

NORTH LINCOLNSHIRE COUNCIL

CABINET

2020/21 Q1 Financial Monitoring and Medium Term Financial Plan Update

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To provide Cabinet with an update on the Council's in-year financial position.
- 1.2. To consider the specific impact that Covid-19 is having on the Council's financial plans.
- 1.3. To set out the Council's current modelling of medium term financial planning spending power assumptions.

2. BACKGROUND INFORMATION

- 2.1. On Wednesday 26th February 2020, the Council approved a Financial Strategy which set the framework for its revenue and capital investment plans in 2020/21 and over the medium term. The financial strategy is designed to support successful delivery of the Council Plan and the Local Plan, maximising outcomes for the people and place of North Lincolnshire.
- 2.2. The medium term financial plan represents an amalgamation of financial and non-financial assumptions which form the basis of how much resource the Council expects to have available to invest in its priorities and to ensure it continues to meet local need well.
- 2.3. In the previous financial impact update to Cabinet, the emergence of the Covid-19 pandemic was set out, including the impact that it was having at that time. Over the past two months, the situation has moved on slightly in that more local approaches are now being adopted, which reduces the need for blanket national measures and has enabled some restrictions to be gradually eased.
- 2.4. The Council re-oriented the approach of its staff and services during the initial phase of the pandemic, enabling it to meet the needs of its residents at a challenging time. The Council has been able to shift its focus to recovery and renewal, an update on which is contained in a separate report on this agenda.
- 2.5. The purpose of this report is to take stock of the in-year financial position, and make an assessment of how much resource the Council could expect to have in future years assuming the current funding regime remains in place over the medium-term financial planning period.

Revenue 2020/21

- 2.6. The current approved revenue and capital budget and potential expenditure at outturn for 2020/21 can be seen in appendix 1.
- 2.7. The position comprises changes to expenditure and income brought about by the Covid-19 pandemic, together with risks not directly attributable to Covid-19.

Capital 2020/21

- 2.8. At this early stage of the financial year, there are no major variances identified aside from some re-phasing which reflects different delivery timescales for some schemes. The in year position can be seen in appendix 1, with a revised programme incorporating re-phasing summarised in appendix 4.

Reserves

- 2.9. The Council approved a reserve strategy which governs the deployment of reserve balances, and links to identified risk which reserves exist to cover. The strategy will be reviewed as part of the budget process and will consider the risks as they are currently known. This will also need to consider how best to measure the risk implicit in the uncertain economic position and associated risks to funding.
- 2.10. If the revenue overspend risk identified in appendix 1 remains at year-end or the Covid-19 financial impact worsens, there will be an unplanned use of reserve balances which would diminish the available balance for the 2021/24 medium term financial plan.

Budget Adjustments

- 2.11. Several adjustments to the revenue budget have been made, as the Council continually seeks to align budgets with delivery of the Council Plan. The adjustments have all been made under delegated powers and are summarised in appendix 3.

Treasury Management

- 2.12. The Council is continuing to manage cash balances and debt in line with the approved Treasury Management Strategy. Capital financing costs are expected to be lower than budget at outturn, reflecting a slower delivery of the capital programme than had been expected. As a result, the cost of capital financing ratio in 2020/21 is expected to be marginally lower than the forecast in the budget papers to Full Council.
- 2.13. The Council's borrowing at the end of June 2020 was £188.8m, and is expected to remain lower than had been forecast throughout the course of the year due to a change in the profile and timing of expenditure and income cash flows.

2.14. Appendix 5 sets out the prudential indicators for 2020/21 approved by Full Council on 26th February 2020, and the current estimate.

Medium Term Financial Plan

2.15. The Council has commenced the financial planning process which will culminate in the 2021/24 medium term financial plan being taken to Full Council in February 2021. Based on current modelling, an alternative estimate of spending power can be seen in appendix 2, together with a summary of the approach to be taken. Modelling options will continue to adapt as the current position evolves, including confirmation from government in respect of anticipated local government finance settlement.

3. OPTIONS FOR CONSIDERATION

3.1. To receive an update on the financial position of the organisation.

4. ANALYSIS OF OPTIONS

4.1. The analysis is outlined in the background information in section 2 and in the supporting appendices.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1. The financial model under which Local Government operates means that risk management is fundamental to everything the Council does. The Council is constrained in its ability to significantly increase resources and is statutorily led on large areas of need led spending which can be volatile. Financial plans and the actions taken by the Council therefore must be adaptive to ensure the Council remains financially sustainable.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1. Not applicable.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1. Not applicable.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1. Not applicable.

9. RECOMMENDATIONS

- 9.1. To note the revenue and capital budget monitoring position for 2020/21 which is set out at Appendix 1, and the action being taken to identify and develop solutions to identified risks.
- 9.2. To note the current modelling of financial planning assumptions as set out in the medium term financial plan update in Appendix 2.
- 9.3. To note the revenue budget adjustments approved under delegated powers and the revised budget position for 2020/21, summarised at Appendix 3.
- 9.4. To approve the revised capital investment programme 2020/23, set out at Appendix 4.
- 9.5. To note the progress against the approved Treasury Management Strategy in Appendix 5.

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Background Papers used in the preparation of this report

Financial Strategy, Budget 2020/21 and Medium Term Financial Plan 2020/23
Capital Investment Strategy and Revised Capital Programme 2019/23
Treasury Management Strategy 2020/21

REVENUE AND CAPITAL MONITORING POSITION 2020/21
Appendix 1

REVENUE	Budget £000's	Potential Spend £000's	Risk £000's
EXPENDITURE			
Investment in Priority Areas	125,278	138,140	12,862
Running the Business (Technical)	26,780	26,699	(81)
NET OPERATING EXPENDITURE	152,058	164,839	12,781
FUNDING			
Council Tax, Business Rates and Government Grants	(150,133)	(150,133)	-
Use of Reserves	(1,925)	(1,925)	-
Covid-19 Funding (attributed to Covid-19 pressures)	-	(11,181)	(11,181)
TOTAL FUNDING	(152,058)	(163,239)	(11,181)
POTENTIAL VARIANCE	-	1,600	1,600

CAPITAL	Budget £000's	Potential Spend £000's	Potential Variance* £000's
EXPENDITURE			
Investment in Priority Areas	59,995	56,072	(3,923)
TOTAL EXPENDITURE	59,995	56,072	(3,923)
FINANCING			
External & Grant Funding	(30,584)	(26,611)	(3,923)
Council Resources	(29,411)	(29,411)	-
TOTAL FINANCING	(59,995)	(56,072)	(3,923)

*anticipated slippage to 2021/22

Analysis of Revenue 2020/21

1. The Council's Net Operating Expenditure represents the day to day costs of council service delivery. For 2020/21, a cash limit of £152.1m was set by Full Council and reflected the expected spending power for the year.
2. Shortly after the budget was approved, the Covid-19 pandemic emerged and has led to changes to the Council's in year and future year financial planning assumptions. The response and action taken at a national level to reduce and contain the spread of the virus led to changes to local service delivery models and additional activity as part of the local response, resulting in spend being different to allocated budgets on both expenditure and income.
3. The funding base set by Council in February also pre-dated the pandemic and reflected economic conditions at that time. However, unlike with expenditure and service income, variations in council tax and business rates will not impact the current year budget and will instead impact in 2021/22 and beyond. This is because of collection fund accounting rules. There is expected to be some impact to the future funding base, which is covered in greater detail in appendix 2.
4. In recognition of the financial pressures facing Local Government, the Government have provided additional in-year funding to contribute towards the additional costs being incurred by Council's in ensuring the meet heightened need in their areas. Specifically, North Lincolnshire Council has received:
 - Covid-19 grant funding £11.181m
 - Infection control fund £2.531m
 - Council tax hardship £1.170m
 - Test and trace funding £0.855m
5. The Council undertakes a robust monitoring process throughout the year which seeks to identify progress of spend against budget and reviews the assumptions approved in the 2020/21 budget. As already noted, Covid-19 has impacted some of the supporting assumptions quite significantly, which will in turn have a cost implication. A Council wide position is reported to Cabinet on a regular basis.
6. At quarter one, Council net expenditure at outturn is forecast to be £153.7m, £1.6m (or 1.1%) above the limit set. This is based on risks not specifically related to the emergence of Covid-19. In addition to this, there are a further £15.3m of identified risks directly attributable to Covid-19 which are assumed to be fully funded by the grant funding provided by Government specifically for this purpose and through the government sales, fees and charges reimbursement scheme (the first claim will be submitted on 28th September). The Council is required to submit financial forecast data to Government on a regular basis to aid their monitoring of Council finances.
7. It is important to note that it is still early in the financial year, and the position reported reflects the assumptions and best information available at that time. The Covid-19 pandemic is fast changing, and the implications are fluid, which also reflects in the shape, scope, and delivery of adaptive Council services. Therefore, it is likely that the forecasts contained here will need to be refined through the remainder of the financial year.

8. The main risks that have been identified as being attributable to Covid-19 and funded by Government grant are as follows:

Covid-19 Identified Risk	£M
Leisure and culture sites income losses	5.3
Adult social care (increased demand, supporting the market, workforce, PPE)	2.9
Commercial income losses	1.4
Other income losses (e.g. parking, court cost income)	1.4
Foregone savings/delayed projects	1.1
Children social care (workforce and care packages)	1.0
Organisational PPE & shielding	0.8
Rough sleeping	0.6
Home to school transport and wider education	0.3
All Other	0.5

9. The pandemic has required the Council to adapt quickly, requiring service models to be refined and in some instances completely re-designed. Like every other local authority, this has had cost and income implications which have been recognised by the Government. Focussing on this year alone, it is proposed that budget limits be amended following quarter two monitoring, to ensure budget limits are realistic and achievable. The current limits pre-dated the pandemic and therefore need to be adjusted to ensure officers have realistic limits to work within, utilising the additional funding provided by Government.

10. In addition, there are other risks which are not directly attributable to Covid-19 that have been identified:

Non Covid-19 Identified Risk	£M
Delayed implementation of medium term financial plan actions: <ul style="list-style-type: none"> - Waste strategy - Ensuring full cost recovery - One Family Approach - Hub - Commercial property 	1.1
Amalgamation of all other	0.5

11. It is important to note that the Council has a strong track record of being able to contain expenditure. The transformation of the Council over recent years ensures continuous improvement and implementation of efficient delivery models that achieve the best outcomes possible. Controlling costs is vital for the longer-term sustainability of the Council, especially given the uncertain economic conditions we are operating within. In the previous two years, collaborative working across the Council to identify solutions ensured that the year-end position was much more favourable than early estimates. The same collaborative working will identify alternative solutions in the short term to ensure budgets are met.

12. The Council has a reserves strategy which governs deployment of reserves. This forms part of the wider approach to risk management. Current financial plans aim to minimise use in 2020/21, with greater reserves potentially going to be needed in the next medium term financial plan to cover potential funding shocks. The

level of reserves held will need to be reviewed against identified risks to ensure that the council remains financially resilient.

Analysis of Capital 2020/21

13. The Council has a multi-year capital investment programme totalling £100.5m. Of this £60m is currently planned for investment in 2020/21. This is shown within the revised Capital Investment programme summary contained in appendix 4.
14. The Council undertakes regular monitoring of its capital investment programme, to ensure: the programme remains realistic and invests in Council priorities. It is also important that planned spend is reviewed specifically considering Covid-19, to ensure it remains right to undertake following the changes brought about by the pandemic. It is envisaged that this will be completed by the end of December, with not much expected in the form of changes.
15. At this early stage in the financial year, there are minor variances to report which all reflect re-phasing, which predominantly relate to schools investment and disabled facilities grants. More re-phasing is expected during the course of the year, as investment limits are continually aligned with the latest known delivery timescales. There is expected to be some re-phasing required due to the national restrictions that were in place earlier this year, which had the effect of delaying the progress of some schemes.
16. The Capital & Major Projects officer group lead on the deployment of capital resources and remain aware of the ongoing risks to the current capital investment programme and will lead on identifying solutions for if they are needed at outturn. Cabinet will be kept updated at regular intervals.

1. On Wednesday 26th February 2020, the Council approved a medium term financial plan covering the period 2020/21 to 2022/23. The plan balanced investment aspirations with the amount of funding expected over the period, and supported delivery of the Council plan.
2. The Covid-19 pandemic means that many of the supporting assumptions to the plan now need to be re-assessed in the context of what has happened since the plan was approved, acknowledging that the Council does not have perfect information because of the inherent uncertainty.
3. The budget process will consider the potential change to spending power brought about because of Covid-19, especially the forecast impact on local tax collection. In addition, the Council’s investment plans will need to be revised to reflect forecast activity and need levels where they differ from the assumptions contained in the 2020/23 medium term financial plan.

Spending Power

4. The spending power was approved definitively for 2020/21 and indicatively for 2021/22 and 2022/23 as follows:

2020/21 Approved £000's	FORECAST SPENDING POWER	2021/22 Indicative £000's	2022/23 Indicative £000's	2023/24 Indicative £000's
(1,925)	Use of Reserves	(1,565)	410	
	SETTLEMENT FUNDING			
(6,198)	Revenue Support Grant	(6,198)	(6,198)	
(33,171)	NNDR Baseline Funding	(33,836)	(34,501)	
(39,369)	Total Settlement Funding	(40,034)	(40,699)	
	OTHER GENERAL FUNDING			
(69,546)	Council Tax (2.99% 21/22 - 22/23, 1.99% 23/24)	(72,440)	(75,450)	
(6,694)	Social Care Precept	(6,745)	(6,803)	
(972)	Collection Fund Surplus (-) / Deficit (+): CTAX	-	-	
(2,563)	Collection Fund Surplus (-) / Deficit (+): NNDR	-	-	
(9,158)	NNDR Rate Retention Income	(9,448)	(10,448)	
(414)	New Homes Bonus	(166)	(146)	
(7,025)	Improved Better Care Fund	(7,728)	(8,501)	
(206)	Rural Services Delivery Grant	(206)	(206)	
(420)	DSG Central School Services	(420)	(420)	
(4,515)	Social Care Grant	(4,967)	(5,464)	
(9,251)	Public Health Grant	(9,436)	(9,625)	
(110,764)	Total Base Funding	(111,556)	(117,063)	
(152,058)	TOTAL FUNDING	(153,155)	(157,352)	

This position pre-dated any potential impact from Covid-19, and reflected the economy at the time of budget. Given all that has happened since, this position now becomes the best-case scenario for planning purposes.

5. Council tax and business rates are the two most important sources of funding for the Council, accounting for 78% of total funding in 2020/21. In the most recent

major change to the Local Government finance system, the Government increased local incentives to growing the local economy by enabling some of the growth to be retained locally. This has been beneficial to North Lincolnshire, which has grown its economy and locally generated resources significantly since 2013/14. However, the system contains risk, specifically that a contraction in the economy could lead to a reduction in funding.

6. Covid-19 and the associated measures taken to prioritise the public health of the nation have already had a profound impact on the economy, with an increase in unemployment and challenging conditions for businesses. Government support schemes have helped, that said the underlying position on jobs and business failures is not expected to be fully known until the current support schemes end. Modelling has been undertaken to consider how the Council taxbase assumptions that supported the 2020/23 medium term financial plan might now need to change to remain prudent.

Council Tax

7. The primary risks to council tax income in the short to medium term arise from the following:

Risk	Revised Assumption
An increase in foregone income through a rise in the number of households in receipt of council tax support	20% increase in the working age caseload of council tax support in 2021/22, reducing to 15% in 2022/23 and 10% in 2023/24
An increase in arrears and write-off's if there is an increase in unemployment that do not qualify for council tax support	An increase in the non-collection estimate from 1.9% to 3.5% in 2021/22, incrementally reducing to 3% in 2022/23 and to 2.5% in 2023/24
Slower completions of new build properties	A reduction in the number of new properties assumed over the plan period (100 fewer band D equivalents per year)

The revised taxbase assumptions set out above reflect a prudent estimate at this point in the financial year, balancing current knowledge with the inherent uncertainty around the longer-term scarring and consequential impact on jobs.

Business Rates

8. The primary risks to council tax income in the short to medium term arise from the following:

Risk	Revised Assumption
An increase in empty property relief	5% of gross rates in 2021/22, 3.75% in 2022/23 and 3% in 2023/24 (compared to 3% p.a. in 2020/23 MTFP)

An increase in arrears and write-off's if there is an increase in business failures	3.75% of gross rates in 2021/22, 2.5% in 2022/23 and 1.25% in 2023/24 (compared to 1.25% p.a. in 2020/23 MTFP)
Structural changes to the NNDR rate retention scheme (e.g. removing renewable incentives)	No scheme changes have been assumed

The revised taxbase assumptions set out above reflect a prudent estimate at this point in the financial year, balancing current knowledge with the inherent uncertainty around the longer-term scarring and consequential impact on jobs.

- The Council's business rates taxbase was recently amended to include the new and renewable Hornsea wind development, as the development connects to the energy grid in North Lincolnshire. It is expected that the Council will retain 100% of these rates, approximately £3m per year, which provide a cushion for other NNDR losses discussed above.

Collection Fund

- The council tax and business rates sections focus on forward years, however there will also be an impact to the medium term financial plan from any variances that arise in 2020/21 because funding in the current year will remain fixed.
- Based on in-year monitoring overlaid with high level assumptions in line with that assumed for 2021/22, there is expected to be a council tax and business deficit in 2020/21 which will need to be funded from future years' resources. The business rates deficit is significant diminished as a result of the Hornsea renewable development, which was not factored into the 2020/21 funding base.
- Recognising that large collection fund variances might arise at the end of 2020/21; the Government have changed the regulations allowing collection fund deficits to be spread over three years (covering 2021/22 to 2023/24). This is intended to prevent a significant deficit impacting in one year only.

Reserves

- The reserve assumptions contained in the 2020/23 medium term financial plan have been reset, with the overarching reserves strategy and deployment of reserves to be decided as part of the budget process referencing the revised risk position.

Summary

- Overall, revised estimates for council tax, business rates and reserves in addition to the collection fund impact from variances in the current year lead to a different projection of spending power. Note that the overall spending power estimate has reduced compared to the best case scenario.

2020/21 Approved £000's		2021/22 Indicative £000's	2022/23 Indicative £000's	2023/24 Indicative £000's
	FORECAST SPENDING POWER			
(1,925)	Use of Reserves	-	-	-
	SETTLEMENT FUNDING			
(6,198)	Revenue Support Grant	(6,198)	(6,198)	(6,198)
(33,171)	NNDR Baseline Funding	(33,636)	(34,235)	(34,899)
(39,369)	Total Settlement Funding	(39,834)	(40,433)	(41,097)
	OTHER GENERAL FUNDING			
(69,546)	Council Tax (2.99% 21/22 - 22/23, 1.99% 23/24)	(70,314)	(73,707)	(76,507)
(6,694)	Social Care Precept	(6,553)	(6,652)	(6,758)
(972)	Collection Fund Surplus (-) / Deficit (+): CTAX	1,120	1,120	1,120
(2,563)	Collection Fund Surplus (-) / Deficit (+): NNDR	248	-	-
(9,158)	NNDR Rate Retention Income	(9,766)	(11,207)	(13,204)
(414)	New Homes Bonus	(166)	(146)	-
(7,025)	Improved Better Care Fund	(7,728)	(8,501)	(9,351)
(206)	Rural Services Delivery Grant	(206)	(206)	(206)
(420)	DSG Central School Services	(420)	(420)	(420)
(4,515)	Social Care Grant	(4,967)	(5,464)	(6,010)
(9,251)	Public Health Grant	(9,436)	(9,625)	(9,818)
(110,764)	Total Base Funding	(108,188)	(114,807)	(121,154)
(152,058)	TOTAL FUNDING	(148,022)	(155,240)	(162,251)
-	Difference to 2020/23 MTFP Funding	5,133	2,112	

15. It is important to emphasise that this position reflects officer judgement based on the best information available at the time of writing. The Council's understanding of the long-term impact of the pandemic to its people and area improves by the day, and the national picture will become clearer when the current Government support schemes (e.g. job retention) reach their conclusion.

16. Finally, the Government plans on publishing its Autumn Budget later this year which will contain the results of the comprehensive spending review and will determine funding limits for Government departments, and will then determine the quantum for the Local Government finance settlement which will follow.

Investment Plans

17. The estimate of spending power will determine how much resource the Council expects to have available to invest in supporting delivery of the Council plan. Whilst a best estimate at this time, the spending power estimate above is less than had been assumed in the 2020/23 medium term financial plan and therefore requires strategic discussions to be held around how the Council manages this risk.

18. In addition, the investment plans approved in February will be comprehensively reviewed to ensure the approved actions remain realistic, delivered (or deliverable where relevant), and that the actions remain synchronised with Council plan objectives.

19. The assumptions which the investment plans were based upon pre-dated Covid-19, and therefore the budget setting process will make an assessment on whether the assumptions and delivery models remain valid or need to be changed over

the plan period. This links to the fast-moving national picture, as delivery models tend to have to react to the current national measures in place.

20. The investment limits for 2021/22 and 2022/23 at the start of the budget planning process are as follows:

BASE BUDGET CORE ADJUSTMENTS	2021/22 Indicative £000's	2022/23 Indicative £000's
Base Budget	152,058	152,058
Technical adjustments:		
- NNDR reserve reversal	(2,563)	(2,563)
- short-term borrowing reversal	1,000	1,000
- capital financing incremental impact	638	1,311
Revised Base Budget	151,133	151,806

The above figures assume this year's base incrementally rolls forward and is adjusted by the technical adjustments that need reversing or form part of multi-year adjustments. The budget process will consider adjustments to investment limits in respect of inflation and activity changes, and potential cost reductions to ensure total investment remains within spending power limits.

21. It is desired that an update on progress be brought to Cabinet at its next meeting, following by an Executive Budget proposal being brought to the meeting of Cabinet in or around January 2021, in advance of the budget setting meeting in February 2021.

Table 1 – Revenue Investment (Accountability Structure)

2020/21 REVENUE INVESTMENT: BY SERVICE	Original Approved Budget £000's	Policy Changes £000's	Technical Budget Transfers £000's	Revised Approved Budget £000's
Business Development	(492)	-	78	(414)
Governance & Partnerships	13,598	-	718	14,316
Operations	31,651	-	482	32,133
Learning, Skills & Culture	11,285	-	449	11,734
Children & Community Resilience	21,172	-	(68)	21,104
Adults & Community Wellbeing	39,952	-	(600)	39,352
Public Health	7,499	-	(446)	7,053
SERVICE TOTAL	124,665	-	613	125,278
Central & Technical Budgets	27,393	-	(613)	26,780
NET OPERATING EXPENDITURE	152,058	-	-	152,058

Table 2 – Revenue Investment (Council Plan Priority)

2020/21 REVENUE INVESTMENT: BY PRIORITY	Original Approved Budget £000's	Policy Changes £000's	Technical Budget Transfers £000's	Revised Budget £000's
Keeping People Safe and Well	69,107	-	(495)	68,612
Enabling Communities to Flourish	23,476	-	1,749	25,225
Growing the Economy	7,879	-	(490)	7,389
Running the Business (organisation)	22,921	-	2,597	25,518
Running the Business (technical)	24,240	-	1,074	25,314
Inflationary Provision	4,435	-	(4,435)	-
PRIORITY TOTAL	152,058	-	-	152,058
NET OPERATING EXPENDITURE	152,058	-	-	152,058

Table 1 – Programme Summary 2020/23

PROPOSED PROGRAMME	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
Investment in Priority				
Keeping People Safe and Well	5,520	656	156	6,332
Enabling Communities to Flourish	10,344	1,929	1,729	14,002
Growing the Economy	32,069	14,407	7,391	53,867
Running the Business	12,062	4,197	1,853	18,112
Total	59,995	21,189	11,129	92,313
Additional Capital Investment Allocation	-	-	8,167	8,167
Capital Investment Limit	59,995	21,189	19,296	100,480
Funding Analysis				
External & Grant Funding	30,584	9,796	9,296	49,676
Revenue Funding	47	-	-	47
Borrowing	23,277	5,540	10,000	38,817
Capital Receipts	6,087	5,853	-	11,940
Total	59,995	21,189	19,296	100,480

		2020/21	
		Budget (Feb 2020)	Forecast (Q1)
(i)	Estimates of capital expenditure	£M 51.5	£M 56.1
(ii)	General Fund ratio of financing costs to the net revenue stream % (Based on Prudential Code 2013)	% 8.80	% 8.80
(iii)	An estimate of the capital financing requirement	£M 259.5	£M 261.8
(iv)	The authorised limit for external debt: borrowing other long-term liabilities total	£M 294.5 30.0 324.5	£M no change
(v)	The operational boundary for external debt: borrowing other long-term liabilities total	£M 264.5 22.0 286.5	£M no change
(vi)	Upper limit for fixed rate exposure	% 100.0	% no change
(vii)	Upper limit for variable rate exposure	% 40.0	% no change
(viii)	upper and lower limits for maturity structure of borrowing UPPER LIMIT under 12 months 12 months and within 24 months 24 months and within 5 years 5 years and within 10 years 10 years and within 20 years 20 years and within 30 years 30 years and above LOWER LIMIT all time periods	% 60.0 30.0 50.0 50.0 75.0 75.0 100.0 0.0	% no change
(ix)	Total principal sums invested for periods longer than 364 days	£M 0	£M no change