Appendix ‘A’

Treasury Management Update

Quarter 1 Report 2024/25
ended 30 June 2024

South Holland District Council

1 Treasury Management Update

Quarter Ended 30 June 2024

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

2 Economic Update (Commentary provided by Link Group)

The first quarter of 2024/25 saw:

- Gross Domestic Product (GDP) growth flatlining in April following positive Q4 2023/24 growth figures of 0.7% quarter on quarter (q/q).
- A stalling in the downward trend in wage growth, with the headline 3 month year on year (myy) rate staying at 5.9% in April.
- Consumer Price Index (CPI) inflation falling from 2.3% in April to 2.0% in May.
- Core CPI inflation decreasing from 3.9% in April to 3.5% in May.
- The Bank of England holding rates at 5.25% in May and June.
- 10-year gilt yields climbing to 4.35% in April, before closing out at 4.32% in May.

The news that the economy grew by 0.7% q/q in Q4 2023/24 confirmed that it moved out of its very mild technical recession that prevailed at the back end of 2023. However, data released for April and May so far shows a slight stalling in the recovery, with GDP data for April coming out at 0.0% month on month (m/m), as inclement weather weighed on activity. Moreover, the fall in the composite Purchasing Manager Index output balance from 53.0 in May to 51.7 in June confirms tepid growth.

On a more positive note, the 2.9% m/m increase in retail sales volumes in May more than reversed the 1.8% m/m drop in April as rainfall returned to seasonal norms. The strength was broad-based across the retail sector, including online, (+5.9% m/m) suggesting an underlying strengthening in sales beyond weather effects. With inflation falling back to target, Bank Rate likely to be reduced soon and with consumer confidence improving, retail sales may well continue to strengthen.

Stronger consumer spending, as low inflation allows households' real incomes to strengthen and the drag from higher interest costs fades, suggests that real consumption will strengthen substantially over the next two years. However, investment will only make a modest contribution to GDP growth. With the industrial sector still 12% smaller than in 2019, excess capacity will continue to cap the need for industrial firms to invest. But improving business sentiment should raise investment by services' firms. Further, a fall in mortgage rates should trigger a recovery in residential investment. Overall, strong consumer spending is likely to be the backbone of GDP growth, along with government consumption. Our colleagues at Capital Economics forecast that following GDP growth of 1.0% in 2024, activity will continue to surprise to the upside with GDP growth of 1.5% for both 2025 and 2026 (consensus forecasts are 1.2% and 1.4% respectively).

Nonetheless, the on-going stickiness of wage growth in April will be a lingering concern for the Bank of England. The 3myy rate of average earnings growth stayed at 5.9% in April (consensus 5.7%), whilst the more timely 3 month annualised rate rebounded from 5.9% to 9.3%. This stickiness partly reflected April's 9.8% increase in the minimum wage. This leaves the Bank of England's forecast for a fall back in regular private sector pay growth from 5.8% in April to 5.1% in June looking a challenge.

Despite the stickiness of wage growth in April, sharp falls in employment and a move up in unemployment suggests that wage growth will soon be back on a downward path. The 139k fall in employment in the three months to April was accompanied by a rise in the unemployment rate from 4.3% to 4.4%. This was the fourth increase in a row and took it to its highest level since September 2021. The rise would have been larger were it not for the 132k increase in inactivity in the three months to April as the UK's disappointing labour market participation performance since the pandemic continued. The vacancies data also paint a picture of a slowly cooling labour market. The number of job vacancies fell from an upwardly revised 908k to 904k, leaving vacancies 31% below the peak in May 2022, but 11% above the pre-pandemic level.

The fall in CPI inflation in May back to the Bank's 2% target for the first time since July 2021 will have come as welcome news to the Bank. Furthermore, with CPI inflation of 3.3% in the US and 2.6% in the Euro-zone in May, the UK appears to have won the race to get CPI inflation back to 2.0%. A further easing in food inflation from 2.8% in April to 1.6% in May played a part in the fall in overall CPI inflation and with food producer price inflation at just 0.2% in May, food price inflation will probably soon fall to zero.

The core rate also fell back from 3.9% to 3.5%. Within that, core goods CPI inflation slipped below zero for the first time since October 2016. As expected, clothing/footwear, recreation/culture and restaurants/hotels categories inflation declined, reflecting base effects from big increases last May. While services inflation fell from 5.9% to 5.7%, this decline was smaller than the Bank of England expected (forecast 5.3%). The timelier three-month annualised rate of services prices has rebounded from 8.5% to 9.2%. This suggests that the persistence in domestic inflation that the Bank is worried about is fading more slowly than it thought. Even so, there is scope for inflation to fall further.

There was little chance that the Bank would cut rates at its June meeting, given upside surprises on services CPI inflation and wage growth. But several developments implied a rate cut is getting closer. First, two members of the Monetary Policy Committee (MPC), Ramsden and Dhingra voted again to reduce rates immediately to 5.00%. Second, despite the recent run of stronger inflation and activity, the minutes noted "indicators of inflation persistence had continued to moderate" and that a range of indicators suggest pay growth had continued to ease. There was new wording that members of the MPC will consider all the information available and how this affects the assessment that the risks from inflation persistence are receding "as part of the August forecast round".

Throughout the quarter there was a degree of volatility in the gilt market and, by way of example, the 10-year gilt yield rose from 4.05% on 2 April to finish at 4.15% on 28 June but it has exceeded 4.30% on several occasions. Overall, investors judged that interest rates will need to remain high for longer to keep inflation around the 2.0% target.

Meanwhile, the FTSE 100 broke through the 8,000 mark in April for the first time since its brief three-day flutter in February last year and reached a record closing high of 8,446 on 15 May. However, by the end of the quarter, despite Artificial Intelligence fuelled rises in the US S&P500, it finished rather tamely and had fallen back to 8,164. Arguably, significant interest rate cuts and an on-going UK economic recovery will be required for a further resurgence to take hold.

MPC meetings 9 May and 20 June 2024

On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20 June.

Nonetheless, with UK CPI inflation now back at 2% and set to fall further over the coming months, Ramsden and Dhingra – who voted again to reduce rates immediately to 5.00% in June – may shortly be joined by some members in the no-change camp, for whom the June decision was "finely balanced" as the upside news on services price inflation was more likely to be a reflection of one-off effects and volatile components rather than factors that would push up "medium-term inflation".

3. Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The Public Works Loan Board (PWLB) rate forecasts below are based on the Certainty Rate (the standard rate minus 20 basis points (bps)) which has been accessible to most authorities since 1 November 2012.

The latest forecast, updated on 28 May, sets out a view that both short and long-dated interest rates will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of a stubbornly robust economy and a tight labour market.

Moreover, whatever the shape of domestic data, recent gilt market movements have been heavily influenced by the sentiment pertaining to US monetary policy. Again, inflation and labour data has proven sticky and the market's expectation for rate cuts has gradually reduced throughout the course of the year, so that possibly rates may not be cut more than once, or possibly twice, before the end of 2024. In any event, even if the Bank of England starts to cut rates first, it may mean that the medium and longer parts of the curve take longer to fully reflect any such action until the US yield curve shifts lower too. Given the potential inflationary upside risk to US treasuries if Trump wins the presidential election in November (increased tariffs on imports from China for example), therein lies a further risk to yields remaining elevated for longer.

Closer to home, the General Election is not expected to have a significant impact on UK monetary policy. There is minimal leeway for further tax cuts or added spending without negatively impacting market sentiment. It may even be the case that the Bank of England will steer clear of an August rate cut – should that be supported by the inflation data – in favour of weighing up fiscal policy implications and market sentiment in the aftermath of the election.

Accordingly, Link's central case is still for a rate cut before the end of September, but we are not committed to whether it will be in August or September. Thereafter, the path and speed of rate cuts is similar to that which we previously forecast, with Bank Rate eventually falling to a low of 3% by H2 2026.

However, given the increased uncertainty surrounding Link's central gilt market forecasts, and the significant issuance that will be on-going from several of the major central banks, it has marginally increased its PWLB forecasts by c20 to 30 basis points across the whole curve since the previous quarter.

In summary, regarding PWLB rates, movement in the short-end of the curve is expected to reflect Link's Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates will remain influenced not only by the outlook for inflation, domestically and globally, but also by the market's appetite for significant gilt issuance (£200bn+ for each of the next few years). As noted at the Link March Strategic Issues webinars, there is upside risk to that part of our forecast despite the Debt Management Office skewing its issuance to the shorter part of the curve.

Link Group Interest Rate View	28.05.24											
	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.00	4.50	4.00	3.50	3.25	3.25	3.25	3.25	3.00	3.00	3.00
3 month ave earnings	5.30	5.00	4.50	4.00	3.50	3.30	3.30	3.30	3.30	3.00	3.00	3.00
6 month ave earnings	5.30	4.90	4.40	3.90	3.50	3.30	3.30	3.30	3.30	3.10	3.10	3.20
12 month ave earnings	5.10	4.80	4.30	3.80	3.50	3.40	3.40	3.40	3.40	3.20	3.30	3.40
5 yr PWLB	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.90	3.90	3.90	3.80
10 yr PWLB	5.00	4.80	4.60	4.40	4.30	4.10	4.10	4.10	4.00	4.00	4.00	3.90
25 yr PWLB	5.30	5.20	5.00	4.80	4.70	4.50	4.50	4.40	4.40	4.40	4.30	4.30
50 yr PWLB	5.10	5.00	4.80	4.60	4.50	4.30	4.30	4.20	4.20	4.20	4.10	4.10

Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

The Link forecast for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

End of Link Group Commentary

4 Annual Investment Strategy

The Treasury Management Strategy Statement for 2024/25, which includes the Annual Investment Strategy, was approved by the Council on 29 February 2024. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the following chart and the interest rate forecasts in section 3, rates have remained elevated during the first quarter of 2024/25 but are expected to fall back through the second half of 2024 as inflation reduces and the MPC starts to loosen monetary policy.

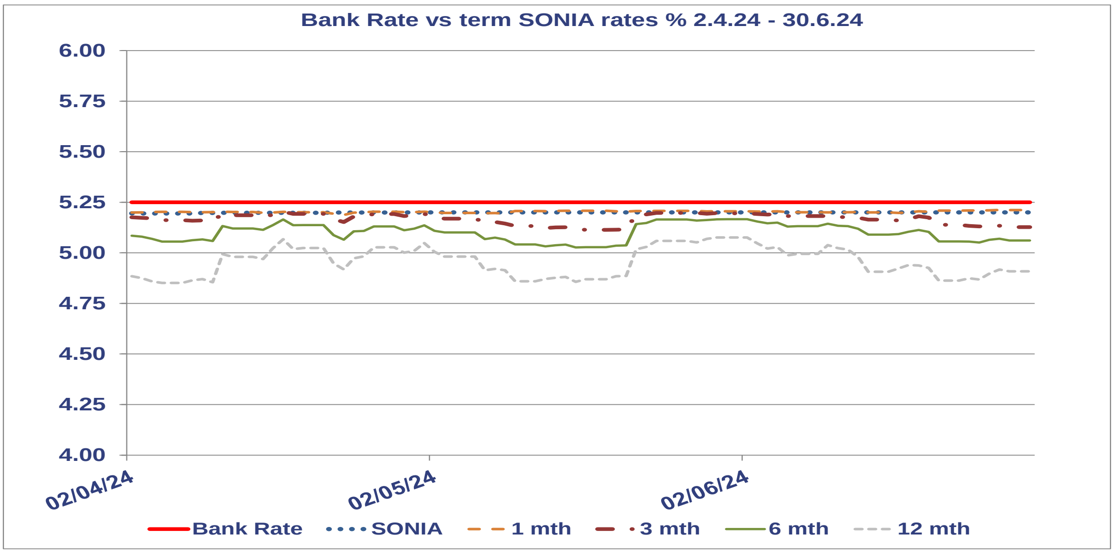
Creditworthiness - There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment Counterparty Criteria - The current investment counterparty criteria selection approved in the Treasury Management Strategy Statement is meeting the requirement of the treasury management function.

Credit Default Swap prices - For UK banks, these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

Investment performance year to date as at 30 June 2024

The graph below shows that during the first quarter of the financial year rates have been relatively flat over all time periods.



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

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.

The following table provides details of the cash investments held by the Council on 30 June 2024. Note this represents the position at this one point in time. The peaks and troughs in cash flow are managed on a daily basis.

Financial Institution	Country	Amount (£)	Fixed/ Variable	Start Date	Maturity Date	Yield %
Lloyds Bank	UK	873,919	N/A	Call	N/A	5.15%
CCLA Money Market Fund*	Various	2,800,000	N/A	Call	N/A	5.21%
Handelsbanken	Sweden	9,615	N/A	Call	N/A	4.45%
UBS	Switzerland	5,000,000	13/07/23	12/07/24	Fixed	6.69%
DNB Bank ASA	Norway	4,000,000	31/08/23	30/08/24	Fixed	6.18%
Toronto Dominion	Canada	5,000,000	06/10/23	04/10/24	Fixed	5.89%
DNB Bank ASA	Norway	1,000,000	06/11/23	04/11/24	Fixed	5.72%
Liverpool City Council	UK	2,000,000	22/04/24	29/11/24	Fixed	5.35%
ANZ Bank	Australia	2,000,000	03/06/24	03/12/24	Fixed	5.39%
Derby City Council	UK	2,000,000	15/03/24	16/12/24	Fixed	6.65%
CIC Bank	France	2,000,000	03/06/24	02/06/25	Fixed	5.36%
TOTAL		**26,683,534**				

** The CCLA (Church, Charities and Local Authorities) Money Market Fund is domiciled in the UK but investment funds deposited globally.*

Welland Homes

In addition to the above loans the Council has made loans to Welland Homes, a Housing Company wholly owned by the Council, as follows:

Loan	Amount (£)	Maturity Date	Rate
Green Lane & Walters Close, Spalding	1,341,642.80	17/03/47	3.50%
Parkside Crescent, Spalding	884,278.05	07/05/49	3.50%
London Road, Long Sutton	466,771.00	02/10/48	3.50%
Bentley Court, Spalding	555,548.27	02/08/49	3.50%
Northon's Lane, Holbeach	490,077.55	29/03/51	3.50%
Homefields, Crowland (Phase 1)	1,104,337.16	29/03/53	5.25%
Walnut Close, Sutton St James	560,227.00	25/04/53	5.25%
Homefields, Crowland (Phase 2)	391,915.00	19/10/53	5.84%
TOTAL	**5,794,796.83**		

Interest earned on these loans in the current financial year to 30 June 2024 is £60,114.

Maturity Structure of Investments

A breakdown of the maturity structure of investments on 30 June 2024 is as follows:

Period to Maturity	Amount (£)	% of Portfolio
Less than one week	3,683,534	11%
Less than one month	5,000,000	16%
One to three months	4,000,000	12%
Three to six months	12,000,000	37%
Six to nine months	0	0%
Nine months to a year	2,000,000	6%
>12 Months	5,794,797	18%
TOTAL	**32,478,331**	**100%**

Return on Investments

The table below provides a comparison of investment income received compared to the profiled budget.

Category	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Variance Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn	2024/25 Forecast Variance
Interest Received GF	(257,467)	(349,178)	(91,711)	(1,032,700)	(1,099,660)	(66,960)
Interest Received HRA	(127,500)	(188,640)	(61,140)	(511,400)	(556,040)	(44,640)
TOTAL	**(384,967)** *(4.771%)*	**(537,818)** *(5.561%)*	**(152,851)** *(0.76%)*	**(1,544,100)** *(4.771%)*	**(1,655,700)**	**(111,600)**

The average level of funds available for investment to the end of June 2024 was £38.4m including the loans to Welland Homes which are classified as long-term debtors. This compares with a budgeted annual average of £32.4m.

Treasury investments achieved an average rate of 5.818% compared to the benchmark average 3-month Sterling Overnight Index Average (SONIA) rate of 5.167%. Welland Homes loans were issued at an average rate of 4.161%. The combined rate achieved on all investments is estimated to be approximately 5.561%.

Long Term Equity Investments

The following table provides details relating to the Council's equity investments which are valued at "fair value" in accordance with proper accounting practice.

Entity	Equity at Cost (£)	Equity at Fair Value 31/03/24 (£)
Welland Homes	3,338,921	4,070,865
South Holland Local Housing Community Interest Company	100	1,237,462
UK Municipal Bond Agency	50,000	0
TOTAL	**3,389,021**	**5,308,327**

5 Borrowing

No new borrowing was undertaken during the quarter ended 30 June 2024.

The Council has borrowings of £67.456m at a fixed rate of 3.48% in respect of the Housing Revenue Account (HRA) self-financing settlement. Interest costs for 2024/25 on this fixed rate borrowing are £2,347,469.

Additional HRA borrowing of £10m was included in the 2024/25 budget for the full year at 5% but as at the end of Quarter 1 this external borrowing has not been drawn.

Gilt yields and PWLB rates remained relatively stable between 1 April and 30 June. Having said that, the spread between the low and high points during the quarter was between 0.3% and 0.45% across the curve.

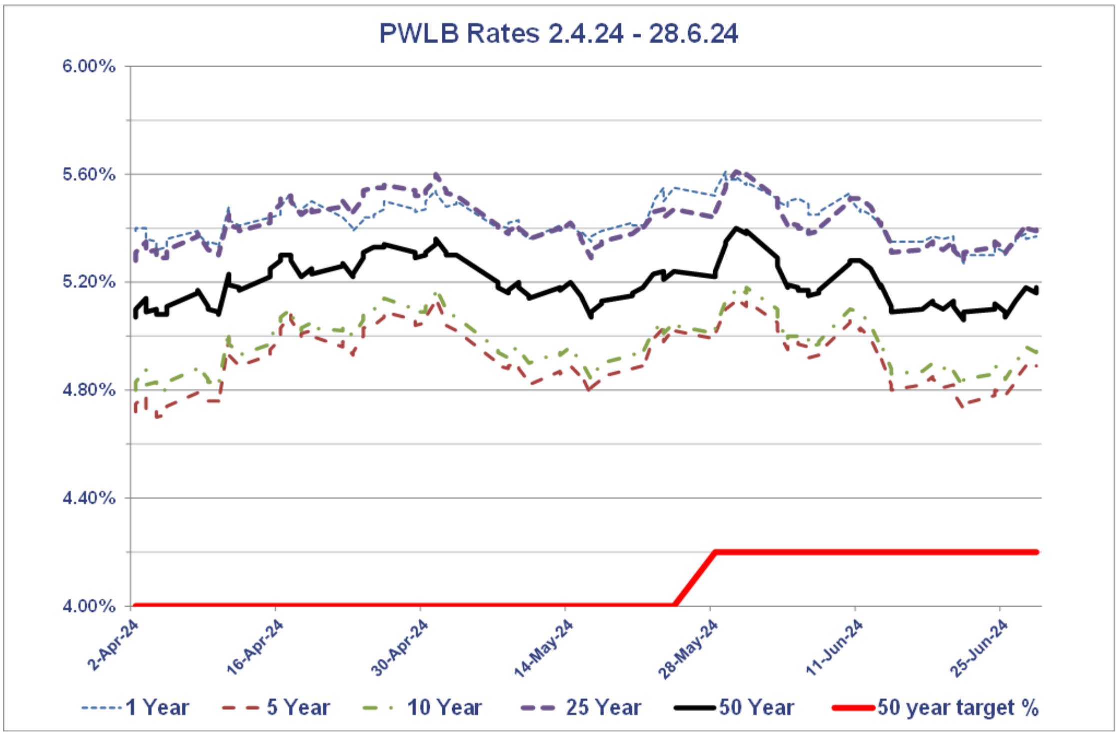
The 50-year PWLB Certainty Rate target for new long-term borrowing (the low point of the Link forecast on a two-year timeline) started 2024/25 at 4.00% and increased to 4.20% on 28 May. With rates remaining elevated across the whole of the curve, it is advised to not borrow long-term unless the Authority wants certainty of rate and judges the cost to be affordable.

The following table provides an analysis of borrowing costs as at Q1:

Category	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Variance Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn	2024/25 Forecast Variance
Interest Payable HRA	709,917	585,259	(124,658)	2,847,469	2,347,469	(500,000)

Public Works Loan Board (PWLB) Borrowing Rates

The 50 year PWLB certainty rate was 5.18% as at 30 June 2024 .



6 Debt Rescheduling

Debt rescheduling opportunities have remained a possibility in the current quarter for those authorities with significant surplus cash and a flat or falling Capital Financing Requirement (CFR) in future years. Members will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio.

7 Net Treasury Position

The following table provides an analysis of the net treasury position as at Quarter 1 and the projected outturn for the year:

Category	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Variance Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn	2024/25 Forecast Variance
GF Interest Received	(257,467)	(349,178)	(91,711)	(1,032,700)	(1,099,660)	(66,960)
HRA Interest Received	(127,500)	(188,640)	(61,140)	(511,400)	(556,040)	(44,640)
HRA Interest Paid	709,917	585,259	(124,658)	2,847,469	2,347,469	(500,000)
HRA Net Position	582,417	396,619	(185,798)	2,336,069	1,791,429	(544,640)
Total Net Position	**324,950**	**47,441**	**(277,509)**	**1,303,369**	**691,769**	**(611,600)**

At Quarter 1 there is a favourable variance of £277,509 and the forecast outturn is a favourable variance of £611,600.

When calculating the estimated outturn for investment interest it has been assumed that the capital programme will slip by 25% and the remaining capital expenditure will occur on a straight line basis. This is the same assumption that was made when the original budget was produced.

8 Compliance with Treasury and Prudential Indicators

The prudential and treasury Indicators are shown in Appendix A1.

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 Treasury Management Strategy Statement.

During the quarter ended 30 June 2024 the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement.

The Deputy Chief Executive (Corporate Development) & S151 Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

Treasury Indicators and Prudential Indicators for 2024/25 as of 30 June 2024

Treasury Indicators	2024/25 Budget £'000	Revised Budget as at Quarter 1 £'000	30/06/24 Actual £'000
Authorised limit for external debt	115,000	115,000	115,000
Operational boundary for external debt	111,000	111,000	111,000
Gross external debt	77,456	77,456	67,456
Investments at cost (excluding equity investments)	(25,967)	(25,088)	(32,478)
Net borrowing	51,489	52,368	34,978

Upper limit for principal sums invested over 365 days:			
2024/25	5,000	5,000	0
2025/26	5,000	5,000	0
2026/27	5,000	5,000	0
2027/28	5,000	5,000	0
2028/29	5,000	5,000	0

Prudential Indicators	31/03/24 Actual £'000	2024/25 Budget £'000	Revised 2024/25 Budget as at Quarter 1 £'000
Capital expenditure:			
General Fund	7,006	8,576	10,609
HRA	16,547	14,540	21,851
TOTAL	23,553	23,116	32,460
Capital Financing Requirement (CFR):			
General Fund	15,290	16,338	18,376
HRA	68,426	78,427	74,418
TOTAL	83,716	94,765	92,794
Annual change in CFR:			
General Fund	2,124	1,451	3,086
HRA	0	0	5,992
TOTAL	2,124	1,451	9,078
In year borrowing requirement:			
General Fund	2,433	1,770	3,320
HRA	0	0	5,992
TOTAL	2,433	1,770	9,312
Ratio of financing costs to net revenue stream:			
General Fund	(7.42%)	(4.20%)	(4.59%)
HRA	16.74%	38.95%	35.98%

General Fund Capital Expenditure 2024/25

Scheme	Approved Budget 2024/25	Changes to approved budget	Revised 2024/25	Actual June 2024	Forecast Outturn 2024/25	Variance (under)/over
	£000	£000	£000	£000	£000	£000
Non UKSPF & LUF Projects						
ICT	131	6	**137**	4	137	-
Footway Lighting	62	-	**62**	-	62	-
Neighbourhoods	306	60	**366**	-	357	(9)
Spalding Cemetery	25	-	**25**	-	25	-
Disabled Facilities Grants	1,339	-	**1,339**	19	900	(439)
Decent Homes Unfit and Disrepair – Housing	150	-	**150**	-	150	-
Homelessness	31	-	**31**	-	31	-
Industrial Units	520	-	**520**	-	520	-
Asset Improvement – Leisure	50	-	**50**	-	50	-
Asset and Property – Castle Sports	61	(61)	**-**	-	-	-
Asset and Property – Moulton Park & New Sheep Market	196	(100)	**96**	29	96	-
Ayscoughfee Projects	15	-	**15**	-	15	-
Car Park Resurfacing	85	-	**85**	-	85	-
Council Offices Priory Road – Boiler	42	-	**42**	-	42	-
Council Offices Priory Road – UPS	-	24	**24**	24	24	-
Capital Acquisitions re Growth and Commercialisation	100	-	**100**	1	100	-
Welland Homes	2,398	-	**2,398**	-	1,106	(1,292)
Local Authority Housing Fund	157	-	**157**	-	157	-
Spalding Gateway Public Realm Project	283	-	**283**	-	283	-
Lutyens Memorial	-	75	**75**	-	75	-
Total Non UKSPF & LUF Projects	**5,951**	**4**	**5,955**	**77**	**4,215**	**(1,740)**
UKSPF & LUF						
UKSPF	521	-	521	123	521	-
UKSPF – Rural	322	-	322	48	322	-
Total UKSPF	**843**	**-**	**843**	**171**	**843**	**-**
South Holland Health and Wellbeing Hub	3,811	-	3,811	309	3,811	-
Total LUF	**3,811**	**-**	**3,811**	**309**	**3,811**	**-**
Grand Total – All Projects	**10,605**	**4**	**10,609**	**557**	**8,869**	**(1,740)**

The revised capital budget as at Q1 will be £10.609m, derived from the combination of the 2023/24 approved budget of £10.605m, new in-year approved spend, and uncommitted spend.

The overall expenditure as at Q1 is £0.557m.

Changes to the approved budget will be included as part of the Quarter 1 Finance report to Cabinet for approval.

Financing of General Fund Capital Expenditure 2024/25

Capital Programme Financing				
All Projects	**Approved Budget 2024/25** £000	**Revised Budget 2024/25** £000	**Full year forecast 2024/25** £000	**Variance 2024/25** £000
Investment and Growth Reserve	(779)	(679)	(670)	9
Replacement and Refurbishment Reserve	(10)	(109)	(109)	-
S106 Reserve	(237)	(237)	(237)	-
Spalding Special Reserve	(25)	(25)	(25)	-
Grants	(6,239)	(6,239)	(5,800)	439
Internal Borrowing – Unfinanced	(819)	(819)	(819)	-
Internal Borrowing – Welland Homes	(2,398)	(2,398)	(1,106)	1,292
Minimum Revenue Provision (MRP)	(98)	(103)	(103)	-
Totals	**(10,605)**	**(10,609)**	**(8,869)**	**1,740**

Housing Revenue Account Capital Expenditure 2024/25

HRA Programme	Revised Budget 24/25 £000	Actual June 2024 £000	Forecast Outturn 2024/25 £000	Variance (under)/over £000
Central Heating	975	64	975	-
Kitchen/Bathroom	1,570	216	1,570	-
Renewable Energy	6,051	610	6,051	-
Smoke Alarms	190	33	190	-
Electrical Upgrades	130	5	130	-
Roofs and Gutters	930	28	930	-
Doors and Windows	1,510	560	1,510	-
Flat Entrance Doors Sheltered Schemes	350	25	350	-
Fire Remedial Works	75	-	75	-
Damp and Mould Remedial Works	100	-	100	-
Chimneys	200	32	200	-
Paths and Drives	37	6	37	-
Boundary Walls	92	2	92	-
TV Aerials - Sheltered Schemes	111	-	111	-
Fees	214	-	214	-
Sewerage Treatment Plant	817	68	817	-
The Square	932	-	932	-
Car Parks	194	-	194	-
Community Centre Refurbishment	132	4	132	-
ICT Strategy / Infrastructure	36	-	36	-
Replacement Laptops	28	3	28	-
Major Adaptions	630	270	630	-
Sheltered Alarm Upgrade	991	139	991	-
Housing Repairs Vehicles	560	-	560	-
Grounds Maintenance Equipment	71	-	71	-
Wignals Gate S106	4	-	4	-
Northons Lane Holbeach	1,583	-	1,583	-
Jubilee Way Gosberton	56	-	56	-
Pheasant Street Holbeach	22	-	22	-
Primus Close Moulton Chapel	387	-	387	-
Biehler Avenue Weston	79	-	79	-
Cobgate Whaplode	47	-	47	-
Coalbeach Lane Surfleet	63	-	63	-
LAHF Frogmore Lane Holbeach	234	42	234	-
LAHF Tulip Fields Holbeach	335	-	335	-
Scheme Subject to detailed approval	2,115	-	2,115	-
Total	**21,851**	**2,107**	**21,851**	**-**

Financing of Housing Revenue Account Capital Expenditure 2024/25

HRA Financing	Revised Budget 24/25 £000	Forecast Outturn 2024/25 £000	Variance (under)/over £000
Capital Receipts	(948)	(948)	0
Grants and Contributions	(3,010)	(3,010)	0
Major Repairs Reserve	(8,416)	(8,416)	0
HRA General Reserve	(3,485)	(3,485)	0
Internal Borrowing	(5,992)	(5,992)	0
Total	**(21,851)**	**(21,851)**	**0**