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Report for: **DECISION**

Item Number:

Contains Confidential or Exempt Information	No
Title	REVENUE AND CAPITAL OUTTURN 2022/23
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Portfolio	Councillor Steve Donnelly, Cabinet Member for Inclusive Economy
For Consideration By	Cabinet
Date to be considered	14 June 2023
Implementation Date if Not Called In	27 June 2023
Affected Wards	All
Area Committees	All
Keywords/Index	Financial Outturn, Budget

Purpose of Report

This report provides Cabinet with the 2022/23 outturn position for the General Fund, Housing Revenue Account, Dedicated Schools Grant and Capital budgets. The outturn position confirms that overall the Council's spending has remained within approved budgets for the year.

2022/23 has been an extremely challenging year due to significant economic volatility and the Ukraine war leading to unforeseen high levels of inflation as the Council and its residents and businesses continued to recover from the COVID pandemic. Despite significant inflation and increasing demand and costs of demand led services, the Council has achieved a net General Fund underspend of (£1.813m) (0.71%).

The impact of inflation and utilities were unforeseen when the budget was set leading to high levels of in-year pressures. Significant demand led pressures, particularly in Adult Social Care and Children's Services, were reduced through a number of

mitigating actions during the year, although a number of these were non-recurring measures that cannot be relied upon in future years. The continuing impact of COVID led to increased costs across the Council, most notably in Adult Social Care, and was met by remaining COVID government grant balances. Despite these pressures the Council delivered its planned investment in Adult Social Care in implementing the Real Living Wage in home care.

The largest single positive variance offsetting departmental overspends was within Treasury Management, as the economic volatility led to increases in interest rates on higher than expected cash balances due to delays in the capital programme due to that same economic volatility, increased construction prices and the impact of COVID and Brexit on the construction industry.

The underspend has been added to the Council's General Balance to strengthen financial resilience in an increasingly uncertain financial environment and government funding regime. Although a net underspend has been delivered, underlying overspends have been mitigated through one-off measures in-year. Whilst budget growth has been included in many of these budgets for 2023/24, there remain significant ongoing risks in relation to high levels of inflation, rising costs and demand, the complexity of need which will need to be managed across the Council to achieve a balanced outturn for 2023/24. In addition to demographic changes, the continuing cost of living crisis is likely to lead to more residents requiring Council support, causing further pressure on services.

The Council will continue to focus on strong financial control and grip to allow itself financial flexibility to deal with pressures as they manifest over the year. Given medium term financial pressures and funding uncertainties, the Council will also need to look to wider transformational change enabling the Council to improve outcomes for our residents within available resources in the medium term.

1. Recommendations

It is recommended that Cabinet:

- 1.1 Notes the General Fund revenue budget outturn position of £1.813m net underspend (0.71%) for 2022/23 (section 4), and an overspend of £3.309m on the Housing Revenue Account (HRA) for 2022/23 (section 6).
- 1.2 Approves the transfer of the net underspend balance of £1.813m to the General Fund balance (section 8).
- 1.3 Notes financial pressures arising from COVID-19 in 2022/23 with total spend of c.£13m in relation to the General Fund, fully funded from government grants (section 4).
- 1.4 Notes the year end Dedicated Schools Grant (DSG) surplus of £1.345m within

the DSG account (section 5), although the High Needs block ended the year with a £0.570m deficit.

- 1.5 Notes the HRA balance as at 31 March 2023 of £4.925m and earmarked reserves of £11.941m (section 8).
- 1.6 Notes the 2022/23 capital programme outturn variance of £5.844m (2.58%) underspend (paragraph 7.3 and 7.5.1).
- 1.7 Approves the decommissioning of £3.221m of capital schemes from the capital programme (paragraph 7.6).
- 1.8 Approves the re-profiling of 2022/23 capital programme schemes with slippage in excess of £1m, of £43.016m (Appendix 2) into future years.
- 1.9 Subject to the approval of 1.2, notes the General Fund balance as at 31 March 2023 of £17.732m and the total balance on General Fund earmarked reserves of £112.012m as at 31 March 2023 (section 8).

2. Reason for Decision and Options Considered

- 2.1 The report outlines the Council's outturn position on revenue, capital, income and expenditure for 2022/23.

3. Key Implications

- 3.1 The report presents the management accounts of the Council and provides information on the outturn position as at 31 March 2023. The overall position at the end of the year includes:
 - £1.813m underspend in relation to General Fund activity (Quarter 3 £5.169m overspend) and a net overspend of £3.309m for HRA (Quarter 3 breakeven).
 - Break-even position in relation to COVID across the General Fund, with gross pressure in excess of c.£13m met by remaining COVID balances.
- 3.2 Councils are required to deliver a balanced budget each year ensuring that the projected expenditure and commitments can be matched by the available resources in year. A combination of demand, inflation and cost-of-living driven pressures gives rise to a real challenge in councils' ability to achieve a balanced budget in the absence of understanding the medium-term impact of government funding changes.

4. General Fund Revenue Outturn Position 2022/23

- 4.1 The General Fund revenue outturn position for 2022/23 is £254.774m (£261.756m Quarter 3). This represents a net underspend of £1.813m (Quarter 3 pressure £5.169m 2.01%) against a General Fund revenue budget of £256.587m – an improvement of £7m on the previous quarter, largely explained by an improvement in Adult Social Care against the forecast and the identification of COVID costs and application of grants.
- 4.2 The net position is summarised in Table 1 below:

Table 1: 2022/23 Summary of Net Revenue Budget Variance

Revenue Budget*	Outturn Variance (£M)	Net Variance - Quarter 3 (£M)	Net Change (£M)
Children's and Schools	8.638	9.083	(0.444)
Adults & Public Health	4.152	7.214	(3.062)
Place	2.934	2.503	0.431
Chief Executive	(1.115)	0.039	(1.154)
Net Cost of Services Sub-total	14.610	18.839	(4.229)
Corporate Budgets	(16.422)	(13.670)	(2.752)
Total General Fund	(1.813)	5.169	(6.982)

**Note – this reflects the organisational structure in place on 1st April 2022, and how budgets were set and monitored throughout 2022 23.*

4.3 Budget Pressures

- 4.3.1 Explanations for significant business as usual underspends and pressures are set out below.

Children's and Schools

- 4.3.2 Children's and Schools service have reported a significant gross budget pressure of £12.080m (Quarter 3 £10.533m). The gross pressure is being reduced by the additional use of Dedicated Schools Grant (DSG) and in-year management actions, bringing the net overspend to £8.638m (£9.083m Quarter 3). The improvement at outturn relates largely to the application of Ukraine grant to eligible activity at year-end.

- 4.3.3 The budget pressures are mainly driven by:

- a) Demand and cost pressures in relation to Looked After Children and SEN Home to School Transport.
- b) Increased social worker agency costs due to demand and high staff turnover which is being managed in the long-term through the recruitment programme.
- c) Costs in relation to unaccompanied asylum-seeking children (UASC) being

higher than the available government grant.

Adults & Public Health

- 4.3.4 Adults and Public Health service has reported a significant gross pressure of £28.191m (Quarter 3 £26.238m) which is off-set by significant in-year management actions leading to a net pressure of £4.152m (Quarter 3 £7.214m). The improvement at outturn relates largely to reductions in the forecast placement costs in the final quarter of the year and the application of Ukraine grant to eligible activity at year-end.
- 4.3.5 There is an underlying gross budget pressure in relation to a combination of the value and volume of placement expenditure including nursing and hospital discharge costs funded from COVID grants, and placement inflationary pressures.
- 4.3.6 A number of in-year mitigations were one-off measures, including utilisation of the PFI reserve to meet inflationary pressures. Significant pressure from inflationary pressures is expected to continue in 2023/24, which are largely funded from growth (after ongoing mitigations) as approved by Cabinet in February 2023.

Place

- 4.3.7 Place reported a significant gross pressure of £6.941m (Quarter 3 £4.355m) which is partly being off-set by in-year management actions reducing the pressure to £2.934m (Quarter 3 £2.503m). The key drivers of the budget pressure are:
- a) Place Delivery net pressure of £0.449m reflects a variety of pressures, including GEL contract costs, increased energy costs in Highways, and street trading and commercial waste income pressures.
 - b) Community Development net pressure of £0.717m is mainly driven by non-delivery of leisure savings in relation to the Gurnell development, under-achieved income across Arts, Heritage & Libraries service relating to community centres, and staff costs in customer access points, and increased energy costs and staffing costs in Community Management.
 - e) Growth and Sustainability net pressure of £0.730m is mainly driven by unfunded Local Plan Costs.
 - d) Housing Development net pressure of £0.782m mainly relating to project development costs being written off.
 - e) Place Management net pressure of £0.255m is mainly driven by staffing pressures.

Chief Executive

- 4.3.8 Chief Executive outturn position is a net underspend of (£1.115m) (Quarter 3 £0.039m).
- 4.3.9 The underspend is mainly driven by Housing Benefit (HB) subsidy (£0.791m)

due to management of HB overpayments in-year, which has led to reduced subsidy cost and income for overpayments reducing the level of debt requiring to be provided identified at year end, and (£0.384) relates to reduced insurance claim costs required following a year-end review of provisions and reserves.

Corporate Budgets

- 4.3.10 The Corporate budget is reporting a net underspend of (£16.422m) (Quarter 3 (£13.670m) which is mainly driven by a combination of a one-off net underspend on levies of (£0.601m), use of contingency (£2m) underspend on treasury management (£7.366m), and one-off underspend with regards to pension fund contributions (£1.035m) and year-end review of Covid grants and related costs.
- 4.3.11 The movement since Quarter 3 is explained by a year-end review of Covid grants and related expenditure and income losses, as well as the application of the Ukraine grant which was held corporately during the year and allocated out to departments (largely Adult Social Care and Children's Services) to recognise the support of those departments to Ukrainian nationals.

4.4 COVID Budget Pressure

- 4.4.1 The gross COVID expenditure in 2022/23 for General Fund was £13.341m (Quarter 3 £5.046m) which has been met from government grants. A review of COVID costs was undertaken as part of closing the year-end accounts.

5. Dedicated Schools Grant (DSG) Account

- 5.1 The operation of the DSG continues to allow the Council to carry forward any DSG deficits and underspends to a ring-fenced reserve. This is separate from the General Fund, which is not permitted to subsidise the account under the regulations.
- 5.2 At the end of 2022/23 the Council held a net surplus balance of £1.345m on its DSG account which includes a High Needs DSG deficit of £0.570m, offset by surpluses on the Schools' Block (£0.321m) and the Early Years Block (£1.594m). The overall outturn was an improvement from the forecast position at Quarter 3 largely due to there being a reduced pressure on the High Needs Block with lower demand than had been anticipated, other one-off mitigation measures not previously included within the forecast and also changes to the other blocks' positions, notably the Early Years Block underspend.
- 5.3 There are still pressures within the High Needs Block as the number of Education Health and Care Plans continue to rise, a trend seen nationally. The improved position includes an agreed transfer of £1.371m from the School Block to High Needs as approved by the Schools Forum, and other one-off

mitigation measures. This continues to be subject to the High Needs Recovery Plan which has been developed between the Schools Forum and the Local Authority.

Table 2: 2022/23 DSG Account Summary

DSG Account	Outturn 2022/23 £M				Quarter 3 Forecast £M
	Schools Block	Early Years Block	High Needs Block	Total	
Opening Balance as at 1 April 2022	(1.365)	(0.563)	1.147	(0.781)	(0.781)
2022/23 in-year movement	1.044	(1.031)	(0.577)	(0.564)	1.249
Outturn Deficit (+) / Surplus (-) Balance at 31 March 2023	(0.321)	(1.594)	0.570	(1.345)	0.468

6. Housing Revenue Account (HRA)

- 6.1 The HRA outturn variance is a net overspend of £3.309m (Quarter 3 breakeven). The main drivers of the pressure include void properties, delays in new-build properties coming into occupation, increased depreciation charges and increased energy costs.

Table 3: HRA 2022/23 Summary

HRA Revenue Outturn	Outturn Variance (£M)	Net Variance - Quarter 3 (£M)	Net Change (£M)
Income	4.340	4.091	0.249
Expenditure	(1.031)	(4.091)	3.060
Sub-total	3.309	0.000	3.309
Contribution from Reserves	(3.309)	0.000	(3.309)
Net Balance	0.000	0.000	0.000

7. Capital Programme

- 7.1 A summary of the capital programme is set out in the table below.

Table 4: Capital Programme Summary 2022/23 – 2026/27+ Movements

Capital Programme Summary	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27+ £M	Total £M
Revised Programme as at Quarter 4						
General Fund	139.403	294.740	156.427	55.668	114.044	760.281
HRA	86.967	137.741	153.790	111.058	123.653	613.209
Total	226.370	432.481	310.217	166.726	237.696	1,373.490

Capital Programme Summary	2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	2026/27+ £M	Total £M
Revised Programme as at Quarter 3						
General Fund	184.502	244.566	165.590	75.034	138.355	808.047
HRA	79.297	97.209	87.238	75.505	43.841	383.091
Total	263.800	341.775	252.828	150.539	182.196	1,191.138
Changes due to slippage, accelerated spend, reprofiling and/or in-year additions						
General Fund	(45.099)	50.174	(9.163)	(19.366)	(24.311)	(47.766)
HRA	7.670	40.532	66.552	35.553	79.812	230.118
Total	(37.151)	90.706	57.389	16.187	55.501	182.352

- 7.2 The revised capital programme reflects:
- Quarter 3 net slippage approved by Cabinet in February 2023.
 - New additions as approved by Cabinet in February 2023 for the General Fund and HRA in the 'Budget Strategy and MTFs 2023/24 to 2025/26' report and the 'Housing Revenue Account (HRA) Business Plan 2023-24' report.

- 7.3 The capital programme for 2022/23 is reporting a net underspend of £5.844m against the approved programme budget, summarised in the table below.

Table 5: 2022/23 Capital Summary

2022/23 Capital Budget Summary	2022/23 Budget	Year to Date Actuals	Slippage/ (Accelerated) Spend	Variance Under (-) / Over (+) spend
	£M	£M	£M	£M
Children's and Schools	12.114	10.940	1.173	(0.001)
Adults & Public Health	0.571	(2.459)	0.021	(3.009)
Total Children's and Adults	12.685	8.481	1.194	(3.010)
Place	87.627	65.446	20.031	(2.150)
Chief Executive	39.091	12.607	25.802	(0.682)
Total General Fund	139.403	86.533	47.027	(5.844)
HRA	86.967	78.326	8.641	0.000
Capital Programme Total	226.370	164.859	55.668	(5.844)

- 7.4 Approval is now sought to the re-profiling of capital schemes with a net slippage of over £1m (£43.016m), details of which are set out in Appendix 2.

7.5 Key Variances

- 7.5.1 The overall net underspend of £5.844m is mainly made up of the following variances:
- a £3.009m underspend in Adults relates to a technical adjustment of £2.458m within that area to correct historic spend on community equipment charged to capital that has been determined to be more

properly treated as revenue spend, and a £0.550m underspend which reflects the 2022/23 capital budget not required as the 2022/23 spend was incurred in revenue instead.

- £1.599m relates to Transport for London (TfL) funded schemes; this is due to the final confirmed TfL 2022/23 funding being less than had been bid for by the Council at the start of the year, and therefore the capital budget was higher than the TfL funding received.
- £0.682m relating to GEL vehicles which were leased rather than purchased, and therefore the capital budget was no longer required.

7.6 Capital Budgets to be Decommissioned

7.6.1 As shown in Table 5 above, there are a number of capital budgets that have underspent, and approval is sought to remove these from the capital programme. The amounts to be decommissioned total £3.221m with the most significant outlined below:

- £1.599m of budgets relating to TfL; as highlighted in 7.5.1 above, these 2022/23 budgets were based on the anticipated amount of TfL grant.
- £0.940m relates to the community equipment budget within Adults, specifically a 2022/23 budget of £0.550m, and a 2023/24 budget of £0.390m. As outlined in 7.5.1 above, upon review it has been ascertained that these budgets should be removed from the capital programme and treated as revenue costs.
- £0.682m of budgets relating to GEL, as outlined in 7.5.1 above.

8. General Fund Balance and Earmarked Reserves

8.1 General Fund Balance

8.1.1 Subject to the approval of the recommendation 1.2, the General Fund balance was £17.732m as at 31 March 2023.

Table 6: General Fund Balance Forecast

General Fund Balance	2022/23 Outturn Variance £M
Balance as at 1 April 2022	15.919
Overspend (-) / underspend (+) in 2022/23	1.813
Potential Balance as at 31 March 2023	17.732

8.1.2 At £17.732m the General Fund balance has improved from the risk-assessed target specified in the MTFs of £15.919m. The Strategic Director, Resources, as the Council's Section 151 Officer, considers that a balance of £15.919m is adequate given the risks the Council is facing and considering Ealing's

spending history alongside the level of earmarked reserves. However, the £15.919m has been in place since 2020, and given the increased medium term funding risk, economic volatility and the impact on inflation, the 2022/23 underspend generated in year should be used to strengthen the General Fund Balance position rather than relying on earmarked reserves to provide resilience. The adequacy of reserves is reviewed annually, and a detailed review is expected as part of the 2024/25 MTFS process to consider what further action, if any, is required.

8.2 Earmarked Reserves

8.2.1 Excluding Collection Fund equalisation, COVID-19 grant and other non-General Fund reserves (Table 8), overall, there has been a net increase in-year of £6.416m which includes a £0.577m reduction in the DSG Deficit being carried forward.

Table 7: General Fund Earmarked Reserves and Balances

Reserves	31 March 2022	Net Movement In-Year	31 March 2023
	£M	£M	£M
Corporate - Insurance Reserve	(5.721)	0.000	(5.721)
Parking Places Reserve Account	(7.756)	1.550	(6.205)
PFI Reserves	(25.159)	3.403	(21.756)
Dedicated Schools Grant Balance	(0.782)	(0.563)	(1.345)
Sub-total Controllable Ringfenced Reserves	(39.418)	4.390	(35.028)
Corporate - Ealing Civic Improvement Fund	(1.296)	0.356	(0.941)
Corporate - Invest to Save Reserve	(3.096)	0.131	(2.965)
Corporate - Social Care Transformation Reserve	(0.167)	0.000	(0.167)
Corporate - Economic Volatility Reserve	(13.139)	(3.500)	(16.639)
Service - Various	(14.482)	(6.837)	(21.318)
Corporate - Various	(7.422)	0.857	(6.565)
Sub-total Controllable Non-Ringfenced Reserves	(39.603)	(8.993)	(48.596)
General Fund Balance	(15.919)	(1.813)	(17.732)
TOTAL GENERAL FUND RESERVES & BALANCES	(94.940)	(6.416)	(101.355)

8.2.2 The most significant movements in earmarked General Fund reserves during 2022/23 include:

- Parking Places Reserve Account – net decrease of £1.550m mainly relates to supporting costs and Low Traffic Neighbourhood (LTN) income.
- PFI Reserve – net decrease of £3.403m funding annual repayment liabilities due to inflation.
- Economic Volatility Reserve – budgeted contribution of £3.500m.

- Service various – net increase of £6.837m is made up of various balances for specific service areas which include an underspend on Perceval House redevelopment retained for abortive costs (£1.230m), Perceval House decant (£0.242m) and Homes for Ukraine Grant (£4.952m) and other grants (£0.413m).

8.2.3 Set out in the table below is the summary movement across technical and other earmarked reserves and balances.

Table 8: Technical and Other Earmarked Reserves and Balances

Reserves	31 March 2022	Net Movement In-Year	31 March 2023
	£M	£M	£M
Housing Revenue Account Reserve	(15.249)	3.308	(11.941)
Housing Revenue Account Balance	(4.925)	0.000	(4.925)
Sub-total HRA Reserve and Balances	(20.175)	3.308	(16.866)
Collection Fund Equalisation Fund	(13.661)	5.301	(8.359)
COVID-19 Grant Balance	(10.890)	8.019	(2.871)
Sub-total Ringfenced Technical Reserves	(24.551)	13.321	(11.230)
Schools Balances	(20.294)	3.136	(17.158)
TOTAL OTHER RESERVES & BALANCES	(65.020)	19.765	(45.255)

8.2.4 The following are the most significant movements in relation to technical and other earmarked reserves and balances:

- The Collection Fund Equalisation Fund is a technical reserve which is used to allow for the distribution of collection fund balances relating to timing differences. The net movement in 2022/23 is due to:
 - a) Statutory Regulations not permitting the Council to charge any Collection Fund surplus and deficits to the General Fund in the year they arise.
 - b) The Council has received section 31 grant monies to cover the additional reliefs paid out in 2022/23, but due to the timing and statutory accounting requirements, these are carried forward in an earmarked reserve.
- School Balances represents individual school surplus and deficit balances that the Council holds on behalf of local authority maintained schools. The in-year movement is reflective of the net movement in balances held as at 31 March 2023 by individual schools.

9. Council Tax and Business Rates Collection 2022/23

9.1 The Council's collection performance for council tax and business rates in 2022/23 is set out below.

9.2 Council Tax

9.2.1 The outturn Council Tax collection was 96.84% which was behind the target collection profile of 97.2% by 0.36% which equates to £0.766m. The outturn collection rate of 96.84% was an improvement on the 2021/22 figure of 95.83%. This was a substantial improvement on the Quarter 3 position.

9.2.2 The net debit increased on the previous year's outturn figure by £13.44m and the cash collected increased by £15.057m.

Table 9: 2022/23 Council Tax in-year collection

Council Tax In-Year Collection	Quarter 4		Quarter 3	
	£M	%	£M	%
Amount due to be collected to achieve 97.2%	208.256	97.20%	208.439	97.20%
Target Collection	208.256	97.20%	179.703	83.80%
Amount collected	207.490	96.84%	175.349	81.77%
Variance against target	(0.766)	(0.36%)	(4.354)	(2.03%)

Source: QRC Monthly data

9.3 Business Rates

9.3.1 The outturn NNDR collection was 94.76% which was behind the target collection profile of 97.2% by 2.44% which equates to £3.515m. The outturn collection rate of 94.76% was an improvement by 2.05% on the 2021/22 figure of 92.71%.

9.3.2 The net debit increased on the previous year's outturn figure by £14.457m and the cash collected increased by £16.442m.

Table 10: 2022/23 Business Rates in-year collection

Business Rates In-Year Collection	Quarter 4		Quarter 3	
	£M	%	£M	%
Amount due to be collected to achieve 97.2%	139.768	97.20%	145.849	97.20%
Target Collection	139.768	97.20%	116.589	77.70%
Amount collected	136.253	94.76%	116.402	77.58%
Variance against target	(3.515)	(2.44%)	(0.187)	(0.12%)

Source: QRC Monthly data

10. Legal

10.1 The Council is required to monitor and review, from time to time during the year, its income and expenditure against budget, using the same figure for financial reserves. If, having conducted the review, it appears to the Council that there has been a deterioration in its financial position, it must take such

action, if any, as it considers necessary to deal with the situation, and be ready to take action if overspends or shortfalls in income emerge. (Section 28 of the Local Government Act 2003).

10.2 In regard to Schools Funding and Dedicated Schools Grant (DSG)

10.2.1 The Council currently receives funding for schools through the Dedicated Schools Grant (DSG) and has the statutory responsibility under the Schools and Early Years Finance Regulations for allocating this funding to schools.

10.2.2 The Schools and Early Years Finance (England) Regulations published in February 2020 sets out the grant condition and accounting regulations that local authorities must follow in respect of DSG deficit and underspend balances. This specifically precludes the use of the General Fund to subsidise the DSG.

11. Value for Money

11.1 Managing within budget and the achievement of efficiency savings are key responsibilities of budget managers, identified as such in their performance objectives, which have helped promote the VFM culture.

11.2 Detailed variance forecasting by service budget holders, together with a corporate overview by Strategic Finance will be reported regularly (in accordance with the agreed timetable) to the Strategic Leadership Team and Cabinet. Where forecast adverse variances are identified in this process, they will be addressed via action plans, enabling the General Fund spending to be brought within budget during the year.

12. Sustainability Impact Appraisal

12.1 Any sustainability impacts are taken into account before final decisions are taken on whether or not to implement savings proposals as part of the budget setting process. All capital budget proposals are required to set out how the proposal contributes towards carbon emission reduction.

13. Risk Management

13.1 Councils are required to deliver a balanced budget each year ensuring that the projected expenditure and commitments can be matched by the available resources in year. Due to the continued economic challenges over the last year, the Council has faced significant risk in achieving a balanced budget but close monitoring by officers and the Strategic Leadership Team, and a detailed review of costs at year-end has led to a one-off underspend in 2022/23.

13.2 As is to be expected in the current climate, a combination of continued demand, inflation (including utilities) and cost of living driven pressures are likely to give

rise to real challenge in councils' ability to achieve a balanced budget over the short to medium term, in the absence of understanding the medium-term impact of government funding changes.

13.3 Holding adequate reserves enable councils to manage financial uncertainty, volatility and risk. The Council achieved its budgeted contribution to the Economic Volatility Reserve and this report proposes the in-year underspend is transferred to the General Fund balance to improve financial resilience.

13.4 The financial position of the Council will continue to be monitored closely in order to implement any corrective actions quickly to deliver a balanced budget.

14. Community Safety

14.1 There are no direct community safety implications as part of this report.

15. Links to Three Key Priorities for the Borough

15.1 The Council's medium-term financial strategy, budgets and capital programme are designed to enable the delivery of the Council's key priorities of fighting inequality, tackling the climate crisis and creating good jobs. The budget for 2022/23 supported delivery of national and local priorities, a key investment being the introduction of the Real Living Wage for homecare.

16. Equalities Human Rights & Community Cohesion

16.1 There is no requirement for an Equality Impact Assessment as part of this report.

17. Staffing/Workforce and Accommodation Implications

17.1 There are no direct staffing/workforce and accommodation implications arising from this report.

18. Property and Assets

18.1 There are no direct property/asset implications arising from this report.

19. Any Other Implications

19.1 The overall financial position of the Council impacts on the future provision of all Council services.

20. Consultation

20.1 Information and explanations have been sought from directorates on specific aspects of this report and their comments have been incorporated.

21. Appendices

- Appendix 1 – 2022/23 General Fund Outturn Summary
- Appendix 2 – Capital Programme Slippage/Acceleration over £1m

22. Background Information

22.1 Council Reports:

- 2023/24 Budget Strategy and Council Tax Resolution – 8 March 2023

22.2 Cabinet reports:

- Budget Strategy and MTFS 2023/24 to 2025/26 – 22 February 2023
- Budget Update Report 2022/23 – 22 February 2023
- Housing Revenue Account (HRA) Business Plan 2023-24 report – 25 January 2023
- Budget Update Report 2022/23 – 7 December 2022
- Budget Update Report 2022/23 – 12 October 2022

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				
Emily Hill	Strategic Director, Resources	Continuous	Continuous	Throughout
Tony Clements	Chief Executive	22 May 2023		Throughout
Kerry Stevens Robert South Peter George Amanda Askham Darren Heneghan	Strategic Directors	22 May 2023		Throughout
Helen Harris	Director of Legal and Democratic Services	22 May 2023		Legal section
Councillor Steve Donnelly	Cabinet Member for Inclusive Economy	22 May 2023		Throughout
Councillor Peter Mason	Leader of the Council	22 May 2023		Throughout
Russell Dyer	Assistant Director – Accountancy	Continuous	Continuous	Throughout
Nick Rowe	Assistant Director of Local Tax & Accounts Receivable	Continuous	Continuous	Section 10
Stephen Bell	Finance Manager, Children’s & Schools	Continuous	Continuous	Paragraph 4.3.2 – 4.3.3; Section 5

Report History

Decision type: For decision	Urgency item? No
Authorised by Cabinet member:	Date: Report deadline: Date report sent:

Report**Report authors and contacts for queries:**

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