

RECOMMENDATIONS FROM CABINET – 21 NOVEMBER 2022

BUDGET MANAGEMENT 2022/23 – PROGRESS REPORT APRIL TO SEPTEMBER 2022

1. The Cabinet considered the progress on the Revenue Budget, Capital Programme, Major Revenue Projects and Treasury Management for 2022/23.

Summary

2. The Cabinet paper sets out several movements across the Revenue Budget which result in a sustainable midyear position. This is achieved despite a challenging economic climate. In addition, the Capital Programme and our major Revenue schemes continue to deliver despite some difficult external market pressures.
3. Due to national economic factors and internal spending pressures the projected overspend has increased from £701,000 in the April to July period to a current overspend position of £1,235,000
4. The Consumer Price Index (CPI) rose to 10.1% by the end of July and although dropping slightly to 9.9% at the end of August has now risen again to 10.1% for September. Projected inflationary pressures for the year are currently predicted to be £762,000.
5. However, the impact of rising interest rates and effective investment decision making is also achieving a positive movement on the Council's Treasury Management income. As at the end of September 2022 this has achieved an above target performance of £269,000, which is projected to rise to £1,194,000 by year end. This income stream has a fundamental and positive effect on the overall position, and it is proposed that this sum should be used to finance the revenue budget, reducing the projected overspend. Once this contribution is considered the net revenue overspend position is projected to be £41,000.
6. The Capital and Major Projects programme is delivering across a large number of schemes with an anticipated spend of £8,064,000 in year. In addition, £4,910,000 has been subject to detailed review and consequently reprofiled into 2023/24. In most cases this reflects that fact that projects are significant and will be delivered across more than one financial year. Officers will work in a clearer profiling approach for rolling multi-year schemes going forward.
7. Additionally, Officers are currently undertaking a review of the planned use of Specific Reserves, as detailed in the Budget Guidelines 2023/24. Progress on this will be reported in future budget management reports.

Recommendations

8. That Council Approve:
 - (i) **that £11,510 received from DLUHC in respect of Rough Sleeper Accommodation Programme grant be transferred to Specific Reserve as detailed in paragraph 27 of the Cabinet report;**
 - (ii) **that £82,500 received from the Home Office in respect of Dispersal of Asylum Seekers grant be transferred to Specific Reserve as detailed in paragraph 28 of the Cabinet report;**

- (iii) that £5,200 received from DLUHC in respect of new burdens grant for Temporary Pavement Licencing. be transferred to Specific Reserve as detailed in paragraph 29 of the Cabinet report;**
- (iv) that £280,465 received from UK Health Security Agency in respect of Track and Trace Self Isolation Administration grant be transferred to Specific Reserves as detailed in paragraph 30 of the Cabinet report;**
- (v) that £61,542 received from DLUHC for New Burdens Council Tax Rebate scheme be transferred to Specific Reserve as detailed in paragraph 31 of the Cabinet report;**
- (vi) the variations to the Capital Programme contained in Table 4 of the Cabinet report in accordance with the Council's Financial Procedure rule B3;**
- (vii) to approve the use of the projected increase of £1,194,000 for Treasury Management income to finance the revenue budget, reducing the projected revenue overspend year end position to £41,000.**