

2.0 REVENUE BUDGET 2022/23

2.1 BACKGROUND AND SUMMARY

- 2.1.1 This section of the report presents details of the revenue outturn for the 2022/23 financial year for all eight former councils of North Yorkshire. The aggregated 2022/23 budget position for all eight legacy authorities was £519,592k.
- 2.1.2 At the end of Q4, the eight former councils are collectively reporting an underspend of £6,260k (1.2%) against operational budgets. Further detail is provided in **section 2.2**.

2.2 OPERATIONAL BUDGETS

- 2.2.1 The aggregated position for all former councils of North Yorkshire as at the end of 2022/23 is a net underspend of £6,260k. This includes a one-off VAT claim to HMRC for £5,070k following the decision to allow local authority in-house leisure services to be treated as non-business for VAT purposes.
- 2.2.2 2022/23 budgets have been put under significant pressure following record breaking levels of inflation, which has impacted services across the board. In particular, the higher than budgeted pay award and the significant increase in utility costs have been particularly problematic.
- 2.2.3 There continues to be continued pressure within the two largest directorate service budgets for the new council, Health and Adult Services and Children and Young Peoples Services. A number of contingencies have been drawn upon to support the continued overspend within Care and Support budgets and Home to School Transport budgets.
- 2.2.4 Offsetting these pressures is a significant surplus on interest received on investment income.
- 2.2.5 Detailed reports for each of the former district and borough councils can be found in **Appendices H – O**. The reports have been produced largely in line with historic practice within the predecessor councils but, of course, there is no longer a body to receive such reports within those former councils. This report therefore provides the summary position that is bequeathed to North Yorkshire Council but provides continuity on reporting in line with Q1 – Q3 across the eight councils. This will change for Q1 of 2023/24 when a standard will apply across the single council.
- 2.2.6 The following table identifies the operational budgets for each of the Directorates in 2022/23 along with the former district and borough councils to give an overall view for the new North Yorkshire Council.

Directorate	Budget (£k)	Draft Outturn (£k)	Variance (£k)	Q3 Projected Outturn Variance (£k)
HAS Gross	200,180	204,597	4,418	+4,422
iBCF funding	-	(2,483)	(2,483)	(2,045)
Other Contingencies	-	(1,750)	(1,750)	(1,750)
HAS Net	200,180	200,365	+185	+268
BES	78,461	77,823	(639)	+506
CYPS	88,267	92,424	4,158	+4,093
LA Provision for High Needs	2,500	2,500	0	0
CYPS Net	90,767	94,924	+4,158	+4,093
Central Services	73,224	73,327	+103	+455
Corporate Misc.	(13,407)	(19,236)	(5,829)	(6,830)
NYCC TOTAL	429,225	427,203	(2,022)	(2,521)
Craven DC	9,158	9,477	+319	+102
Hambleton DC	11,366	12,595	+1,229	+1,872
Harrogate BC	21,815	23,654	+1,839	+1,396
Richmondshire DC	7,259	6,456	(803)	+318
Ryedale DC	6,929	6,818	(111)	+169
Scarborough BC	16,148	16,567	+420	+1,000
Selby DC	17,692	15,631	(2,061)	(305)
Sub Total all Councils	519,592	518,401	(1,190)	+2,031
One- Off VAT Claim	-	(5,070)	(5,070)	-
Total	519,592	513,331	(6,260)	+2,031

2.2.7 This position was supported by a number of contingency budgets across the eight authorities, which have been used and/or committed to support higher than anticipated pay award, high levels of inflation and a number of market interventions. Without deployment of these contingencies there would have been a significant overspend.

Area	22/23 Budget	Outturn Position	23/24 Budget Position
Corporate Contingency	£6.1m (previously £10m)	£3.9m reallocated to support higher than anticipated pay award. Remaining budget has been moved to reserves	£6.1m remaining
HAS Corporate Contingency	£7.9m	All contingencies being used to support underlying overspend within Health and Adult Services.	£0 (£6.2m moved to HAS base budget given increased pressures and £1.8m temporary funding linked to hospital discharges is due to be removed)
PSVAR Contingency	£1.6m	Contingency repurposed to support Home to School Transport budget as per Q1 report.	£0 (£1.6m moved to CYPS Home to School Transport budget)
NYCC Pay Contingency	£1.6m	Contingency budget has been reallocated to service budgets given the higher than anticipated pay award. Forecasting as fully spent.	£0 (budget moved to relevant staffing budgets)
Brexit Contingency	£1.5m	Shown as fully committed in 2022/23	£0 (planned reduction as per MTFS)
NYCC Total	£18.7m		£6.1m
Craven Corporate Contingency	£75k	Fully Utilised. Annual budgeted amount built in to be used at the discretion of the S151 to support one off, unforeseen costs of service provision.	£75k built into base budget.
Craven Additional Contingency around inflationary increases (utility bills)	£101k	Fully Utilised. Provision built into the 22/23 budget for anticipated	£0

		increases to Utilities.	
Craven Capital Financing (Costs of borrowing) & Pay bill inflation not yet allocated	£400k	Fully Utilised. Built in to mitigate anticipated borrowing for the capital programme and to provide a contingency against a higher than anticipated pay award.	£0
Richmondshire DC LGR Contingency	£466k	Contingency for Development Management agency staff and LGR costs. Actual spend was £293k therefore £173k underspend	£0
Ryedale LGR Contingency	£500k	£310k allocated, £190k unallocated returned to reserves	£0
Scarborough Pay Contingency	£572K	Contingency budget has been reallocated to service budgets given the higher than anticipated pay award. Fully utilised in year.	£0 (budget moved in 2022/23 to relevant staffing budgets)
Scarborough Project Contingency	£450k	Contingency allocation to address potential capacity funding issues with regard to progressing Towns Deal/ other projects	£420k built into base budget for 2023/24.
Selby Operational Contingency	£360k	£129k allocated with unspent balance released.	£100k
Selby Commissioning Contingency	£128k	£121k allocated with unspent balance released	£122k
Selby LGR Contingency	£900k	£99k allocated with unspent balance released	£0
Selby Covid Contingency	£1,277k	£999k allocated with unspent balance released	£0
All Councils Sub-total	£23,929k		£6,817k

North Yorkshire County Council Outturn

- 2.2.8 A summary of the overall **Health and Adult Services (HAS)** position across public health and adult social care (ASC) is outlined in **Appendix B** and shows a final overspend against budget of £0.2m at the end of the 2022/23 financial year.
- 2.2.9 Overall, the position has changed very little since Q3, showing a small reduction of £0.1m. However, the bottom line is assisted by the following one-off funding which will not be available in future years – and this has been reflected in the Council's proposed budget for 2023/24:
- hospital discharge contingency of £1.75m agreed for a one-year period.
 - The full use of the £2.5m available temporary iBCF (improved Better Care Fund) funding, an increase of £0.1m since Q3.
- 2.2.10 The directorate has also utilised all additional budget contingencies set aside as part of the budget setting process:
- the full £1.3m of remaining unallocated growth allocated by Council (£4.3m allocated in Q3)
 - remaining market pressures funding of £2.2m
 - inflation contingency of £3.9m (fully allocated in Q3)
- 2.2.11 The outturn position demonstrates that pressures in ASC are continuing to impact the directorate. This can be seen within **Care and Support**, in particular, which is showing cost pressures of £10.5m, an increase of £0.3m over the quarter. This is as a result of the following:
- Inflationary pressures arising from cost of living and issues in the provider market resulting in an increased number of sustainability requests from care providers, seeking additional support to continue to operate. Since April 2022 we have received 25 sustainability requests from care providers, pre-pandemic we would expect to see four or five per year. These requests, where we have agreed support, will result in additional annual costs of £1.1m and we expect this trend to continue and perhaps accelerate. Some of these additional costs have been funded in 22/23 from the market sustainability fund (£0.7m) and additional discharge funding received during the year (£0.2m).
 - Increased Discharge Costs and Temporary Placements following the end of the hospital discharge funding from central government at the end of 2021/22. The directorate received £2m in additional discharge funding during the year. Additional funding has also been given to the Integrated Care Board (ICB) and we have been working with them to develop up to 30 schemes to a value of over £6m. The Fund can be used flexibly on the interventions that best enable the discharge of patients from hospital to the most appropriate location for their ongoing care. Funding should prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost within the funding available, including from mental health inpatient settings.
- We have also implemented a further range of additional initiatives including additional transport capacity, a discharge lounge, and a further 17 additional community / intermediate care beds, which have had a major impact on our ability to manage the current pressurised situation as reported at Q3.

As agreed with the ICB, some of this funding has been used to offset additional costs incurred by providers to support a sustainable workforce.

- Increasing average costs- the average costs for packages of care are continuing to increase each quarter with 72% of new placements in March now over the actual cost of care rates.

In addition to these, we have not yet seen the full impact of the implementation of the new Approved Provider Lists. This cost will be more marked in 2023/24.

2.2.12 **Provider services** has seen a reduction in forecast of £0.3m in the quarter and is now showing an underspend of £0.2m. This change in quarter is mainly as a result of a reduction in planned spend on minor works and additional client income.

2.2.13 **Assistant Director/ Cross area budgets-** is showing an overspend of £0.3m, a change in quarter of £0.3m, mainly due to reduction in one-off funding made available for agency costs on assessments.

2.2.14 **Public Health** is showing an underspend of £0.3m against the budget, a reduction of £0.7m in the quarter. This is due to a reduction in anticipated activity levels. Any underspend in Public Health is taken into the earmarked reserve and therefore has no impact on the overall directorate bottom line. The reserve has therefore increased by £0.2m in 22/23.

2.2.15 Whilst the following areas remain stable between quarters, they continue to cause variances to budget:

Prevention and Service Development is continuing to show a forecast underspend of £1.1m, mainly due to contract efficiencies, staffing underspends and other short-term funding.

Schemes funded through the **Winter/ASC Plan** are currently showing an underspend of £1.1m. This is as a result of delays in the delivery of projects and delays in recruitment. The majority of the Winter Plan is funded through COMF and therefore will not show in the net budget.

Quality is showing an underspend of £0.3m, this is mainly as a result of staffing underspends across the service and additional one-off funding.

2.2.16 **Appendix C** includes details of the variance within **Business and Environmental Services** and includes a net underspend of £639k for 2022/23, a movement of £133k from Q3. The final outturn position is caused by a number of factors as set out below:

Waste Management – Additional tonnages of commercial waste disposed under the current waste contract at Allerton Waste Recovery Plant have increased income by £300k.

Additionally transport costs associated with disposal of household waste were £120k less than expected at Q3 due to decreased tonnages.

The overall **Highways & Transportation** services overspend is £1,813k, an increase of £383k from Q3. Areas of significant change are;

Winter Maintenance – At Q3, the long-range weather forecast was expected to continue to be mild, however gritting requirements throughout Q4 resulted in additional costs of £1,100k reducing the underspend to £664k.

Highways Maintenance – Additional costs associated with the delivery of the highways maintenance contract in relation to routine and reactive maintenance works (a combination of rising costs due to inflation and additional requirements for a larger volume of works to be completed), patching, gully cleansing and lining works are all factors contributing to the overspend of £3,586k, an increase of £209K from Q3.

Road Lighting – At Q3, increases in the unit rate of energy costs were expected to result in a £300k overspend, however efficiencies from the LED lamps installed throughout the recent years have resulted in lower energy usage and a final underspend of £130k. Additionally maintenance costs were underspent by £282k.

Highways, Fees and Charges – At Q3 expected additional income from licenses, permits and notices was to be in line with budget, however an increase in volume throughout Q4 and a review of income charged throughout the year has resulted in additional income of £453k.

- 2.2.17 Since Q3, other areas not mentioned above have maintained a relatively stable outturn position - significant areas of variance reported throughout the year have occurred due to:

Concessionary Fares – Reduced passenger demand has resulted in an underspend of £954k.

Waste Management – Recyclates delivered a £233k underspend, the insurance cost review and the contractual performance payments in relation to commercial contracts £418k underspend, development costs associated with Allerton Waste Recovery Plant £252k underspend.

Highways Staffing - £648k underspend.

- 2.2.18 A summary of the revenue outturn for **Children and Young Peoples Services** (CYPS) is available within **Appendix D** and shows a net overspend position of £4.2m for the 2022/23 financial year. The main variances on projections between Q3 and Q4 are as follows:

- **Home to School Transport** – an overspend of £2.3m on transporting children to/from school, the increase in expected outturn from Q3 is £180k. Since September the daily rate has increased by £24k per day; the primary driver of this is new contracts for Special Educational Needs (SEN) children.
- **Children and Families**
 - **Operational Delivery** – the service has an overall underspend of £185k. Staffing vacancies have continued in parts of the service, but this has been offset by the costs of international recruitment to vacant social worker posts. The cost of transporting looked after children is above budgeted amounts but in line with Q3 prediction.
 - **Child Placement** – the overall spend has remained static between Q2 and Q3 although a reduction in general placements costs due to continued lower numbers of children in care has been offset by the continued cost of some bespoke placements.
- **Pooled External Placement Budget** – an overall overspend of £3.5m. Since Q3 there has been a finalisation in the split between Education and care costs for joint placements, along with an increase in actual care costs arising from adjustment of agency costs incurred through matrix.

- **Inclusion** – the financial pressure within the service has increased over the last quarter by £66k, taking the service to an overall 15% projected overspend for the year. The main driver continues to be the demand for occupational therapy equipment which is now standing at £300k over budget. The other principal reason relates to the cost of directed remediation payments to parents of children following complaints around assessments (£115k).
- **Disabled Children's Service** – a significant financial pressure remains within the service. Following the adjustment of the pay budget, the overspend is £992k, driven by reduced Health income, increased direct payments and staffing cost pressures.
- **Adult Learning Service** – the finalisation of the 2021-22 academic year income from the Education & Skills Funding Agency resulted in a lower than anticipated clawback, this along with additional income from the newly established Multiply programme has resulted in higher income for the service.

2.2.19 High Needs Block Funding (HN)

- As previously reported, the unprecedented demand within the High Needs Block has continued throughout the system with pressures in SEN Assessments, Educational Psychology and SEN Transport.
- Within the High Needs block of the Dedicated Schools Grant (DSG), insufficient funding from DfE continues to place pressure on the LA and schools to be able to meet demand. The overspend on the High Needs block is just over £0.3m for the financial year 2022/23. This has increased the accumulated deficit to £9.9m. An in-year deficit of £3-4m is projected for 2023-24 which, if confirmed will further increase the accumulated deficit to £13.5m.
- Although the local authority is prohibited from using LA funds to meet the cost of the deficit, an equal and opposite reserve has been established as a prudent and responsible financial management approach.

2.2.20 **Central Services** variance details are included within Appendix E and includes a net overspend position of £103k for 2022/23, a decrease of £352k from Q3. The final outturn position is caused by a number of factors as set out below:

Property Service – Overall overspend of £1,683k. The following factors have changed since Q3; Energy costs overspend of £581k, reduced from forecast of £904k overspend at Q3; £117k legal fees associated with property sale not forecast at Q3 and security costs at various sites across the county resulted in a £427k overspend, increased from £248k at Q3.

Insurance – The in-year cost of Insurance Premiums resulted in an underspend of £864k. A review of the ongoing premiums following LGR will take place during 23/24 with a view to identifying potential ongoing savings.

Elections – Spend associated with local elections not included in the forecast at Q3 resulted in additional costs of £188k.

2.2.21 Since Q3, other areas not mentioned above have maintained a relatively stable outturn position - significant areas of variance throughout the year have occurred due to:

Property Service – County Hall Refurbishment costs £600k partially offset using underspends from in year vacancies of £107k, additional income £228k and £174k underspend on maintenance.

Business Support – Venues underspend of £247k; Public transport £219k; Staffing £179k

Coroners Service - £326k overspend

Registrars Certificate income - £265k underspend

2.2.22 **Appendix F** provides further details on the variances for **Corporate Miscellaneous** that is projecting a net underspend of £5,829k for 2022/23. Areas of significant variation include the movement in contingencies as detail in **para 2.2.3** as well as;

- **Treasury Management** – forecasting a £5,737k underspend, an increase of £1,551k since Q3, reflecting continued improved rates of return as interest rates continue to rise.
- **Increase in Bad Debt Provision (£3.3m)**

2.2.23 The outturn statement for the County Council's **NYES** traded service is also attached at **Appendix G** for information. These services are mainly provided to schools in the County and the figures reported do not have any further impact on those in the above table because, where relevant, the charges are already incorporated in Directorate forecast budget outturn positions. NYES are projecting an overall overspend of £0.5m.

2.2.24 **Craven District Council Revenue Outturn**

Based on the Q4 budget monitoring exercise, Craven District Council's performance against budget was a forecasted underspend of £56k for the full financial year. This includes an estimated reclamation due to changes in the VAT treatment of leisure services provided by local authorities, this is estimated to be £375k. Prior to the one-off adjustment for VAT the reported outturn would be an overspend of £319k as shown in the table in **para 2.2.3**.

This figure reflects the fact that the council was operating in very uncertain times. The increased expenditure on energy bills (£535k) that adds pressure onto service expenditure across the council as well as the potential impact of the current cost of living expenditure and how that has impacted on revenue income streams, such as planning (£200k) and the council has also seen an increased use of External Staffing resource, in roles that are difficult to recruit to, for example, waste management and planning.

The overspend within the Net cost of Service is £648k, but this is mitigated by favourable variances in the corporate costs recognised outside of the Net Cost of Service, of £329k. This includes Investment Income (£24k) and the use of contingencies for the anticipated Utility costs and inflationary increases built into the budget as part of the 22/23 setting process. This also includes the VAT claim.

Further details regarding the outturn position for Craven DC can be found in **appendix G**.

2.2.25 **Hambleton District Council Revenue Outturn**

The draft revenue outturn for 2022/23 shows a projected outturn of £11,033k – an underspend of £571k after accounting for a £1,800k one-off VAT claim linked to leisure. This shows an improved position from Q3, largely as a result of the VAT claim and additional funding from Central Government.

Major variances contributing to the final outturn position include significant shortfall on income within Leisure (£676k), Planning (£460k), and Parking (£167k), combined with additional utility costs of £366k. This was offset in part by £477k savings in treasury management, borrowing and investment income along with the VAT claim of £1,800k.

2.2.26 Harrogate Borough Council Revenue Outturn

Harrogate Borough Council is reporting an outturn underspend of £972k on General Fund activity after taking into account a £2.8m VAT refund in respect of leisure services dating back to 2006. Other key variances were overspends due to utility costs at a net £1.2m and the 2022/23 pay award at £1.1m.

Other significant variances include the following:

Salaries savings, primarily driven from staff turnover generated a saving of £1,314k across the council. Interest income was £445k more than budget and kerbside recycling income (net of costs) generated an additional £191k. Partly offsetting this were shortfalls of £510k in planning application income and of £299k in off-street parking income, together with overspends of £265k on temporary staff, overtime, and holiday pay in Parks & Environmental Services, of £189k in homelessness and of £163k at the Harrogate Convention Centre. All other variances of £150k or less, account for a net cost of £130k.

It is proposed that £93k of the underspend be allocated to Harrogate Convention Centre for investment in the catering service, which has recently been brought back in-house.

2.2.27 Richmondshire District Council Revenue Outturn

At the end of quarter 4, the revenue outturn position reports a surplus against budget of £803k, as detailed in **Appendix L**. This shows an improved position from the Q3 forecast (a potential deficit of £68k) largely as a result of LGR transition budget underspend (£173k), PWLB borrowing not taken (£240k) and additional income in a number of services

Major variances contributing to the final surplus position is primarily driven by additional investment returns as a result of interest rate increases (£386k), along with interest cost savings due to PWLB borrowing not taken (£240k), LGR Transition underspend (£173k), Improved Rent Allowance recovery (£94k) and Taxi Licence Income (£79k). This was partially offset by an increase in bad debt provisions (£108k) and an increase in fuel costs (£66k)

2.2.28 Ryedale District Council Revenue Outturn

At the end of quarter 4, the revenue outturn position reports a surplus against budget of £111k, as set out in **Appendix M**. This shows an improved position from the Q3 forecast (a potential deficit of £169k) largely as a result of increased income from planning and government grants. Because of this, the requirement to fund the increased costs of the pay award from reserves (£350k), as set out in the Q2 report, is no longer needed.

Major variances contributing to the final surplus position are primarily driven by additional investment returns as a result of interest rate increases (£330k), along with Waste Income (£212k) due to market prices for recyclates, a number of service related government grants (£175k) and new burdens funding (£216k). This has

partially been offset by inflationary pressures on utilities and fuel (£153k) and reactive repairs and maintenance costs on premises (£201k)

2.2.29 Scarborough Borough Council Revenue Outturn

The reported deficit for the year is £0.42m, which is an improvement of £0.58m when compared to Q2 projections. The primary drivers behind the movements from the Q2 projections and the year-end surplus were increased investment income as a result of both increased rates and balances.

In addition to the variances detailed above, when compared to budget further material surpluses were generated through income streams for commercial waste (£292k), car parking (£460k) and additional new burdens funding (£384k). Increased costs partially offsetting these surpluses were seen through higher than budgeted pay awards (£530k), increased utilities charges (£425k), temporary homelessness accommodation costs (£226k) and a reduction in Housing Benefit overpayments (£243k).

Further details on the variances can be found in **Appendix N**.

2.2.30 Selby District Council Revenue Outturn

After carry forwards of £921k, the full year revenue outturn in the general fund was a surplus of £2,145k driven primarily by the release of unused contingency funds relating to LGR and covid-19 (£1,318k), investment interest returns on the back of base rate increases (£249k), favourable variances across a number of other income streams and some areas of reduced expenditure levels.

Programme for Growth spend was £2,150k in the year, which was £2,745k lower than budget. Of the in-year spend, £1,033k was staffing costs. Other areas of notable spend include Transforming Cities Fund, high street shop fronts and towns projects as well as the Tadcaster flood grant scheme. The underspend is recommended to be rephased to future years. Project by project progress is shown in **Appendix O**.

2.3 Housing Revenue Account (HRA) Outturn

2.3.1 The table below sets out the HRA outturn position for year ending 31 March 2023.

Authority	Budget £	Draft Outturn 2022/23 £	Variance £	Q3 Variance £
Harrogate	43,600	(3,134,969)	(3,178,569)	(762,569)
Richmondshire	21,100	269,162	248,062	115,200
Selby*	(4,309,550)	(4,765,818)	(456,268)	(241,160)
Total across all councils	(4,244,850)	(7,631,625)	(3,386,775)	(878,529)

* Budgeted transfer to Selby's Major Repairs reserve to support the capital programme

2.3.2 Harrogate HRA Outturn

Harrogate's Housing Revenue Account's net expenditure for 2022/23 was -£3,135k, an underspend of £3,179k. The underspend was primarily due to a reduction in the HRA revenue contribution to the housing capital programme of £3,804k (which was itself due to a combination of a reduction in capital spend in the year and the use of alternative funding sources). Depreciation charges, which are transferred to reserve to fund future capital spend, increased by £421k, whilst utility costs increased by £216k. The underspend is transferred to the HRA working balance, which sits at £19.3m as at 31 March 2023.

2.3.3 Richmondshire HRA Outturn

Richmondshire's Housing Revenue Account full year outturn was a deficit of £269k. This has resulted in £248k more being drawn from reserves than forecast in the 2022/23 budget. This was largely driven by higher than budgeted depreciation charges (£199k) and increased internal recharge costs from the general fund. The deficit was met by the HRA reserve which sits at £730k as at the 31 March 2023.

2.3.4 Selby HRA Outturn

In the HRA, full year revenue outturn after carry forwards of £20k, is a (£456k) surplus, with higher investment income (£475k) and lower bad debt provision (£222k) being partly offset by lower rents due to voids of £127k and savings not being achieved of £195k. The key variances are highlighted in the **Appendix O**.

As a result of LGR, most savings were deferred from 2022/23 with the exception of the £195k saving in the Housing Revenue Account for the housing system. However as reported in previous quarters, this was not achieved this year as implementation of key components of the system was only achieved in quarter 4.

2.4 BUDGET/ MTFS SAVINGS TARGETS

- 2.4.1 Collectively the 2022/23 revenue budgets across the eight former councils included budget savings in excess of £11.5m. As at the 31st March, there were a number of savings still to be made, however it should be noted that the impact of these delays are already incorporated into the outturn position in paragraph 2.2.1.

At Risk/ Cash-funded of Projects in 2022/23	£000's
HAS - Extra Care	490
Craven – Income Savings linked to Trade Waste and Belle Vue Square	150
Harrogate – B&B Temporary Accommodation Saving	14
Selby HRA – New Housing System	195
TOTAL	849

- 2.4.3 In addition part of the savings from schemes in earlier years totalling £560k, remain unrealised in 2022/23.

At Risk/Cash-funded of Projects from prior years	£'000's
HAS - Extra Care	185
HAS - Reablement	250
HAS - E-Scheduling	75
CYPS - Pension Enhancements	50
TOTAL	560

Again, it should be noted that these are already incorporated into the forecast outturn position in **paragraph 2.2.1**

2.5 GENERAL WORKING BALANCE

- 2.5.1 Given the aggregated outturn position, reserve balances are set to increase above the forecast projections that were included in the 2023/24 MTFS and Budget Setting Report. An update on reserve balances will be provided as part of the Q1 Monitoring report.

2.6 LOCAL GOVERNMENT REORGANISATION

- 2.6.1 As mentioned previously, an officers' group has been established to consider one-off requests for resources to support the transition to the new unitary. This group was drawn from officers from County and District Councils and the table below summarises the resource requests to date;

Workstream	21/22 £000	22/23 £000	23/24 £000	24/25 £000
Corporate Governance	-	622	196	-
Finance	30	2,460	983	-
HR	33	1,033	823	-
ICT & Digital	-	2,293	1,577	41
Communication, Brand & Engagement	7	329	65	-
Customer (incl. revs and bens)	-	272	761	151
Economic Development	-	150	-	-
LGR Programme Office	93	3,249	1,649	-
Other	59	78	0	0
	223	10,486	6,055	192
Total				16,955

- 2.6.2 As at the end of 2022/23, £6m of the £10.5m approved has been drawn from the reserve, leaving a balance of £32m to carry forward to 2023/24. It should be noted that some of the areas above relate to additional spending on staffing which has not always been successful due to the difficult workforce market. As a consequence, many areas are likely to come in well below these allocations. More information will be provided in future reports as the situation becomes clearer.

2.7 RECOMMENDATION

That the Executive

- (i) notes the draft outturn position for the eight former Council's that now make up the new North Yorkshire Council against the 2022/23 Revenue Budget, as summarised in **paragraph 2.2.1**.
- (ii) notes the position on the GWB (**paragraph 2.5.1**)
- (iii) notes the draft outturn position for the Housing Revenue Account (paragraph 2.3.1)
- (iv) notes the latest position regarding the Local Government Review transition fund (**paragraphs 2.6.1 - 2.6.2**)
- (v) gives delegated authority to Corporate Director of Resources in consultation with the Executive Member for Finance to review and implement any arrangements of a one-off nature in line with the requests as set out in **Appendices H-O** (e.g. requests for carry-forward).

REVENUE BUDGET APPENDICES

A	2022/23 Latest NYCC Revenue Budgets
B	Health and Adult Services
C	Business and Environmental Services
D	Children and Young Peoples' Service
E	Central Services
F	Corporate Miscellaneous
G	NYES
H	Craven District Council Revenue Outturn
I	Hambleton District Council Revenue Outturn
J	Harrogate Borough Council Revenue Outturn
K	Harrogate Borough Council Housing Revenue Account Outturn
L	Richmondshire District Council Revenue Outturn
M	Ryedale District Council Revenue Outturn
N	Scarborough Borough Council Revenue Outturn
O	Selby District Council Revenue Outturn

2022-23 REVISED ESTIMATE REVENUE BUDGETS AT 31/03/23

	Original Budgets agreed by Cty Cncl on 16/02/2022 £000s	Other agreed transfers and adjustments £000s	Latest Revised Budgets £000s
Children & Young Peoples' Service	88,574	2,192	90,766
Business & Environmental Services	79,460	(999)	78,461
Health & Adult Services	194,354	5,826	200,180
Central Services Directorate	71,610	1,614	73,224
Corporate Miscellaneous	(4,774)	(8,633)	(13,407)
NYES	-	-	-
Total Directorate Spending	429,224	-	429,224
Contribution From (-) General Working Balances	(7,687)	-	(7,687)
Net Revenue Budget	421,537	-	421,537
Business Rates DCLG Top Up	48,043		48,043
Business Rates from District Councils	19,673		19,673
Precept on District Councils - Current Year	351,786		351,786
Cap Compensation	2,036		2,036
=Net Budget Requirement	421,537	-	421,537

HEALTH & ADULT SERVICES Appendix B				
2022-23 REVENUE BUDGET OUTTURN REPORT				
BUDGET HEAD	REVISED BUDGET	FINAL OUTTURN	VARIANCE	COMMENTS
Care & Support <u>Area Budgets</u> Care & Support - Hambleton & Richmond Care & Support - Harrogate Care & Support - Craven Care & Support - Vale of York Care & Support - Scarborough & Whitby CHC Income and Other Budgets	24,317 46,538 15,737 38,196 41,473 -	23,920 53,302 16,926 43,015 44,642 (5,028)	(396) 6,764 1,189 4,819 3,168 (5,028)	The forecast outturn position for Care and Support shows continued pressures impacting the service, particularly in the Harrogate and Vale of York areas, as a result of increases in average costs, increasing hospital discharge costs, inflationary pressures and increasing provider sustainability issues. The overspend has mainly been financed by growth funding, contingencies and other one-off supplementary funding (see below), including from the NHS.
Area Budgets	166,261	176,777	10,516	
Provider Services & EC/PCAH	18,742	18,508	(234)	Cost pressures within the service on agency staffing, energy, COVID-19 and as a result of delays in the achievement of savings, offset by underspends in non-pay, IBCF income, contingencies and other additional one-off income into the service.
Prevention & Service Development	9,866	8,812	(1,054)	Underspends due to contract efficiencies, staffing underspends and additional one-off funding into the service.
Mental Health Services	8,675	8,596	(80)	Staffing overspends in the Emergency Duty and Transforming Care Programme Teams, offset by underspends within the Mental Health Service, largely as a result of vacancies within the team and reduced care costs.
Assistant Director/Cross-area budgets	(11,216)	(10,884)	332	Overspend as a result of additional agency costs for assessments.
Quality	1,358	1,086	(272)	Staffing underspends largely as a result of delays in recruitment and additional one-off funding.
Winter Plan	1,150	58	(1,092)	Underspend due to delays in spending on specific projects within the winter plan, largely as a result of delays in recruitment, and workers' car scheme.
Growth Funding	1,286	-	(1,286)	Unallocated growth funding, agreed by the Council to fund pressures within the area budgets.
Market Pressures	2,209	-	(2,209)	Unallocated market pressures funding, agreed by the Council to fund pressures within the area budgets.
Area Budgets Total	198,331	202,953	4,622	
Public Health Spend Income	23,334 (23,334)	23,053 (23,053)	(281) 281	Underspend due to lower than anticipated demand led activities.
Integration & Engagement	952	782	(170)	Underspend primarily due to staffing vacancies and reductions in activity levels.
Resources Unit	691	646	(46)	Underspend due to additional one-off funding.
Director & Cross-Directorate	205	216	11	
TOTAL	200,180	204,597	4,418	
Supplementary Adult Social Care Grant Funding (IBCF)	-	(2,483)	(2,483)	Use of temporary IBCF grant to fund increasing adult social care pressures
Discharge to assess funding	-	(1,750)	(1,750)	Use of one-off contingency for increased discharge costs incurred by the Council following the end of the hospital discharge programme funding from Central Government on 31 March 2022.
REVISED TOTAL	200,180	200,365	185	

BUSINESS & ENVIRONMENTAL SERVICES
Appendix C

2022/23 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET	FINAL OUTTURN	VARIANCE	COMMENTS
Highways & Transportation	26,270	28,083	1,813	The overspend position is due to a combination of several factors: Increased fuel, materials and labour costs for highways operations £750k, additional costs associated with the delivery of the highways contract £2,836k (Includes increased cost to clean gullies, additional weed killing, lining works, routine and reactive maintenance works and jet patching works) and contractual costs associated with the disposal of winter gritters £376k The overspend is partially offset by temporary vacancies (£648k), reduced costs of gritting as a result of a mild winter (£664k), reduced costs of maintenance and energy for road lighting (£412k) and additional income from street works licensing/permits, county searches and Fixed Penalty Notices of (£453k)
Integrated Passenger Transport	10,105	9,278	(827)	(£954k) of the underspend is due to reduced concessionary ticket costs and passenger numbers remaining low following the pandemic. This is partially offset by increased costs of fleet management including fuel and maintenance £138k
Trading Standards & Planning Services	2,764	2,770	6	
Waste & Countryside Services	38,586	36,958	(1,628)	The underspend is due to the following areas; Benefits from an insurance cost review as part of the waste contract have led to additional in year income of (£121k) and contractual performance payments (£297k), additional income due to increased tonnages of commercial waste (£785k) & there has been a decrease in the ongoing Section 106 (agreement between the developer and local planning authority in relation to measures to be taken to reduce the impact on the community) development costs associated with Allerton Waste Recovery Park (£252k). Added to this, market prices for the sale of recyclates and income from HWRCs have remained positive resulting in an underspend of (£233k).
Economic Partnership Unit	205	205	(0)	
Resources, Performance & Improvement	5	2	(3)	
Corporate Director of BES	528	528	(0)	
TOTAL	78,461	77,823	(639)	

CHILDREN & YOUNG PEOPLE'S SERVICE Appendix D				
2022/23 REVENUE BUDGET OUTTURN REPORT				
BUDGET HEAD	REVISED BUDGET	FINAL OUTTURN	VARIANCE	COMMENTS
<u>LOCAL AUTHORITY</u>				
Inclusion				
Inclusion	2,780	3,187	407	Higher than anticipated spending including Occupational Therapy equipment (£300k), £115k directed remediation related to complaint resolution. A lower than anticipated traded income is offset by staffing vacancies.
Alternative Provision	88	86	(2)	Slight underspend on staffing supporting Elective Home Education pupils.
CYPS Commissioning	948	833	(116)	Contracted savings (£68k). Non-recurring savings within the Attendance Team, combined with higher income.
SEND - Special Educational Needs & Disabilities				
High Needs Commissioning	2,500	2,500	0	LA provision to mirror anticipated in-year high needs deficits. The DfE have indicated that the DSG statutory override continue until March 2026 (it had been due to expire in 2023).
Disabled Children's Services	5,642	6,634	992	Overspend associated with a reduction in financial contributions from Health partners for Continuing Care (£295k). Higher Direct payments and limited capacity in Children's Resource Centres for overnights, short breaks and day facilities. Staffing vacancy rates have resulted in the use of temporary agency workers and additional hours by other staff (£258k). £220k pressure following job evaluation of Resoure Centre workers
Home to School Transport	32,482	34,770	2,288	Significant contract pressures resulted in an overall £44k/day (28%) increase in the Daily Rate during 2022/23 to £198k (budgeted value of £154k at April 2022). Additional staff costs of £204k were incurred due to the increased number of SEN pupils on transport. The overspend is offset, in part, by £293k additional income for Extended Rights to Free Travel.
Children & Families	31,130	30,945	(185)	Underspending due to current levels of vacancies in the service, especially around Social Workers generating a saving, which is offset in part by costs for overseas recruitment. £400k overspend for taxi services for looked after children,
Child Placement	10,080	9,317	(764)	Underspend driven by a lower than anticipated number of children currently being cared for.
CYPS Pooled Budgets	1,606	4,383	2,777	The overspend reflects a number of high cost external residential placements and alternative care solutions have been necessary as local authority demand in the market is much higher than supply.
Director's Unit	70	54	(16)	
Education & Skills				
Education & Skills Other	103	(260)	(363)	The Adult Learning and Skills Service have delivered a £370k surplus within the financial year, partly driven by effective cost control and a lower than anticipated clawback for the 21/22 academic year.
School Improvement	945	612	(333)	The School Improvement core service has underspent by £165k driven by staffing vacancies (£100k) and Locality Boards have not fully spent their budget allocations.
Strategic Planning Team	14	14	0	
Music Service	-	49	49	Overspend reflects higher than anticipated staffing costs and reduced income.
Outdoor Learning Service	-	(147)	(147)	Educational Visits, embedded with the Outdoor Learning Service (OLS) from September 2022, made a surplus of £80k during the 7 months of the year to the end of 2022/23.
Finance & Management Support				
Finance & Management Support	891	641	(250)	
Early Years Review	18	-	(18)	
School Redundancies & Employment Related Costs	1,001	832	(169)	Higher than anticipated cost for historic pension enhancements (£65k). Redundancy costs for the years expected to only be £38k.
Safeguarding Unit	469	476	7	
LOCAL AUTHORITY TOTAL	90,767	94,925	4,158	
<u>DSG</u>				
Inclusion				
Inclusion	4,634	4,477	(157)	
Alternative Provision	1,678	1,703	26	
CYPS Commissioning	70	70	-	
SEND - Special Educational Needs & Disabilities				
High Needs Commissioning	56,398	55,952	(445)	
Children & Families	1,132	1,132	-	
CYPS Pooled Budgets	2,041	2,755	715	Low availability of places for children with more complex needs have led to higher costs of cared for children
Director's Unit	207	160	(47)	
Education & Skills				
Education & Skills Other	12	196	184	Financial pressure related to delivery costs within personalised learning pathways delivered by the Adult Learning and Skills Service.
School Improvement	878	878	-	
Strategic Planning Team	712	766	55	
Music Service	65	65	-	
Outdoor Learning Service	44	44	-	
Finance & Management Support				
Finance & Management Support	(68,103)	(68,071)	32	
School Redundancies & Employment Related Costs	233	125	(108)	School redundancy costs have been confirmed at £38k for the 2022/23 financial year.
DSG TOTAL	-	254	254	
DSG Net overspend funded by DSG reserve	-	68	68	
HN Overspend Carried forward	-	(322)	(322)	
TOTAL	90,767	94,925	4,158	

CENTRAL SERVICES Appendix E				
2022/23 REVENUE BUDGET OUTTURN REPORT				
BUDGET HEAD	REVISED BUDGET	FINAL OUTTURN	VARIANCE	COMMENTS
Strategic Resources				
Financial Services	4,392	4,240	(151)	Underspend due to temporary vacancies
Insurances	4,240	3,376	(864)	Underspend due to Insurance premium spend in year
				Overspend is due to increased energy costs £658k, office furniture £131k, County Hall building costs £600k, legal fees associated with property sale £117k, additional site security £427k and site management costs of £313k.
				This is partially offset by in year vacancies of £107k, additional income £228k and £174k underspend for maintenance and rates costs
Property Services	10,742	12,425	1,683	
Technology & Change	18,924	18,960	36	
Safety Risk	444	465	21	
	38,741	39,466	725	
Business Support & HR				
Business Support Services	15,853	15,198	(654)	Underspend due to reduced spend on Venues (£247k) and Transport Costs (£219k) along with Supply Storage £47k and staffing vacancies (£179k)
HR Services	3,647	3,675	28	
	19,500	18,873	(626)	
Chief Executives Office				
CEO Support Services, Grants & Subscriptions	450	392	(57)	Underspend due to reduced staff costs
Communications Unit	899	905	6	
Policy & Partnerships	3,900	3,870	(30)	
Centralised COVID19	-	-	-	
	5,249	5,167	(82)	
Legal & Democratic Services				
Democratic Services	511	462	(49)	Overspend due to additional corporate legal expenses offset by temporary staffing vacancies
Legal Services	2,580	2,742	162	
Members Services	1,195	1,195	-	
	4,286	4,399	113	
Library, Customer & Community Services				
Archives & Records Management	445	440	(5)	Overspend due to increased Coroners salaries - £185k, increased spend on Post mortems and forensic testing - £89k and £40k pressure in the cost of inquests and use of mortuaries
Coroners	786	1,112	326	Underspend due to temporary staffing vacancies
Public Library Service	4,606	4,543	(62)	Underspend due to additional service demand increasing income, along with increased income for registration certificates
Registrars	(387)	(673)	(286)	
	5,449	5,422	(27)	
TOTAL	73,224	73,327	103	

CORPORATE MISCELLANEOUS

Appendix F

2022/23 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET	FINAL OUTTURN	VARIANCE	COMMENTS
ANNUAL BUDGETS AND FUNDING (Excluding PIP)				
Contingencies				
General Provision	3,829	1,709	(2,121)	Full budget not required in 2022/23
HAS Corporate Contingency	1,750	1,750	-	
Brexit Contingency	1,500	1,500	-	
2020 North Yorkshire	2,000	2,000	-	
Corporate Contingency	6,068	6,141	73	
	15,148	13,100	(2,048)	
Treasury Management				
Capital Financing Costs	19,044	18,878	(166)	Average rate of return is higher than budgeted
Dividends & Interest Earned	(3,085)	(8,822)	(5,737)	
MTFS - Commercial Investments	(600)	(261)	339	
MTFS - Treasury Management Savings	-	-	-	
	15,359	9,795	(5,564)	
Corporate Budgets				
Corporate Funds	400	387	(13)	Includes contribution to Bad Debt Provision (£3.3m)
Other Corporate Budgets	746	4,151	3,405	
	1,146	4,538	3,392	
Corporate Funding				
Corporate Grant Funding	(49,800)	(49,609)	191	
Other Corporate Funding	(1,355)	(1,511)	(156)	
	(51,155)	(51,120)	35	
Business Rates & Council Tax				
Business Rates Funding	-	(824)	(824)	
Business Rates Deficit	566	566	-	
Council Tax Surplus	4,709	4,709	-	
	5,275	4,451	(824)	
TOTAL - Excluding PIP	(14,228)	(19,236)	(5,008)	
Waste Budget Strategy Provision	821	-	(821)	No drawdown required
TOTAL - Including PIP	(13,407)	(19,236)	(5,829)	
GRAND TOTAL	(13,407)	(19,236)	(5,829)	

NORTH YORKSHIRE EDUCATION SERVICES

Appendix G

2022-23 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	BUDGET Profit(-) Loss(+)	FINAL OUTTURN Profit(-) Loss(+)	VARIANCE Increase (-) / Decrease (+)	COMMENTS
Traded Services Profit / Loss Summary				
Building Cleaning Services	(479)	(479)	0	Corporate Cleaning charged the new pay rates which helped with the overspend on the Traded Service.
County Caterers Service	(255)	305	560	Inflation on Pay and consumables has increased costs significantly. This has been partially offset by a re-pricing exercise valid from January 2023 which has recouped additional income.
Grounds Maintenance Service	(6)	59	65	£115k worth of Machinery not budgeted for. Vacancies and additional work creating in increase Income have helped to offset this
Health and Safety Service (HandS)	(77)	(84)	(7)	Health & Safety has had another successful year with profit exceeding target.
Health and Safety Commercial	(43)	(65)	(21)	Total profit over all H&S services of £149k in a challenging market
Energy Traded Service	(24)	(52)	(28)	An additional rebate from Npower going back to 2021/22 has given a one-off boost to profit for 22/23.
Maintenance and Servicing Scheme	(130)	(111)	19	This is the first year of the New scheme which has been profitable. Income now lags slightly due to the new process of charging on invoice. The full year effect will be felt from 23/24
Property & Facilities	(1,014)	(426)	588	
School Improvement Service	-	(13)	(13)	The service carried vacancies during 22/23, existing capacity has been focused on delivering the core and enhanced offer which has impacted on traded capacity.
LA Clerking Service	-	(2)	(2)	The service has lost a lot of clerks over the last 2 years triggering some refunds and contract cancellations.
Education Psychology & STS	(14)	(6)	8	The service has now substantially stopped trading.
Education & Skills	(14)	(20)	(7)	
Employment Support Service - Traded	(43)	(7)	36	Reduction in income with the loss of the SMCCAT work, adverts and commissioned income coupled with an increased cost of service due to the pay award.
Financial Management Services	(220)	(199)	21	The pay award and amalgamation of the J/K grade cost the service an additional £27k, this was offset by vacancies.
Health and Wellbeing Service	(110)	(382)	(273)	Tracking significantly ahead with additional sales
HR Advisory Service	(53)	(11)	42	Unable to pursue new traded work due to LGR. Also increased staffing due to the imminent white paper which was then pulled by government (now addressed for 23/24
Legal Services Traded	(26)	2	28	Loss of income from acadamisation
North Yorkshire Procurement Service	(54)	(84)	(30)	Higher than anticipated sales from external customers including former districts
Schools ICT Service	(76)	78	154	Pay award increased costs by £84k. Supply issues increasing lead times particularly on contract attracting a higher gross
Training and Learning	(11)	(69)	(58)	Sales higher than anticipated
Professional Support Services	(592)	(672)	(80)	
	(1,620)	(1,119)	501	
Central Traded Establishment	624	238	(385)	Net effect of savings from reduced charges in to NYES set off by funding from reserves for overall losses.
North Yorkshire Education Solutions (NYES)	997	881	(116)	Rationalisation of service has produced savings
REVISED TOTAL	-	-	0	

REVENUE BUDGET MONITORING REPORT - QUARTER 4 (2022/2023)



Report of the Chief Finance Officer (s151 officer)

Ward(s) affected: All

1. **Purpose of Report**

- 1.1 To advise members of the Revenue Budget position of the Council, based on the Quarter 4 review of income and expenditure to the end of March 2023.

2. **Recommendations** That members note the following;

- 2.1 the revenue budget monitoring position as at 31st March 2023.
- 2.2 the additional commentary provided in sections 3.21 to 3.24 of the report.
- 2.3 A proposed revenue budget carry forward of £8,215 for completion of revenue commitments in 2022/23.
- 2.4 Members note the transfer of the balance of the revenue budget surplus to earmarked reserves. The allocations to be delegated to the Chief Finance Officer (S151 Officer).

3. **Report**

- 3.1 On 1st February 2022 the Council approved its Net Revenue Budget at £8.935m for 2022/23. This includes revenue growth items amounting to 265k.

3.2 **Quarter 4 Financial Performance – Revenue Budget**

Based on the Q4 budget monitoring exercise, the Council's performance against budget is a forecasted underspend of £56k for the full financial year. This figure reflects the fact that the council is operating in very uncertain times. The increased expenditure on energy bills that adds pressure onto service expenditure across the council as well as the potential impact of the current cost of living expenditure and how that has impacted on revenue income streams, and the council has also seen an increased use of External Staffing resource, in roles that are difficult to recruit to.

The overspend within the Net cost of Service is £648k, but this is mitigated by favourable variances in the corporate costs recognised outside of the NCOS, such as Investment Income and use of contingencies for the anticipated Utility costs and inflationary increases built into the budget as part of the 22/23

setting process. There is also an estimated reclamation due to changes in the VAT treatment of leisure services provided by local authorities.

The monitoring position is set out in Appendix A, reported by service.

3.3 Service Related Costs

Services are currently showing a projected net adverse variance of £648k. Details of the variances are set out in Appendices A. As well as the themes set out above, significant service variances are set out below.

3.4 Salaries and Wages

Salaries and Wages form a major expenditure for the Council, accounting for approximately 40% of Budgeted Revenue Expenditure.

3.5 The Council aims to minimise the use of agency staff, but it is sometimes unavoidable to ensure services are delivered. Quarter 4 performance shows usage of external staffing support, to be around £520k. This is approximately 16% higher than 21/22.

3.6 Some staffing savings have been achieved through the successful application of the Modern Apprentice scheme throughout the council.

3.7 Environmental Services and Housing: (Appendix A)

- Across Waste management there has been salary savings in some areas, but this is offset by increased agency usage. However the amount of agency cover needed has decreased as vacant posts are being filled.
- Recycling have benefitted from recent refunds to the disposal fees of recyclate as the market rate for recyclate has increased meaning we are paying less in disposal fees.
- Trade Waste and Garden Waste income has performed well overachieved the target for 22/23.
- Across housing services, Utility bills are contributing to overspend in service.

3.8 Leisure Services: (Appendix A)

- The Leisure Centre is forecasting a large overspend against casual overtime. Mainly due to the busier summer months.
- The Leisure centre has also been hugely affected by the increased costs against the utility costs which have more than doubled. This is due to huge increases in the cost per KWh of usage since 21/22 combined with the increased usage of electricity due to the installation of the airsource heat pump which has since stalled due to external factors.
- Income for the Leisure centre is due to exceed the income budget set for 22/23 which has slightly offset the increased expenditure across the service
- The Revvie Café has also forecasted increased expenditure against casual hours mainly due to the busier summer period.

- 3.9 Assets and Commercial Services; (Appendix A)
- Projected overspend on the maintenance of public conveniences offset by projected over achieved rental income from shared ownership homes.
 - The Skipton depot is forecasted to overspend mainly due to the cost of utilities.
 - Car Parking income has performed well over the year.
- 3.10 Planning and Building Control Services; (Appendix A)
- External service costs in Development control is forecasting £495k more than budgeted due to additional external service support to improve performance in the Planning Service, this has slightly been offset by some salary savings within planning.
 - Income has also underachieved in the year, and is approximately £200k below target.
- 3.11 Corporate
- At the end of the Quarter 4 the Corporate Costs (outside the Net Cost of Service) are showing a favourable variance of £329k. This includes investment income over achievement and use of Contingencies to mitigate the pay award and increased Utility costs. This has been partially reduced by increased interest payable.
- Within the corporate costs, there has been an accrual of £375k, as a result of a ruling that found that local authorities' leisure services are provided under a statutory framework and can be treated as non-business for VAT purposes. This will result in a reclamation from HMRC.
- 3.12 Projected financial performance at the end of Q4 is summarised in Appendix A.
- 3.13 Main Risk Areas
- The 2022/23 Revenue Budget Setting report highlighted the main risk areas to the Council as sustaining income levels in the current economic climate, whilst also dealing with increased demand for some services. Income streams are monitored on a monthly basis. Realisable yet challenging income estimates were included within the 2022/23 budget. At Q4, income from fees and charges in most areas showed encouraging improvement, the council had experienced a reduction as a result of the pandemic and more recently the cost of living impact on customers.
- 3.14 Budget monitoring meetings are held with service managers and management accountants throughout the year.
- 3.15 Statistics showing performance against income and salary budgets are also circulated to CLT on a monthly basis.
- 3.16 As part of the monitoring of income streams members have previously requested more detailed analysis of Car Parking Income. This information has been provided to members as a background document.

3.17 Business Rates:

The Council is not part of any pooling arrangements for 22/23. There was significant analysis conducted by all NY Councils and based on the analysis it was decided that the risks of pooling next year outweighed any potential rewards.

3.18 The Council estimated that it would receive £2,436k from Business Rates in 2022/23. Collection and growth expectations this year may be impacted on by the current increased costs for local businesses.

3.19 The Business Rates Contingency Reserve had a balance of £1,132k as at 1st April 2022. This provides the council with some protection as a contingency for variances to be funded in the current year, if required.

3.20 Financial Position

3.21 As reported to the last meeting of this committee, The Council continued to hold a General Fund unallocated balance of £995k at 1 April 2022

3.22 It remains the Council's policy is to maintain the General Fund Balance at a prudent level.

4. Financial and Value for Money Implications

4.1 All financial implications are contained in the body of the report.

5. Legal implications

5.1 S151 of the Local Government Act 1972 requires that the council makes adequate arrangements of the administration of its financial affairs.

6. Contribution to Council Priorities

6.1 The delivery of a balanced and managed budget is critical to the well being of the Authority and contributes to all of the Council's Priorities in some part.

7. Risk Management

7.1 Failure to achieve a balanced budget in the financial year would have had serious consequences for the Council. The Council needs to continue to develop / revise its plans to ensure that it continues to have a sustainable MTFP.

7.12 One area of risk that has been highlighted is the impact of the increased energy bills across the council. From the 1st October the price per Kwh is due to rise by 124% and although there has been energy saving projects to a number of council buildings this can still be highlighted as a risk to the

Councils expenditure on energy bills and will be continued to be monitored. There was a contingency budget in place for 22/23, all of which has been utilised to mitigate overspends in utility using service areas.

7.2 **Chief Finance Officer (s151 Officer) Statement**

No additional comments to those already included within the report.

7.3 **Monitoring Officer Statement**

The Council is required under section 151, Local Government Act 1972 to make arrangements for the proper administration of its financial affairs.

8. **Equality Impact Assessment**

- 8.1 The Council's Equality Impact Assessment Procedure **has not been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

9. **Consultations with Others**

- 9.1 None

10. **Access to Information : Background Documents upon request**

- 10.1 Car Parking Income Analysis
Agency Staff Expenditure Analysis

11. **Appendices**

Appendix A – Revenue Budget – by Service Department

12. **Author of the Report**

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Craven District Council						
Summary By Service - Net Cost of Services						
NCOS At - 31/3/2023 (Quarter 4 - 2022/23)						
2021/22	2022/23					
Actual	Net Cost of Services	Original Budget	Virements (incl. Slippage B/fwd from 20/21)	Revised Budget	Forecast Outturn	(Under)/Overspend
£		£	£	£	£	£
(25,170)	Licensing Services	(32,915)	0	(32,915)	(26,162)	6,753
1,017,457	Environmental Health & Housing Services	830,044	40,268	870,312	669,608	(200,703)
1,641,651	Waste Management Services	1,482,065	157,788	1,639,853	1,837,317	197,464
(713,730)	Bereavement Services	(537,420)	14,432	(522,989)	(544,545)	(21,557)
700,947	Planning & Building Control Services	488,177	230,000	718,177	904,798	186,621
351,229	Economic Development	363,658	51,797	415,454	355,842	(59,613)
363,980	Cultural Services (incl. Museum & Town Hall)	221,752	11,349	233,101	387,991	154,890
258,877	Leisure Services	20,721	51,146	71,866	520,185	448,318
(272,953)	Assets & Commercial Services	(144,645)	39,153	(105,492)	(204,885)	(99,393)
166,530	Legal Services	134,831	0	134,831	194,988	60,157
277,240	Member Services	310,256	0	310,256	306,059	(4,197)
79,591	Election Services	168,332	0	168,332	3,939	(164,393)
1,244,228	Chief Execs & Business Support	1,471,530	(8,215)	1,463,315	1,459,393	(3,922)
(1,416,172)	Financial Management	1,023,446	0	1,023,446	1,176,974	153,527
492,549	ICT & Transformation	565,712	0	565,712	559,934	(5,778)
4,166,255	Craven District Council : NCOS	6,365,542	587,716	6,953,259	7,601,434	648,175
2021/22	2022/23					
Actual	Corporate Costs	Original Budget	Virements (incl. Slippage B/fwd from 20/21)	Revised Budget	Forecast Outturn	(Under)/Overspend
£		£	£	£	£	£
(115,000)	Investment Income (6760)	(115,000)	0	(115,000)	(138,716)	(23,716)
255,710	Interest Payable (6770)	255,710	0	255,710	425,024	169,314
88,000	MRP for Capital Financing (8530)	90,434	0	90,434	90,434	0
428,000	Revenue Contributions to Capital Outlay (8535)	1,498,500	0	1,498,500	1,498,500	0
403,000	Capital Financing (Costs of borrowing) Paybill inflation not yet allocated	400,000	0	400,000	0	(400,000)
0	Additional Contingency around inflationary increases (utility bills)	100,630	(100,630)	0	0	0
75,000	Corporate Contingency	75,000	0	75,000	0	(75,000)
0	Estimated VAT Reclaim regarding Lesiure Provison	0	0	0	(375,000)	(375,000)
5,300,965	Total Revenue Budget 2021/22	8,670,816	487,086	9,157,903	9,101,676	(56,227)

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Report To: Executive

Date: 30 May 2023

Subject: **Hambleton District Council 2022/23
2022/23 Draft Revenue Outturn Report**

Report By: Interim Head of Finance

1.0 Purpose and Background

- 1.1 The purpose of this report is to provide Members with the draft Revenue Outturn for 2022/23 for Hambleton District Council.

2.0 Revenue Budget

- 2.1 The Council set its budget on 8 February 2022 for 2022/23 at £11,366,370 in line with the approved Financial Strategy 2022/23 to 2024/25.
- 2.2 The breakdown of the budget in accordance with the Council themes when the budget was approved was as follows:

Economy & Planning	924,010
Environment	3,931,490
Finance & Commercial	3,937,070
Law & Governance	1,272,570
Leisure & Communities	1,171,900
Drainage Board levies	<u>129,330</u>
Net Revenue Expenditure	<u>11,366,370</u>

3.0 Draft Revenue Outturn

- 3.1 At Cabinet on 7 February 2023, the Quarter 3 revenue monitoring report kept the budget at £11,366,370 but recognised that additional pressures have occurred during the year and it was forecast that the projected overspend at Quarter 3 (to the end of December 2022) was £1,871,750 and would be funded from Reserves. This was in addition to the original transfer from reserves budget of £438,000 reported to Cabinet on 8 February 2022 as part of the budget setting process.
- 3.2 Regular monitoring of the budget has continued in the final quarter of the financial year, combined with efforts to reduce the level of projected overspend from that projected in Quarter 3.
- 3.3 The draft revenue outturn for 2022/23 shows a projected outturn of £11,032,752. This represents an underspend of £333,618 on the original budget for 2022/23. Additional grant funding has been received from central government, to address some of the

pressures faced during the financial year, resulting in additional government support of £295,405 being received.

- 3.4 Details of the outturn, in accordance with the Council themes, is shown in the table below and shows the position compared to the revised Quarter 3 budget and the final variances.

	Revised Q3 Budget £	Projected Outturn £	Variance in Q4 £
Economy & Planning	1,551,200	1,401,639	-149,561
Environment	4,140,760	3,840,369	-300,391
Finance & Commercial	3,604,560	3,623,606	19,046
Law & Governance	1,196,750	1,151,096	-45,654
Leisure & Communities	2,610,100	2,681,287	71,187
Leisure VAT Non Business Claim	-	<u>-1,800,000</u>	<u>-1,800,000</u>
Drainage Board levies	134,750	134,754	4
Net Revenue Expenditure	13,238,120	11,032,751	-2,205,369
Less Financing	-10,928,370	-11,223,775	-295,405
Less Contribution from Reserves	-438,000	-438,000	-
Projected Over/(Under)spend	1,871,750	-629,024	-2,500,774

- 3.5 As noted in the table above, significant work was undertaken in the final quarter to address many of the budget pressures faced by the Council due to economic pressures, inflationary increases, the cost of living crisis and pressure this continued to place on income levels across the Council's activities.
- 3.6 The projected outturn shows an improved position of £2,500,774 in the final quarter, with the major variances summarised below:

Employees – Lower costs than anticipated	£ 159,040
Premises, Supplies & Services – Reduced running costs	£ 146,757
Capital Financing – Reduction in contributions to capital	£ 158,416
Minor Variances – Lower costs than anticipated	£
26,289	
Income – Higher income than previously anticipated	£ 140,152
Leisure VAT Non Business claim	<u>£ 1,800,000</u>
Sub-Total	
£ 2,430,654	
Additional funding received from Central Government	<u>£ 295,405</u>
Sub-Total	
£ 2,726,059	
Utility Costs – Increased costs for gas and electricity	-£119,630
Housing Benefits – Costs higher than anticipated	<u>-£105,655</u>
Total Variance – Outturn	
<u>£2,500,774</u>	

- 3.7 These savings have delivered an underspend of £629,024, which in turn means the contribution required to reserves in order to balance the budget for the year was £191,024 compared to the original budgeted contribution from reserves of £438,000.

- 3.8 It is proposed that the contribution to reserves of £191,024 is added to the Council Tax Payers Reserve.
- 3.9 The Council is working with external advisors in pursuit of a back-dated VAT claim for leisure income, following a successful litigation case by other local authorities against HMRC. The claim dates back to 2012 and totals approximately £1.8m.
- 3.10 Details of the final claim are currently being worked on, but a provisional estimate of a £1.8m settlement has been included in the 2022/23 Revenue Outturn and Final Accounts position set out above. This is expected to be received in mid- 2023.
- 3.11 The General Fund Balance as at 31st March 2023 was £2,000,000.

4.0 Link to Council Priorities

- 4.1 The monitoring of the financial budget throughout the year and reporting the financial year end position assists in ensured the Council's service requirements were met and contributed to the achievement of the priorities set out in the Council Plan.

5.0 Legal Implications

- 5.1 It is a legal requirement under s25 of the Local Government Act 2003 to set a balance budget and monitor the financial position throughout the year.

6.0 Recommendations

- 6.1 That Executive approves the draft Revenue Outturn Position for Hambleton District Council for 2022/23 as set out in the report above.

Background papers: Budget Monitoring Provisional Outturn Working Papers

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Agenda Item No.

REPORT TO:**DATE:****SERVICE AREA:** Finance**REPORTING OFFICER:** Head of Finance
(Service Finance Manager – Gillian Morland)**SUBJECT:** **2022/23 YEAR END FINANCE REPORT****WARD/S AFFECTED:** ALL DISTRICT**FORWARD PLAN REF:** N/A**1.0 PURPOSE OF REPORT**

1.1 The report presents the Council's Financial outturn position for 2022/23.

2.0 RECOMMENDATIONS

2.1 That the report is received and the information contained in this report on the 2022/23 year end finance position is noted.

2.2 To confirm that £173k of the shared operating surplus from Brimhams Active in 2022/23 is transferred to the Capital & investment Reserve (£100k) and the Sport & Leisure Service reserve (£73k) (see section 5.8)

2.3 To confirm that the normal service surplus carry forwards are not made this year (see paragraph 6.2).

2.4 That the proposed use of £93k of the underspend for investment in catering at Harrogate Convention Centre is recommended to the Executive and Members for approval (see paragraph 7.1).

3.0 RECOMMENDED REASON FOR DECISIONS

3.1 To conform to the Final Accounts Guidance and timetable.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 None.

5.0 THE REPORT

General Fund

5.1 The Council is reporting an outturn underspend of £972k on General Fund activity. The outturn last year was an underspend of £1,737k.

The underspend reflects a combination of overspends due to utility costs at a net £1.2m and the 2022/23 pay award at £1.1m, less an expected VAT refund of £2.8m.

Management Board considered the utility overspend and a potential pay award cost, alongside the large underspend being reported in the 2021/22 outturn report. A recommendation by Management Board to set aside £500k to make a provision towards the utility costs was approved by Cabinet and ratified by full Council in September and is reflected in the net cost of utilities increase. At that time, whilst it was expected that the pay award was likely to be agreed at a level higher than the budgeted 2.5%, it was anticipated it might be in the order of 4%. The actual increase of £1,925 on every spinal column point represents an average increase of circa 6.7%.

Towards the end of the year, following a court case, HMRC has accepted that sport & leisure provided by a local authority is a non-business activity. This means that claims for overpaid VAT between October 2006 and July 2021 which we have lodged behind the case, will be payable (subject to HMRC checks and net of associated fees). This report reflects expected income of £2.8m from the claims, which more than offsets the forecast overspend and means that we are now no longer showing the release of the £895k balance in the Budget Transition Fund.

Summary of key variances

5.2 The key variances making up the outturn position are shown in Table 1 below.

<u>Significant variances:</u>	Q3 £000	Final £000	Change £000	
Impact of 21/22 pay award	-189	-189	0	Assumed 2.5% actually 1.75% for most
Impact of the 22/23 pay award	+1,073	+1,073	0	Equates to 6.7% c/f budgeted 2.5%
Sport & Leisure VAT claim	0	-2,811	-2,811	
Salary savings net of associated costs	-801	-1,125	-324	Result of staff turnover
Use of Budget Transition Fund	-895	0	+895	No longer required

Kerbside recycling income net of associated costs	-239	-191	+48	Commodities market performed well
Utility overspend (net of provision and external income)	+1,180	+1,160	-20	Gas £1.307m, Electricity +£625k, Water -£2k, heating oil +£9k less £500k provision and £279k DH/DR income
Fuel overspend	+120	+102	-18	
PES temporary staff / overtime / holiday pay	+239	+265	+26	Linked to vacancies
Planning application income shortfall	+320	+510	+190	Circa 25% shortfall
PSEG rental income shortfall	+70	+76	+6	Ground rent +45k, EDU +48k, Estates +47k, turnover -£64k
Interest income	-325	-445	-120	Higher interest rates / Bracewell
Other Treasury Management	-42	-99	-57	Grants & income
Business Rates	-128	-128	0	Re 18/19 and 19/20
Revenues Recovery Income	+85	+117	+32	
Credit card fees	+50	+61	+11	
Winter gritting	+65	+113	+48	Incl prior year impact
Corporate training	-60	-62	-2	
Street Lighting	+51	-9	-60	
DMO income shortfall	+64	+85	+21	
PES other income variances	+97	+76	-21	Bereavement, MOT, markets, GIP, events, pest control, markets, nursery
Transport tyres / spare parts	-19	-61	-42	
Refuse removal and recycling costs	-20	-64	-44	
Planning consultant fees	0	-81	-81	

Homelessness	+112	+189	+77	Primarily use of B&B
HCC non-salary variances	+173	+163	-10	
Off-street car parking income shortfall	+330	+299	-31	£3.4m budget
Total	+1,311	-976	-2,287	
Other Variances:				
All other (net)	+85	+4	-81	
Total	+85	+4	-81	
Grand Total	+1,396	-972	-2,368	

Table 1: Key Variances – Outturn 2022/23

Summary of Service Variances

5.3 A service by service summary is shown in Table 2 below.

	Net Controllable Budget £000	Q3 Variance £000	Final Variance £000	Change £000
Economy, Environment & Housing:				
Housing & Property	1,741	+170	+114	-56
Parks & Environmental Services	3,732	+739	+570	-169
Sport & Leisure	1,321	+7	-2,793	-2,800
Place-Shaping & Economic Growth	5,690	+1,559	+1,606	+47
Corporate Affairs:				
Safer Communities	-1,358	+317	+275	-42
Finance	2,593	-14	-20	-6
Legal & Governance	2,291	-166	-143	+23
ICT	3,036	-40	-63	-23
Organisational Development & Improvement	2,123	-156	-158	-2
HCC:				
Harrogate Convention Centre	-1,211	+264	+213	-51
Destination Marketing Organisation	1,522	+48	+66	+18
Treasury Management & Other Corporate Items	335	-1,204	-511	+693
Total Net GF Expenditure	21,815	+1,524	-844	-2,368
Funding	-21,815	-128	-128	0
Net Position	0	+1,396	-972	-2,368

Table 2: Financial Position – Outturn 2022/23

5.4 **Breakdown of Salary Savings by Service**

The table below shows the final salary savings (net of vacancy provision and associated costs such as temporary staff and overtime).

Service	Final Salary Savings net of vacancy provision and associated costs £000
Housing & Property	-63
Parks & Environmental Services	-110
Sport & leisure	0
Place-Shaping & Economic Growth	-236
Safer Communities	-121
Finance	-182
Legal & Governance	-125
ICT	-91
Organisational Development & Improvement	-170
Harrogate Convention Centre	+1
Destination Marketing Organisation	-28
Total Reported	-1,125

Table 3: Salary Savings by service – Outturn 2022/23

- 5.5 The outturn underspend of £972k, an improvement of £2,368k compared to the quarter 3, and changes since that report (items in brackets) is due to the following main reasons:

Economy, Environment & Housing

Housing & Property (+£114k)

The service is reporting an overspend of £114k, a reduction of £56k from the quarter 3 report. There is an overspend on homelessness of £189k (+£77k). This is primarily down to an overspend on B&B accommodation; changes to the housing market such as increased rents are impacting on the number of households approaching the service and there is limited availability in temporary accommodation (hostels). There is a £9k saving on street lighting, despite an overspend on energy costs and street nameplates, because of savings on defect remedies and the release of a provision for energy costs (-£60k). There is additional income of £27k, primarily relating to Public Sector Housing licensing and enforcement (-£15k). In addition to this there is a £9k salary saving arising from the lower than expected 2021/22 pay award but a cost of £58k for the 2022/23 pay award and there are other salary savings of £63k (-£32k). In respect of other, smaller variances there is a net £25k saving (-£26k).

Excluding the corporate pay award net cost of £49k, the service is reporting an overspend of £65k.

Parks & Environmental Services (+£570k)

The service is reporting an overspend of £570k, a reduction of £169k from the quarter 3 report.

Whilst the figure includes a £52k salary saving arising from the lower than

expected 2021/22 pay award, there is a cost of £413k due to the 2022/23 pay award. Aside from this on salaries there is a net saving of £110k (-£159k). This is after vacancy savings and other variances have offset the vacancy provision of £215k. There is an overspend of £265k on temporary staff, overtime and holiday pay linked to vacancies and sickness (+£26k).

The service is reporting a £102k increase in the cost of fuel arising from price increases in the year, partly offset by reduced usage (-£18k). There is additional income from kerbside recycling of £332k, as the commodities market has performed better than assumed in the budget, but there are additional waste container purchase costs of £141k to be offset against this giving a net income figure of £191k (+£48k).

There is an overspend of £113k on winter gritting, partly as a result of late invoices relating to last year (+£48k). There is a net overspend on green garden waste of £39k - additional subscription income is more than offset by a shortfall in recycling income and an overspend in disposal charges (-£6k). There are also net income shortfalls of £75k in bereavement services (+£7k), of £14k in MOTs (-£1k), of £27k in pest control (-£3k) and of £9k in markets (+£9k) partly offset by net increased income in events of £23k (-£12k), in games in parks of £7k (-£3k) and at the nursery of £17k (-£17k), together savings of £61k in replacement tyre & vehicle spare part costs (-£42k), of £25k in marketing (-£15k) and of £64k in refuse collection removal & recycling payments (-£44k) but net overspends of £30k for hire of vehicles (+£30k), £34k in grounds maintenance (+£34k) and £19k in training (mostly driver related) (+£9k). There is a net saving of £20k in all other items (-£60k).

Excluding the corporate pay award net cost of £361k, the service is reporting an overspend of £209k.

Sport & Leisure (-£2,793k)

Sport & leisure is reporting an underspend of £2,793k, an improvement of £2,800k from the quarter 3 report. This represents a net VAT saving of £2,804k and other variances with a cost of £11k. The VAT saving is made up of a £7k cost in respect of a prior year correction plus an expected refund of £2,811k (-£2,811k). As explained earlier in this report, following a court case HMRC has accepted that sport & leisure provided by a local authority is a non-business activity. This means that claims for overpaid VAT between October 2006 and July 2021 which we have lodged behind the case, will be payable (subject to HMRC checks and net of associated fees). The majority of the sport & leisure budget has transferred to Brimhams Active Ltd and the sum of all other variances, a cost of £11k, is a combination of adjustments relating to before the transfer to Brimhams, together with variances on rental income, the budget for which has remained with the council (+£11k).

Place-Shaping & Economic Growth (+£1,606k)

The service is reporting an overspend of £1,606k, an increase of £47k from the quarter 3 report and largely as a result of increased utility charges in the Council's Building Management Account. The reasons for significant rises in gas and electricity prices have been well documented in the press, and have understandably lead to budgetary challenges across the country - for householders, businesses and local authorities alike.

The Council is reporting an additional cost of £1,307k on gas (+£182k), of £625k on electricity (-£95k) and of £9k on heating oil (-£1k), with a small saving of £2k on water (+£28k) in 2022/23. £279k of this increase is being met from external recharges in respect of third party use of the Council's district heating and refrigeration system (-£134k). In addition to that, £500k was set aside as part of the 2021/22 year end accounts process to help fund the 2022/23 overspend on utilities and hence reduces the net cost to revenue.

We are also reporting significant shortfalls of £452k in planning application income (+£182k) and of £58k in pre-planning application income (+£8k). This represents a forecast circa 25% reduction in planning application income against budget. This is mainly due to the continued slowdown of large-scale (high value) planning applications and pre applications, as explained in previous reports. However mid/late 2022 also saw a slowdown in smaller application types as well, as a result of the cost of living crisis, a trend which only just began to halt in early 2023. These trends appear to be in line with the national picture, where planning application submissions have dropped by an average of 15% for the year.

There are rental income shortfalls of £48k in Economic Development, primarily due to vacant units taking longer to fill than originally anticipated (-£22k), of £47k in Estates mainly because the unplanned element of the budget has not been realised (+£47k) and of £45k in ground rent (+£45k), but an increase in turnover rental income of £64k (-£64k).

There is a £33k salary saving arising from the lower than expected 2021/22 pay award but a cost of £136k in respect of the 2022/23 pay award, the service is reporting salary savings net of associated temporary staff of £236k (-£48k).

There are overspends in land charges (fee expenditure plus income shortfall) of £23k (+£4k), in respect of planning appeal costs of £38k (+£38k) and in building cleaning costs of £31k (+£31k) and the bad debt provision has been increased by £38k (+£38k). But there are underspends of £81k in planning consultants (-£81k), of £37k in subscriptions (-£37k) and of £21k in EDU initiatives (-£21k) and there is increased building control income of £39k (-£39k). There is a net overspend of £41k in all other smaller items (-£14k).

Excluding the corporate pay award net cost of £103k, the service is reporting an overspend of £1,503k.

Corporate Affairs

Safer Communities (+£275k)

The service is reporting an overspend of £275k, a reduction of £42k from the quarter 3 report. There is a shortfall in off-street car parking income of £299k (-£31k). It should be noted that for 2022/23 the budget for this income has returned to pre-pandemic levels but actual income fell short of this. The service continues to work with partners to promote parking facilities alongside sustainable transport objectives. In addition to this, there is a £13k salary saving arising from the lower than expected 2021/22 pay award but a cost of £72k from the 2022/23 pay award, further salary savings of £121k (-£28k), an overspend of £31k on credit card fees (+£2k) and a net cost of £7k on all else (+£15k).

Excluding the corporate pay award net cost of £59k, the service is reporting an overspend of £216k.

Finance (-£20k)

The service is reporting an underspend of £20k, an increase of £6k from the quarter 3 report. There is a £29k salary saving arising from the lower than expected 2021/22 pay award, a £152k cost from the 2022/23 pay award and there are other salary savings of £182k (-£22k). The service is reporting a shortfall of £117k in revenues recovery income (+£32k). There is additional Housing Benefit Subsidy administration grant income of £19k (+£2k) and a £21k saving in court fees paid by Revenues, Welfare & Customer Services. In addition to this there are a number of smaller variances with a net saving of £38k (-£18k).

In respect of Revenues Recovery Income (RRI), the reported shortfall reflects the impact of the current cost of living situation on the collection of arrears. Enforcement action has fully resumed following the impact of covid restrictions and court backlogs meaning enforcement costs are being raised for in year debt in line with expectations. However, to support customers in hardship, alternative recovery options were put in place, such as payment arrangements and attachment of earnings, which impacted on the level of costs raised and the speed of collection.

Excluding the corporate pay award net cost of £123k, the service is reporting an underspend of £143k.

Legal & Governance (-£143k)

The service is reporting an underspend of £143k, a reduction of £23k from the quarter 3 report. There is an £11k salary saving arising from the lower than expected 2021/22 pay award but a cost of £46k from the 2022/23 pay award and there are other salary savings, net of counsels overspend, of £125k (+£40k). There is a shortfall in recovered court and legal costs of £16k (+£1k) but there are savings of £24k in Members allowances (-£5k), of £11k in Member car allowances (-£1k), of £9k in court fees (-£9k), of £9k in advertising and marketing costs and a saving of £16k in all other items (-£3k).

Excluding the corporate pay award net cost of £35k, the service is reporting an underspend of £178k.

ICT (-£63k)

The service is reporting an underspend of £63k, an increase of £23k from the quarter 3 report. A number of old invoices dating back to 2014 which have come to light in relation to fixed & mobile telephony, have resulted in an overspend of £82k in this area (+£82k). This is almost fully offset by savings of £49k in software and hardware (-£49k), of £21k in other supplies & services (-£28k) and £11k in other areas (-£11k). In addition to this there is a £9k salary saving arising from the lower than expected 2021/22 pay award but a £36k cost of the 2022/23 pay award and there are other net salary savings of £91k (-£17k).

Excluding the corporate pay award net cost of £27k, the service is reporting an underspend of £90k.

Organisational Development & Improvement (-£158k)

The service is reporting an underspend of £158k, an increase of £2k from the quarter 3 report. There is a £12k salary saving arising from the lower than expected 2021/22 pay award but a cost of £64k from the 2022/23 pay award and there are other salary savings of £170k (-£17k). There is a £62k saving on corporate training inclusive of the release of £40k from the reserve (-£2k). The service is reporting a saving of £26k on the photocopier budget (+£4k) but an overspend of £45k against the corporate postage budget (due to increased prices and some large mailings) (+£10k). Other smaller variances total a net overspend of £3k (+£3k).

Excluding the corporate pay award net cost of £52k, the service is reporting an underspend of £210k.

HCC

Harrogate Convention Centre (+£213k)

Harrogate Convention Centre is reporting a net overspend of £213k, a reduction of £51k from the quarter 3 report.

Destination Marketing Organisation (+£66k)

The service is reporting an overspend of £66k, an increase of £18k from the quarter 3 report. There is a £7k salary saving arising from the lower than expected 2021/22 pay award but a cost of £33k due to the 2022/23 pay award and there are other net salary savings of £28k. The service is releasing £14k of unrequired funding from reserve. In addition to this there are income shortfalls of £54k in Place Marketing (+£14k) and of £40k in Visitor Experience & Cultural Services (+£16k), but increased income of £9k in Arts (-£9k). In Place Marketing the income shortfall relates to advertising sales and miscellaneous income such as campaign contributions (as a result of the national economic situation and the pressures on the hospitality

sector in particular) and in VE&CS to museums income (the result of lower than expected visitor numbers) and the TIC. There are smaller variances with a net saving of £3k (-£3k).

Excluding the corporate pay award net cost of £26k, the service is reporting an overspend of £40k.

Treasury Management, Other Corporate Items and Funding

These budgets include the Council's Treasury Management activities, recharges to non-General Fund services and funding (such as Business Rates). There is an underspend of £639k in this area, a reduction of £693k from the quarter 3 report. The release of the full balance of £895k from the Budget Transition Fund reserve has now been removed; this is not required now that we expect the sport & leisure VAT refund (+£895k). Other variances in this area include a total increase in interest income of £445k as a result of higher than budgeted interest rates and including interest charged to Bracewell Homes (-£120k). Following formal year-end reconciliations, we have received an unbudgeted business rates pool payment in respect of the years 2018/19 and 2019/20, of £128k. The Council Tax annex discount grant is £35k higher than budget (-£1k) and we have received an unbudgeted levy account surplus grant of £31k (-£31k). There is a £15k saving in the West Yorkshire Pension Fund cost relating to pre-1973 pensions, an increased charge of £21k to non-general fund areas (-£21k) and income from writing back cheques in excess of 6 years old of £16k (-£16k). There are smaller variances with a net saving of £35k (-£27k). Partly offsetting the additional income, there are overspends of £61k on credit card fees (+£11k) and £26k on audit fees (+£3k).

- 5.6 Management Board and Members are reminded that budgets are monitored on a risk weighted basis, which seeks to focus staff resource on volatile budgets in the identification of major variances.
- 5.7 **Appendix A** to this report shows how these variances relate to budgeted savings and increased income. Overall there is an under-delivery of net savings of £1,154k.

Brimhams Active

- 5.8 Brimhams Active has made an operating surplus of £462k against budget in 2022/23 and intends sharing some of this surplus with the Council in 2023/24. We have therefore reflected £291k of anticipated shared surplus in the 2022/23 accounts and used £118k of this to fund the cost which has resulted from a lower than expected recharge of support costs to Brimhams Active. It is proposed (and has been reflected in the accounts) that the £173k balance of the shared surplus is set aside in reserve; £100k has been transferred to the Capital & Investment Reserve to fund the purchase of gym equipment (subject to approval as part of the Capital & Investment outturn report) and £73k has been transferred to the Sport & Leisure Reserve.

6.0 SERVICE SURPLUSES/DEFICITS

6.1 In accordance with the Business Unit Principles and Practices set out in the Council's financial procedure rules, services are permitted to carry forward to reserves 50% of any savings on net controllable expenditure. The amount that can be carried forward is capped at 1% of the services' actual turnover (the sum of controllable expenditure and external income). In the case of the Strategic Property Operational Account within Place-Shaping & Economic Growth, Council has agreed to allow 100% carry forward of their surplus.

6.2 This outturn report recommends no transfer of surpluses to service reserves. Service reserves were reviewed ahead of LGR as part of the budget process and reduced where appropriate. For the most part, any service underspends this year have been utilised to help offset the overspends resulting from utility costs and the higher than budgeted pay award.

7.0 REQUESTS FOR USE OF 2022/23 CORPORATE SAVINGS/RESERVES

7.1 Harrogate Convention Centre is requesting that £93k of corporate underspends in 2022/23 be set aside for investment in their catering function.

8.0 GENERAL FUND WORKING BALANCE

8.1 The movement on the Working Balance during 2022/23 and the balance as at 31 March 2023 are summarised in the table below:

Table: General Fund Working Balance	£
Balance b fwd 1 April 2022 (per financial statements)	4,587,000
Underspends from 2021/22 transferred to service reserves in 2022/23, as approved in 2021/22 outturn report	-2,087,000
Balance c fwd 31 March 2023	2,500,000

8.2 The minimum Working Balance level has been set at £2.5m for a number of years.

9.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

9.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

10.0 CONCLUSIONS

10.1 The Council's outturn position is an underspend of £972k.

10.2 The Working balance at 31 March 2023 will stand at £2,500k.

OFFICER CONTACT: Please contact the Service Finance Manager if you require any further information on the contents of this report. The officer can be contacted at Civic Centre, St Luke's Avenue, Harrogate, HG1 2AE, by telephone on 01423 556333 or by e-mail at gillian.morland@northyorks.gov.uk.

SUMMARY Reductions in Existing Expenditure

APPENDIX A

Service	2022/23 Saving (£'0)	Actual variance to budget	Hence actual delivery
Housing & Property	-170,020	220,401	50,381
Parks & Environmental Services	-87,020	-20,000	-107,020
Safer Communities	-8,520	0	-8,520
Finance	-6,560	0	-6,560
ICT	-25,150	0	-25,150
Legal & Governance	-20,170	0	-20,170
Organisational Development & Improvement	-8,910	-26,132	-35,042
Sport & Leisure	-1,688,560	0	-1,688,560
Place Shaping & Economic Growth	-285,360	12,343	-273,017
Harrogate Convention Centre	339,680	0	339,680
Destination Marketing Organisation	13,130	0	13,130

Total Savings	-1,947,460	186,612	-1,760,848
Total Savings (£k)	-1,946	187	-1,761

Ref	Directorate	Service	Proposal Description	2022/23 Saving (£'0)	Actual variance to budget	Hence actual delivery
H&PS2201	Economy, Environment & Housing	Housing & Property	Footway Lighting Inspection/Cleaning and Bulk Change Removal of cyclical budget	-16,670	0	-16,670
H&PS2202	Economy, Environment & Housing	Housing & Property	Contribution to Hambleton DC towards Rural Enabler post Removal of contribution	-3,350	-250	-3,600
H&PS2203	Economy, Environment & Housing	Housing & Property	Private Sector Leasing Saving from reducing reliance on leased property	-2,400	-1,245	-3,645
H&PS2204	Economy, Environment & Housing	Housing & Property	Bed and Breakfast Reduced budget to reflect the opening of the new Fern House Hostel and reduction in the need for B&B	-14,000	221,896	207,896

Service				2022/23 Saving (£'0)	Actual variance to budget	Hence actual delivery
H&PS2205	Economy, Environment & Housing	Housing & Property	Homelessness - Young Persons Pathway Remove cost of temporary accommodation and support for people aged 18-25 due to delay in implementation	-100,000	0	-100,000
H&PS2206	Economy, Environment & Housing	Housing & Property	Homelessness - Prevention Officer (Young Peoples Services) Remove post due to delay in implementation	-33,600	0	-33,600
PESS2201	Economy, Environment & Housing	Parks & Environmental Services	COVID-19 impact 21/22 Parks & Open Spaces Operational Review Delay of 3 months due to COVID-19	-33,000	0	-33,000
PESS2202	Economy, Environment & Housing	Parks & Environmental Services	Fuel Reduced usage	-20,000	-20,000	-40,000
PESS2203	Economy, Environment & Housing	Parks & Environmental Services	Litter Bin Review Change in bin infrastructure, maintenance and reduced skip use	-10,280	0	-10,280
PESS2204	Economy, Environment & Housing	Parks & Environmental Services	PES Senior Management Review	-12,980	0	-12,980
PESS2205	Economy, Environment & Housing	Parks & Environmental Services	Salary savings	-10,760	0	-10,760
SCS2201	Corporate Affairs	Safer Communities	Efficiency Savings Various small budget reductions/income increases	-8,520	0	-8,520
FINS2201	Corporate Affairs	Finance	Salary Budget Minor reduction in budgeted hours	-6,560	0	-6,560
ICTS2201	Corporate Affairs	ICT	Efficiency Savings Service Efficiency Savings to be identified during	-4,150	0	-4,150
ICTS2202	Corporate Affairs	ICT	IT Hardware Refresh Licensing & support savings	-21,000	0	-21,000
LGS2201	Corporate Affairs	Legal & Governance	Minor Restructure Reduction in Salaries budget after minor restructure in	-7,660	0	-7,660
LGS2202	Corporate Affairs	Legal & Governance	Minor Restructure Reduction in Salaries budget after minor restructure in	-12,510	0	-12,510

Service				2022/23 Saving (£'0)	Actual variance to budget	Hence actual delivery
ODIS2201	Corporate Affairs	Organisational Development & Improvement	Stationery Reduction in budget	-2,910	0	-2,910
ODIS2202	Corporate Affairs	Organisational Development & Improvement	Photocopying Reduction in budget	-6,000	-26,132	-32,132
SPLS2201	Economy, Environment & Housing	Sport & Leisure	Reduction in Brimham's Active Management Fee	-1,595,800	0	-1,595,800
SPLS2202	Economy, Environment & Housing	Sport & Leisure	Turkish Baths Removal of repayment to Council Investment Reserve	-92,760	0	-92,760
PEGS2201	Economy, Environment & Housing	Place Shaping & Economic Growth	Efficiency Savings Service efficiency savings	-17,210	0	-17,210
PEGS2202	Economy, Environment & Housing	Place Shaping & Economic Growth	Reversal of COVID-19 impact in 21/22 Non-domestic rates	-13,420	0	-13,420
PEGS2203	Economy, Environment & Housing	Place Shaping & Economic Growth	Increase in non-domestic rates	12,080	12,343	24,423
PEGS2204	Economy, Environment & Housing	Place Shaping & Economic Growth	Savings in the Building Management Account Due to the temporary closure of the Hydro	-240,410	0	-240,410
PEGS2205	Economy, Environment & Housing	Place Shaping & Economic Growth	Savings in the Building Management Account Due to the temporary closure of Ripon Leisure Centre	-26,400	0	-26,400
HCCS2201	HCC	HCC	Covid 19 Impact Salary Savings Reversal Adding back in of 8 vacant posts removed from 21/22 budget to help offset income reductions due to impact of Covid	277,960	0	277,960

Service				2022/23 Saving (£'0)	Actual variance to budget	Hence actual delivery
HCCS2202	HCC	HCC	Covid 19 Impact Expenditure Savings Reversal Adding back in event related expenditure budgets removed from 21/22 budget to help offset income reductions due to impact of Covid	417,530	0	417,530
HCCS2203	HCC	HCC	HCC Restructure Savings Reductions in HCC salary budget following restructure (subject to consultation)	-309,410	0	-309,410
HCCS2204	HCC	HCC	Various Internal Budget Movements To support changes in operational delivery model including reductions in overtime, increase in contractor budgets & other external staffing budgets	-46,400	0	-46,400
DMOS2201	HCC	DMO	DMO Marketing/Place Marketing Saving from the other supplies and services budget	-2,260	0	-2,260
DMOS2202	HCC	DMO	Reversal of COVID-19 impact 2021/22 TICs Savings in expenditure related to the sale of items to visitors	12,190	0	12,190
DMOS2203	HCC	DMO	Reversal of COVID-19 impact 2021/22 Mercer Gallery	3,200	0	3,200

-1,947,460 186,612 -1,760,848

REPORT TO:

DATE:

SERVICE AREA: Finance

REPORTING OFFICER: Head of Finance
(*M Pillar, Accounting Technician*)

SUBJECT: **HOUSING REVENUE ACCOUNT – OUTTURN
2022/23**

WARD/S AFFECTED: All

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

- 1.1 The report advises Cabinet of the Housing Revenue Account (HRA) outturn for the financial year 2022/23 and highlights variations against budget and the latest forecast.

2.0 RECOMMENDATION

- 2.1 That the HRA outturn for 2022/23 be noted.

3.0 RECOMMENDED REASON FOR DECISION

- 3.1 To ensure that Cabinet is aware of the HRA outturn for 2022/23 and of any reasons for savings or overspends.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION.

- 4.1 None.

5.0 THE REPORT

- 5.1 The 2022/23 HRA budget and outturn figures are summarised in Table 1, with a more detailed breakdown shown in Appendix 1.

Table 1

	Budget 2022/23 £'000	Latest Forecast (Cabinet 01/02/23) 2022/23 £'000	Outturn 2022/23 £'000	Variance Outturn – Latest Forecast £'000
Expenditure	18,922	16,400	15,598	-802
Income	-18,878	-18,773	-18,733	40
Net Expend	44	-2,373	-3,135	-762
Working Balance:				
Brought fwd.	-13,948	-16,139	-16,139	0
Carried fwd.	-13,904	-18,512	-19,274	-762

5.2 Total net expenditure in the HRA in 2022/23 was -£3,135k. This is an underspend of -£3,179k compared to the budget, and made up of:

- No HRA revenue required to fund capital expenditure. This is due to a combination of using alternative funding sources (mainly the Major Repairs Reserve) and a reduction in the total capital spend. -£3,804k
- Savings from the repairs & maintenance of dwellings. Some costs previously reported have been recoded to the Housing Improvement Programme. This is a difficult area to monitor, due to its reactive nature. -£757k
- Increased capital charges (due to increased dwelling values at year-end 2022/23). +£421k
- Overspend in In-House Maintenance Team expenditure, mainly due to an increase in sub-contractor spend because of lack of in-house resource, offset to some extent by materials spend savings. +£283k
- Overspend on utilities due to inflationary price increases. +£216k
- Council house rental income (net of refunds) shortfall from voids and lower stock levels. +£206k
- Salary saving arising from the lower than expected 2021/22 pay award. -£26k
- Cost of the 2022/23 pay award. +£167k
- Salary savings. -£115k
- Increase in interest earned on HRA working balance, offset by increased interest charges payable on unfinanced Capital Financing Requirement (CFR). -£108k
- Income shortfall from IHMT non-HRA work. +£99k
- Increased cost of hostel security (guarding and mobile patrols). +£74k
- Income shortfall from the independent living scheme. +£66k
- Feasibility costs of potential capital schemes. +£66k
- Overspend in relation to housing disrepair settlement claims and compensation re ground source heat pumps. +£60k

- Various other income and expenditure variances across a number of areas. -£27k

5.3 The variation since the last reported figures (to Cabinet on 1 February 2023) is a further saving of -£762k. This is made up of:

- Savings from the repairs & maintenance to dwellings. Some costs previously reported have been recoded to the Housing Improvement Programme. This is a difficult area to monitor, due to its reactive nature. -£750k
- Council house rental income (net of refunds) shortfall, from voids and lower stock levels. +£211k
- Increase in interest earned on HRA working balance, offset by increased interest charges payable on unfinanced Capital Financing Requirement (CFR). -£108k
- Saving in relation to housing disrepair settlement claims and compensation re ground source heat pumps. -£90k
- Saving on utilities. -£55k
- Various other income and expenditure variances across a number of areas. +£30k

5.4 The HRA working balance stands at £19.3m as at 31st March 2023.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Finance staff have been involved in the preparation of this report and comments are included throughout the report.

7.0 CONCLUSIONS

7.1 The HRA outturn for 2022/23 shows a saving of -£762k compared to the latest forecast for the year, reported in February 2023, and a saving of -£3,179k against the original budget for the year. The HRA working balance totals £19.3m as at 31st March 2023. This balance will be carried forward to support expenditure in future years.

Background papers: None

OFFICER CONTACT: Please contact Marie Pillar, Accounting Technician, if you require any further information on the contents of this report. The officer can be contacted at Finance, PO Box 787, Harrogate HG1 9RW, by telephone on 01423 556570 or by email – marie.pillar@northyorks.gov.uk

HOUSING REVENUE ACCOUNT OUTTURN SUMMARY

APPENDIX 1

2021/22		2022/23		
Actual		Budget	Latest Forecast (Reported to Cabinet 01/02/23)	Actual
£		£	£	£
	EXPENDITURE			
5,170,975	Property Services (Housing)	5,201,770	5,593,640	4,690,454
998,707	Housing Needs	922,410	1,109,490	1,120,101
1,615,003	Neighbourhood	1,697,980	1,668,370	1,655,669
855,169	Independent Living Services	845,840	1,113,440	1,040,822
0	Capital Expenditure funded by the HRA	3,804,340	0	0
15,000,000	Voluntary Set aside for debt repayment	0	0	0
1,592,663	Interest Payments	1,266,910	1,266,910	1,339,274
4,768,680	Depreciation transferred to the Major Repairs Reserve	4,820,000	5,250,000	5,240,830
503,744	Other expenditure	362,730	397,960	511,115
30,504,942	Total Expenditure	18,921,980	16,399,810	15,598,264
	INCOME			
-16,542,226	Rents from Council Houses and Hostels (Gross)	-17,169,430	-17,169,430	-16,956,880
-170,026	Non-dwelling Rents (Gross)	-173,800	-150,800	-156,626
-810,733	Charges for services and facilities	-821,700	-753,630	-723,124
-136,200	Contributions towards expenditure from General Fund	-135,580	-135,580	-135,580
-26,190	Investment Income	-68,570	-68,570	-249,090
-677,489	Other contributions towards expenditure	-509,300	-495,300	-511,933
-18,362,863	Total Income	-18,878,380	-18,773,310	-18,733,233
12,142,078	Total Movement on HRA Balance	43,600	-2,373,500	-3,134,969
	WORKING BALANCE			
28,280,606	Balance brought forward	13,948,000	16,138,528	16,138,528
16,138,528	Balance carried forward	13,904,400	18,512,028	19,273,497

OUTTURN 22/23 – RICHMONDSHIRE DISTRICT COUNCIL

1.0 Purpose of Report

- 1.1 To present the financial outturn position of the Council (Revenue, Capital and Reserve Funds) at the end of March 2023 as compared to the latest budget.

2.0 Decisions Sought

Members are asked to:

- (a) Note the outturn positions on the General Fund and Housing Revenue accounts and the various transfers to the revenue reserves due to the under / over spends on final outturn as compared with the original budget.
- (b) Approve the adjustments and roll forward requests to the Capital programme.

3.0 Introduction

- 3.1 This report presents the financial position of the Council at the end of the 2022/23 financial year. The information is built up from the Council's general ledger details and is used as the basis for the preparation of the Council's statutory Statement of Accounts.

- 3.2 This report focuses on three key outcomes: -

- (a) The overall financial outturn position at the end of the year
- (b) Major variances between budget and financial outturn; and
- (c) Actions taken in the light of the outturn position

4.0 General Fund Revenue Expenditure Outturn 2022/23

- 4.1 The Council's original net revenue budget for 2022/23 was approved by Full Council on 22 February 2022 and was set at £7,258,900.
- 4.2 At Corporate Board on 7 February 2023 Members approved a latest forecast outturn of £7,326,400, an overspend of £67,500.

The estimated remaining net under spend as at Quarter 3 therefore was as follows: -

	£
Q3 Budget for 2022/23	7,258,900
Estimated Outturn at Q3 2022/23	<u>7,326,400</u>
Estimated Over Spend on Budget	<u>67,500</u>

- 4.3 The final outturn position at the end of 2022/23 (inc. drainage board levy) is summarised below: -

2022/23	£
Q3 Budget for 2022/23	7,258,900
Estimated Outturn at Q3 2022/23	7,326,400
Estimated Over Spend against Working Budget	67,500
Final Outturn – Net Revenue Expenditure	6,455,900
Final Under Spend for Q4	(870,500)
plus underspend expected at Q3	67,500
Total Underspend on Budget 2022/23	(803,000)

- 4.4

The high level variances from the original budget can be broken down as follows:-

	2022/23	2022/23	Variance
	Budget	Actual	
	£	£	£
Income	(8,081,600)	(14,372,200)	(6,290,600)
Expenditure	16,095,100	21,720,400	5,625,300
Internal Recharges to HRA	(772,200)	(910,700)	(138,500)
RDC net spend	7,241,300	6,437,500	(803,800)
Internal drainage board levy	17,600	18,400	800
Net Expenditure	7,258,900	6,455,900	(803,000)

The underspend variance of £870,500 at Q4 when compared to the budget of £7,258,900 represents a percentage variance of 12%. During 2022/23 there continued to be a significant number of business grant funding paid out and returned to Government relating to Covid.

- 4.5 Details of the anticipated variances to budget in respect of the estimated overspend £67,500 as at quarter 3 have been provided in previous reports to Corporate Board. Details of the major variances for quarter 4, resulting in a reduction to the underspend of £629,200 are provided in **the supporting spreadsheet** provides details of the full year variance, from the original budget, of £7,258,900.

- 4.6 Notable items of variance in Quarter 4 include
- Significant additional income or additional funding of £80k licensing
 - Net underspends of £173k on the £350k budget set aside for LGR transitional costs
 - Further investment income of £89k more than anticipated in Q3.
- 4.7 An analysis of the movements on General fund for 22/23 are as follows:

	£	£	£
Original Budget 22/23			7,258,900
Adjustments to income / spend			
Additional Investment income	(386,000)		
PWLB borrowing not taken	(240,000)		
LGR transition budget not required	(173,000)		
Rent allowance recovery	(94,000)		
Additional taxi fee licensing	(79,200)		
		(972,200)	
Additional bad debt provisions needed	108,500		
Additional fuel costs	66,000		
Other minor movements	(5,300)		
		169,200	
Net movements			(803,000)
Estimated Outturn 22/23			6,455,900

- 4.8 It was agreed by members at Q3 that any net underspend would be used to fund the capital programme; the net movement of £803,000 will therefore be set aside for that purpose.

5.0 Housing Revenue Account Year End Outturn 2022/23

- 5.1 The Housing Revenue Account (HRA) receives all of the transactions relating to the Council's Housing Stock. It is a 'ring fenced' account and as such is required to be self-financing. The cost of maintaining the Council's dwelling stock is financed from the rental income received in respect of those dwellings so that there should be a nil or net credit balance on the account at the end of the financial year. The balance on the HRA Reserve by law cannot be allowed to fall below zero. To put things into context, at Corporate Board in January 2022, Members approved a gross income budget of £6,775,200 for 2022/23, which was £21,100 less than the estimated expenditure requiring a transfer from the reserve equal to this amount.

5.2 The HRA actual outturn for 2022/23 is shown in the following table: -

HRA 2022/23	Gross Expenditure £	Gross Income £	Net HRA (Surplus)/ Deficit £
Original Budget	6,686,300	6,665,200	21,100
Actual Final Outturn	6,947,904	6,678,742	269,162
Total Overspend to Budget (actual less budget)	261,604	-13,542	248,062

The final outturn position on the HRA was £269,162.

- 5.3 There was a transfer of £269,162 from the HRA Reserve in 2022/23, which started 2022/23 carrying a balance of £999,330; the year-end balance is therefore now £730,168
- 5.4 The Reserves Strategy approved by Corporate Board in February 2021 states a minimum balance of £500k or 7.5% gross expenditure, whichever is higher, should be maintained. On 31 March 2023, the reserves stood at 9.42% of gross expenditure based on 2022/23.

6.0 Capital Programme Final Outturn 2022/23

- 6.1 The year-end General Fund Capital Programme position shows an under spend of £908k against an original budget of £5,881k (including roll forwards from 2021/22). Details are shown in the **attached spreadsheet**.
- 6.2 The significant underspend is due mainly to four projects:
- a) Richmond swimming pool (£223k), due to a requirement for additional works discovered as part of the initial refurbishment.
 - b) The depot (£170k), due to the need for urgent remedial improvements
 - c) Fleet replacements (£105k) not being delivered on schedule and
 - d) Disabled facilities grants (£220k), due to time delays in individual assessments.

Requests for carry forward of all the above underspends is set out below.

- 6.3 Areas of underspend with requested roll forwards are:

Scheme	22/23 Variance	Total RF to 23/24
Car Parks	(36,000)	36,000
Street Lighting Replacement Programme	(64,842)	64,800
Depot	(170,329)	170,300
Disabled Facilities and Other Housing Grants	(219,521)	219,500
Open Spaces	(10,000)	10,000
Richmond Pool	(222,909)	222,900
Light Fleet Replacement - Tippers	(105,406)	105,400
Play Park Improvement Scheme	(31,868)	31,800
Colburn Community Office	(17,000)	17,000
Reeth Road Cemetery	(10,000)	10,000
Electric Vehicle Charging Points - Car Parks	(60,314)	60,300
	(948,189)	948,000

6.4 HRA capital spend was £515,274 overspent against the original budget set of £1,746,000, the main reason was the need to overspend by £446k on boiler replacements and £105k on fire risk assessment works as a result of Health and Safety requirements. Other project work was reduced wherever possible to release budget to fund the works.

6.5 The overspend on HRA capital has meant additional use of the Major Repairs allowance by £354k.

7.0 Recommendations

7.1 It is recommended to Council that:

- a) The outturn position on the General Fund be noted.
- b) The outturn position on the Housing Revenue Account be noted.
- c) The roll forward adjustments to the Capital Programme detailed at 6.3 be approved.

OPERATIONAL SERVICES

Financial Report
1 April 2023 - 31 March 2023

REVENUE - GENERAL FUND

Summary by Service

Service	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Car Parking	(383,117)	(289,300)	0	(289,300)					(38,521)	(327,821)	(38,521)
Cemeteries	(28,670)	(22,000)	0	(22,000)					(11,356)	(33,356)	(11,356)
Closed Churchyards	7,608	7,900	0	7,900					(5,239)	2,661	(5,239)
Footway Lighting	119,226	125,200	0	125,200			(3,100)		(22,380)	99,720	(25,480)
Housing Support	99,045	100,200	0	100,200		2,300			1,144	103,644	3,444
Lifeline	(11,031)	(33,000)	0	(33,000)	13,200	3,300	0		3,540	(12,960)	20,040
Parks & Open Spaces	206,742	263,500	0	263,500		(19,000)	(11,000)		(13,890)	219,610	(43,890)
Public Conveniences	41,384	75,700	0	75,700	(14,000)				9,489	71,189	(4,511)
Public Health	9,141	10,200	0	10,200					(2,575)	7,625	(2,575)
Recycling	(269,698)	(103,800)	0	(103,800)		(156,800)			112,347	(148,253)	(44,453)
Street Cleansing	205,074	270,700	0	270,700		18,000	(11,000)		(32,284)	245,416	(25,284)
Transport	976,145	917,500	0	917,500	70,000		18,000		(30,432)	975,068	57,568
Waste Collection	532,195	539,100	0	539,100		28,800			10,920	578,820	39,720
Health and Safety	42,081	42,800	0	42,800					1,363	44,163	1,363
Depot Buildings	73,401	61,000	0	61,000	21,800		(8,800)		(14,835)	59,165	(1,835)
Pest Control	(36,381)	(21,600)	0	(21,600)					10,201	(11,399)	10,201
Admin Buildings	30,620	181,400	0	181,400		19,400			(2,449)	198,351	16,951
Private Sector Housing Renewal	22,753	13,200	0	13,200		1,600	(1,100)		(12,534)	1,166	(12,034)
Community Safety Partnership	179,895	49,000	0	49,000		(24,000)			7,942	32,942	(16,058)
Net Revenue Expenditure	1,816,413	2,187,700	0	2,187,700	91,000	(126,400)	(17,000)	0	(29,549)	2,105,751	(81,949)
Internal Recharges etc	215,335	156,100	0	156,100					17,383	173,483	17,383
TOTAL BUDGET	2,031,748	2,343,800	0	2,343,800	91,000	(126,400)	(17,000)	0	(12,166)	2,279,234	(64,566)

OPERATIONAL SERVICES

**Financial Report
1 April 2023 - 31 March 2023**

REVENUE - GENERAL FUND

Income & Expenditure Summary

Income	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Fees & Charges	(2,039,163)	(1,766,500)	0	(1,766,500)	13,200	(180,000)	(2,200)		(20,013)	(1,955,513)	(189,013)
Other	(57,764)	(15,000)	0	(15,000)					(35,141)	(50,141)	(35,141)
Sub Total:	(2,096,927)	(1,781,500)	0	(1,781,500)	13,200	(180,000)	(2,200)	0	(55,154)	(2,005,654)	(224,154)

Expenditure	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2021/22 Outturn	Outturn Variance
Salary Related Costs	2,108,059	2,207,200	0	2,207,200		55,600	(34,000)		51,441	2,280,241	73,041
Building Running Costs	424,863	466,900	0	466,900	7,800	18,000	(8,800)		(4,102)	479,798	12,898
Vehicle and Travel Costs	832,059	791,000	0	791,000	70,000		18,000		(62,493)	816,507	25,507
Supplies and Services	514,278	475,200	0	475,200		(20,000)	10,000		33,725	498,925	23,725
Third Party Payments	34,081	28,900	0	28,900					7,033	35,933	7,033
Sub Total:	3,913,340	3,969,200	0	3,969,200	77,800	53,600	(14,800)	0	25,604	4,111,404	142,204

Net Revenue Expenditure	1,816,413	2,187,700	0	2,187,700	91,000	(126,400)	(17,000)	0	(29,549)	2,105,751	(81,949)
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OPERATIONAL SERVICES

Financial Report
1 April 2023 - 31 March 2023

REVENUE - GENERAL FUND

Details of Major Variances

Current Year Variances

Service	Outturn Variance (Surplus)/ Deficit	
Car Parking	(38,521)	Overall car park Income over target by (£25k) and Repairs and Maintenance under budget by (£10K) Various other smaller variances (£4k)
Cemeteries	(11,356)	Income over target (£21K). Repairs and Maintenance over budget £5k. Gas & Electricity over budget £4k
Footway Lighting	(25,480)	Electricity under budget (£17k). Repairs and Maintenance under budget by (£9K)
Parks & Open Spaces	(43,890)	Employee Costs under budget (£30k). Various other smaller variances (£14k)
Recycling	(44,453)	Employee Costs over budget £80k. Gate Fees under budget (£14k). Income over target (£96k). Various other smaller variances (£14k)
Street Cleansing	(25,284)	Employee Costs under budget (£19k). Various other smaller variances (£6k)
Transport	57,568	Fuel over budget £66k. Various other smaller variances (£10k)
Waste Collection	39,720	Employee Costs over budget £40k. Various other smaller variances (£1k)
Admin Buildings	16,951	Repairs and Maintenance over budget by £28K. Electricity under budget (£6k). Various other smaller variances (£5k)
Private Sector Housing Renewal	(12,034)	Various smaller variances (£12k)
Community Safety Partnership	(16,058)	Employee Costs under budget (£14k). Various other smaller variances (£2k)
Lifeline	20,040	Income pressure £10K (£8.3K Private Lifeline, £1.7K Sheltered Scheme Lifeline). Various other smaller variances £10k
Other various	848	Other Variances under £10k per Service

Total

(81,949)

RICHMONDSHIRE DISTRICT COUNCIL

**Financial Report
1 April 2023 - 31 March 2023**

REVENUE

Summary by Directorate

Service	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	Q4 Variance	2022/23 Outturn	Year End Variance (Surplus)/ Deficit
Operational Services	1,816,413	2,187,700	0	2,187,700	91,000	(126,400)	(17,000)	(29,549)	2,105,751	(81,949)
Add back internal recharges etc	215,335	156,100	0	156,100	0	0	0	17,383	173,483	17,383
	2,031,748	2,343,800	0	2,343,800	91,000	(126,400)	(17,000)	(12,166)	2,279,234	(64,566)
Resources	3,366,172	4,128,000	0	4,128,000	(327,500)	6,300	(108,300)	(314,864)	3,383,636	(744,364)
Add back internal recharges etc	(2,198,445)	(1,747,600)	0	(1,747,600)	0	0	0	(448,133)	(2,195,733)	(448,133)
	1,167,727	2,380,400	0	2,380,400	(327,500)	6,300	(108,300)	(762,996)	1,187,904	(1,192,496)
Strategy & Regulatory	1,494,761	1,694,500	0	1,694,500	47,000	59,000	443,400	(399,402)	1,844,498	149,998
Add back internal recharges etc	1,101,137	822,600	0	822,600	0	0	0	303,244	1,125,844	303,244
	2,595,899	2,517,100	0	2,517,100	47,000	59,000	443,400	(96,158)	2,970,342	453,242
Direct Revenue Expenditure	5,795,374	7,241,300	0	7,241,300	(189,500)	(61,100)	318,100	(871,321)	6,437,479	(803,821)
Drainage Board Levy	17,626	17,600	0	17,600	0	0	0	828	18,428	828
Actual Final Outturn/Revised Budget	5,813,000	7,258,900	0	7,258,900	(189,500)	(61,100)	318,100	(870,493)	6,455,907	(802,993)
HRA	(2,517,547)	(2,482,300)	0	(2,482,300)	0	0	0	(303,969)	(2,786,269)	(303,969)
Add back internal recharges etc	2,517,547	2,482,300	0	2,482,300	0	0	0	303,969	2,786,269	303,969
	0	0	0	0	0	0	0	(0)	0	(0)

RESOURCES

Financial Report
1 April 2023 - 31 March 2023

REVENUE

Summary by Service

Service	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Business Support	233,458	252,500	0	252,500	(2,000)	13,800			(3,549)	260,751	8,251
Corporate Management	134,851	102,800	0	102,800	(3,500)				6,050	105,350	2,550
Senior Management & Support	564,579	567,500	0	567,500	11,000		(15,900)		(5,374)	557,226	(10,274)
Customer Services	275,783	294,700	0	294,700	(3,200)	11,900	(20,300)		(5,755)	277,345	(17,355)
Finance & Improvement Section	434,245	433,100	0	433,100		29,800	(41,300)		(20,583)	401,017	(32,083)
Housing Benefit Administration	(40,741)	(67,600)	0	(67,600)			8,600		30,027	(28,973)	38,627
Housing Benefit Payments	87,498	93,400	0	93,400			46,000		(106,278)	33,122	(60,278)
Human Resources	235,802	215,200	0	215,200	7,000	10,700	(8,400)		(9,000)	215,500	300
ICT Services	579,633	614,600	0	614,600	(2,100)	8,700	6,400		(21,319)	606,281	(8,319)
Local Tax Collection	(231,168)	(167,500)	0	(167,500)			15,400		69,977	(82,123)	85,377
Non Distributed Costs	2,694	2,500	0	2,500					3,001	5,501	3,001
Pension Costs	0	0	0	0					0	-	0
Revenues & Benefits	717,936	643,300	0	643,300	18,700	37,200	0		(1,477)	697,723	54,423
Miscellaneous Finance - inc Financing Costs	327,567	1,076,600	0	1,076,600	(340,900)	(105,800)	(91,800)		(246,998)	291,102	(785,498)
Communications	44,036	66,900	0	66,900	(12,500)		(7,000)		(3,585)	43,815	(23,085)
Net Revenue Expenditure	3,366,172	4,128,000	0	4,128,000	(327,500)	6,300	(108,300)	0	(314,864)	3,383,636	(744,364)
Internal Recharges etc	(2,198,445)	(1,747,600)	0	(1,747,600)					(448,133)	(2,195,733)	(448,133)
TOTAL BUDGET	1,167,727	2,380,400	0	2,380,400	(327,500)	6,300	(108,300)	0	(762,996)	1,187,904	(1,192,496)

RESOURCES

Financial Report
1 April 2023 - 31 March 2023

REVENUE

Income & Expenditure Summary

Income	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Fees & Charges	148,647	(266,500)		(266,500)	(65,000)	(95,000)	(66,200)		(183,263)	(675,963)	(409,463)
Other	(5,914,944)	(5,232,900)		(5,232,900)			(15,100)		(2,299,011)	(7,547,011)	(2,314,111)
Sub Total:	(5,766,297)	(5,499,400)	0	(5,499,400)	(65,000)	(95,000)	(81,300)	0	(2,482,275)	(8,222,975)	(2,723,575)

Expenditure	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2021/22 Outturn	Outturn Variance
Salary Related Costs	2,673,569	2,618,000		2,618,000	(17,000)	97,200	(112,900)		186,660	2,771,960	153,960
Building Running Costs	27,978	28,100		28,100	4,000				(609)	31,491	3,391
Vehicle and Travel Costs	1,556	13,600		13,600			(4,500)		(4,576)	4,524	(9,076)
Supplies and Services	6,429,366	6,967,700		6,967,700	(249,500)	4,100	90,400		1,985,936	8,798,636	1,830,936
Third Party Payments	0	0		0					0	-	0
Capital Financing & Debt Charges	0	0	0	0					0	-	0
Sub Total:	9,132,470	9,627,400	0	9,627,400	(262,500)	101,300	(27,000)	0	2,167,411	11,606,611	1,979,211
Net Revenue Expenditure	3,366,172	4,128,000	0	4,128,000	(327,500)	6,300	(108,300)	0	(314,864)	3,383,636	(744,364)

RESOURCES

Financial Report
1 April 2023 - 31 March 2023

REVENUE**Details of Major Variances**

Service	Outturn Variance (Surplus)/ Deficit	
Senior Management & Support	(10,274)	Salary Savings due to vacant PA posts £(5.3K)
Customer Services	(17,355)	Salary savings due to vacant posts £(11.2K), savings in cash courier £(6.6K)
Finance & Improvement Section	(32,083)	Salary savings due to vacant posts £(47.2K), Consultancy Fees £13K
Housing Benefit Administration	38,627	Housing Benefit Audit fees £41K for the main fee and CAKE testing for both 2021 22 and 2022 23
Housing Benefit Payments	(60,278)	Increased cost of Non HRA Rent Rebates £18.6K, Rent Allowances higher recoverable charge invoices raised £(94K), Net Rent Allowances paid £33K, DHP pressure above funding £11.5K, HRA Rent Rebates £(29.4)K
Local Tax Collection	85,377	Council Tax cost of collection - bad debt provision for court fees £52K, Court fees Income £24K, Legal Fees for an appeal £7.6K
Revenues & Benefits	54,423	Consultancy Fees for grants and net of covering vacancies £53K
Miscellaneous Finance - inc Financing Costs	(785,498)	CASH Team Salary Savings £(48.1K), Investment Interest due to higher interest rates £(345K), Interest re HRA £(41K), Unused LGR budget £(173K), Sundry Debts provision for bad debts £56.5K, no new PWLB borrowing £(240K)
Communications	(23,085)	Savings in Professional Fees £(7.5K) & Graphic Design £(13K)
Other various	5,783	Other Variances under £10k per Service

Total **(744,364)**

STRATEGY & REGULATORY

Financial Report
1 April 2023 - 31 March 2023

REVENUE Summary by Service

Service	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Building Control	62,528	56,400	0	56,400	6,000		3,400		(1,360)	64,440	8,040
Democratic Representation & Members	316,404	316,300	0	316,300					12,308	328,608	12,308
Development Management	(91,731)	32,800	0	32,800	54,000	7,000	353,000		(311,154)	135,646	102,846
Elections	54,443	58,100	0	58,100		14,000			(13,785)	58,315	215
Emergency Planning	16,109	16,400	0	16,400					191	16,591	191
Environmental Health Services	452,649	428,200	0	428,200	77,000	24,000	0		(36,361)	492,839	64,639
Environmental Protection	(18,117)	(17,800)	0	(17,800)					4,737	(13,063)	4,737
Food Safety & Commercial	(1,470)	(2,200)	0	(2,200)					1,687	(513)	1,687
Housing Services	24,502	23,500	0	23,500					2,734	26,234	2,734
Housing Standards	0	0	0	0					0	-	0
Infectious Diseases	0	0	0	0					0	-	0
Land Charges	(30,366)	(52,000)	0	(52,000)			0		11,836	(40,164)	11,836
Legal	85,801	92,200	0	92,200			15,000		(7,577)	99,623	7,423
Licensing	(203,338)	(144,700)	0	(144,700)	(35,000)				(40,056)	(219,756)	(75,056)
Planning Policy	113,583	101,900	0	101,900	(40,000)		72,000		(21,207)	112,693	10,793
Public Transport	0	0	0	0					0	-	0
Water Safety	(7,374)	(14,800)	0	(14,800)					4,717	(10,083)	4,717
Community Development	182	900	0	900					7,452	8,352	7,452
Cultural Services	272,915	323,300	0	323,300					1,176	324,476	1,176
Economic Development	13,437	20,300	0	20,300					4,965	25,265	4,965
Grants to Vol Bodies	12	0	0	0					0	-	0
Business & Community	165,477	175,600	0	175,600	(15,000)	(10,000)			(4,276)	146,324	(29,276)
Support to Business & Enterprise	45,480	45,400	0	45,400					80	45,480	80
Tourism	1,000	0	0	0					0	-	0
Workspace Management	(878)	2,700	0	2,700					3,108	5,808	3,108
Homelessness	223,513	232,000	0	232,000	0	24,000			(18,617)	237,383	5,383
Net Revenue Expenditure	1,494,761	1,694,500	0	1,694,500	47,000	59,000	443,400	0	(399,402)	1,844,498	149,998
Internal Recharges etc	1,101,137	822,600	0	822,600					303,244	1,125,844	303,244
TOTAL BUDGET	2,595,899	2,517,100	0	2,517,100	47,000	59,000	443,400	0	(96,158)	2,970,342	453,242

STRATEGY & REGULATORY

**Financial Report
1 April 2023 - 31 March 2023**

REVENUE

Income & Expenditure Summary

Income	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Fees & Charges	(1,409,084)	(743,400)	0	(743,400)	(54,000)		2,400		(335,217)	(1,130,217)	(386,817)
Other	(11,769,019)	(57,300)	0	(57,300)	(35,000)				(1,704,263)	(1,796,563)	(1,739,263)
Sub Total:	(13,178,104)	(800,700)	0	(800,700)	(89,000)	0	2,400	0	(2,039,479)	(2,926,779)	(2,126,079)

Expenditure	2020/21 Actual	2022/23 Original Budget	Budget adjustments	2021/22 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2021/22 Outturn	Outturn Variance
Salary Related Costs	1,861,494	1,531,400	0	1,531,400	(254,000)	59,000	(31,000)		798,097	2,103,497	572,097
Building Running Costs	65,531	54,300	0	54,300					137,833	192,133	137,833
Vehicle and Travel Costs	4,525	15,400	0	15,400					(4,165)	11,235	(4,165)
Supplies and Services	12,606,226	793,200	0	793,200	390,000		472,000		666,900	2,322,100	1,528,900
Third Party Payments	135,089	100,900	0	100,900					41,413	142,313	41,413
Sub Total:	14,672,865	2,495,200	0	2,495,200	136,000	59,000	441,000	0	1,640,077	4,771,277	2,276,077
Net Revenue Expenditure	1,494,761	1,694,500	0	1,694,500	47,000	59,000	443,400	0	(399,402)	1,844,498	149,998

STRATEGY & REGULATORY

**Financial Report
1 April 2023 - 31 March 2023**

REVENUE

Details of Major Variances

Current Year Variances

Service	Outturn Variance (Surplus)/ Deficit	
Democratic Representation & Members	12,308	Chairmans dinner £11k
Development Management	102,846	Fee income £62k / Advertising £17k / Contribution from reserves for salary not made as post vacant but income budgeted £17,196 / Misc £6,650 (recruitment advertising, books & publications, specialist fees)
Environmental Health Services	64,639	Salary saving (£65k) / Agency £124k / Consultancy fees £8k
Land Charges	11,836	Fee Income
Licensing	(75,056)	New Taxi contract
Planning Policy	10,793	Conservation £3,515 Agency and Planning Policy £7,278 Agency
Business & Community	(29,276)	Salary saving
Various	51,908	Other variances under £10k

Total **149,998**

OPERATIONAL SERVICES

Financial Report
1 April 2023 - 31 March 2023

REVENUE - HOUSING REVENUE ACCOUNT

Summary by Service

Service	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Housing Supervision & Management	477,413	537,000	0	537,000	3,700	10,900	(900)		(16,736)	533,964	(3,036)
Repairs & Maintenance	1,698,846	1,724,400	0	1,724,400	0	(48,900)	(117,200)		47,635	1,605,935	(118,465)
Special Services	534,398	488,300	0	488,300	33,900	3,000	6,400		(6,501)	525,099	36,799
Dwelling Rents	(6,039,067)	(6,279,900)	0	(6,279,900)	19,640	(40)	3,300		(19,630)	(6,276,630)	3,270
Non-Dwelling rents	(124,602)	(128,100)	0	(128,100)	0		0		(6,499)	(134,599)	(6,499)
Other Income	(254,767)	(257,200)	0	(257,200)	0		(10,100)		(212)	(267,512)	(10,312)
Item 8 & Interest Charges	1,451,885	1,454,300	0	1,454,300	0		3,300		409	1,458,009	3,709
Contribution to / (from) reserves	(306,179)	(21,100)	0	(21,100)	(57,240)	35,040	115,200		(341,062)	(269,162)	(248,062)
Pension Costs	44,526	0	0	0	0		0		38,628	38,628	38,628
Net Revenue Expenditure	(2,517,547)	(2,482,300)	0	(2,482,300)	0	0	0	0	(303,969)	(2,786,269)	(303,969)
Internal Recharges etc	2,517,547	2,482,300	0	2,482,300	0	0	0		303,969	2,786,269	303,969
TOTAL BUDGET	0	0	0	0	0	0	0	0	(0)	0	(0)

OPERATIONAL SERVICES

Financial Report
1 April 2023 - 31 March 2023

REVENUE - HOUSING REVENUE ACCOUNT

Income & Expenditure Summary

Income	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Outturn	Outturn Variance
Fees & Charges	(6,769,896)	(6,754,100)	0	(6,754,100)	19,640	(40)	(48,100)		(359,842)	(7,142,442)	(388,342)
Other	(306,179)	(21,100)	0	(21,100)	(57,240)	35,040	115,200		(347,704)	(275,804)	(254,704)
Sub Total:	(7,076,075)	(6,775,200)	0	(6,775,200)	(37,600)	35,000	67,100	0	(707,547)	(7,418,247)	(643,047)

Expenditure	2021/22 Actual	2022/23 Original Budget	Budget adjustments	2022/23 Working Budget	Q1 Variance Reported	Q2 Variance Reported	Q3 Variance Reported	YE Accounting Adjustments	Q4 Variance	2022/23 Forecast Outturn	Outturn Variance
Salary Related Costs	1,317,265	1,463,300	0	1,463,300	0	(98,000)	(34,300)		(34,715)	1,296,285	(167,015)
Building Running Costs	957,989	923,900	0	923,900	33,900	3,000	(62,000)		(16,381)	882,419	(41,481)
Vehicle and Travel Costs	8,237	11,000	0	11,000	0	0	(1,500)		(1,061)	8,439	(2,561)
Supplies and Services	2,275,037	1,894,700	0	1,894,700	3,700	60,000	30,700		455,735	2,444,835	550,135
Third Party Payments	0	0	0	0	0	0	0		0	-	0
Sub Total:	4,558,528	4,292,900	0	4,292,900	37,600	(35,000)	(67,100)	0	403,578	4,631,978	339,078
Net Revenue Expenditure	(2,517,547)	(2,482,300)	0	(2,482,300)	0	0	0	0	(303,969)	(2,786,269)	(303,969)

OPERATIONAL SERVICES

Financial Report

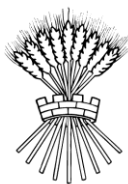
1 April 2023 - 31 March 2023

REVENUE - HOUSING REVENUE ACCOUNT

Details of Major Variances

Current Year Variances

Service	Outturn Variance	
Housing Supervision & Management	(3,036)	£11K pressure in relation to premises / General Insurance charges. Various other smaller pressures and savings under £10k (£14K net saving)
Repairs & Maintenance	(118,465)	£173K saving in salary related costs, £12.6K saving in gas servicing contract offset by £32K adverse pressure in external contractors (general needs external contractors / voids offset by insurance income), £18K pressure on Sheltered Housing external contractor repairs, £13.4K adverse pressure on materials from stores. Other smaller variances (pressures / savings) accounting for the remainder
Special Services	36,799	£24K pressure in Environmental Improvements including weight bearing drainage system at Highstead way, £10K pressure in Lift Maintenance at Sheltered Schemes, £8K pressure in water / drainage at sheltered schemes, £11.6K pressure in sub-contractors at SHU's associated with external cleaning contractor offset by £2.4K overall saving in salary related costs at the scheme, £3k overall saving in energy costs (Gas, Electricity and Oil) at the Sheltered Housing Schemes, £10.4K saving in equipment purchases / equipment repairs and maintenance. Other variances under £10K per service area
Dwelling Rents	3,270	£22.8K adverse variance in dwelling rents (expected rents less voids). £21.6K in contribution to provision in bad debts (rent arrears). Other variances under £10K per service area
Non-Dwelling rents	(6,499)	£5.1K favourable variance in garage rents (expected rents less voids). £4.5K increase in ground rents (including legal fees), offset by £3.1K pressure in shop rental income
Other Income	(10,312)	£9.2K favourable variance in service charges for former council flats sold under RTB. £1.1K in other electricity / gas income charges to SHU tenants / Welfare rents - service charge
Pension Cost	38,628	Year end transactions to reflect reporting requirements for pension costs. These transaction's have resulted in significant variances shown in the Income and Expenditure table but the net impact is limited.
Item 8 & Interest Charges	3,709	£3.7K net pressure in interest charges (interest payable to general fund / interest receivable from general fund). £3.5K pressure associated with accumulated absence calculation
Contribution to / (from) reserves	(248,062)	Increase in the expected overall contribution from the reserve based on overall net overspends within the HRA. The HRA had budgeted for a £21,100 contribution from the HRA reserve to bring the HRA balance to zero as per required under legislation. However, due to various internal recharge pressures amounting to £303.97K, £269,162 was ultimately required from the HRA reserve to bring the HRA back to zero. Those Internal recharge pressures included £198.8K higher than budgeted increase in expected depreciation charges, £138.5K increase in recharges from General Fund over budget (Service recharges, Transport and Grounds Maintenance), £3.5K charge in relation to accumulated absences, £5.3K reduction in budgeted recharge to capital (capital tech salaries) offset by 42.2K internal recharges associated with IAS19



PART A:

REPORT TO: EXECUTIVE

DATE: 30 MAY 2023

REPORT OF THE:

**TITLE OF REPORT: RYEDALE DISTRICT COUNCIL: REVENUE AND CAPITAL
BUDGET MONITORING – Quarter4 Draft Outturn– 2022/23**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The revenue budget for 2022/23 was approved by Council on 17 February 2022. This report and associated appendices present the financial performance against the budget as at 31st March 2023

2.0 RECOMMENDATION

2.1 It is recommended that:

- i) Members note the financial position as set out in this paper
- ii) Revenue surplus (excluding Collection Fund) is transferred to Strategic Reserve
- iii) Any surplus or deficit arising from the Collection Fund be transferred to Collection Fund Equalisation reserve

3.0 REASON FOR RECOMMENDATION(S)

3.1 To ensure that budget exceptions are brought to the attention of the Council in order to approve remedial action where necessary

4.0 POLICY CONTEXT AND CONSULTATION

4.1 The financial position and performance against budget is fundamental to delivery of the Council's Plan, achieving value for money and ensuring financial stability.

5.0 REPORT DETAILS

5.1 Summary

General Fund (see also Appendix A)

At the end of quarter 4, the revenue outturn position reports a surplus against budget of £111k. Planned savings and efficiencies of £82k for the year, identified as part of the 2022-23 budget setting process have been achieved and are reflected in the numbers below and appendix A.

Capital

As at the end of quarter 4, the capital outturn position reports expenditure of £3,297k against a budget of £10,138k. The majority of the underspend relates to programme slippage, which will therefore be required to carry forward to ensure projects can be delivered in 2023-34 and beyond. 2022/23 budgets include carry forward slippage of £7,564k from the previous year.

5.2 Revenue

The table below sets out the summary position, with details of forecast variances included in **Appendix A**. These figures do not at this stage show any draw from reserves to support costs of the pay award.

This shows an improved position from the Q3 forecast (a potential deficit of £169k) largely as a result of increased income from planning and government grants. Because of this, the requirement to fund the increased costs of the pay award from reserves – as set out in the Q2 report – is no longer needed.

General Fund Account – Q4 2022/23	Budget	Actual	Variance
	£000's	£000's	£000's
Net Revenue Budget	8,303	8,408	105
Settlement Funding RSG/NDR	(3,691)	(3,908)	(216)
Amount to be met from Council Tax	4,612	4,500	(111)
Council Tax	(4,571)	(4,571)	0
Collection Fund Deficit	(41)	(41)	0
Net Revenue Budget (Surplus) / Deficit	0	(111)	(111)

The main variances are:

Expenditure

- **All Employee-related costs net nil variance.** By the end of the financial year underspends in services arising from increasing vacancies in Q4, along with other employee expenses such as training costs compensated for some expected overspends earlier in the financial year. Budgets were adjusted for pay award, although as mentioned above, due to the overall revenue surplus, the proposed

funding from reserves was not required to be drawn down to cover the additional cost.

- **Supplies and Services £18k underspend.** Main areas identified are savings in insurance premiums of £96k due to a 6 month insurance renewal and £46k on Building Control fees after surplus distributions. This is offset by £32k increase in Public Conveniences cleaning contract due to additional cleaning requirements, plus £48k relating to prior years irrecoverable election expenses.
- **Vehicles and Transport £119k overspend.** Main areas identified are £59k overspend on Diesel due to price increases, £32k net overspend on short term hire vehicles pending replacement of 5 vans on leases, £15k additional costs of repairs by external garages and £47k on parts/materials (engine replacement).
- **Premises related £324k overspend.** Additional repair/maintenance costs of £201k, (£46k Public Conveniences, £20k Travellers Site, £85k Malton Depot, Community House & Ryedale House). Additional £94k in gas/electricity costs due to an increase in prices across all property, but primarily for Ryedale House, the Depot & Travellers site.

Income

- **Waste Collection & Recycling £212k surplus.** Surplus primarily relates to increase in prices for sale of recycled materials £174k, along with other smaller surpluses in Trade Waste income.
-
- **Fees and Charges £16k surplus.** This compares with a projected £191k deficit at Q3 and is largely the result of planning income exceeding expectations showing a change from the £132k shortfall forecast at Q3 to a £55k surplus at Q4. This is because of increased activity and a number of larger applications received.
- **Investment Income £313k surplus.** Additional returns generated as a result of interest rate increases during the year following base rate movements.
- **Government Grants £175k Surplus.** Various grants received in year to support costs such as LLC Transition and various Housing Grants to support service costs
- **General Government Grants £216k Surplus.** Surplus primarily relates to new burdens funding received to compensate for the costs of administering various Covid and Cost of living support measures

Capital Programme

- 5.6 The current approved programme for 2022-23 is £10,138k.
- 5.7 Within the capital programme, the main variances are shown below.
- 5.8 Expenditure for the year is £3.360m, with slippage of £6.572m.
- 5.9 The main variances relate to the following areas:
- (i) Industrial Units development (£2.26m) which is expected to progress in 23-24
 - (ii) Affordable Housing, with (£1.518m) programme delivery to continue in 23-24
 - (iii) Vehicle Replacement – slippage of £979k primarily due to reprofiling the purchase of Waste Collection service vehicles pending LGR and outcome of Government Policy.

CAPITAL SCHEME	TOTAL BUDGET 2022/23	Outturn 2022/23	VARIANCE
	£'000	£'000	£'000
Vehicle Replacement Programme	1,022	42	-979
Trade Waste Equipment	29	9	-21
Replacement of Garage Inspection pit	160	59	-101
Property Condition Survey: Investment Operation Assets	32	0	-32
Property Condition Survey: Milton Rooms	212	81	-131
Property Condition Survey: Car Parks	30	0	-30
Property Condition Survey: Streetlights	180	0	-180
Property Condition Survey: West Gate Carr	87	0	-87
Property Condition Survey: St Leonard's Wall	263	0	-263
Property Condition Survey: Former Transfer Waste Site	12	23	11
Property Condition Survey: Public Conveniences	37	37	0
Property Condition Survey: Unallocated	113	55	-58
Car Park Action Plan	100	75	-25
Industrial Units - New Development	2,290	31	-2,259
Milton Rooms - Ring-fenced for business case	32	32	0
Ryedale House - COVID safe adjustments	8	0	-8
Livestock Market	280	25	-255
Community Facilities in Pickering	200	67	-133
Malton and Norton Infrastructure	350	166	-184
Malton to Pickering Cycle Route	198	104	-94
Skatepark	50	50	0
IT Infrastructure Strategy	256	190	-67

Animal Welfare	45	0	-45
Cleaner Streets	60	0	-60
Aff HSG Init: Exception Sites Land Purchases	100	0	-100
Aff HSG Init: Railway Tavern	408	346	-62
Aff HSG Init: Extended Programme Delivery	2,012	758	-1,254
Aff HSG Init: Property Improvement Loans	136	33	-103
Aff HSG Init: Landlord Improvement Loans/Grants	50	0	-50
Privates Sector Energy Efficiency Grants	10	50	40
Private Sector Renewal - Disabled Facility Grants	653	677	24
Community Housing Fund	289	0	-289
Mortgage Rescue Scheme	21	0	-21
Flooding Contingency	252	316	64
Projects in Ryedale's Rural Communities	160	144	-16
TOTAL	10,138	3,297	-6,841

5.10 A number of programme variations are currently in the process of approvals, such as variations to the Industrial Units development. Any revisions to the programme will be added once necessary approvals are complete.

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial
Included in the body of the report
- b) Legal
There are no legal implications identified as part of this report
- c) Other
None to report, although in any report to Committee and Council, it will be noted that any proposals which may impact on Equalities, Staffing, Planning, Health & Safety, Climate Change, Environmental, Crime & Disorder will be assessed as part of the budget process.

Anton Hodge
Former Ryedale Chief Finance Officer (s151)

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Telephone No: 01609 534196
E-Mail Address: michelle.oates@ryedale.gov.uk

Background Papers:
None

Background Papers are available for inspection at: N/A

Management Accounts 2022/23

Results as at Quarter 4 - 2022/23

	Prior Year	Latest Approved	Full Year		Full Year	COMMENTS
	Actual	Budget	Actual	Budget	Variance	
INCOME						
Fees & Charges	(2,931)	(3,044)	(3,061)	(3,044)	(16)	Planning income exceeded expectations, turning from £132k shortfall forecast at Q3 to £55k surplus at Q4 due to increased activity and a number of larger applications received. Land Charges ended the year with a surplus (£15k), along Car Parks (£18k), Taxi Licence Fees (£10k). Council Tax court fee income ended the year with a deficit of £25k due to write-off, along with Pest Control £14k, Ryecare Income £20k and Property Rentals £22k.
Government Grants	(1,785)	(473)	(648)	(473)	(175)	£48k LLC transition and various Housing Grants to support service costs
Grants & Contributions Inc	(257)	(133)	(220)	(133)	(87)	Various smaller grants and contributions received towards costs in housing and economic development
Housing Benefits	(7,129)	(6,968)	(6,931)	(6,968)	37	Reduced cases of housing benefit overpayments
Investment Income	(55)	(84)	(414)	(84)	(330)	Additional returns generated as a result of interest rate increases in year
Waste Collection & Recycling Inc	(2,119)	(2,145)	(2,357)	(2,145)	(212)	As expected Kerbside recycling income generated a surplus of £174k due to sale price of recyclates, along with a number of smaller variances across the service
Recharges	660	(16)	(30)	(16)	(14)	
TOTAL SERVICE INCOME	(13,615)	(12,864)	(13,660)	(12,864)	(797)	
Salaries & Employee Costs	9,597	10,621	10,621	10,621	0	Underspend generated through vacancies, and underspends on training budgets etc offset additional costs in a number of services.
Supplies & Services	2,547	2,994	2,975	2,994	(18)	Savings in insurance premiums (£96k) due to 6 month insurance renewal, and Building Control Fees after surplus distributions (£46K) This is offset by £32k increase in New Public Conveniences contract based on twice daily cleans, £48k for irrecoverable elections expenses and various smaller under and over spends
Vehicles & Transport	866	824	943	824	119	Diesel £59k over spent due to higher prices, £32k net overspend on short term hire vehicles pending replacement of 5 vans on leases, £15k additional costs of using external garages for repairs, parts/materials are £47k above budget (including 1 replacement). Savings on vehicle insurance due to part year renewal (£25K)

Premises	1,658	969	1,293	969	324	Additional repair/maintenance costs of £201k (£46k public conveniences, £20k Travellers site, £85k for Depot/Community House & Ryedale House). Additional £94k in gas/electricity costs due to an increase in prices across all property, primarily Ryedale House, the Depot & Travellers site. Smaller variances across other budget headings
Drainage Board Levies	104	107	108	107	1	
Grants & Contributions	962	428	491	428	63	
Housing Benefit Payments	7,291	7,016	7,094	7,016	78	
Additional Capacity & Provisions	21	31	66	31	36	Bad Debt provision Increase
Interest Payable	52	55	57	55	2	
Capital A/c	212	159	153	159	(6)	
TOTAL SERVICE EXPENDITURE	23,309	23,202	23,801	23,202	599	
FINANCING & RESERVES						
Collection Fund (Surplus) / Deficit	(39)	(41)	(41)	(41)	0	
Council Tax	(4,483)	(4,571)	(4,571)	(4,571)	0	
NNDR	(1,624)	(2,318)	(2,318)	(2,318)	0	
RSG	0	0	0	0	0	
General Government Grant	(2,396)	(1,374)	(1,590)	(1,374)	(216)	Surplus primarily relates to new burdens funding received to compensate for the costs of administering various Covid and Cost of living support measures
Transfers to / from Reserves	(628)	(2,035)	(1,733)	(2,035)	303	Drawdown to cover pay award not required (£330k)
TOTAL FINANCING & RESERVES	(9,171)	(10,339)	(10,252)	(10,339)	87	
GF (SURPLUS) / DEFICIT	523	0	(111)	0	(111)	

SUBJECT: FINANCIAL OUTTURN 2022/23**RECOMMENDATION (S):**

- (i) Note the financial outturn position for the 2022/23 year, and in particular the **£0.42m overspend against the revenue budget for the 2022/23 year**, which has been drawn from the General Fund Reserve.
- (ii) Note that, that the Council will **transfer uncommitted reserve balances of £11.1m to the North Yorkshire unitary Council on 31 March 2023**, which is £3.1m higher than the approach set out in the 2022 Financial Strategy;
- (iii) Note that **in addition to the above £11.1m the Council will hold additional, currently uncommitted, resources of £2m**, made up as follows:
 - £1m in additional capital receipts generated from asset sales
 - £1m in monies earmarked for the progression of schemes in the Scarborough and Whitby Blueprint

These monies will transfer to the North Yorkshire unitary Council on 31 March 2023 and will be available to progress aspirational, priority projects, such as the Scarborough town centre cinema development, as well as essential infrastructure and property maintenance works;

REASONS FOR RECOMMENDATIONS

- To update members on the final outturn position for the year ended 31 March 2023.

HIGHLIGHTED RISKS:

That the Council overcommits its available revenue resources.

1. INTRODUCTION

- 1.1.1 The Council is committed to a performance management culture which underpins a focus on continuous improvement. Regular monitoring of the Council's finances is a key component of the performance management framework and Cabinet are presented with financial monitoring reports throughout the year.

- 1.1.2 Cabinet were presented with a financial monitoring report covering the first half of the 2022/23 financial year (April 2022 to September 2022) in December 2022. This report provides an update on the final outturn position for the year.
- 1.1.3 The 2022 Financial Strategy set out that uncommitted reserve balances of £8m would be transferred to the new North Yorkshire unitary council on 31 March 2023 as a minimum. A final position is set out within the body of the report.

2. CORPORATE AIMS / PRIORITIES

- 2.1 This report covers all Corporate Objectives.

3. BACKGROUND AND ISSUES

3.1 REVENUE OUTTURN FOR 2022/23

- 3.1.1 In December 2022 the Quarter 2 (Q2) forecast outturn projection for 2022/23 was presented to Cabinet (report ref 22/253). That report was based on figures available to the end of September and set out that a £1m net revenue overspend was anticipated for the 2022/23 year.
- 3.1.2 It was noted that this was a prudent projection which did not include unannounced, but anticipated new burdens funding or further savings likely to accrue from staffing vacancies in the remainder of the year. It was also noted that should the deficit materialise it will be predominantly funded through a £750k contingency reserve (see 3.1.6) held to fund ongoing pressures that might occur.
- 3.1.3 The projected net revenue overspend was caused by exceptional inflationary cost pressures on staffing costs, utilities and fuel.
- 3.1.4 **The reported deficit for the year is £0.42m**, which is an improvement of £0.58m when compared to the Q2 projection. The significant outturn budget variations to note for the 2022/23 year are summarised below:

Budget surpluses:

- £1,000k Interest income
- £292k Commercial waste income
- £100k Crematorium
- £460k Car Parking
- £384k New Burdens funding
- £384k Salary Savings through vacancies

Budget shortfalls:

- £226k Homelessness Temporary Accommodation
- £243k Housing Benefits subsidy
- £116k Whitby Harbour
- £250k Audit Costs
- £191k Fuel
- £159k Open Air Theatre
- £150k Cliff Lifts
- £530k Salary costs though pay award
- £380k Staffing Agency costs
- £175k Planning income
- £425k Utilities

3.1.5 Appendix A provides further narrative on each of the above areas. The significant variations between the projected £1m shortfall outturn position reported at Q2 and the final outturn position predominantly relates to:

- £207k in additional new burdens funding
- £110k additional car parking surplus
- £107k utilities

3.1.6 When the 2021/22 budget was established the country remained in the midst of the covid pandemic. To address the ongoing financial risks associated with potential future lockdowns, and the effects on income and service delivery, the Council established a contingency budget of circa £920k in the setting of its 2021/22 budget. Only £170k of that budget was utilised during the 2021/22 financial year, and the remaining £750k was transferred to Earmarked Reserves to fund ongoing pressures that might recur in 2022/23. This approach was set out in the Council's 2022 Financial Strategy. These monies were not required to be drawn down in the year and are therefore included within the detailed uncommitted reserves figure.

3.1.7 The £0.42m in-year revenue budget deficit for the 2022/23 year has been drawn from the General Fund Reserve.

4. OUTSTANDING ISSUES

4.1 WATERPARK - BENCHMARK

In April 2014 the Council entered into a supplemental agreement with Benchmark Leisure Limited (Benchmark) relating to the construction of the Water Park phase of the Sands Development. Under the terms of the agreement Benchmark were responsible for constructing a Water Park at an anticipated cost of £14.1 million. The first £5.1 million of the construction cost was funded from Benchmark's own funds and the Council then provided funding of £9 million by way of a loan. Benchmark were responsible for any cost overruns.

The Council's loan was paid to Benchmark on a staged basis as the works progressed in accordance with agreed development milestones. Whilst the Water Park was being constructed any interest and finance costs incurred by the Council were added to the outstanding loan amounts and thereafter a fixed, commercial rate of interest is applied to outstanding amounts.

On practical completion of the Water Park the Council granted Benchmark a 35 year lease on the facility and Benchmark now pay the Council fixed, commercial rentals on that lease. The rental payments are used to repay the outstanding loan amounts. And also provide an interest income to the council as the loan was provided at commercial rates.

There are currently arrears outstanding on rental repayments and a wider piece of work is required with regard to the agreement. Prudently the minimum Revenue Provision required to repay the loan amount of £9m over 35 years has been provided in the year. This is currently at detriment to the council as a result of the outstanding rental payments. In addition no provision has been made for any interest receipts relating to outstanding payments.

A wider piece of work is required with regard to the agreement and position as at 31 march 2023. This will be done as part of the production of the Financial Statements.

5. IMPLICATIONS

5.1 Policy

No direct implications.

5.2 Financial

Set out in this report.

5.3 Legal

No direct implications.

4.4 Staffing Implications, Planning Implications, Crime and Disorder, Health & Safety, Equalities & Diversity and Environmental & Sustainable Development Implications

No specific implications.

Authors:



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Background Papers:

Financial Strategy and Council Tax Setting 2022/23

Financial Outturn 2021/22 and 2022/23 Financial Monitoring Update to 30
September 2022

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY
OF THE BACKGROUND PAPERS, PLEASE CONTACT Kevin Wardell e-mail
kevin.wardell@northyorks.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	Sept 2022	Resources are overcommitted	Insufficient funds transferred to NY Council to address future financial risks	- Pre-determined minimum levels for reserve balances - Robust assessment of projected reserve balances	B4	B4	Head of Finance	None
2	Sept 2022	Financial Management arrangements not in place	- Overspends and requirement to draw from General Fund Reserve - External Auditor criticism	- Robust budget monitoring process - Quarterly monitoring reports to Cabinet	B4	B4	Head of Finance	None

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
		Likelihood				

Likelihood:

A = Very Low
 B = Not Likely
 C = Likely
 D = Very Likely
 E = Almost Certain

Impact

1 = Low
 2 = Minor
 3 = Medium
 4 = Major
 5=Disaster

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
Interest Income	<p>The Council has held a prudent budget with regard to Interest receivable. The base budget is established based on average cash balances of £15m returning a rate of 0.95%.</p> <p>Current longer term deposits are achieving rates towards 4%, and although the average rate throughout the year is just over 2% average balances of £50m have resulted in a full year income figure of £1,126k, and a subsequent surplus of £1,000k against budget.</p>	1,000
Commercial Waste	Higher income, primarily driven through Holiday let collection charges. In order to benefit from the Governments COVID-19 Business Grants Scheme the owners of many Council Tax rated holiday let properties transferred properties to Business Rates. Resultantly these properties are now liable for the payment of commercial refuse collection rates.	292
Cemeteries and crematorium	Income surpluses realised through the year driven by increased volume.	100
Car parking	<p>In line with the previous year increased visitor numbers throughout the summer season provided a welcome financial boost for the Council, and significant income surpluses were realised from car parking and seasonal attractions.</p> <p>The final outturn position shows a £460k surplus which compares with £773k surplus achieved in the previous year. This compared to a projected outturn surplus of £350k reported at Q2.</p>	460
New Burdens funding	<p>The Council received a number of one-off grants during the year, which predominantly relate to new burdens that the Council took on during the pandemic in relation to the administration of C Tax rebates, Business Rates relief and Test and Trace support payments.</p> <p>The majority of the work associated with the administration of these payment schemes was absorbed within the Housing Benefit and Recovery Teams during the last financial year, therefore this grant income could be treated as a one-off in year revenue budget surplus for 2022/23. The outturn surplus relating to these grants was £384k, compared to a projected surplus of £177k at Q2.</p>	384

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
Business Rates pool dividend	Business Rates pool dividend relating to the West & North Yorkshire Business Rates pooling arrangements	1,495
Homelessness	<p>The impacts of the pandemic and the Governments “everyone one in” initiative resulted in an unprecedented requirement for temporary accommodation. As a result the Council continues to incur a high level of additional costs associated with increased demand for temporary accommodation and the provision of accommodation for rough sleepers. The Council does not have a sufficient pool of housing association owned temporary accommodation to meet demand and is therefore heavily reliant on utilising B&B and hotel placements to meet its duties. Additional costs against budget of £945k were incurred throughout 2022/23, partially offset by additional Government grants of £156k above budget. Net additional costs in the year therefore were £789k.</p> <p>Increases in Government grants and one off funding streams received in earlier financial years in respect of homelessness activities have been prudently retained within a specific temporary accommodation reserve to provide funds for spikes in demand and investment in longer term sustainable measures.</p> <p>The reserve stood at £563k and was subsequently utilised to contribute towards the in-year shortfall. This reserve at Q2 was anticipated to be sufficient to meet the projected in year additional costs. Continuing issues with the cost of providing temporary accommodation for the homeless will continue next year, driven both by an increase in demand and also inflationary increases in the costs of the provision.</p> <p>Officers have communicated with colleagues at North Yorkshire Council with regard to these ongoing budgetary issues and the demands of the service with an growth of £759k incorporated into 2023/24 budgets.</p>	(226)
Housing benefits subsidy	<p>The annual net budget for Housing Benefit (HB) subsidy for the year was based on achieving a net income of £265k. This surplus has historically been achieved through the recovery of HB overpayments.</p> <p>The levels of HB overpayments has reduced in recent years following the introduction of Universal Credit, and this, along with the pressures caused by the pandemic, reduced the potential for recovery. The final outturn surplus for this area was £22k, resulting in an in year shortfall of £243k. This area continues to be a budget pressure in the 2023/24 year with £120k of growth currently built in.</p>	(243)

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
Whitby Harbour	<p>Income derived through both commercial and fishing dues (£31k) together with historic shortfalls in rental incomes (£40k) have contributed to an in year shortfall across the Whitby harbour service areas.</p> <p>In addition an annual budget exists for income to be derived through obtaining external contracts for dredging services at alternative ports. No such income was achieved in the year</p>	(116)
Audit Costs	Audit costs have seen steady increases over a number of years, however the Council's on ongoing dispute with regard to the Whitby Harbour has resulted in significant additional works. These works backdate to 2015 and when considered together with other more minor objection works have resulted substantial outstanding fees. A full estimated breakdown has been received from the auditors and a provision in full has been made within the 2022/23 financial statements.	(250)
Fuel	<p>Fuel costs for running the Councils fleet have exceeded budget by £191k driven by increases in the cost of HVO Fuel and diesel £114k and increased usage from previous years £87k. One off funding was approved in order to undertake a twelve month trial of Hydrotreated Vegetable Oil (HVO) fuel as a replacement for fossil diesel using the bunkered fuel station at Dean Road Depot. Funding of £76k was provided based on a differential of 21.24ppl and an annual usage of 360,000 litres.</p> <p>A steady rise in the price of HVO fuel throughout the year saw the price differential between the fuel types increase to in excess of 45ppl by Oct 2022. This increase in the cost of HVO fuel is the primary driver behind the overspend.</p>	(191)
Open Air Theatre – other	<p>Deferral of repayments for the capital works to the stage to reflect the financial situation caused by the pandemic (£71k). These payments are to be re-instated for 2023/24 at an increased value in order to recompense the Council for borrowing undertaken to carryout the works. Minimum Revenue Provision has been provided in the year for the in order to reduce the Council financing requirement.</p> <p>In addition inflationary increases on toilet hire and security together with reduced income through "The Venue" have compounded increased staff costs.</p>	(159)
Cliff Lifts	Issues with the Cliff lift at the Scarborough Spa resulted in the temporary closure of the facility throughout the 2022 summer season. Following restoration works carried out throughout the summer, a fully operational lift was reopened in September. As a result of the closure for the first half of the financial year income was £94k lower, while additional costs have been incurred on the provision of a temporary bus service allowing access to the Spa from South Cliff.	

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
	<p>Due to the closure of the cliff lift throughout the 2022/23 summer season it was agreed that a replacement bus service would be provided in order that chalet users, particularly those with mobility issues, can travel up and down the cliff.</p> <p>It has become apparent the Whitby cliff lift will not be operational throughout the 2023 summer season as the nature of the works are complex than originally envisaged. Resultantly an allocation of £100k has been put aside to fund the temporary replacement bus service throughout 2023 and any feasibility studies required to address the long term viability.</p> <p>The shortfalls against budget relate to the 2022/23 financial year in isolation. It is anticipated the Scarborough cliff lift continues to be operational throughout the 2023 summer season.</p>	(150)
Salary contingency and savings from vacant posts	<p>Salary savings arising through both vacancies held and not filled due to LGR and potential restructurings and also temporary vacancies arising through delays in recruitment.</p> <p>Difficulties in recruitment and uncertainty around future requirements following LGR has resulted in an increased reliance on agency staff. Recruitment difficulties have been particularly felt in both the planning and Asset Management services.</p> <p>The Local Government Association confirmed in Nov 2022 that agreement had been reached with regard to the 2022/23 pay offer for Local Government Employees. The agreement resulted in a pay award of £1,925 for all NJC pay points, contrasting with the Councils established budget of 3%.</p> <p>The nature of the flat rate pay award resulted in increases significantly in excess of budget. The make-up of the Councils workforce dictated that the costs to the Council fell well in excess of 3% for a significant proportion of employees.</p> <p>Total costs of the pay award totalled £1.8m, resulting in a £600k overspend, partially offset by in year reductions in employers NI rates. These additional costs are driven purely through the inflationary pressures of the national pay awards rather than overspends within specific services.</p>	<p>384</p> <p>(380)</p> <p>(530)</p>

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
Planning	<p>The pandemic impacted on planning fees primarily in two areas. A suppression of previous year applications as architects and other related services were restricted due to national lockdowns unwinding, and higher levels of applications as homeworking and uncertainties around foreign holidays entice people to invest in their homes.</p> <p>This resulted in an increase in fees in the previous year (2021/22) due to the increased volume, together with some large scale developments across the Borough. However following the immediate upsurge lower and a reduction in large scale developments in the year deficit of £175k has materialised.</p>	(175)
Inflationary cost pressures on utilities and fuel	<p>Electricity Recent unprecedented uplifts in wholesale prices continue to apply pressure on utility budgets across all sites. Electricity costs are particularly impacted with a full costs of £1,035k against a base budget of £737k.</p> <p>Following the expiration of the previous supplier agreement in Oct, officers together with the Councils energy advisors have entered into a new contract. The impact of the revised prices would have seen a cost increase in excess of 110% resulting in overspends against budget of £538k. Following the Governments introduction of the energy price cap scheme, together with revised usage estimates, this resulted in additional costs for 2022/23 of £298k.</p>	
	<p>Gas The Councils supplier contract for Gas covers the periods April to March 23 and therefore in year costs have not been as susceptible to raises in wholesale prices.</p> <p>While not as material as electricity price increases, wholesale gas prices have resulted in additional costs of £102k. The primary driver for the increase relates to the Whitby Pavilion where issues surrounding meter readings between suppliers resulted in delays in agreeing new contract terms. Due to the timing of these delays in a period of high volatility in energy prices new contract prices saw an increase of 600% on unit costs.</p>	
	<p>Water Costs for the provision of water has exceeded budget by £26k primarily as a result of prior year adjustments on charges. These charges affect various sites across the Borough driven by catch up meter reads against billed estimates. The Council continues to receive charges based on estimated usage for the vast majority of its sites.</p>	

REVENUE OUTTURN 2022/23 – SIGNIFICANT BUDGET VARIANCES

Service area	Narrative	Outturn Surplus / (Shortfall) £'000
	Overall in year utility charges have resulted in an overspend of £425k against budget. Budget growth of £1.1m has been provided for 2023/24.	(425)

Selby District Council – General Fund and Housing Revenue Financial Results and Budget Exceptions Report to 31st March 2023

Summary:

After carry forwards of £921.2k, the full year revenue outturn in the general fund is a surplus of (£2,145k) driven primarily by the release of unused contingency funds relating to LGR and covid-19 (£1,318k), investment interest returns on the back of base rate increases (£249k), favourable variances across a number of other income streams and some areas of reduced expenditure levels. In the HRA, full year revenue outturn after carry forwards of £20k, is a (£456k) surplus, with higher investment income (£475k) and lower bad debt provision (£222k) being partly offset by lower rents due to voids of £127k and savings not being achieved of £195k. The key variances are highlighted in the report with further detail in Appendix A.

As a result of LGR, most savings were deferred from 2022/23 with the exception of the £195k saving in the Housing Revenue Account for the housing system. However as reported in previous quarters, this was not achieved this year as implementation of key components of the system was only achieved in quarter 4.

Programme for Growth spend was £2,150k in the year which was £2,745k lower than budget. Of the in-year spend, £1,033k was staffing costs. Other areas of notable spend include Transforming Cities Fund, high street shop fronts and towns projects as well as the Tadcaster flood grant scheme. The underspend is recommended to be rephased to future years. Project by project progress is shown in Appendix C.

Recommendations:

Recommendations:

It is recommended that Members approve:

- i) The rephasing of the Programme for Growth funds as set out in Appendix C.
- ii) The surplus of £2,145k in the General Fund be transferred to the Business Rates Equalisation Reserve.
- iii) The HRA surplus be transferred to 'HRA Major Repairs Reserve to support the future capital programme and to cover the £277k capital overspend reported at Q3 to cover Boiler Replacements.

Reasons for recommendation

To allow projects and initiatives not completed in year to be rolled over to the following year and to make adequate appropriations to reserves in the General Fund and HRA to mitigate future spending priorities.

1. Introduction and background

- 1.1 The revenue budgets were approved by Council on 24 February 2022, this report and associated appendices present the end of year financial performance as at 31 March 2023.
- 1.2 There are areas of the Council which have had resourcing issues, and additional workload pressures resulting from Local Government Reorganisation. This has, in some areas, impacted on delivery.

2. Main Report

General Fund Revenue

- 2.1 For the year 2022/23 after proposed carry forwards, the Council's General Fund activities resulted in a surplus of (£2,145k). Details of the variances against budget are set out at Appendix A.
- 2.2 The table below shows the summary position at the end the financial year.

General Fund Account 2022/23 Outturn	Latest Approved Budget £000's	Outturn £000's	Outturn Variance £000's
Service Income	-32,979	-30,881	2,098
Service Expenditure	47,266	42,036	-5,230
Accounting adjustments / non-service budgets	-14,287	-13,300	987
Total Surplus / Deficit	0	-2,145	-2,145

- 2.3.1 The main forecasted variances against the General Fund are:

- Unspent LGR and Covid-19 contingencies released (£1,318k).
- A net surplus of (£217k) on the waste and recycling service driven by a number of factors including: the continued increase in the rate per tonne received for paper and card (£474k); and growth in waste customer base (£76k). These were partly offset by £197k additional costs which included: the increase above budget on contract inflation, higher costs for trade waste disposal; an increase in gate fees costs of fly tipping; and the bulk purchase of wheelie bins. Recycling Credits had a £54k shortfall against budget due to the dry summer reducing the amount of green waste collected.

- Increased interest rates and higher balances have resulted in an additional (£1,238k) of investment income in year. The £350k policy cap on investment income approved as part of the Medium-Term Financial Strategy means that £989k of this has been transferred to the Contingency reserve. This leaves an overall favourable variance of (£249k).
- There is a net saving of (£128k) on salaries as vacancy levels are unusually high due to a number of posts not being recruited due to LGR.
- New burdens support grants totalling (£164k) for the delivery changes to services including the council tax support grant were not included in the budget.
- There were underspends in year on IT budgets including lower licencing payments resulting in a (£127k) saving.

Housing Revenue Account (HRA)

- 2.4 The outturn shows a (£456k) surplus which will result in an increase in the transfer to the major repairs reserve from £4,310k to £4,766k.
- 2.5 The table below shows the summary position at the end of the financial year. Full details of variances against budget are set out at Appendix A.

Housing Revenue Account – Outturn	Budget £000's	Outturn £000's	Variance £000's
Net Revenue Budget	8,339	7,755	(584)
Dwelling Rents	(12,649)	(12,521)	128
Net (Surplus) / Deficit transferred to Major Repairs Reserve	(4,310)	(4,766)	(456)

- 2.6 The main forecasted variances against the HRA surplus are:
- (£475k) forecasted additional investment interest due to base rate increases.
 - While phase 2 of the Housing Development programme has been suspended, there will not be the requirement to borrow additional funds generating a (£60k) saving. To counter that, the HRA Business Plan assumed for every property sold there would be a replacement to maintain stock levels. To date 10 properties have been sold with 2 additions. This has an impact on rents generated.
 - Housing rent collection forecasts to date shows a £127k shortfall resulting from higher than budgeted void levels. This is mainly due to the condition properties are left in when vacated and the time needed and resource available to bring back in to use. Contracts have been agreed to progress bringing properties back in to use and as a result

void rates did fall in Q4. The issue is also exacerbated by the number of property sales v acquisitions in year as highlighted above.

- The £195k saving which would be generated from the implementation of the housing system has not been achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19 and LGR.
- There was an increase in gas servicing costs for repairs to boilers £110k which were a combination of inflation on the servicing being above budgetary assumptions, increasing costs of parts and materials. Repairs were undertaken where possible to reduce the pressure on the boiler replacement capital programme due to the high volume of boilers failures contributing to the high volume of replacements highlighted at Q3.

Planned savings

- 2.7 All new general fund savings have been delayed to 2024/25, post Local Government reorganisation (LGR).
- 2.8 The £195k saving in the Housing Revenue Account for the housing system will be aligned to delivery of phase 2 of the project which was only delivered in Q4. Savings may not be realised until future years and resource requirements for local government reorganisation may impact on delivery timescales.

Programme for Growth (PfG)

Programme For Growth 2022/23	Full Year Budget £k	Full Year Outturn £k	Full Year Variance £k
Expenditure	5,019	2,150	-2,869
Funded by :			
Reserve	-4,365	-1,716	2,649
Grant Funding	-654	-434	220

- 2.9 The total programme for growth for delivery from 2022/23 onwards is £19,150k of which £2,150k was spent in 2022/23 against a profiled budget of £5,019k.
- 2.10 The pay award offer has increased P4G salaries, but this is expected to be funded from existing vacancies in the programme.
- 2.11 Significant in year variances include:

- £374k underspend on Sherburn Legacy projects. Applications have been received for an additional two schemes, White Rose and Fairways. Consideration of these applications was anticipated to conclude in the 2023/24 financial year, however further approvals are required to proceed with these schemes. Should these be obtained, then this expenditure is anticipated to be concluded in Q1 2023/24.
- £1,259k underspend on the Selby TCF Capital project. £750k of underspend relates to further purchases of land adjacent to the TCF site area originally anticipated to conclude in 2023/24, now expected to conclude in early 2023/24. A general fund of £500k was included within the 2022/23 budget for any unforeseen costs, not reclaimable from West Yorkshire Combined Authority that was ultimately not required in year.
- £133k underspend on Selby District Housing Trust. Funding allocated to assist with the wind up of the Trust. The proposed approach as to the wind up of the Trust has been approved by the Charity Commission. Final discussions are therefore ongoing with the Trust, and as such expenditure on this budget is anticipated to be incurred in 2023/24.
- £162k underspend on Tadcaster Community Support Trust. Under the grant framework, funding is to be released in phases subject to achievement of agreed milestones. Milestones were originally anticipated to be achieved within the 2022/23 financial year, however this is now expected to be achieved in 2023/24.
- £138k of underspend relating to P4G funded staff posts, driven by sustained vacancies.

2.12 A full breakdown of project spend and variances can be found in Appendix C.

3. Alternative Options Considered

Not applicable.

4. Implications

4.1 Legal Implications

There is a legal requirement to balance the budget.

4.2 Financial Implications

There are no financial implications beyond those highlighted in the report.

4.3 Policy and Risk Implications

Increased budget pressure from rising prices, in particular on Programme for Growth, could put more pressure on budgets in future years.

4.4 Corporate Plan Implications

The financial position and performance against budget is fundamental to delivery of the Council Plan, achieving value for money and ensuring financial sustainability.

4.5 Resource Implications

Resource requirements for Local Government Reorganisation has put considerable pressure on the Council to deliver all of its priorities from the Council plan.

4.6 Other Implications

None.

4.7 Equalities Impact Assessment

There are no equalities impacts as a direct result of this report.

5. Conclusion

5.1 The general fund at the end of the year has a (£2,145k) surplus for the year. (£1,318k) of this surplus is due to the release of contingency budgets which were not required plus increased income from waste services, investment returns and improved performance in planning income in quarter 4.

5.2 Interest receivable exceeded the (£350k) cap in the general fund by (£989k), resulting in a £989k transfer to contingency reserve as per the medium term financial strategy.

5.3 The housing revenue account is forecasting a (£456k) surplus which is proposed to be transferred to the Major Repairs Reserve to support future capital spending.

5.4 There has been increased pressure on resources and capacity to deliver the Council's priorities with local government reorganisation requiring considerable resource especially in the second half of the year. This is particularly evident in programme for growth.

6. Background Documents

None.

7. Appendices

Appendix A – General Fund and Housing Revenue Account Revenue budget exceptions.

Appendix B – General Fund and Housing Revenue Account Savings.

Appendix C – Programme for Growth.

Contact Officer:

Peter Williams
Head of Finance
Selby District Council

GF Management Accounts 2022-23
Results as at 31st March
General Fund

	Previous Year Actuals	Original Budget	Latest Approved Budget	Year to Date		Variances	Comment
	Actual	Budget	Budget	Actual	Budget	Year to date Actual	
	£k	£k	£k	£k	£k	£k	
Income							
Investment Income	-374	-400	-400	-1,638	-400	-1,238	Annual return on Council Investments shows a y/e surplus of £1,238k, driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases any excess income earned above a £350k income ceiling is transferred to Contingency Reserve. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 4.25%. Revenue returns on Council Property Funds and loans to SDHT broadly match budget.
Recharges	-10,626	-12,004	-11,985	-11,164	-11,985	820	The main driver for this shortfall in recharge income is the vacancy level across services which has reduced support service costs below. The largest element is a £507k Rent Allowance and Rebate shortfall, a decrease in debtors and cash collected for overpayments and a decrease in bad debt provision, there are savings against debt write offs in year and benefit payments, combined with subsidy neutralise the position (see below). The Lifeline service has a shortfall of £85k against its income target for the year, this is from the lack of customer growth in the service. There is a shortfall of industrial unit income £30k from occupancy levels due to condition, the approved investment programme will contribute to rectifying it. The Trades Team did not generate any income from commercial work £50k, this is due to capacity in the team where the focus is on void property and responsive repairs. Recycling Credits and income are short of target by £54k, this is down to reduced green waste from the dry Summer and reductions in dry recycling post Covid lockdown. Income from Council Tax and Business Rates Summons has fallen short by £47k. There is a shortfall of £30k on Industrial Unit income from occupancy levels due to condition. Civic Centre rental income is £21k under budget due to no room hire income. Planning fees had an upturn in the final quarter with some large applications received turning round the forecasted shortfall at Q3 to an overall surplus of (£51k) at year end. Commercial Waste income ended the year ahead of budget by (£76k), this is due to maintaining and increasing the customer base through the pandemic and recycling services available. Property Rents exceeded budget by (£74k), this is due to payment of accrued arrears for Burn Airfield being much higher than anticipated and revised rents for some properties. The Summit while used as a vaccination centre generated (£36k) in rental income. Numerous smaller variances contribute to reducing the net shortfall.
Customer & Client Receipts	-6,094	-4,858	-6,006	-5,567	-6,006	439	
Government Grants	-9,920	-11,634	-11,771	-9,720	-11,771	2,051	£2,065m reduction in benefit grants reflective of the current amount of benefits paid out below. (£39k), New burdens funding in relation to the Council Tax Rebate Scheme, Housing Benefit resource management grants (£28k) received offset by reduced Admin Subsidy £9k.
Other Government Grant	-2,570	-1,816	-1,838	-2,083	-1,838	-245	Various new burdens funding including, Council Tax Support (£77k), Council Tax Discount for family annexes (£14k), Business Rates Reliefs (£43k), New Licence Checks (£4k), Redmond Review to cover increased Audit costs (£18k) & Transparency Code (£8k).
Other Grants/Contributions Etc	-7,404	-271	-979	-626	-979	354	Release of LRSG funding to match repayment of grant was actioned in 2021/22, unfortunately this was settled in 2022/23. All funding has been accounted for but spanned 2 years, leaving a £367k shortfall in 2022/23.
Leisure Services VAT Refund				-83		-83	HMRC VAT settlement refund against Leisure income pre 2009 before the service was outsourced to IHL.
Total Service Income	-36,988	-30,984	-32,979	-30,881	-32,979	2,098	
Expenditure							
Employees	8,598	8,699	9,133	9,005	9,133	-128	A £364k Vacancy factor target was set for the year and has now been achieved driven by vacancies and recruitment challenges to vacant posts. However, the pay award built into the budget was at 2%, but a £1,925 flat increase was paid to all staff (pro-rata) which created substantial upward pressure on the budget impacting on the net saving.
Premises	1,043	1,059	1,086	1,007	1,086	-78	(£154k) Savings have been achieved from the Summits running Costs, final NNDR settlements for 2021/22 & 2022/23 were much lower than previously anticipated offset in part by management fees and energy costs reimbursements to IHL, (£37k) savings from the former Contact Centre site from saved rents and running costs and savings from work at closed burial grounds (£21k) from slow progress being made with the Diocese. £100k is the impact of contractual inflation (RPX @ September 22 is 12.4%) for grounds maintenance and additional costs for adopting the Staynor Hall estate, this increase is to be covered by S106 receipts but these will not be received in year to offset. There are increased premises costs across the car parks £38k, particularly around repairs & maintenance, costs for ticket machine card payment costs and NNDR.
Supplies And Services	18,426	9,366	12,483	12,201	12,483	-282	There is a net saving (£217k) for the waste and recycling service, including Commercial Waste, significant savings on commodity payments (£474k) calculated using costs for bulking, haulage, processing and the offset for income received for recycling materials. There continues to be a consistent high rate per tonne received for paper and card, this income and that for cans, plastic and glass is offset against the cost that would be levied to us by Urbaser Ltd. This saving is offset in part to inflation on the contract anniversary being significantly higher than budgeted (12.4% September 22 RPX). There are significant savings on Data & Systems Software (£127k) including Licence payments. There are savings on the Building Control contract fee (£37k), this is from a higher than expected surplus for the final 21/22 which is netted out against the contract fee and an estimated surplus for 22/23. There are smaller savings on lower than expected Bank Charges (£20k), Democratic Core, Scrutiny & Standards Committee (£27k). Development Management saw increases in costs in particular for specialist and consultancy support £52k required to support applications for conservation and contaminated land reports and advice. There are costs for External Audit Fees £26k in line with expectations for 21/22 & 22/23, a shortfall in the savings target for small procurement schemes that will not be achieved £24k, costs of Finance support to SDC from NYCC as part of Better Together £26k, costs for Council Tax & NNDR Collection £29k and increased Licencing costs £23k, the majority being for Taxi Licencing in part offset by increased income.
Transport	124	147	159	135	159	-24	The majority of this saving is from various car allowances across services.
Benefit Payments	9,627	11,610	11,591	9,038	11,591	-2,553	There continues to be a reduction in housing benefit claims caseload as Universal Credit continues to roll out, therefore rent allowances and rebates are under budget. As mentioned in Customer & Client receipts, there is a reduction in income from overpayments and reduced write offs and a reduction in subsidy in Government Grants.
Support Services	7,469	8,571	8,571	7,760	8,571	-811	See comment above in recharges for offset and explanation.
Third Party Payments	973	-27	964	991	964	27	The variance is the net result of the funding approved to cover the expected annual costs of providing leisure services against the previously budget contract position.
Drainage Board Levy	1,760	1,886	1,886	1,823	1,886	-63	Inflation increases anticipated when setting the budget were higher than actual levies.
External Interest Payable	75	75	75	75	75		
Contingency		1,972	1,318		1,318	-1,318	Unused Contingency
Total Service Expenditure	48,095	43,359	47,266	42,036	47,266	-5,230	
Accounting - Non Service budgets							
Total Accounting & Non Service Budgets	-11,107	-12,375	-14,287	-13,300	-14,287	987	Interest on cash investments exceeds the £350k cap by £989k which is transferred to Contingency Reserve.
Net Total				-2,145		-2,145	

HRA Management Accounts 2022-23
Results as at 31st March
HRA

Appendix A

	Previous Year Actuals	Original Budget	Latest Approved Budget	Year to Date		Variances	Comment
	Actual £k	Budget £k	Budget £k	Actual £k	Budget £k	Year to date Actual £k	
Income							
Investment Income	-65	-43	-43	-517	-43	-475	Annual return driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 4.25%.
Garage Rents	-91	-109	-109	-86	-109	23	A shortfall in Garage income as sites have been identified and cleared for HDP schemes, the budget has not been reduced to reflect that position.
Housing Rents	-12,111	-12,649	-12,649	-12,521	-12,649	127	Ongoing shortfall in rents against budget. This follows the ongoing impact of Covid-19 on households, cost of living increases on families impacting on collection rates and higher than anticipated void levels (70 properties requiring work, 93 @ Q3). The void refurb programme is now well underway and contractors are actively working on the considerable amount of refurbishment issues that can't be delivered by our Trades Team, as the work continues we should begin to see a meaningful reduction in void numbers but will be dependant upon the amount and condition of property that comes back in to management.
Customer & Client Receipts	-192	-153	-153	-179	-153	-26	Income returns for alternative heating system installs (£29k) offsetting increased gas servicing charges in premises and property services charges (£11k). Given the low number of Right to Buy sales for the year (10) against an expected 20 for the year had a shortfall in administration funds £13k.
Recharges		-18	-18		-18	18	Internal rechargeable works on corporate buildings have not been taking place due to Covid-19 restrictions and prioritisation of resources available, therefore no charges raised to date in this financial year.
Total Service Income	-12,460	-12,972	-12,972	-13,304	-12,972	-332	
Expenditure							
Employees	70	75	75	75	75		
Premises	746	792	787	882	787	95	This is made up of a number of items. There is a shortfall in budget for Gas Servicing £110k due to increased properties having a gas supply, costs of servicing and repairs from inflationary increases and more frequent failures because of the age of the boilers where repairs have been made rather than replacement because of pressures on the capital budget, this is slightly offset by savings on solid fuel servicing (£32k) as systems are being replaced with gas heating and alternative systems. There are increased energy costs due to the ongoing energy crisis, year end bills and estimates give a £12k shortfall. There are net savings of (£17k) across Hostel & Temporary Accommodation running & repair costs, but increased costs for Pumping Station maintenance £19k partially offset by smaller savings for septic tank emptying and increased specialist cleaning and running costs at the Community Centres £25k.
Supplies And Services	1,268	1,304	1,298	1,257	1,298	-41	There are several variances that make up this balance. The use of subcontractors has generated a net saving of (£24k), this from reduced responsive adaptation work trends off set by responsive repair contractors filling in for vacancies in the trades team, particularly electricians. Using subcontractors has reduced material spend although prices continue to rise (£39k). A saving of (£15k) has been achieved on Tenant Participation services. The new housing system has generated IT savings of (£28k) on annual maintenance costs. The high level of voids is impacting on rents and the in house team are continuing to turn round the standard but numbers remain fairly consistent, but as a result of this work and empty property costs such as specialist cleaning and council tax charges overspent by £99k.
Support Services	2,788	2,816	2,836	3,021	2,836	185	The £195k saving which would be generated from the implementation of the housing system will not be achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19 and LGR. Salary savings in the GF passed through to the HRA (£10k).
Transport	54	148	148	133	148	-15	Saving on the cost of renting vans over the year (£18k).
Debt Management Expenses	6	6	6	6	6		
External Interest Payable	1,847	1,901	1,901	1,842	1,901	-60	No additional borrowing taken to support the HDP Capital Programme in 21/22. The focus is on acquisitions and the use of affordable housing receipts.
Contingencies		77	67		67	-67	The contingency hasn't been required this year.
Provision for Bad Debts	82	278	278	56	278	-222	Rent provision has been increased to meet current arrears levels but not to the levels anticipated for the impact of both Covid and universal credit. There has also been a small increase in the provision to meet non-rent debtors, particularly around former tenants for remedial property repairs.
Total Service Expenditure	6,861	7,398	7,397	7,272	7,397	-125	
Accounting & non service budgets							
Total Accounting & Non Service Budgets	5,599	5,574	5,575	5,575	5,575		
Net Total				-456		-456	

Appendix B : Planned Savings

Strategic Category	Lead	HRA - Potential Saving	Risk	2022/23 Planned Savings Budget £000's	2022/23 Planned Savings Actual £000's	2022/23 Planned Savings Variance £000's	Update/Comments
Transforming	Suzan Harrington	Process improvements /on-line transactions	High	195	0	195	Implementation of the new housing/asset management system was completed in 2022/23. The project experienced resource pressures and it will take time to adapt to the new system, meaning minimal savings realised to date but this will be kept under review during and following the implementation.
		Total	-	195			

Appendix C : Programme for Growth 2022/23 Financial Year Project Updates
Multi Year schedule for the project lifespan

Project	Lead Officer	Amended Multi-Year Budget	Position @ 31 March 2023			Full Programme Position			Update	Phasing of future spend			
			In Year Budget 22/23	Spend to Date 22/23	In Year variance	Multi-Year Project Budget	Forecast Full Programme Spend	Project Budget Remaining		Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
Projects & Budgets With General Consent or Section 24 Approval													
Healthy Living Concepts Fund	Angela Crossland	77,031	30,000	0	(30,000)	77,031	77,031	0	Of the remaining £77,031 in this fund - £10k allocated to develop active travel sustainable travel packs in line with the visitor economy niche trails work, £30k allocated to development of project with Yorkshire Wildlife Trust for Barlow Common to develop project and funding bids as they arise (Barlow Common delayed due to Covid). Remaining £13k will support public health initiatives identified as part of covid recovery plans. Barlow Common project still in train. To look at enhancement of visitor experience.	0	77,031		
Visitor Economy (Tourism & Culture) - P4G	Angela Crossland	617,747	195,784	128,808	(66,976)	617,747	617,747	0	The EO1 to the Arts Council for the Place Partnership was successful and work has begun on the full application. If successful, delivery will take place over 3 years starting in Autumn 2023. The budget for the PP includes £350k from the existing project budget, matched with £350k from ACE and an additional ask of £300k from the UKSPF. The Selby PP is to provide a potential model for market towns across NY and a step-change in cultural delivery for Selby, Sherburn and Tadcaster. The PP actions (which are taken from the Cultural Development Framework) form part of the NYC Interim Culture Delivery Plan. Work to deliver the Visitor Economy Strategy continues. The Food & Drink Network was launched at Carlton Towers in March. The 3rd residents engagement weekend (Get to Know Your Own Heart) was successful, with a broad spread of participating businesses and a range of offers. A new Tourism Development Officer has been appointed after a year of post vacancy. In the next 2 quarters the focus is on the formation of a Local Visitor Economy partnership (LVEP) for North Yorkshire, with a Destination Delivery Plan, which will be informed by the existing plans and startgies of the previous councils.	128,808	200,000	150,000	138,939
Visitor Economy (Tourism & Culture) - UK Shared Prosperity Funding	Angela Crossland/Richard Beason	6,042	6,042	6,042	0	6,042	6,042	0	A lantern parade was delivered in Tadcaster on Mother's Day. The participants made large-scale flower-shaped lanterns and paraded through the town at twilight. The event was well attended and over 100 people participated in lantern making in a series of workshops.	6,042			
Visitor Economy (Tourism & Culture) - S106 Funding	Angela Crossland	81,722	0	0	0	81,722	81,722	0	£81,722 of Section 106 funding within the Visitor economy Budget. £31,722 relating to Kellingley Colliery, to be used for public artwork to creat an entrance feature at the main entrance on Weeland Road, making reference to the previos use of the site as a former colliery. £50,000 relating to Staynor Hall, to also be used for public art to be integrated into the Recreational Open space and/or the Landscape Management Areas. Work on these projects likely to begin in Q2/3 2023/24.	0	81,722		
HAZ Selby Stories (p4G Funded spend)	Angela Crossland	54,615	34,805	21,278	(13,527)	54,615	54,615	(0)	Project total £150,950 over 3 years. £60,000 from P4G, £89,500 from Historic England grant. Payment schedule from HE: 21/22 £49,225, 22/23 £26850, 23/24 £13,425. The programme completes 31 March 2024. Programme includes wide-ranging cultural activity in Selby town centre, including performance, exhibitions, artist residencies and testing of outside event spaces (e.g. amphitheatre). The project completes delivery Q3 2023/24. An additional 6 schools are nearing completion of the final singing project. An online after-school Minecraft club will start shortly. The writer-in-residence's stories of the town will be installed across the town centre in Q1/2 2023/4. Rising costs continue to be an issue, but it has been possible to move underspend from some elements to enable the larger projects to progress as planned. The programme will come in on budget. Delivery outputs have exceeded most projections, with only minor variances.		21,278	33,337	
HAZ Selby Stories - UK Shared Prosperity Funding	Angela Crossland/Richard Beason	5,458	5,458	384	(5,074)	5,458	5,458	(0)	A Minecraft drop-in was delivered at Selby Abbey. This welcomed over 300 people (more than 200 children) and featured on Look North. A series of Minecraft workshops were also held in Selby Library - these enabled more than 40 children to work directly with Wizard Keen in small groups. The UKSPF funding is also being used to support Ed Kluz's large-scale works which will be printed on scaffolding shrouds on buildings in Selby town centre which are subject to HSHAZ building improvement grants. In Q4 £520 was spent on this project with the majority allocated to this element taking place in Q1 2023/24.		384	5,074	
HAZ Selby Stories - Grant Funded spend	Angela Crossland	76,350	50,685	33,198	(17,487)	76,350	76,350	(0)	Project total £150,950 over 3 years. £60,000 from P4G, £89,500 from Historic England grant. Payment schedule from HE: 21/22 £49,225, 22/23 £26850, 23/24 £13,425. The programme completes 31 March 2024. Programme includes wide-ranging cultural activity in Selby town centre, including performance, exhibitions, artist residencies and testing of outside event spaces (e.g. amphitheatre). Delivery underway with some slippage (agreed by Funder) due to impact of Covid on programme and procurement issues for some areas of delivery. Funding contractually obligated as match fund to Historic England HSHAZ funding.		33,198	43,152	
Low Carbon resources	Stuart Robinson	95,638	15,000	14,504	(496)	95,638	95,638	(0)	This funding supports the employment of a Low Carbon Projects Officer. Officer commenced in April 2021 and has progressed the agreement of a new Low Carbon Strategy and delivery of activity in the Low Carbon Action Plan. Low Carbon Projects Officer left post in June 2022 and recruitment of an effective replacement has been put on hold until at least April 2023.	14,504	40,567	40,567	
Marketing Selby's USP	Stuart Robinson / Communications	139,422	41,947	0	(41,947)	139,422	139,422	0	Funding is used to support employment of a Communications & Marketing Officer and the Officer is in place. The Communications & Marketing Manager left in August 2021 and has not been replaced. The additional challenges of LGR mean the place branding project is unlikely to progress in the way initially planned. Options for alternative use of the funding - along similar lines to the original intention such as supporting communications around the TCF project are under consideration.	0	97,475	41,947	
Retail Experience - STEP	Duncan Ferguson	1,500	1,500	1,500	0	1,500	1,500	0	This was a fixed budget to support events, street scene improvements identified by the STEP group who no longer meet. £61k of this budget remained at the start of the 2022/23 financial year, therefore the July P4G report to Executive reallocated the £60k remaining of this budget into the budget, after current year spend, for the Selby Town Regen (Abbey Qtr) project (currently £1m for marketplace and park).	1,500			
Legal Support	Julian Rudd	100,843	25,000	6,750	(18,250)	100,843	100,843	0	Legal Support for agreements and advice associated with the P4G programme / projects. At this stage it is expected that all of this budget will be required	6,750	60,000	34,093	
Towns Masterplanning (Regeneration) - P4G Funded	Duncan Ferguson	112,705	50,000	13,387	(36,613)	112,705	112,705	0	This fund is used for People and Places consultancy (Chris Wade) - now complete. Funding of £50k has been previously used to support the MHUG Reopening High Street Safety Fund (RHSPF) and 21/22 Welcome Back Fund. A contribution from this fund has also been used to support the Places and Movement Study, in partnership with NYCC Highways and VNY LEP. The next phase of the Places and Movement Study will be supported through this fund (Executive agreed up to £80k), with the spending spread between 22/23 and 23/24.		13,387	80,000	19,318
Towns Masterplanning (Regeneration) - UK Shared Prosperity Funding	Duncan Ferguson/Richard Beason	30,000	30,000	0	(30,000)	30,000	30,000	0	This budget relates to a project which is part of the year 1 Towns fund for UKSPF and aims to address the "Support relevant feasibility studies" strand. The project aims to use bespoke software to create a Digital model of Selby town centre and the station area to allow 3-D visualisation and facilitate a better understanding of potential plans for redevelopment of the area. The project is entirely funded by UKSPF to a maximum value of £30,000 and will be delivered and the money expended by the end of Q1 2023-24. The aim is that this will act as a feasibility study for a wider North Yorkshire roll-out.	0	30,000	0	0

Project	Lead Officer	Amended Multi-Year Budget	In Year Budget 22/23	Spend to Date 22/23	In Year variance	Multi-Year Project Budget	Forecast Full Programme Spend	Project Budget Remaining	Update	Forecast 22/23	Forecast 23/24	Forecast 24/25	Forecast 25/26
Strategic Sites Masterplanning - P4G funded	Duncan Ferguson	33,102	33,102	(7,058)	(40,160)	33,102	33,102	0	Funded due diligence work for strategic sites masterplanning, including Selby Station Gateway and consultancy costs for development of feasibility/ viability assessments, Business Cases, surveys, design, legal and valuation fees. AECOM Consultants now appointed (at a total cost of up to £138k) to undertake One Public Estate (OPE) sites & east of Station Masterplan. This will utilise up to £33k from this budget during 2022/23, plus £70k grant from OPE, £35k from York & North Yorkshire DODS and £12k from Homes England. The remainder of this budget was unallocated, therefore of the £256k remaining at the start of the 2022/23 financial year, £223k was reallocated in the July 2022 P4G report to P4G Staffing.	-7,058	40,160		
Strategic Sites Masterplanning - Grant funded	Duncan Ferguson	117,000	117,000	95,269	(21,731)	117,000	117,000	0		95,269	21,731		
Access to Employment	Richard Beason / Julian Rudd	0	0	0	0	0	0	0	No spend is anticipated from this budget and the £19,282 remaining budget was therefore reallocated in the July P4G report to P4G Staffing	0			
Growing Enterprise - P4G Funding	Richard Beason / Julian Rudd	238,393	118,393	70,425	(47,968)	238,393	238,393	0	This P4G budget is being used in 2 main areas: 1. To support businesses displaced by the TCF land assembly to relocate within the district. Timing of this spend is now expected to be slightly later than previously expected and will predominantly occur in the 2023/24 financial year. £120,000 has been identified for this work, around 25% of which was spent in 2022-23, the remainder will be spent in 2023-24 2. A post COVID Business Delivery Plan has been developed and is being delivered with the focus on providing a targeted programme of business support and events through to March 2024 to include a widening of the skills support programme, addressing recruitment challenges, specific support for hospitality and retail and work with Start-up businesses. Events and activities totalling up to £138393 has been allocated for this work spread over the 2022/23 and 2023/24 accounting years. Subsequent to Q4 21/22, £22.5k was re-allocated from this budget to the Tadcaster Business Flood Grant Scheme.	70,425	150,000	17,968	
Growing Enterprise - UK Shared Prosperity Funding	Richard Beason / Julian Rudd	24,000	24,000	12,198	(11,802)	24,000	24,000	0	This UKSPF budget is used for specific initiatives to support the town centres funded by the UKSPF year 1 budget, namely the Heart of Yorkshire Shout out of for... campaign, The food & drink event at Selby abbey and the training program for town centre retail and hospitality businesses. Approximately £12189 of the budget has been spent in 2022-23, the remainder, £11802 will be spent in Q1 2023-24	12,198	11,802		
Selby TCF Revenue	Duncan Ferguson	57,889	57,889	16,810	(41,079)	57,889	57,889	0	This allocated Budget relates to grant recovery funds received from WYCA. The budget will be used for potential non recoverable revenue costs relating to TCF, and is fully committed for this purpose. Current Year to date expenditure includes holding costs incurred to secured the Selby Railway Club site prior to demolition.	16,810	41,079		
HAZ - P4G Funded	Caroline Skelly	9,076	2,700	(5,885)	(8,585)	9,076	9,076	0	The Project Fund is a match contribution to the ongoing Selby High Streets Heritage Action Zone (HSHAZ) project. The budget covers a programme of community engagement activities and local history events.	-5,885	14,961		
HAZ - Grant Funded	Caroline Skelly	115,743	63,644	53,725	(9,919)	115,743	115,743	0	The grant from Historic England covers the community engagement activities, monitoring and evaluation consultants, and the Salary for the Project Manager. An additional £5,000 was added to the budget at the end of 2022/23 to cover increased salary costs (originally forecasted in 2018/19 so had been slightly out of date). This came from another project that was part of the HSHAZ that had to be cancelled - Micklegate Car Park. The changes were approved in the HE Q3 drawdown.	53,725	62,018		
High Street shop fronts - P4G	Caroline Skelly	58,799	45,750	25,850	(19,900)	58,799	58,799	0	The Project fund is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. Budget covers a building improvement grant programme - the P4G money is allocated for professional fees of the HSHAZ architectural team from Buttress architects. The Selby High Street Heritage Action Zone is progressing well with a building improvement grant programme launched leading to a number of building repair to be implemented from 2022 onwards.	25,850	32,949		
High Street shop fronts - Grant Funding	Caroline Skelly	98,375	68,947	57,132	(11,815)	98,375	98,375	0	Heritage England Grant to support Delivery of the High Street shop fronts and HAZ P4G Programmes. Quarterly reclaims submitted to HE to reclaim qualifying expenditure incurred under these schemes. There has been a minor reduction in HE grant available of £10,552 as a result of project underclaims. This is under challenge with HE, as this underclaim only incurred as a result of HE instructions, however this funding is considered unlikely to be recovered. In 2022/23 additional funding from HE was confirmed when a project to redesign Back Micklegate Car Park had to be postponed by the Council. HE agreed that the £32,500 grant could be relocated to the building repair projects. The changes were approved in the 2022/23 Q3 drawdown.	57,132	41,243		
Tadcaster Business Flood Grant Scheme	Angela Crossland	122,500	122,500	122,500	0	122,500	122,500	0	Funding transferred to Two Ridings Community Foundation to support Tadcaster businesses recovering from flooding. Scheme up and running. 27 businesses currently funded by the scheme.	122,500			
Places and Movement Study (Leveling up Bid Support)	Duncan Ferguson	0	0	0	0	0	0	0	Previously for 10% match from Selby District Council to enable a future Levelling Up Fund bid. This budget was reallocated in the July 22 P4G report, with £1m moved to the Selby 'Abbey Quarter' project and £1m as contingency for the TCF project. If this contingency is not required, this latter £1m will subsequently also be reallocated to the Abbey Quarter.	0			
Tadcaster Community Sport Trust	Angela Crossland	162,000	162,000	0	(162,000)	162,000	162,000	0	Funding provided for developments ad Tadcaster Community Support Trust. As per the grant framework and funding is to be released in phases subject to achievement of agreed milestones	0	162,000		
Empty Homes	Simon Parkinson	1,251	650	845	195	1,251	1,251	0	This budget supports the work of the private sector housing team and the empty homes officer to bring empty homes back into use. Overall the project is very successful and the Empty Homes Officer has directly helped bring numerous empty homes back into use over the course of the scheme. The majority of this success is achieved through offering advice and assistance to owners. At times, we need to utilise our enforcement powers to secure empty homes and to eradicate issues that are a statutory nuisance or prejudicial to health to neighbours. This budget specifically contributes to this area of enforcement work.	845	406		
Selby District Housing Trust	Phil Hiscott	133,480	133,480	0	(133,480)	133,480	133,480	0	This fund is to support SDHT's role in the more ambitious HDP approved by Executive in January 2018. The budget includes funds to assist with the review of the future of the trust. This review is currently underway and once concluded this budget will be updated.	0	133,480		

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Stepping Up' Housing Delivery	Phil Hiscott	4,437	2,437	105	(2,332)	4,437	4,437	0	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018. Seeking opportunities to maximise the social and economic benefits of the Council's asset portfolio. An Affordable Housing Strategy has been agreed by the Executive and work on this scheme is therefore underway in line with the agreed strategy.	105	4,332		
Making our Assets work	Duncan Ferguson	34,149	15,000	14,174	(826)	34,149	34,149	0	The budget is targeted at funding due diligence work to bring the Council's own land assets to the market and see them developed. These include small garage sites, Portholme Rd, Egerton Lodge, Barlby Rd depot, Bondgate and Burn airfield. This budget is used to fund the feasibility, surveys and technical work to enable the Council's own land assets to be brought forward for development to deliver regeneration and other beneficial uses. This includes costs associated with land and buildings acquired for TCF. Given the latter, the budget is expected to be fully utilised	14,174	19,975		
Burn	Julian Rudd / Duncan Ferguson	452,650	30,000	3,695	(26,305)	452,650	452,650	0	Works associated with promoting Burn Airfield as a new settlement in Local Plan. Following the Local Plan prioritisation of new settlement options, the future of project was discussed at November 2022 Executive and it was agreed to carry out no further protional work at this stage. Committed expenditure relating to legal advice payments are remaining, approx 20k still to be paid out. If the project does not continue, the remaining funds may be available for redistribution, subject to appropriate approval, with a need for additional contingency funding for the Council's TCF project. However, funding may be required to promote the Burn site for alternative uses, subject to future decisions about planning policy and management of NYC assets.	3,695	100,000	348,955	
Asset Strategy	Phil Hiscott	80,000	0	0	0	80,000	80,000	0	Work to review/agree the brief was completed pre LGR. Due to Local Government Reorganisation an Asset Strategy for Selby District Council is no longer required.	0	80,000		
Finance Support	Peter Williams	114,708	57,354	54,500	(2,854)	114,708	114,708	0	Additional support for P4G projects is now in place	54,500	60,208		
TCF Site Acquisitions Property Running Costs. Selby Business Centre Car Park	Duncan Ferguson / Phil Hiscott	3,673	3,700	(11,672)	(62,192)	3,673	3,673	(0)	Selby Business Centre site purchased via the Selby Gateway TCF project. Budget represents the revenue implications of the car park of the building. Budget anticipated to be in surplus for the initial year, before moving to a net cost over the next two years. Net budget of £2,770 for the whole site for the period in question	-11,672	15,345		
TCF Site Acquisitions Property Running Costs. Selby Business Centre Industrial Units	Duncan Ferguson / Phil Hiscott	22,595		(46,819)		22,595	22,595	0	Selby Business Centre site purchased via the Selby Gateway TCF project. Budget represents the revenue implications of the Industrial units of the building. Budget currently in surplus for the year as tenants currently remain on site. As relocations commence and costs of occupation fall to the council, the surplus on the budget will subsequently decrease. Net budget of £2,770 for the whole site for the period in question	-46,819	69,414		
New lane - Public Realm - P4G Spend	Caroline Skelly	200,000	50,000	0	(50,000)	200,000	200,000	0	The Project is a Match fund contribution to the Selby High Streets Heritage Action Zone (HSHAZ) project. The project is under development with other SDC and NYCC projects that relate to the redesign of New Lane, Selby. Active discussions are ongoing as to the best method of delivering the project, with feedback from interested parties factoring in to considerations.	0	200,000		
New lane - Public Realm - Grant Funded spend	Caroline Skelly	100,000	52,500	3,840	(48,660)	100,000	100,000	0	Heritage England Grant to support Delivery of the New Lane - Public Realm project	3,840	96,160		
Selby TCF Capital - P4G	Duncan Ferguson	6,844,739	1,250,000	(9,917)	(1,259,917)	6,844,739	6,844,738	0	A significant amount of funding from this budget has been put forward as match funding within the Council's TCF proposals for Selby Station. It also includes £4m to fund the Station Plaza element of the Station Gateway scheme. Spend to date has been on the Selby Business Centre which was acquired in December 2021, plus James William House and the Selby Railway Club (both to be reclaimed from TCF funds). This budget also includes £750k funding to acquire strategic development sites consistent with the Councils regeneration and commercial development opportunities and the Selby TCF project. £250k of the £1m funding previously allocated for land acquisition outside of (but adjacent to) the Station Gateway area was reallocated out of this budget to P4G Staffing via the July 2022 P4G report. The July report also allocated a further £1m to this project as contingency for TCF delivery, however if this extra funding is not required this will subsequently be reallocated to the Selby Abbey Quarter Project. Further purchases of land adjacent to TCF site area anticipated in 2022/3 had been estimated at £750k, however this will not occur until early 2023/24 at the earliest. A general fund of £500k has been provided for further anticipated TCF expenditure in the year. Delays to the start of TCF construction works mean that remaining expenditure will extend until late 2025.	-9,917	500,000	1,500,000	4,854,655
Selby TCF Capital - WYCA Grant	Duncan Ferguson	300,000	300,000	225,368	(74,632)	300,000	300,000	(0)	Grant funding received from West Yorkshire Combined Authority relating to qualifying capital expenditure incurred as part of the TCF capital programme. Selby DC qualifying capital costs relate to Land Assembly and Property Acquisition. Funding received in current year relates primarily to grant funding provided to facilitate the council's purchase of James William House. The purchase of the Selby Railway Club was completed in Q1. The purchase of land and legal agreements with Viking Shipping and Arriva are close to being finalised.	225,368	74,632		
Low Carbon projects (Phase 1) CAPITAL	Gillian Bruce / Stuart Robinson	239,400	0	0	0	239,400	239,400	0	Following the departure of the Low Carbon Projects Officer in June 2022, there is no staffing resource to progress the development of a business case to Executive or deliver subsequent projects at this stage. This will be the case until at least April 2023.	0	239,400		
Town Centre Tadcaster	Duncan Ferguson	479,328	33,875	12,345	(21,530)	479,328	479,328	0	This fund enables the Tadcaster Bus station project, which will refurbish the public toilet and provide a changing places unit, together improvements to the bus station structure and surrounds for a better visitor experience. A further £150k, previously allocated to 43 Kirkgate refurbishment, was added to this budget, increasing the project budget for work to the bus station to £500k.	12,345	238,257	228,727	
Town Centre Sherburn - S24 Approved element	Duncan Ferguson	27,040	27,040	16,008	(11,033)	27,040	27,040	1	Low Street/Wolsey Croft public realm improvements to east side of village centre, realignment of parking, improved surface materials, greenery, signage, and street furniture. Project includes Align Property Services fees. Initial work on the business case for the Low Street Scheme has indicated an small recurring revenue cost of £2k p.a may be incurred to the general fund as a result of the scheme. This is proposed to be funded by an permanent reduction to the LEP & Partnership contribution budget, to enable the scheme to progress with nil bottom line impact to the general fund	16,008	11,032		
Sherburn Projects - S24 Approved element	Duncan Ferguson	188,223	188,223	187,741	(482)	188,223	188,223	(0)	A range of Sherburn 'legacy' projects will be delivered by local partners up to £50k. Three have been approved to date – a community cinema and roof repairs, both at the Sherburn Old Girls School community venue, plus Eversley Park improvements. Three other applications have now been submitted, these are Fairways Park revised proposal for disused bowling green, White Rose Sports Centre conversion of flat green bowling pitch and tennis court improvements, and Highfield Green play equipment improvements. Both the Fairways Park scheme (£99,000) and White Rose scheme (£181,610.65) have been submitted to the Grant Award Panel. Funding approval awarded in principle, pending further authorisation from NYC. Highfields Green Play equipment scheme is ineligible for 'Legacy' funding but will be progressed through a different funding stream. unding that was being considered for a land assembly opportunity was reviewed and subsequently, of the £1,062k of budget remaining at the start of the 2022/23 financial year, £500k was reallocated to P4G Staffing as part of the July 2022 P4G report.	187,741	482		

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Tadcaster Projects	Duncan Ferguson	0	0	0	0	0	0	0	Budget originally to fund new projects in Tadcaster. This budget was reallocated to fund P4G Staffing as part of the July P4G Report	0			
Staffing costs		4,582,136	1,171,074	1,032,626	(138,448)	4,582,136	4,582,136	(0)	This covers all the P4G funded posts across SDC including the extensions to contracts approved in the budget. These posts support delivery of this P4G programme. It also covers the additional core staffing costs in a number of teams required to deliver the Council's corporate growth ambitions including the Economic Development and Regeneration team (to deliver the Economic Development Framework 2 year action plan) and key posts in Communities and Partnerships, Planning and Marketing and Communications. The July 2022 Report extended the funding available for P4G posts for the further two years. The current phasing of future staffing expenditure reflects this extension, and reflects the costs of employing current P4G staff until 31.03.2025	1,032,626	1,748,533	1,800,977	
Contingency		0	0	0	0	0	0	0	The balance remaining on Tadcaster Linear Park has been transferred back to P4G contingency. Budget for the Housing Development Feasibility Work (£289,368) has been moved back to contingency as this work will now fall under the Housing Revenue Account. £100k from Contingency has been utilised in Q1 to support the Tadcaster Flood Support Scheme. The remainder was reallocated to P4G Staffing in the July P4G report	0			
Subtotal		16,243,759	4,617,479	2,149,656	(2,467,823)	16,243,759	16,243,757	2		2,149,656	4,917,957	4,182,551	4,993,594
Projects & Budgets requiring further executive approval													
Town Regen Selby	Duncan Ferguson	2,059,281	25,000	0	(25,000)	2,059,281	2,059,281	0	This project includes the enhancement of Selby Market Place and Selby Park and is known as the Abbey Quarter initiative. It will make space around the Abbey event ready, creating a more welcoming and accessible area, and will rejuvenate the Park, enhancing the links with the Abbey. As part of the July P4G report, additional funds were reallocated to this budget to fund a Phase 2 of improvements to the Abbey Quarter / Park. Additional funding to the extent of £60k from the STEP budget, and £1m from the Levelling up Bid support was incorporated into this budget. A further £1m of funding may also be further allocated from this budget from TCF contingency, if that contingency pot is not required. Consultant spend expected first two years of this project.	0	250,000	1,309,281	500,000
Town Centre Sherburn	Duncan Ferguson	472,960	2,960	0	(2,960)	472,960	472,960	0	The funding has been allocated to upgrade part of east side of Low Street in Sherburn town centre. Align PP are currently working on this scheme and will be progressing to planning application submission statge.	0	236,480	236,480	
Sherburn Projects	Duncan Ferguson	373,980	373,979	0	(373,979)	373,980	373,980	0	Funding has been approved in principle of the White Rose scheme and , Fairways scheme by the Grants Panel. Funding approval pending further authorisation from NYC	0	373,980		
Subtotal		2,906,221	401,939	0	(401,939)	2,906,221	2,906,221	0		0	860,460	1,545,761	500,000
TOTAL P4G PROGRAMME		19,149,980	5,019,418	2,149,656	(2,869,763)	19,149,980	19,149,978	2		2,149,656	5,778,416	5,728,312	5,493,594
Funding Split													
External Grants		757,225	654,632	433,431	-221,201	757,225	757,225	0		433,431	323,794	0	0
S106		81,722	-	-	-	81,722	81,722	-		-	81,722	-	-
Reserve Funded - P4G Reserve		15,461,033	4,364,786	1,716,224	-2,648,562	15,461,033	15,461,031	2		1,716,224	5,372,900	5,728,312	2,643,594
Reserve Funded - Capital Receipts		2,850,000				2,850,000	2,850,000						2,850,000
Total P4G Programme		19,149,980	5,019,418	2,149,656	-2,869,763	19,149,980	19,149,978	2		2,149,656	5,778,416	5,728,312	5,493,594