

BALANCES AT 31st MARCH 2023

Report by Acting Chief Financial Officer EXECUTIVE COMMITTEE

14 February 2023

1 PURPOSE AND SUMMARY

- 1.1 This report provides the Executive Committee with an analysis of the Council's balances as at 31 March 2022 and advises Members of the projected balances at 31 March 2023**
- 1.2 The unaudited Council's General Fund useable reserve (non-earmarked) balance was £9.848m at 31 March 2022. The General Fund useable reserve is projected to be at least £8.421m at 31 March 2023 in line with the Council's Financial Strategy.
- 1.3 The total of all useable balances, excluding development contributions, at 31 March 2023 is projected to be £49.691m as summarised in section 4.2.
- 1.4 The projected balance on the Capital Fund of £9.163m will be affected by any further capital receipts, development contributions, interest credited and any expenditure authorised to be financed from the Fund during the remainder of the financial year.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Executive Committee:**
 - (a) Notes the projected revenue balances as at 31 March 2023 as per Appendices 1 & 2; and**
 - (b) Notes the projected balance in the Capital Fund as per Appendix 3.**

3 ACCOUNTS AND FUNDS OPERATED BY THE COUNCIL

3.1 Income and expenditure relating to the Council's services are accounted for and financed through the following funds (as required or permitted by statute):

- (a) General Fund
- (b) Corporate Property Repairs & Renewals Fund
- (c) Insurance Fund
- (d) Plant & Vehicles Renewals Fund
- (e) Pitch and Play Park Replacement Fund
- (f) Capital Fund

4 BALANCES

4.1 Appendix 1 summarises the projected transactions and resultant projected balances at 31 March 2023 on the General Fund and Appendix 2 shows the projected non-General Fund balances. The net effect is the useable General Fund balance after earmarked funds and allocated reserves is projected to be at least **£8.421m** at 31 March 2023 which is in line with the recommended level included in the 2022/23 Financial Strategy approved by Council.

4.2 The projections in the statement attached in Appendices 1, 2 and 3 are based on actual expenditure and income to 31 December 2022 and are summarised in the table below.

| BALANCES | 31/03/23 projection £m |
|---------------------------------------------|---------------------------------------|
| Earmarked Balances (non DSM) | 19.751 |
| Recovery Fund (previously COVID-19 reserve) | 1.844 |
| Earmarked Balances (DSM) | 2.633 |
| Allocated Balances | 6.427 |
| General Fund (Unallocated Reserve) | 8.448 |
| Corporate Property Repairs & Renewals Fund | 0 |
| Pitch & Play Park replacement fund | 1.381 |
| Plant & Vehicles Renewals Fund | 6.347 |
| Insurance Fund | 1.354 |
| Capital Fund (exc. Developer Contributions) | 1.506 |
| | 49.691 |

4.3 The Corporate Financial Risk Register was considered at the Council Meeting on 22 February 2022 and identified potential risks including the failure to control budgets within approved limits, severe weather events, the economic downturn, potential contractual claims and unplanned emergencies. The unallocated balance of £8.421m, approved by Council as part of the Financial Strategy on 22 February 2022, equates to 2.6% of net revenue expenditure and is sufficient to cover 61% of the risks identified in the finance risk register should they be realised. The general fund reserve will continue to be monitored through the Corporate Financial Risk Register on a regular basis.

4.4 Allocated balances are forecast to be £6.427m at the 31st March 2022/23:

| ALLOCATED BALANCES | 31st March 2022 £m | Increase during 2022/23 £m | Released during 2022/23 £m | 31st March 2023 £m |
|-------------------------------------|------------------------------------------|---------------------------------------|---------------------------------------|------------------------------------------|
| Municipal Mutual | 0.233 | 0 | 0 | 0.233 |
| Adverse Weather (including flood) | 1.000 | 0 | 0 | 1.000 |
| Workforce Management | 1.059 | 0 | (0.156) | 0.903 |
| Treasury reserve | 2.300 | 1.000 | 0 | 3.300 |
| Strategic Contract movement reserve | 0.362 | 0.629 | 0 | 0.991 |
| Total | 4.954 | 1.629 | (0.156) | 6.427 |

4.5 The movement in allocated balances since the last reporting period reflects a draw down of £0.050m from the Workforce Management reserve to support the revenue budget in 2022/23.

4.6 Appendix 3 details the balances currently held in the Capital Fund. These balances are temporarily held in the Loans Fund and will attract interest at the end of the financial year. The Fund can only be used for capital purposes or to repay external debt.

5 IMPLICATIONS

5.1 Financial

There are no financial implications beyond those contained in the report and appendices.

5.2 Risk and Mitigations

The major risks associated with this report are that the level of projected balances proves to be insufficient. Service budget pressures plus unexpected liabilities are the most likely sources of pressure on reserves. These risks are being managed through regular monitoring of financial activity in all funds of the Council, including regular revenue and capital budgetary control reports to the Executive Committee. In addition, the Corporate Financial Risk Register is regularly reviewed by senior Finance staff.

5.3 Integrated Impact Assessment

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

5.4 Sustainable Development Goals

There are no significant effects on the economy, community or environment.

5.5 Climate Change

No effect on carbon emissions are anticipated from the recommendation of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to the Schemes of Administration or Delegation as a result of this report.

6 CONSULTATION

- 6.1 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications are being consulted on this report and any comments will be incorporated into the final report.

Approved by

Suzy Douglas

Acting Chief Financial Officer

Author(s)

| Name | Designation and Contact Number |
|--------------|------------------------------------------------------|
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Background Papers:

Previous Minute Reference:

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