



## Mendip District Council – 2022/23 Outturn Report

## APPENDIX 2

### 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 £18.3m against a net budget of £19.1m. This gives a £0.8m underspend which represents a favourable variance of 4.25%. Overall, there has been a £0.7m favourable movement since the Q3 position.

**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 excluding support service recharges which net to zero were:

**Neighbourhood Services** – The main variance is due to the shortfall in car parking income of around £0.4m

**Planning** -Projected shortfall in planning fees of around £475k. This is due to the continuing Phosphates issues a slowdown of business activity due to economic uncertainty.

**Strategic Leadership Team** – The main factor for the positive variance is a result of the budget for pay award being held centrally in this service.

#### **These pressures are Offset by:**

Savings from staff vacancies (e.g., Procurement where we are now working closely with the County Council)

Additional interest receipts of £280k due to increased interest rates

Additional grant receipts for New Burdens imposed upon us by Government and Covid income.

**In the Non service area**– the positive variance is due to an additional £456 k for renewables and better collection rates for NDR, of which Mendip's share is £280k.

#### **b. Contingencies**

At the start of the year a £0.1m budget was approved. Allocations of £35k have been made in 2022/23 leaving £65k. This has been included within the overall year end position.

#### **c. Capital Programme**

Due in part to the Council dissolving and becoming part of the new Unitary from April 2023 the capital programme was relatively modest in 2022-23.

The year-end position of the Council's capital programme saw expenditure of £4m against an overall budget of £6.5m, giving an in-year variance of £2.5m. The principal variances are: Glastonbury town fund -Business Cases were completed and approved through the Local Assurance process by September 2022 and this enabled Government to confirm a £23.6 Million of Towns Fund grant. The focus has moved to pre-construction activities including engaging build teams and securing permissions, consents and match funding. It is anticipated that at least two projects will be start on-site in 2023-24underspend £3.3m offset by pressure of multi user paths £0.9m. This pressure was funded by grants and Capital Budget and Ear Marked reserves.

**Neighbourhood services overspend** - £242k On street Residential Chargepoints Scheme, but offset by funding of grant income in non-area and £141k Increased cost of wheeled bins (budget £70k, actual £211k)

Offset by savings:

£108k car park improvements/ticket machines/closed churchyards.

Note Annual budgets are set for Bins (unless these are treated as stock in the future) Car Parks work, Closed Churchyards.


#### 4. Background

Full Council approved the revenue budget of £16.6m for 2022/23 in February 2022. Budget monitoring is delegated to Executive and Scrutiny and budget monitoring 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 £19.1m (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 revenue outturn position against the current budget.

PERIOD	<b>13</b>	<b>MARCH 2023 YEAR END</b>			
<b>Services</b>	<b>Original Budget</b>	<b>Current Budget</b>	<b>Actual Pd 13 Year to Date</b>	<b>Period 12 Forecast (Year End)</b>	<b>Outturn Variance</b>
	£000's	£000's	£000's	£000's	£000's
<b>Corporate</b>	717	1,166	1,288	966	122
<b>Law &amp; Governance</b>	1,137	1,145	1,171	1,133	27
<b>Neighbourhood</b>	4,732	4,801	5,221	4,883	420

Community Health	1,750	1,860	1,873	1,858	13
Planning & Growth	2,656	2,954	3,403	3,041	449
Housing	2,026	1,913	1,925	1,943	12
5 Council Contract	2,578	2,947	2,796	2,792	(151)
Strategic Leadership Team	1,009	2,102	1,490	954	(613)
Enterprise	3	10	(29)	(30)	(39)
Shape Housing Limited	0	250	203	0	(47)
<b>Cost Of Group Services</b>	<b>16,608</b>	<b>19,148</b>	<b>19,341</b>	<b>17,540</b>	<b>193</b>
Non-Service Costs	(16,608)	(19,148)	(20,156)	(17,592)	(1,008)
<b>Contributions (to)/from General Reserves</b>	<b>0</b>	<b>0</b>	<b>(815)</b>	<b>(52)</b>	<b>(815)</b>

## 6. Carry Forward Requests

MDC	X337	Disabled Facilities Grants £156k
MDC	X340	Private Sector Grants £10k
MDC	X647	Glastonbury Town Deal £3.286m
MDC	X811	Fermentation Building Bristol - Works pre-letting £85k

**Total** **£3.537M**

Diff to underspend re planning £2,356 is £876 Multiuser paths and £54k minor purchases funded by Grant/underspend and EMR's and not by budget.

## 7. Impact on General Fund Reserves

<b>General Fund Revenue Opening Balance £000's</b>	<b>£2,414</b>
<b>Surplus</b>	<b>£ 815</b>
<b>Closing Balance</b>	<b>£3,229</b>

There are no revenue carry forwards

## **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 know 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 £0.955m. 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

If Members approve the contribution approved legacy General Fund Reserves to be carried forward to Somerset Council will be £3.230m 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 2a and the balance 31March 2023 is £8.7m.

## **9. Capital Outturn Position**

The year-end position of the Council's capital programme saw expenditure of £4m against an overall budget of £6.5m, giving an in-year variance of £2.5m. Somerset Council set the capital programme in February 2023 based on quarter 2 predictions.



PERIOD	13			
Services	Original Budget	Current Budget	Actual Pd 13 Year to Date	Outturn Variance
	£000's	£000's	£000's	£000's
<b>Corporate Services</b>				
Capital - Strategic Asset Management	100	100	156	56
	<b>100</b>	<b>100</b>	<b>156</b>	<b>56</b>
<b>Neighbourhood Services</b>				
Capital - Operational Assets & Contracts	178	178	463	285
	<b>178</b>	<b>178</b>	<b>463</b>	<b>285</b>
<b>Planning &amp; Growth Services</b>				
Capital – Planning				
Glastonbury Towns Deal	4,844	4,844	1,558	(3,286)
<b>Multi user pathways</b>	<b>0</b>	<b>0</b>	<b>876</b>	<b>876</b>
<b>Minor Purchases and S106</b>	<b>0</b>	<b>0</b>	<b>54</b>	<b>54</b>
	<b>4,844</b>	<b>4,844</b>	<b>2,488</b>	<b>(2,356)</b>
<b>Housing Services</b>				
Capital – Private Sector Housing	1,008	1,008	851	(157)
	<b>1,008</b>	<b>1,008</b>	<b>851</b>	<b>(157)</b>
<b>Enterprise</b>				
Capital – Transformation	0	0	47	47
	<b>0</b>	<b>0</b>	<b>47</b>	<b>47</b>
<b>5 Council Contract</b>				
Capital – 5Council Contract	215	215	0	(215)

	215	215	0	(215)
<b>Strategic Leadership Team</b>				
Capital - Corporate Finance	175	175	0	(175)
	175	175	0	(175)
<b>Cost Of Group Services</b>	<b>6,520</b>	<b>6,520</b>	<b>4,004</b>	<b>(2,516)</b>

A number of projects totalling £3,537m 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 revised Somerset Programme is included within the covering report.