



Budget Monitoring – Period end 30th June 2022

Overview and Scrutiny Committee

Date 7th August 2022

Glossary of Terms

Revenue costs include the day-to-day expenses of the council and any fees and charges that offset those costs. The net revenue budget is funded by Business Rates , Council Tax and government grants

Capital expenditure relates to one off investment items that add value to assets or deliver a new asset. Funding for these items can be a variety of sources including grants, capital receipts and borrowing.

Reserves are funds set aside for specific purpose in the future. The 2022-23 budget for Hart District Council was set with some of these contributions already allocated as funding for specific one off spend.

Revenue Overview

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Service Area	Total Budget	Total Projected Outturn	Cont. (from)/to EMR	Projected Outturn post Reserves	Variance from budget
	£000	£000	£000	£000	£000
Community	719	764	(45)	733	14
Corporate Services	6,844	7,826	(982)	6,820	(24)
Place	2,320	2,210	110	2,256	(64)
Technical & Environment	3,082	3,082	0	3,052	(52)
Non-Controllable costs	(1,005)	(1,005)	0	(1,005)	0
Net Cost of Services	11,960	12,877	(917)	11,856	(126)

Capital Overview

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Service Area	C/F Budget 2021-22	2022-23 Budget	Total 2022-23 Budget	2022-23 Forecast
	£000	£000	£000	£000
Community	0	1,817	1,817	1,817
Corporate Services	0	90	90	90
Place	0	0	0	0
Technical & Environment	536	1,636	2,172	2,172
Total Capital	536	3,543	4,079	4,079

C/F = Carried Forward

Summary

Revenue

- The council is forecasting an overall underspend of £126k against the 2022-23 revenue budget of £11.96m*.

**the budget included planned Tier 2 savings of £202k.*

- Included in the outturn are £917k net contributions from Earmarked Reserves (EMR)
 - The largest contribution from EMRs is £982k to replace the shortfall in the leisure centre management fee income target. (*Approved at Cabinet October 2021*)
 - A contribution to EMR of £110k represents a payment award from a Health & Safety Fatality Court Case.

Capital

- There is no forecasted variance to the 2022-23 Capital Budget of £4.1m. The budget includes budget carried forward from 2021/22.

2022-23 Savings









- Tier 2 savings are largely expected to be achieved within the 2022-23 financial year.

**Reserves
agreed
through
the budget
process**

Reserves 2022-23	Opening balance	Contributions In	Contributions Out	Closing balance
	£000	£000	£000	£000
General Fund	6,968	0	0	6,968
Earmarked	26,454	110	(1,027)	25,537
Total	33,422	110	(1,027)	32,505

2022-23 Tier 2 Savings

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SERVICE	BUDGET	FORECAST	RISK	RAG
Corporate Service Restructure	62	62	0	
Senior Management Team Review	52	52	0	
Member & Staff Allowances	4	4	0	
Internal Audit	15	15	0	
Dog Warden Service	3	3	0	
Planning Development	28	28	0	
Place Service efficiencies	21	21	0	
Technical & Environmental – resource review	17	9	0	
	202	202	0	

The Tier 2 savings are included in the £11,960k – Net Cost of Service

Corporate Services - £133k

Restructure – bring services back from Mendip and restructure Corporate Services £62k
Review and revise skills and resources of Senior Management Team - £52k
Review of member and staff allowances - £4k
Internal Audit £15K - to be achieved through outsourcing of Internal Audit to one provider.

Place Service - £52k

An additional £3k will be achieved through outsourcing of Dog Warden Service
£28k Planning Development by delaying recruitment
£21k to be achieved by efficiencies across the Place Service

Technical and Environmental £17k

To be achieved through staff reduction within the structure

2022-23 Savings (narrative)

Community Services Revenue variances (£14k overspend)

Community Services	2022-23 Budget	Full Year Forecast	Forecast Variance
	£000	£000	£000
Community Safety	161	161	0
Housing Needs Service	331	331	0
Private Sector Housing	171	186	15
Social Inclusion & Partnership	(26)	(40)	(14)
Strategic Housing Services	82	90	8
Lateral Flow Test Centre	0	5	5
Grand Total	719	733	14

Revenue - Community Services (£14k overspend)

Community Services is forecasting an overspend of £14k after the agreed drawdown of £45k contribution from earmarked reserves.

- Housing Needs Service has a net budget of £330k. This is the largest budget within Community Services and represents 46% of the total budget. There are no forecast variances to this budget.
- Private Sector Housing is forecasting an overspend of £15k by year-end which is mainly related to agency cost. This was because of fire safety issues at a permitted development block of flats. We bought in specialist fire safety expert services, fortunately, because of this action we managed to avoid a Prohibition order being served & 120 plus homes being evacuated
- This overspend was largely off-set by £14k saving in staff costs relating to a vacancy in Social Inclusion.

Community Services Capital Projects

Community Services	2022-23 Budget	Carry forward 2021-22	Total 2022-23 Budget	Full Year Forecast
	£000	£000	£000	£000
DFG - Mandatory	867	0	867	867
Grants for Affordable Housing	950	0	950	950
Total	1,817	0	1,817	1,817

Corporate Services Revenue variances (£24k underspend)

Corporate Services	2022-23 Budget	Full Year Forecast	Forecast Variance
	£000	£000	£000
5 Council Contract - Capita	2,154	2,147	(7)
Hart Election Costs	172	176	4
IT Contract	493	500	7
Leadership Team	673	678	5
Revenues & Benefits Contract	(399)	(400)	(1)
Support To Elected Bodies	392	397	5
Waste Client Team	(599)	(643)	(44)
Waste Contract	1,983	1,983	0
Total Other budgets	1,975	1,982	7
Grand Total	6,844	6,820	(24)

Revenue - Corporate Services (£24k underspend)

Corporate Services is forecasting an underspend of £24k after the agreed drawdown from earmarked reserves.

- Cabinet has previously agreed that the anticipated shortfall in management fees from the leisure provider (Everyone Active) can be met from Earmarked Reserves. For 2022/23 this is forecast to be £982k.
- The Waste Client Team is forecasting an additional £44k in income from recycling credits.

Corporate Services Capital Projects

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Corporate Services	Carry forward 2021-22	2022-23 Budget	Total 2022-23 Budget	Full Year Forecast
	£000	£000	£000	£000
Website Development	0	90	90	90
Grand Total	0	90	90	90

Place Revenue (£64k underspend)

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PLACE	2022-23 BUDGET	FULL YEAR FORECAST	FORECAST VARIANCE
	£000	£000	£000
Buildings, Repair & Maintenance	316	319	3
Building Control - Fee Earning	(173)	(165)	8
Building Control - Non-Fee	114	114	0
Business Support Staff	769	763	(6)
Economic Development	85	52	(33)
Env Health Commercial	179	169	(10)
Environmental Protection	254	254	0
Local Land Charges	(90)	(90)	0
Planning Development	137	124	(13)
Planning Policy	314	305	(9)
Other budgets	415	411	(4)
Total	2,320	2,256	(64)

Revenue - Place Services (£64k underspend)

- £110k in costs have been received from a Health & Safety Fatality prosecution. The case has taken 3 years to conclude. It is proposed that this income is transferred to reserves.
- A significant underspend within Economic Development (33k) is a result of a staff vacancy with no plans for recruitment within this financial year.
- One of the largest budgets in the directorate is Business Support Team £769k (37%) which is forecasting a small favourable variance of £6k. The costs of this team include staffing and the relevant IT systems.
- The largest budget cost in the team is Planning Development where there is an underspend due to a staff vacancy. However, this budget has a large income budget to offset these costs. There is a small £13k underspend in this budget overall.

Technical & Environmental Revenue (£52k underspend)

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Technical and Environment	2022-23 Budget	Full Year Forecast	Forecast Variance
	£000	£000	£000
Bramshot Farm	190	189	(1)
CCTV	155	155	(0)
Climate Change	311	310	(1)
Edenbrook Country Park	213	212	(1)
Environment Promotion Strategy	156	157	1
Grounds Mtn Contract	420	420	(0)
Off Street Parking	(299)	(326)	(27)
On Street Parking	83	84	1
Small SANG Sites	164	149	(15)
Street Cleaning	754	754	(0)
Total Other budgets	935	926	(9)
Grand Total	3,082	3,030	(52)

Revenue – Technical and Environmental (£52K underspend)

- Parking income is forecast to be £37k higher due to increased daily parking activity. This is offset by £10k increase on ticket machine maintenance.
- Expenditure in Small SANGS is forecasting to be £15k lower than budget due to staff vacancies.

Technical & Environmental Capital Projects

Technical & Environment	Carry forward 2021-22	2022-23 Budget	Total 2022-23 Budget	Total 2022-23 Forecast
	£000	£000	£000	£000
Bramshot Farm	0	340	340	340
Edenbrook CP - Teen Health	170	65	235	235
Edenbrook CP - Visitor Improve	82	158	240	240
Fleet Pond Visitor Enhancement	75	31	106	106
Fleet Pond Green Corridor Ecology	0	25	25	25
Fleet Pond Green Corridor	58	373	431	431
Hazeley Hth Access Improvement	26	30	56	56
Kingsway Flood Alleviation Sch	0	54	54	54
Mill Corner, North Warnborough	0	27	27	27
Phoenix Green, Hartley Wintney	0	70	70	70
Hartley Wintney Access	80		80	80
Electric Service Vehicles	45	70	115	115
Small SANGS Capital Works	0	184	184	184
Countryside Stewardship	0	134	134	134
Cove Road Crossing	0	75	75	75
Total	536	1,636	2,172	2,172

Non-Controllable Costs (£0k variance)

NON-CONTROLLABLE COSTS	2022-23 BUDGET	FULL YEAR FORECAST	FORECAST VARIANCE
	£000	£000	£000
Transfer from Reserves	(1,260)	(1,260)	0
Movement in Reserves (MiRs) <i>Includes: pension, depreciation</i>	160	160	0
Interest Payable	95	95	0
Total	(1,005)	(1,005)	0

