

Boston Borough Council – Q1 Finance Report for 2024/25

Finance Summary

- The revenue outturn forecasts a surplus position of £148k at year end.
- Specific and general reserves for the Council are £13.290m as at 31 March 2025.
- At quarter 1, Capital spend was £2.654m against a full year budget of £35.745m.
- The budgets for 2024/25 included an efficiency target of £846k, and we have achieved £573k against that target in Q1 (65%). Against the non-IDB savings target element we have achieved 147k of the £179k (82%).
- The Council held investments of £29.46m as at 30 June 2024.
- Investment income is overachieving by £324k against the budget of £1.587m.
- The Council forecasts the borrowing costs to be £111k as at 30 June 2024.
- A transfer to the Capital reserves is proposed in respect of a windfall sum for a VAT repayment of £260,000.

Section 2 – Finance

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Section 2.1 – Key Financial Issues in Quarter 1 of 2024/25

- The 2024/25 budget included an efficiency target of £846k. As at 30 June, £573k (68%) savings had been identified. The process of identifying the in-year efficiencies will continue throughout the year.
- The Government announced it would provide £3m of further funding to support Councils significantly impacted by Internal Drainage Board levies and provide a longer-term funding solution in time for the 25/26 Local Government Finance Settlement. Boston has been awarded £431k for 2024/25 which has been included within the Q1 forecast and efficiencies.
- The higher levels of investment income compared to the original budget is due to increased balances available and higher interest rates on investments.
- The Capital Programme for 2024/25 is £35.145m and Cabinet approval is sought for the amendments set out in Table 5 which require approval increasing it to £35.745m.
- Planning is forecasting a reduction in planning fee income of £57k.
- Cremation income is underperforming by £39k compared to budget.
- Regulatory has reported an increase in assisted burials, identifying a pressure of £3k.
- Building control fee income is underperforming by £42k compared to budget.
- Underspends have been identified in fuel costs based on quarter 1 data.

Inflation	April (%)	May (%)	June (%)
CPI	2.3	2	2
RPI	3.3	3	2.9

Section 2.2 – Revenue Budget

Table 1 details the service forecast outturn by Assistant Director of £176k overspend mainly driven by income underperformance, this is offset in the Corporate Section by excess income of (£324k) driven by investment income, creating a net position of £148k. This is based on the Quarter 1 forecast position as of 30 June 2024 and is based on officers' projections for the remainder of the financial year.

Assistant Director Area	Revised Budget 2024/25 at Q1 £'000	Outturn 2024/25 at Q1 £'000	Variance (underspend)/overspend at Q1 £'000	Comments on main variances at Q4
Corporate	1,974	1,981	7	Minor variances.
Economic Growth	(2,429)	(2,428)	1	
Finance	2,963	3,004	41	Minor variances. System changes funded through New Burdens Funding.
Governance and Monitoring	765	741	(24)	Salary savings.
General Fund Assets	(869)	(805)	63	Industrial Estate vacant units £8k, offset by new lease agreements. Cremation income underperformance of £39k. Additional transaction fees of £18k following implementation of the new car parking machines. Minor car parking variances.
Leisure and Culture	1,253	1,261	8	Minor Variances
Neighbourhoods	2,301	2,308	7	Minor variances.
Planning and Strategic Infrastructure	243	277	34	Development Management income forecast to be lower than budgeted, offset by savings on employee costs
Regulatory	736	777	41	Demand for service below that budgeted because of high borrowing costs on construction industry. £42k pressure on Building Control Fees.

Assistant Director Area	Revised Budget 2024/25 at Q1 £'000	Outturn 2024/25 at Q1 £'000	Variance (underspend)/overspend at Q1 £'000	Comments on main variances at Q4
				Hackney Carriage Licences to be monitored closely - forecasted £5k above budget. Team is experiencing an increased demand in assisted burials pressure of £3k.
Strategic Growth and Development	539	539	0	
Strategic Projects	0	0	0	
Wellbeing and Community Leadership	1,821	1,821	0	
BTAC	769	767	(2)	
Sub Total – Assistant Director – net costs	10,067	10,243	176	
Internal Drainage Boards/Parish Precepts	2,973	2,973	0	
DRF	2,172	2,172	0	
MRP	129	129	0	
Interest Payments Received / Return on Property Funds	(1,586)	(1,910)	(324)	Due to higher than anticipated cash balances and better rates than expected.
M&G Property Fund Liquidation Distributions/ MRP in respect of reduced M&G Property Fund valuation	0	0	0	
Borrowing Costs	111	111	0	
Borrowing Discount Allocated to Revenue	(642)	(642)	0	
Reserves	(2,593)	(2,593)	0	
Efficiencies Required	(273)	(273)	0	£573k efficiencies identified (see table 2) reduce the requirement from original budget of £846k. Forecast assumes efficiencies will be met in full.
Court costs for council tax	265	265	0	
REFCUS & Application of Capital Grants	2,139	2,139	0	

Assistant Director Area	Revised Budget 2024/25 at Q1 £'000	Outturn 2024/25 at Q1 £'000	Variance (underspend)/overspend at Q1 £'000	Comments on main variances at Q4
Non-Service Expenditure	2,695	2,371	(324)	
Total Expenditure	12,762	12,614	(148)	
Council Tax	(5,682)	(5,682)	0	
Business Rates	(5,598)	(5,598)	0	
Non-Ring-Fenced Government Grant	(1,482)	(1,482)	0	
Total Funding	(12,762)	(12,762)	0	
Total Budget – (Surplus)/Deficit	0	(148)	(148)	

Recommendations:

- F1** That Cabinet notes the forecast revenue position of a £148k underspend for 2024/25 as detailed in Table 1 and the need for continued focus on the savings and efficiency programme.
- F2** That Cabinet approves a reserve transfer of £296,307 into the budget in respect of Project Funding that has been set aside on the balance sheet for that use.
- F3** That Cabinet approves a reserve transfer of £260,000 to the Capital Reserve in respect of a VAT refund received in year.

The 2024/25 budget included an efficiency target of £846k, below are efficiencies achieved at Q1:

Table 2 – Efficiency Description	Amount £'000	Comments
Regulatory – Climate Change	(28)	Funding of service
Governance – Legal Services	(3)	Merging of Legal subscriptions
Operations – Vehicle Holding Account	(30)	Estimated saving of the fuel budget to due to reduced fuel costs
Leisure & Culture	(35)	Additional income whilst Parkwood continue to generate income from 2 pools due to delayed building works
Wellbeing & Community Leadership - CCTV	(20)	CCTV enhanced and overtime budget
Planning & Strategic Infrastructure	(1)	Planning budget no longer required
ICT	(9)	Efficiency savings identified as part of Q1 monitoring
Housing Standards	(16)	Efficiency savings identified as part of Q1 monitoring

IDB	(431)	Further funding received
Total efficiencies found	(573)	
% Achieved	68%	
Target	(846)	
Efficiencies to be identified	(273)	

Further work is underway to look at and consider opportunities for efficiencies and we are engaging with Service Managers to take this process forward.

Based upon 2024/25 budget assumptions the value of efficiency savings required to set a balanced budget for the next five years are as follows:

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Annual Savings Requirement (£'000)	172	1,417	1,344	1,333	1,852
IDB Funding Requirement (£'000)	674				

Income

The Council has a number of demand-led budget areas which are reliant on income for services provided.

Income Area	Revised Budget to 31 March 2025 £'000	Actual Income to 31 March 2025 £'000	Variance (above)/ below budget £'000	Comments
GF – Car Parking, Bereavement, and Property, Office Cleaning	(1,906)	(1,853)	53	£39k reduction in fee income for cremations, £8k reduction in income for Car parking permits, £7k reduction in car parking income.
Leisure Pool, and Markets	(139)	(123)	16	(£35k) Other income, £16k reduction in fees and charges for Leisure Pool Services.
Neighbourhoods – Office Cleaning, Recycling	(1,102)	(1,102)	0	
Development Management	(638)	(581)	57	Reduction in planning fees income
Regulatory – Land Charges, Licences	(435)	(397)	38	(£5k) forecast increase in Hackney Carriage Licences, £42k reduction in building control fees. £2k reduction in licencing fees and charges.

Table 3 – Trading Income Budgets				
Income Area	Revised Budget to 31 March 2025 £'000	Actual Income to 31 March 2025 £'000	Variance (above)/ below budget £'000	Comments
Bed & Breakfast	(30)	(30)	0	
Property Asset Income	(1,028)	(1,030)	(2)	
Total	(5,278)	(5,116)	162	

Budget Additions:

Table 4 - General Fund Revenue Budget Movement				
Description	AD	Approval	Funding	£
Income management	AD Corporate	Proforma B	ICT Reserve	15,504
Technology Forge contract	AD Corporate	Proforma B	Transformation Reserve	8,390
Planning Service review	AD Planning and Strategic Infrastructure	Proforma B	Transformation Reserve	8,016
Technology Forge migration	AD General Fund Assets	Proforma B	Transformation Reserve	20,369
Interim Waste manager	AD Neighbourhoods	Proforma B	Transformation Reserve	13,416
Accessing EHC fundings	AD Wellbeing and Communities	Proforma B	Transformation Reserve	5,000
Server Room relocation	AD Corporate	Proforma B	Transformation Reserve	7,200
Guildhall support for funding submission	AD Leisure and Culture / General Fund Assets	Proforma B	Transformation Reserve	12,442
NHS project funding balance	AD Economic Growth	Cabinet - 25th September	Transformation Reserve	296,307

Vehicle upgrades	AD Neighbourhoods	Proforma B	Capital Reserve	7,150
Boston Events	AD Leisure and Culture	Proforma B	Contingency Reserve	14,130
Boston Market regeneration	AD Leisure and Culture	Proforma B	Contingency Reserve	47,750
Fly tipping liaison officer	AD Regulatory	Proforma B	Contingency Reserve	8,800
Tree works	AD Neighbourhoods	Proforma B	Insurance Reserve	10,375
BTAC Events	AD Leisure and Culture	Proforma B	BTAC Reserve	4,000
Subtotal - Reserves				478,849
Migration of data from Alfresco	AD Corporate	Proforma B	In year savings	12,275
AD Finance	AD Corporate	Proforma B	Increased salary efficiency target	13,070
Serious Violence funding	AD Wellbeing and Communities	New Budget	Additional Income	265,220
Household support fund	AD Wellbeing and Communities	New Budget	Additional Income	185,800
Env Health Qtr 1	AD Regulatory	New Budget	Additional Income	4,410
Software licences	AD Corporate	New Budget	Additional Income	3,000
DA accreditation	AD Wellbeing and Communities	New Budget	Additional Income	5,000
Climate Change transfer of funding from ELDC	AD Regulatory	New Budget	Additional Income	55,000
Additional Homelessness income	AD Wellbeing and Communities	New Budget	Additional Income	92,670
Broker Fees Temporary investments	AD Finance	New Budget	Additional Income	10,000
Subtotal - Additional Income/Efficiency Increases				646,445
Total Movement as at 30 June 2024				1,125,294

Reserves

At 30 June 2024 specific reserves were £13.290m, after a net transfer from reserves of £2.711m to cover revenue and capital expenditure. **Table 4a** reflects the outturn position.

Table 4a – Specific and General Reserves Balance				
Reserve	Balances at 1 April 2024 £'000	Contributions into Reserves £'000	Use of Reserves £'000	Balances at 31 March 2025 £'000
Capital Funding	6,390	0	(2,122)	4,268
Transformation	981	60	(189)	852
Repairs and Renewals	612			612
ICT	33		(16)	17
Housing	1,450	0	(82)	1,368
Controlling Migration Fund	14			14
Insurance	207		(10)	197
Risk Mitigation Reserve	1,116			1,116
Funding Volatility	1,892			1,892
Contingency Reserve	382	0	(248)	135
Climate Change Reserve	102			102
Planning Reserve	339	0	(50)	289
Property Funds Reserve	146			146
Specific Reserves Total	13,665	60	(2,717)	11,008
General Fund	2,000			2,000
S106 & Commuted Sums	128			128
BTAC	208		(4)	204
Year End Movements	0		(50)	(50)
TOTAL	16,001	60	(2,771)	13,290

Section 2.3 – Capital Budget

This section covers:

- Revisions to the Capital Programme
- Progress against the 2024/25 approved capital programme and the anticipated outturn
- Funding of the Capital Programme

Table 5 – 2024/25 Capital Programme and Outturn

Scheme	Approved Budget 2024/25	Changes to approved budget	Revised Budget 2024/25	Actual June 2024/25	Forecast Outturn 2024/25	Variance (under)/over
	£000	£000	£000	£000	£000	£000
Disabled Facilities Grant	934	300	1,234	79	1,234	-
Multi Use Games Area (Controlling Migration Funding)	17	(17)	-	-	-	-
Resurfacing & footpath improvements	28	17	45	50	50	5
Town Centre Heritage Scheme	973	-	973	116	973	-
Vehicle Replacements	311	-	311	-	311	-
Housing Strategy	57	-	57	-	-	(57)
Information Technology Infrastructure Refresh	347	(40)	307	-	148	(159)
Neighbourhood Vehicle Replacements	56	-	56	-	56	-
Bin Safety Upgrade	-	7	7	-	7	-
Markets Regeneration	-	44	44	-	44	-
ICT – Revenues & Benefits	-	92	92	-	92	-
ICT – Relocate Server Room to SHDC	-	120	120	-	120	-
Pool Cars	-	68	68	-	68	-
Fly-Tipping Intervention	-	9	9	-	9	-
Total Projects (Excl Towns Funds, UKSPF & LUF)	2,723	600	3,323	245	3,112	(211)
Towns Fund - Leisure	4,028	-	4,028	48	4,028	-
Towns Fund - Mayflower	9,248	-	9,248	151	9,248	-
Towns Fund - St Botolph's Library	69	-	69	12	69	-
Towns Fund - Healing the High St (incl. Shodfriars)	1,712	-	1,712	43	1,712	-
Towns Fund - Boston Station	2,268	-	2,268	61	2,268	-
Total Towns Fund Projects	17,325	-	17,325	315	17,325	-
UKSPF (Capacity building projects for local groups)	323	-	323	90	323	-
UKSPF Rural (Community projects aimed at reducing the cost of living)	203	-	203	40	203	-
Total UKSPF Projects	526	-	526	130	526	-
LUF - Civic Hub	887	-	887	1	200	(687)
LUF - Crown House	7,158	-	7,158	1,963	2,000	(5,158)
LUF - Public Realm	6,526	-	6,526	-	2,000	(4,526)
Total LUF Projects	14,571	-	14,571	1,964	4,200	(10,371)
Grand Total	35,145	600	35,745	2,654	25,163	(10,582)

The revised capital budget as at Q1 was £35.745m, derived from the combination of the 2024/25 approved budget of £35.145m, new in-year approved spend, and decommitted spend. The overall expenditure as at Q1 is £2.654m.

The Towns Fund projects represent the largest specific group at £17.325m, 48% of total revised capital budget followed by Levelling Up Fund (LUF) £14.571m which represents 41%. Others make up the remaining £3.323m, 11% of total revised capital budget.

The overall expenditure forecast as at Q1 is showing spend at £25.163m.

Changes to approved capital budget

The changes proposed to the approved budget are additions of £640k and decommitments of £40k (£600k net amount) and these are detailed below.

Table 5a – Changes to approved capital budget		
Project Description	Amount £'000	Approval
Disabled Facilities Grants	300	Approval sought to increase DFG budget, current budget due to be spent by end of the year. Progress made on case backlog and reducing waiting times. Funded by grant received in prior year.
Information Technology Infrastructure Refresh	(55)	Decommit budget previously earmarked for server refresh, linked to relocation to server room to SHDC.
Information Technology Infrastructure Refresh	15	Proforma approved by S151 for Income Management Single Solution.
Bin Safety Upgrade	7	Proforma approved by S151 for Bin Lift Safety Upgrade.
Markets Regeneration	44	Proforma approved by S151 for Markets Regeneration.
ICT – Revenues & Benefits	92	Approval sought to invest for investment to bring Revenues & Benefits systems inline across SELCP.
ICT – Relocate Server Room to SHDC	120	Approved by Cabinet 24 July 2024.
Pool Cars	68	Approved by Cabinet 24 July 2024.
Fly-Tipping Intervention	9	Proforma approved by S151 for Fly-Tipping Intervention.
Total	600	

F2 That Cabinet approve the amendments to the Capital Programme to take into account the changes set out in this report at Appendix A – Table 5.

Progress against approved budgets

- **LUF – Civic Hub** – Demolition works on hold, pending decision to demolish, once decision made scheme will be able to progress.
- **LUF – Crown House** – Withdrawal of YMCA as a partner has led to the Council delivering the Council directly. Currently being programmed.
- **LUF – Public Realm** – On site in January 2025, design works have taken longer than originally expected.

2024/25 Funding

All Projects	Approved Budget 2024/25	Revised Budget Plus Slippage/ accelerated spend (-) 2024/25	Full year forecast	Variance
	£'000	£'000	£'000	£'000
Internal Borrowing	(403)	(523)	(364)	159
External Grants	(32,294)	(32,603)	(22,237)	10,366
Capital Reserve	(2,384)	(2,511)	(2,511)	-
Other Reserve – Housing	(57)	(57)	-	57
Other Reserve – Repairs and Renewals	(7)	(7)	(7)	-
Other Reserve – COVID-19 Reserve	-	(44)	(44)	-
Totals	(35,145)	(35,745)	(25,163)	10,582

Capital Financing

The current Capital Programme is financed from reserves and internal borrowing in line with the Capital Strategy.

Table 6 indicates the forecast capital resources available to the Council at the end of 2024/25. The estimated position for the following years is also provided.

Table 6 – Capital Resources			
	2023/24 £'000	2024/25 £'000	2025/26 £'000
Capital Resources* available at start of each year	5,918	6,193	3,682
Capital Investment (estimate in future years)	(5,939)	(35,745)	(5,289)
Additional Sources of Finance			
New Capital Receipts (estimate in future years)	-	-	-
Funding from other reserves	167	108	-
External Grants	3,924	32,603	1,803
Internal borrowing	1,779	523	569
Budgeted contributions to capital reserve	344	-	-
Estimated Capital Resources* at end of each year	6,193	3,682	765

* Capital Reserve and Capital Receipts

Section 2.4 – Treasury Management

Investments at 30 June 2024

During the financial year the Council has made fixed term investments in line with the agreed Treasury Management Strategy. A minor breach of the CCLA Money Market investment limit occurred on 20 May 2024 by £150k which was corrected on 21 May 2024. Processes have been reviewed and changes made to prevent this type of occurrence happening going forward.

Detailed in **Table 7** are the investments held by the Council on 30 June 2024 excluding accrued interest. Note this represents the position at year end. The peaks and troughs in cash flow are managed on a daily basis. Because the Council collects money on behalf of other organisations which are paid out at future dates (e.g., Council Tax and Business Rates) the value of investments held at any point in time does not represent the value of Boston's own resources.

Table 7 – Cash Investments on 30 June 2024

Financial Institution	Country	Amount (£)	Start Date	Maturity Date	Fixed/Variable	Yield %
HSBC Bank	UK	109,729	N/A	Current A/C	Variable	0.00%
CCLA Money Market Fund	Various	7,350,000	N/A	Instant Access	Various	5.21%
UBS Bank	Switzerland	3,000,000	13/07/23	12/07/24	Fixed	6.69%
Police & Crime Commissioner for Humberside	UK	2,000,000	29/01/24	29/07/24	Fixed	5.70%
Blackpool Borough Council	UK	2,000,000	09/02/24	09/08/24	Fixed	5.90%
DNB Bank	Norway	2,000,000	31/08/23	30/08/24	Fixed	6.18%
Leeds City Council	UK	2,000,000	08/03/24	09/09/24	Fixed	6.10%
DNB Bank	Norway	1,000,000	06/11/23	04/11/24	Fixed	5.72%
Goldman Sachs Bank	UK	2,000,000	17/05/24	18/11/24	Fixed	5.275%
Wrexham County Borough Council	UK	3,000,000	25/01/24	24/01/25	Fixed	5.70%
CIC Bank	France	3,000,000	03/05/24	02/05/25	Fixed	5.33%
Canterbury City Council	UK	2,000,000	21/05/24	21/05/25	Fixed	5.25%
TOTAL		29,459,729				

The Council has purchased property fund units and the table below provides a breakdown in relation to the purchase of these units:

Fund	Date of Purchase	Net Asset Value at Date of Purchase (£)	Premium/ (Discount) on Purchase (£)	Premium/ (Discount) on Purchase (%)	Total Cost (£)
Black Rock UK Property Fund	05/08/16	255,085	(5,102)	(2.00)	249,983
	30/12/16	255,085	(5,103)	(2.00)	249,982
	28/09/18	<u>3,945,592</u>	<u>54,449</u>	<u>1.38</u>	<u>4,000,041</u>
	TOTAL	4,455,762	44,244	0.99	4,500,006
Schroder UK Real Estate Fund	05/08/16	250,000	-	-	250,000
	03/09/18	<u>4,020,006</u>	<u>(20,000)</u>	<u>(0.50)</u>	<u>4,000,006</u>
	TOTAL	4,270,006	(20,000)	(0.47)	4,250,006
Threadneedle Property Unit Trust	31/08/16	263,549	(13,177)	(5.00)	250,372
	31/08/18	2,902,441	86,572	2.98	2,989,013
	28/09/18	483,966	16,116	3.33	500,082
	31/10/18	<u>483,930</u>	<u>16,357</u>	<u>3.38</u>	<u>500,287</u>

APPENDIX A

	TOTAL	4,133,886	105,868	2.56	4,239,754
M&G Investments UK Property Fund (after distributions)	14/09/18	248,257	88,020	2.25	336,277
AEW UK Core Property Fund	31/10/18	3,745,319	254,681	6.80	4,000,000
TOTAL		16,853,230	472,813	2.30	17,326,043

Property Fund Investments (Capital Expenditure) as at 30 June 2024

Financial Institution	Purchase Cost (£)	Q1 Budgeted Net Revenue 2024/25 (£ & %)	Q1 Estimate Net Revenue (£ & %)	2024/25 Budgeted Net Revenue 2024/25 (£ & %)	2024/25 Estimated Outturn Net Revenue (£ & %)	Net Asset Value (£)	Total Gain/(Loss) Since Purchase (£ & %)	Capital Gain/(Loss) Since 31/3/24 (£ & %)	2024/25 Combined Annual Return (%)
BlackRock UK Property Fund	4,500,006	42,384 4.00%	38,769 3.45%	180,000 4.00%	173,892 3.86%	3,992,735	(507,271) (11.27%)	14,209 0.36%	4.22%
Schroder UK Real Estate Fund	4,250,006	44,877 4.00%	38,111 3.60%	170,000 4.00%	165,728 3.90%	3,561,947	(688,059) (16.19%)	(30,958) (0.86%)	3.04%
Threadneedle Property Unit Trust	4,239,754	42,281 4.00%	33,144 3.11%	169,590 4.00%	160,452 3.78%	3,568,826	(670,928) (15.82%)	49,802 1.42%	5.20%
M&G Investments UK Property Fund (After Distribution Payments)	336,277	7,280 4.00%	3,353 4.00%	29,200 4.00%	13,451 4.00%	470,097	133,820 N/A	(12,379) N/K	N/K
AEW UK Core Property Fund	4,000,000	39,890 4.00%	39,890 4.00%	160,000 4.00%	160,000 4.00%	3,480,545	(519,455) (12.99%)	48,282 1.41%	5.41%
TOTAL	17,326,043	176,712	153,267	708,790	673,523	15,074,150	(2,251,893)	68,956	
Adjustment for 23/24 Accrual	-	-	(22,284)	-	(22,284)	-	-	-	
GRAND TOTAL	17,326,043	176,712	130,983	708,790	651,239	15,074,150	(2,251,893)	68,956	

The overall change in the combined Net Asset Values for all funds in Quarter 1 was an increase of £68,956. The movement in fair value of the funds gets charged to the revenue account and reversed out through the MIRS to the capital adjustment account each year end so there is no bottom-line impact.

Property Fund Dividends

An analysis of dividend distributions received since the purchase of the property funds to 30 June 2024 can be found in **Table 8** below.

Table 8 – Property Fund Dividend Information

Financial Institution	Actual Net Dividend Distributions Received Pre 2024/25	Net Dividend Distributions Received 2024/25	Adjustment For 2023/24 Accrual	Total Net Distributions Received Since Purchase
BlackRock UK Property Fund	809,969	38,769	645	849,383
Schroder UK Real Estate Fund	809,186	38,111	(1,171)	846,126
Threadneedle Property Unit Trust	1,015,699	33,144	(3,229)	1,045,614
M&G Investments UK Property Fund	534,942	3,353	-	538,295
AEW UK Core Property Fund	905,204	39,890	(18,529)	926,565
Total Revenue	4,075,000	153,267	(22,284)	4,205,983

The M&G UK Property fund is liquidating its assets and therefore their fund valuation is reducing as repayments are made. Of the £4m originally invested, M&G have now paid Boston BC distribution payments totalling £3,663,724 as of 30 June 2024, from the asset sale proceeds leaving a balance of £336,276.

Maturity Structure of Investments

An analysis of the maturity structure of investments on 30 June 2024 can be found in Table 9 below.

Table 9 - Maturity Structure of Investments on 30 June 2024.

Period to Maturity	Amount (£)	% of Portfolio
Instant Access	7,459,729	16%
Less than one month	5,000,000	11%
One to three months	6,000,000	13%
Three to six months	3,000,000	6%
Six to nine months	3,000,000	6%
Nine months to a year	5,000,000	11%
>12 Months	17,326,043	37%
TOTAL	46,785,772	100%

Summary of Investment Income Received Against Budget and Forecast Outturn

Table 10 below provides a comparison of interest received against budget at Quarter 1 and a forecast outturn position for the year.

Table 10 - Interest Received Against Budget and Forecast Outturn

Investment Type	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Variance Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn	2024/25 Forecast Variance
Treasury Investments						
Gross Interest	(221,322)	(435,861)	(214,539)	(887,720)	(1,268,912)	(381,192)
Brokers Fees	<u>2,493</u>	<u>1,532</u>	<u>(961)</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Position	(218,829) (5.075%)	(434,329) (5.500%)	(215,500) (0.425%)	(877,720)	(1,258,912)	(381,192)
<u>Property Funds</u>						
Gross Distributions	(219,096)	(162,399)	56,697	(878,790)	(807,436)	71,354
Less Management Fees	<u>42,384</u>	<u>31,416</u>	<u>(10,968)</u>	<u>170,000</u>	<u>156,197</u>	<u>(13,803)</u>
Net Distributions	(176,712) (4.000%)	(130,983) (3.548%)	45,729 0.452%	(708,790)	(651,239)	57,551
M&G Property Fund Liquidation Distributions (<i>to be used for Minimum Revenue Provision Contributions as the original capital purchase was unfinanced capital expenditure</i>)	0	0	0	0	0	0
Total Net Income	(395,541) (4.531%)	(565,312) (4.796%)	(169,771) (0.265%)	(1,586,510)	(1,910,151)	(323,641)

Treasury investments achieved an average rate of 5.500% compared to the benchmark average 3-month Sterling Overnight Index Average (SONIA) rate of 5.167% and property fund investments achieved an average rate of 3.548%. The combined rate achieved on all investments was 4.796%.

The higher levels of investment income compared to the original budget is due to increased balances available for investment resulting from capital expenditure slippage and higher interest rates on investments. These rates are likely to fall below the average budget rate later in the financial year.

External Borrowing

The Council has a £1m Lender Option Borrower Option (LOBO) loan with State Street Nominees at a rate of 11.125% which is due to mature in 2051.

The following table provides a comparison of budgeted borrowing costs and the outturn position for the year.

Table 11 – Summary of Borrowing Costs Against Budget and Forecast Outturn

Borrowing Type	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn
State Street LOBO	27,736	27,736	111,250	111,250
Total Borrowing Costs	27,736	27,736	111,250	111,250

Summary of the Net Treasury Position Against Budget and Forecast Outturn

The table below provides an analysis of the net treasury position and forecast outturn. It also includes the 2024/25 allocation of the discount received following the premature repayment of PWLB borrowing in 2023/24.

Table 12 - Summary of the Net Treasury Position Against Budget and Forecast Outturn

	2024/25 Budget Quarter 1	2024/25 Actual Quarter 1	2024/25 Variance Quarter 1	2024/25 Annual Budget	2024/25 Forecast Outturn	2024/25 Forecast Variance
Net Investment Income (Table 10)	(395,541)	(565,312)	(169,771)	(1,586,510)	(1,910,151)	(323,641)
Premature Repayment of Borrowing Discount Allocated to Revenue	(159,996)	(159,996)	0	(641,743)	(641,743)	0
Total Borrowing Costs (Table 11)	27,736	27,736	0	111,250	111,250	0
Overall Net Position	(527,801)	(697,572)	(169,771)	(2,117,003)	(2,440,644)	(323,641)

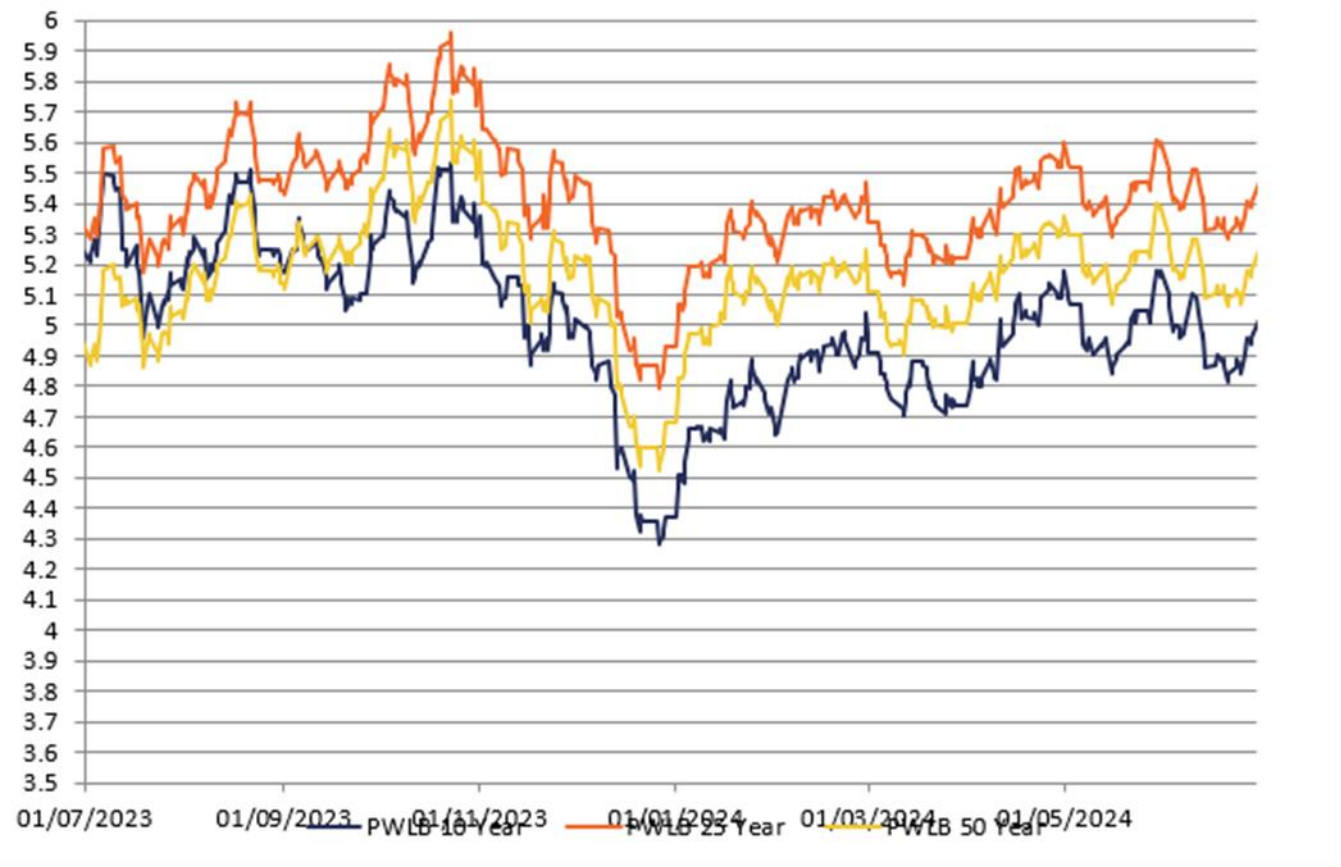
On 30 June 2024 it can be seen from the table that the overall net treasury position after borrowing costs is a favourable £323,641 above budget.

Public Works Loan Board (PWLB) Borrowing Rates

The 50-year PWLB certainty rate was 5.18% on 30 June 2024.

The following graph shows the PWLB rates over the last 12 months.

Graph 1 – PWLB Borrowing Rates



Section 2.5 – Insurance – This information will be circulated after the meeting.

Section 2.6 – Debt Collection

A review of debts is undertaken every month, and monitoring is reported against targets. In line with the new financial procedure limits there are no debts in excess of £5,000 requiring Cabinet approval for write off.

An analysis of the sundry debts the Council held as at 30 June 2024 is show in **Table 8**.

Table 8 – Sundry Debt Analysis							
0-30 days	31-60 days	61-90 days	91-120 days	121-183 days	184-365 days	Over 365 days	Total
£	£	£	£	£	£	£	£

311,972	171,074	35,156	16,486	22,016	44,553	608,674	1,209,928
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Note: This does not include details of invoice amounts (£127,704.85) that are not yet due

Section 2.7 – Council Tax and Business Rates

There remains uncertainty over the longer term effect on collection and recovery as a result of the ongoing impact of the pandemic, and the cost of living challenges. In recognition, we continue to remain prudent in setting the bad debt provision in this area.

A programme of statutory recovery activity is in place throughout the year.

Council Tax Support Scheme (CTS)

Following the annual review during 2023/24, the 2024/25 scheme has remained unchanged from the previous year, allowing for national up-ratings. A more fundamental review of the scheme is underway in 2024/25.

Council Tax – 2024/25 In-Year Collection

The collectable debit for the year at 30 June 2024 was £44.6m with a net collection rate of 26.93% achieved (26.98 % at 30 June 2023).

Business Rates – 2023/24 In-Year Collection

The collectable debit for the year at 30 June 2024 was £20.7m with a net collection rate of 30.86% achieved (29.72% at 30 June 2023).