

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	(a) Be entirely within Cabinet's powers to decide	YES	
	Operational	(b) Need to be recommendations to Council	NO	
	None	(c) Be partly for recommendations to Council and partly within Cabinet's powers –	NO	
Lead Member: Councillor Chris Morley E-mail: cllr.chris.morley@west-norfolk.gov.uk		Other Cabinet Members consulted: All Cabinet		
		Other Members consulted: Leader of the Council, Councillor Terry Parish		
Lead Officer: Carl Holland E-mail: carl.holland@west-norfolk.gov.uk Direct Dial: 01553 616432		Other Officers consulted: Senior Leadership Team, Service Managers.		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications YES
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Cabinet Date: 1 August 2023

REVENUE OUTTURN 2022/2023

Summary

The report sets out in summary the revenue outturn for 2022/2023 for the Council. The report shows details of the major differences between actual costs/income compared to the revised estimates for 2022/2023 reported in the January 2023 financial monitoring.

	Original Budget 2022/23 £	Forecast 31 January 2023 £	Outturn 31 March 2023 £
Borough Spend	21,028,070	20,804,310	19,690,449
Financing	(21,555,060)	(21,555,060)	21,601,098
Contribution to earmarked reserves	-	-	1,249,850
Contributions to/(from) General Fund Balance	526,990	750,750	660,799

The accounts show the Borough's spend of £19,690,449, which is £1,113,861 less than the revised position following January's financial monitoring report for 2022/2023 (£1,337,621 less than the original budget as approved by Council in February 2022).

Throughout the year there was significant uncertainty and variation to budget as reported in the budget monitoring report, largely as a result of growing inflation. The Office for National Statistics reported a peak in inflation of 11.1% in October 2022, widely impacting the cost of living for individuals and businesses. This impacted the Councils forecasts for utilities and fleet running costs.

The Council's continuing strategy is to identify budget savings in year, as part of the monitoring process and at year end. Any savings are then transferred to the General Fund Reserve balance for use in future years. As a result consideration has been given to allocating specific funds to provide contingency for known and estimated inflationary increases to the Council. Appendix 2 shows more detail.

The outturn report includes additional transfers of £1,249,850 to earmarked reserves for continued operations and service delivery in 2023/24 and future years. The General Fund Reserve is increased from £8,983,760 to £9,644,559 at the start of 2023/2024 following the contribution from 2022/2023 surplus of £660,799

Recommendation

It is recommended that Cabinet approves:

- 1. The draft revenue outturn position for 2022/2023 (section 2)**
- 2. Review and agree the new transfers to reserves as listed at Appendix 2.**
- 3. Review and agree the amendments to the Earmarked Reserves Policy (Section 4).**
- 4. Agree to extend the Councillors Community Grant Scheme for 2023/2024.**

Reason for Decision

To consider and approve the draft revenue outturn position for 2022/2023 for the Council.

1 Introduction

- 1.1 This report sets out the draft revenue outturn position for 2022/2023, the details of which, once finalised, will be used to inform the Statement of Accounts for the year.

Under Accounts and Audit Regulations 2015, Regulations 14 & 15 and the Local Audit and Accountability Act 2014 we're required to

- Publish draft accounts by 31 May 2023
- Public inspection period to start on or before the first working day of June 2023

The Accounts and Audit (amendment) Regulations 2022 came into force on 22nd July 2022 and revised the statutory deadline for publishing the audited financial statements to 30 September for 2022/23 accounts

The Finance Services function has been working extremely hard to try and comply with the revised deadlines. However, the impact of delays on external audits is affecting numerous authorities nationally.

We are required to make the draft accounts and relevant supporting documentation available for inspection by the general public as set out in the amended regulations. Given that the draft accounts were not published on the due date of 31 May 2023, the statutory inspection period is also delayed. We will make available the accounts and supporting documentation from the first working day following the date of publication of those draft accounts.

We are not yet able to publish our draft accounts for 2022/2023. This is due to ongoing operational and resourcing matters faced by the council alongside resource capacity constraints on the part of the Council's External Auditors (EY LLP) as a consequence of responding to significant delays in the audit of prior year accounts. This has impacted on the completion of the audit of the Statement of Accounts for the year 2019/20 which is currently pending finalisation. Additional ongoing work has been necessary during 2023 to support the auditors with the completion of the 2019/20 accounts and has subsequently contributed to a delay in the production of the 2022/23 draft Statement of Accounts in accordance with the published deadlines. It has been agreed with the external auditors that resources are phased towards the audit of each set of accounts focusing on the most overdue first, for the accounting periods outlined below. This is expected to reduce the cumulative impact on resources of completing accounting statements in the absence of audited accounts from prior periods.

2 Outturn 2022/2023

2.1 The following table shows:

- the approved budget for 2022/2023 as approved by Council on 23 February 2022.
- Revised budget as reported in the January 2023 Monitoring Report, published 31 March 2023.
- The draft outturn position for 2022/2023
- The surplus/deficit column shows the variance comparing January 2023 monitoring position to the draft 2022/2023 outturn position.

	Approved by Council 23 Feb 2022	Jan-23 Monitoring & Budget Reallocations	Draft Outturn	Revised (Surplus) / Deficit	
	2022/2023	2022/2023	2022/2023	2022/2023	
	£	£	£	£	
Central Services	3,186,180	3,036,890	3,012,387	(24,503)	3.1
Corporate	1,953,220	2,010,650	1,999,917	(10,733)	
Health, Wellbeing and Public Protection	2,175,870	2,249,460	2,101,383	(148,077)	3.2
Environment & Planning	1,630,900	1,216,500	1,165,250	(51,250)	3.3
Operations & Commercial	1,174,410	1,472,385	1,188,984	(283,401)	3.4
Programme and Project Delivery	234,530	50,050	24,042	(26,008)	3.5
Property & Projects	(1,292,630)	(1,394,370)	(1,423,295)	(28,925)	3.6
Regeneration, Housing & Place	867,590	932,110	715,520	(216,590)	3.7
Resources (S151 Officer)	6,028,840	6,291,005	5,972,237	(318,768)	3.8
Chief Executive	101,300	86,970	86,026	(944)	
Legal Services	486,440	547,300	479,351	(67,949)	3.9
Leisure & Community Facilities	926,370	1,322,250	1,617,481	295,231	3.10
Service Area Totals	17,473,020	17,821,200	16,939,283	(881,917)	
Financing Adjustment	545,830	(26,110)	(264,357)	(238,247)	3.12
Internal Drainage Boards	3,009,220	3,009,220	3,015,523	6,303	
Council Tax Support to Parishes	0	0	0	0	
Subtotal	21,028,070	20,804,310	19,690,449	(1,113,861)	
Contribution to earmarked reserves	0	0	1,249,850	1,249,850	
Contribution to / (from) General Fund Balances	526,990	750,750	660,799	(89,951)	
Borough spend for 2022/2023	21,555,060	21,555,060	21,601,098	46,038	
<i>Funded by:</i>					
Other Government Grants	(629,760)	(629,760)	(675,811)	(46,051)	3.13
Revenue Support Grant	(647,530)	(647,530)	(647,525)	5	
Rural Service Delivery Grant	(485,690)	(485,690)	(485,686)	4	
New Homes Bonus	(589,610)	(589,610)	(589,606)	4	
Business Rates	(11,845,070)	(11,845,070)	(11,741,599)	103,471	3.14
Council Tax	(7,332,400)	(7,332,400)	(7,332,395)	5	
Council Tax Surplus	(25,000)	(25,000)	(128,476)	(103,476)	3.15
	(21,555,060)	(21,555,060)	(21,601,098)	(46,038)	
Funding Position	0	0	0	0	

- 2.2 Over the year ending 31 March 2023, service managers have continued to look for opportunities to produce in year budget savings. These savings have been reported as part of the monthly monitoring process.
- 2.3 The budget approved by Council in February 2022 included a transfer to General Fund Reserve Balances of £526,990. This was forecast in the January 2023 Monitoring Report to increase to £750,750 contribution to the General Fund Reserve. At the conclusion of year-end and in light of the emerging increased levels of inflation, additional contributions have been made to earmarked reserves to support the 2022 – 2027 Financial Plan. These amount to £1,239,040 and are detailed in Appendix 2 to this report. The notes in section 3 of this report detail the movement from the reported position in January 2023 to the outturn position resulting in £671,608 to be carried forward to the General Fund Reserve thereby increasing the General Fund Reserve from £8,983,760 to £9,655,368.
- 2.4 The 2022/2023 outturn is within the original approved budget set by council in February 2022 and allows the Council to set aside funds for future demands in addition to carrying forward a General Fund Reserve balance that is higher than originally estimated. However, it should be noted that, due to uncertainty on the increasing rate of inflation and any proposal to reform Local government funding there will be ongoing funding uncertainty for Local Government future year budgets as well as the council's financial position throughout 2023/2024. The situation will be closely monitored and reported accordingly to inform on any decisions that may be required.

3. Major differences between the revised estimates and the actual costs

The following pages show the major differences between the revised estimates and the actual costs. Under each budget heading the format shows "Movements to be explained", which are outlined as major variances and explained in the narrative that follows.

Detailed transfers between reserves

Appendix 2 sets out proposed transfer to reserves for continued operations as mentioned in paragraph 2.3.

Projected Movements in General Fund Balances	2022/23 £
Balance brought forward 1st April 2022	8,983,760
Contribution to/(from) Balances	660,799
Projected General Fund Balance 31st March 2023	9,644,559

The Financing Adjustment includes a charge for Minimum Revenue Provision funding of unsupported borrowing and receipts for interest from Capital loans. These items deal with accounting requirements that show capital items being recorded as revenue spending. There is no impact on the accounts of the Council or Council Tax as the charges are reversed out as part of the Financing Adjustment. Appendix 3 provides a further explanation.

3.1 CENTRAL SERVICES – Surplus £24,503

Movements to be explained:		£
1	Councillors Some additional costs of remuneration to councillors have been offset by a reduction in costs of travel and training in year	(4,052)
2	Elections The savings in election costs during the year came from stationery, postage and room hire	(8,915)
3	Democratic Services This underspend is made up of a number of minor underspends across the following service areas: <ul style="list-style-type: none">• Member Services• Civic Functions• Democratic Events	(11,767)
4	Other minor variances	232
Surplus		(24,503)

3.2 HEALTH WELLBEING & PUBLIC PROTECTION – Surplus £148,077

Movements to be explained:		£
1	<p>Community Safety & Neighbourhood Nuisance (CSNN) <u>Environmental Protection and Investigations</u> Duplicated budget amendment resulting in a favourable variance (£54k). Vehicle and equipment budget not required in year (£17.5k). Other minor variances such as reduced travel costs, drainage works, external support.</p> <p><u>Community Safety</u> Reduced expenditure towards financial assistance grants (£9k) and other minor variances.</p>	(94,196)
2	<p>Corporate Health & Safety This is mainly due to a small increase in equipment costs.</p>	6,577
3	<p>Financial Assistance Funding of Financial Assistance support and income from West Norfolk Wins resulted in a small favourable variance.</p>	(2,249)
4	<p>Food Hygiene - A reduction in the volume of export licence fees of £13.8k was offset by salary savings due to grant income from DEFRA resulting in an underspend (£21k) along with other minor variances.</p>	(8,053)
5	<p>Housing Standards – Additional income in relation to penalty fees following enforcement activity</p>	(45,625)
6	<p>Other minor variances</p>	(4,531)
Surplus		(148,077)

3.3 ENVIRONMENT AND PLANNING – Surplus £51,250

Movements to be explained:		£
1	Community Infrastructure Levy Budget amendment error resulting in residual budget not required. To be corrected going forward.	(27,620)
2	Development Control Planning income has increased over the forecast by (£23k) which may partly relate to a rise in stamp duty relief thresholds. Increase in subscriptions £5k	(12,302)
3	Emergency Planning This is mainly due to continued reduction in spend against training and travel allowances along with other minor variances	(13,252)
4	Local Land Charges Savings on staffing costs (£14k) and an increase in income arising from variations in demand over previous years (£16k).	(30,455)
5	Planning Policy £30k is in relation to increased planning inspectorate costs relating to the local plan following use of all remaining reserve of £86k. The remainder is from other minor variances.	38,421
6	Pollution Monitoring Repairs and replacement of ageing monitoring equipment did not occur this year resulting in savings (£20k). This will be reviewed for 2023/24. The remainder is made up of other minor variances in relation to staffing, supplies and services and grant income.	(17,520)
7	Public Health Payment for service provision to The Benjamin Foundation.	10,000
8	Other minor variances	(1,478)
Surplus		(51,250)

3.4 Operations and Commercial – Surplus £283,401

Movements to be explained:		£
1	<p>Carparking King's Lynn and West Norfolk The bus station has seen an increase in rates and utility costs of £20k as well as a reduction in rental income of £6k.</p>	25,885
2	<p>Carparking Shared Services Additional income (£53k) has arisen from a VAT reclaim relating to prior years. There have also been higher receipts from providing services to third parties (£73k). The difference is from other minor variances.</p>	(127,410)
3	<p>CCTV This is additional one off third party receipts</p>	(14,668)
4	<p>Crematorium and Cemeteries Savings in repairs and maintenance costs in cemeteries and churchyards (£14.2k) Mintlyn Crematorium has seen a reduction in rates (£8.6k) offset by a reduction in income from music provision £8.2k the remainder is from other minor variances.</p>	(15,460)
5	<p>Depots Parks, Sports & Open Spaces The volume of tree works has significantly increased resulting in additional costs of £135k. The management of trees is currently under review. This is partly offset by a reduction in costs of seasonal staff (£19k) and grounds charges (£9k) and other minor variances across the service.</p>	92,113
6	<p>Public Conveniences This is mainly reduction in costs from water and drainage rates (£17.8k). The remainder is minor variances across the service.</p>	(21,906)
7	<p>Refuse & Recycling An Added Years Pension credit (£54k) has been received. Additional net income achieved from trade refuse (£19k), domestic refuse (£12k), recycling trade (£35k) and a payment following a contractual adjustment for Managed Recycling Facility (MRF) (£65k). Other savings have been achieved against cost of collections (£14k) and contracted services (£31k). The remainder is from other minor variances.</p>	(241,449)
8	<p>Resort This is mainly from an increase in material costs for the sports ground of £8.4k and rental increases in trading operations of £6.8k offset by other minor variances.</p>	12,059
9	<p>Other Minor Variances</p>	7,435
Surplus		(283,401)

3.5 Programme and Project Delivery - Surplus £26,008

Movements to be explained:		£
1	<p>Corporate Projects (Includes Procurement, Corporate Project Manager, Active Connectivity and Local Authority Housing Fund)</p> <p><u>Corporate Project Manager</u> Combined variance of (£21k) on salary costs following budget re-allocations. There is also a variance of £44k against a legacy budget which needs removing which has had no income allocated to it in current or previous years.</p> <p><u>Active Connectivity</u> Late budget re-allocation of £39k for professional fees was put through, however this cost centre is fully funded therefore this budget was not required. The remainder is from other minor variances.</p>	(9,868)
2	<p>Housing Subsidiaries (Includes West Norfolk Housing Company Ltd (WNHC) and West Norfolk Property Ltd (WNP). All expenditure on these cost centers is recharged back to the companies)</p> <p><u>WNHC</u> Budget adjustments should have included recharge budget – this resulted in (£8k) variance</p> <p><u>WNP</u> Receipts received from the lease of properties to WNP exceeded budget by (£10k). Remainder is other minor variances.</p>	(16,139)
Surplus		(26,008)

3.6 Property and Projects – Surplus £28,925

Movements to be explained:		£
1	General Properties £13.5k expenditure incurred in connection with fitting out the old HSS Hire building for provision of local food support in response to the COL crisis. This is offset by minor favourable savings across service.	3,667
2	Industrial Units (£98.5k) increase in rents from Hardwick Industrial Estate (including backdated rent for rent reviews processed late in the year). Additional rental income (£53k) across other units. Additional income from service charges (£11k). Savings on NNDR (£22k) for vacant properties. Savings on utility costs across units (£8.5k). Other minor variances including increased cleaning costs, energy certificate cost, reduced insurance costs across all units.	(195,892)
4	Innovation Centre (£52k) additional income as a result of prompt re-letting. Other savings achieved from business rates refund (£8k), vending machines reduction in running costs (£10k) and (£13.5k) less spend on telephones contract. Other minor variances make up the difference.	(80,784)
5	Arts Centre Replacement of equipment following electrical/safety testing of stage equipment as deemed to be unsafe £27k. Without this equipment being replaced, no shows would have been able to have been put on at the Arts Centre. Other minor variances make up the difference.	35,389
6	Offices £81k reduction in rent and service charges from third parties, due to decrease in floor area issued at the back end of the financial year. £10k unbudgeted expenditure on screens to following Covid. £10k overspend on tools and equipment. Remainder is small variances.	102,519
7	Shops & Offices £113.5k less income realised from Vancouver Centre due to ongoing issues with the negotiations. £29.5k less rent due to backdated rent-free period & rent reduction agreed late in financial year, offset by service charge income of (£11.5k). Remainder is from other minor variances.	133,366
8	Street Lighting (£10k) less expenditure on repairs and maintenance than expected; these are always very volatile, as they are reactive and hard to predict. Other minor variances including utility costs savings.	(15,878)
10	Other minor variances	(11,312)
Surplus		(28,925)

3.7 Regeneration, Housing and Place – Surplus £216,590

Movements to be explained:		£
1	<p>Economic Regeneration A transfer to reserves has been requested for both the Business Development and Start Up Programme totalling (£35k) due to a delayed start of these projects (See appendix 2).</p> <p>There were a number of budget re-allocations totaling (£56.5k) which were not required.</p> <p><u>Heritage Action Zone</u> - Variance of (£15k) on Grant income received</p> <p><u>Investment & Place</u> - Underspend (£8.5k) on Mayors Awards. Budget to be reviewed.</p>	(117,408)
2	<p>Guildhall & Arts Following funding applications there was a consolidation of unused Tourist Information Centre budgets to provide a fund for promotional activities at the Guildhall. Spend for year was much lower than anticipated due to a delay in activities being arranged (£73k). Unbudgeted grant income was received resulting in a favourable variance of (£35.5k). Other minor variances make up the difference.</p>	(104,415)
3	<p>Housing Strategy <u>Enabler Role</u></p> <p>Late budget re-allocation put through – this was not sufficient to cover salary/recruitment costs, resulting in a variance of £27.8k</p> <p>Remainder is immaterial variances across multiple cost centres.</p>	34,387
4	<p>Museums Variance of £5.7k on miscellaneous insurance recharge.</p>	5,540
5	<p>Regeneration Projects Variance of (£8k) on regeneration repairs and maintenance costs. Remainder is made up of minor variances.</p>	(10,559)
6	<p>Tourism Variance totaling (£9k) across various cost centres for marketing expenditure. The publishing/printing/distribution costs of the KL Magazine came in lower than anticipated (£7.5k). Variance made up of minor variances.</p>	(22,010)
7	<p>Other minor variances</p>	(2,125)
Surplus		(216,590)

3.8 Resources – Surplus £318,768

Movements to be explained:		£
1	ICT Savings on software/hardware (£44k). Increased spend on mobile top up/telephones/internet £25k. Recovery of costs increased by (£18k)	(34,020)
2	Financial Services Cost of additional external support for finance system	12,851
4	Corporate Costs & Provisions Underspend on added years pension costs (£8.5k), computer equipment (£10k), plus additional grant funding for audit costs (£17k). Underspend on bank charges (£8k). Saving against Corporate overtime budget (£45k) and recruitment budget (£56k) where some costs have been absorbed in service areas. Bad debt provision reduced therefore positive impact on revenue (£284k)	(397,214)
5	Revenues & Benefits The direct cost of postage has increased in relation to council tax billing more than budget £67k, Housing Benefit overpayments written off £45k	116,083
6	Special Expenses Underspend arising from continued occupancy of BC staff at South Lynn Community Centre. See appendix 2 for request to transfer to reserve for future use.	(10,810)
7	Other minor variances	(5,658)
Surplus		(318,768)

3.9 Legal Services – Surplus £67,949

Movements to be explained:		£
1	Legal Services Variance of (£34k) on contracted services – this relates to the SLA provision supplied by Eastlaw coming to an end. Remainder made up of minor variances.	(33,121)
2	Licenses Accumulated variance totaling (£37k) across license income, of which (£17k) is attributable to premises licenses. Remainder is minor variances.	(34,827)
Surplus		(67,949)

3.10 Leisure and Community Facilities – Deficit £295,231

Movements to be explained:		£
1	<p>Town Hall, Stories of Lynn and Custom House <u>Stories of Lynn</u> Variance of £37k on professional fees – late invoice impacted on calculation of budget re-allocation. Other minor variances make up the difference.</p>	35,302
2	<p>Community Centres <u>South Lynn Community Centre</u> Variance of £10k on Special Expenses – only 70% of the budgeted amount was allocated to SLCC, this is because 30% of the building is currently occupied by BC staff. Variance of £7k on Awn staffing recharge due to pay award as well as additional casual staffing hours required in the year. Other minor variances make up the difference.</p>	17,148
3	<p>Leisure The majority of the variance on Leisure is attributable to utility costs (£53k on electricity, £65k on gas). Utility costs have been difficult to budget for 22-23 because of increasing costs and also budgeting accurate usage levels, as the past few years being affected by Covid restrictions and closures. There is a request for a reserve (£24k) which relates to insurance proceeds from 2018 to repair the group fitness floor after flood damage. The floor dried out and did not require replacing, therefore request that the proceeds be used for future use for capital works.</p>	74,746

Movements to be explained:		£
	Management	
	<p>During Covid, the Council set up a £2.9million grant facility for Alive West Norfolk to help aid and limit the impact of the restrictions/closures imposed by the pandemic.</p> <p>Alive West Norfolk initially received a drawdown of £1.2million from the grant facility, which alongside Government grants/assistance, helped support operations over both 20/21 and 21/22.</p> <p>Due to the conditions attached to the grant facility, any surplus grant unused at year ended 31 March 2022 was required to be repaid to the Council. This resulted in a repayment of £385,000 from Alive West Norfolk, meaning that of the earmarked £2.9m they utilised £815,000.</p> <p>Alive West Norfolk have also been impacted by the Cost-of-Living crisis, as well as increasing inflation. As Alive West Norfolk follows the Councils lead regarding pay awards, the Cost-of-Living increase alone equated to £158k in excess of the original budget.</p> <p>For 22/23 there is a total deficit on Alive West Norfolk totalling £169k. As the grant facility has expired, Alive West Norfolk is unable to access any of the financial assistance previously made available. The proposed Management Fee payable to the Council for 22/23 was £345k, due to the deficit not being able to be funded by the grant facility, it has been requested that the Management Fee is reduced to accommodate this.</p>	
5		162,260
	Deficit	295,231

3.12 Financing Adjustment – Surplus £238,247

The Capital Programme incurred less spend than budgeted for the 2021/22. For this reason the variance to figures budgeted for “Unsupported Borrowing” and “Interest recharged” to Capital is lower than expected by £238k.

3.13 Grants

Each authority in England received a share of the accumulated surplus held in the business rates levy account from the Department for Levelling Up, Housing & Communities. This was announced at the Local Government Finance Settlement in February 2023.

Other Government Grant received	Amount
Business Rates Levy Surplus Grant	£46,052
Total	£46,052

3.14 Business Rates

The Retained Business Rate (NNDR) Collection Fund account had a residual surplus of £3,172k overall at the end of 2022/2023, the Council's share being £1,287k. Any residual deficit on business rates would be recovered in subsequent years and any surplus is placed in a reserve to offset any impact in future years.

3.15 Council Tax

The Council Tax Collection Fund account has a residual surplus of £134k overall at the end of 2022/2023, with the Council's share being £14k. This will be distributed in subsequent years to the Council and other precepting authorities.

3.16 Turnover Saving

The budget for turnover savings is based on the savings anticipated in the time it takes to recruit to a vacant position following an employee leaving. Savings in some posts cannot be achieved due to the critical need to have that post filled promptly to maintain timely service provision. As a result, savings are offset by cost of temporary staff, overtime and costs of recruitment. The budgeted turnover saving for 2022/2023 is £550,000. On 1 December 2022 the Council took a decision to finalise its pay award to its employees and agreed to use reserves to fund the cost if necessary. The net effect is a shortfall of £218k compared to the original budget, which has been funded by a combination of underspends and the use of reserve approved by Council on 1 December 2022.

	Approved Budget	Actual	Approved Variance
	£	£	£
Salaries	19,467,060	18,512,500	(954,560)
Recruitment	3,640	136,802	133,162
Consultants Fees	18,260	32,231	13,971
Professional Fees	345,370	616,581	271,211
Agency Fees	250,470	285,437	34,967
Other Employee Service Costs	0	32,470	32,470
See Note below	0	137,000	137,000
Cost Total	20,084,800	19,753,021	(331,779)
Turnover Saving	(550,000)	0	550,000
Total including Turnover saving	19,534,800	19,753,021	218,221

Notes to table:

- a) Bio-diversity Task Group £37k agreed at Cabinet 15 March 2022.
- b) Tourism Working Group £20k agreed at Regeneration and Development Panel 8 November 2022.
- c) Resource costs to manage and deliver funds and grants in respect of the Rural England Prosperity Fund £80k.

4. Amendments to the Earmarked Reserves Policy

The Council's policy on earmarked reserves states that the maximum balance to be held in each policy area is:

Reserves Policy Area	Balance as at 31 March 2023 £'000	Current maximum balance to be held £'000	Proposed new maximum balance to be held £'000
Amenity Areas	36	300	300
Capital Programme Resources	5,491	9,000	8,500
Educational Skills Attainment	677	1,100	1,100
Insurance Reserve	202	300	300
Restructuring Reserve	300	1,000	800
Repairs and Renewals Reserve	1,840	2,000	2,000
Holding Accounts	2,928	2,600	3,000
Ring Fenced Reserves	4,236	4,200	4,300
Climate Change Strategy	1,095	1,250	1,250
Planning Reserves	443	800	800
Grants Reserves	4,562	4,800	4,800
Collection Fund Adjustment Reserve	6,552	11,500	11,500
Projects Reserve	4,309	4,200	4,400
Other Total	140	500	500
	32,811	43,550	43,550

It is proposed to amend the earmarked reserves policy balance as follows:

- Ring-fenced reserves to increase from £4,200,000 to £4,300,000
- Capital Programme Resources reserves to decrease from £9,000,000 to £8,500,000
- Restructuring reserve to decrease from £1,000,000 to £800,000
- Projects Reserve to be increased from £4,200,000 to £4,400,000
- Holding Accounts to be increased from £2,600,000 to £3,000,000

5. General Fund Working Balance

The reduction in spend against the revised budget for 2022/2023 results in a revised balance of the General Fund Reserve as at 31 March 2023 of £9,644,559. (£8,983,760 as at 31 March 2022).

As per the Financial Plan 2022 - 2027 the Council is forecast to fund the budget by using General Fund Reserves balances over the next 4 years. Estimates are subject to change from increasing impact of inflation on the council and any announcements on changes in Government funding.

6. Policy Implications

None

7. Statutory Considerations

The external audit of the accounts for 2022/2023 will not be completed by 30 September 2023. The Council continues to work with Ernst & Young, the council's external auditor, in respect of the completion of the 2019/2020 audit. The audit of accounts for 2020/2021 and 2022/2023 will subsequently follow.

8. Consultations

Finance Portfolio Holder
Management Team
Service Managers

9. Access to Information

Council Agenda/Minutes
Council Financial Plan 2022 – 2027
Monthly Monitoring Reports 2022/2023

Monitoring report budget adjustments 2022/2023

Appendix 1a

Month	Detail	£
	2022-23 Approved Budget to General Fund	(526,990)
Jun-22	Central Services	7,250
	Health Wellbeing and Public Protection	21,490
	Environment and Planning	2,300
	Operations and Commercial	(16,510)
	Property and Projects	15,711
	Regeneration Housing & Place	2,210
	Resources	(82,747)
	Leisure and Community Facilities	32,486
Jul-22	Operations and Commercial	50,000
	Property and Projects	19,760
	Resources	37,130
Aug-22	Health Wellbeing and Public Protection	12,000
	Legal	(23,810)
	Environment and Planning	11,810
	Operations and Commercial	(1,800)
	Regeneration Housing & Place	(1,200)
	Resources	24,890
Sep-22	Programme and Project Delivery	2,290
	Environment and Planning	2,800
	Operations and Commercial	182,110
	Property and Projects	157,250
	Regeneration Housing & Place	1,780
	Resources	46,920
	Leisure and Community Facilities	50,430
Oct-22	Central Services	12,140
	Health Wellbeing and Public Protection	(50,220)
	Programme and Project Delivery	(19,840)
	Environment and Planning	(146,630)
	Operations and Commercial	53,530
	Property and Projects	(75,430)
	Regeneration Housing and Place	35,650
	Resources	50,970
	Leisure and Community Facilities	449,500
Jan-23	Central Services	70,370
	Health Wellbeing and Public Protection	22,620
	Programme and Project Delivery	(249,060)
	Legal	52,420

Month	Detail	£
	Environment and Planning	(283,740)
	Operations and Commercial	126,228
	Property and Projects	(149,460)
	Regeneration Housing and Place	(9,880)
	Resources	12,838
	Leisure and Community Facilities	(108,380)
	Financing Adjustment	(571,940)
Draft Outturn 2022/2023	Central Services	(24,503)
	Corporate	(10,733)
	Health Wellbeing and Public Protection	(148,077)
	Programme and Project Delivery	(26,008)
	Environment and Planning	(51,250)
	Operations and Commercial	(283,401)
	Legal	(67,949)
	Property and Projects	(28,925)
	Regeneration Housing & Place	(216,590)
	Resources	(318,764)
	Chief Executive	(944)
	Leisure & Community Facilities	295,231
	Financing Adjustment	(238,247)
	Internal Drainage Boards	6,303
	Government Grants	(46,038)
Draft Outturn 2022/2023 proposed amount to be transferred to General Fund Balance		(1,910,649)
Contribution to Reserves		£
Contributions from Balances		660,799
Proposed Additional Reserve Transfers		1,249,850
		1,910,649

Additional Transfers to Reserves as at 31 March 2023**Appendix 2**

As a result consideration has been given to allocating specific funds to provide contingency for known and estimated inflationary increases to the Council as follows:

Service Head	Service	Description	Amount to Reserve £
Central Services	Personnel Services	Contingency for Alive West Norfolk Pay Award	245,000
Central Services Total			245,000
Chief Executive	Councillors Community Grant	Continuation of Councillors Community Fund in 2023/24	55,000
Chief Executive Total			55,000
Regeneration, Housing & Place	Economic Regeneration	Start-up Programme – delayed start in setting this up - will commence in 2023/2024	20,000
	Economic Regeneration	Business Advice Services - delay in setting this up - will commence in 2023/2024.	15,000
Regeneration, Housing & Place Total			35,000
Environment and Planning	Flood Defence	Repair works sea defenses - Hunstanton 2023/2024.	5,000
	Flood Defence	Geotechnical Survey and Report and some repair works	140,000
	Flood Defence	Coastal erosion	110,000
Environment and Planning Total			255,000
Operations & Commercial	Crem & Cemeteries	Crematoriums reline due in 2025/26	250,000
	Parks, Sports Grounds & Open Spaces	Purchase of smaller grounds maintenance equipment for restricted access areas	80,000
	Parks, Sports Grounds & Open Spaces	Tree Surgery – ongoing demand issues	140,000
Operations & Commercial Total			470,000
Resources & Section 151	Corporate Insurance	Insurance revaluations being undertaken in 2023/24	10,000
	Special Expenses	Underspend from 2022/2023 to fund future King's Lynn Area Consultative Committee activities	10,810
Resources & Section 151 Total			20,810
Leisure and Community Facilities	Leisure	Request for insurance proceeds to be transferred to reserve for use against capital improvements	24,040
Leisure and Community Facilities Total			24,040
Property & Projects	Property Services	North Promenade cliff erosion repairs	45,000
	Property Services	Removal of Tosca Barge (Health & Safety)	100,000
Property & Projects Total			145,000

Service Head	Service	Description	Amount to Reserve £
Grand Total			1,249,850

- **Unsupported Borrowing**

A form of capital finance funded by revenue either by increased income or a reduction in costs. There is no Government grant to support this form of funding.

- **Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

Capital expenditure that does not result in a new or enhanced asset in the Authority's accounts. An example is Disabled Facilities Grants made to individuals. These are charged to the Income and Expenditure Account and reversed out as part of the Financing Adjustment.

- * **Minimum Revenue Provision (MRP)**

The Council is required to pay off an element of its underlying need to borrow (the Capital Financing Requirement) each year through a revenue charge (MRP).

A variety of options for MRP calculation are available to councils, so long as there is a prudent provision. The Council uses the Asset Life Method as set out below.

Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations which provides for a reduction in the borrowing need over approximately the asset's life.