

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COALVILLE SPECIAL EXPENSES WORKING PARTY –  
TUESDAY, 15 AUGUST 2023



<b>Title of Report</b>	<b>COALVILLE SPECIAL EXPENSES WORKING PARTY FINANCE UPDATE</b>
<b>Presented by</b>	Sarah Thirkettle Interim Finance Manager
<b>Background Papers</b>	<a href="#">Coalville Special Expenses Working Party – 13 June 2023</a>
<b>Financial Implications</b>	<p>The 2022/23 provisional outturn figures show a saving of £63k against budgeted expenditure of £685k. The budgeted contribution from Special Expense reserves was £163k, with the provisional outturn position being a £100k drawdown.</p> <p>The monitoring figures as at 2023/24 Quarter 1 show a forecasted net revenue expenditure on budget with no forecast variance and total funding of £512k.</p> <p>The Coalville Special Expenses Reserves as at 2023/24 Quarter 1 of £93k are forecast to be fully spent with £4k spend to date.</p> <p><b>Signed off by the Section 151 Officer: Yes</b></p>
<b>Legal Implications</b>	<p>Legal advice and support is provided to officers as required.</p> <p><b>Signed off by the Monitoring Officer: Yes</b></p>
<b>Staffing and Corporate Implications</b>	<p>There are no direct implications arising from the report.</p> <p><b>Signed off by the Head of Paid Service: Yes</b></p>
<b>Purpose of Report</b>	To present the 2022/23 provisional outturn figures and the 2023/24 budget monitoring figures as at Quarter 1 along with the forecasted outturn for the financial year.
<b>Recommendations</b>	<p><b>THAT THE WORKING PARTY NOTES:</b></p> <ol style="list-style-type: none"> <li><b>1. THE 2022/23 PROVISIONAL OUTTURN FIGURES AND COALVILLE SPECIAL EXPENSE BALANCES AS AT 31 MARCH 2023.</b></li> <li><b>2. THE 2023/2024 QUARTER 1 BUDGET MONITORING FIGURES AND FORECASTED OUTTURN AS AT QUARTER 1 FOR 2023/2024</b></li> <li><b>3. THAT A BRIEFING TAKES PLACE WITH MEMBERS OF THIS WORKING PARTY DURING SEPTEMBER TO PROVIDE FURTHER DETAILS ON</b></li> </ol>

	<b>THE INFORMATION CONTAINED WITHIN THIS REPORT.</b>
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**1.0 BACKGROUND**

- 1.1 This report is to update the Coalville Special Expenses Working Party on the Provisional Outturn for 2022/2023 along with an update on the 2023/2024 Quarter 1 forecast outturn position.
- 1.2 To recognise that the working party has new members who may benefit from further information on the detail contained in this report, it is suggested that a briefing session takes place during September to allow members to ask more detailed questions.

**2.0 PROVISIONAL REVENUE OUTTURN 2022/23**

- 2.1 The provisional outturn was reported to Cabinet on 27 June 2023. The figures below are only provisional as there is still work to be carried out to finalise the outturn position. A further report will be presented to the Working Party once final figures are available.
- 2.2 The provisional outturn on Coalville Special Expenses of £622k is a saving of £63k against a budgeted expenditure of £685k. The budgeted contribution from Special Expense reserves was £163k, with the provisional outturn as £100k. A summary of the financial position is shown below in table 1 and a more detailed breakdown is shown in Appendix A.

**Table 1 – 2022/23 Coalville Special Expenses Revenue Provisional Outturn**

<b>COALVILLE SPECIAL EXPENSES</b>	<b>Approved Budget</b>	<b>Provisional Outturn</b>	<b>Provisional Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Annual Recurring Expenditure	685	553	(132)
Contribution to Earmarked Reserves	0	69	69
Expenditure Requirement	685	622	(63)
Precept	493	493	0
Localisation of Council Tax Support Grant	29	29	0
Transfer from/(to) reserves	163	100	(63)

- 2.3 This saving was largely due to a managed reduction in Planned Preventative Maintenance (PPM) expenditure of (£73k) to maintain financial sustainability (see paragraph 2.5) and additional burial income of (£15k) offset by smaller areas of overspending on repairs/maintenance of £11k and Christmas Decorations of £13k.
- 2.4 The provisional opening reserves balance as at 1 April 2023 is £109k, which is to be increased by £10k from earmarked reserves being released back to balances. There will be a requirement to fund the £100k provisional deficit from reserves, leaving the

balance as at 31 March 2023 at £19k. This is detailed in Table 2 below.

**Table 2 – 2022/23 Coalville Special Expenses Reserves Provisional Outturn**

	<b>Provisional Outturn</b>
	<b>£'000</b>
<b>SPECIAL EXPENSES</b>	
Special Expenses Reserves 01.04.22	109
Earmarked Reserves - to be returned to balances	10
Contribution towards 2022/23 Deficit	(100)
<b>Special Expenses Reserves 31.03.23</b>	<b>19</b>

2.5 The 2022/23 financial year has seen the Coalville Special Expenses drawdown £100k from reserves which is not a sustainable position. Significant work has been undertaken as part of the 2023/24 budget process to ensure the Coalville Special Expenses Working Party works within its budget and is financially sustainable. Further work is planned for 2023/24, including a review of the Special Expenses Policy, to ensure that a minimum of 10% balances are retained.

### **3.0 2023/24 QUARTER 1 BUDGET MONITORING AND FORECAST OUTTURN**

3.1 The net revenue budget for 2023/24 is £514k and through Council Tax and Grants there is £512k funding available, leading to a budgeted deficit of £2k. This will be funded via reserves, however, this will further reduce the reserves below the recommended minimum 10% balance.

3.2 Actual expenditure up to the end of June is forecast to be on budget and a summary of the financial position is shown in table 3 below and a more detailed breakdown is shown on Appendix B.

**Table 3 – 2023/24 Coalville Special Expenses Q1 Monitoring & Forecasted Outturn**

<b>COALVILLE SPECIAL EXPENSES</b>	<b>Approved Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Annual Recurring Expenditure	514	514	0
Expenditure Requirement	514	514	0
Precept	498	498	0
Localisation of Council Tax Support Grant	14	14	0
Transfer from/(to) reserves	2	2	0

3.3 As detailed in Table 4 below, the provisional opening Special Expenses Reserves are

£19k and with a further £2k required to fund the 2023/24 budgeted deficit, the reserve is forecast to be £17k.

**Table 4 – 2023/24 Coalville Special Expenses Reserve Balances**

	<b>Forecast Outturn</b>
	<b>£'000</b>
<b>SPECIAL EXPENSES</b>	
Special Expenses Reserves 01.04.23	19
Earmarked Reserves - to be returned to balances	0
Contribution towards Deficit 2023/24	(2)
<b>Special Expenses Reserves 31.03.24</b>	<b>17</b>

- 3.4 A list of the earmarked reserves as at the end of June 2023 are shown in table 5 below:

**Table 5 – 2023/24 Special Expenses Earmarked Reserves**

<b>COALVILLE SPECIAL EXPENSE RESERVES</b>	<b>Balances 01.04.23</b>	<b>Spend to date</b>	<b>Forecast Spend</b>	<b>Forecast Balance as at 31.03.24</b>
	<b>£</b>	<b>£</b>		<b>£</b>
<b>EARMARKED RESERVES</b>				
Local Authority Parks Improvement Programme	15,714	0	15,714	0
Coalville in Bloom	5,000	3,974	5,000	0
	<b>20,714</b>	<b>3,974</b>	<b>20,714</b>	<b>0</b>
<b>PPM EARMARKED RESERVES</b>				
Claremont Drive Play Area Equipment Replacement	8,520	0	8,520	0
Scotlands Recreation - Repairs to potholes	4,054	0	4,054	0
Broomleys Cemetery - Tree works	4,000	0	4,000	0
Broomleys Cemetery - Path repairs (sealing)	3,000	0	3,000	0
Cropston drive play area - Replacement play equipment	33,050	0	33,050	0
Sharpley Avenue play area - Replacement play equipment	19,660	0	19,660	0
	<b>72,284</b>	<b>0</b>	<b>72,284</b>	<b>0</b>
<b>TOTAL COALVILLE SPECIAL EXPENSE RESERVES</b>	<b>92,998</b>	<b>3,974</b>	<b>92,998</b>	<b>0</b>