



Council Cabinet  
14 June 2023

# ITEM 11

**Report sponsor:** Alison Parkin, Director of  
Financial Services

**Report author:** Toni Nash, Head of Finance

## Final Accounts – 2022/23 Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund

### Purpose

1.1 This report outlines the summary of the Councils final outturn position, subject to external audit opinion, for the 2022/23 financial year. The report describes the final year end positions and the main variances from Qtr. 3 and sets out issues to note and those requesting approval. In summary the outturn is as follows:

a) **Revenue Budget:** The general fund revenue outturn position is a balanced position when compared to the revenue budget for 2022/23. The balanced position is achieved after utilising the £1.2m Pay and Inflation reserve established at 2021/22 out-turn to fund anticipated emerging pressures and the remainder of the COVID reserve £2.265m. The remaining shortfall at outturn of £10.200m has been funded from the budget risk reserve

£11.824m of the Councils savings target of £13.168m for 2022/23 has been achieved which is 89.79%. Further detail is outlined section 4.1.49

b) **Capital Budget:** The capital programme outlines the delivery of 70.31% of the latest approved £150.473m capital programme. Details of the capital outturn for 2022/23 totalling £105.797m for work completed and an analysis of the (£48.548m) slippage against the final approved capital programme is set out in section 4.6

c) **Treasury Management:** Total borrowing for the Council is £359.450m and total investments are £16.697m as at 31 March 2023, as detailed in section 4.7

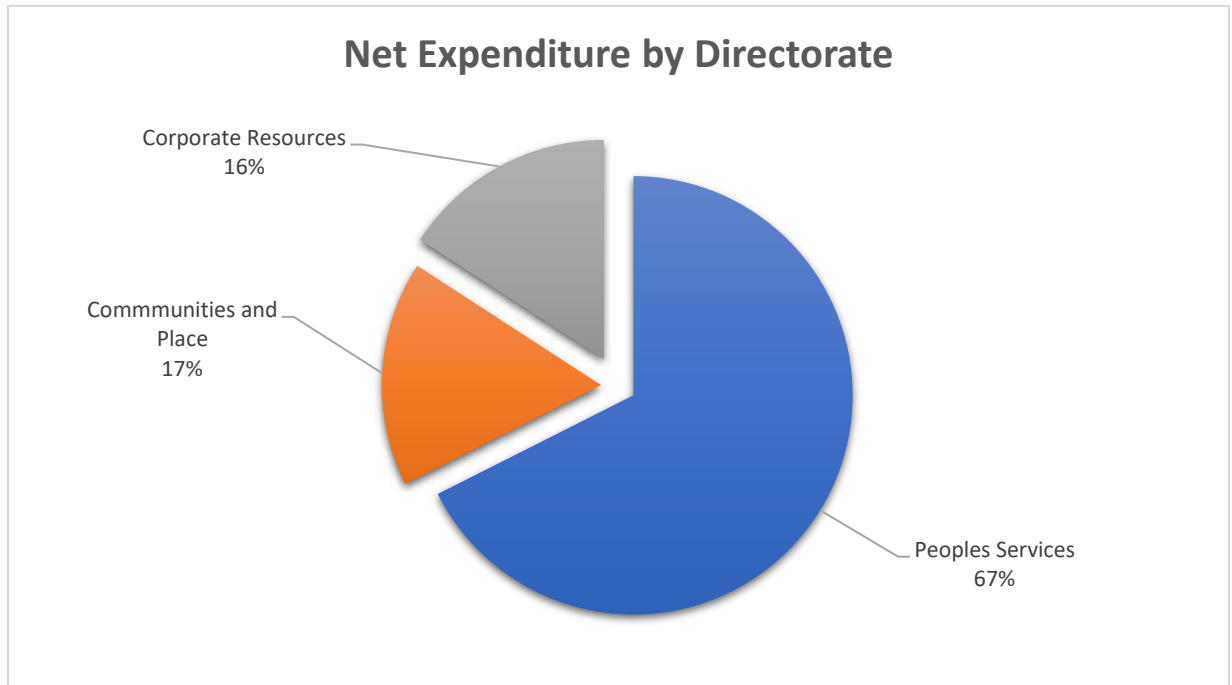
d) **Housing Revenue Account (HRA):** The HRA shows an outturn surplus of £0.217m against a planned shortfall of £2.700m, this is a positive variance of £2.918m. The overall HRA balances at 31 March 2023 are detailed in section 4.8

e) **Dedicated Schools Grant:** The Dedicated Schools Grant closed with a deficit for the financial year 2022/23 of £3.675m. Overall DSG balances at the end of the financial year 31 March 2023, were £4.443m deficit on the central non-delegated items as detailed in section. 4.9. Individual school balances are £9.266m

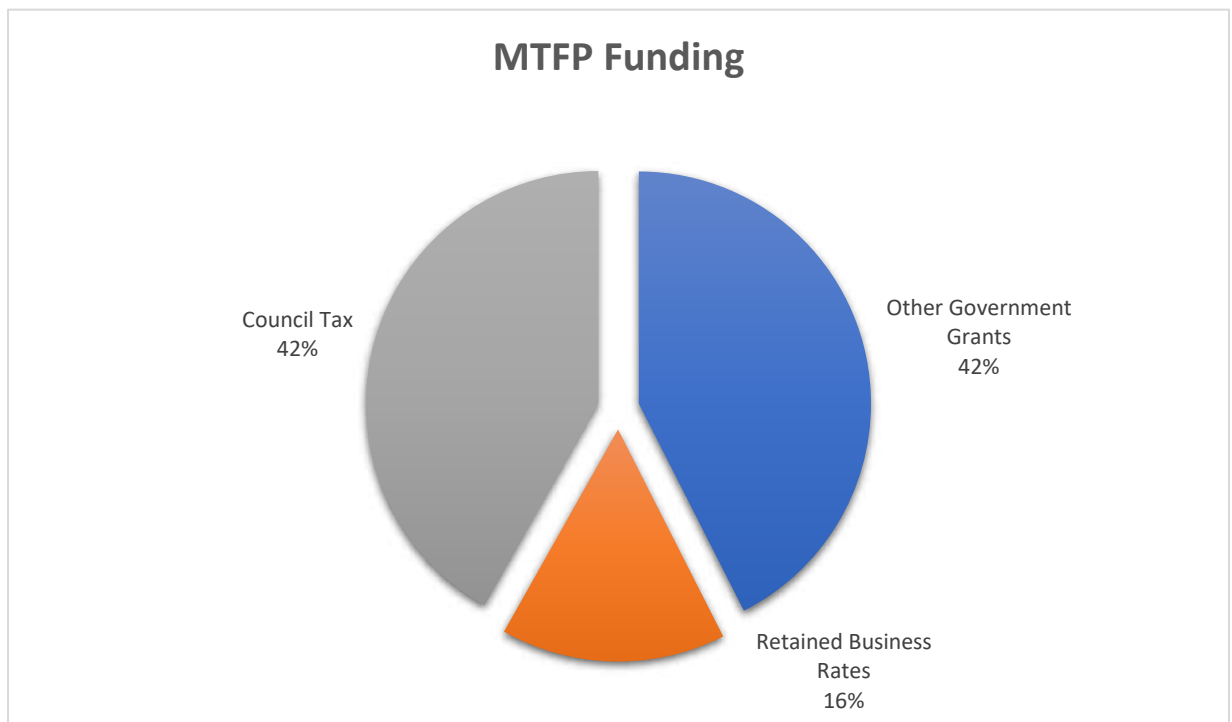
f) **Collection Fund:** The Councils share of the collection fund outturn is a deficit of £0.831m as detailed in section 4.10.

## 1.2 General Fund

During the year, the Council manages and controls spending on services through its general fund. A summary of the net cost of running each main revenue service area is shown below:



1.3 This spending is financed from council tax, business rates, government grants and reserves as shown below.



## **Recommendations**

2.1 To note the position for 2022/23 (subject to external audit review):

- a) The overall general fund revenue budget outturn position and budget variances as set out in section 4.1
- b) The savings achieved as summarised in section 4.1.49
- c) The use of reserves under delegation as outlined in Appendix 2 (b)
- d) The capital outturn and the capital expenditure incurred during the year as set out in section 4.6
- e) The Private Finance Initiative (PFI) reserve movements as set out in section 4.6.
- f) The treasury management outturn and prudential indicators as set out in section 4.7
- g) The overall Dedicated Schools Grant position as set out in section 4.9
- h) The Councils share of the collection fund, a deficit, as set out in section 4.10
- i) The switching of funding for the Carbon Reduction fund of £0.303m to enable flexibility within the allocation for future years as outlined in 4.6.11
- j) The use of £0.684m from the Flexible use of Capital Receipts and the balance remaining for future years to fund transformation projects as set out in section 4.6.12

2.2 To approve:

- a) The final required movements in revenue reserves set out in section Appendix 2 (a)
- b) The addition of net £46.882m budget (slippage £48.548m and spend brought forward (£1.666m)) to the 2023/24 capital programme as detailed in section 4.6
- c) The HRA outturn surplus of £0.217m as set out in section 4.8
- d) The annual report in respect of Treasury Management activity for 2022/23 as outlined in section 4.7
- e) The write off of Sundry debt and Residential care debt totalling £0.273m as outlined in section 4.4 and Appendix 7

## 2.3 To authorise and approve:

The Section 151 Officer to adjust the Council's accounts if the Council or its external auditors (Ernst Young) require any adjustments to the final accounts for 2022/23 that alter the overall Council's out-turn position.

### Reasons

- 3.1 Under the Local Government Act 2003, the Council has a legal obligation to achieve an annual balanced budget position.
- 3.2 The Medium-Term Financial Plan (MTFP) sets the funding for the Council for the financial year and the use of those funds is then monitored throughout the year to ensure delivery of Council priorities. The outturn report indicates how the Council's resources have been used to support the delivery of budgetary decisions.
- 3.3 In accordance with CIPFA Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code"), members should approve the annual report for Treasury Management activity in 2022/23 which forms part of this document.
- 3.4 The HRA Business Plan sets out the forecasted funding and the use of those funds is then monitored throughout the year to ensure delivery of HRA priorities. The outturn report indicates how the resources have been used to support the delivery of budgetary decisions.
- 3.5 In accordance with the Council's Financial Procedure Rules Cabinet approval is required to write-off individual debts of £0.010m or more.

### Supporting information

- 4.1 The following provides analysis and explanations of key variances for each element of the financial outturn, subject to external audit opinion.
  - 4.1.1 **Revenue Budget**  
The overall general fund revenue position at 31<sup>st</sup> March 2023 is a balanced position. However this is achieved by a series of transfers outlined within the report.
  - 4.1.2 **Use of Revenue Reserves**  
In establishing the Council's final outturn position several additional movements in reserves require appropriate approval as outlined in the Council's Financial Procedure Rules.
  - 4.1.3 Approval is requested for the transfer to and from reserves for the net amount of £19.522m Appendix 2 outlines the detail and narrative of the transfers requiring Cabinet approval.
  - 4.1.4 For completeness Cabinet is asked to note the further use of reserves that have been actioned under officer delegated authority totalling £0.083m as outlined in detail in Appendix 2.

- 4.1.5 The summary 2022/23 revenue budget variance and associated mitigation to demonstrate a balanced position is shown below:

Directorate	Budget	Full Year Spend	Out-turn Variance	Forecast Out-turn Variance Qtr.3	Difference between Out-turn and Qtr.3
	£m	£m	£m	£m	£m
Peoples	173.829	185.172	11.343	10.711	0.632
Comms and Place	43.557	45.505	1.948	2.333	(0.385)
Corporate Resources	42.878	43.252	0.374	2.083	(1.709)
<b>Budgeted out-turn position</b>	<b>260.264</b>	<b>273.929</b>	<b>13.665</b>	<b>15.127</b>	<b>(1.462)</b>
Budgeted Reserves	(5.302)	(5.302)	-	-	-
<b>Sub Total</b>	<b>254.962</b>	<b>268.627</b>	<b>13.665</b>	<b>15.127</b>	<b>(1.462)</b>
<b>Mitigation</b>					
Pay and Inflation Reserve	-	(1.200)	(1.200)	(1.200)	-
COVID reserve	-	(2.265)	(2.265)	(2.265)	-
IBCF inflation	-	-	-	(0.354)	0.354
Overspend funded from Budget Risk Reserve	-	(10.200)	(10.200)	(11.308)	1.108
<b>TOTAL</b>	<b>254.962</b>	<b>254.962</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 4.1.6 The outturn was a £1.462m improvement on the position reported in Qtr. 3. A link to Qtr. 3 monitoring is provided below for information.

[Qtr. 3 Monitoring](#)

- 4.1.7 The Councils approved revenue budget has a net overspend at year end of £13.665m before mitigations, as set out in the table above. The use of reserves facilitates a balanced position.
- 4.1.8 The final out-turn position of £13.665m for the Council wide revenue budget prior to mitigations is outlined in the below summary, further narrative is detailed at Appendix 6.

4.1.9

Out-turn 2022/23 position without mitigation			
Area	Final Outturn £m	Qtr. 3 £m	Movement £m
Pay award net pressure	4.595	4.628	(0.033)
Other Pay Pressures/Savings	(2.367)	(2.214)	(0.153)
Net Income Position	(6.185)	(5.556)	(0.629)
Unbudgeted pressure	18.577	17.029	1.548
Underspends	(2.299)	(1.872)	(0.427)
Unachieved Savings	1.344	3.112	(1.768)
<b>TOTAL</b>	<b>13.665</b>	<b>15.127</b>	<b>(1.462)</b>

The narrative below outlines a summary of each section and Appendix 6 outlines further detailed analysis.

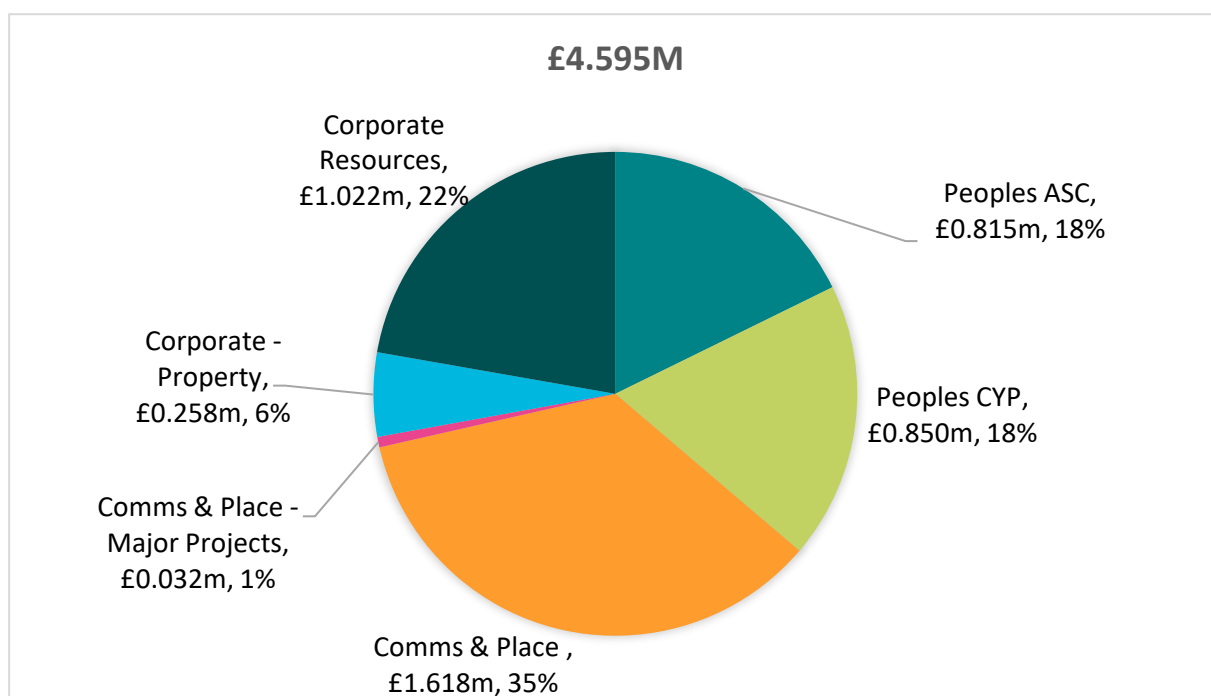
#### 4.1.10 Pay award net pressure £4.595m

There is a pay pressure of £4.595m for pay award. This is the final position of the pressure of an increase of £1,925 on all NJC pay points 1 and above which averaged at approximately x% of the total pay bill. This pressure is above the 1.5% which was provided for in the 2022 23 base budget.

- 4.1.11 The pressure within the People's directorate totalled £1.665m, this was made up from £0.815m in Adult Social Care and £0.850m in Children's services.

Across Communities and Place directorate the pressure was £1.650m, this includes £0.032m for the teams working on major projects where costs cannot be capitalised.

The balance of £1.280m was across Corporate Resources.

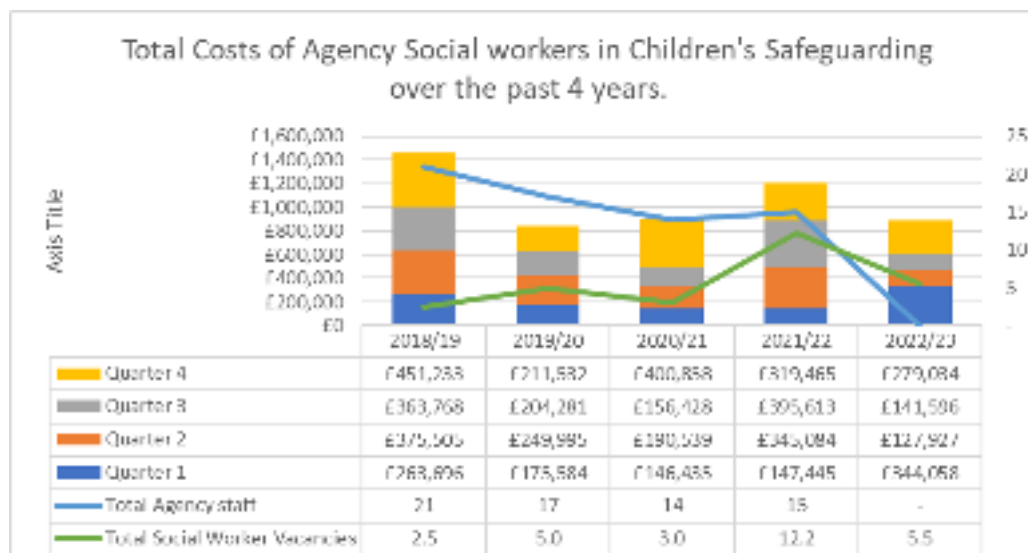


#### 4.1.12 Other Pay Pressures/Savings (£2.367m)

- 4.1.13 Other direct staffing pressures across children's services are £0.588m. This is a small reduction from Qtr. 3 due to a further reduction in agency social workers and salary slippage on vacant posts. This is made up of a pressure of £0.279m due to the required use of Agency social workers, £0.325m due to use of Agency Educational Psychologists. Other staffing pressures across the service are being offset with savings from vacant posts leaving a net underspend balance of (£0.016m).

- 4.1.14 The Education Psychologist service is now reliant on agency support to complete assessments for the high number of Education, Health Care Plans (EHCP's). New requests for EHCP's continue to rise with an average of circa 50 new plans each month.

- 4.1.15 At the end of the financial year records show no agency social workers within Children's Services to cover vacancies, maternity leave, and long-term sickness. Spend has fallen from £1.454m in 2018/19 where 21 agency staff were employed to £0.892m in 2022/23 where at the end of March 2023 there were none. The graph below shows the costs of agency social workers over the last 4 years and the number of agency social workers employed:



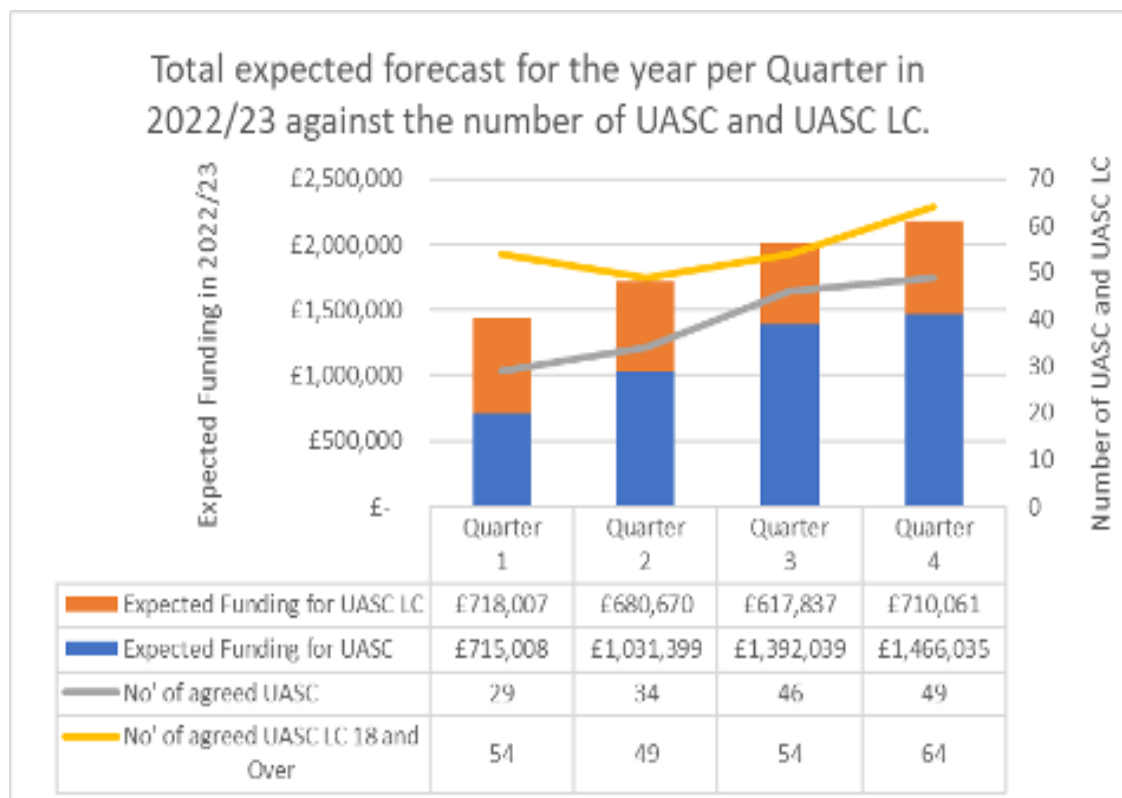
- 4.1.16 Adults and Health have an underspend (£2.034m) this is due to staff being reallocated to priorities across health and social care and being funded from external money, in addition to this the underspend is due to a number of vacancies across the service.
- 4.1.17 Communities and Place has salary underspends totalling (£0.304m). This is made up of a pressure of £0.338m within refuse collection and street cleansing for additional agency costs to cover sickness and vacancies. Pressure of staff within Planning, being at top of scales totalling £0.094m. The salary pressures in Communities and Place are currently being mitigated by underspends from vacancies across all areas of the directorate totalling (£0.736m).
- 4.1.18 Corporate Resources has salary underspends of (£0.617m) The underspend is due to a number of vacancies across the directorate, within Customer Management and Digital Services salary underspends due to vacancies total (£0.092m), within Financial services salary underspends mostly due to vacancies across Accountancy teams and Benefit & Exchequer services total (£0.264m). Human Resources and Organisational development salary underspends total (£0.231m) and underspends of (£0.206m) in Legal services and Procurement due to vacancies. These underspends are being reduced due to overspending salary budgets within Policy Insight and Communications of £0.130m and other small overspends totalling £0.046m.

It should be noted that the ongoing establishment of the Recruitment Panel has ensured that increased scrutiny is applied to the recruitment of vacant posts.

- 4.1.19 **Net Income position (£6.185m)**

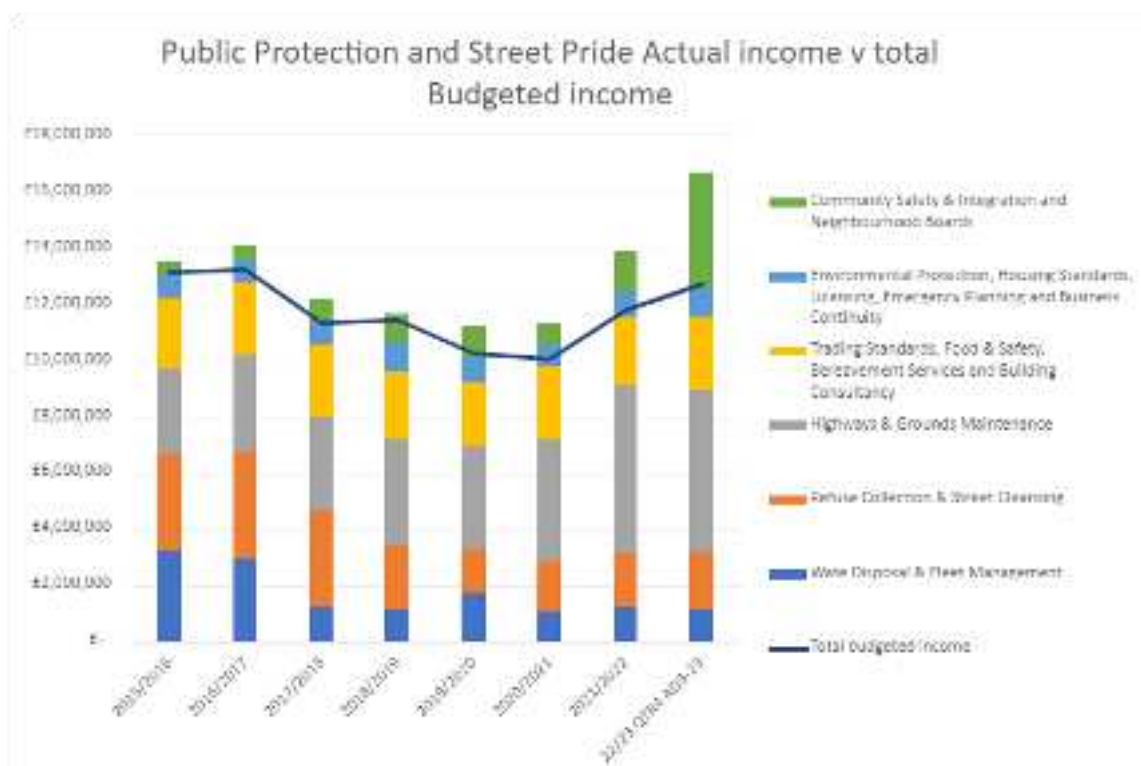
Included in the out-turn is one off income of (£0.800m) to cover the Fair Cost of Care and Market Sustainability work, which is a statutory requirement all Councils are required to undertake because of the government reforms currently underway in Adult Social Care (ASC). In addition, the Better Care Fund inflation of 5.6% sees additional funding across ASC of (£0.767m). ASC also reported additional Blue Badge income and additional funding for Occupational Therapists totalling (£0.141m).

- 4.1.20 The out-turn includes grant income claimed in 2022/23 for the unaccompanied asylum seekers (UASC) and totalling (£2.740m), an increase from Qtr.3 due to increasing numbers of young people being placed through the National Transfer Scheme (NTS). This income will partially offset the overspends on allowances and placement costs across Children's Services. (The claim for Qtr.4 covered 49 UASC plus a further 64 leaving care UASC (UASCLC).) The graph below shows the value of the claims at the end of each quarter in 2022/23 and the number of UASC/UASCLC.



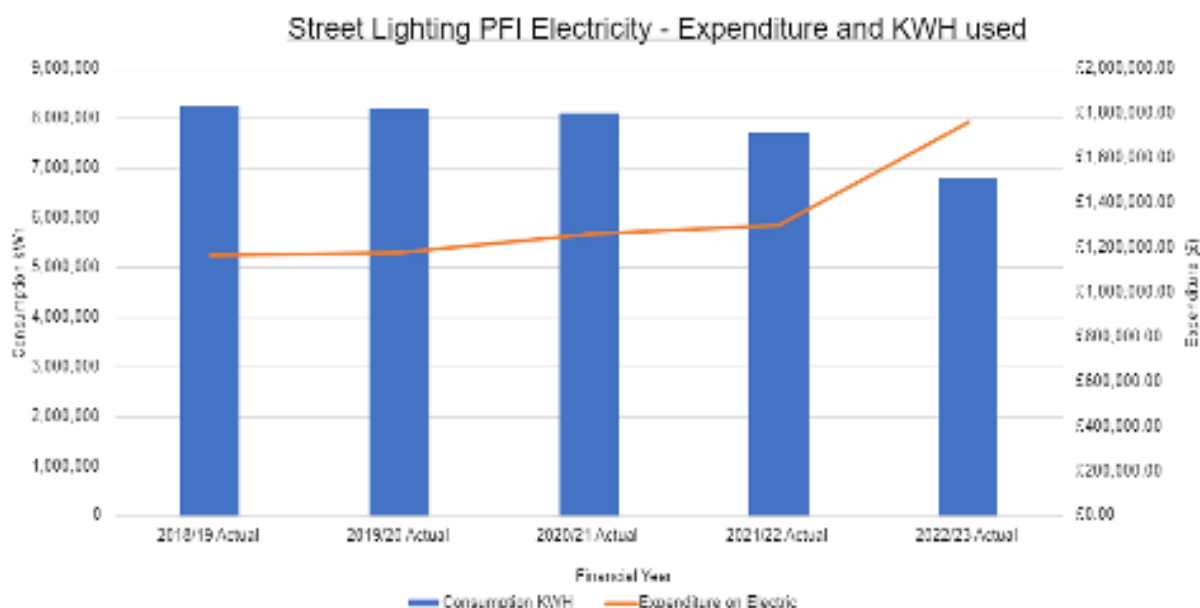
- 4.1.21 The Supporting Families grant (payment by results) generated additional income (£0.300m). The claim for Qtr. 4 showed evidence of significant and sustained progress with 113 families.
- 4.1.22 Income levels across Public Protection and Street-Pride have overachieved budgets by (£0.748m) mainly in Highways Maintenance and Street Cleansing income.



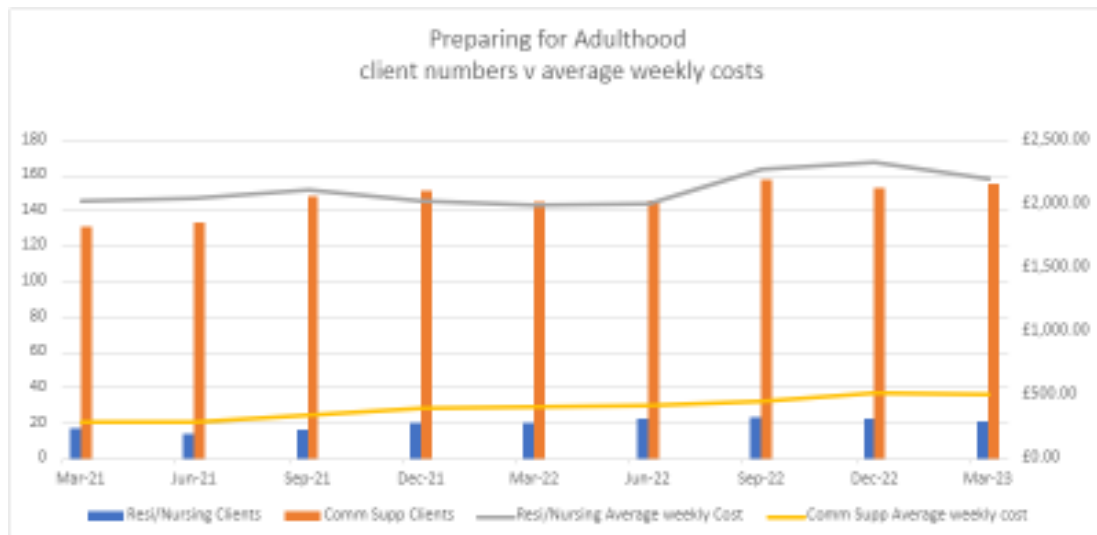


- 4.1.23 Income levels across Planning and Transportation achieved (£0.296m) in excess of the budget set this is mostly due to Parking services.
- 4.1.24 However, a few areas of the directorate have not achieved income targets, these include Leisure culture and tourism by £0.060m, Unachieved income from reduced bus departures £0.531m and reduced recharges across Network Management.
- 4.1.25 City, Development and Growth have over achieved income of (£0.083m). This consists of additional income from staff recharged to projects (£0.010m), an in-year variance on the Our City, Our River (OCOR) project of (£0.136m), less the impact of reduced occupancy at Milestone House £0.063m.
- 4.1.26 Corporate Resources forecast includes additional income of (£0.901m) this includes additional funding across financial services of (£0.451m) mostly due to New Burdens money relating to Verification of Earnings relating to Pensions (VEP) and Housing Benefit Award Accuracy Initiative HBAAI. Additional, unbudgeted income across legal services and insurance mostly due to HRA income to cover the costs of increased expenditure of (£0.124m). A further increase of income for registration services of (£0.037m). Property has received net income of (£0.289m) mainly due to net additional rental income received from the DWP for continuation of Saturday opening and agreed service charges.
- 4.1.27 **Unbudgeted Pressure £18.577m**  
There are unbudgeted pressures across all directorates resulting in a net pressure of £18.577m.

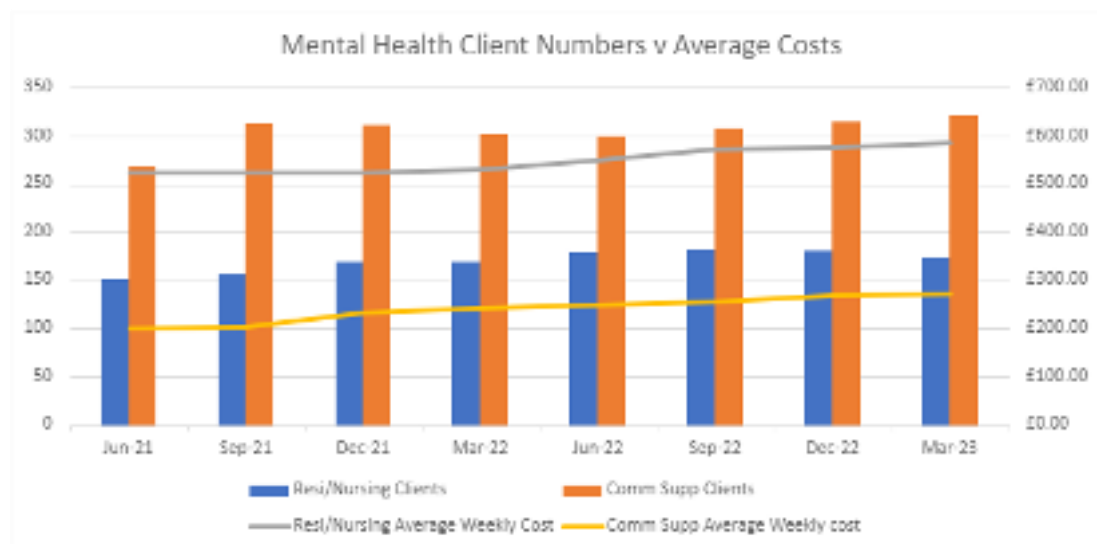
- 4.1.28 Corporate Resources has an unbudgeted forecast pressure of £1.172m this includes the increased insurance premiums of 9% which is a pressure of £0.134m, and a pressure of £0.961m relating to pressures in Housing Benefit due to increased subsidy and increased Council Tax debt provision. Property services have abortive feasibility costs of £0.057m and maintenance costs of the Urban Forest of £0.020m
- 4.1.29 Communities and Place have unbudgeted pressures totalling £1.694m due to the rising cost of fuel £0.256m, trade waste pressures £0.168m, increased utility costs across the leisure centres £0.178m, and Street lighting PFI electricity is a pressure of £0.509m. The Communities and place revenue budget has also seen pressures from unbudgeted costs relating to abortive project costs of £0.094m, and Bed and Breakfast charges of £0.133m over and above income received.
- 4.1.30 Street lighting expenditure increased by £0.463m (35%) despite usage reducing by around 900Kwh (11%)



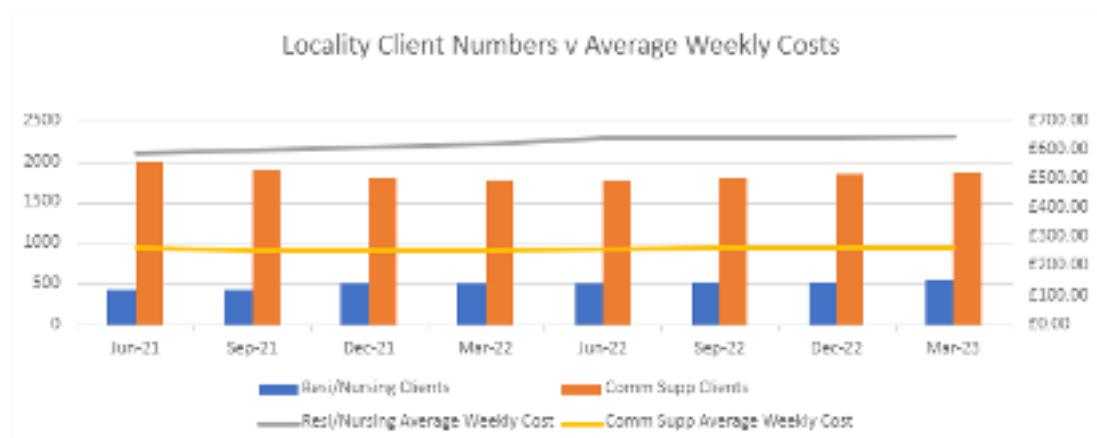
- 4.1.31 Further overspends include £0.356m across planning transport and engineering – due to maintenance costs and costs incurred to generate the increased income in parking services.
- 4.1.32 The Street Lighting forecast is based on an estimated 100% increase to 32.8418p per kwh from October 2022. The full year cost of this increase is £2.197m or a pressure of £0.876m. The KWH usage has reduced from 8.10m KWH in 2020/21 to a predicted 6.90m KWH in 2022/23 due to more energy efficient lighting.
- 4.1.33 The Peoples directorate has unbudgeted pressures of £15.710m. The total pressure emerging in Adults social care is £3.01m, Client numbers have increased by around 6% in most areas of the service.
- 4.1.34 Adult client demand pressures continue in Preparing for Adulthood, the average weekly cost of Residential/Nursing increased by 10% over the last year (£2,198pw), and the average weekly cost of support in the community increased by 24% over the last year (£505pw)



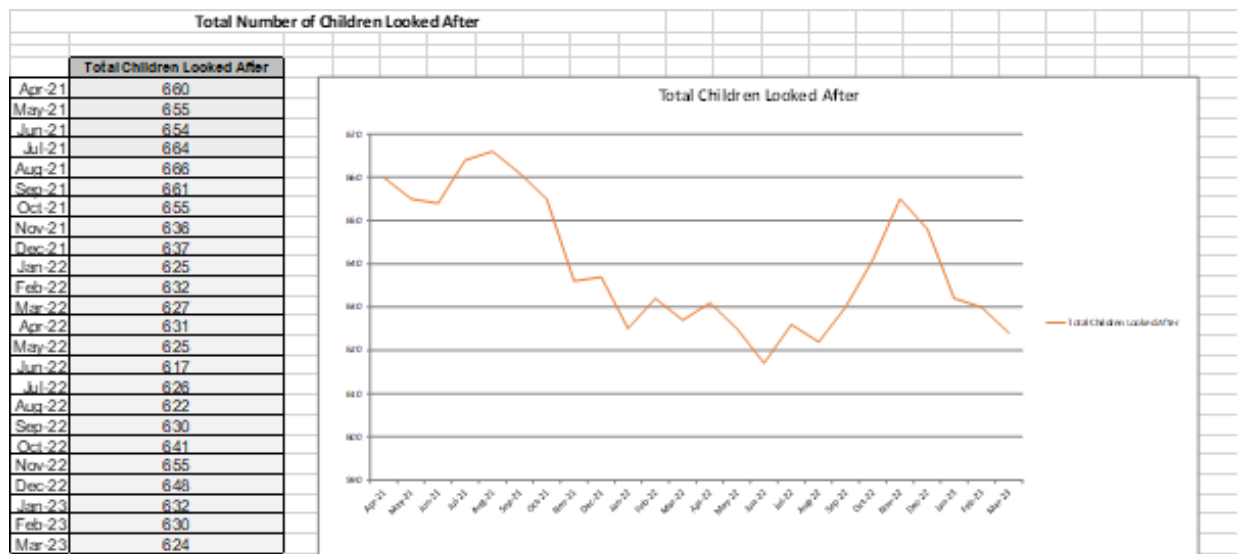
4.1.35 Adult client demand pressures continue across Mental Health services. Weekly costs have increased by 11% for Residential care and 13% for support in the community over the last year.



4.1.36 Adult client demand pressures across Localities have seen weekly costs increase by 5% over the last year.



- 4.1.37 The pressure for children's placements is reporting an overspend of £7.350m, the total number of looked after children at year end was 624 which is over a 5% reduction from two years ago.



- 4.1.38 **3276** cases were open to Children's social care on 31 March 2023, this is a **decrease** of 28 cases compared to end of February. There has been a decrease of 300 cases compared to 12 months ago (31 March 2022 – 3576 cases) This equates to an 8.4% **decrease**. This is lowest number of cases open to Children's social care since monitoring of this data back in April 2018.
- 4.1.39 It is evident that the Councils demand strategies in this area are paying dividend in terms of stabilising numbers, however cost reductions are hampered by a national shortage of placements at the very complex end of the spectrum.
- 4.1.40 The total gross costs of the top 10 children's residential placements is £7.866m in Qtr. 4, the service continues to work with health to attract joint funding with health contributions sought for this cohort totalling £2.989m, bringing the net cost to Derby City Council to £4.877m.
- 4.1.41 Some of these high-cost cases are spilling over into Adult services at point of transition, giving rise to the increased budget pressures being experienced in the Preparing for Adulthood team. The increase costs are reflective of the increased complexities and lack of suitable accommodation for children and young adults with complex needs. Further, in adults, the small cohort of homeless people with chaotic complex lives who have social care needs are giving rise to substantial care costs in supported living and residential environments.
- 4.1.42 The complexity of looked after children in care correlates to the high legal costs. The pressures include £0.240m for legal fees there has been a significant reduction in outsourced cases to external solicitors. The pressure of £0.951m for payments to families such as direct payments and allowances and a further £0.560m pressure relating to children in care includes costs for bed and breakfast placements and other family related costs attributing to the safety of their children, some of this is partially offset with the UASC income identified.

4.1.43 Home to School transport overspend at the end of the financial year is £3.6m. £0.370m relates to an unachieved saving identified in section 4.1.49 and £3.23m is demand driven based on the current levels of expenditure. The demand is driven from the high number of Education and Health Care Plans -EHCP's and children being placed in independent and out of authority schools. Work to mitigate this pressure is ongoing and involves both retendering of contracts and consideration as to where capital investment will create much needed local provision.

#### 4.1.44 Underspends (£2.299m)

4.1.45 Corporate Resources has underspends within Property services of (£0.403m), this is due to property services focussing on essential spend only where possible. There are further underspends of (£0.615m) this is due to (£0.400m) underspend on Property maintenance contingency budgets expected costs did not materialise (further work to be undertaken in 2023/24 to review this budget), (£0.215m) NNDR refunds across properties.

4.1.46 Corporate Resources has small underspends across the directorate totalling (£0.116m) and Corporate has an underspend of (£0.148m) mainly relating to unused Corporate Contingency budget.

4.1.47 Communities and Place have one-off underspends. The concessionary fares budget underspent as in previous years. Derby is currently paying operators at pre-covid 2019-20 levels, and this has been extended until March 2023. However increased charges are anticipated to start working through the system in the new financial year. The underspend is (£0.570m).

4.1.48 Peoples have underspends totalling (£0.447m) across Adults social care, this includes uncommitted budget relating to reconfiguration of the care homes and day services, and underspends relating to the provision of specialist equipment.

#### 4.1.49 Unachieved Savings £1.344m

4.1.50 The Councils revenue budget for 2022/23 included savings targets for each directorate in order to support a balanced budget position. The achievement of these savings has been included within the overall budget outturn position.

Directorate	Budget Savings Targets 2022/23 £m	Full year effect of savings delivered £m	Year End Variance £m	% Achieved
Peoples Services	(6.017)	(5.408)	0.609	89.88%
Communities and Place	(2.596)	(2.582)	0.014	99.46%
Corporate Resources	(4.555)	(3.834)	0.721	84.17%
<b>Total</b>	<b>(13.168)</b>	<b>(11.824)</b>	<b>1.344</b>	<b>89.79%</b>

The Council achieved 89.79% of the total saving target. However, some of these savings were achieved by one off alternative solutions. Below is an outline for each directorate:

- 4.1.51 **The Peoples Services Directorate** achieved 89.88% of its savings requirement, there were unachieved savings of £0.609m
- 4.1.52 Unachievable savings across Early Help include a minor shortfall of just £0.004m due to a small delay in transferring running costs for Darley Barn to the Kingsmead School. Plans for the transfer of Alvaston Childrens centre did not materialise leaving an unachievable saving of £0.068m.
- 4.1.53 Plans to charge £0.150m of costs for personal assistants offering housing advice to care leavers to the HRA have been reversed following further guidance from CIPFA on the use of the HRA funds.
- 4.1.54 Cost savings from Adults and Childrens training and development functions had a small delay in achieving the full saving leaving a minimal shortfall for this financial year of £0.017m.
- 4.1.55 Home to School transport savings unachieved of £0.370m. This was wholly dependent on the provider market accepting the charges and fees model, which they did not.
- 4.1.56 **The Communities and Place Directorate** achieved 99.46% of its savings requirement, there was a minor unachieved saving of £0.014m due to a delayed redundancy. The consultation process was paused to enable consideration of potential redeployment opportunity which ultimately did not materialise.
- 4.1.57 **The Corporate Resources Directorate** achieved 84.17% of its savings requirement, there were unachieved savings of £0.721m.
- 4.1.58 There is an unachieved saving of £0.030m for communications external advertising income.
- 4.1.59 The £0.210m rental income saving from letting out office space within the Council has been unachieved in 2022/23, however it is under review and expected to achieve savings in future years.
- 4.1.60 There is a £0.081m unachievable maintenance saving from the closure of Queens Leisure Centre as the building remains in the Councils portfolio and therefore maintenance commitments remain until the building is disposed of.
- 4.1.61 There is £0.400m relating to a reappraisal of property savings for 2022/23.

## 4.2 Peoples Services Directorate

Area	Current Budget	Spend	Final Outturn Variance	Qtr.3 Forecast Outturn Variance	Difference between Out-turn and Qtr.3
	£m	£m	£m	£m	£m
Children's	71.113	82.821	11.708	9.954	1.754
Adults	84.259	83.895	(0.364)	0.757	(1.121)
Public Health	18.457	18.457	-	-	-
<b>Total</b>	<b>173.829</b>	<b>185.172</b>	<b>11.344</b>	<b>10.711</b>	<b>0.633</b>

The Peoples directorate outturn position is a £11.344m overspend. The forecast at Qtr.3 was an overspend of £10.711m, there has been a change of £0.633m

- 4.2.1 The change from Qtr.3 to out-turn is mainly due to increased placement costs. Even though the number of placements for children in care has reduced the costs for placements has increased for specialist support.

## 4.3 Communities and Place Directorate

Area	Current Budget	Spend	Final Outturn Variance	Qtr.3 Forecast Outturn Variance	Difference between Out-turn and Qtr.3
	£m	£m	£m	£m	£m
Comms & Place	43.557	45.505	1.948	2.333	(0.385)
<b>Total</b>	<b>43.557</b>	<b>45.505</b>	<b>1.948</b>	<b>2.333</b>	<b>(0.385)</b>

The Communities and Place directorate outturn position is a £1.948m overspend. The forecast at Qtr.3 was an overspend of £2.333m, there has been a change of (£0.385m)

- 4.3.1 The change from Qtr.3 to out-turn is mainly due to increased income across the service. Income forecasts across leisure and culture had been set conservatively considering the cost of living, however the actual income improved to closer meet the budget levels.

## 4.4 Corporate Resources Directorate

Area	Current Budget	Spend	Final Outturn Variance	Qtr.3 Forecast Outturn Variance	Difference between Out-turn and Qtr.3
	£m	£m	£m	£m	£m
Resources	34.277	34.798	0.521	1.463	(0.942)
Corporate	8.601	8.454	(0.147)	0.620	(0.767)
<b>Total</b>	<b>42.878</b>	<b>43.252</b>	<b>0.374</b>	<b>2.083</b>	<b>(1.709)</b>

The Resources directorate outturn position is a £0.374m overspend. The forecast at Qtr.3 was an overspend of £2.083m, there has been a change of (£1.709m)

- 4.4.1 The change from Qtr.3 to out-turn is mainly due to additional income received at the end of Qtr. 4 for new burdens within the benefits and exchequer service area.
- 4.4.2 Property Services (£0.830m) reduction to forecast expenditure, this is due to (£0.400m) underspend on Property maintenance contingency budgets expected costs did not materialise, (£0.289m) net additional rental income received from the DWP for continuation of Saturday opening and agreed service charges (£0.215m) NNDR refunds across properties, offset by other variances across the service £0.074m.
- 4.4.3 **Write off of Sundry debt and Residential care debt totalling £0.273m**
- 4.4.4 In accordance with the Council's Financial Procedure Rules Cabinet approval is required to write-off individual debts of £0.010m or more. Appendix 7 outlines the details of 12 individual cases that require consideration for write off.
- 4.4.5 All the debts contained within this report will be offset against their respective bad debt provisions and there will be no financial impact that the council has not considered and provided for.

#### **4.5 Analysis of Reserves *(including School Balances and Dedicated Schools Grant)***

The Council's main revenue reserve for general purposes is the General Fund Balance. This is set aside to support the management of risks in the Revenue Budget. At 31 March 2023, the General Fund Balance is £8.933m.

- 4.5.1 The Council also holds several revenue earmarked reserves to fund specific priorities included within the Council's Plan. As at 31<sup>st</sup> March 2023 revenue earmarked reserves held by the Council total £64.471m. A review of all revenue earmarked reserves is carried out on an annual basis as part of the Medium-Term Financial planning process in line with the adequacy of reserves review. Further details of the Council's revenue earmarked reserves are provided at Appendix 1.
- 4.5.2 The budget risk reserve has a balance of £4.985m at 31 March 2023. The budget risk reserve is held to support future budget planning risks and unforeseen in-year budget pressures.
- 4.5.3 Each individual Council controlled school in Derby has its own financial reserve, collectively known as 'School Balances.' School balances are delegated directly to schools and are not available to the Council for general use. The use of any surplus balances is defined within the local Scheme for Funding Schools.
- 4.5.4 School balances as at 31 March 2023 for the 36 remaining LA maintained schools are £9.323m compared to £8.577m across 36 maintained schools in 2021/22.

#### **4.6 Capital**

##### **4.6.1 The Capital Programme**

The final capital expenditure outturn for 2022/23 is £105.797m, £107.343m below the original approved budget of £213.140m. During the year, the capital programme has been revised to reflect changes including slippage and additional funding which have been reported to cabinet throughout the year.



- 4.6.2 The table below analyses the main variances by service against the original Approved budget for reference and the Latest revised budget, which is further analysed within this report.

Final Outturn Capital:						
2022/23 Capital Programme by Service Area	For reference			Analysed within this report		
	Final Adjusted 2022/23 Approved Budget (inc. 2021/22 slippage) £m	Actual Spend Yr. end £m	*Net Variance £m	Latest Revised Capital Budget £m	Actual Spend Yr. end £m	Outturn variance Actual to Latest Approved Budget £m
Schools	13.171	9.683	(3.488)	10.538	9.683	(0.855)
Housing General Fund	8.312	7.143	(1.169)	9.646	7.143	(2.503)
Property	11.337	7.822	(3.515)	8.559	7.822	(0.737)
Flood Defence	0.871	0.177	(0.694)	0.360	0.177	(0.182)
Highways & Transport	66.262	17.293	(48.969)	29.580	17.293	(12.288)
Vehicles Plant & Equipment	2.967	5.949	2.982	6.005	5.949	(0.056)
Regeneration	52.106	31.952	(20.154)	42.390	31.952	(10.438)
Information and Communication Technologies (ICT)	4.194	2.161	(2.033)	3.194	2.161	(1.033)
Housing Revenue Account (HRA)	32.951	22.947	(10.004)	23.076	22.947	(0.129)
Corporate	20.970	0.033	(20.937)	16.488	0.033	(16.455)
Flexible use of Capital Receipts	-	0.637	0.637	0.637	0.637	-
<b>-Total</b>	<b>213.140</b>	<b>105.797</b>	<b>(107.343)</b>	<b>150.473</b>	<b>105.797</b>	<b>(44.676)</b>

The \*net variance against the final adjusted approved capital budget includes the addition of the 2022/23 outturn slippage of (£48.548m) which is finalised after the capital budgets are set in February and also includes further changes reported and approved at Cabinet or under delegation after the budget is set.

- 4.6.3 The programme out-turn variance against the Latest Revised Capital budget is analysed in table below:

Programme Variance	
Reason for Variance	Amount £m
Slippage	(48.548)
Spend Brought Forward	1.666
<b>Net Slippage</b>	<b>(46.882)</b>
Net overspends	0.145
Additional Spend Backed by Funding	2.061
<b>Total Programme Variance</b>	<b>(44.676)</b>

- 4.6.4 **Explanation of Programme Variances**

#### 4.6.5 **Slippage**

The programme variance includes slippage of (£48.548m). Approval is sought to add this slippage to the 2023/24 capital programme. Details of slippage requests are listed in Appendix 4. Progress in 2023/24 will be reported as part of the planned monitoring to Cabinet.

#### 4.6.6 **Net Scheme Overspends**

There were minor net overspends across the Capital Programme of £0.145m.

#### 4.6.7 **Additional Spend Backed by Funding**

£2.061m additional spend supported by associated funding has arisen. This additional spend is mainly due to:

- I. Schools £1.276m
- II. Housing General Fund £0.656m
- III. Regeneration £0.062m
- IV. Highways & Transportation £0.035m
- V. Corporate Resources £0.032m

This is outlined where significant in Appendix 3.

#### 4.6.8 **Spend Brought Forward**

There is £1.666m spend brought forward from 2023/24. This has been necessary mainly due to schemes progressing more rapidly than originally anticipated. Main areas include:

- I. £0.618m for the Parks & Open Spaces Programme
- II. £0.450m for the Housing Revenue Account Programme
- III. £0.359m for the Property Programme
- IV. £0.165m Highways & Transportation Programme
- V. £0.049m for the Regeneration – OCOR Programme
- VI. £0.025m other minor net movements.

A total list of all schemes requiring spend brought forward is detailed in Appendix 4.

#### 4.6.9 **Capital Programme - Main Outturn Variances**

- 4.6.10 The main variances between actual capital expenditure and the Latest Revised capital budget are outlined at Appendix 3, variances per strategy area are included in the table below:

Strategy Area	Variance £m
Corporate	(16.455)
Highways and Transport	(12.288)
Regeneration	(10.438)
Housing General Fund	(2.503)
Information and Communication Technologies (ICT)	(1.033)
Schools	(0.855)
Property	(0.737)
Flood Defence	(0.182)
Housing Revenue Account (HRA)	(0.129)
Vehicles Plant & Equipment	(0.056)
<b>TOTAL</b>	<b>(44.676)</b>

4.6.11 **Carbon Reduction Fund**

£0.303m outturn slippage the Carbon Reduction programme has been switched with revenue funding sources within the capital programme to create pot that can be utilised for both revenue and capital expenditure to optimise the use of the carbon reduction fund.

4.6.12 **Flexible use of Capital Receipts – Transformation**

The Council has continued to use the change in the use of capital receipts rules introduced in March 2016. The Council opted into this from 2021/22, which allowed authorities to use qualifying receipts to fund transformational projects.

- 4.6.13 In 2022/23 a receipt from the sale of Westside Park was identified for transformational purposes. This receipt was utilised to continue to invest in the Council's transformation programme to achieve savings and efficiencies.

- 4.6.14 As set out in the Cabinet report of 14 September 2022 there were total receipts of £2.631m of which £0.684m has been utilised in 2023/24.

- 4.6.15 This is a rolling programme of transformation; therefore the balance of £1.947m will be used to continue to fund the specified themes in 2023/24.

4.6.16

Area	Initial Allocation for 2023/24
	£m
Working Smarter	0.533
Better Together	0.700
Service Review	0.619
Enabling	0.095
<b>Total</b>	<b>1.947</b>

#### 4.6.17 2022/23 PFI reserve movements

For all PFI schemes, PFI credits are received in year from the government departments to support the PFI business models and contractual commitments. Any surplus at the end of the year is transferred to a PFI reserve and any deficit is met from the accumulated surplus PFI credits held in the PFI reserves. It is therefore recommended that the transfers (to)/from the PFI reserves are approved as per the below table:

4.6.18	<b>PFI Reserve Movements</b>	<b>£m</b>
	<b>Transfer to Reserves</b>	
	Building Schools for the Future (BSF) PFI Reserve	(0.417)
	Grouped Schools PFI Reserve	(0.696)
	Housing PFI reserve	(0.133)
	<b>Transfer from Reserve</b>	
	Street Lighting Reserve	1.528
	Facilities Management Reserve for Grouped Schools PFI	0.014
	Housing PFI reserve	0.105
	<b>Net Movement</b>	<b>0.401</b>

#### 4.7 Treasury Management

##### 4.7.1 Treasury Management Final Outturn 2022/23

The Treasury Management outturn is a balanced position, after (£2.397m) has been transferred to the treasury management reserve to manage the future capital programme borrowing requirements. The underspend position increased by (£0.5m) compared to the forecast position reported at Qtr.3. The underspend for 2022/23 is mainly due to:

- (£0.170m) Less than anticipated Minimum Revenue Provision (MRP) due to capital programme outturn slippage
- (£2.173m) due to a reduction in the borrowing requirement for the year as a consequence of reduced capital expenditure.

4.7.2 It is recommended that the treasury management underspend is transferred to the Treasury Management reserve as outlined in Appendix 2.

4.7.3 The Council continues to have a prudent approach to Treasury Management in that it does not borrow more than it needs, due to the cost of carry where interest rates on loans is significantly higher than the return the Council would receive on cash investments. It only lends to approved financial institutions, and this discipline is enforced by reviewing the approved list of counterparties, which is regularly updated in consultation with the Councils treasury advisors – Arlingclose and the S151 Officer.

- 4.7.4 For 2022/23 all prudential indicators and limits in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance have been adhered to. All but one treasury management activity undertaken complied with our internal Treasury Management Strategy with the exception of breaching the maximum balance to be held with Lloyds, our main bank. Further details are outlined in section 4.7.24.
- 4.7.5 During Qtr. 4 S151 Officer approval was granted to reduce the Treasury Management Strategy Investment limits to enable the Council to manage cash flows over the short term and to reduce the need to short term borrow where levels of income only dipped for a day or two. All risks were fully explored and considered.
- 4.7.6 **The Financial Markets During 2022/23**
- 4.7.7 The information relating to the overall global position of the UK financial markets in 2022/23 has been considered as advised by Arlingclose, our treasury advisors, who continue to update the Council with on-going market activity and interest rates.
- 4.7.8 The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a recession during the year. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.
- 4.7.9 Central Bank actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions. The Bank of England increased the official Bank Rate to 4.25% during the financial year.
- 4.7.10 Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing.
- 4.7.11 **Local Context**  
On 31<sup>st</sup> March 2023, the Council had net borrowing of £342.752m, an increase on 31<sup>st</sup> March 2022 of £33.139m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below:

**Table 1: Balance Sheet Summary**

Balance Sheet Summary	31/03/2022 Actual £m	2022/23 Movement £m	31/03/23 Actual £m
General Fund CFR	510.953	9.641	520.594
HRA CFR	211.614	(3.342)	208.272
<b>Total CFR</b>	<b>722.567</b>	<b>6.299</b>	<b>728.866</b>
Less: Other debt liabilities *	(79.964)	4.092	(75.872)
<b>Borrowing CFR</b>	<b>642.603</b>	<b>10.391</b>	<b>652.994</b>
Less: Usable reserves	(233.566)	21.026	(212.540)
Less: Working capital	(99.424)	1.722	(97.702)
<b>Net borrowing</b>	<b>309.613</b>	<b>33.139</b>	<b>342.752</b>

\*finance leases, PFI liabilities and transferred debt that form part of the Councils total debt

- 4.7.12 The CFR has increased between 2021/22 and 2022/23 due to the Councils capital programme. Net borrowing has increased because our investment balances have reduced. We have used internal balances to fund capital expenditure which in turn has led to lower investment balances.

4.7.13 **Table 2: Treasury Management Summary**

TM Summary	31/03/2022 Balance £m	2022/23 Movement £m	31/03/2023 Balance £m
Long-term borrowing	329.450	(3.999)	325.451
Short-term borrowing	13.477	20.522	33.999
<b>Total borrowing</b>	<b>342.927</b>	<b>16.523</b>	<b>359.450</b>
Long-term investments			
Short-term investments	7.000	(7.000)	0.000
Cash and cash equivalents	26.313	(9.616)	16.697
<b>Total investments</b>	<b>33.313</b>	<b>(16.616)</b>	<b>16.697</b>
<b>Net borrowing</b>	<b>309.614</b>	<b>33.139</b>	<b>342.752</b>

Note: the figures in the table are from the balance sheet in the Councils statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 4.7.14 Total short term borrowing has slightly increased between 2022/22 and 2022/23, this is due to a requirement to short term borrow to manage cashflows and avoid being locked into longer term higher interest rates. Managing cashflows with internal resources has meant that net borrowing has increased due to previously using cash balances to fund capital expenditure to delay our need to borrow until for example the economy improves and interest rates reduce or there is a definitive need to borrow long term.

- 4.7.15 The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2022/23, the Council's investment balance ranged between £10m and £71m due to timing differences between income and expenditure. The year-end investment position and the year-on-year change is shown in table 3 below:

**Table 3: Treasury Investment Summary**

Counterparty	31/03/2022 Balance £m	2022/23 Movement £m	31/03/2023 Balance £m
Banks & building societies	4.052	1.323	5.375
Local authorities	7.000	(7.000)	0.000
Money Market Funds	18.261	(9.439)	8.822
Local Government (DMO)	4.000	(1.500)	2.500
<b>Total investments</b>	<b>33.313</b>	<b>(16.616)</b>	<b>16.697</b>

- 4.7.16 The investment activity in 2022/23 together with a comparison for the previous year is summarised in table 4 below:

**Table 4: Treasury Investment Activity**

TM Activity	2021/22	2022/23
Number of fixed-term deposits made	102	46
Number of instant access and money market accounts used	12	12
Number of deposits/withdrawals from money market funds/ call accounts	43	376
Value of deposits/ investments held at 31 March	£31.851m	14.455m
Average size of deposit/ investment portfolio	£67.473m	43.256m
Average size of Lloyds Balance (operational)	£6.315m	£2.337m
Total interest earned on deposits/ investments (including Lloyds)	£0.050m	£0.729m
Average Return on deposits/ investment portfolio	0.50%	3.49%

- 4.7.17 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 4.7.18 The credit risk and return metrics for the Council's investments extracted from Arlingclose's quarterly investment benchmarking are shown in Table 5 below:

**Table 5: Investment Benchmarking**

Investment Benchmarking	Credit Score*	Credit Rating	Bail-in Exposure	WAM** (days)	Rate of Return
30.06.2022	4.68	A+	74%	42	0.94%
30.09.2022	4.55	A+	66%	25	1.27%
31.03.2023	4.85	A+	82%	1	3.69%
<b>Similar LAs</b>	4.84	A+	60%	64	0.60%
<b>All LAs</b>	4.71	A+	59%	12	1.59%

\*The lower the credit score the lower risk

\*\* Weighted Average Maturity

The above table shows the Council is pursuing security/low risk, as our investments are all short term we have benefited from higher rates immediately, whereas other Local Authorities (LA's) with longer term strategic pooled funds who were receiving a high rate before interest rates increased, have now seen a reduction in rates, as they are tied in and will need to wait for their investments to mature so they can get new higher rates.

WAM days indicates the average days investments are held, the Council's WAM reduced to an average of 1 day in the final quarter, this is because we only invested overnight and did not tie into any long term investments to manage cash flows through that period.

#### 4.7.19 **Non-Treasury Investments**

The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

- 4.7.20 The Council held £2.797m of loans to Derby Homes and £0.810m regeneration loans to local businesses as at 31st March 2023.

#### 4.7.21 **Borrowing Activity 2022/23**

As at the 31<sup>st</sup> March 2022 the total external debt portfolio of the Council (including HRA debt and other long- term liabilities) was £418.9m. The analysis of external debt outstanding is £430.9m at 31<sup>st</sup> March 2023 is shown in the table 6 below:



**Table 6: External Debt at 31<sup>st</sup> March 2022 and 2023**

External Debt	As at 31 March 2022 £m	As at 31 March 2023 £m
<b>External Borrowing:</b>		
- Fixed Rate PWLB	290.838	283.752
- Fixed Rate Market	20.000	20.000
- Other Local Authorities	31.000	55.000
- SALIX Energy Efficiency	0.556	0.231
- University of Derby	0.533	0.467
<b>Total External Borrowing as at 31 March</b>	<b>342.927</b>	<b>359.450</b>
<b>Other Long-term Liabilities:</b>		
- Transferred Debt from other Local Authorities	0.237	0.193
- PFI Financing	74.850	70.228
-Lease Liabilities	0.837	1.021
<b>Total Gross External Debt at 31 March</b>	<b>418.851</b>	<b>430.891</b>

4.7.22 During Qtr. 4 2023, a total sum of £45m temporary borrowing from other local authorities was taken in order to manage our day-to-day cash management activities.

**4.7.23 Compliance Report**

All treasury management activity undertaken up to 31<sup>st</sup> March 2023 complied fully with the CIPFA Code of Practice.

4.7.24 All but one treasury management activity undertaken up to 31<sup>st</sup> March 2023 complied with our internal Treasury Management Strategy. At the end of Qtr.3, we breached the minimum limit for funds to be held with our bank, Lloyds on two occasions (we held more money in there than prescribed in our TM strategy) this represented minimal risk. The breach was due to human error and occurred due to timing differences when running reports from our banking system and incorrect profiling of December payday, procedures have been reviewed and put in place to minimise this risk in the future.

4.7.25 Compliance with specific investment limits are demonstrated in Table 7 below:

**Table 7: Investment Limits**

Investment Limits	2022/23 Maximum	Actual 31.03.22	2022/23 Limit	Complied
The Council's Banking Provider – Lloyds	£8.7m	£2.2m	£4m	x
Any single organisation, except the UK Central Government (excluding the operational bank)	£7m	£3.05m	£7m	✓
Any group of pooled funds under the same management	19.05m	£3.09m	£20m	✓
Money Market Funds (MMF)	£7m	£3.05m	£7m	✓

4.7.26 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 8 below:

**Table 8: Debt Limits**

Debt Limits	2022/23 Maximum £m	31/03/2023 Actual £m	2022/23 Operational Boundary £m	2022/23 Authorised Limit £m	Complied
Borrowing	387.9	359.4	632.7	759.2	✓
PFI & finance leases	80.0	75.9	76.2	91.4	✓
<b>Total debt</b>	<b>467.9</b>	<b>435.3</b>	<b>708.9</b>	<b>850.6</b>	✓

#### 4.7.27 Treasury Management Indicators

The authority measures and manages its exposures to treasury management risks using the following indicators.

4.7.28 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

4.7.29 Local Authorities are unrated, therefore fixed term deposits with Local Authorities have to be assigned a score. The score assigned is AAA=1, this means the investments are of the highest credit quality. This is due to Local Authorities not being subject to bail-in and having an insignificant risk of insolvency.

4.7.30 Table 9 shows the target for the portfolio average credit score and the actual for 2022/23:

**Table 9: Security Indicator - Portfolio average credit score**

Security Indicator	Target	Actual
Portfolio average credit score	3	2.07

4.7.31 The actual credit score is below the target showing the exposure to credit risk in the year to date achieved has been lower than the target set this is due to higher credit quality investment being used over lower credit quality investment. This is because of the use of fixed term deposits with Local Authorities, the Debt Management Office and high credit quality MMF's.

4.7.32 **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period:

Liquidity	31/3/23 Actual	2022/23 Target	Complied?
Total cash available within one month	£16.7m	£15m	✓

4.7.33 The council has maintained adequate liquidity throughout 2022/23.

4.7.34 The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates as at 31 March 2022 are shown in Table 10 below:

**Table 10: Interest Rate Exposure**

Interest rate risk indicator	Limit	Complied
Upper limit on one-year revenue impact of a 1% rise in interest rates	£0.450m	✓
Upper limit on one-year revenue impact of a 1% fall in interest rates	£0.088m	✓

4.7.35 These figures show that the Council has not exceeded any limits for the fixed and variable rate borrowing.

4.7.36 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The indicator is calculated as the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing. For each maturity period, an upper and lower limit is set.

- 4.7.37 The actual maturity structure of borrowing as at 31<sup>st</sup> March 2023 has been compared to the loan maturity limit profile that was approved in the Treasury Management Strategy 2022/23. Table 11 below shows that this indicator has been met as follows:

**Table 11: Maturity Structure of Borrowing**

Number of Years to Maturity	Borrowing Profile Set per the 2022/23 Strategy	Actual Profile of Borrowing at 31st March 2023
	%	%
Up to 1 year	10	12.26
Up to 2 years	20	12.28
Up to 5 years	30	15.11
Up to 10 years	50	28.37
Up to 20 years	70	36.42
Up to 30 years	80	64.10
Up to 40 years	95	99.72
Up to 50 years	100	100.00

- 4.7.38 The up to 1 year limit to maturity has been breached due to the maturity of existing long term borrowing and the additional need to short term borrow in Qtr.4 to manage cashflows and avoid additional costs of being tied into longer term loans.

The 40 year limit should have been revised when the Treasury Management Strategy was set in February Cabinet, to reflect the maturity of the Councils' historic debt. This will be reviewed in the Treasury Management Mid-Year Report to Cabinet.

- 4.7.39 The final Treasury Management indicator required relates to the limit at any one time on investments with a period to maturity of more than 365 days. Investments made in 2022/23 were in accordance with this criterion and no investment made was greater than 365 days.
- 4.7.40 **IFRS 16:** The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIFPA/LASAAC announced an optional two year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Authority currently intends to adopt the new standard on 1st April 2023.

## **4.8 Housing Revenue Account – HRA**

- 4.8.1 The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement outlined in detail in Appendix 5.
- 4.8.2 The HRA shows an outturn surplus of £0.217m against a planned shortfall of £2.700m, this is a positive variance of £2.918m. The outturn surplus represents 0.35% of the total income generated of circa £62.716m across the HRA. This is offset from the overall reduction to HRA balances, including the Major Repairs Reserve, from £47.585m to £42.351m for 2022/23 as described in para 4.8.4.
- 4.8.3 The variance includes overachievement of income against dwelling rents and other income, alongside lower than budgeted increase in the bad debt provision. A summary and supporting explanation of the key variances are provided at Appendix 5. The reserve is managed annually as part of the 30-year HRA Business Plan.
- 4.8.4 The 2022/23 £5.234m change in the HRA Reserve balances is a result of funding the capital programme from the Major Repairs Reserve and a £0.217m transfer to the HRA General Reserve for the HRA underspend in 2022/23.

#### **4.9 Dedicated Schools Grant – DSG**

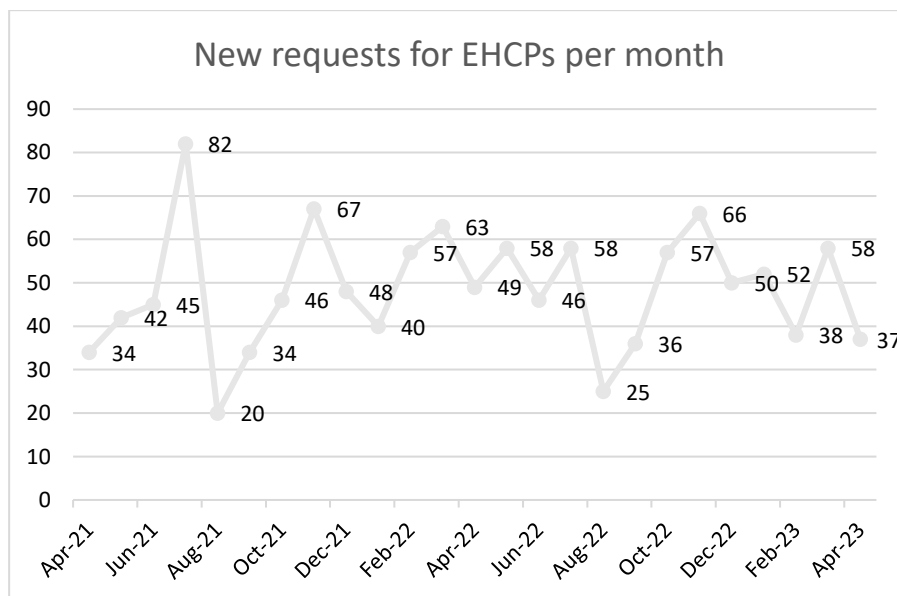
- 4.9.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant. Regulations allow any underspends or overspends to be carried forward and dealt with as part of the budget setting process for the following financial year.
- 4.9.2 The final outturn position for the central elements of the DSG for the financial year 2022/23 was a £3.675m pressure. Overall DSG balances at the end of the financial year 31 March 2023, were £4.443m deficit. 4.9.4, gives contextual information to situation in Derby with 4.9.5 giving details of the final outturn.

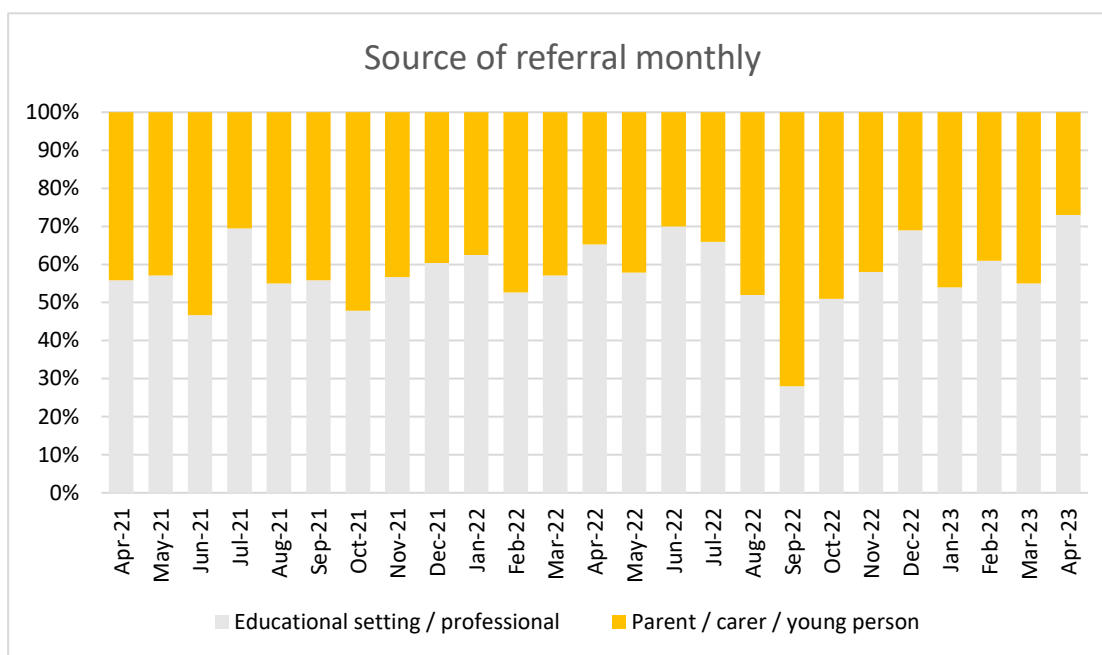
- 4.9.3 The DSG continues to report a deficit due to pressures within the High Needs Block. The deficit has reduced from the forecast reported at Qtr. 3 due to a reduction in High Needs out of authority charges, an Early Years block underspend and cumulated underspends from assigned contingencies.

The DSG conditions of grant 2022 to 2023 paragraph 5.2 requires that any local authority with an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend, This Management Plan has been developed and is contained as a separate report for the June 2023 Council Cabinet. As part of the DSG deficit monitoring plan the following projects continue to be developed.

- Capital strategy to increase capacity within the City, increase support for SEMH and embed the Right Time, Right Place placement strategy for every child with SEND.
- Embedding the eDIT tool to all schools
- Establish SEN/AP centres of Excellence within the City.
- Establish 'spoke' schools with the support of mainstream schools.
- Develop SEND training within schools, increased digitalisation of the SEND service and continue to work with stakeholders and school forum on the progress of the initiatives

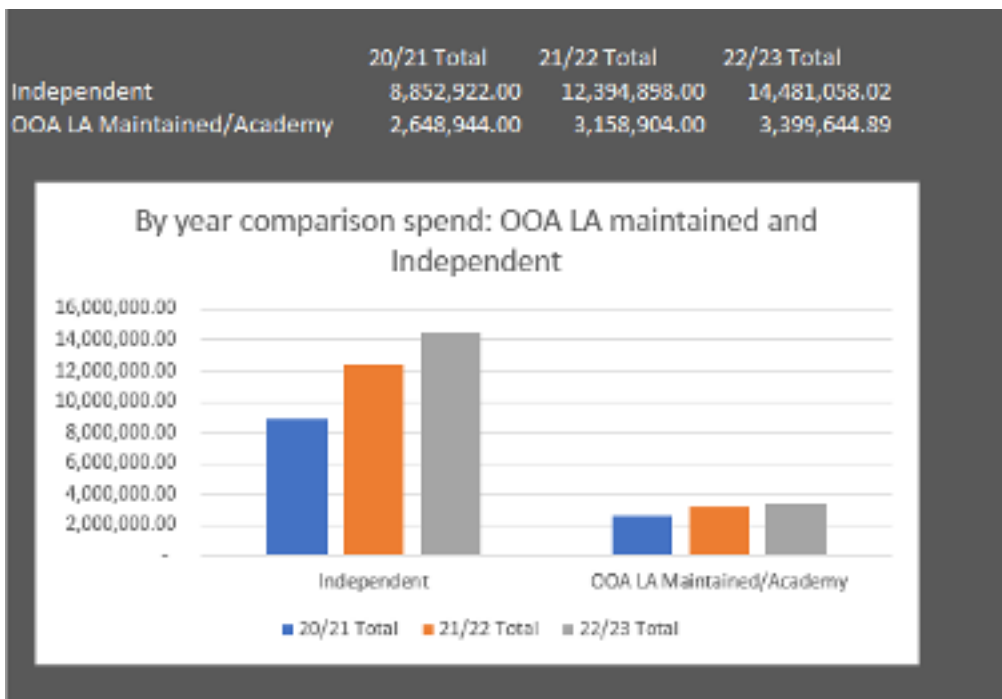
- 4.9.4 Within Derby the demand for Education and Health Care Plans (EHCP) continues to rise at an average of 50 new requests each month (and increase from 40 in 2019/20). The greater proportion of referrals are coming from educational setting and other professionals. Leaving around and average of 30-40% being referrals from parents, carers and young people





4.9.5 The High Needs Block outturn was a **£4.617m** deficit. Which is an increased deficit position from the original budget plan of £0.609m (original budget was set at a £4.08m deficit) there are some significant pressures reported, offset by savings including one-off maximisation of grants to ease in year pressures, details of the outturn position are reported below

- Out of Authority placements, yearend position was £17.77 on a budget of £17.9m. (Which was a £2.327m increase from 2021/22) At Qtr. 3 the forecast reported a spend of £19.6m (taking into consideration potential fee increases and additional demand). reflecting this. The graph and chart below shows the increased demand and increased costs over the last 3 years. Demand has increase by 17% since 21/22.



Learner placements	20/21 Placements	21/22 Placements	22/23 Placements
OOA LA Maintained/Academy	159	168	213
Independent	190	233	258
Total Learner Placements	349	401	471

<sup>42</sup> This includes any approved placements in FY 22/23 not yet started.

- Additional funded places within Special Schools were an additional **£1.4m** spend to existing budgets recognising both demand and increased costs for individual placements. This increase was a combination of additional exceptional funding required for the additional need circa £0.7m, and approximately 60 additional places costing circa £0.7m.
- E3 additional support to mainstream schools reported year end position of £6.4m, this is a pressure of **£0.32m** against the original budget. On average 693 E3 plans at an average annual cost of £9,200.
- Personal budgets and additional tailored support reported a pressure of year end position was a spend of £0.29m a slight pressure of **£0.09m** on the original £0.2m budget set.
- Specialist SEND Teams staffing supporting HN processes reported a pressure of **£0.1m** on a budget of £1.17m, this is partly due to the unplanned pay award.



The above pressures were mitigated by underspends within the following areas

- Post 16 provision reported an underspend of **£0.3m** on a budget of £3m.
- Enhanced Resource Schools provision reported a year end underspend of **£0.17m** due to reduced demand for the type of provision. A reduction of 5 places.
- Contingencies and efficiencies across the programmes contributing a further **£0.11m**
- One off import and export adjustment for 22-23 **£0.793m**

- 4.9.6 The High Needs Transformation Project which had previously been approved was spent as planned, of the £1m approved £0.455m is earmarked in the 2023/24 budget noted at the January School Forum meeting.

Regulations remain whereby there is little or no ability to allow other funding blocks to offset the pressure. This is due to the both the ring-fencing of some of the elements of the DSG and financial pressures across the whole system. For 2022/23, £0.303m was transferred for speech and language project and SENDIASS services, all reported full spend.

- 4.9.7 The **School's block** underspent by **£0.3m**, due to Growth fund allocations being lower than forecast and de-delegation services year end position being more favourable.

- 4.9.8 **The Central Block** reported a balanced position.

- 4.9.9 **The Early years block** was forecasting a balanced position in Qtr. 3 (which included the anticipated clawback of funding totalling £0.4m due to the reduced actual participation). The final allocations did not reflect the clawback which has resulted in an in-year underspend of **£0.455m** (budget £19m). . A further favourable variance related to the 2021–2022-year EY adjustment of **£0.184m**.

- 4.9.10 The balance of the DSG reserves carried forward into 2022/23 was £0.768m deficit. The in-year deficit for 2022/23 of £3.675m leaves a cumulative deficit balance on the DSG reserve of £4.443m. The mitigated forecast deficit for 2023/24 as per the DSG Management Plan is £2.988m leaving a cumulative forecast deficit balance for the end of 2023/24 of £7.431m.

#### **4.10 The Collection Fund**

Collection Fund accounting is based on estimates and actuals and is determined by statutory regulations. To avoid budgeting uncertainty only amounts estimated are transferred in year; therefore, the amounts recognised in 2022/23 are the amounts determined on 15th January 2022 for Council Tax and in the NNDR1 return completed in February 2022 for Business Rates.

##### **4.10.1 Council Tax**

The actual surplus on Council Tax at 31 March 2023 is (£0.457m). This is an increase of (£0.039m) from the position reported at Qtr.3. This is mainly due to a slight reduction in the forecast bad debt provision required as a result of the current arrears position and the final year-end review of collection rates.

4.10.2 The current estimates at 31 March 2023 detailed below will impact 2023/24 and future years as per the regulations determining collection fund accounting.

**4.10.3 Latest estimate for the impact on the Collection Fund for Council Tax**

The City Council administers the collection of Council Tax on behalf of the preceptors, Derbyshire Police and Crime Commissioner and Derbyshire Fire and Rescue Service and therefore any surplus or deficit is shared with them. The apportionment of the current deficit estimate is outlined below:

Authority	Latest Estimate	Percentage
	£m	%
Derby City Council	(0.377)	82.5
Derbyshire Police and Fire Commissioner	(0.061)	13.3
Derbyshire Fire and Rescue	(0.019)	4.2
<b>Total</b>	<b>(0.457)</b>	<b>100</b>

**4.10.4 Non-Domestic Rates**

Latest estimate for the impact on the Collection Fund for Non-Domestic Rates The Council collects Non-Domestic Rates - NDR - for its local area. NDR is based on the individual rateable value, set by the Government's Valuation Office Agency multiplied by a national multiplier set by Central Government.

4.10.5 The City Council administers the collection of NDR on behalf of the preceptors, being Central Government and Derbyshire Fire and Rescue Service and therefore any surplus or deficit is shared with them. The apportionment of the current deficit estimate is outlined below:

Authority/Government	Latest Estimate	Percentage
	£m	%
Central Government	1.233	0.50
Derby City Council	1.208	0.49
Derbyshire Fire and Rescue	0.025	0.01
<b>Total</b>	<b>2.466</b>	<b>100</b>

4.10.6 The net deficit on the collection fund for Business Rates, at 31 March 2023 was therefore £2.466m. The forecast net deficit at Qtr.3 was £1.704m; the main reason for this increase is the level of appeals received in the final quarter leading to an increase in the appeals provision. This was partially offset by to an improved position on collection rates in the final few months of the financial year leading to lower bad debt provision.

#### 4.10.7 Net Deficit for Derby City Council

Authority	Latest Estimate
	£m
Derby City Council – Council Tax	(0.377)
Derby City Council – NDR	1.208
<b>Total</b>	<b>0.831</b>

The total net deficit estimate of the two collection funds of £0.831m which relates to the City Council will be accounted for in 2023/24 and 2024/25 (initial assumptions were built into the MTFP in February 2023); the impact of this is detailed in paragraph 4.10.8

#### 4.10.8 2023/24 Budget

As per the statutory regulations for Collection Fund Accounting, in 2023/24 the Council has set the budget based on the amounts forecast at 15 January 2023 for Council Tax and in the NNDR1 return completed in January 2022 for Business Rates.

The table below outlines the £0.342 which will be recognised in 2024/25. As the current forecast deficit calculated at 31st March 2023 is a worse position; this £0.342m will be factored into the calculation of the estimated (surplus)/deficit to be recognised in 2024/25 which will be finalised in January 2024.

Analysis	2023/24 £m	2024/25 £m
<b><u>Council Tax</u></b>		
Gross Surplus forecast January 2023	(0.541)	
<b><u>Business Rates</u></b>		
Surplus forecast January 2023	(0.522)	
Fixed exceptional balance to be recognised in 2023/24	1.552	
<b>Total Deficit recognised in 2023/24 for Budget Setting purposes</b>	<b>0.489</b>	
<b>Updated estimates as at 31/03/23</b>		
<b><u>Council Tax</u></b>		
Surplus at 31/03/23	(0.377)	
<b><u>Business Rates</u></b>		
Deficit at 31/03/23	1.208	
<b>Total deficit calculated</b>	<b>0.831</b>	
Difference between total deficit recognised in 2023/24 for budget purposes and actuals	0.342	
<b>Current Deficit to be recognised in 2024/2025</b>		<b>0.342</b>

#### Public/stakeholder engagement

5.1 None directly arising.

## Other options

- 6.1 No other options considered as the Council has a statutory obligation to achieve a balanced budget position.

## Financial and value for money issues

- 7.1 The report demonstrates it has the resources available to deliver the Councils Services.

## Legal implications

- 8.1 Under Section 28 of the Local Government Act 2003 the Council must review its performance against budget.
- 8.2 The report confirms that the Council has met its statutory requirement to deliver a plan for a balanced budget.

## Climate implications

- 9.1 Non directly arising.

## Other significant implications

- 9.2 **Equality implications**  
Equality impact assessments are produced when setting the Councils budget.

### This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>	Olu Idowu – Head of Legal Services	To follow
<b>Finance</b>	Toni Nash – Head of Finance	30/05/2023
<b>Service Director(s)</b>	-	
<b>Report sponsor</b>	Alison Parkin – Director of Finance	05/06/24
<b>Other(s)</b>	Ann Webster - Lead on Equality & Diversity	To follow
	Liz Moore – Head of HR	To follow
For more information contact: Background papers: List of appendices:	Toni Nash: <a href="mailto:Toni.Nash@derby.gov.uk">Toni.Nash@derby.gov.uk</a> None Appendix 1 – Statement of reserves Appendix 2(a) – Transfers to/from reserves requiring cabinet approval Appendix 2(b) – Transfers to reserves under delegation Appendix 3 – Capital – Main out-turn variances Appendix 4 – Capital Slippage to 2023/24 and Spend Brought Forward Appendix 5 – HRA Out-turn analysis Appendix 6 – Detailed analysis of Revenue Out-turn Variance Appendix 7 – Bad debt write off	

## Statement of Reserves

Statement of Reserves	2022/23 Opening Balance £m	In Year Movement £m	2022/23 Closing Balance £m
<b>General Fund</b>			
Unallocated General Fund Balance	(8.933)	-	(8.933)
Balances Held By Schools	(8.577)	(0.746)	(9.323)
Budget Risk Reserve	(20.524)	15.539	(4.985)
<b>TOTAL</b>	<b>(38.034)</b>	<b>14.793</b>	<b>(23.241)</b>
<b>Revenue Earmarked Reserves</b>			
Covid-19 Reserve	(2.265)	2.265	-
General Insurance Reserve	(2.658)	(0.145)	(2.804)
Trading Services Reserve	(0.039)	0.039	-
Year-end grants with restrictions	(4.235)	(0.157)	(4.392)
DEGF Interest Reserve	(0.207)	(0.130)	(0.338)
Regeneration Fund Reserve	(0.917)	0.303	(0.615)
Assembly Rooms Reserve	(2.090)	0.160	(1.930)
Delivering Change Reserve	(0.941)	0.891	(0.050)
Business Rate Pilot Reserve	(0.083)	0.082	(0.001)
Collection fund deficit smoothing reserve	(8.208)	7.628	(0.580)
Treasury Management Reserve	(2.759)	(1.447)	(4.207)
Public Health Reserve	(3.869)	0.091	(3.777)
Adult Social Care Reserve	(2.435)	0.597	(1.839)
Capital Feasibility Reserve	(0.527)	0.048	(0.479)
Pay and Inflation Reserve	(1.200)	1.200	-
Cost of Change Reserve	-	(4.000)	(4.000)
Other Service Reserves	(9.720)	(0.600)	(10.320)
PFI Reserves	(29.767)	4.192	(25.576)
Earmarked Reserves to support the capital programme	(2.060)	(1.505)	(3.565)
<b>TOTAL</b>	<b>(73.980)</b>	<b>9.510</b>	<b>(64.471)</b>
<b>Housing Revenue Account (Ringfenced)</b>			
Housing Revenue Account (Ringfenced)	(45.959)	3.609	(42.350)
Major Repairs Reserve	(1.625)	1.625	-
<b>TOTAL</b>	<b>(47.584)</b>	<b>5.234</b>	<b>(42.350)</b>

## Use of Reserves

Directorate	£m	Reserve	Narrative
Corporate	10.201	Budget Risk Reserve	To fund the final overspend for 2022/23
Corporate	1.200	Pay and Inflation Reserve	To fund costs associated with the impact of pay award and inflation above the budget set
Corporate	2.265	COVID Reserve	To fund costs associated with the impact of pay award and inflation above the budget set
Corporate	8.208	Collection Fund Deficit Smoothing Reserve	Use of reserves of section 31 Grant received in 2021/22 for extended retail, nursery and newspaper relief awarded as a result of the Covid pandemic which is being transferred from reserves to offset the large deficit impacting on 2022/23 as a result of the issuing of these reliefs
Corporate Resources	0.312	Budget Risk Reserve	To fund Redundancy Payment in line with MTFP savings
Corporate Resources	0.113	Welfare Reform Reserve	In line with intended use £0.113m of the Welfare Reform reserve for associated welfare reform expenditure to continue to supply services for the vulnerable residents of the city
Corporate Resources	0.334	Equal Pay Reserve	To fund costs associated with Equal Pay claims
Peoples - Adults	0.252	Adult Social Care Reserve	Transfer to Adult Social Care from the Ringfenced ICB Reserve - £0.186m to fund newton Europe diagnostic work on the ICB, £0.066m to fund temporary agency Social Workers and the cost of care following discharge from hospital, this is to support hospital discharge.
Peoples - Adults	0.091	Public Health Reserve	To fund pressures within the Public Health across Livewell services and contracted spend.
Peoples - CYP	0.351	Ravensdale Insurance Reserve	To fund costs associated with the Ravensdale School
Communities and Place	0.303	Regeneration Fund Reserve	To fund costs arising from approved regeneration schemes supported by the fund
Communities and Place	0.043	Library Project Reserve	To fund Community Managed Libraries running costs in 2022/23
Communities and Place	0.034	Budget Risk Reserve	Transfer Heritage Lottery Funding from reserves, previously transferred to the reserves as part of 2021/22 outturn. Ringfenced funds received at the end of the 2021/22 financial year and spent in 2022/23.
Communities and Place	0.057	Cultural Charter Reserve	To fund Viva & Quad as per existing agreements
Communities and Place	0.043	Budget Risk Reserve	To support Derby Market Place events in 22/23
Communities and Place	0.178	Budget Risk Reserve	To fund the enhanced Christmas Offer
Communities and Place	0.150	Racecourse ATP Replacement Reserve	To fund Parklife Strategic Football Hub
<b>TOTAL</b>	<b>24.134</b>		

Transfers to Reserves	£m	Reserve	Narrative
Corporate	(2.397)	Treasury Management Reserve	Transfer to the Treasury Management (TM) Reserve of TM underspends for costs including future borrowing requirement due to slippage
Corporate	(0.580)	Collection Fund Deficit Smoothing Reserve	Additional Business Rates Levy surplus received from Centre Gov in 22/23 transferred to the reserve to mitigate deficit in 2023/24
Corporate	(0.061)	Budget Risk Reserve	New burdens funding received in 22/23 transferred to reserve to be used in 23/24
Peoples - Adults	(0.130)	Adult Social Care Reserve	Government grant to cover Adult Social Care digitalisation costs - funding received in March 2023 and will be spent during 2023/24
Peoples - CYP	(1.016)	Education Revenue Fund Reserve	Transfer Adult Learning Grant funds to reserves to improve services within Adult learning over the next two financial years, including infrastructure and resources investments, such as; Digital investment for both the service and learners, refurbishment of Adult learning sites and extended reach for English for Speakers Of Other Languages learners
Peoples - CYP	(0.106)	Education Revenue Fund Reserve	Transfer the initial allocation of UK Spatial Development Framework funding for the government Maths Multiplier to reserves and approve the use of the funding over the 3 year lifespan of the project
Communities and Place	(0.005)	Local Plan Reserve	Transfer of Income received in 2022/23 to support committed costs for Local Housing Needs Assessment Joint Study with South Derbyshire in 2023/24
Communities and Place	(0.130)	Derby Enterprise Growth Fund Reserve	The Council is the accountable body for the Derby Enterprise Growth Fund (DEGF), facilitates the DEGF Investment Panel and manages the grants and loan book. In line with the ongoing arrangements agreed for the operation of these activities, and the purpose for which the DEGF revenue reserve is held. This is the net transfer required.
Communities and Place	(0.185)	Budget Risk Reserve	Transfer of funding to support Darley Mills temporary bridge costs due in 2023/24
Capital	(0.001)	Earmarked Reserves to support the capital programme	Minor use of earmarked reserve to fund capital expenditure in line with intended use
<b>TOTAL</b>	<b>(4.611)</b>		

**Cabinet is asked to note the following transfers actioned under delegation - Appendix 2 (b)**

Directorate	£m	Reserve	Narrative
Peoples - Adults	0.081	Budget Risk Reserve	To fund posts as agreed by SLT to assist with the income collection for Adult Social care
Peoples - Adults	0.005	Derby Safeguarding Adults Board Reserve	As the host for the Adult Safeguarding Board, in accordance with the memorandum of understanding and agreed by all board members, any underspend is ring fenced for the board and will be drawn down in the following financial year
Peoples - CYP	(0.013)	Education Revenue Fund Reserve	As the host for the Youth Offending Board, in accordance with the partnership interagency agreement, any underspend is ring fenced for the board and will be carried forward for use in the following financial year
Peoples - CYP	0.010	Area Child Protection Committee	As the host for the Children's Derby and Derbyshire Safeguarding Board, in accordance with the partnership interagency agreement, any underspend is ring fenced for the board and will be drawn down in the following financial year
<b>TOTAL</b>	<b>0.083</b>		



**Capital Programme – Main out-turn variances following Qtr. 3**

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Over Spend £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
<b>Schools</b>						
Devolved Formula Cap - FUNDING POT	(0.389)	(0.057)	(0.332)			In tandem with the Capital works delivered by schools scheme funded from schools revenue in year. The actual capital spend figure is transferred to revenue in relation to devolved income at the year-end against a notional budget. This is outside the control of the Council.
Capital works delivered by schools - FUNDING POT	0.748		0.332	0.416		This is additional capital scheme spend managed and delivered by individual schools, funded from a mix of their individual school revenue budgets and devolved formula capital. The actual capital spend figure is brought into the capital accounts at the year-end against an estimated at the time the budget is set. This is outside the control of the Council.
Fellows Lands Way Primary s106	0.739			0.739		The contractor's programme and claims have progressed ahead of the Council's original capital programme profiling. This requires £0.739m budget to be brought forward. The new school project is progressing to programme in advance of the scheduled school opening in September 2023.
New Castleward School	(0.234)	(0.118)	(0.116)			The Council are now to receive the final claim from the multi academy trust for costs of establishing and setting up classrooms in 2023/24. Deliver for other elements of the scheme have come in underspent and to be taken as a saving.
Ravensdale Infant School - Demolition	(0.343)	(0.343)				The Council is currently working with its Insurer and Loss Adjuster to settle the final insurance claim for the replacement school, along with settling the final account with the contractor. It is therefore necessary to slip £0.343m until negotiations are concluded and a final figure known.
Ivy House School - SEND Project	(0.240)	(0.240)				The scheme is being delivered by the Academy directly and funded through a grant agreement. The works have been completed and the Academy are compiling their claim and supporting information. The claim and payment is expected in 23/24.
Kingsmead School - SEND Project	(0.241)	(0.241)				The scheme programme has required revision in order to complete additional structural works and then re-programme the main scheme around school holiday periods. It is therefore necessary to slip £0.241m for the works to be carried out in summer 2023.
St Clares Expansion	(0.353)	(0.353)				This was added to the programme in January Cabinet however the project delayed due to initial cashflow forecasts is still to be reviewed following further detailed work in development, therefore commencement of scheme halted till 2023/24 therefore slippage required.
<b>Schools Total</b>	<b>(0.313)</b>	<b>(1.352)</b>	<b>(0.116)</b>	<b>1.155</b>	<b>-</b>	
<b>Housing General Fund</b>						
Disabled Facilities Grant 96 Act	0.563			0.563		Post covid recovery in delivery increased throughput of cases. Substantially increased cost of building work due to inflationary pressures and market conditions have increased individual costs. The planned overspend was funded from unused grant from previous years. Service demand and cost management processes have been implemented for 2023/24 to ensure budget restrictions are met.
Green Home Grant Local Authority Delivery - Phase 1	(0.213)		(0.213)			Local Authority Delivery eligibility criteria and tight delivery timescales set by Government limited our ability to identify and deliver suitable sufficient properties within the project timescale. Preparation and acceptance of documents/agreements required to ensure compliance with GDPR caused a delay of several months in being able to commence the programme .
Green Home Grant Local Authority Delivery - Phase 3	(1.917)	(1.917)				The Delivery timescale extended to June 2023. Local Authority Delivery eligibility criteria and initially tight delivery timescales set by Government limited our ability to identify and deliver sufficient suitable properties within the project timescale. Inability to identify sufficient lower cost measures to offset the high cost external wall insulation meant that numbers of properties had to be restricted in line with available the councils available capital to meet funding shortfall on each property exceeding the property cost cap.
Children's Services - Properties	(0.265)	(0.265)				The business model for the property and service delivery was changed and an alternative approach was explored by the Council. As a result the provision of the properties was put on hold until a tender was developed, and a contract partner procured. Scheme to commence in 2023/24
Devolution Property Acquisitions for Temporary Accommodation	(0.276)	(0.276)				The business model for the property and service delivery was changed and an alternative approach was explored by Childrens Services. As a result the provision of the properties was put on hold until a tender was developed, and a contract partner procured. partner
<b>Housing General Fund Total</b>	<b>(2.108)</b>	<b>(2.458)</b>	<b>(0.213)</b>	<b>0.563</b>	<b>-</b>	

Strategy Area and Scheme	Total Variance £m
<b>Property</b>	
Parklife Strategic Football Hub	0.610
Kedleston Road - Heating System	(0.267)
<b>Property Total</b>	<b>0.343</b>
<b>Highways &amp; Transport</b>	
Asset Management - Highways Maintenance	(0.834)
Asset Management - ITS Network Management Maintenance	(0.477)
Network Management - Strategic Network Management	(0.662)
Network Management - Local Traffic Management	(0.758)
A52 Strategic Transport Scheme	(0.355)
S31 - Emergency Active Travel Fund	(0.342)
The Bus Service Improvement Scheme	(0.920)
Air Quality Improvement Project	(1.176)
TCF Tranche 2 - Interchangeable Hubs	(0.561)
TCF Tranche 2 - Public Realm	(0.499)

Slippage £m	Under/Over Spend £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
			0.610	Works have begun on construction and valuation works on the site in March instead of April for expedience as funding was available.
(0.267)				Slippage due to further intrusive works on the infrastructure at Kedleston Road which has delayed construction works commencing.
<b>(0.267)</b>	<b>-</b>	<b>-</b>	<b>0.610</b>	
(0.778)	(0.090)	0.034		The Derby Road scheme (£0.778m) was not delivered in 2022/23 due to network availability and conflict with major utility works. The Council have had discussions with National Highways however due to its highly traffic sensitive nature, it is necessary to defer this scheme to 2023/24. There have also been issues collating quotations and with resources and therefore we have not been able to deliver the scoped work within the city centre for the enhancement public realm scheme. There has been a £0.090m underspend. There has been £0.034m of additional spend backed by funding to contribute to manhole replacement works.
(0.477)				There is slippage of (£0.291m) - Design work is complete for schemes funded from DfT Traffic Maintenance Grant, however, long lead times for equipment, resource issues and the ability to get onto the network have all contributed to the delays here. This is ringfenced DFT funding for signal maintenance and innovation. There is slippage of (£0.039m) S106 funding - Ward councillors requested the crossing to be moved. There was no mechanism for delivering this until the new Framework Contract came into operation in September 2022. Design is complete, construction costs have been calculated by Whitehouse Construction and further funding is required. This will not commence until further funding is identified. There is slippage of (£0.069m) S106 funding - There was no mechanism for delivering this until the new Framework Contract came into operation in September 2022. Initial designs are underway, but scheme will now to be delivered in 2023/24 There is slippage of (£0.078m) - There is a very small pool of specialist staff available in house to deliver signals schemes. As signal schemes are highly technical, they typically require longer than a year to design, procure and deliver schemes. The Framework Contract did not become available until September 2023 (as outlined above) which delayed schemes further.
(0.729)	0.063		0.004	There is slippage of (£0.595m) The Council are currently working on proposals for spending the Cleaner Taxis Grant funding in line with conditions attached with the funding. There is slippage of (£0.134m) for schemes delayed due to a combination of timing with other schemes, road closures being required during school holidays and consultation requirements with other bodies on road closures. £0.063m Overspends funded from other underspends within the Highways & Transport programme. £0.004m minor spend brought forward for the A38 Separation Scheme.
(0.695)	(0.063)			Slippage required as a number of schemes have required further consultation and amended design which has delayed completion. Limited staff resource remains an issue. (£0.063m) Underspends to fund overspend within the Highways & Transport programme.
(0.355)				The remaining A52 Strategic Transport Scheme Budget relates to compensation claims and remedial works to the approach embankments to Meadow Lane Footbridge, these elements have not yet been closed in 2022/23 as a result of staffing resources being refocused on Darley Abbey Mills Bridge during the first six months of the financial year.
(0.342)				There are a number of underspends across School Safe Haven Zone schemes, which have been completed at less than anticipated. In order to maximise the grant, it is intended to re-profile these across the other schemes. Cycling schemes have not completed due to re-design and discussions around phasing due to cost estimates received. We have also been in discussion with DfT in respect of the re-allocation of budget from the Normanton Road scheme as this is being abandoned. Grant funding slipped for further development and will be reprofiled to maximise the grant in the new year
(0.920)				Unable to commence work on schemes in 2022/23 due to the late award of Bus Service Improvement Grant in Qtr.4 2022/23. The original profile added to the capital programme was in line with governments allocation for the next 3 financial years until further work was undertaken to correctly profile the grant aware however the funding was not received until.
(1.176)				Programme of resurfacing works on Ashbourne Road were deferred due to the impending A38 Junctions scheme, which has been delayed (£0.325m). Additional slippage (£0.851m) relates to an extension of the Automatic Number Plate Recognition network which is being considered by officers in order to maximise our grant allocation. These works will now be carried out in 2023/24.
(0.561)				Delays associated with design of scheme have pushed construction works into late 2023. The bus station entrance works have been combined with the delivery of the Morledge to Rail Station scheme due to the vicinity of the works. The final design and target costs have been delayed due to the complexities of the area at the bus station junction and what is underneath the carriageway
(0.499)				External delivery partners have had ongoing issues with resource and demand across the TCF programme. Designs have been delayed in addition to additional works undertaken to minimise potential risk to DCC. Construction for the spot expected to be complete summer 2023, and V&A anticipated to started August 2023 and programmed for 12 months.

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Over Spend £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
TCF Tranche 2 - Bus & Rapid Transit Links	(0.933)	(0.933)				Delays to award of design/enabling contracts on Derby Road have led to consequent slippage of construction programme, in addition to delays with procurement for replacement of bus shelters on the Strategic Corridors mean schemes have slipped to 2023/24. Derby Road scheme scope was revised to exclude some of the initial proposals which resulted in a delay. The bus shelter tender process was completed by an external organisation to provide access to an existing framework and this process took longer than anticipated. The contractor is on board and have been installing the new shelters since April and have a committed programme until December 2023. There has also been quite a challenge with coordination of the different elements required at each location, resulting in different contractors working together at the sites.
TCF Tranche 2 - LCWIP	(0.946)	(0.946)				Prolonged consultation and stakeholder engagement resulted in delays to issuing works package to third party designers. Once the brief was agreed, resource constraints alongside with waiting for confirmation funding body would extend the delivery window created delays.
Future Transport Zone	(3.249)	(3.249)				Whilst a number of Future Transport Zone projects have progressed to the point of mobilisation and installation, we were not able to realise an actual spend even in part by the end of the current financial year. Construction and delivery cost to be updated and finalised in 2023/24
<b>Highways &amp; Transport Total</b>	<b>(11.712)</b>	<b>(11.660)</b>	<b>(0.090)</b>	<b>0.034</b>	<b>0.004</b>	
<b>Regeneration</b>						
Assembly Rooms Site Demolition	(0.583)	(0.583)				Delays in signing contract, which had previously been expected to be completed early 2023, due to further negotiation and resolution of additional technical requirements that arose on the scope of works required with the main contractor to agree the final RIBA 3 contract terms and price. This has led to some slippage from the original spend profile for 2022/23 that will now fall in 2023/24.
Becket Well Regeneration	(0.523)	(0.523)				The variance is the result of (a) £0.263m saving on the contingency associated with the demolition of the Pennine Hotel and (b) £0.260m remaining works and fees slippage. With the demolition contract complete, it is proposed that this contingency allocation is released and allocated to the Castleward project in 2023/24 as part of a total of £0.330m required to be found from the Regeneration Capital programme as per Castleward Cabinet report October 2022. The £0.260m slippage relates to general client contingency for the wider Becketwell Phase 1 project and fees to manage the public square contract through to completion requiring slipping to 2023/24 at this stage pending completion of the whole scheme early in 2023/24 .
iHub plot preparation	(0.381)	(0.381)				By the close of March 2023, legal negotiations concerning the land purchase agreement had not been completed. The Council envisage that the acquisition will be complete in Qtr1 of 2023/24.
Castleward - CPO	(1.747)	(1.747)				Since the October 2022 Cabinet report regarding the acquisition of land and property interests for the next phase of housing development at Castleward, the Council is awaiting claims for compensation from some of the affected parties for individual acquisitions, a proportion of which had previously been expected to be received and payments made before the 31 March 2023. This does not impact the delivery of vacant sites as required to facilitate the next phase of housing development by our partner Compendium Living. On future receipt, each claim will trigger an initial advanced compensation payment of 90% of either the value of a submitted claim, or the Council's estimate where not in agreement within 2 months of receipt. The final balancing amount that the Council will be required to pay in each case will be agreed following the submission of the full substantiated claim and the Council's due diligence. Therefore slippage is required.
MRC Midlands (NAMRC)	(2.982)	(2.982)				To Follow
Smartparc	(0.377)	(0.377)				The majority of the grant has been claimed in year and the scheme is progressing well and due for completion in 2023/24. There is a small amount of slippage which is the balance of the grant agreement because of a slight delay in the claimant commencing the claim process. Expected to be defrayed early in 2023/24
Carbon Reduction Fund	(0.303)	(0.303)				Becketwell Performance Venue is a developer led delivery model and the cashflow will be refined by the developer as they continue to engage with the construction contractor. This refinement has contributed to the adjustment between Qtr. 3 and the outturn position along with changes to the sequencing of payments for statutory undertakings which will now be made in Qtr.1 of 2023/24 rather than Qtr. 4 of 2022/23. These adjustments to the cashflow which inform the budget profiling do not impact on the overall delivery programme for the project.
New Performance Venue at Becketwell	(0.739)	(0.739)				Becketwell Performance Venue is a developer led delivery model and the cashflow will be refined by the developer as they continue to engage with the construction contractor. Becketwell Performance Venue is a developer led delivery model and the cashflow will be refined by the developer as they continue to engage with the construction contractor. These adjustments to the cashflow which inform the budget profiling do not impact on the overall delivery programme for the project.

Strategy Area and Scheme	Total Variance £m
Market Hall Refurbishments - Phase 2	(0.603)
FHFS - Eastern Gateway	(0.620)
Our City Our River - Munio	(0.556)
<b>Regeneration Total</b>	<b>(9.414)</b>
<b>ICT</b>	
Major IT Hardware Developments	(0.411)
Major IT Systems Developments	(0.469)
<b>ICT Total</b>	<b>(0.880)</b>
<b>Corporate</b>	
MTFP Provision for Future Investments - FUNDING POT	(16.488)
<b>Corporate Total</b>	<b>(16.488)</b>
<b>HRA</b>	
To Follow	0.500
To Follow	0.274
To Follow	(0.715)
To Follow	(0.385)
HRA Pre-Development Costs	0.265
<b>HRA Total</b>	<b>(0.061)</b>
<b>Major Variance Total</b>	<b>(40.633)</b>
Variance less than £200k/Delegated approval changes	(4.042)
<b>Other Variance Total</b>	<b>(4.042)</b>
<b>TOTAL</b>	<b>(44.675)</b>

Slippage £m	Under/Over Spend £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
(0.603)				Following entering contract for the phase 2 works in November 2022, the cashflow which informs the budget profiling has been refined by the contractor. The spend profile assumed at Qtr. 3 monitoring was based on an initial contractor cashflow which assumed an earlier start date on site and higher spend on construction design fees to March 2023 and included the provision for a £0.2m call on the client contingency which was not required. This has resulted in a variance between the 2022/23 budget and the actual outturn position, which is between 2022/23 and 2023/24 and is not expected to impact on the overall delivery programme for the project.
(0.620)				The financial profile for the project has been amended to reflect changes in the sequencing of payments for the acquisition of property which has now slipped to 2023/24
(0.556)				Slippage associated with main contractor demobilisation from site, landscaping allowances for environmental enhancements and Risk against construction moved to 2023/24, due to the contractor delay with completion of the pumping station.
<b>(9.414)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
(0.411)				£0.017m - Collaborative Enablement of Council Chamber – bulk of work has now been completed with only minor changes required that will be finished in early 2023/24. £0.029m - End User Device Programme – bulk of devices delivered; slippage is required for the remaining equipment that will be ordered early in 2023/24 as waiting on manufacturer for new models. £0.102m - Public Access Computing Facilities (Libraries) – initial work has started on this project, previously compromised by Covid and global semiconductor supply chain, scheme will continue in 2023/24. £0.030m – Digital Signage and Implementation at the Council House, work was due to start in 2022/23 but due to higher priorities this has been delayed to 2023/24. £0.050m - Network Refresh Programme slippage required due to delays in delivery of equipment due to extended lead times compromised by Covid and global semiconductor supply chain. £0.090m - Unified Telephony (Teams, Office, and Call Centre) - Implementation will now start in 2023/24 as work was delayed to rescope project to deliver future MTFP savings £0.011m - Advance Cyber Defence of the Council project scheme ongoing. £0.086m - Phase 2 - Collaborative Enablement of Meeting Facilities - bulk of work delayed due to Property Rationalisation Project, scheme to be reviewed in 2023/24
(0.469)				£0.223m - Finance / ERP System – bulk of work complete - will be starting to investigate an ERP System as phase 2 in 23/24. £0.114m – Digital by Default programme – is a continuous rolling capital programme well under way – orders placed for systems and solutions -work will continue in 23/24 as priorities identified. £0.110m - WebChat AI Implementation - orders placed for system and solution - payment milestones built into contract - work will continue in 23/24 as priorities identified
<b>(0.880)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
(16.488)				The Futures pot is reprofiled within the 2023/24 MTFP to support the Capital Programme as appropriate. Allocations will be reported to cabinet for the appropriate approvals
<b>(16.488)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	0.500			Additional asbestos removal and management related costs on works associated with the insulation works to 80 cast iron properties funded from MRA Reserves
	0.274			Rolling programme of consumer unit upgrades progressing quicker than anticipated plus additional works undertaken at Kestrel House (meter board changes) alongside works to fit individual meters in properties and supply capacity increase funded from MRA Reserves.
(0.715)				Slippage - Contract being re-engineered due to rising costs of new roof. Contractor unable to deliver on tendered price. Slippage of approximately 3 months is anticipated at this stage.
(0.385)				Progress on site delayed during January due to complexities with substructures and requirement for additional retaining walls to perimeter of the site. The scheme was due to complete in early 2023 but has been pushed back to Qtr. 3 of 2023/24, therefore slippage is required.
			0.265	Funding to be brought forward from 23/24 to fund additional fees and increased costs for pre-developed properties.
<b>(1.100)</b>	<b>0.774</b>	<b>-</b>	<b>0.265</b>	
<b>(43.619)</b>	<b>0.355</b>	<b>1.752</b>	<b>0.879</b>	
(4.930)	(0.209)	0.310	0.787	
<b>(4.930)</b>	<b>(0.209)</b>	<b>0.310</b>	<b>0.787</b>	
<b>(48.549)</b>	<b>0.146</b>	<b>2.062</b>	<b>1.666</b>	

## Appendix 4

### Capital Slippage to 2023/24 and Spend Brought Forward from 2023/24

Strategy area	Scheme	Amount £m	Funded By
Corp Resources	MTFP Provision for Future Investments - FUNDING POT	16.488	UBC
Flood Defence	Local Flood Alleviation Scheme - FUNDING POT	0.100	UBC
Flood Defence	Cuttlebrook Flood Alleviation Scheme	0.028	GG
Flood Defence	Kings Croft Drainage Design	0.010	UBC
Flood Defence	Markeaton Brook Stiling Bay Reinstallation	0.044	UBC
Highways & Transport	Connecting Derby - Integrated Transport	0.012	UBC
Highways & Transport	Asset Management - Structures Maintenance	0.117	UBC
Highways & Transport	Network Management - Casualty Reduction	0.118	UBC
Highways & Transport	Active Travel - Pedestrian Accessibility	0.040	S106/UBC
Highways & Transport	Active Travel - Cycle Derby	0.008	UBC
Highways & Transport	Public Transport - Public Transport	0.132	GG
Highways & Transport	Asset Management - Land Drainage & Flood Defence	0.045	UBC
Highways & Transport	Highways Trees	0.039	CR
Highways & Transport	Kingsway Roundabout	0.108	EC
Highways & Transport	Outram - Derby River Boat	0.098	UBC
Highways & Transport	Asset Management - Highways Maintenance	0.778	UBC
Highways & Transport	Asset Management - ITS Network Management Maintenance	0.477	S106/GG/UBC
Highways & Transport	Network Management - Strategic Network Management	0.729	S106/GG/UBC
Highways & Transport	Network Management - Local Traffic Management	0.695	S106/EC/UBC
Highways & Transport	A52 Strategic Transport Scheme	0.355	UBC
Highways & Transport	S31 - Emergency Active Travel Fund	0.342	GG
Highways & Transport	The Bus Service Improvement Scheme	0.920	GG
Highways & Transport	Air Quality Improvement Project	1.176	GG
Highways & Transport	TCF Tranche 2 - Interchangeable Hubs	0.561	GG
Highways & Transport	TCF Tranche 2 - Public Realm	0.499	GG
Highways & Transport	TCF Tranche 2 - Bus & Rapid Transit Links	0.933	GG
Highways & Transport	TCF Tranche 2 - LCWIP	0.946	GG
Highways & Transport	Future Transport Zone	3.249	GG
Highways & Transport	TCF Tranche 2 - Cycle Expressway	0.002	GG
Highways & Transport	TCF Tranche 2 - Bus Priority	0.070	GG
Highways & Transport	TCF Tranche 2 - Park & Ride	0.030	GG
Highways & Transport	TCF Tranche 2 - Workplace Travel Grants	0.010	GG
Housing General Fund	Empty Property Assistance	-	EC
Housing General Fund	Community Energy Savings Project (CESP)	0.108	EC
Housing General Fund	Works at Shelton Lock	0.100	EC/GG
Housing General Fund	Milestone House Capital Works	0.003	CR
Housing General Fund	Social Care Housing Fund	0.100	CRES

Strategy area	Scheme	Amount £	Funded By
Housing General Fund	Carelink Equipment	0.038	GG
Housing General Fund	Imari Park Travellers Site	0.013	CRES
Housing General Fund	Carelink Equipment - DFG Grant	0.100	GG
HGF	Green Home Grant Local Authority Delivery - Phase 3	1.917	EC/GG
HGF	Devolution Property Acquisitions for Temporary Accommodation	0.276	GG
HGF	Children's Services - Properties	0.265	CR
HRA	Rivermead Refurbishment	0.715	MRA
HRA	Estates Pride - General	0.029	MRA
HRA	Solid Wall Installation	0.041	MRA
HRA	Emergency call system replacement	0.002	MRA
HRA	Chesapeake - NB	0.385	MRA/CR
HRA	Riverview Site (Previously Brit Court)	0.057	MRA/CR
HRA	Barlow Street	0.096	MRA/CR
HRA	Oakland Avenue	0.008	MRA/CR
HRA	Crompton Street	0.125	MRA/CR
HRA	The Grange	0.040	MRA/CR
HRA	Whitaker Street	0.003	MRA/CR
HRA	Cummings Street Car Park	0.056	MRA/CR
HRA	Elmwood	0.004	MRA/CR
HRA	Mickleover Bungalow	0.008	MRA/CR
ICT	Major IT Hardware Developments	0.411	CR
ICT	Major IT Systems Developments	0.469	CR
ICT	People Services IG Improvements	0.074	SCE C
ICT	SEND IT Systems	0.079	CR
Property	Arboretum Park	0.034	S106
Property	Oakwood Community Centre Refurbishment	0.014	S106
Property	Heatherton Community Centre	0.037	S106
Property	St Mary's Broadwalk	0.008	S106
Property	Silk Mill Park	0.010	S106
Property	South Avenue Park - Spondon	0.005	S106
Property	Levelling Up Parks Fund	0.036	GG
Property	Chaddesden Wood LNR	0.007	S106
Property	Tennis Court Improvements	0.020	EC
Property	Darley Playing Fields	0.055	UBC
Property	Swimming Pool New Build	0.035	UBC
Property	Guildhall Roof Coverings	0.156	UBC
Property	HOP - Reconfiguration, Redevelopment, Relocation, Remodelling	0.070	UBC
Property	Pickford House Museum	0.038	UBC
Property	Littleover Community School - Bungalow	0.050	UBC

Strategy area	Scheme	Amount £	Funded By
Property	Energy Projects	0.030	UBC
Property	Disabled Access	0.057	UBC
Property	Corporate Contingency S151 Approval Only - Swimming Pool	0.015	UBC
Property	Multicultural Education Centre - Heating System Improvement	0.019	UBC
Property	Moorways Stadium - Improvement to Track & Stadium	0.150	UBC
Property	Demolition Works - Various Sites	0.034	UBC
Property	Southgate Education Centre - Structural Improvement	0.037	UBC
Property	Rykneld Recreation Ground - Roof Replacement	0.004	UBC
Property	Kings Chambers - Fire Safety Improvement	0.012	UBC
Property	Darley Park Rangers Centre - Roof Replacement	0.032	UBC
Property	2 Stanley Road - Window Replacement	0.054	UBC
Property	Ashtree House - Window Replacement	0.024	UBC
Property	Squash Court Refurbishment at Springwood Leisure Centre	0.170	S106
Property	Kedleston Road - Heating System	0.267	UBC
Regeneration	T12 Phase 1	0.190	EC
Regeneration	Access Osmaston	0.011	EC
Regeneration	Creative Pathways	0.004	EC/S106
Regeneration	Derby Enterprise Growth Fund - Recycled	0.089	CR/GG
Regeneration	Brook realignment	0.028	EC
Regeneration	City Growth Fund	0.133	SCE C
Regeneration	Becketwell Performance Venue Fees	0.114	UBC
Regeneration	DEGF GIP3	0.162	GG
Regeneration	FHSH Connecting Works	0.048	GG
Regeneration	Assemble Learning Theatre	0.007	UBC
Regeneration	Our City Our River - Package 1	0.135	SCE C
Regeneration	Our City Our River - Package 2	0.011	SCE C
Regeneration	Assembly Rooms Site Demolition	0.583	SR
Regeneration	Becket Well Regeneration	0.523	UBC/CR
Regeneration	iHub plot preparation	0.381	EC
Regeneration	Castleward - CPO	1.747	CR/CRES/EC/ SR/SCE R
Regeneration	MRC Midlands (NAMRC)	2.982	UBC/UBSF
Regeneration	Smartparc	0.377	UBC
Regeneration	Carbon Reduction Fund	0.303	SCE C
Regeneration	New Performance Venue at Becketwell	0.739	CR/UBC
Regeneration	Market Hall Refurbishments - Phase 2	0.603	UBC
Regeneration	FHFS - Eastern Gateway	0.620	GG
Regeneration - OCOR	Our City Our River - Munio	0.556	GG
Schools	Adaptions For Foster Carers	0.008	SCE C

Schools	Buildings at Risk urgent condition and suitability schemes - FUNDING POT	0.007	SCE C SCA
Schools	Basic Need/Additional Places - FUNDING POT	0.014	SCE C SCA
Strategy area	Scheme	Amount £	Funded By
Schools	Ashgate Primary School- Final Phase Refurbishment	0.046	SCE C
Schools	Brackensdale Infant and Junior – Expansion Design	0.074	S106/SCE C SCA
Schools	REFCUS - Hackwood Farm Primary School - New School S106 scheme	0.033	S106
Schools	Chellaston Secondary School - Homeleigh Way Contribution	0.006	S106
Schools	Landau Forte Expansion Scheme	0.018	SCE C BN
Schools	Littleover S106 Expansion - 2021 to 2023	0.024	S106
Schools	St Clare's SEND Feasibility	0.025	SCE C SPF
Schools	Kingsmead School - Renew Fire Doors	0.021	SCE C SCA
Schools	Various Schools - External Lightning Protection Feasibility	0.003	SCE C SCA
Schools	D2N2 Children's Homes	0.150	UBC
Schools	Noel Baker Academy - Two New Teaching Blocks	0.150	S106
Schools	Priority Homes 2 Inspire	0.054	UBC
Schools	Secondary School Expansion	0.030	SCE C BN
Schools	Devolved Formula Cap - FUNDING POT	0.057	SCE C DFC
Schools	New Castleward School	0.118	UBC/S106/T B
Schools	Ravensdale Infant School - Demolition	0.343	SCE C
Schools	Ivy House School - SEND Project	0.240	SCE C SPF
Schools	Kingsmead School - SEND Project	0.241	SCE C SPF
Schools	St Clare's Expansion	0.353	SCE C BN/SCE C SPF
Vehicle Plant & Equipment	New Parking Vehicle	0.025	UBC
<b>Total Slippage to 2023/24</b>		<b>48.548</b>	



Strategy area	Scheme	Amount £	Funded By
Highways & Transport	Street Lighting LED Replacement	(0.052)	UBC
Highways & Transport	Asset Management - Land Drainage & Flood Defence	(0.109)	UBC
Highways & Transport	Network Management - Strategic Network Management	(0.004)	UBC
Housing General Fund	Healthy Housing Assistance	(0.009)	GG
HRA	The Knoll NB	(0.036)	MRA/CR
HRA	Gerard Street	(0.096)	MRA/CR
HRA	Falcon - HRA	(0.023)	MRA/CR
HRA	Brentford Drive - HRA	(0.002)	MRA/CR
HRA	Warwick House - HRA	(0.029)	MRA/CR
HRA	HRA Pre-Development Costs	(0.265)	MRA/CR
Property	Oakwood Park Improvements	(0.009)	S106
Property	Parklife Strategic Football Hub	(0.610)	UBC
Property	Preliminary Design- Structural and Buildings at risk	(0.014)	CR
Property	Council House - Detailed Survey	(0.011)	UBC
Property	MEND	(0.119)	UBC
Property	HOP Reconfiguration - Perth & arboretum House Improvement	(0.110)	UBC
Property	Spondon Village Hall - Window Replacement	(0.085)	UBC
Property	Whitaker T2 - Window Replacement	(0.020)	UBC
Regeneration	Garden Village	(0.007)	GG
Regeneration	Our City Our River	(0.049)	GG
Regeneration	Our City Our River - Package 3	(0.001)	GG
VPE	Safer Street Fund - Phase 4	(0.008)	GG
	<b>Total Spend Brought Forward from 2023/24</b>	<b>(1.666)</b>	
	<b>Net Slippage/Spend Forward</b>	<b>46.882</b>	

Key of Funding Sources	
Supported Capital Expenditure Capital	SCE C
Supported Capital Expenditure Capital - Basic Need	SCE C BN
Supported Capital Expenditure Capital – School Condition Funding	SCE C SCF
Major Repairs Allowance	MRA
Capital Receipts	CR
Government Grants	GG
External Contributions	EC
Unsupported Borrowing corporate	UBC
Unsupported Borrowing Service Financed	UBSF
Section 106 contributions	S106
Service Reserves	SR

**Housing Revenue Account – Outturn Analysis**

	<b>£m</b>
<b>Original budgeted outturn for 2022/23</b>	2.700
<b>Variations at outturn</b>	
Overachievement of rents and service charges budget	(1.190)
Lower than budgeted provision for bad debts	(0.884)
Lower than anticipated costs	(0.843)
<b>Outturn variance to original budget</b>	(2.918)
<b>Outturn position</b>	(0.217)
<b>Funding used</b>	
Transfer from HRA general reserves in 2022/23	3.609
Net use of Major Repairs Reserve	1.625
<b>Total reduction in HRA resources</b>	5.234
<b>Reserves movements</b>	
Total reserves 2021/22	47.585
Total reserves 2022/23	42.351
<b>Difference</b>	5.234
<b>Final reserves position made up of</b>	
Major Repairs Reserve	0.00
General reserves, including contingency	42.351
<b>Total reserves at 31 March 2023</b>	42.351

Appendix 6

	PAY				Emerging Income - Additional and Pressures																		
Area	Estimated Pay Award issue at flat £1,925	Turn-over	Agency Educational Psychologists	Agency Social Workers	C&P - unachieved L&C income	Overachieved income - PP&SP	C&P - T&T Parking Services	C&P - unachieved T&T income	CR - additional HRA income for Legal services and insurance	CR - additional new burdens grants	CR - Registration Services overachieved Income	ASC - fair cost of care funding	Blue badge income and contributions from DH for OT's	Additional Priority Family money	BCF Inflation	Estates Consultancy Fees Shortfall	Castleward Rent income shortfall	Connect Income Shortfall	Property One-off income received	UASC income	In-year underspend OCOR project.	Milestone House reduced capacity due to covid restrictions	C&P - CD&G net additional income/ use of reserve
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Peoples Adults and PH	0.815	-2.034										-0.800	-0.141		-0.767								
Peoples CYP	0.850	-0.016	0.325	0.279										-0.300						-2.740			
Comms & Place	1.618	-0.304			0.060	-0.748	-0.296	0.531															
Comms & Place - Major Projects	0.032																				-0.136	0.063	-0.010
Corporate - Property	0.258															0.033	0.025	0.000	-0.347				
Corporate																							
Corporate Resources	1.022	-0.617							-0.124	-0.451	-0.037												
TOTALS	4.595	-2.971	0.325	0.279	0.060	-0.748	-0.296	0.531	-0.124	-0.451	-0.037	-0.800	-0.141	-0.300	-0.767	0.033	0.025	0.000	-0.347	-2.740	-0.136	0.063	-0.010
Total Pay				2.228	Total Income																-6.185		

	Unachieved Savings															Emerging Underspends							
Area	CR - Contract Saving Shortfall	CR - Front Door project	CR - Management Structure Revs & Bens	Council House Rental	Budget Process Property	Planned Closure of QLC	Management Restructure	Potential extra VR saving	Economic Growth - redundancy delayed	Communications - advertising income	Shortfall on transfers to Darley Barn	Adults and Children's training and development functions shortfall	Reconfiguration of Alvaston Childrens Home	HRA contribution to care leavers personal assistants	Home to School Transport	C&P underspends on Concessionary fares, waste disposal and other minor savings	Equipment underspends and other minor savings	Corporate Contingency underspend	Property underspends - minor variances	Small underspendi ng across the directorate through non-essential spending	Commissioning equipment underspends	Property Non essential Spend Review	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Peoples Adults and PH																	-0.070				-0.377		
Peoples CYP											0.004	0.017	0.068	0.150	0.370								
Comms & Place																-0.570							
Comms & Place - Major Projects									0.014														
Corporate - Property				0.210	0.400	0.081													-0.615			-0.403	
Corporate																		-0.147					
Corporate Resources										0.030										-0.116			
TOTALS	0.000	0.000	0.000	0.210	0.400	0.081	0.000	0.000	0.014	0.030	0.004	0.017	0.068	0.150	0.370	-0.570	-0.070	-0.147	-0.615	-0.116	-0.377	-0.403	
Total unachieved Savings															1.344	Emerging Underspends							-2.299

	Unbudgeted Emerging pressures																Outturn per Area
Area	C&P - Fuel & Trade Waste	Leisure - Utilities	CR - pressure on insurance premium at 9%, TSC & Revenue Collection and small overspends	Housing Benefit subsidy and bad debt	Comms and Place - PFI Inflation impact	Planning and transportation pressures across network management	Maintenance of urban forest	Property Abortive feasibility Costs	Other pressures relating to CYP (B&B/S17/translation/family contact costs - unfunded posts)	Pressures relating to CYP payments to families i.e., direct payments/allowances	Children's placement pressures	Legal fees	Home to school Transport	Economic Growth - project abortive costs	Homelessness B&B Charges	Increased Client demand pressures in ASC	TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Peoples Adults and PH																3.01	-0.364
Peoples CYP									0.560	0.951	7.350	0.240	3.600				11.708
Comms & Place	0.424	0.178			0.509	0.356											1.758
Comms & Place - Major Projects														0.094	0.133		0.190
Corporate - Property							0.020	0.057									-0.281
Corporate																	-0.147
Corporate Resources			0.134	0.961													0.802
<b>TOTALS</b>	<b>0.424</b>	<b>0.178</b>	<b>0.134</b>	<b>0.961</b>	<b>0.509</b>	<b>0.356</b>	<b>0.020</b>	<b>0.057</b>	<b>0.560</b>	<b>0.951</b>	<b>7.350</b>	<b>0.240</b>	<b>3.600</b>	<b>0.094</b>	<b>0.133</b>	<b>3.010</b>	<b>13.665</b>

Total emerging pressures	<u>18.577</u>
Overspend before further mitigations	<u>13.665</u>
New pay reserve	-1.200
Covid Reserve	<u>-2.265</u>
Net overspend after mitigations	<u>10.200</u>

## Appendix 7

### Sundry Debt and Residential Care write - offs

#### Case 1 - 114215

29 invoices totalling £0.015m for Market Hall Rent and Service Charges - The customer declared bankruptcy and no debt could be recovered for invoices accrued prior to Feb 2016.

Date	Debtor Number	Amount £
01-Oct-14	8130233	£246
01-Oct-14	8131731	£654
01-Nov-14	8132217	£246
01-Nov-14	8132415	£654
01-Dec-14	8132607	£654
01-Dec-14	8132618	£234
01-Jan-15	8133794	£710
01-Jan-15	8134470	£195
01-Feb-15	8135500	£64
05-Feb-15	1285959	£29
09-Feb-15	1286129	£603
01-Mar-15	8136102	£295
01-Mar-15	8136162	£986
25-Mar-15	1288005	£227
01-Apr-15	8138211	£1,019
01-May-15	8138749	£295
01-May-15	8139101	£1,022
01-Jun-15	8139274	£1,022
01-Jun-15	8139324	£295
01-Jul-15	8140478	£1,022
01-Jul-15	8140604	£295
17-Jul-15	1291739	£406
01-Aug-15	8142192	£1,005
01-Aug-15	8142323	£295
01-Sep-15	8142569	£188
01-Sep-15	8142671	£1,013
01-Oct-15	8144719	£880
01-Feb-16	1302835	£229
19-Feb-16	1303725	£320
	<b>TOTAL</b>	<b>£15,103</b>

#### Case 2 – 306666

1 invoice totalling £0.021m Aged debt – No information regarding the debt is still available and unable to recover. Outside statute of limitation.

Date	Debtor Number	Amount £	Narrative
03-Sep-15	1293197	£21,185	Funding
	<b>TOTAL</b>	<b>£21,185</b>	

#### Case 3 – 116816

2 invoices totalling £0.033m - Company dissolved on 5 January 2021 – debt no longer able to be recovered.

Date	Debtor Number	Amount £	Narrative
30-Aug-19	1357789	£746	Open Space contribution
20-Feb-19	1349750	£32,145	Section 106 contributions
	<b>TOTAL</b>	<b>£32,891</b>	

#### Case 4 - 125746

5 invoices totalling £0.022m - Company went into liquidation on 5 January 2021 – debt no longer able to be recovered.

Date	Debtor Number	Amount £	Narrative
09-Oct-2020	1371756	£10,953	Commission
18-Sep-2020	1371245	£6,962	Commission
09-Oct-2020	1371248	£3,432	Commission
27-Nov-2020	1371753	£320	Business Commission
18-Sep-2020	1372882	£161	Business Commission
	<b>TOTAL</b>	<b>£21,828</b>	

#### Case 5 - 117496

1 invoice totalling £0.031m - Aged debt – the invoice relates to an overpayment. No information regarding the debt is still available therefore unable to recover. Outside statute of limitation.

Date	Debtor Number	Amount £	Narrative
18-Mar-17	1318975	£31,364	Overpayment
	<b>TOTAL</b>	<b>£31,364</b>	

#### Case 6 – 84929

35 invoices totalling £0.012m for Market Hall Rent and Service Charges – Unable to make contact with the customer.

Date	Debtor Number	Amount £
01-Apr-2017	8163960	£600
27-Jan-2020	1363836	£832
01-Oct-2018	8181824	£571
01-Nov-2018	8182209	£571
01-Dec-2018	8182466	£571
01-Jan-2019	8183183	£571
01-Feb-2019	8183467	£571
01-Mar-2019	8183978	£571
01-Apr-2019	8184719	£571
01-May-2019	8185004	£571
01-Jun-2019	8185291	£571
01-Jul-2019	8185946	£571
01-Aug-2019	8186220	£571
01-Sep-2019	8186447	£571
01-Oct-2019	8186898	£571
01-Nov-2019	8187374	£571
01-Dec-2019	8187782	£571
01-Jan-2020	8188131	£571
25-Jul-2020	1369641	£480
21-Aug-2020	1370509	£471
05-Nov-2020	1372314	£234
01-Feb-2018	8174663	£571
29-Mar-2021	1376604	£43

	<b>TOTAL</b>	<b>£12,367</b>
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#### Case 7 – 110922

1 invoice totalling £0.033m Aged debt – No information regarding the debt is still available so unable to recover. Outside statute of limitation.

Date	Debtor Number	Amount £	Narrative
04-Jul-2013	1265748	£32,845	Invoice in respect of unspent ISF payments
	<b>TOTAL</b>	<b>£32,845</b>	

#### Case 8 – 306666

1 invoice totalling £0.021m - Aged debt – no information regarding the debt is still available so unable to recover. Outside statute of limitation.

Date	Debtor Number	Amount £	Narrative
03-Sep-2015	1293197	21,185	Funding
	<b>TOTAL</b>	<b>21,185</b>	

#### Case 9 – 95554

55 invoices totalling £0.017m - There were insufficient funds to pay the outstanding care charges from the estate.

Date	Debtor Number	Amount £
05-Jul-2013	9162320	£656
05-Jul-2013	9162544	£140
02-Aug-2013	9163118	£140
02-Aug-2013	9163048	£635
30-Aug-2013	9163649	£635
30-Aug-2013	9163754	£140
30-Sep-2013	9164362	£140
30-Sep-2013	9164192	£635
25-Oct-2013	9164898	£635
22-Nov-2013	9165414	£635
22-Nov-2013	9165547	£154
19-Dec-2013	9166146	£154
19-Dec-2013	9165990	£635
16-Jan-2014	9166764	£154
16-Jan-2014	9166625	£635
14-Feb-2014	9167162	£635
14-Feb-2014	9167306	£154
14-Mar-2014	9167871	£154
14-Mar-2014	9167788	£635
11-Apr-2014	9168397	£154
11-Apr-2014	9168297	£635

09-May-2014	9168877	£154
09-May-2014	9168754	£650
06-Jun-2014	9169246	£650
06-Jun-2014	9169398	£154
04-Jul-2014	9169874	£154
04-Jul-2014	9169662	£650
31-Jul-2014	9170441	£154
31-Jul-2014	9170303	£650
28-Aug-2014	9170559	£154
28-Aug-2014	9170788	£650
26-Sep-2014	9171347	£650
26-Sep-2014	9171567	£154
24-Oct-2014	9172000	£650
24-Oct-2014	9172138	£154
21-Nov-2014	9172660	£154
18-Dec-2014	9173239	£154
16-Jan-2015	9173437	£154
13-Feb-2015	9173968	£154
13-Mar-2015	9174937	£154
10-Apr-2015	9175388	£154
07-May-2015	9175929	£154
04-Jun-2015	9176297	£154
02-Jul-2015	9176565	£154
30-Jul-2015	9177060	£242
27-Aug-2015	9177549	£176
24-Sep-2015	9178204	£176
22-Oct-2015	9178530	£176
27-Nov-2015	4500179	£176
16-Dec-2015	4500420	£176
14-Jan-2016	4500654	£176
11-Feb-2016	4500879	£176
10-Mar-2016	4501102	£176
12-Apr-2016	4501319	£176
05-May-2016	4501537	£44
	<b>TOTAL</b>	<b>£17,375</b>



26 invoices totalling £0.017m for Care - It is not possible in the circumstances to take any action to recover this debt.

Date	Debtor Number	Amount £
16-Jan-2014	9166248	£2,013
16-Jan-2014	9166250	£53
14-Feb-2014	9167055	£700
14-Feb-2014	9167239	£19
14-Mar-2014	9167854	£19
14-Mar-2014	9167583	£700
11-Apr-2014	9168340	£19
11-Apr-2014	9168194	£700
09-May-2014	9168826	£19
09-May-2014	9168671	£692
06-Jun-2014	9169386	£19
06-Jun-2014	9169188	£692
04-Jul-2014	9169743	£692
04-Jul-2014	9169880	£19
31-Jul-2014	9170181	£692
31-Jul-2014	9170410	£19
28-Aug-2014	9170555	£19
28-Aug-2014	9170577	£692
26-Sep-2014	9171512	£19
26-Sep-2014	9171139	£692
21-Nov-2014	9172162	£39
21-Nov-2014	9172161	£5,946
18-Dec-2014	9172947	£1,698
18-Dec-2014	9173227	£19
16-Jan-2015	9173283	£19
16-Jan-2015	9173282	£700
	<b>TOTAL</b>	<b>£16,918</b>

#### Case 11 – 117907

1 invoice totalling £0.017m for Care - It is not possible in the circumstances to take any action to recover this debt.

Date	Debtor Number	Amount £	Narrative
20-Oct-2016	4141726	£17,364	Property Charges
	<b>TOTAL</b>	<b>£17,363</b>	

#### Case 12 – 314543

3 invoices totalling £0.032m for Care - Due to the age of the debt, it is no longer possible to recover this. The property is now registered in the name of another person.

Date	Debtor Number	Amount £
17-Jan-2013	9158082	£14,103
09-May-2014	9168439	£17,715
09-May-2014	9168436	£466
	TOTAL	£32,284