

NORTH LINCOLNSHIRE COUNCIL

CABINET

2022/23 FINANCIAL POSITION UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To provide an update on the Council's in-year financial position, with specific reference to the inflationary environment it is operating within and consider an increase in reserve utilisation to maintain a balanced position.
- 1.2. To identify the implications for the Council's medium term financial plan position and financial planning process for the 2023/24 budget setting process.
- 1.3. To note the latest revenue budget and approve the revised capital programme.

2. BACKGROUND INFORMATION

- 2.1. In February 2022, Council approved plans to invest £169.8m of revenue resource in 2022-23 and £137.8m of capital resource over a four-year period to support delivery of the Council plan, achieve its strategic objectives and legal duties for the benefit of residents and businesses. The financial strategy guides this and provides the mechanisms to ensure the council is financially sustainable and resilient.
- 2.2. At the time of setting the budget and medium-term financial plan the national economic outlook was that inflation would peak at 7.25% in April 2022 and begin to decline, taking two years to return to 2% target levels. The July 2022 rate of consumer price inflation (CPI) has increased to 10.1% and is expected to further increase to exceed 13%. The Bank of England currently expect inflation to return towards normal levels in two years' time.
- 2.3. In line with good financial management practices, the council's use of resources is closely monitored and reported to the executive. This report provides information on the current financial position and will inform the next stages of financial planning, taking account of the risks and opportunities in respect of financial sustainability.

Financial Position 2022/23

- 2.4. The current forecast indicates net operating expenditure could exceed £180m by the end of 2022/23, which would be 6.5% or £11m more than budgeted. The 2022/23 budget contained a series of adjustments to accommodate expenditure increases across a range of areas including

inflation and social care activity. The pressure reported is over and above this amount with £8m being due to additional inflationary cost pressures.

- 2.5. Progress has been made over the summer with pro-active action being taken to further mitigate current projections. It is anticipated that the impact of in-year mitigations and action planning that is being applied together with increased certainty over Quarter 2 and Quarter 3 will lead to final outturn in the region of **£5-7m** overspend in 2022/23. Further detail in Appendix 1

Financial Resilience Context

- 2.6. Inflationary and activity cost increases represent a threat to financial resilience, with the cost base at risk of increasing much faster than spending power. The Council approved a reserve strategy which governs the deployment of reserve balances, and links to identified risk which reserves exist to cover. The current period of inflation represents a material change of circumstances and is leading to expenditure increases; therefore, it would be prudent to consider additional reserve use as part of the plans to mitigate. Based upon the current forecast and reserves strategy it is proposed to amend the planned use of reserve by an additional £5m.
- 2.7. Whilst reserves can be used to balance budgets in a planned way, it is not sustainable in the longer term and unplanned use carries risks. Therefore, the financial planning process seeks to ensure a robust and realistic budget is achieved.

Medium Term Financial Plan

- 2.8. The Council's financial planning process, which will culminate in the 2023/26 medium term financial plan being taken to Full Council in January 2023, is currently in development. Appendix 2 sets out an initial opening position, together with the process which will guide the Council towards a balanced budget proposal. The revised opening position is based on current assumptions:
- Pay award for 2022/23 is implemented as per current offer
 - No further increase in activity volumes in adult social care or special educational needs
 - That the national policy reforms such as Fair Cost of Care will be cost neutral with government grant
 - No additional national funding beyond that assumed in previous MTFP setting
 - Collection rates for NNDR and Council Tax remain stable
 - Council tax rate increase of 2.99% pa (the referendum combined CT/ASC limit)
- 2.9. The financial planning process has commenced, underpinned by the strategic principles that provide a framework for the organisation and the operating model of One Council, One Family, One Place. To address the challenge Directors and Assistant Directors as commissioners are taking a whole system approach to plan the scale and scope of the offer required to achieve desired outcomes and action planning to achieve the fewest best interventions alongside enabling infrastructure and administration

functions. The activity to consider opportunities for achieving a financially sustainable plan and balanced budget includes:

- Reviewing utilisation of operational buildings
- Evaluating existing contracts with scope to re-commissioning new delivery models
- Modelling the financial impact of national policy reforms
- Re-assessing funding assumptions and ensuring sources of income are being optimised

2.10. The latest spending review in 2021 determined government departmental budgets up to 2024-25 in the context of the national economy and state of public finances outlined by the Chancellor's budget. In the coming weeks, it will become clear how the Budget and spending plans will be reviewed, and any changes announced.

Budget Policy Framework

2.11. In addition to reporting the latest revenue financial position, the local budgetary policy framework requires reports on changes to revenue and capital budgets within prescribed virement rules and monitoring against treasury management prudential code. Appendix 3 provides the latest information, indicating the required approval.

3. OPTIONS FOR CONSIDERATION

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

- Approve the proposed increase in use of risk reserve.
- Approve the revised capital programme.

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 potential financial implications of the risks identified within this report have been considered in detail within the relevant section. It remains the case that the Council does not have full control over the operating environment, and therefore needs to be adaptive and influence in the areas where it is able. The Council holds reserves to mitigate against expenditure and income shocks and other unforeseen events, to provide capacity to withstand shocks and time to plan cost base adjustments which reflect the emergent position.

5.2. The opening balance and revised closing balance of the Risk and Transformation Reserve following proposed amendment is shown below:

Risk and Transformation Reserve (excl self-insurance)	£000's
Opening balance 1.4.2022	32,191
Planned use - approved budget 2022/23	(2,369)
Budgeted closing balance	29,822
Proposed increase in planned use 2022/23	(5,000)
Revised closing balance 31.3.2023	24,822

Based upon current analysis and assessment of financial resilience, it is recommended that the Council should aim to retain a balance of at least £10m of risk reserves to cover residual risk mitigations. The proposed closing balance enables short to medium-term plans to smooth transition to a sustainable budget, assuming a high-level of confidence in deliverability of plans.

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 financial position set out in the report.

9.2. To approve a change to the budgeted use of reserves by an additional £5m in mitigation to the inflation impact on net operating costs.

9.3. To note the budget adjustments approved under delegated powers and the revised budget position for 2022/23.

9.4. To approve the revised capital programme 2022/25.

9.5. To note the progress against the approved Treasury Management Strategy and prudential code indicators.

DIRECTOR OF GOVERNANCE AND COMMUNITIES

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Background Papers used in the preparation of this report

Reports to Full Council:

- Financial Strategy, Budget 2022/23 and Medium-Term Financial Plan 2022/25
- Capital Investment Strategy and Capital Programme 2021/2025
- Treasury Management and Investment Strategy 2022/23

Reports to Cabinet:

- Financial Position 2021/22 (Cabinet July 2022)

Other background papers:

- Q1 revenue and capital budget adjustments
- Technical Review – Economic Outlook

Table 1 – Revenue Net Operating Expenditure Forecast (based on Q1 financial management reporting)*

BY ACCOUNTABILITY	Budget £m	Forecast £m	Core Variance £m	DSG Variance £m
Adult Social Services	23.0	24.6	1.6	-
Adults Early Help & Prevention	22.4	25.6	3.3	-
Integrated Health & Care	4.3	4.5	0.2	-
Children's Help & Protection	10.6	10.0	(0.6)	-
Children's Standards & Regulation	10.9	9.7	(1.3)	-
Education	4.4	4.2	0.3	(0.5)
Organisational Development	15.6	16.6	1.1	-
Place	27.6	30.7	3.2	-
Public Protection	1.5	1.6	0.2	-
Community Enablement	8.1	8.3	0.2	-
Governance & Partnerships	5.0	5.3	0.3	-
Resources & Performance	8.4	7.9	(0.5)	-
Public Health	7.3	7.3	-	-
Central and Technical (includes pay and inflation contingency)	20.9	24.4	3.6	-
Net Operating Expenditure	169.9	180.8	11.5	(0.5)

Table 2 – Spending Power Forecast (based on Q1 financial management reporting)

SPENDING POWER	Budget £m	Forecast £m	Variance £m
Council Tax & Business Rates	(133.0)	(133.0)	-
Specific Government Grants	(27.8)	(27.8)	-
Non- Specific Government Grants	(7.6)	(7.6)	-
Reserves	(1.5)	(1.5)	-
Total Spending Power	(169.9)	(169.9)	-

* figures subject to rounding

Table 3 – Identified impact of higher inflation

Area of impact	Cost pressure (£m)
Pay - the current pay offer reflects a flat increase of £1,925 to all spinal column points and is now the best-case scenario.	4.1
Energy costs – the increase in wholesale rates has a lag effect on the rate paid by the Council, although this may increase reflecting recent changes in wholesale rates.	0.8
Street lighting – based on the increased unit cost of electricity, this would be much higher had it not been for the switch to LED bulbs	0.5

Transport/fleet/fuel – the price of fuel has increased significantly during 2022/23, although has started to slowly fall back.	0.4
Waste – existing contract mechanisms are expected to lead to increase costs	0.5
Social care – whilst difficult to quantify at this stage, inflation has contributed to the scale of increase in the cost of care rates where packages are agreed outside of existing framework arrangements, often due to increased complexity.	1.7
Estimated impact of inflation	8.0

Table 4 – Capital position 2022/23 forecast

CAPITAL – outturn forecast at Q1; budget reflects rephasing included in Appendix 4	Budget £000's	Forecast Spend £000's	Year to Date Spend £000's
EXPENDITURE			
Keeping People Safe and Well	10,866	10,849	957
Enabling Resilient and Flourishing Communities	12,227	12,045	5,396
Enabling Economic Growth and Renewal	26,713	27,040	3,942
Running the Business Well	9,513	7,517	949
Additional Investment Allocation	-	-	-
TOTAL EXPENDITURE	59,318	57,451	11,244
FINANCING			
External & Grant Funding	(33,792)	(32,096)	-
Council Resources	(25,527)	(25,356)	-
TOTAL FINANCING	(59,318)	(57,451)	-

Analysis of Revenue 2022/23

1. The Council's Net Operating Expenditure represents the day-to-day costs of council service delivery. The Council has a strong track record of managing financial risk, with continuous improvement and implementation of efficient delivery models that achieve the best outcomes for residents. Adapting to an ever-changing operating environment will continue to be essential and embodies the actions of a financially sustainable organisation.
2. The Council conducts an organisation wide financial management exercise that seeks to monitor progress against approved financial plans on a quarterly basis, with targeted monitoring occurring during intervening periods and focussing on high-risk areas. Quarter one provides an opportunity to implement the approved budgets and commence delivery of the plan, understanding any areas which are at risk of diverging from the assumed plan. It is important to note that early identification of financial risks provides the organisation with time and opportunity to put into place mitigation measures to contribute towards a better financial outturn. Indeed, this approach has resulted in successful outturn positions for the previous few years despite the volatile nature of the operating environment.

Risk Mitigation Action

3. Financial management activity over the summer has already reduced the forecast outturn by £2m to the level reported in Table 1 and includes:
 - **Targeted financial management** – business partnering focus on key spend areas to refine outturn forecasting with managers, improved financial management information giving a single view subjective analysis at AD level to support effective resource allocation and action planning focussed on impact and outcomes.
 - **Robust contract management** – robust dialogue with providers requesting increases outside the terms of contract, including use of open book accounting, contractor mitigations (such as reduction in office/transport costs) and highlighting the council’s own exposure to cost increases and in-year fixed funding. This is balanced with the need to minimise service continuity risks and impact of supplier failure.
 - **Revisiting energy supply contracts** to ensure best rates.
 - **Vacancy savings – in-year adjustments** – as part of budget setting, an organisational level vacancy reduction was applied at £2.5m (reflecting historic levels of salary cost compared to budget) which is being met through a quarterly budget adjustment based on assessment of net staffing spend (including agency/vacancy factor) against profiled budget.

Inflation Risks

4. A technical review of the economic outlook provides a basis for the forecasts and assumptions required in the medium-term financial plan. The cost base is at risk of increasing much faster than spending power.
5. A significant change in the operating environment is the persistent high levels of inflation which is placing extensive pressure on the cost base. Some inflationary risks have already materialised and are not North Lincolnshire specific (i.e. sector wide) and are beyond the control of the Council. Therefore, the best-case scenario is that the forecast overspend gets reduced, as opposed to fully contained. Existing contracts provide some coverage from inflationary pressures, for example when they are based on a previous rate prior to the recent increase. Table 3 above summarises the inflationary impact that has been identified to date.

Non-Inflation Risks

6. The Council’s financial plans make assumptions with regards to the extent of the scale and scope of interventions that will be required to achieve strategic objectives. The operating environment is affected by the ongoing recovery from Covid-19 and therefore the impact of this is reflected in the level of demand across Adult Social Care. There is a focussed transformation programme established as part of risk mitigation in addition to preparing for the upcoming national policy changes. The complexity of need is also impacting upon special educational needs transport which is not covered by Dedicated Schools Grant.
7. The net operating cost includes income from fees and charges. For commercially trading services financial principles require full cost recovery. Over recent years more schools are considering alternative contractual options for the provision of school meals and this impacts on the residual cost of the council’s catering

facility. An action plan is in place to rectify this and remove the residual financial risk to the council. Leisure membership numbers are gradually recovering to pre-COVID levels, however this is at a slower rate than budgeted, therefore a financial risk remains within the projected outturn.

Cost Reduction Opportunities

8. The policy intent adopted locally for Children's Social Care has resulted in a reduction in regulatory care activity. At present, this is contributing an underspend which is helping to offset some pressures elsewhere. Work is underway to determine the permanency of this variance.
9. The cost of capital financing is forecast to be lower than budget, which reflects; a reduction in interest payable because of a deferred need to borrow (although the prevailing rate is now higher than the budgeted assumptions for when borrowing is needed), an increase in interest receivable due to higher interest rates, and a modest reduction in the cost of minimum revenue provision as a result of capital underspends in 2021/22.
10. It is anticipated that the impact of in-year mitigations and action planning that is being applied and increased certainty over Q2 and Q3 will lead to final outturn in the region of £5-7m overspend in 2022/23. This mainly reflects inflation related cost pressures. It is therefore recommended to make an in-year budget adjustment of a £5m use of reserves.

Analysis of Capital 2022/23

11. The Council plans to invest over £116.5m of capital resource by 2024/25 to support delivery of the Council plan. Approval is sought for the latest capital investment plan set out in appendix 3 (table 3), with adjustments to the current approved programme reported to Cabinet in July 2022 contained in tables 4 and 5. The adjustments refine the programme and ensure the programme remains in alignment with current delivery profiles.
12. The Council undertakes regular monitoring of its capital investment programme, to ensure the programme remains realistic and invests in Council priorities. In the previous couple of years, delivery timescales have been influenced by the Covid-19 pandemic, and it is now the case that the inflationary issues considered elsewhere within this report may lead to potential expenditure pressures which will be reflected in future capital planning or resolved through value engineering the scope of specific schemes to maintain affordability and ensure the desired outcome is still met.
13. In addition, the disruption to supply chains is expected to continue for some time. For instance, this is particularly of impact to the fleet asset management programme where vehicle lead times are now in excess of a year. The in-year variance on this programme primarily accounts for the in-year variance.
14. In total, 97.5% of total capital investment is currently in the delivery phase, which ranges from pre-procurement, contracted, in construction, and in delivery. The remainder of the programme is in pre-delivery planning.

1. The Council's Budget Setting meeting for 2023/24 is scheduled for 18th January 2023. The purpose of this appendix is to consider changes to the operating environment, consequential and material changes to the existing plan and map out the financial planning process which will determine a balanced budget proposal for 2023/24 and medium-term financial plan covering the financial years 2024/25 - 2025/26.
2. The Council's operating environment has been subject to significant changes since early 2020, with an unstable environment first brought about by the Covid-19 pandemic. There have been unprecedented increases in the price of energy and fuel during 2022, exacerbated by the Ukraine war. This has a significant impact on residents, on the local economy and on the Council.

Assessment of Financial Resilience

3. Financial resilience, the ability to weather financial shocks, is an important consideration for council sustainability. There are a number of indicators of the current health of council finances, which form part of the overall consideration in determining financial plans and budgets. The Council conducted a deep dive assessment of the various factors that determine how financially resilient it is last year and applied targeted updates during this year.
4. Prior to considering how the change in operating environment is impacting current and forward plans, it is important to recognise how strong financial management across the organisation has ensured a strong base. The Council has an inherent culture of cost control and demand management, which has been invaluable to date and will continue to be required going forward. It also achieved a successful 2021/22 financial outturn, with net operating expenditure successfully contained to within spending limits and an increase in strategic reserve capacity.
5. In summary, the Council is in a better financial position than many other local authorities and has demonstrated its ability to react to emergent crises and meet emergent need within available resources. However, to continue doing this well the Council cannot be complacent and must continue to act where it has control or influence to offset the impact of environmental changes to which it has no control.

Material Change of Circumstances

6. The external changes in the economic outlook – and which the Council has no control or influence over – represent a material change of circumstances from when the Council set its current medium term financial plan. It is important to recognise that the challenges posed are not specific to this Council, nevertheless they are challenges which the Council must respond and adapt to in the to-date absence of a national policy response.
7. The financial risks to the Council before considering service specific changes since February centre around inflation (energy, pay and contracts), the cost of borrowing and the potential implications for local taxation collection.

National Policy/Finances

8. The Council operates within a public financing and delivery framework determined by the Government. The latest spending review in 2021 determined government departmental budgets up to 2024-25 in the context of the national economy and state of public finances outlined by the Chancellor's budget. In the coming weeks, it will become clear how the Budget and spending plans will be reviewed, and any changes announced.

Funding Prospects for North Lincolnshire Council

9. The 2022/25 medium term financial plan assumed that spending power would increase in 2023/24 and 2024/25 to reflect an increase in council tax, business rates and grant funding (predominantly due to social care specific funding with associated spending requirements). Each factor is currently subject to a comprehensive review as part of the budget setting process.
10. The latest assessment is that funding for 2022/23 is unlikely to change, but there may be the prospect of additional funding set out in the Autumn Budget from 2023/24 to recognise pressures – particularly within social care – but this is not certain or probable because of the national financing constraints.

2023/26 Medium Term Financial Plan (MTFP)

11. The 2023/26 MTFP opening position reflects an update from the 2022/25 MTFP and is the starting point for the upcoming financial planning process. The MTFP 2022/25 included a savings target of £3.8m for 2023/24, this is now expected to be in excess of £12m or 7% of spending power based on current assumptions:
 - Pay offer for 2022/23 is agreed at current level
 - No further increase in activity volumes in adult social care and high needs
 - That the national policy reforms such as Fair Cost of Care will be cost neutral with government grant
 - No additional national funding beyond that assumed in previous MTFP setting
 - Collection rates for NNDR and Council Tax remain stable
 - Council tax rate increase of 2.99% pa (the referendum combined CT/ASC limit)
 - Medium term inflationary increases, including future years' pay award will be higher than previous plans assumptions
12. There are other risks and opportunities that are being evaluated as part of the financial planning process, not yet reflected in the revised medium term financial plan. This includes:
 - Increases in activity volumes and complexity within adult social care (including residential care)
 - Ability to mitigate existing 2022/25 MTFP risk and uncertainty in respect of future year cost/subsidy reductions
 - A revised Spending Review and Autumn Budget that prioritises funding for local government and/or mitigates against energy related inflation costs

13. As a result of the above adjustments, the residual challenge to be addressed has increased to a significant level in all years (£12.5m, £15.5m & £16.8m respectively). This can be seen below:

MANAGEMENT ACCOUNTABILITY	2022/25 MTFP			2023/26 MTFP		
	2023/24 £000's	2024/25 £000's	2025/26 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Net Operating Expenditure	178,215	187,517	-	186,836	197,638	203,638
Forecast Spending Power	(174,354)	(182,186)	-	(174,354)	(182,186)	(186,817)
Cost Reductions in Development	(3,861)	(5,331)	-	(12,482)	(15,452)	(16,821)

Actions and Next Steps

14. Building upon the mitigating actions being taken to resolve the financial challenge in-year, outlined in Appendix 1, whole council action planning has started. Taking a realistic view, implementation of cost reduction plans of 7% of spending power or c£12m will be spread over a two-year period.

15. Action planning is underpinned by the operating model of One Council, One Family, One Place. Directors and Assistant Directors as commissioners are taking a whole system approach, planning the scale and scope of the offer required to achieve desired outcomes and minimising interventions alongside enabling infrastructure and administration functions. The activity to consider opportunities for achieving a financially sustainable plan and balanced budget includes:

- Reviewing utilisation of operational buildings
- Evaluating existing contracts with scope to re-commissioning new delivery models
- Modelling the financial impact of national policy reforms
- Re-assessing funding assumptions and ensuring sources of income are being optimised

16. The timetable which will guide the financial planning process is as follows:

Stage	Date
Reporting of current position and revision of opening position for 2023/26 Business Partnering challenge and advice to Assistant Director and Accountable Managers in identifying cost base changes Co-production of long list of options for balanced budget Financial Strategy finalisation	Sep 2022
Collation of workstreams into revised MTFP position with revised gap and Resource prioritisation process consideration by the Executive	Oct 2022
Autumn Budget and Spending Review 2022 (potential for an emergency budget prior to Autumn Budget)	(TBC) Oct 2022
Revised MTFP position	w/c 7 Nov 2022
2022/23 Q2 Financial Management and Medium-Term Financial Plan Update report to Cabinet	21 Nov 2022
Local Government Finance Settlement 2023/24	Dec 2022
Setting the Council Tax Base 2023/24 report to Full Council	5 Dec 2022
Setting the National Non-Domestic Tax Yield 2023/24 report	10 Jan 2023
Review by Governance scrutiny panel.	w/c 3 Jan 2023
2022/23 Q3 Financial Management and Medium-Term Financial Plan Update report taken to Cabinet for endorsement	16 Jan 2023
Full Council budget setting meeting to consider: <ul style="list-style-type: none"> • Financial strategy, revenue budget 2023/24 & medium term financial plan 2023/26 • Capital investment strategy 2023/26 • Treasury management strategy 2023/24 • Pay policy statement 2023/24 • All other relevant resolutions (e.g. council tax) 	18 Jan 2023

Table 1 – Revenue Investment (Accountability Structure)

2022/23 REVENUE INVESTMENT: BY SERVICE	Original Approved Budget £000's	Technical Budget Transfers £000's	Q1 Revised Approved Budget £000's
Adults & Health	49,563	76	49,639
Children & Families	28,484	(2,605)	25,879
Economy & Environment	40,427	4,202	44,629
Governance & Communities	21,199	273	21,472
Public Health	7,310	(15)	7,295
SERVICE TOTAL	146,983	1,931	148,914
Central & Technical	22,868	(1,931)	20,937
NET OPERATING EXPENDITURE	169,851	-	169,851
Additional Use of Risk and Transformation Reserve			5,000
REVISED NET OPERATING EXPENDITURE LIMIT			174,851

Table 2 – Revenue Investment (Council Plan Priority)

2022/23 REVENUE INVESTMENT: BY PRIORITY	Current Budget £000's
Keeping People Safe and Well	82,324
Enabling Resilient and Flourishing Communities	34,518
Enabling Economic Growth and Renewal	9,407
Providing Value for Money for Local Taxpayers	43,602
NET OPERATING EXPENDITURE	169,851

Table 3 – Capital Investment Programme Summary 2022/25

Proposed Programme	2022/23 £000's	2023/24 £000's	2024/25 £000's	Total £000's
Investment in Priority				
Keeping People Safe and Well	10,866	1,028	265	12,159
Enabling Resilient and Flourishing Communities	12,227	7,681	6,166	26,074
Enabling Economic Growth and Renewal	26,713	15,572	10,132	52,417
Running the Business Well	9,513	6,470	1,442	17,425
Total Investment	59,318	30,751	18,005	108,074
Capital Investment Allocation	-	770	7,664	8,434
Capital Investment Limit	59,318	31,521	25,669	116,508
Funding Analysis				
External & Grant Funding	33,792	18,231	13,015	65,038
Revenue Funding	93	-	-	93
Borrowing	15,434	13,290	12,654	41,378
Capital Receipts	10,000	-	-	10,000
Total	59,318	31,521	25,669	116,508

Table 4 – Externally Funded Schemes rephasing and net additional investment

Capital Investment Scheme	2022/23 £000's	2023/24 £000's	2024/25 £000's	Total £000's
Flood and Drainage	(160)	-	-	(160)
Formula Capital Devolved to Schools	(107)	-	-	(107)
Future High Streets Fund	(1,000)	1,000	-	-
Infrastructure Schemes	55	-	-	55
North Lincolnshire Northern Forest	(75)	8	67	-
Schools Investment Programme	96	-	-	96
Total	(1,191)	1,008	67	(116)

Table 5 – Internally Funded Schemes rephasing and net additional investment

Capital Investment Scheme	2022/23 £000's	2023/24 £000's	2024/25 £000's	Total £000's
Capital Investment Allocation	-	(90)	-	(90)
Normanby Hall Deer Park Fencing	90	-	-	90
Capital Minor Works	(23)	23	-	-
Future High Streets Fund	(1,000)	480	520	-
North Lincolnshire Northern Forest	(48)	35	13	-
Total	(981)	448	533	-

Table 6 – Treasury Prudential Indicators 2022/23

	2022/23	
	Budget (Feb 2022)	Forecast (Q1)
	£M	£M
Estimates of capital expenditure	47.2	59.3
General Fund ratio of financing costs to the net revenue stream % (Based on Prudential Code 2013)	% 7.00	% 7.23
An estimate of the capital financing requirement	£M 255.4	£M 253.9
The authorised limit for external debt: borrowing other long-term liabilities total	£M 275.4 10.0 285.4	£M no change
The operational boundary for external debt: borrowing other long-term liabilities total	£M 255.4 10.0 265.4	£M no change
maturity structure of fixed interest rate borrowing 2022/23	Upper %	Upper %
under 12 months	30.0	
12 months to 2 years	30.0	
2 years to 5 years	40.0	
5 years to 10 years	45.0	no change
10 years to 20 years	50.0	
20 years to 30 years	75.0	
30 years to 40 years	60.0	
40 years to 50 years	25.0	
maturity structure of variable interest rate borrowing 2022/23	%	%
under 12 months	100.0	
12 months to 2 years	90.0	
2 years to 5 years	90.0	
5 years to 10 years	90.0	no change
10 years to 20 years	50.0	
20 years to 30 years	20.0	
30 years to 40 years	10.0	
40 years to 50 years	10.0	
Total principal sums invested for periods longer than 364 days	£M 0	£M no change