

REPORT TO EXECUTIVE



DATE	12 th July 2023
PORTFOLIO	Resources & Performance Management
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Final Revenue Outturn Position 2022/23

PURPOSE

1. To report the provisional position on the Council's revenue accounts for 2022/23.

RECOMMENDATION

2. That the Executive Members are requested to recommend that Full Council approve:
 - a) The provisional final position on the Council's revenue account for 2022/23, being a net underspend of £61k which is to be transferred to the Revenue Support Reserve. The projected underspend estimated at quarter 3 budget monitoring was £9k.
 - b) The transfers to/from Earmarked Reserves totalling a net £2.368m increase to reserves *including* carry forward requests subject to approval but *excluding* the recommended Revenue Support Reserve transfer above (see Appendix 2).
 - c) The approval of additional revenue budget carry forward requests from Heads of Service totalling £671k and assumed within the net underspend reported above for presentation purposes only at this time (see Appendix 3).

REASONS FOR RECOMMENDATION

3. To conclude the revenue budget monitoring process for 2022/23 and report the final outturn position as outlined in the Council's Statement of Accounts for 2022/23.

SUMMARY OF KEY POINTS

Revenue Outturn position

4. Members will recall that there were three quarterly budget monitoring reports to the Executive during 2022/23. These reports disclosed that there were anticipated variations in spending and income compared with the revised budget, not least due to the financial impact of the Coronavirus pandemic and cost-of-living crisis. The third and most recent in-year monitoring report to Full Council, in February 2023, estimated a year end underspend of £9k on the revenue account.
5. Available revenue resources as at 31 March 2023 have been confirmed at £17.486m, up from £15.321m approved as part of the original 2022/23 Budget. This net increase is largely due to additional S31 grants received as compensation from Government for lost income relating to additional Business Rate Reliefs made available to businesses in the borough during the year.
6. This has resulted in a re-alignment of budgets at the year-end with a budgeted reduction to net service budgets and increased transfer to reserves to support ongoing commitments into future years (see paragraph 9, Reserve Transfers).
7. The final outturn on the Council's revenue account for 2022/23 has moved from an underspend position of £9k, as estimated in the quarter 3 budget monitoring report, to a year end underspend of £61k (see Appendix 1).
8. Table 1 below shows actual spend compared to budget and the associated variance for each service department.

		Q3 REVISED BUDGET £000	APPROVED BUDGET CHANGES £000	REVISED BUDGET £000	ACTUAL £000	VARIANCE £000
a	Economy and Growth	1,037	-314	723	589	-134
b	Policy and Engagement	1,015	-987	28	-70	-98
c	Management Team	373	18	391	388	-3
d	Sport and Culture Leisure Client	910	110	1,020	1,171	151
e	Green Spaces and Amenities	1,531	-12	1,519	1,484	-35
f	Streetscene	3,523	-264	3,259	3,323	64
g	Housing and Development Control	952	-269	683	878	195
h	Strategic Partnership	4,141	0	4,141	4,210	69
i	Finance and Property	-1,409	-108	-1,517	-1,434	83
j	Revenues and Benefits Client	-1,309	-370	-1,679	-1,605	74
k	Legal and Democratic Services	1,198	-98	1,100	1,054	-46
l	People and Development	225	-11	214	204	-10
m	Central Budgets - Other <i>(includes corporate costs eg utilities, apprenticeship levy)</i>	735	-629	106	-42	-148
	Central Budgets - Savings Targets	-248	-417	-665	0	665
	NET SERVICE BUDGET	12,674	-3,351	9,323	10,150	827
	Pensions	783	1	784	770	-14
	Provisions <i>(Balance to be determined at year end)</i>	0	50	50	-90	-140
	Impairments <i>(Provisions for Bad Debt)</i>	0	-52	-52	-52	0
	Parish Precepts <i>(Disbursement to Parishes)</i>	169	0	169	169	0
	Treasury <i>(Investment Income & Expenditure)</i>	1,660	-160	1,500	828	-672
	Capital Financing	3,675	-331	3,344	3,282	-62
	Earmarked Reserves (to / (from))	-1,603	4,512	2,910	2,971	61
	Strategic Reserves (to / (from))	-2,038	1,496	-542	-542	0
	NET CORPORATE ITEMS	2,646	5,516	8,163	7,336	-827
	Council Tax	-7,480	0	-7,480	-7,480	0
	Parish Precepts <i>(Receipts from Council Tax Payers)</i>	-169	0	-169	-169	0
	Business Rates: Retained Income	-4,513	-431	-4,944	-4,944	0
	Business Rates: S31 Grants <i>(For award of business rates relief)</i>	-1,655	-1,771	-3,426	-3,426	0
	Prior Year Collection Fund (Surplus)/Deficit	1,261	37	1,298	1,298	0
	Revenue Support Grant	-1,700	0	-1,700	-1,700	0
	New Homes Bonus	-576	0	-576	-576	0
	Other Government Grants	-489	0	-489	-489	0
	FUNDING	-15,321	-2,165	-17,486	-17,486	0
	BUDGET BALANCE	-1	0	0	0	0

A summary of the significant variances since quarter 3 is shown in the table below:

	Significant Variances £'000s
Underspends / Increased Income	
Increased Utility costs above forecast	62
Leisure Management Fee (pay award)	47
Net Treasury Management activity	(44)
New Burdens grant (Council Tax Rebate)	(126)

9. Reserves Transfers

The Executive is asked to recommend to Full Council approval of the movements in earmarked reserves being a net overall increase in the year of £2.368m - *excluding* the recommended transfer of the 2022/23 net underspend of £61k but *including* carry forward requests subject to approval of £671k. Additionally, year-end net transfers to reserves in the sum of £1.275m are included within the outturn figure. These adjustments are in addition to any previously approved reserve transfers and contribute to an increase in earmarked and strategic reserves from £23.055m at the start of the year to a year end position of £25.423m.

10. The Covid Recovery reserve was re-designated the 'Covid-19 and Cost-of-Living Reserve' as part of the Q3 Revenue Budget Monitoring cycle, recognising ongoing pressures relating to income and expenditure. Sums originally set aside to help cover any future shortfalls in income or increases in expenditure associated with the pandemic will also be earmarked to support similar challenges linked to the cost-of-living crisis.
11. Carry forwards of £671k have been requested, of which £139k relate to externally funded Covid-19 grant schemes and £140k to other sources of external funding. For all externally funded schemes it has been agreed by the funding provider that unspent monies can be carried forward for spend in 2023/24. The balance of £392k is made up of carry forward requests from the council's revenue budgets – see Appendix 3.
12. A summary of year-end Reserve transfers is attached at Appendix 4.
13. The balance of General Reserves has remained at £1.379m.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. As shown in the body of the report and appendices.

POLICY IMPLICATIONS

15. The provisional outturn position will be reflected in the draft Statement of Accounts which will show the spending by the Council in pursuit of declared objectives in that financial year and the reserves and balances available for future spending. Following a temporary extension to the deadline for production of the draft financial statements for the two-year period 2020/21 and 2021/22 to 31st July each year, there has been a reversion to 31st May 2023 for production of the draft 2022/23 accounts. The Council's draft 2022/23 Statement of Accounts is available for inspection on the website.

The deadline for publishing audited local authority accounts is 30th September 2023. This deadline is expected to remain for at least six years, up to and including completion of 2027/28 accounts.

The draft Statement of Accounts will be subject to audit by the Council's external auditors, Grant Thornton UK LLP. There may be minor adjustments to the figures included within the provisional outturn as a result of the audit. The Accounts will be reported to the Audit and Standards Committee.

DETAILS OF CONSULTATION

16. None.

BACKGROUND PAPERS

17. None.

FURTHER INFORMATION

PLEASE CONTACT:

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