

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Finance Performance Report 2022/23 Outturn – Provisional

Meeting/Date: Cabinet, 20th June 2023

Executive Portfolio: Executive Councillor for Finance & Resources

Report by: Director of Finance & Corporate Resources

Ward(s) affected: All

Executive Summary:

This report sets out the provisional financial outturn for financial year 2022/23 for revenue and capital

Revenue

The outturn is an underspend of £476k, after contributions to and from earmarked reserves, when compared to the approved budget and an improvement to the Q3 forecast outturn of £642k.

Capital

The outturn is an underspend of £31,704k, including re-phasing of works to future years of £18,342k.

Recommendation:

The Committee is

RECOMMENDED

- to consider and comment on the financial performance for the financial year 2022/23, as detailed in Appendix 1 and summarised in paragraph 3.2.
- to consider and comment on the capital financial performance for the financial year 2022/23, as detailed in Appendix 1 and summarised in paragraph 3.3.

1. PURPOSE OF THE REPORT

1.1 To present details of the Council's projected financial performance for 2022/23.

- Revenue outturn underspend of £476k when compared to the approved budget.

2. BACKGROUND

2.1 The budget and MTFS for 2022/23 approved in February 2022, assumed a net expenditure budget of £21,514k.

2.2 The detailed analysis of the 2022/23 outturn as at 31 March 2023 is attached at Appendix 1.

3. FINANCIAL PERFORMANCE

3.1 Financial Performance Headlines

The outturn position for the current financial year, and the impact of variations on future years, will be incorporated within the MTFS.

Revenue The approved Budget of £21,514k plus authorised carry forwards of £110k gave a revised current budget of £21,404k. The outturn was £20,928k which was an underspend of £476k.

Capital The approved Budget of £12,776k plus the re-phasing of £26,898k and in year external funding of £2,225k gave a revised total Capital Programme of £41,899k. The outturn is £10,195k. Following re-phasing of the budget to 2023/24 of £18,342 there was an in-year underspend of £13,362k.

MTFS The MTFS was updated as part of the 2023/24 Budget setting process. and will be revisited as part of the 2024/25 Budget setting process. The revision of the MTFS will include 2022/23 outturn variations and others occurring or foreseen in 2023/24 that have an impact on future years.

3.2 Summary Revenue Variances by Service

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

Head of Service	Current Budget £'000s	Outturn £'000s	Over/ (Under) spend £000	Comments
Chief Operating Officer	5,140	5,272	132	Savings within the Communities Service (Business Team, Community Team, Licensing), Customer Services & Printing, offset by increased temporary accommodation costs not met by DWP contribution to Housing Benefit payments. There was also a timing adjustment, linked to the 2021/22 accounts close, which negatively impacted the year's results.
Chief Planning Officer	402	346	(56)	Additional priority income plus staff savings
Corporate Leadership	1,201	1,356	155	Costs associated with Place Strategy plus recruitment costs
Director of Finance & Resources	6,860	5,882	(978)	More interest receivable and lower interest payable, and savings from vacant posts plus increased income from Land Charges
Economic Development	198	188	(10)	
Housing Manager	187	189	2	
Head of ICT	2,604	2,812	208	Digital Team funding partnership change
Head of Leisure & Health	(25)	450	475	Reduced income at Impressions, classes, Training Shed and indoor sports. Increased expenditure on employees and utilities. Income better than expected for swimming, ten pin bowling and at the Burgess Hall.
Head of Operations	4,917	4,374	(543)	CCTV reduced income offset by vacant posts in Street Cleansing and new income streams in Waste.
Programme Delivery	73	41	(32)	
Strategic Insight & Delivery	(153)	18	171	Lower income from on-street charging due to changes made by Cambridgeshire County Council, Market income reduced as they recover from COVID and have had reduced offer. Savings due to vacant posts.
Total	21,404	20,928	(476)	

Further analysis of the revenue variance and service commentary is in Appendix 1. This provides the variances by service and where the variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Services.

3.3 Capital Programme

The approved gross Capital Programme for 2022/23 is £12,776k. Schemes totalling £26,898k from 2021/22 have been rephased to 2022/23, plus external funding of £2,225k gives the total gross capital programme for 2022/23 of £41,899k.

The Capital Programme is forecast to have an underspend of £31,704k; £18,342k will be re-phased to future years.

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

Head of Service	Current Budget £000	Outturn £000	Budget Re-Phased to 2022/23 £000	Over/ (Under) Spend £000	Comments
Chief Operating Officer	61	32	0	(29)	
Chief Planning Officer	1,100	4,610	206	3,716	Contribution towards the A14 has been made in full, rather than instalments as budgeted
Corporate Leadership	13,138	954	12,256	72	To be funded by UKSPF & CPCA
Director of Finance & Resources	17,826	153	1,039	16,634	Huntingdon redevelopment project has been cancelled
Housing Manager	1,800	2,018	0	218	Catch up of delayed works due to Covid
Head of ICT	732	193	387	(152)	Only a proportion of devices bought for testing and initial rollout
Head of Leisure & Health	770	630	133	(8)	
Head of Operations	2,515	1,241	1,075	(201)	Underspend on completed projects
Strategic Insight & Delivery	3,957	364	3,246	(347)	Underspend on completed projects
Total	41,899	10,195	18,342	(13,362)	

3.4 Finance Dashboard

The outturn for 2022/23 also looks at the collection rates for Council Tax and NDR, together with the working ages caseload for Council Tax Support Scheme. In the financial year the Council exceeded its performance targets for collection rates, a significant achievement given the recovery from the Covid pandemic and the ongoing impacts of the wider economy. The details are shown in Appendix 1.

In summary, the Council Tax and NDR collection rates are slightly higher than 2021/22 rates.

4. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

- 4.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget.
- 4.2 The outturn for 2022/23 before movements to earmarked reserves for the CIS is:

CIS Investments	Budget £000	Outturn £000	Over/ (Under) Spend £000
Cash Investments			
CCLA Property Fund	(162)	(159)	3
Total Cash Investments	(162)	(159)	3
Property Rental Income	(4,696)	(5,363)	(667)
MRP	581	583	2
Net Direct Property Income	(4,115)	(4,780)	(665)
Management Charge	100	0	(100)
Total Property Investments	(4,015)	(4,780)	(765)
TOTAL	(4,177)	(4,939)	(762)

5. COMMENTS OF OVERVIEW & SCRUTINY

- 5.1 The Panel discussed the Finance Performance Report 2022-23 Quarter 4 at its meeting on 7th June 2023.
- 5.2 Following a question from Councillor Harvey on the reduction seen by CCTV in section 3.2, the Panel heard that this was due to additional variable income that was not achievable.
- 5.3 The Panel heard, following a further question from Councillor Harvey, that the A14 Contribution, early repayment, in 3.3 had been researched and it was felt that the option taken held the most benefit for the Council.
- 5.4 Councillor Jennings praised a very comprehensive report but enquired about an expected utilities saving at One Leisure St Neots. The Panel were advised that the detail would be checked and confirmed back to the Panel.
- 5.5 Councillor Blackwell expressed concerns over Council Tax arrears mentioned within the report, the Panel were advised that work would continue to recover these arrears and that this would be monitored.

- 5.6** Following a question from Councillor Harvey, the Panel heard that some long term vacancies had been removed from the MTFS where there were no plans to recruit.
- 5.7** The Panel heard, following a question from Councillor Gardener, that fleet maintenance was ongoing in line with the Climate Strategy, with great success, with the aim to maintain current fleet rather than invest in new vehicles.
- 5.8** Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for Cabinet to make a decision on the recommendations.

6. LIST OF APPENDICES INCLUDED

Appendix 1 – HDC Financial Performance Suite FY 2022-23 Outturn

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