

FINANCIAL OUTTURN 2022/23

REPORT OF: Director of Resources and Organisational Development
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Wards Affected: All
Key Decision: Yes
Report to: Cabinet
11 September 2023

Purpose of Report

This report informs Cabinet of the outturn position for the Revenue Budget, Capital Programme and Treasury Management Income for 2022/23 and also includes details of specific grants received since the last report.

Summary

1. The financial year spanning 2022/23 has been subject to a volatile economic climate seeing a cost-of-living crisis and unprecedented levels of inflation. The impact on the council's budget has been regularly reported and shown that despite the pressures this has caused there has been some counterbalancing comfort through an exceptional windfall in year in terms of the returns we have been able to make from Treasury Management. This is due to high interest rates and taking a fresh look at actively managing the accounts. The nature of the investments made, their duration, and the changing position on interest rates mean this should not be considered a long-term income stream.
2. The combined forces set out above means that the Council has therefore been able to achieve an overall underspend of £715,000 for 2022/23.
3. Within services, the projected overspend decreased from £1,087,000 (Q3) to £753,000. This is due to a number of deliberate management actions to drive down expenditure across the Council.
4. Interest receipts (including dividend income) for the year are £1,709k. After the planned use for, £1k for professional subscriptions, £240k used to support the revenue budget, and £753k to support service overspend this leaves a remaining balance of £715k as noted to go to General Reserve. It is proposed that this will fund the projected budget gap for the revenue budget for 24/25 (in the MTFP as approved by Council in March 2023).
5. The main changes in the last quarter of the year are detailed in paragraph 11 below and the final position is summarised in the table shown in Appendix A of this report.
6. The capital outturn position indicates a planned reprofiling of budgeted project work of £3,297,000, together with some small changes for approved variations. An analysis of this is shown in Table 2. The total net expenditure from Specific Reserve and the General Reserve for 2022/23 is set out in Appendix C of this report.

Recommendations

7. **Cabinet is asked to note the contents of this report, and:**

- (i) **Note and agree the update to Specific Reserves in Appendix C;**
- (ii) **Note the updated phasing of the approved capital programme as detailed in Appendix E;**
- (iii) **Note and agree that the overall position for 2022/23 is a surplus of £715,000; and**
- (iv) **Recommend to Council that balance of interest (including additional Dividend income) totalling £715,000 is transferred to the General Reserve and set aside to support the forecast budget gap in 2024/25.**

Background

8. The last Budget Management report (for the period to December 2022) to February Cabinet highlighted that while there was a potential overspend on service budget of £1,087,000. Due to high interest rates creating a windfall in treasury receipts, this offset the service pressure creating an estimated break-even position.
9. At outturn the revenue spend pressure position has improved, with service pressures being managed down and treasury receipts being maintained. The final position is a surplus of £715,000 (to the nearest £'000). The detail of which is provided in the subsequent paragraphs.

Revenue Spending 2022/23

10. Over the year the budget has continued to be adversely affected as a direct result of the challenging economic climate and inflationary pressures. However, although the first three quarters of the year showed a forecast overspend of £1,087,000, the outturn for 2022/23, is an overspend of £753,000, being a £334,000 betterment compared to the last forecast reported to Cabinet on the 6 February 2023. The position is summarised at Table 1 below.

Table 1 – Service Outturn

Service Outturn 2022/23				
	Current Budget 2022/23 £'000	Outturn 2022/23 £'000	Outturn (surplus) Deficit £'000	Para Ref
AD Planning & Sustainable Economy	2,916	2,833	(83)	11
AD Communities	2,046	2,014	(32)	12
AD Commercial Services & Contracts	3,584	3,842	258	13
AD Digital & People Services	4,302	3,678	(624)	14
AD Legal & Democratic Services	975	1,125	150	15
AD Organisational Development	413	549	136	16
AD Corporate Resources	2,787	3,705	918	17
Centrally held budgets	684	714	30	
Service Expenditure	17,707	18,460	753	

11. The outturn position is further detailed below and in Appendix A of this report.

Assistant Director Planning and Sustainable Economy:

12. The service is reporting a final outturn underspend of £83k, compared to the £43k at December. The net movement is the result of:

- A £12k underspend within Development Management. After the set aside of £197k earmarked to specific reserves for additional public enquiries in 2023/24, provision has been able to be made from additional planning fee income and underspend on consultants and legal fees due to fewer public enquiries in 2022/23.
- A £24k underspend within Economic Development and Sustainability due to a reduced requirement in spend on the commissioning of research and analysis for economic development and sustainability services.
- Minor variations of £4k in Planning Policy.

Assistant Director Communities:

13. The service is reporting a final outturn underspend of £32k, compared to the £48K at December. The net movement is the result of:

- The net movement is a result of a small increase in forecast one-off staff costs.

Assistant Director Commercial Services and Contracts:

14. The service is reporting a final outturn overspend of £258K compared to £608K overspend reported at December. The movement is the result of:

- £53k increase in costs within Cleansing Services, where additional costs have been incurred for the Waste Contract in respect of additional bank holidays, which are subject to additional charges by the contractor. Further contract pressures have also resulted from higher than forecast property growth.
- £34k reduced costs within Landscapes as a result of staff vacancies. Ongoing consultancy pressures to deal with backlog statutory tree inspection work have been managed by in-year reductions in Landscapes repairs and maintenance expenditure.
- £15k additional costs within Parking Services, due to the continued loss of income for the WSCC Enforcement Account, where MSDC retains a share of the annual deficit.
- A £62k overspend within Leisure Services, where additional consultancy support has been required to manage ongoing challenges of the Leisure sector post-covid.
- A £268k betterment of the position within Facilities. This is the result of:
 - Reduced pressures in Flood and Drainage due to the condition surveys of underground flood and drainage infrastructure being better than predicted, resulting in less unplanned repair and maintenance being required, and the need to refocus resources from undertaking repairs to the investigation of flooding incidents following the wet winter.
 - Reduced pressure for repairs at council offices, including surveys of asbestos indicating that condition required less remedial work than anticipated.
 - The anticipated pressure in energy costs not emerging.
- A £124k reduction in the forecast overspend within Estates mainly due to the continuation in the final quarter, of the industrial estates' rent reviews resulting in increased rents, which were only partially projected throughout the year.

- A £54k underspend within Building Control as there was an improvement in the previously reported income pressure, in the last quarter, despite market conditions and a three-month staff vacancy saving.

Assistant Director Digital & People Services:

15. The service is reporting a final outturn underspend of £624k compared to £111k reported at December. This comprises:

- A £164k underspend within Revenues & Benefits, where vacancies have been held to take advantage of the opportunity to review how the service is resourced in order to ensure the adequacy and robustness of future delivery.
- A £234k underspend within Housing Options as a result of specific government grants being available to cover the costs of the post covid increased costs of Temporary Accommodation. This is after a £58k set aside to the Temporary Accommodation rolling programme reserve to support maintenance and sustainability work around this programme of activity.
- A £212k underspend within Digital & Technology, where costs have been purposefully managed down for certain software licences, to facilitate an update.
- Some minor variations in customer services amounting to a £3k underspend.

Assistant Director Legal & Democratic Services:

16. The service is reporting a final outturn overspend of £150k compared to £22k reported at December. This movement comprises:

- A £77k overspend within Democratic Services and Elections, mainly as a result of the unbudgeted costs of Community Governance Review.
- A £51k overspend within Legal Services as a result of; income being less than projected and the use of agency staff resulting in increased staff costs partially offset by a saving in licencing costs.

Assistant Director Organisational Development:

17. The service is reporting a final outturn overspend of £136k compared to £14k reported at December. This movement comprises:

- A £106k overspend within Human Resources & OD, mainly due to staff restructuring and increased external support with specialist work and vacancy cover.
- A £16k overspend within Communications, PR & Community Engagement mainly as a result of increased costs to produce Mid Sussex Matters.

Assistant Director Corporate Resources:

18. The service is reporting a final outturn overspend of £918k compared to £515k reported at December. This movement comprises:

- A net reduction in previously reported costs of £38k across the service due to staff vacancies and savings in software licences.
- A £64k increase in costs for audit as a result of additional work required regarding an objection to the accounts and additional mandatory work requirements around value for money audits.
- A £231k overspend within Corporate Resources due to one-off pension costs.
- A £153k overspend in Strategic Core as a result of the use of interim agency staff.

2022/23 Interest

19. Receipts from interest (including dividend income) for the year are £1,710k. After top-slicing for the £753k to support service overspend, the £240k dividend receipt for the revenue budget and the £1k for professional subscriptions, this leaves a remaining balance of £715k to go to General Reserve. Interest for the year comprises: -
20. Treasury Management interest earnings for the year were £1,465k. This compares with a budgeted figure of £224k, a windfall of £1,241k. As previously reported the interest receivable from Treasury Management has significantly improved this financial year, due to the improved interest rates available and effective investment decision-making. This, however, should not be viewed as a long-term position, but a short-term impact of improved investments over varying durations set against the longer-term forecast on interest rates.
21. Loans and advances have generated a small return of £2k. Policy is that returns on loans are used for employee benefits and therefore £1k has been transferred to employee benefit reserve, in accordance with existing practice and used to part-pay professional subscriptions.
22. The £6m invested in the Local Authorities' Property Fund administered by the CCLA returned dividends of £242k against a budget of £240k.

2023/24 Budget Robustness

23. The budget was set for 2023/24 with due consideration of the pressures outlined above and the ongoing windfall from interest receipts.

General and Specific Reserve 2022/23

24. Reserves can only be used once and are held for the following purpose:
 - (a) General Reserve – held to manage in-year risk and to provide a cushion for unexpected events, together with amounts agreed to support the council's programme of projects.
 - (b) Earmarked Specific Reserves – held in support of known requirements. This includes facilitating transformation or specific delivery, and where grants have been provided for specific purposes but will be spent across more than one financial year.
25. As part of the budget setting process for 2024/25 the S151 Officer will be recommending the adoption of the CIPFA guidance in relation to considering reserves as a proportion of the annual net revenue budget. This guidance indicates reserves of 6-9 months are held, in this case, a general reserve position of £9.2m - £13.8m.
26. The General Reserve outturn position presented at Appendix C shows the movement from the previous year's outturn at 1 April 2022. The total General Reserve at 31 March 2023 is £12.4m. The movement from the forecast position of £10.5m at 1 March 2023 as reported at budget setting is then shown in Table 2 below.

Table 2 - Movement on General reserve

	£'000
Total General Reserve reported at 1 March 2023	(10,532)
Additional income from Business Rates Levy	(17)
Interest received after use (see para 18)	(715)
Net movement on capital estimated use	(231)
SANG increase - to be held in perpetuity	(864)
Total General Reserve at 31 March 2023	(12,359)

27. The total specific reserves agreed and used for a specific purpose reduced from £22,333m to £20,012m. Details of the movements are provided at Appendix C.

28. At the Cabinet meeting on 11th September 2023 Cabinet are asked to recommend the ringfencing of £2.08m for Temporary Accommodation (Local Authority Housing Fund Round 1) and circa £1m for Temporary Accommodation (Local Authority Housing Fund Round 2). The business case for this is clearly set out in the specific paper. Once approved this would result in a projected movement of £3.08m on the balance above (to £9.279m).

Spending on the Capital Programme and Revenue Projects

29. Following the approved budget of £8.035m, and further approved variations, actual spending for the year on the Capital Programme and Revenue Projects was £4.904k with projects remaining on target.

30. Thus there is a rephasing to 2023/24 of the programme, amounting to £3,297k. As set out in the Capital Strategy, capital programmes are multi-year and thus it is to be expected that there is some fluidity in when actual expenditure is incurred. Further granularity of this rephasing will be achieved during the annual review of the programme at budget setting.

31. There are fully funded variations to the programme of £47k; supported by £5k Grant, £2k from S106 and £41k in revenue contributions, together with an £81k reduction of DFG (Disabled Facilities Grant) used to support revenue. There is a small gross underspend totalling £26k on a number of projects that completed in year. Detail is provided at Appendix D.

Policy Context

32. The outturn for 2022/23 shows actual financial performance against the original budget, which was approved within the context of the Financial Strategy. The 2022/23 budget was compiled in line with the Council's priorities. This policy context was explained in sections 1 and 2 of the Corporate Plan and Budget 2022/23 which was approved by Council on 2 March 2022.

Financial Implications

33. This report is concerned in its entirety with the outturn financial position for each service area for 2022/23.

Risk Management Implications

34. This report has no specific implications for risk management. The recommendations are concerned primarily with the movement of reserves and slippage in the capital programme; neither of which change the risk profile of the authority.

Equality and Customer Service Implications

35. There are no Equality and Customer Service implications as a direct consequence of this report.

Legal Implications

36. There are no Legal implications as a direct consequence of this report.

Sustainability Implications

37. There are no Sustainability implications as a direct consequence of this report.

Appendices:

- Appendix A - Summary of Revenue Spending Outturn for 2022/23
- Appendix B – Benefits Outturn 2022/23
- Appendix C – Use of Specific Reserve in 2022/23
- Appendix D – Use of General Reserve 2022/23
- Appendix E – Capital Programme Outturn 2022/23

Background Papers

- Revenue Budget 2022/23
- Final Accounts Working Papers for 2022/23

Appendix A - Summary of Revenue Spending Outturn for 2022/23

Summary Of Revenue Spending Outturn for 2022/23			
	Revised Budget*	Outturn 2022/23	Outturn Variation from Revised Budget £'000
	2022/23 £'000	2022/23 £'000	£'000
AD Planning & Sustainable Economy			
SA01 Development Management	1,282	1,282	0
SA02 Planning Policy	687	656	(31)
SA03 Housing Enabling	278	283	5
SA04 Economic Development & Sustainability	669	612	(57)
AD Planning & Sustainable Economy Total	2,916	2,833	(83)
AD Communities			
SA06 Environmental Health	1,332	1,378	46
SA07 Community Services	332	330	(2)
SA08 Partnerships	382	306	(76)
AD Communities Total	2,046	2,014	(32)
AD Commercial Services & Contracts			
SA10 Cleansing Services	4,319	4,516	197
SA11 Landscapes and Leisure	2,518	2,466	(52)
SA12 Parking Services	(788)	(886)	(98)
SA13 Leisure	(294)	245	539
SA15 Facilities	413	207	(206)
SA16 Estates	(3,033)	(3,151)	(118)
SA17 Building Control	449	445	(4)
AD Commercial Services & Contracts Total	3,584	3,842	258
AD Digital & People Services			
SA18 Revenues & Benefits	2,711	2,561	(150)
SA19 Housing Options	1,751	1,521	(230)
SA20 Customer Services	21	33	12
SA21 Digital & Technology	(181)	(437)	(256)
AD Digital & People Services Total	4,302	3,678	(624)
AD Legal & Democratic Services			
SA22 Democratic Services	975	1,064	89
SA23 Legal Services	0	61	61
AD Legal & Democratic Services Total	975	1,125	150
AD Organisational Development			
SA32 Human Resources and Organisational Development	0	112	112
SA34 Comms PR & Comm Engage	413	437	24
AD Organisational Development Total	413	549	136
AD Corporate Resources			
SA24 Land Charges	161	97	(64)
SA25 Finance Accountancy	0	(11)	(11)
SA28 Planning services support	0	(21)	(21)
SA29 PMO & Service Redesign	253	289	36
SA39 Corporate Resources	970	1,258	288
SA40 Strategic Core	1,403	2,093	690
AD Corporate Resources Total	2,787	3,705	918
Centrally Held Budgets			
Benefits	(119)	(119)	0
Balance Unallocated	20	0	(20)
Drainage Levies	1	1	0
Contribution to the Development Plan reserve	300	300	0
Contribution to the Job Evaluation reserve	532	532	0
Efficiency programme savings	(50)	0	50
Centrally Held Budgets Total	684	714	30
Total Revenue Spending before use of Treasury Management Income	17,707	18,460	753

* includes approved variations including any utilisation of Balance Unallocated

Appendix B - Benefits Outturn 2022/23

Benefits Outturn 2022/23			
(using Academy subsidy claim figures)			
	2022/3 Original Budget	2022/3 Outturn	Variation from Budget
	£	£	£
Non HRA rent rebates			
<i>gross expenditure</i>	1,302,000	758,835	(543,165)
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	699,000	355,452	(343,548)
effect of overpayments	(75,000)	(45,125)	29,875
Total Rent Rebates	624,000	310,327	(313,673)
Rent Allowances			
<i>gross expenditure</i>	22,753,000	2,029,714	(20,723,286)
net expenditure at standard subsidy	0	0	0
effect of reduced subsidy	425,000	421,641	(3,359)
effect of overpayments	(447,000)	(634,552)	(187,552)
Total Rent Allowances	(22,000)	(212,911)	(190,911)
Discretionary Local Scheme			
Council Tax Benefit	0	0	0
Rent Allowances	12,000	4,406	(7,594)
Subsidy 75%	(9,000)	(3,305)	5,695
Total Discretionary scheme	3,000	1,101	(1,899)
Total Support	605,000	98,516	(506,484)
Less: LA Error Subsidy	(47,000)	(43,154)	3,846
Expenditure above the cap recoverable from Housing Services	(627,000)	(310,828)	316,172
Prior year adjustments 20/21		0	0
Less: Funding to / (from) Benefits Equalisation Reserve	(50,000)	136,466	186,466
Cost to MSDC	(119,000)	(119,000)	0

Reasons for variation

- (1) To maximise the amount of government subsidy received for Temporary Accommodation cases, the benefits team has been using the full rent to assess the claim rather than the previous calculations based on the weekly rate. Whilst there are complications to this, it does have the effect of increasing the subsidy to be paid at 100%. Any expenditure above the cap which does not attract subsidy is recoverable internally from housing services
- (2) Increased recovery efforts in 22/23 has seen a significant reduction in Overpayment Debtors, including reducing the balances for historic debt.
- (3) The percentage of Local Authority error overpayments has remained below the lower threshold, allowing for Local Authority error subsidy to be retained, albeit a reduced sum due to the reduced overpayment volumes.
- (4) The benefits equalisation reserve is made up from prior year's surplus' and was set up to reduce the variances on the revenue budget caused by fluctuations in Benefits subsidy. An adjustment is made to/(from) the reserve to bring the outturn position back to the required budget. An amount of £136,466 has been paid to the equalisation reserve, compared to the £50,000 budgeted contribution from the reserve, a variation of £186,466. This is mainly the result of improved recovery rates for overpayments in 22/23.

Appendix C - Use of Specific Reserve in 2022/23

Use of Specific Reserve in 2022/23					
	Balance at 01/04/2022 £'000	Contributions to £'000	contributions from £'000	Balance at 31/03/2023 £'000	Notes
Development Management					
Planning Performance Agreement	(51)	(15)	21	(45)	1
Biodiversity Net gain Reserve	(10)	0	0	(10)	2
Development Management Appeals*	0	(197)	0	(197)	3
Planning Policy					
Specialist Advice studies - Gatwick DCO	(75)	(9)	3	(81)	4
Neighbourhood Planning Non Frontrunners	(50)	(20)	54	(16)	5
Development Plan Reserve (Studies and EIP costs)	(452)	(300)	477	(276)	6
SAMM Fees	(1,478)	(112)	0	(1,589)	7
Housing Enabling					
CPO Fund for Empty Homes	(15)	0	10	(5)	8
Self Build and Custom House building	(74)	0	0	(74)	9
Economic Development & Sustainability					
Burgess Hill Growth	(163)	(235)	105	(293)	10
Independence Retail Programme	(70)	0	36	(34)	11
Economic Recovery Fund High Streets	(70)	0	0	(70)	12
WSCC Pool Business Rates Bicycle Funding	(90)	0	19	(70)	13
Environment and Sustainability	(72)	0	34	(38)	14
Low Carbon Community Energy Hub	0	(75)	36	(39)	15
Environmental Health					
Hackney Carriage Unmet Demand Survey	(15)	0	7	(8)	16
Mobile Homes Fit and Proper Person test	(1)	0	0	(1)	17
Implementing Legislation - Allergen Labelling for prepackaged food	(4)	0	0	(4)	18
Temporary Pavement Licencing Grant	(7)	(5)	0	(12)	19
Community Services					
Community Safety - Funding for All	(113)	0	0	(113)	20
Cleansing Services					
Community Street Clean	(3)	0	0	(3)	21
Commercial Services and Contracts SR	(26)	0	0	(26)	22
Landscapes and Leisure					
Leisure Reserve	(77)	0	0	(77)	23
Parks Improvement	(17)	0	10	(7)	24
Anscombe Wood Regeneration	(58)	0	0	(58)	25
Sang Maintenance	(68)	(30)	0	(97)	26
Martlets Temporary Urban Park	0	(100)	100	0	27
SANG Hill Place Farm Latent Defects	0	(16)	0	(16)	28
Bolnore Play area latent defects	0	(7)	4	(3)	29
Parking Services					
Car Park Strategy	(17)	0	0	(17)	30
Facilities					
Asset Maintenance and Landscapes	(8)	0	8	0	31
Planned Asset maintenance Specific Reserve	(21)	0	21	(0)	32
Estates					
Orchards Repairs and Renewals	(476)	0	0	(476)	33
Orchards Improvement Reserve	(4,640)	0	0	(4,640)	34
Clair Hall feasibility and appraisal studies	(83)	(185)	113	(155)	35
Cherry Tree Improvements*	(13)	0	13	0	36
Revenues & Benefits					
Revenues and Benefits New Burdens	(530)	(706)	247	(990)	37
Covid19 - Council Tax Hardship Fund	(66)	0	50	(16)	38
Discretionary Track and Trace funding (self isolation)	(88)	0	88	0	39
HM Courts and Tribunals Refund	(55)	0	0	(55)	40
Housing Options					
Housing Needs Survey	(10)	0	0	(10)	41
Flexible Homelessness Support SR	(488)	0	30	(458)	42
Rough Sleepers Partnership Outreach	0	(53)	19	(35)	43
Horsham Rough Sleepers	0	(62)	2	(60)	44
Recyclable loan fund	(50)	0	4	(46)	45
Choice Based Lettings Scheme SR	(12)	0	12	0	46
Domestic Abuse Safe Accommodation	(34)	(43)	0	(76)	47
TA Rolling Programme of Investment Reserve*	(69)	(58)	0	(127)	48
Housing COMF	(95)	0	95	0	49
Dispersal of Asylum seekers	0	(83)	0	(83)	50
Digital & Technology					
ICT reserve	(8)	0	8	(0)	51
Burgess Hill Fibre Exchange	(39)	0	0	(39)	52
Cyber Security Training	0	(5)	0	(5)	53
Democratic Services					
District Elections	(92)	(48)	46	(94)	54
Individual Electoral Registration Grant	(41)	0	41	0	55
Electoral Integrity Programme New Burdens Specific Reserve	0	(25)	4	(21)	56
Land Charges					
Land Charges Development	(23)	0	23	0	57
Finance Accountancy					
Icon Upgrade costs	(12)	0	3	(9)	58
Human Resources & Organsational Development					
Employee Benefits	0	(7)	7	0	59
Communications, PR & Community Engagement					
Community Development Fund SA34	(229)	0	74	(155)	60
Community Volunteer Service (CVS) SA34	(5)	0	0	(5)	61
Ukraine Support WSCC	0	(156)	5	(151)	62
Corporate Funds					
Benefits Equalisation	(686)	(136)	52	(771)	63
Rate Retention Scheme Equalisation	(10,067)	(4,692)	8,031	(6,727)	64
LA EU Exit Preparation	(19)	0	19	0	65
Finance Corporate					
WSCC Covid 19 Test and trace COMF	(206)	0	206	0	66
Organisational Development and Efficiency Reserve	(1,095)	(532)	97	(1,530)	67
Total Specific Reserves	(22,333)	(7,911)	10,233	(20,011)	

Figures in this table are subject to roundings to nearest £'000

*Subject to approval by Council as set out in recommendations of this report

Notes:

1. Since December 2017, the Council have received monies in relation to a Planning Performance Agreement with a developer to facilitate the delivery of a strategic housing site. Planning Performance Agreements are supported by the Government to promote an improved and more efficient service and is good practice in supporting the delivery of housing. The Planning Performance Agreement (PPA) Specific Reserve balance at the start of 2022/23 was £51,339. During the year a further £15,081 was received and £21,042 has been utilised on agency staff costs in year leaving a balance at year end of £45,378.
2. Reserve created at Outturn 21/22 totalling £10,047 to meet additional costs to prepare for the introduction of the mandatory Biodiversity Net Gain (BNG). In 2022/23, there has been no call on this Reserve.
3. Set aside for anticipated pressure on planning appeals.
4. This reserve was created in 2013/14 to finance the commissioning of specialist studies in respect of noise and other environmental impacts to allow MSDC to provide an informed contribution to any consultation relating to the possible expansion of Gatwick airport. During the year an additional contribution of £9,396 was transferred to this reserve and £3,353 was utilised on specialist advice costs leaving a balance of £81,030 at the end of 2022/23.
5. The reserve shows the remaining balance of a grant received for Neighbourhood Planning totalled £50,331 at the start of the year. During the year a further £20,000 was received, as reported in Budget Management Report to Cabinet 26 September 2022. £54,440 has been utilised in year, including £50,000 transferred back to the General Reserve as part of the Review of Reserves Report to Cabinet 19 December 2022 and a further £4,440 was utilised on Examination in Public costs (£3,440) and Legal advice (£1,000). This leaves a balance of £15,891 at the end of 2022/23.
6. The reserve shows the remaining balance of £452,185 at the start of the year. This Reserve is to help meet the costs of maintaining and preparing Development Plans. A contribution of £300,000 was approved in the Corporate Plan and Budget 2022/23 to Council 2 March 2022. In 2022/23, £250,000 has been transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022. A further £226,607 has been utilised on Counsel's fees (£6,150)/Consultants costs (£145,933) as well as on Examination in Public costs (£64,019) and staff costs (£10,505). A balance of £275,578 remains on this reserve at 31 March 2023.
7. This represents contributions collected from developers - the Strategic Access Management and Monitoring tariff (SAMM) to fulfil a statutory conservation requirement for the Ashdown Forest. This reserve totalled £1,477,502 at the start of 2022/23. In year, the Reserve has increased by a further £111,900. The balance at year end stands at £1,589,402. These funds will transfer to Wealden District Council who will be taking on this function for Mid Sussex, following agreement in 2023/24.
8. This CPO Fund for Empty Homes was approved by Council 27th February 2013 and funded from New Homes Bonus monies. At the start of the year the balance in this reserve was £15,000. In 2022/23, £10,000 has been transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022. A balance of £5,000 remains on this reserve at 31 March 2023.
9. This reserve was created to hold grants received from DLUHC in respect of Self build and custom house building. At the start of the year the balance in this reserve was £74,299. There has been no call on this Reserve during 2022/23.
10. Created to help meet the costs of planning and delivering the Burgess Hill growth work. This Reserve held a balance of £163,400 at the start of 2022/23. During the year a contribution of £200,000 was approved as part of the Review of Reserves report to Cabinet 19 December 2022. A further contribution of £34,800 was received, as reported in Budget Management Report to Cabinet 6 February 2023. £75,202 has been utilised on staff costs relating to Burgess Hill growth work. £30,065 has been utilised on financing the Capital Programme on the Burgess Hill Town Centre Redevelopment project. A balance of £292,933 remains on this reserve at 31 March 2023.
11. Created to deliver a training programme for independent retailers on managing their shopfronts and to provide them with small bursaries to enable improvements to be made. This Reserve held a balance of £70,050 at the start of 2022/23. £35,681 has been utilised in year as grants paid out leaving a balance of £34,369 at 31 March 2023.
12. The Economic Recovery Fund High Streets Specific Reserve totalling £70,000 was set up from monies received from WSCC as reported in the Budget Management report to Cabinet 14 February 2022 to help meet additional costs arising. There has been no call on this Reserve in 2022/23.
13. The WSCC Pool Business Rates Bicycle Funding Specific Reserve was approved at Outturn 2018/19. The balance at the start of the year was £89,660. £19,297 has been utilised on financing the Capital Programme (£12,500 has been spent on financing of the Revenue Project for About the Place Public Art Project and £6,797 financed the Martlets Temporary Urban Park project), leaving a balance of £70,364 at year end.

14. The Environment and Sustainability Specific Reserve as approved as a tabled amendment to the Corporate Plan and Budget Report 2020/21 to Council 4 March 2020 and the balance at the start of 2022/23 was £71,800. £33,755 has been used in the year for Sustainability activity initiatives leaving a balance of £38,045 on this Reserve as at 31 March 2023.
15. Low Carbon Community Energy Hub Specific Reserve created at Outturn 2022/23 following receipt of £75,000 Low Carbon Community Energy Hub grant from the Coast to Capital LEP. £35,704 has been utilised on costs for the hub. The balance remaining in the Reserve at 31 March 2023 is £39,296.
16. Hackney Carriage Unmet Demand Survey reserve created through an annual reserve contribution of £5,110 to fund the triennial cost of this survey. The balance on this Reserve was £15,195 at the start of 2022/23. £7,422 has been used during the year leaving a balance on this Reserve at year-end of £7,773.
17. Reserve was created at Outturn 2020/21 from the 'Mobile homes Fit and Proper Person Test Grant' received totalling £568. There has been no call on this Reserve in 2022/23.
18. Reserve created at Outturn 2021/22 for £4,018 grant received for Implementing Legislation - Allergen Labelling for pre-packaged food. There has been no call on this Reserve in 2022/23.
19. Reserve created at Outturn 2021/22 for £7,200 Temporary Pavement Licencing Grant received. During the year further grant contribution of £5,200 was received, as reported in Budget Management Report to Cabinet 21 November 2022. There has been no call on this Reserve in 2022/23 leaving a balance as at 31 March 2023 of £12,400.
20. The Community Safety - Funding for All Reserve was created at Outturn 2016/17 to meet any future reductions in Mid Sussex Partnership funding. There has been no call on this Reserve in 2022/23.
21. The Community Street Clean Specific Reserve was approved at Outturn 2018/19 following receipt of £26,005 from MHCLG (now renamed DLUHC) in respect of National Community Clean up Grant to be used for projects working with community groups to undertake community-led street cleans. There has been no call on this reserve in 2022/23, leaving a balance of £2,588.
22. The Commercial and Services and Contracts Specific Reserve was created to support the development of a business case for the future operation of the service as reported in the Budget Management Report to Cabinet 14 September 2020. There has been no call on this reserve in 2022/23, leaving a balance of £25,735.
23. The Leisure Reserve was created to enable investment in the Council's Leisure Centres. There has been no call on this reserve in 2022/23, leaving a balance of £76,762.
24. The Parks Improvements Reserve was created to cover the costs of the Parks Asset Management Plan, Recycling Bins in key parks and master planning costs, prior to bringing forwards Capital projects. The balance at the start of the year was £16,578. £9,634 has been utilised on external support leaving a year-end balance on this Reserve of £6,944.
25. In 2013/14, we received a S106 from Crest Nicholson to meet the costs arising from St. Francis, Haywards Heath – Anscombe Wood Regeneration. This sum was transferred to Specific Reserve to finance the wood regeneration undertaken by Mid Sussex in 2019/20. There has been no call on this reserve in 2022/23, leaving a balance of £57,905.
26. SANG Maintenance Specific Reserve was created to hold SANG Maintenance contributions from developers to fund maintenance costs in perpetuity. The balance on the Reserve stands at £67,612 at the start of the year. A budgeted contribution of £29,505 has been transferred to this reserve in year for SANG Maintenance. The balance on this Reserve as at 31 March 2023 stands at £97,117.
27. In 2022/23 £100,000 transferred to a Martlets Temporary Urban Park Specific Reserve from General Reserve as set out in the Burgess Hill Martlets Shopping Centre proposed interim uses report to Cabinet 6 June 2022. £70,000 has since been transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022, leaving a balance of £30,000. This has been fully utilised as part of the Capital financing in year.
28. In 2022/23 £16,114 has been transferred to a SANG Hill Place Farm Latent Defects Specific Reserve. There has been no call on this reserve in 2022/23.
29. In 2022/23 £7,021 has been transferred to a Bolnore Play area latent defects Specific Reserve. £4,243 has been utilised in year leaving a balance of £2,778 at year end.
30. Created to support the Car Park Strategy refresh in 2020/21. The balance in this Reserve at the start of the year was £17,253. There has been no call on this Reserve in 2022/23.
31. Reserve created to fund the cost of purchasing and implementing the new property, asset maintenance and landscapes system. The balance at the start of the year was £7,763. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022.

32. Reserve originally created to fund planned asset maintenance works that were not able to be completed during the year. The balance at the start of the year was £21,269. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022
33. In 2017/18, this reserve was created to meet the Orchards expenses that remain the landlord's responsibility and for future investment in the centre. The balance at the start of the year was £476,080. There has been no call on this Reserve in 2022/23.
34. Created at Outturn 2017/18 to fund future Orchards improvements. The balance at the start of the year was £4,639,741. There has been no call on this Reserve in 2022/23.
35. £100,000 Specific Reserve created to resource the feasibility work relating to the Clair Hall Site as detailed in the report to Cabinet 20 December 2021. The balance at the start of 2022/23 was £82,752. During the year a further £185,000 has been transferred from General Reserve as detailed in the report to Cabinet 19 December 2022. £113,064 has been utilised to fund revenue costs leaving a balance of £154,688 at 31 March 2023.
36. Cherry tree Improvements Specific Reserve totaling £13,000 created at Outturn 2021/22. This has been fully utilised as part of the Capital financing in year for the Cherry Tree (St Albans Hall) Fairfield Road repairs
37. Created in 2018/19 to hold grants received for implementing new burdens, to offset new burdens costs as they arose. The balance at the start of the year was £529,902 and in 2022/23 further grant payments were received totalling £706,488. £246,620 has been utilised including £43,521 on Employment project coordinator costs, £111,953 on Benefits New Burdens and £91,146 on Revenues, leaving £989,770 remaining at year-end.
38. The Covid-19 -Council Tax Hardship Fund was created to pay those in the Council Tax Support Scheme to the value of £200 per recipient. Further contributions were received to help fund the cost of extending the scheme in 2021/22. In 2022/23 £49,640 has been utilised in year to cover MSDC's share of the cost of the scheme required to be transferred to the Collection Fund. This leaves a balance on this Reserve of £16,356.
39. Reserve created from Discretionary Track and Trace funding. The balance at the start of the year was £88,000. This balance represents an underspend which has been required to be repaid to DLUHC during 2022/23.
40. The HM Courts and Tribunals Refund Specific Reserve is held to fund potential cost of claims. The balance at the start of the year was £54,806. There has been no call on this Reserve in 2022/23.
41. The balance in the Housing Needs Survey Specific Reserve at the start of 2022/23 was £10,314. There has been no call on this Reserve in 2022/23.
42. Reserve created in 2017/18, in respect of Flexible Homelessness Support Grant received from MHCLG (later renamed DLUHC) to support Local Authority efforts in preventing and dealing with homelessness. At the start of the year the balance in this reserve was £488,424. During 2022/23 £30,268 has been utilised and the remaining balance at year end stands at £458,156.
43. During 2022/23 grant monies totalling £53,344 have been received for Rough Sleepers Partnership Outreach and £18,803 has been used on Rough Sleeper costs leaving a balance of £34,541 at year end.
44. During 2022/23 grant monies totalling £61,775 have been received for Horsham Rough Sleepers and £1,756 has been used leaving a balance of £60,019 at year end.
45. Created to augment the existing Housing Rent in Advance and Deposit guarantee scheme to create a recyclable loan fund for eligible households. In 2020/21 £50,000 was reallocated to this Reserve from the Flexible Homelessness Support Specific Reserve to be used to assist eligible households into private rented properties. During 2022/23 £4,303 has been used on advance rents and Deposit Guarantee costs leaving a balance of £45,497 at year end.
46. Choice based lettings scheme Specific Reserve balance at the start of the year stood at £11,920. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022.
47. Domestic Abuse Safe Accommodation Specific Reserve is to provide specialist support and safe accommodation for those fleeing domestic abuse. The balance at the start of the year stood at £33,632. During 2022/23, a further £42,863 has been received in grant monies increasing the balance available at year end to £76,495
48. This reserve provides monies for a rolling programme of investment for Temporary Accommodation properties. The balance at the start of the year stood at £69,000. A further £58,000 detailed in Table 1 of this outturn report, increases the balance available at year end to £127,000.
49. This Reserve held grant monies totalling £95,000 at the start of 2022/23 for the Housing Contain Outbreak Management Fund (COMF). This Reserve has been fully utilised in year.
50. This Reserve was set up in year following receipt of Dispersal of Asylum seekers grant totaling £82,500 as reported in the Budget Management Report to Cabinet 21 November 2022. The purpose of this grant is help meet administration costs arising from this dispersal work. There has been no call on this Reserve in 2022/23.

51. Reserve created to enable future development in ICT and related customer service software. Reserve balance at the start of the year stood at £8,019. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022.
52. This Reserve was created for the Burgess Hill Fibre Exchange to procure legal, procurement and commercial advice. The balance at the start of the year is £38,505. There has been no utilisation of this Reserve during 2022/23.
53. Cyber Security Training grant totalling £5,000 moved to Specific Reserve at Outturn as courses cannot be booked before 31 March 2023.
54. This reserve represents the annual contribution made from revenue to meet the future costs of District Elections. The balance at the start of 2022/23 was £92,218. During the year the Reserve was topped up by the annual budgeted sum of £47,657 and £46,163 has been utilised on two By-Elections (£11,873) and the District Election 23 (£34,290). This leaves a balance on this Reserve of £93,712.
55. This reserve totalling £40,576 at the start of 2022/23 holds the non-ring-fenced grants received from the Cabinet Office to cover the cost of the move to Individual Electoral Registration (IER). This Reserve has been fully utilised in year on budgeted canvassing costs in revenue.
56. Electoral Integrity Programme New Burdens Specific Reserve set up from £24,783 grant monies received in year. £3,973 has been utilised leaving a balance of £20,810 as at 31 March 2023.
57. Land charges Development Specific Reserve created at Outturn 21/22 totalling £25,000. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022.
58. The balance on the Icon Upgrade costs specific Reserve at the start of the 2022/23 was £12,000. During the year £2,990 has been used in financing of the Income Management Replacement Revenue project. The remaining balance at the end of the year is £9,010 and this will be utilised by 31 March 2024 to finance the remainder of this project, which has been rephased to 2023/24.
59. Contributions made to this reserve in year represent the annual budgeted sum of £6,000, and any additional amount represents the difference between the average interest rates and the interest rate charged on personal loans (£836) being transferred to this reserve from General Reserve as a result of the 2022/23 final accounts exercise. Any utilisation in 2022/23 is to fund professional qualification subscriptions. This reserve has been fully utilised in 2022/23.
60. The Community Development Specific Reserve was set up to help meet the cost of Community Development related activities. The balance in this Reserve at the start of the year was £228,993. £74,175 has been utilised in year on Community Development grants, Covid Recovery grants and Platinum Jubilee grants. The balance on the Reserve as year end stands at £154,818.
61. The Community Volunteers Service (CVS) Specific Reserve was created at Outturn 2019/20 to provide additional grant requests resulting from the Covid-19 pandemic. The balance at the start of the year was £5,000. There has been no call on this Reserve in 2022/23.
62. Ukraine Support Specific Reserve set up following grant received from WSCC for this purpose. £5,000 has been utilised in year leaving a balance of £151,157 as at 31 March 2023.
63. This is available to smooth out any variations year on year, in the Benefits outturn position, reducing the impact on the Council of any possible adverse effects after the final Benefits claim for the year is audited.
64. This is a key working reserve enabling the management of fluctuations of income and receipts, payments and potential appeals. This reserve is required to smooth out any variations in year and year on year as a result of actuals against projections and other movements.
65. Reserve created from grant received from DLUHC in respect of funding Local Authority EU Exit. The balance at the start of the year was £18,515. This was transferred back to General Reserve as part of the Review of Reserves report to Cabinet 19 December 2022.
66. WSCC Covid 19 Test and Trace Contain Management Outbreak Fund (COMF) Specific Reserve created from West Sussex County Council (WSCC) monies received to assist with costs relating to mitigating against and management of local outbreaks of Covid 19. The balance at the start of the year was £205,563. During the year this has been fully utilised on costs including staffing, homelessness prevention, cleaning, and litter bins.
67. Organisational Development and Efficiency Reserve is used to support the legally required Job Evaluation Scheme and to enable one-off costs required for key redesign and transformation activities including efficiencies and service enhancements.

Appendix D - Use of General Reserve 2022/23

Use of General Reserve in 2022/23						
Description	Balance at 01/04/2022	change contribution / (use)	Estimate at budget	change contribution / (use)	Balance at 31/03/2023	Notes
	£'000	£'000	£'000	£'000	£'000	
Balance 01/04/2022	(5,531)		(5,531)		(5,531)	
Net approved transfers		14	14		14	1
Government Grants		(278)	(278)	(17)	(295)	2
Interest received**				(715)	(715)	3
New Homes Bonus 2022/23		(2,228)	(2,228)		(2,228)	4
Revenue contributions for programme				(173)	(173)	5
Planned programme funding		1,281	1,281	(59)	1,222	6
Financing of Revenue Budget		181	181		181	7
Balance unallocated - held in perpetuity	(3,971)		(3,971)	(864)	(4,835)	8
Total General Reserve	(9,502)	(1,030)	(10,532)	(1,828)	(12,360)	

*Figures are subject to roundings to nearest £'000

**Subject to approval by Council as set out in recommendations of this report

Notes:

1. This is the net of a review of specific reserves (reported to Cabinet 19 December 2022) identifying £471k as no longer required; and £485k identified as being required to be set aside for specific purpose. This is included in the Specific Reserve movements notes of this report.
2. A total of £295k of other grants received in year have been transferred to General Reserve as reported in Budget Management Reports during 2022/23, this included £50k from Land Registry for LLC programme timetable for the transition of LLC1, £341 additional Revenue Support Grant (RSG), £11,785 additional Council Tax Support Grant, £214,722 HPG grant and at Outturn 22/23 an additional £17,966 Levy surplus payment.
3. Refer paragraph 3 of the main report.
4. £2,227,749 New Homes Bonus monies have been received in 2022/23.
5. Revenue contributions for the planned programme; include a contribution for Major Capital Renewals (MCR) of £162k and a further £11k for various smaller schemes.
6. The amount utilised to finance the capital programme.
7. £181,116 use of General Reserve to finance the 2022/23 Revenue Budget as set out in the Corporate Plan and Budget Report 2022/23 to Council 2 March 2022
8. Unallocated element that also relates to amounts held in perpetuity and commuted sums.

Appendix E - Capital Programme Outturn 2022/23

Capital Programme Outturn 2022/23								
	Approved Budget £'000	approved variation £'000	Current Budget £'000	Outturn £'000	over / (under) in year £'000	carry forward £'000	variation over / (under) £'000	Notes
Planning & Sustainable Economy								
Burgess Hill Place and Connectivity Programme	1,223		1,223	239	(984)	(984)	-	
About the Place Public Arts Project	114		114	28	(86)	(86)	-	
Keymer Brick & Tile Community Building improvement works	4		4	2	(2)	(2)	-	
Hill Place Farm SANG -easement Bluebell Railway Line	731		731	731	-	-	-	
UKSPF Community Hub - Quarry Café	-	5	5	5	-	-	-	1
Temporary Accommodation (including Swanmead)	1,200		1,200	571	(629)	(629)	-	
SwanMead	-		-	-	-	-	-	
Affordable Housing	80		80	80	-	-	-	
Total Planning & Sustainable Economy	3,352	5	3,357	1,656	(1,701)	(1,701)	-	
Commercial Services and Contracts								
Contracts & Services								
Bolney Recreation Ground(Batchelor's Field) Playground Improvements	2		2	1	(1)		1	
Petanque Rink, Burgess Hill	4		4	-	(4)		4	
Forest Field, Haywards Heath	56		56	54	(2)		2	
Turners Hill Recreation Ground	29		29	29	-		-	
St Andrews Play Area, Burgess Hill	8		8	5	(3)		3	
Garden Waste Service Expansion - Bin Purchase	1		1	-	(1)		1	
Replacement Wheelie Bin Purchase	117		117	97	(20)	(20)	-	
Resurfacing Heath Road Car Park, Haywards Heath	-		-	-	-	-	-	
Resurfacing of Muster Green Car Park, Haywards Heath	-		-	-	-	-	-	
Dolphin Leisure Centre Play Area Haywards Heath	30		30	7	(23)	(23)	-	
Hollands Way Play Area, East Grinstead	62		62	60	(2)	(2)	-	
Hemsleys Meadow and Finches Field, Pease Pottage Masterplan	90		90	16	(74)	(74)	-	
Victoria Park, Haywards Heath Masterplan	162		162	13	(149)	(149)	-	
Mount Noddy, East Grinstead Masterplan	180		180	11	(169)	(169)	-	
St. John's Park, Burgess Hill Masterplan	TBD						-	
Centre for Outdoor Sport (Master Planning)	375		375	283	(92)	(92)	-	
Martlets Temporary Urban Park	100		100	52	(48)	(48)	-	
Electric Vehicle fast charging points	38		38	27	(11)	(11)	-	
Total Contracts & Services	1,254	-	1,254	655	(599)	(588)	11	
Commercial Services and Contracts								
Estates Services & Building Control								
Major Capital Renewals Unallocated Funding	10		10	-	(10)		10	
Intruder Alarm Upgrade	33		33	-	(33)	(33)	-	
East Court Pavilion Sewage pump	69		69	69	-		-	
Cuckfield Rec Pavilion refurbishment	-	1	1	1	1		2	
Clair Park Pavilion refurbishment RP	-	5	5	5	5		3	
Oaklands Replacement Windows Phase V	95		95	88	(7)	(2)	5	
Heating works Phase IV	52		52	52	-		-	
Oaklands Staff Room and Remodelling and Refurbishment	44		44	-	(44)	(44)	-	
The Orchards - Changing Place Toilet	190	21	211	211	21		4	
Hickman's Lane Pavilion Renovation	-		-	-	-		-	
Bedelands Gypsy and Traveller site	15		15	11	(4)	(4)	-	
Cherry Tree (St Albans Hall) Fairfield Road BH	16	2	18	18	2		5	
Council Chamber Modernisation	-	3	3	3	3		6	
Total Estates Services & Building Control	524	32	556	458	(66)	(83)	15	
Corporate Resources								
Income Management Replacement System	12		12	3	(9)	(9)	-	
Total Corporate Resources	12	-	12	3	(9)	(9)	-	
Digital and Technology Services								
Workstation replacement programme (future years)	60		60	31	(29)	(29)	-	
Host Replacement- Production farm and DMZ	14		14	3	(11)	(11)	-	
Fibre Channel Switch Replacement	9		9	-	(9)	(9)	-	
Rural Connectivity Programme	998		998	760	(238)	(238)	-	
Research and Innovation Fibre Ring (RIFR)	100		100	11	(89)	(89)	-	
Oaklands Wifi Refit	10		10	4	(6)	(6)	-	
Telephony System replacement (hardware)	2		2	2	-		-	
Supporting Infrastructure Refresh RP	-		-	-	-		-	
Network Infrastructure Maintenance Project	18	6	24	24	6		7	
Total Digital and Technology Services	1,211	6	1,217	835	(376)	(382)	-	
Communities								
Air Quality Monitoring Station	10	4	14	14	4		8	
Disabled Facility Grants	1,643	(81)	1,562	1,057	(505)	(505)	-	
CCTV East Court and Mount Noddy Recreation Ground in East Grinstead	29		29	-	(29)	(29)	-	
Total Communities	1,682	(77)	1,605	1,071	(530)	(534)	-	
Total Programme	8,035	(34)	8,001	4,678	(3,281)	(3,297)	26	

Variation Notes:

1. UK Shared Prosperity Fund (SPF) Community Hub – Quarry Café. Funded by UKSPF grant. Total grant approved was £35k, £30k will be spent in 2023/24 and added to the programme in 2023/24.
2. Cuckfield Rec. Pavilion – a small variation to final works funded by the associated S106.
3. Clair Park Pavilion – funded by additional revenue contribution from reactive works budget, following the identification of structural issues to the roof.
4. The Orchards - Changing Place Toilet funded from capital renewals contribution for the additional costs for paving and smoke detector/alarm system.
5. Cherry tree - funded by additional revenue contribution from reactive works budget following the identification of heating infrastructure requirements identified when the boiler was replaced.
6. Council Chamber – additional costs for the Audio funded from the capital renewals contribution.
7. Network infrastructure – additional costs funded from capital renewals contribution.
8. Air Quality Station - additional costs funded from capital renewals contribution.