



Budget Monitoring – Period end 31st Dec 2022

O&S

Date 14th February 2023

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.

Recommendations

- Note the projected Outturn.
- Note the Capital Overview.

Outturn for 2022/23 is forecast to be in line with Budget

Projected Revenue Outturn

Service Area	Total Budget	Total Projected Outturn	Variance before EMR	Cont. (from)/to EMR	Variance from Budget	Projected Outturn
	£000	£000	£000	£000	£000	£000
Community Services	719	1,089	370	(250)	120	839
Corporate Services	6,844	7,893	1,050	(961)	89	6,932
Technical & Environmental Services	3,083	1,052	(2,031)	1,741	(290)	2,794
Place Services	2,320	2,410	91	107	198	2,517
Non Distributable Costs	(1,005)	(1,138)	(133)	0	(133)	(1,138)
Net Cost of Services	11,960	11,306	(654)	637	(17)	11,944

Capital Overview

Service Area	C/F Budget 2021/22	2022-23 Budget	Total 2022-23 Budget	2022-23 Forecast	Transfer to/(from) Reserves	Total Variance from Budget
	£000	£000	£000	£000	£000	£000
Community	0	1,817	1,817	728	0	(1,089)
Corporate Services	0	90	90	203	(133)	(20)
Place	0	0	0	0	0	0
Technical & Environment	536	1,636	2,173	1,543	0	(629)*
Total Capital	536	3,543	4,080	2,474	(133)	(1,739)

C/F = Carried Forward

Developer Contribution (S106) projects* paused pending reserves review

Summary Revenue

Revenue

- The council is forecasting an overall underspend of £17k against the 2022-23 revenue budget of £11.96m*.
**the budget included planned Tier 2 savings of £202k.*
- Included in the revenue outturn are £637k net contributions to Earmarked Reserves (EMR)
 - The largest contribution from EMRs is £961k to replace the shortfall in the leisure centre management fee income target. (*Approved at Cabinet October 2021*)
 - A contribution to EMR of £107k represents a payment award from a Health & Safety Fatality Court Case.
 - Developer contributions (S106) to EMR at the end of Q3 total £1.7m









**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	1,848	(1,345)	26,957
Total	33,422	1,848	(1,345)	33,925

£000	Contributions to Reserves	Contributions from Reserves
Developer Contributions	1,726	
Website Development*		(58)
Cyber Grant*		(76)
Leisure Centre Support		(961)
Court Income	107	
Homelessness Support		(250)
Other Deferred projects	15	
Total	1,848	(1,345)

* Capital

2022-23 Tier 2 Savings – 93% expected

SERVICE	BUDGET	FORECAST	RISK	RAG
Corporate Service Restructure	62	60	-2	
Senior Management Team Review	52	38	-14	
Member & Staff Allowances	4	7	3	
Internal Audit	15	0	-15	
Dog Warden Service	3	3	0	
Planning Development	28	15	-13	
Place Service efficiencies	21	49	28	
Technical & Environmental – resource review	17	17	0	
	202	189	-14	

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

Community Services Revenue variances (£120k overspend)

Community Services	2022-23 Budget	Full Year Forecast	Variance before EMR	Cont. (from)/to EMR	Variance from Budget	Outturn Forecast
	£000	£000	£000	£000	£000	£000
Strategic Housing Services	82	178	96	0	96	178
Social Inclusion & Partnership	(26)	226	252	(250)	2	(24)
Housing Needs Service	331	367	36	0	36	367
Private Sector Housing	171	167	(4)	0	(4)	167
Community Safety	161	149	(12)	0	(12)	149
Total Other Budgets	0	2	2	0	2	2
Total	719	1,089	370	(250)	120	839

Revenue - Community Services (£120k overspend)

Community Services is forecasting an overspend of £120k.

- The Community Services budget was supported in 2022/23 with a £250k contribution from reserves – this was part of the Tier 1 savings.
- 4 FTEs have transferred from Business Support (BSU) to Strategic Housing – the £95k overspend is compensated by a corresponding underspend in BSU.

Community Services Capital Projects

£000	Carry forward 2021-22	2022-23 Budget	Total 2022-23 Budget	Total 2022-23 forecast	Variance to Budget	Cont. to/from Reserves
Disabled Facs - Mand	0	867	867	716	(151)	0
Private Sector Renew	0	0	0	12	12	0
Grants for Affordable	0	950	950	0	(950)	0
Total	0	1,817	1,817	728	(1,089)	0

Corporate Services Revenue variances (£89k overspend)

Corporate Services			Variance	Forecast		
	2022-23 Budget	Full Year Forecast	before EMR	Reserves	Variance	Outturn Forecast
	£000	£000	£000	£000	£000	£000
Waste Client Team	(599)	(1,072)	(473)	0	(473)	(1,072)
Leisure Centres	(508)	887	1,395	(961)	434	(74)
5 Council Contract Capita	2,154	2,046	(108)	0	(108)	2,046
Leadership Team	673	762	89	0	89	762
Internal Audit	97	160	63	0	63	160
Legal Services	340	402	62	0	62	402
Revenues & Benefits Court Income	(399)	(443)	(44)	0	(44)	(443)
Waste Contract	1,983	1,955	(28)	0	(28)	1,955
HR Contract	122	148	25	0	25	148
Total Other Budgets	2,980	3,049	70	0	69	3,049
Total	6,844	7,893	1,051	(961)	89	6,932

Revenue - Corporate Services (£89k overspend)

Corporate Services is forecasting an overspend of £89k 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 £961k.
- The Waste Client Team is forecasting an underspend of £473k due to a combination of Client Team efficiencies and increased income from recycling credits. Recycling £ per tonne are monitored but are subject to variation.
- The 5C contract reduction of £100k reflects the transfer of staff from Mendip DC plus a reduction in client team costs.
- An additional £44k Revs & Bens income is forecasted to be collected through the courts.
- The £89k over spend in Leadership Team is due to a number of factors including the renegotiation of the CAB lease, food bank refurbishment and redundancy costs.

Corporate Services Capital Projects

£000	Carry forward 2021-22	2022-23 Budget	Total 2022-23 Budget	Total 2022-23 forecast	Variance to Budget	Cont. to/from Reserves
IT Upgrade	0	90	90	69	(21)	0
Edenbrook	0	0	0	1	1	0
Website Development	0	0	0	58	58	(58)
Cyber Grant	0	0	0	76	76	(76)
Total	0	90	90	203	113	(133)

There are Earmarked Reserves to fund the Website development and the Cyber attack prevention

Place Services Revenue variances (£198k overspend)

Place Services	Variance					
	2022-23 Budget	Full Year Forecast	before EMR	Reserves	Forecast	Outturn Forecast
	£000	£000	£000	£000	£000	£000
Planning Development	137	348	211	0	211	348
Business Support Staff	769	662	(108)	0	(108)	662
Building Control - Fee Earning	(173)	(75)	99	0	99	(75)
Admin Bldgs - R & M	536	609	73	0	73	609
Economic Development	85	34	(51)	0	(51)	34
Environmental Protection	254	215	(39)	0	(39)	215
Planning Policy	315	278	(37)	0	(37)	278
Local Land Charges	(90)	(70)	20	0	20	(70)
Corporate - Apprentices	75	62	(12)	0	(12)	62
Env Health Commercial	180	83	(97)	107	10	190
Total Other Budgets	233	264	31	0	31	264
Total	2,320	2,410	91	107	198	2,517

Revenue - Place Services (£198k overspend)

- An underspend within Economic Development (£51k) 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 surplus of £108k. The costs of this team include staffing and the relevant IT systems. 4 FTEs have moved to Housing which accounts for £95k of the underspend.
- Planning Development overall cost is forecast to be £211k greater than budget. Planning income is variable and dependant on size of scope of planning application – this year it is forecast to be £180k less than budget. There is also a budget pressure of £50k in court fees to enforce planning rules.

(Ex) Technical & Environmental Revenue variances (£290k underspend)

New Service Area	Technical & Environmental Services	2022-23	Full Year	Variance	Forecast		Outturn
		Budget	Forecast	before EMR	Reserves	Variance	Forecast
		£000	£000	£000	£000	£000	£000
Community Place	Grounds Mtn Contract	420	323	(97)	0	(97)	323
Community	Tree Preservation Orders	207	166	(41)	0	(41)	166
Community	Odiham Common	32	4	(29)	0	(29)	4
Community	Off Street Parking	(297)	(321)	(24)	0	(24)	(321)
Community	Highways Traffic Management	(23)	(62)	(39)	15	(24)	(47)
Community	Hartley Wintney Commons	23	2	(21)	0	(21)	2
	Total Other Budgets	2,721	940	(1,781)	1,726	(54)	2,667
	Total	3,083	1,052	(2,031)	1,741	(290)	2,794

Revenue – Technical and Environmental (£290k underspend)

- Grounds Maintenance contract forecast to be £97k lower than budget due to 2021/22 contract cost refund.
- Expenditure in Tree Preservation is forecast to be £41k lower than budget predominantly due to a long term staff vacancy.
- £15k roundabout sponsorship in Traffic Management has been earmarked for reserves.

Technical & Environmental Capital Projects

New Service Area	£000	Carry forward	2022-23	Total	Total	Variance to Budget	Cont. to/from Reserves
		2021-22	Budget	2022-23 Budget	2022-23 forecast		
Community	Fleet Pond Visitor Enhancement	75	31	106	55	(51)	0
	Bramshot Farm	0	340	340	18	(322)	0
Place	Phoenix Green, Hartley Wintney	0	70	70	0	(70)	0
	Mill Corner, North Warnborough	0	27	27	0	(27)	0
	Kingsway Flood Alleviation Sch	0	54	54	0	(54)	0
Community	HW Cent Common Access Impro	80	0	80	0	(80)	0
	Edenbrook CP Play Tree	30	0	30	0	(30)	0
	Edenbrook CP History Walk	20	0	20	0	(20)	0
	Edenbrook CP - Skate/Bike Park	170	0	170	5	(165)	0
	Edenbrook CP - Teen Health	0	65	65	0	(65)	0
	Edenbrook CP - Visitor Improve	0	158	158	5	(153)	0
	Fleet Pond Green Grid	0	373	373	611	238	0
	Fleet Pond Green Ecology	25	25	50	30	(20)	0
	Cove Road Crossing	180	75	255	0	(255)	0
	Countryside Stewardship	0	134	134	96	(38)	0
	Total Other Projects	(44)	285	241	193	(72)	0
	536	1,636	2,173	1,543	(653)	0	