

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Wednesday, 17 July 2024 at 10.00 am
Council Chamber - South Kesteven House, St. Peter's Hill,
Grantham. NG31 6PZ

Committee Councillor Bridget Ley (Chairman)

Members: Councillor Gareth Knight (Vice-Chairman)

Councillor Ben Green, Councillor Tim Harrison, Councillor Gloria Johnson,
Councillor Max Sawyer, Councillor Lee Steptoe, Councillor Murray Turner and
Councillor Mark Whittington

Agenda

This meeting can be watched as a live stream, or at a later date, [via the SKDC Public-I Channel](#)

1. Public Speaking

The Council welcomes engagement from members of the public. To speak at this meeting please register no later than 24 hours prior to the date of the meeting via democracy@southkesteven.gov.uk

2. Apologies for Absence

3. Disclosure of Interests

Members are asked to disclose any interests in matters for consideration at the meeting.

4. Minutes from the previous meeting

(To Follow)

To confirm the minutes of the meeting held on 27 June 2024.

Published and dispatched by democracy@southkesteven.gov.uk on 9 July 2024.

01476 406080

Karen Bradford, Chief Executive

www.southkesteven.gov.uk

5. **Updates from previous meeting** (To Follow)
6. **Announcements or updates from the Leader of the Council, Cabinet Members or the Head of Paid Service**
7. **Provisional Outturn Position Report 2023/2024** (Pages 3 - 41)
This report provides the Finance and Economic Overview and Scrutiny Committee with the details of the Council's provisional outturn position for the financial year. The report covers the following areas:
 - General Fund Revenue Budget
 - Housing Revenue Account Budget
 - Capital Programmes – General Fund and Housing Revenue Account
 - Reserves overview – General Fund and Housing Revenue Account
8. **Local Council Tax Support Scheme Proposals 2025/26** (Pages 43 - 51)
This report outlines the Council's proposed Local Council Tax Support Scheme for 2025/26 ahead of public consultation.
9. **Progress Update in respect of the construction of the Waste Depot, Turnpike Close Grantham** (Pages 53 - 57)
This report provides a progress update on the construction of the new Waste Depot at Turnpike Close, Grantham.
10. **Work Programme** (Pages 59 - 61)
11. **Any other business, which the Chairman, by reason of special circumstance decides is urgent**



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance and Economic Overview and Scrutiny Committee

Wednesday, 17 July 2024

Report of Councillor Ashley Baxter
Leader of the Council, Cabinet Member
for Finance, HR and Economic
Development

Provisional Outturn Position Report 2023/24

Report Author

Richard Wyles, Deputy Chief Executive and s151 Officer

 Richard.wyles@southkesteven.gov.uk

Purpose of Report

This report provides the Finance and Economic Overview and Scrutiny Committee with the details of the Council's provisional outturn position for the financial year 2023/24. The report covers the following areas:

- General Fund Revenue Budget
- Housing Revenue Account Budget
- Capital Programmes – General Fund and Housing Revenue Account
- Reserves overview – General Fund and Housing Revenue Account

Recommendations

That the Finance and Economic Overview and Scrutiny Committee review the provisional Revenue and Capital Outturn report and associated appendices for the financial year 2023/24.

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Connecting communities Sustainable South Kesteven Enabling economic opportunities Housing Effective council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1 The financial implications are included within the report.

Completed by: Paul Sutton, interim Head of Finance and Deputy s151 Officer

Legal and Governance

1.2 As part of good governance, it is important members are kept updated in respect of the financial position of Council expenditure during the year.

Completed by: James Welbourn, Democratic Services Manager and Deputy Monitoring Officer

2. Background to the Report

2.1 This report provides the Finance and Economic Overview and Scrutiny Committee with detail of the Council's provisional outturn position for the financial year 2023/24. Throughout the financial year the Committee has been provided with regular and comprehensive budget monitoring reports that has enabled members to be kept updated on what has been a particularly financially volatile year. Members will recall the financial year 2023/24 was anticipated to be supported by use of the Budget Stabilisation Reserve (BSR) of £1.534m which was in response to an unprecedented increase in budgets relating to utilities, inflation, material and fuel costs. These budget heading increases were as a result of external events outside of the Council's control and were considered to be temporary in their

duration. In order to ensure a balanced budget was presented to Council it was recommended that the BSR was used. As this proposal was in accordance with the reserve policy, Council approved the one-off use in order to avoid the need to significantly reduce operating expenditure.

However during the financial year, the situation gradually improved and the prudent budget increase assumptions did not materialise which has resulted in there no longer being a need for a reserve movement. This coupled with ever improving investment interest rates and therefore increasing investment income (an additional £832k General Fund during 2023/24) has resulted in an opportunity to review Budget Stabilisation Reserve and move some of the reserve balance to other uses. This is necessary due to a number of earmarked reserves being required to continue to invest in specific activities, particularly ongoing investment in the backlog maintenance of corporate assets, investment in ICT and the formation of a Flood Reserve.

3. Revenue Budget 2023/24 – General Fund

3.1 The budget set by Council on 1 March 2023 was £21.496m. Budgets have been amended as projects have commenced and these changes increased the 2023/24 budget to £23.383m. For the purposes of the outturn variance analysis, the budget carry forwards and accounting adjustments such as depreciation have been removed from this which reduces the budget for comparative purposes to £17.234m. Table 1 provides a summary of the proposed budget carry forwards.

Table 1 – General Fund Revenue Proposed Budget Carry Forwards

Project	Proposed Budget Carry Forward £'000	Funding	Commentary
Funding of Public Protection Surveys	45	2021/22 unspent grant	Request to carry over remaining budget for surveys
Funding of the Elections Act 2022 requirements	68	61k 2023/24 grant. 7k 2022/23 unspent grant	Grant received that is required to fund specific expenditure items in 2024/25
Funding for relocation of CCTV room	17	Local Priorities Reserve	Request to carry over remaining approved budget for the completion of the project
Funding of Community Fund applications	35	2023/24 unspent grant	£22k approved schemes payable in 2024/25 and £13k of Lottery SK to fund future applications

Funding of Waste Round Review	10	Workshop Reserve	Request to carry over remaining approved budget for the completion of the project
Funding of refurbishment of assets and formation of new Customer Services (revenue)	286	Budget underspend 2023/24	Request to carry over the remaining budget to meet cost of the works that will commence in July 2024
Funding of St Martin's Park Project	55	Regeneration Reserve	Request to carry over remaining budget in order to continue the progression of the project
Funding of Depot (revenue)	93	Regeneration Reserve	Request to carry over remaining approved budget for the continued development of the project
Funding of Maintenance of Assets requirements	142	Maintenance Reserve £12k Budget underspend 2023/24 £106k	Carry forward requested in order to deliver the backlog of property maintenance including car parks, leisure centres and Arts centres
Funding of the District Local Plan	64	Local Priorities Reserve	Request to carry over remaining budget in order to continue the progression of the project
Funding of Development Management projects	109	2023/24 unspent grant	Grants received that are required to fund specific expenditure items in 2024/25
Funding of the UK Shared Prosperity project	136	2023/24 unspent grant	
Funding of the 'Greening Grantham'- feasibility project	10	2023/24 unspent grant	
Funding of the Future High Street project (Revenue)	77	2023/24 underspend	Request to carry over remaining budget in order to continue the progression of the project
Funding of Climate Change Initiatives	33	Climate Change Reserve	Request to carry over remaining budget in order to complete the projects
Funding of the Rough Sleeper project	109	2023/24 unspent grant	Request to carry over remaining grant in order to fund committed spend in 2024/25
TOTAL	1,289		

3.2 The forecast outturn position as at Quarter 3 was reported to the Finance and Economic Overview and Scrutiny Committee on 20 February 2024. This report is the final report for the financial year 2023/24 and represents a summary of the outturn compared to the budgets.

3.3 The General Fund outturn position is shown in Table 2. Appendix A provides details of the significant variances which impact across all Directorates along with supporting information explaining the main variances per service area by Directorate.

Table 2 – General Fund Revenue Outturn Positions (excluding accounting adjustments within Net cost of Service)

Description	2023/24 Current Budget £'000	2023/24 Current Budget (less proposed Budget C/F and accounting adjustments) £'000	2023/24 Provisional Outturn £'000	Variance to Current Budget £'000	2023/24 Outturn Variance %
Corporate, Governance & Public Protection	4,128	3,989	3,903	(86)	(2.2%)
Finance, Property & Waste Services	11,652	9,750	8,757	(993)	(10.2%)
Growth & Culture	8,745	4,632	3,817	(815)	(17.6%)
Housing & Projects	1,685	1,566	589	(977)	(62.4%)
HRA recharge	(2,814)	(2,814)	(2,780)	34	1.2%
Drainage Rates	871	871	902	31	3.6%
Investment Income	(760)	(760)	(1,592)	(832)	(109.5%)
Net Cost of Service	23,507	17,234	13,596	(3,638)	(21.1%)

4. General Fund Capital Programme 2023/24

4.1 The budget set by Council on 1 March 2023 for the 2023/24 General Fund Capital Programme was £12.147m. Budgets have been amended as projects have commenced and these changes increased the 2023/24 budget to £21.991m. For the purposes of the outturn variance analysis, the budget carry forwards have been removed from this which reduces the budget for comparative purposes to £7.610m. Table 3 provides a summary of the proposed budget carry forwards.

Table 3 – General Fund Capital Proposed Budget Carry Forwards

Project	Proposed Budget Carry Forward £'000	Funding	Commentary
Disabled Facilities Grant	260	Housing Delivery Reserve	Completion of works committed in 23/24
CCTV	353	Local Priorities Reserve & S106	Continuation of the project
Street Scene Vehicles	178	Usable Capital Receipts	Delays in procurement 23/24
Vehicle Replacement Programme	10	Usable Capital Receipts	Underspend to support 24/25 programme
Guildhall Arts Centre Boiler	107	Property Maintenance Reserve	Continuation of the project
Guildhall Arts Centre Roof	50	Usable Capital Receipts	Continuation of the project
Changing Places	40	Grant	Continuation of the project
Long Bennington PC play equipment	27	S106	Continuation of the project
Future High Street Fund	107	Grant	Continuation of the project
UKSPF Mobile Food Hub	50	Grant	Continuation of the project
UKSPF Connected Towns	244	Grant	Continuation of the project
SK Prosperity Fund	125	Grant	Continuation of the project
Coronation Community Orchards	46	Grant	Continuation of the project
Leisure Centre Pool Covers	232	Grantham & Climate Change Reserve	Continuation of the project
St Martin's Park Stamford	10	Local Priorities Reserve	Continuation of the project
Property Maintenance	158	Usable Capital Receipts	Continuation of the project
TOTAL	1,997		

4.2 Table 4 summarises the General Fund capital outturn position as at 31 March 2024.

Table 4 – General Fund Capital Outturn Position

Directorate	2023/24 Current Budget £'000	2023/24 Budget (less C/F approved by Council Feb 2024 and proposed Budget C/F) £'000	2023/24 Provisional Outturn £'000	2023/24 Outturn Variance £'000	2023/24 Outturn Variance %
Corporate, Governance & Public Protection	1,813	1,200	1,200	0	0.0%
Finance, Property & Waste Services	12,187	2,629	2,746	117	4.5%
Growth & Culture	6,290	586	515	(71)	(12.1%)
Housing & Property	1,701	1,198	372	(826)	(68.9%)
Total Expenditure	21,991	5,613	4,833	(780)	(13.9%)
Financed By:					
Capital Grant and Contributions	9,084	2,249	1,911	(338)	
Reserves	1,460	770	601	(169)	
Useable Capital Receipts	3,223	2,370	1,952	(418)	
Borrowing	8,224	224	369	145	
Total Financing	21,991	5,613	4,833	(780)	

5. General Fund Reserves 2023/24

5.1 An integral element of the closedown procedure is to undertake a review of the usage and levels of the Council's reserves and balances. The financial statements reflect the proposed use of these, and specific details of the significant balances and reserves are set out below and detailed at Appendix C.

Table 5 – General Fund Reserves Outturn Position

Description	Actual Balance as at 31 March 2023 £'000	Provisional Movement £'000	Provisional Balance as at 31 March 2024 £'000
Revenue Reserve			
Discretionary Reserves	12,088	(1,354)	10,734
Governance Reserves	6,818	(1,251)	5,567
Grants	1,064	1,205	2,269
Working Balance*	1,986	(44)	1,942
Total GF Revenue Reserves	21,956	(1,444)	20,512
GF Capital Reserve			
Capital Reserves	3,554	(559)	2,995
Total GF Reserves	25,510	(2,003)	23,507

* this is an estimated position and will be finalised when the statement of accounts is produced.

5.2 It is recommended that £680K of the Business Rates Volatility Reserve is to be transferred to the:

- ICT reserve – increase by £200K to replenish the level of the Reserve.
- Property Maintenance Reserve - increase by £250K to respond to deliver the backlog of property maintenance including car parks, leisure centres and arts centres.
- Creation of a Flood Reserve of £30K to fund unforeseen costs in the event of extreme weather conditions.
- Creation of a Leisure Investment Reserve of £200K in order to provide one-off funding in respect of leisure initiatives.

5.3 Discretionary Reserves - Significant movements included:

- £460K capital expenditure.
- £448K revenue expenditure on ICT improvements.
- £500K repayment of LLEP funding.
- £241K to support revenue expenditure relating to property maintenance.
- £58K match funding the Future High Street project.
- New Homes Bonus funding of £459K was added to reserves.

5.4 Governance Reserves – Significant movements included:

- £27K capital expenditure within Grantham Special Expense Area (SEA).
- £117K was transferred to Stamford Town Council upon closure of the Stamford SEA.
- £662K was used to fund revenue expenditure including £375K to fund the pay award.
- A further £740K was transferred to discretionary reserves.
- £125K was transferred from the Pay Award Reserve as this is no longer required as a pay award is included within the 2024/25 budget.

5.5 Grants provided funding for £109K capital expenditure and £218K revenue expenditure. Grants received in year with balances carried forward include.

- £61K new burdens grants.
- £689K UK Shared Prosperity Fund.
- £804K to support homelessness prevention.

5.6 The working balance movement will be confirmed once all the accounting entries are complete, and the statements are completed. However, the current policy is to retain a working balance level that is 10% - 15% of net operating expenditure. The final working balance will be meeting this policy balance requirement.

5.7 Capital Reserves were used to fund £2m capital expenditure and £1.4m was received from the sale of Council assets. This related to the sale of the former Offices at St Peter's Hill Grantham and the receipts from sales of end of life vehicles and other surplus assets.

6. Revenue Budget 2023/24 – Housing Revenue Account

6.1 The budget set by Council on 1 March 2023 resulted in a surplus of £6.9m. This surplus is used to provide funding for the external loan and to enable reserve levels to be maintained that subsequently fund the capital programme and service improvements. For the purposes of the outturn variance analysis the budget carry forwards have been removed and the actual surplus for the year is £6.95m. The surplus is fully utilised to fund future investment in stock growth and property maintenance. Table 6 provides a summary of the proposed budget carry forwards.

Table 6 – HRA Revenue Proposed Budget Carry Forwards

Project	Proposed Budget Carry Forward	Funding	Commentary
Funding of Stock condition surveys	90	Budget underspend 2023/24	Request to carry over underspend for completion of the project in 2024/25
Earlesfield Project	97	HRA Priorities Reserve & Budget underspend 2023/24	Request to carry over underspend for completion of the project in 2024/25
Earlesfield – Community Centre	80	HRA Priorities Reserve	Request to carry over underspend for completion of the project in 2024/25
Total	267		

6.2 Table 7 shows the HRA revenue outturn position for 2023/24 and shows the variance comparison between budget and provisional outturn.

Table 7 – HRA Revenue Outturn Position 2023/24

Description	2023/24 Current Budget £'000	2023/24 Current Budget (less proposed Budget C/F) £'000	2023/24 Provisional Outturn £'000	2023/24 Variance £'000	2023/24 Variance %
					%
Expenditure					
Repairs and Maintenance	9,756	9,614	10,485	871	9.1%
Supervision and Management - General	2,674	2,549	2,453	(96)	(3.8%)
Supervision and Management - Special	2,035	2,035	1,870	(165)	(8.1%)
Depreciation and Impairment of Fixed Assets	35	35	40	5	14.3%
Debt Management Expenses	3,944	3,944	4,651	707	17.9%
Provision for bad debts	394	394	394	0	0.0%
Other Expenditure (Pension Deficit) **	66	66	0	(66)	(100.0%)
Support recharge from General Fund	2,814	2,814	2,780	(34)	(1.2%)
Total Expenditure	21,718	21,451	22,673	1,222	5.7%
Income					
Dwelling Rents	(27,283)	(27,283)	(26,824)	459	1.7%

Non-Dwelling Rents	(300)	(300)	(282)	18	6.0%
Charges for Services and Facilities	(750)	(750)	(826)	(76)	(10.1%)
Other Income	(70)	(70)	(13)	57	81.4%
Total Income	(28,403)	(28,403)	(27,945)	458	1.6%
Net Cost of HRA Services	(6,685)	(6,952)	(5,272)	1,680	
Interest Payable and Similar Charges	2,238	2,238	2,237	(1)	
Interest and Investment Income	(660)	(660)	(2,301)	(1,641)	
Investment Property Inc & Exp *	0	0	(24)	(24)	
Net (Gain)/loss on sale of HRA Assets *	0	0	(371)	(371)	
External Grant Funding	0	0	(6)	(6)	
Capital receipts pooling *	0	0	0	0	
Accumulated Absences	0	0	14	14	
HRA (Surplus)/Deficit	(5,107)	(5,374)	(5,723)	(349)	

* Accounting adjustment reversed out on the HRA balance.

** Costs in relation to pension deficit are charged at service level.

7. HRA Capital Programme 2023/24

7.1 The budget set by council on 1 March 2023 for the 2023/24 HRA Capital programme was £18.497m. Budgets have been amended as projects have commenced and these changes increased the 2023/24 budget to £25.649m. For the purposes of the outturn variance analysis, the budget carry forwards have been removed from this which reduces the budget for comparative purposes to £25.472m. Table 8 provides a summary of the proposed budget carry forwards.

Table 8 – HRA Capital Proposed Budget Carry Forwards

Project	Proposed Budget Carry Forward	Funding	Commentary
Housing System Enhancements	116	HRA Priority Reserve	Request to carry over underspend for completion of the project in 2024/25
Choice Based Lettings	59	HRA Priority Reserve	Request to complete system enhancements
New Build Programme	1,000	Useable Capital Receipts	Request to carry over underspend for completion of the project in 2024/25
Local Authority Housing Fund	622	Grant	Request to carry over underspend for completion of

			the project in 2024/25
Passenger Lifts	556	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
Fire Prevention	625	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
Compliance Works	99	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
Bathroom Refurbishments	132	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
Fencing	262	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
External Wall Finishes	101	Major Repairs Reserve	Request to carry over underspend for continuation of the project in 2024/25
Total	3,572		

7.2 Table 9 summarises the HRA capital outturn position as at 31 March 2024.

Table 9 – HRA Capital Outturn Position

Capital Scheme	2023/24 Current Budget £'000	2023/24 Budget (less C/F approved by Council Feb 2024 and proposed Budget C/F) £'000	2023/24 Provisional Outturn £'000	2023/24 Outturn Variance £'000	2023/24 Outturn Variance %
Energy Efficiency Initiatives	5,474	5,474	2,576	(2,898)	(52.9%)
ICT	740	565	565	0	0.0%
Repair Vehicles	81	19	19	0	0.0%
New Build Programme	5,500	4,500	1,173	(3,327)	(73.9%)
LAHF	4,483	3,861	3,861	0	0.0%
Refurbishment & Improvement	9,071	7,181	7,765	584	8.1%
Physical Disabled Adaptations	300	300	314	14	4.7%
Total Expenditure	25,649	21,900	16,273	(5,627)	(25.7%)
Financed By:					
HRA Capital Receipts Reserve	5,500	4,500	1,160	(3,340)	
Grants & Contributions	2,985	2,363	3,577	1,214	
HRA Improvement Reserve	4,465	4,290	2,054	(2,236)	
Major Repairs Reserve	12,699	10,747	9,482	(1,265)	
S106	0	0	0	0	
Total Financing	25,649	21,900	16,273	(5,627)	

7.3 Appendix E provides a detailed table of the HRA capital programme outturn positions together with significant variances.

8. HRA Reserves 2023/24

Table 10 – HRA Reserves Outturn Position

Description	Actual Balance as at 31 March 2023 £'000	Net Provisional Movement £'000	Provisional Balance as at 31 March 2024 £'000
Revenue Reserve			
HRA Priorities Reserve	14,784	(3,407)	11,377
HRA Climate Reserve	0	100	100
LAHF	630	38	668
Working Balance*	1,762	505	2,267
Total HRA Revenue Reserves	17,176	(2,764)	14,412
HRA Capital Reserve			
HRA Capital Receipts Reserve	12,155	744	12,899
Major Repairs Reserve	19,553	(2,291)	17,262
Total HRA Capital Reserves	31,708	(1,547)	30,161
Total HRA Reserves	48,884	(4,311)	44,573

* this is an estimated position and will be finalised when the statement of accounts are produced.

- 8.1 An integral element of the closedown procedure is to undertake a review of the usage and levels of the Council's reserves and balances. The financial statements reflect the proposed use of these, and specific details of the significant balances and reserves are set out below.
- 8.2 HRA Priorities Reserve movements:
 - £2.054m has been used from this reserve to fund capital programme projects improving HRA IT systems and match funding the LAHF grant to enable the purchase of 21 houses.
 - £0.5m was used to support revenue expenditure including:
 - £250K for continuing works on the Earlesfield Estate,
 - £150K to fund additional costs associated with the annual pay award
 - £90K for the relocation of the depot to Turnpike Close
 - £22K to begin improvements to the West Grantham Community Centre.
 - A new HRA Climate Reserve has been established in the sum of £100K which has been transferred from the HRA Priorities Reserve.

- 8.3 The LAHF Reserve holds the Local Authority Housing Fund grant awarded to the Council in 2023/24 which will be used to fund capital expenditure in fulfilment of the grant conditions in 2024/25.
- 8.4 HRA Working Balance - This balance serves the same purpose as the General Fund Working Balance in that it is established to respond to unforeseen financial events that occur during the financial year. The Council policy is to aim to keep the working balance at approximately 10% of the operating expenditure. This is a provisional balance as the statement of accounts is still being finalised.
- 8.5 HRA Capital Receipts Reserve – The Council has established a capital receipts reserve where the ‘Right to Buy’ sale receipts are allocated. During the year £1.904m receipts have been received with 25 right to buy sales (compared to 42 RTB sales in 2022/23). £1.160m of the reserve has been used to contribute towards the financing of the capital programme. This reserve will continue to be utilised to contribute to the provision of affordable housing and the provision of additional Council housing stock.
- 8.6 Major Repairs Reserve – This reserve has been decreased by £2.291m, in accordance with the HRA business plan an annual allocation is required in order to provide sustainable funding for the HRA capital programme. To provide financing for the future programme an allocation of £7,192m has been utilised. This will continue to be the primary financing for the housing improvement elements of the Capital Programme.

9. Reasons for the Recommendations

- 9.1 Members should be kept updated on the financial position of the Authority, as effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council’s priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.
- 9.2 This report provides an overview of the provisional outturn financial position for the Council for 2023/24.

10. Other Options Considered

- 10.1 In accordance with the Constitution Cabinet is required to approve budget carry forwards and there are a number of recommendations to the Governance & Audit Committee.

11. Consultation

11.1 The Outturn report has been presented to Cabinet for its consideration and in order for it to make specific recommendations to the Governance and Audit Committee.

12. Appendices

- 12.1 Appendix A – 2023/24 General Fund Significant Variance Analysis
- 12.2 Appendix B – 2023/24 General Fund Capital Programme – Outturn
- 12.3 Appendix C – 2023/24 General Fund Reserves Statement
- 12.4 Appendix D – 2023/24 HRA Revenue Significant Variance Analysis
- 12.5 Appendix E – 2023/24 HRA Capital Programme – Outturn

Appendix A

2023/24 General Fund Revenue Significant Variance Analysis

General Fund Revenue – Significant Variances Commentary

Explanation of Significant Variances	£'000
Utilities – Electricity & Gas The budget assumptions that were built into 2023/24 were greater than the actual increases that were experienced during the year. This, coupled with competitive prices that were secured via our supplier procurement framework. This has resulted in an overall underspend of £757k	(757)
Business Rates Following a review of property rateable values, a number have reduced by the Valuation Office Agency resulting in an underspend for 2023/24.	(136)
Fuel A reduction in predicted price increases has resulted in an overall underspend of £173k for 2023/24. The budget was set using an average unit price of 146p per litre but actual prices in year have been between 105p and 130p per litre.	(173)
Salary vacancy factor The Council's salary budgets are prepared with an assumed 3% vacancy factor in order to reflect the turnover of staffing during a financial year. The Council has experienced a positive stable workforce during the year and therefore the overall vacancy factor has not been achieved. This will be reviewed as part of the budget setting for 2024/25.	452
Investment Income Base rate changes have resulted in an increase on the interest rates available for investments. The Council is now able to secure investment interest rates above 5% compared with the budgeted rate of 4%.	(832)

Corporate, Governance & Public Protection Service						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Corporate Management	470,500	(1,750)	468,750	492,204	23,454	5.0%
Human Resources & Organisational Development	450,860	(7,100)	443,760	383,264	(60,496)	(13.6%)
Legal & Democratic	2,078,341	(400,391)	1,677,950	1,736,096	58,146	3.5%
Ops & Public Protection Mgmt	98,900	0	98,900	103,373	4,473	4.5%
Public Protection	1,763,400	(463,800)	1,299,600	1,188,004	(111,596)	(8.6%)
TOTAL	4,862,001	(873,041)	3,988,960	3,902,942	(86,018)	(2.2%)

Explanation of Significant Variances	£'000
Human Resources & Organisational Development	(60)
Training – There has been a positive shift towards an in-house training offer and this has resulted in an overall underspend.	
Legal & Democratic	58
Land Charges - A reduction in official searches based on previous years has resulted in an under recovery of income of £90k. This has been partially mitigated by transition funding in relation to the migration of land registry to His Majesty's Land Registry national platform as work on this project has been contained within the existing staffing budget.	
Public Protection	(112)
A number of in year vacancies within the service area have resulted in an underspend of £74k. Permanent recruitment has been undertaken for the majority of these roles.	

Finance, Property & Waste Services						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Community Engagement	311,600	(19,000)	292,600	261,338	(31,262)	(10.7%)
Finance	1,709,833	(171,250)	1,538,583	1,724,821	186,238	12.1%
Finance Management	261,292	(16,850)	244,442	269,577	25,135	10.3%
ICT Services	2,186,209	(41,750)	2,144,459	2,194,920	50,461	2.4%
Property Services	4,245,903	(2,482,165)	1,763,738	907,378	(856,360)	(48.6%)
Revenues, Benefits, Customer & Community Services	18,795,100	(18,127,050)	668,050	752,457	84,407	12.6%
Waste Depot	177,000	0	177,000	36,130	(140,870)	(79.6%)
Waste & Markets	5,536,510	(2,615,000)	2,921,510	2,610,295	(311,215)	(10.7%)
TOTAL	33,223,447	(23,473,065)	9,750,382	8,756,917	(993,465)	(10.2%)

Explanation of Significant Variances		£'000
Finance		186
The annual insurance renewal has been procured below the budgeted level resulting in an underspend of £33k.		
Further procurement support has incurred additional costs of £25k.		
External audit costs have increased by £116k due to the complexity of the scope of audit now required. The audit fees are set by the Public Sector Audit Appointments, so the Council does not have control over the charges that are incurred.		
There has been a requirement for an in-year insurance provision increase for additional claims for £110k.		
No further salary award payments were made following the national settlement and as such, there is a reduction in the required approved funding of £86k.		
The corporate restructure implemented on 1 October 2023 has resulted in a gross saving of £88k.		
ICT Services		50
Costs for additional data links to the new Council offices have been mitigated by roles remaining vacant whilst the service area has undergone structure changes.		

There has been a number of licences which have had price increases above that budgeted. Budgets have been re-based for 2024/25 where applicable.	
Property Services Utilities – There have been significant savings achieved in respect of electricity, gas and Business rates. Car parking income has increased by £129k against budgeted levels with an increase particularly in all day parking sessions at St Leonards Street, Stamford and Welham Street, Grantham.	(856)
Revenues, Benefits & Customer Services The number of summonses being issued has reduced and the summons cost the Council is able to charge has been reduced by Government which have resulted in a net reduction in court cost income of £66k. Further audit work undertaken within the service area has increased costs by £55k and there have been a number of other minor variances.	84
Waste Depot The remaining approved revenue budget of £141k will be carried forward to contribute towards the costs that will be incurred as the project progresses.	(141)
Waste & Markets Commercial Waste - (net additional income £120k) additional income of £186k has been forecast because of in year price increases and continued growth in the customer base since the budget was set. The customer base has now stabilised with little capacity for further growth without significant additional investment in the service. Garden Waste - Additional income of (£65k) has been received with 30,575 households renewing their subscription for 2023/24 (29961 at this point last year) and 823 new households joining the service.	(240)

Growth & Culture						
Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Arts & Culture	1,918,616	(1,070,250)	848,366	643,444	(204,922)	(24.2%)
Building Control	1,018,000	(859,400)	158,600	85,773	(72,827)	(45.9%)
Communications	335544	(4,300)	331,244	278,269	(52,975)	(16.0%)
Culture & Leisure Mgmt	304,134	0	304,134	307,178	3,044	1.0%
Development & Policy	1,762,266	(1,453,100)	309,166	(10,069)	(319,235)	(103.3%)
Economic Development	1,142,387	(1,491,687)	(349,300)	(302,634)	46,666	(13.4%)
Growth Management	241,700	0	241,700	251,983	10,283	4.3%
Leisure	814,900	(145,550)	669,350	415,043	(254,307)	(38.0%)
Parks & Open Spaces	541,075	(121,450)	419,625	661,055	241,430	57.5%
Street Scene	1753750	(54,500)	1,699,250	1,487,280	(211,970)	(12.5%)
TOTAL	9,832,372	(5,200,237)	4,632,135	3,817,321	(814,814)	(17.6%)

Explanation of Significant Variances	£'000
Arts & Culture There has been a modest reduction in cinema activity which has seen a reduction of screenings from 591 screenings to 392 screenings. This is in line with the national picture for cinema operators. This reduction in income has been partially mitigated by a related reduction in casual staff wages. Utilities – A reduction in the utility costs has resulted in a budget underspend of £173k.	(205)
Building Control Vacancies held in year due to the current economic climate have mitigated the loss of fee income received.	(73)
Communications Establishment roles remaining vacant in-year due to a service area restructure has resulted in underspends.	(53)

Development & Policy	(319)
Statutory planning application fees increased in Quarter 4 by 25% and 35% for Major applications. Additionally, the Council has received several major planning applications in the last quarter including two solar farms which has increased the planning income by £281k. In year vacancies have resulted in an underspend of £54k.	
Leisure	(254)
Grant funding of £344k has been received from Sports England – (Swimming Pool Support Fund) to contribute towards the increased utilities and pool chemical costs and was used to offset against the management fee for LeisureSK Ltd.	
Parks & Open Spaces	241
£100k of the budgeted savings were not achieved during the financial year as there are further reviews required in respect of grounds maintenance, Street Scene and Waste Services. These reviews will be undertaken during 2024/25. Assets were transferred to Stamford Town Council during 2023/24 which included the remaining special expense reserve balance of £117k. This will be funded below the net cost of service line.	
Street Scene	(211)
In accordance with the report presented to Cabinet in February 2023, £149k of establishment savings have been identified following the integration of the Grounds Maintenance and Street Cleansing teams. There have been ongoing fuel savings as referenced in the table of the Appendix.	

Housing & Projects

Service Area	Current Expenditure Budget (less Budget Carry Forwards and Accounting Adjustments)	Current Income Budget	Current Budget (less Budget Carry Forwards and Accounting Adjustments)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£	£	£	£	£	%
Centralised & Business Support	481,700	(3,200)	478,500	485,131	6,631	1.4%
Corporate Projects & Performance	867,500	(140,400)	727,100	452,673	(274,427)	(37.7%)
Health & Safety	132,000	0	132,000	143,776	11,776	8.9%
Housing Services	2,103,307	(1,875,360)	227,947	(492,501)	(720,448)	(316.1%)
TOTAL	3,584,507	(2,018,960)	1,565,547	589,079	(976,468)	(62.4%)

Explanation of Significant Variances	£'000
Corporate Projects & Performance The 14 schemes within the Blue/Green Witham Corridor project have all been delivered and an independent summative assessment was completed and approved by the awarding bodies. In year secondments from within the service area and in year vacancies have increased the underspend by £42k.	(274)
Income of £22k has been received from the electric charging vehicle points within car parks.	
Housing Services Homelessness – this remains a revenue pressure due to the ongoing demand for temporary housing support. During the year the Council has received additional one-off funding which has eased the financial situation and specifically an Afghan resettlement Grant of which £695k will be carried forward into 2024/25 to continue to provide funding support.	(720)

This page is intentionally left blank

Appendix B

2023/24 General Fund Capital Significant Variance Analysis

Corporate Governance & Public Protection					
Project	2023/24 Current Budget	2023/24 Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn	Variance to Current Budget	2023/24 Outturn Variance
	£'000	£'000	£'000	£'000	%
Disabled Facilities Grant	1,460	1,200	1,200	0	0.00%
CCTV	353	0	0	0	0.00%
Total	1,813	1,200	1,200	0	0.00%

Explanation of Significant Variances (before carry forward approved)		£'000
Disabled Facilities Grant		(260)
Works were committed in 2023/24 but challenges with contractor capacity means works will be completed during the early part of the 2024/25 financial year. The full amount of the underspend has been requested as a budget carry forward.		
CCTV		(353)
Whilst this project is progressing well, there are currently final pricing revisions from BT for the upgrade of the current CCTV network. The project is scheduled to be completed during 2024/25.		

Finance, Property & Waste					
Project	2023/24 Current Budget	2023/24 Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn	Variance to Current Budget	2023/24 Outturn Variance
	£'000	£'000	£'000	£'000	%
Financial System Upgrade	274	274	306	32	11.7%
Wheelie Bin Replacements	127	127	97	(30)	(23.6%)
Trade Waste Bins	48	48	0	(48)	(100.0%)

Street Scene Vehicle Procurement	617	439	439	0	0.0%
Vehicles Replacement Programme	920	690	690	0	0.0%
Stadium - Boiler	81	81	77	(4)	(4.9%)
Bourne Leisure Centre – Boiler	98	98	98	0	0.0%
SK Community Access - Boiler	77	77	77	0	0.0%
Guildhall Arts Centre – Boiler	107	0	0	0	0.0%
Cycle Shelter & Changing	40	0	0	0	0.0%
Stamford Arts Centre – Roof	351	351	299	(52)	(14.8%)
Welham Street Car Park	345	100	121	21	21.0%
Guildhall Arts Centre – Roof	200	0	0	0	0.0%
Cattle Market, Stamford – Extension	70	20	21	1	5.0%
Property Maintenance	158	0	0	0	0.0%
Empingham Road Outdoor Gym	55	0	0	0	0.0%
Empingham Road – S106 Grants	248	20	20	0	0.0%
Depot	8,224	224	369	145	64.7%
Changing Places – South Street	40	40	67	27	67.5%
Changing Places – Abbey Gardens	40	40	65	25	62.5%
Changing Places - Stamford	40	0	0	0	0.0%
Long Bennington PC	27	0	0	0	0.0%
TOTAL	12,187	2,629	2,746	117	4.5%

Explanation of Significant Variances (before budget carry forward approved)		£'000
Street Scene Vehicle Procurement		
Due to supplier delays in delivering the vehicles during the financial year, there is a		(178)

requirement to carry the budget into 2024/25.	
Guildhall Arts Centre – Boiler Replacement	(107)
Works have been instructed but the lead in period for the boiler replacement will require the budget to be carried forward into not started in 2023/24. The project will be completed early 2024/25.	
Stamford Arts Centre – Roof Repairs	(52)
These works have been completed during 2023/24 and there a minor underspend on the roof replacement programme. provide funding for any retention remaining on the original roofing contract works.	
Guildhall Arts Centre – Roof Repairs	(50)
The contract for these works have been works have been commissioned and preparatory works are underway including we are working with external consultants to bring forward listed building consent and road closure orders. The works are scheduled to commence in September and so a budget carry forward is requested. This is in addition to the £150k carry forward already approved by Council. Prior to secondary consultation of the works with planning. This has delayed the commencement and work will now start in 2024/25 financial year. Funding to be requested to be carried forward.	
Property Maintenance	(158)
Due to the significant backlog issues facing the General Fund portfolio, it is requested that the remaining property maintenance budget is carried forward into 2024/25.	

Growth & Culture						
Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn £'000	Variance to Current Budget £'000	2023/24 Outturn Variance	
					%	
Future High Street Fund	5,190	183	183	0	0.0%	
Shop Front Scheme	125	125	19	(106)	(84.8%)	
Heritage Action Zone – Grantham	107	107	142	35	32.7%	
UKSPF – Mobile Food Hub	102	52	52	0	0.0%	

UKSPF – Connected Towns	244	0	0	0	0.0%
SK Prosperity Fund	125	0	0	0	0.0%
Gonerby Hill Foot – Play Park	119	119	119	0	0%
CLHF Orchards	46	0	0	0	0.0%
Meres Leisure Centre – Pool Covers	93	0	0	0	0.0%
Bourne Leisure Centre – Pool Covers	67	0	0	0	0.0%
Stamford Leisure Centre – Pool Covers	72	0	0	0	0.0%
Total	6,290	586	515	(71)	(12.1%)

Explanation of Significant Variances (before budget carry forward approved)	£'000
Future High Street Fund	(107)
The improvement works at Market Place Grantham is scheduled to be completed in 2024/25 and so a full underspend of budget carry to be carried forward is required.	
Shop Front Scheme	(106)
Due to ongoing negotiations with key heritage buildings located in Grantham Town Centre a budget carry forward is requested. Underspend will be requested as a budget carry forward.	
UKSPF – Mobile Food Hub	(50)
An additional grant of £50k has been received and will be used in 2024/25	
UKSPF – Connected Towns	(244)
Negotiations are currently underway with final pricing revisions from BT for the upgrade of the current CCTV network. The project is due to be completed during 2024/25 and a budget carry forward is requested.	
SK Prosperity Fund	(125)
Applications that Members have recommended and have been approved will progress into the new financial year and therefore a budget carry forward is requested.	
Leisure Centre Pool Covers	(232)
The purchase and installation of the pool covers is progressing but due to the lead in times a budget carry forward is requested of the external funding received.	

Housing & Property					
Project	2023/24 Current Budget	2023/24 Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn	Variance to Current Budget	2023/24 Outturn Variance
	£'000	£'000	£'000	£'000	%
Sustainable Warmth Grant	1,430	1,430	372	(1,058)	(74.0%)
St Martins Park, Stamford	10	0	0	0	0.0%
Decarbonisation Scheme	261		0	0	0.0%
Total	1,701	1,430	372	(1,058)	(74.0%)

Explanation of Significant Variances (before budget carry forward approved)		£'000
Sustainable Warmth Grant		(1,058)
Low take up of the scheme despite an extensive publicity campaign and a low number of applicants matching the grant criteria. However energy improvements have been carried out on 74 properties within the grant period. The unused funding will be returned to Department for Energy Security and Net Zero.		
Decarbonisation Scheme		(261)
This budget will be required for match funding as the Council was successful in securing grant funding of £3.6m for energy improvement works at the Meres Leisure Centre. A full budget carry forward to 2024/25 will be required.		

This page is intentionally left blank

General Fund Reserves 2023/24

	Description	Actual Balance as at 31 March 2023 £'000	Provisional movement £'000	Provisional Balance as at 31 March 2024 £'000
Discretionary Reserves				
1	Climate Change	331	90	421
2	Training and Development	15	0	15
3	Street Scene	331	(35)	296
4	ICT investment	499	(248)	251
5	Local Priorities Reserve	5,507	296	5,803
6	Invest to Save	816	(13)	803
7	Housing Delivery	2,105	(1,687)	418
8	Property Maintenance	1,285	(107)	1,178
9	A1 Litter	0	60	60
10	Deepings Leisure	0	850	850
11	Leisure Investment	0	200	200
12	Regeneration	1,199	(435)	764
		12,088	(1,029)	11,059
Governance Reserves				
13	Insurance Reserve	211	0	211
14	Pensions Reserve - Former Employees	277	(33)	244
15	Budget Stabilisation	3,154	(273)	2,881
16	Business Rates Volatility Reserve	2,031	(740)	1,291
17	Pay Award Reserve	500	(500)	0
18	Revenue Grants	72	92	164
19	Building Control Reserve	84	(22)	62
20	Football 3G Pitch - Meres	150	25	175
21	Special Expense Area Reserve	339	(155)	184
22	Flood Reserve	0	30	30
		6,818	(1,576)	5,242
23	Total General Revenue Reserves	18,906	(2,605)	16,301
24	Government Grants Received	1,064	1,205	2,269
25	Working Balance*	1,986	(44)	1,942
26	Total Revenue Reserves	21,956	(1,444)	20,512
Capital Reserve				
26	LAMS Reserve	18	(18)	0
27	General Fund Capital Reserve	34	18	52
28	Useable Capital Receipts Reserve	2,943	(559)	2,943
29	Total Capital Reserves	3,554	(559)	2,995
30	Total General Fund Reserves	25,511	(2,003)	23,507

*this is an estimated position and will be finalised when the statement of accounts are completed

This page is intentionally left blank

Appendix D

2023/24 HRA Revenue Significant Variance Analysis

Service Area	2023/24 Current Budget	2023/24 Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn	Variance to Current Budget	2023/24 Outturn Variance
		£			
Expenditure	21,718	21,451	22,673	1,222	5.7%
Income	(28,403)	(28,403)	(27,945)	458	1.6%
Net Cost	(6,685)	(6,952)	(5,272)	1,680	24.2%
Other Costs	1,578	1,578	(451)	(2,029)	(129.0%)
TOTAL	(5,107)	(5,374)	(5,723)	(349)	(6.5%)

Explanation of Significant Variances	£'000
Repairs & Maintenance	871
<ul style="list-style-type: none"> Void works, compliance works and heating have incurred an additional spend of £450k. Additional works required on adaptations have incurred an overspend of £88k £23k additional costs were due to the level of disrepair claims. The move to new office accommodation resulted in additional costs of £54k An additional £41k was required for software costs. During the year a temporary restructure was put in place which incurred additional costs of £41k. 	
Supervision & Management – General	(96)
£56k less expenditure on court and legal fees. £40k less on Tenancy Business IT	
Supervision & Management - Special	(165)
Due to the sheltered housing review the floor coverings budget was not required, £18k. Procurement of a window cleaning contract was delayed £30k. Lifeline costs were reduced by £45k as new systems were installed through the capital project.	
Depreciation & Impairment	707
Additional depreciation and impairment costs as a result of increased property values.	
Income	458
Void rates averaging 3% throughout the year incurred a loss of rental income circa £460k.	
Other Costs	(2,029)
Investment income - Base rate changes have resulted in an increase on the interest rates available for investments. The Council is now able to secure investment interest rates above 5% compared with the budgeted rate of 4%.	

This page is intentionally left blank

Appendix E

2023/24 HRA Capital Significant Variance Analysis

Energy Efficiency					
Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn (less Accounting Adjustments) £'000	Variance to Current Budget £'000	2023/24 Outturn Variance %
Heating & Ventilation	5,474	5,474	2,576	(2,898)	(52.9%)
Total	5,474	5,474	2,576	(2,898)	(52.9%)

Explanation of Significant Variances	£'000
Heating & Ventilation	(2,898)
During the year 202 new heating systems were installed. However, there were operational challenges with the contractor which caused a delayed start to the programme. This has resulted in a significant underspend in 2023/24 but there is sufficient budget in future years for works to be completed. In addition, delays in the contracts in connection with the Social Housing Decarbonisation Fund and asbestos surveys also resulted in an underspend in this budget line. All are on track to be delivered in 2024/25.	

ICT					
Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn (less Accounting Adjustments) £'000	Variance to Current Budget £'000	2023/24 Outturn Variance %
Housing System Enhancements	630	514	514	0	(0.0%)
Choice Based Lettings	110	51	51	0	(0.0%)
TOTAL	740	565	565	0	(0.0%)

Explanation of Significant Variances (before carry forward approved)	£'000
Housing System Enhancements	(116)
Project is due to be completed in 2024/25. Budget carry forward required for final costs.	
Choice Based Lettings	(59)
Project is due to be completed in 2024/25. Budget carry forward required for final costs.	

New Build Programme					
Project	2023/24 Current Budget	2023/24 Current Budget (less Budget Carry Forwards)	2023/24 Provisional Outturn (less Accounting Adjustments)	Variance to Current Budget	2023/24 Outturn Variance
	£'000	£'000	£'000	£'000	%
New Build Properties	5,500	4,500	1,173	(3,327)	(73.9%)
Total	5,500	4,500	1,173	(3,327)	(73.9%)

Explanation of Significant Variances (before carry forward approved)	£'000
New Build Properties	(3,327)
Whilst a number of key projects have been undertaken during 2023/24 and progress of these are presented to the Housing Overview and Scrutiny Committee regularly during the year. Budget carry forward of £1m requested for completion of the current projects. There is sufficient budget in 2024/25 for further projects.	

Local Authority Housing Fund					
Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn (less Accounting Adjustments) £'000	Variance to Current Budget £'000	2023/24 Outturn Variance %
Local Authority Housing Fund	4,483	3,861	3,861	0	0.0%
Total	4,483	3,861	3,861	0	0.0%

Explanation of Significant Variances (before carry forward approved)	£'000
Local Authority Housing Fund	(3,327)
Budget carry forward required to provide funding for the committed acquisitions of properties under the LAHF scheme	

Refurbishment & Improvements					
Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn (less Accounting Adjustments) £'000	Variance to Current Budget £'000	2023/24 Outturn Variance %
Electrical Rewires	1,369	1,369	2,217	848	61.9%
Passenger Lifts	700	144	144	0	0.0%
Alarms	125	125	160	35	28.0%
Fire Prevention	1,035	410	410	0	0.0%
Compliance Works	100	1	1	0	0.0%
Roofing	1,069	1,069	174	(895)	(83.7%)
Kitchen Refurbishments	1,119	1,119	1,375	256	22.9%

Bathroom Refurbishments	1,200	1,068	1,068	0	0.0%
Replacement Door Programme	1,014	1,014	1,200	187	18.4%
Communal Rooms	115	0	0	0	0.0%
Door Entry System	100	100	135	35	35.0%
Structural Refurbishments	150	150	268	118	78.7%
Fencing	350	88	88	0	0.0%
External Wall Finishes	625	524	524	0	0.0%
Total	9,071	7,181	7,765	584	8.1%

Explanation of Significant Variances (before carry forward approved)		£'000
Electrical Rewires		848
243 rewrites were completed during the year against a planned programme of 267. The overspend resulted from the installation of PV Panels on 122 properties relating to the Social Housing Decarbonisation Fund programme causing an overspend on this budget line however this overspend will be offset by a corresponding underspend on the heating budget programme.		
Passenger Lifts, Fire Prevention, Compliance Works, Bathroom refurbishments, Fencing and External Wall Finishes		(1,775)
All of these schemes commenced during 2023/24 and will continue into 2024/25 and therefore there is a requirement to carry forward these budgets.		
Roofing		(895)
The appointment of a contractor is currently being undertaken, as the first tender process proved unsuccessful. This has caused delays to the work programme however there is sufficient budget available in future years to fund the works.		
Kitchen Refurbishments		256
187 kitchen refurbishments have been completed during the year. The overspend is a result of higher costs due to increased specification within the Earlesfield project.		
Replacement Door Programme		187
188 replacement doors and windows have been completed during the year. The overspend is a result of higher costs due to increased specification within the Earlesfield project.		
Structural Refurbishments		118
Full structural surveys have been carried out on various defective properties throughout the district. This led to essential works that were greater than the budget which resulted in an overspend.		

Other Works

Project	2023/24 Current Budget £'000	2023/24 Current Budget (less Budget Carry Forwards) £'000	2023/24 Provisional Outturn (less Accounting Adjustments) £'000	Variance to Current Budget £'000	2023/24 Outturn Variance
					%
Physical Disabled Adaptations	300	300	314	14	4.7%
Total	300	300	314	14	4.7%

This page is intentionally left blank



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance and Economic Overview and Scrutiny Committee

Wednesday, 17 July 2024

Report of Councillor Ashley Baxter,
Cabinet Member for Finance, HR and
Economic Development

Local Council Tax Support Scheme Proposals 2025/26

Report Author

Claire Moses, Head of Service (Revenues, Benefits Customer and Community)

✉ claire.moses@southkesteven.gov.uk

Purpose of Report

This report outlines the Council's proposed Local Council Tax Support Scheme for 2025/26 ahead of public consultation.

Recommendations

That the Finance and Economic Overview and Scrutiny Committee:

- 1. Note the content of the report.**
- 2. Offers comment and feedback on the proposal of a 'no change' Local Council Tax Support Scheme 2025/26 for stakeholder consultation.**
- 3. Approves the areas for stakeholder consultation as detailed in the report (paragraphs 2.14 to 2.25).**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Enabling economic opportunities Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The actual cost of the current year's scheme will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year as well as the levels of Council Tax set by the District Council and the major precepting authorities.
- 1.2 The estimated cost of the scheme, based on current caseload, is taken into consideration when calculating the Council's tax base for the financial year and will impact on the estimated Council Tax yield for the year. Any difference in the actual cost of the discount scheme to that estimated in the tax base calculation will be accounted for within the Collection Fund and will be considered when future years surpluses or deficits are declared.

Completed by: Richard Wyles, Deputy Chief Executive and Section 151 Officer

Legal and Governance

- 1.3 The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, laid before Parliament on 22nd November 2012, set out the regulations for a default scheme and this was adopted by the Council subject to local policy needs in January 2013. The Secretary of State has issued amendment regulations setting out some changes that must be adopted by the Council for pensioners and the Council had also decided in 2013 to keep the schemes allowances and premiums in line with those for Housing Benefit for working age claimants. These are incorporated into amendments to the local scheme for approval by the Council.

- 1.4 The regulations for the scheme proposed to be adopted are to be collated and made available for Council in January 2025.

Completed by: Graham Watts, Monitoring Officer

Risk and Mitigation

- 1.5 The Council, and other preceptors, bears the risk of the cost of the Council Tax Support scheme if an increase in caseload causes costs to increase beyond predictions.
- 1.6 Any revisions to the scheme must be approved by 31 January 2025.

Completed by: Tracey Elliott, Governance & Risk Officer

Diversity and Inclusion

- 1.7 An Equality Impact Assessment will be undertaken as part of the ongoing process, dependent upon the options recommended for consultation. It is expected that any changes to the current scheme that reduce the current maximum award of support will have an adverse impact on specific household income. Whilst this impact would not be related to any specific, protected characteristic identified in law, we are mindful of socio-economic impact, as a specifically mentioned area for consideration in the Equality Act 2010, and will give due regard as part of the equality impact assessment.

Completed by: Carol Drury, Community Engagement Manager

2. Background to the Report

- 2.1 The Council Tax Benefit system was abolished on 31 March 2013 and replaced by the Local Council Tax Support Scheme (LCTSS). This scheme can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders, and residents. There are currently 7,172 residents claiming LCTSS in the South Kesteven District. Of these, 3,076 are pensioners who are protected under the legislation and receive LCTSS as prescribed by the Government (broadly similar to the level of Council Tax Benefit). It is the 4,096 claimants of working age who will be affected by changes to the level of support determined by a local scheme.
- 2.2 The Council agreed to a LCTSS which came into effect on 1 April 2013. Our core scheme currently provides:
 - 80% support for working age claimants
 - 100% support for pension age claimants

2.3 The proposed scheme must follow prescribed stages as stated in the Local Government Finance Act 2012 before it can be adopted by this Council as a Billing Authority: -

Before making a scheme, the authority must (in the following order): -

- (a) consult any major precepting authority which has power to issue a precept to it;*
- (b) publish a draft scheme in such a manner as it thinks fit; and*
- (c) consult such other persons as it considers are likely to have an interest in the operation of the scheme*

2.4 There is ongoing uncertainty regarding the impact of remaining legacy benefit claimants moving to Universal Credit by the end of 2026, which resumed in May 2022. The transition date from Housing Benefit to Universal Credit has been pushed back on many occasions (nationally).

2.5 The restart follows a pause to the process during the Covid pandemic when Department for Work and Pension (DWP) staff were focussed on supporting a surge of new claimants to Universal Credit. The six benefits being replaced all have complex eligibility criteria and Universal Credit is designed to provide each claimant with individually tailored support to help them into employment.

2.6 The rollout is being managed by the DWP and started in April 2024, whereby claimants are being contact by DWP and asked to move to Universal Credit. The number of legacy customers moving over during 2024/25 is unknown, along with whether or not their entitlement to Council Tax Support will change.

2.7 A change to the Council Tax Support scheme with such uncertainties as described above could lead to customers being worse off, or a significant increase in cost to the Council.

Financial cost of the current Council Tax Support Scheme

2.8 For 2023/24, the cost of the scheme was £7,207,563. This was an increase from £6,999,604 at the same point in 2023. An increase of £207,959. The Council's share of the total cost for 2023/24 was £648,681 and the share of the increase was £58,381 (based on a 9% share).

2.9 On 1 April 2024, the cost of the 2024/25 scheme increased to £7,665,334. This is as a result of the Council Tax increase and an increase in those in receipt of the support.

2.10 During 2024, there has been a small increase in claim numbers for working age customers (as detailed in the table in paragraph 2.16). As a result, as of 28 June 2024, the cost of the LCTSS is £7,710,979. This is an increase of £45,645.

2.11 It is difficult to accurately determine the reasons for the increase in cost, however, officers have noticed an increase in contact with the Cost of Living Team and an increase in applications for Discretionary Council Tax Payments and Discretionary Housing Payments. This would indicate a downturn in economic activity and financial support for residents. Whilst this is a minor increase, it is an indication of how the financial volatility and other external factors can influence claim numbers.

2.12 Further details of caseload increase are shown in the table below:

1st of month	Working age	Pension age	Total
September 2019	4,190	3,451	7,641
December 2019	4,223	3,403	7,626
March 2020	4,290	3,374	7,664
June 2020	4,955	3,354	8,309
September 2020	4,950	3,320	8,270
December 2020	4,941	3,272	8,213
March 2021	4,881	3,246	8,127
June 2021	4,936	3,244	8,180
September 2021	4,611	3,205	7,816
December 2021	4,387	3,197	7,584
March 2022	4,388	3,164	7,552
June 2022	4,356	3,162	7,518
September 2022	4,209	3,157	7,366
December 2022	4,114	3,150	7,264
March 2023	4,094	3,141	7,235
June 2023	4,113	3,133	7,246
September 2023	4,001	3,115	7,116
December 2023	4,014	3,090	7,104
March 2024	4,046	3,082	7,128
June 2024*	4,096	3,076	7,172

* As of 28 June 2024

South Kesteven District Council Local Council Tax Support Scheme – 2024/25

2.13 The Council's local scheme has been updated with amendments since the introduction in April 2013 to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme.

Restrictions for working age customers – effective from 1 April 2013:

2.14 The current scheme has the following restrictions for working age customers:-
Maximum entitlement capped to 80%

Council Tax technical restrictions – effective from 1 April 2013 (and onwards)

2.15 The current scheme also has the following amendments to Council Tax technical restrictions for all Council Taxpayers as a result of changes to legislation: -

- Introduction of changes to the properties which are unoccupied and unfurnished: -
 - 100% discount for one month;
 - 25% discount for the following 5 months;
 - 100% charge thereafter.
- Introduction of additional premiums to properties empty over 2 years, plus the original charge: -
 - 200% premium – empty between 2 and 5 years.
 - 300% premium – empty between 5 and 10 years.
 - 400% premium – empty over 10 years.
- Unoccupied discount of 100% for the first month.

Council Tax Exemption for care leavers – effective from 1 April 2019:

2.16 In 2019/20, a scheme was approved for a local discretionary Council Tax exemption of up to 100% for care leavers aged 18 to 21 years, with the exemption ending on each individual's 22nd birthday.

2.17 The scheme was amended for 2021/22 and the age limit was increased to 24 years of age, with the discount ending on each individual's 25th birthday.

Special Constabulary Council Tax Discount Scheme – effective from 1 April 2022:

2.18 This scheme was first introduced on 1 April 2022. The award of the discount is retrospective; therefore the discount was awarded for the financial year 2021/22.

2.19 In the financial year (2023/24), the discount has been awarded to only one Special Constable. The amount awarded was £480.31.

2.20 The scheme has now closed for the financial year (2023/24) as the application deadline was 30 April 2024.

Continuation of the War Pension and Armed Forces Compensation Disregard for Housing Benefit and Council Tax Support – effective from 1 April 2024:

2.21 Section 134 8(a) of the Social Security Administration Act 1992, allows local authorities to modify any part of the Housing Benefit scheme to provide for the disregarding of prescribed war disablement pensions or war widows' pensions.

2.22 South Kesteven District Council has applied a disregard of 100% through Officer Delegated Decision. However, as a result of the 2021/22 Housing Benefit audit, a recommendation was taken forward for the Council Tax Support and Housing

Benefit War Pension and Armed Forces Compensation Disregard to be included as part of this consultation and decision making process and was first brought to this Committee for inclusion in consultation in July 2023, for the 2024/25 scheme.

The alignment of the value of the capital tariff limit and disregard for working age claimants to the pension age claimant values – effective from 1 April 2024:

- 2.23 This was first brought to this Committee for inclusion in consultation in July 2023, for the 2024/25 scheme.
- 2.24 As part of the consultation, it was proposed the capital tariff limit and disregard for working age claimants be aligned to that of the pension age claimant values with effect from 1 April 2024 – these being a capital tariff of £1 for every £500, and a disregard of £10,000.
- 2.25 As a result of consultation, and the approval of the 2024/25 scheme, the alignment was introduced from 1 April 2024.

Government led changes

- 2.26 As a billing authority, the Council can decide whether or not to amend core elements of its scheme each year.
- 2.27 There will be some technical changes that will still need to be applied to ensure that the Council's scheme complies with the Prescribed Scheme Regulations (covering Universal Credit, premiums, and discounts). These details will be announced by the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.28 Technical amendments to the scheme in relation to uprating income, applicable amounts, disregards, and allowances are to be collated once statutory details have been released by the Secretary of State; it is intended that these will be circulated to Members for consideration at the Council meeting in January 2025. There will be no change to the adopted policy in the way LCTSS is calculated for these areas. Officers have considered if there is any need for any transitional arrangements to the revised scheme and concluded transitional arrangements are not needed for the 2025/26 scheme.

Council Tax Support scheme 2025/26

- 2.29 It is proposed there are no changes to the current LCTSS for 2025/26.
- 2.30 As detailed in paragraphs 2.4 to 2.7, there are a number of uncertainties with regards to the impact of Universal Credit migration. Changes to the Council Tax Support scheme would not be accurately modelled as the number of those in receipt of Council Tax Support will fluctuate during 2024/25 and therefore would not give an accurate indication of a stable claimant base.
- 2.31 There have been a number of changes to the scheme in recent years, and whilst these have been necessary, it does mean officers and recipients need to be aware

of how the changes can affect entitlement, should there be amendments to Council Tax Support awards in previous years.

2.32 Whilst it is proposed this is a 'no change' scheme, the Council are still required to undertake a consultation process – details of which are provided in Section 6 of this report.

3. Key Considerations

3.1 These are detailed in paragraph 2.29 to 2.32 of the report.

4. Other Options Considered

4.1 No other options have been considered as it is a legal requirement for this scheme to be reviewed, consulted upon, and approved on an annual basis.

5. Reasons for the Recommendations

5.1 These are detailed in paragraph 2.29 to 2.32 of the report.

6. Consultation

6.1 The indicative timetable to approve any new discount scheme would need to be considered as part of the annual review and public consultation of the LCTSS.

6.2 The LCTSS 2025/26 will need to be considered by Council no later than 31 January 2025 as the Billing Authority is required to approve the scheme after public consultation for implementation from 1 April 2025.

6.3 If the Committee agrees with the recommendation of a no change scheme, the timetable is as follows: -

- 1 September 2024 to 31 September 2024: Public and Major Precepting Authority consultation process. The Council is required to review their current LCTSS. The proposals and recommendations will seek to ensure the Council has a robust review of its current scheme and understand the implications of adopting a new scheme.
- October 2024: Consultation analysis.
- 26 November 2024: Finance and Economic Overview and Scrutiny Committee – review the outcome of consultation and proposed scheme for 2025/26
- 16 January 2025: Cabinet – recommendation of scheme for 2025/26 for Council.
- 30 January 2025: Council – decision required: approval of final 2025/26 scheme for implementation from 1 April 2025. The Local Government Finance Act 2012 requires a full review of the scheme by the Billing

Authority. South Kesteven District Council will need to approve a new scheme after consultation by 31 January.

This page is intentionally left blank



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Finance and Economic Overview and Scrutiny Committee

17th July 2024

Report of Councillor Richard Cleaver,
Cabinet Member for Property and
Public Engagement

Progress Update in respect of the construction of the Waste Depot, Turnpike Close Grantham

Report Author

Gyles Teasdale, Head of Property and ICT

 Gyles.teasdale@southkesteven.gov.uk

Purpose of Report

This report provides a progress update on the construction of the new Waste Depot at Turnpike Close, Grantham.

Recommendations

The Finance and Economic Overview and Scrutiny Committee is asked to note the current position with respect to the delivery of the new Waste Depot Turnpike Close Grantham for the period up to 5 July 2024.

Decision Information

Is this a Key Decision?	N/a
Does the report contain any exempt or confidential information not for publication?	N/a
What are the relevant corporate priorities?	Effective Council
Which wards are impacted?	Earlesfield Ward

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 Budget approval of £8.8m has been given for this project by Council 28th September 2023 (£8m) and 29th February 2024 (£800k) and the ongoing financial updates are being presented to the Finance and Economic Overview and Scrutiny Committee.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 There are no significant legal and governance implications associated with this proposal.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

- 2.1 The Finance and Economic Overview and Scrutiny Committee (FEOSC) was provided with an update on the new Waste Depot project at the last meeting on 27th June 2024 following the decision that the Committee would be provided regular updates at each of their meetings during the project delivery phase. This report is the second of the project updates the Committee will receive following initial report to Committee at their last meeting.

Updated Timetable

The following provisional programme was presented at the June meeting of the FEOSC and this remains unchanged and is still the project timeline:

Programme Summary	
Cabinet Approval	16 th April 2024
Value Engineering Period	16 th April – 24 th May 2024
Enter into NEC4 Professional Services Contract	14 th June 2024
Progression of Stage 4 Design	17 th June – 9 th August 2024
Design Evaluation, Completion and legal preparation.	9 th August – 20 th September 2024
Construction Contract Award	27 th September 2024
Contractor mobilisation period	30 th September - 11 th October 2024
Construction Period commences	11 th October 2024
Targeted completion date	22 nd October 2025
Mobilisation Period	23 rd October 2025 – 22 nd November 25
Operational Go-live	25 th November 2025

2.2 The above table shows that works continue to be ongoing and the project is currently at the development of the RIBA Stage 4 detailed design of the construction. A value engineering (VE) exercise has been completed to identify savings necessary to reduce the project costs, which will be confirmed as part of the stage 4 design phase.

2.3 **Value Engineering Summary**

The VE focus has been targeted to ensure the scheme quality and operational practicality is not compromised and also to ensure any design changes do not conflict with the approved planning permission.

2.4 Following feedback from members at the last Committee meeting the project summary dashboard has been adapted to include key milestones, greater clarity on the current budget allocation against proposed construction cost headings and reflect the updated position in relation to the current project risks. The latest dashboard is shown at Appendix A. In summary Members feedback and

suggestions have been incorporated to provide a clearer picture of the current project status.

The dashboard provides key information relating to the project status enabling a snapshot to be provided to members of the key project challenges.

3. Key Considerations

- 3.1 This report sets out the latest position with this important project and the next stages in order to deliver the overall scheme. It is important the Committee is kept updated as the scheme progresses.

4. Other Options Considered

- 4.1 No other options are considered.

5. Reasons for the Recommendations

- 5.1 These are set out in the report.

6. Background Papers

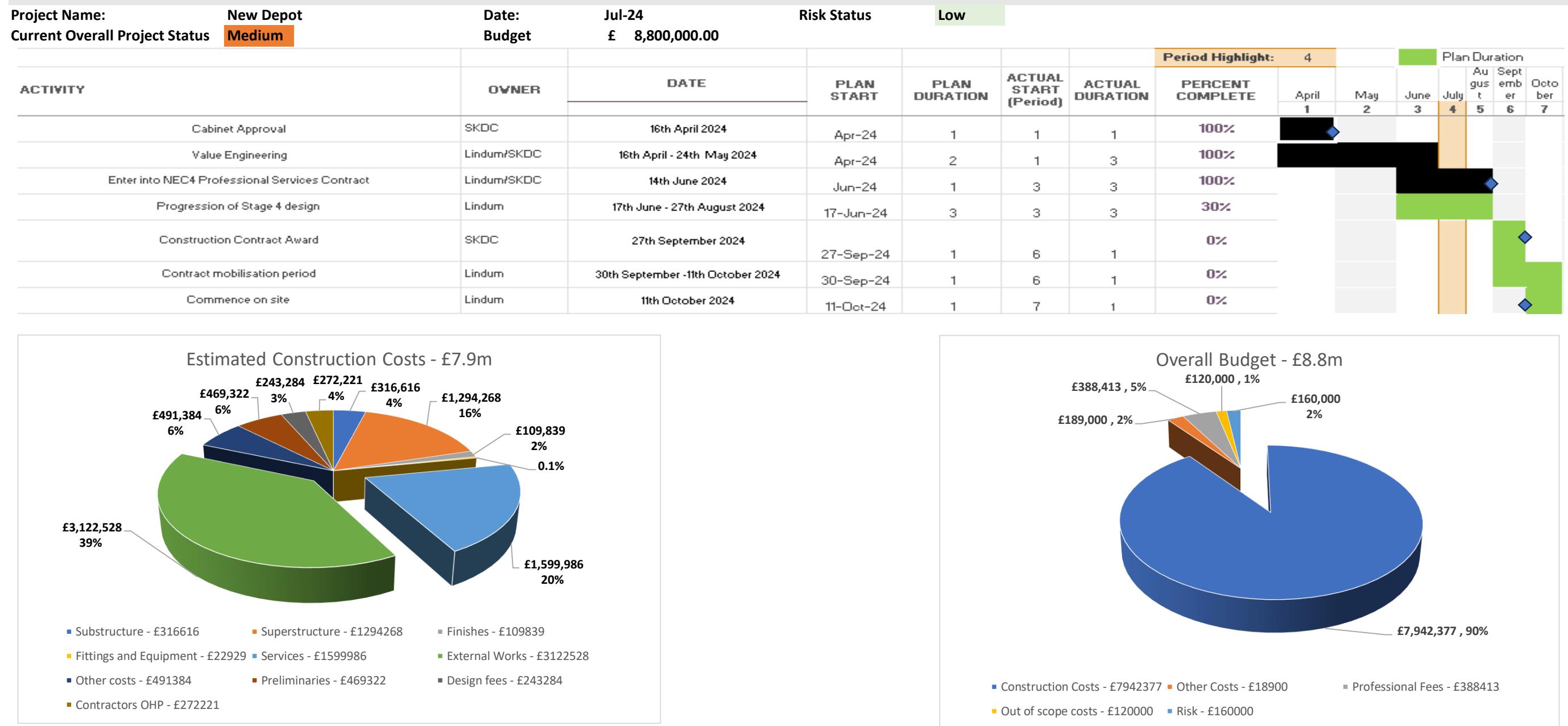
- 6.1 The previous update report can be accessed here:

[Agenda for Finance and Economic Overview and Scrutiny Committee on Thursday, 27th June, 2024, 2.00 pm | South Kesteven District Council](#)

7. Appendix

- 7.1 Appendix A – Project Dashboard as at 5 July 2024

TURNPIKE CLOSE GRANTHAM PROJECT DASHBOARD



KEY RISKS AND ISSUES		
Risk	Action/Overview	Level
Value Engineering not Achieved	V/E proposed from Lindum does not achieve target due to some items not acceptable to SKDC	Low
Additional fees due to elongated stage 5 construction period	Fees are based on 36 weeks construction period, there is a risk that additional fees will be needed if this period extends. Lindum are forecasting a 51 week construction period.	Medium
New Planning Application	New Planning application would be required should more significant changes be required.	Low
Planning Conditions	Discharging of pre commencement activities to be progressed	Low
Programme slippage	Current slippage will look to be reduced via identification of efficiencies in subsequent phases.	Medium

Summary

The value engineering exercise has been completed. We are currently within the Stage 4 design period. Estimated site Go live November 2025.

This page is intentionally left blank

Finance and Economic Overview and Scrutiny Committee Work Programme 2024-2025

REPORT TITLE	LEAD OFFICER	PURPOSE	ORIGINATED
17 SEPTEMBER 2024			
Finance Update Report, April-July 2024	Lead Officer: Richard Wyles (Deputy Chief Executive)	Regular update report for April-July	Standing Item
St. Martin's Park Update	Lead Officer: Richard Wyles (Deputy Chief Executive)/Debbie Roberts	Update report for Committee	Update report
Turnpike Depot Update	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with an update.	Standing item
Economic Development Strategy Adoption	Lead Officer: Nick Hibberd (Head of Economic Development)	To update the Committee with the latest position before any recommendation to Cabinet.	Agreed at Committee
UKSPF Update	Lead Officer: Nick Hibberd (Head of Economic Development)	To bring a report to Committee with an update on the Finances attached to the UKSPF programme.	UKSPF Terms of Reference request an update at Scrutiny Committees. This report is also tabled at Rural OSC.

REPORT TITLE	LEAD OFFICER	PURPOSE	ORIGINATED
26 NOVEMBER 2024			
Future High Streets Fund Mid-Year Update	Lead Officer: Nick Hibberd (Head of Economic Development)	Mid-year update for the Committee to consider.	Standing Item
Turnpike Depot Update	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with an update.	Standing item
Budget Monitoring up to 30 September	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with the latest update.	Standing item
Localised Council Tax Support Scheme 2025/2026	Lead Officer: Claire Moses (Head of Service (Revenues, Benefits, Customer and Community))	To further review the Scheme before any recommendation to Cabinet/Council.	Standing item
Corporate Plan KPIs Mid-Year Report	Lead Officer: Debbie Roberts	Mid year review of the Committee's	Standing item

	(Head of Corporate Projects, Policy and Performance)	agreed KPIs.	
REPORT TITLE	LEAD OFFICER	PURPOSE	ORIGINATED
18 FEBRUARY 2025			
Turnpike Depot Update	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with an update.	Standing item
Budget Monitoring Q3 Forecast	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with the latest update.	Standing item
REPORT TITLE	LEAD OFFICER	PURPOSE	ORIGINATED
13 MAY 2025			
Turnpike Depot Update	Lead Officer: Richard Wyles (Deputy Chief Executive)	To provide the Committee with an update.	Standing item
Update on East Midlands Building Consultancy	Lead Officer: Jeremy Barlow (Building Control Manager)	To provide the Committee with the latest update.	Standing item

The Committee's Remit

The remit of the Finance and Economic Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Budget monitoring
- Budget setting
- Business rate relief
- Business trade and licensing (Policy)
- Business transformation
- Charitable rate relief
- Council-owned property, assets, and maintenance (non-council house)
- Customer access strategy
- Data protection reporting
- Economic development
- Fees and charges
- Large-scale development projects

- Medium term financial planning and national funding proposals
- Procurement
- Review of outturn
- Town centre developments and partnerships

This page is intentionally left blank