

**Committee Name and Date of Committee Meeting**

Cabinet – 11 July 2022

**Report Title**

Financial Outturn 2021/22

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

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**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

The report outlines the final revenue and capital outturn position for 2021/22.

The Revenue Budget 2021/22 was approved by Council on 3 March 2021. A budget of £235.7m was set for General Fund services; this excludes schools' budgets and Housing Revenue Account (HRA). The 2021/22 Budget was supported by the use of £7.5m from the Budget and Financial Strategy Reserve. However, given the availability of the £14m of Covid Funding covering the majority of the Council's Covid related costs, the use of this reserve has not been required. The Council has also been able to deliver a final outturn position of a £2.4m underspend, not through delivering less services but by being able to apply more Government funding to the outturn position than had originally been planned.

This is a helpful outturn position that includes a positive trend of necessary cost reduction within some of the Council's key services including an increase of £2.4m into the Budget and Financial Strategy Reserve along with some planned savings for 2022/23 already being achieved. It places the Council in a more robust position heading into the financial year 2022/23, more able to mitigate against cost pressures and the financial challenges that were not evident at the time of setting the 2022/23 Budget such as the war in Ukraine, the significant rise in energy prices and inflation and to be more able to manage the impact rather than needing to consider making cuts in services.

These financial challenges are being considered as part of the Council's ongoing Medium Term Financial Planning. The energy price rises and inflation will impact the Council's costs in the provision of services. However, some of this cost impact will be mitigated in future years by increased core funding as business rates income is indexed to the rate of inflation. It is currently expected that the period of high inflation will last for around two years before returning to a more normal level. As such, the Council will face short term financial pressures that will need to be managed and mitigated through the Medium Term Financial Strategy and the Council's reserves.

The Council's General Fund minimum balance has remained at £25m as planned and set out within the Council's Reserves Strategy reported in the Budget and Council Tax Report 2022/23. The reserve is held to protect the Council against unforeseen events and realisation of contingent liabilities.

The Housing Revenue Account had an underspend of £2.1m, along with the revenue contribution to capital outlay remaining at the budgeted level of £6.5m. As a result of this the HRA was able to reduce the budgeted transfer from reserves by £2.1m. This reduction in planned use of reserves will help the HRA to mitigate the financial challenges presented by rising inflation and energy costs over the medium term.

The capital outturn shows slippage and underspend of £39.4m against the estimated spend for 2021/22 included within the Capital Programme. The pandemic has significantly impacted the delivery of a number of schemes, in the main due to Covid restrictions impacting how works are undertaken as well as a knock on effect on the cost of materials and supply and demand in the market. However, capital expenditure (programme delivery) in the years has achieved a higher level than in previous years.

## **Recommendations**

That Cabinet:

1. Note the revenue outturn position.
2. Note the budgeted transfer from HRA reserves was reduced by £2.1m following the revenue and capital outturn positions.
3. Note the carry forward of the combined schools balance of £3.794m in accordance with the Department for Education regulations.
4. Note the reduced DSG deficit following receipt of Safety Valve funding, as set out in paragraph 2.13.
5. Note the reserves position set out in paragraphs 2.50 to 2.59.
6. Note the capital outturn and funding position as set out in paragraphs 2.60 to 2.82.
7. Refer the report to Council for information and recommend to Council approval of the updated Capital Programme as set out in paragraphs 2.83 to 2.86 and Appendices 1 to 4 of this report.

**List of Appendices Included**

Appendices 1 to 4 – Capital Programme 2022/23 to 2025/26.

Appendix 5 Equalities Impact Assessment

Appendix 6 Carbon Impact Assessment

**Background Papers**

Budget and Council Tax 2021/22 Report to Council 3 March 2021

Budget and Council Tax 2022/23 Report to Council 2 March 2022

May 2021/22 Financial Monitoring Report to Cabinet on 19th July 2021

July 2021/22 Financial Monitoring Report to Cabinet on 20th September 2021

September 2021/22 Financial Monitoring Report to Cabinet on 22nd November 2021

November 2021/22 Financial Monitoring Report to Cabinet on 24th January 2022

December Financial Monitoring Report to Cabinet 14 February 2022

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

Yes

**Exempt from the Press and Public**

No

## Financial Outturn 2021/22

### 1. Background

- 1.1 This report sets out the Council's revenue, capital, HRA and schools outturn position in 2021/22. It also describes the details of the Council's reserves balances as at the end of the financial year. The Council set a revenue budget for 2021/22 of £235.7m and a Capital Programme that was revised to £144.3m as part of the Budget and Council Tax 2022/23 Report to Council 2 March 2022.
- 1.2 The report illustrates the Council's financial position on a management accounts basis which is used to monitor performance throughout the financial year. The Audit Committee will consider the Council's draft unaudited Statement of Accounts 2021/22 on 28 July 2022 and will consider the final Statement of Accounts on 27 September 2022, ahead of audit of the accounts by the Council's external auditors Grant Thornton who aim to present their audit opinion to Audit Committee on 29 November 2022. These required timetables for publication of local authority accounts have been pushed back nationally in response to the additional pressures placed on public sector audit firms as detailed within the Redmond Review. The Statement of Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and appropriate accounting standards. As such, the reporting in the Statement of Accounts is different in format to the management reporting presented in this report.
- 1.3 In understanding the outturn position, it is helpful to set out the financial context of the Council.
- 1.4 The Budget and Council Tax Report 2021/22 noted that £18.1m of agreed budget savings and cost reductions were required to be delivered across the medium term. A significant volume of savings were predicated on assumptions about social care costs and market conditions. As noted in the Medium Term Financial Strategy (MTFS) update to Cabinet on 20 December 2021, despite changing demand pressures and wider economic factors affecting social care, the Council remains confident that most of the remaining savings will be achieved over time. During 2021/22 £2m savings were delivered with £11.5m planned for delivery over subsequent years. In addition to the savings to come from directorates, significant further savings were being achieved from Treasury Management.
- 1.5 This means that the Council still has to deliver a total of £11.5m of agreed budget savings over the medium term. The revised timeframe for the delivery of these savings was included within the approved Budget and Council Tax 2022/23 report, recognising the further delay in delivery due to the impact of Covid-19. However, the overall challenge is significant in light of increased demand for services and funding uncertainty for the local government sector. As reported to Cabinet as part of the Finance Update on 20 June 2022, the Council has already secured £3.8m of these savings against the plan of £4.8m to be delivered during 2022/23.

- 1.6 In common with other local authorities across the country, there continues to be increasing demand pressures on social care services. These increased demands continued to place additional pressures on the Council's financial position, which has been closely monitored and appropriate mitigations have been implemented by management to ensure that total expenditure remained within the overall budget for 2021/22 set by Council in March 2021.
- 1.7 Throughout the pandemic the Council has incurred significant additional costs in its efforts to manage and mitigate the impact of Covid-19, these financial pressures cut across three main themes - additional costs incurred due to the pandemic; lost sales, fees and charges income as a result of closed services; and delayed delivery of planned savings. The Council has been able to mitigate these pressures through the use of Government's provision of emergency funding to support the COVID-19 response; Sales, Fees and Charges Income Compensation Claims; and use the Control Outbreak Management Fund (COMF). These grants have been used to fund new and additional costs that the Council has incurred in its response to Covid-19. These resources have also been used to fund budgeted costs where teams had been diverted away from their normal role to carry out a Covid specific role. Whilst Government have provided specific targeted funding to support many of these financial pressures, the gross financial impact to the Council of Covid-19, during 2021/22 was in excess of the £14.0m used to support the Council's outturn position.
- 1.8 The Council's Medium Term Financial Strategy was revised and updated as part of 2022/23 budget setting and supports the Council's ambition of financial sustainability over the medium term. It should be noted that the planned transfers to reserves, as set out within the Council's Budget and Council Tax Report 2022/23 have been made further enhancing the Council's financial stability except for the planned use of £1.7m of the Budget and Financial Strategy Reserve as this was not required to support the outturn position. Detail of these transfers is provided later within this report. However, the current financial climate presents some financial challenges for the Council that will place the Council's Medium Term Financial Strategy and 2022/23 Budget under significant pressure.
- 1.9 Whilst the recovery from the pandemic still poses a financial risk to the Council, there are new significant financial pressures that have emerged since the Council's Budget and Council Tax Report 2022/23. The war in the Ukraine and the significant rise in energy prices and inflation in particular present significant challenges to the Council's financial position for 2022/23 and over the Medium Term Financial Strategy period to 2025/26. The Council will need to guard against the impact of these on service delivery by maintaining a healthy level of reserves and where possible earmarking reserves to mitigate those financial pressures.
- 1.10 These financial challenges are being continually considered as part of the Council's ongoing Medium Term Financial Planning but given that inflation is still increasing and pay awards are not yet known, it is impossible to assess the full impact on the Council with certainty at the current time. The energy price rises and inflation will impact the Council's costs in the provision of services and

any cost increases during the current year will have a knock on impact on the cost base in future years. It is currently expected that the period of high inflation will last for two years before returning to a more normal level. As such the Council will face additional short term financial pressures that will need to be managed and mitigated through the Medium Term Financial Strategy and the use of the Council's reserves if cuts to services are to be avoided. It is there estimated that the Council may need to utilise the £4.1m Transformation Reserve to support the Medium Term Financial Strategy and guard against the uncertain but significant pressures that the Council will face over the current and next two financial years. The position will be kept under continuous review and financial monitoring reports to Cabinet during the year will reflect the best estimate of the impact.

## 2. Key Issues

2.1 The Council directorates had an overspend of £4.1m at 2021/22 outturn. Following not drawing down the planned use of £7.5m from the Budget and Financial Strategy Reserve and through use of £14m of Covid emergency support funding the Council's overall outturn was a £2.4m underspend. This has allowed the Council to transfer £2.4m into the Council's Budget and Financial Strategy Reserve, as per the recommendation within the Council's Budget and Council Tax report 2022/23 approved at Council 2 March 2022. This will help the Council to manage some continuing budget pressures in 2022/23 e.g. a further upward trend in the demand for home to school transport, along with the general pressures of the current high level of inflation and the significant increases in energy prices. Taken together, these issues are likely to impact on the 2022/23 budget at a level greater than £2.4m.

The table below provides a summary of the Revenue Outturn for 2021/22. This is followed by a summary of the position by Directorate which includes an explanation of the key variances.

<b>Directorate</b>	<b>Budget 2021/22 £m</b>	<b>Outturn 2021/22 £m</b>	<b>Variance over/ under £m</b>
Children and Young People's Services	63.9	69.8	5.9
Adult Care, Housing & Public Health	87.6	82.8	-4.8
Regeneration and Environment Services	45.7	48.8	3.1
Finance and Customer Services	19.5	19.4	-0.1
Assistant Chief Executive	7.2	6.6	-0.6
Central Services	11.8	12.4	0.6

<b>Directorate Outturn</b>	<b>235.7</b>	<b>239.8</b>	<b>4.1</b>
Remove budgeted use of Budget Strategy Reserve for 2021/22			7.5
Covid-19 support grant			-14.0
Transfer to Budget Strategy & Financial Support Reserve			2.4
<b>Net balanced Outturn</b>			<b>0.0</b>

2.2 The Council has therefore delivered an overall outturn position within budget as expected, with the main factors contributing to the movement from the previously forecast directorate overspend of £8.2m to the actual directorate outturn of £4.1m being explained below.

### 2.3 Children and Young People's Services

2.4 Children & Young People Services continue to implement the budget recovery plan with budget savings of £10.1m across the 2020/21 to 2024/25 financial years. The outturn position at the end of the March is a £5.9m overspend with a £0.9m favourable movement since December's monitoring report to Cabinet in February 2022. In the main this is due to a reduction in placement costs, staff savings, additional income and maximisation of grant funding.

2.5 As at the financial year end the Looked After Children number of 566 is 2 below the budget target of 568. However, the placement mix is showing higher than projected placements in high cost settings for residential (27), emergency (3), Independent Fostering Agency (38), Leaving Care (6) offset by in-house fostering (50), in house residential (1), parent & baby (1) and no cost placements (24).

2.6 The LAC number of 566 includes 13 Unaccompanied Asylum Seeker Children which has risen from 3 in April 2021 to 13 at March 2022. This is having an impact on the ability to reduce the overall LAC numbers.

2.7 The direct employee budget was £37.6m and is a combination of general fund, traded and grant funded services. The budget underspend at outturn is £255k, of which £288k relates to general fund, with £33k of cost pressures across DSG and other grant / traded services.

2.8 A significant element of the CYPS non-pay budgets relates to placements which has a net budget of £32.7m, the spend in 2021/22 was £38.7m, creating a financial pressure of £6.0m. The £6m overspend relates in the main to £4m on residential placements, £2.1m in emergency, offset by £100k savings on Supported Accommodation. In fostering there were £0.8m pressures on IFA placements due to numbers above the budget profile, offset by £0.8m savings

in-house fostering due to numbers being lower than budget projections as outlined above.

2.9 The other major budget pressures across the service relate to transport £360k, and Section 17 budgets £310k.

2.10 Dedicated School Grant Reserve & High Needs Block

2.11 The High Needs Block (HNB) is £45.2m (including the £3.0m transfer from the schools block) and demand remains high due to rising numbers of children supported in specialist provision and the rising costs of Education Health Care (EHC) plans.

2.12 The £731K HNB pressures below reflected demand for special school and Independent Sector placements for the new academic year and demand on Inclusion Services, LSS due to a reduction in traded income.

2.13 The central DSG reserve now stands at £12.8m following receipt of £8.5m Safety Valve funding. This is set out in the table below;

<b><u>DSG Reserve Summary</u></b>	
Balance @ 31/3/2021	21,257,572
In Year Variances	94,740
Balance @ 31/3/2022	21,352,312
Safety Valve Funding	-8,547,154
Revised Balance @ 31/3/22	12,805,158

2.14 The overall DSG adverse movement of £95k was due to High Needs overspend of £731k offset predominantly by underspend on the Early Years High Needs Block and the Schools Growth and Falling Rolls Fund.

2.15 **Adult Care, Public Health and Housing**

2.16 The overall Directorate forecast is an underspend of £4.8m on general fund services: Adult Care (£4.1m); Housing (£152k) and Public Health (£568k).

2.17 Included within the outturn is the Covid-19 impact for the service. COVID-19 is estimated to have a net cost impact of £1.6m during 2021/22. This includes: £917k due to delays in achieving planned cost reduction and costs of transformation; £697k of placement costs due to the extension of the NHS discharge scheme (additional demand) and £608k of staffing and other costs. Additional NHS income for people discharged from hospital £697k, to support the hospital discharge process during the pandemic, reduces the net Covid-19 cost. The overall reduction relates to an



improvement in savings delivery and reduced cost of PPE (now £78k) following a full stock valuation.

2.18

Excluding the cost of COVID-19, the cost of care packages is a net £5.1m underspent. This is mainly due to savings on transforming care of £324k and reductions in the number of older people placements of £3.8m although Covid related placements are likely to be ongoing once temporary funding ceases. Across Mental Health packages, Physical and Sensory disability services and Learning disability placements there is a net underspend of £392k.

2.19

Care packages have therefore seen a reduction of £1.6m since the last report due to a range of factors. Learning Disability placement costs reduced by £1.1m due to lower demand for day care, reductions in forecast costs for some clients along with additional and backdated income from Health contributions. Due to the higher cost of these packages' changes across a small number of people can have a large financial impact. The remaining movement is largely due to reduced spend on older people's home care and care homes, including additional client income. The overall forecast for Adult Care includes anticipated support from the Better Care Fund.

2.20

Neighbourhood Services' (Housing) has underspent by £152k. Additional income from furnished homes and a number of smaller underspends across the service is offset by £601k of pressures due to the increased cost of temporary accommodation.

2.21

Public Health service is underspent by £568k. The NHS Health Check programme (£250k) has been paused through the pandemic to reduce the risk from face-to-face contact and to support the capacity issues in primary care. The remainder is due to underspends on several demand-led services.

## 2.22 **Regeneration and Environment**

2.23

Regeneration and Environment Services outturn was an overspend of £3.1m, which represents a reduction of £1.1m from the £4.2m reported to Cabinet in February 2022. The outturn position reflects the impact of ongoing demographic pressures in Home to School transport and the 'tailing' impact of the lockdown restrictions and resulting economic impact arising from them, on many of the Directorate's Services. For example, a continuation of the increases in waste tonnages resulting from greater working from home, and the impact on income generation and cost pressures arising as a result of social distancing requirements and other Covid linked measures that were required to be put in place.

2.24

The £1.1m improvement has resulted from lower than anticipated expenditure in some areas, notably Asset Management. Higher than anticipated income, particularly in Culture, Sport and Tourism as a result of the easing and then ending of lockdown restrictions and favourable weather during the final quarter of the year and some staff savings arising from vacancies across the directorate.

2.25

A summary of the main overall budget variances are identified below:

- 2.26 Planning Regeneration and Transport
- 2.27 The Planning, Regeneration and Transport division overspent by £0.7m. The most significant outturn pressure was in Facilities Services of £0.4m, where although cleaning income was higher than forecast, this only partly offset pressures in School Meals as a result of income losses from pupil absences and higher food costs.
- 2.28 Asset Management recorded an outturn pressure of £0.3m, largely as a result of higher than budgeted repairs and maintenance costs, expenditure on fixtures and fittings and covid related security costs. This did, however, improve by £0.4m from February's Cabinet report as repairs and maintenance costs, although overspent, were lower than anticipated. In addition, there was a higher saving than anticipated on utilities, as a result of reduced building usage.
- 2.29 Culture, Sport and Tourism
- 2.30 Culture, Sport and Tourism overspent by £0.3m. This represents a £0.4m improvement to the forecast from February Cabinet, as a result of higher than forecast income from fees and charges across the service during the final part of the year as the covid recovery continued.
- 2.31 Commercial Development, which includes Waleswood Caravan Park, reported an overspend of £0.3m, an improvement of £0.2m from February. The Green Spaces Service, which includes the Borough's Country Parks and Facilities, ended the year with a £0.1m pressure. These pressures were offset in part by reduced costs in Libraries, an underspend of £0.3m, an improvement of £0.1m from the February Cabinet report, due to a combination of staff vacancies and savings on expenditure on supplies.
- 2.32 Income improvements in other areas, including Registrars and the School Music Service, contributed to the improvement in the overall position.
- 2.33 Community Safety and Streetscene
- 2.34 Community Safety and Streetscene overspent by £2.1m. The most significant pressure in this service is in respect of Corporate Transport, £1.7m overspent, as a result of ongoing demand pressures in Home to School Transport which are affecting all local authorities. These pressures have been recognised by the approval of a £1m revenue investment in this Service, as part of the approved 2022/23 Council budget. The recurring and increasing pressure on Home to School Transport bears comparison with other Council's. The Service is progressing a number of developments that are expected to influence favourably both cost and demand.
- 2.35 Waste Management recorded an outturn pressure of £0.8m, £0.3m higher than the forecast in the February Cabinet report. This is split between disposal (£0.5m) and collection (£0.3m). The pressure on Waste disposal costs has arisen as a result of extra tonnages being collected from the kerbside, as people spent more time at home. Waste Collection has shown an overspend as a result of additional agency costs, resulting from the impact of Covid on staff absences.

2.36 Savings in Regulation and Enforcement of £0.3m were recorded as a result of staff vacancies. Network Management underspent by £0.1m, an improvement of £0.4m from February's Cabinet report. Increased income in Streetworks and Enforcement, and reduced energy costs in Street Lighting as a result of the LED replacement programme contributed to this improvement.

### 2.37 **Finance and Customer Services**

2.38 There was an underspend of £105k for the Directorate outturn, details of which are set out below.

Legal Services - £417k underspend – Legal Services faces continued demand for legal support with child protection hearings and court case costs relating to Looked After Children. However, reduced costs of legal disbursements and difficulties in recruiting to key posts, in particular within Adult Social Care legal support, are currently resulting in a forecast £417k underspend. However, the number of cases during the year remains volatile and will continue to be monitored closely.

Customer Information and Digital Services - £549k underspend – Within Customer, Information and Digital Services the service has a pressure within the corporate mail and print service following a centralisation of print services. The print service had an income shortfall of £100k. Following the changes to ways of working as a result of the pandemic the service has seen a significant reduction in print costs that is mitigating this income shortfall. Now the budgets have been centralised the service are better placed to control print usage and implement a strategy to minimise print whilst promoting digitalised service provision.

The service holds the Council's ICT Contracts budgets and since their centralisation has been working towards streamlining the volume of ICT system and service contracts the Council holds. This work has generated savings during the course of the year as contracts have not been renewed if not required or at a more beneficial price.

The service has also incurred difficulties with recruitment which has further increased the forecast underspend.

Financial Services - £0.7m overspend - The service has an overspend following a review of provisions across Housing Benefits and Insurance. The Housing Benefit technical adjustments for bad debt provision have been increased in light of the emerging household costs and energy crisis, along with the economic impact of the war in Ukraine and inflation.

### 2.39 **Assistant Chief Executive**

2.40 The service has a £594k underspend at outturn, in the main due to carrying a number of vacant posts within the HR service, whilst a review of service requirements was finalised as part of delivery the Customer and Digital Savings that were attributed to the Directorate. In addition, there were wider vacancies within the directorate as a result of staff turnover and challenges with recruitment.

## 2.41 **Central Services**

2.42 The outturn for the Central Services was forecast within December's Financial Monitoring, reported to Cabinet in February 2022, as a £0.8m pressure, relating to the Regeneration & Environment Directorate's customer services saving that had been budgeted for here. However, the final outturn was a £0.6m overspend, an improvement of £0.2m. This is mainly due to general efficiencies on centrally managed budgets that have delivered savings, for example the inflation budget for 2021/22 was based on 2% pay award, however, the final pay award was agreed at 1.75% in March 2022.

2.43 Within Central Services, savings were delivered from a range of activities within the treasury management strategy (£5.6m), including effective cash flow planning and monitoring, along with management of the loans portfolio to take advantage of the low cost of short-term funds, whilst also securing £227m of new PWLB Long Term borrowing at an average rate of 1.5%.

2.44 In addition, the Council's initial outturn position allowed the Council to process several planned transfers to reserves:

- Not draw down any of the £7.5m Budget Strategy Reserve as planned within the 2021/22 Budget allowing it to remain within reserves.
- Draw down £13.6m of Covid Emergency Support grants and £0.4m of Sales, Fees and Charges income to support the 2021/22 outturn position that includes in excess of £14m of Covid related costs across budgeted spend, additionality, income losses and delayed delivery of savings.
- Transfer of Treasury Management savings of £5.6m generated in 2021/22 have been taken to a new Treasury Management Savings Reserve as approved within the Council's Budget and Council Tax Report 2022/23.
- £0.5m transfer to Budget and Financial Strategy Reserve to enable re-provision of 2021/22 revenue investments that have slipped into 2022/23 for delivery.

## 2.45 **HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2021/22**

2.46 The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The HRA is £2.1m underspent.

2.47 The underspend relates to:

- £1.2m underspend on Repairs and Maintenance in the main as a result of Covid interventions which restricted activity during lockdown, fewer void works and slippage on some planned works into 2022/23.
- £1.1m underspend on supervision and management in the main due to vacancies, reduced costs running neighbourhood centres along with reduced ICT costs and fees for Right to Buy applications.
- £0.3m reduction to the bad debt provision due to well-maintained rent collection rates.

- £0.4m pressure on Cost of Capital interest rates on debt and underachievement of income across garage rents and District Heating.

2.48 The Housing Revenue Account had an underspend of £2.1m, along with the revenue contribution to capital outlay remaining at the budgeted level of £6.5m. As a result of this the HRA was able to reduce the budgeted transfer from reserves by £2.1m. This reduction in planned use of reserves will help the HRA to mitigate the financial challenges presented by rising inflation and energy costs over the medium term.

2.49 **SCHOOLS OUTTURN 2021/22**

School balances at the end of 2021/22 for the Council's maintained schools was £3.794m. This is a £0.614m increase compared to the previous year and takes account of two schools that have converted to academies (£187k surplus) during 2021/22.

2.50 **RESERVES**

2.51 The Council's budget for 2021/22 included a reserves strategy that made available use of £7.5m Budget Strategy Reserve to support the Council's financial position for 2021/22. However, due to the identification of estimated additional savings during the year from Central Services budgets, primarily within the Treasury Management function (£5.0m) and use of Governments emergency Covid-19 support grants to mitigate in year pressures, the Budget Strategy Reserve was not required.

2.52 Therefore the Budget and Council Tax 2022/23 report approved at Council 2 March 2022 set out that the £7.5m planned use of the Budget Strategy Reserve was to be reduced to £1.7m and the £5.0m Treasury Management savings were to be transferred to a new Treasury Management Savings Reserve. This would provide further support to the Council's 2022/23 budget and provide support to the Medium Term Financial Strategy. It is therefore already earmarked and not a reserve that can be used for any additional investments.

2.53 In addition, the Budget and Council Tax 2022/23 report set out the proposed Reserves Strategy. This included a recommendation to transfer any 2021/22 revenue outturn position underspend into the Council's reserves to be held within the Budget and Financial Strategy Reserve and the transfer of any 2021/22 un-ringfenced Covid funding balances into the Council's reserves to meet Covid related pressures and costs in 2022/23.

2.54 The following transfers to reserves have been carried out as per the recommendations within the Budget and Council Tax 2022/23 report:

- Transfer the Council's remaining £3.7m Budget Contingency reserve to the Budget and Financial Strategy Reserve.
- £2.8m Local Council Tax Support Grant transferred to reserve which has been earmarked to fund the Local Council Tax Support top up scheme for 2022/23 with the balance remaining to be part of considerations for a 2023/24 top-up scheme.
- The Spending Review 2021 confirmed government would compensate local authorities for 75% of irrecoverable losses in Council Tax in respect of 2020/21.

This has enabled £0.7m Collection Fund Income Guarantee Grant to be transferred to reserve.

- £5.6m Treasury Management Savings transferred to reserve to support the budget across the medium term. This is £0.6m more than the £5.0m estimated at time of the Budget and Council Tax 2022/23 report.
- £15.5m net transfer from the Other Grants Reserve, including the use of the Covid Emergency Support funding, COMF grant and S31 Grants provided in relation to Covid 19 that the Council has to account for in 2021/22.
- Transfer the Council's remaining £2.4m underspend position to the Budget and Financial Strategy Reserve.

In addition, the following transfer to reserve is proposed;

- Transfer £0.5m from Central Services into the Budget and Financial Strategy Reserve to fund the completion of 2021/22 revenue investments where commencement in 2021/22 was delayed slightly, in order to ensure the full amount of investment funding is made available. This was intended when the Budget was set with the value to be determined once outturn expenditure was known.

It is currently estimated that the Council will need to use some or all of the Transformation Reserve of £4.1m to guard against the current national and international economic conditions. These pressures will present significant financial challenges for the Council across the Medium Term Financial Strategy period. Some of these challenges are volatile and subject to issues outside of the Council's control and therefore it remains complex to forecast their impact at the current time.

2.55 In summary, this means that the total of Corporate Reserves balances at the Financial Outturn 2021/22 is £65.8m, which is £6.1m more than the £59.7m estimated in the Budget and Council Tax 2022/23 report. The individual reserve balances are shown in the table below. The Budget Report 2022/23 planned for £7.1m use of reserves in 2022/23. Based on the 2021/22 Outturn position, that will leave a total of £58.7m Corporate Reserves at the end of the new financial year.

2.56 In addition, the Council's Corporate Other Grants Reserve has reduced from £27.4m to £11.9m as the Council has delivered a wide variety of grant schemes during 2021/22, predominantly Covid grant support schemes for individuals and businesses. The breakdown of the Covid-19 Grants Reserve balance of £11.9m brought forward into 2022/23 is as follows:

#### Collection Fund - £5.9m

- £5.9m of S31 Grants to support rate relief provided during 21/22 that will be accounted for in the Collection Fund during 22/23.

#### General Fund - £6.0m

- £1.2m of COMF grant received and not yet utilised. £2.2m of this is committed in 2021/22.

- £2.3m New burdens funding received across a number of grant, Council Tax and Business Rates related work streams.
- £2.4m RMBC element of Covid Additional Relief Fund, the grant will be applied during 2022/23.
- £0.1m LRSG grants held back in relation to fraudulent and error payments, currently in the recovery process.

2.57 The Corporate Reserve balances are shown in the table below.

2.58 **Table 3 Total Corporate Earmarked Reserves as at 31 March 2022**

	<b>Projected Balance at 31 March 2022 (per Budget Report 22/23) £m</b>	<b>Actual Balance as at 31 March 2022 £m</b>	<b>Transfer to/(from) in the year £m</b>
<b>General Fund Reserves</b>			
Budget and Financial Strategy	13.3	17.8	4.5
Transformation	4.1	4.1	0.0
Business Rates	4.0	4.0	0.0
Corporate Revenue Grants Reserve	0.8	1.8	1.0
Children's and Young Peoples Services Social Care Reserve	2.0	2.0	0.0
Covid Recovery Fund	2.0	2.0	0.0
Local Council Tax Support Grant	2.8	2.8	0.0
Collection Fund Income Guarantee Grant	0.7	0.7	0.0
Treasury Management Savings	5.0	5.6	0.6
<b>Total</b>	<b>34.7</b>	<b>40.8</b>	<b>6.1</b>
<b>General Fund Minimum Balance</b>	<b>25.0</b>	<b>25.0</b>	<b>0.0</b>
<b>Total General Fund</b>	<b>59.7</b>	<b>65.8</b>	<b>6.1</b>
	<b>Balance B/fwd from 2020/21</b>	<b>Balance C/fwd to 2022/23</b>	
Council Tax Rebate Grant	0	17.0	
Other Grants	27.4	11.9	

2.59

### Capital Reserves

The total earmarked and un-earmarked capital reserve balances at the end of 2021/22 are shown in Table 4 below.

**Table 4 Capital Reserves as at 31 March 2022**

	<b>Balance as at 31 March 2022</b>	<b>Committed Resources</b>	<b>Un- earmarked as at 31 March 2022</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Capital Receipts</b>			
General Fund	0.2	0.2	0.0
Housing	11.6	5.3	6.3
HRA	7.7	7.7	0.0
<b>Sub-Total</b>	<b>19.6</b>	<b>13.2</b>	<b>6.3</b>
<b>Capital Grants – Unapplied</b>			
General Fund	23.8	23.8	0
HRA	1.5	1.5	0
<b>Sub-Total</b>	<b>25.4</b>	<b>25.4</b>	<b>0.0</b>
<b>Major Repairs Reserve – HRA</b>	<b>24.0</b>	<b>24.0</b>	<b>0</b>
<b>Total</b>	<b>68.9</b>	<b>62.6</b>	<b>6.3</b>

2.60

### CAPITAL OUTTURN 2021/22

2.61

The Capital Programme 2021/22 now totals £144.347m split between the General Fund £92.171m and HRA £52.176m. As at the financial year end 31 March 2022, the capital programme had expenditure of £104.9m, with underspend and slippage of (£39.4m). The programme was an ambitious target. However the impact and recovery from the Covid 19 pandemic along with rising inflation have significantly impacted its delivery. This has been seen through restrictions to scheme delivery on contractors and the need to re-think, re-engineer schemes or find new funding solutions when inflationary based cost increases have been seen.

2.62

The level of slippage on the Capital Programme is reflective of the delivery challenges that the Council faces due to built up demand in the supplier market due to Covid, inflation and the Council's Capital Programme is the largest it has ever been. The outturn position shows that 72.6% of the capital programme expenditure has been delivered, against a budget for 2021/22 of £144.3m. Comparatively, in 2020/21 the Council delivered 64% of the capital programme expenditure, against a budget of £125.3m. The Council's position is improving though the Council remains on an improvement journey in terms of Capital delivery and management. The improved



Capital Governance Procedures, approved at Council in September 2021, are now starting to take hold and this will steer the Council towards improved delivery and control.

**Table 4 Capital Outturn 2021/22**

Directorate	2021/22 Budget £m	2021/22 Outturn £m	2021/22 Variance £m
<b>General Fund Capital</b>			
Children and Young Peoples Services	10.215	7.503	-2.712
Assistant Chief Executive	0.373	0.099	-0.274
Adult Care & Housing	5.297	3.616	-1.680
Finance & Customer Services	3.349	1.777	-1.573
Regeneration & Environment	70.937	47.837	-23.100
Capitalisation Direction	2.000	0.000	-2.000
<b>Total General Fund Capital</b>	<b>92.171</b>	<b>60.832</b>	<b>-31.339</b>
Total HRA Capital	52.176	44.106	-8.070
<b>Total RMBC Capital Programme</b>	<b>144.347</b>	<b>104.938</b>	<b>-39.409</b>

### 2.63 Children and Young People's Services

2.64 The CYPS capital programme outturn had £2.712m of slippage against the approved budget of £10.215m. The main variances contributing to this position are:

- Schools PFI Lifecycle, £0.837m slippage. The lifecycle maintenance work carried out in 2021/22 was lower than the budgeted amount. These budgets are very difficult to forecast with information only being provided by the PFI contractor towards the end of each financial year. The budget profile has been updated to reflect the outturn position.
- Children's Residential homes, £1.130m slippage. The acquisition and fitting out of these residential homes' phase III have not proceeded as quickly as had hoped. The Council is exploring several properties and going through a rigorous approval before purchasing the properties to ensure they are fit for purpose. However, the housing market is very buoyant with properties often sold before the Council is able to obtain the necessary approvals.

As part of the outturn position the following key outputs have been delivered:

- Secondary schools: Contributed towards the building of 10 new classrooms at Rawmarsh academy.
- SEND Phase 3: Purchased and fitted out part of the Dinnington college site creating 135 places in Block A, with a further 44 places in Blocks C & D.
- Investment in 17 primary schools utilising the capital enhancement programme.
- Adaptations to foster carers homes: 3 extensions completed as part of this programme.

## 2.65 **Adult Care & Housing**

2.66 The Adult Care & Housing capital programme outturn had £1.680m of slippage against the approved budget of £5.297m. The main variances contributing to this position are:

- Fair Access to All (Assistive Technology), Private Sector – £0.301m underspend. The scheme is a responsive service, therefore demand driven. A carry forward request has been made to roll this underspend into the new financial year.
- Fair Access to All (Aids and Adaptations Privates – DFG's), underspent by £1.038m. A roll forward request of £0.862m for work that is on back log is proposed. The criteria for allocating these funds is under review with the intention to facilitate increased investment in this area.

As part of the outturn position the following key outputs have been delivered:

- 163 DFG's completed
- A further 51 DFG's started.

## 2.67 **Assistant Chief Executive**

2.68 The Assistant Chief Executive capital programme outturn had £0.274m of underspend and slippage against the approved budget of £0.373m.

- Badsley Moor Lane Community Hub, £0.181m slippage. The project has slipped whilst a funding solution was found for a budget shortfall. This has now been resolved and the project will be delivered in 2022/23.

As part of the outturn position the following key outputs have been delivered:

- 55 projects supported across the borough through the ward allocations, broken down as follows:-
  - North – 22 projects
  - South – 20 projects
  - Central – 13 projects

## 2.69 **Finance & Customer Services**

2.70 The Finance & Customer Services capital programme outturn had £1.573m of underspend and slippage against the approved budget of £3.349m.

The main variances contributing to this position are:

- Digital inclusion, £0.200m slippage. The programme is commencing now that a manager has been employed to lead the work and undertaken research baselining.
- Automation, £0.070m slippage. The service have employed 2 staff to deliver the work, however they are facing difficulties recruiting to the 3<sup>rd</sup> post. The project started 6 months later than anticipated, however a proof of concept process has been delivered and the service are now moving into identifying other services which could benefit from this technology.
- Hybrid Meeting Rooms, £0.090m slippage. The original project estimate was for a full rollout of hybrid technology in 2021/22. However, a phased implementation was subsequently agreed which has so far seen 10 rooms within Riverside House installed, capability at Maltby JSC and Hellaby Depot, as well as the Council Chamber within the Town Hall. Other Joint Service Centres and Rockingham PDC currently being planned.
- Computer Refresh, £0.297m slippage. Only purchases were made to meet the ability to avoid holding expensive stock and unused warranties. In addition, the planned mobile phone refresh has been put on hold, whilst the future requirements are reviewed which has highlighted that Mobile Voice and Data Contract are likely to be significantly less than current numbers of issued devices. There is a plan to reprofile this budget to better reflect the revised plans for a programme of refresh.

As part of the outturn position the following key outputs have been delivered:

- Approx. 1300 devices have been provisioned during 2021/22.
- Deployed new end point security and vulnerability management tools.
- Implemented a Microsoft 365 backup solution.
- Implemented a citizen portal for Adult Social Care.
- Design of the new RMBC networking infrastructure, including WiFi.
- Deployed Hybrid Meeting Rooms.
- PSN accreditation.

## 2.71 **Regeneration & Environment**

2.72 The Regeneration & Environment capital programme outturn had £23.100m of slippage against the approved budget of £70.937m. The main variances contributing to this position was:

### **Planning, Regeneration & Transport**

- Forge Island Flood Defence, (£1.082m) slippage. The overall costs were increased due in the main to inflation on required materials (steel), these increases lead to a requirement for an additional funding package, that has

delayed progress. An increased funding package is now in place and the project has been re-profiled and will be completed by August 2022.

- Riverside Precinct & Chantry Building Demolition, £0.424m slippage. There have been delays securing a contractor to remove the pedestrian bridge with works due to commence in first quarter 2022/23. Preparations for the bridge removal are underway and will complete Q2 2022/23.
- Grimm and Co, £0.773m slippage. There have been delays in finalising the funding agreement which has pushed the works into 2022/23. Funding agreement signed and initial phase of construction works underway.
- Century Phase II - £0.728m slippage. The Council had to revise the scope and nature of the project to bring it more into line with the office space requirement in the borough, larger space workshops, rather than traditional office space for example. The revisions to the scope meant that the scheme could not commence until late in 2021/22. The project is due to complete during 2022.
- 9-13 High Street (Primark), £0.421m slippage. This scheme has been delayed due to cost pressures and the need to finalise designs. Final design amendments are in the process of being concluded ahead of tendering.
- West Bawtry Road Embankment, £0.350m slippage. The scheme commencement has slipped, with the completion date expected by November 2022.
- Parkway Widening, £7.638m slippage. The project is well into the delivery phase, however, some challenges with site access and allowing all partner agencies to develop at the same time generate a delay, the project is now expected completion of October 2022.
- Greasbrough Village Centre Traffic signals, (£0.463m) slippage. The project has slipped due to funding pressures which needed to be resolved. The project now has a forecast completion date of first quarter 2023.

### **Culture, Sport & Tourism**

- Leisure PFI, £0.946m slippage. The budgets are very difficult to establish, whilst the Council and the PFI contractor are working to a PFI Lifecycle costs plan, the work that is carried out is based on need and so the Council has to review at the end of each financial year whether the works incurred are capital or revenue. Any variances are reflected in the carried forward position over the life cycle of the assets.

### **Community Safety & Streetscene**

- RRFAS 2A Ickles Lock (ERDF), £3.245m slippage. The project costs have increased, which has resulted in a revised funding package being put together, plus ongoing discussions with other stakeholders which has

resulted in a significant re-profile of planned expenditure with the works now expected to be completed by June 2023.

- Pothole Funding, (£2.041m) slippage. The underspend will be carried forward into 2022/23, Government provides the Pothole allocations as an additional funding allocation, significantly after the Council has set its Capital Programme and crucially, after it has designed out its delivery programme. These grant allocations are announced by Government around October each year making delivery in the same year challenging, in particular alongside the impacts of the pandemic. As such it makes building a delivery programme more challenging, though Government have confirmed the funding can be carried forward to be utilised during 2022/23.
- Street Scene Equipment / Vehicles, £0.306m underspend. The budget was to enable the service to purchase new vehicles to transport the Council's mowers. However, an alternative solution was identified that saw the service overcome this issue by replacing all tyres on the mowers to make them road worthy.
- CCTV Enhancement and Upgrade, £0.361m slippage. The project has been delayed due to a number of issues with regard to updating the operating systems. These hardware and software solutions have now been resolved and the contractors are in place with an anticipated completion date of August 2022.

As part of the outturn position the following key outputs have been delivered:

- Progress to either relocate or refurbish/co-locate locality libraries continued throughout the year. The following projects are now complete:
  - Upgrade to public I.T. provision is complete which includes new public access PCs across all libraries, digital screens and the upgrade of library self-service units.
  - Introduction of toilet and café facilities where possible, plus a refresh of furniture and décor to eight neighbourhood libraries
  - Improved signage to all neighbourhood libraries (except for Thurcroft due to relocation).
  - The transfer of Thurcroft Library to the Gordon Bennett Memorial Hall site progressed with plans for the project being completed and planning permission and building regulations granted.
- Completed delivery of the second year of the £24m to 2024 Road Programme and the final year of the Highways Capital Maintenance funding through LTP with a total investment of over £11m in the improvement in the condition of the highway network.
- The delivery of the Canal Barrier at Forge Island will be completed in July 2022 and Flood Alleviation project at Ickles lock has started with a planned completion in March 2023.
- The delivery of the feasibility works to take the 6 priority flood alleviation schemes to "shovel ready" by 2024 continues to be on target.

- Service completed the installation of 28 new 'pay and display' parking machines for the town centre. All machines in the town centre now have facilities for cash or card payments.
- Service delivered the planned car park refurbishments at Wellgate, Drummond Street, Clifton Hall and Wellgate North.
- Service have replaced 110 of the 120 obsolete street lighting columns identified and the remainder will be completed in the quarter 1, 2022/23.
- Service have completed the delivery of the replacement of 1.5 Km of non-conforming Vehicle Retention System (Crash barriers).

## 2.73 **Transformation Programme (Capitalisation Direction)**

2.74 The expenditure that the Council can capitalise under this direction is limited to the level of new-year Capital Receipts. A budget estimate of £2.000m of receipts is included in the Capital Programme to fund revenue expenditure that meets the criteria of being transformational spend. The Council's policy allows the use of new-year capital receipts to fund transformational costs that would otherwise be held within revenue expenditure accounts, releasing pressure on the revenue budget. Although capital receipts were generated in this financial year they were utilised to fund the expenditure on short life asset's in order to reduce borrowing costs which is a more favourable overall outcome for the Council. The cost of transformational spend was minimal and kept within revenue as a result.

## 2.75 **Housing Revenue Account (HRA)**

2.76 The HRA capital programme outturn was a £8.070m underspend / slippage against the approved budget of £52.176m. The main variance contributing to this position was:

- Refurbishments, £1.371m underspend – External £1.19m + £0.4m on internals. There has been a slow start to the year and with new ways of Covid safe working, it was not possible to complete 5 schemes within the year. As a result a carry forward request has been made for £1.190m on externals and £0.400m on internals to allow the works to be completed in the first quarter 2022/23.
- Replacement boilers, £0.326m overspend - The programme of Replacement Boilers had a budget of £1.3m and an actual out turn position of £1.626m. The project is a programme of replacements for boilers and ad-hoc replacements. Due to high level of ad-hoc (demand driven) boiler replacements, the scheme out turned in an overspend position, however, this was covered off by underspends in the wider HRA programme.
- Major Voids, £0.671m overspend. The programme of Voids had a budget of £2.5m and an actual out turn position of £3.2m, the responsive nature of the service lead to an increase in volume and increase in that works required in properties.
- Strategic Acquisitions, £0.708m slippage. The budgets within this programme line are a mixture or approved schemes and growth budgets where schemes

are in the development stages. A number of the planned acquisitions didn't come forward as early as anticipated.

- The programme for Town Centre Development (Housing) – (£3.041m) slippage This scheme is to deliver 171 housing units over 3 Town Centre sites of which 20 have been completed. The scheme is on site on all three sites and progressing well. The slippage in year budget is largely due to a variety of utility issues across all three sites. The project will be re-profiled to reflect a completion of November 2022.
- The scheme for MMC bungalows, £1.952m underspend. The project did not commence for a variety of reasons, including issues with the site. The scheme is to be incorporated into a wider scheme within the HRA growth programme that is currently in early stages of development. Therefore, a roll forward of the budget into 2022/23 has been actioned.
- SOAHP Bungalows 2 sites, £0.060m slippage. This scheme was substantially complete with some issues with statutory services and highways work, which will be completed in the first quarter in 2022/23.

As part of the outturn position the following key outputs have been delivered:

- The Housing investment delivered £10.417m of investment in the Council's existing housing stock during 2021/22. The programme is split into multiple schemes for example, investing in external elements including roof renewals, fascias and soffits along with internal upgrades to boilers, improving the communal areas within blocks of flats, improving major elements in properties when they become void, increasing the energy efficiency of homes, and upgrading the fire doors to flats.
- 41 units delivered for social housing, comprising of 14 bungalow units, 8 at Treeton and 6 at Ravensfield. A further 18 units at Rothwell Grange (Broom Hayes) and 9 new purchased units under the strategic acquisitions programme, 3 units at Thorpe Hesley, and 6 at West Melton.
- 436 Major Adaptations completed (Fair Access)

External Improvements	648
Upgrading fire doors	742
Installation of full sprinkler systems	0
Communal Area improvement works	0
Renewal of walkways to flats	42
Structural Works	38
Upgrade of Neighbourhood Centres	14
Improve the energy efficiency of	229
Major works in void properties	205
Boiler upgrades	984
Environmental improvements (paths, fencing, parking etc)	16
	Schemes completed

2.77 **Funding of the Capital Programme 2021/22**

2.78 The £104.938m of capital expenditure was funded as shown in the table below:

**Table 5 Funding of the Capital Programme 2021/22**

<b>Funding Stream</b>	<b>Outturn £m</b>
Grants and Contributions	43.448
Unsupported Borrowing	14.623
Capital Receipts	2.579
Revenue Contributions	0.183
<b>Total Funding - General Fund</b>	<b>60.832</b>
Grants and Contributions	4.978
Housing Major Repairs Allowance	25.264
Useable Capital Receipts	7.519
Revenue Contributions	6.346
<b>Total Funding - HRA</b>	<b>44.106</b>
<b>Total</b>	<b>104.938</b>

2.79 **Capital Receipts Outturn 2021/22**

2.80 The Council is continuing to undertake a comprehensive review of its assets and buildings portfolio with the aim of rationalising both its operational and non-operational asset holdings. This may contribute future capital receipts which are earmarked to support the revenue budget, using the capital receipts flexibilities in place until 2024/25 to fund expenditure relating to transforming Council services to generate future revenue efficiency savings.

2.81 In 2021/22 General Fund Capital receipts of £0.941m were generated as shown in the table below. Although, £0.050m of this was for loan repayments, these cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used under the new capital receipts flexibilities introduced from the 1st April 2016.

**Table 6 – General Fund Capital Receipts Received in 2021/22**

<b>Description</b>	<b>Total as at 31st March 2022 £m</b>
11 Russell House	- 0.077
Copeland Lodge	- 0.401
58 Quarry Hill Road	- 0.261
Eddisons Lot 30	- 0.014



Dunford Depot	-	0.124
Miscellaneous	-	0.014
<b>Total Capital Receipts (Excluding loan repayments)</b>	-	<b>0.891</b>
Repayment of Loans	-	0.050
<b>Total Capital Receipts</b>	-	<b>0.941</b>

2.82 Although capital receipts were generated in this financial year they were utilised to fund the expenditure on short life asset's in order to reduce borrowing costs which is a more favourable overall outcome for the Council. The cost of transformational spend was minimal and kept within revenue as result.

### 2.83 Updated Capital Programme 2022/23 to 2025/26

2.84 The Capital Programme 2022/23 has been reset at £285.283m split between the General Fund £211.221m and HRA £74.062m. These programmes are higher than previous programmes due in the main to the following;

- Significantly increased government and external funding to support Town Centre redevelopment and Infrastructure programmes. Such as the Town Centre Fund, Future High Streets Fund and Transforming Cities Fund. Whilst this is positive, these resources are heavily time restricted and present a significant challenge for the Council to deliver.
- Slippage into the 2022/23 financial year from 2021/22 due to delays caused in part to the pandemic, inflation impacts and challenges from demand on suppliers in the sector, adding greater pressure on delivery to 2022/23.
- The Housing Growth Programme within the HRA programme, presents the ambition of the Council to expand and improve housing supply but also represents a sizeable challenge for delivery.

The 2022/23 programme has increased overall by £40.509m from the position reported to Cabinet in February 2022. The movement is based on the latest profiles of expenditure against schemes, following the 2021/22 outturn position, factoring in slippage from 2021/22 of £36.930m and new grant funding of £3.579m. The total slippage from 2021/22 was £38.983m, £36.930m moving into 2022/23 and a further £2.053m re-profiled across 2023/24 to 2025/26.

### 2.85 Table 8: Updated Capital Programme 2022/23 to 2025/26

Directorate	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	2025/26 Budget £m	Total Budget £m
<b>General Fund Capital</b>					
Children and Young People's Services	15.797	6.346	4.560	6.468	33.171
Regeneration and Environment	172.140	34.324	9.052	7.062	222.579

Adult Care & Housing	7.659	6.385	14.117	4.273	32.435
Assistant Chief Executive	0.496	0.210	0.210	0.210	1.126
Finance and Customer Services	14.129	14.893	7.090	2.990	39.102
Capitalisation Direction	1.000	1.000	1.000	1.000	4.000
<b>Total General Fund Capital</b>	<b>211.221</b>	<b>63.159</b>	<b>36.030</b>	<b>22.004</b>	<b>332.413</b>
<b>Total HRA Capital</b>	<b>74.062</b>	<b>45.834</b>	<b>28.575</b>	<b>28.575</b>	<b>177.046</b>
<b>Total RMBC Capital Programme</b>	<b>285.283</b>	<b>108.993</b>	<b>64.605</b>	<b>50.578</b>	<b>509.459</b>

In light of the challenges that Covid-19, inflation and supplier demand has brought about the Council will need to carry out a detailed review of the current capital programme, to assess the deliverability of projects to planned budgets and timescales. It is too early at this point to accurately carry out this piece of work as such the review will need to take place in the autumn when a greater level of clarity is available about the impact on the capital programme.

## 2.86 Forecast funding position of Capital Programme 2022/23

The £285.283m of capital expenditure is funded as shown in the table below;

**Table 9: Funding of the approved Capital Programme**

<b>Funding Stream</b>	<b>2022/23 Budget £m</b>
Grants and Contributions	129.031
Unsupported Borrowing	79.136
Capital Receipts	1.878
Capital Receipts - Flexible Use & HRA Contribution	1.000
HRA Contribution	0.176
<b>Total Funding - General Fund</b>	<b>211.221</b>
Grants and Contributions	3.925
Unsupported Borrowing	15.746
Housing Major Repairs Allowance	42.867
Capital Receipts	8.798
Revenue Contribution	2.726
<b>Total Funding - HRA</b>	<b>74.062</b>
<b>Total</b>	<b>285.283</b>

3. **Options considered and recommended proposal**
  - 3.1 This detail is set out in Section 2 above.
4. **Consultation on proposal**
  - 4.1 None identified
5. **Timetable and Accountability for Implementing this Decision**
  - 5.1 The Strategic Director - Finance and Customer Services is responsible for implementing any actions arising from the supported recommendations in this report. These should be actioned at the earliest opportunity to aid the monitoring of the 2021/22 Revenue Budget and Capital Programme.
6. **Financial and Procurement Advice and Implications**
  - 6.1 As set out in the sections above.
  - 6.2 There are no direct procurement implications arising from the report.
7. **Legal Advice and Implications**
  - 7.1 None identified
8. **Human Resources Advice and Implications**
  - 8.1 None identified
9. **Implications for Children and Young People and Vulnerable Adults**
  - 9.1 None identified
10. **Equalities and Human Rights Advice and Implications**
  - 10.1 This is a finance update report, providing a review of the Council's outturn position for 2021/22. Any equalities and human rights impacts from service delivery have been or are detailed as service budgets, capital projects are pulled together for inclusion within the Council's revenue budget or capital programme.
11. **Implications for CO2 Emissions and Climate Change**
  - 11.1 No direct implications.
12. **Implications for Partners**
  - 12.1 None identified
13. **Risks and Mitigation**

- 13.1 There are increasing cost pressures associated with the rising demand for social care services. The Council will continue to closely monitor its financial position throughout the year and if required management will implement appropriate mitigations.
- 13.2 There is funding uncertainty for the local government sector beyond 2022/23 as the Local Government financial settlement was only a one year allocation. The Council's Medium Term Financial Strategy will be revised and updated later in the year to reflect the estimated outcomes of economic pressures that are impacting the Council's costs such as inflation and energy prices along with revised resources as greater clarity is provided by Government.

**14. Accountable Officers**

Judith Badger, Strategic Director of Finance and Customer Services  
 Rob Mahon, Assistant Director – Financial Services

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	27/06/22
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	23/06/22
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/06/22

*Report Author:*

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