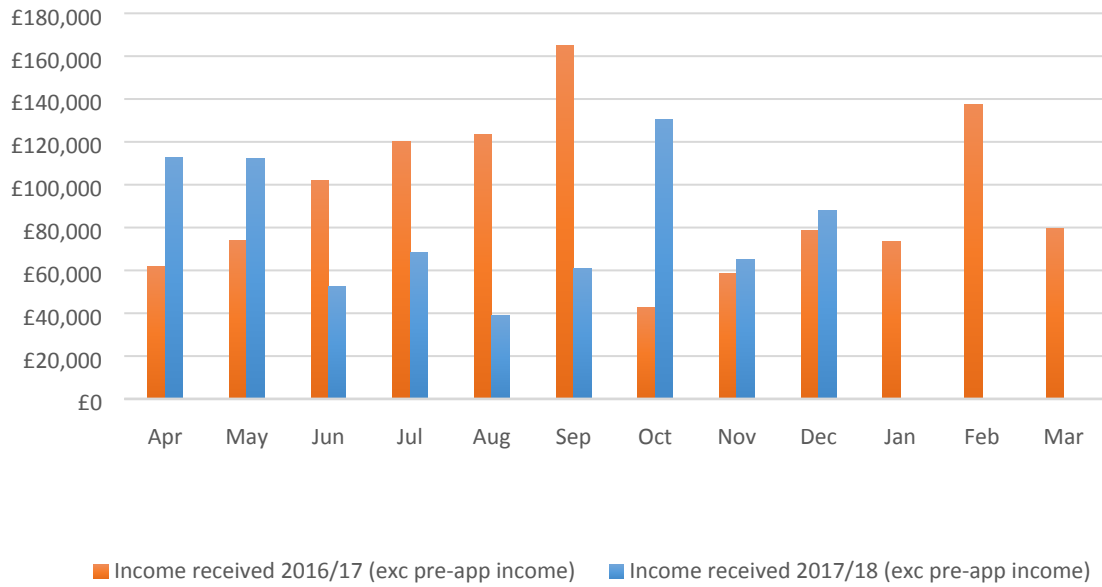
Trinity Arts Centre Income



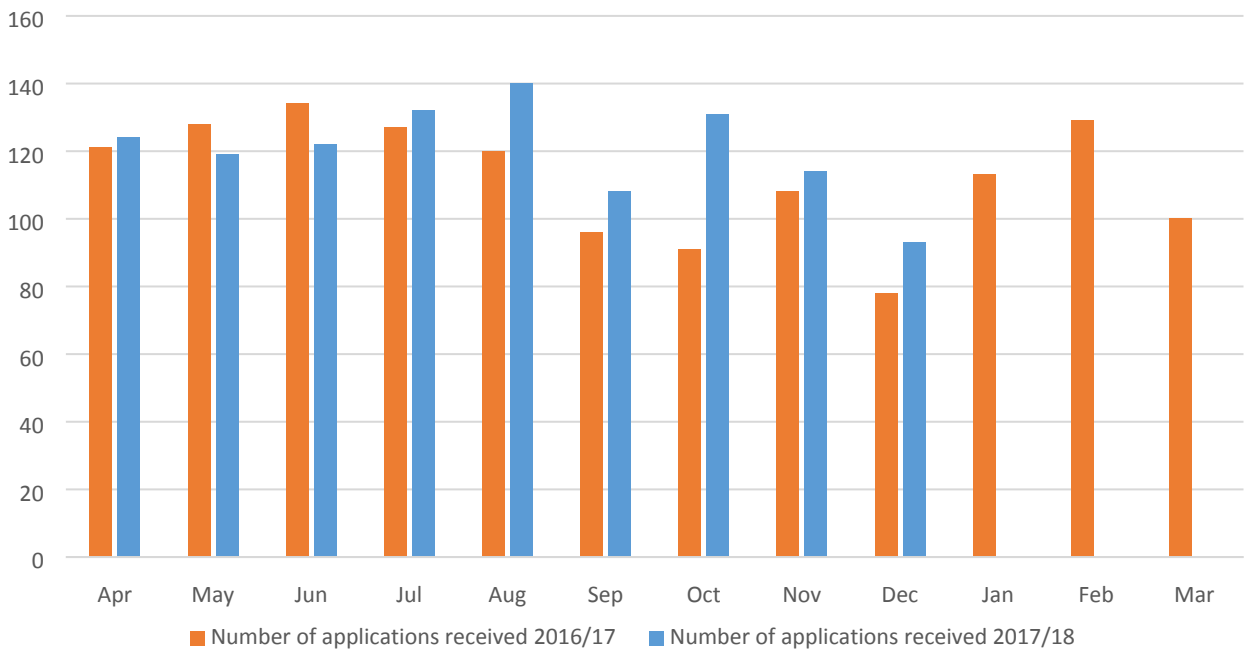
Trinity Arts - Number of hires



Planning Income



Planning applications received



Fees and Charges 2018/19 Appendix C

Prosperous Communities Committee

Planning Applications

2017/18	Proposed Increase		2018/19	VAT Amount	2018/19 Charge Inc. VAT	VAT Rate
£	% Type	or £	£	£	£	

Outline Applications								
All types of building per 0.1 ha	Every 0.1 ha where the site does not exceed 2.5 ha	£385.00	20%		£462.00	£0.00	£462.00	OS
	Where the site exceeds 2.5 ha, £11,432 and an additional £138 for each 0.1 ha in excess of 2.5 hectares, subject to maximum in total of £150,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Full Applications and Applications for Approval of Reserved Matters following an Outline Permission								
Alterations/extensions to existing dwellings	Where the application relates to a single dwelling house	£172.00	20%		£206.00	£0.00	£206.00	OS
	Where the application relates to 2 or more dwellings houses	£339.00	20%		£407.00	£0.00	£407.00	OS
Erection of dwelling	Where the number of dwellings exceeds 50, £22,859 and an additional £138 for each dwelling in excess of 50 subject to a maximum in total of £300,000	£385.00	20%		£462.00	£0.00	£462.00	OS
Other buildings	Less than 40 m ² floor space created	£195.00	20%		£234.00	£0.00	£234.00	OS
	Between 40 and 75 m ² floor space created	£385.00	20%		£462.00	£0.00	£462.00	OS
	Every additional 75 m ² up to 3750 m ²	£385.00	20%		£462.00	£0.00	£462.00	OS
	Over 3750 m ² , £22,859 and an additional £138 for each 75 m ² in excess of 3,750 m ² subject to a maximum in total of £300,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Plant or machinery	Where site does not exceed 5 ha; per 0.1 ha	£385.00	20%		£462.00	£0.00	£462.00	OS
	Over 5 ha £22,859 and an additional £138 for each 0.1 ha in excess of 5 ha subject to a maximum in total of £300,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Agricultural Buildings	Less than 465 m ² floor space created	£80.00	20%		£96.00	£0.00	£96.00	OS
	Between 465 > 540 m ²	£385.00	20%		£462.00	£0.00	£462.00	OS
	Between 540 > 4215 m ² , £462 for the first 540 m ² then per additional 75 m ²	£385.00	20%		£462.00	£0.00	£462.00	OS
	Over 4215 m ² , £22,859 and an additional £138 for each 75 m ² in excess of 4215 m ² subject to a maximum in total of £300,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Glasshouses	No more than 465 m ² floor space created	£80.00	20%		£96.00	£0.00	£96.00	OS
	More than 465 m ² floor space created	£2,150.00	20%		£2,580.00	£0.00	£2,580.00	OS

		2017/18	Proposed Increase		2018/19	VAT Amount	2018/19 Charge Inc. VAT	VAT Rate
		£	% Type	or £	£	£	£	
Changes of Use								
A building of more than one dwelling	No of dwellings 50 or less	£385.00	20%		£462.00	£0.00	£462.00	OS
	More than 50 dwellings, £22,859 and an additional £138 for each dwelling in excess of 50 dwellings subject to a maximum in total of £300,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Use of Land for deposit of refuse or waste materials or deposit of material remaining after mineral extraction. Use of land for storage of minerals in the open	Each 0.1 ha of the site area, where the site does not exceed 15 ha	£195.00	20%		£234.00	£0.00	£234.00	OS
	Where the site exceeds 15 ha £34,934 and an additional £138 for each 0.1 ha in excess of 15 ha subject to a maximum in total of £78,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Other material change of use of building or land		£385.00	20%		£462.00	£0.00	£462.00	OS
No Buildings Created								
Ancillary to a dwelling		£172.00	20%		£206.00	£0.00	£206.00	OS
Car parks, service roads, accesses at existing developments		£195.00	20%		£234.00	£0.00	£234.00	OS
Exploratory drilling for oil/gas	Site area not exceeding 7.5 ha (per 0.1 ha)	£385.00	20%	£46.00	£508.00	£0.00	£508.00	OS
	Where the site exceeds 7.5 ha £38,070 and an additional £151 for each 0.1 ha in excess of the 7.5 ha subject to a maximum in total of £300,000	£115.00	20%	£13.00	£151.00	£0.00	£151.00	OS
Other Operations - Minerals Working	Site area not exceeding 15 ha (per 0.1 ha)	£195.00	20%		£234.00	£0.00	£234.00	OS
	Where the site exceeds 15 ha £34,934 and an additional £138 for each 0.1 ha in excess of the 15 ha subject to a maximum in total of £78,000	£115.00	20%		£138.00	£0.00	£138.00	OS
	In any other case £234 for each 0.1 ha of the site, subject to a maximum of £2,028	£195.00	20%		£234.00	£0.00	£234.00	OS
Advertisements								
Relating to the business on the premises		£110.00	20%		£132.00	£0.00	£132.00	OS
Advance direction signs to a business		£110.00	20%		£132.00	£0.00	£132.00	OS
Other advertisements		£385.00	20%		£462.00	£0.00	£462.00	OS
Prior Notifications and Approvals								
Agriculture, forestry or demolition proposals		£80.00	20%		£96.00	£0.00	£96.00	OS
Telecommunications		£385.00	20%		£462.00	£0.00	£462.00	OS
Proposed change of use to state funded school or registered nursery		£80.00	20%		£96.00	£0.00	£96.00	OS
Proposed change of use of agricultural building to a dwelling house and associated building operations		£172.00	20%		£206.00	£0.00	£206.00	OS
Permitted development rights removed (Article 4)					£96.00	£0.00	£96.00	OS
Other Applications								
Variation or removal of a condition		£195.00	20%		£234.00	£0.00	£234.00	OS
Non-profit making club, society, organisation or trust, providing sports or recreational facilities		£385.00	20%		£462.00	£0.00	£462.00	OS
Lawful Development Certificates - Existing development	For 50 or fewer dwellings	£385.00	20%		£462.00	£0.00	£462.00	OS
	For more than 50 dwellings, £22,859 and £138 for each dwelling over 50 up to a total maximum of £300,000	£115.00	20%		£138.00	£0.00	£138.00	OS
Lawful Development Certificates - Proposed development		Half the equivalent application fee						OS
Request for written confirmation of compliance with conditions	Alterations or extensions to existing dwellings	£28.00	20%		£34.00	£0.00	£34.00	OS
	In all other areas	£97.00	20%		£116.00	£0.00	£116.00	OS
Non-material amendment	Householder application	£28.00	20%		£34.00	£0.00	£34.00	OS
	In all other areas	£195.00	20%		£234.00	£0.00	£234.00	OS
Permission in principle	Per 0.1 ha				£402.00	£0.00	£402.00	OS

2.1 CAPITAL BUDGET MONITORING – Quarter 3

2.1.1 The Capital Budget forecast out-turn for schemes approved for spend (includes Stage 3 and Business as Usual) totals £10.553m against an original budget of £13.879m with pipeline schemes (Pre Stage 1, Stage 1 and Stage 2) expected to spend £0.298m (subject to future formal approval) This gives an overall total of £10.851m as detailed in the table below;

Corporate Priority / Scheme	Actuals to 31/12/2017	Original Budget	Revised Budget 2017/18	Forecast Outturn	Variance	Over/(Underspend)	Carry Forward Requests
Total Capital Programme Gross Expenditure - Stage 3 and BAU	4,940,323	13,879,400	11,407,250	10,553,245	(854,005)	(271,592)	(582,408)
Stage 2	17,992	2,276,800	808,000	168,000	(640,000)	0	(640,000)
Stage 1	47,521	2,435,000	415,000	30,000	(385,000)	(10,000)	(375,000)
Pre-Stage 1	0	1,539,000	100,000	100,000	0	0	0
Total Capital Programme Gross Expenditure	5,005,835	20,130,200	12,730,250	10,851,245	(1,879,005)	(281,592)	(1,597,408)

2.1.2 The capital programme spend to date is £5.006m against a revised budget of £12,730m. Expenditure is forecast to be £10.851m resulting in a £1.879m variance. Most of this underspend will be carried forward as part of the year end procedures and formalised through this Committee.

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

Capital Investment Programme 2017/18

Corporate Priority / Scheme	Stage	Actuals to 31/12/2017	Original Budget	Revised Budget 2017/18	Forecast Outturn	Variance	Comments
			£	£	£	£	
Open for Business							
Telephony	Stage 2	5,250	150,000	50,000	0	(50,000)	Cost expended to be transferred to revenue - Consultancy
Broadband	BAU	0	0	555,000	344,313	(210,687)	Project completed
People First							
Disabled Facilities Grants	BAU	431,547	601,400	470,500	470,500	0	All DFG budget to be allocated in line with policy
Independent Living	BAU	18,877	0	100,000	100,000	0	All IL budget to be allocated in line with policy
Customer Management	Stage 1	0	180,000	10,000	0	(10,000)	Project still being scoped - carry forward likely
Asset Management							
Capital Enhancements to Council Owned Assets	BAU	10,390	270,000	350,000	300,000	(50,000)	Identified repair works to the NWR Depot store sheds has been withdrawn at the request of Ady Selby who has advised that a new depot proposal is imminent. 50k saving has been identified in light of this. Works to commence on Leisure centre roofing, HRIE drainage, Backlog maintenance, Lidl car park resurfacing .
Carbon Efficiency Project	Stage 3	0	27,000	45,000	0	(45,000)	Approved programme of works to be progressed. Carry forward required
5-7 Market Place	Stage 1	0	100,000	0	0	0	Project did not progress
Development Loan	Stage 3	141,988	0	400,000	400,000	0	This loan is now being drawn down
Riverside Gateway - Lea Road School	Pre-Stage 1	0	300,000	0	0	0	Project closed
Hemswell Masterplan - Public Realm Improvements	Stage 2	0	70,000	0	0	0	Project carried forward into 2018/19
Commercial Investment	Stage 3	248,089	1,270,000	250,000	330,000	80,000	Project currently at RIBA stage 3, planning application has been submitted and detailed designs will be completed by the end of the financial year. Reprofile of project budget required
Caistor - South Dale Redevelopment	Stage 2	0	100,000	0	0	0	Bid for OPE grant to perform detailed study (decision Dec 17)
Bridge Street Extension	Stage 3	61,313	0	56,800	56,800	0	Project completed
Car Park Strategy Investment	Stage 3	0	130,000	0	0	0	Project carried forward into 2018/19
Leisure Facilities	Stage 2	1,041	800,000	500,000	0	(500,000)	Identification of sites and due diligence currently being undertaken, unlikely to acquire before year end. Money to be carried forward to next financial year
Commercial Investment - Property Portfolio	Stage 3	2,489,102	8,000,000	6,000,000	6,000,000	0	Property purchased and hopefully complete on another prior to year end
Central Lincolnshire Local Plan							
Gainsborough Growth Fund	Stage 3	11,639	175,000	78,200	26,720	(51,480)	it is envisaged that any outstanding grant will be claimed by the end of this FY. Any underspend to be carried forwards in new FY
Gainsborough Shop Front Improvement Scheme	Stage 3	0	0	80,000	15,000	(65,000)	Grant released in accordance with Grant Funding Agreement and evidenced of works.
WLDC Wider Heritage Scheme	Stage 2	0	60,000	0	0	0	Project carried forward into 2018/19
Gainsborough Heritage Regeneration - THI	Stage 2	0	91,500	0	0	0	Project carried forward into 2018/19
Unlocking Housing - Albion Works	Stage 2	0	0	0	0	0	Project carried forward into 2018/19, no expected spend until 14-16 months
Unlocking Housing - Living over the Shop	Stage 3	21,000	0	130,000	65,000	(65,000)	A pilot grant scheme for supporting the development of the upper floors of commercial premises into residential dwellings, the remaining balance needs to be carried forward and will be drawn down upon successful completion of 4 residential dwellings.
Riverside Gateway - Marina/Transformational Change	Stage 1	47,521	100,000	100,000	0	(100,000)	Will be used for legal advice mainly therefore revenue costs
Riverside North - Housing Zone	Pre-Stage 1	0	600,000	0	0	0	Project removed per the Unlocking Housing Programme
Gainsborough Regeneration - Dev Partnership	Stage 1	0	2,000,000	250,000	0	(250,000)	Carry forward required
Market Street - Joint Venture	Stage 3	250,000	0	375,000	375,000	0	A joint venture company with Dransfield Properties Ltd to regenerate empty properties in the town centre
Acquisitions	Stage 3	837,770	995,000	800,000	837,770	37,770	Property purchased
Viability Funding - Capital Grant	Stage 3	94,019	1,400,000	700,000	500,000	(200,000)	Work has commenced and grant claims now coming through, any remaining balance is to be carried forward
Market Rasen 3 year vision	Pre-Stage 1	0	150,000	0	0	0	Project carried forward into 2018/19
Wilson Street/Japan Road	Stage 2	0	0	158,000	158,000	0	All due diligence now completed, awaiting timescales from solicitor for completion.
Rural Transport	Stage 3	0	0	62,500	63,250	750	£23,250 due to be paid to LCC for new Call Connect vehicle in Jan/Feb 18. Remaining capital forms part of Access to Transport Fund available to support local transport projects above £10k in capital.
Private Sector Renewal	Pre-Stage 1	0	339,000	100,000	100,000	0	Policy to go to Committee in February 18. spend to be revisited in March 18.
Food Enterprise Zone infrastructure	Stage 2	11,700	1,005,300	100,000	10,000	(90,000)	Additional design work has been commissioned to facilitate delivery of access road and Right Turn Lane at the FEZ site. other minor technical works may be required as a result of completed Technical Solution to Utilities and Services. Carry forward required.

Capital Investment Programme 2017/18

Corporate Priority / Scheme	Stage	Actuals to 31/12/2017	Original Budget	Revised Budget 2017/18	Forecast Outturn	Variance	Comments
Excellent, VFM Services							
Vehicle Replacement Programme	BAU	258,385	255,000	307,600	285,000	(22,600)	2 x bin lifts still to be fitted and 2 vehicles to be resprayed. Balance to be carried forward - analysis to be done on demand of new green waste charges
Replacement Planning/Building Control/Land Charges System	Stage 3	11,954	20,000	135,400	12,000	(123,400)	Project ceased
Desktop Refresh	BAU	0	185,000	185,000	185,000	0	The desktop refresh is due to start around January with a view to having replaced the existing devices by the end of the financial year. This project may be pushed back to allow for the Office 365 project to complete first.
Commercial Loans	Stage 3	33,000	500,000	200,000	66,667	(133,333)	Hillcrest Loan to be drawn down via 3 equal payments in March 18; June 18 and Aug 18. First payment due March - £66,667. This is subject to satisfaction of pre-conditions. There is a risk that if these conditions are not satisfied, the loan cannot be paid this financial year and a revised payment schedule will need to be agreed. At this stage £133,333 will need to be carried forward
Replace IDOX Scanner	Stage 1	0	10,000	10,000	0	(10,000)	Our options around Office 365 and the migration from Idox to Sharepoint is being considered. No decision has been reached as yet as regards whether a replacement scanner will be required in the future. The decision is now likely to be made in March 2018.
Civic Enhancements	Stage 3	10,500	51,000	40,500	34,475	(6,025)	Car purchased and delivery is imminent
Website Replacement	BAU	10,750	0	10,750	10,750	0	Project completed
Email Upgrade	Stage 1	0	30,000	30,000	30,000	0	This is being incorporated into the Office 365 project, work starting January 2018.
Financial Management System	Pre-Stage 1	0	150,000	0	0	0	Project carried forward into 2018/19
Replacement Housing Register & Homelessness IT System	Stage 3	0	0	75,000	75,000	0	Awaiting contracts to be signed, system to be implemented by the end of March 18
Public Sector Hub	Stage 1	0	15,000	15,000	0	(15,000)	Full carry forward requested
Total Capital Programme Gross Expenditure		5,005,835	20,130,200	12,730,250	10,851,245	(1,879,005)	

2.2 Capital Programme Update 2017/18

2.2.1 The Better Care Grant Funding of £602k has now been confirmed. This grant is used to support Disable Facilities Grants, however for 2017/18 up to 18.5% can be utilised to support strategy and policy development. Monies have now been moved to revenue to cover these salaries.

2.2.2 Investment in commercial property is ongoing with a number of opportunities being evaluated and it is hoped further bids will be successful.

2.2.3 In December the old Lidl building in Gainsborough was acquired at a cost of £800k + costs as part of the Gainsborough Growth Programme.

2.2.4 The following projects have been transferred from the current capital programme into the 5 year MTFP:

Caistor – Southdale Development	£100k
Carbon Management Plan	£225k
Financial Management System	£150k

2.2.5 The acquisition of the former Lidl building was subject of a Commercial Business Case approved by this Committee. In relation to the Car Park this achieved much needed additional parking space for the Town Centre. Upon acquisition of the site it was evident that the car park could be reconfigured to maximise parking spaces in addition to improving surfacing. These ground works are estimated to cost £35k and approval to spend is requested, in accordance with Financial Regulations. Also approval to spend a further £11.3k on Bridge Street Car Park Extension due to contract pricing is required. These costs can be contained within the existing Capital Budget for Capital Enhancements of Council owned assets which is funded from the Facilities Management Earmarked Reserve.

2.2.6 We have been approached by Gainsborough Town Council to contribute towards the funding of a new conservatory at Richmond House (WLDC owned). The agreement would be an equal split between Gainsborough Town Council, Lincolnshire County Council and ourselves with a maximum limit of £20k each, approval to spend is requested, in accordance with Financial Regulations. The Conservation Officer is aware of intent and has visited site. These costs can be contained within the existing Capital Budget for Capital Enhancements of Council owned assets which is funded from the Facilities Management Earmarked Reserve.

2.3 Acquisitions, Disposals and Capital Receipts

2.3.1 The following asset was acquired in December 2017.

- Former Lidl site, Gainsborough: Purchase Price £800k + estimated costs £50k

2.3.2 There have been no asset disposals during quarter 3.

2.3.3 The total value of capital receipts at the end of quarter 3 was £438k this was mainly due to the settlement of the Quickline Loan (£271k), Disabled Facility Grant Repayments and income of £155k from the Housing Stock Transfer Agreement share of Right to Buy receipts.

3. TREASURY MONITORING – QUARTER 3 (April-December)

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (TMSS, annual and midyear reports). This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

4.1 There have been no breaches of Prudential Indicators as detailed at 4.5 below.

4.2 Interest received has been in excess of the 7 day average libid benchmark (0.17%) with an average yield of 1.16% (including CCLA) and 0.50% (excluding CCLA).

4.3 Interest Rate Forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

4.4 Investment in Local Authority Property Fund (CCLA)

The total the Council has invested now stands at £3m. Interest is receivable on a quarterly basis with Q3 due during January.

4.5 New External Borrowing

No borrowing was undertaken during this period.

4.6 Borrowing in advance of need

This Council has not borrowed in advance of need during the period ended 31 December 2017.

4.7 Compliance with Treasury and Prudential Limits

It is a 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 TMSS.

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

However, whilst low risk, a breach in the maximum amount invested in Certificates of Deposit was made on the 23 January 2018. In error an investment of £1m for a period of 1 month has taken the total amount invested to £2.5m, £0.5m above the approved limit of £2m. Appropriate action and a review of procedures has been undertaken to mitigate future breaches.

The prudential and treasury Indicators are shown below.

Treasury Indicator Forecasts	Original £'000	P1 £'000	Q2 £'000	Q3 £'000	Q4 £'000
Treasury Indicators					
Authorised limit for external debt	31,680	31,680	31,680	31,680	
Operational boundary for external debt	17,667	17,667	9,000	9,000	
External Debt	14,527	14,527	6,250	6,250	
Long term Leases	122	122	122	122	
Investments	(9,533)	(18,250)	(22,800)	(19,100)	
Net Borrowing	5,116	(3,601)	(16,428)	(12,728)	
Prudential Indicators					
Capital Expenditure	20,130	26,017	13,253	10,851	
Capital Financing Requirement (CFR)*	18,632	18,632	8,978	8,961	
Annual change in CFR*	11,870	11,870	7,760	7,742	
In year borrowing requirement	17,540	17,735	7,793	7,775	
Under/(over)borrowing	4,105	4,105	2,729	2,711	
Ratio of financing costs to net revenue stream*	5.99%	2.93%	0.31%	0.21%	
Incremental impact of capital investment decisions:					
Increase/Reduction (-) in Council Tax (band change per annum)	(£10.62)	(£1.80)	(£0.61)	(£1.07)	

4.8 Revised CIPFA Codes

In December, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments.

The Draft Treasury Management Strategy as presented to the Governance and Audit Committee includes these changes.

MIFID II

The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will have little effect on this authority apart from having to fill in forms sent by each institution dealing with this authority and for each type of investment instrument we use, apart from cash deposits with banks and building societies.

- 4.9** The Monthly Investment Review report for December is attached below;



West Lindsey District Council

Monthly Investment Analysis Review

December 2017

West Lindsey District Council Monthly Economic Summary

General Economy

Compared to November, in which we saw the first rate rise in a decade as well as a Budget, December was relatively tame. Most economic figures continued the trends we have seen throughout the year as markets and geopolitical positions generally remained unchanged.

The first economic release of the month was the Purchasing Manager's Index (PMI) survey for the manufacturing sector, which came in at a four year high of 58.2, exceeding polled expectations of 56.5. This figure suggests that growth in the sector has further accelerated in Q4, with sterling's slide seemingly providing ample support for manufacturers. Construction PMI also exceeded expectations of 51.0; the actual figure coming in at 53.1. Services PMI came in slightly below expectations of 55.0 at 53.8, however for many analysts this was arguably a simple reversal of October's sharp rise. The figure is still a little higher than Q3's average of 53.5. The survey did however suggest that cost pressures have intensified. A rise in input prices reversed some of the decline of previous months as a result of the recent rise in oil prices. Output prices also rose to their highest level since February 2008. However, with inflationary pressures caused by sterling's fall now starting to fade, commentators suggest that it should not be too long before pricing pressures begin to wane. The future activity component of the index also suggested that November's dip in sector activity could just be temporary, and that firms are not overly pessimistic about the near-term outlook. The rise in manufacturing and construction PMIs offset much of the weakening in services PMI, and the composite PMI points to Q4 GDP growth of 0.4-0.5%.

The headline inflation figure, Consumer Price Index (CPI), rose to 3.1%, its highest level in nearly six years, tightening the squeeze on households' spending. CPI was pushed up by the cost of air travel, computer games and chocolate as food costs reflected the impact of sterling's plunge after the 2016 referendum. Additionally, rising global oil prices suggested that factories were facing more price pressures. With inflation more than a percentage point over the Bank of England's (BoE) target of 2%, Bank Governor, Mark Carney, will have to write a letter to the Chancellor of the Exchequer, Philip Hammond, to explain how the Bank intends to respond to the elevated level of inflation.

Unemployment unexpectedly held at its four-decade low of 4.3% for October, against expectations of a further decrease to 4.2% according to a poll of economists. Employment figures dropped, suggesting employers are turning more cautious as the uncertainty over Brexit continued. Pay growth for British workers increased slightly in the three months to October, rising to 2.5% (including bonuses) against the previous month's 2.3%. No improvement had been expected, and while a welcome surprise wage growth is still being outstripped by inflation, meaning households are still feeling the squeeze as "real wages" are still negative.

As expected, the Monetary Policy Committee voted unanimously to keep the base rate at 0.5%, a month after raising them for the first time in more than a decade.

Public finances strengthened in November as tax revenues rose. The budget deficit edged down last month, boosted by robust income tax revenue and keeping finance minister Philip Hammond broadly on track to meet his new fiscal targets. Public sector net borrowing (excluding state owned banks) fell to £8.7 billion in November; 1.9% less than the same month last year and slightly below forecasts of it rising to £8.9 billion. In total, borrowing since the start of April 2017 has totalled £48.1 billion – 6.1% less than in the same period of 2016 and the lowest for

this point in the financial year since 2007. Looking ahead, January typically brings a big surplus in public finances as annual income tax bills fall due.

The final estimate for Q3 UK GDP affirmed growth to be at 0.4% q/q, with the annual figure upwardly revised, by 0.2%, to 1.7%. For the first time, the Office for National Statistics (ONS) has used VAT returns from hundreds of thousands of Small / Medium sized Enterprises (SMEs) in order to bolster the data used for estimating GDP. This boosted GDP growth by an average of 0.05% per quarter in 2017. Although this change did not affect the quarterly figure, it did boost the annual rate of growth.

Across the channel, Eurozone Q3 GDP was confirmed to be 0.6% q/q. Meanwhile, the annual figure was revised slightly higher, to 2.6%, an increase from the upwardly revised Q2 figure of 2.4% y/y.

In the USA, Q3 GDP was downwardly revised to 3.2%. However, this is still an increase from the Q2 GDP figure of 3.1% and the fastest rate since Q1 2015. Non-Farm Payrolls rose by 228,000 in November. US Unemployment remained unchanged in 4.1%. Average hourly earnings increased by 0.2% in the month. Meanwhile, President Trump signed his long awaited legislation for an overhaul of the tax system containing \$1.5 trillion in tax cuts.

Housing

House prices rose for the fifth month in a row according to Halifax. They rose 0.5% m/m in November, up from 0.3% in October. However, on an annual basis, they rose by 3.9%, down from a 4.5% rise in October.

Forecast

Neither Link Asset Services (LAS) or Capital Economics (CE) changed their bank rate forecasts during December. LAS suggest that the next interest rate rise will be to 0.75% in Q4 2018, with further rises of 25 basis points in Q4 2019 and Q3 2020. CE suggest further rises of 25 basis points in Q2 2018, Q3 2018, Q4 2018, Q2 2019 and Q4 2019.

Bank Rate	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Link Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.50%	0.75%	1.00%	1.25%	1.25%

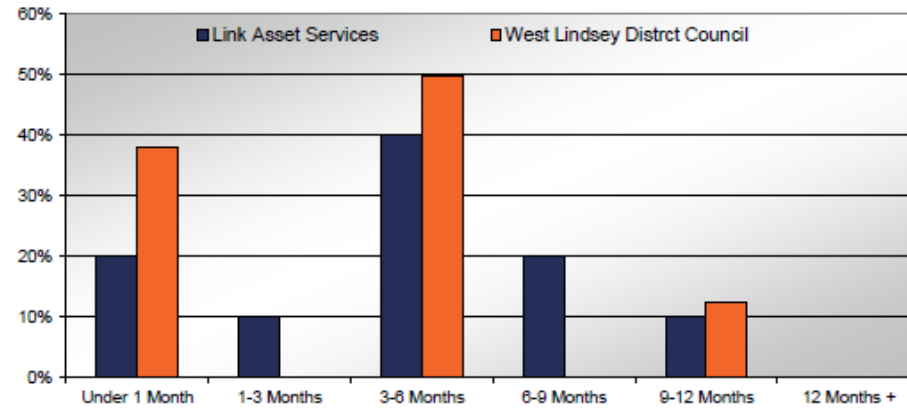
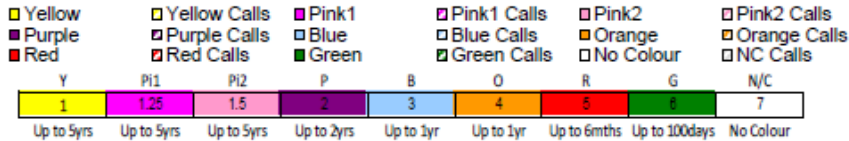
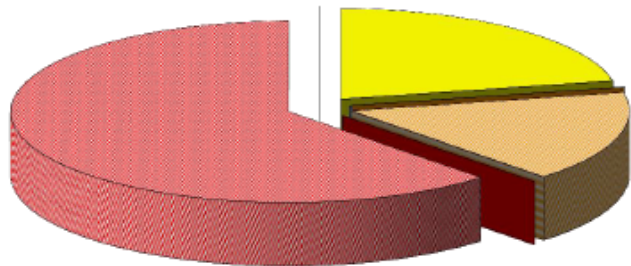
West Lindsey District Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Lloyds Bank Plc	2,600,000	0.40%		Call	A	0.000%
Calderdale Metropolitan Borough Council	1,500,000	0.38%	18/12/2017	04/01/2018	AA	0.000%
Rhondda Cynon Taf County Borough Council	2,000,000	0.42%	20/12/2017	04/01/2018	AA	0.000%
Goldman Sachs International Bank	5,000,000	0.48%		Call95	A	0.015%
Santander UK Plc	2,000,000	0.45%		Call120	A	0.019%
Santander UK Plc	1,000,000	0.55%		Call180	A	0.028%
Santander UK Plc	2,000,000	0.70%		Call365	A	0.056%
Borrower - Funds	Principal (£)	Interest Rate	Start Date	Maturity Date		
CCLA - LAPF	3,000,000					
Total Investments	£19,100,000					
Total Investments - excluding Funds	£16,100,000	0.48%				0.016%
Total Investments - Funds Only	£3,000,000					

West Lindsey District Council

Portfolio Composition by Link Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number = **3.97**

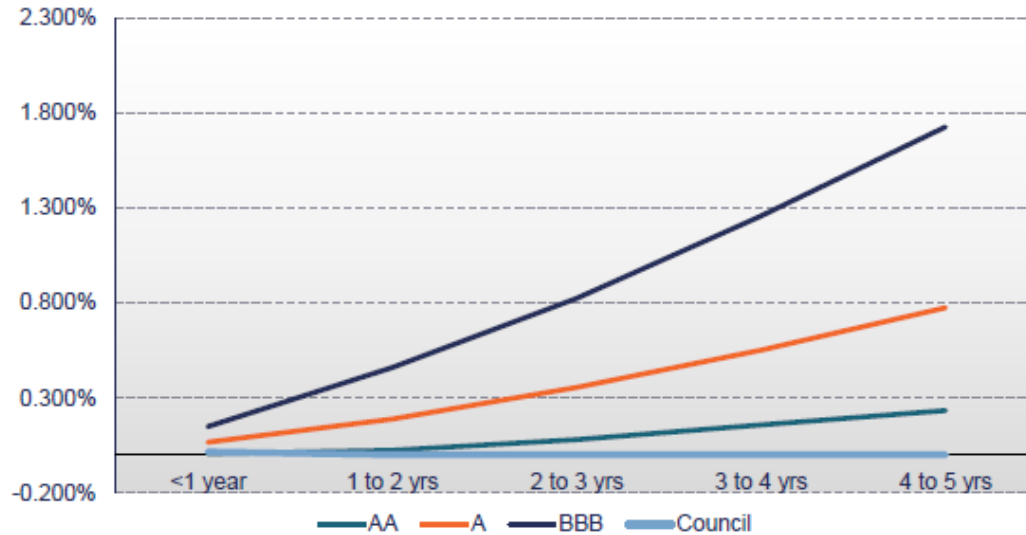
WARoR = Weighted Average Rate of Return
WAM = Weighted Average Time to Maturity

	% 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	WAM at Execution
Yellow	21.74%	£3,500,000	0.00%	£0	0.00%	0.40%	4	16	4	16
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	16.15%	£2,600,000	100.00%	£2,600,000	16.15%	0.40%	0	0	0	0
Red	62.11%	£10,000,000	100.00%	£10,000,000	62.11%	0.52%	163	163	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
Total	100.00%	£16,100,000	78.26%	£12,600,000	78.26%	0.48%	102	104	4	16

West Lindsey District Council

Investment Risk and Rating Exposure

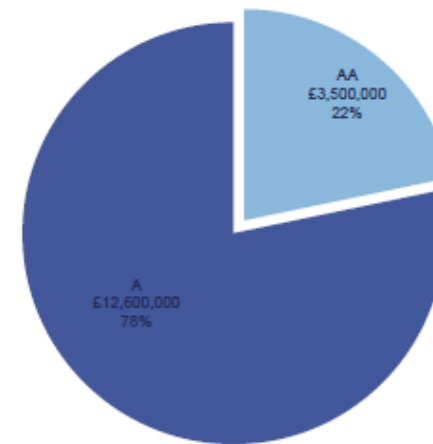
Investment Risk Vs. Rating Categories



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	0.007%	0.024%	0.081%	0.158%	0.234%
A	0.067%	0.189%	0.356%	0.551%	0.775%
BBB	0.150%	0.460%	0.824%	1.257%	1.726%
Council	0.016%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



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.

West Lindsey District Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
08/12/2017	1578	KBC Bank N.V.	Belgium	Long and Short Term Ratings were affirmed, Outlook on the Long Term Rating was changed to Positive from Stable.
13/12/2017	1580	Qatar National Bank	Qatar	Viability Rating affirmed and removed from Negative Watch.

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
07/12/2017	1576	Bank of America N.A.	United States	Long Term Rating upgraded to 'Aa3' from 'A1', removed from Positive Watch and placed on Stable Outlook. Short Term Rating affirmed at 'P-1'. Link Asset Services Colour based on Ratings changed to 'Orange' from 'Red'.
08/12/2017	1577	Clydesdale Bank PLC	United Kingdom	Long Term Rating upgraded to 'Baa1' from 'Baa2', removed from Positive Watch and placed on Positive Outlook. Short Term Rating affirmed at 'P-2', removed from Positive Watch.
12/12/2017	1579	Commerzbank AG	Germany	Long and Short Term Ratings were affirmed, Outlook on the Long Term Rating was changed to Positive from Stable.

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
				There were no rating updates from S&P over the month.