

Agenda Item No: 8
Report To: Cabinet
Date of Meeting: 24 February 2022
Report Title: Quarter 3 - Financial Monitoring
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Portfolio Holder Cllr. Neil Shorter
Portfolio Holder for: Finance & IT



Summary:

This report presents the quarter three budget monitoring position for 2021/22, based on data available up to 31 December 2021.

The overall quarter three year end forecast is reported as a surplus of £224,000.

The largest change is the reserve funding for Tenterden Leisure Centre, where it is now possible to fund this pressure from in year savings rather than reserves.

Other movements between quarters include:

- Corporate Property and Projects of circa £126,000, with increases in service charge billing and reductions in business rate liabilities.
- Planning are forecasting an additional pressure of £137,000 for consultants to support current vacancies
- There is a net pressure of £118,000 within environmental services for additional waste containers due to growth in the garden waste service.
- Finance and IT are forecasting £145,000 surplus from grants and salary savings
- Further reductions in borrowing costs and increased investment income adding an additional £114,000 to the quarterly movement.

The Housing Revenue Account (HRA) is forecasting an increase in operational spend since quarter two monitoring of £474,000. Capital expenditure plans have reduced by £975,000 and a corresponding reduction in HRA reserve funding has been made.

This report also provides an update on the Collection Fund, Capital expenditure, Treasury Management and Reserve movements.

There are also a number of items that have been included under the 'Other Items' section of this report for Cabinet to note.

Key Decision:	No
Significantly Affected Wards:	None
Recommendations:	<p>The Cabinet is asked to:-</p> <ol style="list-style-type: none"> I. Note the forecast outturn position for the General Fund and the Housing Revenue Account. II. Note the Collection Fund position III. Note the contribution from reserves in Table 5. IV. Note the Treasury Management position V. Note the use of delegations under the ‘Other Items’ section of the report VI. Recommend to Council that forward funding of £335,000 plus the relevant index is made available to the Chilmington Management Organisation (subject to quarterly reviews) VII. Recommend to Council Approval of the Public Sector Decarbonisation Scheme project and approve the funding detailed in Appendix B
Policy Overview:	The Budget is a key element supporting the delivery of the Council’s wider policy objectives.
Financial Implications:	<p>The General Fund is reporting an overall surplus of £224,000 which is a decrease of £197,000 from the previous quarter.</p> <p>The HRA is forecasting an overall overspend of £608,000 in operational budgets, and is forecasting a reduction in capital spend of £3.050m.</p>
Legal Implications	N/A
Equalities Impact Assessment	As part of 2021/22 Final Budget Report a full assessment was undertaken.
Exempt from Publication:	N/a.
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Report Title: Quarter three Financial Monitoring

Introduction and Background

1. This report presents the forecast outturn position for 2021/22 based on information available as at 31 December 2021.
2. The 2021/22 budget was set during the Covid19 pandemic and a number of budgets were revised to allow for changes in consumer habits. Although these revised budgets were subject to scrutiny, it is only now that we are starting the recovery phase of the pandemic that the accuracy of those assumptions will be measurable and future trends/habits will start to be understood and fed into future budgets.
3. This report considers each of the following areas of the Council in more detail including the General Fund, Housing Revenue Account, Collection Fund (Council Tax and Business Rates), Capital Expenditure, Treasury Management and reserves movements.
4. Other items are also included where decisions have been made that required subsequent reporting to Cabinet.

Summary of General Fund Position

5. The current General Fund position is forecasting a surplus of £224,000 for the year which comprises of a deficit in service expenditure of £924,000, which is supported by government grants, savings on borrowing costs, and reserve movements totalling £1.149m. The service deficit needs to be considered alongside the income reductions experienced from the pandemic. This current forecast represents a positive position overall and has even enabled us to absorb the support for Tenterden Leisure Centre which is now to be funded from in year surpluses, reversing and protecting reserves.
6. The deficit in service expenditure was covered in the last financial monitoring report and identified £850,000 of the pressure being Covid related. Although there have been movements in services through the quarter, the overall pressure had remained relatively static with a small movement of £11,000. It is worth reminding ourselves though that while much of the Covid pressure should drop out in 2022/23, it will be imperative that strong, challenging financial management is exercised to keep service expenditure within budget, and to fully understand any emerging pressures.
7. **Table 1** shows the movement between budget and projected outturn at a Head of Service Level, narrative providing supporting information on material movements between quarters then follows.

Table 1 - General Fund Quarter 3 Outturn Forecast as at 31 December 2021

Service and General Fund Summary	2021/22 Current Budget £'000	2021/22 Forecast Outturn at Q3 £'000	2021/22 Forecast Outturn at Q2 £'000	2021/22 Forecast Variance £'000	Q2 - Q3 Movement £'000
Ashford Port Health	0	0	0	0	0
Corporate Core	729	792	801	63	(9)
Corporate Policy, Economic Development, Communications and CMO	1,168	1,194	1,192	26	2
Community Safety and Wellbeing	709	890	909	182	(19)
Hr & Customer Services	144	144	148	0	(4)
Legal & Democratic Services	1,271	1,318	1,316	46	2
Corporate Property & Projects	(1,292)	(1,550)	(1,424)	(258)	(126)
Finance & Ict	2,579	2,207	2,352	(372)	(145)
Housing Services	914	972	1,009	57	(38)
Culture	3,208	3,697	3,604	489	93
Environmental & Land Management	4,727	4,957	4,839	230	118
Planning	2,146	2,606	2,469	460	137
Net Service Expenditure	16,303	17,227	17,216	924	11
Capital Charges and net interest	(2,188)	(2,817)	(2,703)	(630)	(114)
Government Grant	(859)	(1,176)	(1,176)	(317)	0
Levies, Grants and Precepts	276	276	276	0	0
Contribution (from)/to reserves	349	147	(153)	(202)	300
Budget Requirement	13,881	13,657	13,460	(224)	197
Financing:					
Retained Business Rates	(4,093)	(4,093)	(4,093)	0	0
Council Tax	(7,792)	(7,792)	(7,792)	0	0
New Homes Bonus	(1,908)	(1,908)	(1,908)	0	0
Rural Service Delivery Grant	(87)	(87)	(87)	0	0
Total movement	0	(224)	(421)	(224)	197

Summary of General Fund Movements

Corporate Property and Projects

8. Corporate Property and Projects is reporting a net saving of £126,000 since the last reporting period. This movement relates to increased service charge billing of circa £110,000, reductions in business rates liabilities across the portfolio due to government retail discounts and increased occupancy levels totalling £106,000, and increased rental income of £103,000 from Elwick and Carlton Road.
9. There has been a reduction in anticipated income at Park Mall of around £140,000 as it is expected that current, and arrears accrued throughout the covid period may need to be written off. There is also an ongoing business rates liability attached to the Mecca building of £26,000, and £40,000 increase in consultancy fees for new projects.

Finance and IT

10. Finance and IT is reporting an additional surplus of £145,000 since the last reporting period. This surplus is made up of £63,000 of salary savings, a £100,000 increase in government grant to support the Revenues and Benefit team with additional burdens this year, and an overall pressure of £25,000 due to increased card payment transaction charges.

Culture

11. Cultural services is reporting an additional pressure of £93,000 since quarter two with £100,000 of additional support being forecast for Tenterden Leisure Centre, this is due to increased losses as a result of closures due to issues with the roof. It is now anticipated that the overall support package for 2021/22 will be in the region of £400,000.

Environment and Land Management

12. Environment and Land Management is reporting a net pressure of £118,000 since the previous quarter. The service has revised income upwards for cemetery and bulky refuse collection by £40,000.
13. There is pressure on containerisation costs of £100,000 as a result of growth in the garden waste service and delivery of new bins. Although there has been significant growth in the service, the levels on new sign ups have not been as strong as envisaged and therefore income forecasts have been reduced by £50,000.

Planning

14. Planning is forecasting a pressure of £137,000 since the last quarter, consultancy costs have risen by £100,000 to support the service cover vacancies, and there is a reduction in income of £50,000.

Financing and Other General Fund Movements

15. This area includes the £300,000 reversal in reserve contributions relating to Tenterden Leisure centre, and additional savings in borrowing costs and interest receivable of £114,000.

Chilmington Management Organisation Agreement

16. The Chilmington Management Organisation (CMO) approached the Council some time ago regarding funding due from the developers not yet released. This funding, the Deficit Grant Contribution, is payable to the Council, which should be passed on to the CMO to deliver on its objectives.
17. To enable the CMO to operate effectively they have asked the Council to forward fund the contribution, of up to £335,000 plus indexation. This has come forward now as the CMO needs this in place before the end of the financial year to demonstrate they have a solvent Business Plan moving forward.
18. Although the acting Section 151 Officer has delegated authority to arrange the terms of the agreement (The Head of Finance & IT is acting as S151 Officer in this case, due to the Council's Section 151 Officer being a trustee on the CMO board), the funding needs to be approved under urgency powers to process at speed.
19. The amount required is £335,000 plus indexation, which will be paid in stages (quarterly), and only paid if required to ensure the CMO can continue to operate. The trigger of 125 homes has been met, so the money is due to the Council and this would normally be passed onto the CMO in full.
20. The Council is not under obligation to pass this on until it has been received. However, for the CMO to operate effectively, they do need to prove they are not running at a deficit (insolvent) and that they have a balanced budget so a contract does need to be in place if the CMO is to continue operating.
21. **The Cabinet are being asked to recommend to Council that this forward funding is approved.**
22. There will be quarterly meeting held with the CMO to agree the payment that is required for the following quarter, we will not be releasing the full £335,000 plus indexation, only the amount that is required on a quarterly basis. The CMO are managing their expenditure ensuring only essential spend is made.

Housing Revenue Account (HRA)

23. The Housing Revenue Account is showing an increase in operational spending since the second reporting period of £474,000. This largely relates to Homeloss payments at Pym House of £110,000, £95,000 increase in independent living costs and £204,000 increase in general HRA repairs.
24. Planned capital works has reduced by £975,000 between quarters with reduction across most categories of works. The reserve contribution to fund capital works has been updated accordingly.
25. Overall there is additional revenue spend of £608,000 for the year and this is reflected in the table below. It should also be noted that there is an overall reduction of £3.050m in capital spend and this is offset in the table by reserves.
26. A breakdown of this variance is shown in **Table 2** below:

Table 2 – 2021/22 Housing Revenue Account Forecast Outturn Position

Housing Revenue Account	2021/22 Current Budget £'000	2021/22 Forecast Outturn at Q3 £'000	2021/22 Forecast Variance £'000	Q2 - Q3 Movement £'000
Income	(27,187)	(27,187)	0	0
Supervision and Management	4,469	4,735	267	142
Repairs and Maintenance	4,024	4,268	244	204
Other	21,343	21,440	97	128
Net Revenue Expenditure	2,650	3,257	608	474
Capital Works - Decent Homes	5,914	2,864	(3,050)	(975)
Financed By:				
Contribution To/(From) Major Repairs Reserve	(5,914)	(2,864)	3,050	975
Net Capital Expenditure	0	0	0	0
Total Net Expenditure	2,650	3,257	608	474

Collection fund Monitoring

Business Rates

1. Collection rates for NNDR are continuing to be regularly monitored to gauge the potential impact of the Covid19 Pandemic within the Borough. At the end of January 88.44% (£38.462m) of rates billed for the year had been collected, this compares to 85.01% in 2020/21 and 90.58% in 2019/20. Despite collection rates improving on last year, these figures clearly show the continuing pressure on businesses, impacting their ability to pay, this pressure is likely to worsen with increasing inflation and rising energy prices.
2. The amount of Business Rates billed has reduced further since the quarter two report, this is largely as a result of the reliefs which are fully funded by Government. This will create a significant deficit at year end in the collection fund, with Government compensation grants held in reserves as the accounts are closed to offset this in future years.
3. Including a prior year deficit of £2.601m, the overall deficit on the collection fund for business rates is forecast at £16.64m with Ashford's share being circa £6.6m, although as mentioned this will be funded from S31 Grant.

Table 3 – Business Rate Summary

	Original Budget	Outturn (net)	Variance - Adverse/ (Favourable)
	2021/22	2021/22	2021/22
	£'000	£'000	£'000
Opening (Surplus)/Deficit	31,313	31,911	598
(Deficit) contributed by/Surplus distributed to Major Preceptors	(29,310)	(29,310)	0
Remaining Deficit/(Surplus) to be Contributed/(Distributed)	2,003	2,601	598
2021/22			
Amount of Business Rates to be paid to Major Preceptors	52,458	52,458	0
Amount of Business Rates Billed	(54,974)	(41,591)	13,383
Transitional Relief (Recovered)/Payable	(62)	300	362
Other Items Charged to the Collection Fund:			
Appeals and Rateable Value Reductions	1,483	1,834	351
Bad and Doubtful Debts	800	745	(55)
Renewable Energy	99	92	(7)
Cost of Collection	196	196	0
In year (Surplus)/Deficit	0	14,034	14,034
Overall (Surplus)/Deficit on Collection Fund	2,003	16,635	14,632

Council Tax

4. The value of Council Tax receipts collected at the end of January was 94.84% (88.219m), this compares to previous rates of 94.76% in 2020/21 and 95.61% in 2019/20. There is a very slight increase in the amount collected this year, compared to last year, but this is still down on pre-pandemic collection rates in 2019/20.
5. The current economic climate could influence collection rates further with rising inflation and pending energy price increases following the increase in the energy cap by the regulator, households' ability to pay Council Tax through the remainder of the year and moving into 2022/23 could be impacted.
6. Although collection rates in year are showing a slight reduction compared to pre pandemic collection rates, the total amount of historical debt has reduced and therefore the contribution to the bad debt provision has been further reduced by £125,000 from £862,000 in quarter two, to £737,000 in the quarter three.
7. Since the last reporting period there has also been an increase in billing within the current year of £197,000, but this is partly due to a reduction in the accruals assumption for the year.
8. Overall the collection fund for Council Tax is reporting a year end surplus of £4.382m of which Ashford's share of the Council Tax surplus would be £540,000 based on current forecasts. This will form part of the 2022/23 budget.

Table 4 Council Tax Summary

	Outturn (net) to 31/03/22 £'000	Previous Outturn £'000
Opening Deficit/(Surplus)	501	501
Deficit contributed by Major Preceptors	(319)	(319)
2021/22		
Amount of Council Tax to be paid to Major Preceptors	87,670	87,670
Amount of Council Tax billed	(92,971)	(92,423)
In Year Write Off's and Bad Debt Provision increase	737	862
In year (Surplus)/Deficit	(4,564)	(3,891)
Overall (Surplus)/Deficit	(4,382)	(3,709)

Reserves

9. Contribution to and from reserves that were not identified as part of the budget setting process are required to be reported as part of the budget monitoring process.
10. **Table 5** below identifies the reserve movements that have been made since the last monitoring report and this report asks cabinet to note the decision.

Table 5 – Breakdown of Reserve Movements

Purpose	Suggested Reserve	Amount £
Reversal of contribution from reserves to support Tenterden Leisure Centre Operator as now being funded from in year surpluses.	Economic Growth and Risk Fund	300,000
Total		300,000

Recommendation – Cabinet is asked to note the reserve movements in Table 5 above.

Capital Monitoring

General Fund Capital Monitoring

11. This section of the report provides an update on the significant capital programmes being undertaken by the Council for the general fund and the housing revenue account.
12. **Solar PV (various sites)** – Approval of £401,000 for design and build of solar installation at Carlton Road. Other potential sites are still being investigated.
13. **Victoria Park Rejuvenation** - Some minor capital works have begun, although the main contract bids back they have a 10 week evaluation period, so an assessment is ongoing with uplift bids due March 2022.
14. **Stour Centre & Julie Rose Renovations** - The Stour Centre works are now complete and in the 12 month rectification period. The Julie Rose Stadium main contract works, drainage and remodelling of the gym and associated areas are complete and within budget. The track replacement and some landscaping works have yet to commence.
15. **Tenterden Leisure Centre** – Works are still ongoing for re-roofing the Leisure Centre – Please see other items section of this report for further details.
16. **Rough Sleepers Accommodation Programme (RSAP)** – the second property of this scheme was purchased in November 2021.
17. **Henwood Temporary Accommodation** – to deliver 23 units manufactured by Zedpods and to be used for temporary accommodation costing £4.7m.

HRA Projects

18. **Street Purchases** - 23 properties have been purchased to date, at a cost of £4.7m.
19. **East Stour Court** - Completion was on 21 September 2021 on the development of 29 units of older person accommodation (24 one bed and 5 two bed apartments). This project has achieved an underspend of around £680,000 and also benefited from £1.1m of Homes England grant funding.
20. **Berry Place (Poplars)** – Works are nearing completion and handover is expected any day.
21. **Oakleigh House Redevelopment** – subject to planning permission to demolish the existing structure and deliver 67 independent living accommodations for older people and adults with learning disabilities by January 2023.
22. **Tile Kiln Road** – currently with planning for pre-application comments before going to public consultation for the 14 units.
23. **New Build Programme Phase 6** - currently still conducting surveys, commissioning initial designs and seeking pre-planning application advice.
24. **Hamlet (Chilmington)** – purchase of 10 S106 affordable homes for £1.97m.

Treasury Management

25. The breakdown of the Capital Charges and Net Interest line is shown below at **Table 6**. This table shows the borrowing and investment budget, Minimum Revenue Provision (MRP) and depreciation. The MRP is a statutory payment the Council has to make to offset the costs of capital borrowing over the life of the associated asset.

Table 6 – Net Interest Summary

	2021/22 Current Budget	2021/22 Forecast Outturn at Q3	2021/22 Forecast Outturn at Q2	2021/22 Forecast Variance	Q2 - Q3 Movement
	£'000	£'000	£'000	£'000	£'000
Interest payable	548	482	548	(66)	(66)
Interest receivable	(1,975)	(2,539)	(2,491)	(564)	(48)
Minimum revenue provision	1,179	1,179	1,179	0	0
Depreciation	(1,939)	(1,939)	(1,939)	0	0
Total Net Interest	(2,188)	(2,817)	(2,703)	(630)	(114)

Interest payable / Interest receivable

26. During the quarter additional savings of £114,000 have been identified with the treasury management function. There has been a further decrease of £66,000 in interest payable with early deals taking us into the new financial year, and before increase in bank rates occurred. There is also £48,000 of additional interest receivable from loans to the Council's subsidiary A Better Choice for Property Ltd.
27. Recent Interest rates rises by the Bank of England to 0.5% have led to increases in the local to local borrowing market in which the Council operates, however the Council will not overly see this pressure coming through until the new financial year when existing loans start to mature.
28. **Investment Capital Values** – the capital value of strategic investments increased since the last reporting by circa £900,000 with growth of £436,000 in the CCLA (Churches Charities and Local Authorities) property fund. The current portfolio has positive growth overall of circa £3m, against it original cost of £30m (Excluding the Property Co.).
29. This net capital gain is driven by the increased value of the Council's long standing investment in the CCLA Property Fund. All the investment fund values (both capital and yield) and strategies will continue to be monitored with the support of the Council's Treasury Management Advisors Arlingclose to ensure they remain a good fit with the Council strategy and risk appetite.
30. Current investment balances, and borrowing portfolios are shown at **Appendix A**.

Other Items

31. This part of the report will be used to report to Cabinet decisions that have been made through various delegations that are then required to be reported to Cabinet through the budget monitoring report.
32. A snapshot of the items is included below although further information can be provided upon request.

Use of standing order 6.8.2 relating to HRA contracts

33. The Housing Revenue Account (HRA) issued the following tender “Fabric Upgrade to Trusteel Houses - 7, 12 and 16 Hawthorn, Appledore, 10, 13, 14, 16, 18 and 19 Lloyds Green, Wittersham and 15, 16, 17 and 21 Sackville Close, Hothfield” that was anticipated to come in at £350,000. The winning tender was for £398,665.57 and was subsequently approved by the Head of Housing with agreement from the Head of Finance & IT, as per standing order 6.8.2 evoking the requirement for it to be reported to Cabinet within the Budget Monitoring Report as per standing order 6.8.3.
34. The Housing Revenue Account (HRA) issued the following tender “STRUC/21/2: Mass Concrete Underpinning – 2-5 and 6-9 Askes Court and 18 The Chennells in the Borough of Ashford, Kent” that was anticipated to come in at £70,000. The winning tender was for £134,025 and was subsequently approved by the Head of Housing with agreement from the Head of Finance & IT, as per standing order 6.8.2 evoking the requirement for it to be reported to Cabinet within the Budget Monitoring Report as per standing order 6.8.3.
35. This update therefore fulfils standing order 6.8.3.

Chess Project overspend

36. The Chess project was originally £35,000 to provide two projects in two wards. The Violence Reduction Unit funded circa £27,000 with the C3 Collaboration for Health Charity funding the remaining £8,000.
37. However, unforeseen delays due to Covid19 and increased costs of planning, preparation and delivery, the C3 Collaboration for Health Charity are no longer able to fund the proportion of the project as agreed. Therefore to ensure that this project is delivered in the two wards as originally planned, a reserve contribution of £8,000 has been approved by Management Team.

Household Support Fund

38. In October 2021 Kent County Council were awarded grant funding from the Government’s Household Support Fund of which they allocated £183,000 to Ashford Borough Council. The grant funded is required to be allocated to support those most in need with the cost of food, energy (heating, cooking, and lighting), water bills (including sewerage) and other essentials.
39. To ensure that a policy could be adopted and delivered in the timeframe available, a report was presented to Management Team in January 2022 outlining the details of a potential scheme for those most in need across the Ashford Borough.
40. The report was supported by Management Team and supported that the project to be approved under the Chief Executives Urgency Powers. Following the use of these powers the decision is now recorded within the budget monitoring report as required.

Tenterden Leisure Centre Roof

41. The tender for re-roofing the Tenterden Leisure Centre roof was awarded in November 2020 for circa £742,000. Following the award of the contract some additional works were added to the contract to mitigate risks to swimmers while the roof was repaired by installing safety netting adding an additional £67,815 to the cost.
42. However, due to delays in commencing the project and increases in the costs of raw materials during this period, and the identification of further works necessary such as replacing timber decking above the pool that had a significant amount of deterioration due to the humid conditions, the overall anticipated cost of the contract has increased to £1.082m.
43. As this increase in costs is more than 10% of the original tender price accepted it is being reported to Cabinet accordingly.

Portfolio Holder's Views

1. The final budget position continues to forecast a surplus despite removing £300,000 of reserve funding for Ashford Leisure Trust. This is positive position and will preserve reserves which will support financial risk and corporate project delivery moving forward.
2. Despite this positive position, we need to remain mindful of the pressure emerging within service budgets and ensure these are not repeated within 2022/23 when covid19 pressures should start to dissipate and budgets are aligned to new trends.
3. The above comment is particularly pertinent moving into 2022/23 as there are no more plans for government grants to support operational losses, and with recent and further interest rate rises expected, treasury budgets will be under pressure and therefore not generate the surpluses of previous years that have helped support pressures in services.

Contact and Email

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Treasury Management Positions as at 31 December 2021

Counter Party	Deal Date	Rate %	Amount £	Fair Value £
Investment Accounts				
Goldman Sachs **	Various	0.53%	50,000	52,391
ICD Portal - Blackrock *	Various	0.00%	5,777,300	5,777,300
ICD Portal - BNP *	Various	0.09%	6,984,200	6,984,200
ICD Portal - CCLA *	Various	0.13%	6,989,200	6,989,200
ICD Portal - HSBC *	Various	0.01%	3,896,200	3,896,200
ICD Portal - Invesco *	Various	0.02%	5,087,700	5,087,700
Payden Global MMF **	Various	0.91%	3,000,000	3,006,685
Total Investment Accounts			31,784,600	31,793,676
Long Term Investments				
Property Investment				
A Better Choice of Property Ltd.***	Various		605,001	1,142,785
CCLA Local Authority Property Fund	Various	4.85%	11,000,000	13,236,979
Equity Funds**				
CCLA Diversified Income Fund	Various	3.51%	3,000,000	3,194,193
Investec Diversified Income Fund	28/03/2019	3.74%	2,500,000	2,433,504
Kames Diversified Income Fund	13/05/2019	4.19%	5,500,000	5,631,119
Schroder Income Maximiser	Various	3.06%	3,500,000	3,176,654
UBS Multi Asset Income Fund	Various	4.81%	3,000,000	2,843,719
UBS Global Income Equity Fund	29/07/2019	4.30%	1,500,000	1,426,883
Total Long Term Investments			30,605,001	33,085,836
Total Investment Portfolio			62,389,601	64,879,512
* Money Market Fund (MMF) are AAA rated deposit facilities which have variable rates of interest but have constant net asset values. Interest rates are shown at the time of producing this report.				
** Equity funds and the Property fund have variable rates of interest and also have fluctuating capital values, the amount stated is the current fair value.				
*** A Better Choice Of Property Ltd. is a solely owned subsidiary of ABC (Value at 31/03/2021)				

Debt Portfolio as at 31 December 2021

Counter Party	Deal Date	Rate %	Amount £	Maturity Date
Temporary Borrowing				
Wokingham Borough Council	21/06/2021	0.05%	10,000,000	21/01/2022
London Borough of Sutton	22/06/2021	0.05%	3,000,000	24/01/2022
Vale of Glamorgan Council	19/07/2021	0.08%	2,500,000	13/05/2022
Lichfield District Council	19/07/2021	0.07%	2,000,000	19/04/2022
Wigan Metropolitan Borough Council	20/07/2021	0.05%	5,000,000	20/01/2022
Comhairle Nan Eilean Siar	20/07/2021	0.04%	5,000,000	20/01/2022
Middlesbrough Council	21/07/2021	0.04%	5,000,000	21/01/2022
Tendering District Council	22/07/2021	0.04%	4,000,000	24/01/2022
Cambridge City Council	22/07/2021	0.04%	5,000,000	05/01/2022
Warwickshire County Council	05/08/2021	0.06%	10,000,000	05/04/2022
Middlesbrough Teeside PF	19/08/2021	0.07%	7,000,000	19/04/2022
Bridgend County Borough Council	24/08/2021	0.04%	5,000,000	24/02/2022
Mersyside Fire & Rescue	24/08/2021	0.06%	2,000,000	25/04/2022
North Somerset Council	25/08/2021	0.06%	2,000,000	25/04/2022
West Yorkshire Combined Authority	22/11/2021	0.07%	3,000,000	22/08/2022
New Forest District Council	24/11/2021	0.06%	1,500,000	24/05/2022
Winchester City Council	24/11/2021	0.06%	1,500,000	24/05/2022
Hampshire County Council	24/11/2021	0.09%	3,000,000	24/05/2022
Ryedale District Council	25/11/2021	0.08%	2,000,000	24/11/2022
Oxfordshire County Council	17/12/2021	0.15%	5,000,000	17/10/2022
North East Derbyshire District Council	17/12/2021	0.15%	5,000,000	16/12/2022
Total Temporary Borrowing			88,500,000	
Long Term Borrowing				
Public Works Loan Board - HRA	various	various	121,664,150	various
Public Works Loan Board - GF	13/07/2021	1.56%	17,000,000	13/07/2041
Total Long Term Borrowing			138,664,150	
Grand Total Borrowing			227,164,150	

Detail of PWLB Loans outstanding

Date of Advance	Loan Ref Number	Date of Repayment	Amount Outstanding £	Rate %
28/03/2012	*499500	28/03/2022	7,000,000	0.90%
28/03/2012	499516	28/03/2022	2,000,000	2.40%
28/03/2012	499514	28/03/2023	2,000,000	2.56%
28/03/2012	499507	28/03/2024	3,000,000	2.70%
28/03/2012	499503	28/03/2025	3,000,000	2.82%
28/03/2012	499505	28/03/2026	1,000,000	2.92%
28/03/2012	499496	28/03/2027	1,000,000	3.01%
28/03/2012	499509	28/03/2028	2,000,000	3.08%
28/03/2012	499497	28/03/2029	2,000,000	3.15%
28/03/2012	499510	28/03/2030	2,000,000	3.21%
28/03/2012	499498	28/03/2031	8,000,000	3.26%
28/03/2012	499511	28/03/2032	9,000,000	3.30%
28/03/2012	499499	28/03/2033	10,000,000	3.34%
28/03/2012	499512	28/03/2034	11,000,000	3.37%
28/03/2012	499506	28/03/2035	12,000,000	3.40%
28/03/2012	499513	28/03/2036	9,000,000	3.42%
28/03/2012	499515	28/02/2037	16,713,000	3.44%
29/03/2011	498502	29/03/2061	5,951,150	5.26%
13/07/2021	374159	13/07/2041	15,000,000	1.56%
Total HRA Borrowing			121,664,150	
13/07/2021	374161	13/07/2041	17,000,000	1.56%
Total GF Borrowing			17,000,000	

* Variable Rate Loan, the others are fixed rate

A Better Choice for Property Loans as at 30 September 2021

Loans	Deal Date	Rate %	Amount £	Principal Repaid £	Balance Outstanding £
Loan 3	12/02/2015	2.83%	400,000	79,465	320,535
Loan 9	22/07/2017	3.04%	1,445,000	53,417	1,391,583
Loan 12	25/03/2018	3.06%	240,000	7,657	232,343
Loan 13	04/05/2018	3.13%	2,490,000	66,335	2,423,665
Loan 14	05/06/2018	3.06%	1,196,311	32,440	1,163,871
Loan 15	05/07/2018	3.10%	113,000	3,032	109,968
Loan 16	25/09/2018	3.19%	823,000	21,512	801,488
Loan 17*	17/10/2018	3.45%	659,000	13,220	645,780
Loan 18	02/11/2018	3.31%	820,000	17,144	802,856
Loan 19	09/11/2018	3.29%	6,517,425	136,855	6,380,570
Loan 20*	01/02/2019	3.10%	93,890	2,083	91,807
Loan 21*	04/02/2019	3.10%	7,103,180	157,699	6,945,481
Loan 22	22/02/2019	3.03%	809,240	18,324	790,916
Loan 23*	04/03/2019	3.10%	941,360	20,921	920,439
Loan 24	17/06/2019	2.80%	160,000	3,075	156,925
Loan 25	01/07/2019	2.81%	91,776	1,758	90,018
Loan 26	06/09/2019	2.24%	568,400	12,904	555,496
Loan 27	08/09/2019	2.24%	3,821,595	54,957	3,766,638
Loan 28*	16/04/2020	3.57%	1,208,000	9,108	1,198,892
Loan 29*	16/10/2020	3.84%	1,029,820	3,543	1,026,277
Loan 30	20/11/2020	3.61%	2,175,000	12,171	2,162,829
Total loans to A Better Choice For Property Ltd			32,705,997	727,621	31,978,376
* These loans have been subsequently loaned to the companies subsidiary A Better Choice for Property Development Ltd.					

Appendix B

Public Sector Decarbonisation Scheme – Funding Round Three

Overview

1. The Public Sector Decarbonation Scheme (phase 3) has received £1.425 billion of funding over the period 2022/23 to 2024/25. Ashford Borough Council submitted an application and has been successful with an award of £2,010,500. The projects are to be designed by Leisure Energy, they also designed the Stour Centre scheme, once this is done the Council will then tender and deliver the scheme. The Phase 3 projects are required to be complete by 31st March 2023, the Council is confident it can meet the terms of the grant.

Drawdown of funding

2. Drawdown of funding will be outlined in the agreed Project Programme on commitment of the funding. Interim payments can be made prior to completion in stages. The final grant payment is provided on completion and will require the Council to issue a Completion Certificate.

Delivery milestone	Y/N	Date milestone to be completed	Costs associated with completion of milestone	Date payment request/claim to be submitted to Salix
Project approval		01/03/2022		
Pre-design stage				
Designs complete		01/04/2022	£54,280.00	01/05/2022
Out to tender		14/04/2022		
Tenders complete		01/06/2022		
Orders placed		14/06/2022	£560,490.00	01/07/2022
Works in progress on site		06/08/2022	£934,150.00	01/09/2022
Completed on site		01/03/2023	£351,680.00	01/04/2023
Final commissioning		28/03/2023	£109,900.00	01/04/2023

3. The amount applied for in the scheme was £2,198,000, however the Council has been granted £2,010,500 (detailed above). The shortfall of £187,500, for design works will be funded from the Repairs & Renewal reserves. The total project design works will cost £241,780 of which £54,280 is funded from the grant.

Key points

Civic Centre

4. Removal of the gas fired heating plant, the Council currently has 3 no. Hamworthy 220kw boilers. To be replaced with air to water heat pumps.
144 carbon tonne annual reduction.
5. **Project cost: £936,000**

Tenterden Leisure Centre

6. Removal of the gas fired heating plant, currently 3 no. Hamworthy 180kw boilers. To be replaced with air to water heat pumps. Installation of PV system to pool roof. **230 carbon tonne annual reduction.**
7. **Project cost: £1,263,000**

Next Steps

8. Leisure Energy will design both schemes. The phase 3 scheme had tight deadlines so understanding the Council's decarbonisation agenda officers worked hard to submit the applications on time. Officers applied for the maximum amount of funding possible, understanding the delivery timescales are tight. Once designed and costs are worked up, if there are surplus funds the Council could further invest if the projects are approved.
9. Once Council has approved the spend of this funding the Property Team will deliver the project to the timetable.

Recommendation

10. Cabinet is asked to recommend to Full Council approval of the project and related spend.