



AGENDA

Solent Freeport Consortium Limited (SFCL)
Finance, Audit and Resources Committee (FRAC)
Meeting to be held virtually on Thursday 15 June 2023 – 10:00 to 11:30

Item	Title	Time
1.	Introductions and apologies for absence	10:00 – 10:15
2.	Notes of the last meeting on 5 April 2023, matters arising and declarations of interest	
3.	Implementation Plan review and status update to include progress on Monitoring and Evaluation Year 2 Engagement Plan.	10:15 – 10:35
4.	Retained Rates Investment Plan Update	10:35 – 11:00
5.	Finance update to include: <ul style="list-style-type: none">- Final out-turn for 2022/23- 2023/24 budget- Financial forecasts to 2025/26- Consideration of audit plan for 2023/24- Risk management framework	11:00 – 11:25
6.	Any Other Business <ul style="list-style-type: none">- Date of next meeting is to be advised	11:25 – 11:30

15.6.2023

Item 2

Notes of 5th April 2023 Meeting

Solent Freeport Consortium Ltd (SFCL) Finance, Resources and Audit Committee (FRAC) Meeting Note

Date: Wednesday 5 April 2023
Time: 14:30 - 16:00
Venue: MS Teams

Present	In attendance
Anne-Marie Mountifield - Senior Responsible Officer	Nicola Twiddy - LEP Executive
Alan Bethune - New Forest District Council	Richard Jones - LEP Executive
Derek Pretty - Eastleigh Borough Council	
Edward Heron - NFDC - FRAC Chair	
James Fitzgerald - Accountable Body	
Paul Somerset - Accountable Body	
Richard Parkinson - Solent Gateway	
Wayne Layton - Havant Borough Council	
Apologies	
No apologies were received	

Agenda Item	Notes	Action
1.	<p>Introductions and apologies for Absence Edward Heron welcomed all to the Solent Freeport Consortium Ltd (SFCL) Finance, Resources and Audit Committee (FRAC) meeting.</p> <p>There were no apologies to note.</p>	
2.	<p>Notes of the last meeting on 28 November 2022, matters arising and declarations of interest</p> <p>The notes of the meeting on 28 November 2022 were agreed.</p> <p><u>Matters Arising</u> Page 2 - it was confirmed that the MoU has been signed by all relevant parties. Page 2 - Retained Rates Investment Plan - was approved by the Board on 13 March 2023. Page 2 - Capacity Funding - the residual balance was requested and has been received.</p> <p><u>Declarations of Interest</u> No declarations were received.</p>	

<p>3.</p>	<p>Implementation Plan review and status update to include consideration of Solent Freeport Monitoring and Evaluation (M&E) Year 2 Engagement Plan.</p> <p>The paper was taken as read and an update was given on the main items within the report including:</p> <ul style="list-style-type: none"> - Confirmation from HM Government that Solent Freeport was one of the first three freeports to receive final approval; and - Agreement of the MoU between the SFCL Board, The Accountable Body, The Billing Authorities and HM Government (DLUHC) with confirmation that all parties have signed the document; and - Payment of £3.1 million SEED Capital funding for 2022/23 with a further £21.9 million due for payment in 2023/24. - An Operations & Delivery Committee will be established in late summer/early Autumn. - The Board will need to consider the need to develop an annual delivery plan and annual report, to replace the current Gant Chart. In the interim KPMG will be asked to update the Gant chart with input from the site leads. <p>A discussion was had on the resourcing costs of providing the M&E returns, noting that feedback has been provided to DLUHC on the need for proportionality.</p> <p>The Progress Milestone RAG rating was reviewed and discussed and FRAC Members were supportive of recommending to the SFCL Board that a further funding call is prepared, and status update is prepared on the SEED capital projects in the system to maintain a strong pipeline of projects.</p> <p>Finance, Resources and Audit Committee Members:</p> <ul style="list-style-type: none"> • Reviewed the implementation plan in Annexe A and provided advice on it ahead of providing an updated plan to the board for their meeting in April 2023; and • Noted the advice in relation to producing an annual delivery plan and annual report from 2023/24 onwards. • Noted the update on monitoring and evaluation for the freeport and the schedule of engagement in Annexe B; and • Agreed that the freeport commission some additional capacity to meet the requirements for monitoring and evaluation for the 2nd monitoring and reporting period (March 2023 – June 2023) • Noted the update on progress against delivery milestones under schedule 2 of the HM Government MOU in Annexe D and SEED capital spend profile attached in Annexe B. 	<p>AB</p> <p>SFCL AB</p>
<p>4.</p>	<p>Retained Rates Investment Plan Update</p> <p>The updated was taken as read. The Retained Rates Investment Committee (RRIC) met on 27 March 2023 and considered the work on an evidence base to extend the tax incentives by 1, 2, 3, and 5 years. Modelling work on this is now underway.</p> <p>An Investment Zones prospectus was published following the Spring Budget noting that subject to affordability there may be an opportunity for areas not announced in the prospectus, to enter discussion with Government. Clarification has been sought on the timelines for the accessing the tax</p>	

	<ul style="list-style-type: none"> • Considered the retained rates risk register at appendix D, provided feedback and Recommended it for approval by the SFCL Board on 26 April 2023. • Noted the intention to formulate an Audit plan as set out in paragraph 10 of the report. 	SFCL Board
6.	<p>Draft Annual report for 2022/23 to include review of Terms of Reference and Committee Composition</p> <p>Each SFCL Committee will provide an annual report to the SFCL Board. The first FRAC annual report covers:</p> <ul style="list-style-type: none"> - Monitors the integrity of financial statements and announcements, provides advice on annual reports and accounts, - Reviews internal financial controls and risk management systems, - Monitors and reviews the effectiveness of the company's internal and external audit functions, - Governance <p><u>Committee Composition</u></p> <p>The next SFCL Board meeting on 26 April 2023, will be Edward Heron's last Board meeting and this is the last FRAC meeting that Edward Heron will attend, before resigning from the SFCL Board.</p> <p>The Finance, Resources and Audit Committee Members:</p> <ul style="list-style-type: none"> • Agreed the Annual Report for Submission to the Solent Freeport Board, and; • Agreed to recommend the revised scheme of delegation at Annexe A to the Solent Freeport Board for adoption, and; • Agreed to recommend the Terms of Reference at Annexe B to the Solent Freeport Board for adoption, and; • Agreed to recommend the appointment of Richard Parkinson as interim FRAC Chair, to take effect following the resignation of Cllr Edward Heron from the Board of Solent Freeport Consortium Limited, and; • Agreed to seek an additional FRAC Member from amongst the public sector Solent Freeport Consortium Limited Board Members. 	<p>SFCL Board</p> <p>SFCL Board</p> <p>SFCL Board</p> <p>SFCL Board</p>
7.	<p>Any Other Business and date of next meeting</p> <p>The Executive's and Accountable Body's thanks were passed to Edward Heron for his role as the FRAC Chair and for his contribution made to FRAC and the wider SFCL Board.</p> <p>The next meeting is scheduled for 28 June 2023.</p> <p>There was no further business, so the meeting was closed.</p>	

Meeting closed at 15:43

15.6.2023

Item 3

Implementation Plan Review and Status Update



Item: 3
Title: Status report
Date: 15 June 2023
Purpose: For information and discussion

Confidential information has been removed from this meeting paper. Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

- information relating to an individual, and/or;
- relating to the financial or business affairs of a particular person.

1. Draft resolution

Committee members are asked to:

- **Review** the implementation plan in Annexe A and provide any advice on it ahead of providing an updated plan to the board for their meeting on 28 June 2023; and
- **Note** the updated case for extending the English freeport tax relief deadline in Annexe B; and
- **Note** the update on monitoring and evaluation for the freeport.
- **Note** the update on progress against delivery milestones under schedule 2 of the HM Government MOU in Annexe C

2. Summary

Since the last meeting of the FRAC in April 2023 work has continued as per the implementation plan for the Solent Freeport and now reflects the achievement of key milestones including:

- Submission of the updated case for extending the English freeport tax incentive deadline to HMT/HMRC and DLUHC

3. SFCL Implementation Plan

Further to the last meeting and as requested by the Committee the implementation plan has been reviewed and updated (as attached in Annexe A). Key changes include:

- Signposting of uncertainty in relation to site completion with 100% occupancy which reflects the challenges that some sites may have if the deadline for tax incentives is not extended. Further information on this is set out in Annexe A.

It is recognised that the board at their last meeting agreed to the development of an annual delivery plan and ultimately an annual report to include:

- Business and job creation
- Regeneration and infrastructure
- Trade and investment
- Skills and education
- Innovation and collaboration
- Net Zero
- Freeport Programme resources
- Site delivery (note the role of site-specific agreements will be important in this regard)

There will also be a requirement to undertake a security audit and we continue to await further guidance on the process for this.

The Operations and Delivery Committee will be formed once the newly appointed Chief Executive is in post and they will lead this work. In the interim FRAC continue to monitor progress.

Committee members are asked to:

- **Review** the implementation plan in annexe A and provide any advice on it ahead of providing an updated plan to the board for their meeting on 28 June 2023.

4. UPDATED EVIDENCE BASE TO SUPPORT AN EXTENSION TO THE DEADLINE FOR ACCESSING TAX INCENTIVES

To be eligible for tax reliefs on English Freeport tax sites, development needs to be delivered by September 2026 at the latest. This deadline was set at the beginning of the Freeport process when the assumption was that Freeports would be operational in the autumn of 2021. The Solent is one of the first to progress all the way through its approvals process, with the last piece of the jigsaw (a signed MOU with Government) finally being in place in early 2023.

The five-year window was also set before post-pandemic economic turbulence and escalating inflation and interest rates had set in, and before the war in Ukraine introduced additional inflationary pressures and economic uncertainty. This macro background makes delivery of new investment significantly more difficult than when the original deadline was set and compounds the effects of the challenges described above and the time associated with the approvals process.

It is in this context that the Solent Freeport has been seeking to make the case for extending the window for tax site benefits. An initial evidence base was submitted in early March 2023 and further to this HMT and HMRC requested that we enhance the submission to include a range of scenarios. This has been submitted for consideration and an update on the document and any feedback received will be provided at the meeting.

Committee members are asked to:

- **Note** the updated case for extending the English freeport tax relief deadline in Annexe B.

5. HM GOVERNMENT MONITORING and EVALUATION (M&E)

As previously advised Government have now published the monitoring and evaluation (M&E) data reporting requirements of the UK Freeports Programme, through the Department of Levelling Up, Housing and Communities

(DLUHC). It details their mandatory reporting requirements for Freeports, the frequency of when they expect this to be collected and how we should do it. This is incorporated as schedule 5 within the agreed MOU.

In line with the expected impacts of the Freeports Programme, they have identified eight main themes for the indicators they have asked us to collect:

- Business and job creation
- Regeneration and infrastructure
- Trade and investment
- Skills and education
- Innovation and collaboration
- Net Zero (to commence Autumn 2023)
- Freeport Programme resources
- Site delivery (note the role of site-specific agreements will be important in this regard)

KPMG have prepared the Spring return to cover the period ending 31 March 2023 and this was submitted on 26 May 2023. A copy of the return is available for viewing in the reference folder. In addition to this the table below provides an indication of the upcoming engagement for monitoring and evaluation over the next quarter

Table 1: 2023/24 Engagement Plan – quarter 1 and 2

Name of session	Purpose of session	Date	Who we would like to attend
Interviews for Theory of Change	Interviews with management leads to produce more detailed individual Theories of Change (i.e., how inputs and actions lead to impacts/outcomes) for each Freeport.	8 June 2023	Requires strategic and operational input - SRO
Monitoring period reporting to 31 March 2023	Following the monitoring period, an opportunity to report on progress with the completion of the M&E reporting data collection form.	31 st May submission deadline – return submitted on 26 May 2023	Requires operational input – KPMG have led on the data collection

Committee members are asked to:

- **Note** the update on monitoring and evaluation for the freeport.

6. HM GOVERNMENT MOU

As previously advised, following the approval of our FBC, the Government has agreed an MoU with SFCL partners covering:

- The role and responsibilities of the accountable body; and
- The role and responsibilities of the Freeport Governing Body; and
- The planned use of retained business rates by the Freeport.

The MoU formalises the Government's expectations that the Freeport Governing Body delivers the Freeport proposition as articulated in the FBC.

The Committee reviewed the MOU progress milestones at the meeting in April 2023 and Annexe C provides a high-level progress update on the status now. Committee members are asked to consider the position on the SEED capital programme alongside the update on the status of the programme which is considered in more detail under item 5.

Committee members are asked to:

- **Note** the update on progress against delivery milestones under schedule 2 of the HM Government MOU in Annexe C.

15.6.2023

Item 3 - Annexe A - D

**Confidential reports will be considered at the
meeting**

15.6.2023

Item 4

Retained Rates Investment Plan

**A confidential report will be considered at the
meeting**

15.6.2023

Item 5

Finance Update



Item: 5
Title: Solent Freeport Finance Update
Date: 15 June 2023
Purpose: For information and approval

Confidential information has been removed from this meeting paper. Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

- information relating to an individual, and/or;
 - relating to the financial or business affairs of a particular person.
-

1. Introduction

- 1.1 This report provides Finance, Resources and Audit Committee (FRAC) with final outturn position for 2022/23, the agreed budget for 2023/24 and the forecast budgets for the following three financial years up to and including 2025/26.
- 1.2 It sets out the main financial risks in terms of the length of the availability of the tax incentives and the implications of this as well as the challenges in respect of the defrayal of the seed capital. In line with this included as appendices are the latest versions of the retained rates, corporate and strategic and seed capital risk registers which highlight the emerging financial issues and recommends action where appropriate to manage these areas for members of FRAC to consider, comment on and provide advice to the Board accordingly.

2. Recommendations

It is recommended that the FRAC:

- Endorse** the final outturn for 2022/23 as set out in Appendix A, the original budget for the 2023/24 financial year and the forecast budgets for 2024/25 and 2025/26 as set out in Appendix B and **Recommend** them for approval by the Solent Freeport Consortium Limited (SFCL) Board on 28 June 2023.
- Note** the update in paragraph 5 and associated risks regarding the length of tax incentive windows and the impact on retained rates and provide **Advice** to the Board accordingly.
- Note** the latest position regarding the SEED capital programme including the risks highlighted around defrayal and provide **Advice** to the Board.
- Consider** the corporate and strategic risk register attached at Appendix C, provide and feedback and **Recommend** it for approval by the SFCL Board on 28 June 2023.
- Consider** the retained rates risk register attached at Appendix D, provide and feedback and **Recommend** it for approval by the SFCL Board on 28 June 2023.

- (vi) **Consider** the seed capital risk register attached at Appendix E, provide and feedback and **Recommend** it for approval by the SFCL Board on 28 June 2023.

3. Final Outturn for 2022/23

The draft forecast outturn was reported to the SFCL Board on 26 April 2023 and since that date there have been no further financial transactions, so the final outturn position of the Freeport is set out at Appendix A.

The final position is broadly in line with the revised budget which has flexed across the financial year to address the main activities of the Freeport which have resulted in a range of outputs including most importantly a final formal approval of the full business case. In addition to this the Freeport has submitted the first version of the retained rates investment plan, tax and custom site designations and provided critical information to DLUHC in respect of the risks surrounding tax incentive windows.

The underspend of £39,600 relates mainly to the recruitment costs for the appointment of the non-executive directors. This activity is continuing into the 2023/24 financial year and therefore the funding to support this has been reprofiled accordingly.

4. Budget for 2023/24 and Future Years

The forecast budget for 2023/24 and the following two financial years is attached at appendix B which has been built around known operational activity and a range of assumptions now that the Freeport has entered the delivery stage.

One key change is that the Solent Freeport Chief Executive started in post on 1 June 2023 which means that the executive support and SRO role provided by the LEP up to this point will begin to transition away with the new Chief Executive building the required resource going forward to be able to deliver on the objectives in the business case whilst remaining within affordability limits.

This work will need to ensure that there is capacity in place, whether directly employed staff, commission based work or a mixture as appropriate to formulate and deliver strategies encompassing Skills, Innovation, Net Zero and Trade and Investment as well as delivering the Seed capital programme at pace and managing the ongoing retained rates investment plan.

Previously other than the executive support the Freeport has relied heavily on the use of consultants which has been key in reaching the milestones we have however this has a high cost attached to it as the expenditure to date and forecast for the current year is showing with approximately £1.3m spent or committed.

Other commitments are likely to be external legal support in terms of issues such as subsidy control and additional Accountable body support due to their enhanced role in providing support around seed capital and wider project delivery.

THE FRAC are reminded that the 2023/24 financial year is the last year that Board members have agreed to provide financial support for therefore without exploring an extension to this or alternative income sources, other than interest earned on seed capital held and not deployed, the sole source of funding for the operational costs will be the retained rates and there is a specific risk around the receipts of these in terms of pace and value which is set out in paragraph 5 of this report.

Whilst it is positive that the use of retained rates for this purpose has been agreed in the local MoU it is important to remember that borrowing against these rates will be the enabler for investment across the Freeport geography and they are expected to be limited in the early years so the call against them to fund the operational costs needs to be measured and proportionate.

On the most recent DLUHC SRO it was confirmed that there will be no further central revenue support for Freeports however there was push back against this.

5. Retained Rates / Tax Incentives

The progress against the retained rates investment plan and concerns around the tax incentives window is being discussed under item 4 of this agenda however as noted above this current financial year is the first year that the Freeport will be relying on retained rates to fund a proportion of the operational costs at a level of approximately £315,000. It is then expected that this will rise to approximately £785,000 annually unless other funding sources are identified. This is a considerable risk to the Freeport.

6. Seed capital / Further funding call

The high-level status of the SEED capital programme is shown at the top of the risk register attached at appendix E.

This which sets out the current approvals and the financial commitment by project with a more detail explanation of the status of each in the main body of the document.

7. Risk registers

7.1 Corporate and Strategic Risk Register

An updated corporate and strategic risk register is provided at Appendix C where risk ratings have been reviewed and revised as appropriate with updated commentary.

The highest risk is around the current five-year time period for the tax incentives for all Freeports due to the delay in approving the full business case and the time required to deliver critical infrastructure to properly enable the tax sites. There is an imperative to allow the existing incentives to be extended over a longer time period which is critical to the success of Solent Freeport, and it is vital that the Freeport use the retained rates investment plan to open up a dialogue with HM Government with a view to securing the tax incentives beyond the current expiry date of 30 September 2026.

7.2 Retained Rates - Risk Register

The forecast retained rates over the 25 years of the Freeport is a significant sum of money that must be managed carefully understanding the risks surrounding it whilst looking to ensure that the maximum benefit can be derived from it to fund projects within the Freeport geography.

As already set out in this report the receipt and deployment of the retained rates is one of the most critical activities for the Freeport to manage.

The latest version is attached at Appendix D for FRAC to consider which includes updated scores and RAG ratings, showing a direction of travel of any particular risk.

7.3 Seed capital - Risk Register

An updated on the main risk is set out in paragraph 6 of this report and an updated version of this risk register is attached at Appendix E.

8 Financial Summary

There remains a balanced budget for the Freeport out to the end of the 2025/26 financial year as set out in Appendix B which reflects the latest known information, and this will continue to be reviewed and reported back to both the Finance, Resources and Audit Committee and the main SFCL Board.

The main financial risks are in respect of the extension of tax incentive windows and the defrayal of the SEED capital and it is recommended that the FRAC consider the updates in this report and provide advice to the Board as to how to further mitigate these risks alongside further advice from the Accountable Body and Freeport Chief Executive.

As previously reported, the Accountable Body will continue to guarantee to underwrite any cash flow issues all the time the company can be judged to be a going concern which means that the financial position of the Freeport remains strong now that it in the delivery phase.

Solent Freeport Budget 2022/23

Notes	Activity	Full Year Budget	Expenditure to 31	Full Year Variance
		2022/23*	March 2023 (final outturn)	as at 31 March 23 Over / (Underspend)
		£	£	£
1	Direct Staffing including Board remuneration	0	0	0
2	Recruitment Costs	59,000	19,055	(39,945)
3	Executive Support	350,000	363,408	13,408
5	Accountable Body Support	57,000	57,959	959
4	Legal support	20,000	34,039	14,039
6	Marketing & Communication costs	50,000	44,133	(5,867)
7	Commissions (including the OBC and FBC)	405,945	409,078	3,133
8	Other Commissions	85,000	78,771	(6,229)
9	Other Operational costs	13,000	12,900	(100)
10	Contingency / Reserves	19,002	0	(19,002)
Totals		1,058,947	1,019,343	(39,604)

* Budget approved by the Freeport Board on 26 April 2023

Funded By:	2022/23
	£
CLGU Freeport Set Up Revenue Funding - received	608,947
ABP	50,000
Southampton Airport	50,000
Solent Gateways	50,000
Hampshire County Council	50,000
Portsmouth City Council	50,000
New Forest District Council	50,000
Eastleigh Borough Council	50,000
Havant Borough Council	50,000
Southampton City Council	50,000
Totals	1,058,947

Operational (Surplus) / Deficit	0
----------------------------------------	----------

Notes / Budget Assumptions:

- 1 The Freeport Chief Executive started in post on 1 June 2023
- 2 Executive search costs for the Chief Executive. Non Executive Director recruitment activity will complete in 2023/24
- 3 Solent LEP Executive support to enable the Freeport to achieve formal designation.
These costs include support from the LEP Chief Executive as the Freeport SRO and other staff from the inception of the Freeport to the delivery phase including support to ensure that the FBC was delivered and final designation was achieved. The support will reduce in the first quarter of 2023/24 as transition to the new Chief Executive takes place. It is then anticipated that the Freeport will begin to employ their own staff with external support commissioned as required.
- 4 External legal support to provide advice in the role of a company secretary to ensure that the Freeport Company is set up as a legal entity. Retainer fees agreed
- 5 Finance, Legal, HR and Audit support from the Accountable Body to ensure controls are in place and that the Freeport can be supported to enable it to function effectively
- 6 Marketing and communications activity to support stakeholder engagement network, website development and consultation
- 7 Budget based on agreed fees with KPMG and Lichfields to deliver the FBC to Government. A further sum has been added after agreement with the Freeport Board in anticipation of clarification work resulting from Government's HMG review of the FBC and to work on the key deliverables as part of the MoU with government.
- 8 Budget for further key commissions including SEED capital due diligence and the retained rates investment plan
- 9 Modest sum for other operational costs that may arise during the year including insurance
- 10 Contingency allocation for the Solent Freeport to be able to respond to any unknown risks (any 'underspend' to be carried forward)

SOLENT FREEPORT - BUDGET FORECAST TO 2025/26

Activity	Actual 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total Budget
	£	£	£	£	£	£
Direct Staffing including Board remuneration	0	0	250,000	350,000	400,000	1,000,000
Recruitment Costs	12,650	19,100	40,250	0	0	72,000
Executive Support	198,593	363,400	52,500	0	0	614,493
Accountable Body Support	41,675	58,000	80,000	80,000	80,000	339,675
Legal Support	27,538	34,000	40,000	40,000	40,000	181,538
Marketing and communications	33,542	44,100	40,000	40,000	40,000	197,642
Commissions (Freeport Bid, OBC and FBC)	394,055	409,100	0			803,155
Other Commissions	0	78,700	415,000	200,000	150,000	843,700
Rating Authority Operational Costs	0	0	20,000	20,000	20,000	60,000
Other Operational costs	0	12,900	20,000	20,000	20,000	72,900
Contingency	0	0	35,000	35,000	35,000	105,000
Totals	708,053	1,019,300	992,750	785,000	785,000	4,290,103

Funding Summary	Actual 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total Budget
	£	£	£	£	£	£
CLGU Freeport Set Up Revenue Funding	208,053	559,300	232,647	0	0	1,000,000
ABP	50,000	50,000	50,000	0	0	150,000
DP World	50,000					50,000
Southampton Airport		50,000	50,000	0	0	100,000
Solent Gateways	50,000	50,000	50,000	0	0	150,000
Hampshire County Council	50,000	50,000	50,000	0	0	150,000
Portsmouth City Council	50,000	50,000	50,000	0	0	150,000
New Forest District Council	50,000	50,000	50,000	0	0	150,000
Eastleigh Borough Council	50,000	50,000	50,000	0	0	150,000
Havant Borough Council	50,000	50,000	50,000	0	0	150,000
Southampton City Council	50,000	50,000	50,000	0	0	150,000
Solent LEP	50,000	0	0	0	0	50,000
Interest earned on balances	0	10,000	0	0	0	10,000
Retained Business Rates Growth (see current forecast below)			310,103	785,000	785,000	1,880,103
Totals	708,053	1,019,300	992,750	785,000	785,000	4,290,103

Operational (Surplus) / Deficit	(0)	0	0	0	0	(0)
----------------------------------------	------------	----------	----------	----------	----------	------------

Operational Cost Cover	2022/23	2023/24	2024/25	2025/26	Total
Latest Business Rates Forecast - current best case scenario	0	17,000	1,252,000	1,346,000	2,615,000

Cumulative Deficit / (Surplus) after funding operational costs		293,103	(173,897)	(734,897)
-----------------------------------------------------------------------	--	----------------	------------------	------------------

AB to provide cash flow support

Note: This assumes no extension of tax incentive window past September 2026

15.6.2023

Item 5 - Annexe C - E

**Confidential reports will be considered at the
meeting**