

2022/23 Quarter 3 Financial Monitoring

Purpose

- 1.1 To summarise the Council's forecasted financial outturn position at 31 December 2022.

Summary

- a) Revenue budget:** The Council is currently forecasting a pressure of £15.127m against the base budget of £263.484m. This is being mitigated by the £1.2m Pay and Inflation reserve established at 2021/22 out-turn to fund anticipated emerging pressures, the remainder of the COVID reserve £2.265m and additional IBCF inflation of £0.354m that has been announced in the current year. The net forecast overspend funded from the Budget Risk reserve is therefore forecast to be £11.308m.

There will be continued focus for the remainder of the year on spending panels, spending moratoriums and vacancy control which will help ensure the Council delivers a balanced position, but it is unlikely that this will be achieved without significant use of reserves.

Within this forecast is the expectation that £10.056m of savings will be delivered against a target of £13.168m which is included within the 2022/23 budget approved by Council. This is an estimated shortfall of £3.112m. Work continues to refine this position and outline any mitigations including alternative savings that can be identified to improve the position in the final quarter of the financial year.

- b) Capital budget:** Capital expenditure to date is £59.014m and our forecast is estimated at £148.099m against an approved capital budget of £195.220m.
- c) Reserves:** The General Reserve current balance remains at £8.933m however if the forecast overspend cannot be mitigated there is a potential commitment against the General Fund Reserve. Our Earmarked Reserves including the Budget Risk reserve have a future years' forecast balance of £8.673m after taking account the current forecast overspend committed against the Budget Risk Reserve.
- d) Dedicated Schools Grant (DSG):** The total grant of £286.660m has been allocated to schools and retained educational services. There is an overspend forecast for 2022/23 on the High Needs Block of the DSG of £5.5m taking the cumulative deficit to £6.9m
- e) Collection Rates:** Council Tax billed for the 2022/23 financial year is £137.93m of which £110.79m or 79.63% has been collected. Business Rates billed for the 2022/23 financial year is £91.22m of which £73.338m or 79.91% has been collected.
- f) Housing Revenue Account (HRA):** The full year forecast projects a planned use of the HRA reserve of £2.702m.

g) Business Rates and Housing Benefit Write-offs: Write off uncollectable Business Rates of £0.301m and uncollectable Housing Benefit of £0.043m are outlined within the report.

1.2 Further analysis and explanations of key variances are provided in section 4.1 of the report.

1.3 The summary 2022/23 revenue budget variance table is shown below:

Summary Revenue Forecast to by Directorate					
Directorate	Current Budget	Full Year Forecast Spend	Forecast Out-turn Variance Qtr.3	Forecast Out-turn Variance Qtr.2	Difference from Qtr.2
	£m	£m	£m	£m	£m
Peoples	174.135	184.845	10.711	11.425	(0.714)
Comms and Place	43.305	45.638	2.333	1.515	0.818
Corporate Resources	46.045	48.128	2.083	3.737	(1.654)
Budgeted out-turn position	263.484	278.611	15.127	16.677	(1.550)
Budgeted Reserves	(5.302)	(5.302)	-	-	-
Sub Total	258.182	273.309	15.127	16.677	(1.550)
<u>Mitigation</u>					
Pay and Inflation Reserve	-	(1.200)	(1.200)	(1.200)	-
COVID reserve	-	(2.265)	(2.265)	(2.265)	-
IBCF inflation	-	(0.354)	(0.354)	(0.354)	-
TOTAL	258.182	269.490	11.308	12.858	(1.550)

Recommendations

2.1 To note:

- The National context, the revenue projected outturn and key budget variances are set out in the report in section 4.1 with a detailed analysis in Appendix 1 and the savings to be delivered in the year outlined in section 4.3
- The Council's reserves position, as set out in section 4.4 and Appendix 2
- The capital programme forecast, and actual capital expenditure incurred during the quarter summarised in section 4.5 and Appendix 3
- The changes already approved under scheme of delegation to the capital programme detailed in Appendix 4
- The consolidation of capital reserves as detailed in section 4.5.11
- The forecast Dedicated Schools Grant position summarised in section 4.7
- The Council Tax and Business Rates Collection performance as set out in section 4.8
- The Housing Revenue Account performance and projected outturn as set out in section 4.9

2.2 To approve:

- a) Business Rates write-offs of £0.301m and Housing Benefit of £0.043m as uncollectable outlined in section 4.8, with details at Appendix 6 and 7. A confidential paper is on this agenda outlines further detail.
- b) The capitalisation and the addition of the New Waste Treatment Facility of £2.293m, to be funded from the Future Investment Pot as detailed in section 4.5.9.
- c) The use of £2.293m from the Budget Risk Reserve for the future costs associated with the New Waste Treatment Facility as detailed in section 4.4.3.
- d) Changes to the 2022/23 - 2023/24 capital programme outlined in section 4.5.5 and detailed in Appendix 5
- e) £1.044m of Direct Revenue Financing for Vehicles, Plant and Equipment as detailed in section 4.5.10.
- f) The addition to the capital programme of £4.849m for the Bus Service Improvement Plan as detailed in section 4.5.7.

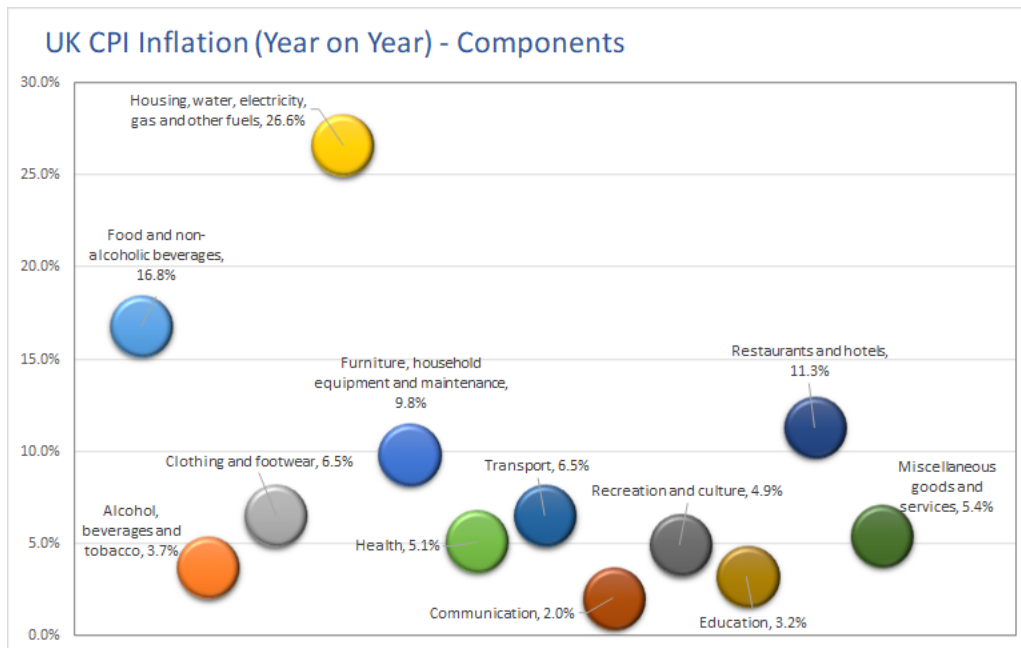
Reasons

- 3.1
 - To provide assurance that the budgets approved by Council in February 2022 are being effectively monitored and any major variances reported to Cabinet on a regular basis
 - To update on the latest estimated reserves position.

Supporting information

4.1 National Context - Local Government Funding

- 4.1.1 The settlement, which introduced additional funding for social care and a delay to charging reforms, has been described by local government finance leaders as “better than expected.” Whilst there was a 3.5% increase in the core spending power announced in the spending review in November 2021 for the financial years 2023/24 and 2024/25, the benefit of these have been eliminated by the impact of inflation which has not been addressed in the December provisional announcement. In addition, there has been no further funding for the in-year issues the council face as inflation has risen in real terms much more than the funding basis allocated.
- 4.1.2 The financial pressures resulting from the ongoing war in Ukraine and the impact of Covid have been well documented in the media for many months. Increasing costs of Energy, Fuel, Inflation, and Interest Rates have affected all types of expenditure. These factors continue to impact on the current year revenue forecast with no in year support being allocated from central government to local government. This inevitably impacts on the Councils ability to forecast expenditure within the revenue budget envelope for 2022/23 and the forecast in the medium term.
- 4.1.3 Below shows an illustration of the separate inflationary elements that make up the overall CPI this year to December 2022 and it is clear there are a wide spread of increased inflationary pressures.



- 4.1.4 Nationally people are still potentially faced with the dilemma of what they can afford, and this could impact on the funding sources available to the Council.
- 4.1.5 There are still concerns around the costs in the capital programme with material costs including steel bars rising by 17% in the year. The costs of blocks and bricks has risen by 18% and timber is up by 19%.
- 4.1.6 These factors could impact further on Councils capital plans and inflationary impact is also a concern in the approved programme and is being monitored accordingly.
- 4.1.7 Demands for Council services continue to grow, particularly those that support the Cities most vulnerable. Councils are seeing an increase in Children in Need (CIN) arising from the pandemic, the costs of living crisis and poverty. Children's services are facing unprecedented demand amid the national funding crisis. There continues to be significant demand for children's social care and the complexity of needs is escalating in response to the multi-faceted challenges children face in their day to day lives and this is reflected in the forecast out-turn for the Council.
- 4.1.8 The main pressures experienced by the council and nationally by authorities include higher costs for independent fostering and private home placements, paying more agency workers, increased service demand and SEND home to school transport.
- 4.1.9 **The Councils Revenue Budget Forecast position at Qtr.3**
The Council continues to face increased pressures in demand for its service, inflationary pressures, and reduced income.
- 4.1.10 The forecast out-turn position at Qtr.3 for the Council wide service budgets without mitigation is a pressure of £15.127m. This is outlined in the below summary.

Description	Qtr. 2 £m	Qtr. 3 £m	Difference £m
Estimated Pay Award (net pressure)	4.977	4.628	(0.349)
Other Pay Pressures/Savings	(0.564)	(2.214)	(1.650)
Net Income Position	(4.925)	(5.556)	(0.631)
Unachieved Savings	3.356	3.112	(0.244)
Emerging Underspends	(1.234)	(1.872)	(0.638)
Unbudgeted emerging pressure	15.067	17.029	1.962
TOTAL	16.677	15.127	(1.550)

The two main changes in the quarter are further analysed below:

Other Pay Pressure Directorate	Qtr. 2 £m	Qtr. 3 £m	Difference £m
Peoples	0.124	(1.258)	(1.382)
Communities and Place	(0.115)	(0.311)	(0.196)
Resources	(0.573)	(0.645)	(0.072)
TOTAL	(0.564)	(2.214)	(1.650)

The main reason for the change in pay pressure is in the Peoples directorate and 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 now forecast through to the end of the financial year.

Unbudgeted Emerging Pressure Directorate	Qtr. 2 £m	Qtr. 3 £m	Difference £m
Peoples	13.141	14.171	1.030
Communities and Place	0.973	1.663	0.690
Resources	0.953	1.195	0.242
TOTAL	15.067	17.029	1.962

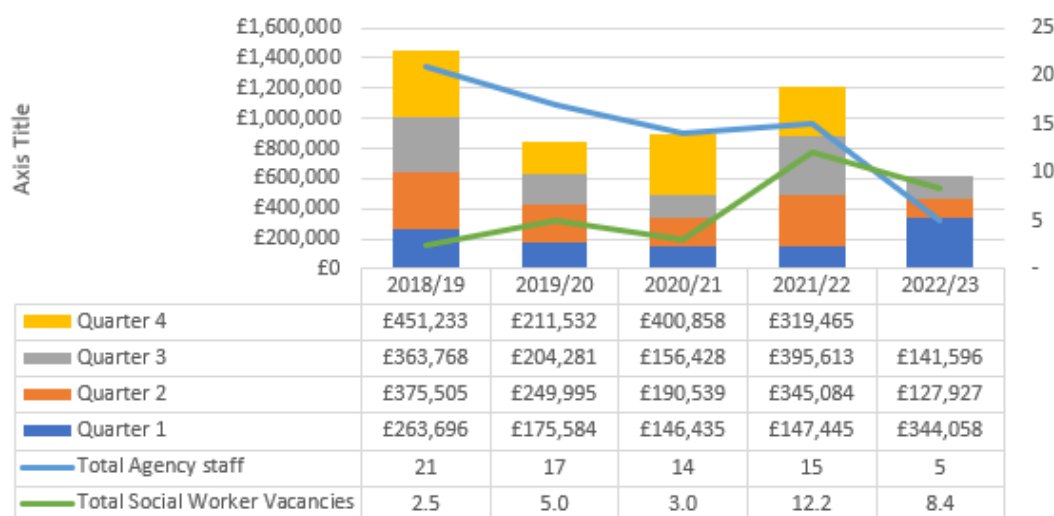
The main reason for the change in emerging pressures in peoples is due to the increase in client placement costs. In communities and place the increase is due to increased utility costs in leisure centres. Increased costs for consumables across engineering and events and increased costs to support the overachievement of income.

4.1.11 The main inflationary pressures below show a minor forecast improvement form Qtr.2:

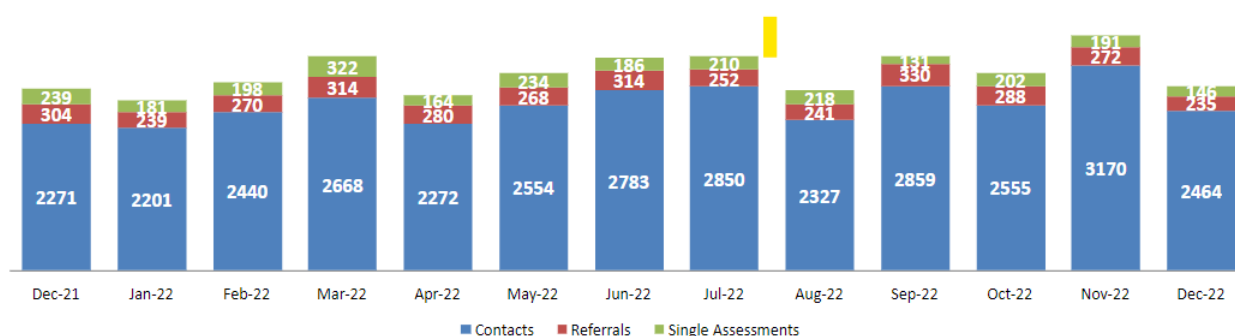
Description	Qtr. 2 £m	Qtr. 3 £m	Difference £m
Net pay pressure	4.977	4.628	(0.349)
Fuel & Trade waste	0.523	0.498	(0.025)
St Lighting PFI inflation	0.450	0.500	0.050
Insurance Premiums	0.856	1.098	0.242
TOTAL	6.806	6.724	(0.082)

- 4.1.12 Of the estimated forecast overspend of £15.127m circa 44% of this, £6.724m is attributable to unbudgeted, unexpected (at the time of budget setting) clearly attributable rising inflation costs.
- 4.1.13 A further detailed breakdown of the elements of the £15.127m can be found at Appendix 1. These areas will continue to be updated and refined final months of the year. The narrative below outlines a summary of each section.
- 4.1.14 **Estimates Pay Award Net pressure £2.414m**
There is an estimated pay pressure of £4.628m for pay award. This is modelling of the pressure of an increase of £1,925 on all NJC pay points 1 and above. This pressure is above the 1.5% which was included in the base budget.
- 4.1.15 **Other Pay pressures/savings (£2.214m)**
Other direct staffing pressures across children's services are forecast to be £0.776m. This is a small reduction from Qtr. 2 due to a further reduction in agency social workers and salary slippage on vacant posts. A pressure of £0.281m is due to the required use of Agency social workers, £0.325m is due to use of Agency Educational Psychologists with the remaining £0.170m being demand and turnover pressure partially offset with vacant post slippage.
- 4.1.16 Adults and Health are currently forecasting a salary underspend (£2.034m) this is a significant change from Qtr.2 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 now forecast through to the end of the financial year.
- 4.1.17 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 as shown in section 4.7.6 with an average of circa 50 new plans each month.
- 4.1.18 At the end of Qtr.3 records show 5 agency social workers within Children's Services currently covering vacancies, maternity leave, and long-term sickness. The graph below shows the costs of agency social workers over the last 4 years and the number of agency social workers employed.

Total Costs of Agency Social workers in Children's Safeguarding over the past 4 years.



- 4.1.19 Social work caseloads are under increasing pressure with the number of contacts and referrals remaining high, coupled with covering maternity leave and the need to ensure that all statutory children's social care work is allocated, leads to the continued need for agency social workers. However, overall the numbers of agency social workers and associated costs is reducing due to the successful recruitment of qualified social workers and less attrition from the service.



- 4.1.20 Communities and Place has salary underspends totalling (£0.311m). This is made up of ongoing salary pressures in Leisure, Culture and Tourism of £0.071m across the parks, libraries catering and tourism. A pressure of £0.275m within refuse collection and street cleansing for additional agency costs to cover sickness and vacancies. Pressure of staff within Planning, Transport and Engineering being at top of scales totalling £0.438m.
- 4.1.21 All these salary pressures in Communities and Place are currently being mitigated by underspends from vacancies across all areas of the directorate totalling (£1.095m).
- 4.1.22 Corporate Resources has salary underspends of (£0.645m) a small increase in the underspend from Qtr. 2 The underspend is due to a number of vacancies across the directorate, within Customer Management and Digital Services salary underspends due to vacancies total (£0.195m), within Financial services salary underspends mostly due to vacancies across Accountancy teams and Benefit & Exchequer services total (£0.208m).
- 4.1.23 Human Resources and Organisational development salary underspends total (£0.258m) and underspends of (£0.184m) in Legal services and Procurement due vacancies. These

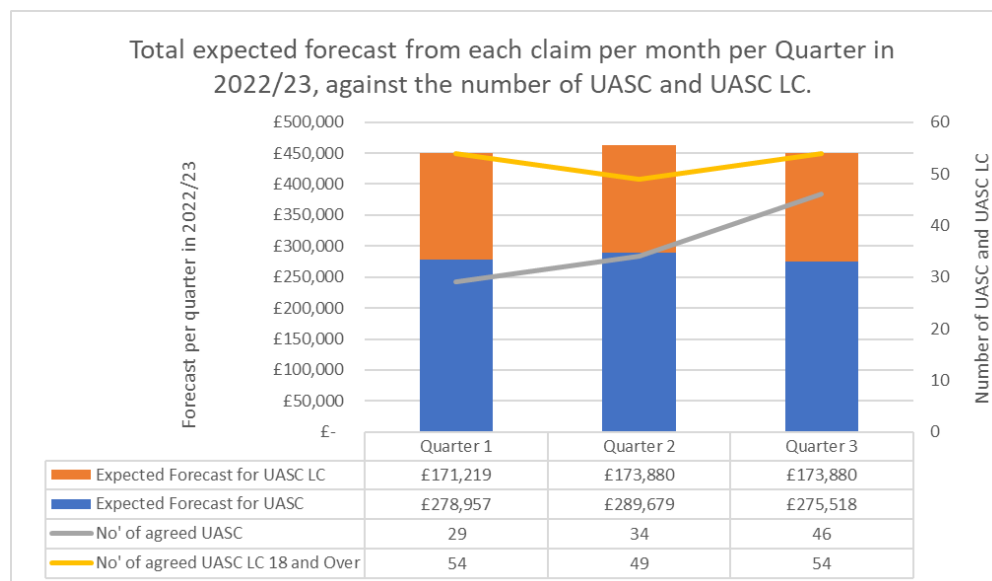
underspends are being reduced due to overspending salary budgets within Policy Insight and Communications of £0.200m.

4.1.24 **Net income position (£5.556m)**

Included in this forecast is one off income of **(£0.8m)** 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).

4.1.25 The ASC forecast assumes income collection of contributions towards packages at the level of the budget set. In addition, the recent announcement of Better Care Fund inflation of 5.6% sees additional funding across ASC of **(£0.767m)**. At Qtr. 3 ASC is also reporting additional Blue Badge income of **(£0.026m)** and additional funding for Occupational Therapists **(£0.078m)**.

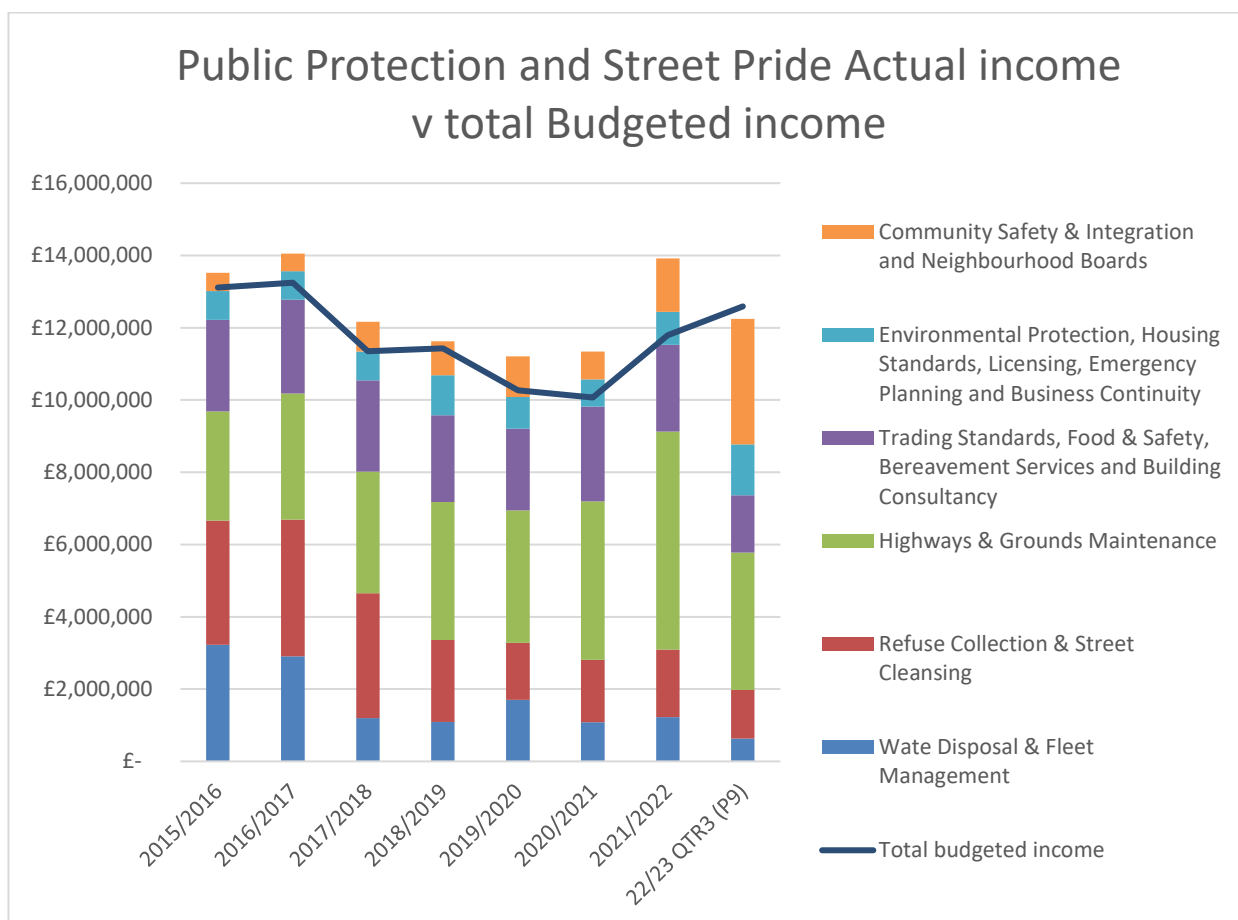
4.1.26 The forecast includes grant income being claimed in 2022/23 for the unaccompanied asylum seekers (UASC) and totalling **(£2.246m)**, an increase from Qtr.2 due to increasing numbers of young people being placed through the National Transfer Scheme (NTS). This income will partially offset the emerging overspends on allowances and placement costs across Children's Services. (The claim for Qtr.3 was £0.449m and covered 46 UASC plus a further 54 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 - Between April 22 and November 2022, Derby saw 30 additional UASC entering as children in care, compared to a total of 31 UASC in 2021/22.



4.1.27 The Supporting Families grant (payment by results) continues to forecast additional income **(£0.300m)**. The claim for Qtr. 3 showed evidence of significant and sustained progress with 74 families.

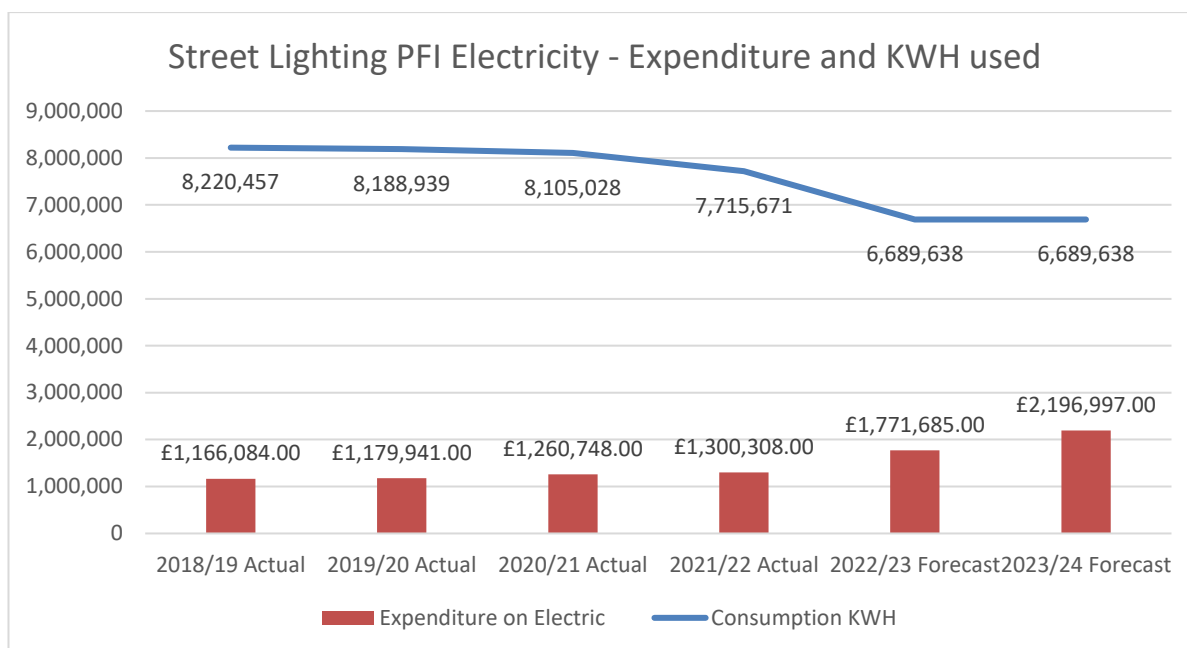
4.1.28 Within the Communities and Place forecast is an estimated **(£0.653m)** of funding to cover the Council wide pressures which are being incurred through the Afghan and Ukraine resettlement schemes (this is a reduction from Qtr.2 due to the grant covering a 3-year period and needing to be carried forward for future commitments).

- 4.1.29 Income levels across Public Protection and Street-Pride have overachieved budgets by (**£0.293m**) mainly in Highways Maintenance and Street Cleansing income.

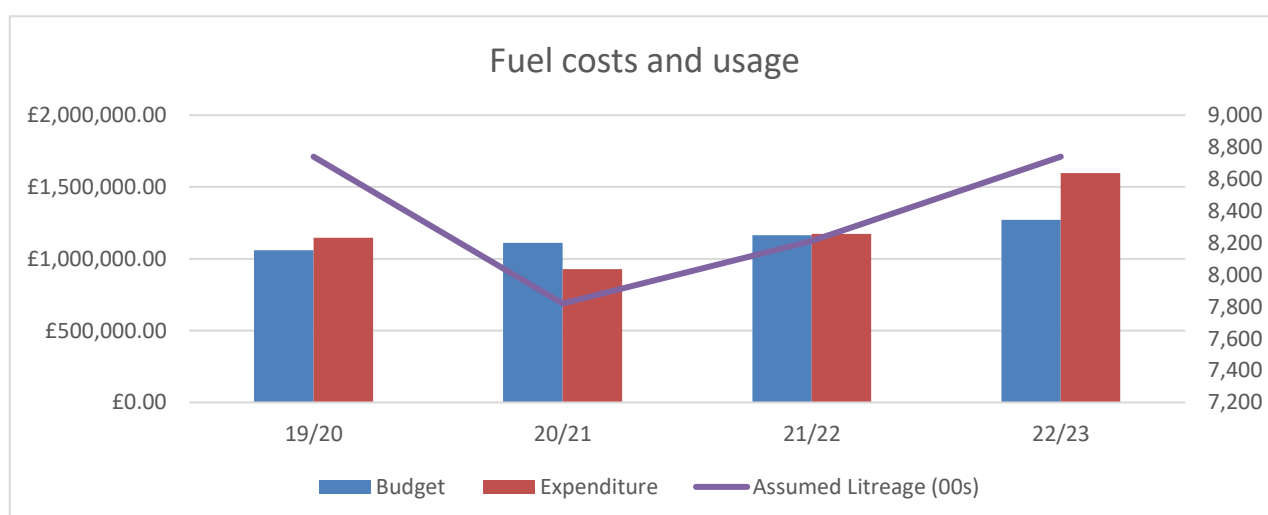


- 4.1.30 Income levels across Planning and Transportation are forecast to achieve (**£0.289m**) in excess of the budget set this is mostly due to Parking services.
- 4.1.31 However, across Leisure culture and tourism income forecasts are not being achieved by **£0.424m** - the unachieved forecast income is due to events income **£0.202m**, Catering income **£0.084m** and leisure centre income **£0.138m**. Unfortunately, the service has seen some events cancelled and a reduction in membership fee income.
- 4.1.32 Milestone House reduced income due to reduced available occupancy because of covid restrictions **£0.165m**. Net additional income across City, Development and Growth as a result of staff recharges to projects (**£0.094m**).
- 4.1.33 Corporate Resources forecast includes additional income of (**£0.696**) this includes additional advertising income and one of funding for staff across the Communications Team (**£0.294m**). Additional funding across financial services of (**£0.256m**) 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 (**£0.126m**). A further increase of income for HR services of (**£0.020m**).

- 4.1.34 There is an income pressure of **£0.298m** in Property Services which relates mainly to a shortfall in rental income mainly for Connect properties. This is partially offset by a one-off income of **(£0.201m)** including £0.127m for DWP for extending openings. £0.052m NNDR refunds and other minor income £0.022m.
- 4.1.35 **Unbudgeted and Emerging Pressures £17.029m**
There are unbudgeted pressures across all directorates resulting in a net pressure of **£17.029m**.
- 4.1.36 Corporate Resources has an unbudgeted forecast pressure of **£1.195m** this includes the increased insurance premiums of 9% which is an estimated pressure of £0.181m.
- 4.1.37 Coroner's pressure of £0.152m (*this is due to solicitors and other professional fees*) and expected pressure of £0.707m 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. Other minor pressures across directorate make up the balance of £0.098m.
- 4.1.38 Communities and Place have emerging unbudgeted pressures totalling **£1.663m** due to the rising cost of fuel £0.325m, trade waste pressures £0.173m, increased utility costs across the leisure centres £0.121m and Street lighting PFI electricity is forecasting a pressure of £0.500m.
- 4.1.39 Further overspends include £0.090m across Public Protection and Street-pride – mostly due to miscellaneous additional costs. £0.239 across planning transport and engineering – due to maintenance costs and costs incurred to generate the increased income in parking services referred to in section 4.1.30. Other overspend across leisure culture and tourism total £0.215m due to consumables, additional cleaning and increased NNDR charges.
- 4.1.40 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.



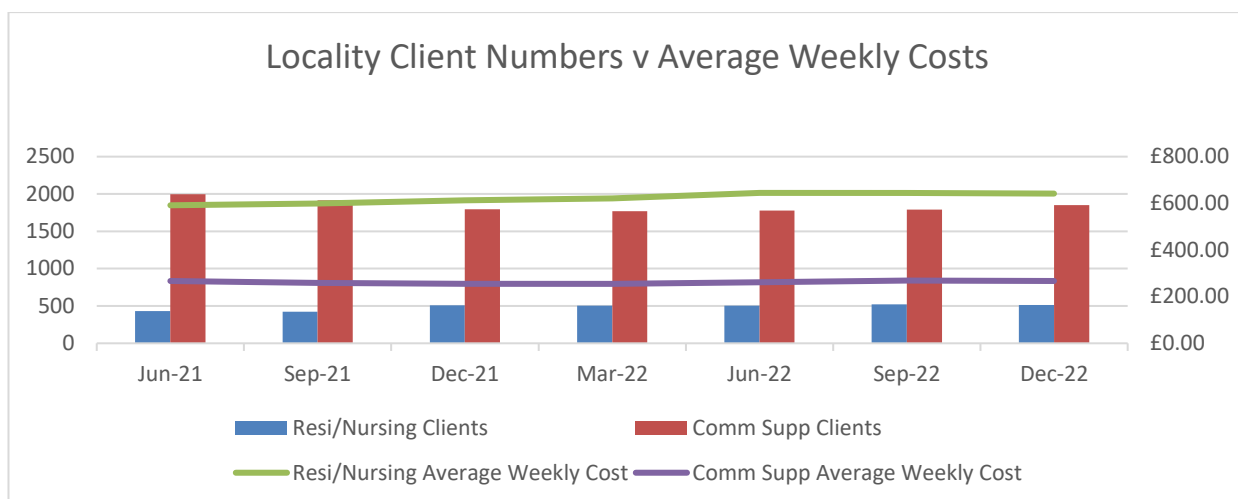
4.1.41 In addition to the actual cost per litre rising the fuel usage is now back to pre-covid levels.



4.1.42 The Peoples directorate has unbudgeted pressures of **£14.171m**.

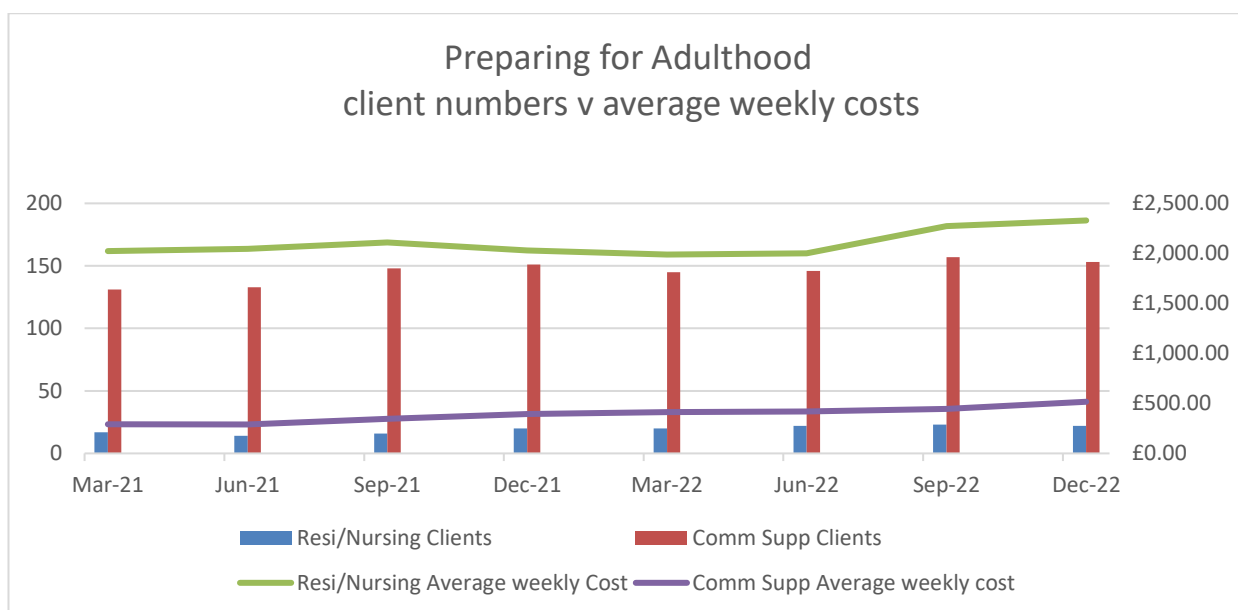
4.1.43 Qtr.3 has seen a further increase in Adult's community support packages from 2584 at 30th September 2022 to 2642 at 31st December 2022. And a small reduction in residential packages from 820 at 30th September 2022 to 808 at 31st December 2022. The total pressure emerging in Adults social care is **£3.906m**

4.1.44 Client packages monitored by the Locality teams are predominantly for the older Adults (65years +) whilst the Residential and Nursing placements remain fairly static, the demand for community support packages are seeing an increase of 3% increase compared with the same period in 2021/22. The average cost of client packages has increased by 5% from this time last year.

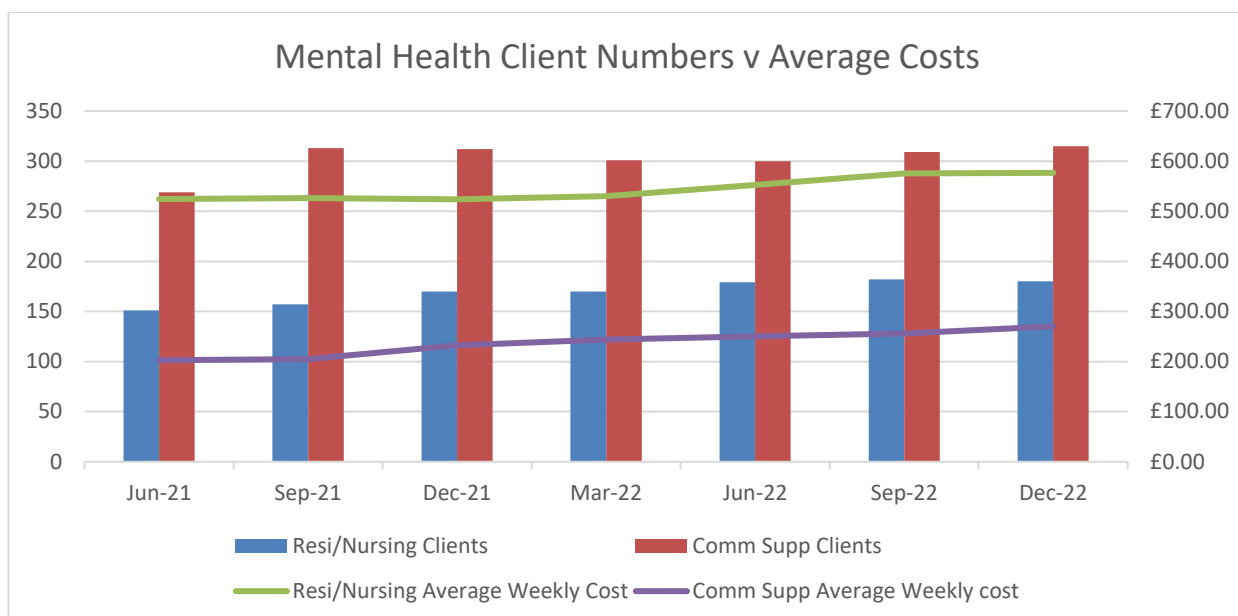


4.1.45 Pressures remain in the Preparing for Adulthood team, which manages young people with complex and challenging needs including care leavers, due to both client number increases and increasing specialist package costs are seeing circa £1.8m increased costs in this area in 2022/23. Numbers of clients in residential and nursing care have increased by 10% from this time last year, with average package costs being £2,328.83 per week a 15% increase from the same period last year.

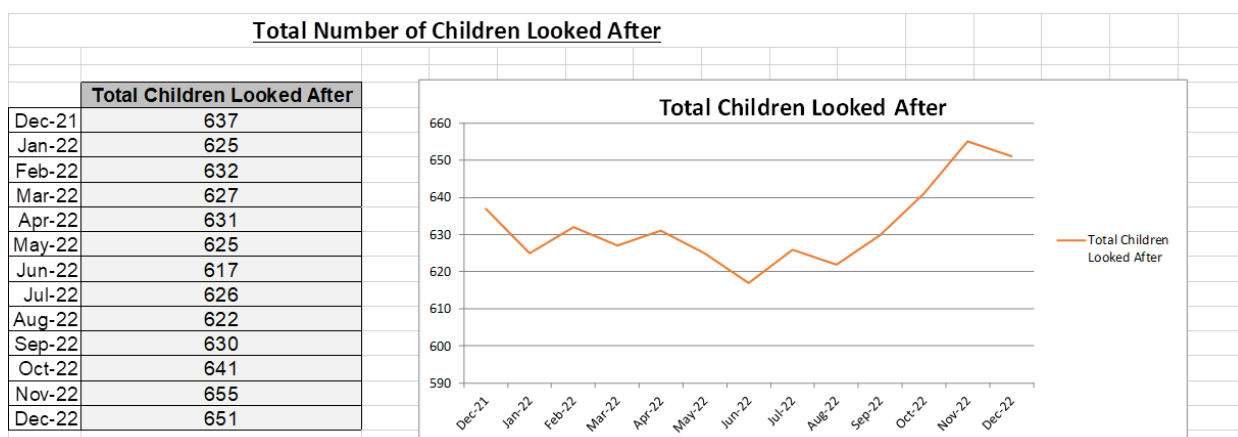
4.1.46 Community Support clients have increased by 1% from the same period last year with average package costs being 31% higher.



4.1.47 Pressures across the Mental Health support packages has seen an increase of 7% in packages (mostly in the residential and nursing settings) and increases in the average package cost of 10% in residential and nursing settings and 16% in community support.



- 4.1.48 The current forecast for children's placements is reporting an overspend of **£5.936m**, this is based on a total number of CIC of 648 (which is the higher than Qtr. 2, but a small reduction from November) it is a 2% increase on this time last year. It is evident that our demand strategies in this area are paying dividend in terms of stabilising numbers, but we are hampered by a national shortage of placements at the very complex end of the spectrum.



- 4.1.49 The total gross costs of the top 10 residential placements has increased from £6.8m in Qtr. 2 to £7.6m in Qtr. 3, the service continues to work with health to attract joint funding with health contributions sought for this cohort totalling **£2.5m**, bringing the net cost to Derby City Council to **£5.1m**. 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.
- 4.1.50 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.

- 4.1.51 The complexity of looked after children in care correlates to the high forecasted legal costs. The current pressures include **£0.282m** for legal fees – this is an increase from Qtr. 2 which is due to one case currently being heard in the High Court. New solicitors recruited to work on children's cases started September 2022, and there has been a significant reduction in outsource cases to external solicitors. The pressure of **£0.817m** for allowances 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 in section 4.1.26.
- 4.1.52 Home to School transport budgets are currently forecasting and overspend at the end of the financial year in the region of **£3.6m**. **£0.370m** relates to an unachieved saving identified in section 4.3 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. 164 new applications for transport was received during Qtr. 3. 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.
- 4.1.53 **Emerging Underspends (£1.872m)**
There are emerging underspends of (£1.872m) across all directorates.
- 4.1.54 Communities and Place have one-off underspends. It is anticipated that the concessionary fares budget will continue to underspend 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 towards the end of the financial year the current underspend is a forecast of **(£0.459m)**.
- 4.1.55 Corporate Resources has underspends within Property services of **(£0.554m)**. This is due to net additional rental income from the DWP for Saturday openings together with underspends due to property services focussing on essential spend only.
- 4.1.56 There is a circa **(£0.600m)** saving within corporate contingency which is being used to offset unachieved council wide savings.
- 4.1.57 Peoples have emerging underspends totalling **(£0.259m)** 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.
- 4.1.58 **Unachieved Savings £3.112m**
Details of the unachieved savings are outlined at paragraph 4.3.

4.2 Directorate Summaries

4.2.1 Mitigation Plans Peoples Services

- 4.2.2 Since the start of the financial year eight (five Mainstream and three Family & Friends) foster carers have been approved taking the capacity for in-house foster carers from 135 as at 31 March 2022 to 143 at the end of December 2022. There are currently 12 families awaiting approval at panel and of these, two of them are registered with an Independent Fostering Agency so will transfer to the Council once approved.

- 4.2.3 At the end of December 2022, 157 young people were placed with in-house foster carers, an increase of 7 compared with Qtr.2.
- 4.2.4 Plans for increasing this in Qtr. 4 include:
- Having launched our Foster Friendly policy to Council employees, our next step is to recruit other businesses in the City to also become Foster Friendly, thereby increasing our enquiries and approvals.
 - Continuing to build on recruiting specialist foster carers for specific schemes, including launching the new Fostering Plus scheme which aims to step down children from residential settings to specialist foster carers.
 - Continuing to explore the options and benefits for a fully collaborative D2N2 fostering service, which could see pooling recruitment and assessment of carers, and also the matching of our children with a much wider number of foster carers across the whole area.
- 4.2.5 The staying together team continue to work with families, the impact of the avoidance of children being brought in to care is considerable, as at Qtr. 3 the tracker of those families being supported is showing an avoided cost of £7.4m for the whole of 2022/23 if these children remain at home; the team are currently working with 22 children within the families cohort.
- 4.2.6 There are currently 4 families in B&B a reduction from 5 families in Qtr. 2, averaging a cost of £333 per week. Joint working with housing services is being undertaken to ensure everything is done to try and help families before social care step in.
- 4.2.7 In Adult Social care, demand is increasing in some areas and pressure on the external markets. All this, whilst we work to understand the impact of the adult social care reforms.
- Specific focus in Adult Social Care includes:
- Increasing capacity to recover more debt
 - Reviewing community packages to ensure the appropriate size package has been embedded into the social care process
 - Working with Children services upstream to manage transitions case costs
- 4.2.8 The ASC team continue to prioritise income maximisation and debt collection ensuring that income due to the Council is appropriately managed.
- 4.2.9 The total outstanding community charging debt is currently £3.369m this is a decrease of £0.412m from Qtr. 2.
- 4.2.10 The Adult Social Care Reform plans have been delayed from October 2023 to October 2025. The delay covers the implementation of the extended means test, the lifetime cap on personal care costs and the extension of Section 18(3) to enable self-funders in residential care to access local authority commissioning. However, government remains committed to delivering the adult social care charging reforms.
- 4.2.11 Nationally councils are extremely concerned about the current pressures facing social care and the capacity and financial resources required to deliver the governments reform agenda.
- 4.2.12 **Mitigation Plans – Corporate Resources**

Resources budgets are typically staff based and the continued focus on staffing expenditure and turnover through either a moratorium on spend in these areas as appropriate or review at spending panel, will continue for the remainder of the year in order to reduce spend and help mitigate overspends.

4.2.13 Property services have reviewed all non-essential activity this year to reduce expenditure and there is also consideration of a review of rents for future tenants of Council owned buildings which if successfully increased will mitigate pressures in year.

4.2.14 Income streams from use of our assets are

4.2.15 **Mitigation Plans – Communities and Place**

The directorate is heavily dependent on income from a range of sources, towards the end of 2021/22 income levels started to return to pre pandemic levels. It is anticipated that these levels will continue, however it is unclear how the cost-of-living crisis will affect this. Income is being monitored and analysed on a monthly basis.

4.2.16 Throughout the last 18 months Parking Services has been re-shaped to focus on smarter working through digital transformation. This approach has allowed for more efficient debt recovery, more timely engagement with those who owe money and staff time being repurposed to generate more income.

4.2.17 New LED lighting is being installed at multi-storey car parks. Delivery is due by the end of the financial year for Bold Lane car park, and this is projected to create a £0.050m yearly saving.

4.2.28 The new waste contract is expected to achieve annual savings of circa £0.5m per year, this started in October.

4.3 **Savings delivery**

The Council's Revenue budget for 2022/23 included savings targets for each directorate in order to support a balanced budget position.

2022/23 Directorate Savings Targets	Approved Savings Targets	Forecast Delivered Savings	Forecast Year End Shortfall	Forecast Variance Delivered
	£m	£m	£m	%
Peoples Services	(6.017)	(5.408)	0.609	90%
Communities and Place	(2.596)	(2.099)	0.497	81%
Corporate Resources	(4.555)	(2.549)	2.006	56%
TOTAL	13.168	10.056	3.112	76%

4.3.1 **People Services:** Peoples services have unachieved savings totalling £0.609m.

4.3.2 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 pupil referral unit. Plans for the reconfiguration of Alvaston Childrens centre have not been implemented leaving an unachievable saving of £0.068m.

- 4.3.3 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 being available on the use of the HRA funds.
- 4.3.4 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.
- 4.3.5 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 didn't.
- 4.3.6 In contrast, Peoples services have savings forecast to be overachieved against the following:-
- Remodelling of Child Placement Service through Social Impact Bonds
 - Maximising income in ASC
 - Reduction of LAC in foster placements through our exit from care team
- 4.3.7 **Communities and Place:** Communities and Place have unachievable savings totalling £0.497m.
- 4.3.8 There are unachieved commercialisation savings of £0.080m after mitigation of from underspends on disposal of household waste anticipated due to reduced tonnage and contract costs, including favourable commodity prices. There is also unachieved increased income in bereavement services due to capital plans not being progressed £0.300m.
- 4.3.9 There is a forecast underachievement of £0.103m relating to a Strategic Housing saving. The team are currently exploring opportunities to better utilise Derby Homes to support delivery of housing-related services
- 4.3.10 There is £0.014m partial unachieved saving in Economic Growth is due to a delayed redundancy. The consultation process was paused to enable consideration of potential redeployment opportunity which ultimately did not materialise
- 4.3.11 **Corporate Resources:** Corporate Resources has several unachievable savings totalling £2.006m.
- 4.3.12 The £0.210m rental income saving from letting out office space within the Council is forecast as unachievable as the proposal is currently under review. The review needs to consider the wider assets of the council and the requirements of all the council's staff and citizens of Derby.
- 4.3.13 There is a £0.042m unachievable maintenance saving from closure of Queens Leisure Centre as the building remains in the Councils portfolio and therefore maintenance commitments remain until the building is disposed of.
- 4.3.14 There is £0.400m relating to a reappraisal of property savings for 2022/23.
- 4.3.15 Corporately there is a saving shortfall of £0.600m as the planned management restructure is under review. This saving however is expected to be fully achieved in 2023/24. In addition to this there is a savings shortfall of £0.143m for voluntary redundancies that have not emerged.

- 4.3.16 There is a contract review shortfall saving of £0.339m (it should also be noted that the achieved savings on contracts is mostly due to one off Microsoft licence savings for 2022/2023 only). This has been an incredibly challenging saving to make in the context of rising inflation, cost avoidance has been delivered through some good contract negotiations.
- 4.3.17 Unachievable better together savings of £0.138m have not yet been delivered as the new operating model has not yet been implemented
- 4.3.18 There is an unachievable saving within the communications team related to advertising income £0.134m – plans to achieve this income depended on the installation of new bus shelters, unfortunately this has not yet been completed.

4.4 Reserves

- 4.4.1 **General Fund Balance:** At 31 December 2022, the General Fund Balance is £8.933m. This is in line with the councils reserves policy with expected percentage of budget being at 3.% of the 2022/23 net budget requirement. If the forecast overspend cannot be mitigated there is a potential commitment against the General Fund Reserve.
- 4.4.2 **Budget Risk Reserve:** This has a future year's forecast balance of £2.576m after taking account of the current forecast overspend commitment of £11.308m. Any further overspend at the end of 2022/23 would be a call on the reserves and impact on the Council's financial resilience. The future years balance is reliant upon planned replenishment including £3m in the current MTFP.
- 4.4.3 There is currently a commitment of £2.293m against the Budget Risk Reserve for 2022/23, it is recommended to approve the use of the Budget Risk Reserve to fund the future costs associated with the New Waste Treatment Facility and to update the profile of the commitment for future years.
- 4.4.4 **Earmarked Reserves (excluding PFI Reserves)**
- 4.4.5 Reserves are set out in Appendix 2. The table includes other reserves which are not available to the Council for general use, such as School Balances. The year-end 2022/23 revenue earmarked forecast reserves balance as at 31st December 2022 is £52.490m of which £46.393m is committed in future years or ringfenced, resulting in a future-years forecast balance of £6.097m (excluding HRA ring-fenced balances, the general fund reserve, Budget Risk Reserve, and school balances).

4.5 Capital Monitoring

- 4.5.1 The capital expenditure forecast for 2022/23 has been reviewed and the updated full year forecast is now £148.099m as detailed at section 4.5.1 to 4.5.13. There is a forecast variance of (£47.121m) against the approved budget of £195.220m agreed by Full Council on 28 February 2022.
- 4.5.2 The table below analyses the main variances by service area:

2022/23 Capital Programme by Service Area	Original Approved Capital Budget	Outturn Slippage approved July 2022	Revised Approved Budget	Actual Spend	Full year forecast/ Revised Budget	Forecast Variance to Final
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						Approved Budget
	£m	£m	£m	£m	£m	£m
Schools	13.092	0.080	13.172	4.838	10.879	(2.213)
Housing General Fund	7.582	0.730	8.312	3.999	8.674	1.092
Property Improvement	10.051	1.551	11.602	3.776	8.303	(1.748)
Flood Defence	0.250	0.621	0.871	0.022	0.360	0.110
Highways & Transport	60.379	5.913	66.292	8.976	28.896	(31.483)
Vehicles Plant & Equipment	1.988	0.978	2.966	3.963	5.852	3.864
Regeneration	45.472	6.616	52.088	20.111	42.377	(3.095)
Information and Communication Technologies (ICT)	2.955	-	4.194	1.433	3.194	0.239
Housing Revenue Account (HRA)	32.951	1.239	32.951	11.863	23.076	(9.875)
*Corporate	20.500	0.470	20.970	0.033	16.488	(4.012)
Total	195.220	18.199	213.419	59.014	148.099	(47.121)

4.5.3 Capital expenditure to date is low against the original approved budget due to the heavy profiling of schemes spend towards the end of the year and the continued impact of the Covid pandemic and the War in Ukraine causing supplier chain issues and contractor shortages and other slippage.

4.5.4 There has been a total of (£21.094m) changes this quarter. There are delegated changes of (£3.081m) and therefore (£18.013m) of changes which require approval, of which (£4.9m) relate to Transforming Cities Fund Government funded projects. Appendix 3 details major programme variances with delegated approvals in Appendix 4 and further minor changes requiring approval detailed in Appendix 5. The overall variance from original to forecast outturn is made up as follows:

Programme variance	
Reason for variance	Amount £m
Outturn slippage detailed in the 2021/22 Outturn Report	18.199
Quarter 1 & 2 previously reported changes detailed in 2022/23 Quarter 1 and 2 Monitoring Reports	(41.930)
Net Changes as at Quarter 2	(23.731)
Further Delegated Changes (Appendix 4)	(3.084)
Changes requiring approval this Quarter (Appendix 5)	(20.306)
Quarter 3 Reported Net Changes	(23.390)
Total Net Programme Variance	(47.121)

4.5.5 Capital Programme - Main Outturn Variances

The main variances between actual capital expenditure and the approved budget as per Qtr. 3 are outlined at Appendix 3, variances per strategy area are included in the table below:

4.5.6	Strategy Area	Reasons for Variance
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	Variance £m	Slippage to 23/24 £m	Budget bfwd from 2023/24 £m	Additions £m	Others (reallocations / increases and reductions) £m
Corporate Resources	(2.293)	-	-	-	(2.293)
Flood Defence	(0.236)	(0.306)	-	-	0.070
Highways and Transport	(7.035)	(8.758)	0.031	1.704	(0.012)
Housing General Fund	(0.404)	(0.454)	0.050	0.137	(0.137)
Housing Revenue Account (HRA)	(2.973)	(1.193)	-	-	(1.780)
ICT	(0.700)	(0.700)	-	-	-
Property	(2.222)	(2.301)	-	0.079	-
Regeneration	(9.214)	(7.745)	0.343	-	(1.812)
Schools	(0.478)	(0.553)	0.075	-	-
Vehicles, Plant and Equipment (VPE)	2.165	(0.038)	0.035	2.247	(0.079)
TOTAL	(23.390)	(22.048)	0.534	4.167	(6.043)

4.5.7 Bus improvement plan

It is recommended to approve the addition to the capital programme of £4.849m which is currently expected to be profiled as follows; £0.920m in 2022/23, £1.970m in 2023/24 and £1.959m in 2024/25, for the Bus Service Improvement Plan scheme funded by the Department for Transport to enable Local Authorities to improve bus services by working closely with bus operators and the local community.

4.5.8 Corporate: Future Investment Fund

The budget for the Futures Investment Fund reduces as and when approved schemes commence, funding is transferred from the Futures fund to the individual capital schemes. There are other approved commitments against this fund which will be transferred to individual schemes once the scheme is finalised.

- 4.5.9 £2.293m expenditure is forecast against the New Waste Treatment Facility. This forecast includes site preservation costs and advisor fees during this period. It is recommended to approve the capitalisation of this eligible revenue expenditure and approve the transfer of budget from the Futures Investment Fund to fund this expenditure as noted in Appendix 3.

4.5.10 Section 106 Contributions

Current S106 balances are £23.308m. The table below shows these balances and commitments for all S106 contributions. For a detailed list of S106 contributions contact Head of Finance: Toni Nash at Toni.nash@derby.gov.uk:

Position	£m
Opening balance as at 01/4/22	14.476
Received to date	8.835
Adjustments/Clawbacks/Expired	(0.003)
Total Available	23.308
Committed 2022/23	6.904
Forecast Available Future Years	16.404

* The S106 contributions are held under long term liabilities within the balance sheet as 'capital grant receipts' in advance.

4.5.12 Direct Revenue Financing

Public Protection & Streetpride uses a mixture of service finance borrowing, capital receipts and direct revenue financing from base budget to purchase vehicle, plant, and equipment. In 2022/23 the following direct revenue financing is required for approval up to the totals below to fund the capital programme:

Scheme	£m
Refuse, Vehicles & Plant	0.676
Street Cleansing & Equipment	0.113
Grounds Plant & Equipment	0.193
Highways Plant & Equipment	0.023
Grounds Maintenance (Forest of the Future)	0.039
Total	1.044

4.5.13 Capital Reserves

A review of capital reserves has been undertaken to consolidate historic unrequired uncommitted into the Corporate Capital Reserve during 2022/23. This is a net zero adjustment across capital reserves and there has been no change to the intended use, these reserves will be applied to the capital programme as appropriate.

4.6 Treasury Management

- 4.6.1 The Treasury Management forecast outturn for 2022/23 is a net balanced position as at 31 December 2022, after circa (£0.950m) is recommended to be transferred to the treasury management reserve to manage future treasury management requirements.
- 4.6.2 The 2022/23 included £0.950m use of TM reserves to set an appropriate budget for the forecast requirement. There has not yet been a requirement to borrow in this financial year because of slippage on the capital programme and more working capital available than originally forecast which has resulted in a (£1.9m) transfer to reserves which gives a net position of (£0.950m).
- 4.6.3 The final position will not be known until out-turn where the final slippage figures and working capital available will be analysed. Final figures for approval will be contained within the out-turn report.
- 4.6.3 As at the 31 December 2022, the total debt portfolio of the Council (including HRA debt) was £416.697m offset by investments of £44.506m resulting in an overall net debt position of £372.191m. The net debt portfolio is set out in the table below:

External Borrowing	As at 30/09/22 £m	As at 31/12/22 £m
Fixed Rate PWLB	290.381	283.919
Fixed Rate Market	20.000	20.000
Other Local Authorities	25.000	25.000
Other Loans	0.860	0.764
Other Long-term Liabilities:		

- Transferred Debt from other Local Authorities	0.277	0.277
- PFI Financing	78.814	78.814
- Finance Lease Liabilities	1.365	1.365
Total Gross External Debt	416.697	410.139
Investments	44.506	24.756
Total Net External Debt	372.191	385.383

- 4.6.4 The Council anticipate a need for short-term borrowing in Qtr. 4 of this financial year in order to support Treasury's day-to-day cash management activities. The cost of this borrowing has been anticipated and built into the Treasury Management budget.

4.7 Dedicated Schools Grant

The 2022/23 allocation for the DSG is £286.66m and is made up of four blocks of funding:

- Schools Block £213.3m
- Central School Services Block £2.85m
- High Needs Block £51.073m
- Early Years Block £19.435m

- 4.7.1 At Qtr. 3 the Schools block is reporting a slight underspend of £0.268m due to efficiencies in the centrally held Growth fund and schools in financial difficulty pots.

The Central block is reported as balanced at Qtr. 3.

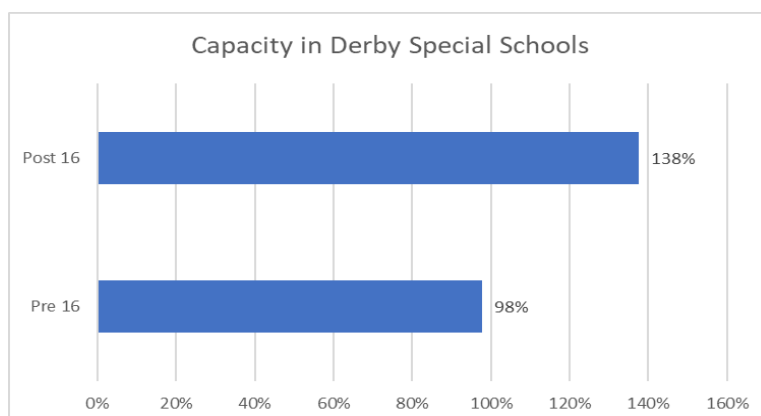
The Early years block is now reporting a slight underspend of **£0.132m** on a budget of £19m; the final outturn remains sensitive to the final count of the year; this block is paid on real time census count 3 times a financial year.

There continues to be significant pressures in the High Needs Block (HNB) supporting children with additional needs.

- 4.7.2 High Needs Demand remains the most significant pressure to the school's budget with an in year estimated deficit of £5.9m. Which is an increase of £0.4m from Qtr. 2.

Additional funded places within Special Schools and Enhanced resource units are currently showing a pressure of **£0.5m**. This forecast includes provision for additional commissioned places and transformational change needs resulting from the SEND Capital Programme.

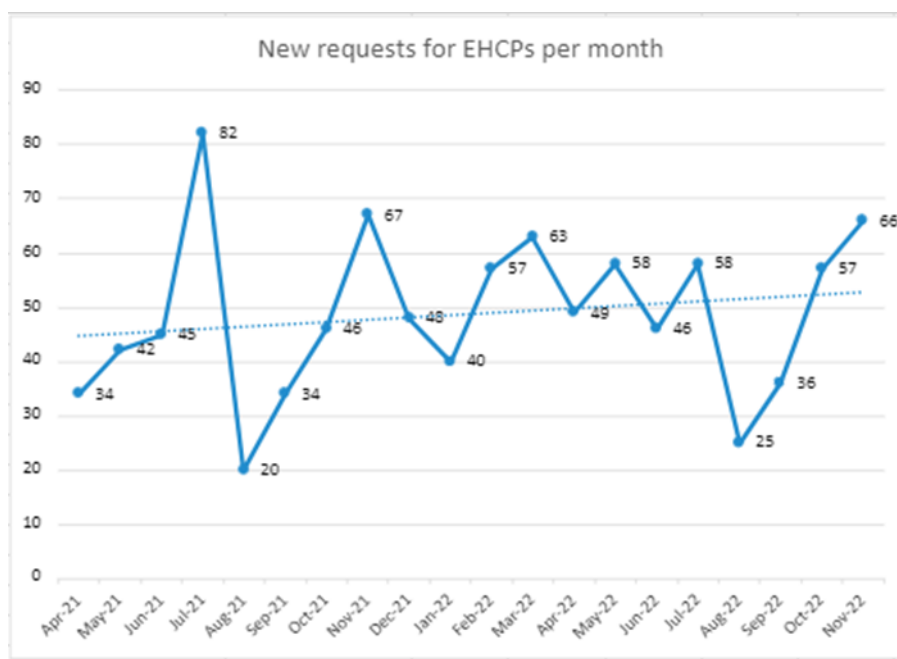
The table below table shows the current capacity within the City's Special Schools.



- 4.7.3 **Independent out of authority specialist placements** continue to rise. The 2022/23 budget for Independent and out of authority specialist placements was increased by a further £2.4m to a budget of £17.9m. Due to the limited capacity for specialist placements within the city together with the increased demand costs this financial year are seeing further increased levels.
- 4.7.4 Current records show that there are currently 463 out of area placements (as of November 22) an increase from 2021/22 of 62 placements of which 38 have been placed since September 22, resulting in a significant **£1.8m** pressure (additional costs over the last year of £4.2m).
- 4.7.5 In addition to the number of placements increasing, the average cost has also increased by 17% for Independent schools.
- 4.7.6 The budget for additional support to children in mainstream schools across the City (**Top up Funding**) was set at £6.1m for 2022/23 a significant increase from 2019/20 of £2m. The current forecast is £5.8m. (**£0.3m** forecast lower than the original budget). As at November 472 mainstream pupils are receiving top-up funding, this is a significant reduction from September (597). However, there is no significant change to the forecast spend as the current average cost of an E3 is now £12,300, compared to an average of £8,700 in September.

Currently there are 362 plans undergoing assessment with 145 at stage 2 either awaiting panel decision or at draft. Within the overall forecast for the remainder of the financial year, there a pro-rata forecast for 90 applications to be completed by end of March 2023, (£135,000), this very much depends on the individual outcome of both value and date awarded.

The table below details the number of EHCP requests received by the Authority each month up until November 22.



- 4.7.7 The associated transport costs for these placements are not funded from the DSG but from the Council's General Fund, the increase in placements is costing the City more than £8m (an overspend of £3.6m) and the likelihood of a trajectory to increase further is extremely high as more children are placed out of the City. Transport pressure is reported within the General Fund section of this report.
- 4.7.8 The DSG committed reserves balance bought forward from 2021/22 remains at £1.4m deficit. Derby has received a backdated adjustment to the 2021/22 Early years clawback of £0.18m (note the 2021-2022 pressure was £0.6m, so not all the pressure has been recouped in the current year). The final DSG allocation and recoupment adjustments has also seen a favourable adjustment of £0.8m
- 4.7.9 Schools Forum agreed a further £1m commitment for transformation work in September 2022. The DSG opening reserves balance at 1st April 2022 was £1.4m with an in-year forecast deficit of £5.5m bringing the overall DSG deficit to **£6.9m**.

4.8 Collection of Business Rates and Council Tax

4.8.1 Collection comparison

As of 31 December 2022, the amount of Council Tax billed for the 2022/23 financial year is £137.93m of which £110.79m or 79.63% has been collected. This compares with 79.33% at the same time last year. Compared with the position 12 months ago, in cash terms, we have collected £4.307m more from Council Taxpayers. At the three-quarter point it is clearly encouraging that collection rates are holding up however there is still much uncertainty about future collection rates given the ongoing challenges presented by the cost-of-living crisis.

- 4.8.2 As at 31 December 2022 the amount of Business Rates billed for the 2022/23 financial year is £91.22m of which £73.338m or 79.91% has been collected. This compares with 75.54 % at the same time last year. Given the way relief schemes work in 2022/23 compared with 2021/22 direct comparisons are not possible. That said, to be over 4% up on the same time last year is clearly encouraging although the same ongoing challenges as for Council Tax collection remain.

4.8.3 **Business Rates and Housing Benefit Write-offs**

Following a review of existing bad debt, approval is sought to write-off £0.301m of uncollectable Business Rates debt and £0.043m of uncollectable Housing Benefit debt. These debts are in excess of £10,000 and therefore require Cabinet approval in line with existing financial regulations. Further detail is included at Appendix 6 and 7 in the confidential part of this agenda.

4.9 **Housing Revenue Account**

The Housing Revenue Account (HRA) report on the management of the Council's housing stock.

4.9.1	HRA position as at 31 December 2022	Original Budget (annual) £m	Actual Spend Qtr.3 £m	Full year forecast £m	Forecast Variance £m
	HRA	2.702	16.991	2.702	-

- 4.9.2 As part of the 30- year HRA Business Plan, the HRA is budgeted to use £2.702m from the HRA reserve in 2022/23. It is currently forecast on target to use £2.702m from the reserve for business- as-usual activity.

5.1 **Public/stakeholder engagement**

None directly arising – however the suitable engagement will be considered for all applicable expenditure.

6.1 **Other options**

None directly arising.

7.1 **Financial and value for money issues**

The financial and value for money implications are set out in the report.

8.1 **Legal implications**

The report confirms that the Council can meet its statutory requirement to deliver a plan for a balanced out-turn. At this point it can use reserves – however the intention is to continue to look for alternative solutions.

9.1 **Climate implications**

None directly arising – however all expenditure and schemes will need to consider the Climate Change Action plan approved at Council on the 15 June 2022.

Other significant implications

10.1 **Environmental Sustainability**

The report sets out the implications of the capital programme.

10.2 **Risk Management and Safeguarding**

The report demonstrates it has the resources available to deliver the Council's priorities, but it will mean application of reserves if overspends are not reduced over the remainder of the year.

10.3 **Corporate objectives and priorities for change**

The budget provides the financial resources to deliver key objectives and priorities set out in the Council Plan.

10.4 **Equality implications**

All appropriate equality impact assessments were considered when setting the budget and emerging ones will be considered as appropriate.

10.5 **Socio Economic Implications**

As outlined in the body of the report.

The following people have approved this report:

Role	Name	Date of sign-off
Legal	Olu Idowu – Head of Legal Services	24 January 2023
Finance	Toni Nash – Head of Finance	24 January 2023
Service Director(s)		
Report sponsor	Alison Parkin – Director of Financial Services	
Other(s)		
For more information contact: Background papers: List of Appendices:	Toni Nash: Toni.Nash@derby.gov.uk None. Appendix 1 – Detailed analysis of revenue outturn variances Appendix 2 – Summary of reserves – Main Forecast Outturn Variances Capital over £0.2m Appendix 4 – Changes to capital programme under delegation Appendix 5 – Further changes to the capital programme	

Detailed analysis of revenue outturn variances

Appendix 1

Area	PAY				Emerging Income - Additional and Pressures															
	Estimated Pay Award issue at flat £1,925	Turnover	Agency Educational Psychologists	Agency Social Workers	C&P - potential one off Afghan and Ukraine funding to support council wide pressures	C&P - unachieved L&C income	Overachieved income - PP&SP	C&P - T&T Parking Services	CR - additional HRA income for Legal services and insurance	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	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
Peoples Adults and PH	0.815	-2.034								-0.800	-0.104		-0.767							
Peoples CYP	0.850	0.170	0.325	0.281								-0.300						-2.246		
Comms & Place	1.619	-0.311			-0.653	0.424	-0.293	-0.289											0.165	-0.094
Comms & Place - Major Projects	0.064																			
Corporate - Property	0.258													0.033	0.024	0.241	-0.201			
Corporate																				
Corporate Resources	1.022	-0.645							-0.696											
TOTALS	4.628	-2.820	0.325	0.281	-0.653	0.424	-0.293	-0.289	-0.696	-0.800	-0.104	-0.300	-0.767	0.033	0.024	0.241	-0.201	-2.246	0.165	-0.094
			Total Pay 2.414														Total Income			-5.556

	Unachieved Savings																	Emerging Underspends				
Area	C&P - Commercial & Bereavement Service	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	Derby Homes optimization saving shortfall	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	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																			-0.259			
Peoples CYP													0.004	0.017	0.068	0.150	0.370					
Comms & Place	0.380																	-0.459				
Comms & Place - Major Projects										0.103	0.014											
Corporate - Property					0.210	0.400	0.042														-0.151	-0.403
Corporate		0.339	0.138	0.100				0.500	0.143											-0.600		
Corporate Resources												0.134										
TOTALS	0.380	0.339	0.138	0.100	0.210	0.400	0.042	0.500	0.143	0.103	0.014	0.134	0.004	0.017	0.068	0.150	0.370	-0.459	-0.259	-0.600	-0.151	-0.403
															Total unachieved Savings		3.112			Emerging Underspends		-1.872

	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	Comms and Place - PFI Inflation impact	C&P - other overspends	Maintenance of urban forest	New Valuers fees	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	Increased Client demand pressures in ASC	TOTAL	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Peoples Adults and PH															3.906	0.757
Peoples CYP									0.472	0.345	5.936	0.282	3.230			9.954
Comms & Place	0.498	0.121		0.500	0.544											2.081
Comms & Place - Major Projects																0.252
Corporate - Property						0.020	0.020	0.057								0.550
Corporate																0.620
Corporate Resources			1.098													0.913
TOTALS	0.498	0.121	1.098	0.500	0.544	0.020	0.020	0.057	0.472	0.345	5.936	0.282	3.230	3.906	15.127	
											Total emerging pressures				17.029	
											Overspend before further mitigations					15.127
														New pay reserve		-1.200
														Covid Reserve		-2.265
														IBCF Inflation		-0.354
											Net overspend after mitigations					11.308

Appendix 2

Summary of Reserves Movement as at 31 December 2022

Statement of Reserves	2022/23 Opening Balance £m	In Year Movement £m	2022/23 Commitments £m	2022/23 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
General Fund							
Unallocated General Fund Balance	(8.933)	-	-	(8.933)	(5.278)	-	(14.211)
Balances Held By Schools	(8.577)	(0.994)	1.500	(8.071)	1.500	6.571	-
Budget Risk Reserve	(20.522)	0.645	17.387	(2.490)	(0.086)	-	(2.576)*
TOTAL	(38.032)	(0.349)	18.887	(19.494)	(3.864)	6.571	(16.787)
Revenue Earmarked Reserves							
Covid-19 Reserve	(2.265)	-	2.265	-	-	-	-
General Insurance Reserve	(2.658)	-	-	(2.658)	-	-	(2.658)
Trading Services Reserve	(0.039)	-	0.039	-	-	-	-
Year-end grants with restrictions	(4.235)	-	4.009	(0.226)	0.127	0.099	-
DEGF Interest Reserve	(0.207)	(0.012)	0.057	(0.162)	0.162	-	-
Regeneration Fund Reserve	(0.917)	-	0.315	(0.602)	0.602	-	-
Assembly Rooms Reserve	(2.090)	-	1.000	(1.090)	1.090	-	-
Delivering Change Reserve	(0.941)	-	0.941	-	-	-	-
Business Rate Pilot Reserve	(0.083)	0.033	0.050	-	-	-	-
Collection fund deficit smoothing reserve	(8.208)	-	8.208	-	-	-	-
Treasury Management Reserve	(2.759)	-	(0.950)	(3.709)	3.709	-	-
Public Health Reserve	(3.869)	-	-	(3.869)	-	3.869	-
Adult Social Care Reserve	(2.435)	-	0.060	(2.375)	0.543	1.780	(0.052)
Capital Feasibility Reserve	(0.527)	-	0.423	(0.104)	-	-	(0.104)
Pay and Inflation Reserve	(1.200)	-	1.200	-	-	-	-
Cost of Change Reserve	-	-	(4.000)	(4.000)	4.000	-	-
Other Service Reserves	(9.720)	0.389	3.888	(5.443)	2.382	0.115	(2.946)
PFI Reserves	(29.767)	(0.210)	3.494	(26.483)	26.483	-	-
Earmarked Reserves to support the capital programme	(2.060)	0.210	0.081	(1.769)	-	1.432	(0.337)
TOTAL	(73.980)	0.410	21.080	(52.490)	39.098	7.295	(6.097)

Statement of Reserves	2022/23 Opening Balance £m	In Year Movement £m	2022/23 Commitments £m	2022/23 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
Housing Revenue Account (Ringfenced)							
Housing Revenue Account (Ringfenced)	(45.960)		2.702	(43.258)	-	43.258	-
Major Repairs Reserve	(1.625)		-	(1.625)	-	1.625	-
Other Earmarked HRA Reserves	-		-	-	-	-	-
TOTAL	(47.585)	-	2.702	(44.883)	-	44.883	-

**The Budget Risk Reserve future years balance is reliant on the replenishment of £3.0m in future years in the current MTFP.*

Main Forecast Outturn Variances Capital over £0.200m

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Overspend £m	Reallocation £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
Corporate Resources							
Future Investment Provisions Pot	(2.293)			(2.293)			Transfer of budget to fund the capital expenditure at the New Waste Treatment Facility for the capitalisation of eligible revenue spend forecast for site preservation costs and advisor fees during this period.
Corporate Resources Total	(2.293)	-	-	(2.293)	-	-	
Schools							
Littleover Community School - Roof Feasibility	(0.251)	(0.251)					The nature of the specialist roof replacement requires the effected classrooms to be empty whilst the proposed works are being carried out. Due to the specialist nature of those classrooms, the school were not able to decant pupils elsewhere during the work and the Council's framework contractor was not able to carry out the works in the limited 6-week school summer holiday period left available to them. It is therefore necessary to re-programme the works, consider the use of an alternative contractor, and/or specification, and undertake the works as part of the 2023/24 capital programme instead.
Schools Total	(0.251)	(0.251)	-	-	-	-	
Housing General Fund							
Performance Venue - Padley Centre	(0.206)	(0.206)					Padley are working on an updated business model for their service delivery which will dictate the layout and facilities required within the new premises. Until that model is finalised, and a suitable property identified no capital grant can be paid therefore this budget needs to be slipped into 2023/24.
Housing General Fund Total	(0.206)	(0.206)	-	-	-	-	
Property							
Swimming Pool New Build	(0.350)	(0.350)					Slippage does not relate to the main swimming pool construction project, but wider site infrastructure such as a new stadium store.
Darley Park rangers Centre - Roof Replacement	(0.210)	(0.210)					Budget required to slip due to building at risk elements that have caused delays to the scheme.
Corporate Contingency S151 Approval Only - Swimming Pool	(0.300)	(0.300)					A pre-construction services fee will be paid in Qtr.4 (Jan-Mar '23). However, the development of the 3G pitches will need planning so the project will not move to the construction stage until Oct '23 at the earliest and estimate circa 6months construction period, so at this stage the majority needs to be slipped to 2023/24
Property Total	(0.860)	(0.860)	-	-	-	-	
Flood Defence							
Local flood alleviation scheme	0.100	(0.250)		0.350			Originally transferred to the H&T from Flood Defence Programme as part of the Infrastructure board delegated approvals, however this was done in error and therefore a reversal is required for this change.
Flood Defence Total	0.100	(0.250)	-	0.350	-	-	
Highways & Transport							
Network Management - Strategic Network Management	(0.368)	(0.241)		(0.127)			Derby City Council are currently in dialogue with DEFRA on how the initial grant of £0.241m can be re-purposed to meet the conditions attached to the initial grant received. Given the negotiations taking place and the limited time/resource capacity remaining in the current financial year, there is limited prospect of the revised schemes being delivered in 2022/23. £0.127m reallocated to Asset Management - ITS Network Management Maintenance for traffic signal refurbishment, review of signals and crossing upgrade

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Overspend £m	Reallocation £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
Asset Management - Land Drainage & Flood Defence	(0.491)	(0.141)		(0.350)			£0.350m Originally transferred to the H&T from Flood Defence Programme as part of the Infrastructure board delegated approvals, however this was done in error and therefore a reversal is required for this change. £0.141m reprioritised given the uncertainty around delivery of Kings Croft. Kings Croft will not be designed further in year and reprofiled later in the programme.
The Bus Station Improvement Plan	0.920				0.920		Addition of the Bus Service Improvement Plan scheme funded by the DfT to enable Local Authorities to improve bus services by working closely with bus operators and the local community - DfT are providing capital funding to the value of £4.849m, which is currently profiled as £0.920m in 2022/2023, £1.970m in 2023/24 and £1.959m in 202/25.
TCF Tranche 2 - Interchangeable Hubs	(2.711)	(2.711)					Slippage as a result of delays with contractor engagement have resulted in a delay to construction which is now planned for 2023/24.
TCF Tranche 2 - Public Realm	(1.519)	(1.519)					Slippage as a result of delays with contractor engagement have resulted in a delay to construction which is now planned for 2023/24.
TCF Tranche 2 - Park & Ride	(0.267)	(0.267)					Nationally, Park & Ride sites are struggling to meet pre-Covid patronage levels. This is driven largely by reduction in passenger travel due to shifts to more remote/hybrid working patterns. DCC's Park & Ride scheme is not exempt from this market condition. Hence the decision to stop this scheme as part of the TCF programme as it is not viable at this time. With regards to reprioritising/reallocating the funds, this is part of ongoing conversations with the DfT. A proposal for reallocation has been presented subject to DfT agreement.
Future Transport Zone	(0.400)		(0.400)				Following a review of the Carshare element of the FTZ project, £0.400m needs to be removed as NCC will take ownership and oversee the project. The project will not result in realising an asset for Derby City Council however the scheme in whole provides benefit for the city.
Highways & Transport Total	(4.836)	(4.879)	(0.400)	(0.477)	0.920	-	
Vehicle Plant & Equipment							
Waste Disposal - New Treatment Plant	2.097		(0.196)	2.293			Capitalisation of revenue spend for the Waste facility and transfer of budget from the Future Investment Pot to fund the capital expenditure. This forecast includes site preservation costs and advisor fees during this period.
Vehicle Plant & Equipment Total	2.097	-	(0.196)	2.293	-	-	
Regeneration							
Becket Well Regeneration	(0.316)	(0.316)					As experienced nationally, delays in the supply of paving materials and poor weather have had an impact on the programme for the Public Square. The financial profile has been adjusted in line with the current contractor cashflow, with completion now programmed for May 2023 and a final retention payment to fall in 2024/25.
Alvaston District Centre Improvement	(0.731)		(0.731)				Scheme has been decommissioned as part of a review of the Capital Programme.
Derby Enterprise Growth Fund - Recycled	(0.324)	(0.324)					There have been delays to two of our beneficiaries' projects meaning that some spend needs to be re-profiled into the next financial year. A small element of this £0.024m is to allow time for projects spend to be fully evidenced before we pay them in arrears. The further £0.300m slippage is caused by delays from a business in signing their grant agreement which was delayed as the applicant companies board needed to ratify the proposals. This has now been completed and a claim is anticipated within the next financial year.
Market Hall Refurbishments - Phase 1	(0.675)		(0.675)				The phase 1 scheme has now been completed without the need to call on the full client contingency. We have now entered the phase 2 transformation to the internal Market Hall for which there is a separate capital budget on the programme. It is proposed, therefore, to transfer the contingency balance to the Market Hall phase 2 scheme client contingency and any use will be managed through the project change control process.

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Overspend £m	Reallocation £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
Castleward - CPO	(1.341)	(1.341)					Since the October 2022 Cabinet report regarding the acquisition of land and property interests for the next phase of housing development at Castleward, a further assessment has taken place of the likely timing of compensation payments to affected parties for individual acquisitions. This has resulted in the need to slip a portion of the compensation budget to 2023/24 to match the expected timing of the balance of estimated compensation payments. This does not impact the delivery of vacant sites by the dates set out in the compulsory purchase notices and as required to facilitate the next phase of housing development by our partner Compendium Living.
Carbon Reduction Fund	(0.750)	(0.750)					A number of sizeable projects are in the pipeline for funding from the 2022/23 budget, including an LED replacement scheme for the lighting at one of our car parks, for which spend is not expected until 2023/24. This will follow on from the LED replacement project at Bold Lane car park which was funded by this capital budget last October. The criteria for the future use of the Climate Change Fund capital budget will focus primarily on those projects that can improve the energy performance of the Council estate, making short – medium term revenue savings through reduced energy costs
Market Hall Refurbishments - Phase 2	(2.200)	(2.440)		0.240			£0.240m transferred from Osnabrook Square as detailed in this table. £2.44m slippage required. We are now in contract for the phase 2 works. Informed by the cashflow profile received from the contractor, it is necessary to re-profile the budget to align it to the expected works programme.
Eastern Gateway	0.287			(0.037)		0.324	A reprofiling of the capital budget is required to bring it in line with the expected profile of capital grant payments that have been agreed, as set out in the grant agreement now signed, and associated professional fees. There is also a re-allocation within the overall future High St Fund programme.
ERDF GIP3	(0.200)	(0.200)					A reprofiling of the capital budget is required to bring it in line with the expected profile of capital grant payments that have been agreed, as set out in the grant agreement now signed, and associated professional fees.
Regeneration Capital Loans	(0.750)	(0.750)					The loan is now to be drawn down in instalments which will continue to June 2023 and therefore requires slippage.
Assemble Learning Theatre	(0.640)	(0.640)					The capital budget was originally approved to progress early design works at risk for a new Learning Theatre, pending an Autumn announcement on the outcome of the associated Levelling Up Fund (LUF) bid. The LUF announcement from Central Government has however been delayed. Design work has therefore been paused, other than activity to maintain momentum in readiness for scheme delivery to a tight LUF spend deadline and to secure all necessary planning approvals. It is proposed, therefore, to slip the balance of the budget to 2023/24 pending a future scheme review post a LUF bid announcement.
Osnabrook Square	(0.240)			(0.240)			It is now proposed to deliver the Osnabrook Square refurbishment works as part of the Market Hall phase 2 scheme, maximising the level of works that can be afforded by supplementing the £0.310m basic refurbishment provision already included in the Market Hall capital budget with the £0.240m budget here.
Our City Our River - Package 1	(0.687)	(0.687)					In year spend in 22/23 is lower than anticipated due to delays with Listing Building Consents in relation to Property Level Resilience measures at Darley Abbey slipping into next financial year. Property Level Resilience, also widely known as Property Level Protection (PLP), provides property owners with practical and cost-effective steps to help lower flood risk, through the use of affordable bespoke products such as water-resistant doors, etc
Regeneration Total	(8.567)	(7.448)	(1.406)	(0.037)	-	0.324	

Strategy Area and Scheme	Total Variance £m	Slippage £m	Under/Overspend £m	Reallocation £m	Additional Spend Backed by Funding £m	Spend Brought Forward £m	Explanation of variances over £200k
ICT							
Major IT Hardware Developments	(0.200)	(0.200)					£0.250m capital was allocated to deliver Cyber Development Programme projects in the financial year 2022/23. Delivery is in progress, and £0.040m has been committed for the first phase due to be delivered by early February 2023. This is later than originally scheduled due to some additional preliminary work required to be scheduled in first. Apart from a £0.005m potential further spend on this first phase, it is anticipated that any further spend on this project will be in 2023/24 and not in 2022/23
Major IT Systems Developments	(0.500)	(0.500)					£0.5m underspends have been identified in the new FMS system, as per the 2023/24 MTFP Consultation Document it is recommended to slip this budget into 2023/24 to fund a new HR System.
ICT Total	(0.700)	(0.700)	-	-	-	-	
Housing Revenue Account							
Kitchens and Bathrooms	(0.276)	(0.276)					Delayed contractor setup and delays to logistics in supply chain have caused works to slip into 2022/23
Re-Roofing	0.900			0.900			Budget moved from Integrated Solar Panels as being used as a roof material for life of roof.
Integrated Solar Panels	(0.900)			(0.900)			Budget from Re-roofing to fund roof material for life of roof
Solid Wall Installation	0.213		0.213				Additional cost to render work following public consultation outcome and increased material cost due to inflationary rises throughout the industry.
New Build and Acquisitions	(0.846)		(0.653)	(0.193)			Budget against this scheme has been reviewed and split across; Schemes Pre-Development and Mickleover Bungalow, to better manage the various elements.
Barlow Street	(0.600)	(0.600)					Procurement was delayed initially due to difficulty in attracting contractors (Market Conditions) - This Project has been packaged with 3 others to improve interest and is currently out to tender.
Rivermead Refurbishment	(0.500)	(0.500)					Procurement was delayed due to; complexity in design to rood works, re-survey of external envelope, identification / availability of suitable contractor's consequent to current market conditions (Post Grenfell has seen a significant increase in volume of work and demand in contractors).
Crompton Street	(0.250)	(0.250)					Procurement was delayed initially due to difficulty in attracting contractors (Market Conditions) – This Project has been packaged with 3 others to improve interest and is currently out to tender.
The Grange	(0.200)		(0.200)				Pre - Commencement costs will be spent in 2022/23, however resolution of complex issues, with Building Control, Engineers & Planners, around new adopted road running through site has delayed start on site resulting in slippage.
Former Council House Acquisitions	(0.345)		(0.345)				Some purchases were delayed and as a result refurbishment works have been delayed therefore the budget has been reprofiled based on when the work will be complete.
HRA Total	(2.804)	(1.626)	(0.985)	(0.193)	-	-	
Total Major Variance	(18.320)	(16.220)	(2.987)	(0.357)	0.920	0.324	
Other Variances							
Delegated approval changes plus outturn slippage	(3.084)	(4.397)	(0.049)	0.152	1.000	0.210	See Appendix 4
Variance less than £200k	(1.986)	(1.872)	(0.469)	0.205	0.150	0.000	See Appendix 5 which outlines all changes requiring approving this Qtr.
Other Variances Total	(5.070)	(6.269)	(0.518)	0.357	1.150	0.210	
TOTAL	(23.390)	(22.489)	(3.505)	-	2.070	0.534	

Changes to Programme Under Delegation

Strategy Area and Scheme	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Schools				
Vehicle, Plant & Equipment	0.002	0.012	0.010	S Bfwd - SCE C SCA
Ashgate Primary School - External Area Feasibility	0.070	0.094	0.024	S Bfwd - SCE C SCA
Dale Primary - Window Phase 2 Feasibility	0.277	0.253	(0.024)	S - SCE C SCA
Gayton School - External Area Feasibility	0.103	0.053	(0.050)	S - SCE C SCA
Kingsmead School - Renew Fire Doors	0.125	0.151	0.026	S Bfwd - SCE C SCA
Littleover Community School - Windows Feasibility	0.105	0.098	(0.007)	S - SCE C SCA
Meadow Farm - Renew Fire Doors	0.001	0.016	0.015	S Bfwd - SCE C SCA
Murray Park - Heating System Feasibility	0.107	0.078	(0.029)	S - SCE C SCA
Oakwood Infant - Fire Doors Feasibility	0.150	0.144	(0.006)	S - SCE C SCA
Bemrose Secondary School - Dining Block Boiler	0.204	0.190	(0.014)	S - SCE C SCA
Parkview Primary - Replacement Boiler	0.232	0.200	(0.032)	S - SCE C SCA
Silverhill Primary - Roofing	0.241	0.194	(0.047)	S - SCE C SCA
Silverhill Primary School - Fire Risk Assessment Works	0.279	0.232	(0.047)	S - SCE C SCA
Children's Home Accommodation Strategy	0.100	-	(0.100)	R2 - UBC (0.054m) S - UBC (0.046m)
Priority Homes 2 Inspire	-	0.054	0.054	R2 – UBC
Total Changes to Schools	1.996	1.769	(0.227)	
Housing General Fund				
Works at Shelton Lock	0.050	0.100	0.050	S Bfwd – GG
Supported Housing Improvement Programme (SHIP)	-	0.137	0.137	A – GG
Total Delegated Housing General Fund	0.050	0.237	0.187	
Property Improvement				
Oakwood Park Improvements	0.190	0.150	(0.040)	S - S106
Bridgden Avenue Allotments	0.016	-	(0.016)	S - S106
St Mary's Broadwalk	0.095	0.020	(0.075)	S - S106
Mackworth Park	0.008	0.006	(0.002)	S - S106
Stockbrook Street Recreation Ground	0.024	-	(0.024)	S - S106
South Avenue Park	0.100	0.020	(0.080)	S - S106
Levelling Up Parks Fund	-	0.067	0.067	A – EC
Chaddesden Wood Local Nature Reserve	-	0.012	0.012	A - S106
Pickford House Museum	0.104	0.044	(0.060)	S – UBC
Council House - Detailed Survey	0.960	0.890	(0.070)	S – CR
Kedleston Road - Heating System	0.900	0.903	0.003	S - UBC (0.160m) R2 - UBC 0.163m
Assembly Room Car Park - Fire Alarm Installation	0.040	0.005	(0.035)	S - UBC

Strategy Area and Scheme	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Demolition works at various sites	0.220	0.130	(0.090)	S – UBC
Southgate Education Centre - Structural Improvements	0.070	0.040	(0.030)	S – UBC
Rykneld Recreation Ground - Roof Replacement	0.075	0.012	(0.062)	R2 – UBC
Whitaker T2 - Window Replacement	0.110	0.090	(0.020)	S – UBC
2 Stanley Road - Window Replacement	0.100	0.080	(0.020)	S – UBC
Total Delegated to Property Improvement	3.012	2.469	(0.543)	
Flood Defence				
Local flood alleviation scheme	0.140	-	(0.140)	R3 – UBC
Kings Croft Drainage Design	0.207	0.032	(0.175)	R3 - UBC (0.140m) S - UBC (0.035m)
Oakwood Flood Study	0.030	0.019	(0.011)	S – UBC
Thulston Brook Flood Study	0.010	-	(0.010)	S – UBC
Total Delegated Flood Defence	0.387	0.051	(0.336)	
Highways and Transport Programme				
Network Management - Local Traffic Management	1.423	1.262	(0.161)	A - EC 0.010m R1 - UBC 0.004m R2 - UBC (0.015m) S - UBC (0.160m)
Asset Management - Highways Maintenance	6.273	5.907	(0.366)	S - UBC (0.381m) R2 - UBC 0.015m
Network Management - Strategic Network Management	1.262	1.201	(0.061)	S - UBC
Asset Management - Structures Maintenance	0.807	0.617	(0.190)	S - SCE C (0.238m) R1 - UBC 0.048m
Asset Management - Land Drainage & Flood Defence	0.759	0.810	0.051	R3 - UBC 0.280m S - UBC (0.331m)
Asset Management - ITS Network Management Maintenance	1.226	0.994	(0.232)	S - UBC
Street Lighting LED Replacement	1.371	0.776	(0.595)	S - UBSS
Active Travel - Cycle Derby	0.432	0.233	(0.199)	S - S106
Active Travel - Pedestrian Accessibility	0.179	0.176	(0.003)	R1 - UBC
S31 - Emergency Active Travel Fund	0.468	0.478	0.010	R1 - S106
Highways Trees	0.156	0.096	(0.060)	S - UBC
TCF Tranche 2 - Cycle Expressway	0.080	0.068	(0.012)	S - GG
TCF Tranche 2 - Bus Priority	0.295	0.326	0.031	S Bfwd - GG
TCF Tranche 2 - Bus & Rapid Transit Links	3.249	3.253	0.004	A - S106 0.669m S - GG (0.665m)
TCF Tranche 2 - LCWIP	2.120	2.074	(0.046)	A - S106 0.105m S - GG (0.151m)
Total Delegated Highways and Transport Programme	20.100	18.271	(1.829)	
Vehicle, Plant & Equipment				
Grounds Plant & Equipment	0.363	0.398	0.035	S Bfwd - UBSF

Strategy Area and Scheme	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Public Realm Equipment	0.010	-	(0.010)	S - S106
Raynesway Skips	0.252	0.172	(0.080)	R1 - UBC
Safer Street - Phase 4	0.329	0.301	(0.028)	S - GG
Total Delegated Vehicle, Plant & Equipment	0.954	0.871	(0.083)	
Regeneration				
Creative Pathways	0.050	0.010	(0.040)	S - S106
Brook realignment	0.129	0.103	(0.026)	S - EC
FHSF Connecting Works	0.118	0.055	(0.063)	S - GG (0.100m) R2 - GG 0.037m
Our City Our River	0.288	0.307	0.019	S Bfwd - GG
Our City Our River - Package 2	1.163	1.085	(0.078)	S - GG
Total Regeneration	1.748	1.560	(0.188)	
HRA Programme				
Estates Pride - General	0.350	0.420	0.070	R1 - MRA
One-off Mods/Major Refurbishments	1.250	1.190	(0.060)	R1 - MRA
Riverside Site (Previously Brit Court)	0.075	0.090	0.015	R1 - MRA/CR
Berwick Avenue	0.175	0.200	0.025	R1 - MRA/CR
Oakland Avenue	-	0.022	0.022	R1 - MRA/CR
Elmwood	-	0.010	0.010	R1 - MRA
Falcon - HRA	0.100	0.050	(0.050)	S - MRA
Brentford Drive - HRA	0.051	0.030	(0.021)	R1 - MRA/CR
Warwick House - HRA	0.395	0.304	(0.091)	R1 - MRA/CR
Mickleover Bungalow	-	0.015	0.015	R2 - MRA
Total Delegated HRA	2.396	2.331	(0.065)	
Total Net Changes	30.643	27.559	(3.084)	

Key of Categories	Category
Additional schemes from new funding secured	A
Scheme increase funded by previous years' reserves income	A1
Re-phasing	S
Profiling of New additional spend approved	P
Other Adjustments - Scheme Reductions/Increases	R1
Re-allocated Within Departments Programme	R2
Re-allocated To Different Departments Programme	R3

Further changes to the capital programme requiring approval

Summary of Further Changes to the Capital Programme 2022/2023	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Corporate Resources				
Future Investment Provisions Pot	18.780	16.487	(2.293)	R3 - UBC
Corporate Resources Total	18.780	16.487	(2.293)	
Schools				
Littleover Community School - Roof Feasibility	0.276	0.025	(0.251)	S - SCA
Total Changes to Schools	0.276	0.025	(0.251)	
Housing General Fund				
Empty Property Assistance	0.214	0.114	(0.100)	S - EC
Performance Venue - Padley Centre	0.231	0.025	(0.206)	S - GG
City Centre Living	0.148	-	(0.148)	S - CR
Supported Housing Improvement Programme	0.137	-	(0.137)	R1 - GG
Carelink Equipment	0.276	0.176	(0.100)	R2 - GG
Carelink Equipment - DFG Element	-	0.100	0.100	R2 - GG
Total Changes Housing General Fund	1.006	0.415	(0.591)	
Property Improvement				
Preliminary Design- Structural and Buildings at risk	0.200	0.050	(0.150)	R2 - UBC
HOP - Reconfiguration, Redevelopment, Relocation, Remodelling	0.350	0.250	(0.100)	S - UBC
Multicultural Education Centre - Heating System Improvements	0.260	0.070	(0.190)	S - UBC
Swimming Pool New Build	1.139	0.789	(0.350)	S - UBC
Darley Park rangers Centre - Roof Replacement	0.300	0.090	(0.210)	S - UBC
Corporate Contingency S151 Approval Only - Swimming Pool	0.315	0.015	(0.300)	S - UBC
Moorways Stadium - Improvements to the running track and Stadium	0.340	0.190	(0.150)	R2 - UBC 0.150m S - UBC (0.300m)
Kings Chambers - Fire safety Improvements	0.130	0.030	(0.100)	R2 - UBC
Springwood Leisure Centre - Heating System Improvements	0.190	0.061	(0.129)	S - UBC
Total Changes to Property Improvement	3.224	1.545	(1.679)	
Flood Defence				
Local flood alleviation scheme	-	0.100	0.100	R3 - 0.350m S - (0.250m)
Total Changes Flood Defence	-	0.100	0.100	
Highways and Transport Programme				
Asset Management - Highways Maintenance	5.907	5.807	(0.100)	S - UBC

Summary of Further Changes to the Capital Programme 2022/2023	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Asset Management - ITS Network Management Maintenance	0.994	1.121	0.127	R2 - UBC
Active Travel - Cycle Derby	0.233	0.025	(0.208)	S - UBC (0.015m) S - S106 (0.193m)
Network Management - Strategic Network Management	1.201	0.833	(0.368)	S - (0.141m) GG R2 - (0.227m) GG
Asset Management - Land Drainage & Flood Defence	0.810	0.319	(0.491)	S - (0.241m) GG R2 - (0.0250m)
The Bus Station Improvement Plan	-	0.920	0.920	A - GG
TCF Tranche 2 - Interchangeable Hubs	4.116	1.405	(2.711)	S - GG
TCF Tranche 2 - Public Realm	4.370	2.851	(1.519)	S - GG
TCF Tranche 2 - Park & Ride	0.357	0.090	(0.267)	S - GG
Future Transport Zone	3.987	3.587	(0.400)	R1 - GG
Highways Infrastructure	0.202	0.014	(0.188)	S - UBC
Total Changes Highways and Transport Programme	22.177	16.972	(5.205)	
Vehicle, Plant & Equipment				
Derby Homes Vehicles	0.128	0.278	0.150	A - CR
Waste Disposal - New Treatment Plant	0.196	2.293	2.097	R1/R3 - UBC
Total Changes Vehicle, Plant & Equipment	0.324	2.571	2.247	
Regeneration				
Access Osmaston	0.311	0.146	(0.165)	R2 - EC
Assembly Rooms Site Demolition	0.850	0.657	(0.193)	S - RCCO
Becket Well Regeneration	1.845	1.529	(0.316)	S - CR
Alvaston District Centre Improvement	0.731	-	(0.731)	R1 - UBC
Derby Enterprise Growth Fund - Recycled	0.577	0.253	(0.324)	S - CR
Market Hall Refurbishments - Phase 1	1.396	0.721	(0.675)	R2 - UBC
Castleward - CPO	4.457	3.116	(1.341)	S - CR
Carbon Reduction Fund	1.053	0.303	(0.750)	S - SCE C
Market Hall Refurbishments - Phase 2	5.544	3.344	(2.200)	S - UBC
Eastern Gateway	0.337	0.624	0.287	MULTI - GG
ERDF GIP3	0.498	0.298	(0.200)	S - GG
Regeneration Capital Loans	1.250	0.500	(0.750)	S - SCE C
Assemble Learning Theatre	0.700	0.060	(0.640)	S - UBC
Osnabruck Square	0.240	-	(0.240)	R2 - UBC
Our City Our River - Package 1	1.097	0.410	(0.687)	S - GG

Summary of Further Changes to the Capital Programme 2022/2023	Latest Approved Capital Programme Budget 2022/23 £m	Revised Capital Programme Budget 2022/23 £m	Change £m	Category
Garden Village	0.800	0.700	(0.100)	S - GG
Total Regeneration	21.686	12.661	(9.025)	
ICT				
Major IT Hardware Developments	1.577	1.377	(0.200)	S - CR
Major IT Systems Developments	2.116	1.616	(0.500)	S - CR
Total Changes to ICT	3.693	2.993	(0.700)	
HRA Programme				
Emergency call system replacement	0.212	0.345	0.133	S - MRA/CR
Kitchens and Bathrooms	4.025	3.749	(0.276)	S - MRA/CR
Re-Roofing	1.500	2.400	0.900	R2 - MRA/CR
Solid Wall Installation	1.488	1.701	0.213	R1 - MRA/CR
New Build and Acquisitions	2.446	1.600	(0.846)	R1 - (0.653m) MRA/CR R2 - (0.193m) MRA/CR
Barlow Street	0.750	0.150	(0.600)	R1 - MRA/CR
Rivermead Refurbishment	1.250	0.750	(0.500)	S - MRA/CR
Crompton Street	0.400	0.150	(0.250)	S - MRA/CR
The Grange	0.300	0.100	(0.200)	R1 - MRA/CR
Former Council House Acquisitions	1.419	1.074	(0.345)	R1 - MRA/CR
Integrated Solar Panels	0.900	-	(0.900)	R2 - MRA/CR
HRA Fire Safety	0.500	0.335	(0.165)	R1 - MRA
Whitaker Street	0.300	0.150	(0.150)	S - MRA/CR
Water Service - HRA	0.100	-	(0.100)	S - MRA
Pre-Development Costs - HRA	-	0.178	0.178	R2 - MRA
Total Changes HRA	15.590	12.682	(2.908)	
TOTAL CHANGES TO PROGRAMME	86.758	66.452	(20.306)	

Key of Categories	Category
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Additional schemes from new funding secured	A
Scheme increase funded by previous years' reserves income	A1
Re-phasing	S
Profiling of New additional spend approved	P
Other Adjustments - Scheme Reductions/Increases	R1
Re-allocated Within Departments Programme	R2
Re-allocated To Different Departments Programme	R3

The table below lists Business Rates debts that are recommended to Cabinet for write off.

Case ref and billing number	Financial Year	Reason for Write Off	Balance Outstanding
1. 40505350	2017/18 2018/19 2019/20	Company in Liquidation	£12,897
2. 40614940 40614957	2017/18 2018/19 2019/20 2020/21 2021/22	Enforcement Agent unable to trace company	£72,896
3. 40673703	2019/20 2021/22	Company in Liquidation	£10,887
4. 40631129	2018/19 2019/20 2021/22	Gone No Trace	£17,065
5. 40690654	2019/20	Company Dissolved	£13,211
6. 40746915 40549268	2018/19 2020/21 2021/22 2022/23	Company in Liquidation	£19,557
7. 40703284	2019/20 2021/22	Company in Liquidation	£21,526
8. 40736277	2020/21 2021/22	Company Dissolved	£13,635
9. 40705655 40705662	2020/21	Company Dissolved	£18,376
10. 40682226 40682288 40682295 40682318	2019/20	Company Dissolved	£22,903
11. 40712325 40713847 40713854 40713861 40713878 40727952	2020/21	Company Dissolved	£33,016
12. 40502467 40404600	2013/14 2015/16 2016/17 2017/18	Company in Administration	£20,626
13. 40653617	2019/20 2020/21 2021/22 2022/23	Company Dissolved	£24,577
TOTAL			£ 301,172

Appendix 7

Housing Benefit Overpayment write-offs

The table below lists Housing Benefit Overpayment debts that are recommended to Cabinet for write off. There is no loss of Housing Benefit subsidy because of writing off these debts.

Case reference and Invoice number	Date invoice raised	Original Housing Benefit Overpayment	Reason for Write Off	Outstanding Total
1: 70858868	03/06/2015	£14,254	No Trace of Debtor	£14,254
2: 70816350	12/01/2015	£10,230	No Trace of Debtor	£10,230
3: 71436946	12/05/2022	£18,632	Irrecoverable Debt	£18,632
Total				£43,116