

NORTH LINCOLNSHIRE COUNCIL

CABINET

2020/21 Q3 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 an updated estimate of the specific impact that Covid-19 is having on the Council's financial plans.
- 1.3. To set out the Council's updated medium term financial planning position.

2. BACKGROUND INFORMATION

- 2.1. On 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 effectively.
- 2.3. Cabinet has received several reports throughout the year which have provided updates in respect of Covid-19, both financial and non-financial. Specifically: the action it has taken to date to keep its residents safe and well, the financial impact together with the additional and Covid-19 specific funding provided by the Government, and a framework setting out the Council recovery and renewal plan set in the context of the Government's recovery strategy. This report updates Cabinet on the latest financial situation, both in year and in future years.
- 2.4. The pandemic has provided a highly uncertain environment for the Council to operate within. This applies on the ground, in terms of requiring a fluid response to ensure our residents are fully supported and our communities sufficiently led through the emergency. It also applies to financial forecasts and interventions by Government, which have been based on best information at a point in time.
- 2.5. The Council will continue to take whatever action necessary to ensure it continues to meet the needs of its residents and businesses at a very

challenging time and lead the area through the pandemic. This includes redistributing resource, as necessary.

- 2.6. The purpose of this report is to take stock of the in-year financial position, which is based on the position prior to the most recent announcements regarding national lockdown. It also seeks to provide an update on the financial planning process.

Revenue 2020/21

- 2.7. The current approved revenue and capital budget and potential expenditure at outturn for 2020/21 can be seen in appendix 1.
- 2.8. The funding provided by Government to help cost base changes brought about by Covid-19 is deemed sufficient to cost and income impacts. Additionally, a small underspend is forecast on non Covid-19 income and expenditure, primarily due to variances within Central & Technical budgets.

Capital 2020/21

- 2.9. There are a series of capital adjustments necessary to ensure the programme remains aligned with delivery timescales and the Council Plan.
- 2.10. The in-year position can be seen in appendix 1, with a revised programme also incorporating re-phasing summarised in appendix 4.

Reserves

- 2.11. The Council approved a reserve strategy which governs the deployment of reserve balances, and links to identified risk which reserves exist to cover. The reserve strategy will be updated as part of the financial planning process, in recognition of the changing balance of risks and opportunities. This will also need to consider how best to measure the risk implicit in the uncertain economic position and associated risks to funding.

Budget Adjustments

- 2.12. 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

- 2.13. 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 and a better cash flow position. 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.

2.14. The Council's borrowing at the end of December 2020 was £166.5m, 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.

2.15. 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

2.16. The Council's financial planning process, which will culminate in the 2021/24 medium term financial plan being taken to Full Council in February 2021, is in the final stages of development. Appendix 2 provides an update to Cabinet on progress, and the actions to be taken between now and the budget setting meeting of Full Council.

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 over the short, medium and long-term.

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.
- 9.2. To note 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
Q3 revenue budget adjustments
Q3 capital budget adjustments

REVENUE AND CAPITAL MONITORING POSITION 2020/21
Appendix 1

REVENUE	Budget £000's	Potential Spend £000's	Potential Variance £000's
EXPENDITURE			
Investment in Priority Areas	129,522	129,522	-
Running the Business (Technical)	22,536	20,120	(2,416)
NET OPERATING EXPENDITURE	152,058	149,642	(2,416)
FUNDING			
Council Tax, Business Rates and Government Grants	(150,133)	(150,133)	-
Use of Reserves	(1,925)	-	1,925
TOTAL FUNDING	(152,058)	(150,133)	1,925
POTENTIAL VARIANCE	-	(491)	(491)

CAPITAL	Budget £000's	Potential Spend £000's	Potential Variance* £000's
EXPENDITURE			
Investment in Priority Areas	54,631	43,213	(11,418)
TOTAL EXPENDITURE	54,631	43,213	(11,418)
FINANCING			
External & Grant Funding	(29,359)	(29,997)	(2,832)
Council Resources	(25,272)	(24,691)	(8,586)
TOTAL FINANCING	(59,063)	(54,852)	(11,418)

*anticipated re-phasing

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. In addition to managing expenditure and income led risks that form part of the Council's normal operating day-to-day business processes, it is also managing the financial risks associated with Covid-19. The budget that was set reflected the economy at that time, together with investment assumptions which reflected the planned delivery models. The pandemic has required the Council to re-orient some services in order to ensure the needs of its residents continue to be met, with an impact to the cost base.
3. The Government continue to recognise the pressures facing Local Government and have provided additional funding over and above the level provided at the time of the last update. The Government has provided roughly £8.2m grant funding ring-fenced for a specific Covid-19 related purpose (e.g. infection control, test and trace), and has so far contributed £13.3m of emergency grant support for this council in recognition of the additional costs being incurred across Local Government in meeting heightened need in their areas and leading communities through the pandemic. The Government have also recognised that the actions taken to date prioritising the public health of the nation have had a detrimental impact on income sources and will compensate for some of this loss through the income compensation scheme. The Council anticipates receiving approximately £3m if income projections remain at the level currently envisaged.
4. At this stage in the financial year, changes to cost base incurred as a direct result of the Covid-19 pandemic are envisaged to be covered through the one-off grant funding provided by Government. A residual balance is expected to remain at year-end, which will help address ongoing pandemic related costs given restrictions are likely to remain in place in to 2021/22.
5. 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. The latest funding impact assessment can be seen in appendix 2.
6. The Government continues to provide additional funding to Council's to pass through to businesses in the form of business grants. To date, the package of support by total value and number of payments encompasses:
 - Small business grants (£31.7m, 2,844)
 - Discretionary grants (£1.8m, 207)
 - Local restriction support grants (£4.5m, 3,719)
 - Additional restriction discretionary grants (£1.3m, 1,164)
 - Closed business national restrictions payments (£4.3m, 978)
 - Wet led pub scheme (£0.1m, 75)

Business grants will continue to be paid on an ongoing basis correlating to the nature of restrictions in place. This is in addition to additional business rate relief totalling almost £20m in 2020/21.

7. 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 in turn has a cost/income implication. A Council wide position is reported to Cabinet on a regular basis.
8. At quarter three, Council net expenditure not attributable to Covid-19 at outturn is forecast to be £149.6m. Within this projection, expenditure within priority investment areas is expected to be contained to within budget, having previously forecast to be at risk of exceeding the limits set. In addition, reductions within central & technical budgets are expected to result in spend lower than the budget limit. Accordingly, the anticipated underspend is expected to lead to a modest contribution to reserve balances.
9. If this position is achieved at outturn, it would represent a positive outcome for the Council and be further evidence of the Council's agility and adaptability to take action to mitigate and offset increases in its cost base. It must also be noted that financial forecasts continue to naturally improve as the financial year progresses, as uncertainty inherent in the earlier part of the year recedes and there is more and better information from which to base forecasts on.
10. Despite this, 2020/21 is a unique year because of the volatile environment in which delivery models are continually adapting to. 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. The entering into a third national lockdown is evidence of this. Therefore, the position could change if the supporting assumptions need to change in response to external changes beyond the Council's control.
11. Progress against the current budget is a key pillar of the financial planning process, in that opportunities and risks that have emerged during the financial year and are likely to remain will need to be reflected in the medium term financial plan. This is an ongoing process (see appendix 2), and its conclusion will mean the Council continues to have a robust and deliverable financial plan.
12. Identified risks within priority investment areas are forecast to be contained by the actions taken in year by officers. This means that planned cost reductions which can not or will not be achieved because of changes to shape and structure of the Council will be offset by other actions taken to address the situation.
13. There are also forecast savings within central & technical budgets. This comprises capital financing savings due to a better-than-expected cash flow position, together with lower than planned borrowing to date. A slight change to minimum revenue provision policy is also expected to provide a short- and medium-term financial benefit. The position also reflects an anticipated reduction within corporate management and pension costs.
14. 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. Collaborative working is an ongoing feature and aims to ensure the organisation operates within the resources available.

15. 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

16. The Council has plans to invest over £109m of capital resource by 2022/23 to support delivery of the Council plan. Of this, £43.2m is the current forecast for investment in 2020/21. Approval is sought for the latest capital investment plan set out in appendix 4.
17. 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.
18. The Council finances capital investment through a combination of its own resources (capital receipts and borrowing) and external funding. The balance of funding expected to be applied is also regularly reviewed, to ensure the right type and size of funding is deployed. The Covid-19 pandemic has altered the balance of risks and opportunities attached to each funding type, and as such revisions will need to be made to the financing side in the next medium term financial plan. This is not expected to directly impact the capital investment programme.
19. The £11.4m variance represents re-phasing and external funding adjustments, for which an amended capital investment programme has been proposed in appendix 4. There could be further adjustments needed for the remainder of the financial year to ensure investment resource remains aligned to latest delivery timescales.
20. The Capital & Major Projects officer group have considered business cases and recommended a few capital drawdowns from the additional capital investment allocation, set out in appendix 4 (table 2). Planned spend aligns with delivery of the Council Plan. There are also some external funding adjustments for which approval is sought (table 3).

1. Full Council will meet on Thursday 25th February 2021 to consider setting an updated medium term financial plan comprising revenue and capital investment. The financial planning process was set out to Cabinet in September and progress continues to be made in finalising spending power assumptions and developing investment plans.
2. The financial planning environment has changed significantly during 2020/21, both at a national and local level. To maximise focus on dealing with the immediacy of the ongoing public health emergency, national financial policy changes have been short-term in nature. This is an important consideration, because higher uncertainty beyond the short-term constrains the Council's ability to plan for the long-term, coupled with the Council's primary focus being on keeping residents safe and well, leading its communities through the pandemic.
3. It is therefore envisaged that the Council's financial strategy for 2021/22 will be linked to the Council's recovery and renewal aspirations, with a focus on transitioning its delivery models and resources for more normal times and acknowledging those which will need to remain for the foreseeable future. This will then provide a firm basis for subsequent financial strategies, which will support the Council's evolution into being the organisation required into the future.

Investment in Priorities

4. In March 2020, the coronavirus pandemic meant that resources were prioritised to reacting and responding to the emergency situation. The strength of relationships across public bodies, voluntary and community organisations and local business meant that the Council and its partners were able to work collectively to prioritise keeping people safe and well and protecting the local economy.
5. As work towards a new normal progresses – which includes continuously adapting infection control and outbreak management arrangements – it is vital that partnership work continues so that North Lincolnshire remains resilient and able to withstand any future challenge and affects from Covid-19. From a financial standpoint, progress in this respect is vital. The Council's financial sustainability aspirations depend on it, and financial resilience requires it.
6. The mid-term recovery plan sets out the Council' priorities for mid-term recovery, which derive from the Council Plan, which are:
 - Keeping people safe and well, and protect the vulnerable
 - Enable communities to be resilient
 - Protect and enable the local economy
 - Well led Council
7. The Council has an excellent track record of containing increases in its cost base and managing risk – an importance which cannot be understated in a Local Government financial system that constrains the ability of Council's to increase its resources. Cost consciousness is an organisational trait which is highly correlated with the financial resilience of the organisation. The Council has adapted - and strengthened where necessary - its financial management processes in order to

ensure the financial impact remains as well understood as possible, given the fast changing situation. This has enabled it to understand where more resource might be necessary and respond fully to Government requests of the sector for more information which has subsequently unlocked additional grant funding.

8. It is well understood that to achieve the best outcomes in managing the pandemic, the skills, far-reaching capabilities, and unique local knowledge of individual Councils are essential and will need to be fully utilised. This will continue to be the case until the virus has been fully suppressed. It is envisaged that this could be achieved in the main by the end of 2021, predicated on the effectiveness of the vaccine rollout. As such, the Council will retain a focus on pandemic containment in 2021/22 which needs reflecting in its financial plans.
9. Representatives from across the Council have collaboratively worked together and identified the level of investment currently deemed necessary over the plan period based on the Council's current and planned delivery models. This is demonstrated below:

2020/21 Approved Budget £000's		2021/22 Current Budget £000's	2022/23 Current Budget £000's	2023/24 Current Budget £000's
	PRIORITY INVESTMENT			
69,450	Keeping People Safe and Well	72,514	73,790	74,894
25,941	Enabling Communities to Flourish	27,977	27,753	27,633
7,599	Growing the Economy	7,526	7,236	7,236
26,325	Running the Business (Organisation)	27,497	27,197	26,997
22,743	Running the Business (Technical)	21,414	22,436	23,154
152,058	PRIORITY TOTAL	156,928	158,412	159,914
-	Inflationary Provisions	1,922	5,422	8,922
-	Covid-19 Resource	5,942	-	-
-	OTHER BUDGETS	7,864	5,422	8,922
152,058	NET OPERATING EXPENDITURE	164,792	163,834	168,836

10. The above position encompasses a series of budget adjustments which ensure investment plans reflect the mid-term recovery plan and its associated supporting delivery models.
11. Whilst considered to be robust, the investment plan set out in point 9 is not affordable as it is currently in excess of the latest spending power projections and will require further priority investment adjustments so the Council presents a balanced budget.
12. There remain some key opportunities to reduce the cost base in a sustainable way in the short-term, which are in development and specifically relate to the next phase of Organisational Development and the opportunities highlighted by the pandemic. Additionally, the scrutiny of identified cost base increases through the lens of ensuring that all action that could be taken to mitigate risks has been taken has not fully concluded, accordingly this could lead to revisions in priority investment estimates.

Spending Power

13. In the previous update to Cabinet, the outcomes from the 2020 Spending Review were reported with one of the most salient points being that financial certainty for Government departments was provided for 2021/22 only. On Thursday 17th December 2020, the Ministry of Housing, Communities and Local Government (MHCLG) published the draft Local Government finance settlement for 2021/22.
14. The Council's core spending power comprises a combination of locally generated resources and nationally allocated grant funding. The shift towards higher local income generation has been a key pillar of Government policy over the past decade, placing a greater incentive on local areas to grow their local economy coupled with local decision making about council tax income levels relative to investment need within the national policy framework. This shift contains an inherent risk that incomes could reduce during economic contraction. This risk has manifested in an unexpected and unprecedented way during the pandemic, which has necessitated a series of one-off grant interventions from Government to ensure Local Government has the resource needed to support local communities through the pandemic.
15. At a national level, the Government has made an additional £2.2bn available to Local Government next year. To realise £1.9bn of the total increase, local authorities will need to levy council tax increases up to 2% and adult social care precept increases of up to 3% in 2021/22.
16. A summary of all other key points to note from the settlement are as follows:
 - The business rates multiplier has been frozen at 2020/21 levels, which is positive for businesses and with the Council compensated for its share
 - Temporary NNDR reliefs are not currently planned to continue (although Government retain means to do so if it deems necessary)
 - Core revenue support grant marginally increased by inflation
 - Improved better care fund held at 2020/21 levels
 - New homes bonus continues to reduce in value
 - Increase in social care grant funding
17. According to the finance settlement calculations, North Lincolnshire Council's core spending power will increase by £6.8m in 2021/22. Of the increase, £1.5m is in the form of government grant and £5.3m assumes council tax increases in line with precepting limits.
18. The Government have also continued to acknowledge the ongoing impact of Covid-19 on local authority finances and have announced further details of its £3bn Covid-19 support package for 2021/22. This includes:
 - Unringfenced emergency funding (NLC £4.5m)
 - Local council tax support grant (NLC £1.4m)
 - Local tax income guarantee (NLC £TBC)
 - Sales, fees and charges extension to June 2021 (NLC £TBC)
19. As a reminder, the Spending Review also provided an update for the upcoming potential changes to Local Government finance:

- The move to 75% business rate retention and the implementation of the fair funding review has been delayed.
- The government has decided not to proceed with a reset of business rates baselines in 2021-22 and will maintain the existing 100 per cent business rates pilots for a further year.
- The government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021.

20. The Government also confirmed that they remain committed to sustainable improvement of the adult social care system and will bring forward proposals next year. Improving social care outcomes through an affordable, high quality and sustainable adult social care system is a Government priority outcome.

21. The Government will also be reforming the lending terms of the Public Works Loan Board (PWLB), ending the use of PWLB for investment property bought primarily for yield. This shift also enables the Government to cut lending rates for all other borrowing.

22. The Council's latest spending power projection is as follows:

2020/21 Approved £000's	FORECAST SPENDING POWER	2021/22 Forecast £000's	2022/23 Forecast £000's	2023/24 Forecast £000's
(1,925)	Use of Reserves	-	-	-
	SETTLEMENT FUNDING			
(6,198)	Revenue Support Grant	(6,232)	(6,232)	(6,232)
(33,171)	NNDR Baseline Funding	(33,171)	(33,769)	(34,434)
(39,369)	Total Settlement Funding	(39,403)	(40,001)	(40,666)
	OTHER GENERAL FUNDING			
(69,546)	Council Tax (1.99% 21/22 - 23/24)	(70,708)	(72,925)	(75,290)
(6,694)	Social Care Precept (3% 21/22)	(8,919)	(8,999)	(9,087)
(972)	Collection Fund Surplus (-) / Deficit (+): CTAX	1,356	455	455
(2,563)	Collection Fund Surplus (-) / Deficit (+): NNDR	(2,677)	921	921
(9,158)	NNDR Rate Retention Income	(11,516)	(11,720)	(13,269)
(414)	New Homes Bonus	(206)	(146)	-
(7,025)	Improved Better Care Fund	(7,025)	(7,025)	(7,025)
(206)	Rural Services Delivery Grant	(216)	(216)	(216)
(420)	DSG Central School Services	(420)	(420)	(420)
(4,515)	Social Care Grant	(5,559)	(5,530)	(5,585)
-	Lower Tier Services Grant	(252)	-	-
(9,251)	Public Health Grant	(9,251)	(9,251)	(9,251)
(110,764)	Total Base Funding	(115,393)	(114,856)	(118,768)
(152,058)	TOTAL CORE FUNDING	(154,796)	(154,858)	(159,434)
-	Covid-19 Specific Funding	(6,209)	-	-
(152,058)	TOTAL FUNDING	(161,005)	(154,858)	(159,434)

A full analysis of each funding source will be provided within the budget report to Full Council in February, including the supporting assumptions.

23. The measures set out mean the Council's expected core spending power is slightly higher than 2020/21 levels, excluding Covid-19 specific funding. This is predicated on increasing council tax and levying an additional precept. However, the increase in underlying need to spend is greater, as seen below:

MTFP SUMMARY	2021/22 £000's	2022/23 £000's	2023/24 £000's
Forecast Spending Power	(161,005)	(154,858)	(159,434)
Current Priority Investment	164,792	163,834	168,836
Cost Base Adjustments Required	3,787	8,976	9,402

24. For 2021/22, it is envisaged that the reductions being developed will in the main accommodate the cost base increases identified, supported by modest reserve usage enabled by an update to the risk-led reserve strategy. Having a balanced and robust position for 2021/22 provides a solid foundation for the Council to then commence its wider strategic deliberations on the shape, size, purpose and function of the Council from 2022/23 onwards, ideally supported by a longer-term funding framework enabled by Government.
25. The Council has achieved considerable efficiencies over the past decade, initially with a focus on service specific models. But as the organisational approach and thinking matures, it gives rise to thinking differently around the skills needed within each area. The combination of the Covid-19 pandemic, the funding uncertainty and the short timeframe to February means the Council will benefit most by considering and developing the actions and interventions it can take over the medium term, some of which may yield benefits in 2021/22. The flip side requirement to this is that the Council must continue to control increases in its cost base, which it has and continues to do so.
26. The overarching financial strategy aim for the Council remains financial sustainability, where the Council's generates enough resources to fund its investment aspirations over the longer-term. To achieve success in this aim, the framework of Local Government finance needs to change. It is highly complex to devise long-term investment strategies with short-term funding certainty.

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	(202)	-	171	(31)
Governance & Partnerships	13,845	-	279	14,124
Operations	32,424	-	558	32,982
Learning, Skills & Culture	11,617	-	359	11,976
Children & Community Resilience	21,822	-	400	22,222
Adults & Community Wellbeing	39,352	-	383	39,735
Public Health	6,988	-	27	7,015
SERVICE TOTAL	125,846	-	2,177	128,023
Central & Technical Budgets	26,212	-	(2,177)	24,035
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	68,550	-	775	69,325
Enabling Communities to Flourish	25,337	-	668	26,005
Growing the Economy	7,404	-	237	7,641
Running the Business (organisation)	26,023	-	528	26,551
Running the Business (technical)	24,744	-	(2,208)	22,536
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	3,044	2,275	156	5,475
Enabling Communities to Flourish	5,830	7,618	2,233	15,681
Growing the Economy	26,686	29,954	8,412	65,052
Running the Business	8,321	9,413	2,793	20,527
Total	43,881	49,260	13,594	106,735
Additional Capital Investment Allocation	-	-	2,825	2,825
Capital Investment Limit	43,881	49,260	16,419	109,560
Funding Analysis				
External & Grant Funding	25,942	24,008	9,296	59,246
Revenue Funding	171	16	-	187
Borrowing	11,702	19,302	7,123	38,128
Capital Receipts	6,066	5,934	-	12,000
Total	43,881	49,260	16,419	109,560

Table 2 – Proposed Drawdown of Additional Capital Investment Allocation

Capital Investment Scheme	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
CCTV Camera Upgrades	184	0	0	184
Cremator Hearth & Relining	0	0	104	104
Library Self Service	4	0	0	4
Total	188	0	104	292

Table 3 – Amendment to Externally Funded Capital Investment Schemes

Capital Investment Scheme	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
Active Travel Fund	39	124	0	163
Community Equipment	27	(14)	0	13
Disabled Facilities Grants	0	270	0	270
Dragonby Energy Efficiency	(36)	61	0	25
Flood and Drainage	(80)	80	0	0
Formula Capital Devolved To Schools	(59)	50	0	-9
Goxhill Flood Alleviation	(451)	451	0	0
Home Assistance/RHHA Loan	36	0	0	36
Humberhead Levels Landscape Partnership	(86)	86	0	0
Infrastructure Schemes	(2,039)	2,000	0	-39
North Lincolnshire Northern Forest	(417)	417	0	0
Safer Roads Fund	(1,000)	1,000	0	0
Schools Investment Programme	(1,020)	1,098	0	78
Telecare Investment	(112)	112	0	0
Total	(5,198)	5,735	0	537

		2020/21	
		Budget (Feb 2020)	Forecast (Q3)
(i)	Estimates of capital expenditure	£M 51.5	£M 43.2
(ii)	General Fund ratio of financing costs to the net revenue stream % (Based on Prudential Code 2013)	% 8.80	% 8.38
(iii)	An estimate of the capital financing requirement	£M 259.5	£M 260.4
(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