

Agenda Item No:

Report To: Cabinet

Date of Meeting: 25 January 2024

Report Title: Quarter Three - Financial Monitoring

Report Author: Jo Stocks
Job Title: Principal Accountant

Portfolio Holder: Cllr. Noel Ovenden – Leader of the Council
Portfolio Holder for: Prosperity & Resource



Summary: This report presents the forecast outturn for 2023/24 based on information available in quarter three, which ended on 31 December 2023.

The forecast position to 31 March 2024 indicates an overall pressure to the General Fund (GF) of £866,000, which is an increased pressure of £241,000 since the second quarter.

The key movements in the General Fund include:

- £290,000 additional pressure in Housing, largely due to homelessness and an increase in the number of people in Temporary Accommodation.
- £326,000 additional pressure in Environment, Property and Recreation, due to increased utility costs and reduction in rental income from Wilko going into administration.
- Treasury management activity is forecasting a net saving of £226,000 as returns on investments following quarter two results are stronger than originally forecast.

The Housing Revenue Account (HRA) is reporting additional pressures in the 2023/24 forecast of £566,000.

This report provides an update on the collection fund, treasury management, reserves, and progress on the corporate savings identified in the 2023/24 budget.

Key Decision: No

Significantly Affected Wards: None

Recommendations: The Cabinet is recommended to:-

- I. **Note the quarter three forecast position for the General Fund and the Housing Revenue Account**
- II. **Note the Collection Fund position**
- III. **Note the Capital Monitoring position**
- IV. **Note the Treasury Management position**
- V. **Note the provisional reserve allocations at Table 8 of this report.**

Policy Overview: The Budget is a key element supporting the delivery of the Council's wider policy objectives.

Financial Implications: The General Fund is reporting an overall pressure of £866,000 based on the current information we hold, as at quarter three budget monitoring.

An additional draw on reserves of £88,000 supports the outturn position, making the total forecast draw on reserves £2.7m for 2023/24. £1.5m was approved as part of the budget process.

The HRA are reporting an increase in the budgeted deficit of £566,000.

Legal Implications: N/A

Equalities Impact Assessment: A full assessment was undertaken as part of 2023/24 Final Budget Report.

Exempt from Publication: **No**

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Agenda Item No.

Report Title: Quarter Three Financial Monitoring

Introduction and Background

1. This report presents the forecast outturn position to 31 March 2024 based on information available as at 31 December 2023.
2. This report considers each area of the Council in more detail including the General Fund, Housing Revenue Account, Collection Fund (Council Tax and Business Rates), Capital Monitoring, Reserves, and Treasury Management. There is also an update on progress being made against the corporate savings, identified in the 2023/24 budget setting process.

Summary of General Fund Position

3. The current General Fund position is forecasting a deficit of £866,000, this is in addition to the reserves contribution of £1.5m that was built into the base budget
4. All new appointments continue to be reviewed and challenged, by both Management Team and Directors, to limit additional staffing costs, which is a significant budget area. There is also a need for careful consideration by budget managers to ensure that all spend is necessary and to make savings, where possible, to minimise the deficit
5. **Table 1**, shows the movement between the current budget and forecast outturn, and the variance between the quarter two and quarter three forecasts, at an Assistant Director/Head level. Further details of material movements in each Assistant Director/Head area are covered in the narrative section below.

Table 1 - General Fund Quarter Three Forecast as at 30 December 2023 projecting the year end position

General Fund Summary at Assistant Director Level	2023/24 Current Budget	2023/24 Forecast Outturn at Q3	2023/24 Forecast Outturn at Q2	2023/24 Forecast Variance	2023/24 Q2 to Q3 Movement
	£'000	£'000	£'000	£'000	£'000
Finance and IT	3,131	2,703	2,745	(428)	(42)
HR, Customer Services, Comms and Digitalisation	636	567	590	(69)	(23)
Housing	1,513	2,393	2,103	880	290
Port Health	0	(95)	(95)	(95)	0
Environmental Health	800	774	810	(26)	(36)
Environment, Property and Recreation	7,257	8,595	8,269	1,338	326
Planning and Development	2,564	2,762	2,714	198	48
Corporate Management Costs	1,016	879	883	(137)	(4)
Head of Development	0	0	0	0	0
Head of Economic Development	776	692	742	(84)	(50)
Head of Performance and Policy	1,665	1,680	1,659	15	21
Solicitor to The Council and Monitoring Officer	404	449	423	45	26
Total Service Expenditure	19,762	21,399	20,843	1,637	556
Capital Charges & Net Interest	(734)	(495)	(269)	239	(226)
Levies, Grants and Precepts	325	325	325	0	0
Contribution to Balances	(650)	(1,660)	(1,571)	(1,010)	(89)
Budget Requirement	18,703	19,569	19,328	866	241
Financing:					
Retained Business Rates	(7,502)	(7,502)	(7,502)	0	0
Government Grants	(517)	(517)	(517)	0	0
Rural Services Delivery Grant	(97)	(97)	(97)	0	0
New Homes Bonus	(1,662)	(1,662)	(1,662)	0	0
Council Tax	(8,925)	(8,925)	(8,925)	0	0
Total Movement	0	866	625	866	241

Summary of General Fund Movements at Assistant Director Level

Environment, Property and Recreation

6. Environment, Property and Recreation is reporting an additional pressure, in quarter three, of £326,000. Many of these pressures relate to the management of estates and facilities including a £107,000 increase in utility costs, and £44,000 reduction in rental income at the Civic Centre, as well as a reduction in rental income of £157,000, as a result of Wilko going into administration.

General Fund Housing

7. Housing have additional pressures of £290,000, largely attributable to a further increase Homelessness costs as numbers continue to increase.
8. The original budget allowed for an average of 153 households in temporary accommodation, however at 1 December 2023 there were 198 households in temporary accommodation.
9. Officers are continuing to monitor the situation and have developed a formal Temporary Accommodation Placement Policy (the report can be found elsewhere on the agenda to this Cabinet) to ensure that officers have the tools available to ensure that temporary accommodation is used in the best way to meet the needs of applicants, as far as is reasonably practicable.
10. **Cabinet are asked to note the General Fund position.**

Housing Revenue Account (HRA)

11. The Housing Revenue Account is forecasting an increase in expenditure of £566,000, compared to the second quarter, resulting in a pressure of £692,000 compared to the original budget.
12. A breakdown of the HRA variance is shown in **Table 2** below, with variance analysis following the table:

Table 2 – 2023/24 Housing Revenue Account Forecast Outturn Position (Quarter Three)

Housing Revenue Account	2023/24 Current Budget	2023/24 Forecast Outturn at Q3	2023/24 Forecast Outturn at Q2	2023/24 Forecast Variance	2023/24 Q2 to Q3 Movement
	£'000	£'000	£'000	£'000	£'000
Supervision and Management	6,532	6,932	6,881	400	51
Income	(30,347)	(30,685)	(30,685)	(338)	0
New Build	105	163	158	58	5
Other	19,521	18,450	18,901	(1,071)	(451)
Repairs and Maintenance	5,333	6,976	6,015	1,643	961
Net Revenue Expenditure	1,144	1,836	1,270	692	566
Capital Works - Decent Homes	4,906	3,916	4,368	(990)	(452)
Financed By:					
Contribution to/(from Major Repairs Reserve)	(3,787)	(3,787)	(3,787)	0	0
Revenue Contribution	(1,119)	(129)	(581)	990	452
Net Capital Expenditure	0	0	0	(0)	0
Total Net Expenditure	1,144	1,836	1,270	692	566

Other

13. Due to a reduction in capital major works expenditure (see paragraph 15 for further information) the revenue contribution to capital expenditure has been reduced by the same amount, £452,000.

Repairs and Maintenance

14. The additional, third quarter, pressure of £961,000 in Repairs is primarily due to the reconciliation of outstanding payments in the system, in relation to voids and responsive repairs, which was necessary to bring the service in-house. The increase in costs for responsive repairs is largely due to capital works being completed as part of the revenue repairs contract, leading to a saving in capital spend.

Capital

15. There is a further saving of £452,000 in major works, this is due to a significant amount of works being carried out as part of the revenue repairs and maintenance contract, as a result any saving in this area is offset by the subsequent increase in repairs revenue expenditure.
16. **Cabinet are asked to note the Housing Revenue Account position.**

Collection Fund Monitoring

Business Rates

17. Collection rates for NNDR are regularly monitored to gauge the potential impact of the current economic situation. **Table 3**, below compares collection rates, at the third quarter, for the past few years, including pre-Covid.

Table 3 – Business Rates Collection Rates

Quarter Three Collection Rates	Percentage Collected to date
2023/24	82.29%
2022/23	82.11%
2021/22	79.36%
2020/21	76.92%
2019/20	81.81%

18. At the end of December 2023, 82.29% (£42m) of rates billed for the year had been collected, the table above shows that collection rates are continuing to improve despite the current economic challenges, and are above pre-covid levels.
19. However, while this is good news, it is important to recognise the potential risks to this income, from the continuing economic pressures on businesses, which will not only impact on the ability of businesses to pay but may also result in a fall in the number of businesses overall. With high-profile businesses, such as Wilko going into administration this risk continues to be present and officers will continue to monitor the impact on income.
20. **Table 4**, below shows that the estimated “Business Rates Billed” is £893,000, lower than the second quarter estimate, leading to a forecast, in-year, deficit of £131,000.
21. This decrease in income is due to a number of successful appeals, which have led to a reduction in rateable value, and therefore the billed amount is lower than anticipated. In addition to this there is also £342,000 reduction in income as a result of additional empty property reliefs, than was forecast.
22. Including a prior year surplus of £1.3m, the overall deficit on the collection fund for business rates is forecast at £149,000 with Ashford’s share (40%) of that deficit being around £59,000.

Table 4 – Business Rate Summary

Collection Fund - Business Rates	Original Budget	Qtr 2 Outturn	Qtr 3 Outturn	Variance to Previous Quarter
	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'001	£'000
Opening (Surplus)/Deficit	(1,238)	(1,238)	(1,238)	0
(Deficit) contributed by/Surplus distributed to Major Preceptors	926	926	926	0
Remaining Deficit/(Surplus) to be Contributed/(Distributed)	(312)	(312)	(312)	0
2023/24				
Amount of Business Rates to be paid to Major Preceptors	53,040	53,040	53,040	0
Amount of Business Rates Billed	(50,007)	(50,415)	(49,504)	911
Transitional Relief (Recovered)/Payable	(5,189)	(5,088)	(4,973)	115
Other Items Charged to the Collection Fund:				
Appeals and Rateable Value Reductions	1,465	1,331	1,346	15
Bad and Doubtful Debts	423	452	283	(169)
Renewable Energy	64	64	64	0
Cost of Collection	204	204	204	0
In year (Surplus)/Deficit	0	(411)	461	872
Overall (Surplus)/Deficit on Collection Fund	(312)	(724)	149	872

Council Tax

23. At the end of December 2023 85.4% (£88.9m) of rates billed for the year had been collected, **Table 5**, below compares this to the collection rates since before the pandemic.

Table 5 – Council Tax Collection Rates

Quarter Three Collection Rates	Percentage Collected to date
2023/24	85.40%
2022/23	85.57%
2021/22	85.37%
2020/21	85.40%
2019/20	86.11%

24. The in-year collection rate is in line with previous year, but is still a little lower than pre-Covid levels, where collection rates were 86.11%. Officers are continuing to monitor collection rates, in light of the continuing pressures on households, as a result of the continuing cost of living crisis.
25. **Table 6**, below shows the amount of council tax billed has increased, since second quarter, by £162,000, this is largely due to new properties brought into the Council Tax system and the VOA increasing the banding on a number of properties.
26. Overall, the collection fund for Council Tax is reporting a year-end deficit of £1.8m (£319,000 in year) of which Ashford's share would be around £168,000, based on current forecasts.

Table 6 - Council Tax Summary

	Original Forecast 2023/24 £'000	Quarter 2 2023/24 £'000	Quarter 3 2023/24 £'000	Variance to Previous Qtr £'000
Opening Deficit/(Surplus)	1,405	1,405	1,405	0
Surplus paid to Major Preceptors	43	43	43	0
2023/24				
Amount of Council Tax to be Paid to Major Preceptors	102,738	102,738	102,738	0
Amount of Council Tax Billed	(104,303)	(103,264)	(103,426)	(162)
In Year Write Offs and Bad Debt Provision Increase	1,565	1,006	1,007	1
In Year (Surplus)/Deficit	0	480	319	(161)
Overall (Surplus)/Deficit	1,448	1,928	1,767	(161)

Capital Monitoring

27. **Table 7**, below, illustrates the capital expenditure forecast for each approved capital project. Sources of funding do not form part of the figures shown in the table below, but will be detailed within the narrative for the individual projects.

Table 7 – 2023/24 Capital Expenditure Forecast Quarter Three, Projecting the Year End Position

Project Name	Total Approved Budget	Spend at 31/3/23	23/24 Forecast Spend	Future Forecast Spend	Total Spend	Project Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Place and Space						
Planned Minor Capital Works for General Fund Ass	2,000	500	500	1,000	2,000	0
Ellingham Roof	800	50		750	800	0
Victoria Park Fountain & Carpark	510	0	0	0	0	(510)
International House Works	2,080	113	1,681	406	2,200	120
Solar PV (various sites)	10,800	73	3,100	7,493	10,666	(134)
Solar PV Carlton Road	401	0	535		535	134
Stodmarsh	3,510	190	250	3,070	3,510	0
Civic Centre Relocation Phase 1	1,750	0	100	1,650	1,750	0
Newtown Works - Phase 1	87,273	4,162	8,636	74,475	87,273	0
Newtown Works - Phase 2	58,000		29,000	29,000	58,000	0
Single Grants Gateway Fund	300		75	225	300	0
Victoria Park Rejuvenation Project	4,169	2,549	1,620	0	4,169	0
Conningbrook Lakes Country Park development	2,353	143	50	2,160	2,353	0
Play Parks	1,100	954	0	146	1,100	0
Courtside/Pitchside	419	36	383	0	419	0
Housing Services						
Rough Sleepers Accommodation Programme	3,287	1,540	1,747	0	3,287	0
Customer Tech & IT						
Digital Transformation	650	179	30	441	650	0
HRA						
Programmed Works Including Disabled Adaptations	40,974	Ongoing	4,597	36,377	40,974	0
Henwood Temporary Accommodation	7,608	328	3,801	3,479	7,608	0
Play Areas	186		6	180	186	0
Street Purchases	27,500	Ongoing	2,500	25,000	27,500	0
Local Authority Housing Fund Homes	6,625		3,000	3,625	6,625	0
55 Mabledon (Piper Joinery)	7,045		0	7,045	7,045	0
Oakleigh House	13,064	634	100	12,330	13,064	0
Chapmans Close	640		320	320	640	0
Coneybeare	10,021	0	0	10,021	10,021	0
Tile Kiln	4,315	0	0	4,315	4,315	0
Infill Sites	1,300	0	0	1,300	1,300	0
Digitalisation	20	0	20	0	20	0
Heathside	1,075			1,075	1,075	0
Decarbonisation	19,373	12	4,175	15,186	19,373	0
Lifeline	222	0	54	168	222	0
Court Wurtin	109	63	46	0	109	0
Monypenny & Vicarage	11,246			11,246	11,246	0
Kent Wool Growers	39,100		4,100	35,000	39,100	0
Millview	1,175	10	75	1,090	1,175	0
Pym House	8,000			8,000	8,000	0
Repton Medical Centre	4,500			4,500	4,500	0
Hope House - High Halden	2,461		2,461	0	2,461	0

General Fund Capital

28. Civic Centre Relocation – Phases one and two (office move and relocation of Civic Suite), was approved by Full Council on 23 November 2023. Phase one is due to go out to tender in the New Year with works expected to commence in March/April 2024. Phase three (Civic Centre redevelopment) will require approval from Council, once officers have explored the options available.
29. Courtside and Pitchside – Work for 3G artificial pitch was completed and a 'Tenancy at Will' was signed, by the John Wallis Academy (24 November 2023). The final lease is due to be completed, and signed, by the end of February, which will terminate the Councils liability.

Housing Revenue Account (HRA) Capital

30. Stodmarsh continues to delay the HRA development programme, with the current economic climate affecting the feasibility of some projects, which have therefore been delayed.
31. Local Authority Housing Fund Homes - A further three Ukrainian/Afghanistan refugee properties have been purchased since quarter two, with partial funding from the Local Authority Housing Fund (LAHF). Two were four-bed properties of which Government will fund 50% of the purchase price and one was a two-bed property receiving 40% Government funding, plus each property receives an extra £20,000 for refurbishments costs. A further four properties under this scheme are in the process of being purchased.
32. Street Purchases – A further two properties have been purchased this year bringing the total to four. There is provision in the HRA Business Plan to purchase a total of 110 properties, up to March 2026, 50 of these units will be let on non-secure tenancies and used for temporary accommodation (TA), residents in these non-secure tenancies will then move-on to more secure tenancies. Funding for these will primarily be from 1-4-1 monies, (right to buy capital receipts from disposals), where available (40% can be put towards each property).
33. **Cabinet are asked to note the Capital Monitoring position.**

Reserves

34. This section of the report provides recommendations for reserve contributions, that were not identified as part of the budget setting process.
35. In quarter three, additional funding, from reserves, of £88,000 is anticipated.
36. This additional call on reserves is the result of a number of expenditure items, such as the Streetwise App, which will be funded by Safer Streets funding; there are also additional staffing costs relating to s106, which will be funded through the s106 reserve; £10,000 emergency grant was paid to Sk8side, in line with the council's "Funding and the Community Voluntary Sector Policy", however any future funding requests will need to be approved through the Council's approved grant scheme.
37. **Table 8**, below, illustrates the original budget position, a (net) £850,000 contribution from reserves, there is then an additional £1m of recommended reserves contributions to support services in year. The current General Fund deficit of £866,000 will also need to be funded from reserves, taking the total reserve contribution to £2.7m (£3.3m from reserves and a contribution of £600,000 to reserves).
38. **Cabinet are asked to note these proposals.**

Table 8 – Breakdown of Reserve Movements

	Suggested Reserve	Amount £
Budgeted Contribution To Reserves	Provide for maintenance of assets	(600,000)
Budgeted Contribution From Reserves	Provide for maintenance of assets	1,449,720
Total Budgeted Contribution (To)/From Reserves		849,720
Recommended Reserve Movement in year:		
Management fee to Freedom Leisure, in respect of Tenterden Leisure Centre	Economic Growth and Risk Fund	468,000
Tenterden Leisure Centre - Running costs for April	Economic Growth and Risk Fund	150,000
Tenterden Leisure Centre - Lease surrender costs	Economic Growth and Risk Fund	50,000
Tenterden Leisure Centre - Legal fees	Economic Growth and Risk Fund	25,500
To fund arts projects in respect of the South Ashford Garden Community	Required by Statute Reserves and other ring-fenced amounts	12,750
s106 officers - to be funded from reserves	Required by Statute Reserves and other ring-fenced amounts	63,990
Recommended Reserve Movement - Quarter 1		770,240
Tenterden Leisure Centre - Reduction in open book contribution	Economic Growth and Risk Fund	(14,220)
Repton Tree	Renewals Reserve	47,750
Property Condition Surveys	Renewals Reserve	58,864
Tenterden Leisure Centre - additional works	Renewals Reserve	20,341
Land Searches - to offset reduction in income	Land Search Reserve	38,560
Recommended Reserve Movement - Quarter 2		151,295
Strategic Planning - Grant Received from Homes England	Required by Statute Reserves and other ring-fenced amounts	8,240
s106 officers - to be funded from reserves	Required by Statute Reserves and other ring-fenced amounts	39,136
Funding for the Streetwise app - Ring-fenced Grant (Safer Streets Funding)	Required by Statute Reserves and other ring-fenced amounts	31,000
Emergency support for SK8Side	Economic Growth and Risk Fund	10,000
Recommended Reserve Movement - Quarter 3		88,376
Total Recommended Reserve Movement		1,009,911
Deficit to Be Funded From Reserve	Economic growth and risk fund	866,100
Total (To)/From Reserves		2,725,731

Treasury Management

39. The breakdown of the Capital Charges and Net Interest line, (as per **Table 1**) is shown below at **Table 9**.
40. 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 9 – Net Interest Summary

Treasury Management Table	2023/24 Current Budget	2023/24 Forecast Outturn at Q3	2023/24 Forecast Outturn at Q2	2023/24 Forecast Variance	Variance Q2 to Q3
	£'000	£'000			£'000
Interest payable	4,323	4,969	4,751	646	218
Interest receivable	(4,633)	(5,040)	(4,596)	(407)	(444)
Minimum revenue provision	1,719	1,719	1,719	0	0
Depreciation	(2,144)	(2,144)	(2,144)	0	0
Total Net Interest	(735)	(496)	(270)	239	(226)

Interest payable / Interest receivable

41. There has been a pressure on borrowing costs in the third quarter, with interest payable increasing by £218,000. Although the Bank of England has maintained interest rates at 5.25%, the local authority peer-to-peer market is showing elevated interest rates, this is due to demand heavily outweighing supply.
42. The expected interest received on the Council's liquid cash, which is placed in Money Market Funds (MMF), has increased by £155,000 as the yields on these funds have risen higher than the bank rate.
43. The strategic investments are forecasting increased dividend payments following quarter two results of £200,000 and the CCLA Property Fund is forecasting an increase of £89,000. It is important to note that these forecasts are based on the actual dividends received in the first two quarters, and changes in the market can have an effect on the anticipated returns for the remainder of the year.

Investment Capital Values

44. The capital value of strategic investments has increased by £400,000 since the last reporting. The investments are currently valued at £30.5m compared to an original investment value of £30.9m, representing a capital reduction of £400,000.
45. The strategic funds will continue to be monitored on a regular basis, in conjunction with the Council's Treasury Management advisors Arlingclose.

Liability benchmark

46. The liability benchmark is an important tool to shape the Council's strategic focus and decision-making. It is useful to help establish whether the Council is likely to be a long-term borrower, or long-term investor in the future. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans.
47. The liability benchmark reflects the Councils Capital Financing Requirement (CFR - the amount of debt the Council has, and plans to take out over the next 5 years). This liability benchmark is shown at **Appendix A**.
48. As can be seen from the graph the Council has a debt requirement of £285m, of which £144m relates to the HRA. The graph then breaks down the debt requirement into categories of debt, and the forecast repayment profile. The liability benchmark will be updated with capital plans.
49. Current investment balances, and borrowing portfolios are shown at **Appendix A**.
50. **Cabinet are asked to note the Treasury Management position.**

Savings to Be Identified

51. A report was taken to Overview and Scrutiny Committee on 11 July 2023, to update members on the current position of the saving schedule, recommended as part of the 2023/24 Budget Report, the update is provided at **Appendix B**.
52. To summarise the position, £1.6m of savings were identified, to close the budget gap. £200,000 of these savings were applied to the 2023/24 budget, leaving £1.4m to be achieved.
53. The savings from the move to International House have been revised and increased from £300,000 to £595,000, as a result the £1.4m target has been achieved. However, it is important that officers continue with plans to review specific service areas to ensure that other planned savings are also achieved. This is because, despite the good progress, there will be an ongoing requirement to make further savings, given the current economic conditions.

Portfolio Holder's Views

54. The cost of living crisis continues to be a challenge for both the council and residents alike, we have a statutory responsibility for Homelessness which continues to be an evolving pressure on the budget. The council is exploring options to proactively manage this risk going forward.
55. There are currently unfunded pressures of £866,000. Management will work hard to reduce this deficit over the remainder of the year.

Contact and Email

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Investment Portfolio at 31 December 2023

Counter Party	Deal Date	Rate %	Amount £	Fair Value £
Investment Accounts				
Goldman Sachs	Various		53,459	53,459
Payden Global MMF	Various	3.35%	3,000,000	2,926,375
Total Investment Accounts			3,053,459	2,979,835
Long Term Investments				
Property Investment				
A Better Choice for Property Ltd.***	Various	0.00%	991,907	2,674,623
CCLA Local Authority Property Fund	Various	5.51%	11,000,000	11,188,291
Equity Funds**				
Aegon Diversified Income Fund	13/05/2019	5.93%	5,500,000	4,989,203
CCLA Diversified Income Fund	Various	3.20%	3,000,000	2,924,583
Ninety One Diversified Income Fund	28/03/2019	4.35%	2,500,000	2,241,513
Schroder Income Maximiser	Various	7.03%	3,500,000	3,103,007
UBS Global Income Equity Fund	29/07/2019	9.51%	1,500,000	1,186,633
UBS Multi Asset Income Fund	Various	6.59%	3,000,000	2,272,791
Total Long Term Investments			30,991,907	30,580,645
Total Investment Portfolio			34,045,366	33,560,480
* 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.				

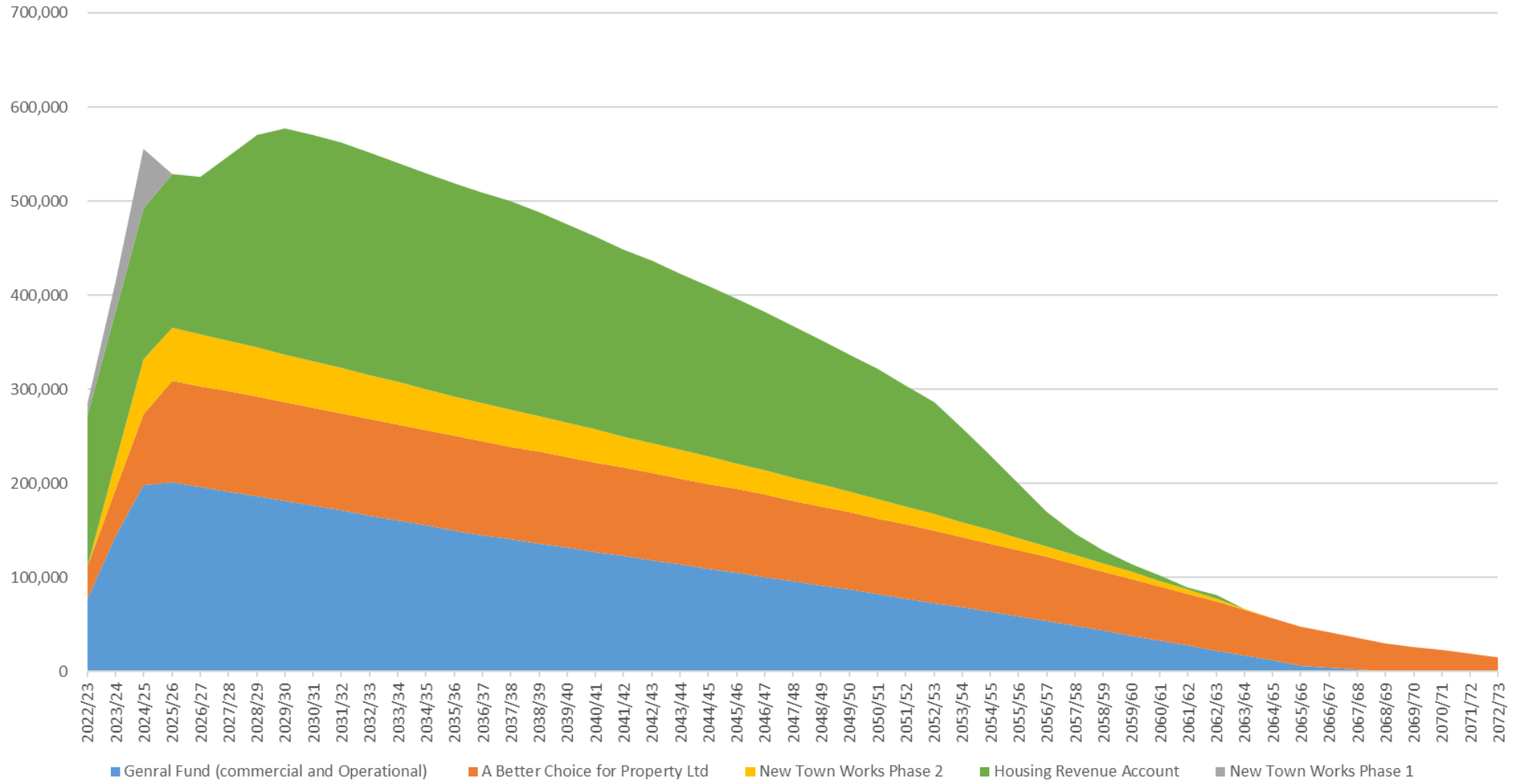
Debt Portfolio as at 31 December 2023

Counterparty	Start Date	Rate %	Amount £	Maturity Date
Temporary Borrowing				
Vale of White Horse District Council	24/01/2023	4.00%	5,000,000	23/01/2024
Warwickshire Council Council	25/04/2023	4.40%	5,000,000	24/04/2024
West Yorkshire Combined Authority	25/04/2023	4.28%	8,000,000	04/01/2024
Oxfordshire County Council	27/04/2023	4.50%	5,000,000	23/04/2024
West Yorkshire Combined Authority	22/05/2023	4.40%	3,000,000	22/04/2024
West Yorkshire Combined Authority	24/05/2023	4.40%	4,000,000	22/04/2024
Oxfordshire County Council	19/06/2023	4.60%	5,000,000	24/04/2024
Fylde Borough Council	22/06/2023	4.55%	2,000,000	22/03/2024
Tendering District Council	05/07/2023	4.60%	5,000,000	05/01/2024
West Midlands Combined Authority	13/07/2023	4.05%	10,000,000	13/02/2024
West Midlands Combined Authority	01/08/2023	4.05%	10,000,000	01/02/2024
West Midlands Combined Authority	11/09/2023	4.00%	10,000,000	11/03/2024
East Suffolk Council - Woodbridge	27/09/2023	5.50%	5,000,000	29/04/2024
Crawley Borough Council	27/10/2023	5.35%	5,000,000	27/02/2024
Renfrewshire Council	01/11/2023	5.70%	6,000,000	01/08/2024
Middlesbrough Council B	14/12/2023	5.42%	3,000,000	17/01/2024
East Devon District Council	18/12/2023	5.40%	1,200,000	15/03/2024
Brentwood Borough Council	20/12/2023	5.50%	2,000,000	22/04/2024
Warwick District Council	20/12/2023	5.50%	3,000,000	20/03/2024
Tendring District Council	05/01/2024	5.70%	4,000,000	05/07/2024
North Hertfordshire District Council	17/01/2024	5.65%	2,000,000	17/04/2024
Warwickshire County Council	23/04/2024	5.50%	10,000,000	18/12/2024
Total Temporary Borrowing			113,200,000	
Long Term Borrowing				
Public Works Loan Board - HRA	various	various	110,964,150	various
Public Works Loan Board - GF	13/07/2021	1.56%	13,500,000	13/07/2041
Total Long Term Borrowing			124,464,150	
Grand Total Borrowing			237,664,150	

Detail of PWLB Loans Outstanding at 31 December 2023

Date of Advance	Loan Ref Number	Date of Repayment	Amount Outstanding £	Rate %
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	374161	13/07/2041	15,300,000	1.56%
Total HRA Borrowing			110,964,150	
13/07/2021	374159	13/07/2041	13,500,000	1.56%
Total GF Borrowing			13,500,000	

Liability Benchmark Capital Financing Requirement plus Capital Plan



Savings Plan Progress at Quarter Three 2023/24

Purpose of this note

1. This note updates members on the progress of the delivery of the savings schedule, included in the 2023/24 budget report.
2. As part of the report there was an undertaking for these savings to be reported to Cabinet.

Background

3. As part of the budget build process a series of budget savings were developed to achieve savings of £1.6m, to close the budget deficit gap. Savings of £200,000 were immediately identified and applied to the 2023/24 budget, and following discussions between officers and members, proposals for a further £1.4m were identified and developed into the following savings plan:-

Proposed Budget Savings for the 2023/24 financial year

Service	Savings	Target £'000	Achieved £'000	Comments
Corporate	Management Team and wider restructure	300	233	Based on reducing the size of MT, will require adjustments within team structures. Upfront costs may be required
Corporate	Proposal to move to International House	300	595	Net savings, including cost of moving to IH
Various	Review of service structures	505	745	Reviews still ongoing
Corporate	Administration review	150	0	Amalgamated into service reviews
Corporate	Enforcement review	65	0	Review underway
Policy & Performance	Reduction in Grants	100	30	Ongoing review to achieve target
		1,420	1,603	

4. Since the setting of the 2023/24 budget there have been further pressures to the budget including high inflation, interest rate rises, and continued cost of living crisis which is impacting services, all of which present a risk of the deficit increasing.
5. Many areas proposed different ways of delivering key services with greater collaborative working between departments. These plans often involve

changes to job descriptions and where consultation with staff has already happened these have now been described in some detail.

6. Progress against saving targets is described, in more detail, below.

Management Team and Wider Restructure

7. The requirement to review the Senior Leadership team of the Council had two main drivers. The first driver was the need to deliver substantial savings to help bridge the deficit which was forecast in the Medium Term Financial Plan. The second driver was the need to review and realign the senior leadership responsibilities given the changing nature of the Port Health Service model and a need to increase synergies and resilience within the remit of Environmental Health across the Council.
8. The proposed changes recognise the need to reduce overhead costs, but ensure the Senior Management structure continues to be responsive and integrated in its approach. These changes will achieve £233,000 in savings.
9. Following consultation, the proposed changes are:
 - a. Removing 2 posts from the current structure, the Assistant Director Port Health which is currently vacant and the Assistant Director Community Safety & Wellbeing
 - b. Corporate Director, responsible for Health and Wellbeing will be fully recharged to Port Health and will specialise in Environmental and Port Health, to provide resilience in this specialist professional area, where there are skill shortages nationwide
 - c. Corporate Director, responsible for HR, Customers, IT, Finance will now take on responsibility for Housing and therefore a proportion will be recharged to the HRA
 - d. The Housing Development and Regeneration Manager will become the Head of Development reflecting the strategic nature of the role.

Move to International House

10. The relocation of the Civic Centre to International House, Phase one and two, was agreed at an Extraordinary Council Meeting on 23 November 2023.
11. In February 2023, the initial savings target was £300,000. However, based on current data, as of 1 November 2023, an annual budget savings target of £595,000 (net of IH move costs) is now anticipated.
12. Future capital works on the Civic Centre have been avoided, to give a saving on financing of £676,000 per annum. As this is not a direct cashable saving it has not been included in the savings total presented, however this cost would have been added to the Medium Term Financial Plan, if the relocation did not get approval.

13. The Council is now looking to escalate phase three, which would see redevelopment of the site advanced, and a working group set up to shape the future plan for the Council Chamber.

Enforcement Review

1. Work continues on this review and a report will be with Directors for consideration in the next few weeks. The report will detail several options to achieve the required £65,000 savings, which could be phased through to 2024/25.

Review of Service Structures, Grants and Other Savings

14. Budget savings of £200,000 were achieved within the 2022/23 across services and the 2023/24 budgets were amended accordingly.
15. The Policy and Performance service was newly formed as part of the Senior Management Restructure in 2022. As part of this restructure the Funding and Partnership Officer joined the service from Culture. Now the service has been functioning for over one year, a number of new ways of working have been introduced that exploit synergies within the teams. This has resulted in efficiencies in working practices, with some processes digitalised. It was therefore decided that a new post would be created, Partnership and Scrutiny Manager and two other posts would be deleted, Scrutiny and Policy Officer and Funding and Partnership Officer. This will result in a saving of £40,000. Following consultation, the Funding and Partnership Officer has opted for voluntary redundancy and the Scrutiny and Policy Officer has taken up the newly created post.
16. By directly charging Project Management time to Capital for a specific post, within the Housing Team, a revenue saving of £75,000 is achievable in 2023/24.
17. The Environment, Property and Recreation service was created in April 2022. Due to a number of resignations in this service area it has created the opportunity to review and re-align roles rather than replace like for like.
18. In total eight posts have been deleted; one post has reduced by 14 hours per week. Two new Apprenticeship roles have been created, one to support the Leisure Contracts Officer, and the other, a Building and Facilities Apprentice, which is expected to be self-funding.
19. Six posts have been regraded to reflect increased diversity, responsibilities and additional requirements of their roles to support the restructure of the service.
20. Overall, there is a saving of £234,000 per year, which will be reduced to £88,000 per year if Cabinet agree the implementation of the Parks Foundation proposal, thereby increasing the establishment by three posts.

21. A review of Parking Services has achieved a saving of £149,626 by implementing the following changes:
 - a. Consolidate the two team leader posts to create one post of Team Leader (Parking Services). One post-holder has recently resigned
 - b. Reduce the number of CEO Senior posts from two to one, to manage the day-to-day operation of the parking enforcement function, and consider changing the job title to CEO Supervisor. One post-holder has taken up another role within the service
 - c. Following retirement, the Senior Operations Officer responsibilities are to be split between other existing posts within the Parking Service, and to others outside the Safety & Wellbeing Service
 - d. The Representatives and Appeals post is to be re-designated a Senior Representatives and Appeals Officer and the current Parking Officer to be re-designated a Representative and Appeals Officer
 - e. Reduce the number of CEOs from eight to seven. This would see the deletion of one vacant post from the establishment.
22. Within HR, Comms and Customer Services a number of vacant posts totalling £25,000 have been identified for removal from the budget. Other plans are being worked on to deliver the remainder of the savings (£55,000).
23. Removing Deputy Portfolio Holders will result in a saving of £30,000 in member allowances.
24. A saving of £20,000 has been achieved within Economic Development, as a result of bringing the Ashford For campaign in-house.
25. Planning and Development have realised savings of £117,750 as a result of a business support restructure which saw four administration and business support posts removed. Three of which were vacant, and one post was made redundant.

Conclusion

26. Further savings are still being worked on and will be detailed in the Outturn report.
27. The savings described above amount to £1,603,000, excluding the capital savings of the International House move, but including the £200,000 already built into the budget from the previous year.
28. The remainder of the savings required will be continually monitored and reported accordingly as information becomes available and is suitable for disclosure.

29. To date good progress is being made on delivering the savings identified which are expected to have minimal disruption to services and have in some cases enable the streamlining of service provision.
30. The savings will be delivered partly in 2023/24, and be fully applied to the 2024/25 budget build, given the worsening economic conditions for the Council, delivery of the £1.4m is likely to be only part of a bigger savings requirement once the medium term financial plan is completed. This will result in the need for the Council to make further tough decisions on what can and cannot be delivered.