

Annual Treasury Management Report

Cabinet Member for Finance and Commissioning

Date: 21 July 2022
Agenda Item: 4
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Key Decision? YES
Local Ward Members : Full Council



AUDIT AND MEMBER STANDARDS COMMITTEE

1. Executive Summary

- 1.1 The report covers the Treasury Management performance for the financial year 2021/22.
- 1.2 The Capital Programme actual spend at **£4,741,426** was (**£1,669,574**) lower than the Approved Budget of **£6,411,000** with under spending on the Coach Park (**£293,225**), dual stream recycling (**£266,600**) and the loan to the Council Development Company (**£675,000**) being the most significant projects.
- 1.3 Income from Capital Receipts at (**£515,335**) was higher than the Approved Budget of (**£296,000**) by (**£219,335**) due mainly to additional Bromford Right to Buy Sales achieved at the end of the financial year.
- 1.4 The funding of the Capital Programme in 2021/22 reflects the actual expenditure of (**£4,741,426**). This includes lower funding from capital receipts because the use of funding from other sources, that have more restrictions, was prioritised.
- 1.5 The borrowing need of **£2,541,593** was (**£205,407**) lower than the Revised Budget of **£2,747,000** due to an underspend on the new Leisure Centre project which is to be funded by borrowing.
- 1.6 Minimum Revenue Provision at **£615,998** was in line with the Approved Budget of **£663,000** with the element related to finance leases marginally lower than budget.
- 1.7 Assets less liabilities on the Balance Sheet at **£48,285,320** is **£25,735,320** higher than the budget of **£22,550,000** and this variance is offset in Total Equity (Usable and Unusable Reserves). These variances are explained at 3.20 and 3.21 however; are in the main related to a decrease in the Long Term Pension Liability assessed by the Pension Fund Actuary that is statutorily offset by a reduction in the Unusable Pension Reserve.
- 1.8 Investments at **£49,367,957** were **£13,651,957** higher than the Approved Budget of **£35,716,000**. This was due to higher working capital (amounts owed to other bodies or grants received in advance of payment) and higher unapplied grants and contributions. This is also reflected in the lower liability benchmark of (**£38,242,000**) compared to the Approved Budget of (**£22,081,000**) shown at **APPENDIX B**.
- 1.9 The net treasury position was in line with the Approved Budget.
- 1.10 The Council's investments achieved a risk status of **A+**, which was more secure than the aim of **A-**, and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.
- 1.11 The report confirms the Council was compliant with all Treasury Limits and Prudential Indicators for 2021/22.

2. Recommendations

- 2.1 To review the report and issues raised within.
- 2.2 To review the actual 2021/22 Prudential Indicators contained within the report.

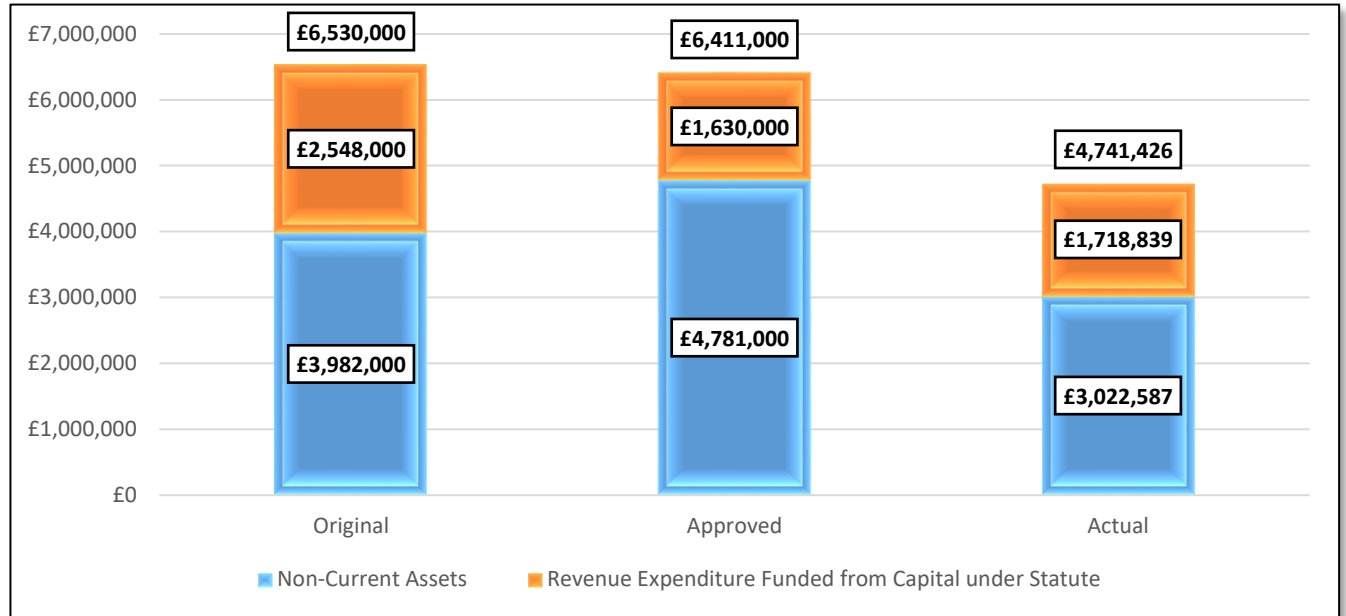
3. Background

The Capital Programme and Treasury Management

- 3.1 This Annual Treasury Report is a requirement of the Council's reporting procedures. It covers the Treasury activity during 2021/22 and the actual Prudential Indicators for 2021/22.
- 3.2 Treasury Management is defined as: *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 3.3 Overall responsibility for Treasury Management remains with the Council. No Treasury Management activity is without risk; the effective identification and management of risk are integral to our Treasury Management objectives.
- 3.4 Our Treasury Management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members be informed of treasury management activities at least twice a year. We report regularly to the Cabinet and Audit and Member Standards Committee on Treasury policy; strategy and activity.
- 3.5 This report is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential code and
- presents details of capital spend, capital financing, borrowing and investment transactions;
 - reports on the risk implications of Treasury decisions and transactions;
 - gives details of the outturn position on Treasury Management transactions in 2021/22;
 - confirms compliance with Treasury limits and Prudential Indicators.
- 3.6 The performance of the Treasury Management function should be measured against the investment objectives of **Security** (the safe return of our monies), **Liquidity** (making sure we have sufficient money to pay for our services) and **Yield** (the return on our investments) contained in Statutory Guidance.
- 3.7 In addition, external borrowing is considered against the objectives of it being **affordable** (the impact on the budget and Council Tax), **prudent** and **sustainable** (over the whole life).

The Capital Programme

3.8 A summary of the Capital Programme performance from Budget to the Actual for 2021/22 is shown in detail at **APPENDIX A** and in the chart below:



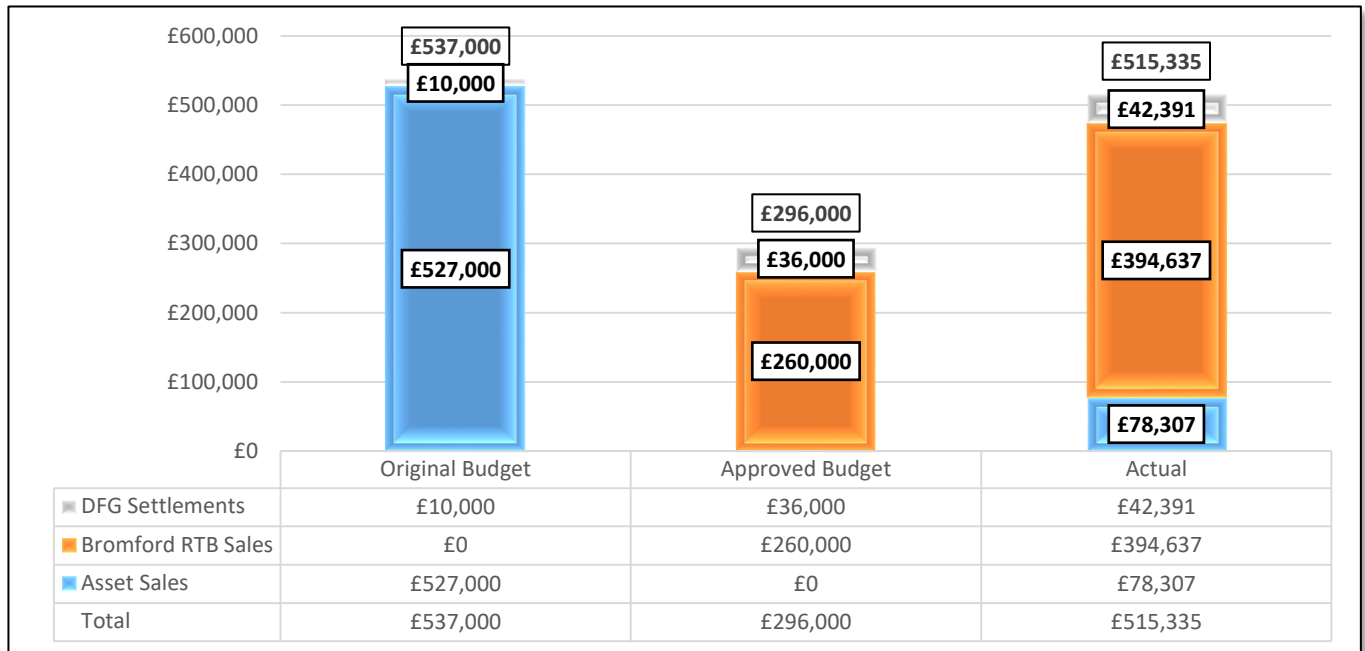
3.9 Capital expenditure was **£4,741,426** and this is **(£1,669,574)** less than the Revised Budget of **£6,411,000**.

3.10 There were variances compared to the Approved Budget related to the following:

	Variances	
	Slippage	Other
* Accessible Homes (Disabled Facilities Grants) - reflects delivery performance on the Support for Independent Living in Staffordshire Partnership	£311,000	
* Friary Grange (Short Term) – slipped to 22/23, reactive budget, spent as and when required	(£158,000)	
* New Leisure Centre – slipped to 22/23, awaiting decisions on project	(£175,000)	
* Other Projects	(£213,000)	£145,480
Enabling People Total	(£235,000)	£145,480
* Dual Stream Recycling – Blue bags received in April	(£267,000)	
* Loan to Council Development Company – delayed until 2022/23	(£675,000)	
* Other Projects	(£132,000)	(£44,266)
Shaping Place Total	(£1,074,000)	(£44,266)
* Coach Park - acquisition was not completed and therefore the enhancement works did not take place	(£293,000)	
* Other Projects		(£74,786)
Developing Prosperity Total	(£293,000)	(£74,786)
* Beacon Park Equipment Storage - project delayed until 2022/23	(£125,000)	
* Asset Maintenance projects – Overspend on office project to be taken from Property Planned Maintenance 22/23 budget	124,000	
* Other Projects	(£47,000)	(£46,002)
A Good Council Total	(£48,000)	(£46,002)
Total Variance	(£1,650,000)	(£19,574)
	(£1,669,574)	

Capital Receipts

3.11 The budget and actual capital receipts received are shown below:

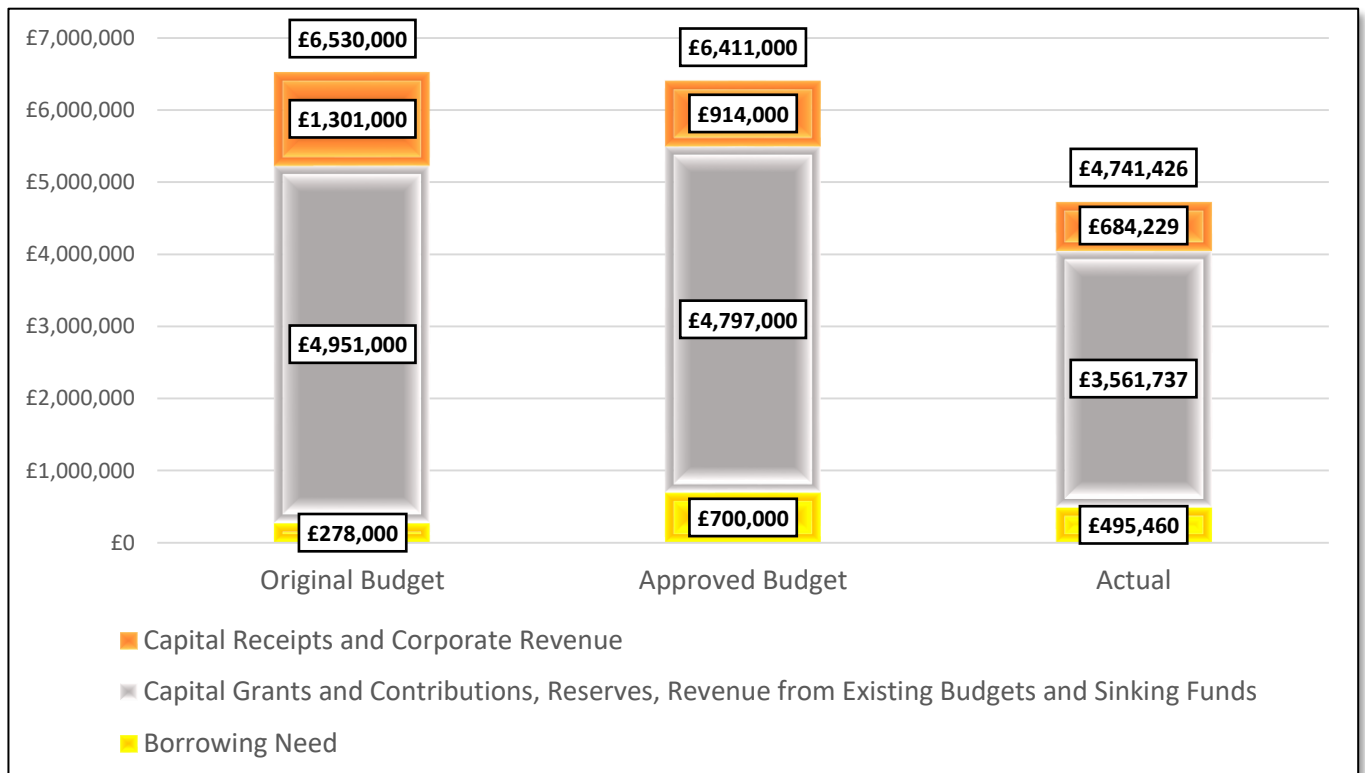


3.12 Capital receipts were **(£219,335)** higher than the Approved Budget. The main reason is that Bromford RTB Sales were higher than estimated.

3.13 These additional capital receipts, under the policy approved by Council on 14 July 2020, will be earmarked towards capital investment to support delivery of the Housing, Homelessness and Rough Sleeping Strategy.

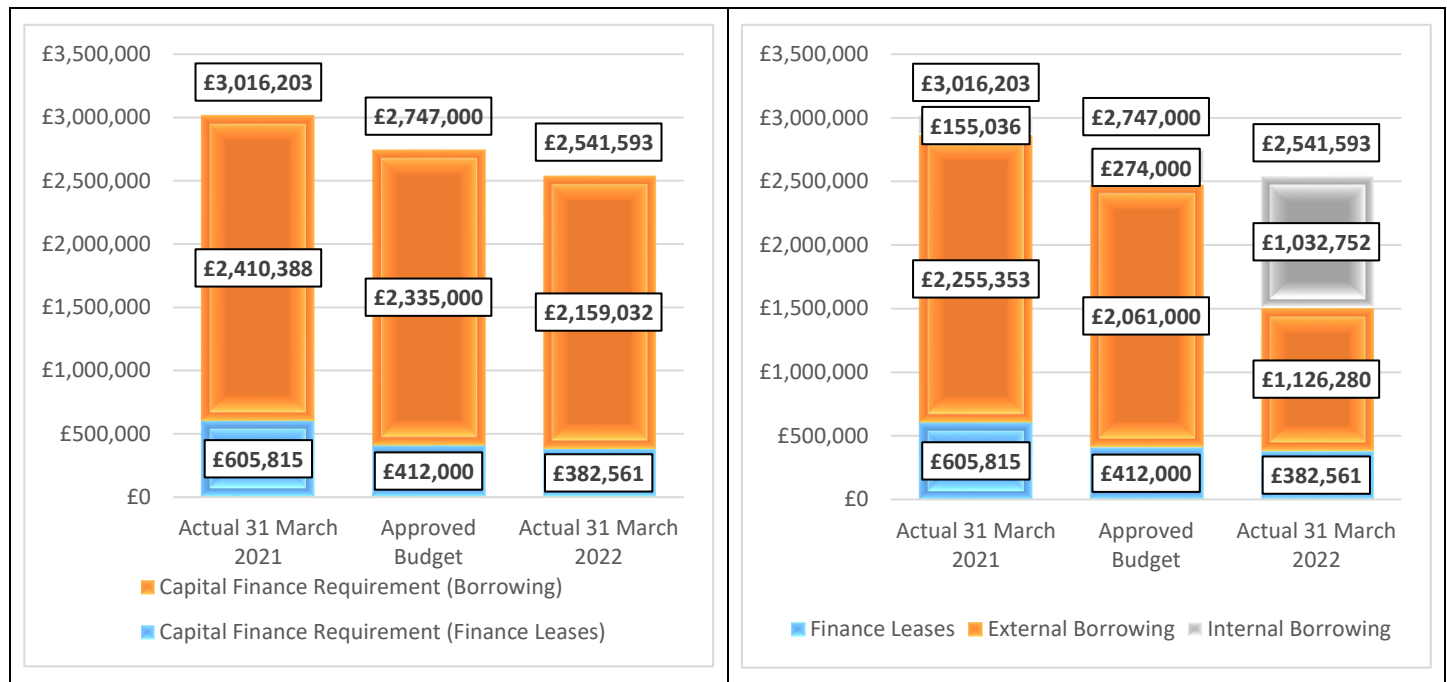
The Funding of the Capital Programme

3.14 The budgeted and actual sources of funding for the Capital Programme are shown below:



The Capital Financing Requirement (Borrowing Need) and its Financing

3.15 The actual and Budgeted Borrowing Need and its financing for 2020/21 and 2021/22 is shown below:



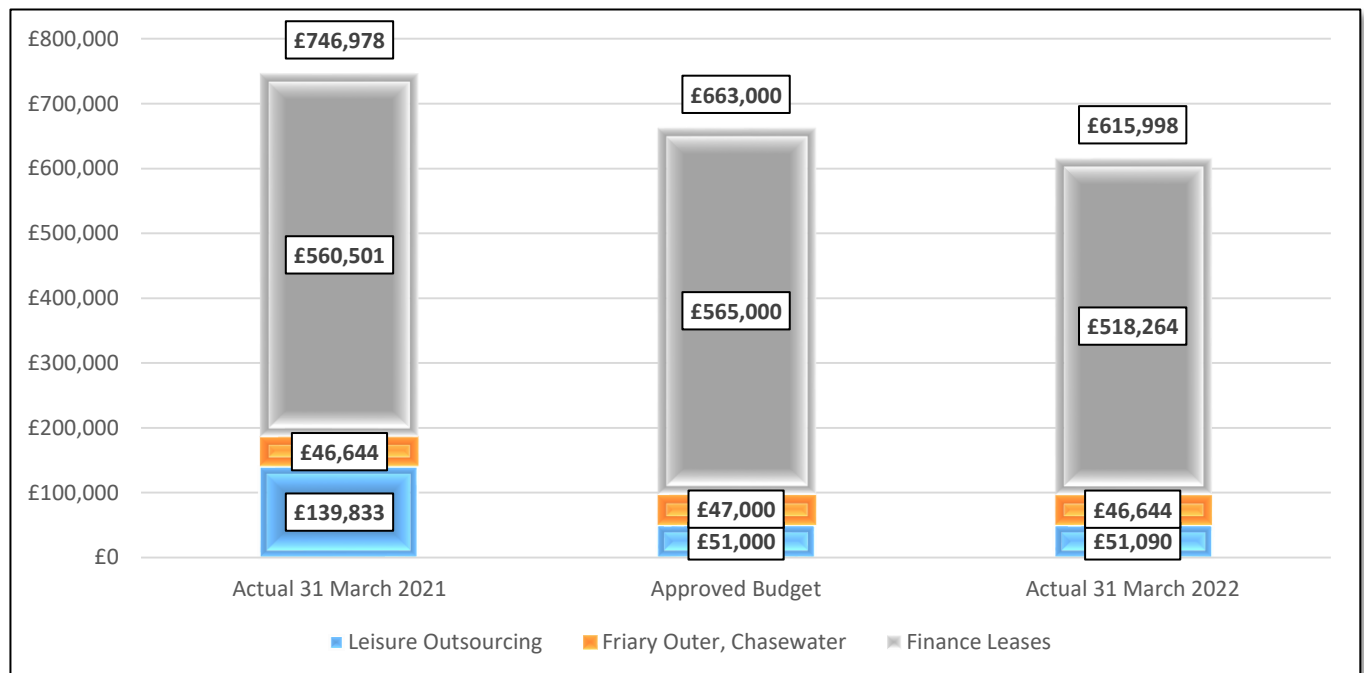
3.16 The external borrowing has reduced in March 2022 due to the early repayment of a PWLB loan.

3.17 The Liability Benchmark (the lowest risk level of borrowing) was (£38,242,000) and is lower compared to the Approved Budget of (£22,081,000) as shown at APPENDIX B. This is due to higher useable reserves and working capital.

3.18 It indicates that the Council does not currently need to externally borrow to fund its Capital Financing Requirement.

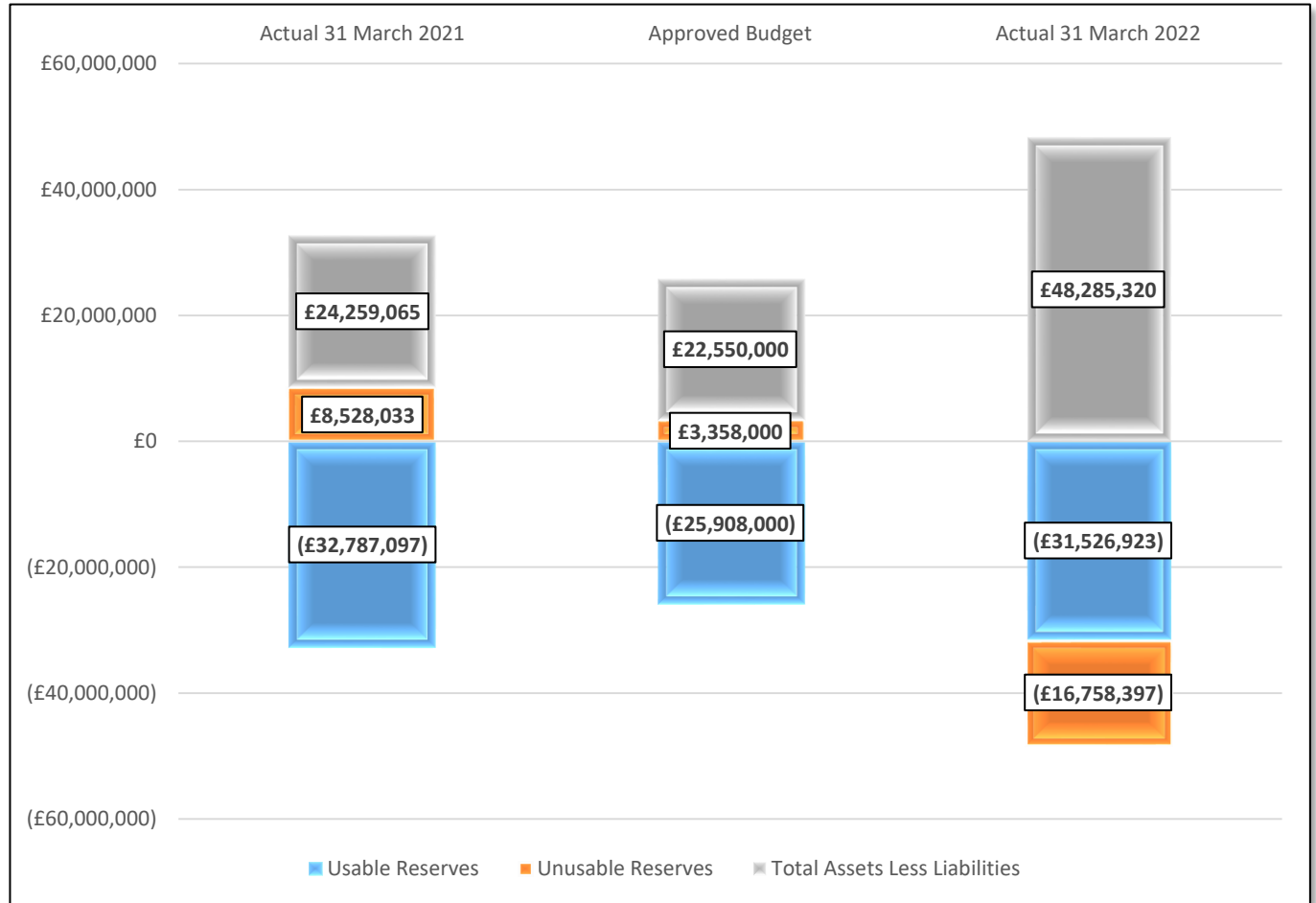
Minimum Revenue Provision in 2021/22

3.19 The Minimum Revenue Provision charged to revenue in 2020/21, budgeted in 2021/22 and the actual in 2021/22 is shown below:



The Balance Sheet

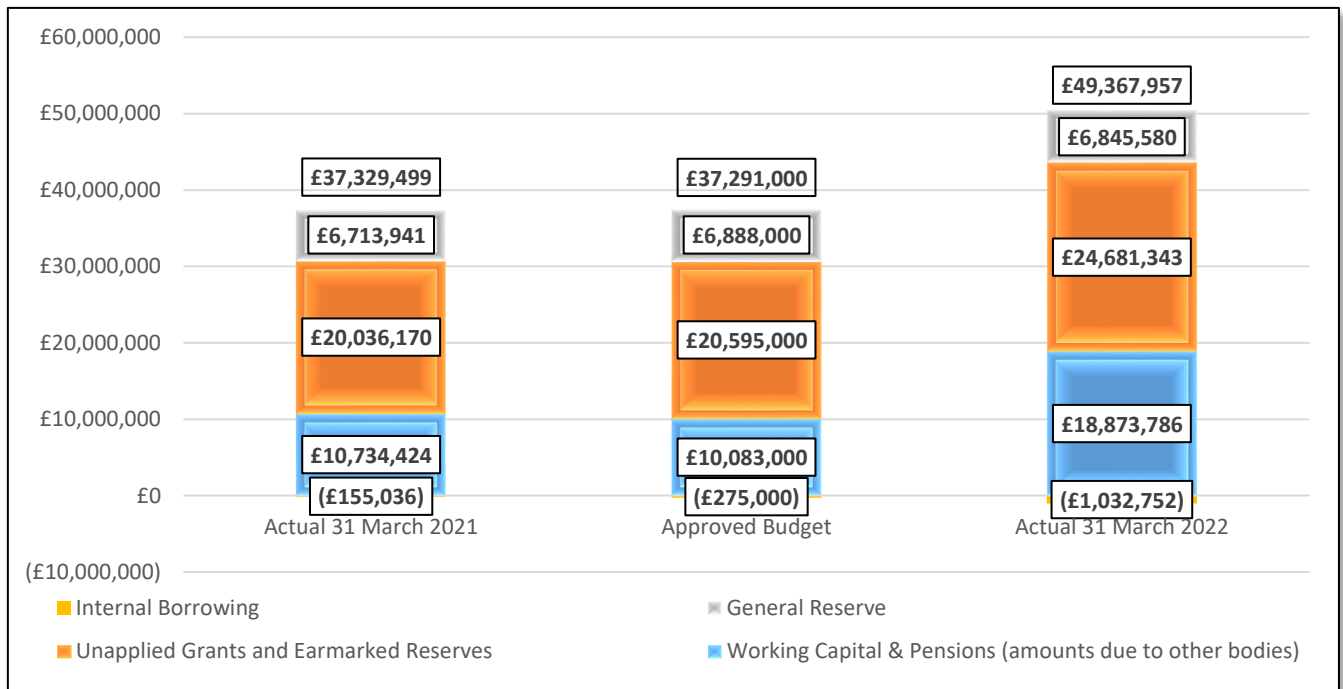
3.20 The actual Balance Sheet for 2020/21 together with the budgeted and actual Balance Sheet for 2021/22 are shown in detail at **APPENDIX B** and are summarised below:



3.21 The main reasons for the variance between the budgeted and actual Balance Sheet for 2021/22 are:

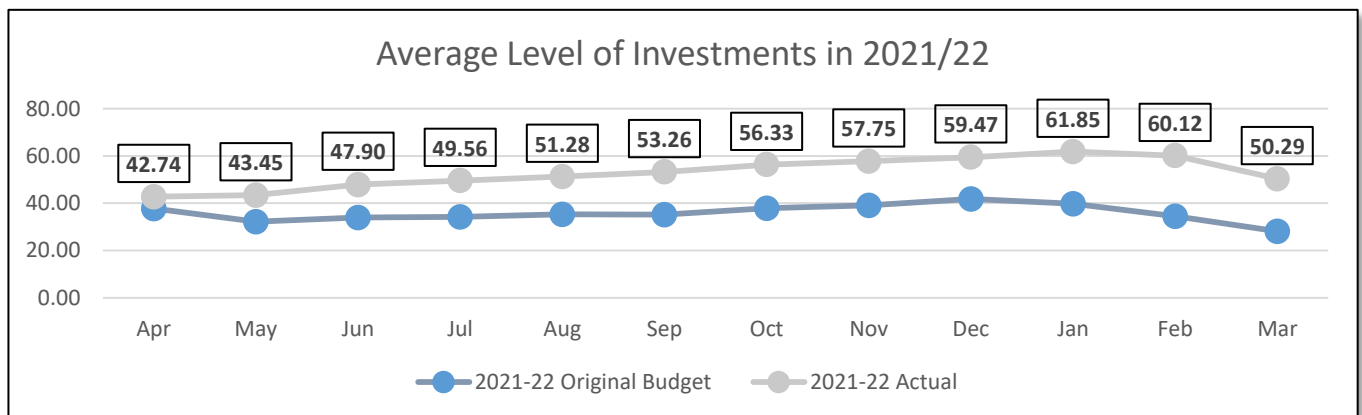
<u>Area</u>	<u>Pensions</u> £000	<u>Non Pensions</u> £000	<u>Total</u> £000
Lower long Term Liability assessed by the Actuary	19,119		19,119
Higher Investments as a result of higher working capital and reserves		15,228	15,228
Higher Non-current assets based on Valuer assessment		912	912
Higher Working capital including Council Tax Rebate £5.289m and Compliance and Recovery Fund £1.930m		(9,790)	(9,790)
Other		266	266
Total Assets less Liabilities	19,119	6,616	25,735
Higher Earmarked Reserves including risk and recovery		(4,269)	(4,269)
Higher Capital Receipts and Burntwood Sinking Fund		(519)	(519)
Higher Unapplied Capital Grants		(873)	(873)
Lower General Reserves		42	42
Total Usable Reserves		(5,619)	(5,619)
Lower Pensions Reserve to match the pension liability	(19,174)		(19,174)
Higher Other Reserves including Revaluation Reserve		(942)	(942)
Total Unusable Reserves	(19,174)	(942)	(20,116)

3.43 The level of investments and the sources of cash are shown in the chart below:



Cash Flow Forecasts

3.44 The graph below shows the average investment levels (in £m) throughout the 2021/22 financial year compared to the Original budget:



3.45 The cash flow variance is due to lower spend than forecast together with additional Government grants received in advance of spend taking place.

3.46 The Treasury Management Performance for 2021/22 for both investment income and borrowing was:

Treasury Management	2021/22			
	Revised Budget		Actual	
	Investment Income	Borrowing	Investment Income	Borrowing
Average Balance	£52.1m	£1.9m	£52.8m	£1.9m
Average Rate	0.75%	2.20%	0.80%	2.20%
Gross Investment Income	(£391,000)		(£423,797)	
Pooled Fund Transfer to Reserves	£120,000		£93,981	
External Interest		£48,000		£58,256
Internal Interest		£4,000		£826
Minimum Revenue Provision (less Finance Leases)		£46,000		£97,733
Net Treasury Position	(£271,000)	£98,000	(£329,816)	£156,816
	(£173,000)		(£173,000)	

Investment Strategy

3.47 The Council undertakes investments for three broad purposes:

- It approves the support of public services by lending or buying shares in other organisations – **Service Investments**.
- To earn investment income – **Commercial Investments**.
- It has surplus cash, as a result of its day to day activities, when income is received in advance of expenditure or where it holds cash on behalf of another body ready for payment in the future – **Treasury Management Investments**.

3.48 The Government has recognised in recent guidance, as a result of increased commercial activity, that the principles included in Statutory Guidance requiring that all investments should prioritise security and liquidity over yield must also be applied to service and commercial investments.

3.49 The government guidance requires the approval by Council of an Investment Strategy Report to increase the transparency around service and commercial investment activity. The Council approved its Investment Strategy Report on **16 February 2021**.

Service Investments

3.50 There was one investment of a service nature budgeted to take place in 2021/22. The investment and net return included in the Approved Budget is detailed below:

	Original Budget	Revised Budget	Actual	Variance
Approved Loan to the Local Authority Company	£675,000	£675,000	£0	(£675,000)
Net Income	£0	£0	£0	£0
Net Return	0.00%	0.00%	0.00%	

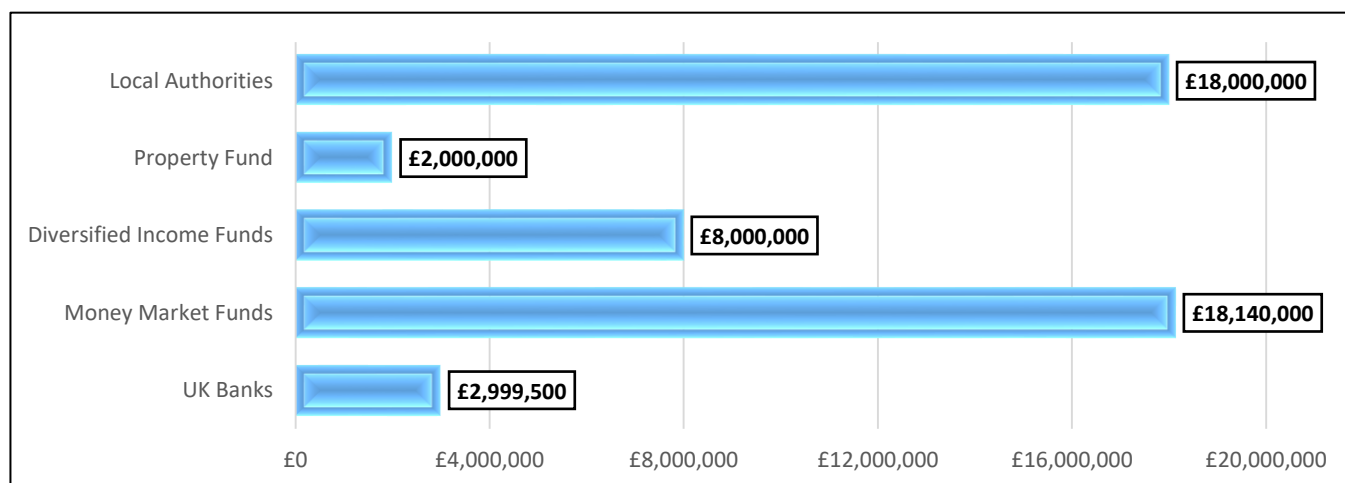
Commercial Investments

3.51 Council on 13 October 2020 approved the removal of all budgets related to Investment in Property and therefore currently there are no commercial investments planned.

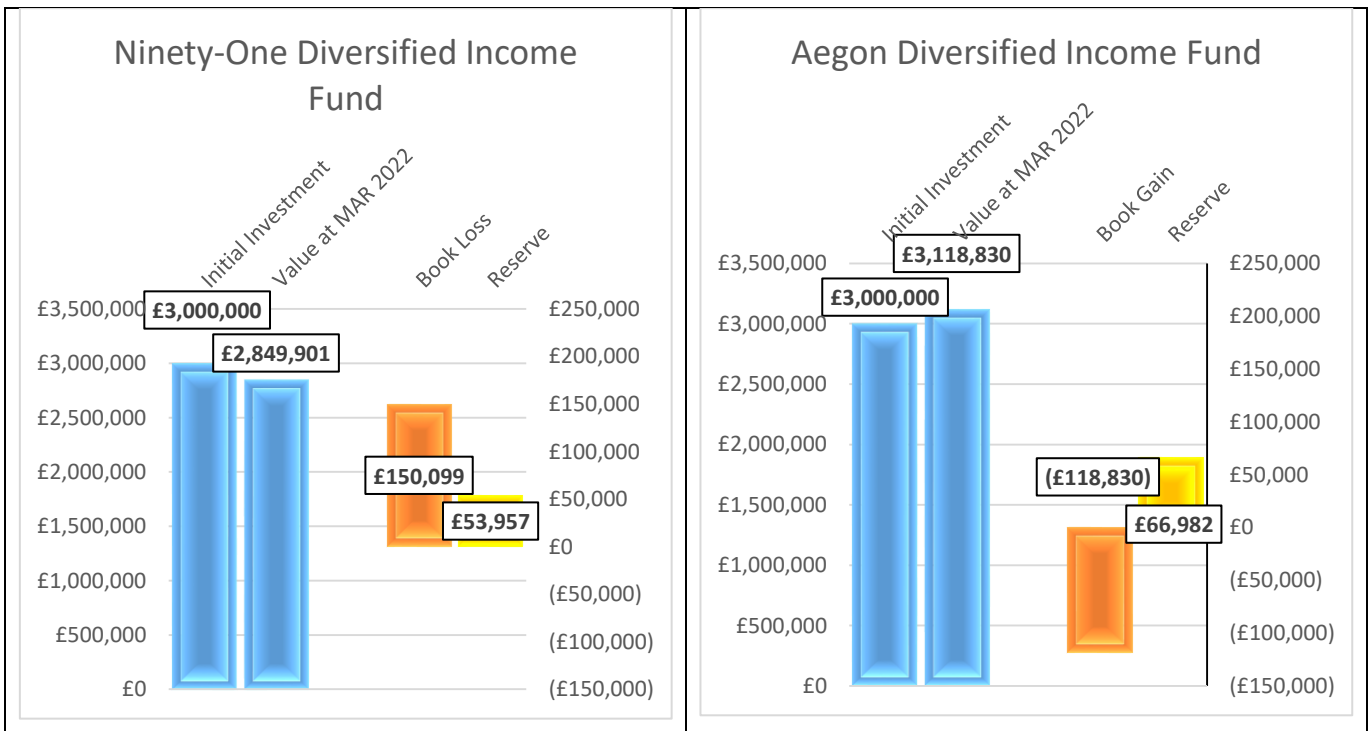
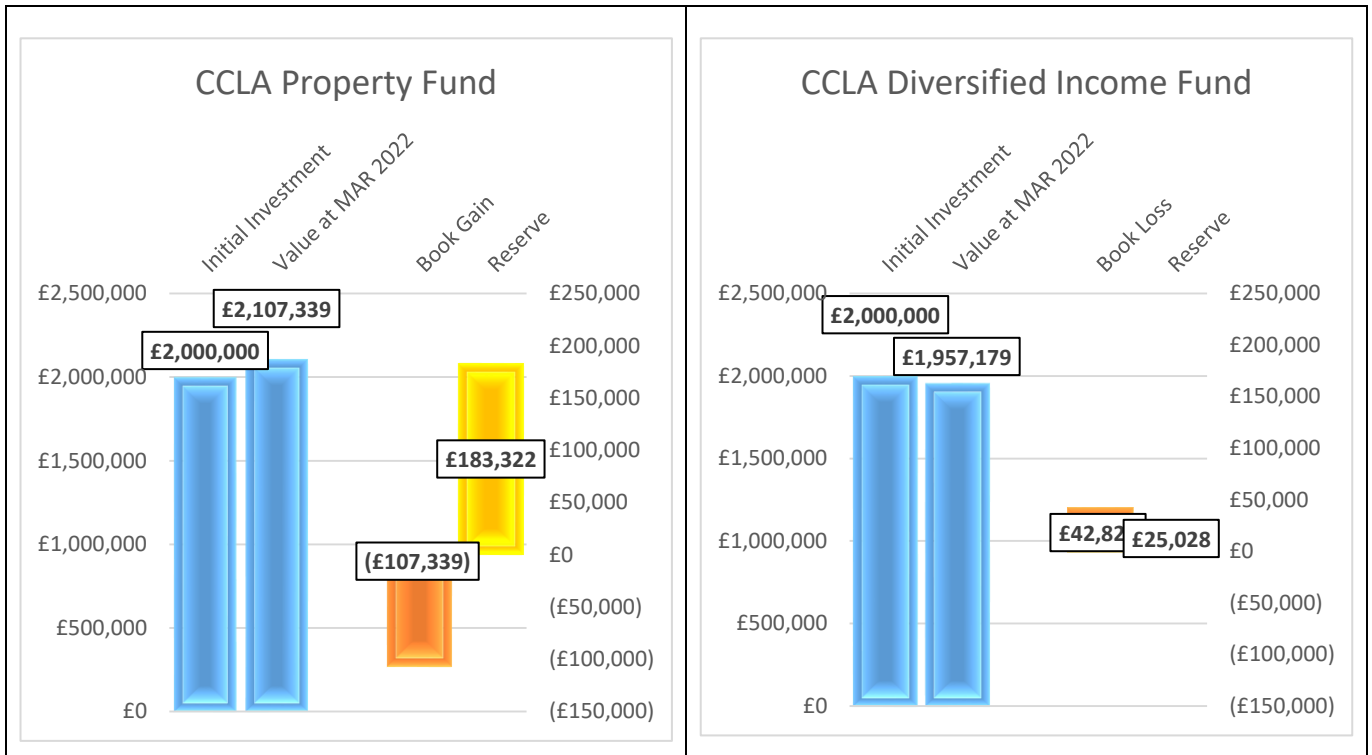
Treasury Management Investments

The Security of Our Investments

3.52 The investments the Council had at the 31 March 2022 of **£49.14m** (with the property fund and diversified income funds valued at their original investment value), by type and Country, are summarised below and in detail at **APPENDIX C**:



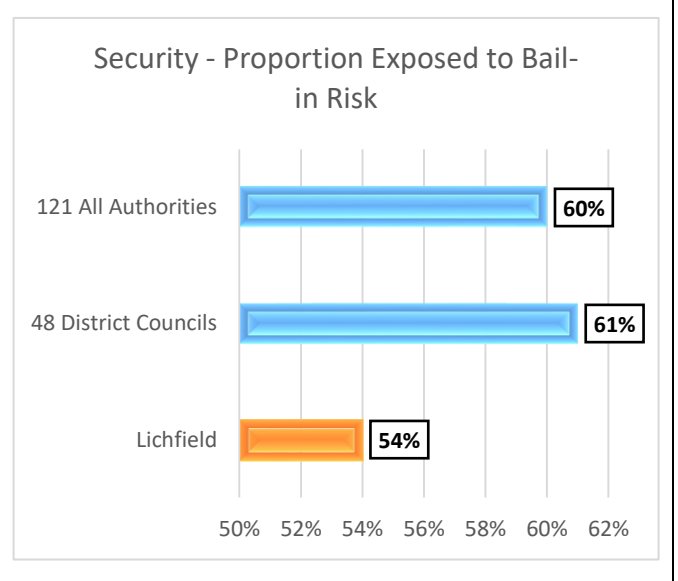
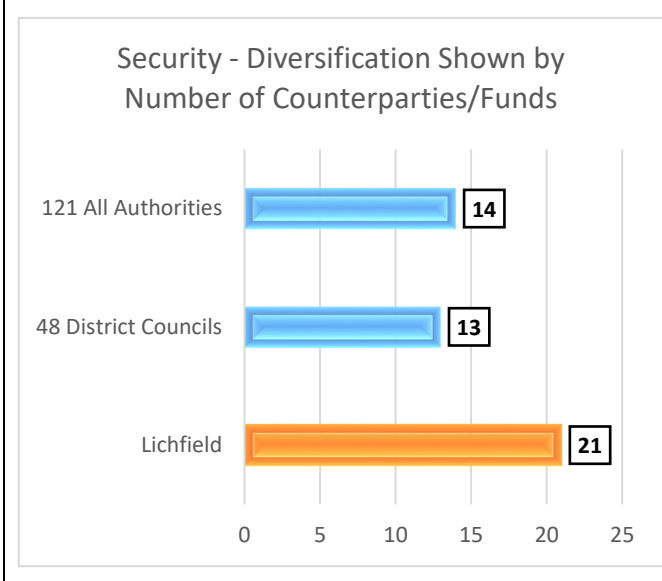
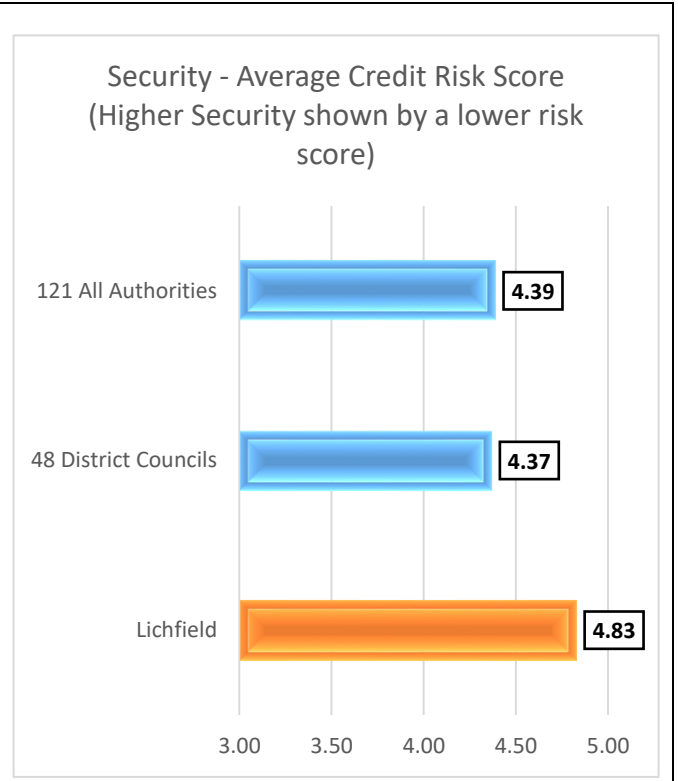
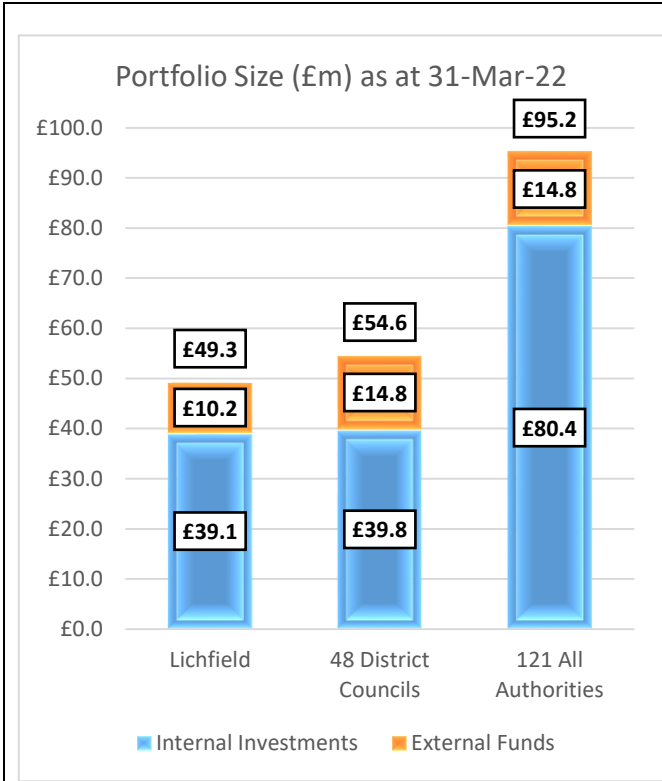
3.53 The current value of the Property Fund and Diversified Income Fund investments, together with the value of the earmarked reserve at the end of 2021/22 intended to offset reductions in value, is shown below:



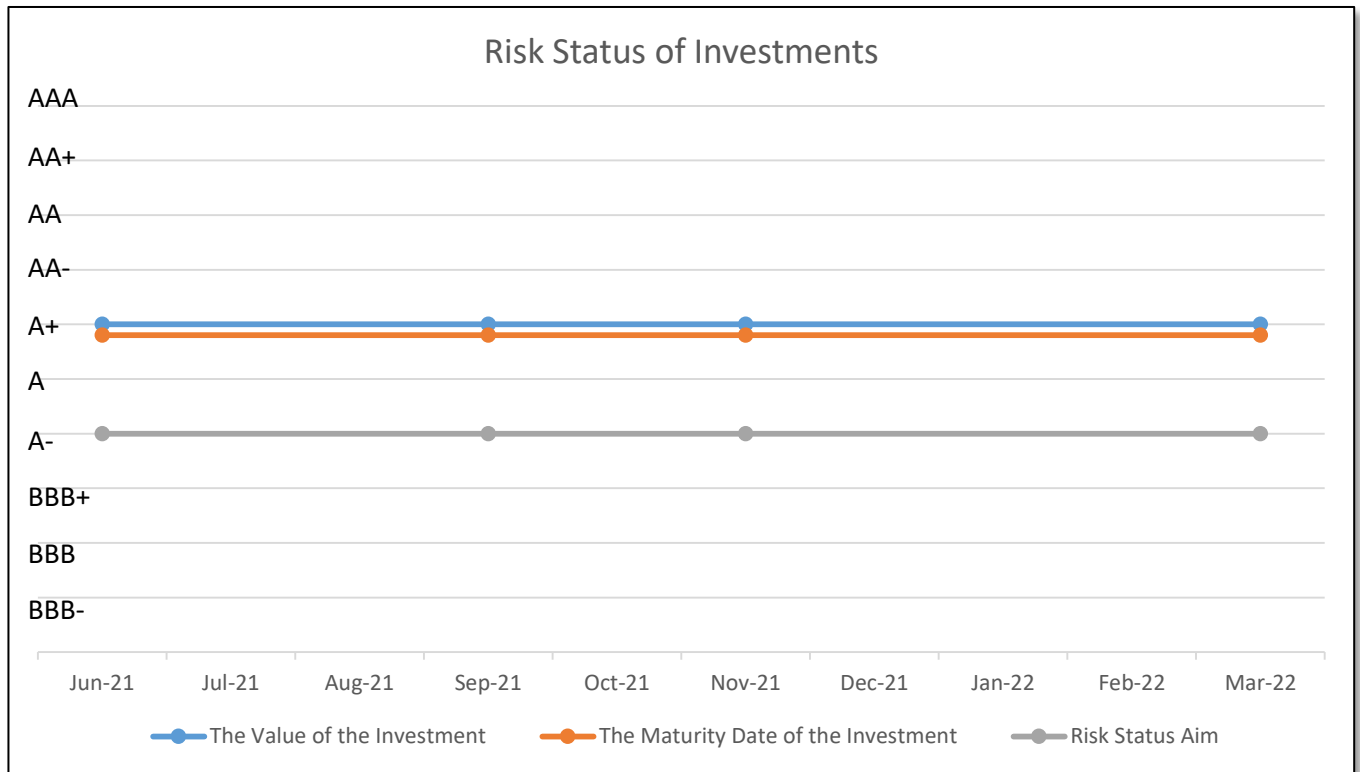
3.54 Overall in terms of strategic investments, there is a 'book gain' of **(£33,249)** and the earmarked reserve to manage volatility risk is **£329,290**.

3.55 In April 2022, the Council invested a further £2m in each of the Ninety One and Aegon Diversified Income Funds to take the total investment level for Strategic Investments to £14m in line with the approved level in the Treasury Management Strategy Statement.

3.56 The Council's portfolio size (with the property fund and diversified investment funds valued at their current values of **£10.2m**), average credit score, diversification and exposure to 'Bail in' risk compared to Arlingclose Clients is shown below:

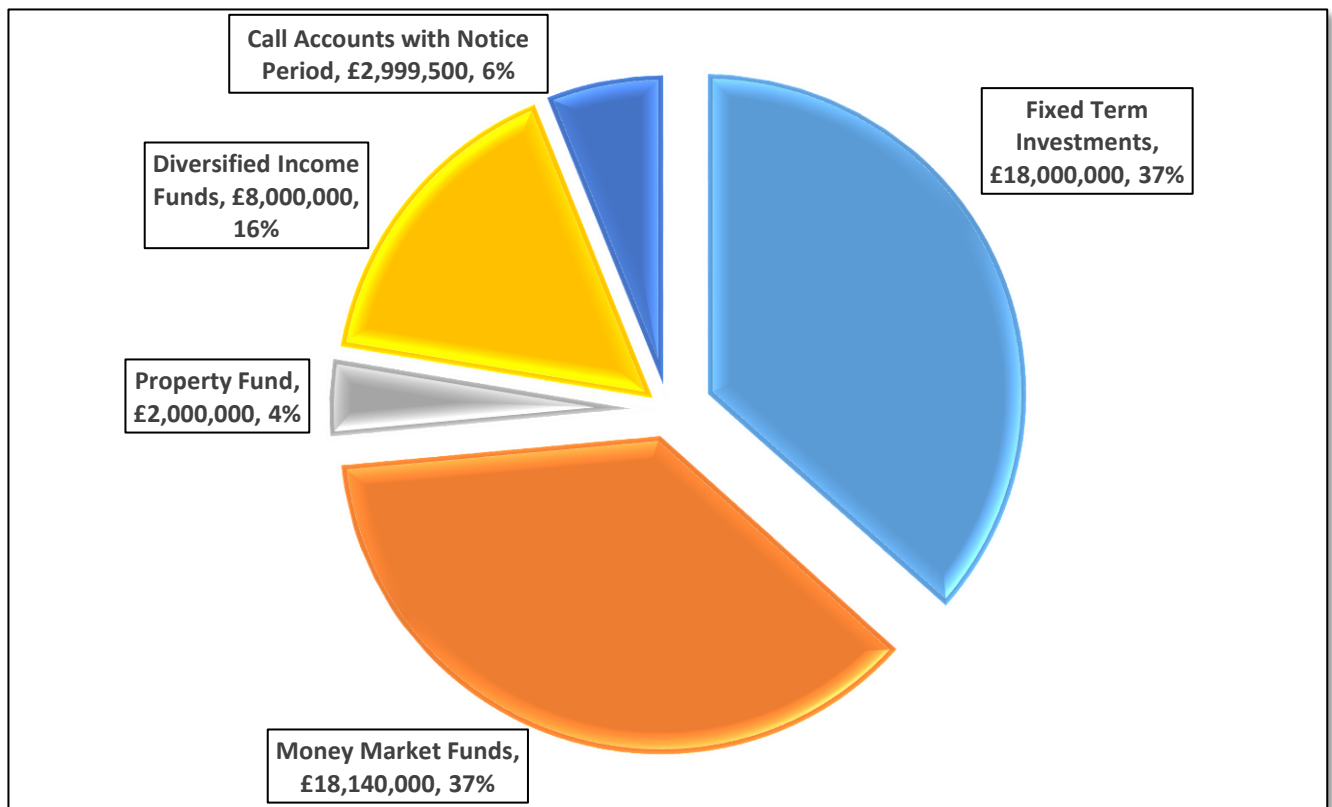


3.57 Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value from June 2021 to March 2022 is summarised in the graph below:

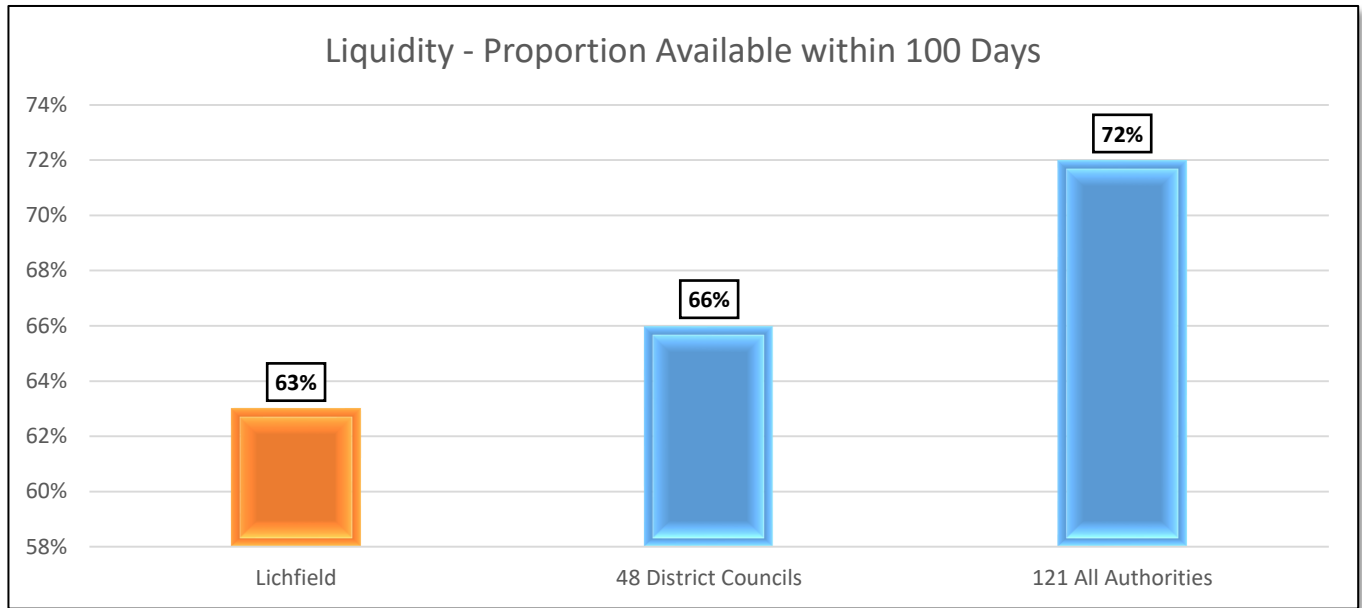


The Liquidity of our Investments

3.58 The Council did not have to temporarily borrow during 2021/22. It retains a proportion of its investments in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services. The investments by type are shown below:

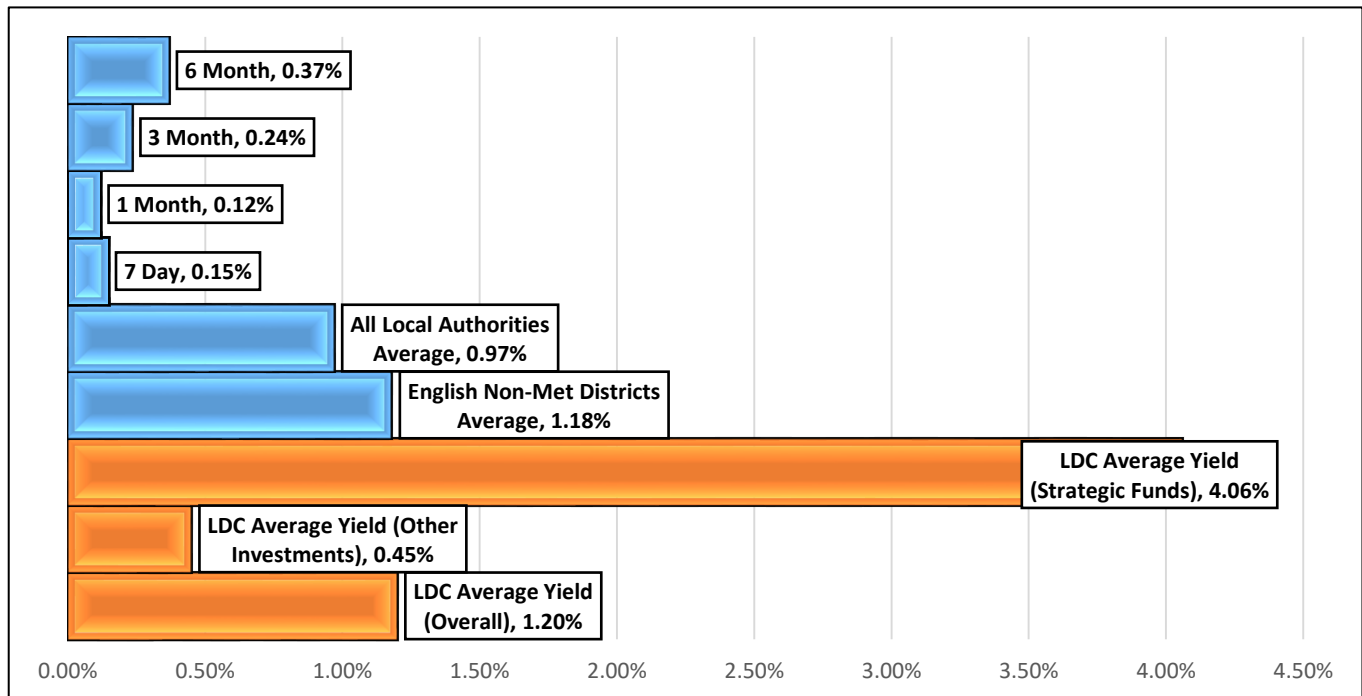


3.59 The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is below:



The Return or Yield of our Investments

3.60 The yield the Council was achieving as at 31 March 2022 compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) and all Arlingclose clients is shown below:



3.61 This graph shows the rate achieved on 31 March 2022, whereas the table at 3.25 shows the average yield for the whole financial year.

External Borrowing

3.62 At the end of the year, the Council had one long-dated PWLB loan totalling **£1,126,280**. The other loan was paid back early on 31 March 2022. The remaining loan's rate is **2.59%** with **18.5** years to maturity. This is shown in detail at **APPENDIX C**.

Consultation

Consultation is undertaken as part of the Strategic Plan and with Leadership Team.

Financial Implications

- We can confirm that the Council has complied with its Prudential and Local Indicators for 2021/22; these were originally approved by Council at its meeting on 16 February 2021 and were fully revised and approved by Council on 22 February 2022.
- In compliance with the requirements of the CIPFA Code of Practice this report provides members with a Summary Report of the Treasury Management Activity during 2021/22.
- None of the other Prudential and Local Indicators have been breached. The Prudential and Local Indicators are summarised in the table below:

Capital Strategy Indicators

Prudential Indicators

Indicators	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
Capital Investment					
Capital Expenditure (£m)	£3.264	£6.530	£6.411	£4.741	✓
Capital Financing Requirement (£m)	£3.016	£2.444	£2.747	£2.542	✓
Gross Debt and the Capital Financing Requirement					
Gross Debt	(£2.862)	(£2.167)	(£2.473)	(£1.509)	✓
Borrowing in Advance - Gross Debt in excess of the Capital Financing Requirement	No	No	No	No	✓
Total Debt					
Authorised Limit (£m)	£6.591	£15.435	£15.435	£3.204	✓
Operational Boundary (£m)	£6.591	£7.007	£7.007	£3.204	✓
Proportion of Financing Costs to Net Revenue Stream (%)	5%	5%	6%	5%	✓

Local Indicators

Indicators	2020/21 Actual	2021/22 Original	2021/22 Revised	2021/22 Actual	Compliant
Replacement of Debt Finance or MRP (£m)	(£0.747)	(£0.561)	(£0.663)	(£0.616)	✓
Repayment of Burntwood Leisure Centre Loan	(£0.542)	(£0.000)	(£0.306)	(£0.306)	✓
Capital Receipts (£m)	(£0.000)	(£0.537)	(£0.036)	(£0.121)	✓
Housing Capital Receipts (£m)	(£0.434)	£0.000	(£0.260)	(£0.395)	✓
Liability Benchmark (£m)	£25.033	£11.755	£22.081	£38.242 ¹	✓
Treasury Management Investments (£m)	£37.330	£23.813	£34.140	£49.368	✓

Treasury Management Indicators

Prudential Indicators

	Lower Limit	Upper Limit	As at 31/03/22	Compliant
Refinancing Rate Risk Indicator				
Under 12 months	0%	100%	5.41%	
12 months and within 24 months	0%	100%	5.41%	
24 months and within 5 years	0%	100%	16.22%	
5 years and within 10 years	0%	100%	27.03%	
10 years and within 20 years	0%	100%	45.95%	✓
20 years and within 30 years	0%	100%	0%	
30 years and within 40 years	0%	100%	0%	
40 years and within 50 years	0%	100%	0%	
50 years and above	0%	100%	0%	

¹ Updated compared to the Report to Cabinet on 7 June 2022 due to more up to date information being available

	2020/21	2021/22	2021/22	2021/22	Compliant
Indicators	Actual	Original	Revised	Actual	
Principal Sums invested for periods longer than a year (£m)	£8.000	£10.000	£10.000	£10.000	✓

Local Indicators					
	2020/21	2021/22	2021/22	2021/22	Compliant
Indicators	Actual	Original	Revised	Actual	
Balance Sheet Summary and Forecast					
Borrowing Capital Financing Requirement	£2.410	£2.336	£2.334	£2,160	✓
Internal (over) Borrowing	£0.155	£0.277	£0.274	£1.033	✓
Investments (or New Borrowing)	£37.330	£23.813	£34.140	£49.368 ²	✓
Liability Benchmark	£25.033	£11.755	£22.081	£38.242 ³	✓

	Target	2021/22 Actual	Compliant
Security			
Portfolio average credit rating	A-	A+	✓
Liquidity			
Temporary Borrowing undertaken	£0.000	£0.000	✓
Total Cash Available within 100 days (maximum)	90%	78%	✓

Approved by Section 151 Officer	Yes
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Legal Implications	No specific legal implications. The recommended Medium Term Financial Strategy, is part of the Budget Framework and will therefore require the approval of Full Council.
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Approved by Monitoring Officer	Yes
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Contribution to the Delivery of the Strategic Plan	The MTFS underpins the delivery of the Strategic Plan.
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Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
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Crime & Safety Issues	There are no additional Crime and Safety Issues.
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Environmental Impact	There are no additional Environmental Impacts. CIPFA is undertaking a consultation that includes the potential for Environmental, Social and Governance (ESG) of counterparties to form part of the revised Treasury Management Code.
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GDPR/Privacy Impact Assessment	There are no additional GDPR/Privacy Impact Assessment Impacts.
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² Updated compared to the Report to Cabinet on 7 June 2022 due to more up to date information being available

³ Updated compared to the Report to Cabinet on 7 June 2022 due to more up to date information being available

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
Strategic Risk SR1 - Pressures on the availability of finance may mean the Council is not able to deliver the key priorities of the strategic plan				
A	Council Tax is not set by the Statutory Date of 11 March 2023	Likelihood : Green Impact : Red Severity of Risk : Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Likelihood : Green Impact : Red Severity of Risk : Yellow
B	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations	Likelihood : Yellow Impact : Red Severity of Risk : Red	To closely monitor the level of appeals. An allowance for appeals has been included in the Business Rate Estimates.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
C	The review of the New Homes Bonus regime	Likelihood : Red Impact : Red Severity of Risk : Red	The Council responded to the recent consultation. Not all of the projected New Homes Bonus is included as core funding in the Base Budget. In 2022/23 £400,000 is included with the balance transferred to general reserves. At this stage, no income is assumed from 2023/24 onwards.	Likelihood : Red Impact : Yellow Severity of Risk : Yellow
D	The increased Localisation of Business Rates and the Review of Needs and Resources	Likelihood : Red Impact : Red Severity of Risk : Red	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Likelihood : Red Impact : Red Severity of Risk : Red
E	The affordability and risk associated with the Capital Strategy	Likelihood : Yellow Impact : Red Severity of Risk : Red	An estates management team has been recruited to provide professional expertise and advice in relation to property and to continue to take a prudent approach to budgeting.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
F	Sustained higher levels of inflation in the economy	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow	To maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections and where possible ensure income increases are maximised to mitigate any additional cost.	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to emerging landscape				
G	The financial impact of COVID-19 is not fully reimbursed by Government and exceeds the reserves available resulting in a Section 114 notice	Likelihood : Yellow Impact : Red Severity of Risk : Yellow	The use of general and earmarked reserves to fund any shortfall	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
H	The Council cannot achieve its approved Delivery Plan for 2022/23	Likelihood : Yellow Impact : Red Severity of Risk : Red	There will need to be consideration of additional resourcing and/or reprioritisation to reflect the ongoing impact of the pandemic	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
I	The resources available in the medium to longer term to deliver the Strategic Plan are diminished	Likelihood : Yellow Impact : Red Severity of Risk : Red	The MTFS will be updated through the normal review and approval process	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow
J	Government and Regulatory Bodies introduce significant changes to the operating environment	Likelihood : Red Impact : Red Severity of Risk : Red	To review all proposed policy changes and respond to all consultations to influence outcomes in the Council's favour	Likelihood : Yellow Impact : Yellow Severity of Risk : Yellow

Background Documents	<ul style="list-style-type: none">• CIPFA Code of Practice for Treasury Management in the Public Services• The Prudential Code for Capital Finance in Local Authorities• The Treasury Management Strategy Statement (TMSS) 2021/22 – Audit and Member Standards Committee 3 February 2021• Mid-Year Treasury Management Report – Audit and Member Standards Committee 11 November 2021• The Treasury Management Strategy Statement (TMSS) 2022/23 – Audit and Member Standards Committee 3 February 2022
Relevant web link	

Capital Programme Performance in 2021/22

Project	Original Budget	Approved Budget	Actual	Variance
New Build Parish Office/Community Hub	92,000	0	0	0
Armitage with Handsacre storage container	6,000	6,000	5,700	(300)
Armitage War Memorial and surrounding area	120,000	120,000	120,000	0
Installation of artificial grass at Armitage	3,000	3,000	0	(3,000)
Burntwood LC CHP Unit	0	64,000	(4,835)	(68,835)
Friary Grange - Short Term Refurbishment	240,000	209,000	50,754	(158,246)
Replacement Leisure Centre	278,000	328,000	152,917	(175,083)
Beacon Park Pathway	0	37,000	36,500	(500)
Burntwood Leisure Centre - Decarbonisation	532,000	443,000	425,400	(17,600)
Accessible Homes (Disabled Facilities Grants)	1,272,000	921,000	1,231,709	310,709
Home Repair Assistance Grants	22,000	6,000	5,185	(815)
Decent Homes Standard	147,000	0	0	0
Energy Insulation Programme	22,000	0	0	0
DCLG Monies	212,000	0	0	0
Unallocated S106 Affordable Housing Monies	429,000	496,000	588,479	92,479
Burntwood Park Resurfacing	0	11,000	11,170	170
Burntwood Park Play Equipment	0	75,000	0	(75,000)
Burntwood Park Fencing	0	30,000	36,500	6,500
Enabling People Total	3,375,000	2,749,000	2,659,480	(89,520)
Canal Towpath Improvements (Brereton & Ravenhill)	36,000	44,000	43,656	(344)
Loan to Council Dev Co.	675,000	675,000	0	(675,000)
Lichfield St Johns Community Link	35,000	0	0	0
Staffordshire Countryside Explorer	44,000	44,000	0	(44,000)
Lichfield Public Conveniences	0	40,000	0	(40,000)
Vehicle Replacement Programme (Waste)	0	437,000	407,633	(29,367)
Bin Purchase	150,000	240,000	195,188	(44,812)
Dual Stream Recycling	0	329,000	62,400	(266,600)
Vehicle Replacement Programme (Other)	108,000	128,000	127,643	(357)
Upper St John St & Birmingham Road Improvements	7,000	0	0	0
The Leomansley Area Improvement Project	3,000	3,000	0	(3,000)
Cannock Chase SAC	44,000	44,000	57,539	13,539
Welcome Back Fund - Park Furniture	0	0	16,675	16,675
Burntwood Public Conveniences	0	45,000	0	(45,000)
Shaping Place Total	1,102,000	2,029,000	910,734	(1,118,266)
Multi Storey Car Park Refurbishment Project	250,000	259,000	198,219	(60,781)
Vehicle Replacement Programme (Car Parks)	10,000	0	0	0
Birmingham Road Site - Coach Park	625,000	300,000	6,775	(293,225)
Birmingham Road Site - Short Term Redevelopment	0	13,000	970	(12,030)
Car Parks Variable Message Signing	32,000	0	0	0
Old Mining College - Refurbish access and signs	13,000	0	0	0
City Centre Strat and Interpretation S106	0	0	(1,750)	(1,750)
St. Chads Sculpture (Lichfield City Art Fund)	5,000	5,000	5,000	0
Developing Prosperity Total	935,000	577,000	209,214	(367,786)
Equipment Storage	0	125,000	0	(125,000)
Property Planned Maintenance	289,000	0	0	0
New Financial Information System	225,000	225,000	199,296	(25,704)
Depot Sinking Fund	11,000	0	0	0
Carbonisation Project - District Council House	0	263,000	268,528	5,528
IT Infrastructure	35,000	108,000	83,553	(24,447)
ICT Hardware	165,000	5,000	4,570	(430)
IT Innovation	205,000	18,000	16,950	(1,050)
District Council House Repair Programme	188,000	0	0	0
Building a Better Council	0	150,000	85,069	(64,931)
Committee Audio-Visual Hybrid Meeting Platform	0	0	18,409	18,409
First Floor Office Refit	0	162,000	285,623	123,623
Good Council Total	1,118,000	1,056,000	961,998	(94,002)
Capital Programme Total	6,530,000	6,411,000	4,741,426	(1,669,574)

APPENDIX A

Funding Source	Original Budget	Approved Budget	Actual to Date	Variance
Capital Receipts	1,301,000	914,000	684,229	(229,771)
Borrowing Need - Borrowing and Finance Leases	278,000	700,000	495,460	(204,540)
Capital Grants and Contributions	3,071,000	2,385,000	2,733,425	348,425
Reserves, Existing Revenue Budgets and Sinking Funds	1,880,000	2,412,000	828,312	(1,583,688)
Capital Programme Total	6,530,000	6,411,000	4,741,426	(1,669,574)

	Original Budget	Approved Budget	Actual to Date	Variance
Non-Current Assets	3,982,000	4,781,000	3,022,587	(1,758,413)
REFCUS	2,548,000	1,630,000	1,718,839	88,839
Capital Programme Total	6,530,000	6,411,000	4,741,426	(1,669,574)

The Council's Balance Sheet

	Type	2020/21 Actual £000s	2021/22 Actual £000s	2021/22 Approved Budget £000s	Variance to Approved Budget £000s
Non-Current Assets	ASSET	44,575	48,033	47,121	912
Equity Investment in Local Authority Company	ASSET	225	225	225	0
Long Term Debtors	DEBT	165	143	165	(22)
Long Term Investment (Company Loan)	LOAN	0	0	675	(675)
Investments	INV	37,289	49,368	34,140	15,228
Borrowing	BOLE	(2,255)	(1,126)	(2,060)	934
Finance Leases	BOLE	(606)	(383)	(412)	29
Working Capital	CRED	(13,580)	(23,176)	(13,386)	(9,790)
Pensions	CRED	(41,554)	(24,799)	(43,918)	19,119
TOTAL ASSETS LESS LIABILITIES		24,259	48,285	22,550	25,735

<u>Unusable Reserves</u>					
Revaluation Reserve	REV	(10,131)	(11,897)	(10,131)	(1,766)
Capital Adjustment Account	CAP	(31,653)	(33,819)	(35,143)	1,324
Deferred Credits	CRED	(47)	(47)	(47)	(0)
Pension Scheme	CRED	43,821	25,962	45,136	(19,174)
Benefits Payable During Employment Adjustment Account	CRED	460	409	460	(51)
Collection Fund	CRED	6,037	2,863	3,457	(594)
Available for Sale Financial Instruments Reserve	CRED	41	(228)	(374)	146
<u>Usable Reserves</u>					
Unapplied Grants and Contributions	UGER	(3,618)	(4,057)	(3,184)	(873)
Usable Capital Receipts	UGER	(3,042)	(2,863)	(2,408)	(455)
Sinking Funds	UGER	(64)	(64)	0	(64)
Earmarked Reserves - Unrestricted	UGER	(15,145)	(12,652)	(9,994)	(2,658)
Earmarked Reserves - Restricted	UGER	(4,204)	(5,044)	(3,433)	(1,611)
General Fund Balance	GEN	(6,714)	(6,846)	(6,888)	42
TOTAL EQUITY		(24,259)	(48,285)	(22,550)	(25,735)

Reserves Available to cover Investment Losses	(21,859)	(19,498)	(16,882)	(2,616)
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Summary					
Capital Funding	CAP	(31,653)	(33,819)	(35,143)	1,324
Revaluation Reserve	REV	(10,131)	(11,897)	(10,131)	(1,766)
Borrowing and Leasing	BOLE	(2,861)	(1,509)	(2,473)	964
Non-Current Assets	ASSET	44,800	48,258	47,346	912
Investments	INV	37,289	49,368	34,140	15,228
Unapplied Grants & Earmarked Reserves	UGER	(26,073)	(24,681)	(19,019)	(5,662)
General Reserve	GEN	(6,714)	(6,846)	(6,888)	42
Long Term Debtors	DEBT	165	143	165	(22)
Long Term Investment (Company Loan)	ASSET	0	0	675	(675)
Working Capital & Pensions	CRED	(4,822)	(19,018)	(8,672)	(10,346)
Total		0	0	0	0
Internal Borrowing		155	1,033	274	759

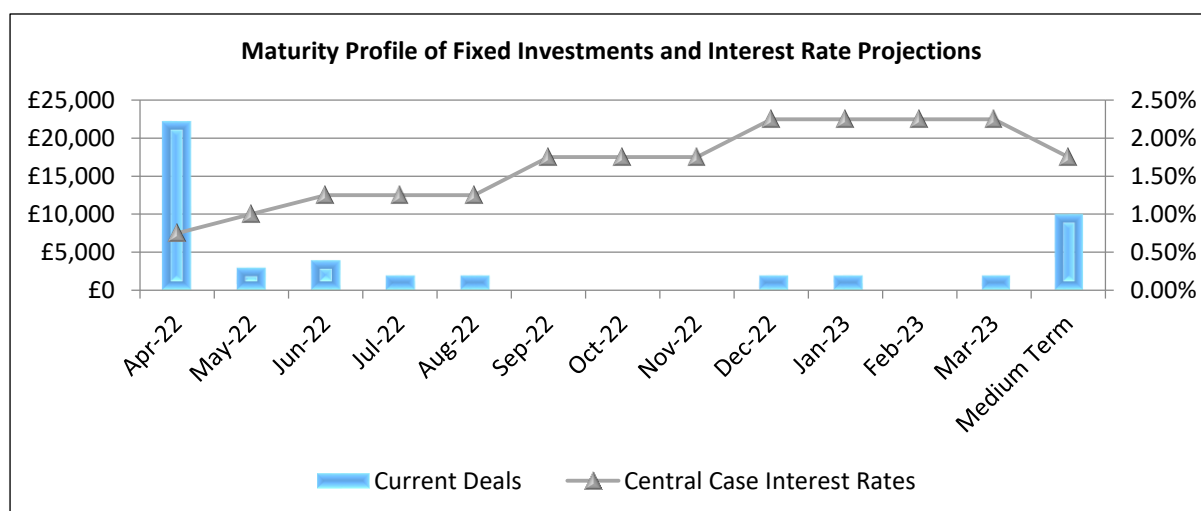
Liability Benchmark					
Capital Financing Requirement (Borrowing)		2,410	2,160	2,334	(173)
Working Capital		(4,657)	(18,875)	(8,507)	(10,368)
Usable Reserves		(32,787)	(31,527)	(25,907)	(5,620)
Minimum Level of Investments		10,000	10,000	10,000	0
Total		(25,034)	(38,242)	(22,081)	(16,161)

Investments in the 2021/22 Financial Year

The table below shows a breakdown of our investments at the end of March 2022:

Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
Money Market Funds						
Legal & General	£4,000,000	01-Apr-22	Instant Access	0.54%	0	N/A
Federated	£3,820,000	01-Apr-22	Instant Access	0.40%	0	N/A
Insight	£1,320,000	01-Apr-22	Instant Access	0.36%	0	N/A
BNP Paribas MMF	£4,000,000	01-Apr-22	Instant Access	0.50%	0	N/A
CCLA MMF	£5,000,000	01-Apr-22	Instant Access	0.47%	0	N/A
Strategic Funds						
CCLA Property Fund	£2,000,000	N/A	N/A	3.64%	N/A	No
Ninety-One Diversified Income Fund	£3,000,000	N/A	N/A	3.52%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	2.39%	N/A	No
Aegon Diversified Income Fund	£3,000,000	N/A	N/A	4.97%	N/A	No
Fixed Term Investments						
Monmouthshire Council	£2,000,000	28-Apr-22	28	0.10%	LOCAL	
Ashford Borough Council	£2,000,000	19-Apr-22	19	0.07%	LOCAL	
Cheltenham Borough Council	£2,000,000	12-May-22	42	0.05%	LOCAL	
Eastleigh Borough Council	£2,000,000	08-Jun-22	69	0.07%	LOCAL	
Moray Council	£2,000,000	22-Aug-22	144	0.20%	LOCAL	
Surrey Heath Borough Council	£2,000,000	15-Jun-22	76	0.10%	LOCAL	
Conwy County Borough Council	£2,000,000	23-Jan-23	298	0.30%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	09-Mar-23	343	0.95%	LOCAL	
North Lanarkshire Council	£2,000,000	21-Dec-22	265	0.85%	LOCAL	
Call Accounts with Notice Period						
Santander	£1,000,000	04-Jul-22	95	0.55%	A	
Lloyds	£1,000,000	04-Jul-22	95	0.03%	A+	
HSBC	£999,500	01-May-22	31	0.72%	A+	
Total Investments	£49,139,500					

The maturity profile of these investments at 31 March 2022, compared to our Treasury Management advisor Arlingclose interest rate forecasts, is shown in the graph below:



External Borrowing

Source	Loan Amount	Maturity Date	Interest Rate	Outstanding Balance as at 31 March 2022
Public Works Loan Board	£1,522,000	08-Apr-40	2.59%	£1,126,280