

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

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

<b>CAPITAL PROGRAMME</b>					
<b>Approved 2022/23 Budget &amp; Medium-Term Financial Strategy (2023/24 to 2026/27)</b>					
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Projects</b>					
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
<b>Total</b>	<b>7,463</b>	<b>5,260</b>	<b>5,210</b>	<b>6,710</b>	<b>860</b>
<b>Sources of Finance</b>					
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
<b>Total</b>	<b>7,463</b>	<b>5,260</b>	<b>5,210</b>	<b>6,710</b>	<b>860</b>

**2022/23 Revenue Forecast Outturn and Variance Analysis by Portfolio & Director Service Categorisation**

**Appendix 2**

2021/22 Outturn	<b>Service Analysis - BY PORTFOLIO</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000
3,007	Finance	2,353	0	136	2,489	2,119	(370)	-15%
4,218	Planning, Environment & Waste	4,986	0	65	5,051	5,589	538	10.7%
890	Wellbeing, Communities & Housing	1,270	0	(9)	1,261	1,217	(44)	-3.5%
588	Strategy (aka Planning & Regeneration)	670	0	157	827	763	(64)	-7.7%
2,652	Corporate & Regulatory Services	1,785	0	111	1,896	2,497	601	31.7%
<b>11,355</b>	<b>Net Direct Cost of Services</b>	<b>11,064</b>	<b>0</b>	<b>460</b>	<b>11,524</b>	<b>12,185</b>	<b>661</b>	<b>5.7%</b>
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,608</b>	<b>578</b>	<b>4.8%</b>

2021/22 Outturn	<b>Service Analysis - BY DIRECTOR</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000
1,532	Interim Chief Executive	2,196	0	108	2,304	2,252	(52)	-2%
3,104	Interim Deputy Chief Executive (Finance, ICT & Assets)	2,439	0	171	2,610	2,684	74	2.8%
1,275	Governance	0	0	0	0	0	0	0.0%
5,433	Communities	5,924	0	(9)	5,915	6,069	154	2.6%
11	Planning	505	0	190	695	1,180	485	69.8%
<b>11,355</b>	<b>Net Direct Cost of Services</b>	<b>11,064</b>	<b>0</b>	<b>460</b>	<b>11,524</b>	<b>12,185</b>	<b>661</b>	<b>5.7%</b>
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,608</b>	<b>578</b>	<b>4.8%</b>

2021/22 Outturn	<b>Reconciliation to Council Tax Requirement</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	£000
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,608</b>	<b>578</b>	<b>4.8%</b>
	Contributions to/(from) Reserves							
(1,636)	- General Reserves	0	0	0	0	(578)	(578)	0.0%
3,577	- Earmarked Reserves	1,428	0	(460)	968	968	0	0.0%
<b>1,941</b>		<b>1,428</b>	<b>0</b>	<b>(460)</b>	<b>968</b>	<b>390</b>	<b>(578)</b>	<b>-59.7%</b>
<b>13,748</b>	<b>Budget Requirement</b>	<b>12,998</b>	<b>0</b>	<b>0</b>	<b>12,998</b>	<b>12,998</b>	<b>0</b>	<b>0.0%</b>
(7,459)	Corporate Funding & Grants	(6,344)	0	0	(6,344)	(6,344)	0	0.0%
<b>6,289</b>	<b>Council Tax Requirement</b>	<b>6,654</b>	<b>0</b>	<b>0</b>	<b>6,654</b>	<b>6,654</b>	<b>0</b>	<b>0.0%</b>

Original Budget £000	2022/23 Reserve Movements		Appendix 2 (continued)		
		Updated Actuals 31.03.22 £000		Updated Budget £000	Forecast Outturn £000
	<b>&gt; General Fund (Unallocated) Reserve</b>				
2,741 0 (450) 2,291	<b>b/f</b> Cont from/(to) Services Cont from/(to) Budget Surplus Reserve <b>c/f</b>	2,361		2,361 0 (70) 2,291	2,361 (578) 739 2,522
11,570 (117)	Net Expenditure - CV19 adjustment 1 - Earmarked Res	11,570		11,570 (117)	12,608
11,453 2,291 Yes	Min Level Reserves Gen Fund Minimum @ 20% <b>Are Reserves maintained at 20% of Net Expenditure</b>			11,453 2,291 Yes	2,522 Yes
	<b>&gt; Earmarked Reserves</b>				
0 450 (450) 0	<b>Budget Surplus Reserve</b> <b>b/f</b> Cont from/(to) General Fund Cont from/(to) Earmarked Reserves <b>c/f</b>	0		0 70 (70) 0	0 (739) 739 0
7,825 (4,935) (733) 0 2,157	<b>CV19 Internal Recovery Reserve</b> <b>b/f</b> Cont from/(to) Services Cont from/(to) Corp Funding & Grants Cont from/(to) Earmarked Reserves <b>c/f</b>	4,171		4,171 (4,935) (733) 3,297 1,800	4,171 (4,935) (733) 3,297 1,800
691 300 2,278 450 75 3,794	<b>Projects, Risk &amp; Smoothing Reserve</b> <b>b/f</b> Cont from/(to) Services Cont from/(to) Corp Funding & Grants Cont from/(to) Budget Surplus Earmarked Reserve Cont from/(to) Earmarked Reserves <b>c/f</b>	1,050		1,050 300 2,278 70 75 3,773	1,050 300 2,278 (739) 75 2,964
748 0 0 748	<b>Capital &amp; Contract Reserve</b> <b>b/f</b> Cont from/(to) Budget Surplus Earmarked Reserve Cont from/(to) Services <b>c/f</b>	1,887		1,887 0 (460) 1,427	1,887 0 (460) 1,427
2,067 (1,000) 1,067	<b>Transformation Reserve</b> <b>b/f</b> Cont from/(to) Earmarked Reserves <b>c/f</b>	1,837		1,837 (1,000) 837	1,837 (1,000) 837
1,447 425 1,872	<b>Community, Economic &amp; Infrastructure Reserve</b> <b>b/f</b> Cont from/(to) Earmarked Reserves <b>c/f</b>	1,447		1,447 (447) 1,000	1,447 (447) 1,000
2,357 500 2,857	<b>Commercial Investment Reserve</b> <b>b/f</b> Cont from/(to) Earmarked Reserves <b>c/f</b>	2,934		2,934 (1,924) 1,010	2,934 (1,924) 1,010

Commentary on 2022/23 Budget Variances Greater than £25,000, by Director Service Categorisation			Appendix 3	
Service	Directorate Variance £000	Total £000	Detailed Service Variance	
			Commentary	
<b>Interim Chief Executive</b>	(52)			
Legal Services			84	£60k staffing including redundancy costs and agency above budgets for vacant posts, plus £26k legal costs for planning appeals above available budget
Land Charges			(43)	£48k payment from HM Land Registry for moving land charges register.
Market Hall			59	Income continuing downward trend £56k, energy inflation £17k less saving on salaries £14k as Manager working on Town centre
Deputy Chief Executive			(35)	3 month saving in vacancy
Harborough Innovation Centre	(117)	Income (hire of facilities and recharges) £110k above budget plus various smaller savings less energy inflation £7K		
Cumulative variances less than £25k		0		
<b>Interim Deputy Chief Executive (Finance, ICT &amp; Assets)</b>	74			
Human Resources			29	Legal costs
Finance Services			85	Some initial delays in new finance system project have had a knock-on effect on the planned restructure savings of £118k - now only anticipating savings for 4 months - from Dec 2022
Interest & Investment Income			(500)	£300k savings agreed at quarter 2, increased again due to rising interest rates
Quick Response Team			74	Unbudgeted cost of team.
Control Centre			32	Income not achieving expected levels £18k, one off rental payment £7k and smaller overspends
Director: Finance, ICT & Assets			(61)	Saving generated as post holder acting as Interim Deputy Chief Executive
Director: Finance, ICT & Assets			(40)	Carry forward towards council chamber virtualisation project will need carrying forward again at year end
Corporate Savings - pay increase			(164)	Original budget for pay increase of 1.75%
Corporate Savings - other savings			515	£304k target operating model savings will not be achieved in 2022/23, plus £76k of cross cutting savings. £135k of vacancy savings matched by vacancy savings in individual cost centres.
Major Emergencies			(63)	ERDF funding received relating to 2020/21 Covid expenditure.
Strategic Partnership	31	Not in original budget		
The Symington Building	39	£17k on soft services, £25k on income over accrued for 21/22, £13k on electricity, £8k on other smaller variances less underspend of rates due to refund of £24k		
Cumulative variances less than £25k		97		
<b>Communities</b>	154			
Customer Services			89	£60k Netcall contract system previously under capital budget. £20k additional cost of call centre staff
Communication			(40)	£12k savings agreed plus £28k additional savings from vacant posts
Carparking			239	Car park fee income down £243k, permit income down £16k and supplies, mainly Pay by phone costs up by £20k
On Street Car Parking			(37)	Vacancies
Temporary Accomodation	34	£22k expected shortfall in accommodation charges, £12k overspend on premises including overrun on essential gas and fire safety works		
Cumulative variances less than £25k		(131)		
<b>Planning</b>	485			
Development Control			458	Additional £191k down in fees and £39k down on advice this quarter on top of £203k highlighted in quarter 2 plus impact of pay rise (£94k shared service not proceeded with, £108k down on income)
Neighbourhood Planning			31	Neighbourhood plan costs
Cumulative variances less than £25k		(4)		
<b>Finance &amp; Assets: Capital Financing</b>	(83)			
IT Services			(25)	Agreed saving - capitalisation of IT time on capital projects.
Minimum Revenue Provision			(58)	Agreed saving - recalculation of MRP.
Cumulative variances less than £25k		0		
<b>Net Expenditure</b>	<b>578</b>	<b>578</b>		

General Fund Reserves, 31 <sup>st</sup> March 2022			Appendix 4	
Reserve	Balance (£m)		Purpose	Useable / Unusable
<b>General Fund (Unallocated Reserve)</b>	<b>2.4</b>		Emergency funding (20% of net expenditure)	Unusable
<b>Earmarked Reserves</b>	<b>13.3</b>			
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.
<b>Total</b>	<b>15.7</b>			

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		
<b>Inflation</b>									
Pay	(164)	443	279	279	279	279	279		budget used to support pay rise in services Assume 20% 2023/24, 10% 2024/25
Utility Bills	0	42	42	42	21	0	0		
	(164)	485	321	321	300	279	279	1,923	
<b>Underachievement of Savings</b>									
Senior Management Review (TOM)	0	304	304	287	287	287	287		remains in base budget
Cross Cutting Savings	0	76	76	0	0	0	0		Saving achieved Cost will need meeting in future years
Vacancy Savings	(135)	135	0	0	0	0	0		
Quick Response Team	0	74	74	72	72	72	72		
Committee Servicing	(22)	38	16	0	0	0	0		
Development Management Shared Service	0	94	94	94	94	94	94		
	(157)	721	564	453	453	453	453	2,821	
<b>Normal Operational Delivery</b>									
Corporate Administration	(30)	37	7	0	0	0	0		Anticipating permanent reduction in demand
Legal Services	0	84	84	0	0	0	0		
Land Charges	(43)	0	(43)	0	0	0	0		
Deputy Chief Executive	(35)	0	(35)	0	0	0	0		
Market Hall	0	42	42	0	0	0	0		
Finance	0	85	85	0	0	0	0		
Human Resources	0	29	29	0	0	0	0		
IT Services	(34)	47	13	0	0	0	0		
Interest & Investment Income	(500)	0	(500)	0	0	0	0		
Control Centre	0	32	32	0	0	0	0		
Director: Finance etc	(101)	0	(101)	0	0	0	0		
Carparking (lost income)	0	239	239	296	296	296	296		
Carparking	(37)	0	(37)	0	0	0	0		
Development Management (underachievement of income)	0	364	364	0	0	0	0		
Harborough Innovation Centre	(129)	0	(129)	0	0	0	0		
ERDF funding	(63)	0	(63)	0	0	0	0		
Strategic Partnership	0	31	31	0	0	0	0		
The Symington Building	(7)	33	26	0	0	0	0		
Customer Services	0	89	89	60	60	60	60		
Communication	(40)	0	(40)	0	0	0	0		
Temporary Accommodation	0	34	34	0	0	0	0		
Housing Services	(24)	0	(24)	0	0	0	0		
Neighbourhood planning	0	31	31	0	0	0	0		
MRP saving	(58)	0	(58)	0	0	0	0		
IT Services - capitalisation	(25)	0	(25)	0	0	0	0		
Variances less than £25k	(45)	(314)	(358)	0	0	0	0		
	(1,171)	864	(307)	356	356	356	356	1,290	
<b>Total - Quarter 3</b>	<b>(1,492)</b>	<b>2,070</b>	<b>578</b>	<b>1,130</b>	<b>1,109</b>	<b>1,088</b>	<b>1,088</b>	<b>6,034</b>	
Total - Quarter 2	(908)	1,718	810	1,450	1,358	1,552	1,831	8,042	
Variance Quarter 2 to Quarter 3	(584)	352	(232)	(320)	(249)	(464)	(743)	(2,008)	

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 3	Forecast Outturn	Variance		Commentary
	£000	£000	£000	£000	£000	£000	£000		
<b>Capital Projects Approved in previous years (either</b>									
CCTV	20	30	0	50	48	50	0	0%	CCTV schemes underway
Harborough Innovation Centre	20	0	0	20	5	20	0	0%	Various building works
Housing & Homelessness Schemes	927	0	(761)	166	50	166	0	0%	Roman Way in planning phase. Plowmans Yard development out to tender
Lightbulb (Disabled Facilities Grants) & Other Social Services	732	0	0	732	460	659	(73)	-10%	Delivered through Lightbulb partnership and on track. Underspend relates to LADS grant funded schemes
Leisure, Open Spaces & Play	4,449	0	(3,097)	1,352	35	1,223	(129)	-10%	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. Underspend relates to lower costs for Welland Public toilet refurbishments.
Corporate Buildings	513	22	(488)	47	32	47	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.
Car Parks & Similar Facilities	619	0	(87)	532	17	532	0	0%	Covers EV points at car parks plus budget b/f for the coach park
Economic Development	528	0	(528)	0	0	0	0	0%	Lutterworth TC Heritage Zone plan
Capital Works-S.106	1,623	0	0	1,623	964	1,623	0	0%	Community grants funded through s106 contributions
ICT & Transformation	2,382	0	(1,036)	1,346	620	1,248	(98)	-7%	All principle projects underway (new finance and assets system, ICT transformation programme, customer call centre in-sourcing). Underspend in relation to channel shift Netcall related projects
<b>Total</b>	<b>11,813</b>	<b>52</b>	<b>(5,997)</b>	<b>5,868</b>	<b>2,229</b>	<b>5,568</b>	<b>(300)</b>	<b>-5%</b>	
<b>Sources of Finance</b>									
External Funding & Grants	4,000		(615)	3,385	1,473	3,085	(300)	-9%	
Capital Receipts	4,054	0	(1,629)	2,425	620	2,425	0	0%	
Service Charges	6	0		6	5	6	0	0%	
Direct Revenue Financing	1,330	0	(1,330)	0	0	0	0	0%	
Unsupported Borrowing (MRP)	2,423	52	(2,423)	52	131	52	0	0%	
<b>Total</b>	<b>11,813</b>	<b>52</b>	<b>(5,997)</b>	<b>5,868</b>	<b>2,229</b>	<b>5,568</b>	<b>(300)</b>	<b>-5%</b>	