



Report to: Cabinet 27 June 2023

Portfolio Holder: Councillor Paul Peacock, Portfolio Holder for Strategy Performance & Finance

Director Lead: Sanjiv Kohli – Deputy Chief Executive and Director - Resources

Lead Officer: Nick Wilson, Business Manager – Financial Services, Ext. 5317

| Report Summary           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <b>Type of Report</b>    | Open Report , Non-Key Decision                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Report Title</b>      | Provisional Financial Outturn Report to 31 March 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Purpose of Report</b> | <p>To present to Members the provisional 2022/23 financial outturn position on the Council’s revenue and capital budgets, including:-</p> <ul style="list-style-type: none"> <li>• General Fund Revenue</li> <li>• Housing Revenue Account</li> <li>• Capital Programme</li> <li>• Provisions and Impaired Estimates on Debtors</li> <li>• Usable Reserves</li> <li>• Collection Fund</li> </ul> <p>This report provides Members with a summary of actual income and expenditure compared to the revised budget and how any surpluses/deficits have been allocated to/from reserves.</p> |
| <b>Recommendations</b>   | <p>That the final outturn of revenue and capital spending for 2022/23 be noted;</p> <p>That the variation to the capital programme, as set out in paragraph 1.15 be approved;</p> <p>That the capital financing proposals as set out in paragraph 1.16 be approved;</p> <p>Capital Programme reprofiling of £28.643m carried forward into 2023/24 as per appendices E and F;</p>                                                                                                                                                                                                         |

|  |                                                                                                                                                                                                                                                                                                        |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>That the movement in Provisions and Impaired Estimates on Debtors be noted;</p> <p>That the creations of the new reserves, as outlined in paragraph 1.26, be approved; and</p> <p>That the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be noted.</p> |
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## 1.0 **Background**

### **Overview of Provisional General Fund (GF) Revenue Outturn for 2022/23**

- 1.1 The accounts show a favourable variance of £0.746m on service budgets, with a total additional transfer to Usable reserves of £0.565m as follows:-

*Table 1: General Fund Revenue Outturn for 2022/23 Financial Year as at 31 March 2023*

|                                              | <b>Budget<br/>£'m</b> | <b>Outturn<br/>£'m</b> | <b>Variance<br/>£'m</b> |
|----------------------------------------------|-----------------------|------------------------|-------------------------|
| Cleaner, Safer, Greener                      | 5.609                 | 5.481                  | (0.128)                 |
| Economic Development & Visitors              | 2.710                 | 1.908                  | (0.801)                 |
| Homes & Health                               | 1.714                 | 1.555                  | (0.160)                 |
| Organisational Development & Governance      | 5.351                 | 5.177                  | (0.174)                 |
| Strategy, Performance & Finance              | 2.961                 | 3.479                  | 0.517                   |
| <b>Net Cost of Services</b>                  | <b>18.346</b>         | <b>17.600</b>          | <b>(0.746)</b>          |
| Other Operating Expenditure                  | 4.152                 | 4.068                  | (0.084)                 |
| Finance & Investment Income & Expenditure    | 2.041                 | 0.897                  | (1.144)                 |
| Taxation & Non Specific Grant Inc            | (21.265)              | (21.684)               | (0.419)                 |
| <b>Net Cost of Council Expenditure</b>       | <b>3.273</b>          | <b>0.881</b>           | <b>(2.392)</b>          |
| Use of in year variance to finance Pay Award | (0.729)               | 0.000                  | 0.729                   |
| Transfer to/(from) Unusable Reserves         | 2.043                 | 3.141                  | 1.098                   |
| Transfer to/(from) Usable Reserves           | (4.587)               | (4.022)                | 0.565                   |
| Transfer to/(from) General Balance           | 0.000                 | 0.000                  | 0.000                   |

- 1.2 The increase in Usable reserves has been applied to the Medium Term Financial Plan Reserve to assist with mitigating future funding pressures. The statutory General Fund balance has not varied during the year and remains at £1.500m, which is in accordance with the Medium Term Financial Plan approved on 9 March 2023.
- 1.3 The table below shows further detail regarding the variances which make up the additional transfer of £0.565m into Usable Reserves:-

| <b>Reason for Variance</b>                                                           | <b>Value<br/>£'m</b> |
|--------------------------------------------------------------------------------------|----------------------|
| Reduced spend on employees (inclusive of the 4.5% Vacancy savings target of £0.740m) | (0.083)              |
| Reduced recharges to the Housing Revenue Account (HRA) and Capital                   | 0.078                |

|                                                                                                                                                                                                                                                   |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Development Management favourable variance due to several large planning applications                                                                                                                                                             | (0.202)        |
| Whilst the Newark Beacon have seen an increase in utility costs, the occupancy levels have been higher than expected during the year. This has also resulted in reduced advertising costs and NNDR liability now with tenants occupying the units | (0.095)        |
| Other financial transactions, such as unused accruals and suspense items from the bank                                                                                                                                                            | (0.087)        |
| Additional Car Parking Income across all sites                                                                                                                                                                                                    | (0.071)        |
| Lorry Park Income higher than anticipated                                                                                                                                                                                                         | (0.130)        |
| Vehicle running costs increases mainly due to increases in cost of fuel and materials                                                                                                                                                             | 0.172          |
| Waste and Recycling Income received was higher than anticipated (including additional expenditure as a result)                                                                                                                                    | (0.083)        |
| Additional Income received at the Palace Theatre in relation to shows (including additional show related expenditure)                                                                                                                             | (0.222)        |
| The rent is no longer payable for Clipstone Holding Centre as this was purchased in 2022/23                                                                                                                                                       | (0.052)        |
| Other Variances individually less than £0.050m                                                                                                                                                                                                    | 0.029          |
| <b>Favourable Variances on Services</b>                                                                                                                                                                                                           | <b>(0.746)</b> |
| Net Variance on interest                                                                                                                                                                                                                          | (1.167)        |
| Additional Income relating to the NNDR Pool Surplus                                                                                                                                                                                               | (0.429)        |
| Favourable variance on other operating expenditure e.g Apprenticeship Levy                                                                                                                                                                        | (0.050)        |
| <b>Sub Total Variances on Services and Other</b>                                                                                                                                                                                                  | <b>(2.392)</b> |
| Minimum Revenue Provision and Voluntary Revenue Provision                                                                                                                                                                                         | 1.098          |
| Funding of the Pay Award, over and above budgeted increase                                                                                                                                                                                        | 0.729          |

- 1.4 The level of favourable variance on Service Budgets managed by the Business Managers of £0.746m represents 4.06% of the total service budgets. Further details of the variances against committee budgets are in **Appendix A**.
- 1.5 Net Interest receivable amounted to £1.167m over budget. This was based on actual interest rates being higher throughout the course of the year. The budget was based upon average interest rates being at 0.25% and average balances of £41.326m, whereas the outturn was an average interest rate of 3.63% on average balances of £72.882m. The increase in average balances was mainly due the movement in the Capital Programme budgets in year.
- 1.6 This additional interest has been utilised in order to write down previous capital financing decisions on borrowing and hence, an additional £1.098m has been utilised which will generate future revenue savings of £0.026m per annum going forward which would otherwise need to have been financed annually.
- 1.7 Business Rates funding from the Business Rates Pool amounted to £1.029m which was £0.429m over the anticipated budgeted figure (£0.600m was originally budgeted for). This was due to the growth that has been seen over a number of years in the Districts' business community.

- 1.8 £0.729m of unfunded budget was applied into services in relation to the pay award for 2022/23. The 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 and unions agreed an increase of £1,925 per pay point.

**Final position (as at 31 March 2023) compared to previous position (as at 31 December 2022)**

- 1.9 The previous budget monitoring report to Cabinet projected a favourable variance against the revised budget of £0.577m on Service budgets. This report describes the actual favourable variance, against the revised budget, of £0.746m on Service budgets: an increase of £0.169m. *Table 2* summarises the changes in variance against committee budgets between the two reports. Further details of these changes by Portfolio are in **Appendix B**.

**Table 2: General Fund Revenue Outturn: Changes in Variance by Committee Between Reports**

|                                                                                   |                |
|-----------------------------------------------------------------------------------|----------------|
| <b>Net Cost of Services variance as at 31/12/2022 (21/03/2023 Cabinet report)</b> | <b>(0.577)</b> |
| Cleaner, Safer, Greener                                                           | (0.015)        |
| Economic Development & Visitors                                                   | (0.117)        |
| Homes & Health                                                                    | 0.005          |
| Organisational Development & Governance                                           | 0.075          |
| Strategy, Performance & Finance                                                   | (0.117)        |
| <b>Net Cost of Services variance as at 31/03/2023 (27/06/2023 Cabinet report)</b> | <b>(0.746)</b> |

**Carry Forwards**

- 1.10 Previous years have seen officers requesting carry forwards of underspends that relate to the timing of payments that have extended past the year-end date of 31<sup>st</sup> March in year. This year, the s151 Officer has approved £0.934m to be carried forward into 2023/24.
- 1.11 Any unspent conditional grants are dealt with separately and are transferred to the balance sheet for either repayment or expenditure in the following year dependent upon its terms and conditions.

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

- 1.12 The financial outturn position to 31 March 2023 for the HRA before appropriations to reserves is a deficit of £0.284m. *Table 3* summarises these variances.

**Table 3: HRA Revenue Outturn for 2022/23 Financial Year as at 31 March 2023**

|             | <b>Budget<br/>£'m</b> | <b>Outturn<br/>£'m</b> | <b>Variance<br/>£'m</b> |
|-------------|-----------------------|------------------------|-------------------------|
| Expenditure | 21.059                | 21.168                 | 0.110                   |

|                                          |                |                |              |
|------------------------------------------|----------------|----------------|--------------|
| Income                                   | (26.484)       | (26.206)       | 0.277        |
| <b>Net Cost of HRA Services</b>          | <b>(5.425)</b> | <b>(5.038)</b> | <b>0.387</b> |
| Other Operating Expenditure              | 0.485          | 0.206          | (0.279)      |
| Finance & Investment Income/Expenditure  | 4.374          | 4.550          | 0.176        |
| Taxation & Non Specific Grant Income     | (0.272)        | (0.272)        | 0.000        |
| <b>(Surplus)/Deficit on HRA Services</b> | <b>(0.839)</b> | <b>(0.555)</b> | <b>0.284</b> |
| <b>Movements in Reserves</b>             |                |                |              |
| Transfer to/(from) Usable Reserves       | 1.786          | 1.537          | (0.249)      |
| Transfer to/(from) Unusable Reserves     | (10.565)       | (10.565)       | 0.000        |
| Transfer to Major Repairs Reserve        | 9.617          | 9.582          | (0.035)      |
| <b>Total</b>                             | <b>0.000</b>   | <b>0.000</b>   | <b>0.000</b> |

- 1.13 Further details of the variances against HRA budgets are in **Appendix C**.
- 1.14 Further details of the changes in variance between this report and the previous report are in **Appendix D**.

### **Overview of Provisional Capital Outturn for 2022/23**

- 1.15 Capital monies are spent on building or enhancing the Council's asset base. There are rules and regulations regarding what can be classed as capital expenditure and this spend must be financed separately from the day to day running costs of the Council.
- 1.16 Members approved all variations to the Capital Programme. At its meeting on 21 March 2023, Cabinet approved the revised budget of £60.393m. Since that meeting, there has been one change made to the budget on the HRA, this is for the work on Tithe Barn Court and Chatham Court as part of the Safer Streets project. The report approving this project was reported to Cabinet on 6 December 2022. This has increased the budget by £0.125m to £60.518m. The remaining budgets in relation to Safer Streets 4 have been included in 2023/24 budgets. This has been included in the detail at **Appendix F**.
- 1.17 In addition to the variation above, Cabinet approval is being sought for the allocation of £0.310m of S106 monies against Phase 4 Cluster 3 affordable housing project. It is proposed that this £0.310m will be funded by AG833 Land North of Cavendish Way, Clipstone affordable housing contribution. This does not change the overall budget; it is the use of this funding to finance the existing expenditure.
- 1.18 The accounts show lower levels of expenditure of £31.116m or 49% of the revised capital programme budget. As with all financial programmes, there will always be an element of slippage on capital schemes at the end of the financial year. It is proposed that the Cabinet approve the re-profiling of capital schemes totalling £28.643m (£21.772m GF and £6.871m HRA) as detailed in **Appendices E and F**. This is because the majority of the schemes are already committed. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward.

Table 4: GF and HRA Capital Outturn for 2022/23 Financial Year as at 31 March 2023

| Spend Type              | Budget Approved as per Cabinet 21/03/2023 £'m | Revised Post Cabinet £'m | Outturn £'m   | Variance £'m    |
|-------------------------|-----------------------------------------------|--------------------------|---------------|-----------------|
| GF                      | 17.750                                        | 17.750                   | 7.413         | (10.337)        |
| GF REFCUS*              | 23.608                                        | 23.608                   | 11.824        | (11.784)        |
| <b>GF Total</b>         | <b>41.358</b>                                 | <b>41.358</b>            | <b>19.237</b> | <b>(22.121)</b> |
| HRA                     | 18.972                                        | 19.097                   | 11.816        | (7.281)         |
| HRA REFCUS*             | 0.063                                         | 0.063                    | 0.063         | 0.000           |
| <b>HRA Total</b>        | <b>19.035</b>                                 | <b>19.160</b>            | <b>11.879</b> | <b>(7.281)</b>  |
| <b>GF and HRA Total</b> | <b>60.393</b>                                 | <b>60.518</b>            | <b>31.116</b> | <b>(29.402)</b> |

\*REFCUS relates to Revenue Expenditure funded from Capital under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants.

- 1.19 The GF variance of £22.121m is comprised of £21.772m of carry forward requests, and favourable variances of £0.349m. Further details are in **Appendix E**.
- 1.20 The HRA variance of £7.280m is comprised of £6.871m of carry forward requests, and favourable variances of £0.409m. Further details are in **Appendix F**.
- 1.21 Capital spending in the year totalled £31.116m. This Capital expenditure has been funded by a combination of borrowing, external grants and contributions, receipts, major repairs reserve and revenue contributions. It is proposed that Cabinet approve the revised capital financing proposals as summarised in *Table 5*:

Table 5: Proposed 2022/23 GF and HRA Capital Outturn Financing

| Source of Financing             | GF Programme £'m | HRA Programme £'m | Total £'m     |
|---------------------------------|------------------|-------------------|---------------|
| Borrowing                       | 3.473            | 2.000             | <b>5.473</b>  |
| External Grants & Contributions | 11.993           | 0.588             | <b>12.581</b> |
| Capital Receipts                | 1.601            | 2.159             | <b>3.760</b>  |
| Revenue Contributions           | 2.170            | 7.132             | <b>9.302</b>  |
| <b>Total Financing</b>          | <b>19.237</b>    | <b>11.879</b>     | <b>31.116</b> |

### Provisions for Future Liabilities

- 1.22 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice requires that any movements in a Provision should be approved separately by Cabinet. The provisions in the table below relate to alterations and appeals against the rateable values (RV) provided for on properties in the National Non-Domestic Rating list (NNDR). The amounts shown in the Statement of Accounts (and hence in the table below) relate to this Council's element for the

provision for appeals. During the year £0.623m was charged against the provision in relation to RV adjustments and £0.614m was added to the provision of which 40% is applicable to NSDC (£0.249m charge and £0.246m increase therefore £0.003m as the NSDC share). The provisions provided for in *Table 6* are the Council's 40% share, as follows:

*Table 6: 2022/23 Movements in GF Provision – NNDR*

| General Fund Provision (NNDR) – Period of Settlement for Appeals | Balance B/Fwd 01/04/2022 £'m | Movement in Year £'m | Actual Balance 31/03/2023 £'m |
|------------------------------------------------------------------|------------------------------|----------------------|-------------------------------|
| Provision for Appeals – NNDR settled within 12 months            | (0.009)                      | (0.344)              | (0.353)                       |
| Provision for Appeals – NNDR settled after 12 months             | (1.464)                      | 0.347                | (1.117)                       |
| <b>Provision for Appeals – NNDR Total</b>                        | <b>(1.473)</b>               | <b>0.003</b>         | <b>(1.470)</b>                |

1.23 The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. The Advisors suggest that there is a risk of £0.010m which relates to the Rateable Value list which began in 2010. From the revaluation of the 2010 ratings list which occurred in 2017, there has been limited information relating to the levels of appeals due to the Governments new “Check, Challenge, Appeal” process. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2017 list which amounts to £3.666m. This gives a total provision at Collection Fund level of £3.676m of which this Council recognises 40% (£1.470m) due to its share of the overall NNDR income.

#### **Impaired Estimates on Debtors**

1.24 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and may require write off in the future accounts of the Council. The calculation is based upon on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt, the greater likelihood of non-collection. Good practice requires that movements in the Impaired Estimates on Debtors should be approved separately by Members. *Table 7* details these:

*Table 7: 2022/23 Movements in GF and HRA Impaired Estimates on Debtors*

| Debtor Type               | Balance B/Fwd 01/04/2022 £'m | Movement in Year £'m | Actual Balance 31/03/2023 £'m | Overall Provision incl. other preceptors 31/03/2023 £m |
|---------------------------|------------------------------|----------------------|-------------------------------|--------------------------------------------------------|
| GF - Sundry Debts         | (0.100)                      | 0.038                | (0.062)                       | (3.979)                                                |
| GF - Housing Benefit      | (0.935)                      | 0.171                | (0.764)                       | (1.463)                                                |
| GF - Council Tax Debts    | (0.395)                      | (0.069)              | (0.464)                       | (0.062)                                                |
| GF - Business Rates Debts | (0.422)                      | (0.059)              | (0.481)                       | (0.764)                                                |

|                                            |                |              |                |                |
|--------------------------------------------|----------------|--------------|----------------|----------------|
| <b>GF – Impaired Estimates on Debtors</b>  | <b>(1.852)</b> | <b>0.081</b> | <b>(1.771)</b> | <b>(6.268)</b> |
| HRA - Sundry and Other Debts               | (0.030)        | 0.008        | (0.022)        | (0.022)        |
| HRA - Former Tenants                       | (0.253)        | (0.035)      | (0.288)        | (0.288)        |
| HRA - Current Tenants                      | (0.397)        | 0.349        | (0.048)        | (0.048)        |
| <b>HRA – Impaired Estimates on Debtors</b> | <b>(0.680)</b> | <b>0.322</b> | <b>(0.358)</b> | <b>(0.358)</b> |

### Usable Capital Reserves

1.25 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code; these Usable Reserves must be separately identified between those that are retained for Capital purposes and those that are retained for Revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, be approved by Members.

1.26 Capital reserves are used to fund spend incurred on the approved capital programme. *Table 8* details the position as at 31 March 2022:

*Table 8: Capital Reserves used to Fund GF and HRA Capital Programmes as at 31 March 2022*

| Capital – Type of Reserve Used to Fund Capital Programme | Balance B/Fwd 01/04/2022 £'m | Cont'n in Year £'m | Use in Year £'m | Actual Balance 31/03/2023 £'m | Anticipated balance at 31/03/2027 £'m |
|----------------------------------------------------------|------------------------------|--------------------|-----------------|-------------------------------|---------------------------------------|
| <b>Capital - GF</b>                                      |                              |                    |                 |                               |                                       |
| Usable Capital Receipts                                  | 1.217                        | 0.384              | 1.601           | 0                             | 4.170                                 |
| Capital Grants Unapplied                                 | 13.040                       | 1.007              | 0               | 14.047                        | 6.333                                 |
| <b>Capital – HRA</b>                                     |                              |                    |                 |                               |                                       |
| Usable Capital Receipts – HRA                            | 1.693                        | 0.781              | 1.536           | 0.938                         | 2.508                                 |
| Usable Capital Receipts - RTB's                          | 0                            | 0.934              | 0.934           | 0                             | 1.175                                 |
| Capital Grants Unapplied                                 | 0.012                        | 0                  | 0.012           | 0                             | 0                                     |
| Major Repairs Reserve (MRR)                              | 17.448                       | 9.582              | 13.663          | 13.367                        | 15.122                                |
| <b>Capital - Total</b>                                   | <b>33.410</b>                | <b>12.688</b>      | <b>17.746</b>   | <b>28.352</b>                 | <b>29.308</b>                         |

### Usable Revenue Reserves

1.27 Revenue reserves are used to fund anything that is not capital in nature, albeit can be applied to capital expenditure if necessary. They cover such areas as donations, external grants and contributions for future service provision, or specific sums of money held for a specific purpose. The tables below show high level balances against the categories of the reserves that are held for each fund together with current approved commitments and hence a forecast balance. **Appendix G** details the movement on General Fund Reserves and **Appendix H** shows HRA Reserves.



| General Fund                 | Opening Balance<br>£'m | Closing Balance<br>£'m | Commitments<br>£'m | Forecast Balance<br>£'m |
|------------------------------|------------------------|------------------------|--------------------|-------------------------|
| Budget funding reserve       | (11.837)               | (7.266)                | 1.074              | (6.192)                 |
| Earmarked for Known Pressure | (8.447)                | (7.189)                | 1.245              | (5.944)                 |
| Ringfenced                   | (1.438)                | (2.197)                | 0.119              | (2.078)                 |
| Un-ringfenced                | (14.623)               | (15.671)               | 11.869             | (3.803)                 |
| <b>Total</b>                 | <b>(36.345)</b>        | <b>(32.322)</b>        | <b>14.307</b>      | <b>(18.015)</b>         |

| HRA                          | Opening Balance<br>£'m | Closing Balance<br>£'m | Commitments<br>£'m | Forecast Balance<br>£'m |
|------------------------------|------------------------|------------------------|--------------------|-------------------------|
| Earmarked for Known Pressure | (5.293)                | (5.116)                | 1.356              | (3.760)                 |
| Un-ringfenced                | (2.000)                | (2.000)                | 0                  | (2.000)                 |
| <b>Total</b>                 | <b>(7.293)</b>         | <b>(7.116)</b>         | <b>1.356</b>       | <b>(5.760)</b>          |

1.28 During the year three new General Fund reserves have been set up:

| Reserve name             | Balance as at<br>31 Mar 2023<br>£'m | Purpose                                                                                                                              |
|--------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| ICT & Digital Services   | (0.095)                             | Funds allocated towards the mitigation and management of Cyber Security incidents                                                    |
| Domestic Homicide Review | (0.010)                             | Funds allocated towards ad hoc investigations                                                                                        |
| Homes for Ukraine Fund   | (0.320)                             | Funding received from Nottinghamshire County Council towards the cost of resettling refugees from Ukraine and other associated costs |

### The Collection Fund 2022/23

1.29 The Collection Fund accounts for the income from the collection of Council Taxes and Business Rates, and the subsequent disbursement to local authority preceptors and central government.

1.30 The in-year decrease on the Council Tax account was £2.915m, which decreased the overall balance from a surplus of £1.406m at 1 April 2022 to a deficit of £1.509m at 31 March 2023. This deficit figure includes the final year of spreading adjustments in relation to the allowed deficit created during 2020/21 as a result of COVID-19.

1.31 The Code prescribes that the Statement of Accounts only show the element of Council Tax that relates to Newark & Sherwood District Council. In this regard, the share of the Council Tax deficit of £1.509m that relates to Newark & Sherwood District Council as at 31 March 2023 is £0.180m. £1.172m of the deficit was estimated during January 2023 and is therefore being recouped during 2023/24 from Council Tax preceptors. £0.141m of this related to Newark & Sherwood DC and has been budgeted for accordingly.

- 1.32 The in-year increase on the Business Rates account was £14.568m, which decreased the overall balance from a deficit of £14.434m at 1 April 2022 to a surplus of £0.133m at 31 March 2023. The large swing in this figure relates to the accounting processes for extended retail and nurse relief awarded to business during COVID-19.
- 1.33 The Code prescribes that the Statement of Accounts only show the element of business rates that relates to Newark & Sherwood District Council. In this regard, the share of the business rates surplus that relates to Newark & Sherwood District Council as at 31 March 2023 is £0.053m. The Council declared an estimated surplus as at 31<sup>st</sup> March 2023 of £0.438m during January and hence £0.175m has been included within the 2023/24 budget.

### **Pensions**

- 1.34 The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix I**.
- 1.35 Barnett Waddingham are the Pension Fund's appointed Actuary and their report sets out the assumptions used to prepare the IAS19 pension figures reported in the Council's accounts. It is best practice to consider these assumptions prior to agreeing their use and inclusion in the Statement of Accounts for 2022/23. The Audit & Governance Committee considered these at their meeting in April 2023.

## **2.0 Proposal/Options Considered and Reasons for Recommendation**

- 2.1 For Policy, Performance, and Improvement Committee to note the content of the report and to note the approvals to be sought from Cabinet on 27 June 2023.

## **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**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Statement of Accounts files & working papers 2022/23

Capital Finance Account's 2022/23 files

Housing Revenue Account's 2022/23 files