

**East Herts Council Report
Audit & Governance Committee**

Date of meeting: 26 September 2023

Report by: Steven Linnett, Head of Strategic Finance and Property

Report title: Provisional General Fund Revenue & Capital Outturn
2022/23

Ward(s) affected: All

Summary – This report presents the provisional outturn for the General Fund Revenue Budget and the Capital Programme for the 2022/23 financial year. The outturn remains provisional as the figures are subject to external audit.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE

- a) Note the General Fund revenue outturn of £195k overspend to be funded from the General Reserve; and
- b) The Capital Programme was underspent by £14.797m due to slippage caused by various factors, including archaeological finds. Budgets of £12.916 million will be carried forward to the next financial year as a consequence.

1.0 Proposal(s)

1.1 To advise members on the general fund revenue outturn for 2022/23 and provide explanations for significant variances against approved budgets.

1.2 To advise members of the final capital outturn position and the financing arrangements for the 2022/23 capital programme.

2.0 Background

2.1 The 2022/23 budget was approved by Council on 1 March 2022.

2.2 In year budget monitoring and management actions have sought to deliver the Council's plans. Members have been kept updated throughout the year through quarterly budget monitoring reports where significant variances have been reported.

3.0 Reason(s)

3.1 The final outturn for the year, detailed in this report is still subject to external audit. The audit of the 2021/22 accounts is currently being finalised, the audit of the 2022/23 accounts will commence when the 2021/22 accounts is complete, the final audited accounts will be presented to Audit & Governance Committee on completion of the audit.

3.2 An overspend of £195k is reported against the 2022/23 revenue budget. This is summarised in table 1. It is recommended that this is funded from the Councils General reserve.

Table 1: Summarised 2022/23 Outturn Position

	2022/23 Original budget	2022/23 Outturn	Variance
	£'000	£'000	£'000
Net Cost of Services	16,129	16,033	(96)
Corporate budgets	333	(253)	(586)
Net use of reserves	265	(2,618)	(2,883)
Funding	(5,202)	(1,442)	3,760
Council Tax	(11,525)	(11,525)	-
Underspend		195	195

3.3 Details on the significant variance against the 2022/23 Revenue budget are shown in appendix A.

3.4 The progress of the capital programme has been reported to Audit and Governance Committee throughout the year as part of the budget monitoring process. Capital Expenditure in 2022/23 was £15.43m as set out in table 2.

Table 2: 2022/23 Capital Outturn & budget carry forwards to 2023/24

	2022/23 Revised budget	2022/23 Outturn	Variance	Carry forward to 2023/24
	£'000	£'000	£'000	£'000
Land & Buildings	26,561	13,517	(13,044)	11,596
Vehicles & Equipment	1,236	136	(1,100)	1,020
Community Assets	1,759	1,375	(384)	255
REFCUS/CERA	671	402	(269)	45
Total	30,227	15,430	(14,797)	12,916

3.5 An underspend of £14.797m is reported in respect of 2022/23. This is largely due to schemes not commencing as a budget saving measure, or progressing in line with initial expectations or other factors have contributed to delays such as archaeological investigations discovering a large number of burials in Castle Park.

3.6 It is recommended that £12.916m of the budget underspends be carried forward from the 2022/23 to the 2023/24 capital programme. This relates to the slippage of projects against the assumed spend profile as at 31 March 2023. Further details can be found in Appendix B.

3.7 The 2022/23 capital programme expenditure has been financed from the following sources:

Table 3: Capital financing

	£'000
Capital receipts	1,427
Third party contributions	2,207
External borrowing	11,743
Revenue	53
Total	15,430

4.0 Options

4.1 The Executive can choose to fund the overspend from earmarked reserves.

4.2 The Executive can choose not to carry forward capital budgets although this would cause budget shortfalls and overspends on major projects that span financial years. This is not recommended.

5.0 Risks

5.1 There is a risk that the external auditors will require the accounts to be adjusted after audit which may decrease or increase the revenue over spend reported.

6.0 Implications/Consultations

6.1

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

Contained within the body of the report

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Regular monitoring and forecasting of the budget and capital programme are required to ensure that the Council is managing its resources effectively and complies with section 28 of the Local Government Act 2003 and the Council's Financial Procedure Rules.

Specific Wards

Yes/No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – revenue outturn position

7.2 Appendix B – 2022/23 Capital Outturn

Contact Member

Councillor Carl Brittain, Executive Member for
Financial Sustainability

carl.brittain@eastherts.gov.uk

Contact Officer

Steven Linnett, Head of Strategic Finance &
Property

Contact Tel. No. 01279 502050

Steven.linnett@eastherts.gov.uk

Report Author

Alison Street, Financial Planning Manager

Alison.street@eastherts.gov.uk