



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

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

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

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

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)

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)

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