

# Money Matters: 2024/25 Financial Monitoring

Cabinet Member for Finance and Commissioning

Date: 3 December 2024

Agenda Item:

Contact Officer: Anthony Thomas

Tel Number: 01543 308012

Email: Anthony.thomas@lichfielddc.gov.uk

Key Decision? **YES**

Local Ward Members Full Council



Lichfield  
District Council

**Cabinet**

## 1. Executive Summary

- 1.1 The report covers the financial performance from April to June (Quarter Two) for 2024/25.
- 1.2 The Medium Term Financial Strategy projected general reserves at 31 March 2025 would be **£5,835,224**. At this stage, general reserves are forecast to be **£5,690,575**, a decrease of **(£144,649)** related to:
  - A lower than budgeted contribution in 2023/24 of **(£34,969)**.
  - Projected use in 2024/25 of **(£109,680)** as summarised in **APPENDIX A**. This is the same projected level as the 3 month projection.
- 1.3 Leisure centre expenditure and income is projected to be **(£31,470)** lower than the budget and the additional income will be retained in the reserve for future use.
- 1.4 At the six 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 **£19,633,000** which is **£650,000** more than the Approved Budget due to updated profiling of expenditure being provided for several key projects.
- 1.6 Capital Receipts are projected to be **(£1,288,000)** which is higher than the approved budget of **(£1,196,000)**. This is due to an estimate that has been provided for Right To Buy Sales this year.
- 1.7 In terms of Council Tax, Business Rates, Sundry Debtors and Supplier Performance:
  - **Council Tax collection** in year performance was **56.40%** (56.60% in 2023/24) and total arrears were **£5,160,487** and the Council's share is **£606,165** (£4,876,570 and £572,815 in 2023/24).
  - The **Council Tax Collection Fund** is projected to be in surplus, with the Council's c12% share being **(£1,370)** compared to the Approved Budget of **£0**. This higher income of **(£1,370)** will be included in the 2025/26 budget.
  - **Housing Supply** - there have been **212** new Council Tax properties (228 Band Ds) compared to the Budget of **419** (419 Band Ds). There were **493** new properties (516 Band Ds) in scope for New Homes Bonus compared to the Budget of **419** (417 Band Ds). There was an increase of **13** Band D equivalent long term empty properties compared to the Budget of **0**. There have been **147** affordable homes delivered compared to the Budget of **84**.
  - **Sundry Debt** - income to be collected in 2024/25 has increased by **£1,472,736** or **48%** compared to 2023/24 due to a large invoice of £1.2m being raised to Staffordshire CC, and the value outstanding at 30 September 2024 has increased by **£1,250,821** or **53%** for the same reason.
  - **Business Rates collection** in year performance was **57.80%** (58.60% in 2023/24) and total arrears were **£862,447** and the Council's share is **£344,979** (£795,645 and £318,258 in 2023/24).
  - The **Business Rates Collection Fund** is projected to be in surplus, with the Council's 40% share being **(£1,547,950)** compared to the Approved Budget of **£0**. This additional income of **(£1,547,950)** will be included in the 2025/26 budget. Council on 14 May 2024 committed **£888,000** of the Council's share of this projected surplus from 2023/24 to funding the additional costs of the leisure centre.
  - **Retained Business Rate Income** is projected to be **(£3,771,000)** in line with the Approved Budget.
  - The payment of suppliers within 30 days was **93.40%**, which is above our **90%** target.

1.8 The Council’s investments achieved a risk status of **AA-** 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.

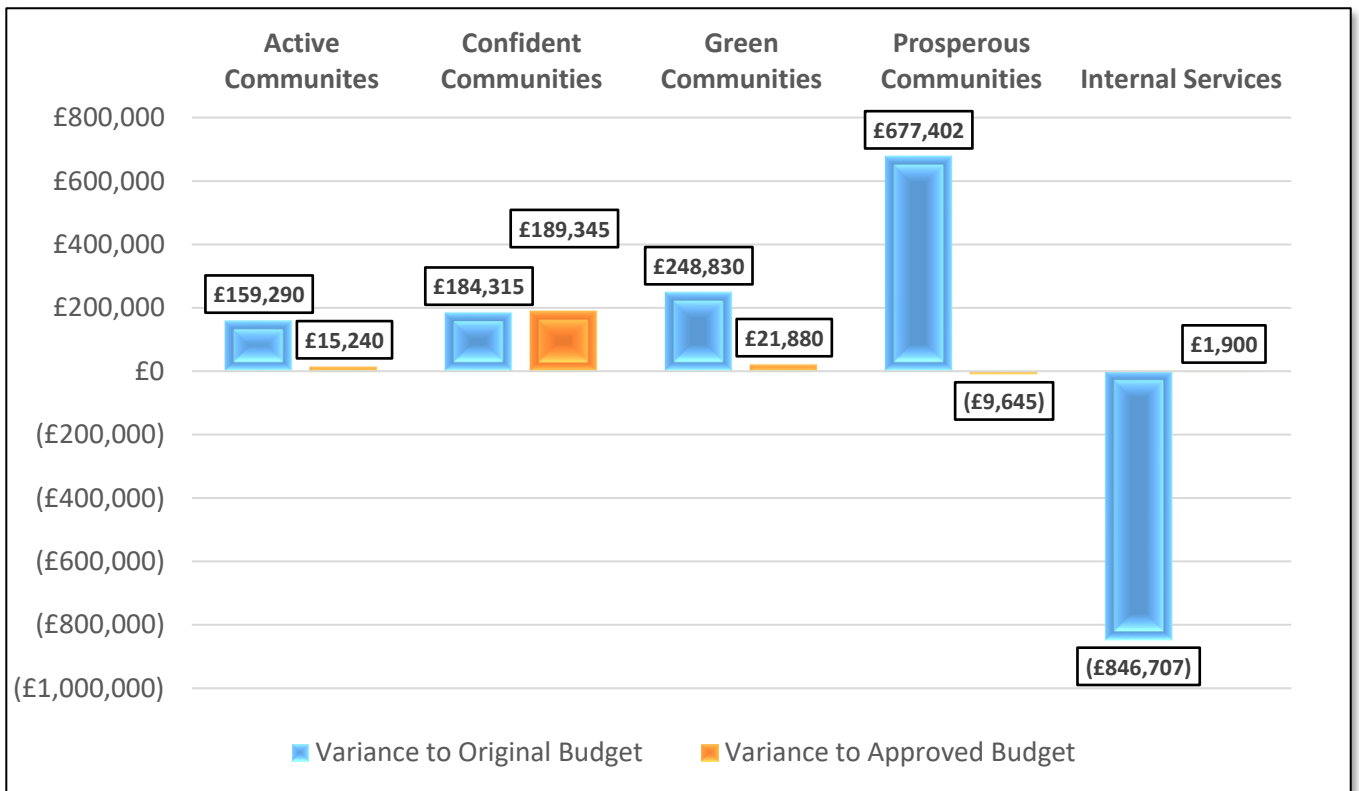
## 3. Background

### Budget Management

- 3.1. The MTFS 2023-28, approved by Council on 27 February 2024, included the Original Budget for 2024/25 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 2024/25 and will be approved by Council on 25 February 2025.

### 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
<b>Active Communities</b>			
• Transfer of Budget for Leisure Manager	15,240		
<b>Confident Communities</b>			
• Transfer of Budget for Leisure Manager	(15,240)		
• Pressure on Emergency Planning and Business Continuity Costs	6,180		
• Temporary Accommodation Pressure Due to Unclaimable Spend			256,000
• Drawdown of Uncommitted Reserves for Temporary Accommodation			(75,950)
• Transfer - General	18,355		
• Shortfall in Taxi Licensing Income			
<b>Green Communities</b>			
• Joint Waste Pressures on Employee and Fuel Costs	38,700		34,550
• Adjust TBC Contribution to JWS	(16,090)		(14,360)
• Transfer of Property Budget for Beacon Park	22,960		
• Pressure on Utility Costs - Depot & Beacon Park	60,290		
• Pressure on Beacon Park Insurance Claim			10,920
• Additional Trade Waste Income			(15,000)
• Transfer - General	(100,090)		
<b>Prosperous Communities</b>			
• Transfer of Budget for Share Legal Service	(11,330)		
• Additional Income for Car Parks - Event Car Parking			(4,000)
• Pressure on Utility Costs - District Council House	27,000		
• Pressure on Professional Fees for Asset Valuations	25,000		
• Transfer of Property Budget for Beacon Park	(27,960)		
• Transfer - General	(18,355)		
<b>Internal Services</b>			
• Pressure on Employee Costs - Restructure of Leadership Team			29,290
• Transfer of Budget for Share Legal Service	11,330		
• Pressure on DSI Contract	23,500		
• Transfer of Inflationary Budget to Cover Postal Contract Pressure	(23,500)		
• Transfer of Inflationary Budget to Cover Pressure on Emergency Planning and Business Continuity Costs	(6,180)		
• Transfer of Inflationary Budget to Cover Utility and Valuations Pressures	(112,290)		
• Transfer of Fuel Inflation Budget	(22,610)		
• Transfer of Property Budget for Beacon Park	5,000		
• Pressure on Legal Fees			30,000
• Utilisation of Finance Manager Budget Towards Temporary Accommodation			(7,730)
• Utilisation of Cost of Living Budget Towards Temporary Accommodation			(25,000)
• Transfer - General	100,090		
<b>Total - Net Cost of Services</b>	<b>0</b>	<b>0</b>	<b>218,720</b>
	<b>218,720</b>		
Net Treasury - higher investment income			(218,720)
<b>Transfer (to)/from General Reserves</b>			<b>£0</b>

3.6. 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**.

3.7. The vacancy savings target is **(£180,000)** (£150,000 vacancies and £30,000 talent acquisition fees). To date, **£19,660** has been achieved with **(£160,340) (89%)** still to be achieved.

3.8. The following is the progress on four priority budgets included in the Approved Revenue Budget:

Budget	Annual Budget	Commitments and Comments
Contingency	£347,900	Committed - Town Centres Manager £40,900, Apprentices £250,000, Community and Voluntary Grants £50,000, Economic Development Event £7,000.
Cost of Living	£50,000	Committed - Warm Drinks Initiative £7,500, Hey Girls CIC £1,075, Warmer Spaces at the Depot £15,000 and Contribution Towards the Housing Benefit Subsidy Pressure £25,000.
Burntwood Masterplan	£75,000	An initial specification was put out to tender however it was too high-level. A more focused specification has been developed, which includes specific questions to help unlock regeneration opportunities in Burntwood. Specification will be shared with stakeholders in Q3.
Lichfield Heritage Plan	£75,000	A brief has been developed to bring in external support to develop a number of National Lottery Heritage Fund bids and an initial heritage plan. Brief is being shared with the Cabinet Member, and then with other key stakeholders.

### Leisure Centres

3.9. 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 with the Company assuming responsibility for paying the contract commercial bid and contracted indexing to the Council from 1 April 2023.

3.10. 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 company and thereafter revert to General Reserves.

3.11. To ensure Teckal compliance (only 20% of average turnover over the last three financial years 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.

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

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

3.14. 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:

	2024/25	2025/26	2026/27	2027/28	2028/29
Management Fee and Costs	£2,847,989	£2,942,130	£3,152,020	£3,317,950	£3,483,880
Income Retained by the Council	(£2,586,241)	(£2,978,130)	(£3,434,020)	(£3,673,950)	(£3,839,880)
<b>Leisure Centres Budget</b>	<b>£261,748</b>	<b>(£36,000)</b>	<b>(£282,000)</b>	<b>(£356,000)</b>	<b>(£356,000)</b>

3.15. At the sixth month stage of the financial year, there is projected additional income of **(£31,470)**, which will remain within the earmarked reserve for future use.

3.16. The current position in terms of the earmarked reserve and costs is shown below:

Leisure Centre Reserve	Movement Qtr 1	Movement Qtr 2
Opening Balance	(£344,348)	(£344,348)
Less: budget allocation for changing rooms	£50,000	£50,000
3 months Projected Spend	£0	£306,018
3 months Projected impact on General Reserves	£0	(£11,670)
<b>Total Available Funding</b>	<b>(£294,348)</b>	<b>£0</b>
Projected Budgetary Performance compared to 3 months	£379,458	(£31,470)
Revenue Risk Budget	(£73,440)	£0
<b>Total Projected Spend</b>	<b>£306,018</b>	<b>(£31,470)</b>
<b>Leisure Centre Reserve Available Balance</b>	<b>£0</b>	<b>(£31,470)</b>
<b>Impact on General Reserves</b>	<b>£11,670</b>	<b>£0</b>

3.17. 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

3.18. On 6 March 2024, the Cabinet Members for Finance and Commissioning and Leisure, Parks and Major Projects agreed the LWTMS Business Plan for 2024/25 approved by the Company Board in March 2024.

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

3.20. 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.

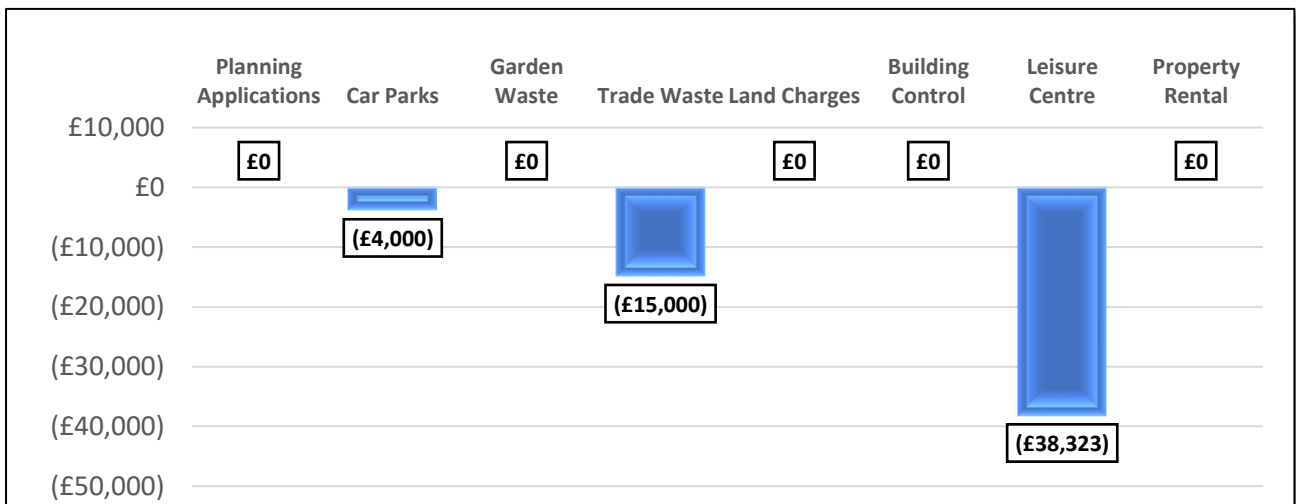
3.1. In terms of LWMTS financial performance in the 6 months to 30 September 2024, the key highlights compared to the Business Plan are:

- Overall income for the 6 months Apr - Sept 2024 was **(£2,326,000)** versus budgeted income of **(£2,645,000)**. This income excludes the release of the Disabled Facilities Grant **(£676,000)** which offsets against the costs of the work carried out.
- Operating profit of **(£29,000)** period - Apr to Sept 2024 versus budgeted surplus of **(£386,000)**.

3.2. The current under achievement of income receipt and the associated profit is due to timing and budget profiling and there are currently no concerns.

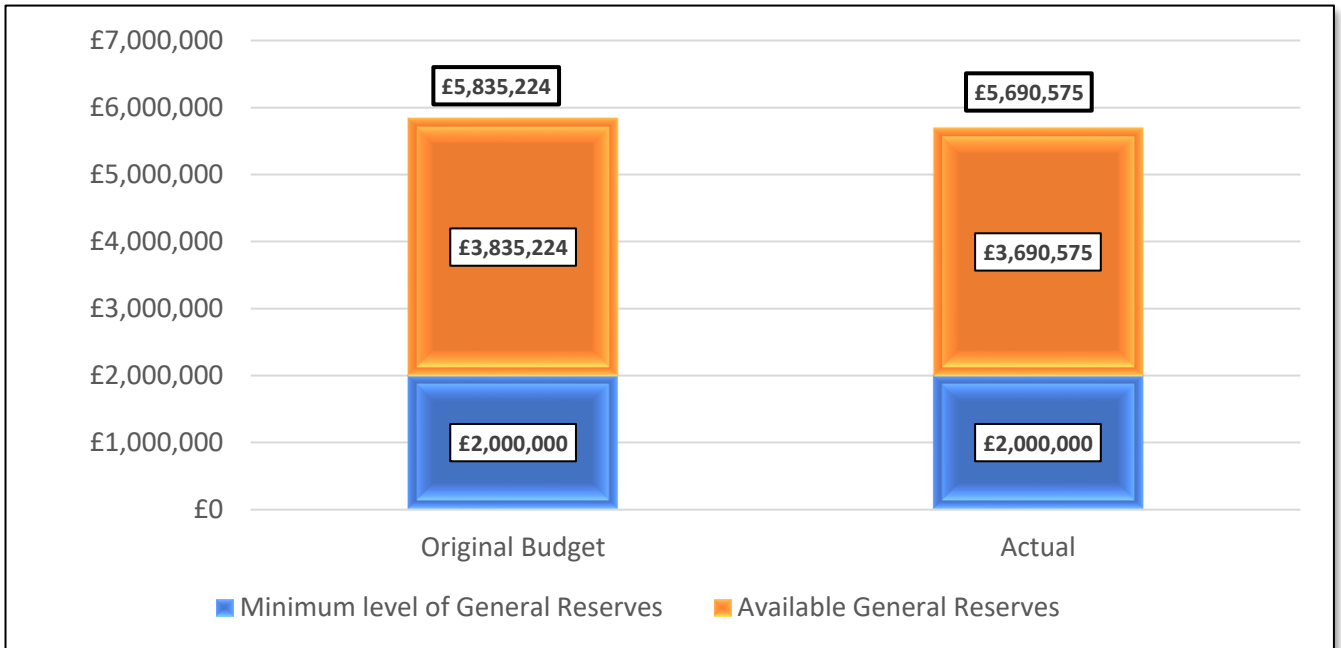
### Fees and Charges

3.3. The gross fees and charges budgets for 2024/25, 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:



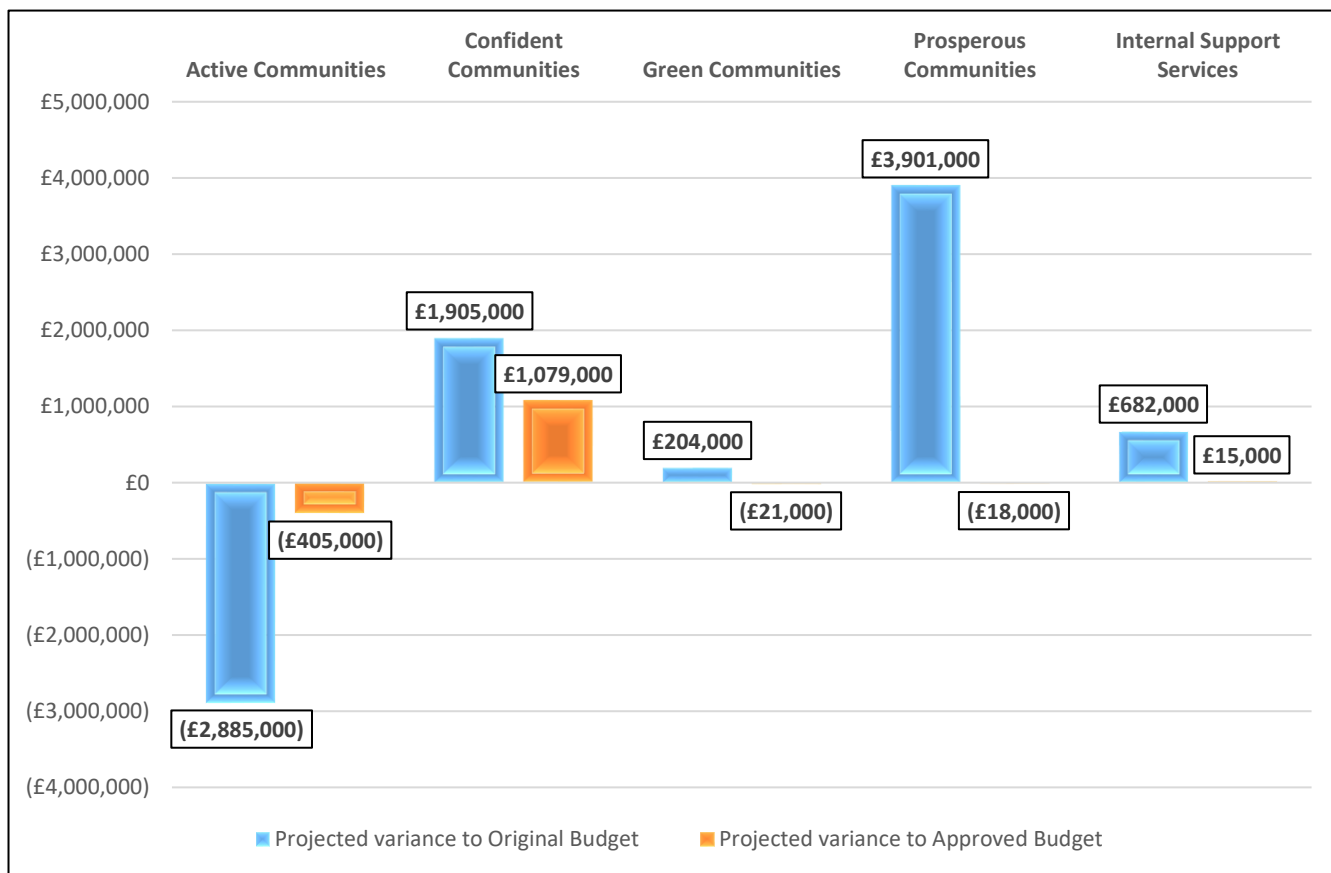
## Revenue General Reserves

3.4. The Original Budget estimated general reserves of **£6,075,000** and these were revised in the MTFs approved by Council on 27 February 2024 to **£5,835,224** at 31 March 2025. The current projected level is **£5,690,575**, a decrease of **(£144,649)** (£34,969 related to last year and £109,680 contained within the three month report) as shown below:



## The Capital Programme

- 3.5. The Original Budget of **£15,826,000** was approved by Council on 27 February 2024. There have been several updates to this budget during 2024/25 and the Approved Budget is therefore **£18,983,000**.
- 3.6. The projected budget performance compared to both the Original and the Approved Budgets, is shown by Strategic Plan Priority below and in detail at **APPENDIX C**:

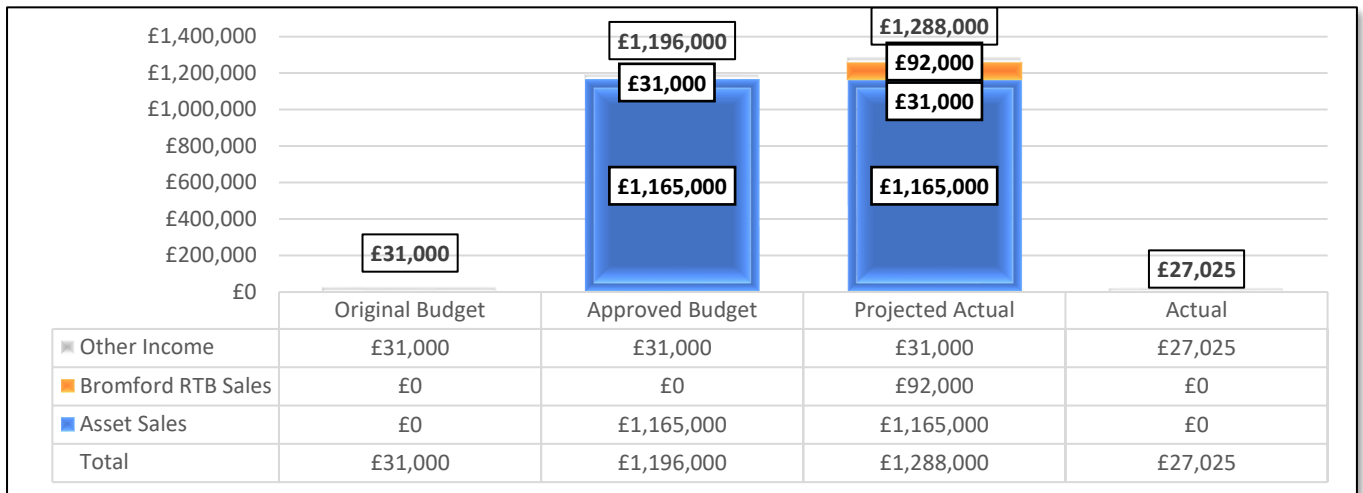


- 3.7. The overall projected variance is shown in summary below:

	Projected Variances	
	Profiling	Other
• Adventure Golf at Beacon Park – Project partially moved to 25/26	(£245,000)	
• Padel Tennis Courts – Project partially moved to 25/26	(£160,000)	
<b>Active Communities Total</b>	<b>(£405,000)</b>	<b>£0</b>
• Delivering Temporary Accommodation – Project now expected to all be spent in 24/25	£1,079,000	
<b>Confident Communities Total</b>	<b>£1,079,000)</b>	<b>£0</b>
• Jet Wash Equipment – Project funded by existing revenue budgets added		£12,000
• Vehicle Replacement Programme (Other) – Vehicle purchase brought forward from 25/26	£37,000	
• Electric Vehicle Charge Points – Project partially moved to 25/26	(£70,000)	
<b>Green Communities Total</b>	<b>(£33,000)</b>	<b>£12,000</b>
• Pay on Exit System at Lombard Street – Project moved to 25/26	(£18,000)	
<b>Prosperous Communities Total</b>	<b>(£18,000)</b>	<b>£0</b>
• Property Planned Maintenance – Utilising £15k of Warmer Spaces funding from Revenue		£15,000
• IT Infrastructure – Partial transfer to project below		(£3,000)
• Committee Audio-Visual Hybrid Meeting Platform		£3,000
<b>Internal Support Services Total</b>	<b>£0</b>	<b>£15,000</b>
<b>Total Projected Variance</b>	<b>£623,000</b>	<b>£27,000</b>
	<b>£650,000</b>	

## Capital Receipts

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



3.9. The asset sales relate to Venture House (£915,000), and Levetts Field (£250,000) and are currently projected to be sold for near the budget level.

## Investment Strategy

3.10. 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.**

3.11. 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.

3.12. 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 **27 February 2024.**

## Service Investments

3.13. There is one significant approved investments of a service nature and the investment (excluding the Buy-Out) and net return either included in the Approved Budget for 2024/25 are detailed below:

Cumulative (excluding the Buy Out)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Approved Loan to the Joint Venture	£64,000	£2,952,000	£7,488,000	£7,488,000	£7,488,000	£7,488,000
Actual/Projected use of the Facility	£64,000	£64,000	£4,820,000	£7,488,000	£7,488,000	£7,488,000
Net Income (assumed revenue budget neutral)	0	0	0	0	0	0
Net Return	0	0	0	0	0	0

## Commercial Investments

3.14. No commercial investments are currently planned.

## Treasury Management Investments

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

- **Security** – total investments **£59.0m** with a risk status **AA-** compared to the target of **A-**.
- **Security** – a 'surplus' on the volatility reserve on strategic investments of **£649,580.**
- **Liquidity** – **77%** available within 100 days compared to Arlingclose clients of **62%** or **71%.**
- **Yield** – yield of **4.90%** compared to Arlingclose clients of **4.85%** or **4.90%.**



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 2025 would be <b>£5,835,224</b>.</p> <p>At this six month stage, general reserves are forecast to be <b>£5,690,575</b>. This is a decrease of <b>(£144,649)</b> and is related to:</p> <ol style="list-style-type: none"> <li>1. A lower than budgeted contribution in 2023/24 of <b>(£34,969)</b>.</li> <li>2. A projected decrease contained within the three month report for 2024/25 of <b>(£109,680)</b>.</li> </ol>
Approved by Section 151 Officer	Yes
Legal implications	<p>No specific legal implications.</p> <p>Any changes to the Medium Term Financial Strategy that are 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.
EIA logged by Equalities Officer	No Equalities Officer confirmed not required.
Crime & safety Issues	There are no additional Crime and Safety Issues.
Data assessment	The ability to deliver the outcomes set out in <b>Lichfield District 2050</b> , 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. 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.
Environmental impact (including climate change and biodiversity)	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	New score (RYG)
<b>Strategic Risk SR1 - Non achievement of the Council's key priorities contained in the Strategic Plan due to the availability of Finance</b>				
A	Council Tax is not set by the Statutory Date of <b>11 March 2024</b>	Likelihood: Green Impact: Red Severity of Risk: Yellow	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax.	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	In the MTFS, no income is assumed beyond 2025/26.	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	Maintain a watching brief on economic forecasts, ensure estimates reflect latest economic projections. Where possible, ensure income increases are maximised to mitigate any additional cost.	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow
G	Interest Rate Risk if Internal Borrowing is replaced by External Borrowing	Likelihood: Yellow Impact: Yellow Severity of Risk: Yellow	The level of internal borrowing is a relatively low level at £5.495m and the cost is budgeted at 3.5%.	Likelihood: Yellow Impact: Green Severity of Risk: Green
<b>Strategic Risk SR3: Capacity and capability to deliver / adapt the new strategic plan to the emerging landscape</b>				
H	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
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: Red Impact: Yellow Severity of Risk: Red

<b>Background documents</b>	<b>Background documents</b> <ul style="list-style-type: none"><li>• Medium Term Financial Strategy (Revenue and Capital) – Cabinet 6 February 2024 and Council 27 February 2024</li><li>• Securing an Anchor Food and Beverage Tenant for the Cinema Complex – Council 16 April 2024</li><li>• Delivering Temporary Accommodation for Vulnerable Residents – Council 14 May 2024</li><li>• To change the MTFS to Build a Leisure Centre in Lichfield – Council 14 May 2024</li><li>• Money Matters: 2023/24 Financial Monitoring – Cabinet 30 July 2024</li><li>• Medium Term Financial Strategy – Cabinet 30 July 2024</li><li>• Medium Term Financial Strategy – Cabinet 8 October 2024</li></ul>
-----------------------------	---

<b>Relevant web links</b>	
---------------------------	--

## Revenue Financial Performance – Variance to Budget 2024/25

Area	2024/25					2023/24 Target (+/-) £
	Original Budget £	Approved Budget £	Projected Outturn £	Projected Variance £	Variance to Original Budget £	
Active Communities	29,560	173,610	188,850	15,240	159,290	
Confident Communities	1,888,270	1,883,240	2,072,585	189,345	184,315	
Green Communities	4,230,060	4,457,010	4,478,890	21,880	248,830	
Prosperous Communities	(811,110)	(124,063)	(133,708)	(9,645)	677,402	
Internal Services	11,411,450	10,562,843	10,564,743	1,900	(846,707)	
<b>Net Cost of Services</b>	<b>16,718,670</b>	<b>16,952,640</b>	<b>17,171,360</b>	<b>218,720</b>	<b>423,130</b>	<b>250,000</b>
Net Treasury Position	(1,921,230)	(2,346,960)	(2,565,680)	(218,720)		
Revenue Contributions to the Capital Programme	503,000	855,000	855,000	-		
<b>Net Operating Cost</b>	<b>15,330,000</b>	<b>15,460,680</b>	<b>15,460,680</b>	<b>0</b>		
Transfer (from) / to General Reserve	0	(109,680)	(109,680)	-		
Transfer (from) / to Earmarked Reserves	0	0	0	-		
<b>Net Revenue Expenditure</b>	<b>15,330,000</b>	<b>15,351,000</b>	<b>15,351,000</b>	<b>0</b>		
<b>Financed by:</b>						
Retained Business Rates	(3,771,000)	(3,771,000)	(3,771,000)	-		
Business Rates Cap	(490,000)	(490,000)	(490,000)	-		
Revenue Support Grant	(113,000)	(113,000)	(113,000)	-		
Funding Guarantee Grant	(596,000)	(596,000)	(596,000)	-		
Services Grant	(13,000)	(13,000)	(13,000)	-		
Green Plant and Machinery Grant	-	(21,000)	(21,000)	-		
New Homes Bonus	(1,189,000)	(1,189,000)	(1,189,000)	-		
Business Rates Collection Fund (Surplus)/Deficit	(1,130,000)	(1,130,000)	(1,130,000)	-		
Council Tax Collection Fund (Surplus)/Deficit	(99,000)	(99,000)	(99,000)	-		
Council Tax	(7,929,000)	(7,929,000)	(7,929,000)	-		

## General Reserves

	Original	Approved	Projected
<b>Start of year</b>	<b>£5,835,224</b>	<b>£5,800,255</b>	<b>£5,800,255</b>
Approved Updates	£0	(£109,680)	(£109,680)
This Report	£0	£0	£0
<b>Sub Total In Year</b>	<b>£0</b>	<b>(£109,680)</b>	<b>(£109,680)</b>
<b>End of year</b>	<b>£5,835,224</b>	<b>£5,690,575</b>	<b>£5,690,575</b>
<b>Change to Original</b>		<b>(£144,649)</b>	<b>(£144,649)</b>

## Savings and Additional Income Proposals Monitoring

Targets			Progress on Achievement			
No	Saving	MTFS Target 2024/25	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	2,302,000	2,302,000			
21	Vacancy savings	150,000		150,000		Depends on in year vacancies
17	Golf course	63,000			63,000	Options being considered
23	IT savings	83,000			83,000	IDOX renewal delivers £10k saving per year from 2025/26
	<b>Total</b>	<b>2,598,000</b>	<b>2,302,000</b>	<b>150,000</b>	<b>146,000</b>	

Total Green and Amber Progress	2,452,000
--------------------------------	-----------

Shortfall to MTFS Target	146,000
--------------------------	---------

### Leisure Centres Financial Performance and Budgets

Budget Projection Assumptions:	Qtr 2 2024/25				2025/26	2026/27	2027/28	2028/29
	MTFS Original Budget	MTFS Approved Budget	Projected Actual	Projected Variance	Budget Projections <sup>1</sup>			
LWMTS Fee	£2,521,571	£2,521,571	£2,521,571	£0	£2,738,210	£2,944,020	£3,105,790	£3,267,560
Other Operating Expenditure	£0	£10,100	£17,052	£6,952	£0	£0	£0	£0
Burntwood Leisure Centre Business Rates	£199,920	£208,845	£208,850	£5	£203,920	£208,000	£212,160	£216,320
Friary Grange Joint User Agreement	£0	£250,620	£250,516	(£104)	£0	£0	£0	£0
LWMTS Contribution	£0	(£150,000)	(£150,000)	£0	£0	£0	£0	£0
<b>Total Expenditure</b>	<b>£2,721,491</b>	<b>£2,841,136</b>	<b>£2,847,989</b>	<b>£6,853</b>	<b>£2,942,130</b>	<b>£3,152,020</b>	<b>£3,317,950</b>	<b>£3,483,880</b>
Leisure Centre Income	(£2,721,491)	(£2,461,677)	(£2,500,000)	(£38,323)	(£2,806,892)	(£3,262,781)	(£3,502,711)	(£3,668,314)
Other Operating Income (LDC Mgt Fee)	(£86,240)	(£86,241)	(£86,241)	£0	(£171,238)	(£171,239)	(£171,239)	(£171,566)
<b>Income retained by the Council</b>	<b>(£2,807,731)</b>	<b>(£2,547,918)</b>	<b>(£2,586,241)</b>	<b>(£38,323)</b>	<b>(£2,978,130)</b>	<b>(£3,434,020)</b>	<b>(£3,673,950)</b>	<b>(£3,839,880)</b>
<b>Leisure Centres Budget</b>	<b>(£86,240)</b>	<b>£293,218</b>	<b>£261,748</b>	<b>(£31,470)</b>	<b>(£36,000)</b>	<b>(£282,000)</b>	<b>(£356,000)</b>	<b>(£356,000)</b>

<sup>1</sup> Projections currently assume the new Leisure Centre opens 1 April 2025.

## Fees and Charges

Income Type	Annual Budget £000	Actual Ytd £000	Projected Year End Variance £000	Annual Trend							
				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	2023/24 Actual £000
Planning Applications	826	639	0	1,030	824	797	744	695	974	649	694
Car Parks	2,284	1,120	(4)	1,986	2,078	2,198	2,105	752	1,515	1,814	1,996
Garden Waste	1,728	1,487	0	0	231	1,495	1,478	1,618	1,609	1,601	1,617
Trade Waste	588	621	(15)	407	415	443	469	485	522	560	605
Land Charges	331	136	0	312	279	286	253	272	341	258	260
Building Control	1,255	523	0	557	547	553	896	1,032	948	936	843
Leisure Centres	2,548	1,260	(38)	1,879	1,629	183	0	0	0	0	2,252
Property Rental	789	218	0	687	729	839	744	680	673	598	755
<b>Total of Highest Value Fees &amp; Charges</b>	<b>10,349</b>	<b>6,005</b>	<b>(57)</b>	<b>6,859</b>	<b>6,731</b>	<b>6,794</b>	<b>6,689</b>	<b>5,535</b>	<b>6,581</b>	<b>6,415</b>	<b>9,023</b>
<b>Other Income</b>											
Licensing				236	224	241	245	160	184	195	185
VAT Claim				0	0	1,103	0	0	0	0	0
Court Costs				218	198	214	222	154	247	249	217
Recycling				439	463	331	283	280	560	654	400
Grounds Maintenance				168	195	217	264	273	234	220	257
Other				1,319	1,124	1,057	1,063	908	1,166	1,112	1,298
<b>Total Income</b>				<b>9,239</b>	<b>8,936</b>	<b>9,957</b>	<b>8,766</b>	<b>7,310</b>	<b>8,973</b>	<b>8,846</b>	<b>11,380</b>

## Capital Programme Performance in 2024/25

The Original Budget of **£15,826,000** was approved by Council on 27 February 2024. There have been several updates to this budget during 2024/25 shown below and the Approved Budget is therefore **£18,983,000**.

- Slippage from 2023/24 of **£7,162,000** approved by Cabinet on 30 July 2024.
- Allocation of Section 106 Monies of **£23,000** approved by Cabinet Member decision on 8 December 2023.
- Securing an anchor tenant F&B tenant for the cinema complex increased budget by **£1,700,000** approved by Cabinet on 9 April 2024.
- Skateboard facility at Burntwood Leisure Centre - **£106,000** - approved by Cabinet on 9 April 2024.
- Build a Leisure Centre in Lichfield budget increase of **£1,347,000** approved by Cabinet on 14 May 2024.
- Delivering temporary accommodation - **£979,000** - approved by Cabinet on 14 May 2024.
- Reallocation of Fradley Section 106 funds - **£125,000** - approved by Cabinet Member decision on 29 May 2024.
- Collection of food waste - **£1,767,000** – approved by Cabinet on 30 July 2024
- Reprofiling of Property capital budgets - **£396,000** – approved by Cabinet on 30 July 2024
- Extra funding for 3G pitch - **£78,000** - approved by Cabinet on 30 July 2024
- S106 Sports pitch funding in Burntwood - **£65,000** – approved by Cabinet Member decision on 18 July 2024.
- Money Matters Quarter 1 – **(£10,641,000)** – approved by Cabinet on 10 September 2024
- MTFS – Changing Room refurbishment at Burntwood Leisure Centre - **£50,000** – approved by Cabinet on 8 October 2024

**APPENDIX C**

<b>Project</b>	<b>Original Budget</b>	<b>Approved Budget</b>	<b>Actual to Date</b>	<b>Projected Actual</b>	<b>Variance</b>
Friary Grange - Short Term Refurbishment	0	107,000	0	107,000	0
Replacement Leisure Centre	7,339,000	4,516,000	104,249	4,516,000	0
Climbing Wall at Burntwood Leisure Centre	50,000	100,000	41,341	100,000	0
Soft play facility at Burntwood Leisure Centre	50,000	37,000	2,094	37,000	0
Adventure Golf at Beacon Park	150,000	300,000	55,124	55,000	(245,000)
Obstacle Course at Beacon Park	150,000	0	0	0	0
Padel Tennis courts	200,000	195,000	35,526	35,000	(160,000)
New 3G Pitch in Lichfield	200,000	0	41,462	0	0
Mavesyn Ridware Village Hall Play Area	0	5,000	0	5,000	0
Burntwood Tennis/Netball Court Refurb	0	100,000	10,000	100,000	0
Elford Sportsfield Pavilion Refurbishment	0	10,000	10,343	10,000	0
Skateboard Park at Burntwood Leisure Centre	0	106,000	0	106,000	0
Changing Room Refurbishment at BLC	0	50,000	0	50,000	0
Recreational Area at Hay End Lane Park	0	68,000	29,800	68,000	0
Pitch and Car Park at Burntwood Park	0	26,000	21,650	26,000	0
Fencing for Pitch at BLC	0	39,000	0	39,000	0
<b>Active Communities Total</b>	<b>8,139,000</b>	<b>5,659,000</b>	<b>351,589</b>	<b>5,254,000</b>	<b>(405,000)</b>
Accessible Homes (Disabled Facilities Grants)	1,220,000	1,210,000	1,233,933	1,210,000	0
Burntwood Community Hub	0	245,000	54,000	245,000	0
Burntwood Public Conveniences	0	45,000	0	45,000	0
Conversion of 36a Bore Street	0	489,000	222,187	489,000	0
Delivering Temporary Accommodation	1,178,000	1,078,000	0	2,157,000	1,079,000
Developing Fradley's visual identity	0	57,000	0	57,000	0
Lichfield Public Conveniences	0	40,000	0	40,000	0
Streethay Community Centre	0	60,000	8,234	60,000	0
<b>Confident Communities Total</b>	<b>2,398,000</b>	<b>3,224,000</b>	<b>1,518,354</b>	<b>4,303,000</b>	<b>1,079,000</b>
Bin Purchase	150,000	150,000	0	150,000	0
Electric Vehicle Charge Points	80,000	80,000	0	10,000	(70,000)
Jet Wash Equipment	0	0	11,980	12,000	12,000
Pedestrianisation in Lichfield City Centre	0	225,000	0	225,000	0
Vehicle Replacement Programme (Other)	275,000	275,000	0	275,000	37,000
<b>Green Communities Total</b>	<b>505,000</b>	<b>730,000</b>	<b>11,980</b>	<b>709,000</b>	<b>(21,000)</b>
32-44 Bakers Lane	0	2,017,000	0	2,017,000	0
BRS Enabling Works	802,000	1,068,000	268,318	1,068,000	0
Cinema Development	2,836,000	4,756,000	0	4,756,000	0
Coach Park	0	0	(2,277)	0	0
Incubator Space	388,000	216,000	6,872	216,000	0
Pay on Exit System at Lombard Street	143,000	18,000	0	0	(18,000)
Meeting Space at Old Mining College	0	13,000	0	13,000	0
Rural Business Grants - visitor economy	100,000	100,000	10,000	100,000	0
Rural Business Grants - micro and small enterprises	200,000	200,000	0	200,000	0
Rural Communities Grants – travel enhancements	100,000	100,000	0	100,000	0
<b>Prosperous Communities Total</b>	<b>4,569,000</b>	<b>8,488,000</b>	<b>282,913</b>	<b>8,470,000</b>	<b>(18,000)</b>
Committee Audio-Visual Hybrid Meeting Platform	0	85,000	0	88,000	3,000
IT Infrastructure	154,000	224,000	31,065	221,000	(3,000)
Property Planned Maintenance	61,000	323,000	104,176	338,000	15,000
Strategic Priorities	0	250,000	0	250,000	0
<b>Internal Support Services Total</b>	<b>215,000</b>	<b>882,000</b>	<b>135,241</b>	<b>897,000</b>	<b>15,000</b>
<b>Approved Budget</b>	<b>15,826,000</b>	<b>18,983,000</b>	<b>2,300,078</b>	<b>19,633,000</b>	<b>650,000</b>

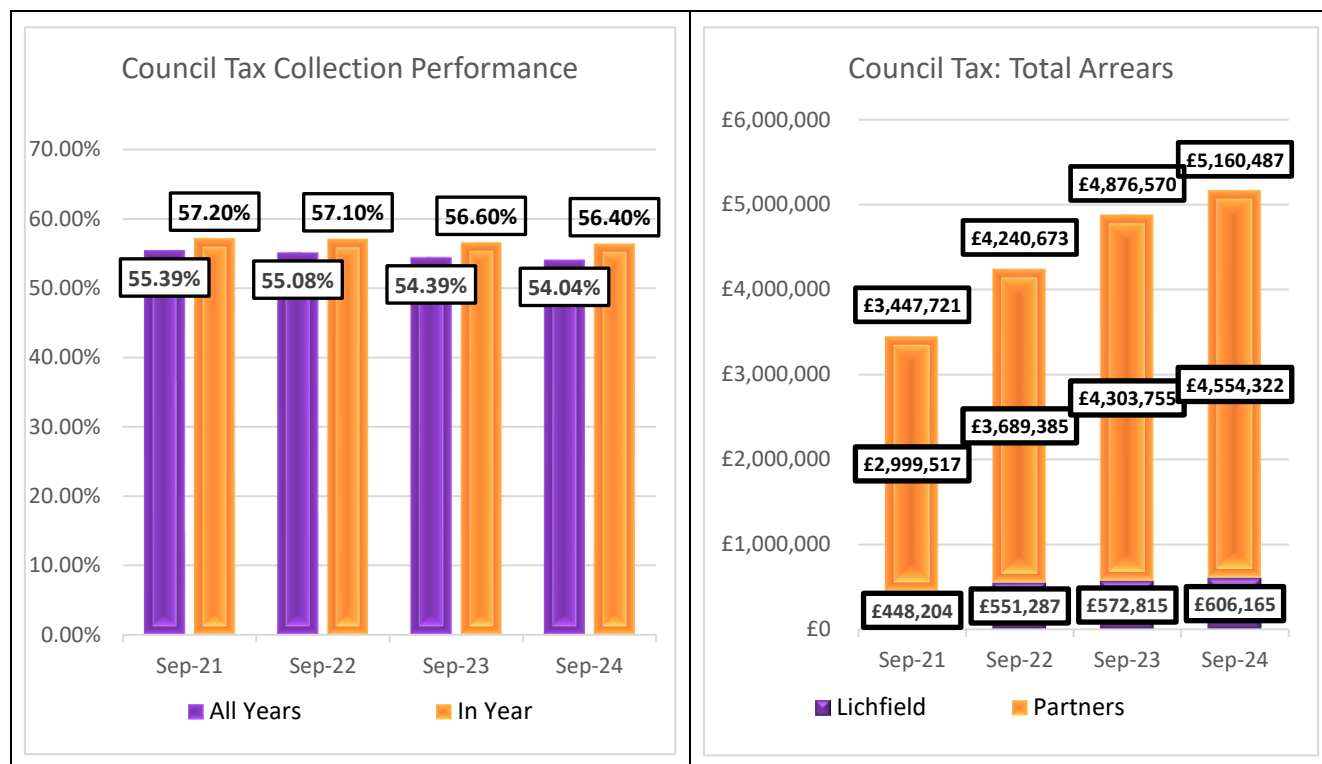
<b>Funding Source</b>	<b>Original Budget</b>	<b>Approved Budget</b>
Capital Receipts	1,110,000	2,216,000
Corporate Revenue	855,000	855,000
Borrowing Need - Borrowing and Finance Leases	3,179,000	0
Capital Grants and Contributions	4,677,000	5,472,000
Reserves, Existing Revenue Budgets and Sinking Funds	6,005,000	10,440,000
<b>Capital Programme Total</b>	<b>15,826,000</b>	<b>18,983,000</b>

<b>Projected Actual</b>	<b>Variance</b>
2,945,000	729,000
870,000	15,000
0	0
5,417,000	(55,000)
10,401,000	(39,000)
<b>19,633,000</b>	<b>650,000</b>

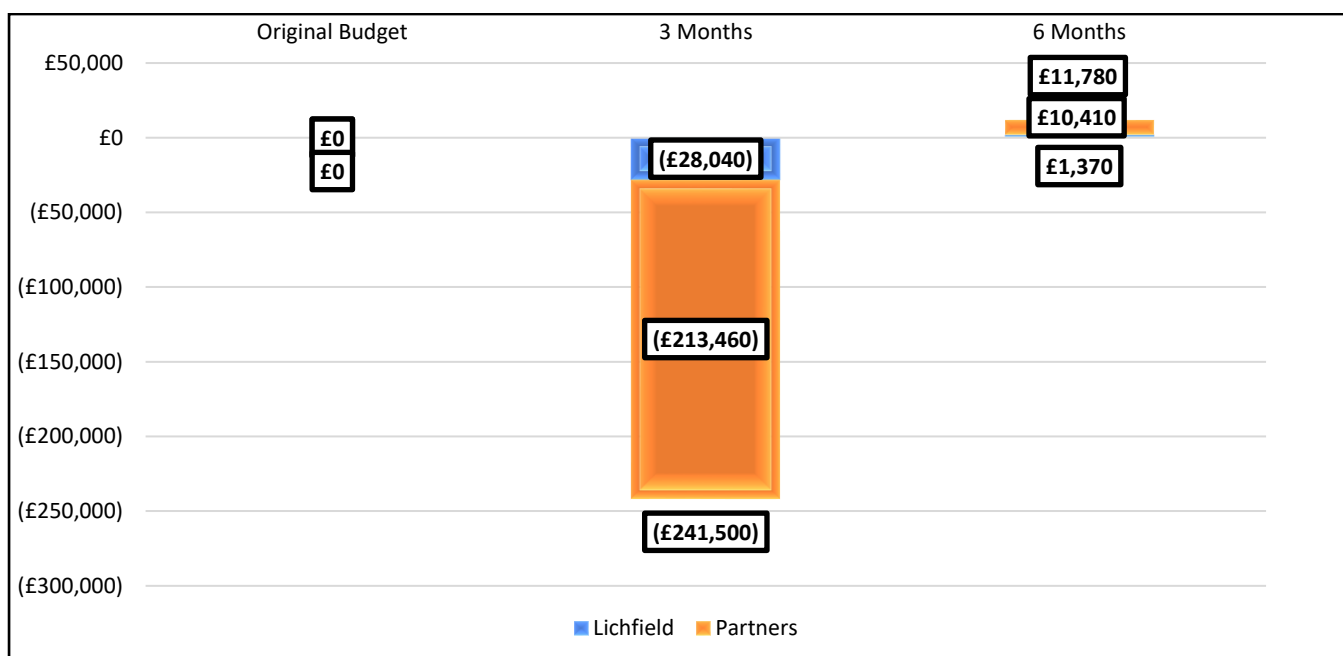


### Council Tax

The collection performance for Council Tax debt is shown below:



The Council Tax Collection Fund is projected to be in surplus by **(£11,780)** and the Council’s share is **(£1,370)** based on Lichfield’s (including Parishes) current share of Council Tax of **c12%** (surpluses are shown as positive values in the chart):

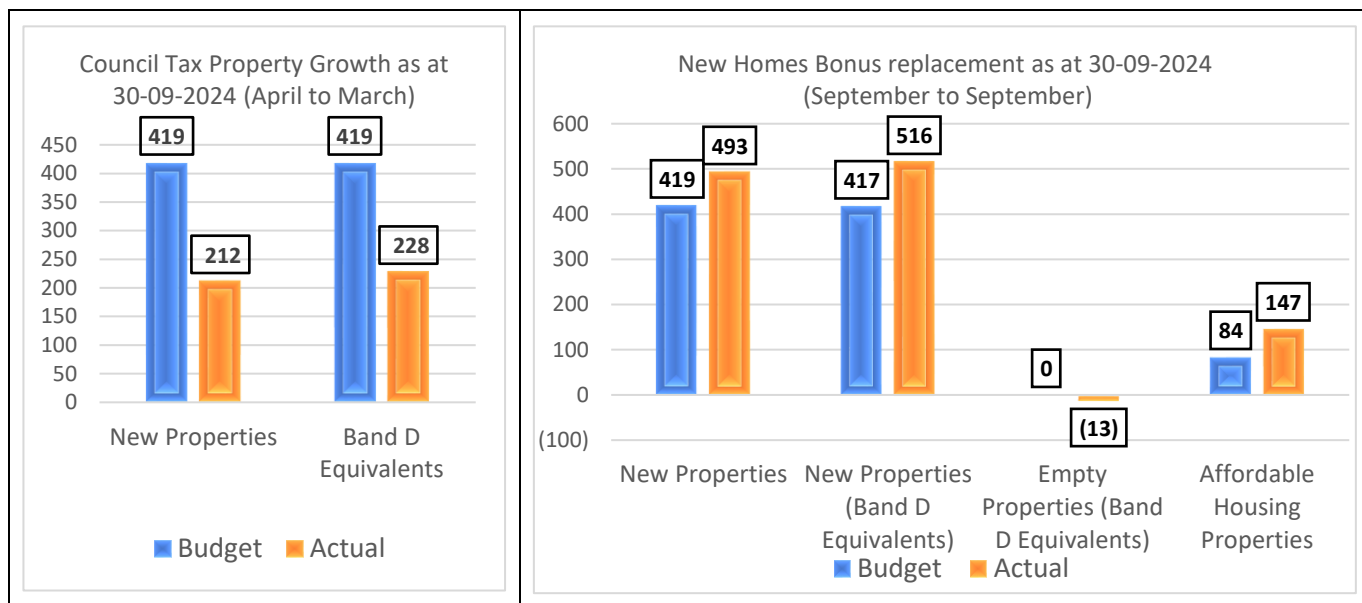


The main reasons for the projected surplus of **(£11,780)** are:

- A higher deficit than budgeted in 2023/24 of **£35,902** (Council share £4,217).
- A higher provision for bad debts of **£25,932** (Council share £2,853).
- Higher Council Tax income of **(£30,686)** (Council share (£3,682)).

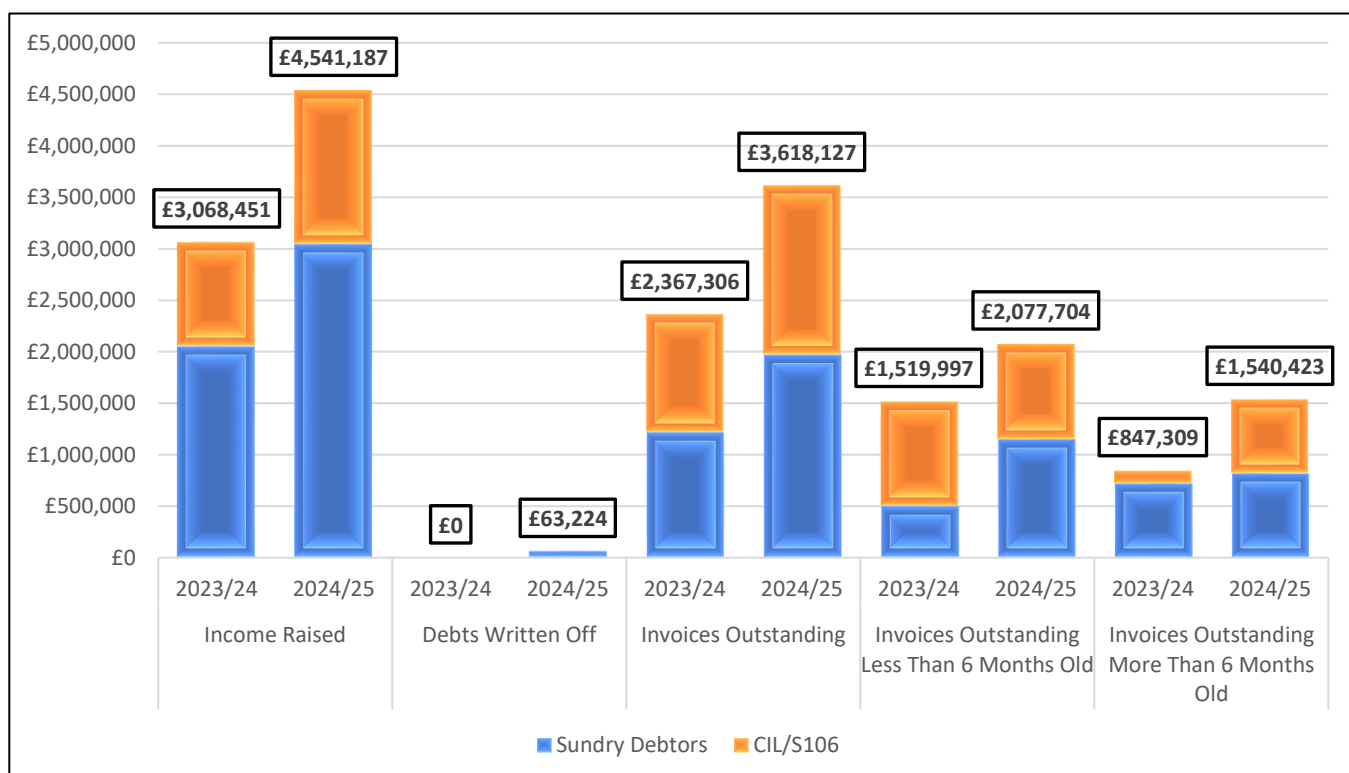
## Housing Supply

The completions for Council Tax (left hand chart) from April 2024 to June 2024 and any possible New Homes Bonus replacement (right hand chart) from September 2023 to June 2024 are shown below:



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

The transaction levels and collection performance in 2024/25 compared to 2023/24 is shown below:



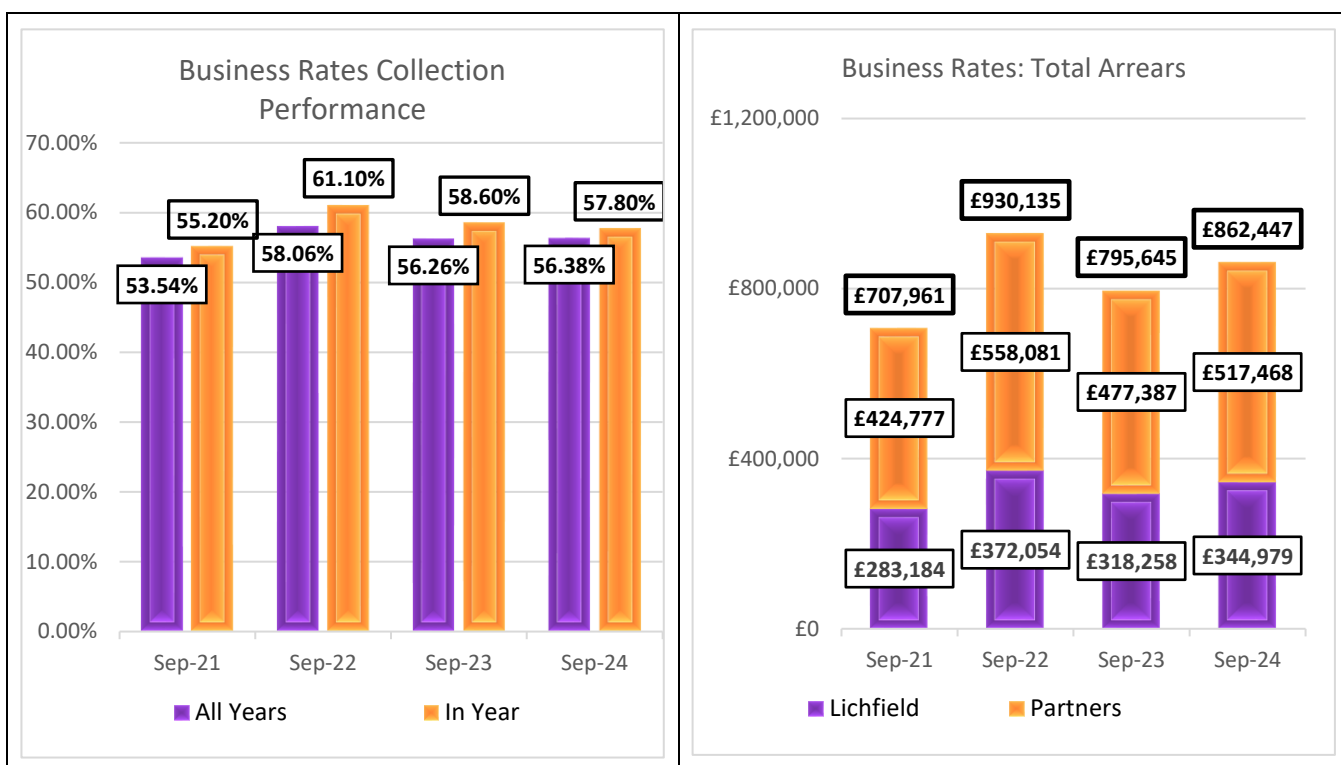
In terms of Sundry Debtor Income trends:

- Total income raised in the first three months of 2024/25 is **£1,472,736** or **48%** higher than for the same period in 2023/24. This increase is due mainly to a large invoice of £1.2m raised to Staffordshire County Council in 2024/25.
- Invoices outstanding has increased by **£1,250,821** or **53%** and this is mainly due to the invoice mentioned above.

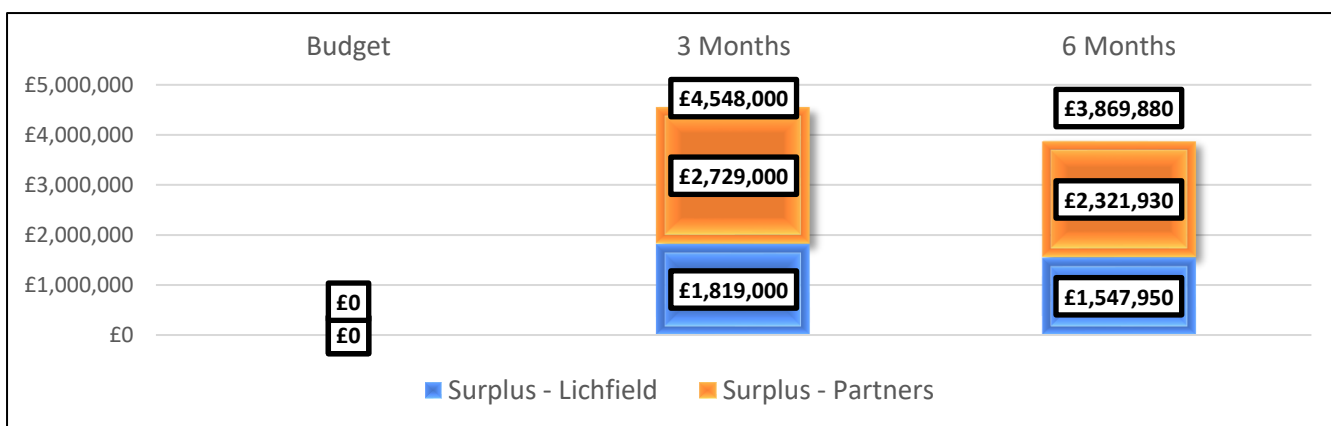
## Business Rates

The Retained Business Rate income is projected to be the same as the Approved Budget of (£3,771,000).

The collection performance for Business Rates is shown below:



The Business Rates Collection Fund is projected to be in surplus by (£3,869,880) (surpluses are shown as positive values in the chart):



The main reasons for the projected surplus of (£3,869,880) are:

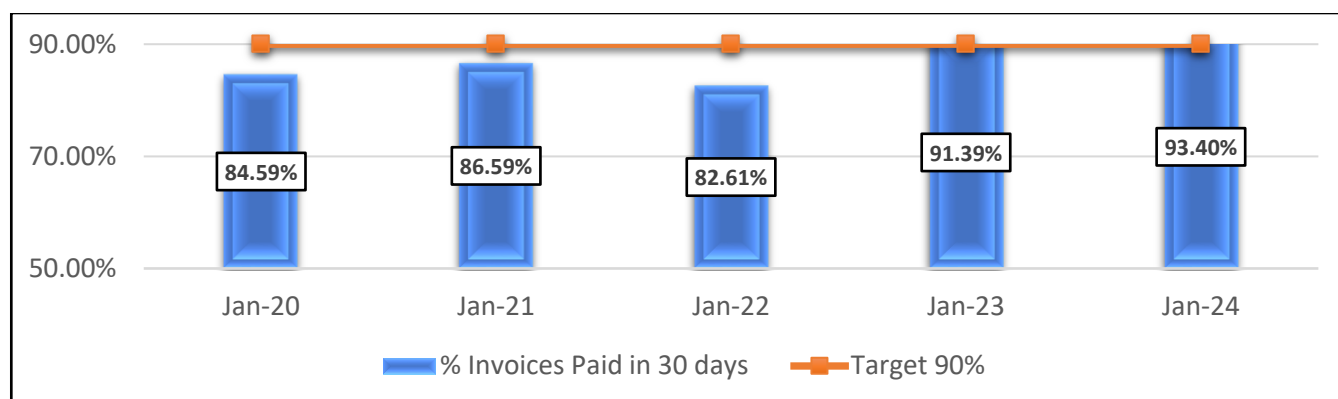
- A higher surplus than budgeted in 2023/24 of (£2,219,000) (Council share (£888,000)).
- Other changes in income and reliefs of (£1,650,880) (Council share (£660,350)).

Council on 14 May 2024 committed £888,000 of the Council’s share of this projected surplus from 2023/24 to funding the additional costs of the leisure centre.

In terms of the projected additional Council share of (£659,950), the current policy in the MTF5 to manage the risk of business rate decline is the Business Rates Volatility Earmarked Reserve is based on the level of growth above the safety net level. Therefore, the higher growth as evidenced by the surplus would result in an increase in the Reserve. In addition, in line with the approach adopted last year, funding Business-as-Usual Capital investment in 2028/29 from this source to remove the need for further borrowing and its revenue implications can be considered as part of the MTF5 development.

## Supplier Payment Performance

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



## Treasury Management Investments in the 2024/25 Financial Year

The table below shows a breakdown of our investments at the 30 September 2024:

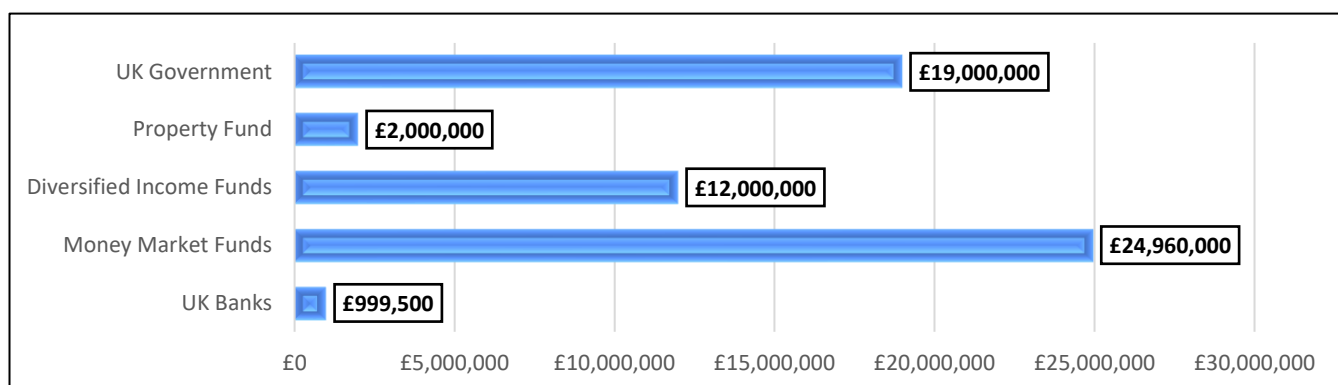
Counterparty	Principal	Matures	Days to Maturity	Rate	Credit Rating	Non-UK Organisation
<b>Money Market Funds</b>						
Invesco Aim	£4,000,000	01-Oct-24	Instant Access	4.99%	AAA-mf	N/A
Blackrock Institutional	£2,960,000	01-Oct-24	Instant Access	4.97%	AAA-mf	N/A
Legal & General	£4,000,000	01-Oct-24	Instant Access	5.01%	AAA-mf	N/A
Federated	£5,000,000	01-Oct-24	Instant Access	5.02%	AAA-mf	N/A
BNP Paribas MMF	£4,000,000	01-Oct-24	Instant Access	5.16%	AAA-mf	N/A
CCLA MMF	£5,000,000	01-Oct-24	Instant Access	5.00%	AAA-mf	N/A
<b>Strategic Funds</b>						
CCLA Property Fund	£2,000,000	N/A	N/A	2.63%	N/A	No
Ninety-One Diversified Income Fund	£5,000,000	N/A	N/A	2.52%	N/A	No
CCLA Better World Cautious Fund	£2,000,000	N/A	N/A	1.86%	N/A	No
Aegon Diversified Income Fund	£5,000,000	N/A	N/A	3.03%	N/A	No
<b>Fixed Term Investments</b>						
Debt Management Office	£9,500,000	21-Oct-24	21	4.93%	UK Government	
Debt Management Office	£9,500,000	19-Nov-24	50	4.90%	UK Government	
<b>Call Accounts with Notice Period</b>						
HSBC	£999,500	31-Oct-24	31	5.10%	A+	
<b>Total Investments</b>	<b>£58,959,500</b>					

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).

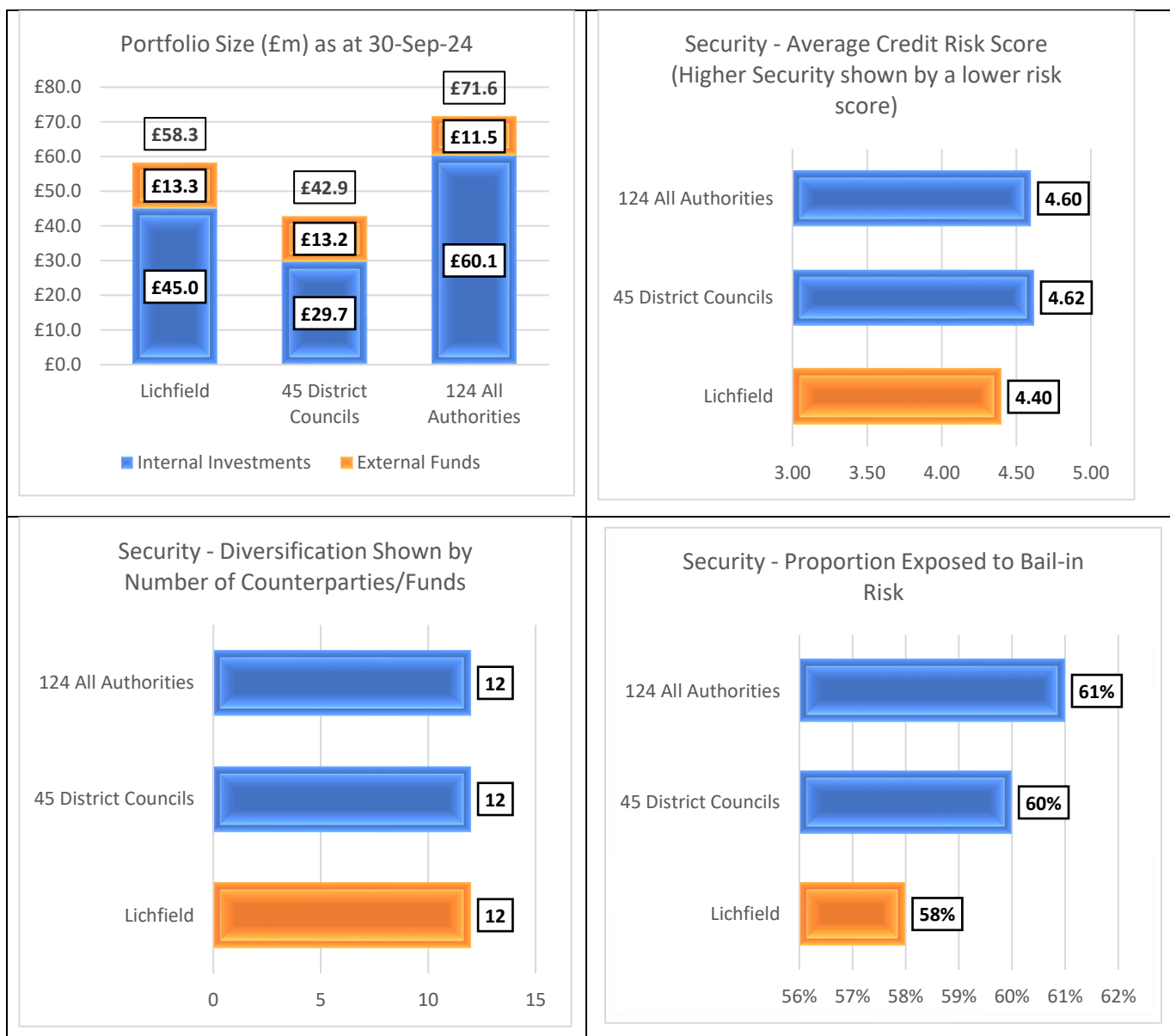
In addition, external borrowing is considered against the objectives of it being affordable (the impact on the budget and Council Tax), prudent and sustainable (over the whole life).

### The Security of Our Investments

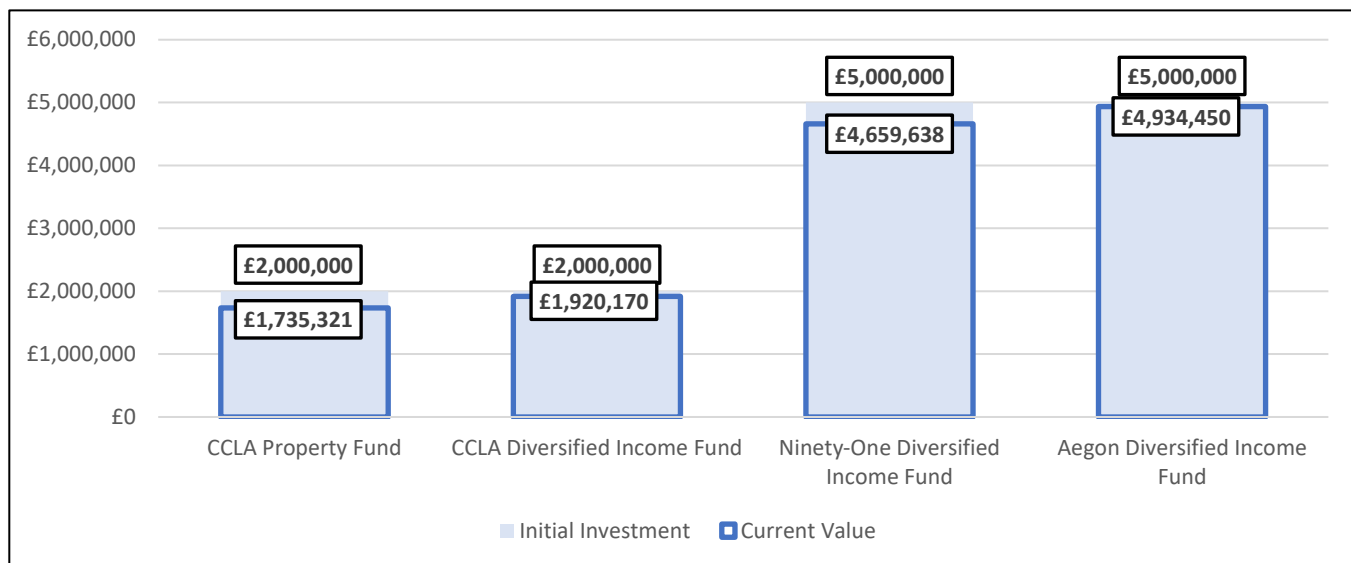
The investments the Council had at the 30 September 2024 of **£58,959,500** (with the Property and Diversified Income Funds valued at original investment for each) by type and Country are summarised below.



The Council’s portfolio size (with the Property and Diversified Income Funds valued at its current value of **£13.3m**), 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:



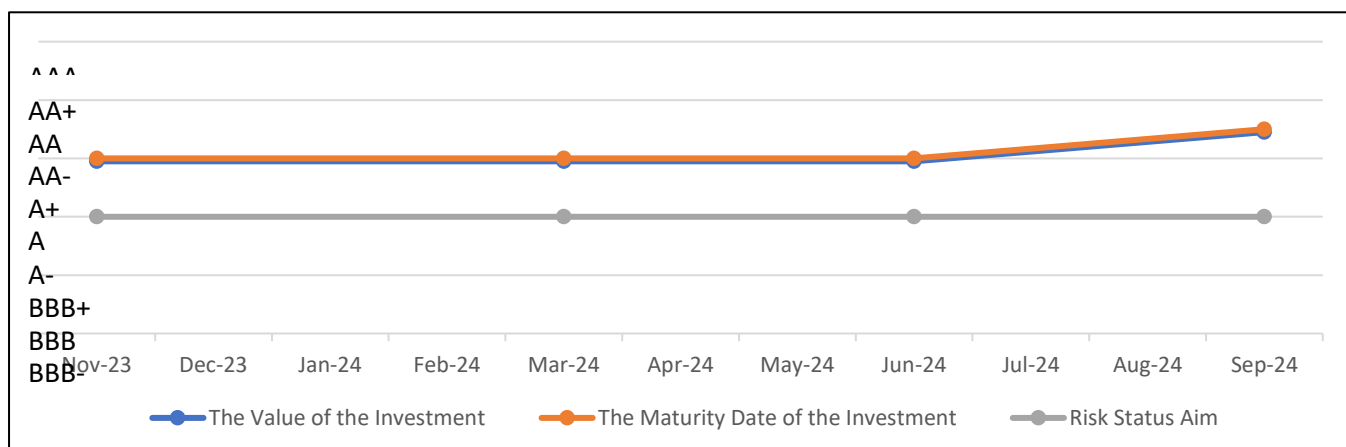
Overall, in terms of strategic investments there is a ‘book loss’ of (£750,420) and therefore the earmarked reserve to manage volatility risk is in surplus by £649,580.

Strategic Investments Volatility Reserve	
Opening Balance 01/04/2024	£1,400,000
<b>Projected Closing Balance 31/03/2025</b>	<b>£1,400,000</b>
Fund Book Gains/(Losses)	
CCLA Property Fund	(£264,679)
CCLA Better World Cautious Fund	(£79,830)
Ninety-One Diversified Income Fund	(£340,362)
Aegon Diversified Income Fund	(£65,550)
<b>Net Book Loss as at 30/09/2024</b>	<b>(£750,420)</b>

<b>Projected Surplus</b>	<b>£649,580</b>
--------------------------	-----------------

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.

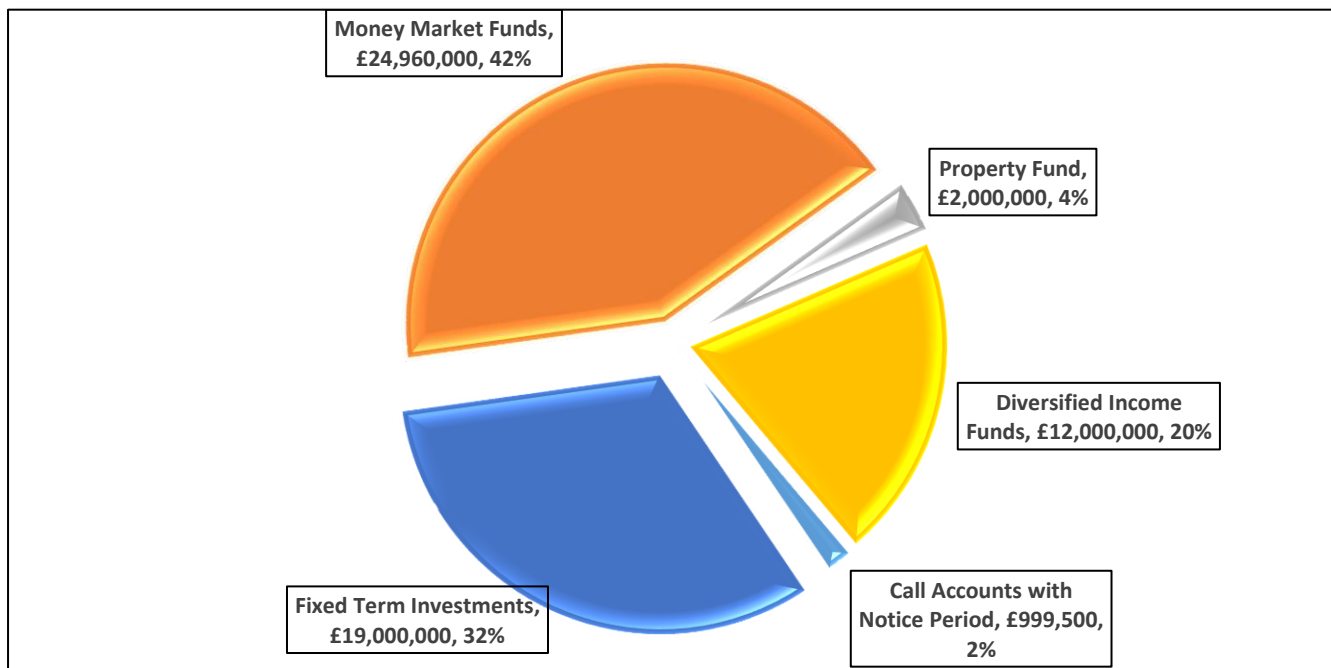
Our aim for the risk status of our investments was A- or higher. The risk status based on the length of the investment and the value for a 10 month period is summarised in the graph below:



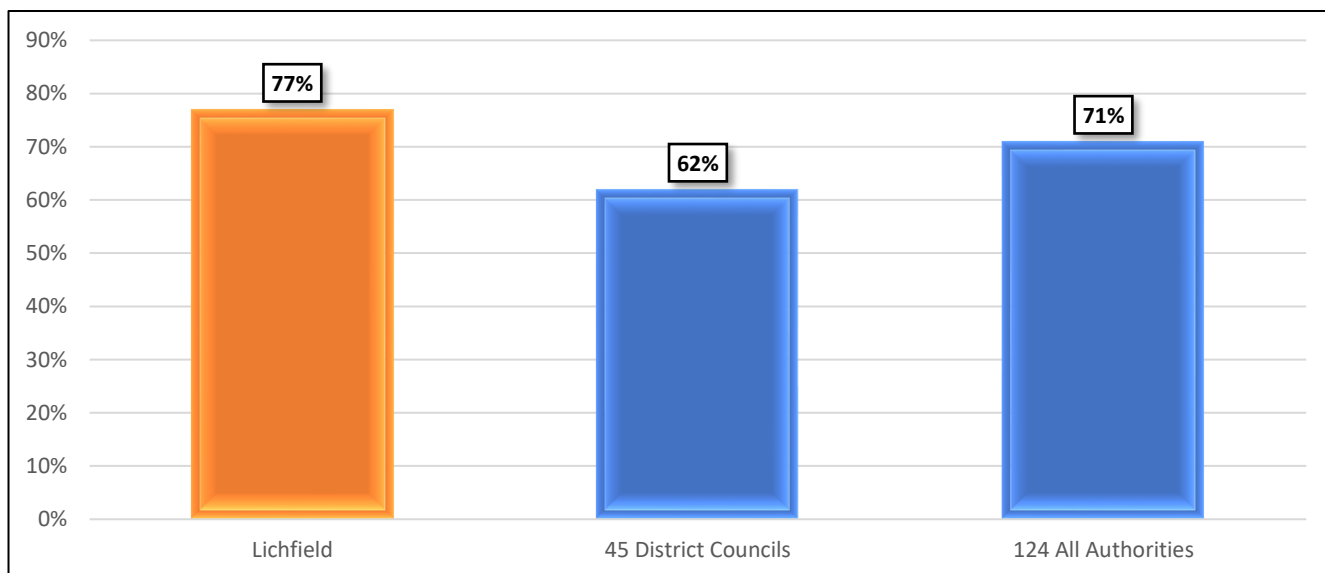
### The Liquidity of our Investments

The Council has not had to temporarily borrow during 2024/25.

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:

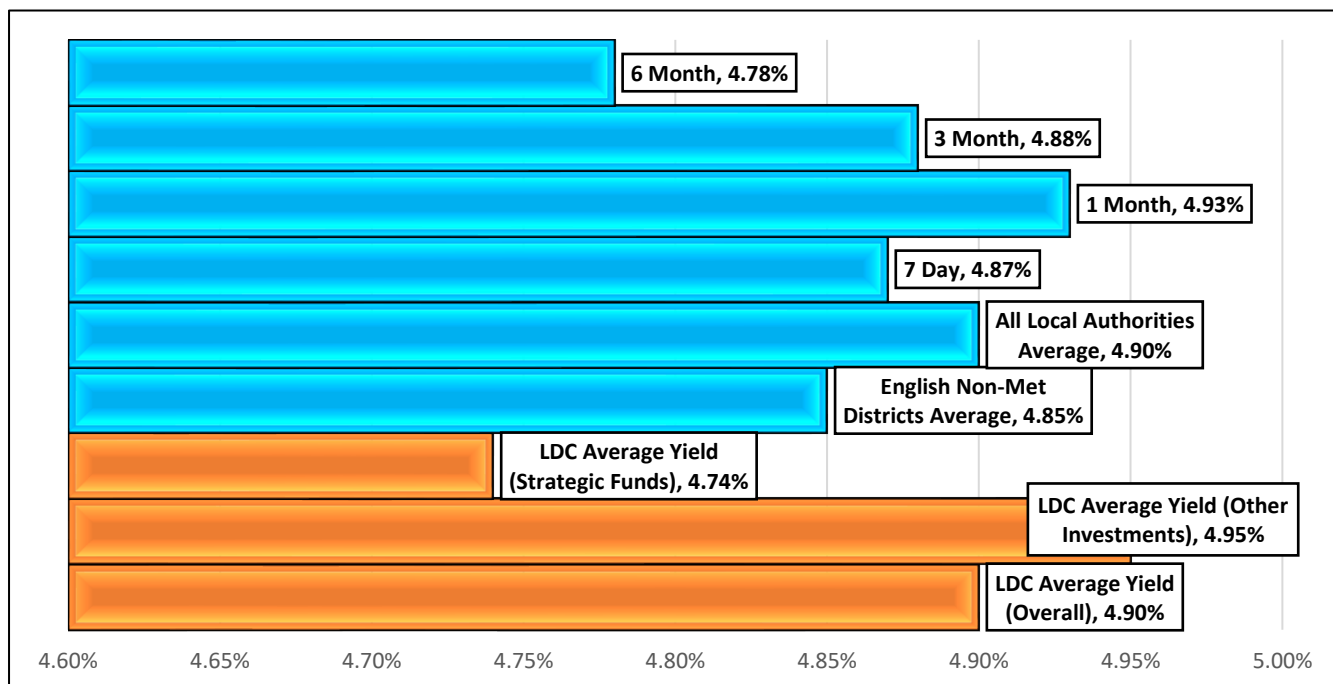


The proportion of the investment portfolio available within 100 days compared to all Arlingclose clients is shown below:



## 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 **(£2,634,510)** of gross investment income compared to a budget of **(£2,415,790)**.

## 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)	£974,080	2.59%	15.5	£69,557
<b>TOTAL BORROWING</b>	<b>£974,080</b>	<b>2.59%</b>	<b>15.5</b>	<b>£69,557</b>