

1. Executive Summary

This report is the final report for the financial year 2022/23 and outlines the outturn position for revenue (including overall delivery on savings, transformation, and additional income plans), capital, and reserves.

a. Revenue Budget

After accounting for all service expenditure and contingencies the final outturn position is £6.6m against a net budget of £9m. This gives a £2.4m underspend which represents a favourable variance.

Table 1 provides a summary of budget, projections, and variances on a service-by-service basis with further detail and mitigations that were taken by the responsible director outlined in the body of the report.

The significant variances were:

- **Housing, Health and Welbeing** has an underspend of £2.3m against their budget (26% of service budget). The deterioration mainly relates an underspend on grants issued £1.6 and increased grant income of £1m.
- **Legal and Governance** Increased pension costs.
- **Net Interest Receivable** Decrease in interest paid of £0.9m and increased investment return £0.4m.

c. Capital Programme

The year-end position of the Council's capital programme saw expenditure of £10.9m against an overall budget of £8.6m, giving an in-year variance of £2.3m. The Capital Programme for Somerset Council was based on the predicted outturn as at quarter 2 for all Somerset Authorities. Appendix 3c outlines the 2022/23 budget with the final expenditure for 2022/23 shown against each project and a request if needed to carry forward some or all of the remaining budget into 2023/24 along with the financing requirement. Detail of the reasons behind the variances can be found within the capital programme section of this report.

2 Background

Full Council approved the revenue budget of £3.8m for 2022/23 in February 2022. Budget monitoring is delegated to Executive and Scrutiny and revenue service reports have been presented regularly with a full overview of revenue and capital quarterly. This report outlines the final year-end position of services against the 2022/23 budget of £9m (the current budget includes carry forwards and reserve movements) as at the end of March 2023.

Revenue Budget

5. Final Outturn Position

Table 1 shows the final outturn position against the current budget.

Actual Spend		Original Budget	Revised Budget	Actual Spend	Variation
2021/2		2022/2	2022/2	2022/2	
2		3	3 at 31st March	3	
£'000		£'000	£'000	£'000	£'000
863	Chief Executive	1,297	1,539	1,621	82
888	Customer Access	272	587	823	236
6,259	Environment & Regulation	7,759	8,026	7,787	(239)
709	Finance & Property	2,397	2,003	1,970	(33)
2,920	Housing Health and Wellbeing	5,084	8,859	6,539	(2,320)
1,525	Inward Investment & Growth	2,256	3,014	2,950	(64)
2,839	Legal & Governance	2,492	2,484	4,408	1,924
(1,327)	Central Support	0	196	0	(196)
14,676	TOTAL	21,557	26,708	26,098	(610)
2,916	Parish Precepts	3,104	3,104	3,104	0
1,674	Drainage Board Levies				0
(3,088)	Trading Accounts	(2,711)	(2,644)	(2,655)	(11)
(1,605)	Net Interest Receivable and similar	(511)	(541)	(1,881)	(1,340)

14,573	Net Operating Expenditure per the Income and Expenditure Account	21,439	26,627	24,666	(1,961)
(9,748)	Council Tax	(10,823)	(10,823)	(10,823)	0
(3,725)	Formula Funding	(3,982)	(3,982)	(3,982)	0
991	Business Rates Retention	(1,813)	(1,813)	(2,292)	(479)
(1,107)	Government Grants	(990)	(990)	(990)	0
984	Deficit for the year on the Income & Expenditure Statement	3,831	9,019	6,579	(2,440)
(4,519)	Transfer to/from earmarked reserves	(6,079)	(6,698)	(2,488)	4,210
386	Transfer to/from earmarked reserves - MTFP	(905)	(4,357)	(341)	4,016
3,149	Direct Revenue Funding, Minimum Revenue Provision, Premium & Discounts	3,153	2,036	(3,750)	(5,786)
0	Transfer (to)/from balances	0	0	0	0
(1,500)	Opening Balances	(1,500)	(1,500)	(1,500)	0
0	Transfer (to)/from balances	0	0	0	0
(1,500)	Closing Balances	(1,500)	(1,500)	(1,500)	0

6. Carry Forward Requests

There are no Revenue carry forward requests

7. Impact on General Fund Reserves

General Fund Revenue Opening Balance £000's	£28,522
Movement £'000's	£2,829
Closing Balance £000's	£25,693

A list of Sedgemoor District Council Reserves is attached at Appendix 3b

8. Reserves Outturn Position

The Council holds reserves in two forms:

- The General Fund to mitigate against unforeseen spends or major unexpected events
- Earmarked Reserves held for specific purposes and to mitigate against future known or predicted liabilities and resilience.

There is no formal guidance that sets appropriate levels of reserves although general practice is to set General Fund Reserves at a minimum of 5% of the net budget. This would be approximately £0.5m. However, a more refined assessment was made taking into account sensitivity analysis and risks to the budget that set a range for General Fund Reserves of £1.5m for 2022/23.

If Members approve the contribution approved legacy General Fund Reserves to be carried forward to Somerset Council will be £24.2m for 2023/24. A summary of the overall position has been outlined in the overview report. The position of all Earmarked Reserves is outlined in Appendix 3b.

9. Capital Outturn Position

The year-end position of the Council's capital programme saw expenditure of £10.9m against an overall budget of £8.6m, giving an in-year variance of £2.7m. Somerset Council set the capital programme in February 2023 based on quarter 2 predictions. A number of projects have since been added and amended in quarter 3 and quarter 4 and members are requested that these are added to the Somerset programme:

General Fund	Original Budget 2022/23	Revised Budget 2022/23 at 31st March	Actual Spend 2022/23	Variation
Corporate Priority	£'000	£'000	£'000	£'000
Customers and efficiency				
CCTV digitisation	0	14	3	(11)
CAP new revenues and benefits system	252	90	158	68
Bays and replacement sluice gates	0	70	44	(26)
New recycling containers	279	198	198	0
Brean beach hut	0	12	0	(12)

Bridgwater House refurbishment	201	112	98	(14)
Asset management	0	0	5	5
Convert street lighting to LED	0	29	7	(22)
Northgate Yard regeneration project	5,288	6,802	5,811	(991)
Vehicle replacement	321	485	424	(61)
Removable barriers for Bridgater Fair	35	28	28	0
Electric vehicle charging points	408	408	27	(381)
Changing places toilets	100	200	0	(200)
All terrain wheelchairs	50	0	0	0
Asset management - Crosses Pen toilets	80	100	21	(79)
Asset management - Oxford Street toilets	80	105	20	(85)
Asset management - Burnham TIC toilets	0	66	66	0
Housing, communities & wellbeing				
LAD1 housing thermal works/grants	0	641	627	(14)
HUG1 home upgrade	0	1,700	459	(1,241)
Housing enabling	0	1,300	735	(565)
Parks grant	0	50	0	(50)
Wembdon village hall grant	355	0	0	0
Watchfield village hall grant	50	50	50	0
Willstock hub grant	350	383	383	0
Stafford Road par, Burnham	0	40	40	0
Linham Road park, Bridgwater	0	10	10	0
Orchard Close park, Brent Knoll	0	10	15	5
Draycott park, Cheddar	0	20	20	0
Holford Road park, Bridgwater	0	45	45	0
Winchester Road Park, Burnham	0	15	14	(1)
Sorrel Drive Park, North Petherton	0	50	50	0
Coleridge Gardens Park, Burnham	0	10	13	3
Apex park, Burnham	0	15	0	(15)
Play are equipment	270	80	0	(80)
Growth and infrastructure				
Town Deal - Engine Room	0	0	173	173
Town Deal - Dunball	0	0	400	400
Town Deal - Arts Centre	0	0	35	35
Town Deal - Bridgwater town hall	0	0	45	45
Levelling Up - Bridgwater Hospital	0	0	218	218
	8,619	13,675	10,936	(2,739)

A number of projects totalling £xm will now need to be added to the Somerset Programme as they were not completed by the end of the 2022/23 financial year or require reprofiling. The funding for these projects were included within the overall expected financing for 2022/23 and therefore have been factored into overall funding including borrowing requirements. The position of these projects at the year end is shown in Appendix x with the requested carry forward and funding source outlined in Column x and Column Y.

The revised Somerset Programme is included within the covering report.