

GF Management Accounts 2022-23
Results as at 30th September

General Fund

	Previous Year Actuals		Latest Approved Budget		Year to Date		Annual Total	Variances		Comment
	Actual £k	Budget £k	Budget £k	Actual £k	Budget £k	Forecast £k	Year to date			
							Actual £k	Full Year Forecast £k		
Income										
Investment Income	-374	-400	-400	-210	-200	-1,148	-10	-748	Forecast annual return on Council Investments shows an anticipated y/e surplus of £748k, driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases any excess income earned above a £350k income ceiling is transferred to Contingency Reserve. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 2.25%. Revenue returns on Council Property Funds and loans to SDHT currently expected to match current budgets	
Recharges	-10,626	-12,004	-12,024			-12,028		-4	Estimated additional External Audit fees rechargeable to the HRA	
Customer & Client Receipts	-6,094	-4,858	-5,593	-1,857	-2,150	-5,476	293	117	The Lifeline service is anticipating a shortfall of £84k against its income target for the year, this is from the lack of customer growth in the service. There is a shortfall of industrial unit income £22k from occupancy levels due to condition, the approved investment programme will contribute to rectifying it. It is anticipated that the Trades Team will not generate any income from commercial work £50k, this is due to capacity in the team where the focus is on void property and responsive repairs. Recycling Credits are currently forecasted to be short of target by £47k, this is down to reduced green waste from the dry Summer and reductions in dry recycling post Covid lockdown. Car park income is estimated to show an improved position over last year but is £15k short of its income target. Commercial Waste Income is ahead of budget by (£48k), this is due to maintaining and increasing the customer base through the pandemic and recycling services available, other income generated through the Waste & Recycling service is expected to exceed budget by (£13k). Property Rents are currently estimated to exceed budget by (£25k), this is due to payment of accrued arrears for Burn Airfield being much higher than anticipated.	
Government Grants	-9,920	-11,634	-11,857	-4,873	-5,835	-9,638	962	2,219	£2.271m reduction in benefit grants reflective of the current amount of benefits paid out below, (£38k). New burdens funding in relation to the Council Tax Rebate Scheme, Housing Benefit resource management grants (£22k) received offset by reduced Admin Subsidy £8k.	
Other Government Grant	-2,570	-1,816	-1,825	-980	-912	-1,902	-67	-77	New Burdens Council Tax Support Grant (£77k)	
Other Grants/Contributions Etc	-7,404	-271	-374	-124	-134	-374		11		
Total Service Income	-36,988	-30,984	-32,073	-8,044	-9,232	-30,567	1,188	1,506		
Expenditure										
Employees	8,598	8,699	9,446	4,523	4,693	9,529	-169	83	A £364k Vacancy factor target was set for the year, whilst progress towards meeting this is ongoing, the shortfall position is anticipated to improve as the year progresses driven by vacancies and recruitment challenges to vacant posts. However, pay award is currently built into the budget is at 2%, but as a minimum £1,925 has been agreed to be paid to staff pending final settlement creating substantial upward pressure on the budget.	
Premises	1,043	1,059	1,059	606	696	1,217	-89	157	£108k is for the estimated contractual inflation (RPIX @ September 22 is 12.4%) for grounds maintenance and additional costs for adopting the Staynor Hall estate, this increase is to be covered by S106 receipts but is increasingly unlikely these receipts will be received in year to offset. Inflation on Energy, a 50% estimated increase above budget for gas & electricity adds a £62k cost pressure, this will continue to be monitored as utility bills get paid to gauge the continued rise in prices. There are potential savings on NDR charges of (£12k) across various properties.	
Supplies And Services	18,426	9,366	13,095	4,084	4,418	12,788	-334	-306	There is a net saving (£283k) to date for the waste and recycling service, including Commercial Waste, significant savings on commodity payments calculated using costs for bulking, haulage, processing and the offset for income received for recycling materials. There continues to be a consistent high rate per tonne received for paper and card, this income and that for cans, plastic and glass is offset against the cost that would be levied to us by Urbaser Ltd. This saving is offset in part to inflation on the contract anniversary being significantly higher than budgeted (12.4% September 22 RPIX). Technical & Legal support bid for the procurement of a new waste service is not required (£50k) as the service will come back in house after the expiry of the current contract in March 2024. There are savings on the Building Control contract fee (£13k), this is from a higher than expected surplus for the final 21/22 which is netted out against the contract fee. There are savings on the Public Conveniences contract (£10k), Data & Systems software costs (£19k) and (£10k) in Business Support office running costs. There are anticipated costs for External Audit Fees £16k in line with expectations for 20/21 & 21/22, additional cost to the PFI scheme due to inflation £15k, £8k Internal Audit charges and an estimated shortfall in LT subscriptions £16k. There is a shortfall in the savings target for small procurement schemes that will not be achieved £24k.	
Transport	124	147	147	63	73	134	-10	-12	Various car allowance savings across services in some cases attributable to vacancies.	
Benefit Payments	9,627	11,610	11,610	4,419	5,735	9,339	-1,316	-2,271	Based in line with mid year subsidy estimates, there continues to be a reduction in housing benefit claims caseload as Universal Credit continues to roll out, therefore rent allowances and rebates are expected to be under budget, subsidy income (above) is reduced in line with this.	
Support Services	7,469	8,571	8,571			8,571				
Third Party Payments	973	-27	964	226	482	991	-256	27	The forecast variance is the net result of the funding approved to cover the expected annual costs of providing leisure services against the previously budget contract position.	
Drainage Board Levy	1,760	1,886	1,886	912	943	1,823	-31	-63	Inflation increases anticipated when setting the budget were higher than actual levies.	
External Interest Payable	75	75	75	32	38	75		-6		
Contingency		1,972	1,415			1,415				
Total Service Expenditure	48,095	43,359	48,267	14,864	17,077	45,882	-2,213	-2,385		
Accounting - Non Service budgets										
Total Accounting & Non Service Budgets	-11,107	-12,375	-16,194	1,852	1,852	-15,686		508	Interest on cash investments exceeds the £350k cap by £508k which is transferred to Contingency Reserve.	
Net Total				8,672	9,696	-371	-1,025	-371		

HRA Management Accounts 2022-23
Results as at 30th September

HRA

	Previous Year Actuals	Original Budget	Latest Approved Budget	Year to Date		Annual Total	Variances		Comment
	Actual £k	Budget £k	Budget £k	Actual £k	Budget £k	Forecast £k	Year to date Actual £k	Full Year Forecast £k	
Income									
Investment Income	-65	-43	-43			-331		-289	Forecast annual return driven by the recent sustained rises in Bank of England base rate seen over the previous months in an effort to combat inflationary increases. Base Rate has accordingly risen from 0.25% when budgets were initially set, to their current level of 2.25%.
Garage Rents	-91	-109	-109	-46	-55	-89	8	20	A shortfall in Garage income as sites have been identified and cleared for HDP schemes, the budget has not been reduced to reflect that position.
Housing Rents	-12,111	-12,649	-12,649	-6,505	-6,588	-12,500	83	149	Ongoing shortfall in rents against budget. This follows the ongoing impact of Covid-19 on households, cost of living increases on families impacting on collection rates and higher than anticipated void levels (102 properties requiring work). The void refurb programme is now well underway and all 3 successful contractors are actively working on the considerable amount of refurbishment issues that can't be delivered by our Trades Team. Completion forecasts suggest approximately 25 refurb voids completed and ready for new tenants by the end of December and as the work continues should begin to see a meaningful reduction in void numbers but will be dependant upon the amount and condition of property that comes back in to management.
Customer & Client Receipts	-192	-153	-153	-65	-64	-183	-1	-29	Income returns for alternative heating system installs (£30k) offsetting increased gas servicing charges in premises.
Recharges		-18	-18		-9		9	18	Internal rechargeable works on corporate buildings have not been taking place due to Covid-19 restrictions and prioritisation of resources available, therefore no charges raised to date in this financial year.
Total Service Income	-12,460	-12,972	-12,972	-6,616	-6,715	-13,103	99	-131	
Expenditure									
Employees	70	75	75	37	37	75			
Premises	746	792	787	350	401	836	-51	48	Although this is a small net cost, it is made up of a number of items. There is an estimated shortfall in budget for Gas Servicing £30k, this is offset by savings on estimated solid fuel servicing (£28k) as systems are being replaced with gas heating and alternative systems which contributes to this saving. Although is early in the year, it is anticipated there will be increased energy costs due to the ongoing energy crisis. Forecasts are currently assumed at 50% above budget giving a £67k shortfall, this will be closely monitored as the year progresses and more information becomes available. There is a potential net saving of approximately (£20k) across budgets for Responsive Repairs, Hostels & fencing offset by increased specialist cleaning costs at the Community Centres.
Supplies And Services	1,268	1,304	1,308	547	569	1,281	-22	-27	There are several variances that make up this balance. The use of subcontractors is currently forecasting a net saving of (£24k), this from reduced responsive adaptation work trends off set by responsive repair contractors filling in for vacancies in the trades team, particularly electricians. Using subcontractors has the potential to reduce materials spend although as prices continue to rise this is a tentative saving (£26k). A small saving of (£10k) is anticipated on Tenant Participation services. Based on payments to date and estimated future charges, the new housing system has the potential to generate savings of (£27k) on annual maintenance costs. The high level of voids is impacting on rents and the in house team are continuing to turn round the standard but numbers remain fairly consistent, but as a result of this work and empty property costs such as specialist cleaning and council tax charges expect to overspend by £60k. There are also contributions to increased corporate costs including External Audit fees and Bank Charges and this budget is estimated to have a £14k shortfall.
Support Services	2,788	2,816	2,836			3,031		195	The £195k saving which would be generated from the implementation of the housing system will not be achieved in year due to timing of the implementation of phase 2 plus continuing requirement of resources as a result of covid-19 and LGR.
Transport	54	148	148	69	67	131	2	-17	Estimated saving on the cost of renting vans over the year (£18k).
Debt Management Expenses	6	6	6			6			
External Interest Payable	1,847	1,901	1,901	907	951	1,842	-44	-60	No borrowing anticipated to support the HDP Capital Programme in 22/23, therefore savings anticipated, the focus is on acquisition of property.
Contingencies		77	77					-77	Assumption that the contingency will not be required for the year.
Provision for Bad Debts	82	278	278			278			Rent provision has been calculated as a proportion of rents to meet arrears, it is anticipated that there will be an impact on this as the cost of living crisis continues to impact on households.
Total Service Expenditure	6,861	7,398	7,417	1,910	2,025	7,480	-116	63	
Accounting & non service budgets									
Total Accounting & Non Service Budgets	5,599	5,574	5,555			5,555			
Net Total				-4,707	-4,690	-68	-17	-68	