



Policy, Finance and Development Committee	Tuesday, 07 February 2023	Matter for Information and Decision
--	----------------------------------	--

Report Title:

Budget Monitoring (Q3 2022/23)

Report Author(s):

Bev Bull (Head of Finance / Deputy Section 151 Officer)

Purpose of Report:	To provide the Committee with an update on the forecast financial position for the Council for the financial year 2022/23, as at the end of the third quarter.
Report Summary:	<p>The Q3 forecast position for the year on the General Fund is a deficit of £425k compared to a revised budgeted balance position using £346k of earmarked reserves including approved carry forwards from 21/22.</p> <p>The Q3 forecast position for the year for the HRA is a total deficit of £294k, compared to the budgeted position of £50k deficit to be met from the HRA reserve.</p> <p>Spending on the Council's HRA and General Fund Capital Programmes continue to make good progress. However, slippage has now been identified to be carried into 2023/24.</p>
Recommendation(s):	<p>That the Committee:</p> <p>A. Notes the contents of the report and appendix; and</p> <p>B. Ratifies the decisions of the S151 Officer to repurpose earmarked reserves back to General Unallocated General Fund reserves (as set out in section 6 of the report).</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk</p> <p>Bev Bull (Head of Finance / Deputy Section 151 Officer) (0116) 257 2649 bev.bull@oadby-wigston.gov.uk</p> <p>Rashpal Sohal (Finance Manager) (0116) 257 2705 Rashpal.Sohal@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out in this report.

Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Economy / Regeneration (CR9)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	1. Capital Programme (2022/23)

1. Introduction

- 1.1 In February 2022, the Council approved its revenue and capital budgets, with additional changes to the General Fund Capital Programme approved by Council in July to facilitate additional fleet requirements and the Council accommodation move to Brocks Hill.
- 1.2 As reported in previous budget monitoring reports for 2022/23 the economic conditions in the UK have worsened throughout the year. Actions undertaken as part of the mitigations set out at Quarter 1 and 2 in response to the forecast outturn position and any new actions are detailed below within the explanations for variances.
- 1.3 This report provides an update on the progress of the Cost of Living support proposals approved by Full Council in November 2022.
- 1.4 Finally, building on a repurposing exercise undertaken in December 2022, the report seeks ratification of further repurposing of General Fund earmarked reserves in order to bolster reserves and the ability of the Council to balance its budget into the future. More detail can be found in Section 6.

2. Financial Overview

- 2.1 As at Quarter 3 the forecast overspend is £425k on its General Fund, in the region of 6% of the council's overall net revenue spend budget. The main cause of the overspend relates to pay inflation for implementing the national pay award.
- 2.2 To balance the General Fund for the year, the Council will need to utilise the general reserves, which currently stand at £1.551m. Assuming forecast outturn is as per projections, a considerable level of reserves will be used. As such, the Section 151 Officer has undertaken a further review of earmarked reserves and proposes further

repurposing to general reserves to bolster the council's financial sustainability, building on the exercise undertaken in December 2022.

- 2.3 At the time of writing this report, an accounting issue concerning the council's budgeted business rates for the current year is being investigated. The potential issue has been identified as the budget for the 2023/24 level of business rates is being determined – the process will highlight any issues in the current year because the accounting and budgeting approach for business rates involves calculating surpluses and deficits which arise between the estimated and actual positions, and which are the spread over the following two financial years. The Council's internal auditors, CW Audit (soon to be merged with 360 Assurance), have been instructed by the Section 151 Officer to undertake a review of the accounting and budgeting position to determine whether any accounting liability exists. It is anticipated that the outcome of this position will be confirmed upon outturn for the current, 2022/23 year.
- 2.4 In addition, there remains an uncertain and significant financial risk surrounding leisure services nationally which are likely to affect the council directly. At the time of writing this report, work is ongoing to quantify the financial impact. The outcome of this will now unlikely be known until towards the end of the financial year.
- 2.5 On the Housing Revenue Account, the position has worsened since Quarter2, with a deficit of £294k now projected (an increase £90k from the forecast at Quarter 2). This is due to energy costs for Communal Heating that will not be fully recovered by the heat charges set for 2022/23, noting that it is now too late to vary charges in year due to the requirements to give tenants 4 weeks' notice. This is similar to some other councils locally and is due to substantial price increases from October onwards even after the energy bill reduction scheme reduces some of our costs. Further detail is included in the budget report in respect of heating charges for 2023/24. Additionally, the adverse outturn forecast is also due to an increase in recharge for Corporate Management Costs to reflect the HRA share of the pension deficit.
- 2.6 Inflationary pressures continue to affect all services across the Council such as substantially increased costs for contracts, utility costs, fuel, supplies and services, building material and repair costs.

3. Cost of Living support update

- 3.1 At the Full Council Meeting on 15 November 2022 funds were identified for specific proposals to provide support to residents and businesses through the Cost-of-Living crises. Table 1 shows the value of awards that have been made to date against each approved support proposal.

Table 1 – General Fund Cost of Living Support

Area	Upper Value	Actual to Date	Remaining Grant	No. of residents/ businesses supported
Top up DHP with £50,000 of Council funding	£50,000	£2,033	£47,967	N/A
Top up the Council funded Discretionary Council Tax Support Fund	£5,000	£2,495	£2,505	13
Support and promote public-sector partner-led "Warm Hubs"	£5,000	£5,000	£0	10

Consider and action requests for support from 3 rd sector partners	£10,000	£7,188	£2,812	4
Residual funds – ability to be drawn down by the Strategic Director/Section 151 Officer in consultation with the PFDC Chair, for additional needs identified	£10,000	£0	£10,000	
Total General Fund Cost of Living reserve	£80,000	£16,716	£63,284	

- 3.2 In relation to the top up DHP funding, officers are continuing to receive and process new requests for support from the DHP fund. Since the additional funding was allocated, 22 awards have been made, initially met for the original DHP funding and now starting to drawdown from the top up that was allocated as cost-of-living support. Officers are considering extensions and increases to awards made in Q2 when the support provided was at a lower level. It is expected the remaining top up funding will be fully allocated by the end of the year.
- 3.3 During the final quarter of 2022/23 to date, a further request for Warm Hub Support has been received. Subject to consultation with the PFDC Chair, the Section 151 Officer will propose to meet the award from the residual fund. The residual fund will continue to be used for this purpose should further Warm Hub Support requests be received.

Table 2 – HRA Cost of Living Support

Area	Upper Value	Actual to Date	Remaining Grant	No. of residents/ businesses supported
Create a new £10,000 HRA Hardship Fund for supporting Council Tenants	£10,000	£0	£10,000	
Residual funds – ability to be drawn down by the Strategic Director/Section 151 Officer in consultation with the PFDC Chair, for additional needs identified	£20,000	£0	£20,000	
Total HRA Cost of Living reserve	£30,000	£0	£30,000	

- 3.4 The scheme criteria and application process for the Tenant Hardship Fund was finalised on the 31st January 2023, after which a consultation with the Tenant Group was undertaken. At the time of writing this report, the scheme is due to become live and operational week commencing 6th February 2023. At this stage there are no plans to utilise the residual funds.

4. General Fund Forecast Outturn 2022/23

- 4.1 Table 3 below sets out the 2022/23 net revenue forecast outturn position based on actual income and expenditure to December 2022 and forecast income and expenditure from January 2023 to March 2023, compared to the current revised budget.

4.2 As part of the quarter 3 monitoring process, the 2021/22 quarter 3 and outturn variance position have been reviewed and used to inform forecasts for quarter 3 2022/23. This is to aid the accuracy of the forecasts with a view to reducing the movement in variance between this report and the outturn position.

4.3 The current General Fund forecast variance against budget is a £0.425m overspend.

Table 3 – General Fund Budget Monitoring 2022/23

Service	Original Budget 2022/23	Revised Budget 2022/23	YTD	Forecast Outturn	Variance
	£	£	£	£	£
Senior Leadership Team	427,730	427,730	315,180	443,734	16,004
Finance & Resources (Including Corporate Budgets)	2,517,063	2,333,583	2,523,906	2,395,731	62,148
Law & Democracy	654,170	664,170	606,647	666,256	2,086
The Built Environment	897,020	980,020	759,395	1,194,224	214,204
Community & Wellbeing	(10,643)	13,795	738,068	55,720	41,925
Depot	1,050,370	1,055,370	512,398	1,178,158	122,788
Customer Service & Business Transformation	1,391,416	1,677,858	1,427,663	1,644,178	(33,680)
HRA Recharge	(1,240,435)	(1,240,435)	(1,240,435)	(1,240,435)	0
Capital Financing	720,900	720,900	720,900	720,900	0
Net Revenue Expenditure	6,407,591	6,632,991	6,363,722	7,058,465	425,474
Earmarked reserves	(125,272)	(345,672)		(345,672)	0
General Fund Reserve Supplementary Budget		(5,000)		(5,000)	0
Funding	(6,282,319)	(6,282,319)		(6,282,319)	0
Budget Gap	0	0		425,474	425,474

4.4 At this stage, no adjustments have been made to the forecast for the potential additional funding that will flow to the council as a result of the distribution of the accumulated funds within the business rates pool. Whilst the funding presents an opportunity to reduce revenue costs by utilising the funds to fund growth related activity the council already funds, the value currently remains unconfirmed pending discussions between all councils in Leicestershire. The funds are also one-off and whilst that might serve to indirectly reduce forecast budget gaps, there will be no ongoing reduction.

4.5 The remainder of Section 3 provides explanation of the variances for each Service Area.

4.6 Senior Leadership Team (SLT) – Forecast Overspend (£16k).

Service	Variance £'000	Reason for variance
Inflation – Pay	10	Actual pay award 2022/23 greater than budgeted.

Legal Fees	6	Legal fees incurred in relation to recovering circa £80k in relation to Bushloe Developments. The funds to be recovered were recognised in 2021/22. The Court Hearing completed in November 2022 and recovering the funds should complete in 2022/23. There has been no movement on this from Q2.
Total	16	

4.7 **Finance and Revenues and Benefits – Forecast Overspend (£62k).** The main factors contributing to the department’s net overspend are set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Pay	51	Actual pay award 2022/23 greater than budgeted.
Finance	47	£35k for Civica Income Management System costs not provided for in 22/23 budget. (Provided for in 23/24 budget onwards), no change since Q2. £12k forecast overspend on bank interest costs resulting from increased interest rates due to the current economic climate.
Corporate Management	(32)	Final Track & Trace Admin grant of £32k received and recognised in this year.
Debt Charges	11	Forecast overspend on interest costs on short term borrowing resulting from increased interest rates due to the current economic climate. Forecast overspend has reduced since Q2 due less borrowing being required than anticipated due to capital slippage & slightly higher interest rates received on balances against previous forecast.
Net cost of Benefit	57	This deficit relates to the reduction in income estimated on the recovery of Benefit over payments and is based on the actuals to date compared to budget, forecast to the end of the year. There has been a small reduction in the forecast deficit since Q2.
Revenue and Benefits	66	Agency costs to cover vacancies to deliver statutory service. Partially offset by £54k of New Burdens funding being received not budgeted for. The Revenues and Benefits Service restructure has now concluded and recruitment to permanent positions is underway. This will mitigate any further increases in agency costs over the remainder of the year.

New Burdens – Revenues and Benefits	(100)	New Burdens grant in respect of administering relief and rebate schemes for Central government. To be confirmed by the end of the financial year.
Council Tax	(40)	Court Cost income received exceeding budget.
	2	Other
Total	62	

4.8 **Law & Democracy – Forecast Overspend (£2k).** The main factors contributing to the department’s net overspend are set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Salary	30	Actual pay award 2022/23 greater than budgeted.
Election expenses	(62)	£49k salary savings in relation to the vacant Democratic Services Manager post being merged with another post and now filled by the Legal and Democratic Services Manager and Deputy Monitoring Officer. £13k income received higher than accrued on election expenses claimed. This has not moved from Q2.
Register of Electors	(18)	Postage and printing saving. Postage and printing needs fluctuate depending on demand which is impacted on by the election cycle.
Legal & Admin Service	(18)	Legal costs of £25k for recovery of the costs of works in default at a premises in Long Street. The court hearing was in favour of the council and cost will be recovered but the timing is unknown. This is being offset by £43k compensation received and due arising from an historic fraud case.
Taxi Licences	47	Reduction in income for taxi licences based on historical figures and the current economic situation.
Licensing Service	18	£55k Private Landlord Property Licence partially caused by under achievement, offset by £3k net overspends against all budget headings, £29k capitalisation of salary cost for work on the decarbonisation capital schemes and a further £11k vacancy savings.
Other	5	
Total	2	

4.9 **The Built Environment – Forecast Overspend (£214k).** The main factors contributing to the department’s net overspend are set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Salary	50	Actual pay award 2022/23 greater than budgeted.
Economic Development	(62)	Vacancy savings and capitalisation of salary cost for posts involved in delivering capital projects. Forecast underspend increased by £11k from Q2 position.
Planning Policy, Planning Control & Planning Section	126	Currently there are national recruitment difficulties, and some vacant positions are being filled by agency staff. During Q3 we have managed to recruit to one vacant post on a permanent basis that was previously being covered by an agency member of staff and released 2 other members of agency staff. In addition, we are currently advertising to recruit to 5 other positions on permanent basis. Total agency overspend to date is £333k and total vacancy savings are £149k. This has been offset by income exceeding budget for planning applications by £40k and other releases of small budgets.
Homelessness	68	Net overspends as a result of a number of changes including: Increase in emergency accommodation costs over recovery from housing benefit due to greater demand and price increases. Salaries not provided for in 2022/23 budget. (Provided for in 23/24 budget onwards.) Non-renewal on a lease of temporary accommodation property. Partially offset by unbudgeted Domestic Abuse Safe Accommodation Support funding received. This has not changed since Q2.
Belmont House Hostel	36	Reduction in Housing benefit income due to reduction in occupancy during the pandemic. The hostel is back to full occupancy, as of the end of Q3. This has increased by £3k since Q2.
	(4)	Other
Total	214	

4.10 **Community & Wellbeing – Forecast Overspend (£42k).** The forecast overspend in this department is mainly due to the items set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Pay	51	Actual pay award 2022/23 greater than budgeted.

SLM contractual variance	62	This includes £220k costs due to reverting to 19/20 management fees, which was negotiated down by £58k following Officer action to engage specialist support renegotiate the contractual position. These costs are being offset by £100k budget for external contractors that is not expected to be spent. This has not changed from Q2.
Cemeteries	29	This position has moved favourably since Quarter 1 (where the position reported was £34k income reduction). The reason for the forecast under achievement in income is due to there being an assumption that service use would be maintained as per previous year and to date that is not the case. The forecast has reduced by £5k since Q1.
Car Parks	(59)	Transactional fees and other running costs of scheme are exceeding budget. There have been some fees relating to car parking that was estimated and the actual charges are much higher (NPU Levy £10k adverse, Metric fees to date £10k and there was no budget for this). This is being offset by increased income generated by a higher level of usage than anticipated. This forecast has moved favourably since Quarter 2.
Grounds Maintenance	(35)	Section 106 funding released from revenue reserve for grounds repair and maintenance.
	(6)	Other
Total	42	

4.11 **Waste Service – Domestic, Recycling & Green Waste - Forecast Overspend (£123k).** The forecast overspend in this department is mainly due to the items set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Pay	61	Actual pay award 2022/23 greater than budgeted.
Inflation – Diesel	56	Overspend in diesel costs for fleet – The fuel market is volatile and continues to fluctuate – the forecast overspend has reduced by £10k since quarter 2.
Domestic Refuse Collection	70	To offer the current weekly service provision agency staff are hired to cover days off in lieu as part of contractual obligations for providing a service on all bank holidays. Additional staff hired for an unplanned B/H due to Queen's death. Additional reliance on agency to cover long term sickness which has now been resolved.

White Goods Collection Service	(17)	There has been an increase in white goods collection income this year and the forecasted outturn has been revised to reflect this.
Garden Waste Collection	(46)	There has been an increase in garden waste collections permits sold this year, resulting in additional income.
Garden Waste Collection	(14)	There has been savings on photocopier and printer costs for this financial year.
Workshop – Repairs and Maintenance	31	£15k costs to repair damage to the workshop which was not covered by insurance. As reported at Q2 £16k salary overspend as actual salary costs are not in line with legacy budget, corrected in 23/24 budget onwards.
Travel and Expenses	(9)	There has been savings on travel and expenses for this financial year.
	(9)	Other
Total	123	

4.12 **Customer Services and Transformation – Forecast Underspend (£34k).** This service area includes Customer Services, System Support and Transformation Services including the newly created in-house IT team. The forecast overspend is due to the following items set out in the table below.

Service	Variance £'000	Reason for variance
Inflation – Salary	48	Actual pay award 2022/23 greater than budgeted.
Human Resources	(8)	Underspend due to HR team vacancies throughout the year. There have been difficulties in recruiting permanent positions. Team will be fully established by end of February 23.
Communications and Marketing	(19)	Service responsibilities and budgets moved into Communications and Marketing. Service needs are to be reviewed and budgets realigned in 2023/24 taking into consideration the current forecast underspend for 2022/23.
Head of Customer Services & Transformation	(16)	Salary saving due to change in personnel.
Customer Services Improvement	(75)	Salary saving for the first quarter of the year when the Customer Service Improvement Manager position was vacant. The post has now been filled. £50k costs in relation to supporting transformation is to be capitalised under flexible use of capital receipts.
Customer Services	(20)	Salary savings on a Technical Officer position due to difficulties with recruitment and the phased employment of new starter. This has not changed from Q2.

ICT	57	Overspend in relation to corporate networking and software costs. This has been reflected in 23/24 budget onwards.
	(1)	Other
Total	(34)	

5. Housing Revenue Account (HRA)

5.1 The position on the account as the end of Quarter 3 is set out in the Table below.

Table 4 - HRA Budget Monitoring 2022/23

	Original Budget 2022/23	Forecast Outturn 2022/23
	£'000	£'000
Net Cost of Services on the HRA	(575)	(218)
Capital Charges	625	512
Revenue Contributions to Capital Appropriations to Earmarked Reserves	0	0
	50	294
Actual Balance b/f HRA a/c	(1,139)	(1,155)
Budget Deficit in the Year	50	294
Balance c/f HRA a/c	(1,089)	(861)

5.2 The Housing Revenue Account is forecasting a deficit of £294k as at quarter 3 compared to a budgeted deficit of £50k. The explanation of the £244k variance are detailed below.

5.3 The balance on the main HRA reserve as at the 31 December 2022 was £1.485m. The current forecast use of reserve of £294k to fund the forecast 2022/23 deficit will leave an estimated HRA Reserve balance of £1.191m.

5.4

Service	Variance £'000	Reason for variance
Council Tax on Void Properties	6	Council tax on void properties is £6K higher and is due to a greater number of voids than budgeted. Some voids from last year were carried over to this year which has impacted upon these figures. Measures are in hand to manage carry forwards more closely at the end of 22/23.
Service Charges for Lease Held Flats	(13)	There has been an increase in income of £13k from service charges for leasehold flats as a result of increases to the management and caretaker charges.
Depreciation	162	This is a statutory accounting adjustment for depreciation of £162k and is based on the asset values and useful life from most recent annual accounts.

Computer Software	45	There has been increased costs as a result of our move to a managed service for our Housing IT system of £45K. However, this move to a managed service is important to allow staff to effectively use the IT system which will in turn result in efficiencies in terms of staff time.
Corporate Management Contribution	50	Corporate Management Recharge to GF increased by £50k to include HRA Pension Lump sum.
Legal Fees	15	Expected to spend £15K on legal fees relating to a number of repairs at a property with this work still ongoing.
Compensation	10	Compensation amounting to £10k paid for 2 housing disrepair claims. It is usual that Council's managing a housing stock have to pay legal fees and compensation on occasion. However, historically there has been no budget allocated for this which has led to the impact on the variance. This will be rectified in 23/24.
Housing Tenancy Management posts	(17)	This is being offset by salary underspend on Housing Tenancy Management posts due to vacant posts in the team of £11k and £6k underspend on software costs £3k other small net underspends.
Communal Heating Charges	53	Gas prices have substantially increased from October onwards with the energy bill reduction scheme reducing some of our costs. Income from heating charges for all 3 schemes will not be enough to cover our costs. Consideration of the level of heating charges for 2023/24 is covered on the separate budget report on the same meeting agenda as this report. The report includes proposals for reviewing charges in-year in 2023/24.
Communal Areas	5	Sharp increase in electricity charges for the year £17k. Savings of £12k from day-to-day repairs and maintenance of speech call systems at the sheltered schemes because we haven't had repairs to attend to.
Repairs & Maintenance	45	Outturn for this year is based on actual spend each month while considering commitments for planned maintenance. The cost of repairs and maintenance have also increased due to high inflation. We will limit the impact of this overspend by deferring some works to planned maintenance where it is appropriate to do so.
Capital Charges	(113)	This favourable movement in interest costs is based on our capital programme and current borrowing requirement, which will not reach the levels budgeted for.
	(4)	Other
	244	

6. Reserves

- 6.1 The Council holds reserves for a manner of reasons. Earmarked reserves are held to manage future financial stress that may occur in specific areas in relation to identified risks. They are also held to manage timing differences of when income has been received and when costs will be incurred.
- 6.2 Earmarked reserves must be reviewed as risks and needs change. Further to the review of the Council's reserves that was undertaken at Q2, reserves have continued to be reviewed and the Section 151 Officer has identified a further repurposing, this proposal is identified in Table 4.
- 6.3 The following table sets out the current level of reserves for each of the council's revenue accounts: the General Fund and the Housing Revenue Account. It also sets out the proposed reserve to be reallocated to the General Fund Reserve.

Table 4 – General Fund reserves

Reserve	Purpose	Balance @ December 2022 £	Proposed to be reallocated?
General Fund Reserve @ 31/12/22		-1,550,826	
Earmarked Reserves			
Disabled Facilities	Monies put aside specifically to fund Disabled Facilities Grants.	-22,450	
Greening the Borough	Resources available to improve the environment of the Borough and well-being of residents.	-60,550	Yes
Land Valuation Reserve Balance	To allow the Council to value land within the Borough with a view to selling.	-16,563	Yes
Borough Events Reserve Balance	To fund commemorative events held in the borough by the Council or other grant assisted groups.	-5,537	Yes
COVID-19 Reserve Balance	To hold unspent grant funding received from central government for the financing of COVID-19 business support grants. This is a temporary reserve, with the expectation that all funding will either be granted or reclaimed by central government.	-364,355	£130,000 to be repurposed – this was new burdens grant for administrating Covid-19 grants that has now been completed.
Elections Reserve	To balance the budget for the four-yearly borough election cycle. Contributions of one quarter of the anticipated cost of the election are appropriated into the reserve in each of years 1-3, and then the balance is	-50,000	

	appropriated out in the year of the election.		
Corporate Peer Challenge Reserve	For the purpose of resourcing the recommendations as set out in the Corporate Peer Challenge	-58,400	
Other Earmarked reserve	Reserves containing the proceeds of revenue grants and Contributions grants and other external contributions that are yet to be used.	-122,568	
PDG Reserve Balance	Formerly Housing and Planning Delivery Grant Reserve and will be used to fund the development of the Local Plan in future years.	-269,563	
Grounds Maintenance Reserve Balance	This reserve holds commuted lump sums received from a developer earmarked for the maintenance of a specific green space.	-256,480	
Total General Fund		-2,777,294	

Table 5 – HRA reserves

Reserve	Purpose of reserve	Balance @ December 2022 £	Proposed to be reallocated ?
HRA Reserve @ 31/12/22		-1,484,961	
Major Repairs Reserve Balance	Resources set aside to meet capital investment in council housing per statutory requirement.	-449,473	
Regeneration	Additional reserve set aside for regeneration and new build of council housing.	-361,443	
Budgets Carried Forward HRA Reserve Balance	Contains authorised budget carry forwards from this year, to be used in the next financial year.	-8,500	
Total General Fund		-2,304,377	

6.4 Assuming the proposals are approved, the revised General Fund reserve would be £1,763,476 and the HRA reserves will remain at £1,484,961.

7. Capital Programme

7.1 The 2022/23 Capital Programme was set at Full Council in February 2022 and amended in July 2022. Table 6 shows a summary of the 2022/23 capital programme and the full capital programme is shown in Appendix 1.

7.2 The forecast outturn for the General Fund capital programme is £4.534m. A number of changes have been forecast since Quarter 2 and these include an additional provision of £210k for Brocks Hill, and slippage in the following areas:

- S106 funded sports grounds projects £495k.
- £484k vehicle refurbishment and fleet replacement.

- £320k general fund housing schemes removed, of which £80k has been allocated to residual costs forecast for Oadby Pool and the remaining £240k has been removed from the capital programme, recognising that Housing schemes that will be delivered by the Council will be as part of the Housing Revenue Account.

7.3 The forecast outturn for the HRA capital programme is £1.038m. A number of changes been forecast since Q2, and these include slippage in the following areas:

- The remainder (£500k) of the provision for the New Housing Supply scheme (formerly Horsewell Lane – which was renamed in recognition of comments received as part of the 2023/24 Budget consultation and that the budgetary provision will be utilised to deliver the Horsewell Lane scheme as well as the programme of further housing schemes
- £100k on New Housing Initiatives, which will also be merged with the “New Housing Supply” budget to bolster resources into one main provision;
- £212k on Housing Block Improvements

Table 6 – Capital Programme Summary

Fund	Revised Budget 2022/23	Spend and Commitments to Date	Variance to Budget	Forecast Outturn
	£'000	£'000	£'000	£'000
General Fund	4,483	4,334	(149)	4,534
Housing Revenue Account	1,038	544	(494)	1,038
Total	5,521	4,878	(643)	5,572

7.4 Brocks Hill Project update

7.5 At PFD Committee on 6th December 2022, Members agreed a supplementary budget of £210,000 to reflect repairs required to the Atrium glazing and the doors and windows to the first floor balcony. The revised budget now stands at £3.819m. All spending to date remains on course. 39% of the contingency budget has been committed with £0.138m remaining intact. This is considered to be an acceptable position at this stage in the project.

Table 7 – Total Project Budget and Forecast Costs

	Approved Budget (£m)	Revised Budget (£m)	Actual and Commitments to Date (£m)	Forecast Outturn (£m)	Var to Revised Budget (£m)
Committed before the project went to committee	£0.285	£0.231	£0.167	£0.224	-£0.007
Brocks Hill Construction, incl Energy Efficiency	£2.800	£3.010	£2.979	£3.070	£0.060
Non-construction related costs	£0.298	£0.352	£0.219	£0.387	£0.035

Contingency	£0.226	£0.226		£0.088	0.138
Total	£3.609	£3.819	£3.365	£3.681	£0.088

Contingency

£0.226	Total Contingency
£0.088	Variance to budget
£0.138	Remaining Contingency