SURREY COUNTY COUNCIL

CABINET

DATE:	**22 FEBRUARY 2022**
REPORT OF:	**MRS BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES**
LEAD OFFICER:	**LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES (S151 OFFICER)**
SUBJECT:	**2021/22 MONTH 9 (DECEMBER) FINANCIAL REPORT**
ORGANISATION STRATEGY PRIORITY AREA:	**GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

Purpose of the Report:

This report provides details of the County Council's 2021/22 financial position as at 31st December 2021 (M9) for revenue and capital budgets, and the expected outlook for the remainder of the financial year.

Key Messages – Revenue

- **At M9, the Council is forecasting a full year £4m deficit** against the revenue budget, reduced by £4m from M8.

- The improvement consists of a £2.2m deterioration in the underlying position, offset by £6.2m release of centrally held Covid-19 funding. The £2.2m deterioration relates to £4.9m increases across CFL and the DSG High Needs Block offset by underspends elsewhere.

  The details are shown in Annex 1 and summarised in Table 1.

- Contingencies built into the 2021/22 budget exceed the forecast deficit and so a balanced outturn is anticipated. However, it is still the expectation that Directorates make efforts to manage overspends within their budget envelopes.

Key Messages – Capital

- The M9 position shows a forecast spend of £170.6m against a budget of £202m, a variance of £31.5m.

- Details are set out in paragraphs 8 to 11 and Table 3.

Recommendations:

It is recommended that Cabinet:

1. Note the Council's forecast revenue and capital budget positions.

2. Approve the use of £6.2m Covid-19 reserve to offset the forecast impact of Covid-19 on the budget (paragraph 5 to 7).

3. Approve that M9 Capital forecasts be used as a baseline to reset the Capital Programme for 2021/22 to provide a stable and deliverable budget for the remainder of the year.

Reason for Recommendations:

This report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

Revenue Budget:

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1. **At M9, the Council is forecasting a full year £4m deficit against budget.**

2. Table 1 below shows the forecast revenue budget outturn for the year by service.

Table 1 - Summary revenue budget forecast variances as of 31st December 2021

Directorate	2021/22 YTD M9 £m	Outturn Forecast at M9 £m	Annual Budget £m	Forecast Variance £m	Change in forecast since last month £m
Adult Social Care	295.0	383.4	380.7	2.7	(0.5)
Public Service Reform & Public Health	22.3	34.1	34.1	0.0	0.0
Children, Families and Lifelong Learning	173.4	231.8	222.0	9.7	2.7
Comms, Public Affairs & Engagement	1.3	1.7	1.7	0.0	0.0
Community Protection Group	31.3	38.7	38.0	0.7	0.1
Customer & Communities	7.2	11.2	11.6	(0.3)	(0.2)
Environment, Transport & Infrastructure	93.9	129.4	135.0	(5.6)	(1.6)
People & Change	4.5	6.6	6.6	0.1	(0.1)
Prosperity Partnerships & Growth	0.9	1.3	1.3	0.0	(0.0)
Resources	51.7	71.5	70.8	0.7	(0.4)
Central Income & Expenditure	16.1	77.4	77.4	0.0	0.0
Total before DSG High Needs Block Offset	**697.6**	**987.2**	**979.2**	**8.0**	**(0.0)**
DSG High Needs Block Offset	0.0	35.0	32.8	2.2	2.2
Total Budget Envelopes	**697.6**	**1,022.2**	**1,012.0**	**10.2**	**2.2**
Central Funding	(719.4)	(1,018.2)	(1,012.0)	(6.2)	(6.2)
Overall after central funding	**(21.8)**	**4.0**	**(0.0)**	**4.0**	**(4.0)**

Note: Numbers have been rounded which might cause a difference.
The forecast figures for Central Income & Expenditure include the Covid-19 reset in paragraphs 5 to 7.

3. The **forecast Directorate overspend of £10.2m** predominantly consists of:

- **Adult Social Care (ASC) :** The £2.7m forecast overspend (£0.5m improvement from M8) is due to a significant increase in care package commitments by comparison to the budget, with a small reduction in M9. Full-year commitments reduced in December for the first time in 2021/22, but remain substantially above the budgeted start point for 2022/23, so actions to continue to reduce care package spending are still required in the remainder of the year.

- **Children, Families and Lifelong Learning (CFL) Non DSG** – The £9.7m forecast overspend (£2.7m increase from M8) includes amounts previously reported as risks: Special Educational Needs and Disabilities (SEND) home to school transport has increased by £2.3m, due to numbers of pupils and inflationary increases since September. SEND home to school transport is a non-DSG cost. A CFL Finance Action Plan has been developed and a number of actions are either underway or being investigated to mitigate, as far as possible, the pressures within CFL outside of SEND. The focus is on staffing pressures and placement costs. Other mitigations being undertaken include the application of Troubled Families grant (£0.6m).

- Risks were previously quantified and captured within monthly monitoring to give as early warning as possible around variations. Both the DSG High Needs block overspend (below) and Transport variances declared in Month 9 were previously identified as risks.

- **Community Protection Group (CPG):** The £0.7m overspend (£0.1m increase from M8) is primarily due to an unfunded national firefighters pay award and historic costs in the Coroner's service plus increased Covid-19 related costs.

- **Environment, Transport & Infrastructure (ETI):** The £5.6m forecast underspend (£1.6m improvement from M8) is primarily due to improved recycling prices and funding for bus service support. The improvement from M8 is due to a reduction in energy prices and various smaller movements including staffing, waste costs and income.

- **Resources :** The £0.7m forecast overspend (£0.4m improvement from M8) is due mainly to the non-achievement of efficiencies in Business Operations (part of the Orbis Joint Operating Budget) and ongoing pressures in Legal Services due to high external legal fees. These are partially offset by increased income in Finance and vacancies in the Transformation & Strategic Commissioning team.

- **DSG High Needs Block (HNB)** – The £2.2m forecast overspend (£2.2m increase from M8) is mainly due to revised estimates of cost containment and in-year mitigations but also includes an additional £0.5m of costs linked to change in provision - mainly alternative provision with schools finding it difficult to settle children after absences, plus new placements likely to occur before year end.

  Further details on the in-year position are set out below.

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DSG update

The table below shows the projected forecast outturn for the High Needs Block. The forecast has increased by £2.2m from M8. The forecast is now in excess of the budgeted contingency so there is a variance in the Directorate.

Table 2 - DSG HNB Summary

2021/22 DSG HNB Summary	
	£'m
DSG High Needs Block Grant (exc Academies)	156.5
Forecast outturn	191.5
Deficit/(surplus)	35.0
Budgeted overspend	(23.8)
Deficit/(surplus)	11.2
High Needs Block contingency budget	9.0
Overspend after release of contingency budget	2.2

4. The £191.5m forecast outturn has increased by £2.4m (from £189.2 since M8) is a result of:

- Further £1.6m of cost containment (£0.4m) and in year mitigations (£1.2m) not delivered. Challenging in year targets to contain growth were set, whilst work is underway to contain these increases, they will not impact this year.
- £0.5m increased change in provision, mainly alternative provision with schools finding it difficult to settle children after absences.
- Provision of £0.3m for new placement changes until the end of the year.
  Work continues to try and mitigate this to within budget.

Covid-19 update

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5. For M9 the Directorates forecast a gross impact from Covid-19 of £107.2m (which is a £6.3m increase from M8). This is offset by £79.3m of specific grants (a £5.9m increase from M8). There were two new grants in M9 (ASC Workforce Recruitment & Retention Round 2 grant and the ASC Omicron Support Fund).

6. Directorates can absorb £21.8m within existing budgets (increased by £0.5m from M8). A balance of £6.2m is therefore currently flagged as the net impact of Covid-19 on the budget (no change from M8). The M9 overall position assumes that the £6.2m Covid-19 impact on the budget will be reset from the Covid-19 reserve into Central Income and Expenditure. The Covid-19 funding released from reserve will be held centrally to avoid changing Directorate budget envelopes in the closing stages of the year, whilst the final Covid-19 outturn position is determined.

7. The reset will leave £4.9m in reserve for future Covid-19 risks. Individual decisions to approve use of the reserve may be taken in specific or urgent circumstances.

Capital Budget

8. The forecast of £170.6m at M9, £31.5m less than the budget of £202m, (£14.3m decrease from M8). The variance relates to slippage and reprofiling of £30.2m and an underspend of £1.2m.

9. The M9 forecasts of 170.6m will be used as a baseline to reset the Capital Programme for 2021/22 to provide a stable and deliverable budget for the remainder of the year, with discussions at CPP providing assurance that services are committed to full delivery. The majority of the slippage from significant schemes has been re-profiled as part of the 2022/23 Final Budget MTFS into 2022/23 and future years, in anticipation of the reset based on the M9 forecasts.

10. Table 3 below provides a summary of the forecast full-year outturn at M9.

Table 3 - Summary Capital Budget

Strategic Capital Groups	Annual Budget £m	M9 Outturn Forecast £m	M9 Forecast Variance £m	Change from M8 to M9 £m
Property				
Property Schemes	77.6	54.9	(22.7)	(11.8)
ASC Schemes	1.7	1.5	(0.2)	0.0
CFLC Schemes	1.2	0.5	(0.7)	(0.4)
Property Total	**80.5**	**57.0**	**(23.6)**	**(12.2)**
Infrastructure				
Highways and Transport	91.7	86.9	(4.9)	(2.7)
Infrastructure and Major Projects	6.5	5.7	(0.8)	0.4
Environment	4.4	5.4	1.0	(1.3)
Community Protection	3.1	1.9	(1.1)	(0.3)
Infrastructure Total	**105.7**	**99.9**	**(5.8)**	**(3.9)**
IT				
IT Service Schemes	15.8	13.7	(2.1)	1.8
IT Total	**15.8**	**13.7**	**(2.1)**	**1.8**
Total	**202.0**	**170.6**	**(31.5)**	**(14.3)**

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11. The change of £14.3m from M8 to M9 mainly relates to:

- **Property – £11.8m slippage –** mainly due to slippage in Schools Basic Needs (SBN) of £3.1m, SEND of £3.2m, Looked After Children (LAC) schemes £2.8m, Salt Barns £0.8m, Bookham Youth Centre £0.8m, Woodhatch Master Planning £0.7m and Agile Office £0.9m. All have been re-profiled into 2022/23. At present the slippage in Property schemes for the Children, Families and Lifelong Learning Directorate is not expected to impact on the delivery of associated efficiencies. However, there is as a result, less capacity to absorb significant further delays in the timetable without impacting on the timing of efficiencies.
- **Highways and Transport - £2.7m slippage**, of which £1.6m reflects a forecast slippage on Active Travel funded by grant, £0.3m Ultra Low Emission Vehicles (ULEV), and £0.7m reduced acceleration of Bridge Maintenance. All slippage has been reprofiled into 2022/23 / MTFS.
- **Environment - £1.3m slippage,** due to slippage in Greener Homes of £1.1m – funded by grant. The remaining £0.2m is due to a minor reduction in forecast across several schemes. Re-profiled into 2022/23.
- **CFLC – £0.4m slippage –** due to Foster Carer Grants and Adaptations slippage / delay due to Covid-19 - £100k and £270k respectively. Reprofiled into 2023/24
- **Community Protection - £0.3m slippage**, further delays in Vehicle & Equipment Replacement, to be re-profiled into 2022/23.
- **Infrastructure & Major Projects - £0.4 increase,** due to increased forecast spend from M8 in Housing Infrastructure Fund (A320) and Farnham schemes.
- **IT - £1.8m increase** – due to DB&I project with increased costs from the delay of the scheme, following the approval for use of the contingency at M8.

To establish a stable and deliverable baseline for assessment at full year outturn, the capital budget for the year will be reset based on M9 forecasts.

Consultation:

12. Executive Directors and Cabinet Members have confirmed the forecast outturns for their revenue and capital budgets.

Risk Management and Implications:

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13. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the Corporate Risk Register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the Medium-Term Financial Strategy. In the light of the financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in Directorate plans to mitigate the risks and issues.

Financial and Value for Money Implications:

14. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

Section 151 Officer Commentary:

15. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

16. The Council has a duty to ensure its expenditure does not exceed the resources available. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

Legal Implications – Monitoring Officer:

17. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.

18. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

Equalities and Diversity:

19. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary In implementing individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

20. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

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What Happens Next:

The relevant adjustments from the recommendations will be made to the Council's accounts.

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Consulted:

Cabinet, Executive Directors, Heads of Service

Annex:

Annex 1 – Forecast revenue budget as at 31st December 2021
Annex 2 – Q3 Balance Sheet Indicators

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Annex 1

Forecast revenue budget as of 31st December 2021

Service	Cabinet Member	Year to date Budget £m	Year to date Actual £m	Year to date variance £m	Full Year Gross budget £m	Full year net budget £m	Full Year net forecast £m	Full year net forecast variance £m
Education and Lifelong Learning	D Turner-Stewart	36.6	31.4	(5.2)	199.7	24.2	24.3	0.0
Family Resilience	C Curran	25.9	22.7	(3.2)	36.3	33.3	35.9	2.6
Corporate Parenting	C Curran	76.5	75.0	(1.6)	116.5	103.7	108.1	4.4
Quality and Performance	C Curran	6.8	6.4	(0.4)	11.1	9.0	9.2	0.2
Commissioning	C Curran / D Turner-Stewart	37.0	38.2	1.2	130.3	51.9	54.6	2.7
CFLC Exec Director	C Curran	(0.1)	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.1)
Children, Families and Lifelong Learning		**182.7**	**173.4**	**(9.2)**	**493.8**	**222.0**	**231.8**	**9.7**
Public Health	S Mooney	22.1	21.8	(0.3)	33.4	33.4	33.4	0.0
Insight & Analytics	S Mooney	0.5	0.4	(0.1)	0.8	0.7	0.7	0.0
Public Health and PSR		**22.6**	**22.3**	**(0.4)**	**34.2**	**34.1**	**34.1**	**0.0**
Adult Social Care	**S Mooney**	**286.3**	**295.0**	**8.7**	**516.6**	**380.7**	**383.4**	**2.7**
Highways & Transport	M Furniss	43.7	39.1	(4.7)	71.3	58.3	55.5	(2.9)
Environment	M Heath/ N Bramhall	55.1	51.9	(3.3)	75.9	73.5	70.3	(3.2)
Infrastructure, Planning & Major Projects	M Furniss	2.1	2.5	0.4	5.2	2.8	2.8	(0.0)
Leadership Team	M Furniss	0.3	0.5	0.3	0.4	0.4	0.8	0.4
Environment, Transport & Infrastructure		**101.2**	**93.9**	**(7.3)**	**152.8**	**135.0**	**129.4**	**(5.6)**
Fire and Rescue	K Deanus	23.8	26.1	2.2	36.1	31.7	32.1	0.4
Trading Standards	K Deanus	1.6	1.5	(0.1)	3.9	2.0	1.9	(0.1)
Emergency Management	K Deanus	0.4	0.4	0.0	0.5	0.5	0.5	(0.0)
Health & Safety	K Deanus	0.4	0.3	(0.1)	0.7	0.5	0.5	(0.0)
Armed Forces & Resilience	K Deanus	0.1	0.1	0.0	0.1	0.1	0.1	0.0
Coroners	K Deanus	2.3	3.0	0.7	3.4	3.1	3.6	0.5
Community Protection		**28.5**	**31.3**	**2.8**	**44.6**	**38.0**	**38.7**	**0.7**
People & Change	**T Oliver**	**4.9**	**4.5**	**(0.4)**	**6.7**	**6.6**	**6.6**	**0.1**
Communications, Public Affairs and Engag	T Oliver	1.3	1.3	0.0	1.7	1.7	1.7	0.0
PPG Leadership	T Oliver	0.2	0.2	0.0	0.3	0.3	0.3	0.0
Economic Growth	T Oliver	0.8	0.7	(0.1)	1.1	1.1	1.1	(0.0)
Prosperity, Partnerships and Growth		**1.0**	**0.9**	**(0.1)**	**1.3**	**1.3**	**1.3**	**0.0**
Community Partnerships	M Nuti	1.1	0.9	(0.1)	1.5	1.5	1.4	(0.1)
Customer Services	M Nuti	2.1	1.9	(0.2)	2.9	2.7	2.6	(0.2)
AD Culture & Active Surrey	M Nuti	5.5	4.3	(1.2)	17.2	7.2	7.1	(0.1)
C&C Leadership	M Nuti	0.1	0.1	0.0	0.1	0.1	0.1	0.0
Customers and Communities		**8.7**	**7.2**	**(1.5)**	**21.7**	**11.6**	**11.2**	**(0.3)**
Land and Property	N Bramhall	17.9	18.0	0.1	34.4	24.4	24.4	(0.0)
Information Technology & Digital	B Rush	8.0	8.0	0.0	11.4	10.7	10.6	(0.1)
Business Operations	B Rush	(0.1)	(0.4)	(0.3)	(0.1)	(0.1)	(0.2)	(0.1)
Joint Orbis	B Rush	12.7	0.0	(12.7)	16.9	16.9	17.6	0.8
Finance	B Rush	4.5	3.2	(1.3)	11.7	5.9	5.8	(0.1)
Legal Services	B Rush	3.6	4.0	0.3	5.3	4.9	5.3	0.5
Democratic Services	B Rush	2.7	3.7	1.0	3.8	3.6	3.6	(0.0)
Executive Director Resources	B Rush	1.5	3.4	1.9	2.6	2.5	2.6	0.0
Twelve15	B Rush	(1.3)	(1.5)	(0.3)	19.6	(1.9)	(2.0)	(0.1)
Corporate Strategy and Policy	B Rush	1.6	1.6	(0.1)	2.4	1.9	1.9	(0.0)
Transformation and Strategic Commissioning	B Rush	1.1	11.5	10.5	1.4	1.4	1.3	(0.1)
Performance Management	B Rush	0.1	0.1	(0.0)	0.2	0.2	0.2	(0.0)
PPE	B Rush	0.0	0.0	0.0	0.0	0.4	0.4	0.0
Resources		**52.4**	**51.7**	**(0.7)**	**109.6**	**70.8**	**71.5**	**0.7**
Corporate Expenditure	**B Rush**	**24.8**	**16.1**	**(8.7)**	**113.5**	**77.4**	**77.4**	**0.0**
Total before DSG High Needs Block Offset		**714.4**	**697.6**	**(16.8)**	**1,496.5**	**979.2**	**987.2**	**8.0**
DSG High Needs Block Offset		**0.0**	**0.0**	**0.0**	**32.7**	**32.8**	**35.0**	**2.2**
Total Budget Envelopes		**714.4**	**697.6**	**(16.8)**	**1,529.2**	**1,012.0**	**1,022.2**	**10.2**
Central funding		**(714.9)**	**(719.4)**	**(4.5)**		**(1,012.0)**	**(1,018.2)**	**(6.2)**
Total Net revenue expenditure including DSG HNB		**(0.5)**	**(21.8)**	**(21.3)**	**1,529.2**	**0.0**	**4.0**	**4.0**

Balance Sheet Indicators Quarter 3 update

Debt

1. During the three months to 31 December 2021, the Council raised invoices totalling £134m. Overdue debt is the total debt less those balances not immediately due (i.e. less than 30 days old). There was a total £30.1m of overdue debt at the end of December, a decrease of £0.9m since the last quarter.

2. Overdue care debt – unsecured care debt has decreased by £0.9m over the quarter. CCG's have increased by £0.6m since the last quarter but offset by the same amount in OLA's and general debt, leaving the overall Non-Care Debt with no change. Table 1 below shows the age profile of the debts at 31st December 2021. Most of the CCG overdue debt relates to Adult Social Care services. The Adult Social Care service together with Corporate Finance is working closing with CCGs regarding the outstanding invoices and is confident most of the overdue debt will be resolved by the end of the current financial year.

Table 1: Age profile of the Council's debt as at 31st December 2021

Account group	<1 month £m	1-12 months £m	1 to 2 years £m	over 2 years £m	Total debt £m	Overdue debt £m
Care debt - unsecured	6.2	7.4	3.7	3.8	21.1	14.9
Care debt - secured	0.6	2.4	2.3	3.6	9.0	N/A*
Total care debt	**6.8**	**9.9**	**6.0**	**7.4**	**30.1**	**14.9**
Schools, colleges & nurseries	0.9	0.1	0.3	0.1	1.3	0.4
Clinical commissioning groups	4.5	8.0	0.2	0.6	13.4	8.8
Other local authorities	1.0	-0.3	0.0	0.0	0.8	-0.2
General debt	3.6	5.2	0.3	0.6	9.7	6.1
Total non-care debt	**10.0**	**13.0**	**0.8**	**1.3**	**25.2**	**15.1**
Total debt	**16.8**	**22.9**	**6.8**	**8.7**	**55.3**	**30.1**
Q2 2012/22	13.1	24.3	6.5	8.8	52.6	31.0
Change	3.7	-1.4	0.4	-0.1	2.6	-0.9

** Secured care debt does not become due until either the property is sold or after 90 days following the death of the resident, whichever is earlier.*

Note: All numbers have been rounded - which might cause a casting difference

Treasury Management

3. The Council borrows to finance its capital spending that exceeds receipts from: grants, third party contributions, capital receipts and reserves. The Council's long-term debt stands at £431.9m and has not increased this year.

4. As at 31 December 2021, the weighted average interest rate of the Council's long term debt portfolio is 3.89%. The Treasury Strategy, approved by County Council in February 2021, continued the policy of internal borrowing and where necessary, to borrow short-term to meet cash flow liquidity requirements. Table 2 below shows a net £93m increase in the Council's short-term borrowing activity since 30 September 2021.

Table 2: Short term borrowing as at 31 December 2021

	£m
Debt outstanding as at 30 September 2021	150
Loans raised	158
Loans repaid	(65)
Current Balance as at 31 December 2021	243

Figures are for Surrey Council only and do not include Surrey Police

5. The weighted average interest rate of the Council's short term external debt is 0.085% at 31 December 2021.

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Investments

6. The Council's average daily level of investments has been £54.7m during 2021/22 (Q3), compared to an average of £61.6m during 2020/21(Q3). This reflects the Council's strategic policy to maintain sufficient liquidity during this time and continue to borrow over shorter periods when appropriate. The Bank of England (BoE) base rate was increased in December to 0.25% with no significant increases forecasted in the next 2 years. The Council invests temporary cash surplus exclusively through the use of money market funds (MMF). Other investment facilities are available, including: brokers, direct dealing with counterparties through the use of call accounts or direct deal facilities, or with the government's Debt Management Office (DMO). No new fixed term deposits have been agreed during 2021/22 due to the lower cash balances held and the need to maintain high liquidity.

7. Table 3 shows the weighted average return on all investments the Council received in the quarter to 31 December 2021 is 0.02%. This compares to a 0.13% average Bank of England (BoE) base rate for the same period.

Table 3: Weighted average return on investments compared to Bank of England (BoE) base rate.	**Average BoE Base Rate**	**Weighted return on investments**
22 quarter 3	0.13%	0.02%
22 quarter 2	0.10%	0.02%
22 quarter 1	0.10%	0.01%
21 quarter 4	0.10%	0.01%
21 quarter 3	0.10%	0.03%
21 quarter 2	0.10%	0.14%
21 quarter 1	0.10%	0.31%
20 quarter 4	0.61%	0.63%
20 quarter 3	0.75%	0.68%
20 quarter 2	0.75%	0.70%
20 quarter 1	0.75%	0.75%

Note: All numbers in all tables have been rounded - which may cause a casting difference