



**BUDGET/COUNCIL PLAN COMMITTEE:  
28 February 2023**

---

**Report of:** Head of Finance, Procurement and Commercial Services

**Relevant Portfolio Holder:** Councillor Adam Yates

**Contact for further information:** Peter Quick (Ext 5203)  
(E-mail: [peter.quick@westlancs.gov.uk](mailto:peter.quick@westlancs.gov.uk))

---

**SUBJECT: 2022/23 GRA REVENUE Q3 MONITORING**

---

Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To provide a summary of the General Revenue Account (GRA) position for the 2022/23 financial year at quarter 3.

**2.0 RECOMMENDATIONS TO BUDGET/COUNCIL PLAN COMMITTEE**

2.1 That the report be noted.

**3.0 BACKGROUND**

3.1 In February 2022, Council agreed the 2022/23 GRA Net Budget of £14.953m

3.2 The 2022/23 budget was set prior to the worsening of the cost-of-living crisis and the escalating inflation and energy costs. The quarter 1 position included some early estimations in the context of energy and other cost pressures along with materials shortages, and the quarter 2 position further quantified these.

**4.0 GENERAL REVENUE ACCOUNT: QUARTER 3 POSITION**

4.1 The table below provides quarter 3 forecast outturn estimates against the revised budget. The Q3 net forecast position is a shortfall of £254K, this compares favourably with the £590k forecast shortfall at quarter 2. Further details are provided below.

| <u>2022/23</u>                                  | Revised Budget<br>£000s | Q1 Var.<br>£000s | Q2 Var.<br>£000s | Q3 Var.<br>£000s | Comments  |
|---|-------------------------|------------------|------------------|------------------|---|
| Corporate and Customer Services                 | 5,725                   | 0                | (200)            | (750)            | Vacancies.<br>ICT costs below budget.   |
| Legal and Democratic Services                   | 1,178                   | 0                | 0                | (25)             | Various budgets   |
| Environmental Services                          | 6,595                   | 0                | 200              | 130              | Staffing cost pressure.<br>Fuel costs over budget contained in various other budgets. |
| Finance, Procurement and Commercial Services    | (703)                   | 0                | (70)             | 0                |   |
| Housing   | 839                     | 0                | 0                | (250)            | Grant allocated in year rather than rolled forward.                                   |
| Planning and Regulatory                         | 1,810                   | 0                | 0                | 300              | £110k staffing costs<br>Planning income below budget                                  |
| Wellbeing and Place                             | 1,232                   | 0                | 0                | (150)            | Leisure contract repairs  |
| Central Service: Corporate Budgets              | 754                     | 0                | 0                | (150)            | Pension fund contributions  |
| Central Service: Corporate Staff Vacancy Factor | (1,014)                 | 0                | 400              | 1,014            | All staff cost pressures reflected in services above                                  |
| <b>NET SERVICE BUDGET</b>                       | <b>16,416</b>           | <b>0</b>         | <b>330</b>       | <b>119</b>       |   |
| Non Service: Treasury Management                | (122)                   | 240              | 170              | 135              | Rising interest rates   |
| Non Service: Reserves                           | (1,341)                 | 0                | 0                | 0                |   |
| <b>NET BUDGET</b>                               | <b>14,953</b>           | <b>240</b>       | <b>500</b>       | <b>254</b>       | To be met from reserves   |
| Council Tax                                     | (8,227)                 | 0                | 0                | 0                |   |
| Business Rates: Retained Income                 | (2,793)                 | 0                | 0                | 0                |   |
| Business Rates: S31 Grants                      | (2,850)                 | 0                | 0                | 0                |   |
| Government Grants                               | (1,083)                 | 0                | 0                | 0                |   |
| <b>FUNDING</b>                                  | <b>(14,953)</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |   |

### Quarter 3: Review

4.2 It was previously reported that:

- The 2022/23 net budget included an increase to the vacancy factor of £569k, to a total of £1.014m (around 6%)
- The Local Government pay offer for 2022/23 was a flat increase of £1,925 per full time employee, regardless of grade. The estimated cost above the 3% budgeted in February 2022 was around £518k
- There has been continued effort to recruit into vacant posts and to use agency staff to cover key posts within the establishment.
- A projected shortfall in Treasury Management Income due to interest rates and unrealistic SORP assumptions about cash balances.

### Quarter 3: Forecast Outturn

4.3 ICT revenue expenditure in Corporate and Customer Services relates to the Lancashire County Council ICT Support agreement, and also systems licence costs. Reductions in the monthly amount of the support agreement and control of systems licences are expected to lead to an outturn below budget.

- 4.4 The Q3 forecast for Planning & Regulatory Services, of £300k over budget, in part reflects staff budget pressures. However, there is also a forecast shortfall relating to planning income. This operational forecast is prudent, and discussions with budget managers indicate that there is a likelihood of improvement to the forecast to the end of the year.
- 4.5 Work will continue across services in seeking control of non-essential expenditure with the aim of further improving overall outturn in 2022/23 and beyond.
- 4.6 It should be noted that the 2023/24 staff vacancy factor of £1.014m has been moved from the central corporate pot where it has been held for many years, and will be split proportionally between each service, thus supporting operational monitoring and control of both Service staff costs and vacancies.
- 4.7 The forecast shortfall in treasury management income has improved each quarter, reflecting rising interest rates. The Q3 forecast is a shortfall of £135k, an improvement of £35k from Q2.

## **5.0 SUSTAINABILITY IMPLICATIONS**

- 5.1 Careful monitoring of the budget position helps ensure that the GRA remains able to deliver services and is financially sustainable in the medium term.

## **6.0 RISK ASSESSMENT**

- 6.1 The formal reporting of performance on the General Revenue Account is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.

---

---

### **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

### **Equality Impact Assessment**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, no Equality Impact Assessment is required.