

Money Matters : 2023/24 Financial Monitoring

Cabinet Member for Finance and Commissioning

Date:	5 September 2023
Agenda Item:	3
Contact Officer:	Anthony Thomas
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Key Decision?	YES
Local Ward Members	Full Council



Cabinet

1. Executive Summary

- 1.1 The report covers the financial performance from April to June (Quarter One) for 2023/24.
- 1.2 The Medium Term Financial Strategy projected general reserves at 31 March 2024 would be **£6,075,329**. At this stage, general reserves are forecast to be **£5,508,584**, a decrease of **(£566,745)** related to:
 - A lower than budgeted contribution in 2022/23 of **(£90,665)**.
 - A projected decrease contained in this report for 2023/24 of **(£476,080)**.
- 1.3 Leisure centre income is projected to be **£414,110** lower than the budget and the shortfall will be funded from the earmarked reserve.
- 1.4 At the three month's stage, there are no significant financial risks that need to be highlighted to the Council as shareholder in relation to LWMTS financial performance.
- 1.5 The Capital Programme is projected to be **£19,398,000** which is **£250,000** more than the Approved Budget.
- 1.6 Capital Receipts are projected to be **(£945,000)** which is the same as the Approved Budget.
- 1.7 In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:
 - **Council Tax collection** in year performance was **29.20%** (29.10% in 2022/23) and total arrears were **£5,177,097** and the Council's share is **£608,116** (£4,121,685 and £535,819 in 2022/23).
 - The **Council Tax Collection Fund** is projected to be in surplus, with the Council's c12% share being **(£24,990)** compared to the Approved Budget of **£0**. This additional income of **(£24,990)** will be included in the 2024/25 budget.
 - Sundry Debt for income to be collected in 2023/24 has increased by **£3,041,644** or **127%** compared to 2022/23, and the value outstanding at 30 June 2023 has increased by **£1,731,088** or **88%**.
 - **Retained Business Rate Income** is projected to be **(£3,464,100)** in line with the Approved Budget.
 - The **Business Rates Collection Fund** is projected to be in surplus, with the Council's 40% share being **(£1,042,000)** compared to the Approved Budget of **£0**. This additional income of **(£1,042,000)** will be included in the 2024/25 budget.
 - **Business Rates collection** in year performance was **30.30%** (34.50% in 2022/23) and total arrears were **£786,964** and the Council's share is **£314,785** (£958,450 and £383,380 in 2022/23).
 - The payment of suppliers within 30 days was **90.92%**, which is above our **90%** target.
- 1.8 The Council's investments achieved a risk status of **A+** that was more secure than the aim of **A-** and yield exceeded all four of the industry standard London Interbank (LIBID) yield benchmarks.

2. Recommendations

- 2.1. To note the report and issues raised within and that Leadership Team with Cabinet Members will continue to closely monitor and manage the Medium Term Financial Strategy.
- 2.2. To recommend to Council to approve an increase in the Streethay Community Centre budget of **£250,000**. This will increase the project budget from **£600,000** to **£850,000** and will be funded by **£250,000** of Section 106 funding.

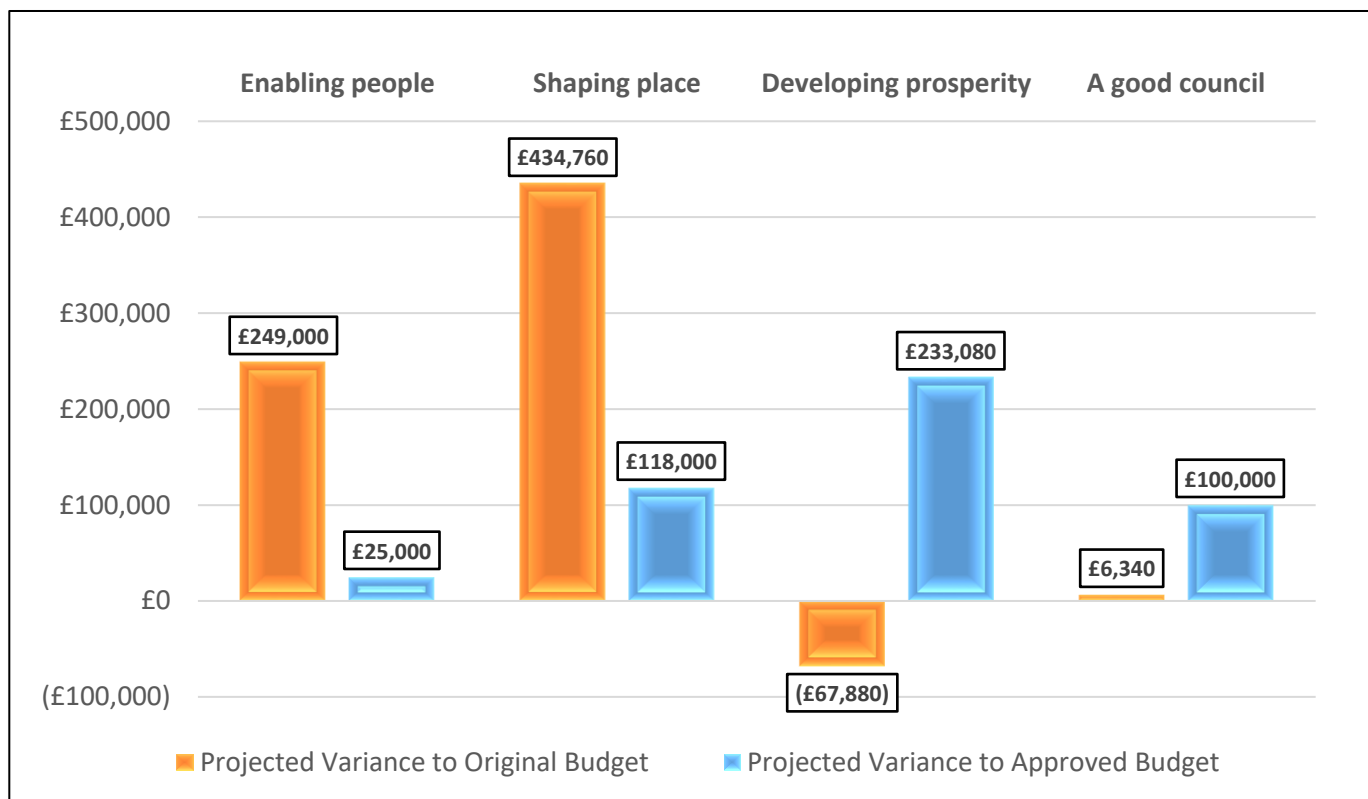
3. Background

Budget Management

- 3.1. The MTFs 2022-27, approved by Council on 28 February 2023, included the Original Budget for 2023/24 and set out the allocation of resources and the policies and parameters within which managers are required to operate.
- 3.2. Throughout the financial year, Money Matters reports and Briefing Notes are provided to both Cabinet and Overview and Scrutiny Committee at three, six and eight month intervals to monitor performance.
- 3.3. The Money Matters reports update the Approved Budget for latest projections and the eight month report will form the basis of the Revised Approved Budget for 2023/24 and will be approved by Council on 27 February 2024.

The Revenue Budget

- 3.4. Financial performance is shown in detail at **APPENDIX A** and in summary below:



Performance compared to the Approved Budget

3.5. The overall projected variance is shown in summary below:

	Projected Variance		
	Virement	Vacancy Savings	Other Variances
Enabling People			
• Transfer	25,000		
Shaping place			
• Golf Course - Saving not Achieved			80,000
• Green Waste Income - Fee Increase to be Implemented			63,000
• Transfer	(25,000)		
Developing prosperity			
• LED Lighting in Car Parks - Saving not Achieved			5,000
• Car Park Income - Fee Increase to be Implemented			207,080
• Departure Charges for Bus Companies not Achieved			21,000
A good council			
• Vacancy Savings		(27,630)	(11,100)
• Achievement of the Vacancy Savings Target - Annual Target £180,000 (£150,000 target plus Talent Acquisition £30,000)		27,630	
• Additional Charge for External Audit for Grant Claims 22/23			11,100
• IT - Savings not Achieved			100,000
Total - Net Cost of Services	0	0	476,080
		476,080	
			0
Transfer (to)/from General Reserves			£476,080

3.11. The current progress on delivering savings/additional income proposals (shown in the table above in blue) included within the MTFS is also provided at **APPENDIX A**.

Leisure Centres

3.12. Cabinet on 14 February 2023 approved following a mutually agreed termination of the Leisure Operating Contract with Freedom Leisure, the transfer of the management, budget, and operation of the council's leisure portfolio (comprising Burntwood Leisure Centre and Friary Grange Leisure Centre) to the Council's wholly owned company / new organisational structure as appropriate with the Company assuming responsibility for paying the contract commercial bid and contracted indexing to the Council from 1 April 2023.

3.13. Full Council approved that the payment received from Freedom Leisure be set aside in an earmarked reserve held by the Council to cover implementation/transition costs and the additional costs of energy supply in 2023/24 and 2024/25 within the wholly owned company / new organisational structure and thereafter revert to General Reserves.

3.14. To ensure Tekkal compliance (only 20% of turnover can be external) within Lichfield West Midlands Traded Services (LWMTS) it has been necessary for the Council to receive all the income for customer use of the leisure centres.

3.15. Therefore, to enable LWMTS to recover its operating costs, a management fee based on the agreed LWMTS Business Plan will be paid.

3.16. In addition, it has been agreed that the Council as asset owner, will be responsible for paying the Business Rates for Burntwood Leisure Centre.

3.17. The budgeted income that will be retained by the Council, management fee, costs and Commercial Bid budget is provided in detail at **APPENDIX A** and in summary below:

	2023/24	2024/25	2025/26	2026/27	2027/28
Income Retained by the Council	(£2,727,740)	(£2,734,290)	(£2,978,130)	(£3,434,020)	(£3,673,950)
Management Fee and Costs	£2,641,500	£2,648,050	£2,942,130	£3,152,020	£3,317,950
Commercial Bid Budget	(£86,240)	(£86,240)	(£36,000)	(£282,000)	(£356,000)

3.18. At this early stage of the financial year, there is a projected annual shortfall of **£414,110** compared to the budgeted retained income.

3.19. An earmarked reserve was established using the compensation sum and underspends in two capital projects were repurposed to provide funding for implementation and transition.

3.20. The current position in terms of funding and costs is shown below:

Detail	Implementation/ Transition
Earmarked Reserve	(£750,000)
Underspend BABC	(£88,000)
Sinking fund BLC	(£69,000)
Total Available Funding	(£907,000)

Actual/committed spend	£372,220
Projected income shortfall	£414,110
Total Projected Spend	£786,330

Available Balance	(£120,670)
Impact on General Reserves	£0

3.21. These financial projections will be refined during the financial year and any income shortfall more than the available funding will need to be funded from general reserves.

Lichfield West Midlands Traded Services (LWMTS) Financial Performance

3.22. On 18 July 2023, the Cabinet Members for Finance and Commissioning and Leisure, Parks and Major Projects agreed the revised LWTMS Business Plan approved by the Company Board in June 2023.

3.23. The revised LWMTS Business Plan included some key changes compared to the previous version are:

- A significant increase in turnover from **£500,000** to **£7 million** mainly due to the inclusion of Leisure Centre Management, Disabled Facilities Grants and new leisure activities funded by Community Infrastructure Levy.
- A corresponding increase in operating expenditure to reflect the new activities being delivered by LWMTS.
- A projected surplus for the year of **(£263,639)** prior to payment of any Corporation Tax and distribution of any profit after tax to the Council via dividends. This is **4.05%** of operating expenditure.

3.24. The financial information contained in the Business Plan has recently been revisited to reflect:

- Projected lower levels of Disabled Facilities Grant.
- New leisure activities funded by Community Infrastructure Levy now being undertaken by the Council to remove the need for separate local grant funding agreements.

3.25. As the Company develops, and the Business Plan is refreshed, material changes will require further approval by the Council.

3.26. It is therefore important given the Council is the sole shareholder, and the significant increase in the level of financial risk that oversight is maintained on financial performance. This will enable Council to have an early indication of any areas of underperformance that could subsequently impact on the Council's Medium Term Financial Strategy.

3.27. In terms of quarter 1 LWMTS financial performance the key highlights are:

- Overall income for the 3 months Apr - June 2023 (Q1) was (£1.381m) versus budgeted income of (£1.077m).
- Operating profit of (£593,000) created for Q1 period - Apr to June 2023 versus budgeted surplus of (£1,700).
- Q1 surplus/profit much larger than expected due to extra DFG income of (£456,000) being invoiced & 2022/23 underspend amount b/fwd.
- Certain costs like utilities have been invoiced to LWMTS in July which relate to Q1 period.
- Microsport income much lower than budget due to the Council retaining management of Community Infrastructure Levy drawdown.

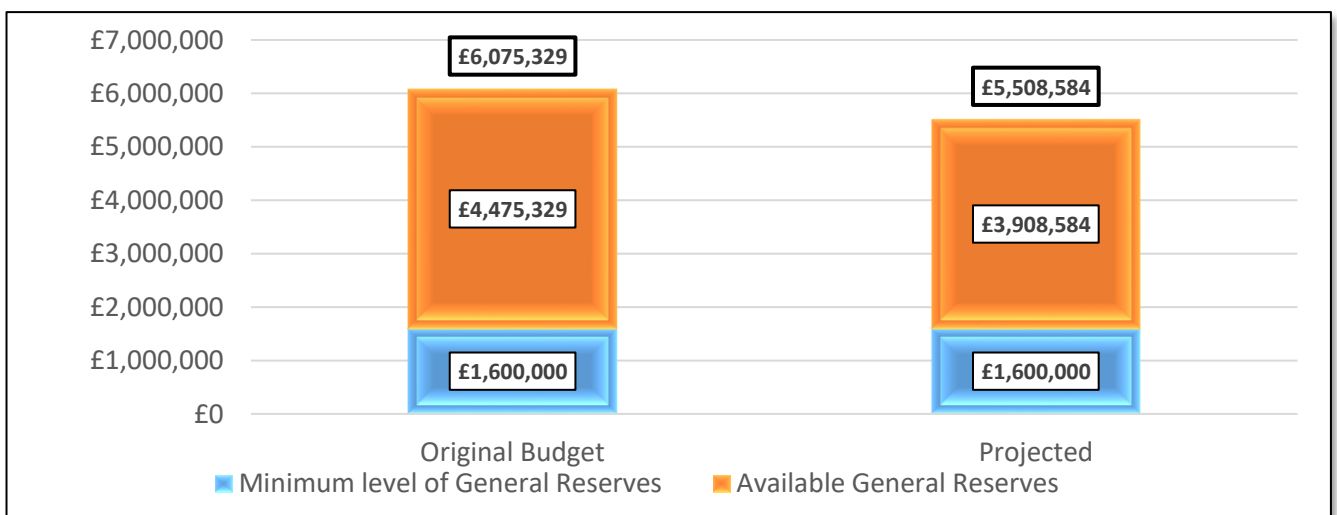
Fees and Charges

3.28. The gross fees and charges budgets for 2023/24, together with actual income achieved over the last eight years, are shown in detail at **APPENDIX B**. The projected variances (with positive figures relating to shortfalls in performance compared to budget) for those with the highest value are:



Revenue General Reserves

3.29. The Original Budget estimated general reserves of **£6,075,329** at 31 March 2024. The current projected level is **£5,508,584**, a decrease of **(£566,745)** (£90,665 related to last year and £476,080 contained in this report) as shown below:



The Capital Programme

3.30. The Original Budget of **£15,420,000** was approved by Council on 28 February 2023. There have been several updates to this budget during 2023/24:

- Slippage from 2022/23 of **£1,566,000** approved by Cabinet on 27 June 2023.
- Allocation of Section 106 Monies of **£42,000** approved by Cabinet Member decision on 24 February 2023.
- An increase Burntwood Leisure Centre project by **£85,000** approved by Cabinet on 27 June 2023 and Council.
- A fence at Chasetown Memorial Bowling Green of **£10,000** approved by Cabinet Member Briefing Note on 27 March 2023.
- A Cinema for Lichfield District budget increase of **£1,875,000** approved by Cabinet on 27 June 2023 and Council.
- **£100,000** has been allocated from the Rural England Prosperity Fund and was approved by Cabinet on 27 June 2023 and Council.

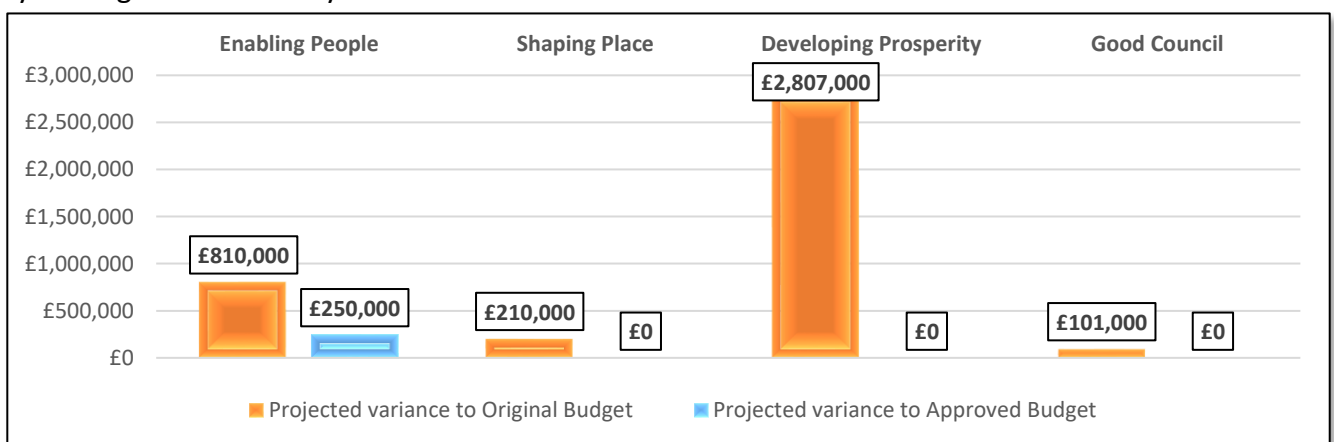
3.31. The Approved Budget is therefore **£19,098,000**.

Performance compared to the Approved Budget

3.32. The District Council now plans to lead on the construction of the Streethay Community Centre and the Parish has provided **£250,000** of additional Section 106 to fund the project. Therefore, it is recommended that the Approved Budget of **£600,000** is increased to reflect this additional funding.

3.33. Assuming this recommendation is approved, the Capital Programme is projected to be **£250,000** higher than budget at **£19,348,000**.

3.34. The projected budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan's Priority below and in detail at **APPENDIX C**:



Capital Receipts

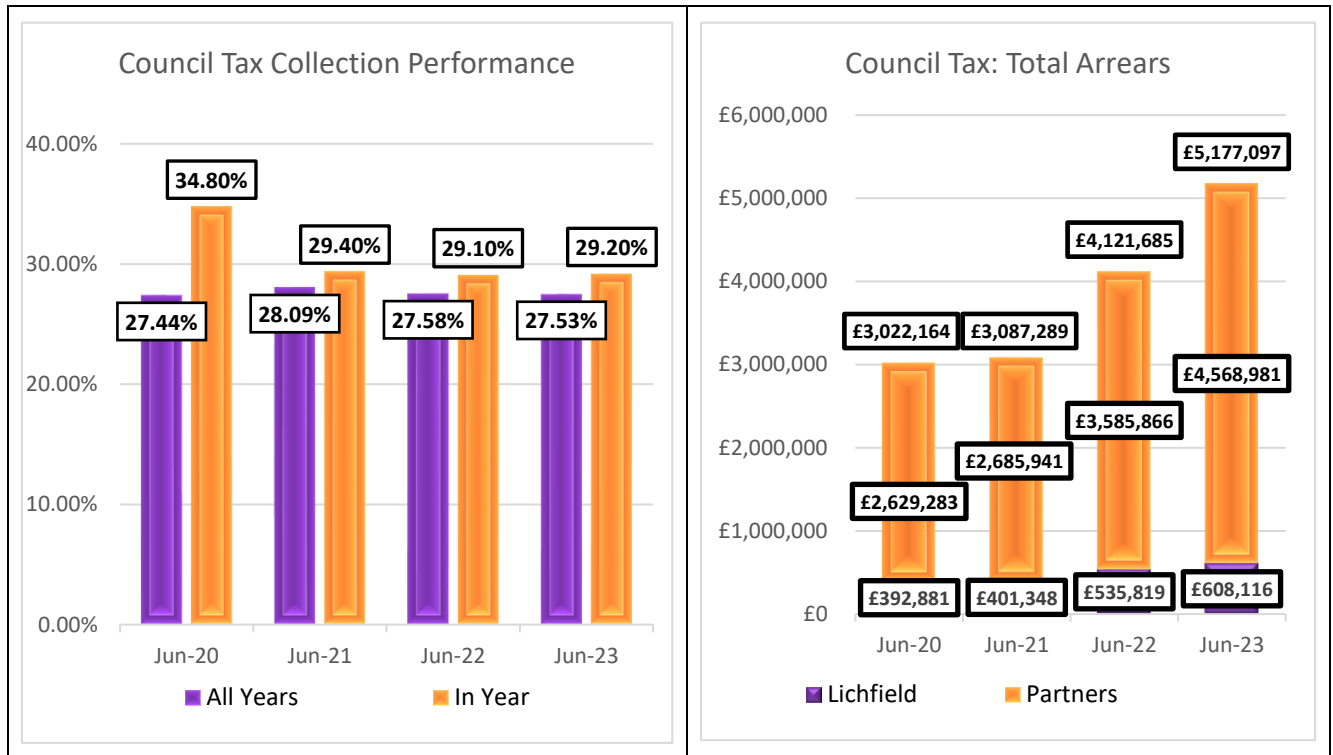
3.35. The Original and Approved Budgets, projected and actual capital receipts are shown below:

	Original Budget	Approved Budget	Projected Actual	Actual
Other Income	£30,000	£30,000	£30,000	£1,251
Asset Sales	£0	£915,000	£915,000	£0
Total	£30,000	£945,000	£945,000	£1,251

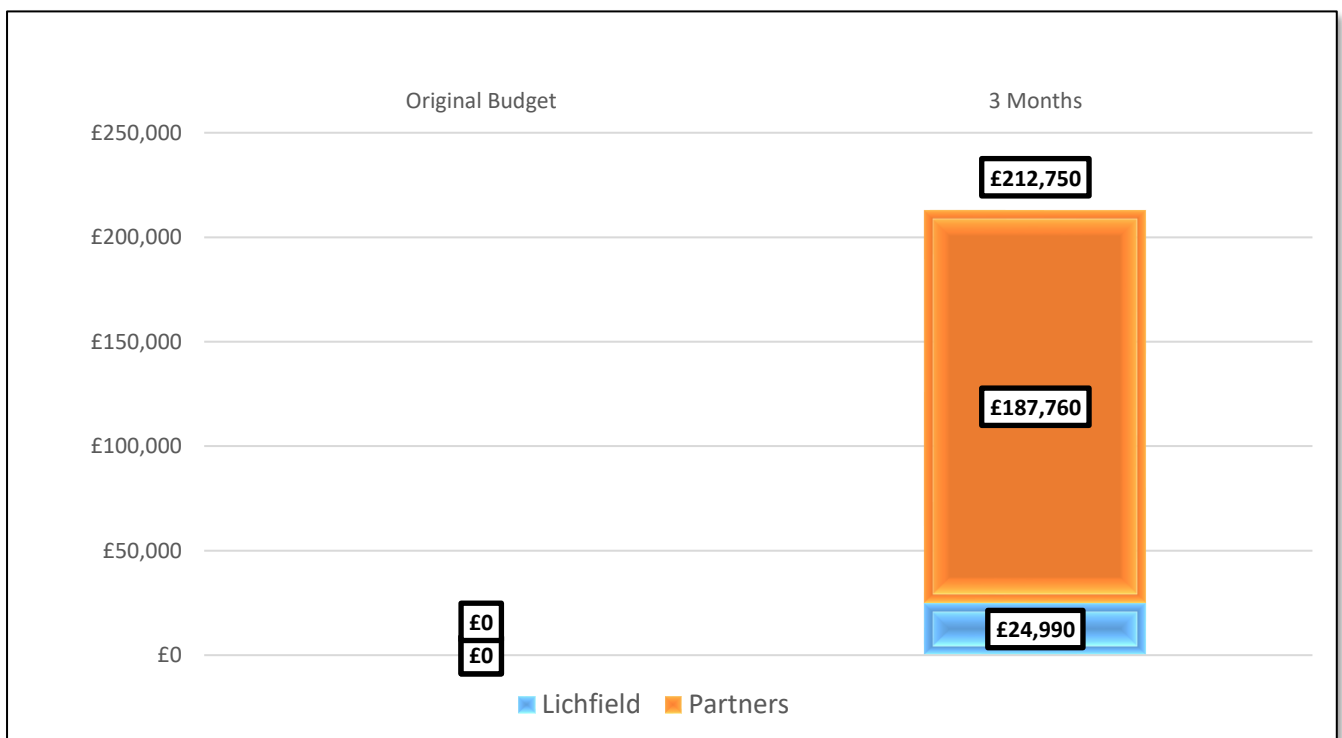
3.36. The asset sale relates to Venture House and currently this is projected to be sold for the budget level.

Council Tax

3.37. The collection performance for Council Tax debt is shown below:



3.38. The Council Tax Collection Fund is projected to be in surplus by (£212,750) and the Council's share is (£24,990) based on Lichfield's (including Parishes) current share of Council Tax of c12% (surpluses are shown as positive values in the chart):

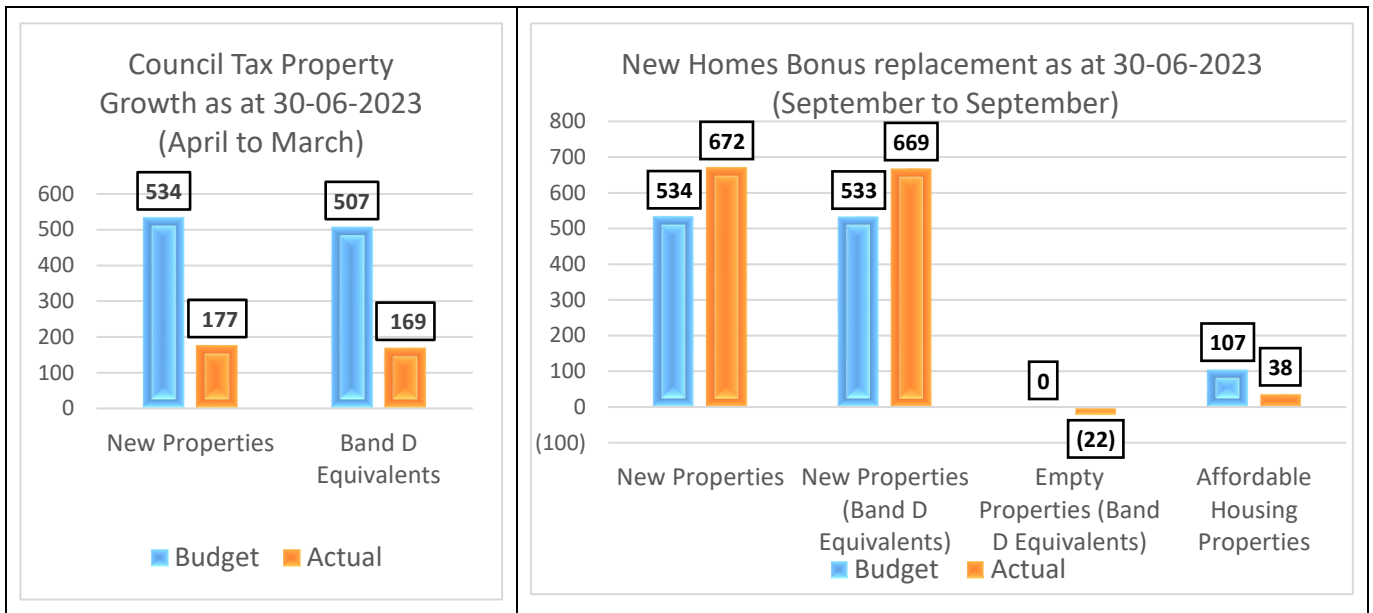


3.39. The main reasons for the projected surplus of (£212,750) are:

- A higher surplus than budgeted in 2022/23 of (£866,437) (Council share (£103,972)).
- A higher provision for bad debts of £678,000 (Council share £81,360).
- A higher Council Tax income of (£24,313) (Council share (£2,880)).

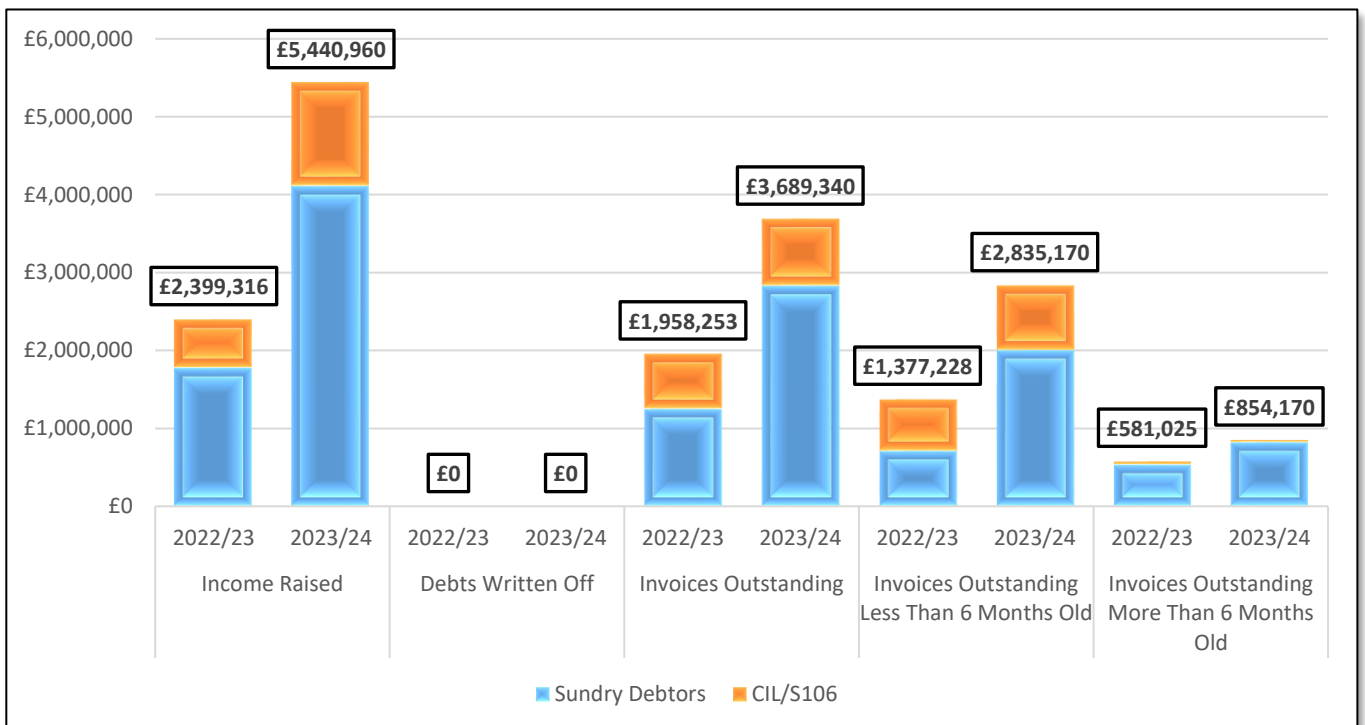
Housing Supply

3.40. The completions for Council Tax (left hand chart) from April 2023 to June 2023 and any possible New Homes Bonus replacement (right hand chart) from September 2022 to June 2023 are shown below:



Sundry Debtors (including Community Infrastructure Levy (CIL) and Section 106 (S106))

3.41. The transaction levels and collection performance in 2023/24 compared to 2022/23 is shown below:



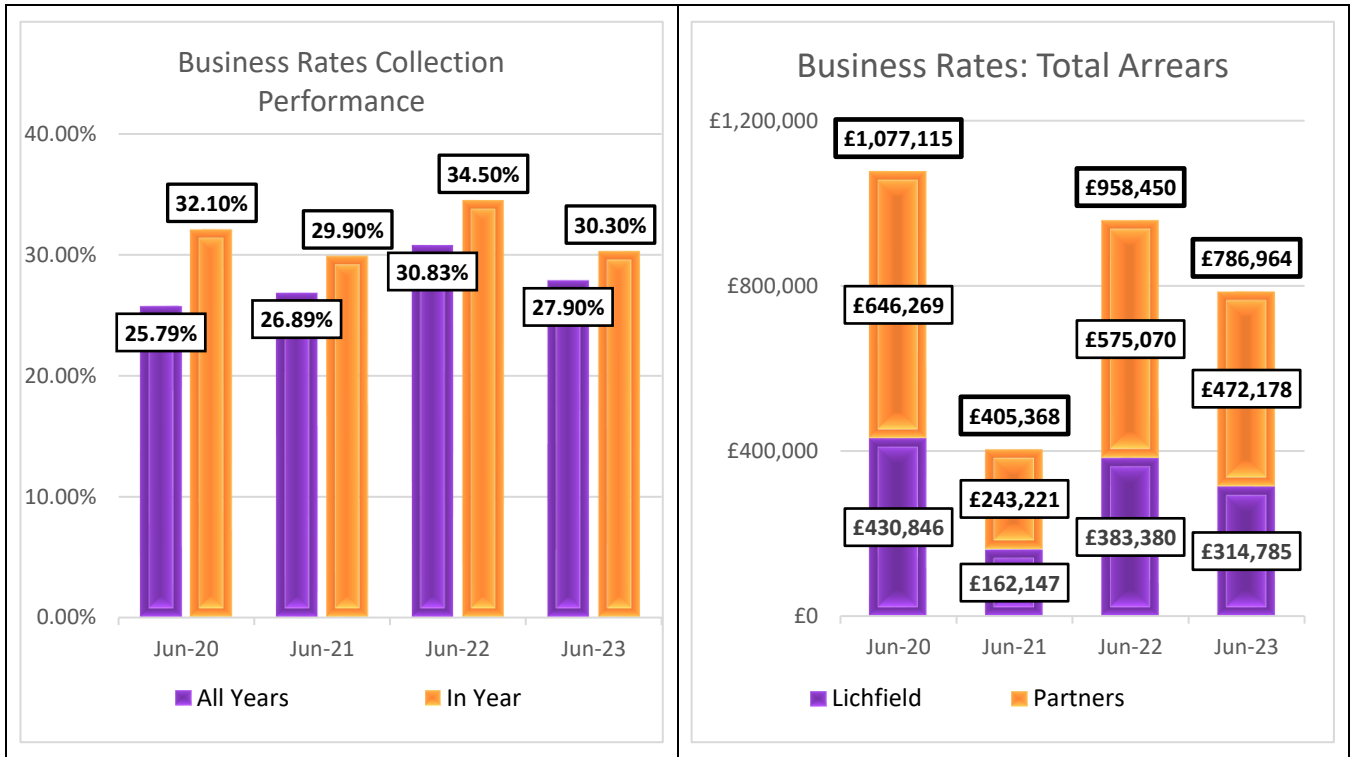
3.42. In terms of Sundry Debtor Income trends:

- Total income raised in the first three months of 2023/24 is **£3,041,644** or **127%** higher than for the same period in 2022/23. This increase is due mainly to large invoices raised to Freedom Leisure, Staffordshire County Council and two large Section 106 Demands.
- Invoices outstanding has increased by **£1,731,088** or **88%** mainly related to the increased income raised.

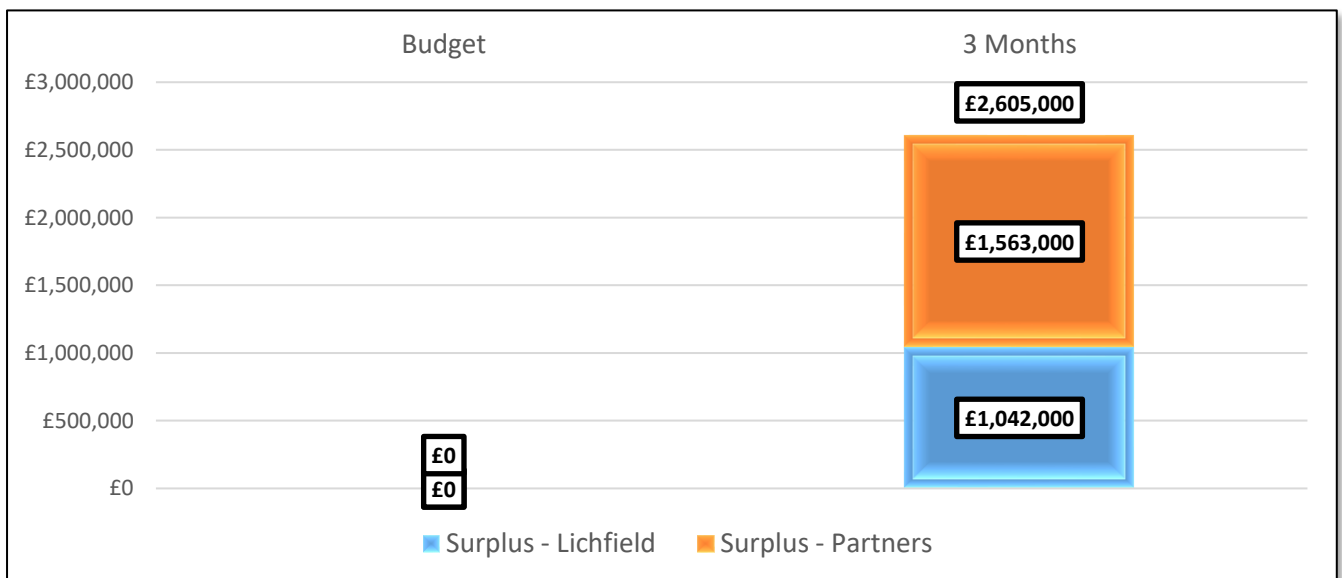
Business Rates

3.43. The Retained Business Rate income is projected to be the same as the Approved Budget of **(£3,464,100)**.

3.44. The collection performance for Business Rates is shown below:



3.45. The Business Rates Collection Fund is projected to be in surplus by **(£2,605,000)** (surpluses are shown as positive values in the chart):

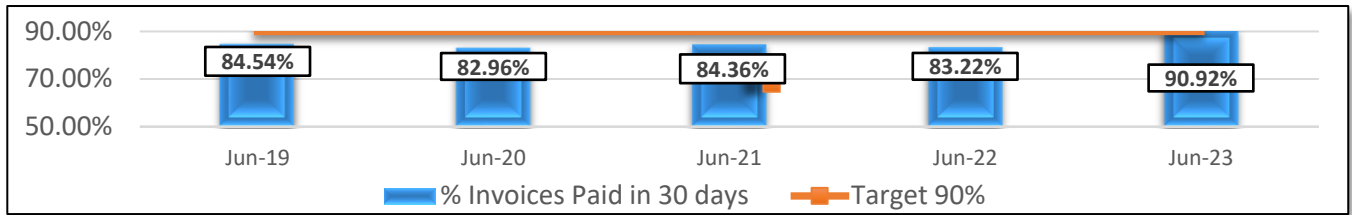


3.46. The main reasons for the projected surplus of **(£2,605,000)** are:

- A higher surplus than budgeted in 2022/23 of **(£1,144,790)** (Council share (£458,000)).
- A higher allowance for bad debts of **£295,000** (Council share £117,000).
- Other changes in income including the actual increased impact (the budget was based on the draft list) of the Business Rates revaluation from 1 April 2023 of **(£1,755,210)** (Council share (£702,000)).

Supplier Payment Performance

3.47. The performance of invoice payments to suppliers within 30 days for the last five years is:



3.48. To provide additional capacity in this priority area, a further post in the Procure to Pay Team has been identified with funding from existing budgets and recruitment will commence when the new post has been through due process.

Investment Strategy

3.49. 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.**

3.50. The Government has recognised in recent Department of Levelling Up, Housing and Communities (DLUHC) 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.

3.51. The DLUHC 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 **28 February 2023.**

Service Investments

3.52. There are two significant approved investments of a service nature and the investment and net return either included in the Approved Budget for 2022/23 are detailed below:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Approved Loan to the LWMTS	£150,000	£150,000	£150,000	£150,000	£150,000	£150,000
Actual/Projected use of the Facility	£0	£0	£0	£0	£0	£0
Net Income	£0	£2,263	£2,263	£2,263	£2,263	£2,263
Net Return	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Approved Loan to the Joint Venture	£64,000	£3,795,000	£5,788,000	£5,788,000	£5,788,000	£5,788,000
Actual/Projected use of the Facility	£64,000	£3,795,000	£5,788,000	£5,788,000	£5,788,000	£5,788,000
Net Income (assumed revenue budget neutral)	0	0	0	0	0	0
Net Return	0	0	0	0	0	0

Commercial Investments

3.53. No commercial investments are currently planned.

Treasury Management Investments

3.54. The security, liquidity and yield for the investment portfolio is shown at **APPENDIX D** and in summary:

- **Security** – total investments **£46.64m** with a risk status **A+** compared to the target of **A-**.
- **Security** – a ‘book loss’ more than the volatility reserve on strategic investments of **£455,555.**
- **Liquidity** – **63%** available within 100 days compared to Arlingclose clients of **61%** or **72%.**
- **Yield** – yield of **4.40%** compared to Arlingclose clients of **4.26%** or **4.32%.**

Alternative Options	These are considered as part of the ongoing development of the Strategic Plan and the Medium Term Financial Strategy.
Consultation	Consultation is undertaken as part of the Strategic Plan and with Leadership Team.
Financial Implications	<p>The MTFs projected general reserves at 31 March 2024 would be £6,075,329.</p> <p>At this three month stage, general reserves are forecast to be £5,508,584. This is a decrease of (£566,745) and is related to:</p> <ul style="list-style-type: none"> • A lower than budgeted contribution in 2022/23 of (£90,665). • A projected decrease contained in this report for 2023/24 of (£476,080).
Approved by Section 151 Officer	Yes
Legal Implications	<p>No specific legal implications.</p> <p>The recommended changes to the Medium Term Financial Strategy not part of the approved Budget Framework will be required the approval of Full Council.</p>
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	The MTFs underpins the delivery of the Strategic Plan.
Equality, Diversity and Human Rights Implications	There are no additional Equality, Diversity or Human Rights implications.
Crime & Safety Issues	There are no additional Crime and Safety Issues.
Data assessment	<p>The ability to deliver the outcomes set out in the Lichfield District Council Strategic Plan, and beyond, is dependent on the resources available in the MTFs. The MTFs identifies the level of resources available and spend necessary to deliver the outcomes across the entire District.</p> <p>However, the application of relevant data and the Social Progress Index can be considered for new budget pressures, savings and income proposals as they are developed.</p>
Environmental Impact	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.
GDPR/Privacy Impact Assessment	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance				
A	Council Tax is not set by the Statutory Date of 11 March 2024	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: Green Impact: Green Severity of Risk: Green
C	The review of the New Homes Bonus regime	Likelihood: Red Impact: Red Severity of Risk: Red	The Council responded to the consultation. In the MTFS, no income is assumed beyond 2024/25.	Likelihood: Red Impact: Yellow Severity of Risk: Yellow
D	The increased Localisation of Business Rates, Business Rate Reset 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	A property team has been recruited via the Company 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 the emerging landscape				
G	The Council cannot achieve its approved Delivery Plan	Likelihood: Yellow Impact: Red Severity of Risk: Red	There will need to be consideration of additional resourcing and/or reprioritisation.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
H	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
I	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

- Medium Term Financial Strategy (Revenue and Capital) 2023-27 and the addendum – Cabinet 14 February 2023
- Insourcing Leisure Provision – Cabinet 14 February 2023
- New Leisure Facility at Stychbrook Park – Cabinet 14 February 2023
- Community Infrastructure Levy (CIL) Allocation – Cabinet 14 February 2023
- Medium Term Financial Strategy (Revenue and Capital) 2023-27 – Council 28 February 2023
- Money Matters 2022/23: Review of Financial Performance – Cabinet 27 June 2023
- Medium Term Financial Strategy (MTFS) – Cabinet 27 June 2023

Relevant web link

Revenue Financial Performance – Variance to Budget 2023/24

Area	2023/24					
	Original Budget £	Approved Budget £	Projected Outturn £	Projected Variance £	Variance to Original Budget £	2023/24 Target (+/-) £
Enabling people	1,479,870	1,703,870	1,728,870	25,000	249,000	
Shaping place	4,004,340	4,321,100	4,439,100	118,000	434,760	
Developing prosperity	(721,040)	(1,022,000)	(788,920)	233,080	(67,880)	
A good council	9,984,160	9,809,360	9,909,360	100,000	(74,800)	
Net Cost of Services	14,747,330	14,812,330	15,288,410	476,080	541,080	250,000
Net Treasury Position	(1,170,230)	(1,170,230)	(1,170,230)	-		
Revenue Contributions to the Capital Programme	238,000	173,000	173,000	-		
Net Operating Cost	13,815,100	13,815,100	14,291,180	476,080		
Transfer (from) / to General Reserve	0	0	(476,080)	(476,080)		
Transfer (from) / to Earmarked Reserves	0	0	0	-		
Net Revenue Expenditure	13,815,100	13,815,100	13,815,100	0		
Financed by:						
Retained Business Rates	(3,464,100)	(3,464,100)	(3,464,100)	-		
Business Rates Cap	(680,000)	(680,000)	(680,000)	-		
Revenue Support Grant	(106,000)	(106,000)	(106,000)	-		
Funding Guarantee Grant	(561,000)	(561,000)	(561,000)	-		
Services Grant	(82,000)	(82,000)	(82,000)	-		
New Homes Bonus	(992,000)	(992,000)	(992,000)	-		
Business Rates Collection Fund (Surplus)/Deficit	(242,000)	(242,000)	(242,000)	-		
Council Tax Collection Fund (Surplus)/Deficit	(74,000)	(74,000)	(74,000)	-		
Council Tax	(7,614,000)	(7,614,000)	(7,614,000)	-		

General Reserves

	Original	Approved	Projected
Start of year	£6,075,329	£5,984,664	£5,984,664
This Report	£0	£0	(£476,080)
Sub Total In Year	£0	£0	(£476,080)
End of year	£6,075,329	£5,984,664	£5,508,584
Change to Original		(£90,665)	(£566,745)

Savings and Additional Income Proposals Monitoring

Targets			Progress on Achievement			
No	Saving	MTFS Target 2023/24	Green - achieved or likely to be achieved	Amber - risk to full achievement	Red - risk to achievement or achieved in later years	Comments on Amber and Red items
	Achieved Savings	1,704,000	1,704,000			
21	Vacancy savings	150,000		150,000		Monitored during the year
26	Garden Waste Price increase	84,000		21,000	63,000	Cabinet Member Decision
30	Car Parking Charges	355,000		147,920	207,080	Cabinet Member Decision
4	LED lighting / Car park	5,000			5,000	Not yet implemented
17	Golf course	80,000			80,000	Not yet implemented
23	IT savings	100,000			100,000	Not yet implemented
32	Introduce a departure charge to all bus companies using Lichfield Bus Station.	21,000			21,000	Not yet implemented
	Total	2,499,000	1,704,000	318,920	476,080	

Total Green and Amber Progress	2,022,920
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Shortfall to MTFS Target	476,080
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Leisure Centres Financial Performance and Budgets

Budget Projection Assumptions:	2023/24			
	MTFS Budget	Actual Ytd	Projected Actual	Projected Variance
Inflation Projection				
Human Resources				
ICT				
Insurance				
Operating Expenditure - LWMTS + inflation	£2,299,290	£574,823	£2,299,290	£0
Burntwood Leisure Centre Business Rates	£196,000	£195,840	£195,840	(£160)
Human Resources	£60,500	£15,125	£60,500	£0
ICT	£60,500	£15,125	£60,500	£0
Insurance	£25,210	£6,303	£25,210	£0
Less: Friary Grange Leisure Centre (Freedom Bid)	£0	£0	£0	£0
Add: New Leisure Centre (Max Associates)	£0	£0	£0	£0
Add: Projected Corporation Tax (25% of surplus)	£0	£0	£0	£0
Sub Total - Contract Fee Payment to LWMTS	£2,641,500	£807,215	£2,641,340	(£160)

Income - implied level to achieve Cabinet Report Budget	(£2,727,740)	(£529,408)	(£2,313,470)	£414,270
Less: Friary Grange Leisure Centre (Freedom Bid)	£0	£0	£0	£0
Add: New Leisure Centre (Max Associates)	£0	£0	£0	£0
Sub Total - Income retained by the Council	(£2,727,740)	(£529,408)	(£2,313,470)	£414,270

Commercial Bid Budget	(£86,240)	£277,807	£327,870	£414,110
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2024/25	2025/26	2026/27	2027/28
Budget Projections			
2%	2%	2%	2%
75%	75%	75%	75%
50%	50%	50%	50%
100%	100%	100%	100%
£2,345,280	£2,392,190	£2,440,030	£2,488,830
£199,920	£203,920	£208,000	£212,160
£46,280	£47,210	£48,150	£49,110
£30,860	£31,480	£32,110	£32,750
£25,710	£26,220	£26,740	£27,270
£0	(£840,640)	(£841,280)	(£841,920)
£0	£1,081,750	£1,234,270	£1,321,750
£0	£0	£4,000	£28,000
£2,648,050	£2,942,130	£3,152,020	£3,317,950

(£2,734,290)	(£2,912,120)	(£3,020,190)	(£3,130,040)
£0	£780,660	£785,650	£790,670
£0	(£846,670)	(£1,199,480)	(£1,334,580)
(£2,734,290)	(£2,978,130)	(£3,434,020)	(£3,673,950)

(£86,240)	(£36,000)	(£282,000)	(£356,000)
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Fees and Charges

Income Type	Annual Budget £000	Actual £000	Year End Variance £000	Annual Trend							
				2015/16 Actual £000	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000
Planning Applications	781	373	0	629	1,030	824	797	744	695	974	649
Car Parks	2,096	445	207	1,748	1,986	2,078	2,198	2,105	752	1,515	1,814
Garden Waste	1,566	1,320	63	0	0	231	1,495	1,478	1,618	1,609	1,601
Trade Waste	489	587	0	390	407	415	443	469	485	522	560
Land Charges	311	50	0	297	312	279	286	253	272	341	258
Building Control	1,113	300	0	507	557	547	553	896	1,032	948	935
Property Rental	840	129	0	681	687	729	839	744	680	674	598
Total of Highest Value Fees & Charges	7,196	3,204	270	4,251	4,980	5,102	6,611	6,689	5,535	6,583	6,414
Other Income											
Licensing				185	236	224	241	245	160	184	195
Leisure Centres				1,819	1,879	1,629	183	0	0	0	0
VAT Claim				0	0	0	1,103	0	0	0	0
Court Costs				233	218	198	214	222	154	247	249
Recycling				347	439	463	331	283	280	560	654
Grounds Maintenance				161	168	195	217	264	273	234	220
Other				1,139	1,319	1,124	1,057	1,063	908	1,166	1,112
Total Income				8,136	9,239	8,936	9,957	8,766	7,310	8,974	8,845

Capital Programme Performance in 2023/24

Project	Original Budget	Approved Budget	Actual to Date	Projected Actual	Variance
New Build Parish Office/Community Hub	30,000	92,000	0	92,000	0
Burntwood Leisure Centre Sinking Fund Projects	69,000	144,000	45,543	144,000	0
Friary Grange - Short Term Refurbishment	0	134,000	24,630	134,000	0
Replacement Leisure Centre	5,087,000	5,123,000	5,272	5,123,000	0
Accessible Homes (Disabled Facilities Grants)	1,615,000	1,796,000	798,725	1,796,000	0
Decent Homes Standard	97,000	97,000	0	97,000	0
Energy Insulation Programme	22,000	22,000	0	22,000	0
Unallocated S106 Affordable Housing Monies	260,000	264,000	0	264,000	0
Conversion of 36a Bore Street	542,000	492,000	0	492,000	0
Streethay Community Centre	600,000	600,000	0	850,000	250,000
Changing Places Fund	0	36,000	31,185	36,000	0
Zip Wire in Burntwood	0	30,000	0	30,000	0
Burntwood Community Hub	250,000	250,000	0	250,000	0
Climbing Wall at Burntwood Leisure Centre	50,000	50,000	0	50,000	0
Pre-school soft play facility at Burntwood LC	50,000	50,000	0	50,000	0
Adventure Golf at Beacon Park	150,000	150,000	0	150,000	0
Paddle Tennis courts	200,000	200,000	0	200,000	0
New 3G Pitch in Lichfield	200,000	200,000	0	200,000	0
Mavesyn Ridware Village Hall Play Area	0	5,000	0	5,000	0
Fradley BMX Pumptrack	0	33,000	0	33,000	0
Electrical heating in St Stephens Church, Fradley	0	4,000	0	4,000	0
Fence at Chasetown Memorial Bowling Green	0	10,000	0	10,000	0
Enabling People Total	9,222,000	9,782,000	905,355	10,032,000	250,000
Loan to Council Dev Co.	93,000	150,000	0	150,000	0
Lichfield St Johns Community Link (CIL)	35,000	35,000	0	35,000	0
Lichfield Public Conveniences	0	40,000	0	40,000	0
Bin Purchase	150,000	150,000	0	150,000	0
Vehicle Replacement Programme (Other)	281,000	318,000	0	318,000	0
Dual Stream Recycling	0	31,000	16,006	31,000	0
Burntwood Public Conveniences	0	45,000	0	45,000	0
Falkland Road Fosseyway Canal Walk	260,000	260,000	0	260,000	0
Shaping Place Total	819,000	1,029,000	16,006	1,029,000	0
Coach Park	300,000	349,000	0	349,000	0
Car Parks Variable Message Signing	0	130,000	1,155	130,000	0
Pay on Exit System at Friary Multi Storey	0	2,000	0	2,000	0
Pay on Exit System at Lombard Street	150,000	150,000	0	150,000	0
Electric Vehicle Charge Points	70,000	80,000	0	80,000	0
BRS Enabling Works	685,000	1,070,000	0	1,070,000	0
Cinema Development	3,326,000	3,795,000	(0)	3,795,000	0
Incubator Space	300,000	380,000	204,994	380,000	0
New 3G Pitch at Chasetown Football Club	100,000	100,000	0	100,000	0
32-44 Bakers Lane	0	1,582,000	0	1,582,000	0
Small scale investment in micro and small enterprises	0	50,000	0	50,000	0
Development and promotion of the visitor economy	0	25,000	0	25,000	0
Active travel enhancements in the local area	0	25,000	0	25,000	0
Developing Prosperity Total	4,931,000	7,738,000	206,149	7,738,000	0
Property Planned Maintenance	213,000	133,000	0	133,000	0
IT Infrastructure	235,000	254,000	(19,460)	254,000	0
Building a Better Council	0	77,000	25,000	77,000	0
Committee Audio-Visual Hybrid Meetings	0	85,000	0	85,000	0
Good Council Total	448,000	549,000	5,540	549,000	0
Approved Budget	15,420,000	19,098,000	1,133,051	19,348,000	250,000

Funding Source	Original Budget	Approved Budget	Projected Actual	Variance
Capital Receipts	1,660,000	3,659,000	3,659,000	0
Corporate Revenue	238,000	173,000	173,000	0
Borrowing Need - Borrowing and Finance Leases	2,333,000	2,359,000	2,359,000	0
Capital Grants and Contributions	4,522,000	4,926,000	5,176,000	250,000
Reserves, Existing Revenue and Sinking Funds	6,667,000	7,981,000	7,981,000	0
Capital Programme Total	15,420,000	19,098,000	19,348,000	250,000

Treasury Management Investments in the 2023/24 Financial Year

The table below shows a breakdown of our investments at the 30 June 2023:

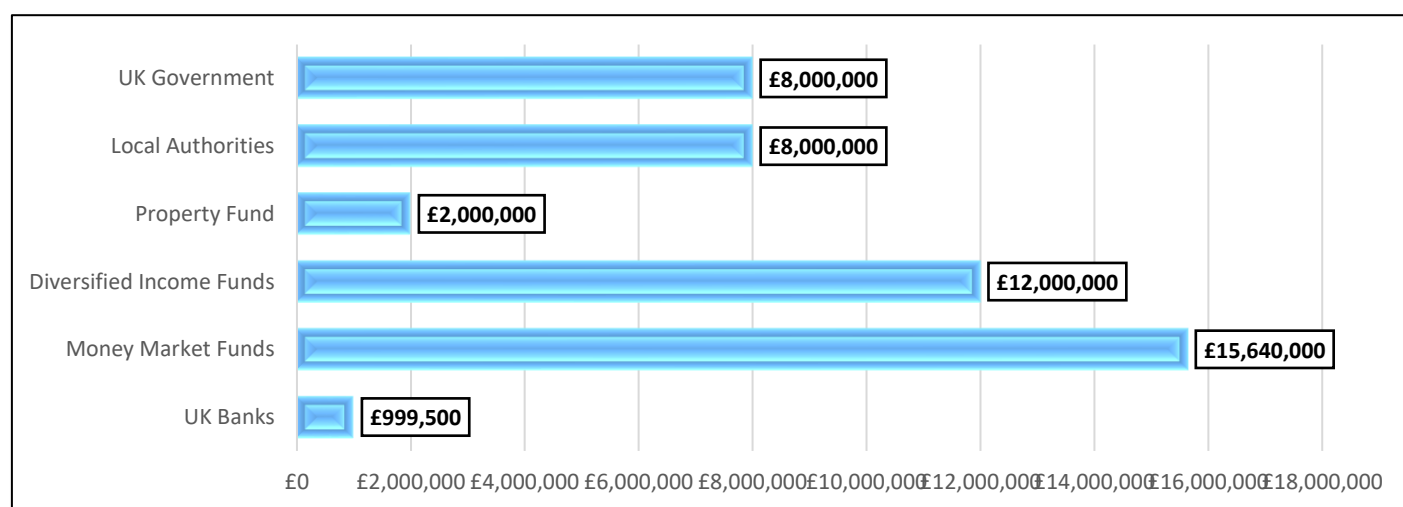
Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
Money Market Funds						
Federated	£2,670,000	01-Jul-23	Instant Access	4.51%	AAAMMF	N/A
Blackrock	£3,970,000	01-Jul-23	Instant Access	4.52%	AAAMMF	N/A
BNP Paribas MMF	£4,000,000	01-Jul-23	Instant Access	4.57%	AAAMMF	N/A
CCLA MMF	£5,000,000	01-Jul-23	Instant Access	4.57%	AAAMMF	N/A
Strategic Funds						
CCLA Property Fund	£2,000,000	N/A	N/A	3.51%	N/A	No
Ninety-One Diversified Income Fund	£5,000,000	N/A	N/A	4.09%	N/A	No
CCLA Diversified Income Fund	£2,000,000	N/A	N/A	3.07%	N/A	No
Aegon Diversified Income Fund	£5,000,000	N/A	N/A	5.81%	N/A	No
Fixed Term Investments						
North Lanarkshire Council	£2,000,000	31-Jul-23	31	3.99%	LOCAL	
Brentwood Borough Council	£2,000,000	01-Mar-24	245	4.40%	LOCAL	
Folkestone and Hythe District Council	£2,000,000	07-Mar-24	251	4.40%	LOCAL	
West Dunbartonshire	£2,000,000	04-Sep-23	66	4.40%	LOCAL	
Debt Management Office	£4,000,000	19-Jul-23	19	4.17%	UK Government	
Debt Management Office	£4,000,000	21-Aug-23	52	4.61%	UK Government	
Call Accounts with Notice Period						
HSBC	£999,500	31-Jul-23	31	4.75%	A+	No
Total Investments	£46,639,500					

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).

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 Security of Our Investments

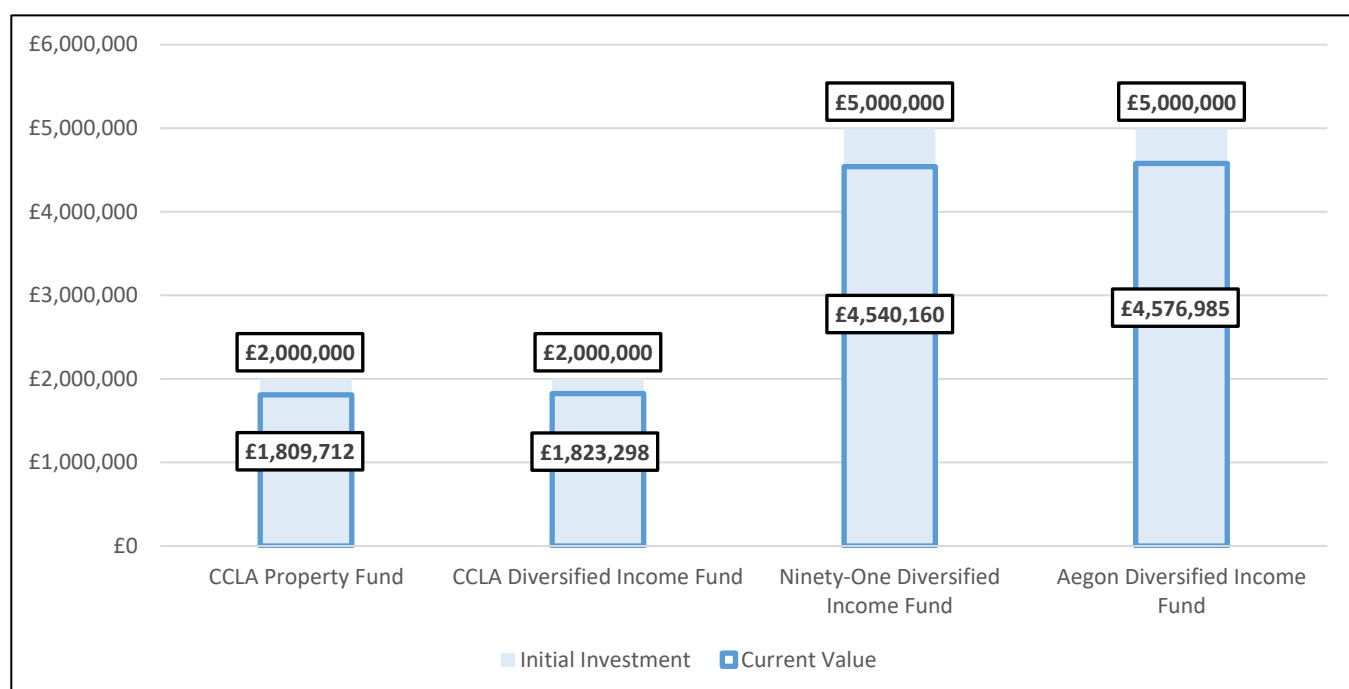
The investments the Council had at the 30 June 2023 of **£46,639,500** (with the Property and Diversified Income Funds valued at original investment for each) by type and Country are summarised below.



The Council’s portfolio size (with the Property and Diversified Income Funds valued at its current value of **£12.8m**), average credit score, diversification and exposure to ‘Bail in’ risk compared to Arlingclose Clients is shown below



The current value of the Property Fund and the Diversified Income Funds are:

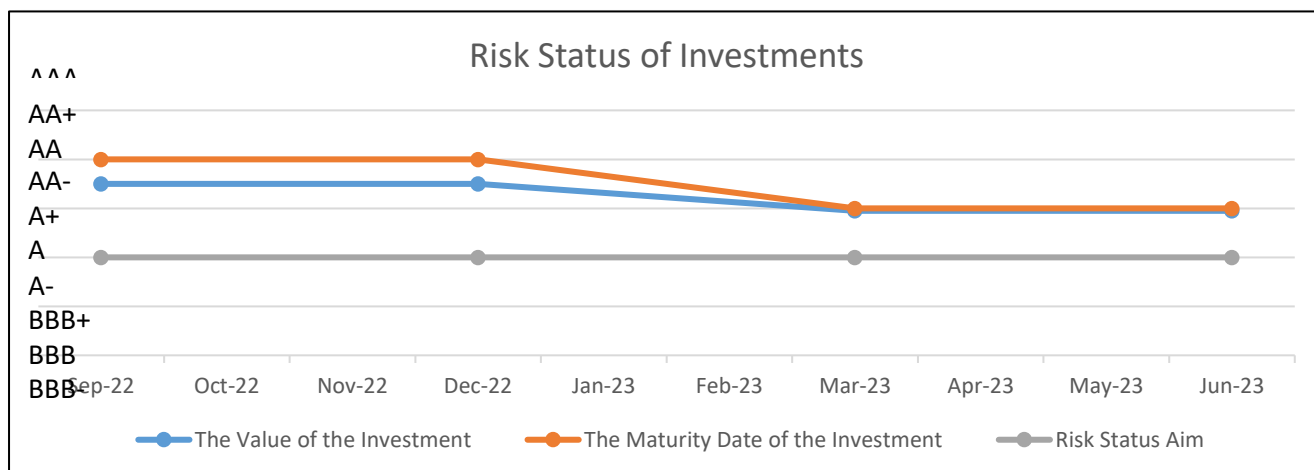


Overall in terms of strategic investments there is a 'book loss' of **(£1,249,845)** and the earmarked reserve to manage volatility risk is projected to be **£794,290**.

Strategic Investments Volatility Reserve	
Opening Balance 01/04/2023	£720,290
Approved Transfers 2023/24	£74,000
Projected Transfers Qtr 1	£0
Projected Closing Balance 31/03/2024	£794,290
Fund Book Gains/(Losses)	
CCLA Property Fund	(£190,288)
CCLA Diversified Income Fund	(£176,702)
Ninety-One Diversified Income Fund	(£459,840)
Aegon Diversified Income Fund	(£423,015)
Net Book Loss as at 30/06/2023	(£1,249,845)
Projected Shortfall	(£455,555)

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years, but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

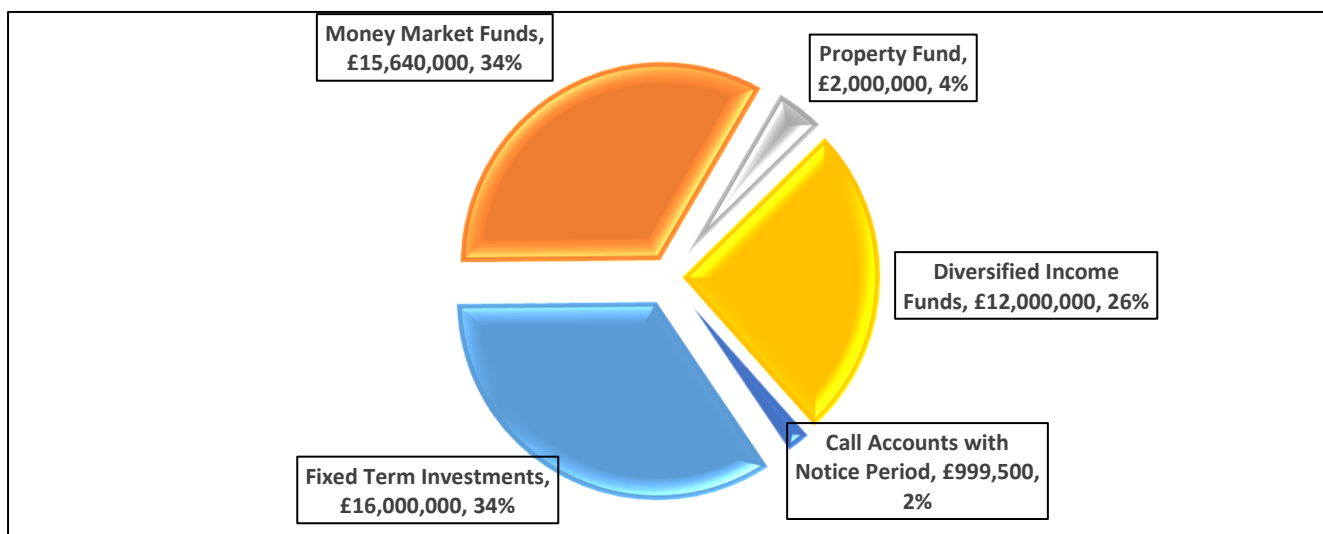
Our aim for the risk status of our investments was **A-** or higher. The risk status based on the length of the investment and the value for a 10 month period is summarised in the graph below:



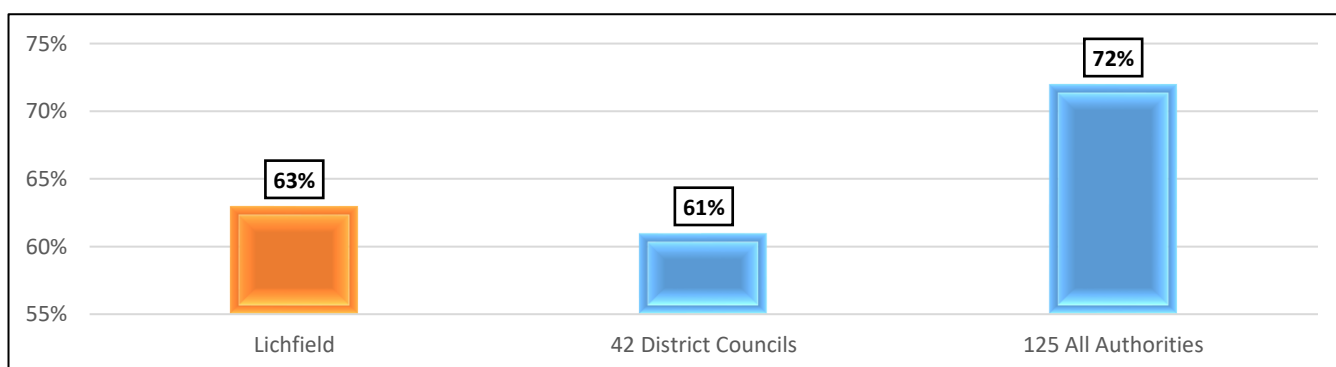
The Liquidity of our Investments

The Council has not had to temporarily borrow during 2023/24.

A significant proportion of investments are retained in instant access Money Market Fund investments to ensure there is sufficient cash available to pay for goods and services and to be able to take advantage of interest rate increases. The investments by type are shown below:

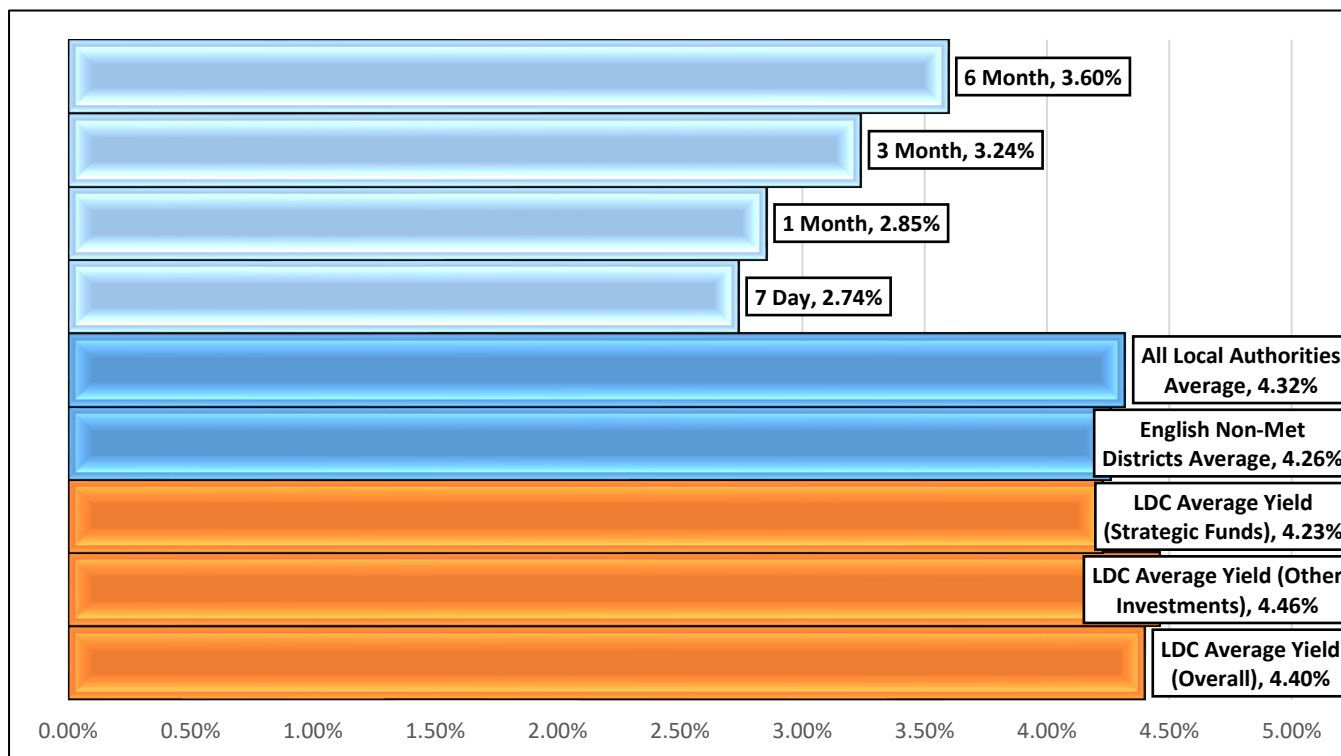


The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is shown below



The Return or Yield of our Investments

The yield the Council achieved compared to a number of industry standard benchmarks (including our preferred benchmark of the seven day LIBID rate) is shown below:



The investment activity during the financial year is projected to generate **(£1,322,960)** of gross investment income compared to a budget of **(£1,322,960)**.

The External Borrowing Portfolio

The Council's external borrowing portfolio including the premiums for early repayment is shown below:

	Principal	Average Rate	Years to Final Maturity	(Premium) /Discount
PWLB Fixed Equal Instalment of Principal (EIP)	£1,034,960	2.59%	16.7	£122,316
TOTAL BORROWING	£1,034,960	2.59%	16.7	£122,316