

EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Revenue and Capital Outturn Report – Final Outturn 2022/23	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team – 24th May 2023	X
	Pre-Cabinet – 1 st June 2023	X
	Leader’s / Leader of the Opposition’s Advisory Group – 8th June 2023 / 14th June 2023	X
	Cabinet – 26th June 2023	
	Audit Committee – 15th June 2023	X

Is this an Executive Decision:	YES	Is this a Key Decision:	YES
Is this in the Forward Plan:	YES	Is the Report Confidential:	NO

**If so, please
state relevant
paragraph from
Schedule 12A
LGA 1972:**

[]

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Deputy Chief Finance Officer: **Lisa Turner**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 26th June 2023

TITLE:	Revenue and Capital Outturn Report – Final Quarter 2022/23	
PORTFOLIO:	Finance	
HEAD OF SERVICE:	Lisa Turner – Interim Chief Finance Officer	
CONTACT OFFICER:	Lisa Turner – interim Chief Finance Officer	ext. 1399
WARD(S) AFFECTED:	All	

1. Purpose of the Report

- 1.1 To accord with the Council's financial regulations, this report presents the final outturn position in relation to the Council's revenue budget, capital programme of expenditure and treasury management activities. In addition to which, the report sets out the most significant risks facing the authority and how these are being managed. This is the fourth and final report in the annual cycle of financial monitoring for the financial year 2022/23.

2. Executive Summary

- 2.1 Further to the Full Council approval in March 2022 to reallocate £0.596m of resources towards the Towns Fund and Regeneration Priorities, the budget for 2022/23 was increased to £13.138m from the original approved budget of £12.542m. The report continues to highlight that despite some significant ongoing financial pressures as a result of the Covid-19 Pandemic and the current economic conditions these have been offset by an increase in returns on investment income and recycling income exceeding expectations due to higher commodity prices. This means that after taking into account corporate budgets, including the provision for ongoing Covid-19 pressures, this has resulted in an overall net windfall **underspend of £0.564m for the year.**

- 2.2 Overall the outturn is extremely favourable taking into account the current economic conditions. However, the medium term financial strategy sets out that the Council faces significant risks associated with housing support claims in respect of private landlord providers which cannot be fully recovered from Government subsidy. The forecast backward looking risk as at 31st March 2023 is £1.6m of which £0.9m is held in a specific reserve to mitigate this risk. In line with earlier reports, Members are therefore asked to consider setting aside the revenue outturn of £0.6m in order to top up the reserve to support mitigating this risk. **Paragraphs 4.2 and 4.3 of the report set out the most significant variations against budgets for the full year.**
- 2.3 In respect of **capital projects**, the report sets out expenditure against a programme of £9.2m (excluding Towns Fund). During the course of the year the Council provided grants for disabled facilities, business support and community regeneration, undertook a CCTV upgrade and installed EV Charging. Spending during the course of the year on capital projects amounted to £2.4m, with many projects taking place over several years. It is proposed that £6.7m be carried forward to support the ongoing projects as outlined at Section 6 of the report. During the course of the year, the Council working with the Towns Board and a range of partner organisations received approval from Government in relation to the Burton Towns Fund. In addition the above capital spending, a further £5.7m was spent against the Towns Fund Programme totaling £27.8m and being delivered over several years.
- 2.4 As at 31st March 2023 **investments** stood at £56.3m. The average rate of return on the council's investments throughout 2022/23 was 2.08%, which is significantly higher than when the budget was set due to the economic conditions. The Council's external borrowing stands at £11m as at 31st March 2023. Treasury management activities during the year have been consistent with the approved strategy. Further details on investments and borrowing can be found at Section 5.
- 2.5 The **Business Rates Retention (BRR) Scheme** was introduced from April 2013 and transfers both opportunities to generate additional revenue from business growth, but also substantial risks from both economic contraction and appeals lodged with the Valuation Office. The Council in partnership with other Staffordshire authorities participates in a business rates pool which allows for 50% of any growth to be retained locally. The draft position for 2022/23 sets out a combined surplus of £1.2m, which was largely anticipated when the Medium Term Financial Strategy was set for 2023/24 onwards. There is a further windfall amount of £0.2m from the business rates pool which it is proposed to be set aside for allocation during 2023/24 towards priorities in the revised corporate plan. Further details on BRR Scheme can be found at section 7 of the report.
- 2.6 The Council's general fund reserve at the end of the 2022/23 financial year is forecast to be £1.3m. This is in line with expectations when the budget was set. In addition to general reserves, the authority holds a number of reserves that are earmarked for specific purposes. As at 31st March 2023, these reserves are estimated to be £23.5m (£21.5m as at 31st March 2022). In addition to this, £1.5m relating to Covid Business Rates Reliefs Section 31 Grant is held within the reserve (£3.4m as at 31st March 2022) to deal with timing differences.

- 2.7 Members are aware that local authority funding is facing significant uncertainty as following a decade of reduced central government funding and future planned reforms. In addition to this, there is an ongoing impact of the Covid-19 Pandemic, and pressures, as well as benefits, from the economic circumstances, there is also significant financial risks associated with demand for supported housing. The Council has made prudent financial provisions within the Medium Term Financial Plan and made reasonable assumptions in respect of the planned funding reforms. Reserve levels are an indicator of financial resilience and whilst there is a high degree of financial uncertainty moving forward the Council is in a good position to meet these challenges.
- 2.8 The outturn position includes carry forward sums from Managers and Chief Officers totaling £0.130m and these are outlined at Appendix E for Cabinet approval. In addition, Paragraph 4.6 highlights items totaling £0.238m included within the Outturn for Cabinet to consider carrying forward and allocating towards supporting a revised corporate plan either during the course of 2023/24 or as part of the development of the Medium Term Financial Strategy for 2024/25 and beyond.

3. **Revenue Budget 2022/23**

- 3.1 On 7th March 2022, the full Council approved the revenue budget for the year 2022/23, totalling £12.542m as follows:

Approved Service Budgets	£000's
Leader of the Council	4,660
Community and Regulatory Services	767
Environment and Housing	5,480
Leisure, Amenities and Tourism	2,295
Regeneration and Planning Policy	259
Corporate Budgets	(919)
Total	12,542

- 3.2 On 21st March 2022, the full Council approved an amendment to the Revenue Budget as part of the report to consider and approve proposals in relation to the Towns Fund. This re-allocated £0.596m of resources towards a Towns Fund Provision of £0.496m and a further £0.1m to meet the cost of the New Head of Regeneration and Towns Fund Position, which had originally been allocated to be transferred to reserves. This increases the total revenue budget to £13.138m as shown in the table below.
- 3.3 In September 2022 Cabinet approved the setting aside of resources based on the in-year forecast Outturn at Quarter 1 of £0.549m towards a range of priorities. These included community support with the cost of living, monies set aside towards medium term costs pressures facing the council associated with the current economic circumstances, support towards the Washlands Project and an allocation towards energy efficiency projects to support the climate change programme.
- 3.4 Financial control is maintained by monitoring actual expenditure against approved budgets at regular intervals throughout the year and budget managers are required to forecast income and expenditure for the full financial year. Authorised budget transfers and virements take place between individual services in accordance with financial regulations. The budget is presented in line with the political portfolios

which were re-aligned during the year and therefore differ from when the MTF5 was set in March 2022 and this is reflected in the monitoring information below.

4. **Revenue Budget Outturn 2022/23**

- 4.1 The following table summarises at portfolio level the full year variations against budget at the final outturn for the year. **Variations against service budgets include the ongoing impact of the pandemic, the provision for which is held on the corporate items line.**

Summary by Cabinet Portfolio Holder	Annual Net Budget 2022/23 £'000	Actual Outturn 2022/23 £'000	Actual Over/(Under) £'000	Quarter 3 Forecast Over/(Under) £'000
Leader of the Council	2,566	2,601	35	183
Tourism and Cultural Development	149	574	425	465
Communities and Housing Standards	1,985	1,848	(137)	29
Environment and Climate Change	6,350	6,583	233	194
Finance and Treasury Management	2,235	1,179	(1,056)	(1,079)
Regeneration, Business Support and Marketing	276	229	(47)	(44)
Corporate Items, Including In-Year Approvals	(423)	(440)	(17)	28
Total	13,138	12,574	(564)	(224)

- 4.2 The budget has been revised during the course of the year to reflect transfers and virements approved in accordance with financial regulations.
- 4.3 The tables at **Appendix A** summarise, by service division, the variations between the 2021/22 budget and the year-end outturn. Further supporting narrative in relation to those divisions with the most significant variations is set out below:

Leader of the Council

- **Legal Services – Net Increase in Expenditure of £86k**
There is a shortfall within legal services which arises from a combination of factors. This includes a shortfall due costs associated with vacant units totalling £32k. There has been a reduction against budget in relation to legal fees recovered of £21k, which can often be ad-hoc in nature and difficult to predict, as well as an increase in costs of £61k associated with standards work mainly in relation to Borough Councillor Member conduct. Staffing costs have been higher than budget, this includes additional temporary support for the legal team which is being met from the professional reserve, with the remainder relating to increased mayoral activities. The position has improved since the quarter 3 forecast largely due to a one-off compensation payment being received in relation to damage to a property.

Tourism and Cultural Development

- **Arts, Brewhouse and Functions – Increase in Net Expenditure of £117k**
There has been a significant shortfall in income levels of approx. £67k in relation to Burton Town Hall and £33k for the Brewhouse. This income shortfall continues to relate to the ongoing impact of the pandemic, there is a sum held in corporate

budgets of £57k in relation to Covid pressures within this service area. In addition to this, there was an increase in running costs of across the service due to a number of factors.

■ Markets – Increase Net Expenditure of £76k

This overall net increase in expenditure as arisen due to a significant shortfall in income levels of £72k, together with an increase in running costs and some staffing savings arising as a result of vacant posts. These income levels are being impacted by both the ongoing uncertainty surrounding the Market Hall together with the impact of the pandemic, there is a sum of £20k held in corporate budgets in relation to Covid pressures in this area.

■ Off-Street Parking – Increase Net Expenditure of £299k

There has been a significant shortfall in income levels of £326k, which is partially offset by savings on running costs. This income shortfall continues to relate to the ongoing impact of the pandemic and there is a sum of £277k held in corporate budgets in relation to this Covid pressure.

■ Strategic Tourism – Savings of £53k

Savings in relation to the Tourism Team have arisen as a result vacancies whilst recruitment took place and suitable availability in the market.

Communities and Housing Standards

■ Revenues Benefits and Customer Contacts – Net Saving of £29k

There is a significant temporary increase in staffing costs within the service as a result of the scale of Covid-19, staff vacancies, other grants administration work being undertaken by the team and the subsequent backlog of work. This is being funded from new burdens grants either provided in year or the prior year for this purpose. Staffing costs are also higher than budgeted as the final pay award for 2022/23 has been included within the forecasts and is higher than originally anticipated when the budget was set. There is a net saving in relation to housing benefit payments of £85k, which relates to the additional capacity built into the budget in respect of supported housing claims/disputes. These claims/ disputes remain pending with the courts and as per Paragraph 2.2 members are asked to consider setting aside the overall underspend towards this risk. There were also some savings following the closure of the Customer Services Centre.

■ Environmental Health – Net Savings of £78k

There are savings within the Environmental Health Team as a result of additional income from the new selective licensing scheme, the forecast recovery of costs associated with the Homes for Ukraine Scheme and an increase in other fees and charges. Some of the related costs associated with these activities are being absorbed within existing resources.

Environment and Climate Change

■ Community and Open Spaces – Net Increase of £103k

There has been a significant increase in expenditure in relation to additional grounds maintenance works and open spaces repairs outside the contract specification. These have been necessary due to a combination of factors as well as unavoidable open space repairs and the contractor undertaking additional activities also outside the contract specification within the Cemetery.

■ Environment – Net Increase of £143k

There is an overall increase in net expenditure number of factors. Firstly this is due to income levels from recycling being in excess of budget by £238k as a result of higher commodity prices low levels of contamination. There is also a reduction of £109k in third party payments largely as a result of lower haulage costs and contamination. This is being offset by an increase in staffing costs within waste management of £255k and £31k Street Cleaning due to both the pay award being higher than budgeted, impacting on this service more significantly than most, increased workloads, staff sickness/covid-19 related absences and the shortage of HGV drivers in the market. In addition to this, as widely publicised, the cost of fuel has significantly increased, resulting in increased expenditure of £125k. It has also been necessary to spot hire additional vehicles due to the timing of new vehicle arrivals and housing growth in the Borough.

Finance and Treasury Management

■ Financial Services and Capital Financing – Additional Net Income £1.051m

The economic circumstances have changed significantly since the budget was prepared/set. Following over a decade of extremely low interest rates and in response to the level of inflation the Bank of England Monetary Policy Committee increased the bank rate to 4.25% by the end of March 2023. Against this backdrop and in line with our approved treasury management strategy, **investment income exceeded the original budget by £1.1m**. This has been partially offset by an increase in the statutory debt repayment charge due to the timing of planned receipts allocated to reduce the underlying debt and an increase in income processing/payment costs.

There are increased temporary staffing costs within the service due to recruitment and retention difficulties across the sector with this increased cost being met from the professional reserve.

Regeneration, Business Support and Marketing

■ Enterprise – Net Saving of £47k

There were staffing savings within the Enterprise Team of £44k largely arising due to the timing of appointments and starting point on the respective grades, together with some other minor savings across the portfolio.

■ **Corporate Budgets – Net Saving £0.017m**

This budget includes the Corporate Covid-19 Provision of £0.4m and £0.1m in relation to the cost of living pressures. The related expenditure is shown within individual service budgets. This line also incorporates the monies set aside by Cabinet in September 2022 from the Quarter 1 forecast Outturn of £0.549m towards key priorities and pressures arising from the current conditions, which has been outlined in Paragraph 3.3. The related spend is shown within individual service expenditure, with sums available for carry forward as set out in Paragraph 4.5 below.

The full analysis of variations is set out within Appendix A in the normal manner.

- 4.4 Looking ahead to 2023/24 and beyond there continues to be significant economic factors impacting on the Council’s finances. In addition to which there remains a high degree of uncertainty in relation to future funding streams from Government particularly as we move into the next Parliament, which represents a large proportion of the funding we receive to support and deliver services to residents. Officers will continue to monitor changing circumstances and provide updates to members in the normal manner.
- 4.5 The forecast outturn includes a number of items totalling £0.130m that have largely been requested by Managers and Chief Officers for carry forward into 2023/24, these are outlined at **Appendix E**.
- 4.6 In addition to the carry forwards mentioned in Paragraph 4.5 above, also included within the Outturn is the following sums totalling £0.238m, which it is suggested that Members may want to consider carrying forward for allocation during the course of 2023/24 or as part of the development of the Medium Term Financial Strategy for 2024/25 onwards to support a revised corporate plan:

a) Community Support Funding - £0.109m

As a result of the change in economic conditions resulting in a significant forecast increase in investment income, the Quarter 1 forecast outturn report allocated £165k towards Community Support. During the course of the year £56k was spent on the activities set out within the table below, with the remaining £109k suggested to be carried forward to meet priorities being developed as part of a revised Corporate Plan.

Community Support Spending 2022/23	£'000
Local Public Warmer Spaces Initiative	18
Outdoor Classroom	13
Emergency Food Aid Fund	21
Food Provider Donation	3
Community Lottery	1
Total	56

b) Energy Efficiency Measures - £0.054m

In addition to the above, the Quarter 1 forecast outturn report also allocated £54k towards future energy efficiency measures to support the climate change action plan. It is suggested that this be carried forward to support the ongoing commitment in relation to climate change and to meet priorities being developed as part of a revised Corporate Plan.

c) Ministry of Justice (MoJ) Refund - £0.075m

The Council, alongside other local authorities responsible for council tax and business rates collection, has received a refund from the MoJ which relates to overcharged magistrates fees charged to authorities. If the Council were to issue individual £2.50 refunds on 26,920 Council Tax accounts and 1,945 Business Rates accounts (at a disproportionate administrative cost) it places a burden on those Council Tax payers and Business Rates payers that do pay and had not been subject to enforcement action. However it is felt appropriate to give Council tax and Business rates payers who paid costs charged during the period to which the refund relates the opportunity to request these monies (£2.50) be refunded to them by placing an advert in the local press and on the Council's website. After a period of 28 days it is suggested that the remaining monies be set aside towards a discretionary hardship fund to help the most vulnerable customers that are in receipt of Local Council Tax Support.

5 Treasury Management

- 5.1 The Council approved the Treasury Management Strategy Statement for 2022/23 on 7th March 2022. A full annual report on the treasury management activities and performance against the strategy is planned to be presented to the Audit Committee and full Council in June. This section provides a brief summary and update on progress against the strategy and the revenue budget.

Investment Returns

- 5.2 The average rate of investment return that was assumed in the 2022/23 budget was 0.5%, which reflected the conditions and forecasts at the time the budget was prepared. Since that time worldwide economic circumstances have significantly changed and inflationary pressures are paramount. The Bank of England Monetary Policy Committee have already increased the Base Rate of Interest to 4.25% at the end of March and it is widely expected that there may be a further increase during the year. Forecasts provided by our Treasury Management advisors (at 27th March 2023) indicated that the Base Rate may increase to 4.5% mid-year and then a series of reductions during 2024 and 2025. A comparison with other benchmarks of the rate of return on investments achieved by ESBC in the year to 31 March 2023 is shown below:

	Average Rate Year to 31/03/23
ESBC - Budget	0.50%
ESBC - Outturn	2.08%
1 Month SONIA*	2.41%
3 Month SONIA*	2.73%
Base Rate	2.40%
Budget	0.50%

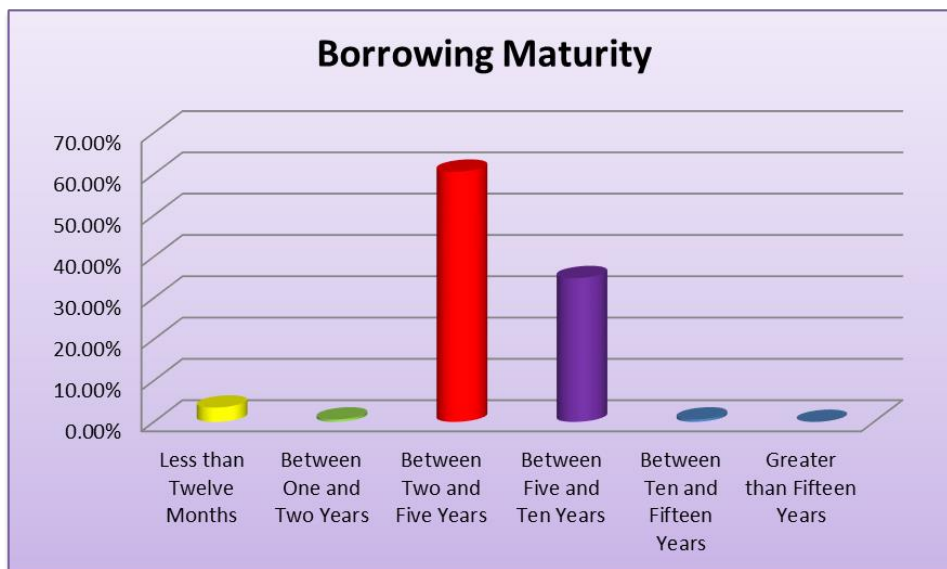
*SONIA = Sterling Overnight Index Average

- 5.3 This is a reflection of the rapidly rising interest rate market during the year and is significantly in excess of the budget. Benchmarking of investments during the year is undertaken by our treasury advisors as shown positive performance in comparison to other local authorities both in terms of relative risk and return. A full schedule of investments is set out in **Appendix C**.

Borrowing

- 5.4 The average rate payable on the Council's borrowing as at 31th March 2023 is 5.4% (5.4% at 31st March 2022).
- 5.5 Borrowing levels as at 31st March 2023 stood at £11m. This is consistent with the latest Treasury Management Strategy. The table below is a summary of the debt by type, followed by a graphical demonstration of the maturity profile.

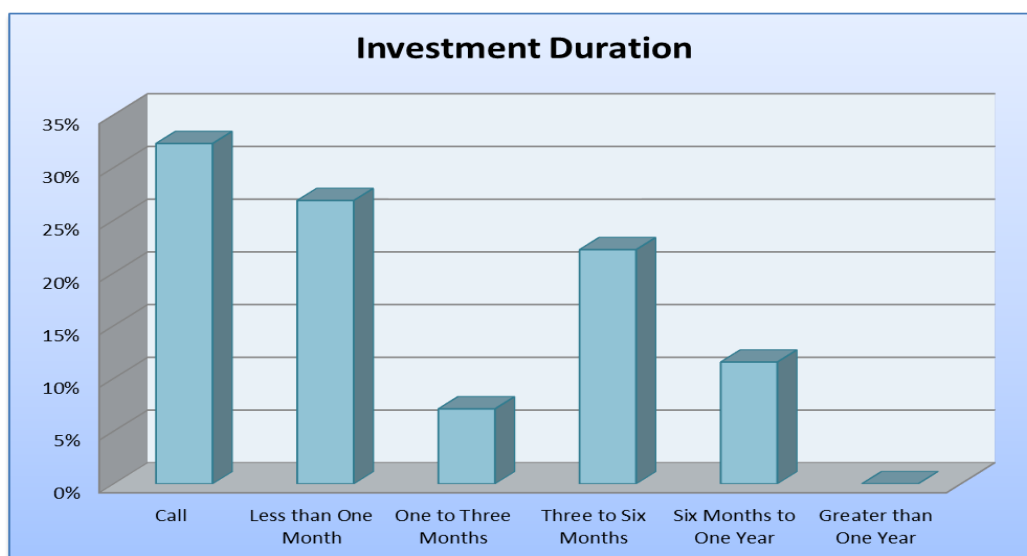
Debt Type	Principal Outstanding (£)	Average Rate
Total Fixed Debt		
PWLB Maturity	5,700,000	4.646%
PWLB Annuity	349,946	9.063%
Total Variable Debt		
Market	4,500,000	5.914%
GBSLEP Loan	375,000	
Total External Debt	10,981,487	5.345%
Accrued Interest etc.	132,473	-
Total External Debt per Accounts	11,057,419	



5.6 The Council's Treasury Management Strategy allows for the restructure/early repayment of external borrowing where there is a business case to support the decision. Any decision taking under delegated authority should be reported to members at the earliest available opportunity. During April 2023 £4.5m of Market Loans due to be repaid during March 2026 were repaid early resulting in an estimated cost saving of £179k over the remaining life of the loans (or on average £60k per annum). This takes into account a significantly reduced premium when compared to the equivalent PWLB Premium and the estimated lost investment income from early repayment. This was reported in Executive Decision Record 571/23 and does not change the Council's underlying need to borrow, it simply moves this element from external to internal borrowing which is more cost effective in the current environment.

Investments

5.7 As at 31st March 2023 investments totalled £56.3m, a full schedule of these is set out within **Appendix C**. The following chart shows the maturity structure of the Council's Investments at 31st March 2023, with a balance of maturities, reflecting the current market conditions as well as liquidity requirements.



6. Capital Programme 2022/23

- 6.1 The Council's main stream Capital Programme for 2022/23 totals **£9.2m**, of which £4.7m relates to projects carried forward from 2021/22 and additional projects that have been approved during the course of the year, including those planned to be financed from revenue or reserves. Accrued spending on capital projects during 2022/23 amounted to **£2.4m**, resulting in £6.8m remaining of programmed expenditure.
- 6.2 A detailed schedule of all projects and funding is shown at **Appendix B**. The table below provides a summary of projects and Cabinet is asked to approve the budget carried forward into 2023/24 of £6.7m to allow for completion of the planned projects.

Capital Programme	Budget £	Accrued Spend £	Amount to be Carried forward £	Overspend/ (Underspend) £
Projects Taking Place Over Several Years				
Neighbourhood Working Fund	14,804	12,197	2,607	-
Disabled Facility Grants	3,096,941	1,161,853	1,935,087	-
Cemetery Expansion	247,970	3,275	244,695	-
Small Business Fund - see note 1	124,342	70,449	29,092	(24,802)
Assets Mandatory Works	42,715	18,475	24,240	-
Washlands - see note 2	2,825,502	63,521	2,761,981	-
Planning Assure System	59,350	9,240	50,110	-
Community Regeneration Fund	100,000	94,168	5,832	-
CCTV Upgrade	205,000	86,268	118,732	-
EV Charging Points (Contribution)	19,000	0	19,000	-
Cemeteries Road Improvements	38,000	20,800	17,200	-
Tutbury S106 Grant Scheme	250,000	123,371	126,629	-
Brewhouse Roof	200,000	6,100	193,900	-
Yeoman Industrial Estate	120,000	0	120,000	-
Branston Water Park - Toilets Refurbishment	75,000	0	75,000	-
Sub-total A	7,418,624	1,669,716	5,724,106	(24,802)
Projects Complete				
Bartec Street Cleaning Software	12,742	15,034	0	2,292
Council Wide Fleet Replacement	505,496	498,593	0	(6,903)
Electric Charging Infrastructure (fleet)	17,954	4,697	0	(13,257)
EV Charging Points	95,000	73,568	0	(21,432)
ICT - Windows Servers Upgrade	42,000	24,654	0	(17,346)
Stubby Lane Sewerage Facility Works	35,000	28,417	0	(6,583)
Dog Waste Bag Dispensers	13,000	12,150	0	(850)
Sub-total B	721,192	657,113	0	(64,079)
Additional Projects added to Capital Programme Since Q3 Funded from Revenue and/or other External Funds				
Uttoxeter Sports Hub - Feasibility Study	25,000	0	25,000	-
Local Authority Housing Fund Scheme	979,506	0	979,506	-
Maltings Precinct - Uttoxeter Master Plan (UKSPF) (Note 3)	100,000	58,829	41,171	-
Sub-total C	1,104,506	58,829	1,045,677	0
Total	9,244,322	2,385,658	6,769,783	(88,881)

Note 1 - Note 1 - Following the DLUHC approval of the Council's UKSPF bid (EDR 445/22), relevant revenue grant monies identified for expenditure in 2022/23 have been allocated towards the small Business Fund Grants meeting the applicable criteria, therefore releasing the original ESBC funding allocation.

Note 2 - Funding of the Washlands project has been rescheduled between the Local Enterprise Partnership (LEP)/ESBC and the Environment Agency (EA) which allowed the Washlands Enhancement Works being undertaken by ESBC to be continued into future years following the impact of COVID-19. Originally the £3m awarded by the LEP was split £2m with the EA and £1m to ESBC. This was revised to £3m for the Burton Flood Defence Works on condition that the £1m paid over to ESBC by the EA. These monies have been received and the agreement governing their use extended until September 2023.

Note 3 - This was originally provisionally approved to be met from levelling up capacity funding and it is proposed to re-allocate this to UKSPF Funding.

6.3 The carry forward sums totalling £6.7m relates to projects that are ongoing or taking place over several years, such as the award of grant funding for disabled facilities (£1.9m), the enhancements at the Washlands (£2.8m) and the Local Authority Housing Fund (£1m). The table also highlights £89k of funding that relates to projects that have been complete and the remaining funding is no longer being required and is therefore available to re-allocation towards future capital proposals/business cases.

Towns Fund Programme

6.4 In additional to the mainstream capital programme the Council has a Towns Fund grant allocation of £23.8m with final confirmation of approval and subsequent funding award received in August 2022 alongside the first tranche of funding at £8.637m. This programme of expenditure also includes £4m of section 106 monies allocated to Project D. The table below sets out the Towns Fund Programme, which includes a re-allocation of funding which has provisionally been approved by DHLUC and subsequently approved alongside the MTFs in February 2023. These projects are being delivered over several years and many of which are being delivered by sponsor partners:

Projects	Council Allocations March 2022 £'000	2021/22 Accrued Spend £'000	Budget b/f 2022/23 £'000	Reallocation 2022/23* £'000	Revised Total Budget £'000	2022/23 Applied Expenditure £'000	Remaining Funding £'001
Project C: Regional Learning Centre	1,915	0	1,915	(1,915)	0	0	0
Project D: High Street Linkages (includes £4m funded from S106)	19,726	0	19,726	533	20,259	5,678	14,581
Project E: Library and Enterprise Hub (cessation costs)	250	32	218	(185)	33	0	1
Project F: New Pedestrian & Cycle Crossing Over the River Trent (cessation costs)	120	119	1	119	120	0	1
Project G: Improvement of Trent and Mersey Canal Towpath	1,455	3	1,452	536	1,988	0	1,985
Project H: Cycle Network Enhancements	1,365	0	1,365	533	1,898	0	1,898
Project J: Specialist Education Offer	2,969	0	2,969	533	3,502	0	3,502
Total	27,800	154	27,646	154	27,800	5,678	21,968

- 6.5 The Council has received in total £232k of capacity funding as accountable body during the course of 2019/20 and 2020/21. Expenditure to the end of March 2023 amounted to £232k which includes support towards the development of the High Street Linkages Project for which the Council is the Lead Project Sponsor. Deminimus funds now remain to be applied in 2023/24.
- 6.6 Capital receipts generated during the course of the year are set out in the table below:

Capital Receipts - 2022/23	£
Sale of Land - 300 Rosliston Road, Stapenhill	25,000
Sale of Land - Shakespeare Road, Burton on Trent	75,000
Sale of Land at Bargates (Phase 1)	940,000
Total	1,040,000

7. Business Rates Retention Scheme

- 7.1 The business rates retention (BRR) scheme came into effect from 1st April 2013 and now forms a principle element of local government funding. This provides local authorities with a direct financial benefit from economic growth, but also exposure to financial risk as a consequence of both economic contraction and appeals lodged with the Valuation Office or changes in levels of reliefs. However there is a safety net built into the scheme to ensure that no authority's income falls below at set level, for East Staffordshire this was set at £2.959m for 2022/23. However, for the Council has continued to participate in a Pooling arrangement in partnership with other Staffordshire Authorities. Whilst this means that collectively the Pool benefits from additional growth retained within the area, it also means that the pool is responsible for making its own safety net arrangements.
- 7.2 The table below compares, at summary level, the draft outturn position with the budget. This demonstrates a draft combined surplus of £1.2m, which has largely been taken into consideration when setting the MTFs for 2023/24.

DRAFT Retained Business Rates – 2022/23	Budget £000	Draft Outturn £000	Variance £000
Business Rates - ESBC Share (40%)	21,236	21,505	269
Government Compensation for extension of Small Business Rates Relief and other Reliefs	3,645	4,328	683
Less Tariff	(18,913)	(18,913)	-
Pre-levy retained business rates	5,968	6,920	952
Levy	(1,109)	(1,543)	(434)
Retained Business Rates 2022/23	4,859	5,377	518
Retained Levy	-	617	617
Adjustments relating to 2021/22	-	10	10
Re-distributed National Levy	-	27	27
Combined Surplus*	4,859	6,031	1,172

**This includes £0.9m in the General Fund and £0.3m held in the Collection Fund and released in later years.*

- 7.3 In addition to the above surplus the Council is also due a windfall sum of £0.2m from the Business Rates Pool that is in operation with the other Staffordshire Authorities. It is recommended that this is made available for allocation during the course of 2023/24 in line with priorities within the revised Corporate Plan.
- 7.4 Whilst this is a positive outcome, Members are reminded that the scheme does expose local authorities to significant volatility and as we look ahead there is a planned reset due to take place with the new valuation taking place from April 2023 and uncertainty in respect of the level of future appeals.

8. Risk Assessment and Management

- 8.1 The Council's risk management strategy has been approved by Cabinet. Attached at **Appendix D** to this report is a schedule of the most significant risks facing the authority, including the actions taken or being taken in order to control or mitigate these risks. There are a number of risks flagged as red due to the potential impact should the risk materialize being in excess of £0.1m, which is consistent with our risk management strategy.
- 8.2 The most significant risks associated with the authority's financial position are set out and provided for within the Medium Term Financial Strategy.

9. Legal Considerations

This section has been approved by the following member of the Legal Team: John Teasdale

- 9.1 There are no direct implications arising from this report.

10. Equalities

- 10.1 Does the report involve the public, including staff, or have consequences for them?

Yes No

11. Data Protection Implications – Data Protection Impact Assessment (DPIA)

- 11.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;

- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

11.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

12. Human Rights

11.1 There are no Human Rights issues arising from this Report.

13. Financial Considerations

*This section has been approved by the following member of the Finance Team:
Lisa Turner*

13.1 The full report sets out the financial implications for the authority of the 2022/23 Outturn. This is summarised below:

Revenue	2022/23 £'000	2023/24 £'000	2024/25 £'000
Overall Variance Against Budget to be set aside towards Supported Housing Claims/Disputes (Paragraph 2.2)	(564)		
Other items identified for Carry forward and allocation during 2023/24 or as part of the development of the MTFS for 2024/25 onwards	(238)	238	
Carry Forward Amounts (Paragraph 4.5)	(130)	130	
Capital			
Carry forward of sums relation to ongoing projects set out in para. 6.2 and 6.3	(6,770)	6,770	

13.2 As set out within section 7, the draft outturn in relation to the Business Rates Retention Scheme indicates a surplus of £1.2m. This has largely been anticipated during the setting of the Medium Term Financial Strategy for 2024/25 and is held with the Business Rates Risk Reserve and reviewed annually. It is recommended

that the windfall sum of £0.2m is made available for allocation during 2023/24 in line with the priorities set out within the revised corporate plan.

14. Cabinet Recommendations

14.1 In relation to the Revenue Outturn, Cabinet is recommended to:-

- a) Note the revenue outturn position for 2022/23;
- b) Approve the carry forward amounts outlined in Appendix E (£0.130m);
- c) Approve the carrying forward of items totaling £0.238m as outlined in Paragraph 4.6 for allocation during the course of 2023/24 or as part of the development of the Medium Term Financial Strategy for 2024/25 onwards in line with a revised Corporate Plan;
- d) To note the risks associated with supported housing providers and to approve the setting aside the remaining underspend of £0.564m towards mitigating risks associated with supported housing claims/disputes.
- e) Approve the windfall business rates sum of £0.2m be made available for allocation during 2023/24 in line with the revised Corporate Plan.

14.2 In relation to the Capital Outturn, Cabinet is recommended to:-

- a) Note the capital outturn position for 2022/23, including funding re-allocations to UKSPF as shown in Section 6;
- b) Approve the budgets for outstanding projects from 2022/23 totaling £6.770m to be carried forward to 2023/24 (Para. 6.2 and 6.3).

14.3 Cabinet is also recommended to note:-

- a) The position in relation to the council's investments and borrowings as at 31st March 2023 (Section 5);
- b) Note the scale of financial risk associated with supported housing claims and disputes (Para.2.2)
- c) The position in respect of the Council's general balances and earmarked reserves as at 31st March 2023 (Para.2.6);
- d) The draft outturn position in relation to the Business Rates Retention Scheme for 2023/24. (Section 7).
- e) The significant risks facing the authority and associated mitigations or control measures in place, as outlined within **Appendix D**.

VARIANCES AGAINST BUDGET AT OUTTURN 2022/23

Leader of the Council

Leader of the Council and Economic Growth	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Corporate Management Team	549	549	-
Human Resources, Payments & Pensions	2,349	2,327	(22)
Legal Services	(402)	(316)	86
Planning and Land Charges	70	41	(29)
Total	2,566	2,601	35

Corporate Management Team	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Chief Executives	209	210	1
Heads of Service	340	339	(1)
Total	549	549	-

Division	Explanation	Actual Amount Over/ (under) £'000
Chief Executives	Employee Costs	2
Chief Executives	Transport Related Expenses	(1)
Heads of Service	Transport Related Expenses	(1)
Total		0

Human Resources, Payments & Pensions	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Human Resources	377	371	(6)
Pension Payments	1,972	1,956	(16)
Total	2,349	2,327	(22)

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Division	Explanation	Actual Amount Over/ (under) £'000
HR & Payroll	Employee Costs	49
HR & Payroll	Service Running Costs	(13)
HR & Payroll	Corporate Training	(10)
HR & Payroll	Cyber Training Grant	(16)
Pension Payments	Superannuation Payments	(16)
Pension Payments	Superannuation Payments	(16)
Total		(22)

Legal Services	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Assets and Estates Management	(72)	(72)	-
Civic Ceremonials	55	58	3
Legal	228	306	78
Industrial Units	(613)	(608)	5
Total	(402)	(316)	86

Division	Explanation	Actual Amount Over/ (under) £'000
Mayoral Support & Civic Ceremonials	Employee Costs	12
Mayoral Support & Civic Ceremonials	Transport costs	(4)
Mayoral Support & Civic Ceremonials	Service Running Costs	(5)
Legal	Employee costs	(18)
Legal	Temporary Staff Costs	101
Legal	Consultants	61
Legal	Other Supplies and Services	(3)
Legal	Legal Costs Recovery	21
Legal	Contribution from Professional Reserve	(84)
Industrial Units	NNDR Costs on Vacant Units	22
Industrial Units	Utility Costs on Vacant Units	10
Industrial Units	Repairs and Maintenance	5
Industrial Units	Property Insurance	(5)
Industrial Units	Compensation	(27)
Total		86

Planning and Land Charges	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Planning Policy	148	150	2
Development Control	(62)	(38)	24
Land Charges	(16)	(71)	(55)
Total	70	41	(29)

APPENDIX A

Division	Explanation	Actual Amount Over/ (under) £'000
Planning Policy	Employee costs, including temp staff	35
Planning Policy	Consultants	(19)
Planning Policy	Other Supplies and Services	2
Planning Policy	Neighbourhood Planning - Grants and Consultancy	9
Planning Policy	Playing Pitch Strategy - support to completion	19
Planning Policy	Contribution from Planning Reserves	(44)
Development Control	Employee costs	(12)
Development Control	Temporary Staff Costs	158
Development Control	Service Running Costs	(23)
Development Control	Planning Application Fees (net of ring-fenced sum)	65
Development Control	Contribution from Ringfenced Planning Fee Reserve	(146)
Development Control	Bio-diversity Net Gain Grant	(26)
Development Control	Contribution to Bio-Diversity Net Gain Reserve	8
Land Charges	Employee Costs	13
Land Charges	Search & Investigation fees	(47)
Land Charges	Contribution to Ringfenced Planning Fee Reserve	9
Land Charges	HMLR - LLC Transition Funding	(30)
Total		(29)

Tourism and Cultural Development

Tourism and Cultural Development Portfolio	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Arts, Brewhouse and Functions	489	606	117
Leisure Services	316	288	(28)
Markets	12	88	76
Strategic Tourism	69	16	(53)
Licensing and Enforcement	55	69	14
Off Street Parking	(792)	(493)	299
Total	149	574	425

Arts, Brewhouse and Functions	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Burton Town Hall	93	149	56
Arts Development and Programmes	106	132	26
Brewhouse Arts Centre	290	325	35
Total	489	606	117

APPENDIX A

Division	Explanation	Actual Amount Over/ (under) £'000
Burton Town Hall	Employees	(16)
Burton Town Hall	Premises-Related Expenditure	12
Burton Town Hall	Net Savings in other running costs	(7)
Burton Town Hall	Net Shortfall in Income from Hire of Venue	67
Arts Development and Programmes	Employees	4
Arts Development and Programmes	Other Arts Programme Expenses	10
Arts Development and Programmes	Contributions from Other bodies	12
Brewhouse and Arts Development	Employees	2
Brewhouse and Arts Development	Net Shortfall in Theatre Income/Other Income	9
Brewhouse and Arts Development	Brewhouse Cafe/Bar - Net Shortfall	24
Total		117

Leisure Services	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Health and Leisure Grants	10	10	-
Leisure Management	306	278	(28)
Total	316	288	(28)

Division	Explanation	Actual Amount Over/ (under) £'000
Health and Leisure Grants		0
Leisure Management	Employees - Vacant Post	(12)
Leisure Management	Misc services savings	(16)
Leisure Management	Additional support to provider	167
Leisure Management	NLRF Grant Funding	(167)
Total		(28)

Markets	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Markets	12	88	76
Total	12	88	76

Division	Explanation	Actual Amount Over/ (under) £'000
Markets	Employee Costs	(7)
Markets	Income Shortfall	72
Markets	Service Running Costs	11
Total		76

Strategic Tourism	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Strategic Tourism	69	16	(53)
Total	69	16	(53)

Division	Explanation	Actual Amount Over/ (under) £'000
Strategic Tourism	Employees - Delay in appointment of new posts	(86)
Strategic Tourism	Tourism related events/promotion	41
Strategic Tourism	Christmas Decorations	(8)
Total		(53)

Licensing and Enforcement	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Licensing and Enforcement	55	69	14
Total	55	69	14

Licensing and Enforcement	Explanation	Actual Amount Over/ (under) £'000
Licensing and Enforcement	Employee Costs	15
Licensing and Enforcement	Service Running Costs	3
Licensing and Enforcement	Government Grants	(9)
Licensing and Enforcement	Licensing Income - Taxi Licensing income	18
Licensing and Enforcement	Payment Transaction Charges	14
Licensing and Enforcement	Licensing Income Volatility Reserve	(24)
Licensing and Enforcement	Other Licensing Income	(3)
Total		14

Off Street Parking	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Car Parks Income	(792)	(493)	299
Total	(792)	(493)	299

Off Street Parking	Explanation	Actual Amount Over/ (under) £'000
Car Parks Income	Parking Collection Costs	(27)
Car Parks Income	Bargates Additional Income	(10)
Car Parks Income	Car Parking Income Shortfall	265
Car Parks Income	Season/Penalty Notices Income	71
Total		299

Community and Housing Standards Portfolio

Communities and Housing Standards Portfolio	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Revenues, Benefits and Customer Contacts	707	678	(29)
Environmental Health	498	420	(78)
Partnerships	36	37	1
CCTV	78	62	(16)
Community and Civil Enforcement	288	285	(3)
Social Regeneration	60	68	8
Housing	318	298	(20)
Total	1,985	1,848	(137)

Revenues, Benefits and Customer Contacts	Budget (£000's)	Forecast Outturn (£000's)	Forecast Variance (£000's)
Revenues	(16)	15	31
Benefits and Professional Services	271	217	(54)
Customer Contacts	452	446	(6)
Total	707	678	(29)

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Division	Explanation	Actual Amount Over/ (under) £'000
Revenues	Employee Costs	175
Revenues	Additional support and associated expenditure (Energy Rebate)	37
Revenues	Use of New Burdens Grant Funding	(37)
Revenues	Use of Reserves (Revenues New Burdens)	(144)
Revenues	Council tax hardship reliefs funded General Fund	15
Revenues	Service Running Costs	15
Revenues	Additional Income	(30)
Benefits	Employee Costs	5
Benefits	Additional support and associated expenditure	13
Benefits	External Support - Verification Earnings & Pensions Processing	8
Benefits	Service Running Costs	(7)
Benefits	Use of Grant Funding	(43)
Benefits	HB Payments (net of subsidy)	(85)
Benefits	OPHB - income and bad debt provision	60
Benefits	Council Tax Benefit Admin Grant	(5)
Customer Contacts	Employee Costs	12
Customer Contacts	Staffs County Council Income	5
Customer Contacts	Service Running Costs	(8)
Customer Contacts	Transport related expenditure	(5)
Customer Contacts	Premises related Expenditure - building closure	(8)
Customer Contacts	Income - Ukraine administration support	(2)
Total		(29)

Environmental Health	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Environmental Health	408	385	(23)
Housing Standards	89	40	(49)
Animal Control	1	(5)	(6)
Total	498	420	(78)

Environmental Health	Explanation	Actual Amount Over/ (under) £'000
Environmental Health	Employee Costs	11
Environmental Health	Supplies and Services	(9)
Environmental Health	Homes for Ukraine Income	(12)
Environmental Health	Other Income	(13)
Housing Standards	Employee Costs	25
Housing Standards	Fees and Charges - Enforcement fees	5
Housing Standards	Fees and Charges - Selective Licensing Scheme	(98)
Housing Standards	Net Movement in Contribution to Selective Licensing Reserve	19
Animal Control	Supplies and Services	(2)
Animal Control	Animal Licenses	(4)
Total		(78)

APPENDIX A

Partnerships	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Partnerships	36	37	1
Total	36	37	1

Partnerships	Explanation	Actual Amount Over/ (under) £'000
Partnerships	Employees	4
Partnerships	Other savings	(3)
Total		1

CCTV	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
CCTV	78	62	(16)
Total	78	62	(16)

Division	Explanation	Actual Amount Over/ (under) £'000
CCTV	Service Running Costs	(16)
Total		(16)

Community and Civil Enforcement	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Community and Civil Enforcement	288	285	(3)
Total	288	285	(3)

Community and Civil Enforcement	Explanation	Actual Amount Over/ (under) £'000
Community and Civil Enforcement	Employees	(5)
Community and Civil Enforcement	Grounds Maintenance	(4)
Community and Civil Enforcement	Vehicle Maintenance Costs	6
Total		(3)

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Social Regeneration	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Community Centres	18	9	(9)
Councillors Community Fund	22	20	(2)
Social Regeneration	20	39	19
Total	60	68	8

Social Regeneration	Explanation	Actual Amount Over/ (under) £'000
Community Centres	Repairs & Maintenance to Buildings	(9)
Councillors Community Fund	Projects unspent b/f 21/22	(2)
Social Regeneration	Employees	1
Social Regeneration	Warmer Spaces Grants	18
Total		8

Housing	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Housing Options	318	298	(20)
Total	318	298	(20)

Division	Explanation	Actual Amount Over/ (under) £'000
Housing Options	Employee Costs	11
Housing Options	Food Bank Donations	24
Housing Options	Contribution to reserves - ring-fenced domestic abuse grant	33
Housing Options	Delivery of Grant funding conditions/initiatives	180
Housing Options	Housing Grant funding	(272)
Housing Options: Accommodation	Premises Related Expenditure	7
Housing Options: Accommodation	B&B Costs (excluding Government funded scheme)	21
Housing Options: Accommodation	B&B Costs (Government funded scheme - RSI Surge)	113
Housing Options: Accommodation	Use of RSI Grant funding	(47)
Housing Options: Accommodation	Premises Rental/ B&B Rentals income	(90)
Total		(20)

Environment and Climate Change Portfolio

Environment & Climate Change Portfolio	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Community, Open Spaces and Facilities	1,849	1,952	103
Environment	4,452	4,595	143
Climate Change	49	36	(13)
Total	6,350	6,583	233

Community and Open Spaces	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Cemeteries	11	58	47
Open Spaces	1,429	1,564	135
Horticultural Centre	46	43	(3)
Facilities Management	363	287	(76)
Total	1,849	1,952	103

Community, Open Spaces and Facilities	Explanation	Actual Amount Over/ (under) £'000
Cemeteries	Employees	5
Cemeteries	Contracted Grounds Maintenance	28
Cemeteries	Service Running Costs	8
Cemeteries	Memorial Testing Works	37
Cemeteries	Cemetery Income	(31)
Open spaces	Employees	21
Open spaces	Service Running Costs	11
Open spaces	Open Space Repairs	69
Open spaces	Car Park Maintenance	7
Open spaces	Grounds Maintenance	39
Open spaces	Play Equipment	(13)
Horticultural Centre	Grounds Maintenance	(14)
Horticultural Centre	Outdoor Classroom	14
Horticultural Centre	Service Running Costs	(3)
Facilities and Health and Safety	Employees - Vacant Post	(23)
Facilities and Health and Safety	Repairs & Maintenance to Buildings	(37)
Facilities and Health and Safety	Other Building related savings	(8)
Facilities and Health and Safety	Service Running Cost savings	(7)
Total		103

Environment	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Building Consultancy	51	52	1
Council Depot	103	96	(7)
Public Conveniences	137	136	(1)
Land Drainage	66	54	(12)
Waste Collection	2,945	3,016	71
Street Cleaning	1,150	1,241	91
Total	4,452	4,595	143

APPENDIX A

Division	Explanation	Actual Amount Over/ (under) £'000
Building Consultancy	Employee Costs	14
Building Consultancy	Other running cost savings	(13)
Building Consultancy	Building Control Fee Income	(94)
Building Consultancy	Revised contribution to Building Control Reserve	93
Building Consultancy	Street Naming and Numbering Income	(8)
Building Consultancy	Other Income	9
Council Depots	Gas and Electricity	(11)
Council Depots	Other running costs	2
Council Depots	Vehicle Maintenance costs - Repairs	2
Public Conveniences	Employee Costs -Vacant Post	(16)
Public Conveniences	Temporary Staff	17
Land Drainage	Grounds Maintenance	(14)
Waste Collection	Employee Costs	36
Waste Collection	Temporary Staff	219
Waste Collection	Recycling Income	(238)
Waste Collection	Third Party Payments	(109)
Waste Collection	Vehicle Fuel	108
Waste Collection	Vehicle Maintenance costs - Repairs	6
Waste Collection	Vehicle Insurance	(36)
Waste Collection	Vehicle Hire Costs	26
Waste Collection	Purchase of Wheelie Bins	9
Waste Collection	Purchase of Trade Bins	19
Waste Collection	Other running costs	6
Waste Collection	Dry Recycling Contract - additional transition costs	6
Waste Collection	Trade Waste Income	19
Street Cleaning	Employee Costs	(42)
Street Cleaning	Temporary Staff	73
Street Cleaning	Vehicle Maintenance/Hire costs	27
Street Cleaning	Vehicle Fuel	17
Street Cleaning	Litter Bins	6
Street Cleaning	Materials from Stores	12
Street Cleaning	Income	(2)
Total		143

Climate Change	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Climate Change	49	36	(13)
Total	49	36	(13)

Climate Change	Explanation	Actual Amount Over/ (under) £'000
Climate Change	Employee Costs	(9)
Climate Change	Affordable Warmth Service	(4)
Total		(13)

Finance, Treasury Management and Communications Portfolio

Finance, Treasury Management and Communications Portfolio	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Corporate and Commercial	876	868	(8)
IT and Printing	410	413	3
Financial Services and Capital Financing	949	(102)	(1,051)
Total	2,235	1,179	(1,056)

Corporate and Commercial	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Committee Support	98	110	12
Elections	208	207	(1)
Emergency Planning	12	9	(3)
Programmes and Transformation	227	202	(25)
Members Allowances	331	340	9
Total	876	868	(8)

Division	Explanation	Actual Amount Over/ (under) £'000
Committee Support	Employee Costs	9
Committee Support	Supplies and Services	3
Elections	Other Costs	1
Elections	Grant Income - Voter ID	(20)
Elections	Contribution to Elections Reserves	18
Emergency Planning	General Grants	(3)
Programmes and Transformation	Employee Costs	(19)
Programmes and Transformation	Other Net Costs	(9)
Programmes and Transformation	Review Council's Major Incident Plan	3
Programmes and Transformation	Contribution to Professional Reserve	8
Programmes and Transformation	New Burdens Grant - Transparency Code	(8)
Members Allowances	Basic Allowance	3
Members Allowances	Carry forward to 2023/24 - New Scrutiny Arrange	6
Total		(8)

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IT and Printing	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Central Reprographics and Administration	104	96	(8)
Computer Services	306	317	11
Total	410	413	3

Division	Explanation	Actual Amount Over/ (under) £'000
Central Reprographics	Employee Costs	2
Central Reprographics	Supplies and Services	(10)
ICT	Employee Costs	11
Total		3

Financial Services and Capital Financing	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Audit	129	121	(8)
Capital Finance	273	(789)	(1,062)
Financial Management Unit	547	566	19
Total	949	(102)	(1,051)

Division	Explanation	Actual Amount Over/ (under) £'000
Audit	Internal Audit and NFI Fees	(8)
Audit	External Audit Fees	20
Audit	External Audit Fees - Government Grant	(20)
Capital Financing Costs	MRP - Debt Repayment - timing of capital receipt	48
Capital Financing Costs	Investment Income	(1,110)
Financial Management Unit	Employee Costs	(40)
Financial Management Unit	Temp Staff Costs	123
Financial Management Unit	Card Payment Fees	19
Financial Management Unit	Contribution from Professional Reserve	(74)
Financial Management Unit	Contribution from New Burdens	(9)
Total		(1,051)

Regeneration, Business Support and Marketing Portfolio

Regeneration, Business Support and Marketing Portfolio	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Enterprise	189	138	(51)
Cultural Services - Marketing	87	91	4
Total	276	229	(47)

Enterprise	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Enterprise	189	138	(51)
Total	189	138	(51)

Division	Explanation	Actual Amount Over/ (under) £'000
Enterprise	Employee costs	(44)
Enterprise	Transport costs	(2)
Enterprise	Grants/contributions	(5)
Total		(51)

Cultural Services - Marketing	Budget (£000's)	Actual Outturn (£000's)	Actual Variance (£000's)
Marketing	87	91	4
Total	87	91	4

Division	Explanation	Actual Amount Over/ (under) £'000
Cultural Services - Marketing	Employee Costs	3
Cultural Services - Marketing	Advertising	1
Total		4

SUMMARY OF CAPITAL EXPENDITURE AGAINST PROGRAMME 2022-23 (Indicative Towns Fund Allocations / Spending shown at Paragraph 6.4 of the Report)

Appendix B

Description	Capital Brought Forward 2022/23		2022/23 - per MTFS (Budget Book)		Changes Since MTFS Approved		Total Budget	Accrued Spend 2022/23	Variation	C/f	Overspend/ (Underspend)	Completed / Ongoing & Comments
	ESBC	Other Funding	ESBC	Other Funding	ESBC	Other Funding						
	£	£	£	£	£	£						
Neighbourhood working Fund	14,804						14,804	12,197	2,607	2,607		Ongoing
Disabled Facility Grants		1,936,549		1,160,000		392	3,096,941	1,161,853	1,935,087	1,935,087		Ongoing
Bartec Street Cleaning Software	12,742						12,742	15,034	(2,292)		2,292	Complete
Cemetery Expansion	183,970				64,000		247,970	3,275	244,695	244,695		Ongoing
Small Business Fund / Business Spring Board Boost Grant Scheme	24,342		100,000				124,342	70,449	53,893	29,092	(24,801)	Ongoing
Assets - Mandatory Works	30,715				12,000		42,715	18,475	24,240	24,240		Ongoing
Washlands	870,502	1,000,000			955,000		2,825,502	63,521	2,761,981	2,761,981		Procurement
Council Wide Fleet Replacement	505,496						505,496	498,593	6,903		(6,903)	Complete
Electric Charging Infrastructure (fleet)	17,954						17,954	4,697	13,257		(13,257)	Complete
Planning Assure System	59,350						59,350	9,240	50,110	50,110		Ongoing, funded from reserves
Community Regeneration Fund			100,000				100,000	94,168	5,832	5,832		All funding committed
CCTV Upgrade			205,000				205,000	86,268	118,732	118,732		Ongoing
EV Charging Points			95,000				95,000	73,568	21,432		(21,432)	Works complete
EV Charging Points (Contribution)			19,000				19,000	0	19,000	19,000		Pending SCC scheme
ICT - Windows Servers Upgrade			42,000				42,000	24,654	17,346		(17,346)	Truncated scheme complete
Stubby Lane Sewerage Facility Works			35,000				35,000	28,417	6,583		(6,583)	Complete
Cemeteries Road Improvements			38,000				38,000	20,800	17,200	17,200		Ongoing
Dog Waste Bag Dispensers			13,000				13,000	12,150	850		(850)	Complete
Tutbury S106 Grant Scheme						250,000	250,000	123,371	126,629	126,629		Ongoing
Brewhouse Roof					200,000		200,000	6,100	193,900	193,900		Ongoing
Yeoman Industrial Estate					120,000		120,000	0	120,000	120,000		Ongoing
Branston Water Park - Toilets Refurbishment					75,000		75,000	0	75,000	75,000		Procurement
Uttoxeter Sports Hub - Feasibility Study						25,000	25,000	0	25,000	25,000		Ongoing
Local Authority Housing Fund Scheme						979,506	979,506	0	979,506	979,506		Partnership Agreement
Maltings Precinct - Uttoxeter Master Plan						100,000	100,000	58,829	41,171	41,171		Ongoing
	1,719,876	2,936,549	647,000	1,160,000	1,426,000	1,354,898	9,244,322	2,385,659	6,858,662	6,769,782	(88,880)	
	4,656,424		1,807,000									

INVESTMENTS AT 31ST MARCH 2023

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date
Call Accounts and Money Market Funds				
RBS SIBA	167,972	0.80%		
MMF Insight	6,000,000	4.08%		Call
MMF Federated	6,000,000	4.04%		Call
MMF CCLA	6,000,000	4.12%		Call
Fixed Deposits / Certificates of Deposit				
Lloyds Bank CD	2,000,000	3.69%	03/01/2023	03/04/2023
Lloyds Bank CD	1,500,000	4.11%	14/02/2023	15/05/2023
National Westminster Bank CD	1,000,000	2.85%	18/08/2022	18/08/2023
National Westminster Bank CD	1,000,000	4.40%	13/12/2022	13/12/2023
National Westminster Bank CD	1,000,000	4.45%	13/01/2023	12/01/2024
Santander CD	1,500,000	4.22%	13/02/2023	14/08/2023
Toronto Dominion Bank CD	1,500,000	4.31%	31/01/2023	31/07/2023
Toronto Dominion Bank CD	1,000,000	4.78%	12/12/2022	12/12/2023
Toronto Dominion Bank CD	1,000,000	4.85%	08/03/2023	08/03/2024
DZ Bank CD	2,000,000	4.28%	20/01/2023	20/07/2023
DZ Bank CD	1,500,000	4.38%	24/03/2023	25/09/2023
Bank of Montreal CD	1,500,000	2.50%	10/06/2022	09/06/2023
Bank of Montreal CD	1,000,000	2.85%	06/07/2022	05/07/2023
Bank of Montreal CD	1,000,000	4.85%	18/11/2022	17/11/2023
Rabobank CD	1,000,000	3.53%	31/08/2022	31/05/2023
Rabobank CD	1,000,000	2.98%	22/07/2022	21/07/2023
Rabobank CD	1,500,000	4.75%	01/12/2022	01/12/2023
National Australia Bank CD	1,500,000	3.63%	24/08/2022	24/08/2023
Royal Bank of Canada CD	1,500,000	4.40%	23/09/2022	22/09/2023
DMO (UK Debt Management)	6,325,000	4.05%	30/03/2023	13/04/2023
DMO (UK Debt Management)	6,800,000	4.05%	31/03/2023	13/04/2023

Investments rate of interest as at 31 Mar 2023	Principal (£)	Interest Rate
Total Investments	56,292,972	4.03%

Average rate of interest (Year to date)	Principal (£)	Interest Rate
Total Investments	69,717,387	2.08%

Corporate Risks

Risk Owner: Corporate Management Team

Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Asylum Seeker Dispersal	The Home Office can arrange accommodation for asylum seekers in any local authority. This may result in unsuitable locations being commissioned.	Officers engage proactively with Serco/Home Office to advise on suitability as a consultee. Officers engage proactively with partner organisations (SCC / Police) to provide a joint response Officers engage with West Midlands Strategic Migration Partnership, and the newly established Staffordshire Strategic Migrations Partnership	2	3	9	31/03/2023
Economic and wider geo-political circumstances	Consequences of decision to exit the EU and the wider geo-political circumstances have a negative impact. (Economic consequences impacting on resources, both central and local, additional strain on pension fund, value of council assets, impact on procurement and VFM etc.). Potential for operational/service delivery disruption.	Monitoring of economic conditions / external forecasts, horizon scanning by CMT and Senior Officers. Prudent and Robust rolling MTFS and regular monitoring and reporting. Understanding and acting on any intelligence forthcoming from local and central government bodies.	2	4	13	31/03/2023
Business Rates Retention Scheme	Business Rate Retention Scheme. Impact of scheme on funding, including scale of reliefs/appeals, impact of the recession, the impact of revaluation and the planned business rates reset.	Regular in year monitoring of the scheme Keeping abreast of latest developments with Business Rates Retention and feeding into any national consultations. Proactive monitoring of potential and lodged appeals and accounting for likely outcomes Robust MTFS to provide provision for financial resilience to changes in scheme, including a business rates reserve.	3	4	15	31/03/2023
Central Government Funding	Uncertainty surrounding future government funding, including the impact of the business rates reset, New Homes Bonus, and finally the planned needs review in relation to the allocation of funding within the sector being updated (previously the fair funding review).	Robust MTFS with flexibility to respond to changes in government proposals Financial modelling/impact assessment. Keep abreast of Govt developments and pro-actively responding to consultations.	2	4	13	31/03/2023
Climate Change	Failure to deliver the climate change action plan approved by Council 17th August 2020.	Annual monitoring and reporting. Additional staffing resource to support implementation. Regular reviews by the Deputy Leader	1	4	10	31/03/2023
Financial : Pension Scheme	Increasing pension liabilities result in the need to increase future employer contributions (longer term risk).	Realistic provision within MTFS for cost and changes Latest triennial review frozen pension contribution rates (overall) and an indicative +/-1% for the following 3 years. There remains a longer term risk beyond this period resulting from economic circumstances.	1	4	10	31/03/2023

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Homes for Ukraine scheme	There are a number of actions/activities that the Borough Council is expected to undertake in delivering the Homes for Ukraine scheme. Failure to deliver on these aspects may give rise to a reputational risk to the Council. There is also a consequential risk in relation to guests on the scheme once the initial 6 month placement comes to an end.	<p>An internal officer team has been established to address these issues and provide the appropriate response.</p> <p>Officers are working with County colleagues (who are effectively leading on the scheme) to ensure communications channels are appropriate.</p> <p>The appropriate staff are in place to address the issues as required e.g. Environmental Health for housing inspection checks, Revenues team to ensure identified payments are made and Management to ensure appropriate financial controls are in place. Support from the Housing Options Team.</p>	2	2	5	31/03/2023
ICT Security	<p>Unintentional or intentional introduction of malware, resulting impacts on normal service delivery and/or breach of data protection, via:</p> <p>1) Prevention of access to systems or data</p> <p>2) Physical destruction of hardware</p> <p>3) Data Exposure or leaks</p> <p>4) Data alteration</p>	<p>ICT Security Policy</p> <p>Access controls and permissions within system applications</p> <p>Protective defences such as antivirus software</p> <p>Perimeter protection with hardware firewalls</p> <p>Regular patching</p> <p>Quarterly vulnerability scans</p> <p>Officer and Member training and awareness</p> <p>Prevention of access to unnecessary physical facilities e.g. USB devices</p>	2	4	13	31/03/2023
Litigation - General	Failure to comply with the law on a range of services, including the New General Data Protection Regulations (GDPR)	<p>Managers/Heads of Service, with Legal support, keep abreast of new and changed law</p> <p>Monitoring Officer role to oversee legal compliance</p> <p>Training rolled out in respect of GDPR requirements. Compliance oversight by Monitoring Officer and CMT. Updates to the Corporate Report template to ensure GDPR is considered as part of the decision making.</p>	1	4	10	31/03/2023
MTFS: Budget Assumptions	Assumptions made in the MTFS in relation to inflation, interest rates, pay awards, income levels etc. have a negative impact on financial plans/resources.	<p>Robust MTFS provides some degree of resilience to financial shocks</p> <p>Proactive treasury management forecasting, monitoring and reporting</p> <p>Budgeting based on prudent forecasts. Regular in-year monitoring and forecasting</p>	4	4	16	31/03/2023

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Supported Housing	(1) Demand for supported housing accelerates within the Borough	Processes for accessing claims reviewed and strengthen, taking into account learning from other authorities and Sector led Pilots. Due to an unsuccessful funding bid to DHLUC the Council has allocated additional resource/capacity to address these issues from existing Housing Grant Funding.	2	4	13	31/03/2023
	(2) The outcome of appeals and other claims by Supported Housing providers	Use of external expertise and advice. Provision made within reserves against claims and some allowance within the budget for additional support.				
	Results in costs becoming financially unsustainable, impacting on the Council ability to deliver other services within the Borough.	Management oversight				
Towns Fund	Failure to deliver the Towns Fund for the Borough	Multi Agency Towns Fund Board established. Senior Officers and Members attend/sit on the Board. Appropriate Governance arrangements in place within ESBC as the accountable body. Close liaison with Partners and Government Department. Cost pressures resulting in the need to scale back plans Oversight of the projects via the Business Assurance Group	2	4	13	31/03/2023
Treasury Management - Counter-party risk	Market volatility, geo-political risks result in counter-party failure and financial loss to the Council.	Robust Treasury Management Strategy and a prudent risk approach to investments. Advice from professional treasury advisors, monitoring market developments, benchmarking.	2	4	13	31/03/2023
Unforeseen Environmental Impacts	Floods, fire, chemical, major disaster, terrorism	Major Incident/Emergency Plan Test exercises ensure readiness for incidents, including the LEMUR exercise focusing on a National Power Outage scenario. Internal resource and support from CSU The Council is working closely with the Environment Agency in relation to extensive flood defence work on the Washlands and wider areas to prevent major flooding events in the future. County wide preventing violent extremism working group	2	4	13	31/03/2023
Unforeseen Health Impacts	Pandemics/wider health issues impacting on council (more detail in relation to Covid-19 above)	Succession planning/ability to access temporary staff. Major Incident/Emergency Plan Robust, tested business continuity plans	2	4	13	31/03/2023

Corporate Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Welfare Reforms	Welfare Reforms. 1) Delivery/impact of Universal Credit 2) Financial impact of Council Tax Reduction, including demographic changes 3) Financial impact of universal credit on subsidy levels, ability to recover overpayments and housing options funding.	Council Tax Reduction scheme approved and complied with <hr/> Regular monitoring of scheme against financial provisions / MTFS <hr/> Financial modelling/impact assessment. More frequent in year monitoring.	2	4	13	31/03/2023
Wider Public Sector Funding Reductions	Impact on the Council of the wider public sector funding reductions (e.g. homelessness, supported housing, waste changes etc.)	Robust MTFS generally provides some financial resilience to respond to changes <hr/> Seek and develop opportunities to increase income or reduce costs across all Council operations <hr/> Senior level discussions may mitigate or prevent such cost shunts and responding to government consultants to highlight the local impact of proposals.	2	4	13	31/03/2023

Strategic Risks		Risk Owner: Corporate Management Team					Last Reviewed
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level		
A fear of not being able to influence the GBSLEP/SSLEP	Failure to be adequately represented and therefore limited ability to influence. Opportunity risk of not maximising potential benefits from working within the LEPS.	Senior officers (CE and Heads of service) heavily involved in working with the LEP to represent Council's interests <hr/> The Council is a member of the SSLEP with a place on the board. <hr/> One member (Council) one vote, provides Council with a strong voice on GBSLEP	1	4	10	31/03/2023	
Business Continuity	Failure to have effective plans in place	Approach to Business Continuity was reviewed in Quarter 2 2021/22. Individual BCPs are reviewed and updated on a regular basis. <hr/> Approved, up to date BC policy in place. Regular training and associated events for key personnel take place and regular updates are presented to the Corporate Management Team	1	4	10	31/03/2023	
Communication	Lack of community engagement and failure to take into account residents views in the decision making process.	Communications strategy reviewed and revised in December 2021. Communications Plans in place and regularly reviewed. <hr/> Proactive social media work undertaken by the Corporate and Commercial Team	2	2	5	31/03/2023	
Corporate Plan	Failure to deliver corporate plan objectives	Corporate Plan is adopted at full council and refreshed at full council annually. <hr/> The CP is established with COs and Cabinet Portfolio Holders working together to realign political manifesto into a series of objectives and SMART targets. <hr/> Performance of the CP is formally reported on a quarterly basis through Cabinet and all political groups as well as through quarterly scrutiny boards. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary.	2	3	9	31/03/2023	
Council Tax Reduction Scheme	Failure to adopt a scheme that is fit for purpose and affordable.	Scheme suitably approved and adopted; budget set based on forecasts and reviewed; CTR correctly applied per scheme	1	3	6	31/03/2023	
Devolution / Levelling Up	The levelling up white paper published in February 2022 provides the potential for mayoral combined authorities / unitary authorities or other opportunities/outcomes.	Opportunities kept under review with county council and other districts. <hr/> Monitored by the executive	1	4	10	31/03/2023	

Strategic Risks		Risk Owner: Corporate Management Team				
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed
Health & Safety	Failure to deliver/comply with H&S policy/strategy	<p>The strategy/policy is adopted following consultation with all relevant internal stakeholders and approved by the Leader</p> <p>H&S team advises, educates and reviews risk assessments etc and has direct reporting access to Chief Executive</p> <p>Incident/accident reporting process in place.</p>	1	4	10	31/03/2023
Local Plan Implications	Monitoring of the local plan and maintenance of a five year land supply	<p>Regular monitoring /compliance</p> <p>Planning decisions complying with approved plan/existing planning law/policy.</p> <p>On going work between Members and Officers</p>	2	4	13	31/03/2023
Managing Change	Ineffective change management resulting in a reduction in the quality of services	<p>Workforce Planning Strategy in place and recently reviewed.</p> <p>Effective track record of performance management - via Corporate Plan, Service Planning, Staff Performance Appraisals</p> <p>Effective Communications - Corporate Management Team, Managers Forum, Team Meetings, Staff 1-1s, Staff Briefings.</p>	2	2	5	31/03/2023
Medium Term Financial Strategy	Failure to adopt and implement an effective and robust MTFS impacting on the Council's ability of the Council to meet its objectives.	<p>The MTFS is established with COs and Cabinet Members working together to realign political manifesto into a series of objectives and financial targets.</p> <p>Financial support and challenge to proposals with financial implications, minimising risks of a budget shortfall.</p> <p>The MTFS is adopted at full council and refreshed at full council annually. Performance of the MTFS is formally reported on a quarterly basis through Cabinet and all political groups as well. Any slippage is identified at an early stage and preventative and/or corrective actions are taken as necessary.</p>	1	4	10	31/03/2023
Member Training/Awareness	Lack of awareness/understanding of key responsibilities.	<p>Constitution</p> <p>Member induction programme, member training and regular briefings.</p> <p>Open door policy with Heads of service; discussions/briefings with officers.</p>	2	2	5	31/03/2023

Strategic Risks		Risk Owner: Corporate Management Team					
Risk	Source of Risk	Treatment Description	Likelihood	Impact	Risk Level	Last Reviewed	
Planning Appeals	Appeals against planning decisions arising from failure to take into account professional and legal advice leading to financial loss from cost of appeal and potentially new homes bonus.	Member training Financial provision/contingency to meet potential costs of appeals Legal advice at committee	2	4	13	31/03/2023	
Treasury Management Strategy	An ineffective TM Strategy does not protect the Council adequately against the risks associated with this activity resulting in potential significant financial loss and possible reputational damage. The associated opportunity risk of ineffective cashflow management, resulting in returns lower than might be realised, taking into account the Council's risk appetite or the need for unexpected borrowing.	The TMS reflects statutory and non-statutory guidance and is adopted at full council annually, following scrutiny by the Audit Committee. Performance of the TMS is formally reported on a quarterly basis through the Financial Outturn report to Cabinet and all political groups as well as through the Audit Committee. Mid year performance and Outturn is formally reported through to full council. Adequate and suitably trained staff. Regular member training/briefings. The appointment of professional treasury management advisors	2	4	13	31/03/2023	

REVENUE BUDGET CARRY FORWARD REQUESTS 2022/23 to 2023/24

The following items have been requested for carry forwards from 2022/23 to 2023/24 by Service Managers and Chief Officers to enable these initiatives to continue:

Service	Amount	Request
	£	
Environmental Health	15,000	Air Quality Monitors which have been ordered but not received as at 31st March 2023.
Corporate and Commercial	3,000	CCU Refund to be utilised to support a review of the Council's Major Incident Plan
Planning	19,212	To support the completion of the Playing Pitch Strategy which has already been commissioned and is due to be finalised in 2023
Open Spaces / Cemeteries	37,000	To undertake the approved works associated with Memorial Testing at the Cemetery. Works have been delayed due to difficulties identifying suitable contractors.
Corporate and Commercial	6,295	Member allowances to support revised Scrutiny arrangements
Corporate and Commercial	49,000	Webstreaming of Council Meetings in accordance with VFM46
Total	129,507	