

## **Appendix 8 – Other Service Areas (including Collection Fund)**

### **Corporate Management**

Lead Member for Non-Service: Cllr Liz Leyshon

Executive Director: Jason Vaughan

**Table 1: 2023/24 Corporate Management as at the end of December 2023  
(Month 9)**

- 2023/24 net budget £1.3m, no projected variance, no movement from month seven.

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 9 Variance	A/(F)	RAG Status	Movement From Month 7
	£m	£m	£m	£m	£m			£m
Executive Directors	0.8	0.0	0.8	0.8	0.0	-	Green	0.0
Corporate Subscriptions	0.1	0.0	0.1	0.1	0.0	-	Green	0.0
Apprenticeship Levy/Reclaim	0.4	0.0	0.4	0.4	0.0	-	Green	0.0
<b>Corporate Management Total</b>	<b>1.3</b>	<b>0.0</b>	<b>1.3</b>	<b>1.3</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

### **Corporate Management - key explanations, actions, & mitigating controls**

There is currently no variance projected for outturn.

### **Non-Service**

Lead Member for Non-Service: Cllr Liz Leyshon

Executive Director: Jason Vaughan

**Table 1: 2023/24 Non-Service as at the end of December 2023 (Month 9)**

- 2023/24 net budget -£2.1m, projected favourable variance £3.5m, no movement from month seven.

Service Area	Current	Current	Current Net	Full Year	Month 9		RAG	Movement
	Expenditure	Income			Budget	A/(F)		
	Budget	Budget	Budget	Projection	Variance		Month 7	
	£m	£m	£m	£m	£m			£m
Local Government Reorganisation	4.1	(1.3)	2.8	2.8	0.0	-	Green	0.0
Contributions	0.9	0.0	0.9	0.9	0.0	-	Green	0.0
Corporate Costs	9.9	(3.3)	6.6	6.6	0.0	-	Green	0.0
Financing Transactions	53.7	(13.1)	40.6	37.6	(3.0)	(F)	Green	0.0
Special Grants	0.0	(56.4)	(56.4)	(56.9)	(0.5)	(F)	Green	0.0
Pay Award	3.4	0.0	3.4	3.4	0.0	-	Green	0.0
<b>Non-Service Total</b>	<b>72.0</b>	<b>(74.1)</b>	<b>(2.1)</b>	<b>(5.6)</b>	<b>(3.5)</b>	<b>(F)</b>	<b>Green</b>	<b>0.0</b>

## Non-Service - key explanations, actions, & mitigating controls

### Financing Transactions

The £3m favourable variance relates to the Council utilising internal borrowing in light of a higher than forecast cashflow level. This has decreased the cost of borrowing.

### Special Grants

The favourable variance of £0.5m for Special Grants is due to receiving confirmation that the Rural Services Delivery grant and the 2023/24 Services grant will be higher than budgeted. The grant confirmation was received after the budget setting process.

## Traded Services

Lead Member for Traded Services: Cllr Tessa Munt

Executive Director: Claire Winter

**Table 2: 2023/24 Traded Services as at the end of December 2023  
(Month 9)**

- Traded Services are required to set a net nil budget with full costs offset by income generated.

Service Area	Current	Current	Current Net	Full Year	Month 9		RAG	Movement
	Expenditure	Income			Budget	A/(F)		
	Budget	Budget	Budget	Projection	Variance		Month 7	
	£m	£m	£m	£m	£m			£m
Dillington	1.8	(1.8)	0.0	0.4	0.4	A	Red	0.1
<b>Traded Services Total</b>	<b>1.8</b>	<b>(1.8)</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>	<b>A</b>	<b>Red</b>	<b>0.1</b>

## Traded Services - key explanations, actions, & mitigating controls

Dillington’s deficit for the year is forecasted to be £0.4m, an increase of £0.1m from month seven due to higher costs than previously forecasted and final bills. This overspend relates solely to the operating costs, and not the related closure costs which are being funded by an earmarked reserve.

### **Contingencies**

Lead Member for Contingencies: Cllr Liz Leyshon

Executive Director: Jason Vaughan

**Table 3: 2023/24 Contingencies as at the end of December 2023 (Month 9)**

- 2023/24 allocation of £6m, £0.3m has been allocated, remaining £5.7m is committed.

Service Area	Current Expenditure Budget	Current Income Budget	Current Net Budget	Full Year Projection	Month 9 Variance	A/(F)	RAG Status	Movement From Month 7
	£m	£m	£m	£m	£m			£m
Corporate Contingency	5.7	0.0	5.7	5.7	0.0	-	Green	0.0
<b>Contingencies Total</b>	<b>5.7</b>	<b>0.0</b>	<b>5.7</b>	<b>5.7</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

### **Contingencies – key risks, mitigations, future issues, and opportunities**

£0.3m has been allocated to the Strategic Asset Management budget to cover the costs associated with work on Reinforced Autoclaved Aerated Concrete (RAAC) surveys.

The balance of the Contingency budget (£5.7m) is forecast to be fully committed to cover the additional costs of the National Pay Award over and above the 5% that was budgeted for, temporary staffing, and costs of the Financial Resilience Review. The 2023/24 pay award has now been settled and the final agreed offer of £1,925 on most scale points.

### **Core Revenue Funding**

Lead Member for Core Revenue Funding: Cllr Liz Leyshon

Executive Director: Jason Vaughan

**Table 4: 2023/24 Core Revenue Funding as at the end of December 2023 (Month 9)**

- 2022/23 net budget (£473.4m), no projected variance, no movement from month seven.

Service Area	Current	Current	Current Net	Full Year	Month 9	A/(F)	RAG	Movement
	Expenditure	Income						
	£m	£m	£m	£m	£m			Month 7
Council Tax	0.0	(345.4)	(345.4)	(345.4)	0.0	-	Green	0.0
Business Rates	0.0	(116.1)	(116.1)	(116.1)	0.0	-	Green	0.0
Revenue Support Grant	0.0	(7.9)	(7.9)	(7.9)	0.0	-	Green	0.0
Flexible Use of Capital Receipts	0.0	(4.0)	(4.0)	(4.0)	0.0	-	Green	0.0
<b>Core Revenue Funding Total</b>	<b>0.0</b>	<b>(473.4)</b>	<b>(473.4)</b>	<b>(473.4)</b>	<b>0.0</b>	<b>-</b>	<b>Green</b>	<b>0.0</b>

### Core Revenue Funding - key explanations, actions, & mitigating controls

There is currently no variance projected for outturn.

### Collection Fund

#### Council Tax

The target in-year collection rate for the Council Tax for 2023/24 is 96.70%. This represents the proportion of the net collectable debit (£446m) that is actually collected in year. We track progress monthly against cumulative monthly targets. The combined target for the end of quarter three was 84.16%, whereas we had actually collected 85.16%. This indicates that the economic climate is not having the affect anticipated on Council Tax collection and that we are broadly on track to hit the annual target. (NB. The legacy districts calculate the monthly targets in different ways, and we are working towards implementing a consistent approach hence the targets are provisional at this stage).

We also track the position in relation to the combined arrears relating to previous financial years; at 1 April 2023 these stood at £42.7m and had reduced to £33.8m at the end of quarter three. This represents a 20.7% reduction since the beginning of the financial year. However, most of the debt collected is recently new outstanding debt from the last financial year and the arrears will become progressively more difficult to collect with time. We do not anticipate the collection rate being as good over the remainder of the year.

#### Business Rates

The target in-year collection rate for Business Rates for 2023/24 is 96.71%. This represents the proportion of the net collectable debit (£169m) that is actually collected in year. We track progress monthly against cumulative monthly targets. The target for the end of quarter three was 81.19%, whereas we had actually collected 79.82%. The shortfall of 1.37% is less than the shortfall reported at the end of quarter 2 (2.17%) and results from a number of factors including the economic climate and delays in commencing recovery action in some areas due to cash posting problems earlier in the year resulting from the implementation of the new finance system. We have also not as yet fully implemented processes to make internal transfers to clear elements of the Council's own Business Rate liability, which we believe would make us broadly on target. Ordinarily this would happen early in the financial year, so this is further distorting the collection rates. We have now recommenced recovery activity in all areas, which should help to get us back on track with collection. (NB. The legacy districts calculate the monthly targets in different ways, and we are working towards implementing a consistent approach hence the targets are provisional at this stage. In addition, target setting has been complicated in recent years by Govt. frequently introducing new one-off reliefs as a result of Covid and subsequent economic challenges).

We also track the position in relation to the combined arrears relating to previous financial years; at 1 April 2023 these stood at £13.3m and had reduced to £9.4m at the end of quarter three. This represents a 28.9% reduction since the start of the financial year. However, most of the debt collected is recently new outstanding debt from the last financial year and the arrears will become progressively more difficult to collect with time. We do not anticipate the collection rate being as good over the remainder of the year.