

Appendix 1

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

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

Appendix 2

2021/22 Outturn	Service Analysis - BY PORTFOLIO	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
3,007	Finance	2,353	0	136	2,489	1,820	(669)	-27%
4,218	Planning, Environment & Waste	4,986	0	73	5,059	5,201	142	2.8%
890	Wellbeing, Communities & Housing	1,270	0	(17)	1,253	1,327	74	5.9%
588	Strategy (aka Planning & Regeneration)	670	0	157	827	667	(160)	-19.3%
2,652	Corporate & Regulatory Services	1,785	0	111	1,896	2,598	702	37.0%
11,355	Net Direct Cost of Services	11,064	0	460	11,524	11,613	89	0.8%
452	Capital Financing	506	0	0	506	413	(93)	-18.4%
11,807	Net Expenditure	11,570	0	460	12,030	12,026	(4)	0.0%

2021/22 Outturn	Service Analysis - BY DIRECTOR	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
1,532	Interim Chief Executive	2,196	0	133	2,329	2,212	(117)	-5%
3,104	Interim Deputy Chief Executive (Finance, ICT & Assets)	2,439	0	146	2,585	2,435	(150)	-5.8%
1,275	Governance	0	0	0	0	0	0	0.0%
5,433	Communities	5,924	0	(9)	5,915	6,236	321	5.4%
11	Planning	505	0	190	695	730	35	5.0%
11,355	Net Direct Cost of Services	11,064	0	460	11,524	11,613	89	0.8%
452	Capital Financing	506	0	0	506	413	(93)	-18.4%
11,807	Net Expenditure	11,570	0	460	12,030	12,026	(4)	0.0%

2021/22 Outturn	Reconciliation to Council Tax Requirement	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
11,807	Net Expenditure	11,570	0	460	12,030	12,026	(4)	0.0%
	Contributions to/(from) Reserves							
(1,636)	- General Reserves	0	0	0	0	(1,330)	(1,330)	0.0%
3,577	- Earmarked Reserves	1,428	0	(460)	968	5,361	4,393	453.8%
1,941		1,428	0	(460)	968	4,031	3,063	316.4%
13,748	Budget Requirement	12,998	0	0	12,998	16,057	3,059	23.5%
(7,459)	Corporate Funding & Grants	(6,344)	0	0	(6,344)	(9,403)	(3,059)	48.2%
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		Outturn £000
	> General Fund (Unallocated) Reserve					
2,741	b/f	2,361		2,361		2,361
0	Cont from/(to) Services			0		(1,330)
(450)	Cont from/(to) Budget Surplus Reserve		380	(70)		1,374
2,291	c/f			2,291		2,405
11,570	Net Expenditure	11,570		11,570		12,026
(117)	- CV19 adjustment 1 - Earmarked Res			(117)		
11,453	Min Level Reserves			11,453		
2,291	Gen Fund Minimum @ 20%			2,291		2,405
Yes	Are Reserves maintained at 20% of Net Expenditure			Yes		Yes
	> Earmarked Reserves					
	Budget Surplus Reserve					
0	b/f	0		0		0
450	Cont from/(to) General Fund		(380)	70	(1,444)	(1,374)
(450)	Cont from/(to) Earmarked Reserves		380	(70)	1,444	1,374
0	c/f			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)
(733)	Cont from/(to) Corp Funding & Grants			(733)		(733)
0	Cont from/(to) Earmarked Reserves		3,297	3,297	(1,499)	1,798
2,157	c/f			1,800		301
	Projects, Risk & Smoothing Reserve					
691	b/f	1,051		1,051		1,051
300	Cont from/(to) Services			300	(92)	208
2,278	Cont from/(to) Corp Funding & Grants			2,278		2,278
450	Cont from/(to) Budget Surplus Earmarked Reserve		(380)	70	(1,444)	(1,374)
75	Cont from/(to) Earmarked Reserves			75		75
3,794	c/f			3,774		2,238
	Capital & Contract Reserve					
748	b/f	1,888		1,888		1,888
0	Cont from/(to) Budget Surplus Earmarked Reserve			0		0
0	Cont from/(to) Services		(460)	(460)	173	(287)
748	c/f			1,428		1,601
	Transformation Reserve					
2,067	b/f	1,837		1,837		1,837
(1,000)	Cont from/(to) Earmarked Reserves			(1,000)		(1,000)
1,067	c/f			837		837
	Community, Economic & Infrastructure Reserve					
1,447	b/f	1,447		1,447		1,447
425	Cont from/(to) Earmarked Reserves		(872)	(447)		(447)
1,872	c/f			1,000		1,000
	Commercial Investment Reserve					
2,357	b/f	2,934		2,934		2,934
500	Cont from/(to) Earmarked Reserves		(2,424)	(1,924)	1,498	(426)
2,857	c/f			1,010		2,508

Appendix 2 (continued)

Notes to the 2022/23 Reserve Movements

- i. CV19 Internal Recovery Reserve
Statement of Accounts shows £1,799k in line with updated budget, outturn shows £301k due to a late transfer of £1,498k to the Commercial Investment Reserve which will be reflected in the Statement of Accounts in 2023/24.
- ii. Commercial Investment Reserve
Statement of Accounts shows £1,010k in line with updated budget, outturn shows £2,508k due to the late transfer from the CV19 Internal Recovery Reserve of £1,498k referred to above.
- iii. Projects, Risk & Smoothing Reserve
Outturn shows £2,238k against a budgeted position of £3,774k a reduction of £1,536k, the position forecast at Quarter 2 (upon which the 23/24 budget is based) was £1,088k, so outturn shows a further reduction of £448k which is explained by additional transfers to unusable reserves in line with proper accounting practice.
- iv. Capital & Contract Reserve
It is the nature of this reserve that the final outturn position will not agree to budget, as the transfers to/from depend on actuals.

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
Interim Chief Executive	(117)		
Economic Development Strategy Potential		(25)	Savings in supplies due to using UK prosperity grant, carry forward requested
Legal Services		81	£32k staffing including redundancy costs, £35k agency funded by underspend in legal fees of £32k, £56k legal costs for planning appeals less £35k costs awarded, income £26k under
Market Hall		67	Income continues downward trend £61k, savings in salaries £10k, direct costs higher by £16k due to inflation
Committee Servicing		36	Agreed unfunded agency support for team
Deputy Chief Executive		(35)	Vacant post 3 month saving
Harborough Innovation Centre		(157)	Income (hire of facilities and recharges) up £122k, £35k savings on direct costs mainly business rates (£22k). Carry forward requested for barrier costs £16k
Cumulative variances less than £25k		(84)	
Interim Deputy Chief Executive (Finance, ICT & Assets)	(150)		
Human Resources		28	Legal costs - advice re specific issue
Finance Services		81	Some initial delays in new finance system project had a knock-on effect on the planned restructure savings of £118k, 4 months worth of savings achieved
IT Services		79	Microsoft licences above budget less savings, £8k of expenditure funded by grant transferred from reserves
Revenues & Benefits		(48)	Late saving on 21/22 Partnership contribution £29k, £16k unspent grants transferred to reserves, £3k other income
Council Tax Collection Costs		(50)	Legal costs recovered above budget £37k, Council Tax discount for family annexes grant £14k
Interest & Investment Income		(772)	Rising interest rates
Corporate Management (Resources)		(59)	Government grants not budgeted for
Quick Response Team		78	No expenditure budget
Control Centre		36	Income not achieving expected levels £29k, one off rental payment £7k and smaller overspends
Director: Finance, ICT & Assets		(101)	Saving generated as post holder acting as Interim Deputy Chief Executive £61k, requested to carry forward, carry forward towards council chamber virtualisation project requested to carry forward again £40k
Corporate Savings		415	£304k target operating model savings not achieved, £95k of cross cutting savings not achieved. £180k of vacancy saving matched by vacancy savings in individual cost centres less £164k saving on budget towards pay rise where related costs will be reflected in individual cost centres
Major Emergencies		(79)	ERDF funding received relating to 2020/21 expenditure £63k, Self Isolation Scheme grant funding £23k less £6k expenditure funded by grants transferred from reserves
Strategic Partnership		33	Not in original budget
The Symington Building		177	£125k under recovery on service charge income of which £21k due to over budgeting, £82k due to major works delayed so not recharged and £22k over accrued from 2021/22. £18k on soft services, £22k on electricity due to inflation, £17k on repairs and maintenance, £19k on other smaller variances less underspend of rates due to refund of £24k
Cumulative variances less than £25k		32	

Communities	321		
Customer Services		140	£60k Netcall contract system previously under capital budget. £36k agreed redundancy for Charnwood staff. £44k salaries not in budget due to Charnwood transition (less savings on contact centre arrangement). £10k is funded by underspends elsewhere
Communication		(55)	£12k savings agreed, £29k additional savings from vacant posts, £14k saving on strategic communications
Grants to External Bodies		(44)	Savings in salaries due to reduced hours and vacant post. £20k saving on Citizens Advice contribution
Carparking		246	Car park fee income down £217k, permit income down £11k and Direct costs higher £63k mainly Pay by phone costs up £54k which are recharged to Sainsburys/MAPP. Off street savings £35k due to vacancies.
On Street Car Parking		(40)	Vacancies
SE Market Harborough Recreation		(47)	Savings in direct costs £35k, increase income £12k mainly rent, underspend transferred to reserves
Trade Waste		86	Income down £101k due to current climate resulting in changes in services and terminations less savings.
Recycling Collections		(166)	Income total £195k above budget, £122k of income from 21/22 green gate fees, £50k increase in 22/23 green gate fees, green waste collection income fees up £23k from budget, costs higher for direct services £29k this is recovered within income.
Temporary Accommodation		60	£13k overspend on essential gas and fire safety work, shortfall of £32k on accommodation income regarding Plowmans flats which are not in use, £10k for damp and mould survey not in budget
Homelessness		52	Overspend due to increase in demand - increase in homelessness
External Grounds Maintenance		113	Higher costs than anticipated.
Cumulative variances less than £25k		(24)	
Planning	35		
Development Control		275	Employee costs £111k includes the 91k savings not achieved as shared service not proceeded with in 22/23. Planning fees down £95k due to larger application income lower than expected, planning advice down £48k and other income down £16k. More income received in Q4 than expected from a large application resulting in a reduction of the underspend at Quarter 3. £35k drawn down from reserves for Gartree planning inquiry costs.
Local Plan		(170)	Underspend against budget due to timing of the Local plan, managed through reserves
Joint Strategic Planning		(32)	This will be a carry forward request as we have a rolling 3 year plan
Strategic Growth Team		(31)	Underspend on consultants and small savings in staffing
Cumulative variances less than £25k		(7)	
Finance & Assets: Capital Financing	(93)		
IT Services		(25)	Agreed saving - capitalisation of IT time on capital projects.
Minimum Revenue Provision		(68)	Agreed saving - recalculation of MRP.
Cumulative variances less than £25k		0	
Net Expenditure	(4)	(4)	

General Fund Reserves, 31 st March 2023			Appendix 4	
Reserve	Balance (£m)		Purpose	Useable / Unusable
General Fund (Unallocated Reserve)	2.4		Emergency funding (20% of net expenditure)	Unusable
Earmarked Reserves	8.5			
CV19	0.3		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	2.3		To meet known future pressures, primarily the Local Plan.	Unusable, as this is funding set-aside to meet known future costs.
Capital & Contracts	1.6		To meet known capital and revenue contract costs.	Unusable, as this is funding set-aside to meet known future costs.
Transformation	0.8		To meet costs relating to the current transformation programme.	Usable, but this would be available to meet costs of transformation.
Community, Economic & Infrastructure	1.0		To meet potential costs relating to community etc development.	Usable, but this would be available to meet the costs of community development.
Commercial Investment	2.5		To meet potential costs where investments will generate a return.	Usable, but this would be available to support the costs of commercial investment.
Total	8.5			

Proposed Budget Carry Forwards to 2023/24				Appendix 5
Cost Centre	Cost Centre Name	Reason	£'000	Requested by
10015	ED Strategy Potential	Market Hall doors	22	D Wright
10021	Chief Executives Group	To support Coronation costs & HR pilot with EMC	£7	L Elliot
	Corp and Management	To support essential Health & Safety training needed across the council and senior management		
10024	Training	development training later in the year	13	R Jenner
10076	Grants to External Bodies	To support Talkdesk costs	30	R Felts
10210	Joint Strategic Planning	To fund increased costs	32	T Nelson
	Director - Finance, ICT & Assets			
10232	Assets	To support virtualisation of Council Chamber	40	C Mason
	Director - Finance, ICT & Assets			
10232	Assets	To support new finance system project	60	C Mason
	Harborough innovation Centre			
10248	Centre	To replace barrier	16	T Bradbury
			220	

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 4 2022/23 Outturn	Variance		Commentary
	£000	£000	£000	£000	£000	£000		
Capital Projects Approved in previous years (either								
CCTV	20	30	(7)	43	43	0	0%	CCTV schemes underway
Harborough Innovation Centre	20	0	(15)	5	5	0	0%	Various building works
Housing & Homelessness Schemes	927	0	(843)	84	84	0	0%	Roman Way in planning phase. Plowmans Yard development out to tender
Lightbulb (Disabled Facilities Grants) & Other Social Services	732	0	(40)	692	772	81	12%	Delivered through Lightbulb partnership.
Leisure, Open Spaces & Play	4,449	0	(2,389)	2,060	2,060	0	0%	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.
Corporate Buildings	513	22	(480)	54	32	(22)	-41%	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	(602)	17	17	0	0%	Covers EV points at car parks plus budget b/f for the coach park
Economic Development	528	0	(524)	4	4	(0)	0%	Lutterworth TC Heritage Zone plan
Capital Works-S.106	1,623	0	(758)	865	865	0	0%	Community grants funded through s106 contributions
ICT & Transformation	2,382	0	(1,526)	856	856	0	0%	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
Total	11,813	52	(7,184)	4,681	4,740	59	1%	