CABINET

Report subject	**2022/23 Budget Monitoring and Financial Strategy Update**
Meeting date	14 December 2022
Status	Public Report
Executive summary	This report includes 2022/23 budget monitoring information for the general fund for November 2022 and an updated position for the medium-term financial plan (MTFP). It also includes budget monitoring information at quarter two for the capital programme and housing revenue account (HRA). The general fund outturn is projected to further improve from the previously reported position with a £9m surplus now estimated for the year. The MTFP has now been updated for an estimate of the implications of the governments Autumn Statement. Consequentially Cabinet is asked to identify £6.2m of currently identified savings for 2023/24 which potentially will now be able to be deferred until 2024/25.
Recommendations	**It is RECOMMENDED that Cabinet:** **1. Recognise the continued improvement to the 2022/23 in-year position with a £9m net surplus now projected.** **2. Agree the capital virement for the Housing Revenue Account as set out in paragraph 121.** **3. Acknowledges the update of the Medium-Term Financial Plan including estimates of the implications of the governments Autumn Statement.** **4. Acknowledge that, based on the current financial planning assumptions and the approach to risk, that not all of the previously identified savings' proposals may now need to be implemented in 2023/24** **5. Request Cabinet to identify up to £6.2m of currently identified 2023/24 savings that can now potentially be deferred to 2024/25.** **6. Cabinet notes the improvement in timescales and delivery of the Pay and Reward workstream by moving forward the implementation from the previously assumed date of April 2024 to January 2024.**

	7. Increase the annual investment in unearmarked reserves from £700k to £1.9m in 2023/24. **It is RECOMMENDED that Council:** **8. Agree the acceptance of general fund revenue grant for adult social care as set out in paragraph 64.**
Reason for recommendations	To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position. To comply with the council's financial regulations regarding budget virements. In addition, and further to a recommendation agreed by Cabinet on the 7 September 2022, an update on the Councils financial strategy is being presented as a standing item on the Cabinet agenda until such time as a balanced budget for 2023/24 has been delivered. With the material improvement and increased confidence in the Council's financial position the focus will now be on delivering a further member engagement session via the additional Budget Café session added in January.
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Background

1. In February 2022 Council agreed the annual general fund net revenue budget of £272m, a capital programme of £154m and the net use of earmarked reserves to support services of £34.7m. Budgets were also agreed for the housing revenue account (HRA).
2. The November 2022 Finance Strategy Update report to Cabinet included a projected general fund revenue surplus for the year of £8.5m with the MTFP balanced for 2023-24 and an overall gap to close of £12.6m over the three further years of the current plan.

Revenue budget monitoring at November 2022

3. The November projection for the 2022/23 revenue budget outturn is a surplus of £9m overall. There is an overspend within services of £2m offset by a central budget surplus of £11.1m
4. This position demonstrates the further positive impact that the expenditure controls implemented by Cabinet as part of a Finance Update report to its 29 September 2022 meeting, are forecast to have on the organisation. These controls have been implemented as part of the endorsed financial strategy which focuses on traditional financial management processes to enable the council to set a balanced budget for 2023/24 and beyond. It is possible that this outturn position will continue to improve as these expenditure controls continue to bear down on service expenditure and as officers continue to reduce costs.

5. The intent is to lift this expenditure control once a balanced budget for 2023/24 has been delivered and formally agreed. At that time, it is suggested that a Corporate Management Team and Portfolio Holder process is put in place to consider if stopped activity is indeed required rather than it being automatically restarted.
6. With the improved financial position, a communication from the Director of Finance will be issued to Service Directors and budget holders to thank them for their efforts in improving the financial position and to remind them that when Cabinet agreed the implementation of the expenditure control at its meeting in early September it did leave the door open for proposals which do not meet the criteria to come forward for consideration by the Chief Finance Officer in consultation with the Portfolio Holder for Finance (the Leader).
7. The table below is a summary of the revenue outturn position as projected at the end of November.

Figure 1: General Fund – Summary projected outturn for 31 March 2022

Directorate	Revenue	Working Budget	Forecast Outturn	Forecast Variance
Adult Social Care	Expenditure Total	155,939	158,153	2,214
	Income Total	(49,820)	(53,484)	(3,664)
Adult Social Care Total		**106,119**	**104,669**	**(1,450)**
Children's Services (excl. DSG)	Expenditure Total	87,769	92,534	4,765
	Income Total	(14,086)	(14,160)	(74)
Children's Services Total		**73,683**	**78,374**	**4,691**
Commissioning	Expenditure Total	35,190	36,315	1,125
	Income Total	(23,401)	(24,313)	(912)
Commissioning Total		**11,789**	**12,002**	**213**
Operations	Expenditure Total	166,664	165,441	(1,223)
	Income Total	(110,211)	(114,533)	(4,322)
Operations Total		**56,453**	**50,908**	**(5,545)**
Resources & Chief Executive Office	Expenditure Total	178,492	178,835	343
	Income Total	(115,283)	(115,832)	(549)
Resources & Chief Executive Office Total		**63,209**	**63,003**	**(206)**

Net Cost of Services		**311,253**	**308,956**	**(2,297)**

Transformation (including target savings)	Expenditure Total	16,744	20,244	3,500
	Income Total	(23,590)	(21,995)	1,595
Transformation Total		**(6,846)**	**(1,751)**	**5,095**

Net Position		**304,407**	**307,205**	**2,798**

Beach Huts Securitisation of Income Stream		3,700	0	(3,700)
Interest on cash investments		(45)	(1,365)	(1,320)
BDC Winter Gardens Provisions Reduction		0	(1,000)	(1,000)
Other Corporate Items		(308,062)	(313,806)	(5,744)
Total Budget		**0**	**(8,966)**	**(8,966)**

8. The detail of projected variances is included in Appendix A1. A general fund summary forecast outturn is included in Appendix A2.

Summary of 2022/23 projected outturn by directorate

9. The following paragraphs summarise the projected 2022/23 budget position for each directorate.

Adult Social Care - net underspend £1.5 million (1.4%)

10. The net underspend is because of Council wide restrictions on expenditure including extensions of vacancies and release of earmarked reserves to mitigate the financial gap in the Medium-Term Financial Plan for the period 2023-2027.
11. Care cost pressures have grown by £1.7m associated with the rising cost of care home fees and domiciliary care packages to support patients leaving hospital, bringing the projected annual overspend to £9.5m for people with long term conditions. More people are being placed in residential care because of supply shortage in the home care market.
12. Difficulties in the home care market have also meant that the service has not been able to source the care to meet the needs of people with learning disabilities and mental health as well as challenges in sourcing suitable housing and delays with mental health hospital discharges resulting in an estimated underspend in year of £3m.
13. Whilst this underspend will mitigate in part the projected overspend in the long-term conditions budget this financial year, it is occurring due to unmet need and cannot be assumed as a future budget saving.
14. Further mitigating factors to offset the cost of care pressure include additional income from the NHS for continuing health care (CHC) due to catching up with the CHC assessments that were suspended during the pandemic and additional contributions for Section 117 mental health after care of £2.5m.
15. The Council is making use of Health funding transferred under Section 256 agreements to support the additional costs arising from the hospital flow approach to discharge those who no longer need to stay timely and safely.
16. Other mitigating factors include additional client contributions £0.8m, miscellaneous net savings of £0.1m and budget realignment after the pandemic.
17. There is reasonable confidence that the savings projected at this stage will be achieved. There are, however, also risks associated with the continuing increase cost of residential care homes, inflationary pressures and demand for care which increase the scale and volatility of adult social care budgets.

Commissioning

18. Anticipated energy and inflationary costs incurred by the Local Authority Trading Company (Tricuro) of £0.2m are expected to be managed by the company.

19. The shortfall in the receipt of client contributions from the block booked care home placements is mitigated with savings due to staff vacancies, other miscellaneous savings, and other mitigating factors described in the paragraphs above.

20. The Council has received the allocation and conditions for the Adult Social Care Discharge Fund £500m nationally. The purpose of the grant is to enable more people to be discharged to an appropriate setting with adequate and timely social care support, prioritise those approaches that are most effecting in freeing up hospital beds and boost general adult social care workforce capacity through recruitment and retention. The grant has conditions and reporting requirements attached, including full expenditure to be incurred by 31 March 2023.

Children's Services - net overspend £4.7 million (6.4%)

21. The projected net overspend for children's services is £4.7m a decrease of £0.5m compared with the position reported in November.

22. The projected position includes the recharge to the transformation programme of £1.5m of unbudgeted expenditure incurred to improve the service without there being an expectation of making future budget savings. The forecast currently assumes this element will be covered by a successful capitalisation direction. Should the council move completely towards an approach of funding the 2022/23 transformation investment programme via the flexible use of capital receipts (FUCR) then it is likely that this £1.5m recharge will need to be reversed as the legislation does not allow improvement expenditure to be funded by this mechanism.

23. There has been an increase in grant funding since the November report. Public Health grant of £0.3m has been passed back to the council from the pan-Dorset service (bringing the total for the year to an additional £0.9m compared with the budget), to support qualifying expenditure. In addition, £0.16m has been allocated from the contain outbreak management fund (COMF) contingency to cover unbudgeted expenditure supporting mental health services for young people.

24. Pressures previously reported continue for special educational needs and disabilities (SEND) transport of £1.3m due to fee increases, with an anticipated saving of £0.2m in mainstream transport.

25. Staffing pressures continue with £0.9m remaining after the transfer of unbudgeted costs to the transformation programme noted above. This is due to reliance on higher cost agency staff within social care and higher salary expectations in the market generally. The workforce strategy has been approved by Council and a recruitment drive is preparing to go live to attract and retain permanent social workers.

26. Care demand was reassessed during quarter two which showed a net increase in placement numbers as well as fee increases and growing needs of children with the pressure assessed by the October report at £1m, this remains unchanged. Other previously reported and unchanged pressures include £0.2m of lost savings from an unsuccessful bid to government for a new children's home

27. The service is still expecting pressures from the unaccompanied asylum-seeking children (UASC) cohort as the grant income received does not cover the cost of care provided. There is concern this may increase further as more individuals are being placed in the BCP conurbation.

Operations – net underspend £5.5 million (9.8%)

28. Overall, operations budgets are projecting an underspend, £0.5m higher than last reported. Income generating activities, such as carparking have benefitted from good weather over the first and second quarter but there is some risk as to whether the increased parking charges at the beach of an additional 10% will achieve the associated £0.4m of income forecast. Positive income movements are in the green waste service and further charging of staff time to the capital programme. In addition, mitigation plans have been put in place to address pressures associated with the cost-of-living which includes significant growth in utilities costs of £3.1m plus higher fuel costs. Mitigation plans have been developed to address these.

<u>Communities</u>

29. Within the Communities directorate there are no individual new material pressures. Fees and charges not governed by statutory provisions have been reviewed and increases will be applied to reflect rising costs in line with corporate guidance.

<u>Environment</u>

30. Environment is seeing a strong budget performance with a positive position on recycling price per tonne generating a forecast £2.1m in reduced costs.

31. Identified earlier this year is the additional income from the green waste service of £0.3m due to a combination of recognising the level achieved as part of the 2021/22 outturn alongside the current year price adjustment.

32. In the bereavement service, cremations income pressures have decreased by £0.2m to a net position of £0.4m pressure due to pricing increases, with further work being undertaken in mitigation. The impact of high-cost inquests on the coroner's service is unchanged at £0.1m.

33. Fuel prices remain volatile, and the service are working to mitigate this, including consideration of notice to stop all non-essential travel.

<u>Transport and Engineering</u>

34. The October forecast for 2022/23 of net additional income for car parks is £1.3m. The pressures on the cost of providing the service, identified in June, are reducing due to the ongoing mitigation work. These pressures currently stand at £0.6m.

35. There is more work on capital schemes than anticipated, which results in staffing costs being charged to capital rather than borne by the revenue account. This year this is expected to benefit revenue by £0.3m.

36. Electricity costs associated with street lighting account for a significant element of the £3.1m utility cost pressures in the Operations Directorate reported above. Mitigation measures have been adopted which reduced the figure by £0.2m. Further mitigation work is ongoing.

Destination and Culture

37. Seafront services forecast performance to September has exceeded expectations due to favourable conditions. Risk remains in delivering the income target for the remainder of the year but a forecast surplus of £0.3m is anticipated.

38. The management fee income shortfall for BH Live has reduced slightly from £0.4m to £0.3m. BH Live are currently trading well, however the impact of the cost-of-living crisis on customer behaviour is difficult to predict. Work is on-going with the organisation to bring the forecast outturn back in line with expectations.

Planning

39. The planning service is currently forecasting a balanced budget position. However, there are significant pressures within the service, due to additional costs of agency staff. This is continuing to be addressed through a plan to transition away from reliance on agency staff throughout the remainder of this financial year, and by drawdown of reserves earmarked for the service.

Housing

40. It is still anticipated that the in-year homelessness prevention grant allocation of £2.0m will be fully utilised. This grant is ring-fenced with £5.1m in earmarked reserves from previous year allocations, which is planned to be fully spent by the end of 2024/25 by continuing activities to reduce homelessness. The income shortfall from the acquisition strategy has reduced to £0.1m.

41. The forecast telecare income of £1.4m is still on target to be achieved. This income is from equipment rental charges to associations and new equipment installations. Staff vacancies within the operations centre continue to be filled. A forecast net pressure of £0.25m is presented to reflect a budget realignment identified at outturn.

42. The construction works team (CWT) is on track to meet budgeted surplus of £0.3m. Major projects CWT is delivering this year include housing schemes on behalf of the Housing Revenue Account (HRA) at Wilkinson Drive and Northbourne, Skills & Learning relocation to the Dolphin Centre, Poole Library, Durley Innovation Hub, and the phase 2 refurbishment of the Old Town Hall. Net budget surplus for the in-house team is expected to be delivered.

43. Net rental income from Seascape Homes & Properties Limited previously estimated a pressure of £0.2m. This pressure is now anticipated to reduce to £0.098m and as a result, the income is now forecast to increase to £1.3m. Garages and photovoltaic net surplus budget of £2.2m is also on course to be achieved. Cost pressures in relation to the cost of scaffolding for measurers to defer pigeons from settling are expected to be managed from within existing budget allocations.

44. The costs of administering Ukraine, Syrian and Afghan resettlement schemes are expected to be fully funded from in-year government grant allocations.

45. At £0.2m, utilities pressure from increasing gas and electricity prices is consistent with that forecast within the cost-of-living review reported in May.

46. Housing services has identified £0.7m of cost-of-living mitigation savings and these remain on course to be delivered. The service is therefore forecasting an overall surplus end of year position.

Resources & Chief Executive Office - net underspend £0.2m (0.3%)

47. The main pressures continue to be for utility costs and contract payments for IT systems and the library PFI.

48. Customer Services employee costs are forecast to underspend by £0.6m against the additional £1.5m one-off agreed allocation due to the ongoing difficulties in recruiting to all the available roles. Business Support costs are also forecast to underspend by £0.4m due to unfilled vacancies.

49. Facilities Management: The cost-of-living exercise estimated £0.5m utilities pressure from rising prices. Staff parking income from 1 August 2022 will be used to offset unbudgeted operational costs of Poole Civic Centre. Repairs and maintenance spend across the civic estate are forecast to overspend by £0.2m, all funded from earmarked reserve. To date the Council has incurred £0.1m of works that are expected to be reimbursed from third party insurance claims, and £0.2m of building surveyors and client project managers salaries are expected to be capitalised during the year.

50. Finance: Savings on employee costs from Health & Safety have been realised of £0.2m. The £0.1m pressure on bank charges is due to the continuing management of three bank accounts and the cost of BCP's share of Stour Valley and Poole Partnership is expected to be £0.1m.

51. ICT: No change is proposed to the cost-of-living pressure of £0.2m for software contract inflation, the majority of which is within ICT services. The service also retains historic base budget revenue allocation of £0.2m for ICT replacement, which has not yet been fully utilised.

52. Law & Governance: Additional income from registrars was used to offset the related additional salary costs approved in June. Legal Services has endured staff vacancies throughout the year which has resulted in the employment of additional temporary staff. The budget for local elections is expected to be underspent by £0.2m. This is no longer required to top up the earmarked reserve as there is a separate corporately held budget for this purpose.

53. Human Resources employee costs are forecast to underspend by £0.1m due to vacancies and staff engaged in the transformation work.

54. Major projects team: This team manages delivery of both capital and revenue projects and is funded from a combination of capital resource, revenue budget, external grants, and the transformation programme. There is currently an unfunded salary related pressure of £0.1m for 2022/23 with the potential for this to increase to £0.4 million in 2023/24 and then reducing to £0.3 million in 2024/25 with the current allocation of budget from the transformation programme.

Transformation

55. Transformation savings are on track to deliver £7.2m in year of the £8.7m that had been built into the budget for 2022/23. Consistent with Q1 £1.5m of savings have not yet been identified for delivery.

56. The original savings include certain business support staff savings where the implementation has been delayed. Further work continues in respect of third party spend savings.

57. The estimate of base budget staff costs able to be transferred to the transformation programme has been reduced by a provision of £3.5m from the

£6.7m budgeted. Further work is ongoing to confirm the final figure for 2022/23. This follows a review of the available evidence to date to support the recharge for specific workstreams. It also reflects, staff vacancies reducing support service costs and that some backfill arrangements have been necessary to support business as usual activity which reduces the potential to recharge base costs into the programme.

Central Items - net surplus £11.8m

58. In setting the 2022/23 budget 3.1% was set aside for assumed pay award inflation. This was insufficient to cover the final position agreed with the trade unions by the National Employers for local government services which was a flat rate increase of £1,925 on every spinal column point plus an additional day's annual leave, which calculates as an average 5.4% for our staffing mix. The forecast takes account of the fact that the pay award is likely to add an extra £4.1m to the cost base of the council over and above the £5.5m allowed for as part of the original 2022/23 budget. Work on the impact of the extra days leave is ongoing and will need to be factored into future budget monitoring updates.
59. The council in 2021/22 recognised £5m of potential losses attributable to Bournemouth Development Company LLP ("BDC"), a BCP joint venture company. The council is making a provision for their shareholding as a result of on-going viability demands relating to the Winter Gardens project. Since making this provision the West Cliff Mansions (Durley Road) development has been successfully delivered. Profit from this scheme will be retained by BDC and offset the need for the full provision set aside in 2021/22. The benefit to the Council is circa £1m.
60. Release of the £2.2m base budget revenue contingency for 2022/23. This approach will mean there are no resources set aside for any variations that might occur in the remaining months of the financial year other than the £9m of surplus we are now projecting.
61. Release of the £3.7m assumed revenue budget impact of the proposal to securitise the beach hut income stream included as part of the 2022/23 original budget, because the scheme is not being taken forward. This net reduction includes foregone income, loan repayments and guarantee fees.
62. Investment income is forecasted to deliver £1.9m over budget. This is reflective of increasing interest rates as well as cash balances than previously forecasted.
63. It is anticipated that due to the higher than standard level of budget challenge and scrutiny that the work during the course of the financial year to-date will limit the level of year-end variations. However, there is the possibility of the expenditure control continuing to release further areas of underspending.

Revenue Virements

64. In accordance with the council's financial regulations the following rules associated with revue virements, and acceptance of grants apply (after advice from the Chief Finance Officer):

    - Acceptance of revenue grants greater than £100,000 and up to £1 million require Cabinet approval
    - Virements over £1 million require prior Council approval.
    - Virements over £500,000 and up to £1 million require prior Cabinet approval.

- Corporate Directors can approve virements over £100,000 up to £500,000.
- Service Directors can approve virements up to £100,000.

65. In accordance with these regulations the following virement requires the approval of **Council:**

Directorate: Adult Social Care

Purpose: Acceptance of £1.46m of grant from the government's adult social care discharge fund

The Council has received the allocation and grant conditions from the Adult Social Care Discharge Fund £500m nationally. The purpose of the grant is to enable more people to be discharged from hospital to an appropriate setting with adequate and timely social care support. Also, to prioritise those approaches that are most effective in freeing up hospital beds and boost general adult social care workforce capacity through recruitment and retention. Of the fund, 60% has been distributed to the integrated care boards and 40% to local authorities. The allocation for BCP is £1.46m.

Financial Strategy Update and MTFP

66. This section of the report provides an update on the Councils financial strategy in accordance with the monthly update recommendation agreed by Cabinet on the 7 September 2022.

67. Autumn Statement

On 17 November 2022, the Chancellor of the Exchequer delivered his Autumn Statement, alongside the Office for Budget Responsibility's (OBR's) new set of economic and fiscal outlook forecasts. The Autumn Statement responded to the OBR forecasts and set out the medium-term path for public finances nationally. This follows the previous Chancellor's Growth Plan announcements in late September 2022, the majority of which were subsequently rolled back, with the notable exception that the Health and Social Care Levy which has been, and remains, cancelled. As part of the statement the Chancellor set two new fiscal policy rules.

- Public sector net debt (excluding the Bank of England) needs to be falling as a percentage of GDP by the fifth year of the rolling forecast; and

- Public sector net borrowing (the deficit) needs to be below 3% of GDP by the fifth year of the rolling forecast.

To meet both of those rules, the Autumn Statement delivered public finance measures related to tax and spending worth £55 billion by 2027/28. Of this, around £30 billion is related to spending policy decisions and £24 billion through tax policy decisions. Most of the decisions on spending will make an impact after this Spending Review period (with extra spending committed in this Spending Review period) and the extra tax revenues phased in gradually over the forecast period.

Specifically, in respect of issues salient to local government, the Autumn Statement made the following announcements

- Local authorities have been given additional flexibility in setting council tax, by increasing the referendum limit for increases in council tax to 3% per year from April 2023. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. The previous policy, set at the 2021 Spending Review, was for a general limit of 2%, with an extra 1% for adult social care.

- Government will limit the increases in social care rents in 2023/24. Under current rules, rents could have risen by up to 11.1% as they tracked inflation, but now they will only be able to rise by a maximum of 7%.
- Following the recommendations of the independent Low Pay Commission (LPC), the National Living Wage (NLW) for individuals aged 23 and over will be increased by 9.7% to £10.42 an hour from 1 April 2023. This will impact on the cost of many externally procured contracts most notably those associated with the provision of care services.
- The national rollout of social care charging reforms has been delayed from October 2023 to October 2025, although the funding support for local authorities to fund this has been left in place.
- Additional social care grant funding.

£1.3 billion in 2023/24 and £1.9 billion in 2024/25 will be distributed to local authorities through the Social Care Grant for adult and children's social care

£600 million will be distributed in 2023/24 and £1 billion in 2024/25 through the Better Care Fund, with the intention of getting people out of hospital on time into care settings and freeing up NHS beds.

£400 million in 2023/24 and £680 million in 2024/25 will be distributed through a grant ringfenced for adult social care which is also intended to help to support discharge

- A further year-long extension to the Household Support Fund.
- From 1 April 2023, a revaluation will update rateable values for business rates with a £13.6m support package put in place to protect ratepayers facing increases including.

The business rates multipliers for 2023/24, will be frozen

A new Transitional Relief scheme limiting the rate at which bills can increase due to the revaluation.

A more generous Retail, Hospitality and Leisure relief for eligible properties in 2023/24.

A Supporting Small Business scheme to cap bill increases for businesses that lose other relief due to the revaluation.

The Autumn Statement commits to protect Local Authorities for any loss of income as a result of these business rate measures and Local Authorities will receive new burdens funding for any additional administrative and IT costs.

68. Update of Medium-Term Financial Plan

The 23 November Cabinet report set out the previous MTFP position assuming the council does not take the £20m capitalisation direction offered by government via the "minded to" offer from DLUHC

Figure 2: Cabinet 23 November 2022 forecast MTFP Position

	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Annual – Net Funding Gap	(0.0)	16.7	(3.1)	(1.0)	12.6
Cumulative MTFP – Net Funding Gap	(0.0)	16.7	13.6	12.6	

Figure 3 below sets out the current MTFP updated for any changes since the November Cabinet report. As a reminder to councillors, the following MTFP variance chart shows changes in the revenue budgets, on an annual basis, either positive numbers which represent additional costs to be met, or negative which represent forecast cost reductions or additional income. The variances are shown in the year in which they are expected to be first seen and are then assumed to recur on an ongoing basis in each of the following years. One-off changes will be seen as an entry in one year and will then being reversed out in a following year. For example, it is currently assumed to use £9m from the forecast outturn for 2022/23 in support of the 2023/24 budget.

Figure 3: Funding Gap for 2023/24 and MTFP Position

Adjustments to the cost of services	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Adult social care and public health	20.7	11.6	8.1	8.7	**49.1**
Adult social care reforms	0.0	0.0	12.8	17.2	**30.0**
Children's services	14.6	8.4	9.0	9.6	**41.6**
Operations	7.9	4.5	1.8	1.1	**15.3**
Reversal of securitisation of income stream proposal	(3.7)	0.0	0.0	0.0	**(3.7)**
Resource services	1.0	1.4	0.5	0.5	**3.4**
Staff costs being charged to transformation prior 25/26	0.0	0.0	6.7	0.0	**6.7**
Capitalisation direction 22/23 cost of capital & interest repayments	0.0	0.0	0.0	0.0	**0.0**
Transformation base revenue budget costs	1.1	0.0	0.0	0.0	**1.1**
Transformation redundancy costs that cannot be charged against FUCR	2.1	(1.9)	(0.1)	0.0	**0.1**
Corporate priorities one-offs for 2022/23	(9.7)	0.0	0.0	0.0	**(9.7)**
Pay related costs	11.1	7.6	3.6	3.6	**25.9**
Pay and grading project	1.0	1.1	(0.9)	1.8	**3.0**
Contingency	0.0	0.0	0.0	0.0	**0.0**
Debt and capital adjustments	0.2	0.3	(0.3)	(0.1)	**0.1**
Treasury Management & Investment income adjusted disposals	(1.5)	1.3	(0.1)	0.0	**(0.3)**
Total adjustments in respect of cost of services	**44.8**	**34.3**	**41.1**	**42.4**	**162.6**
Adjustments in respect of resource levels					
Council tax – revenue - 5% 23/24, 2.99% per annum thereafter	(11.6)	(10.9)	(7.6)	(8.0)	**(38.1)**
Council tax - taxbase	(3.0)	(2.6)	(1.3)	(1.3)	**(8.2)**
Council tax - single person discount	(0.2)	0.0	0.0	0.0	**(0.2)**
Council tax - second homes 100% premium	0.0	(5.3)	0.0	0.0	**(5.3)**
Council tax - empty homes premium after 1st rather than 2nd year	0.0	(0.9)	0.0	0.0	**(0.9)**
Collection fund – (surplus) / deficit distribution net of S31 grant	4.6	(2.7)	0.0	0.0	**1.9**
Government core grant funding changes	0.8	0.0	2.5	0.0	**3.3**
Assumed social care reforms funding	0.0	0.0	(12.8)	(17.2)	**(30.0)**
Assumed additional social care grant funding	(10.2)	(4.7)	(2.7)	(2.7)	**(20.3)**
Reserve Funding - One-off funding supporting 2022/23 budget	36.1	0.0	0.0	0.0	**36.1**
Reserve Funding - Removal of COMF contribution 2022/23 priorities	1.0	0.0	0.0	0.0	**1.0**
Reserve Funding - Improved outturn 2021/22 to support 23/24 budget	(14.2)	14.2	0.0	0.0	**0.0**
Reserve Funding - Redirect earmarked reserve to support 23/24 budget	(5.3)	5.3	0.0	0.0	**0.0**
Reserve Funding - Assumed surplus 2022/23 to support 23/24 budget	(9.0)	9.0	0.0	0.0	**0.0**
Reserve Funding - Contribution to unearmarked reserves	1.2	0.0	0.0	0.0	**1.2**
Total previously assumed adjustments in resource levels	**(9.8)**	**1.4**	**(21.9)**	**(29.2)**	**(59.5)**
Assumed additional savings, and efficiencies					
Unitemised Transformation savings	(9.0)	(15.9)	0.0	0.0	**(24.9)**
Following transformation, further net FTE reductions	0.0	0.0	(7.2)	0.0	**(7.2)**
Scheduled service based savings (include. Adults, Children's, Transformation)	(27.3)	(5.3)	(2.7)	(2.7)	**(38.0)**
Roundings	0.1	0.1	(0.1)	0.0	**0.1**
Unidentified Adult Social Care savings (2.99% growth restriction)	0.0	(1.5)	(3.1)	(3.5)	**(8.1)**
Unidentified Children's savings (2.99% growth restriction)	0.0	(4.5)	(6.5)	(7.0)	**(18.0)**
Total assumed annual extra savings and efficiencies	**(36.2)**	**(27.1)**	**(19.6)**	**(13.2)**	**(96.1)**
Sub Total - Annual – Net Funding Gap	**(1.2)**	**8.6**	**(0.4)**	**(0.0)**	**7.1**
Sub Total - Cumulative MTFP – Net Funding Gap	**(1.2)**	**7.5**	**7.1**	**7.1**	
Scheduled service based savings (includes Adults, Children's, Transformation)	(5.0)	(0.7)	0.1	0.1	**(5.5)**
Annual – Net Funding Gap	**(6.2)**	**7.9**	**(0.3)**	**0.1**	**1.6**
Cumulative MTFP – Net Funding Gap	**(6.2)**	**1.8**	**1.5**	**1.6**	

As a reminder, the service-based savings and efficiencies are presented above and below a sub-total line. To reiterate, the reason for this is to emphasise that although a lot of the savings will be challenging for the council, those below the line will be more challenging.

The key variances from the position as set out in the previous Cabinet report include.

a) Further improvement in the forecast outturn for 2022/23. Analysis of these further variances as set out previously in this report, amount to a £0.5m increase in the surplus, and now mean that the overall surplus for the year is predicted to be £9m.

b) Updates to key financial planning assumption in line with the governments Autumn Statement. This includes assumptions and estimates on council tax, the national living wage, and our local share of the additional social care grant funding.

c) Update on the assumption associated with the pay award. The Councils Chief Finance Officers has commenced a benchmarking exercise with Unitary Treasurers to ascertain the assumption being made by the sector. This process indicates that the average increase being assumed for 2023/24 is around 4.25%.

d) Update to the proposed implementation date, and timing of the financial implications, of the pay and grading project. It is understood the change to a 1 January 2024 implementation date and the detailed underlying proposal will be approved by the Chief Executive once the revised proposed 2023/24 budget and MTFP have been endorsed by Cabinet via this report.

d) Results of the 2022 triannual revaluation of the Dorset Local Government Pension Scheme. The actuary has notified the council that our primary rate of superannuation will need to increase by 1.6% from 17.4% of an employees pay, to 19%. This increase is only partially mitigated by a reduction in the secondary “back-funding” rate which is due to fall from £6.324m to £4.13m (this total is the combined general fund and HRA payment amount).

e) Provision to increase in the unearmarked reserves to 5% of Net Revenue Expenditure as set out in the reserves section below.

As a consequence of these key changes the Council now has the ability to reprofile £6.2m of saving from 2023/24 into 2024/25. As previously referenced priority is expected to be given to the £5m “below the line” items which were always established as the more challenging savings and efficiency proposals. Cabinet and CMB will now work through the profiling of these as part of the February budget workstream and will look to incorporate feedback from the public engagement exercise and the extended member engagement around the extended Budget Café process.

69. Risks specific to the MTFP cost estimates

Robustness of the estimates. In presenting the proposed 2023/24 budget to Council for approval in February 2023 the Chief Financial Officer will need to provide specific advice around the robustness of the estimates used to prepare the budget. Previous in-year financial strategy update reports presented the detail of the current risk items some of which are set out below.

Transformation Investment Programme: Expenditure
Ability to provide robust evidence to support the inclusion of £6.7m in years 2023/24 and 2024/25 of internal base revenue budget staff costs which can be legitimately recharged to the transformation programme.

Transformation Investment Programme: Savings
The increase in the annual savings target for the transformation programme to £18.7m (£8.7m for 2022/23 plus an extra £10m for 2023/24). The deliverability of this £18.7m will need to be evidenced especially when in-year monitoring demonstrates that £1.5m of the £8.7m target for 2022/23 remains to be delivered as set out earlier in the report and the extra £10m is expected to be delivered by third party spend savings which will be challenged by current market conditions around the cost-of-living.

Accumulating deficit on the Dedicated Schools Grant
Accumulated and growing deficits on the dedicated school's grant, by the 31 March 2024, will be greater than the total reserves available to the council.
It continues to be assumed that the current regulations that allow the council to ignore this position will be extended from 31 March 2023 by up to an additional 3-years. This however is not guaranteed and does not provide a solution. Ultimately either the government, local schools, or the council (or a combination therefore) are going to need to identify the resources to address what will be by 31 March 2026 an accumulated deficit of between £102m and £150m.

BCP FuturePlaces Ltd: Working capital loan
The Council have committed a £8m working capital loan to BCP FuturePlaces Ltd a wholly owned teckal company established to drive the Councils regeneration ambitions. They recover expenditure incurred principally by being paid for successful business cases approved by the Council. The council is exposed based on any amounts drawn down from the loan which ultimately prove to be unrecoverable. There are a number of Future Places outline business case reports coming through on the forward plan and as such this risk should be mitigated as those business cases come forward.

Adults and Children's Services: Unidentified Savings
The February 2022 budget report included an assumption that annual growth in Adults and Children's Services will be restricted to 2.99% from 2023/24 onwards. The MTFP as presented in Figure 3 however now (above the line) only includes savings, efficiencies, and service changes that both areas have committed as deliverable in 2023/24. This is not the case in respect of future years with the unidentified savings due to this restriction included in the MTFP amounting to £8.1m in Adult Social Care Services and £18m in Children's Services for the period from 2024/25 onwards. The success of this 2.99% cap should be noted in terms of it largely being delivered in 23/24 with excellent work from both the Children's and Adults teams in delivering this.

70. Update of Medium-Term Financial Plan timeline.

Recognising Government have announced that the provisional Local Government Finance Settlement for 2023/24 will be announced in the week of the 19 to the 23 December 2022 it is proposed that the formal monthly Finance Update report to Cabinet in January 2023 is replaced by a second budget café in the latter half of the month.

Reserves

71. Councils generally hold two main forms of reserves.
72. **Unearmarked Reserves** are set aside to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying operational risk associated with the operation of the council and the management of service expenditure, income, and the council's funding
73. Analysis included in the June MFP Update report to Cabinet showed that on a net revenue expenditure (NRE) basis despite a £0.7m additional investment as part of the 2022/23 budget the percentage dropped to 4.7% which puts us on the lower side of the median, and below the level 5% previously recommended minimum used by the Chartered Institute of Public Finance and Accountancy (CIPFA).
74. To counter this the MTFP now makes provision for the extra £1.234m which is needed to bring the reserves to the 5% previously recommended level. The council's financial strategy continues to be to increase the unearmarked reserves by £0.7m per annum to reflect the increasing level of annual expenditure.
75. **Earmarked Reserves**: are set aside for specific purposes including those held in support of various partnerships where the council is the accountable body, reserves committed to supporting the 2022/23 budget of the Council, reserves which represent government grants received in advance of the associated expenditure, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements.
76. As set out in Figure 4 overleaf shows the Council had earmarked reserves of £114m as at the 31 March 2022. Off this the majority (£40m) relates to government grants received in advance of the actual expenditure including £18m specifically to mitigate the impact that various Covid business rates reliefs will have on the council's business rates collection fund.
77. The financial strategy supporting the development of the 2023/24 budget set out the intention to constantly challenge each of the earmarked reserves to ensure that funds are not being tied up unnecessarily. The intention from the review being, where appropriate, to release these resources to support the proposed budgets of the council. This approach will though need to acknowledge the relationship with the growing deficit on the Dedicated Schools Grant.

78. **Figure 4:** Latest Reserve Forecast

	Balance Actual 31/3/22 £m	Balance Estimate 31/3/23 £m	Balance Estimate 31/3/24 £m	Balance Estimate 31/3/25 £m	Balance Estimate 31/3/26 £m	Balance Estimate 31/3/27 £m
Un-earmarked Reserves	15.3	16.0	17.9	18.6	19.3	20.0
Earmarked Reserves	114.4	35.1	13.9	12.5	12.6	12.8
Reserves established to support the 2023/24 Budget						
Cost of Living Mitigation from 21/22		14.2	0.0	0.0	0.0	0.0
Redirected Earmarked Reserves		5.3	0.0	0.0	0.0	0.0
Assumed 2022/23 surplus		8.9	0.0	0.0	0.0	0.0
Total General Fund Reserves	**129.7**	**79.5**	**31.8**	**31.1**	**31.9**	**32.8**
Dedicated Schools Grant (1)	(20.3)	(36.0)	(62.2)	(99.5)	(149.9)	(215.7)
Dedicated Schools Grant (2)	**(20.3)**	**(36.0)**	**(57.6)**	**(80.2)**	**(102.3)**	**(121.7)**
Net Position DSG1 – (Deficit)	**109.4**	**43.5**	**(30.4)**	**(68.4)**	**(118.0)**	**(182.9)**
Net Position DSG2 – (Deficit)	**109.4**	**43.5**	**(25.8)**	**(49.1)**	**(70.4)**	**(88.9)**

Dedicated Schools Grant (DSG) 2022/23

79. The 2022/23 budgeted high needs funding shortfall is £16.7m. Other DSG blocks have been set with balanced budgets with no surplus available to reduce the overall funding gap. This budget is being reviewed for future years supported by the Department for Education, delivering better value programme (DBV).

80. The accumulated deficit is expected to increase from £20.3m as at 1 April 2022 to £36m by the end of the year with net budget savings of £1m currently identified.

Figure 5: Summary position for dedicated schools grant

Dedicated Schools Grant	**£m**
Accumulated deficit 1 April 2022	**20.3**
Budgeted high needs shortfall 2022/23	16.7
Projected in-year saving	(1.0)
Projected accumulated deficit 31 March 2023	**36.0**

Capital budget monitoring at quarter two 2022

81. This report covers the council's budgeted capital investment programme (CIP) in respect of general fund capital expenditure only. Housing revenue account (HRA) related capital spend is reported separately within this report.

82. The capital investment programme includes only approved capital schemes that are supported by robust business cases. It does not include pipeline projects that are awaiting business case development and subsequent approval. It also excludes capital funding that, whilst approved, has not yet been allocated to capital projects.

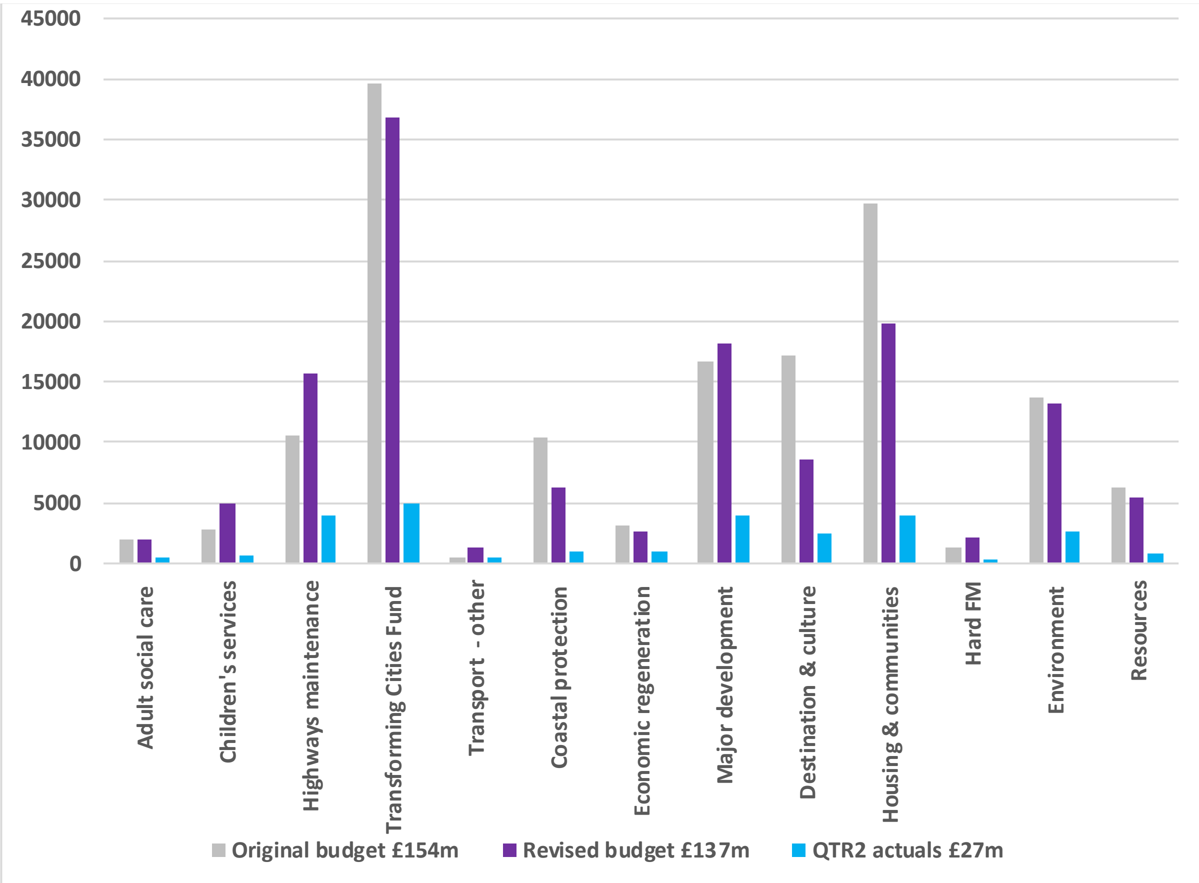
83. In February 2022 Council approved a general fund capital investment programme budget of £154.1m for 2022/23. This budget has since evolved, to include new schemes, inclusion of slippage for 2021/22 and the effect of reprofiling carrying expenditure forward into future years. These have all received appropriate approval in line with BCP financial regulations. The revised capital programme for 2022/23 now stands at £137.3m. The chart below reflects quarter two spend against this revised programme.

84. As at 30 September 2022, around £26.5m of the revised full year capital budget of £137.3m has been spent. This is around 19% of the full year capital budget, which is broadly in line with previous years.

85. The governance process for the capital programme requires capital scheme project managers to continually review and assess scheme progress and to advise as soon as changes to planned spend are required. This is a continual process, with resulting revisions to the capital programme reported to council quarterly through the council budget monitoring (CBM) process.

86. Figure 6 below summarises capital spend by directorate.

Figure 6: Capital Budget Monitoring at 30 September 2022



87. A full narrative on scheme progress and emerging risks and issues is provided as Appendix C.

Financial risks

88. Whilst all capital project budgets approved within the programme are supported by business cases, there is inherent risk that the financial modelling underpinning these business cases is no longer accurate. This risk relates to both capital spend estimates and future income stream projections. The risk is heightened this year because of the impact of ongoing market pressures on raw materials and labour prices and current cost of living estimates on household disposable income with forecasts of 12.5% inflation drift. Advice from the council's insurance brokers is that thorough re-costing exercises for major capital projects are undertaken before they are commenced – particularly where capital budgets were approved over four months ago. Reliance on contingencies within capital projects alone does not provide sufficient assurance over adequacy of capital budgets approved.

89. New capital funding will need to be identified and approved to fund potential capital budget increases. The Council has recently increased its capacity to take out new prudential borrowing in respect of this. The Council's debt threshold was increased to £1.334bn by Council at its 8 November 2022 meeting.

90. There is risk of abortive spend on capital projects that are in the early stages of delivery, but which either require business cases to progress or are no longer financially viable because of current market conditions.

91. There are financial risks around potential repayment of capital funding received that would potentially have to be returned should project milestones fail to be met. This includes capital grant funding and capital receipts. The council currently assumes £1.8 million capital receipts funding for Transformation from the disposal of surplus land around the hospital. This receipt can only be utilised if milestones under sale agreement are met.

92. There is specific risk that income projections factored into the MTFP from planned capital investment are not achieved at the pace and extent as that originally assumed when capital budget was approved. Rental income from the CNHAS programme is one such example. Forecast rental income assumptions in the MTFP have now been amended.

93. The council seeks to maximise the use of external government grants to help deliver its capital ambitions. There is risk that grant will need to be repaid or replaced with alternative capital funding should the council be unable to meet relevant grant conditions. There is also risk that approved capital schemes funded from fixed government grant awards will either need to be revised or alternative funding secured, should costs exceed grant funding available, for example the Transforming Cities Fund programme.

94. There is financial risk around the availability of future third party contributions assumed within the capital programme, given current economic conditions.

95. The council has retained an underlying £0.3 million unallocated 'capital fund' (funded from previous years' contributions from revenue budget) to fund feasibility work for potential future capital schemes and to provide match funding for projects to leverage in new external funding. For context this is equivalent to

0.07% of the current 5-year capital programme (£408m over 5 years). This is a comparatively modest allocation. No provision has been made within the MTFP to increase this.

96. There is a risk that schemes previously approved, based on prevailing and council invest to save interest rates at the time, may need to be revisited due to the increasing cost of borrowing currently being experienced. This may challenge the viability of these schemes. Consequently, projects are being reviewed and monitored and any significant financial movements may require reapproval of schemes.

Capital investment programme – funding £137.3 million.

97. Figure 5 below summarises capital funding allocated to finance the 2022/23 capital programme. More than 50% of the programme is funded from external sources (government grant, third party receipts, s106 contributions and community infrastructure levy (CIL)). The majority of capital funding utilises prudential borrowing, the annual borrowing repayments for which have been factored into the MTFP.

98. Specific earmarked capital (£0.6m) and revenue (£0.7m) reserves are allocated to individual capital schemes in the capital programme, including the Heart of Poole.

Figure 5: Capital funding allocated to finance the 2022/23 capital programme.

General Fund	Planned Programme 2022/23 £'000
Government Grant	78,805
Third Party Receipts	1,015
s106	3,242
CIL	1,653
External Funding Contributions	**84,715**
Corporate Revenue Funding for Capital (in year)	521
Capital Fund (previous years revenue funding for capital)	541
Capital Receipts	93
Capital - Earmarked Reserves	635
Revenue - Earmarked Reserves	712
PRU Borrowing - funded from Futures Fund	961
PRU Borrowing - funded from HRA land transfers	1,337
PRU Borrowing - funded from MTFP revenue budget	47,767
BCP Funding Requirement	**52,565**
Capital Investment Funding	**137,280**

Approved capital funding not yet allocated to capital projects

99. In addition to the £137.3m capital funding currently allocated to the 2022/23 capital programme the council has the following funding available to support future projects:

- £10m of SEND infrastructure approved borrowing

- Children's services - High needs capital grant funding
- Capital reserves - up to £1.3 million

Capital investment outside of the capital programme

100. The council also has ambitions to invest in major capital schemes in partnership with the Bournemouth Development Company (BDC) and separately via BCP FuturePlaces Ltd, a wholly owned company. Business cases for these schemes will be presented to Cabinet and Council separately as they arise.

Capital budget virements and acceptance of capital grants

101. In accordance with the council's financial regulations the following rules associated with capital virements, and acceptance of grants apply (after advice from the Chief Finance Officer):
    - Acceptance of grants greater than £100,000 and up to £1 million require Cabinet approval
    - Virements over £1 million require prior Council approval.
    - Virements over £500,000 and up to £1 million require prior Cabinet approval.
    - Corporate Directors can approve virements over £100,000 up to £500,000.
    - Service Directors can approve virements up to £100,000.

102. There are no new capital virements that require the approval of Cabinet or Council.

Housing revenue account (HRA) monitoring

103. The HRA is a separate account within the council that ring-fences the income and expenditure associated with the council’s housing stock. The HRA does not therefore directly impact on the council’s wider general fund budget.

104. Within the HRA the Council operates 9,575 tenanted properties. The management agreement with PHP was terminated on 30th June 2022 and all properties are now managed in-house by the Council.

105. Appendix D1 and Appendix D2 provides the detail of both revenue and capital budget monitoring for BCP respectively.

Revenue account

106. Rental income: Total dwelling and non-dwelling rental income of £45.3m was budgeted for the year. This is on course to be achieved, with £23.3m billed up to the end of September. The full year forecast for rental income is in line with budget.

107. Repairs & Maintenance costs: The full year forecast for repair costs is £0.5m greater than the £10.0m budget. This is primarily due to the inflationary cost pressures being experienced in this area. For example, the schedule of rates for Poole neighbourhood response repairs was increased by 9.8% at the start of August in accordance with the contract, which references increases to the prevailing rate of CPI inflation. The full-year forecast is considered reasonably cautious. It represents a considerable increase to prior year actual spend, but at the same time represent current market conditions and pressures.

108. Supervision & Management costs: The full year forecast is £0.4m less than budget of £13.5m. Supervision and management costs include utilities spend, which is forecast to be £0.3m greater than budgeted due to the well documented increases in gas and electricity prices. However, the utilities cost pressure is more than offset by the saving arising from no longer incurring PHP senior management costs (£0.3m) and other forecast underspends across both neighbourhoods.

109. Overall, a net surplus of £5.9m (budget £6.0m) is forecast to be transferred into ringfenced HRA reserves to support the HRA's ongoing capital housing stock investment and maintenance needs.

110. Work has commenced to establish consistent accounting policies across the two neighbourhoods. The Council recently appointed a single firm of chartered surveyors to conduct the year-end housing stock valuation of both neighbourhoods, ensuring there will be a consistent valuation approach at the 2022/23 year-end. Depreciation policy will be harmonised when the existing spreadsheet based fixed asset registers are moved into the new finance system (Dynamics 365) which is planned to go live on 1 April 2023.

Capital programme

111. In February 2022 Council approved an HRA capital programme budget of £63.1m for 2022/23. This includes £48.1m investment in major projects, including those delivered as part of the Council Newbuild Housing & Acquisitions Strategy (CNHAS)) and £15m in planned maintenance. Unspent approved capital budget on major projects of £7.8m has been brought forward from prior year and added to current year capital budget allocation.

112. Of this, £8.3m has been spent in the first six months of the year on HRA major projects, including Cynthia House, Project Admiral, Moorside Road, Northbourne Day Centre and Princess Road. A further £5.0m has been spent on planned maintenance (principally windows, bathroom and kitchen refurbishments and disabled adaptations). In total around 27% of HRA capital budget has been utilised in the first half of the year.

113. The same key financial risks apply to the HRA capital programme as the general fund capital programme. These centre broadly around the ongoing increase in capital budgets from price / cost escalation and reduced availability of new capital funding. In previous years new capital projects could potentially have been part funded from HRA capital reserves or unapplied right-to-buy receipts. The availability of these receipts is reducing as historic unallocated funds are allocated to capital schemes within the HRA capital programme.

114. Princess Rd: £22.2m remaining approved budget for the scheme with in-year 2022/23 actual spend to date of £0.43 million. The project is currently on hold while BCP considers options as tender prices quoted are over budget.

115. Templeman House: £4.9 m budget approved to deliver the scheme with £0.3m actual spend in 2022/23. Scheme now going out to tender to finish off works after previous contractor went into administration.

116. Craven Court: £5.2m budget approved. Contractors appointed and about to start works.

117. Duck Lane: £2.2m remaining approved budget on scheme. The scheme has now received planning permission. We are yet to tender for the building works to begin.

118. Hillbourne development: The original 2022/23 budget of £6.7m for this site assumed that construction work would commence in the current year. The start of construction work is now not expected until 23/24, and therefore the budget has been re-phased.

119. Sterte Court Cladding: The completion of this project has been delayed due to the insolvency of a sub-contractor. Total costs to complete the project are now forecast to be £4.3m, which is £0.5m above the approved budget of £3.8m. Nearly all this project is funded from a DLUHC Building Safety Fund grant. A £3.6m grant has been awarded and the Council will be applying for a further grant award to cover the work variations required to complete the project.

HRA Capital budget virements and acceptance of capital grants

120. In accordance with the council's financial regulations the following rules associated with capital virements, and acceptance of grants apply (after advice from the Chief Finance Officer):

- Acceptance of grants greater than £100,000 and up to £1 million require Cabinet approval
- Virements over £1 million require prior Council approval.
- Virements over £500,000 and up to £1 million require prior Cabinet approval.
- Corporate Directors can approve virements over £100,000 up to £500,000.
- Service Directors can approve virements up to £100,000.

121. The following HRA capital virement requires the approval of **Cabinet**:

Directorate: Operations – Housing Revenue Account

Purpose: Approve an increase in the budget for the Sterte Court Cladding project of £0.5m, with an application to be made to the DLUHC Building Safety Fund for additional grant funding to cover the work variations required to complete the project. A budget of £3.8m was previously approved for this project.

Background papers

February 2022 Cabinet papers

November Finance Update Report to Cabinet

Appendices

Appendix A1 Projected variances greater than £100,000 for 2022/23

Appendix A2 Revenue summary position 2022/23

Appendix B Schedule of forecast movement in reserves for 2022/23

Appendix C General Fund Capital programme progress 2022/23

Appendix D1 Summary of HRA revenue budget monitoring for 2022/23

Appendix D2 Summary of HRA capital budget 2022/23