

NOTICE OF MEETING

Meeting: CABINET

Date and Time: FRIDAY, 29 JULY 2022, AT 2.00 PM*

Place: COUNCIL CHAMBER - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

Enquiries to: democratic@nfdc.gov.uk
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PUBLIC PARTICIPATION:

Members of the public may watch this meeting live on the [Council's website](#).

*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or
- (b) on individual items on the public agenda, when the Chairman calls that item. Speeches may not exceed three minutes.

Anyone wishing to speak should contact the name and number shown above no later than 12.00 noon on Tuesday, 26 July 2022.

Kate Ryan
Chief Executive

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This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 6 July 2022 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services

prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. UK SHARED PROSPERITY FUND (Pages 3 - 18)

5. FINANCIAL MONITORING REPORT (BASED ON PERFORMANCE APRIL TO JUNE 2022 INCLUSIVE) (Pages 19 - 32)

To:

Councillors

Edward Heron (Chairman)
Jill Cleary (Vice-Chairman)
Diane Andrews
Geoffrey Blunden

Councillors

Steve Davies
Michael Harris
Jeremy Heron
David Russell

CABINET – 29 JULY 2022

PORTFOLIO: LEADER / ALL

UK SHARED PROSPERITY FUND

1. RECOMMENDATIONS

1.1 It is recommended that the Cabinet: -

- a) notes the purpose of the UK Shared Prosperity Fund;
- b) endorses the priority themes for use of the Council's funding allocation; and
- c) Agree to delegate authority to the Chief Executive to submit the detailed Local Investment Plan for the Council to Government by 1st August 2022. in line with the publishes timescales.

2. PURPOSE OF THE REPORT

2.1 The purpose of this report is to set out the details of the UK Shared Prosperity Fund and outline the way the Council will allocate the funds.

3. INTRODUCTION

3.1 The government launched its UK Shared Prosperity Fund (UKSPF) Prospectus in April 2022 as part of its Levelling Up agenda. It provides £2.6 billion of funding intended to reduce inequalities between communities. The funding covers the three year period up to March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

3.2 The UKSPF is in essence a replacement to the EU structural fund, and the £2.6 billion will be allocated in the first three years of the UKSPF as follows:

- £400 million allocated for 2022/23
- £700 million allocated for 2023/24
- £1.5 billion allocated for 2024/25.

3.3 The fund has been allocated to each local authority area and comprises a mix of revenue and capital funding. Authorities with a higher perceived levelling up need will receive funding earlier than those authorities with a lower perceived need.

3.4 The New Forest District Council received an allocation of £1 million and is required to submit a Local Investment Plan to Government by 1st August 2022. The majority of the Council's funding will be received in year 3; 2024/25.

3.5 The fund requires Council's to use the funding to address locally identified challenges and build on existing strengths to foster pride in their place and increasing life chances. The funding should complement other central government funds, and mainstream employment and skills provision to maximise impact and simplify delivery.

3.6 The aim of the UKSPF is intended to support the Government's wider Levelling Up agenda, in the following ways:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging

- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency

3.7 The UKSPF will be guided by three investment priorities. Further information is included within appendix 1, but in summary these are:

- Communities and Places
- Supporting Local Businesses
- People and Skills

3.8 Local authorities will lead the delivery of this fund, and in Shire Counties, the core funding is allocated to Borough and District Councils. The lead Councils are tasked with managing, assessing and approving projects, processing payments and undertaking the day-to-day monitoring of projects. They can also decide whether to commission projects, run competitions or deliver programmes in house.

3.9 Lead authorities will be able to use funding in 2022/23 and 2023/24 for ‘Communities and Places’ and ‘Supporting Local Businesses’. The ‘People and Skills’ interventions will commence in 2024/25, and Councils are encouraged to collaborate with other stakeholders and local authorities to maximise the outcomes from this funding.

3.10 First payments to the local authority are expected from October 2022. All interventions should end by March 2025 (or have a break clause). An administration and evaluation top-slice of up to 4% of the total fund is permitted

3.11 The Government has also ring-fenced £559 million for the ‘Multiply programme’ intended to deliver the Government’s priority of improving adult numeracy. This part of the UKSPF will be managed by the Department of Education.

UKSPF Allocation for NFDC.

3.12 The funding per annum is broken down as follows, including an ‘indicative’ split of this funding broken down into Revenue and Capital:

Year	Allocation	Revenue	Capital (min)
2022/23	£90,544	£81,490	£9,054
2023/24	£181,087	£157,546	£23,541
2024/25	£728,369	£582,695	£145,674
Total	£1,000,000	£821,731	£178,269

3.13 As the table illustrates the allocation is largely revenue based, however there is a degree of flexibility and Councils may increase the proportion of capital in response to local identified need. Government has stipulated that a minimum of 10% of the overall allocation must be capital.

3.14 The Council is invited to set out the investment proposals for the area in line with the three priorities, there is not a requirement to identify projects for each priority. The plan needs to set out the desired local outcomes and the interventions that are intended to achieve these outcomes. Performance indicators and success measures

also need to be established and agreed with Government based on the investment plan so that Government can monitor progress.

- 3.15 Local authorities are expected to develop its Investment Plan in conjunction with local stakeholders.

4. THE LOCAL INVESTMENT PLAN

- 4.1 The investment plan will bring forward schemes across all three investment priorities in response to the priorities as set out in the Corporate Plan and recently published annual report. Sustainability will be a horizontal theme across all activity. The proposed activities are summarised in the table below.

Community and Place	
Pride of Place – Improving our town centres & public space and coastal heritage	£725,000
Healthy and Inclusive Communities	£100,000
Sub-total	£825,000
Business Support	
Business Support Package to: support start-up, growth and export, Help SMEs reduce their carbon footprint. Follow on project from the existing EDRF project.	£75,000
People and Skills	
Supporting residents with multiple barriers into work	£70,000
Workforce development – Green skills	£30,000
Sub-total	£100,000
Total	£1,000,000

- 4.2 A detailed breakdown of the issues to be addressed and the details of each themed project are contained in Appendix1. The fund is largely revenue based, a number of the projects will create a pipeline of projects that can be funded through a variety of alternative funding sources.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Lead local authorities are tasked with working with local partners and stakeholders. In the development of the plan priorities. A proportionate approach has been adopted, engagement has included;
- A meeting with the newly formed New Forest Partnership Board
 - A meeting with each of the Local MP's
 - Engagement with local community representative groups and business representative groups
- 5.2 Feedback from the New Forest Partnership Board and both MP's has been positive. Minor changes have been made to proposed projects to reflect detailed comments made through the engagement process.
- 5.3 It was acknowledged that whilst the Council was keen to see a multiplier effect through alignment and support from partner organisations, the fund is not structured as a formal 'match-funding' programme. It has also been clarified to partners and stakeholders that the Council would not be developing a bidding process, but a commissioning approach. The Council welcomes further understanding from partners the role they might play in delivery of the programme.

6. GOVERNANCE AND PERFORMANCE MONITORING

- 6.1 The New Forest District Council is the accountable body for the UKSP Fund, with responsibility for the financial spend and the monitoring of the proposed outputs and outcomes.
- 6.2 An agreed Memorandum of Understanding with Government will set out the milestones, expectations, and timescales, with a progress report to government required every six months.
- 6.3 The Future New Forest Partnership Board, (Local Partnership Group), will continue to provide advice on strategic fit and deliverability, taking care to avoid conflicts of interest. This will ensure that Fund investments complement other activities in the area and meets Fund and local objectives.

7. CONCLUSION

- 7.1 This report provides an overview of the programme of support the Council will take forward working collaboratively with partners to deliver on the ambitions set by Government under its flagship Levelling Up agenda. The UK Shared Prosperity Fund allocation will add value to existing programmes and initiatives and maximise opportunities to improve the physical and cultural fabric of the District whilst preserving the natural habitat and supporting the area to transition to a low carbon future.
- 7.2 The investment plan is informed by and will support wider strategic objectives and enable the Council to capitalise on the development of the Freeport as it comes on stream.

8. FINANCIAL IMPLICATIONS

- 8.1 Careful consideration will be needed as programmes are developed to ensure that there are no on-going costs associated after project delivery. A pipeline of projects will be developed, and funding of future projects may come from a range of sources.
- 8.2 Resources to deliver the programme will be included within the project costs or covered within the 4% administrative element of the fund.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 Addressing sustainability and developing activity which directly supports the Climate Change and Nature Emergency is a key feature across all three priority investment plans.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 Actions to improve the public realm, and address social exclusion are anticipated to have positive impact on crime and disorder, improving public perceptions around safety and foster pride in neighbourhoods.

11. EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 The UK Shared Prosperity Fund schemes are intended to improve life chances of all residents, increasing accessibility to services, fostering a pride of place and strengthening social cohesion. Within this context particular attention is given to those most vulnerable to remove barriers to participation both economically and socially.

12. PORTFOLIO HOLDER COMMENTS

- 12.1 I welcome the opportunity provided by the Government to propose an investment prospectus to secure the allocation of £1m to the District from the UK Shared Prosperity Fund. This fund enables us to consider where we can strengthen our communities through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and cultural and activity focused projects. It also enables us to add to the business support and skills provision across the District, with a focus on ensuring the wider offer is relevant and accessible to our residents and businesses.
- 12.2 I have been pleased to see the support from our MPs and local partners and we look forwards to working together collaboratively as we develop the programme following Government approval of our Investment Plan.

For further information contact:

Background Papers:

Claire Upton-Brown

Executive Head for Planning, Regeneration, and Economy

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Investment Priority 1. Communities and Place

Objectives

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

Theme 1: Pride of Place – Town Centres Improvement Programme - making them accessible vibrant and sustainable and investing in our coastal heritage

Issues to be addressed

Town centres provide a life blood of to our communities especially given the dispersed nature of the New Forest, they also play an important role within the visitor economy. It is essential that they are accessible and welcoming. We need to maintain the physical fabric, ensuring they are attractive places to visit and spend time in, both for our residents and more broadly as destinations within our tourism offer. We need to ensure a diversity of offer and within this context re-think and better utilise existing public realm and assets including our car parks.

Challenges identified include:

- Maintaining footfall, increasing dwell time, and ensuring accessibility
- Need to rethink & make better use of public space & assets
- Promote active lifestyles
- Drive behavioral change around litter and waste
- Focus on our more deprived communities – incorporating activities

Coastal – the coastline and its beaches are important to our communities and our visitor economy, more focus is needed to promote our beaches as places to visit, to support the visitor economy. Historic shelters play a strong role in creating local pride and belonging marking the line of the south coast path running along the length of our historic coastline and are used by tourists, visitors, and local communities.

Solutions for Pride of Place

Project title	Revenue	Capital	Year	Total allocation
<p>Continued marketing of ‘Supporting our community’ project. Provide a dedicated webpage, continued posts in social media and in print. Promotion of events and shop local / support local businesses messaging. This will be implemented through a commissioned contract. Coastal Promotional Campaign promoting beaches as a place to visit</p>	£70,000	£0	22-23 23-24 24-25	£70,000
<p>Town Centre Improvements Programme objectives around regeneration, social inclusion, adaptation to climate change, supporting local businesses and sustainable transport solutions. Schemes proposed include:</p> <ul style="list-style-type: none"> • Activities such as one-off markets/healthy eating demonstrations and cultural events with early pilot run in Totton as part of the Totton Regeneration project. • Better signage for town centre users and visitors- develop a signage strategy for each town centre • Greening our car parks – reducing tarmac and making improvements biodiversity, provision of additional bike stands 	£220,000	£0	22-23 23-24 24-25	£220,000
<p>Accelerate the provision of EV vehicle charging points Accelerate the provision of EV vehicle charging points Feasibility work to identify programme of installations and identify a delivery partner focusing on public areas / areas of maximum benefit to accelerate the adoption of electric car use. This forms part of the wider review of car parking assets and the implementation of carbon reduction across the district. This will include detailed design work for the programme of installations</p>	£25,000	£50,000	22-23 23-24 24-25	£75,000

and securing a delivery partner to deliver charging infrastructure across the District.				
<p>Coastal beach shelters</p> <p>Coastal beach shelter essential renovation works to provide local communities and visitors with a place to rest and meet outside. Renovation works would protect and preserve for the future. We would include incorporating bee bricks, bird houses and other fauna initiatives. Securing these places for the future would firm a sense of localised pride of our unique place. These vernacular shelters mark the line of the south coast path running along the length of our historic coastline and are used by tourists, visitors, and local communities. They are a part of our seaside's past and present identity. Without renovation, we will lose them from our future. protect and preserve these facilities for the future creating a sense of localised pride of our unique place.</p>	£22,000	£88,000	22-23 23-24 24-25	£110,000
<p>Implementation of Litter Strategy</p> <p>Deliver a Litter Reduction scheme, building on the successful pilot. This initiative has two strands:</p> <ul style="list-style-type: none"> • Litter Reduction scheme with community engagement campaign. Two-year programme to deliver an education programme. Community engagement and events, this would build on the Care for the Forest campaign. • Review of bins in public places with investment in solar bins to support the delivery of the Litter Strategy priorities and improve local environments including reducing the amount of waste. less wind-blown litter entering the ocean and improving appears of our towns and creating pride in place. 	£80,000	£20,000	22-23 23-24 24-25	£100,000
<p>E bike / bike hiring schemes & car sharing</p> <p>To increase delivery of low carbon transport options, a feasibility study and pilot / demonstration project to develop a bike/e bike share or hire scheme and /or car clubs across the district. The</p>	£50,000		24-25	£50,000

feasibility exercise will identify the set up and on-going costs, and locations for bike shares etc. Learning from the pilot scheme will inform wider roll out and scalability. Anticipated outcomes - reduction in Co2 omissions, and transports solutions for disconnected residents, notably young people.				
Improve the Cultural offer Commission work to lead a programme working with community and heritage organizations to develop a series of community art projects in a range of locations across the district. An initial project will be brought forward as part of the Totton regeneration project.	£100,000		24-25	£100,000
Subtotal				£725,000

Theme 2: Promote Inclusive and Active Lifestyles

This investment responds to the challenges of both an ageing demographic and provide facilities to encourage our young people to be more active. This year's Active Lives report, published April 2022, showed that amongst New Forest adults inactivity levels rose to (19.5% in 20/21) with a decrease to being physically active (64.6% in 20/21). The pandemic has had a major impact and widened existing inequalities and this important challenge will remain a key priority of this Council. A proportion of funding is allocated to improve play and gym facilities for young people across the District.

Solution for Promote Inclusive and Active Lifestyles

Project title	Revenue	Capital	Delivery year	Total allocation
Encouraging Active Lifestyles Building on the current play audit work, as part of its healthier lifestyles for all the project would address the recommendations and develop a strategy and delivery programme to install and improve play and gym facilities across the district.	£20,000	£80,000	23-24 24-25	£100,000

			Subtotal	£100,000
			Communities and Place Total	£825,000

Investment Priority 2: Business Support

Objectives

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities
- Increasing private sector investment in growth enhancing activities, through targeted support for small and medium sized businesses to undertake new-to firm innovation, adopt productivity enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.

The issue to be addressed

The New Forest is the third largest economy in the Hampshire County Council Area with a total Gross Value Added of £4.4bn per annum and household income in-line with county averages. The district has a relatively large business base of just under 8,000 businesses. It is predominantly made up of SME's, with micro-businesses (0-9 employees) featuring more strongly in rural areas.

Leisure, tourism and marine along with their associated supply chains are significant sectors within the District. Businesses in the care sector in New Forest are slightly overrepresented relative to the Hampshire average and demand for care related activities is expected to increase with a projected ageing population expanding across the New Forest.

The land-based sector is an integral part of the New Forest landscape and an important contributor to the local economy in terms of businesses and employment. The sector is wide ranging in scope going beyond 'traditional' agricultural. Current estimates suggest there are over 1,000 New Forest businesses in the land-based sector, of which 470 are agricultural holdings.

Intra-regional variations exist with the Avon Valley which has a more favourable industrial structure punching above its weight economically. Whereas the Totton and Waterside economy is a typical to the rest of the New Forest with manufacturing and marine activities in Totton and Hythe and oil refining at Fawley shaping the economy locally.

Broadly businesses experience relatively good survival rates compared to regional and national averages, but start-up rates need to increase, and overall growth is sluggish with scale-up initiatives a strategic focus for the Council. Key sectors such as marine, tourism and care lag in comparison with Hampshire averages. Higher value-added services are underrepresented in the area and the working age population is projected to contract. This will affect demand and investment over the medium term and beyond.

Helping businesses, industries and High Streets respond to social, environmental and technological changes and innovation are identified priorities for the District Council.

Solution for Business Support

Project title	Revenue	Capital	Delivery year	Total allocation
Build on existing initiatives such as Innovation Hub and Growth Hub. Themes include; <ul style="list-style-type: none"> • Business startup • Business Growth • Export • Net Zero 	£75,000	£0	24-25	£75,000
		Business Support Total		£75,000

Investment Priority 3: People and Skills

As the economy has recovered post-pandemic, the picture is broadly positive for the New Forest. The claimant count overall has significantly reduced and is now 2% of the working-age population, which compares favourably to a Southeast average of 3% and national average of 3.9%. However, some localities continue to experience consistently higher levels of unemployment. Unemployment in Holbury and North Blackfield ward for example currently stands at 3.5% and approximately 45% of all claimants are found in the Totton and

Waterside area. Similarly, youth unemployment, (18-24 years) has dropped to an average of 2.7 %, equating to 285 young people across the District, but again it is geographically concentrated in the more deprived neighbourhoods.

The New Forest is an exceptional place to live and work; it scores highly on quality-of-life indicators and is one of the least deprived local authority areas in England; ranked 255th out of 326 districts according to the 2019 Index of Multiple Deprivation. However this masks localised hotspots of neighbourhood deprivation, notably in the Totton and Waterside area and localities around Milton and Pennington. For example Holbury and North Blackfield, and Furzedown and Harley are amongst the 20% most deprived neighborhoods in the country, as are parts of Calshot, and Totton North falling into the most 30% deprived bracket. Incidences of low educational attainment and child poverty is more prevalent in these deprived communities. Community cohesion and a lack of access to services have been highlighted as issues on the Waterside, which is geographically isolated and disconnected from the rest of the District.

In line with the investment priorities for people and skills and the funding available, a targeted grass-roots approach to support those furthest from the labour market into employment and training in key localities such as Totton and Waterside, and Pennington are included in the investment plan. The activities will also involve a strand specifically on young people, linked to existing facilities such as the Youth Hub. The Council will work with local stakeholders such as the New Forest Community First to develop a small grants programme for grass-roots organisations to work closely with residents most at risk from exclusion. The other investment priority for the Council is one which focuses on skills development.

The second strand of the people and skills investment proposals will focus on skills development. Qualifications and skills enhance employment opportunities for the individual and are the major driver of productivity, growth, competitiveness and economic prosperity of the local economy. Action is required to address the skills deficit at higher levels, (L4+) and address the higher-than-average incidences of residents with low or no qualifications & skills.

Levels of higher qualification outcomes need to improve, the average for the District is 37.3%, compared to a Hampshire average 40.1% and a Southeast average of 45.1%¹. At the lower end of the distribution scale, Totton and Waterside only shows a slightly higher incidence of residents with no qualifications, with an average of 11.8% as opposed to 11% in the Avon Valley and 11.4% in the Core Forest and Coastal area. It is however at the higher-level that the variance is most apparent; with Totton and Waterside having only a quarter (25.3%) of its resident population qualified to level 4 and above, compared with Avon Valley at 34.5% and the Core Forest and Coastal sub-area at 32.4% respectively. This is a significant gap in attainment. Holbury and North Blackfield and Butts Ash Dibden Purlieu are in the 10% most deprived neighbourhoods for education skills and training.

¹ ONS APS Jan 2021

In addition, the same 2018 economic profile highlighted an existing net deficit in the worker population of over 7000. This coupled with out-commuting patterns that exceed in-commuting and a declining pool of workers further emphasises the need to develop approaches that incentivise residents and business alike to invest in developing the skills base for the benefit of the workforce and the economy.

This second strand of the People and Skills Investment Priority will collaborate with stakeholders to increase the intensity of economically relevant skills training taking place across the area. The approach responds to broader strategic objectives concerning the need to support the transition to a low carbon economy and develop higher technical skills across a range of key sectors.

The Council will work strategically with existing Further and Higher Education and Private Training providers to maximise opportunities and leverage from recent investments via the Skills Development Fund, which has provided investment in marine technologies, and regional initiatives such as the Institute of Technology (IoT). The IoT is integral to delivering the Government's ambitions in the Ten Point Plan for a Green Industrial Revolution, Freeports, Maritime 2050, in addition to the levelling-up agenda. The curricula will focus on the STEM higher technical skills required across digital technologies, engineering and marine.

The New Forest needs to ensure a pipeline of talent offset an aging demographic, and improve job opportunities, which in turn will address deprivation. The IoT is a hub and spoke model, with capital investments being made across the existing Solent FE and HE infrastructure. This affords an opportunity locally to increase delivery of economically relevant training in higher level skills.

Previous industries along the Totton and Waterside area have left a mixed legacy. Whilst the demographic profile of Totton and Waterside is younger than the rest of the New Forest, its GVA per capita is approximately 80% of the New Forest average. This indicates that area underperforms significantly despite having the largest working age population. There is opportunity for the existing workforce especially those in the marine manufacturing sectors to transition to higher value-add production jobs, which will come forward as the Freeport develops

As highlighted above, upskilling & re-training of the existing workforce is required across the board in new technologies 'green skills' to support the economy transition to a low carbon future. The approach is therefore to develop a programme where both businesses and residents are incentivised to invest in skills and training. Noting that existing mechanisms such as the skills and apprenticeship hub are already able to provide 'honest brokerage' and there are existing programmes such as skills support for the workplace which are able to provide some subsidized training at levels 3 & 4 to employed people the emphasis is one of collaboration rather than duplication getting key messages out to businesses and groups working in communities through existing networks to demonstrating the value of investing in skills development and promoting the excellent local offer.

It is also acknowledged that aspiration and attainment are an issue where some young people, are lacking the entry-level requirements required by both the existing and emerging labour market. Work already takes place in our schools and colleges to bring schools and

businesses together through the enterprise programme and careers hub. The Council will continue to work with key delivery partners to ensure opportunities are maximized, supporting the recruitment of business champions and enterprises advisers.

People and Skills Solutions

Project title	Revenue	Capital	Delivery year	Total allocation
Community projects to support residents furthest from the labour market in our deprived communities into employment and training	£70,000	£0	24-25	£70,000
Develop an initiative to promote skills and training in green skills	£30,000	£0	24-25	£30,000
		People and Skills Total		£100,000

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CABINET – 29 JULY 2022

PORTFOLIO: FINANCE, INVESTMENT &
CORPORATE SERVICES / ALL

FINANCIAL MONITORING REPORT (based on Performance April to June 2022 inclusive)

1. RECOMMENDATIONS

- 1.1 It is recommended that Cabinet notes
 - 1.1.1 the latest budget forecasts of the General Fund (section 6), Capital (section 7), and HRA (section 8).
 - 1.1.2 the impact that utility and general inflation is forecast to have on the Council's budgets, and the need to identify mitigating actions to address these largely unavoidable cost pressures, including a review of Service Charges within the HRA.
- 1.2 It is recommended that Cabinet request Council approve that financial support be given to Freedom Leisure through an 'open-book' arrangement relating to utilities spend (up to £400,000) and the granting of a year 2 rent waiver (£354,000), noting the resultant financial implication above the current set budget gives rise to a supplementary budget request of £279,000.

2. INTRODUCTION

- 2.1 Following the approval of the Original Budget for 2022/23 in February 2022, this report provides an update on the General Fund, Capital and Housing Revenue Account budgets, adjusting for any budget changes now required.
- 2.2 The report also covers a specific recommendation with regards to financial support required by Freedom Leisure due to extreme pressures in utility expenditure and projected shortfalls in income.

3. BACKGROUND

- 3.1 Financial Monitoring is an important feature in the management of the Council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the Council's Medium Term Financial Plan.

4. UTILITY / INFLATION CRISIS AND ITS EFFECT ON THE COUNCIL

Utilities

- 4.1 The Council's base utility (gas and electric) budgets for 2022/23 total £298,230 in the General Fund and £396,960 in the Housing Revenue Account.

- 4.2 Unit consumption rates have increased from 1.92p to 5.64p per unit (194%) for gas and from 15.34p to 28.72p per unit (87%) for electricity. However, increases for the elements of bills for Standard Daily Charge and Consumer Climate Levy are varied across individual sites and are at lower percentage rates, meaning that the required budget increase for each site varies and is less than the headline consumption rate increases. The overall forecast financial consequence of the increases over the main service areas are as follows:

Table 1:

Service Area	Original Budget 2022/23	Revised Budget 2022/23	Variation
	£'000	£'000	£'000
Offices & Depots	185	376	191
Public Lighting	72	142	70
Public Conveniences	25	50	25
Other General Fund	17	36	19
TOTAL GENERAL FUND	298	603	305
Older Persons Accommodation	334	687	353
Hostels	41	80	39
Other HRA	22	83	61
TOTAL HRA	397	851	454
TOTAL	695	1,454	759

- 4.3 The contractual position with Freedom Leisure includes utilities costs as an operator risk. However, given the context of the extremity of scale of the increases, this report recommends the Council support additional utility costs incurred by Freedom Leisure up to an amount of £400k. (£300k 2022/23 and £100k 2023/24). More detail is included within section 5 of this report.
- 4.4 Within the Housing Revenue Account utility costs are generally largely recovered by service charges to individual tenants. Detailed work has now begun to review all establishments where utility charges are incurred, with a view to a mid-year increase in service charges.

Fuel

- 4.5 Assuming consumption at the same level as in 2021/22 and prices remaining at early July levels for the remainder of the year, fuel expenditure will exceed current budgets by £349,000 (£278,000 General Fund and £71,000 Housing Revenue Account). In addition, the Council can no longer use red diesel on its off-road vehicles which will increase costs by £24,000. (£19,000 General Fund and £5,000 HRA).

Other Inflationary Pressures and Summary

- 4.6 Increases in refuse and recycling sack prices are anticipated to increase costs by £70,000.

- 4.7 **The total forecast impact of the above inflationary pressures is to increase anticipated costs in 2022/23 by £972,000 to the General Fund, and £530,000 to the HRA.** These forecast variations are picked up in sections 6 and 8 of this report, which also include the other variations being reported at this time.

5. FREEDOM LEISURE ARRANGEMENTS

Transition Year Arrangements

- 5.1 The year 1 arrangements with Freedom Leisure were established on the basis of 'open-book' accounting. This was a familiar position adopted across the country with Local Councils and their Leisure operators. Due to the pressures on income during the hand-over, as a result of the pandemic, the contractual position was a fee payable by NFDC to Freedom Leisure in this first year; the 'Transition Year'.
- 5.2 Each month, Freedom Leisure provide the Partnership board (Portfolio Holder, Exec Head Fin & Corp, Exec Head Part & Ops and NFDC Contract Monitoring Officer) with a performance update, including key performance indicators and a summary of the monthly financial performance. A bi-monthly Councillors working group was also established to monitor the partnership. Where the monthly financial performance is behind target, on a cumulative basis, there is provision within the contract for NFDC to provide additional financial support, up to a total cap, set at £1.23m. This cap was indicative of where the NFDC in-house budget was set, prior to transfer.
- 5.3 Pressures on both income (namely memberships) and expenditure (namely utilities), will result in this cap being reached in the Transition Year. In keeping with the financial arrangements put in place within the contract, NFDC's financial commitment will peak at the £1.23m, with Freedom Leisure having the financial liability for any variation greater than this figure. Provision within the Council's 2021/22 yearend accounts has largely been made for this payment with a shortfall of £32,000 that will need to be funded through reserves.

Year 2 Arrangements

- 5.4 The contractual arrangements in place with Freedom Leisure made provision for an adjustment to take effect to the year 2 management fee; known as the 'Net Income Adjustment'. This was done in the context of significant uncertainty surrounding income projections as a result of the contract and operational arrangements transferring mid-way through a pandemic.
- 5.5 If updated forecasting demonstrates an expected income or expenditure variation, or both, of greater than 7.5% on the original business plan forecast, the Net Income Adjustment mechanism is triggered, resulting in a share of this shortfall to both NFDC and Freedom Leisure. This was designed to accommodate the likelihood of a further income variation in year 2, as a result of the unknown customer behaviours post-pandemic. Contingency was included within the NFDC budget for 2022/23 to accommodate a scenario which would remove the year 2 management fee, initially forecast to be made by Freedom Leisure, to NFDC.

- 5.6 Based on the income position as seen in the transition year, the income forecast for year 2 demonstrates a significant variance in comparison to the original forecast (c£1 million). This is reflective of a slower return to customer usage of the Leisure Centres and will undoubtedly also be linked to the current cost pressures faced by households across the Country, as a result of record levels of inflation and the significant increases in household utility bills. Disposable income has clearly been impacted, with some individuals having to de-prioritise gym membership and attendance at exercise classes.
- 5.7 The impact of the utilities crisis is having a material impact to costs at the Leisure Centres. Significant efforts are being made to reduce consumption, for example reducing pool water and pool hall temperatures, installing LED lighting and PIR motion detectors, replacing some pool plant machinery and launching a 'switch it off campaign' with all staff, but forecasts still demonstrate significant financial pressure in this area.
- 5.8 The request from Freedom Leisure, consistent with their asks of their other partnering authorities, is that a separate arrangement is reached, in order to tackle the extremity of utility pricing, which is seeing unprecedented levels of increases, far beyond the standard utility risk priced into the contract.
- 5.9 In order to support the partnership on a sustained footing and continue to protect the provision of services over the medium-long term, NFDC Partnership Board representatives have concluded that an open book arrangement specific to utilities should commence for year 2 of the contract (subject to a cap of £400k), and in reflection of the forecast year 2 income position, that the management fee be waived in the year (£354k). This arrangement would override the 'Net Income Adjustment' provision as included within the contract. It has also been recommended that the Council welcome bids by Freedom Leisure to the Council's Sustainability Fund during 2022/23, to further reduce utility consumption and therefore reduce overall Carbon emissions across the Council's wider estate.
- 5.10 This clear and structured support package will give Freedom Leisure the assurance it needs to plan strategically for a full service recovery over a longer period than originally anticipated.

	£'000
Utilities Contribution	400
Management Fee Waiver Yr 2	354
Overall Value of Financial Support	<u>754</u>

- 5.11 Freedom Leisure will still have a residual operating deficit to address in year 2 (i.e. their share of the overall forecast variation). Based on the forecasts used in discussions to date, this residual 'gap' equates to approximately £770,000. They will need to mitigate this in pricing and staffing and are considering specific adjustments to underutilised activities and products. This is exactly what NFDC would be required to do if the service were still in-house. With the revised partnership model as it is, the responsibility to see through these changes and make these decisions rests with Freedom Leisure; an organisation dedicated to the Leisure industry with over 100 sites within their management.

The Impact to the NFDC Budget

- 5.12 The Council's budget for 2022/23 included a £475,000 contingency, on the basis that the 'Net Income Adjustment' provision was included within the contract. In summary terms then, the £754k support package is largely offset by the £475k budget already built into 2022/23, **leaving £279,000 as unfunded** and so subject to a supplementary budget request.
- 5.13 The Council's balanced budget for 2022/23 included savings as a result of the new partnership arrangement of £530,000. In agreeing to the support as outlined above, the Council will still realise a net year 2 contractual saving of (£530,000 - £279,000) £251,000.
- 5.14 Had the operational transfer to Freedom Leisure not completed, the Council alone would be facing the financial challenge of an income shortfall of some £1M, and the forecast expenditure pressures of some £500k.
- 5.15 Figures quoted in paragraphs 5.1 to 5.11 are based on the Freedom contract financial year of July to June but the Council's budgets are based April to March. The impact of the supplementary budget required on the Council budget across the 2 financial years is therefore:

	2022/23	2023/24
	£'000	£'000
Utilities Contribution	300	100
Management Fee Waiver Yr2	246	108
Total Additional Cost	546	208
Less 2022/23 Budget Contingency	(475)	-
Supplementary Budget Request	71	208

- 5.16 The contract will continue to be monitored closely throughout year 2, and Freedom Leisure are well aware of the need to put the operating position on the footing consistent with the contractual arrangements as soon as practically possible.

6. GENERAL FUND REVISED PROJECTION

- 6.1 A General Fund budget of **£20.674 million** for 2022/23 was agreed by Council in February 2022.
- 6.2 Provision was included within the original 2022/23 budget for a 2% pay award and an additional £300,000 was built in to accommodate a wider pay review. The budget was set before details of cost of living increases were clear. Current negotiations suggest that a higher increase may be likely, but until a settlement is reached no additional budget is being built in at this time.
- 6.3 Rephasing of projects totalling £443,000 (General Fund impact of £393,000, HRA £50,000) has occurred from 2021/22, principally relating to;
- ICT Work Programme £200,000,
 - Appletree Court Emergency Power Supply £38,000,
 - Stillwater Park Maintenance £66,000,
 - Community Grants £77,000; and
 - Community Safety Grant £33,000.

- 6.4 In addition to the **Utilities (£305k)**, **Fuel (£297k)**, **Refuse & Recycling sacks (£70k)** and **Health and Leisure Centres (£71k)** increases detailed in paragraphs 4 and 5, new expenditure requirements are £201,000 and forecast net income increases are £330,000. The variations are set out in the following paragraphs.
- 6.5 **Economic Development (£50,000)** – The second-year contribution of £50,000 will be made by the Council to support the delivery of the Solent Freeport.
- 6.6 **Refuse & Recycling (net -£225,000)** – Additional recycling income of £300,000 on garden waste (£100,000), glass (£125,000) and dry mixed recyclables (£75,000) is anticipated but this is partially offset by additional staffing costs of £75,000 for additional garden waste loaders.
- 6.7 **Car Parking (£34,000)** – Business Rates Transitional relief has been removed on the car park in St Thomas Street, resulting in additional costs of £34,000.
- 6.8 **Dibden Golf Centre (-£30,000)** – On 1 June 2022 Cabinet approved updated funding arrangements with Mytime Active. The agreed final rent reduction is now being reflected in the 2022/23 budget.
- 6.9 **Health and Leisure Centres Year 1 (£32,000)** – Paragraph 5.3 of this report identifies a funding requirement of £32,000 for year 1 of the leisure contract that was not allowed for in 2021/22. This will now need to be funded from reserves in 2022/23.
- 6.10 **Planning Appeals (£33,000)** – Planning appeal costs of £33,000 have been incurred to date.
- 6.11 **Staffing (-£100,000)** – Vacancies inevitably occur across the Council, often with time delays in recruiting replacement employees; a vacancy saving adjustment factor is built into service budgets. Vacancy savings, one-off to 2022/23, above the adjustment factor are currently being reported in the Planning and Revenues & Benefits teams (£100,000).
- 6.12 **Electoral and New Council Arrangements (£77,000 22/23, £100,000 23/24)** – a project budget of £177,000 was reported to the Cabinet in May 2022 to accommodate resources required to deliver the changes arising from the Electoral Review, the introduction of new election legislation and the 2023 elections and supporting governance arrangements. This budget will span 2 financial years, and is currently being split £77,000 to 2022/23, and £100,000 to 2023/24.
- 6.13 The overall impact of all variations results in an updated General Fund Budget of **£21.288 million**; an increase of £614,000 from the original estimate The revised General Fund Budget for 2022/23 can be seen at Appendix 1, with further details on the variations being reported included within Appendix 2.
- 6.14 Initially the adverse variations will be met through reserves. Work will commence over the Summer on mitigations to offset the variations, with a view to bringing the forecast outturn for the 2022/23 financial year back more closely aligned with the original budget expectation. Progress will be reported back to the Cabinet within the next Financial Monitoring Report.

7. CAPITAL EXPENDITURE (General Fund and Housing Revenue Account)

7.1 A Capital Programme budget of **£42.074 million** for 2022/23 was agreed by Council in February 2022.

7.2 The latest forecast confirms variations totalling £700,000 and net rephasings into 2023/24 of £1.706 million. The main variations are summarised below:

Variations £700,000

- Open space Schemes – Developers’ Contributions funding totalling £700,000 has been granted for Long Lane Ringwood (£435,000) and Ashley Recreation Ground (£265,000). These were originally approved by Council in 2015 but budget is only included in the detailed capital programme when they come to fruition, due to uncertainty about timing of project delivery.

Rephasings -£1,706,000

- Coast Protection Regional Monitoring Programme (£172,000)
- Lymington Quay Public Conveniences (£142,000)
- Health and Leisure Centres (£2,014,000)
- Vehicles & Plant Replacement Programme rephased to 2023/24 (-£1,281,000)
- ICT Work Programme (£75,000)
- Industrial site – Crow Lane (£672,000)
- Hardley Depot rephased to 2023/24 (-£3,500,000)

7.3 The changes, as above, result in an updated Capital Programme Budget of **£41.068 million** (Appendix 3).

7.4 The vehicle and plant rephasings are largely due to ongoing issues with the supply chain. This will also impact on the 2023/24 programme, which will need to be reworked as part of the Medium-Term Financial Planning cycle, as it is anticipated that costs on the rephased vehicles will have increased.

8. HOUSING REVENUE ACCOUNT

8.1 After allowing for contributions of £200,000 from earmarked reserves for the Housing ICT system replacement and Stock Condition Survey work, a break-even HRA budget for 2022/23 was agreed in February 2022, with a Revenue Account contribution of £9.120 million supporting the financing of the £24.900 million HRA Capital Programme.

8.2 Section 4 of this report identifies anticipated additional budget pressures of £530,000 from inflationary increases in utilities bills (£454,000) and fuel (£76,000), £14,000 of which will be absorbed within the existing capital Major Repairs budget.

8.3 Paragraph 6.3 identifies rephasing into 2022/23 of £200,000 for the ICT Work Programme. The share of this that will be allocated to the Housing Revenue Account is c£50,000.

8.4 The additional budget requirement identified in this report will initially be met from reserves, but work will continue to look to mitigate these increases from savings in other budgets and any additional income arising from the service charge review referred to in paragraph 4.4.

9. CRIME AND DISORDER / EQUALITY AND DIVERSITY/ENVIRONMENTAL IMPLICATIONS

- 9.1 There are no Crime & Disorder, Equality & Diversity or Environmental implications arising directly from this report.

10. PORTFOLIO HOLDER COMMENTS

- 10.1 The report for quarter one clearly highlights the changes in the global economy, in particular the increased cost of energy, and the knock on effect that this has on both the council and on our strategic partnerships. Because of our strong and prudent financial management, the Council is well placed to provide tailored one-off financial support to our Leisure Partner, Freedom Leisure, to help sustain the provision of the leisure centres to our residents during a challenging period faced by the Leisure industry.
- 10.2 In the short term, focusing on the direct impact to the Council's finances, we are well placed to manage the changes in our forecasts, but these inflationary pressures will require us to review our medium term financial forecasting to ensure that we continue to deliver a fully funded budget not just in the current year but also across the medium and longer term.

For Further Information Please Contact:

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Background Papers:

Cabinet 4 May 2022 -
May 2023 Elections

FINANCIAL MONITORING 2022/23

REVISED GENERAL FUND BUDGET 2022/23

	Feb-22	29-July-22			2022/23 £'000's Updated Budget
	2022/23 £'000's Original Budget	2022/23 £'000's New Variations Expend.	2022/23 £'000's New Variations Income	2022/23 £'000's New Variations Rephasings	
PORTFOLIO REQUIREMENTS					
Business, Tourism and High Streets	297	50	0	0	347
Environment and Coastal Services	4,100	389	-300	0	4,189
Finance, Investment and Corporate Services	3,778	-12	0	38	3,804
Housing and Homelessness Services	2,025	0	0	66	2,091
Leader	496	77	0	0	573
Partnering and Wellbeing	3,013	173	-30	42	3,198
People and Places	3,713	87	0	77	3,877
Planning, Regeneration and Infrastructure	2,696	-20	0	20	2,696
Multi Portfolio adjustments - To be allocated	0	235	0	150	385
	20,118	979	-330	393	21,160
Reversal of Depreciation	-1,589				-1,589
Contribution (from) / to Earmarked Revenue Reserves	-38	-35	0	-393	-466
NET PORTFOLIO REQUIREMENTS	18,491	944	-330	0	19,105
Minimum Revenue Provision	1,571				1,571
Contribution to Capital Programme Financing (RCCO)	1,750				1,750
Interest Earnings (Net)	-772				-772
New Homes Bonus	-366				-366
GENERAL FUND NET BUDGET REQUIREMENTS	20,674	944	-330	0	21,288
COUNCIL TAX CALCULATION					
Budget Requirement	20,674	944	-330	0	21,288
Less: Settlement Funding Assessment					
Lower Tier Service Grant	-179				-179
Services Grant	-276				-276
Business Rates Baseline	-3,997				-3,997
	-4,452	0	0	0	-4,452
Locally Retained Business Rates	-2,185				-2,185
Estimated Collection Fund (Surplus)/Deficit Business Rates	-199				-199
Estimated Collection Fund (Surplus)/Deficit Council Tax	-253				-253
Use of (-) Variation Reserves	0	-944	330		-614
COUNCIL TAX	13,585	0	0	0	13,585
TAX BASE NUMBER OF PROPERTIES	72,122.70				72,122.70
COUNCIL TAX PER BAND D PROPERTY	188.36				188.36
GENERAL FUND BALANCE 31 MARCH	3,000				3,000

FINANCIAL MONITORING 2022/23
 VARIATION ANALYSIS GENERAL FUND 2022/23

PORTFOLIO ADJUSTMENTS

Business, Tourism and High Streets

Solent Freeport - Cabinet report 21/03/22

Environment and Coastal Services

Refuse Collection & Recycling - Fuel price increase
 Refuse Collection & Recycling - Sacks price increase
 Recycling - Garden Waste - additional loaders/additional income
 Recycling - Glass sales income, £ per tonne higher than budget
 Recycling - Dry Mixed Recyclables income projection
 Parking - NNDR - end of transitional relief following revaluation

Finance, Investment and Corporate Services

Appletree Court Emergency Power Generator - rephasing
 Revenues and Benefits - Salary saving (vacant posts)
 Funding for a Debt Supervisor (New Forest Citizens Advice Bureau)
 Funding from Contingency re Regeneration & Growth- visioning work

Housing and Homelessness Services

Stillwater Park Maintenance

Leader

Elections and Democratic Services Project

Partnering and Wellbeing

Dibden Golf Centre - Rent income
 Health & Leisure Centres Operations Contract - YR 1
 Health & Leisure Centres Operations Contract - YR 2
 Air Pollution grant - rephasing
 Community Safety - rephasing of DCLG grant from reserve
 Public Lighting- increase in electricity costs

2022/23 £'000's New Variations Expend.	29-July-22		2022/23 £'000's Updated Budget
	2022/23 £'000's New Variations Income	2022/23 £'000's New Variations Rephasings	
50			
50	0	0	50
210			
70			
75	-100		
	-125		
	-75		
34			
389	-300	0	89
		38	
-32			
35			
-15			
-12	0	38	26
		66	
0	0	66	66
77			
77	0	0	77
	-30		
32			
71			
		9	
		33	
70			
173	-30	42	185

FINANCIAL MONITORING 2022/23

VARIATION ANALYSIS GENERAL FUND 2022/23

PORTFOLIO ADJUSTMENTS

People and Places

Grants				
Grounds Maint./Cemeteries - Fuel price increase/Red Diesel switch to White Diesel	19			
Street Scene - Fuel price increase/Red Diesel switch to White Diesel	43			
Public Conveniences - Electricity price increases	25			

Planning, Regeneration and Infrastructure

Policy - Bio diversity Grant				
Policy Atkins Rephasing				
Planning - Appeal costs	33			
Planning - Salary saving(vacant posts)	-68			
Regeneration & Growth- visioning work	15			

Portfolio adjustments - Non Direct

Offices & Depots Utilities (FIC&S Portfolio)	191			
ICT Work Programme (FIC&S Portfolio)				
Other General Fund Utilities (Various Portfolios)	19			
Other Services - fuel price increase (Various Portfolios)	25			

TOTAL PORTFOLIO ADJUSTMENTS

NON-PORTFOLIO ADJUSTMENTS

Interest Earnings				
Contribution to/from(-) Earmarked Reserves	-35			

TOTAL NON-PORTFOLIO ADJUSTMENTS

GRAND TOTAL ADJUSTMENTS (Credited to (-) / Debited from (+) Budget Reserves)

2022/23 £'000's New Variations Expend.	29-July-22		2022/23 £'000's New Variations Rephasings	2022/23 £'000's Updated Budget
	2022/23 £'000's New Variations Income	2022/23 £'000's New Variations Rephasings		
			77	
	19			
	43			
	25			
	87	0	77	164
			10	
			10	
	33			
	-68			
	15			
	-20	0	20	0
	191			
			150	
	19			
	25			
	235	0	150	385
	979	-330	393	1042
	-35		-393	
	-35	0	-393	-428
	944	-330	0	614

FINANCIAL MONITORING 2022/23		Feb-22		29-July-22	
REVISED CAPITAL PROGRAMME 2022/23		2022/23 £'000	2022/23 £'000's	2022/23 £'000's	2022/23 £'000
	Portfolio	Original Budget	New Variations Expend.	New Variations Rephasing	Updated Budget
Sustainability Fund - Unallocated	LEADER/ALL	500	-200		300
Sustainability Fund - Crow Lane Solar Panels	LEADER/ALL		200		200
Disabled Facilities Grants	HSG (GF)	1,200			1,200
South East Regional Coastal Monitoring Prog (22-27)	ENV & COAST	1,978		-203	1,775
South East Regional Coastal Monitoring Prog (18-21)	ENV & COAST			363	363
South East Regional Coastal Monitoring Prog (12-17)	ENV & COAST			12	12
Barton Horizontal Directional Drilling Trails	ENV & COAST	225			225
Milford Promenade Handrail	ENV & COAST	115			115
Hurst Spit Baech Shingle Source Study	ENV & COAST	100			100
Public Convenience Modernisation Programme	PEOPLE & PL	300	-63		237
Public Convenience Refurbishment - Lymington Quay	PEOPLE & PL		63	142	205
Health & Leisure Centres	PART & WELL			2,014	2,014
New Depot Site: Hardley	F, I & CS	4,000		-3,500	500
V&P; Replacement Programme	F, I & CS	3,081		-1,281	1,800
Smarter Working; Future Delivery	F, I & CS			75	75
Economic Sustainability & Regeneration Projects - Crow Lane Ringwood	F, I & CS	4,995		672	5,667
Open Space Schemes	P, R & I		700		700
Transport Schemes	P, R & I				
Mitigation Schemes	P, R & I	680			680
TOTAL GENERAL FUND CAPITAL PROGRAMME		17,174	700	-1,706	16,168
HRA - Major Repairs	HRA	5,500			5,500
Major Structural Refurbishments	HRA	1,000			1,000
Fire Risk Assessment Works	HRA	3,000			3,000
Estate Improvements	HRA	200			200
Development Strategy	HRA	14,200			14,200
Disabled Facilities Grants	HRA	1,000			1,000
TOTAL HRA CAPITAL PROGRAMME		24,900			24,900
GRAND TOTAL CAPITAL PROGRAMME		42,074	700	-1,706	41,068

FINANCIAL MONITORING 2022/23

REVISED HOUSING REVENUE ACCOUNT BUDGET
2022/23

	Feb-22	29-July-22	
	2022/23 £'000 Original Budget	2022/23 £'000 New Variations	2022/23 £'000 Updated Budget
INCOME			
Dwelling Rents	-28,414		-28,414
Non Dwelling Rents	-672		-672
Charges for Services & Facilities	-732		-732
Contributions towards Expenditure	-60		-60
Interest Receivable	-58		-58
Sales Administration Recharge	-33		-33
Shared Amenities Contribution	-256		-256
TOTAL INCOME	-30,225	0	-30,225
EXPENDITURE			
Repairs & Maintenance			
Cyclical Maintenance	1,196	10	1,206
Reactive Maintenance	3,648	38	3,686
Supervision & Management			
General Management	6,209	112	6,321
Special Services	1,377	367	1,744
Homeless Assistance	91	39	130
Rents, Rates, Taxes and Other Charges	81		81
Provision for Bad Debt	150		150
Capital Financing Costs - Settlement Adjustment	8,322		8,322
Capital Financing Costs - Internal Borrowing	231		231
TOTAL EXPENDITURE	21,305	566	21,871
HRA OPERATING SURPLUS(-)	-8,920	566	-8,354
Contribution to Capital - supporting Housing Strategy	9,120		9,120
HRA Total Annual Surplus(-) / Deficit	200	566	766
Use of HRA Reserve for Major Projects	-200		-200
Return to Earmarked Reserves (ICT Rephasing)			
HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT	0	566	566

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