

North East Derbyshire District Council

Cabinet

27 July 2023

Medium Term Financial Plan - Financial Outturn 2022/23

Report of the Portfolio Holder with Responsibility for Finance

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

PURPOSE/SUMMARY

To inform Cabinet of the outturn position of the Council for the 2022/23 financial year.

RECOMMENDATIONS

1. That Cabinet note the outturn position in respect of the 2022/23 financial year
2. That Cabinet approve the proposed carry forward of capital budgets detailed in **Appendix 4** totalling £10.783m.

Approved by the Portfolio Holder – Cllr Kerry, Deputy Leader

IMPLICATIONS

Finance and Risk **Yes ✓** **No**

The financial implications are set out within the body of the report.

Members should note that the budgets against which we have monitored the 2022/23 outturn were those agreed within the Council’s Medium Term Financial Plan. The Medium Term Financial Plan gave careful consideration to both the affordability of the budgets that were approved, and to ensuring that the level of balances remained adequate for purposes of enabling sound financial management.

The issue of financial risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council’s level of financial balances will be further eroded are currently key corporate risks identified on the Council’s Strategic

Risk Register. The outturn report shows the budget has been balanced in 2022/23 and the level of reserves protected.

While the Council has effectively addressed its Strategic Financial Risks during 2022/23 it needs to be recognised that it will need to continue to meet a range of challenging savings targets if it is to operate effectively within the financial environment established by Central Government spending targets. This has been an intrinsic part of the budget setting process and will continue to be so.

On Behalf of the Section 151 Officer

Legal including Data Protection

Yes ✓

No

The Statement of Accounts is required to be prepared by the 30 September this year. The Council has now completed the draft Statement of Accounts and they have been signed off by the Chief Financial Officer as at 24 May 2023 which secures compliance with the Council's obligations.

On Behalf of the Solicitor to the Council

Staffing

Yes

No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>No</p>

Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details: Audit and Corporate Governance Scrutiny Committee 3 July 2023

Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.

All

REPORT DETAILS

1 Background

The Director of Finance and Resources is responsible for the preparation of the authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in United Kingdom ("the Code"), is required to present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2023.

2 Financial Outturn 2022/23

- 2.1 The Council published its draft Statement of Accounts in respect of 2022/23 on 24 May 2023, ahead of the statutory deadline of 31 May 2023. The draft Statement of Accounts 2022/23 is now subject to the independent audit from the Council's external auditors, Mazars. Until the accounts have been signed off by the external auditors, there remains the possibility that they will be subject to amendment. Whilst the statutory deadline for sign off by the Auditor is 30 September this year, it is the intention that the final audited accounts will be reported to and approved by the Audit & Corporate Governance Scrutiny Committee at its meeting of 29 September 2023.
- 2.2 International Financial Reporting Standards (IFRS) dictates that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e. not just UK or even other local authorities. By contrast, the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.
- 2.3 The following sections of this report will consider the 2022/23 outturn position in respect of the General Fund, Housing Revenue Account (HRA), Capital Programme and Treasury Management activities. Within the report, consideration is given to the level of balances at the year end and the impact which the closing position has upon the Council's budgets in respect of the current financial year.

General Fund

- 2.4 The summary position in respect of the General Fund outturn is detailed in **Appendix 1** and shows the Original Budget that was set in January 2022, together with the Current Budget compared to the final 2022/23 Outturn position. **Appendix 2** provides a more detailed breakdown by directorate.
- 2.5 A subjective breakdown of the variances identified in Appendix 1 can be found in Table 1 below. A detailed breakdown of the amounts making up the transfers to and from reserves can be found in Tables 3 and 4.

Table 1

	Current Budget 2022/23	Outturn 2022/23	Variance
	£'000	£'000	£'000
Pay Costs	17,832	17,241	(591)
Premises related costs	2,342	2,278	(64)
Vehicle related costs	722	691	(31)
Supplies & services	13,985	13,684	(301)
Depreciation & Impairment	202	175	(27)
Income	(22,130)	(21,692)	438
Net cost of services	12,953	12,377	(576)

- 2.6 Table 1 above comprises:
- Pay Costs – the largest proportion of the under spend is attributable to employee salaries as a result of staff vacancies
 - Premises related costs – the underspend relates mainly to reduced plant maintenance and energy costs at the leisure centres.
 - Vehicle related costs – the main underspend is due to reduced spend on car allowances.
 - Supplies & services – the variance relates mainly to underspends in software maintenance, and savings achieved by the Joint ICT service and a reduction in the provision for bad debts. This is offset by increased costs of vehicle maintenance, increased printing costs for district elections and increased HR legal costs.
 - Income - the variance relates mainly to reduced charges for services and joint officer income, a reduced provision for housing benefit overpayments, plus a shortfall in court costs recovered. Income from Killamarsh Leisure Centre was lower than expected but was largely offset by savings from staff vacancies
- 2.7 The increased cost of energy was factored into the revised budget to accommodate the forecast price increases of gas and electricity. These were carefully monitored during the year the outturn position can be found in Table 2.

Table 2

	Current Budget 2022/23	Outturn 2022/23	Variance
	£'000	£'000	£'000
Gas	340	361	21
Electricity	687	656	(31)
Total	1,027	1,017	(10)

Financial Reserves

2.8 Transfers from Earmarked Reserves

The use of earmarked reserves in 2022/23 was £2.031m comprising:

- £1.587m from revenue grants
- £0.159m from earmarked reserves
- £0.285m from the Invest to Save Reserve

There are ongoing commitments against these reserves in 2023/24 and future years so will continue to be utilised.

The variances in Movement from Reserves can be found in Table 3 below.

Table 3

	Current Budget 2022/23	Outturn 2022/23	Variance
	£'000	£'000	£'000
Movements from Reserves:			
Revised Budget	(2,031)	(2,031)	0
Plus:			
Contribution to General Fund balance	(343)	(0)	343
Total movement from reserves - outturn	(2,374)	(2,031)	343

2.9 Transfers to Earmarked Reserves

There have been transfers to earmarked reserves during 2022/23 totalling £2.486m. These comprise:

- £1.453m in revenue grants received.
- £1.033m into earmarked reserves.

Table 4

	Current Budget 2022/23	Outturn 2022/23	Variance
	£'000	£'000	£'000
Movements to Reserves:			
Revised Budget	1,618	1,618	0
Plus:			
Net Cost of Services Outturn Surplus	0	327	327
Business Rates Growth	0	541	541
Total movement from reserves - outturn	1,618	2,486	868

- 2.10 The outturn surplus of £0.327m has been transferred to the Resilience reserve.
- 2.11 Ongoing commitments against the earmarked reserves which will continue in 2023/24 and future years. Should any of the reserves prove unnecessary in the light of subsequent events then they will be moved back into unallocated General Fund resources.

Invest to Save

- 2.12 The Invest to Save Reserve has a balance at the end of the year of £2.700m. Commitments already made against this reserve for 2022/23 and future years amount to £0.779m leaving £1.921m uncommitted.

Resilience Reserve

- 2.13 The Resilience Reserve has a balance at the end of the year of £2.927m. This will be utilised to provide financial resilience to the General Fund in future years as required by the Medium Term Financial Plan.

General Fund Balances

- 2.14 The level of General Fund Balances has been maintained at £2.000m. The General Fund balances are considered to be at an acceptable level rather than generous. The General Fund balance needs to be considered against the background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. With only a limited level of General Fund reserves it is crucial that the Council continues to maintain robust budgetary control in order to safeguard both its reserves and its financial sustainability.
- 2.15 Given the current level of general balances, should either an over spend or an under achievement of income occur then the Council would have a period of time in which to recover the situation. In addition the earmarked Resilience reserve can provide short term funding support as needed. In a situation in which the Council were operating at a lower level of balances and an overspend or an under achievement of income occurred which took balances to below minimum level then immediate 'crisis' remedial action would need to be considered. Such a response is not conducive to sound financial management but more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. However, Cabinet will recognise that given a level of General Fund Balances of £2.000m, against the requirement to secure £4.490m in savings by 2026/27, as identified in the Medium Term Financial Plan (MTFP) of January 2023, the need to continue to tackle the underlying forecast budget deficit remains.
- 2.16 The main feature of the 2022/23 financial year is that the Council was successful in removing the need to utilise the resilience reserve to fund the General Fund budget shortfall and was in fact able to contribute £0.327m to the Resilience Reserve at outturn.

Housing Revenue Account (HRA)

- 2.17 The Housing Revenue Account is provided in **Appendix 3** to this report. The figures provided include all the statutory accounting transactions that the Council is required to make within the Statement of Accounts. These are accounting transactions which net off to zero and are not included within the HRA management budgets as they do not impact on the overall financial position or balances of the HRA. To allow comparison between

budget and outturn these accounting adjustments are included within both the adjusted budget and outturn position.

- 2.18 The Housing Revenue Account position shows a number of relatively small variances during the year. Income is just £0.040m below budget. The overall expenditure position is £0.541m above the current budget mainly due to an increase in the depreciation charge. This gives a net cost of services overspend of £0.581m, which reduces to £0.403m after interest. A reduced level of contribution was made to the Major Repairs Reserve and a contribution of £0.164m to be made to the HRA Insurance Reserve to fund ongoing Insurance claims.
- 2.19 The HRA balance is being maintained at £3m in line with the level of financial risk facing the HRA. Maintenance of this balance is necessary as it will help ensure the financial and operational stability of the HRA which is essential if we are to maintain the level of services and quality of housing provided to our tenants. Given the changes to the rent setting process together with the increasing numbers of houses lost under Right to Buy the Council and Rykneld Homes will need to continue to work closely together in order to ensure the continued sustainability of the HRA over the life of the 30 year Business Plan.

Capital Investment Programme

- 2.20 Details of the capital expenditure incurred by the Council in 2022/23 on a scheme by scheme basis is provided in **Appendix 4**

The Capital Programme may be summarised as follows:-

	Current Programme £m	Outturn £m	Variance £m
HRA	22.816	20.304	(2.512)
General Fund	16.178	8.970	(7.208)
Programme Total	38.994	29.274	(9.720)

2.21 HRA Schemes

The housing investment programme was underutilised during 2022/23 including EWI works to non-traditional properties. This was largely due to material shortages on site in the earlier part of the year but both are progressing well again now. The acquisitions and disposals budget was not fully utilised during 2022/23 and as such rolled forward into 2023/24.

2.22 General Fund

The General Fund element of the Capital Programme during 2022/23 increased significantly from the previous year. This was largely in response to the award of £24.1m New Town Deal funding from the Government for place making works in Clay Cross. The regeneration programme runs from now until 2026 and the under spend in 2022/23 will be rolled over to future years as delivery phases get fully underway. In addition, works continued on the refurbishment of Killamarsh Leisure Centre, which is expected to fully complete by the summer of 2023 and this year's underspend of £0.036m will be utilised by completion. The same applies to the Dronfield Sports Centre Carbon Efficiencies

Programme (£0.098m) and Eckington Pool Carbon Efficiencies Programme (£0.134m) both of which will carry forward into 2023/24. The vehicle replacement scheme shows a variance of £1.409m which is also being carried forward to be available to fund the purchase of vehicles in the future financial years as required.

- 2.23 **Appendix 4** details the proposed carry forward amounts to 2023/24 as mentioned in 2.24 above. The total carry forward amounts to £10.783m. It should be noted that all these expenditure requirements will take forward a corresponding level of financial resources and thus have a neutral impact on the financial position in 2023/24.

Capital Financing

- 2.24 **Appendix 4** also details how each scheme is financed. In summary:

HRA Capital Financing

- 2.25 The HRA Capital Programme is financed from a combination of capital receipts, revenue contributions, prudential borrowing, use of reserves and grants.

General Fund Capital Financing

- 2.26 The General Fund Capital Programme is financed from a combination of capital receipts, revenue contributions, prudential borrowing and grants. The Prudential Borrowing financing arrangements were agreed by Council as part of the Treasury Management Strategy at its meeting in January 2022.

Treasury Management

- 2.27 **Appendix 5** provides a brief report on the Treasury Management activity of the Council for 2022/23. In summary the Council operated throughout 2022/23 within the Authorised Limit and Operational Boundary limits approved in the Treasury Management strategy as approved by the Council in January 2022.

- 2.28 The key points from the summary report at **Appendix 5** are:

- The overall borrowing requirement of the Council was £192.269m at 31 March 2023.
- The PWLB debt is £146.921m at 31 March 2023.
- Effective internal borrowing is £45.348m at 31 March 2023
- No new PWLB borrowing was undertaken in 2022/23
- Repaid PWLB debt in year of £0.111m
- PWLB interest paid in year was £5.188m
- Interest received in year on investments was £0.622m

3 Reasons for Recommendation

3.1 General Fund

During 2022/23 the Council managed its budget effectively securing a favourable financial position on net cost of services of £0.576m underspend despite many challenges faced during the year due, in main, to the cost of living crisis. This underspend has meant that rather than having to call on reserves it has been possible to make a contribution of £0.327m to the Resilience reserve at outturn from efficiencies identified during the year.

3.2 HRA

The HRA continues to operate within the parameters set by the 30 Year Business Plan and the MTFP. Officers will be working with Rykneld Homes to ensure that the Business Plan continues to reflect the impact of recent government legislation, and that the HRA remains sustainable over the 30 year period of the Business Plan.

3.3 Capital Programme

The Capital Programme saw progress on approved schemes during the 2022/23 financial year despite the continued disruptions due to the difficulty obtaining certain materials. There are, however, a number of schemes which are work in progress and this requires that the associated expenditure and funding be carried forward into the 2023/24 financial year.

3.4 Capital Financing

Capital expenditure during 2022/23 has been fully financed in line with the approved programme.

3.5 Treasury Management

The Council operated in line with its agreed Treasury Management Strategy during the 2022/23 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised in order to assist the Council's revenue position whilst interest receivable increased slightly above budget due to increased interest rates.

4 Alternative Options and Reasons for Rejection

4.1 The financial outturn report for 2022/23 is primarily a factual report detailing the actual position compared to previously approved budgets therefore there are no alternative options that need to be considered.

4.2 The allocation of resources to earmarked reserve accounts has been undertaken in line with the Council's policy and service delivery framework and in the light of the risks and issues facing the Council over the period of the current MTFP. If these risks do not materialise or are settled at a lower cost than anticipated then the earmarked reserves will be reassessed and returned to balances where appropriate.

DOCUMENT INFORMATION

Appendix No	Title
1	General Fund Summary Outturn 2022/23
2	General Fund Detailed Outturn 2022/23
3	HRA Summary Outturn 2022/23
4	Capital Expenditure Outturn 2022/23
5	Treasury Management Outturn 2022/23
Background Papers	

GENERAL FUND ACCOUNT - SUMMARY OUTTURN 2022/23

APPENDIX 1

	Original Budget 2022/23 £	Current Budget 2022/23 £	Outturn 2022/23 £	Variance £
Organisation & Place Directorate	6,393,789	6,541,264	6,387,512	(153,752)
Finance & Resources Directorate	3,896,263	4,149,733	3,966,444	(183,289)
Growth & Assets Directorate	2,447,728	2,862,006	2,623,231	(238,775)
Recharges to Capital and HRA	(600,500)	(600,500)	(600,500)	0
Net Cost of Services	12,137,280	12,952,503	12,376,687	(575,816)
Investment Properties	(424,175)	(491,805)	(513,096)	(21,291)
Bad Debt Provision	40,000	40,000	176,931	136,931
Interest	(114,010)	(397,126)	(501,322)	(104,196)
Debt Repayment Minimum Revenue Provision	56,000	56,000	56,000	0
Parish Precepts	3,467,459	3,467,459	3,467,459	0
Transfer To Earmarked Reserves	68,615	1,618,139	2,159,469	541,330
Transfer From Earmarked Reserves	(362,181)	(2,030,930)	(2,030,931)	(1)
Transfer Surplus to Resilience Reserve	0	(342,758)	326,721	669,479
Total Spending Requirement	14,868,988	14,871,482	15,517,918	646,436
Business Rates	(4,000,000)	(4,000,000)	(4,541,332)	(541,332)
New Homes Bonus	(720,063)	(720,063)	(720,063)	0
Lower Tier Services Grant	(125,686)	(128,180)	(128,180)	0
Services Grant	(193,157)	(193,157)	(193,157)	0
Collection Fund (Surplus)/Deficit - Council Tax	0	0	(105,104)	(105,104)
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0
NEDDC Council Tax Requirement	(6,362,623)	(6,362,623)	(6,362,623)	0
Parish Council Council Tax Requirement	(3,467,459)	(3,467,459)	(3,467,459)	(0)
Council Tax Requirement	(14,868,988)	(14,871,482)	(15,517,918)	(646,436)

	Current Budget 2022/23 £	Outturn 2022/23 £	Variance £
<u>Organisation & Place Directorate</u>			
Managing Director & Head Of Paid Service			
4500	135,194	133,483	(1,711)
5720	134,172	133,663	(509)
	269,366	267,146	(2,220)
Assistant Director Environmental Health			
3400	133,883	115,363	(18,520)
3401	121,712	146,279	24,567
3402	98,254	104,002	5,748
3403	0	0	0
3404	(30,408)	(32,643)	(2,235)
3405	110,827	111,298	471
3407	36,006	41,473	5,467
3408	20,230	8,265	(11,965)
3409	278,305	270,385	(7,920)
3410	73,601	75,902	2,301
3419	1,500	13	(1,487)
3420	3,000	895	(2,105)
3421	180	180	0
3423	0	0	0
3425	0	0	0
3426	15,528	15,528	(0)
3427	0	(10,937)	(10,937)
3428	3,120	3,120	0
3726	0	(628)	(628)
	865,738	848,495	(17,243)
Assistant Director Streetscene			
3174	355,691	338,595	(17,096)
3227	300,019	254,654	(45,365)
3244	(360,000)	(359,667)	333
3282	132,810	125,029	(7,781)
3285	3,495	3,493	(2)
3511	(47,915)	(64,198)	(16,283)
3513	(4,385)	(2,343)	2,042
3514	(62,185)	(71,120)	(8,935)
3516	(9,100)	(11,541)	(2,441)
3918	(58,451)	(63,681)	(5,230)
3921	548,961	546,320	(2,641)
3943	425,591	591,054	165,463
3944	528,187	426,754	(101,433)
3945	1,639,221	1,553,945	(85,276)
3946	(265,554)	(253,540)	12,014
	3,126,385	3,013,752	(112,633)
Assistant Director Planning			
4111	(693,000)	(688,324)	4,676
4113	65,676	65,676	(0)
4116	282,913	271,494	(11,419)
4119	2,304	2,304	0
4311	14,370	14,465	95
4511	65,134	71,597	6,463
4513	1,063,748	1,055,047	(8,701)
4515	58,000	39,000	(19,000)
4522	(11,850)	(11,850)	0
	847,295	819,409	(27,886)
Assistant Director Governance			
1121	464,604	459,909	(4,695)
1123	6,310	3,366	(2,944)
1131	11,325	49,997	38,672

		Current Budget 2022/23 £	Outturn 2022/23 £	Variance £
1133	Parish Elections	0	7	7
1137	Parliamentary Elections	0	(12,823)	(12,823)
1138	Police & Crime Commissioner Elections	0	0	0
1139	County Council Elections	0	0	0
1231	Corporate Training	41,980	30,946	(11,034)
1259	Corporate Groups	2,400	2,362	(38)
1311	Human Resources	163,186	211,059	47,873
3121	Health & Safety Advisor	92,678	80,944	(11,734)
5250	National Civic Events	105	105	0
5273	Brass Band Concert	0	0	0
5313	Register Of Electors	159,477	155,185	(4,292)
5321	Assistant Director Governance	91,354	90,830	(524)
5353	Legal Section	171,992	141,238	(30,754)
5354	Land Charges	(5,204)	(602)	4,602
5392	Scrutiny	34,577	34,434	(143)
5711	Democratic Services	197,696	191,754	(5,942)
		1,432,480	1,438,710	6,230
	Total for Organisation & Place Directorate	6,541,264	6,387,512	(153,752)

Finance & Resources Directorate

Director of Finance & Resources

1312	Payroll	53,343	56,456	3,113
1315	Design & Print	120,807	121,857	1,050
1321	Communications & Marketing	104,182	105,763	1,581
1323	NEDDC News	34,300	34,065	(235)
1329	Corporate Web Site	1,060	1,113	53
3176	Pool Car	250	237	(13)
3512	CBC Crematorium	(200,000)	(213,000)	(13,000)
5113	Unison Duties	16,537	5,696	(10,841)
5611	External Audit	42,831	52,606	9,775
5615	Bank Charges	115,000	118,346	3,346
5621	Contribution to/from HRA	(185,450)	(185,450)	0
5713	Audit	108,903	91,153	(17,750)
5714	Financial Support Services	5,000	4,434	(566)
5715	Procurement	38,654	37,670	(984)
5721	Financial Services	355,949	350,269	(5,680)
5724	Insurance	363,800	323,605	(40,195)
5725	Apprenticeship Levy	45,000	55,705	10,705
5727	Cost Of Ex-Employees	829,000	825,657	(3,343)
5728	Covid-19 Response	116,905	116,906	1
5729	Additional Restrictions Grant	15,171	15,171	0
5730	Local Restrictions Support Grant (Closed)	0	0	0
5731	Local Restrictions Support Grant (Open)	0	0	0
5738	Closed Business Lockdown Payments	0	0	0
5739	LAGDF	10,000	10,000	0
5742	Test & Trace	0	0	0
5743	Business Restart Grant	0	0	0
5744	Omicron Hospitality and Leisure Grant	0	0	0
5745	Covid New Burdens	(30,736)	(30,736)	(0)
5775	Council Tax Rebate	0	0	0
5776	Discretionary Fund	138,500	138,500	0
5777	Energy Support New Burdens	(133,672)	(133,672)	1
5781	Village Hall Grants	0	0	0
		1,965,334	1,902,350	(62,984)

Assistant Director ICT

5215	Telephones	41,720	39,769	(1,951)
5216	Mobile Phones and Ipads	27,800	22,726	(5,074)
5701	Joint ICT Service	(82,244)	(82,244)	(0)
5734	NEDDC ICT Service	551,035	486,074	(64,961)
5735	Cyber Security	(77,832)	(77,832)	(0)
5736	Business Development	110,154	104,958	(5,196)
5737	Corporate Printing Costs	17,525	12,762	(4,763)

	Current Budget 2022/23 £	Outturn 2022/23 £	Variance £
	588,158	506,213	(81,945)
Assistant Director Communities			
1218	42,718	42,137	(581)
3165	250,389	248,568	(1,821)
3740	94,224	100,608	6,384
3745	0	0	0
3746	0	0	0
3747	(55,092)	(29,795)	25,297
3748	(17,233)	(17,233)	0
3749	1,500	412	(1,088)
3750	22,038	22,038	(0)
3754	(10,636)	(10,635)	1
3759	26,563	26,563	(0)
5221	355,965	311,875	(44,090)
5223	47,820	63,437	15,617
5741	485,140	462,684	(22,456)
5747	58,691	58,482	(209)
5751	4,033	(7,531)	(11,564)
5759	300,571	297,860	(2,711)
5825	(10,450)	(11,588)	(1,138)
	1,596,241	1,557,882	(38,359)
Total for Finance & Resources Directorate			
	4,149,733	3,966,444	(183,289)
Growth & Assets Directorate			
Director of Growth & Assets			
1143	58,118	58,024	(94)
1283	16,000	17,071	1,071
4600	105,478	103,034	(2,444)
	179,596	178,129	(1,467)
Assistant Director Property, Estates & Assets			
3135	21,348	29,424	8,076
3172	86,944	83,432	(3,512)
3241	46,065	48,836	2,771
3247	5,000	4,882	(118)
3249	(400)	(2,084)	(1,684)
3265	(450)	22	472
3281	650	1,035	385
3283	0	11,754	11,754
3284	9,741	9,741	0
3811	0	(270)	(270)
4412	(77,295)	(84,159)	(6,864)
4425	(160,087)	(166,696)	(6,609)
4519	0	0	0
4523	369,728	352,652	(17,076)
4525	27,265	26,190	(1,075)
5204	115,877	115,936	59
5205	306,056	304,298	(1,758)
5209	55,170	51,705	(3,465)
5210	(46,550)	(54,998)	(8,448)
	759,062	731,700	(27,362)
Assistant Director Regeneration & Programmes			
1255	113,068	113,746	678
1256	12,099	11,827	(272)
1331	208,652	224,115	15,463
1333	27,347	27,347	0
1336	(90,042)	(90,042)	0
4211	34,982	34,109	(873)
4237	(1,567)	(1,356)	211
4238	77,976	76,810	(1,166)

		Current Budget 2022/23 £	Outturn 2022/23 £	Variance £
4352	LEADER	0	0	0
4443	Elderly Peoples Clubs	4,000	1,248	(2,752)
4512	Growth Agenda	16,000	9,326	(6,674)
4517	Economic Development	199,924	174,581	(25,343)
4520	Eckington Killamarsh OPE	0	0	0
4521	Eckington Masterplan	65,159	65,159	0
4524	New Towns Fund - Clay Cross	0	0	0
4526	Sheffield City Region	0	0	0
4527	Dronfield Civic Centre	0	0	0
5748	Ukrainian Guests	(183,723)	(183,723)	0
5750	Assistant Director Economic Development, Regeneration & Housing	37,859	22,676	(15,183)
5785	Contributions	136,085	123,008	(13,077)
		657,819	608,831	(48,988)
	Assistant Director Leisure			
4561	Leisure Centre Management	205,838	186,817	(19,021)
4720	Sportivate	0	0	0
4722	Physical Inactivity Fund	0	0	0
4723	Generation Games	0	0	0
4724	Walking into Communities	11,000	9,000	(2,000)
4726	Walking For Health	0	0	0
4727	Five 60	0	0	0
4731	Promotion Of Recreation And Leisure	32,338	32,146	(192)
4732	Schools Promotion	0	0	0
4736	Derbyshire Sports Forum	14,450	14,450	0
4742	Arts Development	2,530	2,524	(6)
8441	Eckington Swimming Pool	215,935	161,661	(54,274)
8445	Eckington Pool Cafe	(15,794)	(11,655)	4,139
8451	Dronfield Sports Centre	7,776	(883)	(8,659)
8455	Dronfield Café	(1,590)	4,529	6,119
8461	Sharley Park Sports Centre	479,940	429,349	(50,591)
8465	Sharley Park Sports Centre Outdoor	(2,405)	(1,531)	874
8471	Killamarsh Leisure Centre	289,901	253,904	(35,997)
8475	Killamarsh Outdoors	(6,500)	(3,796)	2,704
8476	Killamarsh Café	32,110	28,056	(4,054)
		1,265,529	1,104,570	(160,959)
	Total for Growth & Assets Directorate	2,862,006	2,623,231	(238,775)
	Corporate Charges			
5790	Savings Target	0	0	0
0001	Recharges to Capital and HRA	(600,500)	(600,500)	0
	Total for Corporate Charges	(600,500)	(600,500)	0
	Net Cost of Services	12,952,503	12,376,687	(575,816)
	Investment Properties			
4411	Stonebroom Industrial Estate	(57,290)	(60,652)	(3,362)
4413	Clay Cross Industrial Estate	(87,470)	(88,209)	(739)
4415	Norwood Industrial Estate	(227,845)	(230,501)	(2,656)
4417	Eckington Business Park	11,400	9,509	(1,891)
4418	Rotherside Court Eckington Business Unit	(26,495)	(33,942)	(7,447)
4423	Pavillion Workshops Holmewood	(90,605)	(96,220)	(5,615)
4432	Miscellaneous Properties	(13,500)	(13,080)	420
	Total for Investment Properties	(491,805)	(513,096)	(21,291)

HOUSING REVENUE INCOME - SUMMARY OUTTURN 2022/23

APPENDIX 3

	Current Budget 2022/23 £'000	Adjustments to aid comparison 2022/23 £000	Adjusted Current Budget 2022/23 £000	Actual 2022/23 £000	Variance 2022/23 £000
Income					
Dwelling Rents	(32,163)	0	(32,163)	(32,180)	(17)
Non-Dwelling Rents	(511)	0	(511)	(459)	52
Charges for Services and Facilities	(112)	0	(112)	(107)	5
Contributions Towards Expenditure	(50)	0	(50)	(50)	0
Total Income	(32,836)	0	(32,836)	(32,796)	40
Expenditure					
Repairs & Maintenance	5,157	0	5,157	5,414	257
Revenue Expenditure funded from Capital (REFCUS)	0	1,326	1,326	1,326	(0)
Supervision and Management	7,113	0	7,113	7,057	(56)
Rents, Rates & Taxes	110	0	110	111	1
Capital Charges - Depreciation	7,738	0	7,738	8,322	584
Increase in Provision for Bad Debts	250	0	250	5	(245)
Water Litigation Liability	0	0	0	0	0
Debt Management Expenses	12	0	12	12	(0)
Impairments & Revaluations	0	821	821	821	0
Total Expenditure	20,380	2,147	22,527	23,068	541
Net Cost of Services	(12,456)	2,147	(10,309)	(9,728)	581
Corporate & Democratic Core	185	0	185	185	0
Net Cost of all HRA services	(12,271)	2,147	(10,124)	(9,543)	581
(Gain)/Loss on sale of HRA fixed assets	0	2,218	2,218	2,218	0
Interest Payable	5,233	0	5,233	5,538	305
Revaluation of Investment Property	0	(82)	(82)	(82)	0
Interest Receivable	(630)	0	(630)	(1,112)	(483)
Capital Grants	0	(854)	(854)	(854)	0
(Surplus)/Deficit on HRA Services	(7,668)	3,429	(4,238)	(3,835)	403
MRP Voluntary Contribution	0	0	0	0	0
Transfers to/from Rykneld Homes Loss Reserve	0	0	0	0	0
Transfer to Capital Grant Reserve	0	467	467	467	0
Transfer to HRA Reserves - Insurance	0	0	0	164	164
Transfer to HRA Reserves - Development	0	0	0	0	0
Transfer to/from HRA Reserves - Resilience Reserve	(18)	0	(18)	0	18
Adjustments between accounting and funding basis	0	(3,896)	(3,896)	(3,896)	0
Transfers to/from Major Repairs Reserve	7,686	0	7,686	7,101	(585)
Transfer to HRA Balances	0	0	0	0	0
Housing Revenue Account Balances					
HRA Opening Balance	(3,000)			(3,000)	0
Transfer fm Balances 22/23					
Transfer to Balances 22/23					
HRA Closing Balances	(3,000)			(3,000)	0

Project/Scheme	Current Programme 2022/23 £000	Outturn 2022/23 £000	Variance 2022/23 £000	Amount Carried Forward to 2023/24 £000	Original Programme 2023/24 £000	Current Programme 2023/24 £000
Housing Investment						
Housing Capital Works	17,205	17,096	(109)	109	21,228	21,337
Garage Demolitions	60	0	(60)	60	23	83
Concrete Balconies	111	111	0	0	0	0
EWI Scheme - Heath	0	0	0	0	0	0
Pine View, Danesmoor	832	1,310	478	0	0	0
Parking Solutions	573	158	(415)	415	288	703
HUG Scheme	0	83	83	0	0	0
North Wingfield New Build Scheme	215	138	(77)	77	7,325	7,402
Stock Purchase Programme	3,000	836	(2,164)	2,164	1,000	3,164
	21,996	19,732	(2,264)	2,825	29,864	32,689
Private Sector Spending - DFG	820	572	(248)	0	820	820
Total Housing Investment	22,816	20,304	(2,512)	2,825	30,684	33,509
Other Capital Projects						
Asset Refurbishment - General	406	127	(279)	279	500	779
Eckington Depot Refurbishment	785	776	(9)	0	0	0
Roller Shutter Doors	86	85	(1)	0	0	0
Eckington Pool Carbon Efficiencies Programme	266	132	(134)	134	0	134
Killamarsh Leisure Centre Refurbishment	1,210	1,174	(36)	36	0	36
Dronfield Sports Centre Carbon Efficiencies Programme	1,680	1,582	(98)	98	0	98
Lottery Funded Schemes	9	0	(9)	9	0	9
Replacement Vehicles	2,293	884	(1,409)	1,409	2,210	3,619
Contaminated Land	42	0	(42)	42	0	42
ICT Schemes	460	68	(392)	392	199	591
Wingerworth Lido	150	135	(15)	0	0	0
CX Town Market Street Regeneration	0	259	259	(259)	1,999	1,740
CX Town Clay Cross Creative (inc LC Energy Network)	150	148	(2)	2	850	852
CX Town Clay Cross Skills and Enterprise Hub	0	0	0	0	1,500	1,500
CX Town Sharley Park Active Community Hub	7,145	2,590	(4,555)	4,555	8,100	12,655
CX Town Clay Cross Connections	0	0	0	0	1,500	1,500
CX Town Low Carbon Housing Challenge Fund	650	0	(650)	650	650	1,300
CX Town Rail Station Feasibility	150	0	(150)	150	0	150
CX Town Programme Management	415	233	(182)	182	241	423
CX Acc Fund Old Constabulary	0	0	0	0	0	0
CX Acc Fund School Demolition	158	0	(158)	158	0	158
CX Acc Fund CX Depot Demolition	86	0	(86)	86	0	86
CX Acc Fund Public Art Work	32	0	(32)	32	0	32
CX Acc Fund Land Assembly	3	0	(3)	3	0	3
CX Acc Fund Other	2	2	0	0	0	0
UK Shared Prosperity Fund	0	281	281	0	0	0
Loan Commitments - ECL	0	(5)	(5)	0	0	0
Section 106 Capital Expenditure	0	499	499	0	0	0
Total Other Capital Projects	16,178	8,970	(7,208)	7,958	17,749	25,707
Total Capital Expenditure	38,994	29,274	(9,720)	10,783	48,433	59,216
Housing Investment Funding						
HRA Capital Investment Reserve	(1,596)	(1,659)	(63)	(475)	(311)	(786)
Major Repairs Reserve	(17,125)	(16,691)	434	(109)	(15,855)	(15,964)
Prudential Borrowing - HRA	(2,015)	(640)	1,375	(1,375)	(8,973)	(10,348)
External Grant	0	(388)	(388)	0	(3,395)	(3,395)
Useable Capital Receipts	(1,260)	(354)	906	(866)	(1,330)	(2,196)
	(21,996)	(19,732)	2,264	(2,825)	(29,864)	(32,689)
Disabled Facilities Grant	(820)	(572)	248	0	(820)	(820)
Total Housing Investment Funding	(22,816)	(20,304)	2,512	(2,825)	(30,684)	(33,509)

Other Capital Projects Funding						
Useable Capital Receipts	(4,389)	(2,352)	2,037	(2,312)	(2,909)	(5,221)
Prudential Borrowing	(1,514)	(1,132)	382	(36)	(6,745)	(6,781)
RCCO - General Fund	(86)	(85)	1	0	0	0
External Grant	(10,189)	(5,401)	4,788	(5,610)	(8,095)	(13,705)
Other Capital Project Funding	(16,178)	(8,970)	7,208	(7,958)	(17,749)	(25,707)

Total Capital Financing	(38,994)	(29,274)	9,720	(10,783)	(48,433)	(59,216)
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HRA Development Reserve						
Opening Balance	(2,551)	(2,551)	0		(955)	(892)
Amount due in year	0	0	0		(553)	(553)
Amount used in year	1,596	1,659	63		311	786
Closing Balance	(955)	(892)	63		(1,197)	(659)

Major Repairs Reserve						
Opening Balance	(2,238)	(2,238)	0		(537)	(970)
Amount due in year	(15,424)	(15,423)	1		(15,855)	(15,855)
Amount used in year	17,125	16,691	(434)		15,855	15,964
Closing Balance	(537)	(970)	(433)		(537)	(861)

Capital Receipts Reserves						
Opening Balance	(2,340)	(2,220)	120		(52)	(1,680)
Income expected in year	(3,100)	(1,812)	1,288		(4,000)	(4,000)
Debt Repayment/Other Expenses	1,000	0	(1,000)		1,000	0
Amount used in year	4,388	2,352	(2,036)		2,909	5,007
Closing Balance	(52)	(1,680)	(1,628)		(143)	(673)

Capital Receipts Reserves 1-4-1 receipts						
Opening Balance	(763)	(763)	0		(1,323)	(2,183)
Income expected in year	(1,820)	(1,774)	46		(1,800)	(1,800)
Debt Repayment/Other Expenses	0	0	0		0	0
Amount used in year	1,260	354	(906)		1,330	2,410
Closing Balance	(1,323)	(2,183)	(860)		(1,793)	(1,573)

NEDDC Treasury Management Outturn 2022/23**Capital Financing Requirement**

Treasury Management is the measurement and control of the overall debt position of the Council. This is calculated through the Capital Financing Requirement (CFR). The CFR calculates the Council's underlying need to borrow in order to finance its capital expenditure. The revised estimate of the CFR for 2022/23 and the actual outturn CFR are shown in the table below: -

	Current Budget 2022/23 £000's	Actual Outturn 2022/23 £000's
Capital Financing Requirement 1 April 2022	187,116	187,412
Prudential Borrowing Gen Fund – Eckington Depot Refurbishment	454	0
Prudential Borrowing Gen Fund – Killamarsh Leisure Centre	1,060	1,132
Prudential Borrowing HRA – North Wingfield Scheme	2,015	640
Minimum Revenue Provision (MRP)	(146)	(146)
Net repayment of other debt	(264)	(264)
Prudential Borrowing Gen Fund - Financing of Loan to Rykneld Homes	0	0
Prudential Borrowing Gen Fund - Financing of Loan to Northwood Group Ltd	3,182	3,495
Implementation of IFRS 16 Leases	285	0
Capital Financing Requirement 31 March 2023	193,702	192,269

The overall final position shows a net increase in outstanding debt of £4.857m during the year.

The Capital Financing requirement is split between the HRA and General Fund the balance of each is shown below:

Capital Financing Requirement at 31 March 2023	£000's
General Fund	20,922
Housing Revenue Account	171,347
Total CFR	192,269

Changes to the HRA Debt Cap

In October 2018 the legislation that capped the amount of HRA debt a local housing authority could hold was revoked with immediate effect. The capital financing requirements relating to the HRA will remain the same so there will still be no requirement for an MRP and levels of debt will be managed through prudential borrowing limits controlled by the Treasury Management Strategy approved by Council in February 2020. This is to ensure that all additional borrowing is prudent and affordable within the context of the HRA and should include:

- affordability over the life of the 30-year business plan;
- a clear case for demand/need in the district;
- generation of additional income.

Removing the debt cap and not having a statutory requirement to make a provision to repay debt presents a significant risk to the HRA. Very careful treasury management is needed to ensure that the Council’s HRA borrowing remains affordable, prudent and reasonable and that the HRA remains sustainable over the long term.

How the CFR is financed by the Council

The CFR is the Council’s underlying need to borrow to finance capital expenditure. To finance the CFR the Council has external borrowing, finance leases and the use of its own reserves and balances. The position as at 31 March 2023 is as follows:

	£000’s
Capital Financing Requirement 31 March 2023	192,269
Financed from	
External Borrowing via PWLB	146,921
Use of internal balances and reserves	45,348
Total Financing of CFR	192,269

The table above shows that the Council is effectively under borrowing by £45.348m at 31 March 2023. This means that no debt charges are being incurred on £45.348m of borrowing but also means that the funds are not being invested in the money market. However, the cost of borrowing from the PWLB would incur interest charges that are higher than the investment interest foregone. This position is regularly monitored and reviewed in line with forecast interest rates.

PWLB Borrowing

The Council's total outstanding PWLB debt amounted to £147.032m at 1 April 2022. During 2022/23 an amount of £0.111m was repaid leaving a balance at 31 March 2023 of £146.921m. During 2022/23 no new loans have been taken out with the PWLB. The profile of the outstanding debt is analysed as follows: -

PWLB BORROWING	Maturity Profile 31 March 2022 £000's	Maturity Profile 31 March 2023 £000's
Term		
12 Months	111	4,112
1 - 2 years	4,112	6,109
2 - 5 years	17,206	15,191
5 - 10 years	20,466	24,419
10 - 15 years	40,047	42,000
Over 15 years	65,090	55,090
Total PWLB Debt	147,032	146,921

PWLB Interest

The interest cost to the Council of the PWLB debt for 2022/23 is shown in the table below. The cost is split between the HRA and General Fund based on the level of debt outstanding within the CFR.

Date	Amount Paid to PWLB £000's
Less Accrued Interest re 2021/22	(44)
Interest Paid during 2022/23	5,188
Plus Accrued Interest re 2022/23	44
Total Paid	5,188

Temporary Borrowing

Cash flow monitoring and management serves to identify the need for short-term borrowing to cover delays in the receipt of income during the course of the year. No interest charges from short term borrowing were incurred during the year. At the 31 March 2023 the Council had no temporary borrowing.

Temporary Investments

The tables below detail the short-term investments made at various times during the financial year 2022/23: -

Bank Name	Duration of Loan	B/Fwd 01/04/22 £000's	Amount Invested 2022/23 £000's	Amount Returned 2022/23 £000's	Balance Invested 31/3/23 £000's	Interest Received 31/3/23 £000's
Federated Fund 3	Call	3,000	3,062	(3,062)	3,000	(62)
Federated GBP 3	Call	2,000	45	(45)	2,000	(45)
Aberdeen Standard	Call	5,000	5,072	(9,072)	1,000	(72)
CCLA Public Sector Deposit Fund	1 Day Call	5,000	7,062	(7,062)	5,000	(62)
Debt Management Account Deposit Facility	Various	0	3,000	(3,000)	0	(0)
Aviva	Call	5,000	12,057	(15,557)	1,500	(57)
Invesco	Call	2,000	7,090	(9,090)	0	(90)
JP Morgan	Call	0	5,005	(5,005)	0	(5)
Goldman Sachs	Call	0	3,031	(3,031)	0	(31)
SSGA	Call	5,000	2,088	(3,588)	3,500	(88)
Ashford Borough Council	12 months	5,000	5,052	(5,052)	5,000	(52)
Lancashire County Council	12 months	5,000	5,058	(5,058)	5,000	(58)
Total		37,000	57,622	(68,622)	26,000	(622)

Overnight Investments

The maximum amount invested with Lloyds Bank in the financial year was £4.993m. There has been no breach of the £5m limit set in the Treasury Management Strategy. The interest earned from daily balances up to 31st March 2023 is £45,980.88

Compliance with Treasury Limits

During the financial year the Council continued to operate within the treasury limits set out in the Council's Borrowing and Investment Strategy.

	Actual 2022/23 £000's	Set Limits 2022/23 £000's
Authorised Limit (total Council external borrowing limit)	202,269	203,786
Operational Boundary	197,269	198,786