

Report To:	CABINET
Date:	31ST JULY 2023
Heading:	DRAFT FINANCIAL OUTTURN 2022/23 FOR GENERAL FUND, HOUSING REVENUE ACCOUNT (HRA) AND CAPITAL PROGRAMME
Executive Lead Member:	EXECUTIVE LEAD MEMBER FOR FINANCE, REVENUES AND BENEFITS – CLLR RACHEL MADDEN
Ward/s:	ALL
Key Decision:	NO
Subject to Call-In:	NO

Purpose of Report

This report sets out the details of income and expenditure incurred in 2022/23 in respect of the General Fund, the Housing Revenue Account (HRA) and the Capital Programme, how this compares to the revised budgets and provides explanations for significant variances.

This is the unaudited position and is therefore potentially subject to change. The audited Statement of Accounts will be presented to the Audit Committee on 23 November 2023.

In summary the 2022/23 unaudited Outturn position was:

- General Fund – a surplus of £0.231m (and an underspend of £1.583m compared to the revised budget);
- HRA – a surplus of £0.374m (and an underspend of £3.051m compared to revised budget);
- Capital Programme – a £21.419m underspend in 2022/23.

Recommendation(s)

Cabinet is requested to note:

- (1) The 2022/23 unaudited draft Outturn for the General Fund, the Housing Revenue Account and the Capital Programme.
- (2) The in-year movements to and from reserves (Appendix 2).

Cabinet is requested to recommend to Council:

- (1) Approval to carry forward the £21.419m underspend on the Capital Programme to 2023/24 due to slippage (delays to schemes) included in the approved Programme (Section 4)

Reasons for Recommendation(s)

To report to those charged with governance, the Council's unaudited draft financial outturn for 2022/23 and comply with the Council's Financial Regulations.

Alternative Options Considered

The financial outturn position is as reported within the 2022/23 draft Statement of Accounts. Therefore, there are no other options to consider. The transfers to and from earmarked reserves will provide funding to facilitate the delivery of specific projects for which allocations were already given.

Detailed Information

1. General Fund Outturn 2022/23

- 1.1 The General fund supports the day to day running of the Council's services, excluding the provision of Council Housing. Table 1 shows the draft General Fund Revenue Outturn by Directorate compared to the revised budget for 2022/23.

Table 1 – Draft General Fund Outturn 2022/23 by Directorate

	Revised Budget	Draft Outturn	Variance
	£'000	£'000	£'000
By Directorate			
Chief Executive Officer	670	645	(25)
Legal and Governance	1,973	2,066	93
Resources and Business Transformation	(392)	291	683
Place and Communities	9,791	8,394	(1,397)
Housing and Assets	2,426	2,226	(200)
Divisional Expenditure	14,468	13,622	(846)
Corporate Cost – Provision for Credit Loss	0	400	400
Recharges	(2,927)	(3,290)	(363)
Financing and Investment Income and Expenditure			
Net Interest Payable /(Receivable)	20	67	47
Minimum Revenue Payment	2,844	2,327	(517)
Capital Expenditure Financed from Revenue	0	88	(88)
Net Revenue Expenditure	14,405	13,214	(1,191)
Funding			
Government Grants	(1,135)	(1,153)	(18)
Business Rates	(7,443)	(7,252)	191
Council Tax	(6,695)	(6,695)	0
Total Funding	(15,273)	(15,100)	173
Net General Fund Deficit/(Surplus) for the year before transfers to/(from) Earmarked Reserves	(868)	(1,886)	(1,018)
Net Contribution to/(from) Earmarked Reserves	2,220	1,655	(565)
Net General Fund Deficit/Surplus for the year after transfer to/(from) Earmarked Reserves	1,352	(231)	(1,583)

- 1.2 Appendix 1 provides details of the variances for each Directorate, Corporate Costs (Financing and Investment Income and Expenditure) and Funding.
- 1.3 Appendix 2 provides details of the final earmarked reserves movements for 2022/23 and the impact on earmarked reserve balances.
- 1.4 The final position including the reserve transactions is a surplus of £231k.

1.5 The surplus of £231k is transferred to the General Reserve, increasing the General Reserve balance to £9.234m as at 31st March 2023.

2. General Fund Budget Adjustments 2022/23

2.1 As reported to Cabinet on 21st February 2023, there have been no further budget adjustments in 2022/23, since those reported to Cabinet on 13th December 2022.

3. Housing Revenue Account (HRA) Outturn 2022/23

3.1 The HRA is a ring-fenced landlord's account for the management and maintenance of the Council's housing stock. This account funds both day to day revenue costs as well as funding borrowing costs for capital work to maintain and improve Council properties.

3.2 Table 2 shows the draft Outturn compared to revised budget for the HRA. The Outturn HRA shows an in year surplus of £0.131m before movement in reserves, bringing the total HRA balance at 31st March 2023 to £43.344m.

Table 2 – HRA Outturn 2022/23

	Revised Budget £'000	Actual Outturn £'000	Variance £'000	Note
<u>Income</u>				
Rents, Charges & Contributions	(25,838)	(26,214)	(376)	1
Interest & Investment Income	(10)	(867)	(857)	2
Total Income	(25,848)	(27,081)	(1,233)	
<u>Expenditure</u>				
Repairs and Maintenance	8,062	8,320	258	3
Supervision and Management	4,386	4,987	601	4
Interest payable and similar charges	3,548	3,547	(1)	
Rents, Rates, Taxes and other charges	149	131	(18)	
Depreciation and impairments of fixed assets	3,947	4,053	106	
Debt Management Costs	44	43	(1)	
Contribution to the Bad Debt Provision	200	177	(23)	5
Transfer to Major Repairs Reserve	0	0	0	
Capital expenditure funded by the HRA	8,333	5,692	(2,641)	6
Total Expenditure	28,669	26,950	(1,719)	
Surplus for the year	2,821	(131)	(2,952)	
Net contribution to / (from) Earmarked Reserves	(144)	(243)	(99)	7
Net HRA Deficit/(Surplus) for the year AFTER transfers to/from Earmarked Reserves	2,677	(374)	(3,051)	

Income

- (1) Rents, Charges & Contributions higher than budget from additional income from the service charges that were introduced in this financial year, partly offset with the additional costs reported below in Supervision and Management. Increases to the communal heating charges to recover the costs from the energy price increase from October 2022, again additional costs reported in Supervision and Management.
- (2) Increased Interest rates in the banking sector increased the average annual interest rate on the HRA balances.

Expenditure

- (3) Repairs and maintenance budgets are overspent by £258k mainly due to:
 - Increased salary costs from the higher-than-expected pay award £124k.
 - Increased costs incurred from building usage and support services from inflationary rises £44k.
 - Increased use and inflation costs of material expenditure in the day-to-day repairs £65k.
 - Waste transfer, equipment maintenance and purchase £5k.
 - Increased fuel costs in 2022/23 £20k.
- (4) Supervision and Management costs are £601k higher than budget mainly due to:
 - Increased salary costs from the higher-than-expected pay award £75k.
 - Increased repairs and maintenance costs of the Housing Court Schemes £75k.
 - Increase in Utility prices led to costs over budget of £313k.
 - Extra costs incurred in managing tenancy services income recovery after Covid. Funded from Welfare reform reserve (see note 7) £30k.
 - Extra costs incurred in delivering digital transformation. Funded from the Corporate Change Reserve (see note 7) £192k.
 - IT maintenance and development costs underutilised (£29k).
 - Reduced costs of operating and managing Community Centres (£21k).
 - Reduced equipment purchase & maintenance and waste skip requirement (£27k).
 - Other minor variances (-£7k).
- (5) Contribution to the Bad Debt Provision top up calculations show less contributions required.
- (6) Reduced capital expenditure funded by the HRA largely due to the delay on some housing capital schemes and replacement vehicles, these capital funds will carry forward into the next financial year.
- (7) The transfer from earmarked reserves represents the use of (£20k) of the HRA Insurance reserve, (£20k) from the Eco Funding Reserve, (£30k) from the Welfare Reform reserve and (£192k) from the Corporate Change Reserve. There was also an addition of £20k to the Revenue Grant Reserve.

4. Capital Programme 2022/23

4.1 Details of the main 2022/23 Capital Schemes and how they were funded are shown in Table 3. The notes below the table provide explanations for key variances compared to the revised budgets.

Table 3 – Capital Programme 2022/23

Scheme	Revised Budget £'000	Outturn £'000	Variance £'000	Note
Housing Revenue Account				
Management Fee	591	579	(12)	
Catch Up and Future Major Works	4,443	5,078	635	1
BEIS Social Housing Decarbonisation Fund	1,203	1,203	0	2
Service Improvements	1,503	1,232	(271)	2
Contingent Major Repairs	183	147	(36)	
Exceptional Extensive Works	5	63	58	
Disabled adaptations - Major adaptations	300	107	(193)	3
Disabled adaptations - Minor adaptations	350	355	5	
Affordable Housing Developments Sutton In Ashfield	257	265	8	
Davies Avenue Housing Project	1,980	1,936	(44)	
Development of Unviable Garage Sites Kirkby-in-Ashfield	856	1,097	241	4
Investment in New or Existing Dwellings	1,000	899	(101)	5
Green Homes Grant (HRA)	50	7	(43)	
Green Homes Grant (HRA) (2)	421	407	(14)	
Hucknall Infill Sites	250	251	1	
Housing Vehicles	389	0	(389)	6
Maun View Sutton-in-Ashfield	3,088	2,413	(675)	7
Warwick Close, Kirkby-in-Ashfield	3,000	1,281	(1,719)	8
Other Housing Revenue Account Schemes (less than £100k)	137	32	(105)	
Total	20,006	17,352	(2,654)	
General Fund				
Depot Roof Repairs	100	127	27	
Discovery Centre and Planetarium	250	50	(200)	9
Fox Street pop-up food court and car park	535	44	(491)	10
Green Homes Grant (GF) (2)	203	191	(12)	
Health and Safety works for Kirkby Offices	142	115	(27)	
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	357	(132)	(489)	11
Hucknall Leisure Centre - New Pool	3,390	2,971	(419)	12
Improvement Grants 1996 Act Disabled Facility Grant	1,108	951	(157)	13
In District Regeneration	3,000	0	(3,000)	14
Kings Mill Reservoir (The King and Miller to Kingfisher)	168	48	(120)	15
Kirkby Leisure Centre	5,914	4,594	(1,320)	16

Lammas Leisure Centre - Fixtures, Fittings and Equipment	716	1,052	336	17
Low Street vacant units	3,177	1,081	(2,096)	18
New Kirkby LC - Fixtures, Fittings and Equipment	440	91	(349)	19
Public Space Protection Order	337	8	(329)	20
Purchase of Vehicles	3,681	1,562	(2,119)	21
Rurals and Open Space	140	20	(120)	22
Sutton Academy Community Theatre/Cinema	398	143	(255)	23
Sutton Maker Space and Business Hub	1,117	149	(968)	24
Towns Fund Projects	8,073	2,027	(6,046)	25
Other General Fund Schemes (less than £100k)	885	274	(611)	26
Total	34,131	15,366	(18,765)	
Grand Total	54,137	32,718	(21,419)	
Funding				
Major Repairs Reserve	4,735	5,253	518	
Borrowing	22,176	1,991	(20,185)	
Government Grants and Other Contributions	14,643	17,048	2,405	1
Revenue Contributions	8,403	5,692	(2,711)	
Reserve Contributions	640	104	(536)	
Capital Receipts	3,540	2,630	(910)	
Total Funding	54,137	32,718	(21,419)	

- (1) Budget included BEIS Social Housing and Decarbonisation Fund grants income. Outturn shows gross spending with grants income included in funding.
- (2) Planned spending included with BEIS Social Housing and Decarbonisation Fund budget.
- (3) The underspend is due to a delay in the completion of a number of extension projects which was exacerbated by some contractual difficulties.
- (4) Project started earlier than anticipated and kitchen items purchased in advance of need and subsequently held in storage to mitigate against price increases.
- (5) Lack of suitable properties available for purchase.
- (6) Delivery issues and excessive lead times due to production issues.
- (7) Planning delays and delays caused by weather conditions.
- (8) Planning delays and delays caused by weather conditions.
- (9) The project commenced later in the year due to delays in DLUHC sign off and funds not being received until March 2023.
- (10) Very low contractor availability and inflation risk requiring further value engineering has delayed the project.
- (11) The deliverables of this budget have been delivered in a cost effective way by the operator which has identified the overall underspend against this specific budget line. There remains a single investment commitment that will be completed in the 2023/24 financial year which is the installation of the pool view system.
- (12) Works delayed; completion expected in June 2023.
- (13) During the year there was a high number of large-scale projects, property extensions, etc. These projects take a significant amount of time from commencement to completion and a number started in 2022/3 but will be finished and fully paid in 2023/24.

- (14) No appropriate properties available to purchase have been identified during the year.
- (15) Cost inflation has made the project unaffordable. New options are being explored delaying the delivery of the project.
- (16) The underspend is partly due to the phase 2 works (demolition & car park construction) stretching into the 2023/24 financial year along with the prudent financial management of the project which sees it remain within the overall budget envelope.
- (17) The overspend is directly related to increased costs incurred by the operator in completing these works.
- (18) Very low contractor availability and inflation risk requiring further value engineering has delayed the project.
- (19) Works delayed; completion expected in June 2023.
- (20) Delayed start to this project.
- (21) Budget includes electric vehicles due to limitations with the depot's charging infrastructure; purchases of these vehicles has been delayed.
- (22) Changes to the Council procurement process have delayed the project.
- (23) Project constraints have delayed the project whilst solutions are developed.
- (24) Very low contractor availability and inflation risk requiring further value engineering has delayed the project.
- (25) Projects have commenced later in the year due to delays in DLUHC sign off and rolling projects being delivered over multiple years.
- (26) Changes in the council's procurement process / site adoptions and rolling projects being delivered over multiple years.

5. Earmarked Reserves

5.1 Movements in earmarked reserves are shown in Appendix 2. Table 4 shows a summary of the movements and balances as at 31st March 2023.

Table 4 – Earmarked Reserve Movements Summary 2022/23

	Balance 1st April 2022 £'000	Contributions £'000	Withdrawals £'000	Balance 31st March 2023 £'000
General Fund				
Earmarked Reserves	(17,166)	(7,950)	6,200	(18,916)
Housing Revenue				
Reserves	(821)	(59)	302	(578)

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 28/06/2023]

Finance: [PH 28/06/2023].

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 SLT 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.

2022/23 Forecast outturn for General Fund, Housing Revenue Account (HRA) and Capital Programme as at December 2022 to Cabinet 21 February 2023.

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General Fund

Directorate:	Chief Executive's Department		
Outturn as at	31/03/2023		
	Underspend OR Income over- recovery (-)	Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
CEO	-19		CEO Section had a vacancy
	-4		Membership and Subscriptions - East Midlands Chamber, no longer used
	-2		Net of small underspends
Superannuation Backfunding	-15		Actual Cost less than budget for the NCC Pension Recharge
			2 Costs of Civic Events
Public Accountability		13	External Audit Fees increase
Total	-40	15	
Net Under/Overspend	-25		

Directorate:	Legal & Governance		
Outturn as at	31/03/2023		
	Underspend OR Income over-recovery (-)	Overspend OR Income under-recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Legal Services		31	End of Shared Service with MDC. Payment to agency to recruit ex locum. Other costs not reduced pro-rata.
Risk & Emergency Planning - Corporate Safety	-23		Vacant post
Democratic & Scrutiny Services		33	Vacancy factor not achieved, extra cost of temp arrangements to cover Elections
Electoral Services		50	District Election funded from reserves £40k. Ward by election funded from reserves £11k
		2	Governance Admin net small variance from customer services review budget change
Total	-23	116	
Net Under/Overspend	93		

Directorate:	Resources & Business Transformation		
Outturn as at	31/03/2023		
	Underspend OR Income over- recovery (-) £'000	Overspend OR Income under- recovery (+) £'000	Key reasons for forecast variance
Service Area	£'000	£'000	
Director	-41	2	Vacancy factor not achieved. Mansfield Crematorium increase in surplus
HR & Payroll		6	Occupational Health Costs
		100	HR & Payroll Shared Service - Budgets were set prior to inflation and pay award increases
		10	Training
ICT		20	Vacancy factor not achieved.
	-1	13	Equipment Purchase
	-5		Materials - Toners required less frequently
			Licences - Microsoft Help Desk no longer required
		8	Telephones - an error was made when setting the budget and historical issues with the supplier resulted in higher costs than the estimate
	-4		Net underspend between Maintenance and System Software
Printing	-16		Underspend due to new contract, the budget was set under the old contract figures
DLUHC Local Cyber Fund	-124		Grant underspend - Moved to Revenue Grant Reserve
Performance Planning & Improvement		202	Vacancy Factor and Agency costs - £98K funded from New Burdens, £110K funded from Corporate Transformation Reserve
	-1		Procurement Shared Service invoiced less than budget
		2	APSE Energy - Charge not budgeted for

GIS		3	Vacancy factor not achieved.
	-13		Street Naming & Numbering - one off fee Barratt Homes
Digital Services	-24		Vacancy
		2	Purchase of Equipment
		3	Application Software
Innovations & Solutions		9	Vacancy factor not achieved and agency costs - £9400 funded from Corporate Transformation Reserve
		126	Application Software - £139500 funded from Corporate Transformation Reserve
Publicity		6	Overspend on publication of Ashfield Matters (One additional version produced in 2022/23 in relation to informing residents on support available for the cost of living crisis). Three instead of four editions to be published in 2023/24.
Communications General		5	Agency
	-5		Publicity Underspend
Revenues & Benefits	-28		Increase in IBS Sundry Debtors income
		367	HB & DHP variances actual to budgets - this is out of our control
		25	Annual Increase in Giro Fees
	-3		NNDR Government Grants
	-1		Increase in NNDR Contributions
	-2		Decrease in Court Costs
		5	Reduction in Admin Grant - Budget based on previous year as the notification received after the budgeting process
		20	Reduction in Income for Council Tax Court Reimbursements
		12	Increase in Housing Benefit Audit Fee
	-55		Vacancies within the Section
	-300		Net New Burdens monies moved to Revenue Grant Reserve
Customer Services		22	Agency work funded from New Burdens Funding through movement in Reserves at year end

Finance		40	Agency cover for Chief Accountant role - £28k funded from Corporate Transformation Reserve
		3	Legal Expenses
	-1		Unbudgeted commission received
	-1		Membership & Subscriptions
		1	Audit Fees
		22	Increase in Insurance Costs
	-8		Government Grant - Moved to Revenue Grant Reserve
	-155		Restructuring Costs - Budget not utilised
Insurance		132	Funded from Insurance Reserve
Investment Properties		131	Reduction in Hotel income, agreed to continue with 10% of turnover until 31-03-2023. To be funded from Covid Reserve.
		23	Net reduction in rental income
		11	Increased Payments to Contractors - Jones Realty
	-29		Professional & Consultancy Service budget not used
	-6		Reduction in Rail Fares & Car Mileage
Commercial Properties	-1		Reduced pay costs
		62	Agency Costs - Funded from Corporate Transformation Reserve
		102	NNDR Costs - Funded from Economic Reserve
		79	Increased costs over all Commercial Properties. The main increased costs were on Towns Fund Properties for utilities of £44k, one off repairs to Bentinck Workshops of £23k. Other variance were small amounts over numerous commercial properties.
	-67		Unbudgeted/increase in rental income. The main increase was in Kirkby Town Centre Redevelopment and Watnall Road Offices
Total	-891	1574	
Net Under/Overspend	683		

Directorate:	Place & Communities		
Outturn as at	31/03/2023		
	Underspend OR Income over- recovery (-)	Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Service Director		7	Increased employee costs (Interim covering substantive post)
	-2		Other savings
Community Safety	-13		Net saving from staff costs as a result of vacancies
		39	Safer Streets Kirkby employee costs (Grant funded)
	-8		Reduced car mileage and car allowances
		8	Net overspend on supplies & services - Community Protection Officers (various cost headings)
	-15		Underspend on Safe Accomodation Coordinator (Grant funded)
	-16		Underspend on Supplies & Services in respect of Community Safety Partnership (Grant funded)
		8	Other Supplies & Services
	-51		Income - higher than budgeted grant for Safer Streets Kirkby
	-10		Other net income
Neighbourhood Services		5	Higher Water charges - Allotments
	-17		Reduced spending on Asset Maintenance
		30	Higher Utility costs in respect of changing rooms and pavilions
	-50		Lower fuel costs - budgets were increased in response to higher prices, but prices subsequently fell back during the year
	-19		Lower Vehicle Maintenance costs
	-7		Savings on Car mileage and Car Allowances
	-16		Reduced Public Health funerals
	-23		Spring Clean costs - expenditure was incurred on Employee costs in Waste & Environment
	-47		Higher income from Cemeteries than budget
			Increased Developer contributions towards maintenance of open spaces, due to receipt of new contributions, and adjustment to previous years. The adjustment relates to Papplewick, where the contribution was initially being drawn down over thirty years (in the absence of the agreement). However, the agreement was subsequently obtained, and the contribution is to be spent over a fifteen year period.
	-174		
	-12		Higher income from Pest Control than anticipated
	-5		Increased income from Allotments & Grazing

Waste Services	-66		Higher income from Trade Waste than budget.
	-39		Higher income from Glass recycling than budget
		22	Lower income from Bulky waste collections than anticipated
		41	Increased Waste disposal costs
		128	Increased employee costs largely due to vacancy factor not achieved
		11	Increased material costs
	-80		Lower fuel costs - budgets were increased in response to higher prices, but prices subsequently fell back during the year
		36	Higher vehicle maintenance costs
		20	Purchase of Bins
		7	Other costs
Transport			Engaged Agency staff to cover vacancies, and payment of market supplement as a result of inability
		38	to recruit to Vehicle Technician posts
		15	Premises Expenses - higher Gas & Electricity (21), partly offset by lower Water and Other (-6)
		42	Higher Parts & Tyres costs
	-10		Lower fuel costs
		33	Increased Supplies & Services costs, including Diagnostic equipment, Standpipe for Electric Sweepers, repairs to vehicle wash
	-49		Higher income, due to sale of vehicles under £10k
Place & Wellbeing	-65		Net saving from employee costs as a result of vacancies
	-13		Premises Expenses - NNDR credit at Edgewood (-8), other savings (-5)
	-100		Reduced spend on Towns Fund revenue (100), grant funded
		397	Towns Fund grants paid (Enterprise Ashfield)
	-69		Lower Liquidated damages paid to Everyone Active due to delays in opening Kirkby Leisure Centre and Hucknall Pool
		156	Spend on UKSPF revenue projects (grant funded)
		17	Other costs (grant funded)
	-642		Towns Fund grants (Enterprise Ashfield)
	-38		Towns Fund grants (Library Innovations Centres)
	-241		Contributions from SLM under Leisure transformation programme
	-330		UKSPF Revenue grants
	-2		Net other grants/contributions

Markets		108	Lower income from Indoor Markets than budget
	-7		Net increase in rents from Outdoor Markets
		10	Increased employee costs mainly due to vacancy factor not achieved
		12	Increased Premises Expenses, mainly due to costs associated with Idlewells Indoor Market
Licensing	-5		Reduced employee costs mainly due to vacancy
	-15		Supplies & Services costs - DBS checks no longer performed by ADC (-20), partly offset by Other costs (5)
	-196		Higher income from increased number of Licences issued - income is ring fenced for reinvestment in the Licensing service, or to cover future deficits
Regeneration		7	Increased employee costs due to vacancy factor not achieved
	-47		Supplies & Services - Economic Stimulus funding not spent (-34), lower refund of Covid grant (-6), reduced spending on Memberships, systems and other costs (-7)
Planning & Regulatory Services		53	Increased employee costs due to Agency staff engagement to cover vacancies and demand
	-166		Increased income from Planning applications
		75	Appeal costs
	-66		Lower costs of Local Plan
	-8		Higher income from Land Charges
	-11		Other income
	-1		Other savings
Environmental Protection		23	Increased employee costs due to Agency staff to cover vacancies
		6	Net reduced income, other costs
Total	-2,751	1,354	
Net Under/Overspend	-1,397		

Directorate:	Housing & Assets		
Outturn as at	31/03/2023		
	Underspend OR Income over- recovery (-)	Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Private Sector Housing	-40		Licensing Income for Private Sector Housing of which £16k will move to reserves.
Assets & Investments	-82		Reduced employee costs due to vacancies.
		9	New contracts for Legionella monitoring software and best practice health equipment around the offices.
	-27		Asset Maintenance Repairs
		94	Decarbonisation Plan funded from Reserves.
		24	Increase in utility costs
	-9		Car Park Income
	-11		Rent of Buildings
Homelessness	-51		Additional Homeless Prevention Grant.
	-53		Home for Ukraine Grant moved to Grant Reserve for 2023/24.
	-18		Sanctuary Scheme Grant moved to Grant Reserve for 2023/24.
Strategic Housing	-12		Postholder reduced hours on return from maternity leave.
Supported Housing Service		12	Apprentice commenced mid year to assist in workload and future planning funded from additional income raised.
	-30		Increased income changing to digital sets and reduction in costs in promoting and running the service.
	-6		Other minor Variances
Total	-339	139	
Net Under/Overspend	-200		

Corporate Costs	Corporate Costs		
Outturn as at	31/03/2023		
	Underspend OR Income over-recovery (-)	Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Loan Interest payable	-119		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 received on investments and the interest payable on borrowing. The balances held on behalf of others was greater than the cash balances due to internal borrowing, resulting in a net interest cost.
Increase in Provision for Credit Loss		401	Economic conditions have resulted in higher levels of debtors. An increase in provision has therefore been applied. This is impossible to accurately budget for.
	-467	557	
Net Under/Overspend	90		

Funding			
Outturn as at:	31/03/2023		
	Underspend OR Income over- recovery (-)	Overspend OR Income under- recovery (+)	Key reasons for forecast variance
Service Area	£'000	£'000	
Government Grants	-18		Additional Lower Tier Service Grant receipt
Business Rates		191	Higher levy payable than anticipated (£224k); Levy Account surplus received from Government (-£33k)
	-18	191	
Net Under/Overspend	173		

Movement in Reserves Summary as at 31st March 2023

Appendix 2

General Fund

Service Earmarked Reserve	Opening Balance at 1st April 2022	Approved	Approved	Approved Balance as at 31 December 2022	Requiring Approval	Requiring Approval	Forecast Closing Balance as at 31 March 2023
	£	Contributions £	Withdrawals £	£	Contributions	Withdrawals	£
Earmarked Reserves							
Elections	(118,858)	(74,000)	0	(192,858)	(10,000)	51,000	(151,858)
Insurance Related Funds (Inc Risk Mngt)	(361,995)	(75,000)	0	(436,995)	(6,785)	104,248	(339,533)
Revenue Grant Reserve	(2,949,418)	0	543,000	(2,406,418)	(2,918,081)	2,160,704	(3,163,794)
District Planning Enquiry Fund	(232,773)	(39,000)	183,000	(88,773)	(112,367)	0	(201,140)
Asset Renewal	(646,776)	0	0	(646,776)	0	6,300	(640,476)
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	15,899	0
NNDR Equalisation Reserve	(3,210,791)	(1,649,000)	0	(4,859,791)	(1,122,318)	0	(5,982,109)
Supported Housing Trading Fund	(53,377)	0	0	(53,377)	0	0	(53,377)
Corporate Change Reserve	(1,327,804)	0	15,000	(1,312,804)	(200,000)	465,015	(1,047,789)
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	132,000	(251,759)
Joint Crematorium Reserve	(540,738)	0	0	(540,738)	(94,297)	0	(635,035)
Selective Licencing	(56,794)	0	0	(56,794)	(16,250)	0	(73,044)
Licensing Reserve	(214,621)	0	0	(214,621)	(134,418)	101,194	(247,845)
Brexit Reserve	0	0	0	0	0	0	0
Covid-19 Grant Reserve	(886,000)	0	374,000	(512,000)	0	130,763	(381,237)
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)
NNDR/Ctax S31 & Compensation Reserve	(2,235,918)	0	1,683,111	(552,807)	0	232,334	(320,473)
	0	0	0	0	0	0	0
Harold Farr Bequest	(2,181)	(4)	2,184	(0)	0	0	(0)
IT Reserve	0	(15,000)	0	(15,000)	0	0	(15,000)
Total Earmarked Reserves	(17,166,380)	(3,335,004)	2,800,295	(17,686,088)	(4,614,516)	3,399,457	(18,916,147)
General Reserve	-9,004,256			-9,004,256	-230,614		-9,234,870

Housing Revenue Account

	Opening Balance 1 April 2022	Approved		Balance as at 31 March 2023	Requiring Approval 31-Mar-23		Closing Balance as 31 March 2023	Comments
		Contributions	Withdrawals		Contributions	Withdrawals		
HRA Revenue Grants Reserve	-25,130			-25,130	-19,642		-44,772	Grant received 31/3/2023 for 2023/24 Tenant Satisfaction Measures
HRA Eco Funding Reserve	-263,430		20,000	-243,430			-243,430	
HRA Insurance Reserve	-144,237	-30,000	50,000	-124,237			-124,237	Estimated amount of insurance claims to be funded for 23/24.
HRA Corporate Change Reserve	-192,450		111,000	-81,450		81,450	0	Reserve used for Digital Transformation project.
HRA Technology Investment	-25,566			-25,566			-25,566	
HRA Welfare Reform Reserve	-170,399		40,000	-130,399	-10,000		-140,399	Still awaiting full migration across to Universal Credit. Funding used towards work that had been suspended under the Covid restrictions.
Total Housing Revenue Account Reserves	-821,212	-30,000	221,000	-630,212	-29,642	81,450	-578,404	

