



**Cabinet**

**Tuesday, 11 July 2023**

**Financial Outturn 2022/23**

## **Report of the Director – Finance and Corporate Services**

### **Cabinet Portfolio Holder for Finance, Councillor D Virdi**

#### **1. Purpose of report**

- 1.1. The purpose of this report is to outline the year-end financial outturn position for 2022/23, linked to the closure of accounts process and previous financial update reports.
- 1.2. To summarise, the revenue budget has an overall revenue efficiency position of £2.081m and the Capital Programme overall underspend position of £5.599m. Much of the efficiency position for revenue is required for service demand in 2023/24 or to meet other risks and therefore an appropriation to earmarked reserves. The capital underspend is largely being carried forward for the completion of existing projects.
- 1.3. The overall financial working environment remains challenging. Despite this, the draft Statement of Accounts has been prepared and published on 31 May 2023 in accordance with statutory deadlines.

#### **2. Recommendation**

It is RECOMMENDED that Cabinet:

- a) notes the 2022/23 revenue position and efficiencies identified in **Table 1**, the variances in **Table 2** (and **Appendix A**) and approves the carry forwards and appropriations to reserves in **Appendix E**;
- b) approves the other changes to the earmarked reserves as set out at **Appendix B**;
- c) notes the re-profiled position on capital and approves the capital carry forwards outlined in **Appendix C** and summarised in **Appendix F**; and
- d) notes the update on the Special Expenses outturn at paragraph 4.20 and in **Appendix D**.

#### **3. Reasons for Recommendations**

To accord with good financial governance and the Council's Financial Regulations.

## 4. Supporting Information

4.1 The Council is required to categorise its income and expenditure as either revenue or capital. The General Fund account deals with the Council's revenue income and expenditure, where spend is incurred on day to day expenditure or on items used within the year. Capital income and expenditure is included in the Capital Programme. The Financial Outturn, for both Revenue and Capital, is presented below.

### *Revenue Outturn*

4.2 The net revenue position in Table 1 below shows a transfer from reserves of £2.658m (originally planned to be a transfer from reserves of £3.465m (adjusted to £4.739m largely reflecting carry forward commitments from 2021/22) a net reduction of £2.081m.

4.3 When setting the budget for 2022/23, an estimated increase for inflation and pay was included; however, it was not anticipated that inflation levels would peak at 11.1% and that consequently this would result in a higher than anticipated pay award. Revenue budget efficiencies from 2021/22 were carried forward to support these cost pressures. During 2022/23, the Council has continued to closely monitor the budget position, particularly on utilities and where possible identify efficiencies that may help in balancing the increased costs.

4.4 The table below shows a positive outcome in a volatile economic environment. The cost of living pressures not only impact on the Council's residents but also on the Council budget and this remains challenging. Prudently the Council allocated additional budget to mitigate potential increases in costs and reductions in income and has continued to identify service efficiencies during the year. A number of transfers were agreed by Cabinet on 14 March 2023, which are included in the final carry forward request totalling £0.502m shown in **Appendix E**.

**Table 1: Revenue Outturn Position**

	Original Budget £'000	Revised Budget £'000	Revised Outturn £'000	Revised Variance £'000
<b>Chief Executive</b>	2,021	2,137	2,136	(1)
<b>Development and Economic Growth</b>	(112)	638	418	(220)
<b>Finance &amp; Corporate</b>	4,330	4,204	3,546	(658)
<b>Neighbourhoods</b>	6,949	7,759	8,068	309
<b>Sub Total</b>	<b>13,188</b>	<b>14,738</b>	<b>14,168</b>	<b>(570)</b>
<b>Capital Accounting Reversals</b>	(1,895)	(1,895)	(1,895)	0
<b>Minimum Revenue Provision</b>	1,293	1,017	1,017	0
<b>TOTAL NET SERVICE EXPENDITURE</b>	<b>12,586</b>	<b>13,860</b>	<b>13,290</b>	<b>(570)</b>
<b>Grant Income (including New Homes Bonus)</b>	(1,861)	(1,861)	(2,450)	(589)
<b>Business Rates (including SBRR)</b>	(3,958)	(3,958)	(4,879)	(921)
<b>Council Tax</b>	(7,667)	(7,667)	(7,667)	0
<b>Collection Fund Deficit</b>	4,365	4,365	4,364	(1)
<b>TOTAL FUNDING</b>	<b>(9,121)</b>	<b>(9,121)</b>	<b>(10,632)</b>	<b>(1,511)</b>
<b>Net Transfer to/(-)from Reserves</b>	<b>(3,465)</b>	<b>(4,739)</b>	<b>(2,658)</b>	<b>2,081</b>

<b>Carry forward requests (Appendix E)</b>				(502)
<b>Reserves required</b>				(1,579)
<b>Net Surplus after c/fwds and reserve transfers</b>				0

- 4.5 Along with in-year efficiencies, the position on utilities was better than anticipated and has helped with the overall net efficiency position of £2.081m in 2022/23. The main revenue variances are shown in **Table 2** (with more detail at **Appendix A**) some of which are requested to be carried forward. Adverse variances include additional cost pressures from Agency spend (mostly Planning and Refuse) £0.48m and reduced income from the delay in opening of Bingham Arena £0.213m and Rushcliffe Oaks £0.284m. Positive variances include Nottinghamshire Business Rates Pool surplus £0.726m (plus some Business Rates growth £0.192m), additional Government grants £0.589m and increased interest rates on Council treasury investments £0.466m (due to rising interest rates).
- 4.6 The delay in the opening of Bingham Arena and Rushcliffe Oaks have resulted in a negative variance of £0.213m and £0.284m respectively in anticipated income receipts. The delays were due to factors outside of the Council's control. Despite the impact of both Covid and rising inflation, both were delivered within budget which is a remarkable achievement and testament to excellent project management.
- 4.7 The Council has reported a reduction in the capital value of some of the Council's Treasury Investments as a result of the Covid pandemic, this was followed closely by the war in Ukraine and cost of living pressures, which also had a negative impact on the value of the assets. As at 31 March 2023, the value of the investments shows an overall decrease in value of £1.456m. This movement has been debited to the revenue account in accordance with statute and reversed through reserves and therefore does not affect the bottom-line revenue position. Movement in value is expected for assets held over a long period and they can fluctuate in response to market conditions, as we have experienced recently. The statutory override (allowing the reversal of price fluctuations through reserves) has been extended by Government to 31 March 2025, after which any movements will affect the General Fund. In order to mitigate any potential impact on the General Fund after March 2025, it is proposed to appropriate £0.773m to reserves along with £0.2m approved from 2021/22 efficiencies and £0.2m approved in the Medium Term Financial Strategy (MTFS) March 2023 (total reserve £1.173m). The position will be closely monitored and if necessary recommendation to withdraw from the funds will be reported to Cabinet and Governance Scrutiny Group as part of ongoing monitoring of the Council's Treasury Management position.

**Table 2: Main Items Impacting on the Current Revenue Budget**

	<b>Main Variances</b>	<b>£'000</b>
<b>Adverse Variances</b>		
<b>Net employee expenses</b>	Agency spend on planning and waste net of salary savings	480
<b>Crematorium</b>	Delay in opening	284
<b>Bingham Leisure Centre</b>	Delay in opening	213
<b>Fleet</b>	Repairs	102

<b>Total</b>		<b>1,079</b>
<b>Favourable Variances</b>		
<b>Planning income</b>	Increase in income	(275)
<b>Edwalton Golf Course</b>	Additional income generated and actual outturn was £62k profit	(97)
<b>Growth Board</b>	to be carried forward	(136)
<b>Website development</b>	to be carried forward	(80)
<b>Contingencies</b>	Utilities not fully required	(90)
<b>Investment income</b>	Rising interest rates	(466)
<b>Total</b>		<b>(1,144)</b>
<b>Other minor variances</b>		<b>(505)</b>
<b>Total Variances</b>		<b>(570)</b>

#### *Business Rates and Council Tax*

- 4.8 The Council ensured that applicable Business Rates reliefs were applied, resulting in 2044 businesses benefitting from over £8.7m of additional rates relief.
- 4.9 The Council has also administered a number of grants for Energy Rebates and Alternative Fuel Payments during the year. 36,755 £150 Energy Rebates were distributed to eligible households along with 4,713 payments of Discretionary Energy Rebates, the combined total of the awards being £5.644m. Since February 2023, the Council has also assessed and distributed grants under the Energy Bills Support Scheme and the Alternative Fuel Payments, awarding 513 payments totalling £0.171m.
- 4.10 Full Council on 2 March 2023, approved use of 2022/23 efficiency savings to supplement the Government funding for Council Tax Support to further discount Council Tax bills meaning no increase for vulnerable households and households in bands A to D. The net cost of the scheme to the Council is £33k and is included in Reserve Commitments in **Appendix E**.

#### *UKSPF*

- 4.11 The UK Shared Prosperity Fund (UKSPF) provides funding for investment in local projects to be spent by March 2025. The Rural England Prosperity Fund (REPF) is an addition to the UKSPF and is to specifically address the particular challenges rural areas face. The Council will receive £2.571m over three years (capital and revenue funding) for investment in local projects and £0.596m Rural England Prosperity Fund (this is capital only). Schemes have commenced on both communities and place and business support projects. A grant funding pot for local organisations and local businesses was launched with applications closing on 19 May for projects to be delivered by the end of March 2024. Once projects are finalised these will be incorporated into the Council's budget and monitored through usual financial reporting.

#### *Streetwise*

- 4.12 On 1 September 2022, the Council brought back in-house its Street Cleansing and Grounds Maintenance functions to improve the service for Council residents and to drive forward efficiencies over the coming years. The net outturn position

for 2022/23 gives an adverse variance of £0.189m largely due to the additional costs pressures of pay and inflation. Quarterly revenue reports will now incorporate Streetwise, and budgets will therefore be monitored through the Council's normal financial and performance reporting processes.

#### *Rushcliffe Oaks Crematorium and Bingham Arena and Enterprise Centre*

- 4.13 The Council recently completed two major projects; the new Rushcliffe Oaks Crematorium situated in open countryside between Cotgrave and Radcliffe on Trent (opened on 3 April 2023) and the multi million pound Bingham Arena and Enterprise Centre, comprising the leisure centre, Bingham Jubilee Community Hall and Bingham Enterprise Centre (opened on 20 February 2023). Both facilities are contributing to the Council's carbon net neutral target for 2030, with significant investment in new technology including an electric cremator and various other energy saving initiatives to deliver low CO2 emissions giving 85% and 78% reductions respectively. There has been a positive reaction to the Bingham Arena with memberships in line with targets, to date and we have secured 92% occupancy at the Enterprise Centre. The team is working hard to develop relationships with funeral directors and the feedback on Rushcliffe Oaks has been excellent, and, positively, the facility is attracting customers and funeral directors from outside the Borough.

#### *Planning*

- 4.14 Recruitment to the planning sector has nationally been challenging and Rushcliffe is no exception, and the Council has relied heavily upon agency staff. However, all substantive posts are now filled and consequently the reliance upon agency should reduce over the coming months.

#### *Reserves*

- 4.15 There are a number of movements in revenue reserves largely agreed as part of the budget setting process and budget monitoring for 2022/23. A net transfer from earmarked reserves of £3.901m comprises: £2.658m transferred from reserves to revenue plus £1.243m reserves used for capital. The overall net movement on revenue reserves are detailed at **Appendix B**. The key points to note are:
- There are a number of 'transfers out' or use of reserves totalling £8.767m including: £1.017m from the New Homes Bonus (NHB) reserve (used to offset the Minimum Revenue Provision (MRP)); £2.466m out from the Organisation Stabilisation Reserve; and £3.707m appropriated to meet the collection fund deficit.
  - There are a number of 'transfers in' totalling £4.866m that increases reserves. Significant items comprise: £1.587m NHB receipts; £1.108m net efficiencies to cover carry forward and reserve commitments; and transfer of £0.973m to the Treasury Capital Depreciation Reserve approved as part of Quarter 3 revenue reporting.

## *Specific Reserves*

### 4.16 Commentary on earmarked reserves:

- The NHB Reserve balance of £9.549m is used to fund internal borrowing in relation to capital projects.
- The Collection Fund Reserve balance of £1.438m is earmarked for: prior year deficits; risks associated with the decommissioning of the Ratcliffe-on-Soar Power Station; and pending reforms to the Business Rates system.
- The Organisation Stabilisation Reserve Balance of £2.636m will partly be used to fund the carry forward requests of £0.502m (Appendix E). This includes the ongoing impact of cost of living and inflation increases.
- The Climate Change Reserve (£0.329m) has been topped up by £0.2m in 2022/23 and it continues to contribute to the Council's ambitions to become carbon neutral. During 2022/23 the Council has delivered projects at Bingham Arena and the Crematorium (both of which incorporate energy efficiency and carbon reduction measures) and energy efficiency lighting and Local Authority Delivery (LAD) green energy grants; however, as these projects were fully funded by grants there is no recourse to draw from the reserve in 2022/23. Projects currently in the pipeline include energy efficiency measures to Council assets and electric vehicles and decarbonisation of Cotgrave Leisure Centre (grant funded).
- Treasury Capital Depreciation Reserve is a new reserve in 2022/23 and will be used to mitigate risk if reductions in the capital value of the Council's Treasury Investments materialise (see paragraph 4.7).

4.17 Overall, whilst the level of Earmarked Reserves is a healthy £19.674m, there are risks going forward in terms of the continuing financial pressures from inflationary and pay increases, uncertainty regarding Fairer Funding and Business Rates systems, and further reductions and commitments from reserves to capital projects. This includes the repayment of internal borrowing for the Arena and Cotgrave Masterplan, which was reliant on NHB receipts, and these are anticipated to cease at the end of 2023/24. The General Fund balance of £2.604m accords with the Council's approved MTFs.

### *Revenue carry forward requests and Reserve Commitments*

4.18 Despite continuing difficult economic circumstances firstly from the pandemic and more recently inflation increases, the Council continues to invest and grow the Borough, developing a new leisure centre and Crematorium, improving its parks and recreational facilities, and improving the way customers interact with us with a new website. Requests for the use of reserves in 2023/24 (from 2022/23 efficiencies) to support continuing cost pressures and delivery of the Council's priorities are shown in **Appendix E**.

## Capital

- 4.19 The year-end Capital Programme provision totalled £21.018m (see Table 3 and Appendix C). Actual expenditure in relation to this provision totalled £15.419m (73% of the budget) giving rise to a variance of £5.599m, £5.426m of which is recommended to be carried forward. £3.106m relates to delays in Bingham Arena and the Crematorium and the decision to defer smaller schemes which would pose no immediate Health and Safety risk. Both Bingham Arena and the Crematorium opened in Spring 2023 and are undergoing post opening enhancements.

The main variations are as follows:

- Bingham Arena and Offices £1.563m underspend requested to be carried forward. £0.730m is earmarked to cover post opening enhancements with any saving to be released in 2023/24.
- 
- The Crematorium £1.273m carry forward is requested for final ancillary works and any post opening enhancements identified.

A summary of the main variances can be found in **Appendix E and F** including savings of £179k, overspends of £6k, budget acceleration of £20k and a net carry forward request of £5.426m. Details of all variances can be found in **Appendix C**

**Table 3: Capital Summary**

EXPENDITURE SUMMARY	Current Budget £000	Actual £000	Variance £000
<b>Development and Economic Growth</b>	14,432	11,341	(3,091)
<b>Neighbourhoods</b>	6,114	3,944	(2,170)
<b>Finance &amp; Corporate Services</b>	363	134	(229)
<b>Contingency</b>	109	0	(109)
	21,018	15,419	(5,599)
<b>FINANCING ANALYSIS</b>			
<b>Capital Receipts</b>	(6,551)	(4,386)	2,165
<b>Government Grants</b>	(3,045)	(2,702)	343
<b>Use of Reserves</b>	(789)	(1,243)	(454)
<b>Grants/Contributions</b>	(9)	(5)	4
<b>Section 106 Monies</b>	(1,374)	(83)	1,291
<b>Borrowing</b>	(9,250)	(7,000)	2,250
	(21,018)	(15,419)	5,599
<b>NET EXPENDITURE</b>	-	-	-

- 4.20 **Appendix D** shows the Outturn position on the **Special Expenses** budget. Budgets within the Special Expenses area are also exposed to cost of living risks as utilities costs increase and income from facility hire could reduce, as

household disposable income falls. The Special Expenses outturn budget deficit for West Bridgford is £0.018m. The total net deficit in the notional West Bridgford Fund as at 31 March 2023, is £0.138m comprising of an opening deficit of £0.120m and the in year deficit of £0.018m. The budgets are set using estimates and the timing of expenditure can result in variances against the budget and has resulted in the £0.018m deficit. The budget going forward will aim to ensure deficits are recovered.

#### *Financial Outturn Conclusion*

- 4.21 The financial impact of inflation has, through prudent budgeting been maintained within resources without the need to draw on reserves. Inflation is expected to reduce during the year; however, there still remains a risk to both Council expenditure and to income receipts as household income contracts. The Council has to balance the need to balance the budget with supporting residents during this difficult period. The Comprehensive Spending Review and both the Business Rates revaluation and the Fairer Funding reviews (which have already been delayed three times) are now unlikely to take place before 2024/25, which adds a further level of uncertainty and risk making financial planning even more challenging.
- 4.22 The Council continues to drive efficiency and innovation and the Transformation Plan incorporates projects over the medium term that continually challenge Council processes.
- 4.23 The current reserves balance is healthy, and this is necessary to insulate the Council against significant financial risks and enable the Council to deliver its corporate priorities, to improve services and invest and grow the Borough. Reserve levels have been critical in ensuring the Council has continued to deliver services through both the Covid pandemic and the cost of living pressures. However, we should not be complacent as reserves are a finite resource and, with unknown challenges on the horizon and the need to maintain the Council's assets, the reserves could quickly diminish.
- 4.24 The year-end Financial Statements are subject to audit by Mazars and will be considered by the Governance Scrutiny Group in September 2023.

#### **5. Alternative options considered and reasons for rejection**

There are no other options identified, subject to the views of Cabinet.

#### **6. Risks and Uncertainties**

- 6.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both Councillors and the Council's external auditors.
- 6.2 The transfer of the net surplus to reserves will support the creation of the Treasury Capital Deprecation Reserve and carry forward of budget efficiencies will assist the Council to meet its priorities to support and grow the Borough.
- 6.3 Changes in Central Government policy influences Business Rates received and their timing, for example policy changes on small Business Rates relief. There



is also a risk from Government reform although as mentioned this is unlikely before 2024/25.

- 6.4 There is a continued risk from inflation to expenditure the Council incurs such as fuel and utilities but also on income from fees and charges. This is being closely monitored and if necessary included in our normal financial reporting arrangements to Cabinet and Corporate Overview Group.
- 6.5 Recruitment continues to be challenging in the sector and this increases the pressure on the pay budgets and agency costs and the ability to deliver high quality services.
- 6.6 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use reserves to support projects where there is 'upside risk' or there is a change in strategic direction. The Council continues to ensure it is financially resilient at this most difficult of times.

## 7. Implications

### 7.1. Financial Implications

Financial implications are contained within the body of the report.

### 7.2. Legal Implications

There are no direct legal implications arising from this report.

### 7.3. Equalities Implications

There are no direct equalities implications arising from this report.

### 7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no direct Crime and Disorder implications arising from this report.

## 8. Link to Corporate Priorities

Quality of Life	The budget resources the Corporate Strategy and therefore resources all Corporate Priorities.
Efficient Services	
Sustainable Growth	
The Environment	

## 9. Recommendation

It is RECOMMENDED that Cabinet:

- a) notes the 2022/23 revenue position and efficiencies identified in Table 1, the variances in Table 2 (and **Appendix A**) and approves the carry forwards and appropriations to reserves in **Appendix E**;

- b) approves the other changes to the earmarked reserves as set out at **Appendix B**;
- c) notes the re-profiled position on capital and approves the capital carry forwards outlined in **Appendix C** and summarised in **Appendix F**; and
- d) notes the update on the Special Expenses outturn at paragraph 4.20 and in **Appendix D**.

<b>For more information contact:</b>	Peter Linfield Director – Finance and Corporate Services 0115 914 8439 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers Available for Inspection:</b>	Council 3 March 2022 – 2022-23 Budget and Financial Strategy; Cabinet October 2022 – Revenue and Capital Budget Monitoring Q1 Cabinet December 2022 – Revenue and Capital Budget Monitoring Q2 Cabinet March 2023 – Revenue and Capital Budget Monitoring Q3
<b>List of appendices:</b>	<b>Appendix A</b> – Revenue Variance Explanations <b>Appendix B</b> – Movement in Reserves <b>Appendix C</b> – Capital Variance Explanations <b>Appendix D</b> – Special Expenses Position <b>Appendix E</b> – Carry forward and reserve commitments <b>Appendix F</b> – Summary Capital carry forwards

**Revenue Variance Explanations (over £25k)**

<b>Service</b>	<b>Income / Expenditure Type</b>	<b>Reason</b>	<b>Outturn Variance £'000</b>
<b>Business Support Unit</b>	Supplies & Services	Increased costs including energy rebate payments which required premium tracked delivery (additional grant income £56k offsets)	90
<b>Community Development</b>	Income	Rushcliffe Country Park backdated VAT (£33k)	42
<b>Crematorium</b>	Income	Delay in opening date resulting in reduced income	284
<b>Depot &amp; Contracts</b>	Employee Expenses	Overspend on agency to cover sickness and vacancies offset by salary savings	111
<b>Depot &amp; Contracts</b>	Income	Bingham delay in opening loss on leisure contract income	213
<b>Streetwise</b>	Employees expenses and supplies and services	Inflation and pay pressure and reduction in external contracts	189
<b>Depot &amp; Contracts</b>	Transport Related	Increased spend on tyres and repairs	157
<b>Planning</b>	Employee related	Increased use of agency due to recruitment issues partially offset by salary savings and additional income	239

<b>Revenues &amp; Benefits</b>	Net Income	Increased benefit payments offset by housing benefits subsidy grant from Government	35
<b>Property</b>	Income	Rent income down due to Bingham offices delay	76
<b>TOTAL ADVERSE VARIANCES &gt; £25k</b>			<b>1,436</b>

**Revenue Variance Explanations (over £25k)**

<b>Service</b>	<b>Income / Expenditure Type</b>	<b>Reason</b>	<b>Outturn Variance £'000</b>
<b>Building Control</b>	Third Party Payments	Savings on partnership with South Kesteven	(34)
<b>Business Support Unit</b>	Employee Expenses	Salary savings due to restructure and vacancies	(37)
<b>Communications &amp; Customer Services</b>	Supplies & Services	Website funded from capital	(70)
<b>Depot &amp; Contracts</b>	Income	Increase income: Edwalton golf course £97k, car parking £50k and tanker services £29k	(176)
<b>Depot &amp; Contracts</b>	Supplies & Services	Less bins purchased than budgeted	(42)
<b>Depot &amp; Contracts</b>	Transport Related	Additional budget added from contingency for diesel price increase not fully required	(39)
<b>Economic Development</b>	Supplies & Services	£136k Growth Board £48k saving on WBTC accessibility study now funded from UKSPF, £38k savings on Development Corporation	(223)
<b>Financial Services</b>	Income	Larger investment balances and higher interest rates	(484)

<b>Service</b>	<b>Income / Expenditure Type</b>	<b>Reason</b>	<b>Outturn Variance £'000</b>
<b>Financial Services</b>	Supplies & Services	Original contingency not required due to utilities spend less than anticipated	(90)
<b>Legal</b>	Supplies & Services	Expenditure on external legal provision due to staffing changes less than expected	(26)
<b>Planning</b>	Income	Increased planning fees	(197)
<b>Planning</b>	Supplies & Services	Underspend on local plans	(78)
<b>Property Services</b>	Premises	Underspend on utilities than additional budget provided	(144)
<b>Strategic Housing</b>	Income	Additional Homelessness funding	(78)
<b>TOTAL FAVOURABLE VARIANCES &gt; £25k</b>			<b>(1,718)</b>
<b>OTHER MINOR VARIANCES</b>			<b>(288)</b>
<b>TOTAL VARIANCE</b>			<b>(570)</b>

## Movement in Reserves

Movement in Reserves	Balance at 31.03.22	Transfers in	Transfers out	Balance at 31.03.23	Transfers in notes	Transfers out notes
	£000	£000	£000	£000		
<b>Investment Reserves</b>						
<b>Regeneration and Community Projects</b>	1897	223	(7)	2113	£58k Special Expenses Annuity Charges; £75k in year transfer for WB Play Areas Capital; £20k to Sinking Fund Hook Skatepark; £20k to sinking fund RCP skate park; £50k to sinking fund Gresham pitches	Transfer out for Boundary Road and Alford Road works
<b>Council Assets and Service Delivery</b>	0	0	0	0		
<b>Investment Properties</b>	426	325	(203)	548	To reserves from Investment Properties income	Tfr out to cover works at the Point and Colliers Business Park
<b>New Homes Bonus</b>	8,979	1,587	(1,017)	9,549	Receipt in year	£1.017m to offset the impact of MRP
<b>Corporate Reserves</b>						
<b>Organisation Stabilisation</b>	3,994	1,108	(2,466)	2,636	£1.108m from in-year efficiencies to meet c/f and reserve appropriations	£846k budgeted general fund deficit plus £1420k agreed carry forwards cabinet 2022 and £200k trf to TM reserve

<b>Movement in Reserves</b>	<b>Balance at 31.03.22</b>	<b>Transfers in</b>	<b>Transfers out</b>	<b>Balance at 31.03.23</b>	<b>Transfers in notes</b>	<b>Transfers out notes</b>
<b>Climate Change</b>	800	200	(671)	329	Top up	Utilised for heat pump and Bingham Hub
<b>Treasury Capital Depreciation Reserve</b>	0	973	0	973	Creation of reserve from £200k 22/23 OS balance from underspends and £773k from in-year	
<b>Collection Fund S31 Reserve</b>	5,145	0	(3,707)	1,438		Planned release of grant to cover deficit in collection fund arising from additional reliefs in 21/22
<b>Freeport and Development Corporation</b>	330	200	(165)	365	Top up to reserve in relation to the Freeport	Transfer to revenue to cover expenditure incurred
<b>Risk and Insurance</b>	100	0	0	100		
<b>Planning Appeals</b>	349	0	0	349		
<b>Elections</b>	151	50	0	201	Agreed in year top-up of reserve	
<b>Operating Reserves</b>						
<b>Planning</b>	300	0	(169)	131		Budgeted transfer
<b>Leisure Centre Maintenance</b>	104	15	(62)	57		
<b>Planned Maintenance</b>	0	0	0	0		
<b>Vehicle Replacement Reserve</b>	1,000	185	(300)	885	Top up for Streetwise vehicle replacement reserve	Acquisition of vehicle and plant from Streetwise
<b>TOTAL</b>	<b>23,575</b>	<b>4,866</b>	<b>(8,767)</b>	<b>19,674</b>		
<b>General Fund Balance</b>	<b>2,604</b>			<b>2,604</b>		



## Capital Programme Summary March 2023

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>DEVELOPMENT AND ECONOMIC GROWTH</b>						
<b>Quantock Grove Public Open Space</b>		15	34	19	A/S	Works expedited £20k provision in 23-24 programme to accelerate £1k saving
<b>Unit 10 Moorbridge Enhancements</b>		50	54	4	O	Enhancements works complete to accommodate SEL in-sourcing. Additional works/kit required identified. Minor overspend.
<b>Manvers Business Park Enhancements</b>	300	0	0	0		Works re-profiled to 23/24. May be cost pressures on resources/materials.
<b>Colliers BP Enhancements</b>	0	8	8	0		
<b>Traveller Site Acquisition</b>	1,000	0	0	0		A grant application was made for costs totalling £1.914m with 50% funding £957k. The grant was not approved so this year's provision removed pending further investigation of other funding availability. The draft capital programme for 23/24 contains £1m for site acquisition/development.

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>Cotgrave Phase 2</b>	500	230	90	(140)	C/S	Landscaping enhancements to be commissioned 23-24 carry fwd £50k required. Support needed for enhancement works at RCP £25k of this underspend requested to be carried fwd. Saving £65k.
<b>Bingham Leisure Hub</b>	2,000	7,673	6,110	(1,563)	C	Handover end January, opened 20 February. Contract and RBC Contingency sums not fully committed. All of the variance requested to be carried forward with a view to releasing a saving in 23-24 when final costs are known. £730k of the carry fwd earmarked for post opening enhancements. Decommissioning of the old leisure centre pool has commenced.
<b>Water Course Improvements</b>	60	0	0	0		Works re-profiled to 2023-24 and packaged together with 2023-24 provision to achieve efficiencies. Potential to fund from UKSPF in 23-24
<b>The Point</b>	200	240	195	(45)	C	Upgrade office lighting £150k complete; balcony waterproofing ongoing investigation; and auto doors to be done. Underspend requested for carry forward.
<b>Bingham Market Place Improvements</b>	0	68	0	(68)	C	PO raised. Works planned from April 23; impacted by cold weather and material availability. Carry forward required.
<b>The Crematorium</b>	3,000	6,123	4,850	(1,273)	C	Total provision including purchase of the land £8.5m. Building Complete and operational. Carry forward requested for final ancillary works and post opening enhancements identified.

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>Keyworth Cemetery</b>	25	25		(25)	C	Surveys undertaken. Works to be agreed with the Diocese. Quotes to be sourced. Carry forward required.
	<b>7,085</b>	<b>14,432</b>	<b>11,341</b>	<b>(3,091)</b>		
<b>NEIGHBOURHOODS</b>						
<b>Vehicle Replacement</b>	926	1,284	1,044	(240)	C	3 Refuse Freighters, a 2nd hand glass recycler acquired. SEL plant and equipment bought as part of insourcing. New mowers also bought for SEL. 5 Planned purchases: 1 Medical Waste and 1 Recycling Collection Box Vans; Electric Ford Transit; and 2 vehicles for RCP may now be 23/24. Underspend requested to be carried forward.
<b>Support for Registered Housing Providers</b>	2,620	556	0	(556)	C	Carry forward to meet commitments £456k: £80k for 50% due on Practical Completion for 10 units of affordable housing on Garage Sites Ph 2; £36k 1 affordable rent unit Ruddington; and £340k for 4 units Nicker Hill.
<b>Assistive Technology</b>	40	0	0	0		The original £40k provision transferred to support spending pressures on Mandatory DFGs meaning there are no funds available to support the £40k planned investment in Smart Hubs. Other options for financing the Hubs are being assessed.
<b>Discretionary Top Ups</b>	100	100	47	(53)	C	Carry forward to meet commitments.
<b>Disabled Facilities Grants</b>	530	1,003	812	(191)	C	Carry forward to meet commitments as pressure continues on Mandatory DFGs.

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>Hound Lodge Enhancements</b>	125	11	7	(4)	S	Specification of washer/dryers had to be changed due to the energy availability in the lodge.
<b>Arena Enhancements</b>	75	155	44	(111)	C/S	£100k requested to be carried forward: £75k of this earmarked to upgrade reception and corridor floors. £13k Saving.
<b>Car Park Resurfacing</b>	95	215	119	(96)	C	£16k Car park works completed in April 2023. Balance required to meet additional commitments.
<b>Cotgrave Leisure Centre Enhancements</b>	675	230	0	(230)	C	Agreed deferral of work until Dec 2023 to allow delivery of corporate priorities: Bingham Hub and The Crematorium. Cabinet 11.10.22 approved rephasing to 23/24 Capital Programme. £230k will need to be carried forward.
<b>Edwalton Golf Course Enhancements</b>	30	0	0	0		£30k re-profiled to 23-24 pending options assessment.
<b>Keyworth Leisure Centre Enhancements</b>	470	40	0	(40)	C	Agreed deferral of work until Dec 2023 to allow delivery of corporate priorities: Bingham Hub and The Crematorium. Cabinet 11.10.22 approved rephasing to 23/24 Capital Programme. £40k will need to be carried forward.
<b>Bingham Leisure Centre Improvements</b>	0	97	62	(35)	C	Provision to support any emerging Health and Safety enhancements. Variance to be carried fwd as we withdraw from the Leisure Centre.
<b>Gresham Sports Park Redevelopment</b>	0	51	12	(39)	C	Allocated towards environmental improvements associated with the swale. New fencing provision undertaken. Carry forward required.

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>Gamston Community Centre Enhancements Special Expense</b>	0	13	7	(6)	C	To support any carbon reduction work. Insulation completed.
<b>Lutterell Hall Enhancements Special Expense</b>	0	77	0	(77)	C	Cfwd to meet planned enhancement works.
<b>LAD2 Green Energy Grants</b>	0	647	594	(53)	S	New initiative, fully funded by Government Grant. Scheme to facilitate external wall insulation, solar PV panels, and loft insulation in homes of non-standard construction. Commencing November, to be delivered in partnership with EON. Timescale has been extended due to COVID. Additional £240k awarded and received. Scheme complete £53k Govt Grant repaid.
<b>HUG and LAD3 Green Energy Grants</b>	770	770	609	(161)	C	New initiative, fully funded by Government Grants. New Home Upgrade Grants and an extension of LAD2 (see above). Funds were to be spent by 31 March 2023, but deadlines extended: HUG1 31 May 2023 and LAD3 30 Sept 2023. Carry fwd required.
<b>Gresham Sports Pavilion</b>	0	32	9	(23)	C	Changing rooms and flooring options to be decided. Expenditure to date on height barrier alterations relating to Electric Vehicle Charging Points. To be funded from Climate Change Reserve. Carry forward required.
<b>Grantham Canal Improvements</b>		28	28	0		Grant awarded to Grantham Canal from UKSPF.
<b>RCP Visitor Centre</b>	75	604	500	(104)	C	Visitor Centre works complete and café operational. Carry fwd required of £104k plus £25k from the Cotgrave Phase II underspend giving a total £129k. Still to be done: phase III final contract works, footpaths, fees, and compost toilet.

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>External Door/Window Upgrades Various Sites</b>	<b>35</b>	<b>46</b>	0	(46)	C	To be undertaken ad hoc carry forward required.
<b>Alford Road Football Goals</b>	<b>10</b>	<b>10</b>	3	(7)	C	Works complete. £7k underspend needed to support other WB Play Areas.
<b>Capital Grant Funding</b>	<b>0</b>	<b>15</b>	0	(15)	C	One final grant of £15k committed.
<b>Adbolton Play Area Special Expense</b>	<b>75</b>	<b>85</b>	0	(85)	C	Contract awarded to Proludic Ltd; works will start on site spring, expected completion now June. Carry forward required.
<b>Boundary Rd Cycle Track Special Expense</b>	<b>0</b>	<b>3</b>	4	1		Height barrier installed, minor overspend
<b>West Park Julien Cahn Pavilion Special Expense</b>	<b>320</b>	<b>0</b>	0	0		Agreed deferral of work until Dec 2023 to allow delivery of corporate priorities: Bingham Hub and The Crematorium. Cabinet 11.10.22 approved rephasing to 23/24 Capital Programme.
<b>Skateboard Parks</b>	<b>0</b>	<b>40</b>	40	0		Final Skatepark Grant £40k released to Keyworth PC.
<b>Warm Homes on Prescription</b>	<b>25</b>	<b>2</b>	3	1	O	The original £25k transferred to support spending pressures on Mandatory DFGs meaning there are no funds available to support WHOP this year. £3k residual spent projected met by a budget adjustment from historic underspends on BCF.
	<b>6,996</b>	<b>6,114</b>	<b>3,944</b>	<b>(2,170)</b>		

	Original Budget £000	Current Budget £000	Actual YTD £000	Variance £000	Carry fwd (C)/ Saving (S)/ Overspend (O)/ Acceln (A)	Notes
<b>FINANCE &amp; CORPORATE SERVICES</b>						
<b>Information Systems Strategy</b>	230	363	134	(229)	C/S	Rollout of the ICT Alignment Strategy to meet business needs and embrace changing technology. Cloud Based Solutions now being assessed. Carry fwd £193k requested; £36k saving.
<b>Streetwise Loan 22/23</b>	150	0	0	0		Loan not required. Cabinet 11.10.22 approved transfer provision to Capital Contingency to support the insourcing of Streetwise.
	380	363	134	(229)		
<b>CONTINGENCY</b>						
<b>Contingency</b>	150	109		(109)	C/S	Carry forward £100k; Saving £9k.
	<b>150</b>	<b>109</b>	<b>0</b>	<b>(109)</b>		
<b>TOTAL</b>	<b>14,611</b>	<b>21,018</b>	<b>15,419</b>	<b>(5,599)</b>		

## Special Expenses Outturn 2022/23

	2022/23 Original Budget	Outturn Actuals	Outturn Variance	Reasons for variance
	£	£	£	
<b><u>West Bridgford</u></b>				
Parks & Playing Fields	437,500	435,001	(2,499)	
West Bridgford Town Centre	91,400	90,212	(1,188)	
Community Halls	78,500	104,632	26,132	Utilities and Repairs and reduced income at Gamston Community Hall
Annuity Charges	94,000	89,300	(4,700)	Saving to Notional Fund to support capital expenditure
RCCO	75,000	75,000	0	
Sinking Fund (The Hook)	20,000	20,000	0	
<b>Total</b>	<b>796,400</b>	<b>814,145</b>	<b>17,745</b>	
<b><u>Keyworth</u></b>				
Cemetery	7,900	6,685	(1,215)	Repairs
Annuity Charges	1,300	1,300	0	
<b>Total</b>	<b>9,200</b>	<b>7,985</b>	<b>(1215)</b>	
<b><u>Ruddington</u></b>				
Cemetery	7,900	6,609	(1,291)	Repairs
Annuity Charges	3,200	3,215	15	
<b>Total</b>	<b>11,100</b>	<b>9,824</b>	<b>(1,276)</b>	
<b>TOTAL SPECIAL EXPENSES</b>	<b>816,700</b>	<b>831,954</b>	<b>15,254</b>	



## Carry Forwards and Reserve Commitments

Carry forward to 23/24	Revenue	Capital	Total
Bio-diversity grant to fund new posts	10,000		10,000
Edwalton Golf Course Feasibility	15,000		15,000
Homelessness Funding underspends	33,000		33,000
Homes 4 Ukraine Funding to cover agency 23-24	60,000		60,000
Neighbourhood Planning Grant – Hickling	20,000		20,000
Homes 4 Ukraine	183,000		183,000
Neighbourhood Planning Grant - Ruddington	20,000		20,000
Strategic Growth Board	111,000		111,000
Freeport Planning work (Uniper)	50,000		50,000
	<b>502,000</b>	<b>0</b>	<b>502,000</b>
Appropriation to Reserves	O/S Reserve	Specific	Total
Pooled investments		773,000	773,000
Streetwise Vehicle Replacement		185,000	185,000
Tree Preservation works	90,000		90,000
Local area energy planning	75,000		75,000
Council Tax support fund	33,000		33,000
Toothill additional costs		15,000	15,000
Staffing resource elections	10,000		10,000
Cyber Security Protection (AppGuard)	92,000		92,000
General contingency	101,630		101,630
Pay inflation to meet potential increases beyond the budget assumption (4%)	204,000		204,000
			<b>1,477,000</b>
<b>Total</b>			<b>2,081,000</b>

## Summary capital variances

Variance Analysis 22-23	£000
<b>CARRY FORWARDS:</b>	
Cotgrave Phase 2	(50)
Cotgrave Phase 2 for RCP	(25)
Bingham Leisure Hub	(1,563)
The Point	(45)
Bingham Market Place Improvements	(68)
The Crematorium	(1,273)
Keyworth Cemetery	(25)
Vehicle Replacement	(240)
Support for Registered Housing Providers	(556)
Discretionary Top Ups	(53)
Disabled Facilities Grants	(191)
CLC Enhancements	(230)
Arena Enhancements	(100)
Car Park Resurfacing	(96)
KLC Enhancements	(40)
BLC Improvements	(35)
Gresham Sports Park Redevelopment	(39)
Gamston Community Centre Enhancements	
Special Expense	(6)
Lutterell Hall Enhancements Special Expense	(77)
HUG and LAD3 Green Energy Grants	(161)
Gresham Sports Pavilion	(23)
RCP Visitor Centre	(104)
External Door/Window Upgrades Various Sites	(46)
Alford Road Football Goals	(7)
Capital Grant Funding	(15)
Adbolton Play Area Special Expense	(85)
Information Systems Strategy	(193)
Contingency	(100)
<b>Sub-total</b>	<b>(5,446)</b>
<b>SAVINGS:</b>	
Quantock Grove Public Open Space	(1)
Cotgrave Phase 2	(65)
Arena Enhancements	(11)
Hound Lodge Enhancements	(4)
LAD2 Green Energy Grants	(53)
Information Systems Strategy	(36)
Contingency	(9)
<b>Sub-total</b>	<b>(179)</b>
<b>OVERSPEND:</b>	
U10 Moorbridge Enhancements	4
Boundary Road Cycle Track	1
Warm Homes on Prescription	1
<b>Sub-total</b>	<b>6</b>
<b>ACCELERATION:</b>	
Quantock Grove Public Open Space	20
<b>Sub-total</b>	<b>20</b>
<b>TOTAL</b>	<b>(5,599)</b>