

Report To:	CABINET
Date:	21ST FEBRUARY 2023
Heading:	2022/23 FORECAST OUTTURN FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME AS AT DECEMBER 2022
Executive Lead Member:	EXECUTIVE LEAD MEMBER FOR FINANCE, REVENUES AND BENEFITS – CLLR DAVID MARTIN
Ward/s:	ALL
Key Decision:	NO
Subject to Call-In:	NO

Purpose of Report

To summarise the Council's forecast financial outturn position to 31 March 2023 compared to the latest approved budgets for the General Fund, Housing Revenue Account (HRA) and the Capital Programme. The forecast financial outturn is based on the actual financial activity to the 31 December 2022 and forecast costs and income from 1 January 2023 to 31 March 2023.

Recommendation(s)

Cabinet is requested:

- (1) To note the current forecast outturn for the General Fund, Housing Revenue Account (HRA), Capital Programme and Prudential Indicators for 2022/23.

Reasons for Recommendation(s)

In accordance with the Council's Financial Regulations to report to those charged with Governance the financial position.

Alternative Options Considered

The financial position has to be reported to those charged with governance therefore there are no other options.

Detailed Information

Budget Monitoring April 2022 to December 2022 (General Fund and HRA)

1. Summary Budget for General Fund

- 1.1 Table 1 below sets out the 2022/23 net revenue forecast outturn position based on actual income and expenditure to December 2022 and forecast income and expenditure from January 2023 to March 2023, compared to the current revised budget (based on original budget approved by Council on the 3rd March 2022 and approved budget adjustments to 31st December 2022).
- 1.2 The current General Fund forecast variance against budget is a £539k underspend, being a forecast £813k use of General Fund balances compared to the revised budget of £1.352m use of General Fund balances.

Table 1 - Net Revenue Forecast to 31 March 2023 by Directorate

General Fund	Revised Budget	Forecast	Current Forecast Variance	Previous Forecast Variance	Change
	£'000	£'000	£'000	£'000	£'000
Directorate					
Chief Executive Officer	670	629	(41)	10	(51)
Legal and Governance	1,973	1,958	(15)	(23)	8
Resources and Business Transformation	(392)	(102)	290	251	39
Place and Communities	9,791	9,680	(111)	(271)	160
Housing and Assets	2,426	2,448	22	(29)	51
Pay Award	0	0	0	806	(806)
Total Net Directorate Expenditure	14,468	14,613	145	744	(599)
Net Recharges	(2,927)	(2,927)	0	0	0
Capital Financing	2,844	2,462	(382)	(129)	(253)
Net Interest Payable /(Receivable)	20	91	71	168	(97)
Net Revenue Expenditure	14,405	14,239	(166)	783	(949)
Funding	(15,273)	(15,273)	0	0	0
Net Revenue Expenditure before transfer to(from) earmarked reserve	(868)	(1,034)	(166)	783	(949)
Transfer to(from) earmarked reserve	2,220	1,847	(373)	(213)	(160)
Net Revenue Expenditure after transfer to(from) earmarked reserve	1,352	813	(539)	570	(1,109)

- 1.3 Appendix 1 provides details of the variances for each Directorate, Corporate Costs and Funding.
- 1.4 The main changes since the previously reported position are:
- The £806k pay award provision has been reallocated within Directorates.
 - Resources and Business Transformation – Agency cover for vacant Chief Accountant post.
 - Place and Communities – Increased employee costs in Waste Services, Planning and Regulatory Services and Environmental Protection.
 - Housing and Assets – Increased spending on Decarbonisations (funded from reserves), partly offset by additional Homelessness Prevention Grant.
 - Capital Financing – Variance is largely due to slippage on the Capital Programme funded by borrowing reducing the MRP charges in 2022/23.
 - Net Interest Payable - Higher interest rates increasing the interest received on investments and the interest payable on balances.
- 1.5 Appendix 2 provides details of the approved and forecast earmarked reserves movements as at 31 December 2022.

2. General Fund Savings/Efficiencies Monitoring 2022/23

- 2.1 The 2022/23 budget included the proposed savings and efficiencies as detailed in Table 2 below. The forecast achievement of these savings is identified, on the following basis:
- saving has been achieved (green),
 - saving forecast to be achieved but actions are still required to secure the saving (amber),
 - saving will not be achieved (red).

Table 2 - General Fund Savings/Efficiencies Monitoring 2022/23

Saving / Efficiency	Detail	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
		£'000	£'000	£'000
Base Budget Review	Detailed line by line review of all General Fund budgets to identify areas of recurrent underspends and over-achievement of income budgets	43	43	0
		597	597	0
Neighbourhood Services	Deletion of vacant Performance Officer post	30	30	0
Place & Wellbeing	Staffing review – net saving	5	5	0
ICT	Renegotiation of Printing contract	5	5	0
Assets	Brook Street and Watnall Road offices rental income	108	108	0
Transformation Team	Staffing efficiencies	12	12	0
Grants	Community and Infrastructure Grants (net)	5	5	0
		805	805	0

- 2.2 The position outlined above shows all £805k savings are forecast to be achieved. £614k (categorised amber) of the £805k forecast savings are anticipated to be achieved, with actions currently being reviewed to ensure they are fully achieved.

3. General Fund Budget Adjustments

- 3.1 There have been no further budget adjustments since those reported to Cabinet on 13th December 2022.

4. Summary for Housing Revenue Account (HRA)

- 4.1 Table 3 below sets out the 2022/23 HRA forecast outturn position based on actual income and expenditure to 31 December 2022 and forecast income and expenditure from January 2023 to March 2023, compared to the original budget approved by Full Council on the 3rd March 2022 and Council approved budgets to 31st December 2022.
- 4.2 Details of any significant variances incorporated within the Forecast Outturn are detailed in the commentaries below the table.

Table 3 – Housing Revenue Account Forecast to 31 March 2023

Description	2022/23 Revised Budget £'000	2022/23 Forecast Outturn £'000	Current Forecast Variance £'000	Previous Forecast Variance £'000	Change £'000
Income					
Rents, Charges and Contributions	(25,838)	(26,021)	(183)	(17)	(166)
Interest and investment income	(10)	(650)	(640)	(490)	(150)
Total Income	(25,848)	(26,671)	(823)	(507)	(316)
Expenditure					
Repairs and Maintenance	8,062	8,328	266	316	(50)
Supervision and Management	4,386	4,675	289	315	(26)
Interest payable and similar charges	3,548	3,548	0	0	0
Rents, Rates, Taxes and other charges	149	143	(6)	0	(6)
Depreciation and impairments of fixed assets	3,947	3,947	0	0	0
Debt Management Costs	44	44	0	0	0
Contribution to the Bad Debt Provision	200	200	0	0	0
Transfer to Major Repairs Reserve	4,199	0	(4,199)	(1,000)	(3,199)
Capital expenditure funded by the HRA	8,918	8,333	(585)	268	(853)
Total Expenditure	33,453	29,218	(4,235)	(101)	(4,134)
Net Cost of HRA Services	7,605	2,547	(5,058)	(608)	(4,450)

4.3 Rents, Charges and Contributions

Additional income from the service charges that were introduced in this financial year, partly offset with the additional costs reported below in Repairs and Maintenance. Increases to the district heating charges to recover the costs from the energy price increase from October 2022, again additional costs reported in Supervision and Management.

4.4 Interest and Investment Income

Increased Interest rates in the banking sector will increase the average annual interest rate on the HRA balances. Currently forecasting an increase of £640k but this is open to fluctuation dependant on the economy.

4.5 Repairs and Maintenance

Employee Expenses forecast to be £140k over budget due to a higher than expected pay award. Fuel price increases expected to remain high for the financial year forecasting an increase of £21k. Contractors negotiating changes to terms due to inflationary pressures within the construction industry and increase in void completions £70k. Additional £40k extra communal cleaning works in relation to the introduced service charges as mentioned above in Rents, Charges and Contributions. Other minor repairs and maintenance variances were a net underspend of £5k.

4.6 Supervision and Management

Forecasting an overspend due to utility price increases of £175k. Ombudsman fees increased to support the transformation in local complaint handling across the sector envisaged by the Social Housing White Paper £16k. Employee Expenses forecast to be £90k over budget due to a higher than expected pay award. Other minor supervision and management variances were a net over spend of £8k.

4.7 Transfer to the Major Repairs Reserve (MRR)

The current forecast outturn shows the reduced level of financing required from the HRA for the major repair element of the capital programme for 2022/23. This is due to the Decarbonisation scheme affecting multiple budget lines but mainly the roofing (bad weather and unforeseen works) which then delayed other work schemes. This scheme supports the Council's Carbon Management Plan, helping the Council to reduce its own emissions and supporting the decarbonisation of the whole district. Also, general resource diversion towards funding bids and delivery has slowed progress on other schemes, contingency sums not required, and difficulty in sourcing materials.

4.8 Capital Expenditure Funded by the HRA

The current forecast outturn shows the reduced level of financing required from the HRA for the capital programme for 2022/23, schemes are forecast to underspend against profile and will move into 2023/24.

5. **HRA Savings/Efficiencies Monitoring 2022/23**

5.1 The 2022/23 HRA budget included the proposed savings and efficiencies as detailed in the Table below. The forecast achievement of these savings is identified, on the following basis:

- saving has been achieved (green),
- saving forecast to be achieved but actions are still required to secure the saving (amber),
- saving will not be achieved (red).

Table 4 - HRA Savings/Efficiencies Monitoring 2022/23

<u>Saving/Efficiency</u>	<u>Detail</u>	Budgeted Saving	Forecast Achieved Saving	Forecast Saving Shortfall
		£'000	£'000	£'000
Relocation of Housing Staff	Brook Street Office rented out to DWP – staff relocated to Urban Road	215	215	0
Staff Establishment	Lettings Service Review - reduced by 1 Admin post	24	24	0
Staff Establishment	Housing Administration – reduced by 1 Senior Admin post	32	32	0
TOTAL		271	271	0

- 5.2 This remains as previously reported with all savings being achieved. The forecast achievement of these savings is included within the forecast outturn reported in section 4 of the report.

6. Capital Programme Summary 2022/23

6.1 Table 5 below shows the actuals and commitments as at December 2022 compared to the approved revised budgets.

Table 5 – Capital Programme 2022/23 as at 31 December 2022

Description	Actual + Commitment s to December 2022 £000s	Proposed February 2023 Capital Programme £000s	Variance to Proposed February 2023 Capital Programme £000s
Housing Revenue Account			
<i>Decent Homes Schemes</i>			
Management Fee	0	591	591
Catch Up and Future Major Works	3,027	5,646	2,619
Service Improvements	96	1,503	1,407
Contingent Major Repairs	72	183	111
Exceptional Extensive Works	171	5	-166
Kirkby & Rural	-80	0	80
Disabled adaptations - Major adaptations	59	300	241
Disabled adaptations - Minor adaptations	226	350	124
Sub Total	3,571	8,578	5,007
<i>Other Housing Revenue Account Schemes</i>			
Affordable Housing Developments Sutton In Ashfield	246	257	11
Davies Avenue Housing Project	0	1,980	1,980
Devt of Unviable Garage Sites Kirkby-in-Ashfield	349	856	507
Investment in New or Existing Dwellings	643	1,000	357
Green Homes Grant (HRA) (2)	416	421	5
Hucknall Infill Sites	216	250	34
Housing Vehicles	379	389	10
Maun View Sutton-in-Ashfield	1,368	3,088	1,720
Warwick Close, Kirkby-in-Ashfield	19	3,000	2,981
Other Housing Revenue Account Schemes (less than £100k)	12	187	175
Sub Total	3,648	11,428	7,780
Total	7,219	20,006	12,787
General Fund			
Depot Roof Repairs	152	100	-52
Fox Street pop-up food court and car park	56	535	479
Green Homes Grant (GF) (2)	182	203	21
Health and Safety works for Kirkby Offices	114	142	28
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	-167	357	524
Hucknall Leisure Centre - New Pool	3,373	3,390	17
Improvement Grants 1996 Act Disabled Facility Grant	812	1,108	296
In District Regeneration	0	3,000	3,000
Kings Mill Reservoir (The King and Miller to Kingfisher)	79	168	89
Kirkby Leisure Centre	4,182	5,914	1,732
Lammas Leisure Centre - Fixtures, Fittings and Equipment	1,052	716	-336
Low Street vacant units	1,009	3,177	2,168
New Kirkby LC - Fixtures, Fittings and Equipment	119	440	321
Purchase of Vehicles	1,617	3,681	2,064
Rurals and Open Space	15	140	125
Sutton Academy Community Theatre/Cinema	48	398	350
Sutton Maker Space and Business Hub	207	1,117	910
Towns Fund Projects	1,518	8,073	6,555
Other General Fund Schemes (less than £100k)	130	1,452	1,322
Total	14,498	34,111	19,613
Grand Total	21,717	54,117	32,400

6.2 The explanations for where spend is significantly different to the approved budgets are:

- Decent Homes - Costs expected to be on budget by end of the year.
- Davies Avenue Housing Project - Payment made to East Midland Housing in January 2023. Costs expected to be on budget by year end.
- Maun View Sutton-in-Ashfield- Costs expected to be on budget by end of the year.
- Warwick Close, Kirkby-in-Ashfield - Costs expected to be on budget by end of the year.
- Hucknall Leisure Centre - Fixtures, Fittings and Equipment - Correction of prior year costs.
- In District Regeneration - No suitable properties have been found so far in 2022-23.
- Kirkby Leisure Centre - Costs expected to be on budget by end of the year.
- Lammas Leisure Centre - Fixtures, Fittings and Equipment - Discussions are ongoing with Sports and Leisure Management Ltd. There is a possibility of an overspend of £340k with regards to the Lammas Leisure Fixtures and Fittings scheme. It is anticipated that this overspend can be offset by a corresponding underspend on the Hucknall Leisure Centre Fixtures and Fittings scheme. Once more information becomes available Members may be asked to recommend that a budget virement is undertaken between the two schemes.
- Low Street vacant units - DLUHC Grant money has to be spent by year end - will look at switch funding if underspent.
- Purchase of Vehicles - Costs expected to be on budget by end of the year.
- Towns Fund Projects - DLUHC Grant money has to be spent by year end - will look at switch funding if underspent.
- Other General Fund Schemes (less than £100k) - Many projects are still ongoing it is possible there may be slippage at the end of 2022-23.

7. Prudential Indicators of Affordability

7.1 The prudential indicators for 2022-23 were agreed at the Council meeting on 3rd March 2022. In its updated Prudential Code, CIPFA recommended these be monitored throughout the financial year. The Prudential indicators for affordability are as follows:

7.2 Estimate of the ratio of financing costs to the net revenue stream split between the Housing Revenue Account and the General Fund

The below tables estimate the impact of the capital financing costs as a proportion of Housing Revenue Account and General receipts.

For the HRA this is calculated by dividing the HRA capital financing costs by the total estimated Council Dwelling Income. For the General Fund this is calculated by dividing the General Fund capital financing costs by the estimated Council Tax Receipt plus Central Government Grants.

Table 6 – Ratio of financing costs to net revenue stream for the Housing Revenue Account and General Fund.

	2022/2023 original %	2022/23 Revised %
Housing Revenue Account	13.92	11.87
General Fund	21.49	21.05

The General Fund indicator is broadly the same as the original forecast. The HRA indicator has reduced due to interest receivable amounts on HRA balances being higher than previously anticipated.

Table 7 – Ratio of financing costs to net revenue stream for the General Fund including Investment Property income.

	2022/2023 original %	2022/23 Revised %
General Fund	-9.60	-9.30

The revised estimate has not changed significantly from the original forecast.

The investment properties are generating revenue in excess of their finance costs and are therefore making a positive contribution to the General Fund.

7.3 Estimate of the incremental impact of capital investment decisions on the Council Tax and Rent Levels

These indicators have been prepared using the revised Capital Programme, on the same agenda as this report.

The revised indicator for 2022-23 can be found on Table 8 below.

Table 8 - Incremental Impact of capital investment decisions on Council Tax and Rent Levels

	2022/2023 original %	2022/23 Revised %
General Fund (Band D)	19.88	24.31
HRA (52 weeks)	0	0

The reason for the difference on the General Fund is due to slippage from the 2021/22 Capital Programme.

The current year's Council Tax is not impacted by the incremental capital financing costs as these costs have already been included when setting Council Tax levels. As there is no borrowing for the HRA in year there is also no HRA capital financing costs.

7.4 Net borrowing and the Capital Financing Requirement split between the General Fund and the Housing Revenue Account

In order to ensure that in the medium term borrowing is only undertaken for capital purposes, local authorities are required to ensure that external borrowing does not exceed, except in the short term, the total of their capital financing requirement over the planning period. In broad terms the capital financing requirement reflects an authority's need to borrow for capital purposes and is a measure of the assets contained on the balance sheet which have as yet not been fully financed, i.e. there is still some indebtedness outstanding.

The latest 2022/23 estimate of the Capital Financing Requirement is shown in Table 9 below.

Table 9 – Estimates of Capital Financing Requirement.

	31st March 2023 Original	31st March 2023 Revised
	£m	£m
Housing Revenue Account	80.061	80.061
General Fund	105.304	106.473
Total	185.364	186.534

Increase in General Fund due to lower than expected MRP payments and a small increase in the expected borrowing requirement.

7.5 Capital Expenditure

Estimates of capital expenditure for 2022/23 years split between the General Fund and the Housing Revenue Account

The estimated total capital expenditure for 2022/23 as detailed in the Capital Programme, which is on the same agenda as this report, is shown below in Table 10:

Table 10 – Housing Revenue Account and General Fund Capital Expenditure estimates.

Capital expenditure £m	2022/23 Original	2022/23 Revised
General Fund	15.173	34.111
HRA	23.087	20.006
Total	38.260	54.117

The increase in General Fund is due to slippage from 2021/22 and additional Towns Fund schemes being included on the capital programme. The decrease for the Housing Revenue Account is mainly due to the reprofiling of decent homes work schemes from 2022/23 to future years.

7.6 Capital Programme Funding

Table 11 shows how the expenditure in Table 10 is to be funded.

Table 11 - Capital Expenditure Funding

Financing of Capital	2022/23 Original	2022/23 Revised
Capital Receipts	3.116	3.540
Capital Grants	7.928	14.623
Capital Reserves	0.000	0.640
Direct Revenue Financing	18.378	13.138
Borrowing Requirement	8.838	22.176

The increased borrowing requirement is mainly due to slippage from 2021/22. The increase in capital grants is largely due to additional DLUHC funding for Towns Fund and Levelling Up 2 funding for the Science Discovery Centre and Planetarium and the reduction in direct financing is due to re-profiling of the HRA decent homes works which are part funded through this.

7.7 Balance Sheet Summary and Forecast

The Council has an increasing CFR until the end of 2022/23 due to the future planned unfunded capital expenditure, mainly relating to the Leisure Centre Projects. After this, the CFR reduces as MRP charges exceed unfunded capital expenditure. This position is continually reviewed due to the level of reserves and working capital having many variables and due to slippage in delivery of the capital programme making forecasting with certainty difficult.

Table 12 shows the original and revised balance sheet summary for 2022-23.

Table 12 - Balance Sheet Summary

31st March:	2023 Original	2023 Revised
Capital Financing Requirement	180.2	186.5
Less: External Borrowing	-95.5	-90.5
Under(Over) Borrowing	84.7	96.0
Less: Usable Reserves plus working Capital	-83.4	-81.6
Investments / (New Borrowing)	-1.3	-14.4

See c) above for explanation of the change in the Capital Financing Requirement. The Council was previously expecting to re-finance a £5m loan at the end of 2022-23, however, as the Authority has sufficient cash resources re-financing of this loan has been put on hold. The Council's reserves are expected to be slightly lower than previously estimated.

7.8 External Debt

Authorised Limit

This is calculated by taking into account current external debt, new borrowing for loans which mature or for capital purposes and the need to borrow on a short term basis to cover for temporary shortfalls in revenue income and expenditure.

A comparison with of the authorised limit to the actual external debt is shown in Table 13 below.

Table 13 – Authorised Limit

	2022/2023 Original	31st December 2022 Actual External Debt
	£m	£m
Borrowing	217	97

The Authority's debt is currently significantly below the Authorised Limit.

Operational Boundary

As well as an authorised limit the local authority must also set an operational boundary for its external debt for the next three years. The operational boundary is based on the most likely or prudent but not worst case scenario in relation to cash flow.

The future Operational Boundary comparison to actual external debt as at 31st December 2022 is shown in Table 14.

Table 14 – Operational Boundary for External Debt

	2022/2023 Original £m	31st December 2022 Actual £m
Borrowing	188	97

The Authority is currently significantly below the Operational Boundary.

7.9 Treasury Management

Interest rate exposure

These indicators relate to both fixed and variable rate interest and are net of any investments.

Depending on the level of interest rates and their expected movement in the year, the Council may accept all of its new borrowings in the form of either fixed or variable rate debt. The figures in Table 15 give the following maximum levels, when compared to the authorised limit, of exposure to fixed and variable interest rates, which are prudent limits for the forthcoming years:

Table 15 - Interest Rate Exposure

Principal Outstanding	2022/23 Original £m	31st December 2022 Actual £m
Fixed Rates	217.0	97.0
Variable Rates (No more than 40% of the operational boundary).	86.8	19.5

The Council is significantly within the boundaries previously set.

7.10 Maturity Structure of borrowing

This indicator relates only to fixed rate debt and is therefore a measure of the longer-term exposure to interest rate risk.

Table 16 shows the proposed lower and upper limits, given the current structure of the Council's debt portfolio:

Table 16 - Maturity Structure of Debt

Maturity Structure of Fixed Rate Borrowing	Amount £m	Forecast Position for 31/12/2022	Lower Limit %	Upper Limit %
Under 12 Months	10.727	4.67%	0%	10%
Under 24 Months	11.954	6.02%	0%	15%
Under 5 years	15.041	9.43%	0%	20%
Under 10 years	26.736	22.35%	0%	25%
Under 20 years	36.736	33.40%	0%	40%
Under 30 years	41.736	38.92%	0%	50%
Under 40 years	74.736	75.37%	0%	80%
Under 50 years	97.036	100.00%	0%	100%
50 Years and Above	0	0.00%	0%	0%

All the Council debt maturities are within the targets set.

7.11 Principal sums invested for more than 364 days

Maximum investments over £5m as at 31st December 2022 £0.

Implications

Corporate Plan:

The Revenue and Capital Budgets and Outturn position reflect delivery of the priorities in the Corporate Plan.

Legal:

This report ensures compliance with the Council's approved Financial Regulations. [RLD 02/02/2023].

Finance: [PH 31/01/2023].

Budget Area	Implication
General Fund – Revenue Budget	As set out in the detailed information section of the report.
General Fund – Capital Programme	As set out in the detailed information section of the report.
Housing Revenue Account – Revenue Budget	As set out in the detailed information section of the report.
Housing Revenue Account – Capital Programme	As set out in the detailed information section of the report.

Risk:

Risk	Mitigation
Failure to spend within approved budgets could impact the financial sustainability of the Council.	Regular financial monitoring reports to CLT and Cabinet. Financial Regulations. Finance training for Budget Managers and Budget Holders

Human Resources:

No implications

Environmental/Sustainability

Environmental implications are considered when capital schemes are developed and included on the Capital Programme.

Equalities:

No implications

Background Papers

Annual Budget and Council Tax 2022/23 and Medium-Term Financial Strategy Update to Council
3rd March 2022

Draft Outturn Report 2021/22 to Cabinet 19 July 2022

2022/23 Forecast outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at July 2022 to Cabinet 27 September 2022.

2022/23 Forecast outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at September 2022 to Cabinet 13 December 2022.

Report Author and Contact Officer

Clive Howey

Interim Chief Accountant

Email: clive.howey@ashfield.gov.uk

Tel: 01623 457548

Sponsoring Director

Craig Bonar

Director-Resources and Business Transformation

Email: Craig.Bonar@ashfield.gov.uk

Tel: 01623 457203

Directorate:	Chief Executive's Department		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over- recovery (-) £'000	Forecast Overspend OR Income under- recovery (+) £'000	Key reasons for forecast variance
Service Area			
CEO	-28		CEO Section has a vacancy
	-3		Membership and Subscriptions - East Midlands Chamber, no longer used
Superannuation Backfunding	-10		Actual Cost less than budget for the NCC Pension Recharge
Total	-41	0	
Net Forecast Under/Overspend	-41		

Directorate:	Legal & Governance		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Director		1	Vacancy factor not achievable
Legal Services		37	End of Shared Service with MDC. Payment to agency to recruit ex locum. Possible recharge to Towns Fund for Legal work undertaken
Risk & Emergency Planning - Corporate Safety	-32		Vacant post
Democratic & Scrutiny Services		20	Vacancy factor not achievable £5k. Increased Members Allowances not included in budget £17k
Electoral Services	-43		Service Manager vacancy
Governance Admin		2	
Total	-75	60	
Net Forecast -Under/+Overspend	-15		

Directorate:	Resources & Business Transformation		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Director			1 Vacancy factor not achievable.
HR & Payroll			6 Occupational Health Costs
ICT			19 Vacancy factor not achievable.
	-1		Materials - Toners are required less frequently
	-5		Licences - Microsoft Help Desk is no longer required
			9 Telephones - an error was made when setting the budget and historical issues with the supplier being resolved were higher than the estimated amount provided
Performance Planning & Improvement			2 APSE Energy - Charge not budgeted for
GIS			3 Vacancy factor not achievable.
	-14		Street Naming & Numbering - had a one off fee Barratt Homes
Digital Services	-4		Vacancy
			2 Purchase of Equipment
Innovations & Solutions			6 Vacancy factor not achievable and agency costs
Communications General	-9		Vacancies

Revenues & Benefits		26	Reduction in IBS Sundry Debtors income
		6	Reduction in Admin Grant - Budget based on previous year as the notification comes after the budgeting process
		90	Reduction in Income for Council Tax Court Reimbursements
		4	Increase in Housing Benefit Audit Fee
	-69		Vacancies within the Section
	-2		Reduction in Car Mileage
	-1		Reduction in Car Lump Sum Allowance - vacancy
	-20		Contribution to cover admin support Household Support Fund (HSF)
		5	Increase in Legal expenses
Customer Services		10	Agency work which is covered by New Burdens Funding through movement in Reserves at year end
Finance	-5		Vacancy
		45	Agency cover for Chief Accountant role - any overspend to be covered by Reserves
		3	Legal Expenses
	-1		Rail Fares & Car Mileage unused budget
	-1		Unbudgeted commission received
Investment Properties		145	Reduction in Hotel income, agreed to continue with 10% of turnover until 31-03-2023. To be met from Covid Reserve.
		7	Increase to Payments to Contractors - Jones Realty
	-5		Reduction in Rail Fares & Car Mileage
Commercial Properties	-1		Reduced pay costs
		77	Increased costs over all Commercial Properties. The main increased costs are on Towns Fund Properties for NNDR and utilities of £43k, one off repairs to Bentinck Workshops of £20k. Other variance are small amounts over numerous commercial properties.
	-38		Unbudgeted/increase in rental income
Total	-176	466	
Net Forecast Under/Overspend	290		

Directorate:	Place & Communities		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-) £'000	Forecast Overspend OR Income under- recovery (+) £'000	Key reasons for forecast variance
Service Area			
Service Director		5	Increased employee costs (Interim covering substantive post)
Community Safety	-23		Net saving from staff costs as a result of vacancies
	-6		Increased contributions from partners
		2	Increased cost of Clothing & Uniforms (new starters)
Neighbourhood Services	-34		Net saving from staff costs as a result of vacancies
	-4		Increased income from Allotments and Grazing land
	-15		Reduced spending on Vehicle & Plant maintenance
	-36		Lower fuel costs - budgets were increased in response to higher prices, but prices subsequently fell back during the year
		13	Increased spending on Clothing & Uniforms
Waste Services	-74		Higher income from Trade Waste.
		151	Increased employee costs due to vacancy factor not achieved
		11	Increased material costs
	-39		Lower fuel costs - budgets were increased in response to higher prices, but prices subsequently fell back during the year

Transport		25	Engaging Agency staff to cover vacancies, and payment of market supplement as a result of inability to recruit to Vehicle Technician posts
Place & Wellbeing	-67		Net saving from employee costs as a result of vacancies
Markets		99	Lower income from Indoor Markets
		11	Increased employee costs mainly due to vacancy factor not achieved
Licensing	-5		Reduced employee costs mainly due to vacancy
Regeneration		8	Increased employee costs due to vacancy factor not achieved
Planning & Regulatory Services		21	Increased employee costs due to Agency staff to cover vacancies
	-170		Increased income from Planning applications
Environmental Protection		16	Increased employee costs due to Agency staff to cover vacancies
Total	-473	362	
Net Forecast Under/Overspend	-111		

Directorate:	Housing & Assets		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Private Sector Housing		5	Costs incurred in moving on illegal traveller occupation.
Assets & Investments	-71		Reduced employee costs due to vacancies.
		12	New contracts for Legionella monitoring software and best practice health equipment around the offices.
		93	Decarbonisation Plan to be met from Reserves.
		-3	Additional Community Centre Income - Hire of Room income increasing after Covid Closures.
Homelessness		40	Additional staff time required met from additional Government Grant.
	-43		Additional Homessless Prevention Grant.
Strategic Housing	-11		Postholder reduced hours on return from maternity leave.
Supported Housing Service		12	Apprentice commenced mid year to assist in workload and future planning met from additional income raised.
	-12		Customer numbers increasing with work from Apprentice freeing up other staff members.
Total	-137	159	
Net Under/Overspend	22		

Corporate Costs	Corporate Costs		
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Loan Interest payable	-119		Forecast interest saving due to managing borrowing need through internal borrowing not taking on external debt. This has been achieved due to the increase in reserve levels and working capital.
Minimum Revenue Provision (MRP)	-348		Slippage and switch funding on 2021/22 Capital Programme funded by borrowing reducing the MRP charges in 2022/23
Capital Expenditure Financed from Revenue		86	£34k External Health and Safety, £49k Windmill and £3k Shop fronts - All funded from reserves
Net investment income		70	Higher interest rates increasing the interest earned on investments and the interest payable on balances. The balances held on behalf of others is forecast to be greater than the cash balances due to internal borrowing, resulting in a net interest cost.
	-467	156	
Net Forecast Under/Overspend	-311		

Funding			
Forecast as at:	31/12/2022		
	Forecast Underspend OR Income over-recovery (-)	Forecast Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
No forecast variances			
	0	0	
Net Forecast Under/Overspend	0		

Appendix 2

Statement of Movement on Reserves							
	Balance at 1st April 2022	Approved	Approved	Balance as at 31 Dec 2022	Forecast	Forecast	Balance as at 31 March 2023
		Contributions	Withdrawals		Contributions	Withdrawals	
General Fund	£	£	£	£			£
Service Earmarked Reserves							
Elections	-118,858	-74,000	0	-192,858	0	0	-192,858
Insurance Related Funds (Inc Risk Mngt)	-361,996	-75,000	0	-436,996	0	0	-436,996
Revenue Grant Reserve	-3,217,294	0	543,000	-2,674,294	0	3,000	-2,671,294
District Planning Enquiry Fund	-232,773	-39,000	183,000	-88,773	0	0	-88,773
Asset Renewal	-646,776	0	0	-646,776	0	83,000	-563,776
Leisure Maintenance Reserve (joint Use Pre 2021)	-388,678	-753,000	0	-1,141,678	0	0	-1,141,678
Local Authority Mortgage Scheme (LAMS) Reserve	-15,899	0	0	-15,899	0	0	-15,899
NNDR Equalisation Reserve	-3,210,791	-1,649,000	0	-4,859,791	0	0	-4,859,791
Supported Housing Trading Fund	-53,377	0	0	-53,377	0	0	-53,377
Corporate Transformation Reserve	-1,327,804	0	15,000	-1,312,804	0	160,400	-1,152,404
Commercial Property Investment Reserve	-3,500,000	-700,000	0	-4,200,000	0	0	-4,200,000
Economic Development and Place Reserve	-383,759	0	0	-383,759	0	0	-383,759
Joint Crematorium Reserve	-540,738	0	0	-540,738	0	0	-540,738
Selective Licencing	-56,794	0	0	-56,794	0	0	-56,794
Licensing Reserve	-214,621	0	0	-214,621	0	0	-214,621
Brexit Reserve	0	0	0	0	0	0	0
Covid-19 Grant Reserve	-886,000	0	374,000	-512,000	0	125,000	-387,000
Legal Reserve	-10,000	-15,000	0	-25,000	0	0	-25,000
Winter Maintenance Reserve	-10,000	-5,000	0	-15,000	0	0	-15,000
Commercial Property Dilapidations Reserve	-20,000	-10,000	0	-30,000	0	0	-30,000
Call Monitoring Reserve	0	0	0	0	0	0	0
Harold Farr Bequest	-2,181	0	0	-2,181	0	2,181	0
IT Reserve	0	-15,000	0	-15,000	0	0	-15,000
Total Service Earmarked Reserves	-15,198,338	-3,335,000	1,115,000	-17,418,338	0	373,581	-17,044,757
Taxation Earmarked Reserve							
NNDR/Ctax S31 & Compensation Reserve	-2,235,918	0	1,683,111	-552,807	0	0	-552,807
General Balance Reserve	-9,004,256		1,146,000	-7,858,256		0	-7,858,256

HRA Reserves								
		Approved			Forecast as at 31 Dec 2022			
Service Earmarked Reserve	Opening Balance 1 April 2022	Contributions	Withdrawals	Balance as at 31 Dec 2022	Contributions	Withdrawals	Forecast Closing Balance as at 31 March 2023	Forecast Comments
HRA Revenue Grants Reserve	-25,130	0	0	-25,130	0	0	-25,130	
HRA Eco Funding Reserve	-263,430	0	0	-263,430	0	19,882	-243,548	Energy Analytics Solution Procurement towards Social Housing Decarbonisation
HRA Insurance Reserve	-144,237	0	20,000	-124,237	30,000	30,000	-124,237	Large claim in the 3rd Quarter
HRA Corporate Change Reserve	-192,450	0	0	-192,450	0	111,350	-81,100	Housing Solution Interim Project Management Resource
HRA Technology Investment	-25,566	0	24,000	-1,566	0	-24,000	-25,566	Module still not developed
HRA Welfare Reform Reserve	-170,399	0	100,000	-70,399	0	-60,000	-130,399	Unable to recruit/retain staff.
Total HRA Earmarked Reserves	-821,212	0	144,000	-677,212	30,000	77,232	-629,980	

