



Report to: Policy & Performance Improvement Committee Meeting - 26 September 2022

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Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2023 as at 30 June 2022
Purpose of Report	<p>To update Members with the forecast outturn position for the 2022/23 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue expenditure and income and report on major variances from planned budget performance, in accordance with the Council's Constitution.</p>
Recommendations	<p>That the Policy & Performance Improvement Committee note:</p> <ul style="list-style-type: none"> a) the General Fund projected unfavourable outturn variance of £0.947m on services; b) the Housing Revenue Account projected unfavourable outturn variance of £0.444m on services; and c) the capital outturn position of £89.994m.

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2022/23

Current position (as at 30 June 2022): variances

1.1 *Table 1* shows a projected unfavourable variance against the revised budget of £0.947m on service budgets. This is based on meetings which took place with business managers by late-July, therefore does not account for subsequent changes in expenditure/income. Further details of the variances projected against portfolio holder budgets are in **Appendix A**.

Table 1: General Fund revenue outturn for 2022/23 financial year as at 30 June 2022

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Cleaner, Safer, Greener	4.537	4.271	4.414	0.143
Economic Development & Visitors	1.323	1.261	0.762	(0.499)
Homes & Health	1.396	1.553	1.522	(0.031)
Organisational Development & Governance	4.363	4.394	4.298	(0.096)
Strategy, Performance & Finance	2.769	3.557	4.987	1.430
Net Cost of GF Services	14.389	15.036	15.983	0.947
Other Operating Expenditure	4.253	4.248	4.248	0.000
Finance & Investment Income/Expenditure	(0.280)	(0.280)	(0.341)	(0.061)
Taxation & Non-Specific Grant Income	(19.901)	(20.501)	(20.869)	(0.368)
Net Cost of Council Expenditure	(1.539)	(1.497)	(0.979)	0.518
Transfer to/(from) Usable Reserves	0.915	0.873	0.416	(0.457)
Transfer to/(from) Unusable Reserves	0.624	0.624	0.563	(0.061)
Transfer to/(from) General Reserves	0.000	0.000	0.000	0.000

- 1.2 An unfavourable variance of £0.947m is currently being projected on service budgets managed by business managers. This represents 6.3% of the total service budgets. This unfavourable variance of £0.947m includes an unfavourable variance of £0.873m on employee spend council-wide. Excluding employee spend, therefore, non-employee spend and income have unfavourable variances totalling £0.074m.
- 1.3 The unfavourable variance of £0.873m on employee spend includes a budgeted saving of £0.630m for vacancies council-wide during the year. This £0.630m represents 4% of the total budget for employee spend. As it is not known which services will have vacant posts during the year, the whole of the £0.630m is currently budgeted for within the Strategy, Performance & Finance portfolio holder's budget and shows as an unfavourable variance. Conversely, all of the savings from vacant posts show as favourable variances against their respective portfolio holders. Details of the services with variances due to vacant posts are in **Appendix A**.
- 1.4 The unfavourable variance of £0.873m on employee spend also includes the total estimated additional cost of the forecast 2022/23 pay award. The 2022/23 budget approved by Full Council on 8 March 2022 budgeted for a 2022/23 pay award of 2%, in line with the 2021/22 pay award of 1.75% for most employees. The employers have offered an uplift of £1,925 per pay point to the unions. This effect of this has been modelled into the figures above. The terms and conditions of most council employees are determined by the NJC. Officers in Financial Services will continue to closely monitor announcements regarding the 2022/23 pay award for employees and will factor these into subsequent budget monitoring forecast reports as appropriate.

Overview of Projected Housing Revenue Account (HRA) Outturn for 2022/23

1.5 With reference to the 'Variance' column in *Table 2*, the HRA accounts show a projected unfavourable variance against the revised budget of £0.444m as follows:

Table 2: HRA revenue outturn for 2022/23 financial year as at 30 June 2022

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	17.884	17.922	18.057	0.135
Income	(26.531)	(26.532)	(26.223)	0.309
Net Cost of HRA Services	(8.647)	(8.610)	(8.166)	0.444
Other Operating Expenditure	0.027	0.027	0.027	0.000
Finance & Investment Income/Expenditure	3.904	3.904	3.984	0.080
Taxation & Non Specific Grant Income	0.000	0.000	0.000	0.000
(Surplus)/Deficit on HRA Services	(4.715)	(4.679)	(4.155)	0.524
Movements in Reserves				
Transfer to/(from) Usable Reserves	1.443	1.405	1.405	0.000
Transfer to/(from) Unusable Reserves	(6.778)	(6.778)	(6.778)	0.000
Transfer to Major Repairs Reserve	10.051	10.052	9.528	(0.524)

1.6 The main reasons for the projected unfavourable outturn variance of £0.444m are in **Appendix B**.

Overview of Projected Capital Outturn 2022/23

1.7 The table below summarises the position for the Capital Programme as at 30 June 2022 and is split between General Fund and Housing Revenue Account.

	Revised Approved Budget £'m	Revised budget updated for Approval £'m	Actual Spend to 30 June 2022 £'m	Forecast Outturn £'m
General Fund	67.604	53.787	2.306	53.787
Housing Revenue Account	36.237	36.207	2.872	36.207
Total	103.841	89.994	5.178	89.994

1.8 Following the Cabinet meeting of 12 July 2022, the total approved budget was £103.841m including slippage from 2021/22. As projects are developed and spending commitments are made, budget requirements can change. The additions and amendments that are being recommended for approval at Cabinet on 20 September 2022 are detailed in **Appendix C**, which seeks to reduce the budget to £89.994m.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 To consider the forecast outturn position for the 2022/23 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.
- 2.2 To show performance against the approved estimates of revenue expenditure and income and report on major variances from planned budget performance, in accordance with the Council's Constitution.

3.0 Implications

- 3.1 In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

General Fund and Housing Revenue Account Revenue Monitoring Reports to 30/06/2022
General Fund and Housing Revenue Account Capital Monitoring Reports to 30/06/2022