



# **Budget Monitoring – Period end 30<sup>th</sup> June 2022**

**Overview and Scrutiny Committee**

**Date 7<sup>th</sup> 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

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)	<b>733</b>	14
Corporate Services	6,844	7,826	(982)	<b>6,820</b>	(24)
Place	2,320	2,210	110	<b>2,256</b>	(64)
Technical & Environment	3,082	3,082	0	<b>3,052</b>	(52)
Non-Controllable costs	(1,005)	(1,005)	0	<b>(1,005)</b>	0
<b>Net Cost of Services</b>	<b>11,960</b>	<b>12,877</b>	<b>(917)</b>	<b>11,856</b>	<b>(126)</b>

# Capital Overview

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

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**

<b>Reserves 2022-23</b>	<b>Opening balance</b>	<b>Contributions In</b>	<b>Contributions Out</b>	<b>Closing balance</b>
	£000	£000	£000	£000
<b>General Fund</b>	6,911	0	0	6,911
<b>Earmarked</b>	26,311	110	(1,027)	25,394
<b>Total</b>	<b>33,222</b>	<b>110</b>	<b>(1,027)</b>	<b>32,305</b>

# 2022-23 Tier 2 Savings

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	
	<b>202</b>	<b>202</b>	<b>0</b>	

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)

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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
<b>Grand Total</b>	<b>719</b>	<b>733</b>	<b>14</b>

# Revenue - Community Services (£14k overspend)

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**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

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

# Corporate Services Revenue variances (£24k underspend)

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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
<b>Grand Total</b>	<b>6,844</b>	<b>6,820</b>	<b>(24)</b>

# Revenue - Corporate Services (£24k underspend)

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**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

<b>Corporate Services</b>	<b>Carry forward 2021-22</b>	<b>2022-23 Budget</b>	<b>Total 2022-23 Budget</b>	<b>Full Year Forecast</b>
	£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)
<b>Total</b>	<b>2,320</b>	<b>2,256</b>	<b>(64)</b>

# Revenue - Place Services (£64k underspend)

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- £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)
<b>Grand Total</b>	<b>3,082</b>	<b>3,030</b>	<b>(52)</b>

## Revenue – Technical and Environmental (£52K underspend)

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- 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
<b>Total</b>	<b>536</b>	<b>1,636</b>	<b>2,172</b>	<b>2,172</b>

# Non-Controllable Costs (£0k variance)

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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
<b>Total</b>	<b>(1,005)</b>	<b>(1,005)</b>	<b>0</b>