

Summary Revenue Budgets and Capital Programme for 2022/23 Budget and MTFS (2023/24 to 2026/27)

REVENUE					
Approved 2022/23 Budget & Medium-Term Financial Strategy (2023/24 to 2026/27)					
	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Net Direct Cost of Services	11,064	10,942	11,094	11,896	12,708
Capital Financing	506	541	741	819	907
Net Expenditure	11,570	11,483	11,835	12,715	13,615
Contributions to/(from) Reserves					
- General Reserves	0	0	0	(551)	(1,962)
- Earmarked Reserves	1,428	(1,451)	(725)	(804)	(31)
	1,428	(1,451)	(725)	(1,355)	(1,993)
Budget Requirement	12,998	10,032	11,110	11,360	11,622
Total Grants	(6,344)	(3,020)	(3,749)	(3,675)	(3,601)
Council Tax Requirement	6,654	7,012	7,361	7,685	8,021

CAPITAL PROGRAMME					
Approved 2022/23 Budget & Medium-Term Financial Strategy (2023/24 to 2026/27)					
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Capital Projects					
CCTV	20	20	20	20	20
Harborough Innovation Centre	20	20	20	20	20
Housing & Homelessness Schemes	650	0	0	0	0
Lightbulb (Disabled Facilities Grants) & Other Social Services	420	420	420	420	420
Leisure, Open Spaces & Play	3,586	3,600	3,100	1,000	150
Corporate Buildings	222	375	1,000	5,000	0
Car Parks & Similar Facilities	90	400	400	0	0
Economic Development	0	0	0	0	0
Capital Works-S.106	250	250	250	250	250
ICT & Transformation	2,205	175	0	0	0
Total	7,463	5,260	5,210	6,710	860
Sources of Finance					
External Funding & Grants	1,626	1,820	3,328	1,270	720
Capital Receipts	3,926	500	450	50	50
Service Charges	6	6	6	6	6
Direct Revenue Financing	1,330	100	0	0	0
Unsupported Borrowing (MRP)	575	2,834	1,426	5,384	84
Total	7,463	5,260	5,210	6,710	860

2021/22 Outturn	Service Analysis - BY PORTFOLIO	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
3,007	Finance	2,353	0	136	2,489	2,331	(158)	-6%
4,218	Planning, Environment & Waste	4,986	0	65	5,051	5,280	229	4.5%
890	Wellbeing, Communities & Housing	1,270	0	(9)	1,261	1,218	(43)	-3.4%
588	Strategy (aka Planning & Regeneration)	670	0	157	827	741	(86)	-10.4%
2,652	Corporate & Regulatory Services	1,785	0	111	1,896	2,847	951	50.2%
11,355	Net Direct Cost of Services	11,064	0	460	11,524	12,417	893	7.7%
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
11,807	Net Expenditure	11,570	0	460	12,030	12,840	810	6.7%

2021/22 Outturn	Service Analysis - BY DIRECTOR	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
1,532	Interim Chief Executive	2,196	0	108	2,304	2,076	(228)	-10%
3,104	Interim Deputy Chief Executive (Finance, ICT & Assets)	2,439	0	171	2,610	3,299	689	26.4%
1,275	Governance	0	0	0	0	0	0	0.0%
5,433	Communities	5,924	0	(9)	5,915	6,165	250	4.2%
11	Planning	505	0	190	695	877	182	26.2%
11,355	Net Direct Cost of Services	11,064	0	460	11,524	12,417	893	7.7%
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
11,807	Net Expenditure	11,570	0	460	12,030	12,840	810	6.7%

2021/22 Outturn	Reconciliation to Council Tax Requirement	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
11,807	Net Expenditure	11,570	0	460	12,030	12,840	810	6.7%
	Contributions to/(from) Reserves							
(1,636)	- General Reserves	0	0	0	0	(810)	(810)	0.0%
3,577	- Earmarked Reserves	1,428	0	(460)	968	968	0	0.0%
1,941		1,428	0	(460)	968	158	(810)	-83.7%
13,748	Budget Requirement	12,998	0	0	12,998	12,998	0	0.0%
(7,459)	Corporate Funding & Grants	(6,344)	0	0	(6,344)	(6,344)	0	0.0%
6,289	Council Tax Requirement	6,654	0	0	6,654	6,654	0	0.0%

Original Budget £000	2022/23 Reserve Movements		Appendix 2 (continued)		
		Updated Actuals 31.03.22 £000		Updated Budget £000	Forecast Outturn £000
	> General Fund (Unallocated) Reserve				
2,741	b/f	2,361		2,361	2,361
0	Cont from/(to) Services	0		0	(810)
(450)	Cont from/(to) Budget Surplus Reserve	(70)		(70)	1,017
2,291	c/f	2,291		2,291	2,568
11,570	Net Expenditure	11,570		11,570	12,840
(117)	- CV19 adjustment 1 - Earmarked Res	(117)		(117)	
11,453	Min Level Reserves	11,453		11,453	
2,291		Gen Fund Minimum @ 20%	2,291	2,291	2,568
Yes	Are Reserves maintained at 20% of Net Expenditure	Yes		Yes	Yes
	> Earmarked Reserves				
	Budget Surplus Reserve				
0	b/f	0		0	0
450	Cont from/(to) General Fund	70		70	(1,017)
(450)	Cont from/(to) Earmarked Reserves	(70)	381	(70)	1,017
0	c/f	0		0	0
	CV19 Internal Recovery Reserve				
7,825	b/f	4,171		4,171	4,171
(4,935)	Cont from/(to) Services	(4,935)		(4,935)	(4,935)
(733)	Cont from/(to) Corp Funding & Grants	(733)		(733)	(733)
0	Cont from/(to) Earmarked Reserves	0		0	0
2,157	c/f	(1,497)		(1,497)	(1,497)
	Projects, Risk & Smoothing Reserve				
691	b/f	1,051		1,051	1,051
300	Cont from/(to) Services	300		300	300
2,278	Cont from/(to) Corp Funding & Grants	2,278		2,278	2,278
450	Cont from/(to) Budget Surplus Earmarked Reserve	70	(381)	70	(1,017)
75	Cont from/(to) Earmarked Reserves	75		75	75
3,794	c/f	3,774		3,774	2,687
	Capital & Contract Reserve				
748	b/f	1,888		1,888	1,888
0	Cont from/(to) Budget Surplus Earmarked Reserve	0		0	0
0	Cont from/(to) Services	0	(460)	(460)	(460)
748	c/f	1,888		1,428	1,428
	Transformation Reserve				
2,067	b/f	1,837		1,837	1,837
(1,000)	Cont from/(to) Earmarked Reserves	(1,000)		(1,000)	(1,000)
1,067	c/f	837		837	837
	Community, Economic & Infrastructure Reserve				
1,447	b/f	1,447		1,447	1,447
425	Cont from/(to) Earmarked Reserves	425		425	425
1,872	c/f	1,872		1,872	1,872
	Commercial Investment Reserve				
2,357	b/f	2,934		2,934	2,934
500	Cont from/(to) Earmarked Reserves	500		500	500
2,857	c/f	3,434		3,434	3,434

Commentary on 2022/23 Budget Variances Greater than £25,000, by Director Service Categorisation					Appendix 3	
Service	Directorate Variance £000	Savings £000	Pressures £000	Total £000	Detailed Service Variance	
					Commentary	
Interim Chief Executive	(228)					
Corporate Administration		(37)		(37)	£30k agreed saving on salaries plus £7k other savings.	
Land Charges		(46)		(46)	£48k payment from HM Land Registry for moving land charges register.	
Committee Servicing		(22)	35	13	£22k agreed saving on salaries less cost of agency staff to provide additional support.	
Deputy Chief Executive		(33)		(33)	Nearly 3 months of salary savings until interim appointment of Director: Finance, ICT & Assets to post until end of December 2022, assuming Deputy returns to post from January 2023.	
Harborough Innovation Centre		(114)		(114)	Additional income from hire of facilities £82k and recharges £31k.	
Provision for Utilities inflation				41	41	Market Hall and Harborough Innovation Centre.
Cumulative variances less than £25k				(52)	(52)	
Interim Deputy Chief Executive (Finance, ICT & Assets)	689					
Finance Services			79	79	Initial delays in new financial system project had a knock on effect on the planned restructure savings of £118k, now only anticipating savings for 4 months from December 2022.	
IT Services		(34)	54	20	£34k agreed saving on salaries less unbudgeted cost of Microsoft licences less other smaller savings.	
Interest & Investment Income		(300)		(300)	Agreed saving - increased interest rates.	
Quick Response Team				72	72	Unbudgeted cost of team.
Director: Finance, ICT & Assets)		(29)		(29)	Saving generated as post holder acting as Deputy Chief Executive until end of December 2022.	
Corporate Savings - pay increase			279	279	Original budget for pay increase of 1.75% increased in line with current request of £1,925 per scale point.	
Corporate Savings - other savings			471	471	£304k target operating model savings will not be achieved in 2022/23, plus £77.5k of cross cutting savings. £90k of vacancy savings matched by vacancy savings in individual cost centres.	
Major Emergencies		(63)		(63)	ERDF funding received relating to 2020/21 Covid expenditure.	
The Symington Building		(7)	51	44	£20k soft services, £25k income over accrued for in 2021/22.	
Provision for Utilities inflation				45	45	Mostly the Symington Building.
Cumulative variances less than £25k		(57)	128	71		
Communities	250					
Customer Services			97	97	£60k Netcall System, £35k additional call centre staff.	
Communication		(28)		(28)	£12k agreed saving on salaries plus £16k saving on vacant post.	
Carparking			250	250	£220k down on car park fee income, £13k down on permits plus increase in direct costs mainly Parking by Phone costs.	
Housing Services		(32)		(32)	£10k agreed saving on salaries plus additional saving on vacant Manager post now filled.	
Cumulative variances less than £25k		(15)	(22)	(37)		
Planning	182					
Development Control			203	203	Additional £54k down in fees and £15k down on advice this quarter on top of £141k highlighted in quarter 1 (£94k shared service not proceeded with, £39k down on fee income and other smaller variances).	
Cumulative variances less than £25k		(8)	(13)	(21)		
Finance & Assets: Capital Financing	(83)					
IT Services		(25)		(25)	Agreed saving - capitalisation of IT time on capital projects.	
Minimum Revenue Provision		(58)		(58)	Agreed saving - recalculation of MRP.	
Cumulative variances less than £25k		0	0	0		
Net Expenditure	810	(908)	1,718	810		

General Fund Reserves, 31 st March 2022			Appendix 4	
Reserve	Balance (£m)		Purpose	Useable / Unusable
General Fund (Unallocated Reserve)	2.4		Emergency funding (20% of net expenditure)	Unusable
Earmarked Reserves	13.3			
CV19	4.2		To meet known costs relating to the Coronavirus Pandemic.	Unusable, as it is mainly TIG grant to meet current and next year Collection Fund deficits.
Projects, Risks & Smoothing	1.1		To meet known future pressures, primarily the Local Plan.	Unusable, as this is funding set-aside to meet known future costs.
Capital & Contracts	1.9		To meet known capital and revenue contract costs.	Unusable, as this is funding set-aside to meet known future costs.
Transformation	1.8		To meet costs relating to the current transformation programme.	Usable, but this would not be available to meet costs of transformation.
Community, Economic & Infrastructure	1.4		To meet potential costs relating to community etc development.	Usable, but this would not be available to meet the costs of community development.
Commercial Investment	2.9		To meet potential costs where investments will generate a return; £900k of this is potentially committed to co-fund the Levelling-Up Fund Bid.	Usable, but this would not be available to support the costs of commercial investment.
Total	15.7			

Potential Medium-Term Impact of Cost/Inflationary Pressures								Appendix 5	
	In-Year Pressures			Potential Impact if No Mitigation				Cumulative Impact over MTFS	Reasoning
	2022/23			2023/24	2024/25	2025/26	2026/27		
	Saving £000	Cost £000	Net £000	£000	£000	£000	£000		
Inflation									
Pay	0	279	279	558	837	1,116	1,395		Assume increase year-on-year Assume 20% 2023/24, 10% 2024/25
Utility Bills	0	106	106	42	21	0	0		
	0	385	385	600	858	1,116	1,395	4,777	
Underachievement of Savings									
Senior Management Review (TOM)	0	304	304	228	0	0	0		Saving achieved after 9 months in 2023/24. Saving achieved after 9 months in 2023/24. Saving achieved Cost will need meeting in future years Impact only 2022/23 Saving achieved after 6 months in 2024/25.
Cross Cutting Savings	0	77	77	58	0	0	0		
Vacancy Savings	(90)	90	0	0	0	0	0		
Quick Response Team	0	72	72	72	72	72	72		
Committee Servicing	(22)	35	13	0	0	0	0		
Development Management Shared Service	0	94	94	128	64	0	0		
	(112)	672	560	486	136	72	72	1,771	
Normal Operational Delivery									
Corporate Administration	(37)	0	(37)	0	0	0	0		Impact only 2022/23
Land Charges	(46)	0	(46)	0	0	0	0		
Deputy Chief Executive	(33)	0	(33)	0	0	0	0		Cost will need meeting in future years
Finance	0	79	79	0	0	0	0		
IT Services	(34)	54	20	54	54	54	54		Impact only 2022/23
Interest & Investment Income	(300)	0	(300)	0	0	0	0		
Director: Finance etc	(29)	0	(29)	0	0	0	0		Anticipating permanent reduction in demand
Carparking (lost income)	0	250	250	250	250	250	250		
Development Management (underachievement of income)	0	109	109	0	0	0	0		Impact only 2022/23
Harborough Innovation Centre	(114)	0	(114)	0	0	0	0		Impact only 2022/23
ERDF funding	(63)	0	(63)	0	0	0	0		
The Symington Building	(7)	51	44	0	0	0	0		Netcall cost will need meeting in future years
Customer Services	0	97	97	60	60	60	60		
Communication	(28)	0	(28)	0	0	0	0		Impact only 2022/23
Housing Services	(32)	0	(32)	0	0	0	0		
MRP saving	(58)	0	(58)	0	0	0	0		Impact only 2022/23
IT Services - capitalisation	(25)	0	(25)	0	0	0	0		
Variances less than £25k	10	21	31	0	0	0	0		
	(796)	661	(135)	364	364	364	364	1,494	
Total	(908)	1,718	810	1,450	1,358	1,552	1,831	8,042	

2022/23 Capital Forecast Outturn and Variance Analysis								Appendix 6	
Capital Projects	Original Budget	Virements & Reserve Movements	Proposed Slippage to 2023/24	Proposed Updated Budget	Actual to Quarter 2	Forecast Outturn	Variance		Commentary
	£000	£000	£000	£000	£000	£000	£000		
Capital Projects Approved in previous years (either									
CCTV	20	0	0	20	46	20	0	0%	CCTV schemes underway
Harborough Innovation Centre	20	0	0	20	5	20	0	0%	
Housing & Homelessness Schemes	927	0	0	927	20	927	0	0%	Roman Way in planning phase. Plowmans Yard development out to tender
Lightbulb (Disabled Facilities Grants) & Other Social Services	732	0	0	732	127	732	0	0%	Delivered through Lightbulb partnership and on track
Leisure, Open Spaces & Play	4,449	0	(2,343)	2,106	26	2,036	(70)	-3%	New Leisure provision procurement was moved out to 2024 due to contract extension. Spend on leisure dependent on new leisure provider so slipped to future years. Jubilee grants under allocated by £70k.
Corporate Buildings	513	125	(148)	490	11	490	0	0%	Symington Building ventilation scheme put on hold awaiting outcome of review of TSB future usage. New depot project underway - pull budget forward from future years allocations. Works to Frank Whittle monument commenced early - bring budget forward from 23/24
Car Parks & Similar Facilities	619	0	0	619	0	619	0	0%	Covers EV points at car parks plus budget b/f for the coach park
Economic Development	528	0	0	528	0	528	0	0%	Lutterworth TC Heritage Zone plan
Capital Works-S.106	1,623	0	0	1,623	761	1,623	0	0%	Community grants funded through s106 contributions
ICT & Transformation	2,382	0	0	2,382	410	2,382	0	0%	All principle projects underway (new finance and assets system, ICT transformation programme, customer call centre in-sourcing).
Total	11,813	125	(2,491)	9,447	1,406	9,377	(70)	0%	
Sources of Finance									
External Funding & Grants	4,000			4,000	908	4,000	0	0%	
Capital Receipts	4,054	0		4,054	410	4,054	0	0%	
Service Charges	6	0		6	5	6	0	0%	
Direct Revenue Financing	1,330	0		1,330		1,260	(70)	-5%	
Unsupported Borrowing (MRP)	2,423	125	(2,491)	57	83	57	0	0%	
Total	11,813	125	(2,491)	9,447	1,406	9,377	(70)	-1%	