

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COALVILLE SPECIAL EXPENSES WORKING PARTY –  
TUESDAY, 3 JANUARY 2023



<b>Title of Report</b>	<b>2022/23 QTR 2 FINANCE UPDATE REPORT</b>
<b>Presented by</b>	Anna Crouch - Finance Team Manager and Deputy Section 151 Officer
<b>Background Papers</b>	<a href="#">Coalville Special Expenses Finance Update</a> – Coalville Special Expenses Working Party 11 October 2022
<b>Financial Implications</b>	<p>The monitoring figures as at quarter 2 show a forecasted net revenue expenditure of £674,000 and total funding of £549,000. Without action the forecasted deficit of £125,000 would mean estimated deficit balances of £17,000 as at 31 March 2023.</p> <p>To ensure good financial management is adhered to it is essential action is taken to ensure savings are made in 2022/23 of at least £17,000 so the Coalville Special Expenses budget and reserves are not exceeded.</p> <p>The cost pressures are expected to continue in 2023/24. The Working Party need to take early action to ensure the financial position is proactively managed.</p> <p><b>Signed off by the Section 151 Officer: Yes</b></p>
<b>Legal Implications</b>	<p>None</p> <p><b>Signed off by the Monitoring Officer: Yes</b></p>
<b>Staffing and Corporate Implications</b>	<p>None</p> <p><b>Signed off by the Head of Paid Service: Yes</b></p>
<b>Purpose of Report</b>	To present the 2022/23 budget monitoring figures as at quarter 2 along with the forecasted outturn for the financial year.
<b>Recommendations</b>	<p><b>THAT THE WORKING PARTY</b></p> <ol style="list-style-type: none"> <li><b>1. NOTES THE 2022/23 QUARTER 2 BUDGET MONITORING FIGURES AND FORECASTED OUTTURN FOR 2022/23.</b></li> <li><b>2. IDENTIFY AT LEAST £17,000 OF SAVINGS OR DEFERRAL OF PLANNED MAINTENANCE TO FUTURE FINANCIAL YEARS TO RECOMMEND TO CABINET.</b></li> </ol>

## 1. QUARTER 2 BUDGET MONITORING AND FORECAST OUTTURN FOR 2022/23

- 1.1 The net revenue budget for 2022/23 is £685,000 and through Council Tax and Grants there is £522,000 funding available, leading to a budgeted deficit of £163,000. The level of reserves are £146,000 and could fund the majority of the budget deficit. The remaining £17,000 cannot be funded from available resources. The Working Party need to identify at least £17,000 of savings or deferral of planned maintenance to future financial years.
- 1.2 Actual expenditure up to the end of September is £311,000 and the forecast for the year is £674,000 but with additional external funding obtained and in year underspends this has led to a decrease in the forecasted deficit of £38,000 to £125,000. A summary of the financial position is shown in the table below and a more detailed breakdown is shown in Appendix A.

Table 1: 2023/23 Budget and Forecast Outturn

	<b>2022/23 Budget</b>	<b>Forecast Outturn</b>
<b>Annual Recurring Expenditure</b>	<b>685,470</b>	<b>673,909</b>
Funded by:		
Precept	492,903	492,903
Grant	29,193	29,193
Reserves	163,374	125,458
External Funding	0	26,355
	<b>685,470</b>	<b>673,909</b>

- 1.3 The main variances between the budget and forecast outturn are:
1. The additional £7,000 spend on Christmas lights as previously recommended by CSEWP on the 14 June 2022.
  2. The additional £6,000 costs of the Christmas lights contract i.e., installation, removal, storage, servicing, testing as previously recommended by CSEWP on the 11 October 2022.
  3. Increased income from burial fees £6,000
  4. An underspend on 2022/2023 Planned Preventative Maintenance budgets £15,500
- 1.4 Without taking action the Coalville Special expense balances are forecast to be in deficit by £17,000 as at 31 March 2023. Being in a deficit position is not good financial management. Savings or the deferral of planned maintenance is required to produce a balanced position. As set out elsewhere on the agenda the cost pressures are forecast to continue in the 2023/24 financial year. The working party are invited to identify at least £17,000 of savings or deferral of planned maintenance to future financial years.
- 1.5 A list of the earmarked reserves as at the end of September are shown in Appendix B.