

# STROUD DISTRICT COUNCIL

## STRATEGY AND RESOURCES COMMITTEE

11 JULY 2023

<b>Report Title</b>	<b>General Fund and Housing Revenue Account Outturn Report 2022/23</b>			
<b>Purpose of Report</b>	To present to the Strategy and Resources Committee the final outturn position against the General Fund revenue budgets for 2022/23			
<b>Decision(s)</b>	<p><b>The Committee RESOLVES to note:</b></p> <ul style="list-style-type: none"> <li>a) the General Fund Revenue Outturn position for 2022/23, as shown in Table 1.</li> <li>b) the Housing Revenue Account outturn position for 2022/23, as shown in Table 7</li> <li>c) the transfers to and from earmarked reserves for the year, as detailed in Sections 6 and 10 and Appendix G</li> <li>d) the Capital Programme outturn position for 2022/23, as shown in Appendix H</li> <li>e) the slippage of the Capital Programme budget and approved a revised Capital Programme budget for 2023/24, as shown in Appendix J</li> <li>f) write off sums owed, as shown in Section 5</li> </ul>			
<b>Consultation and Feedback</b>	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated into the report to explain difference between budgets and actual income and expenditure.			
<b>Report Author</b>	<p>Lucy Clothier, Accountancy Manager Email: lucy.clothier@stroud.gov.uk</p> <p>Adele Rudkin, Accountant Email: adele.rudkin@stroud.gov.uk</p> <p>Jon Coldridge, Principal Accountant Email: Jon.coldridge@stroud.gov.uk</p>			
<b>Options</b>	None			
<b>Background Papers</b>	None			
<b>Appendices</b>	<p>Appendix A – Strategy and Resources Committee Revenue Detail</p> <p>Appendix B – Community Services and Licensing Committee Revenue Detail</p> <p>Appendix C – Housing Committee (General Fund) Revenue Detail</p> <p>Appendix D – Development Control Committee Revenue Detail</p> <p>Appendix E – Environment Committee Revenue Detail</p> <p>Appendix F – Housing Revenue Account Revenue Detail</p> <p>Appendix G – Earmarked Reserve Detail</p> <p>Appendix H – Capital Outturn Detail</p> <p>Appendix I – Capital Financing</p> <p>Appendix J – Capital Budget 2023/24</p>			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	No	No	No

## Background

- 1.1 This report sets out the final outturn position for the 2022/23 financial year and considers changes to balances and reserves.
- 1.2 This report is to provide members with a more detailed view of the performance against the General Fund revenue budget, Housing Revenue Account revenue budget and Capital Programme for 2022/23.
- 1.3 **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail that they could be referred to the report author or the appropriate service manager before the meeting.**

### Key

1,000 Expenditure / Overspend (higher spend or lower income)  
(1,000) Income / Underspend (lower spend or additional income)

## 2. Summary

- 2.1 The **General Fund** has an **underspend of £1.272million**, as set out in Section 3. This has been allocated to a number of reserves for future use. A full breakdown of the allocation can be found in Section 4.
- 2.2 The **Housing Revenue Account (HRA)** has a net **underspend of £0.330million**, as set out in Section 8. This has been allocated to HRA earmarked reserves, as set out in Section 9.
- 2.3 There is total **Capital expenditure of £16.434million**, giving net underspend/slippage of £12.809million. It is proposed that £9.715million is carried forward and added to the 2023/24 Capital Programme budget.

## 3. General Fund Revenue Outturn 2022/23

- 3.1 The final General Fund Revenue budget for 2022/23, including corporate items and reserve transfers, was £16.039m. The final outturn position for the year is £16.400m with a transfer from reserves of £2.900m. Total funding was £14.7725m, generating an underspend of £1.272m.
- 3.2 Table 1 shows a breakdown of the outturn position, by Committee.

Table 1 – General Fund Outturn Summary

<b>Committee Service Area</b>	<b>Original Budget 2022/23 £k</b>	<b>Revised Budget 2022/23 £k</b>	<b>Outturn 2022/23 £k</b>	<b>Reserve Transfers £k</b>	<b>Outturn Variance £k</b>
Community Services and Licensing	3,307	3,747	3,306	759	<b>317</b>
Development Control	220	278	717	(100)	<b>340</b>
Environment	6,465	6,742	6,233	378	<b>(131)</b>
Housing General Fund	890	1,122	527	495	<b>(101)</b>
Strategy and Resources	8,807	8,675	7,888	(207)	<b>(994)</b>
Charges to HRA	(2,408)	(2,408)	(2,271)	0	<b>137</b>
<b>NET SERVICE REVENUE EXPENDITURE</b>	<b>17,281</b>	<b>18,156</b>	<b>16,400</b>	<b>1,325</b>	<b>(431)</b>
Funding from Govt Grants/Council Tax	(16,039)	(16,039)	(14,772)	(2,072)	<b>(805)</b>
Transfers to/(from) reserves	(1,242)	(2,117)	(2,900)	747	<b>(36)</b>
<b>TOTAL GENERAL FUND (after reserve transfers)</b>	<b>0</b>	<b>0</b>	<b>(1,272)</b>	<b>0</b>	<b>(1,272)</b>

- 3.3 The underspend of £1.272m for the year is made up of items relating to the Service Committees as well as specific additional income sources and cost savings. This is after a net transfer of £2.900m from earmarked reserves, including a net transfer of government funding from the Collection Fund smoothing reserve. Further detail on reserve transfers can be found in Section 6. The predicted position at the Quarter 3 monitoring was an overspend of £304k. There were three significant additional income sources during Quarter 4 which took the final position to an underspend. These were additional investment income of £510k, government grant of £178k and the Business Rates Pool income of £494k.
- 3.4 A summarised table of the significant variances is shown below.

Table 2 – Summary of General Fund significant variances

Service Area	Para	Variance (under)/overspend £k
<b>Community Services and Licensing</b>		
Housing Benefit subsidy	3.5	242
Council Tax	3.6	198
The Pulse - VAT adjustment	3.7	(158)
<b>Development Control Committee</b>		
Development control	3.8	340
<b>Environment</b>		
Waste and recycling	3.9	(184)
<b>Strategy &amp; Resources</b>		
Covid-19/car park loss of income	3.10	(217)
Facilities Management	3.11	161
Investment income	3.12	(827)
Vacancy Savings	3.13	(118)
Support charge income from HRA	3.14	137
Government grants	3.15	(311)
Business Rates Pool	3.16	(494)
Other variances (net)		(41)
<b>Total</b>		<b>(1,272)</b>

- 3.5 Housing Benefit Subsidy - £242k overspend  
As previously reported, there is a shortfall on housing benefit subsidy claims, principally for supported accommodation, where the additional cost of the rent is only reimbursed by Government at 60%. The remaining 40% is borne by SDC.
- 3.6 Council Tax – £198k overspend/reduced income  
The administration of the Council Tax Energy Rebate scheme required changes to the software, which including additional resources required, cost £70k. This also restricted being able to carry out normal statutory recovery of Council Tax, reducing income from Council Tax. This cost has been covered by new burdens grant funding.
- 3.7 The Pulse – (£158k) reimbursement  
Changes were made to the VAT regulations for local authority leisure centres in March 2023 which allows local authorities to provide many leisure services, such as swimming and gym membership, without charging VAT. A claim to HMRC for VAT paid over the last four years is estimated at £158k. This will be transferred to the Arts, Culture and Leisure reserve to help fund the implementation costs of the new leisure service.

- 3.8 Development Control – £340k overspend/reduced income  
Income received was £263k lower than budget, and there have been additional costs of £169k, primarily associated with planning enforcement and appeals. To offset some of this cost £100k has been transferred out of the Planning Enforcement earmarked reserve.
- 3.9 Waste and Recycling – (£184k) net reduced costs/additional income  
Significant additional income from the sale of recyclates and recycling credits (£72k) and garden waste subscriptions (£154k) has supplemented a reduced cost of a recycling contract (£288k).  
The Ubico contract spend was £430k over the original budget for 2022-23 across all committees. This predominantly relates to the increased pay award (in line with the Local Government pay award) in December 2022 of £216k, and the rising cost of fuel causing a pressure of £143k. These costs were largely expected and an amount of £311k was put aside for Ubico inflationary pressures from the 2021/22 underspend.  
Further detail can be found in Appendix E.
- 3.10 Covid-19/Car Parking – (£217k) underspend  
A budget allowance of £500k was included in the base budget for pressures relating to Covid-19. Car parking income, which was £283k lower than budget, has not recovered to pre-pandemic levels. As it is now expected that usage will remain lower, the budget has been revised for future years.
- 3.11 Facilities Management – £161k overspend/reduced income  
Due to vacant office space at Ebley Mill there is reduced income from rents and service charges. The increase in electricity costs also contributed £71k to the overspend.
- 3.12 Investment Income – (£827k) additional income  
The continued increase in interest rates throughout the year has led to a significant increase in investment income from balances held in short and long term investments.
- 3.13 Vacancy Savings – (£118k) underspend  
In line with previous forecasts, there have been vacancy savings of £118k over budget. These savings have been generated where there is a gap in recruitment, or if a post has been actively held vacant for a period and a level of vacancy savings would be expected in every year. Further detail is included in Appendix A.
- 3.14 Support Charges to the HRA - £137k reduced income  
The recharges to the HRA were £137k lower than budgeted. This predominantly relates to the HRA's share of vacancy savings and reduced spend on IT, Property Services and the Fit for the Future programme.
- 3.15 Government Grants – (£311k) additional income  
There has been one-off new burdens grant funding from Government of £289k. This is mainly related to the different schemes relating to energy support. This income was not included within the Council Budget set in February 2021 and there creates a resulting underspend.
- 3.16 Business Rates Pool gain – (£494k) underspend  
There has been a benefit of £494k from being in the Gloucestershire Business Rates Pool. As a result of the inherent risks in pooling of business rates the income is not included in the base budget. Therefore, when income is received at year end it creates an underspend to be allocated.
- 3.17 Further detail on the year end variances can be found, by Committee, in the appendices.

#### 4. Allocation of General Fund Underspend

4.1 The underspend position allows funding to be put in reserves to cover future costs and fund priority works. Delegations exist for the S151 Officer to place funding in reserves to meet the expected pressures upon the Council and existing services. This forms part of the process of completing the end of year Statement of Accounts. It is then good practice for the committee to consider those allocations at a later date.

4.2 The Section 151 Officer has allocated the funding as set out below.

Table 3 – allocation of General Fund underspend

<b>Reserve</b>	<b>Allocation to Reserve £k</b>
Culture and Leisure Reserve	367
Investment Risk Reserve	510
Business Analyst (Fit for the Future) (1 year)	60
Economic Development support (1 year)	64
Planning Strategy Support (7 months)	70
Revenues and Benefits Support	122
Planning Appeals Reserve	50
Repairs and Replacement Reserve	50
Collection Fund Smoothing	238
Allocate from MTFP Equalisation Reserve	(259)
<b>Total Allocation</b>	<b>1,272</b>

4.3 Details of these reserves:

#### 4.4 Arts, Culture and Leisure Reserve - £367k

A proposal on the future of the leisure service has been recommended by Community Services and Licensing Committee, to Strategy and Resources Committee, in their June 2023 meeting. This proposal includes one-off implantation costs of £367k and it is proposed that this cost is met from the expected £158k VAT refund, due to the change in VAT regulations in local authority leisure centres, with the remaining £209k to be funded from the Gloucestershire Business Rates Pool gain.

#### 4.5 Investment Risk Reserve - £510k

Although the economic environment has led to a large surplus in investment income, there has been a reduction in the capital value of the property and multi asset funds. These funds have been held as long term assets, and the current value of the funds does not hit the bottom line of the general fund, until the point that they are redeemed. It should be noted that the investment income received over the term they have been held, is higher than the loss in capital value and so there still is a net gain from these assets.

In order to mitigate against any capital reductions hitting the general fund financial position on redemption, an amount of £510k, which is the increase in investment income from Quarter 3, has been transferred to the Investment Risk Reserve. The total amount held in the reserve after this movement is £820k. The reduction in capital value at 31 March 2023 is £1.039 million.

Since the end of the financial year, advice has been issued by our treasury advisors to redeem one of the long term funds held by the council. This redemption will likely take considerable time to be fulfilled. Once redeemed, it is expected a loss of capital value will be realised, and funding could be made available from this reserve in order to mitigate an impact on the general fund.

#### 4.6 Business Analyst - £60k

Funding for a Business Analyst post for one year to support the Fit for the Future programme. This is part of the process of modernising our services and ensuring that they are efficiently meeting the needs of our residents.

#### 4.7 Economic Development support - £64k

The current economic development team was established through past ringfencing of Business Rate Pool Gains. A further allocation has now been made as funding for the Economic Development Specialist for an additional year to support Economic Development and Tourism in the district.

#### 4.8 Planning Strategy support - £70k

Continued funding for an Interim Housing Strategy Manager to support the Council through the review process of the Draft Local Plan.

#### 4.9 Revenues and Benefits support - £122k

The Revenues and Benefits Team have continued to support government schemes, which include the Council Tax energy rebates, Alternative Fuel payments and payments to Homes for Ukraine hosts. This has stretched the team and reduced resource available to deliver Business as Usual. Funding has been put aside from the new burdens grants associated with some of these schemes, in order to support recovery.

#### 4.10 Planning Appeals Reserve - £50k

Due to an increase in the cost of planning appeals, the existing earmarked reserve of £100k held to cover excess planning appeal costs, has been fully allocated in 2022/23. A new allocation of £50k has been made from the General Fund underspend to support costs in future years.

#### 4.11 Repairs Reserve - £50k

An allowance is added each year to ensure that there is sufficient budget to replace the Council's low emission Community Services fleet when it reaches the end of its useful life.

#### 4.12 Collection Fund smoothing - £238k

There is a legislated timing difference in the way that Council Tax and Business Rates income is transferred from the Collection Fund to the General Fund, meaning that the impact of some variances in 2022/23 will not hit the financial position until 2023/24 and 2024/25. It is therefore prudent to put aside funding to cover any known deficits in the Collection Fund that will hit the General Fund in future years.

#### 4.13 MTFP Equalisation Reserve allocation – (£259k)

The Quarter 3 forecast showed an overspend of £304k, and this overspend would have been funded from the MTFP Equalisation Reserve. As much of the final underspend position is linked to central income such as investment income and the Gloucestershire Business Rates pool gain, rather than on service provision, an amount of £259k has been taken from the MTFP Equalisation Reserve in order to put funding towards priority areas. As an overspend position was forecast, the reserve is in no worse position than previously expected.

## 5. General Fund Write-Offs

- 5.1 The Financial Regulations in the Constitution, give delegated authority to the Section 151 Officer to write-off amounts between £10k-£50k. These should then be reported to the relevant committee retrospectively.
- 5.2 There were a total of 5 write-offs which have been written-off under this delegated authority, as summarised below.

Table 4 – Write-offs over £10k

Type of debt	No. of Accounts	Total Write-offs £k
Business Rates	1	39
Council Tax	1	32
Housing Benefit	3	45

- 5.3 The Section 151 Officer is satisfied that these debts were not collectable and therefore write off procedures were appropriate. These sums are included in the overall outturn position.

## 6. General Fund Earmarked Reserve Movements

- 6.1 The following section sets out the impact of the outturn on the earmarked reserves held by the Council. These are held for specific purposes and are in addition to the General Fund balance. The normal operation of Council business includes movements on earmarked reserves including spending existing reserves or placing new funding aside for use in future years.
- 6.2 General Fund earmarked reserves have reduced from £24.032m at 1 April 2022 to £22.405m at 31 March 2023. The in year movement of £1.628m is made up of budgeted transfers to or from reserves (including those approved during the year), transfers included in the year end position, the planned use of the capital reserve to finance the capital programme, and the allocation of the General Fund underspend to reserves for future use.
- 6.3 This includes a net transfer of £2.630m from the Collection Fund smoothing reserve as anticipated as a result of a three year release of funding related to Covid discounts on business rates. The transfer to the Business Rates Safety Net Reserve of £500k is part of the agreed Medium-Term Financial Plan. This is intended to protect the Council from the anticipated loss of income from future reduction in permitted levels of retained Business Rates.
- 6.4 A number of service related reserves are in place to support council plan actions and priorities. These include the Projects Reserve and the Recovery Reserve. Earmarked reserves are also used to hold funding for specific projects, such as the Leisure Review and funding for Fit for the Future.
- 6.5 A summary of all movements is included in the below table.

Table 5 – Movements to/(from) earmarked reserves during 2022/23

<b>Reserve</b>	<b>Budgeted Transfers £k</b>	<b>Capital Financing £k</b>	<b>Other Transfers £k</b>	<b>Underspend Allocation £k</b>	<b>Total Reserve Movement £k</b>
<i>Project reserves:</i>					
Brexit reserve			(53)		(53)
Building control shared service	(96)		31		(65)
Brimscombe Port Redevelopment	23	(538)	56		(459)
Business rates pilot	(104)		(170)		(274)
Capital		(177)	(351)		(528)
Climate change	73		103		176
Culture, arts and leisure reserve	101		8	367	476
General Fund carry forwards	(566)		1,096		530
Homelessness prevention	92		10		102
Projects	(807)		988	256	437
Recovery Reserve	(53)		(4)		(57)
Repairs and replacement			(11)	50	39
Transformation	(307)		427	60	180
Waste management	(180)		20		(160)
<i>Specific Risk Reserves:</i>					
Collection Fund Smoothing reserve	(796)		(2,072)	238	(2,630)
Investment risk			0	510	510
Local Plan Reserve			(31)		(31)
Neighbourhood planning grant	(6)		(6)		(12)
Planning appeal costs			(100)	50	(50)
<i>Medium Term Risk Reserves:</i>					
Business rates safety net	500		0		500
MTFP equalisation	9		(9)	(259)	(259)
<b>Total</b>	<b>(2,117)</b>	<b>(715)</b>	<b>(68)</b>	<b>1,272</b>	<b>(1,628)</b>

6.6 A full breakdown of the earmarked reserves can be found in Appendix G.

6.7 Included within the earmarked reserves is the Carry Forward Reserve, used where services need to transfer external funding or budget for specific projects from one year to the next. The reversals from 2021/22 and amounts carried forward from 2022/23 are shown in the table below.

Table 6 – Movement on General Fund Carry Forward Reserve

Committee Sub-Heading	Detail	2021/22 Carry Forwards £k	2022/23 Carry Forwards £k
<b>Community Services and Licensing Committee</b>			
Community Safety	PCC External funding	8	33
Public Spaces	External funding for play areas	19	0
Cultural Services - Community Health & Wellbeing	External funding for health and inequalities projects	129	374
<b>Environment Committee</b>			
Environmental Health	Support for covid related work	23	0
Health & Wellbeing	Land drainage, joint flood alleviation and rural SUDS	28	28
Planning Strategy/Economic Development	Funding carried forward to support the Local Plan	129	79
Land charges		0	30
<b>Housing Committee</b>			
Private Sector Housing	Funding for Glos. Private Sector Housing Condition Survey	50	251
Private Sector Housing	Funding for the inspection of properties for the Homes for Ukraine scheme	0	24
Housing Strategy	Community Housing Fund, Custom Build grant funding and Resettlement funding	167	153
<b>Strategy and Resources Committee</b>			
Human Resources	Health and wellbeing development and apprenticeship schemes	14	30
IT	New AV equipment for the Council Chamber	0	16
RCCO	Top up funding for Ubico electric vehicles purchase	0	106
<b>Total</b>		<b>566</b>	<b>1,096</b>

## 7. General Fund General Reserves

7.1 The General Fund balance has been maintained with no change at £2.169 million.

## 8. Housing Revenue Account

8.1 The HRA is a self financing account for the Council's landlord function, which must be budgeted to break even (net of transfers to/from HRA reserves).

8.2 The revenue outturn position of the HRA shows a **net underspend of £0.330m** (1.3% of gross expenditure budget).

8.3 A summary of the HRA position follows in Table 6. The HRA position has also been considered by Housing Committee at its meeting on June 27th.

Table 7 – Summary of HRA Outturn Position

	2022/23 Original Budget £k	2022/23 Revised Budget £k	2022/23 Amount £k	2022/23 Reserve Transfers £k	2022/23 Outturn Variance £k
<b>Housing Revenue Account</b>					
Total Income	(24,058)	(24,058)	(24,299)	0	(241)
Total Expenditure	11,551	11,741	11,891	281	431
Support Service Charges from the GF	2,408	2,408	2,271	0	(137)
Total Other Costs and Income	12,265	11,611	12,200	1,269	(550)
<b>Total Expenditure/Income</b>	<b>2,166</b>	<b>1,702</b>	<b>(207)</b>	<b>1,550</b>	<b>(359)</b>
Transfers to/from HRA Earmarked reserves	(1,158)	(90)	1,489	(1,550)	29
Transfers to/from General Reserves	(1,008)	(1,612)	(1,612)	0	0
<b>Total Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>(330)</b>	<b>0</b>	<b>(330)</b>

8.4 The outturn variance of £330k includes transfers to and from earmarked reserves. Further detail can be found on these transfers in Section 9 and Appendix G.

8.5 Below is a summary of the key variances within the HRA outturn position.

Table 8 – Summary of HRA key variances

Area	Para	Variance (under)/overspend £k
Rents, charges and other income	8.6	(241)
Salary underspends (excluding Property Care)	8.7	(404)
HRA IT	8.8	(135)
Void properties including Council Tax	8.9	223
Property Care	8.10	607
Utilities – gas and electricity	8.11	239
Support charges from General Fund	8.12	(137)
Investment income	8.13	(436)
Other variances (net)		(46)
<b>Total Overspend</b>		<b>(330)</b>

8.6 Rents, charges and other income – (£241k) additional income

Due to the level of void works undertaken, the number of vacant properties has reduced significantly from the start of the financial year, and rents and service charges were on target. Other income, which includes garage rental income and charges for rechargeable repairs, was £110k over budget (additional income), and provision for non payment of debts was £121k lower than budget.

8.7 Salary underspends – (£404k) underspend

There have been a number of vacant posts during the year, in particularly across the New Build and Development Team, Contract Services and the Income and Systems Teams.

8.8 HRA IT Costs – (£135k) underspend

Pending the implementation of the new Housing Management System, there is an underspend on HRA IT costs.

#### 8.9 Voids - £223k overspend

In order to support the reduction in vacant properties, additional spend of £120k was required. This was in part due to the increased cost of labour and materials. Additional council tax of £102k has been payable on the vacant properties held by the HRA.

#### 8.10 Property Care - £607k overspend

The cost of providing the repairs and maintenance service is increased against budget, primarily due to the increase in the cost, and constraints in supply, of labour and materials.

#### 8.11 Utilities – £239k overspend

The increase in the cost of gas and electricity has led to an overspend of £239k from the cost of heating and lighting communal areas in general needs and independent living blocks, and also the gas for communal boilers which provide heating for the homes in five independent living schemes. Tenants were protected from the increased charges for this period and so the cost must be covered from the wider HRA.

#### 8.12 Support charges from General Fund – (£137k) underspend

Charges from the General Fund for shared support services (eg HR, IT, Finance and also democratic costs such as members allowances and the cost of council and committee meetings) are lower than budget by £137k. This largely relates to the HRA's share of the vacancy savings in the General Fund.

#### 8.13 Investment income – (£436k) additional income

A combination of considerably increased interest rates, along with higher than expected HRA balances, has significantly increased investment income to the HRA.

8.14 Further detail on the HRA outturn position and variances can be found in Appendix F and in the report to Housing Committee in June 2023.

### 9. **Allocation of Housing Revenue Account Underspend**

9.1 The underspend position allows funding to be put in reserves to cover future costs and fund priority works. Delegations exist for the S151 Officer to place funding in reserves to meet the expected pressures upon the Council and existing services. This forms part of the process of completing the end of year Statement of Accounts. It is then good practice for the committee to consider those allocations at a later date.

9.2 The Section 151 Officer has allocated the funding as set out below.

Table 9 – Allocation of HRA underspends

<b>Reserve</b>	<b>Allocation to Reserve £k</b>
Survey equipment	50
Staffing	240
Professional training	40
<b>Total Allocation</b>	<b>330</b>

9.3 Details of these reserves:

#### 9.4 Survey equipment - £50k

Additional equipment to assist with damp and mould, and other surveys.

#### 9.5 Staffing - £240k

To include an additional Stock Condition Surveyor for one year, to support the Damp and Mould Strategy, an additional Electrician for up to three years, to support this important area of compliance, and £30k administration support.

#### 9.6 Professional Training - £40k

An additional training pot to support changes requiring all housing managers to be Chartered Institute of Housing (CIH) qualified.

### 10. Housing Revenue Account Earmarked Reserves

10.1 These are held for specific purposes and are in addition to the HRA general reserves. The normal operation of Council business includes movements on earmarked reserves including spending existing reserves or placing new funding aside for use in future years.

10.2 HRA earmarked reserves have increased from £6.787m at 1 April 2022 to £7.436m on 31 March 2023.

10.3 The in year movement of £0.649m is made up of planned transfers to and from the reserves, which include the provision for the repayment of HRA borrowing, a £1.0m contribution towards the Independent Living Modernisation Programme less a transfer from the reserve to fund works in year, and a transfer of the £1.17m Estate Redevelopment Reserve, which has been reallocated to HRA general reserves in line with the approval from Council in February 2023.

10.4 There are also transfers to earmarked reserves of £232k for HRA carry forwards and allocation of the 2022/23 underspend of £330k to support the housing service as detailed in Section 9.

Table 10 – Movements to/(from) HRA earmarked reserves during 2022/23

<b>Reserve</b>	<b>Budgeted Transfers £k</b>	<b>Provision for repayment of Debt £k</b>	<b>Year end Transfers £k</b>	<b>Total Reserve Movement £k</b>
Independent Living Modernisation	(90)	0	296	206
Estate Redevelopment	(1,170)	0	0	(1,170)
HRA Carry forwards	0	0	232	232
Provision for repayment of debt	0	1,012	0	1,012
Transformation	0	0	39	39
Allocation of HRA Underspend 22/23	0	0	330	330
<b>Total</b>	<b>(1,260)</b>	<b>1,012</b>	<b>897</b>	<b>649</b>

10.5 A full breakdown of earmarked reserves can be found in appendix F.

### 11. Housing Revenue Account General Reserves

11.1 The opening balance of HRA general reserves at 1 April 2020 was £4.560m. The revised budget included a transfer of £1.612m from reserves, but a transfer of £1.170m from the unallocated Estate Redevelopment earmarked reserve was approved by Council in February 2023.

11.2 There is an additional £1.814m transfer from HRA general reserves budgeted in 2023/24.

Table 11 – HRA General Reserves

	<b>2022/23 £k</b>	<b>2023/24 £k</b>
Opening balance	4,560	4,118
Budgeted transfer to/(from) general reserves – Council Feb 2023	(1,612)	(1,814)
Transfer from Estate Redevelopment EMR – Council Feb 2023	1,170	0
<b>Closing balance</b>	<b>4,118</b>	<b>2,304</b>

## 12. Capital Programme

- 12.1 The 2022/23 Capital Programme of £29.243m was approved by Council in February 2023.
- 12.2 The full capital outturn position is included in Appendix H, along with detail of the variances. The financing of the Capital Programme is shown in Appendix I.
- 12.3 The **General Fund Capital Programme**, following the addition of slippage from 2021/22, and changes to budgets as part of the revised budget for 2022/23 is £12.854m. The total spend against this budget is £6.714m, a net underspend of £6.140m.
- 12.4 This variance is made up of many items, primarily where there are changes in the timing of delivery as the projects span more than one financial year. There are some areas of forecast slippage, including Stratford Park Lido, the Stroud and District cycling and walking plan, Multi Service Contract Vehicles, Canal (Phase 1B of Cotswold Canals Connected), Temporary Accommodation and private sector housing grants. There is also additional spend on Brimscombe Port and Stratford Park Tennis Courts, where spend has happened earlier than expected. These are all only timing differences and will not affect the overall costs.
- 12.5 Net slippage of £5.020m has been requested to be carried forward to the 2023/24 capital programme.
- 12.6 The **Housing Revenue Account Capital Programme** has a revised budget of £16.389m.
- 12.7 Following capital slippage from 2022/23 Major Works has a budget of £11.093m, with spend of £7.759m, giving net slippage of £3.334m. This predominantly relates to the Social Housing Decarbonisation Fund 2, which has been awarded an extension of time to June 2023 to deliver the grant funded part of the programme. Overall slippage of £3.752m has been requested.
- 12.8 The New Build and Development programme has a net underspend of £0.805m against a budget of £2.213m. Two schemes completed during the year - Broadfield Road and Ringfield Close, delivering 29 affordable properties (24 affordable rent, 3 shared ownership and 2 Older person's shared ownership).
- 12.9 Slippage of £0.257m is being requested for the Independent Living Modernisation Programme, and £0.470m for the acquisition of three Section 106 properties at Wotton-under-edge, which are expected to complete in the new financial year.
- 12.10 A copy of the revised capital programme for 2022/23, taking into account slippage from 2022/23 is in Appendix J.

## **13. IMPLICATIONS**

### **13.1 Financial Implications**

The whole report is financial in nature, reporting the General Fund and Housing Revenue Account revenue and capital position for 2022/23.

Lucy Clothier, Accountancy Manager  
Email: [lucy.clothier@stroud.gov.uk](mailto:lucy.clothier@stroud.gov.uk)

### **13.2 Legal Implications**

There are no legal implications arising from the content of this report.

One Legal  
Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **13.3 Equality Implications**

There are not any specific changes to service delivery proposed within this decision.

### **13.4 Environmental Implications**

There are no direct environmental implications arising from this report.