

**South Holland District Council**  
**Financial report for the Period ended 31 December 2020**

This report has five sections

- Section 1 – General Fund Revenue budget
- Section 2 - HRA Budget
- Section 3 – Reserves
- Section 4 - Capital budget
- Section 5 – Treasury update

**Section 1 – General Fund**

**Outturn Summary:**

The full year outturn based on current projections and assumptions is a forecast net service overspend in the General Fund of £551k, (4.4%) against the approved budget for 2020/21 of £12.552m, the overspend has reduced by £843k since the outturn position was reported to cabinet on 27<sup>th</sup> October 2020, and is comprised as follows:

**Table 1 – General Fund Revenue Outturn**

Directorate	Note	Revised Budget at Q3 £	Forecast Outturn at Q3 £	Forecast Variance at Q3 £	Forecast Variance at Q2 £	Movement Q2 to Q3 £
<b>Commercialisation</b>						
Commercialisation	1	389	407	17	59	(42)
Economic Development	2	114	144	30	15	15
Finance		1,215	1,215	0	0	0
Revenues and Benefits	3	379	830	452	291	161
<b>Commercialisation Total</b>		<b>2,098</b>	<b>2,596</b>	<b>498</b>	<b>365</b>	<b>133</b>
<b>Place</b>						
Asset and Property	4	284	279	(5)	(54)	49
Building Control	5	(24)	67	91	120	(29)
Communities	6	996	1,383	387	458	(71)
Housing	7	510	477	(33)	0	(33)
Environmental Services	8	3,807	4,105	298	396	(98)
Planning	9	2	(237)	(238)	86	(324)
Spalding Special Expenses		62	62	0	0	0
Investment Properties	10	(187)	(146)	41	28	13
Public Protection	11	441	461	20	48	(28)

Appendix A – Outturn Detail as at Quarter 3 2020/21

Directorate	Note	Revised Budget at Q3 £	Forecast Outturn at Q3 £	Forecast Variance at Q3 £	Forecast Variance at Q2 £	Movement Q2 to Q3 £
Town Centre Improvement Programme		0	0	0	0	0
<b>Place Total</b>		<b>5,891</b>	<b>6,451</b>	<b>560</b>	<b>1,082</b>	<b>(522)</b>
<b>Strategy &amp; Governance</b>						
Corporate Improvement and Performance		165	165	0	0	0
Communications	12	146	174	28	21	7
Corporate Management		583	583	0	0	0
Democratic and Legal Services	13	1,025	1,022	(3)	7	(10)
HR		348	348	0	0	0
ICT and Customer Services	14	1,281	1,304	23	3	20
Environmental Health Consultancy UK	15	39	60	22	4	18
<b>Strategy &amp; Governance Total</b>		<b>3,587</b>	<b>3,652</b>	<b>65</b>	<b>35</b>	<b>30</b>
<b>Statutory recharge to the HRA for support services</b>		(1,964)	(1,964)	0	0	0
Internal Drainage Boards and Parish Precepts		3,457	3,457	0	0	0
Investment Income	17	(383)	(244)	139	139	0
Increase/(Decrease) in impairment allowance	18	86	50	(36)	0	(36)
Transfer to/from earmarked reserves		773	773	0	0	0
Savings Requirement	19	(993)	(62)	931	931	0
<b>Total Cost of Services</b>		<b>12,552</b>	<b>14,709</b>	<b>2,157</b>	<b>2,552</b>	<b>(395)</b>
<b>Financing</b>						
Government Grants		(2,754)	(2,754)	-	-	-
Council Tax		(6,305)	(6,305)	-	-	-
Retained Business Rates		(3,493)	(3,493)	-	-	-
Local Authority COVID Support Grant	20		(1,606)	(1,606)	(1,158)	(448)

Directorate	Note	Revised Budget at Q3 £	Forecast Outturn at Q3 £	Forecast Variance at Q3 £	Forecast Variance at Q2 £	Movement Q2 to Q3 £
<b>Total Financing</b>		<b>(12,552)</b>	<b>(14,158)</b>	<b>(1,606)</b>	<b>(1,158)</b>	<b>(448)</b>
<b>Net Variance</b>		<b>-</b>	<b>551</b>	<b>551</b>	<b>1,394</b>	<b>(843)</b>

**Notes to Table 1:**

Significant variances are detailed in the notes below.

**Commercialisation and Growth**

1. **Commercialisation (£17k) favourable (Favourable Movement £42k).**
  - Saving for shared planning policy service with Boston Borough Council (£27k).
  - Favourable movement in forecast of (£93k) for employment costs arising from vacant posts in Planning Policy.
  - Delivery Unit, forecast income pressure of £55k, which has been reprofiled to future years.
2. **Economic Development £30k pressure (Adverse movement £15k).**  
Staff resources have diverted away from Grants for Growth work, that would be funded by grant, to Business Support Covid grants
3. **Revenues and Benefits £452k pressure (Adverse movement £161k).**
  - Council Tax Collection - Court income is nil since the lockdown came into effect. Courts have not been held £240k pressure (A £90k adverse movement).
  - Housing Benefit Overpayments recovery income was budgeted to be £350k, increasingly benefits are being administered by the Department for Work and Pensions under Universal Credit and as a result the income forecast from overpayments is reduced by £220k, an adverse movement of £70k.

**Place**

4. **Assets and Property (£5k) favourable (Adverse Movement of £49k).**
  - Estimated utility savings for vacant premises during pandemic (£25k). A favourable movement of (£6k).
  - Priory road ventilation capital program works (£83k) for enabling a Covid safer environment for the Council and its Priory Road tenants, which will be funded from the Covid-19 support grant.
  - Rent income pressure £20k, an adverse movement of £13k, in respect of garage income.
  - Priory Road Covid Secure installations £2k.

**5. Building Control £91k pressure (Favourable movement of £29k).**

- Building Control Fee and Consultancy income – a revised pressure of £56k revising the income forecast to £340k resulting from impact of pandemic on income from services, a favourable movement this quarter of (£19k) based on actual income to date.
- Land charges – a revised pressure of £24k revising the income forecast to £127k, which is a favourable movement this quarter of (£22k).
- Salary efficiency target adverse movement of £14k.
- Other saving (£2k) favourable movement.

**6. Communities £387k pressure (Favourable movement of £71k).**

- As previously reported the South Holland Centre had identified an additional pressure currently forecast at £155k. A favourable movement of (£16k), as a result of temporary closure in compliance with pandemic guidelines. The Arts Council for England have awarded a grant in support of the cost. Receipt of this grant has not been forecast until the final eligible claim has been determined.
- Leisure management cost pressure of £290k forecast as a result of temporary closure in compliance with pandemic guidelines, a favourable movement of (£7k). This takes account of support grant received and additional support costs to the service provider. This also includes forecast costs for implementing safer opening measures.
- Net saving of (£24k) from temporary closure to the public of Ayscoughfee Museum and Gardens, as a result of reduced spend on administration of now cancelled events, and forecast savings from temporary closure.
- Community Cohesion forecast a £21k pressure as a result of spend on Street marshals for safer high streets £10k, reduced court cost income £5k and non-achievement of salary efficiency target £7k. An overall adverse movement of £11k.
- Due to non-delivery of cultural and sports events a favourable movement of (£58k) is forecast.

**7. Housing £33k Favourable (£33k Favourable Movement)**

- Unbudgeted recovery of fees for administering Disabled Facilities Grants (£49k) favourable movement.
- Unplanned income from enforcement of improvement orders (£12k) favourable movement.
- Unbudgeted repairs to homelessness accommodation £28k.

**8. Environmental Services £298k pressure (Favourable movement £98k).**

- As reported at quarter 2 there has been a cost of additional freighters £59k and crew £50k to provide COVID-19 safe operating environment for waste collection service plus £14k for protective equipment. An adverse movement of £5k this quarter for additional forecast spend on protective equipment.

- Employee costs are forecast to be £126k less than budgeted (a favourable movement this quarter of £126k). In quarter 1 the pandemic impacted Environmental Services through lockdown and shielding. Crews have responded to ensure delivery of vital services. There has been a reduction in non-Covid related sickness and a reduction in the holiday taken in 2020/21. This along with the new Covid safe working patterns has meant that the budgeted spend to cover holiday and sickness for this financial year has been less than expected. There will be an impact through the need to fund cover in 2021/22 for the holiday that is carried over.
- Cleaning materials and cleaning staff £34k for Council facilities, a favourable movement of (£12k) following a review of costs as a result of the extended pandemic lockdown.
- A reduction in car parking income was forecast as a result of the charge free period in quarter 1 and potential reduction in ticket purchases due to COVID-19. This has been revised in quarter 3 to a forecast of £295k. A favourable movement of (£67k), which is being monitored closely with monthly usage numbers.
- Reduction in car park income processing fees of (£10k) due to reduced car parking fees paid by cash.
- A pressure of £87k has been forecast for Market operations as a result of the free market period and revision to fees 1st April - 30th September. This is an adverse movement of £12k from quarter 2.
- Environmental Service operations having benefited from a reduction in fuel price resulting in a favourable movement in forecast of (£53k), along with other reduced travel costs of (£14k) this is a favourable movement of (£37k) from quarter 2.
- Additional income forecast this quarter for bulky waste collection (£28k) for the year. A favourable movement of (£9k this quarter).
- Reduction in other income of £15k during the pandemic, an adverse movement of £10k this quarter.
- Bus Station income reduction of £5k as a result of reduced service levels during the pandemic
- As previously reported additional spend pressure forecast of £5k for garden waste purple sacks for full year.
- Forecast savings from vehicle maintenance operations (£31k), a favourable movement this quarter of (£19k).

**9. Planning (£238k) favourable (Favourable movement £324k).**

- Planning Application Fees forecast have improved since last reported following an increase in the number of applications and the receipt in December of a major application, the service is now forecasting (£150k) more than budget, which is a favourable movement (£277k) based on actuals to date.
- Staff posts held vacant forecast (£59k) saving, a favourable movement of (£34k) this quarter.
- Forecast agency staff saving (£5k) and a (£23k) reduction in supplier charges. A favourable movement of (£15k).

**10. Investment Properties £41k pressure (Adverse Movement £13k).**

- Reduction of £41k in forecast income from Industrial units as a result of pause on lease renewals during Pandemic and void premises, an adverse movement of £13k.

**11. Public Protection £20k pressure (Favourable Movement £28k).**

- A 20% reduction in year for licencing income has been forecast creating a pressure of £24k. Licencing Act income collection has been paused to be recovered later in year. County Council have paused the issuing of any new Taxi Licences, income has therefore been profiled for receipt from September 2020.
- £19k saving target pressure from delay in pre-planned Service Review. A (£7k) Favourable movement through achievement of Salary efficiency target.
- Favourable movement of (£23k) from reduced travel costs and other reduced spend.

**Strategy and Governance.**

**12. Communications £24k pressure (Adverse Movement £3k).**

- £21k for leaflet drop and COVID awareness measures.
- Adverse movement in other costs £3k

**13. Democratic and Legal Services (£3k) favourable (Favourable Movement £10k).**

- Covid related legal advice £12k, adverse movement of £5k.
- Saving from vacant post and reduced travel costs (£19k) favourable movement.
- Software related costs to support remote meetings £4k adverse movement.

**14. ICT and Customer Services £23k Adverse (Adverse Movement £20k).**

- Server Maintenance saving (£15k) Favourable movement.
- Unbudgeted costs of new Payroll system £29k and extension of CMS contract £8k, adverse movement £20k

**15. Environmental Health Consultancy £22k pressure (Adverse Movement £18k).**

- £22k Reduction in income & associated costs, as a result of no live course delivery, £18k adverse movement.

**Corporate and Financing**

**16. Investment Income £139k pressure (Nil Movement).**

- Markets rates have reduced since budget setting, forecast assumes the existing low rates continue for reinvesting maturing deposits.

**17. Decrease in Impairment allowance (£36k) reduced provision.**

- The provision for bad debt has been reviewed on the basis of better than anticipated performance of historic overpaid housing benefits. The review has resulted in removing the need for the budgeted (£36k) contribution to bad debt provision.

**18. Savings Requirement £931k pressure (Nil Movement).**

- As a result of the economic impact of COVID-19 there has been a delay to our efficiencies programme, revised plans and options have been developed for 2021/22. Savings achieved to date as a result of revisions in Environmental Services operations are forecast to be £62k.

**19. Government Grants – Local Authority COVID Support Grant (£1.399m) favourable (Favourable Movement £241k)**

- The Council has received COVID support grant of £1.158m in order to support additional costs associated with the COVID response, a fourth tranche received in the last quarter of £241k.

**Section 2 – Housing Revenue Account****Table 2 – Forecast Revenue Outturn**

<b>Service Area</b>	<b>Note</b>	<b>Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Variance £'000</b>
Rent Income – Dwellings		(15,049)	(15,055)	(6)
Charges for Services and Facilities	1	(1,176)	(1,205)	(29)
Contributions to Expenditure	2	(27)	(7)	20
<b>Total Income</b>		<b>(16,252)</b>	<b>(16,267)</b>	<b>(15)</b>
Repairs and Maintenance	3	2,894	2,264	(630)
Supervision and Management	4	2,932	3,050	118
Rents, rates, taxes and other charges	5	76	65	(11)
Depreciation		3,236	3,236	-
Movement in the allowance for bad debts		271	271	-
Statutory recharge to the HRA for support services		2,109	2,118	9
<b>Total Expenditure</b>		<b>11,518</b>	<b>11,004</b>	<b>(514)</b>
<b>Contribution from Operations</b>		<b>(4,734)</b>	<b>(5,263)</b>	<b>(529)</b>
Investment Income	6	(161)	(80)	81
Interest Payable on £67.456m		2,347	2,347	-
Capital expenditure charged in year		-	-	-
Other Adjustments		-	-	-
<b>Net (Surplus)/Deficit</b>		<b>(2,548)</b>	<b>(2,996)</b>	<b>(448)</b>

**Notes to Table 2:****1. Charges for Services and Facilities (£29k) favourable**

- Service Charge income forecasted increase of (£36k) to align to last year's outturn and current year actuals.
- Guest Rooms income is forecast to increase (£7k) following usage for homeless during Covid crisis.
- Reduction in Lifeline service income of £15k in line with year to date actuals and prior year outturn.

**2. Contributions to Expenditure (£20k) Adverse**

- Court Income £20k is not expected to materialise, but this will be offset by a similar reduction in costs on Supervision and management



### **3. Repairs and Maintenance (£630k) underspend**

- Spend is significantly down on budget (£545k), there have been a number of factors impacting the spend within the Housing Repairs service during 2020/21. The impact of new contracts have continued to deliver savings on both materials and contractors. There have also been additional savings from reduced reliance on vehicle hire following the delivery of the new fleet of housing repairs vehicles. In addition, there has been some periods of reduced service where only emergency repairs have been attended. Recharge income is down accordingly by £19k, leaving a net saving of £526k
- Fees for contractors have not materialised for similar reasons to repairs (£50k)
- Savings on Staff Travel due to Covid (£12k)
- Vehicle costs (Fuel and Repairs) are (£14k) less than budget due to lower mileage during Covid lockdown.
- Further savings are forecast on council Tax (£3k) (included in Operational buildings apportionment), Telephones (£13k), Cleaning (£2k) Stationery (£4k) Clothing (£2k).

### **4. Supervision and Management £118k overspend**

- Overspends on:
  - i. Covid safety measures and cleaning for Sheltered Housing communal areas £17k, Covid Security Costs for Sheltered Housing £32k, printing and distribution costs of Covid notices £4k.
  - ii. Language Line translation services £13k,
  - iii. Pooling Audit £5k
  - iv. Insurance Costs £24k
  - v. Year End Valuation Fees £10k
  - vi. Covid Hardship Fund to support Housing Services Tenancy Sustainability Policy £10k
  - vii. Accommodation Costs for tenants £15k
  - viii. PSPS IT Transformation £96k one off revenue expenditure.
  - ix. Manpower Costs £14K Housing Enabling, £11k Salary efficiency targets not met
- Underspends on:
  - i. Tenant Participation Costs (£17k)
  - ii. Alarm Monitoring Costs (£17k) – later than anticipated contract increase
  - iii. Legal Fees £21k see income in 2 above.
  - iv. Reduced staff travel costs (£14k)
  - v. Reduced spend on subscriptions (£6k)
  - vi. Reduced spend on staff training (£21k) as a result of cancellations due to Covid restrictions.
  - vii. Utilities – Forecast in line with last year and actuals to date (£36k)
  - viii. Project Management Income, slightly higher than anticipate due to rephasing of spend on capital projects £9K

**5. Rents Rates Taxes and Other Charges (£11k) underspend**

- Business Rates, Council Tax and rents forecasts revised to reflect current year actuals to date and prior year outturn (£10k).

**6. Interest and Investment Income £81k reduction in Income**

- Markets rates have reduced since budget setting, forecast assumes the existing low rates continue for reinvesting maturing deposits.

## Section 3 – Reserves

Table 3 - General Fund Reserves

The below table has been updated from quarter 2 to adopt the decision by Council at its meeting 23<sup>rd</sup> September 2020 to re-assign £234k to earmarked reserves from other specific reserves.

Reserve	Balance 31/03/2020 £'000	Transfer to Reserve (Contributions) £'000	Transfer from Reserve (Capital) £'000	Transfer from Reserve (Revenue) £'000	Balance 31/03/2021 £'000	Transfer details
Transformation	(141)	0	12	43	(86)	<p><b>Capital Spend</b> £2k Office 365; £10k Shared Public Protection Software</p> <p><b>Revenue Spend</b> £5k EHC Apprentice; £23k Interim Programme Manager; £15k National Graduate Trainee</p>
Investment and Growth	(5,174)	(1,152)	1,628	1,741	(2,957)	<p><b>Contributions</b> (£52k) Garden Waste; (£4k) Fleet Maintenance; (£29k) Leisure Management Return; (£1,067k) New Homes Bonus</p> <p><b>Capital Spend</b> £50k Castle Sports Hall; £43k South Holland Centre; £5k Electric Vehicle Charging; £36k Environmental Services; £1,100k Food Enterprise Zone; £10k Green Waste; £141k ICT Infrastructure; £7k Fleet Maintenance Vehicles; £7k Industrial Units -</p>

<b>Reserve</b>	<b>Balance 31/03/2020 £'000</b>	<b>Transfer to Reserve (Contributions) £'000</b>	<b>Transfer from Reserve (Capital) £'000</b>	<b>Transfer from Reserve (Revenue) £'000</b>	<b>Balance 31/03/2021 £'000</b>	<b>Transfer details</b>
						Railway Lane; £85k Priory Road Works; £144k PSPS Transformation Investment <b>Revenue Spend</b> £440k Future Towns; £23k Temporary Housing Resource; £15k Efficiency Programme; £500k Community Investment Fund; £120k Delivery Unit Contribution; £101k Asset Feasibility; £181k Digital Strategy; £20k Holbeach Electricity Infrastructure; £74k Homelessness; £11k Kings Road; £58k Asset Works; £95k Northern Spalding SUE; £20k Office 365; £23k Priory Road - Accommodation; £10k Programme Management Resource; £13k Windows Servers; £22k Shared External Grants Officer; £15k Strategic Leisure.
<b>Earmarked Grants</b>	(687)	0	0	86	(601)	<b>Revenue Spend</b> £29k Spalding Special Asset Works; £6k Planning; £51k Planning resource

<b>Reserve</b>	<b>Balance 31/03/2020 £'000</b>	<b>Transfer to Reserve (Contributions) £'000</b>	<b>Transfer from Reserve (Capital) £'000</b>	<b>Transfer from Reserve (Revenue) £'000</b>	<b>Balance 31/03/2021 £'000</b>	<b>Transfer details</b>
<b>Council Tax</b>	(1,931)	(49)	55	477	(1,448)	<b>Contributions</b> (£40k) District Elections; (£9k) Equipment Replacement Programme <b>Capital Spend</b> £40k Pride - Gladiator; £15k South Holland Centre <b>Revenue Spend</b> £3k South Holland Centre; £10k Noise Monitoring Equipment; £430 NNDR Deficit Funding; £29k Information Governance Officer; £5k IT Software Upgrade
<b>Replacement and Refurbishment</b>	(80)	(136)	0	100	(116)	<b>Contributions</b> (£136) Revenue Contribution - programmed maintenance <b>Revenue Spend</b> £77k Assets Programmed Maintenance; £23k Condition Surveys
<b>Total Specific General Fund Reserves</b>	<b>(8,013)</b>	<b>(1,337)</b>	<b>1,696</b>	<b>2,446</b>	<b>(5,208)</b>	
<b>General Reserve</b>	(2,078)	0	0	0	(2,078)	
<b>Total Reserves</b>	<b>(10,090)</b>	<b>(1,337)</b>	<b>1,696</b>	<b>2,446</b>	<b>(7,285)</b>	

**Table 4 – Housing Revenue Account Reserves**

	<b>Balance 31 March 2020 £'000</b>	<b>Contributions to Reserve £'000</b>	<b>Use of Reserve £'000</b>	<b>Balance 31 March 2021 £'000</b>	<b>Comments</b>
HRA Working Balance:	(19,809)	(2,996)	-	(22,805)	Transfer of HRA surplus to reserve
HRA Insurance Reserve	(200)	-	-	(200)	
Major Repairs Reserve	(3,586)	(3,236)	4,391	(2,431)	HRA depreciation contribution to MRR is used to fund the capital programme in future years. The transfer from MRR in-year was used to fund 2020/21 capital programme spend
	<b>(23,595)</b>	<b>(6,232)</b>	<b>4,391</b>	<b>(25,436)</b>	

## Section 4 – Capital

The Q2 Outturn presented at October Cabinet showed expenditure of £10.406m, the following items have been revised since that report:

Table 5 – General Fund Capital Programme movements

	Movement £'000
<b>2020/21 Capital Programme Budget as at 30<sup>th</sup> September 2020</b>	<b>10,406</b>
<b>Movements from previous forecast</b>	
Shared Public Protection Software	(34)
Food Enterprise Zone budget adjustment	39
Purchase of Property for Homeless Scheme	(2)
Gladiator Pavement Machine	6
Facility Services Vehicles	(21)
<b>TOTAL</b>	<b>(12)</b>
<b>New items to programme</b>	
Castle Sports Boiler – Wetside	50
South Holland Centre Emergency Lighting	43
<b>TOTAL</b>	<b>93</b>
<b>Reprogrammed to future years (reported in 2021/22 budget setting report)</b>	
Ayscoughfee Hall - Replacement LED Lighting	(40)
Industrial Units Sutton Bridge - Roof replacement	(93)
Industrial Units Railway Lane - Development of external compound	(50)
Crease Drove Industrial Units	(1,174)
Housing Infrastructure Funding (HIF)	(1,000)
Garden Waste Vehicles	(184)
Environmental Service Operational Vehicles	(163)
LGV Refuse Vehicles	(164)
Fleet Maintenance Vehicles	(62)
Welland Homes	(3,250)
<b>TOTAL</b>	<b>(6,180)</b>
<b>2020/21 Revised Capital Programme as at 31<sup>st</sup> December 2020</b>	<b>4,307</b>

Table 6 – General Fund Progress against 2020/21 approved capital programme

Scheme	2020/21 Revised Budget £000's	Forecast Outturn £000's	Forecast (under) / Over Spend £000's
<b>ICT</b>			
ICT Infrastructure	121	121	-
Shared Public Protection Software	21	21	-
Office 365 Additional Spend	2	2	-

Appendix A – Outturn Detail as at Quarter 3 2020/21

<b>Scheme</b>	<b>2020/21 Revised Budget £000's</b>	<b>Forecast Outturn £000's</b>	<b>Forecast (under) / Over Spend £000's</b>
PSPS Transformation Investment 60% GF	144	144	-
AIM Upgrade	20	20	-
<b>Total ICT</b>	<b>308</b>	<b>308</b>	<b>-</b>
<b><u>Assets and Property</u></b>			
Priory Road - Central Heating	68	68	-
Priory Road Ventilation Project	83	83	-
Priory Road - Fire Doors and Access	17	17	-
South Holland Centre	16	16	-
South Holland Centre Emergency Lighting	43	43	-
Castle Sports Boiler - Wetside	50	50	-
Industrial Units - Roof replacement	7	7	-
<b>Total Assets &amp; Property</b>	<b>284</b>	<b>284</b>	<b>-</b>
<b><u>Commercialisation</u></b>			
Capital Acquisition (Growth & Commercialisation)	1,000	1,000	-
Electric Vehicle Charging	21	21	-
<b>Total Assets &amp; Property</b>	<b>1,021</b>	<b>1,021</b>	<b>-</b>
<b><u>Economic Development</u></b>			
Grants for Growth	581	581	-
Food Enterprise Zone	1,061	1,061	-
<b>Total Economic Development</b>	<b>1,681</b>	<b>1,681</b>	<b>-</b>
<b><u>Environmental Services</u></b>			
Garden Waste	10	10	-
Grounds Maintenance	36	36	-
Environmental Services Operational Facilities	225	247	-
Fleet Maintenance Vehicles	21	21	-
Fleet Maintenance Vehicles	7	7	-
Gladiator Pavement Cleaning Machine	40	40	-
<b>Total Economic Development</b>	<b>318</b>	<b>318</b>	<b>-</b>
<b><u>Housing</u></b>			
Disabled Facilities Grants - Private Sector Housing	585	585	-
Decent Homes Unfit And Disrepair - Housing	75	75	-
Welland Homes	35	35	-
<b>Total Housing</b>	<b>695</b>	<b>695</b>	<b>-</b>
<b>Total</b>	<b>4,307</b>	<b>4,307</b>	<b>-</b>
<b><u>Financing of Approved Schemes</u></b>			
Internal Borrowing	(1,260)	(1,260)	-



Appendix A – Outturn Detail as at Quarter 3 2020/21

Scheme	2020/21 Revised Budget £000's	Forecast Outturn £000's	Forecast (under) / Over Spend £000's
Capital Receipts	-	-	-
Grants & Contributions	(1,350)	(1,350)	-
Direct Revenue Financing	(1,697)	(1,697)	-
<b>Total Financing of Approved Schemes</b>	<b>(4,307)</b>	<b>(4,307)</b>	<b>-</b>

**HRA Progress against 2020/21 approved capital programme**

The Q2 Outturn presented at October Cabinet showed expenditure of £12.077m, the following items have been revised since that report:

Table 7 – HRA Capital Programme movements	Movement £'000
<b>2020/21 Capital Programme Budget as at 30<sup>th</sup> September 2020</b>	<b>12,077</b>
<b>Reprogrammed to future years (reported in 2021/22 budget setting report)</b>	
Central Heating	(52)
Kitchens & Bathrooms	(295)
Doors & Windows	(2)
Flat Entrance Doors Sheltered Schemes	(309)
Smoke Alarms	(31)
Roofs & Gutters	(290)
Chimneys	(199)
Paths & Drives	(7)
Boundary Walls	(87)
The Square (Heritage Premises)	(473)
Car Parks	(42)
Housing IT System	(115)
South Holland Maintenance	(65)
Weston Redevelopment Scheme	(87)
Schemes Subject to approval	(2,185)
Purchase of Units (Schemes subject to approval)	(265)
Open Market properties (Schemes subject to approval)	(27)
<b>TOTAL</b>	<b>(4,531)</b>
<b>New items to program</b>	
Electrical Upgrades	75
<b>TOTAL</b>	<b>75</b>
<b>Movements from previous forecast</b>	
PSPS Transformation (moved to HRA revenue)	(96)
Major Adaptations	96
Wignals Gate S106 Acquisitions	(1,250)
<b>TOTAL</b>	<b>(1,250)</b>
<b>2020/21 Revised Capital Programme as at 31<sup>st</sup> December 2020</b>	<b>6,371</b>

Table 8 – HRA Progress against 2020/21 approved capital programme

Scheme	Revised Budget £000's	Forecast Outturn £000's	Forecast (under) / Over Spend £000's
<b><u>Decent Homes</u></b>			
Central Heating	870	870	-
Kitchen / Bathroom	1,100	1,100	-
Electrical Upgrade	75	75	-
Smoke Alarms	75	75	-
Roofs and Gutters	500	500	-
Chimneys	150	150	-
Paths and Drives	30	30	-
Boundary Walls	95	95	-
Fees	210	210	-
<b>Total Decent Homes</b>	<b>3,005</b>	<b>3,005</b>	<b>-</b>
<b><u>Major Area schemes</u></b>			
Sewage Treatment Refurbishment	225	225	-
The Square	673	673	-
Car Parks	92	92	-
<b>Total Major Area schemes</b>	<b>475</b>	<b>475</b>	<b>-</b>
<b><u>IT / System</u></b>			
ICT Strategy	123	123	-
Housing IT Systems	87	87	-
ICT Infrastructure	6	6	-
<b>Total IT / System</b>	<b>216</b>	<b>216</b>	<b>-</b>
<b><u>Aids &amp; Adaptations</u></b>			
Major Adaptations	486	486	-
<b>Total Aids &amp; Adaptations</b>	<b>486</b>	<b>486</b>	<b>-</b>
<b><u>Grounds Maintenance</u></b>			
Grounds Maintenance Equipment	13	13	-
<b>Total Grounds Maintenance</b>	<b>13</b>	<b>13</b>	<b>-</b>
<b><u>Affordable Housing</u></b>			
Weston Redevelopment Scheme	1,526	1,526	-
Purchase of units	15	15	-
Purchase of Open Market Properties	10	10	-
Wignals Gate S106 Acquisitions	610	610	-
Schemes Subject to Detailed Approval	15	15	-
<b>Total Affordable Housing</b>	<b>2,176</b>	<b>2,176</b>	<b>-</b>

Appendix A – Outturn Detail as at Quarter 3 2020/21

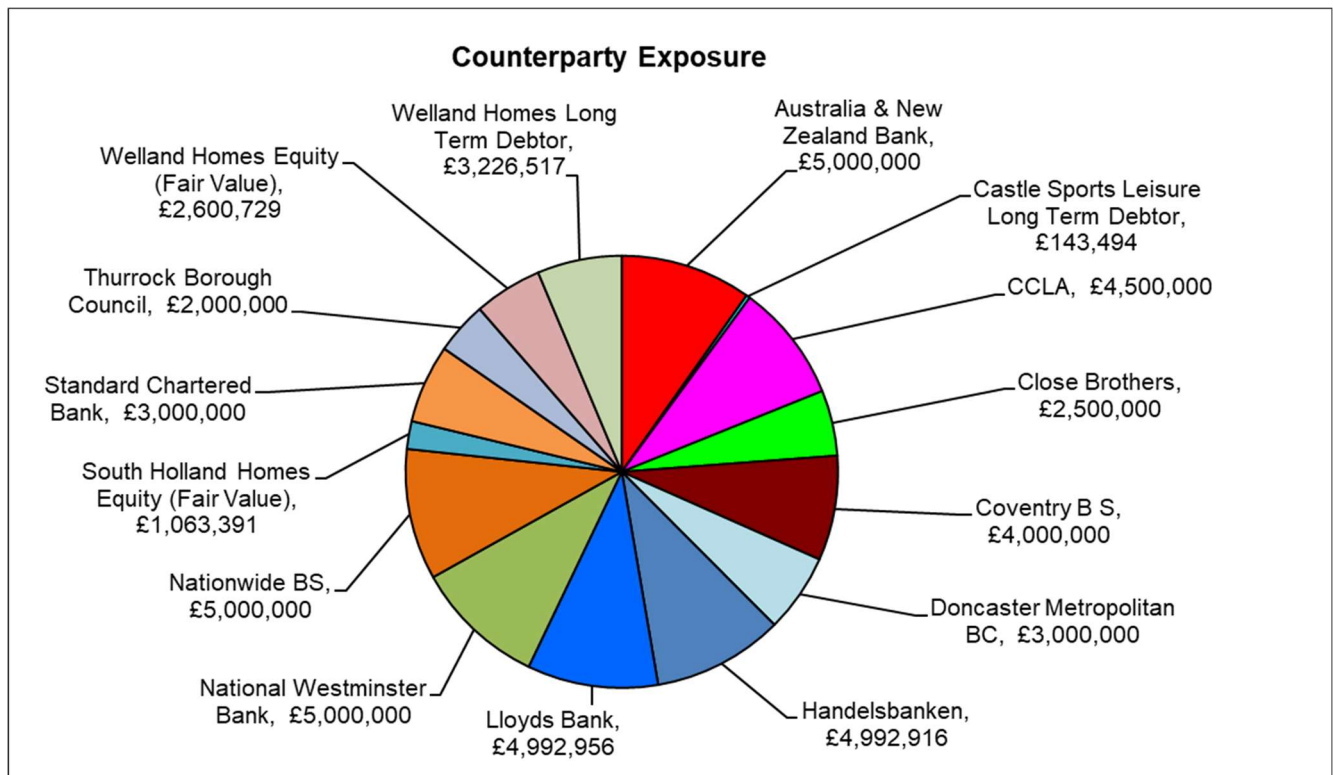
<b>Scheme</b>	<b>Revised Budget £000's</b>	<b>Forecast Outturn £000's</b>	<b>Forecast (under) / Over Spend £000's</b>
<b>Total</b>	<b>6,371</b>	<b>6,371</b>	<b>-</b>
<b><u>Financing of Approved Schemes</u></b>			
1-4-1 Receipts	(33)	(33)	-
Capital Receipts	(1,210)	(1,210)	-
Shared Ownership Sales Proceeds	(587)	(587)	-
Grants & Contributions	(190)	(190)	-
Major Repairs Reserve	(4,391)	(4,391)	-
Direct Revenue Financing	-	-	-
<b><u>Total Financing of Approved Schemes</u></b>	<b>(6,371)</b>	<b>(6,371)</b>	<b>-</b>

**Security**

The Council has not adopted any formal benchmarks for the management of risk as Officers believe that decisions on counterparties and maximum investment levels are adequate to monitor the current and trend positions and amend the operational strategy to manage risk as conditions change. The Council uses the creditworthiness service provided by Link Asset Services which provides a maximum duration for investments depending on the colour rating calculated for each financial institution.

All investments held by the Council were within the recommended maximum duration at the time the investment was made.

The chart below shows how the Council’s funds are spread between differing counterparties excluding accrued interest.



**Cash**

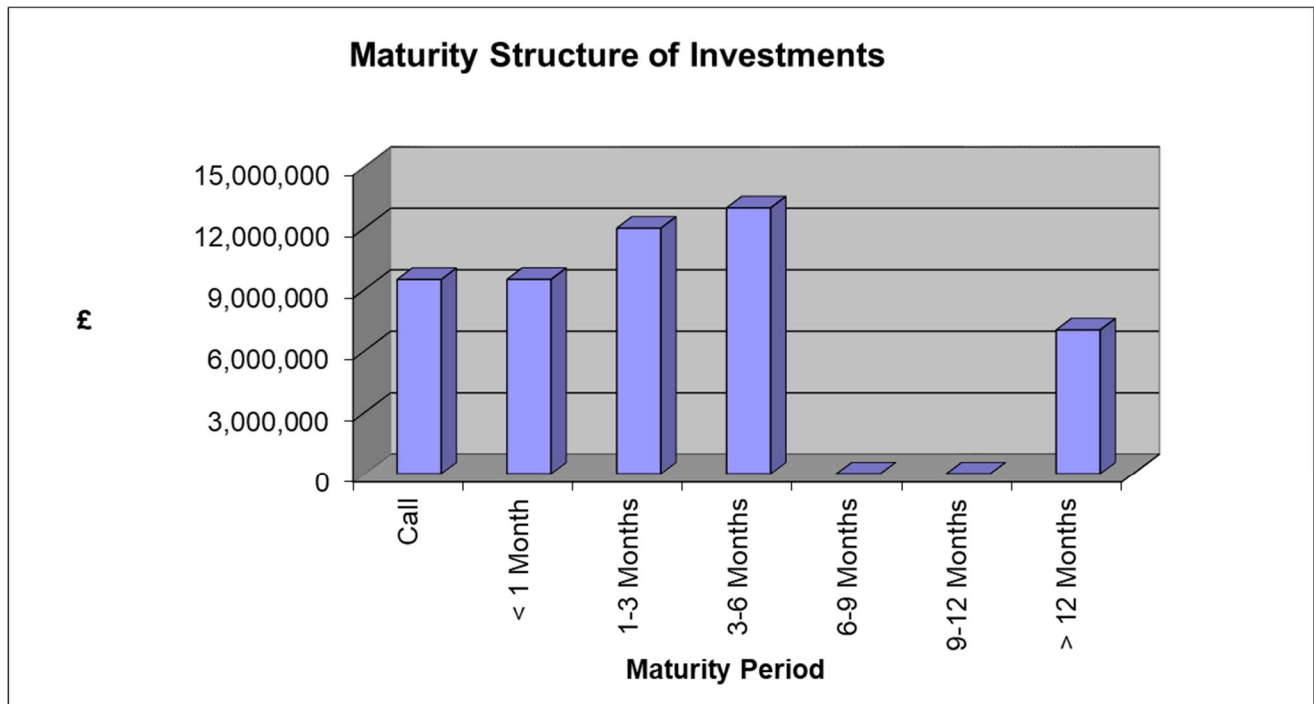
The Council’s average level of treasury deposits to 31<sup>st</sup> December 2020 was £50.37m and non-treasury deposits was £7.03m.

As at 31<sup>st</sup> December 2020 investments held were £51m of which £9.5m was instant access cash available to meet cash flow requirements. Other investments based on fair value were made up of:

- £29.5m - Short Term Investments up to 12 Months
- £5m – 95 Day Notice Account

Appendix A – Outturn Detail as at Quarter 3 2020/21  
 £2.60m - Welland Homes Equity  
 £1.06m – South Holland Homes Equity  
 £143k – Castle Sports Leisure (Long Term Debtor)  
 £3.23m - Welland Homes Loans (Long Term Debtor)

The chart below shows the amounts held in relation to the remaining period to maturity.



**Yield**

Budgeted Interest 2020/21	£544k (£383k GF and £161k HRA)
Actual Interest achieved to 31/12/20	£273k
Profiled budget to 30/09/20	£410k
Target yield (Average 3 month LIBID)	0.043%
Actual Yield achieved for 2020/21	0.674%
Actual Yield achieved for 2019/20	1.122%

As at 31<sup>st</sup> December 2020 investment interest was estimated to be £137k below the profiled budget. The COVID19 pandemic has seen interest rates in the market fall for new investments. Below is an indication of the levels achievable on new investments with financial institutions:

1 Month	0.01%
3 Month	0.02%
6 Month	0.05%
1 Year	0.10%

Estimated outturn for investment income currently stands at £325k (£245k GF and £80k HRA).

### External Borrowing

The Council borrowed £67.456m from the PWLB on 28th March 2012 to meet its obligations under the Housing Revenue Finance Reforms. This was borrowed for a period of 50 years on a maturity basis at a rate of 3.48%. No new borrowing has been undertaken during the financial year.

For reference purposes, the following chart shows the PWLB borrowing rates for new loans over the last 13 months.



PWLB borrowing rates were reduced by 1% on 26 November 2020 following the consultation on PWLB borrowing.