

APPENDIX A - South Holland District Council – Q2 Finance Report 2022/23

Finance Summary

- The revenue forecast shows a deficit position of £399k as at 30th September.
- The HRA is forecasting a reduced surplus against budget of £140k.
- General Fund Specific and general reserves of the Council are forecast to be £6.584m at 31 March 2023.
- HRA reserves are forecast to be £24.608m at 31 March 2023.
- General Fund Capital spend at the end of Quarter 2 was £6.056m against a full year budget of £12.820m.
- HRA Capital receipts for the year are forecast to be £1.678m. Total HRA capital resources at the end of 2022/23 are forecast to be £29.248m.
- HRA Capital spend at the end of Quarter 2 was £3.334m against a full year budget of £15.344m.
- The Council held investments of £48.6m as at 30 September 2022.
- Business Rates tables assume bad debt and provision for appeals and charges in year are as per the NNDR1.
- Additional pay pressures as a result of the pay award have been included based on Gross pay, National Insurance and pension contributions.
- Minimum Revenue provision needs to be considered on various schemes if not funded.

Section 2 – Finance

Section 2.1	Key Financial Issues in Quarter 2 of 2022/23
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Section 2.4	Capital Budget
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Section 2.1 – Key Financial Issues in Quarter 2 of 2022/23

- The forecast currently includes assumptions around expected increases in fuel costs within Environmental Services.
- The numbers of people seeking assistance for homelessness and where a duty applies has remained consistently above projected levels this quarter. This, coupled with rising emergency accommodation costs, has resulted in an overspend for Q2. Whilst officers continue to work through a range of measures with those seeking homelessness support, such as early prevention work with customers, it is identified that the budget for emergency accommodation will be under pressure for 22/23. With the costs of living rising, it is anticipated the number of approaches for homelessness support will continue to rise throughout the year potentially provided further budget pressure.
- The process of identifying the in year efficiencies is currently underway.
- Minimum Revenue Provision charge to the General Fund is not included in the outturn for unfunded purchased vehicles in 2021-22
- The worst case scenario based on the current capital and Reserve forecast has been used in the estimates outturn for both the General Fund and HRA.
- The use of shared resources between the alliance is currently being reviewed and will be updated in Q3.

Inflation	April (%)	May (%)	June (%)
CPI	9.0	9.1	9.4
RPI	11.1	11.7	11.8

Inflation	July (%)	August (%)	September (%)
CPI	10.1	9.9	10.1
RPI	12.3	12.3	12.6

Section 2.2 – Revenue Budget

Table 1 details the forecast outturn by Assistant Director. This is based on the Quarter 2 forecast position as at 30th September 2022 and is based on officers' projections for the remainder of the financial year which indicates a service overspend of £381k.

Table 1 – Projected Net Spend by Assistant Director Area				
Assistant Director	Revised Budget 2022/23 £'000	Forecast Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Corporate	2,401	2,436	35	Additional resources within Communications and ICT pressures because of shared management arrangements ending.
Economic Growth	133	171	38	Staffing changes and increased energy charges/equipment costs which will be incurred in Q3.
Finance	2,406	2355	(51)	Increased LCTS funding and assumptions on Rent rebate/allowances return.
General Fund Assets	477	455	(22)	
Governance	1,085	1,048	(37)	Staffing – Vacant posts and transport Savings
Leisure & Culture	763	763	-	
Neighbourhoods	3,883	3,984	101	Fleet Fuel pressures in Pride, Garden Waste and Environmental Services Operational. Assumes the current price experiences remain throughout the year.
Planning & Strategic Infrastructure	200	221	21	As a result of staffing Changes. Reduction of planning income compared to the last two quarters of 2021-22.
Regulatory	572	626	54	Shared Management arrangements ending.
Strategic Growth & Development	204	200	(4)	-

Table 1 – Projected Net Spend by Assistant Director Area				
Assistant Director	Revised Budget 2022/23 £'000	Forecast Outturn 2022/23 £'000	Variance (underspend)/ overspend £'000	Comments on main variances
Wellbeing & Community Leadership	945	1,135	190	The numbers of people seeking assistance for homelessness and where a duty applies has remained consistently above projected levels this quarter. This, coupled with rising emergency accommodation costs, has resulted in an overspend for Q2. Officers continue to work through a range of preventative measures. This is an increase of £164k for the same period compared to the previous year.
Covid Related Spend	2	3	1	
Effect of Pay award including NI and Pension	-	410	410	Potential impact of Pay award. Original allowance in the budget 2%. In addition, Gross Pay £310k, NI £43k and pension £56k. The calculation has included an average of assumed vacancies.
Sub Total – Assistant Directors – Net Costs	13,071	13,807	736	
Recharges to HRA	(3,076)	(3,076)	-	
Internal Drainage Boards and Parish Precepts	3,782	3,893	111	Overspend on drainage board levies in expected in 22-23 due to a 9.71% uplift vs the 6% budgeted. Budgeting Error.
Investment Income	(282)	(730)	(448)	Interest Rate increase resulting in more investment income. Detail in section 2.5. Go mid case
Impairment Allowance	-	-	-	
Capital Expenditure Charged In Year	2,561	2,561	-	
Transfers to/(from) Earmarked Reserves	(5,032)	(5,032)	-	
Efficiencies Requirement	(397)	(397)	-	See table 2
Other Income and Expenditure	(2,443)	(2,781)	(337)	
General Fund Budget net costs	10,627	11,026	339	
Council Tax	(6,859)	(6,859)	-	
Business Rates	(1,817)	(1,817)	-	Includes prior year adjustment which is funded from reserves above.
Government Grants	(1,951)	(1,951)	-	
Total Funding	(10,627)	(10,627)	0	
Total Budget - (Surplus)/Deficit	0	399	399	

The 2022/23 budget included an efficiency target of £397k, efficiencies forecast so far are:

Table 2 – Efficiency Description	Amount £'000	Comments
Ayscoughfee Gardens Water Bill Challenge	(35)	Historic Water Bill Challenge – should be recurring
Business Rates Relief – Sports Hall	(50)	Business Rates Relief
Additional S113 Recharges	(130)	Includes Gross Pay, National Insurance and Pension contributions for resource being shared within the partnership outside the management Team.
Total	(215)	
Target	(397)	
Efficiencies to be Identified	182	Work is ongoing to identify other opportunities.

Reserves

At 31 March 2023 specific reserves are forecast to be £4.506m, after a net transfer from reserves of £5.032m to cover future revenue and capital expenditure. **Table 3** reflects the forecast position.

Table 3 – Specific and General Reserves Balance Forecast				
Reserve	Balances at 1 April 2022 £'000	Forecast Contributions into Reserves £'000	Forecast Use of Reserves £'000	Forecast Balances at 31 March 2023 £'000
General Fund				
Council Tax	1,586	40	(8)	1,618
Investment and Growth	4,136	1,203	(2,763)	2,576
Replacement and Refurbishment	77	138	(177)	38
Transformation	97	-	-	97
Earmarked Grants	3,642	-	(3,465)	177
Specific Reserves Total	9,538	1,381	(6,413)	4,506
General Fund	2,078	0	0	2,078
Total	11,616	1,381	(6,413)	6,584
Housing Revenue Account				
HRA Working Balance	24,464	1,644	(1,700)	24,408
Insurance	200	-	-	200
Major Repairs	3,944	3,845	(7,789)	-
Total	28,608	5,489	(9,489)	24,608

Please note the following reserve movements that are due to take place in 2022/23:

- Council Tax
 - Additions – Elections
 - Use of reserve (Revenue) – Business Rates shortfall and noise monitoring equipment
- Investment and Growth
 - Additions – Repayment of Workshop van, Leisure management cost recovery, new homes bonus and green waste capital repayment.
 - Use of reserve (Revenue) – Corporate savings, temporary establishment funding, town centre improvement works, Spalding Cemetery and public conveniences.

- Use of reserve (Capital) – Priory Road, footway lighting, South Holland Centre roof, homelessness capital works, Crease Drove industrial units, environmental services vehicle and equipment replacement programme, ICT investment, Ayscoughfee capital works and West Marsh capital works
- Replacement and Refurbishment Reserve
 - Additions – General fund contribution
 - Use of reserve (Revenue) – Programmed use for asset maintenance
- Earmarked Grants Reserve
 - Use of reserve (Revenue) – Grants4Growth and Business Rates deficit.

Section 2.3 – Housing Revenue Account Budget

Table 4 – Projected Net Spend by Service Area				
Service Area	Revised Budget 2022/23 £'000	Forecast 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Rent Income – Dwellings	(15,910)	(15,911)	(1)	
Charges for Services and Facilities	(1,182)	(1,170)	12	£16k reduced income for Lifeline Charge as fewer tenants taking up the option), and Alarm charge income is up £5k.
Contributions to Expenditure	(5)	(21)	(16)	
Total Income	(17,097)	(17,102)	(5)	
Repairs and Maintenance	2,967	3,151	184	Repairs and Maintenance (£184k) overspend: Tenant turnover 30% higher than normal resulting in Increased number of Void occurrences £25k. Increased operating costs for responsive repairs as a result of raw materials costs and increased volumes £135k. £15K increased vehicle costs, mainly due to fuel price inflation.
Supervision and Management	2,776	2,908	132	Supervision and Management (£132k) overspend £79k Proposed projects within the PSPS transformation program, expenditure to be reviewed and reprofiled. Savings on Repairs within sheltered housing and community centres £70k Increased insurance claims cost £35k Right to Buy applications are high this year with 13 occurring up to the end of Q2, resulting in an increase in Legal Fees £15k pressure. £20K pressure on subscriptions, mainly due to increased cost per property for Housing Ombudsman membership. £70k pressure on Housing Infrastructure works. £116k pressure, loss of income in Housing delivery due to lack of capital projects being delivered

Table 4 – Projected Net Spend by Service Area				
Service Area	Revised Budget 2022/23 £'000	Forecast 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Rents, rates, taxes, and other charges	72	74	1	
Depreciation	3,845	3,845	-	
Movement in Allowance for bad debts	271	271	-	
Statutory recharge to the HRA for support services	3,047	3,047	-	
Effect of Pay award including NI and Pension	-	125	125	Includes Gross Pay (£95K), National Insurance (£14K) and Pension contributions (£16K).
Total Expenditure	12,978	13,421	443	
Contribution from Operations	(4,119)	(3,681)	438	
Investment Income	(12)	(310)	(298)	
Interest Payable	2,347	2,347	-	
Net (Surplus)/Deficit	(1,784)	(1,644)	140	

Section 2.4 – Capital Budget

This section covers:

- Revisions to the Capital Programme (General Fund Table 5 and HRA Table 8)
- Progress against the 2022/23 approved capital programme and the anticipated outturn (General Fund Table 6 and HRA Table 9)
- Financing of the Capital Programme (General Fund Table 6a and HRA Table 9a)

General Fund (GF) Capital Programme

Table 5 – General Fund Revisions to Capital Programme	£'000
2022/23 Revised Capital Program as reported at Quarter 1	12,670
Movements from Previous Forecast	
Changing places as agreed by Cabinet	150
Total	-
2022/23 Revised Capital Programme as at 30th September 2022	12,820

Table 6 – 2022/23 Capital Programme and Q2 Forecast Outturn

Scheme	Revised Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
ICT Infrastructure	365	7	365	-
Shared Public Protection software	-	6	6	6
Office ICT Equipment Refresh	66	-	66	-
PSPS Transformation	113	25	113	-
AIM Upgrade	20	-	20	-
Member IT Equipment Refresh	50	-	50	-
Technology Refresh for Meeting Rooms	27	27	27	-
Priory Road Projects	149	67	142	(7)
South Holland Centre Projects	77	-	77	-
Castle Sports Boiler	34	-	-	(34)
Swimming Pool Boiler	58	27	58	-
Castle Sports Pool Fire Alarm	9	-	40	31
Castle Sports Hot Water Pressurisation Replace	24	-	24	-
West Marsh Road Fire Alarm	13	-	13	-
West Marsh Road Electrical Rewiring	43	-	43	-
West Marsh Road Projects	85	-	85	-
Ayscoughfee Hall	209	158	209	-
Temporary Accommodation	31	-	31	-
Industrial Units	63	-	63	-
Bus Depot Resurfacing	75	-	100	25
Car Park Resurfacing	70	-	70	-
Footway Lighting	55	-	55	-
Spalding Cemetery	25	-	5	(20)
Moulton Park Play Area Development	100	-	100	-
New Sheep Market Toilets	200	-	200	-
Clear Old swimming pool Area	15	9	15	-
Changing Places	150	-	150	-
Capital Acquisitions	3,138	320	3,138	-
Electric Vehicle Charging	29	-	29	-
NSAP Property Acquisitions	84	4	84	-
RSAP Property Acquisitions	254	97	254	-
Kings Road Land Acquisition	105	78	105	-
Crease Drove Industrial Units	1,350	9	1,350	-
South Western Relief Road	1,000	-	1,000	-
Garden Waste	431	379	431	-
Grounds Maintenance	85	-	85	-
Environmental Services Operational	36	10	36	-
Fleet Maintenance Vehicles	69	37	69	-
Street Cleansing	35	109	109	74
Disabled Facilities Grants	1,522	283	1,522	-
Decent Homes	75	-	75	-
Welland Homes	2,234	-	1,200	(1,034)
Total	12,573	1,652	11,614	(959)

Additional Grant Funded Schemes

Table 6a – 2022/23 Additional Grant Funded Schemes				
Scheme	Revised Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
Grants for Growth	247	605	1,242	995
South Western Relief Road	-	3,799	6,912	6,912
Total	247	4,404	8,154	7,241

Combined Capital Programme

Table 6b – Total				
Total	Revised Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
Total	12,820	6,056	19,768	6,948

Table 6c – 2022/23 Capital Funding and Q2 Forecast Outturn				
Scheme	Revised Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
Borrowing	(6,835)	(691)	(5,801)	1,034
HRA Capital Receipts	(410)	-	(410)	-
Grants & Contributions	(2,074)	(4,687)	(9,904)	(7,830)
Direct Revenue Financing	(3,501)	(678)	(3,653)	(152)
Total	(12,820)	(6,056)	(19,768)	(6,948)

Table 7 – Capital Programme – Comments on Delivery	
Scheme	Comments
Changing Places	New item on the Capital Programme approved by Cabinet on 19 July 2022 financed by Government Grant
South Western Relief Road	All expenditure is grant funded by Decent Homes England
Kings Road	Additional Property Purchased

Housing Revenue Account (HRA) Capital Programme

Table 8 – HRA to Capital Programme		£'000
2022/23 Revised Capital Program as reported at Quarter 1		15,344
Movements from Previous Forecast		
Total		Nil
2022/23 Revised Capital Program as at 30th September 2022		15,344

Table 9 – 2022/23 HRA Capital Programme and Q2 Forecast Outturn				
Scheme	Revised Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
Central Heating	905	538	975	70
Kitchen/Bathroom	1,296	343	1,271	(25)
Electrical Upgrade	150	-	150	-
Renewable Energy	1,105	899	1,120	15
Smoke Alarms	183	(2)	159	(24)
Roofs and Gutters	969	285	980	11
Doors and Windows	12	-	-	(12)
Flat Entrance Doors Sheltered Schemes	561	7	561	-
Chimneys	218	178	250	32
Paths and Drives	129	4	136	7
Boundary Walls	178	25	104	(74)
Fees	219	-	219	-
Sewerage Treatment Plant	645	44	645	-
The Square	1,254	2	1,254	-
Car Parks	142	-	142	-
ICT Strategy / Infrastructure	257	17	201	(56)
Housing IT Systems Upgrade	12	1	12	-
Replacement Laptops	44	-	44	-
Technology Refresh for Meeting Rooms	18	11	18	-
PSPS Transformation		17	17	17
Major Adaptions	701	371	701	-
Sheltered Alarm Upgrade	785	45	785	-
Grounds Maintenance	21	-	21	-
South Holland Maintenance	65	-	65	-
Weston Development Scheme	13	-	13	-
Wignals Gate S106	1,077	313	1,077	-
Albion street Crowland	263	236	263	-
Scheme Subject to detailed approval	4,122	-	401	(3,721)
Total	15,344	3,334	11,584	(3,760)

Table 9a – 2022/23 HRA Capital Funding and Q2 Forecast Outturn				
Scheme	Approved Budget 2022/23 £'000	Actual 30 September 2022 £'000	Forecast Outturn 2022/23 £'000	Variance (under)/over £'000
Capital Receipts	(4,614)	(549)	(1,208)	3,406
Grants and Contributions	(887)	(675)	(887)	-
Major Repairs Reserve	(8,548)	(2,110)	(7,789)	759
Direct Revenue Financing	(1,295)	-	(1,700)	(405)
Total	(15,344)	(3,334)	(11,584)	3,760

Table 10 indicates the forecast capital resources for the HRA available to the Council at the end of 2022/23. The estimated position for the following two years is also provided.

Table 10 – Capital Resources HRA			
	2022/23 £'000	2023/24 £'000	2024/25 £'000
Capital Resources* available at start of each year	32,813	29,248	29,081
Capital Investment (estimate in future years)	(11,584)	(7,299)	(7,566)
Additional Sources of Finance			
- Capital Grants	887	-	-
- New Capital Receipts (estimate in future years)	1,678	1,188	1,188
- Funding from other reserves and internal borrowing			
- Major Repairs Reserve	3,845	3,921	3,997
- HRA Working Balance	1,609	2,023	2,130
- Transfer from Capital Reserve to support ongoing projects			
Estimated Capital Resources* at end of each year	29,248	29,081	28,830

* Capital Reserve and Capital Receipts

Right To Buy Receipts

Receipts from Right to buy Sales (How many) can be used for funding new house purchases within the HRA, but there is a time limit for these receipts to be used on new builds or acquisitions, or the money is payable to DLUHC. This limit was increased from 3 to 5 years in March 2021 and is calculated on an annual basis. There is currently no payback risk for SHDC at 31st March 2023. The next risk point will be 31st March 2024 . Up to 30th September there have been 13 Right to Buy sales. 32 RTB sales occurred in 2021-22 and 15 up to 30th September 2021.

Section 2.5 – Treasury Management

Investments at 30 September 2022

During the financial year, the Council has made investments in line with the agreed Treasury Management Strategy.

Detailed below are the investments held by the Council as at 30 September 2022 excluding accrued interest. Note this represents the position at this one point in time. The peaks and troughs in cash flow are managed on a daily basis. Because the Council collects money on behalf of other organisations which are paid out at future dates (e.g., Council Tax and Business Rates) the value of investments held at any point in time does not represent the value of SHDC's own resources.

Table 11 – Cash Investments as at 30 September 2022			
Financial Institution	Amount (£)	Maturity Date	Yield
Lloyds Current Account	299,767	Instant Access	2.15%
Handelsbanken Plc	2,503,198	Instant Access	2.08%
CCLA Money Market Fund	5,200,000	Instant Access	1.955%
Lloyds 95 Day Notice Account	5,001,574	95 Day Notice	0.70%
UK Debt Management Office	2,600,000	07/10/2022	1.87%
Bayerische Landesbank	3,000,000	07/10/2022	1.57%
Close Brothers	2,500,000	24/11/2022	1.30%
Standard Chartered	3,000,000	01/12/2022	1.67%
Standard Chartered	2,000,000	30/12/2022	3.53%
CIC Bank (CD)	3,000,000	01/03/2023	3.20%
National Westminster Bank (CD)	5,000,000	17/03/2023	1.71%
Close Brothers	2,500,000	23/03/2023	3.35%
Rabobank (CD)	3,000,000	31/05/2023	3.53%

Table 11 – Cash Investments as at 30 September 2022

Financial Institution	Amount (£)	Maturity Date	Yield
DNB Bank (CD)	4,000,000	31/08/2023	3.90%
Toronto Dominion Bank (CD)	5,000,000	28/09/2023	5.40%
Total	48,604,539		

In addition to the above investments, the Council has made loans to Welland Homes totalling £3,738,318 at a rate of 3.50%. These loans are classified as long term debtors in the financial statements.

The Council's equity stake in Welland Homes based on fair value was at £3.672m as at 31 March 2022. No further equity investments have been made to 30 September 2022.

Also, the Council's equity stake in South Holland Community Housing Company based on fair value was £1.169m as at 31 March 2022. No further equity investments have been made to 30 September 2022.

The matured loans on the 7th October have been re-invested at a rate of 5.17% during Quarter 3.

Table 12- Maturity Structure as at September 2022 (incl. Welland Homes)

Duration	Amount (£)	Percentage of Total
Less than one week	8,002,965	15%
Less than one month	5,600,000	11%
One to three months	7,500,000	14%
Three to six months	15,501,574	30%
Six to nine months	3,000,000	6%
Nine to twelve months	9,000,000	17%
More than twelve months	3,738,318	7%

Return on Investments

The Council's 2022/23 budget for investment income is £294k. At the end of September 2022 annual investment income was £341k.

Treasury investments achieved an average rate of 1.126% to September 2022. The benchmark average 3-month SONIA rate was 1.701% as at September 2022.

Welland Homes investments have achieved an average rate of 3.5%.

The combined rate achieved on all investments was estimated to be approximately 1.295%.

The outturn for investment income for 2022/23 has been calculated under various scenarios and subject to a lot of assumptions. The final position is likely to be more favourable but is dependent on the outturn of the Capital Programme.

External Borrowing

The Council has £67.5m of external borrowing as per the table below.

Entity	Amount (£)	Start Date	Maturity Date	Rate
Public Works Loan Board	67,456,000	28/03/2012	28/03/2062	3.48%

Interest costs for the 2022/23 financial year will be £2.347m on this borrowing.

Public Works Loan Board (PWLB) Borrowing Rates

PWLB borrowing rates have been rising sharply during the first half of the financial year resulting from increases to the Bank of England base rate and the concerns around inflation levels. The 50 year PWLB certainty rate was 4.19% as at 30 September 2022.



Summary

Interest rates have continued their rising trend with the Bank of England increasing the Base Rate from 1.75% to 2.25% on 22 September 2022. Market expectations are for further rate hikes during 2022/23.

Rates on new investments with financial institutions and local authorities now range from 2.1% for one-month deposits through to 5.4% for one-year deposits.

PWLB borrowing rates continued to rise with the 50 year PWLB certainty rate rising from 3.27% as at 30 June 2022 to 4.19% at the end of September 2022.

Risks prevail in the financial markets and are subject to a continued high level of scrutiny with any significant issues arising being reported to the Council's Governance and Audit Committee. Changes to credit ratings of financial institutions are monitored daily and where required reported to the Section 151 Officer for an agreed course of action to be taken.

Section 2.6 – Debt Collection

A review of debts is undertaken every month, and monitoring is reported against targets. In line with the financial procedure limits debts below £1,050 require sign off by the Chief Finance Officer with all debts for this amount or over requiring Cabinet approval.

An analysis of the sundry debts the Council held as at 30 September 2022 is show in **Table 13**.

Table 13– Sundry Debt Analysis							
0-30 days	31-60 days	61-90 days	91-120 days	121-183 days	184-365 days	Over 365 days	Total
£	£	£	£	£	£	£	£
292,307	165,999	41,747	15,657	195,665	15,604	244,716	971,695

Note: This does not include details of invoice amounts (£95,471) that are not yet due
As a result of the usual Annual Billing process the range between 121-183 days is higher. The invoices are generally on a monthly instalment plan.

Section 2.7 – Council Tax and Business Rates

Following the statutory annual review during 2021/22, the 2022/23 scheme remains unchanged from the previous year, allowing for national up-ratings. This scheme continues to support the Government's Welfare Reform agenda to bring further reductions to the national benefits bill. The scheme sustains the required protection of those of pension age, protects vulnerable customers and encourages people into employment.

Quarter 2 collection rate remains lower than pre-covid. There is uncertainty over the ongoing impact on collection and recovery because of the knock-on effect of covid and now the cost of living and energy cost crises. In recognition, we continue to remain prudent in setting the bad debt provision in this area.

Council Tax – Quarter 2 In-Year Collection

The collectable debit for the year at 30 September 2022 was £58m with a collection rate of 56.79% achieved at 30 September 2022 (56.65% at 30 September 2021). The collection rate has been affected by the re-profiling of instalments due to an increase in direct debits this year associated with the energy rebate scheme.

Business Rates

Table 14 – 2022/23 Business Rates Retention			
	Base Estimate included in 2022/23 budget £	Forecast position at 31 March 2023 £	(Surplus)/Deficit in 2022/23 – will impact next year's budget £
Non-Domestic rating income for the year	(22,682,719)	(22,748,887)	(66,168)
Less: LCC share (10% for 22/23)	2,268,272	2,274,889	6,617
Less: Government Share (50% for 22/23)	11,341,360	11,374,443	33,168
South Holland District Council's income (excluding renewables) (40% for 22/23)	(9,073,088)	(9,009,555)	(26,467)

As a result of income is due to be received in 2022/23 and this will need to be transferred into reserves at the end of the financial year for use in the 2023/24 budget.

The Forecast presented above is in line with budget currently and monitored quarterly.

Business Rates – 2022/23 In-Year Collection

The collectable debit for the year on 30 September was £23.8m with a collection rate of 58.38% achieved at 30 September 2022 (51.88% 30 September 2021). Whilst this is above pre-covid levels, the annual collectable debit remains below pre-covid levels because of ongoing retail rate relief.

The Covid Additional Relief Fund (CARF) scheme will provide rate relief support against 2021/22 financial year for businesses impacted by covid but who had not been supported through other relief schemes. This relief will be awarded in 2022/23.