

# Corporate Policy & Resources Committee



26 June 2023

<b>Title</b>	<b>2022-23 Revenue carry forwards to 2023-24</b>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Paul Taylor Chief Accountant
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Community Affordable Housing Recovery Environment Service Delivery
<b>Recommendations</b>	<p><b>The Committee is asked to agree and approve the attached requests for £109,251 of 2022-23 revenue expenditure to be carried forward to 2023-24, as set out in appendix A.</b></p> <p><b>The Committee is also asked to approve the recommendations in 2.2 and 2.5 below in respect of the carry forward for:</b></p> <p><b>2.2 – Pollution Control Operations</b></p> <p><b>2.4 – The Council approved Charter Building refurbishment</b></p>
<b>Reason for Recommendation</b>	To comply with the Council's current financial regulations and to enable the identified projects & initiatives to complete.

## 1. Key issues

1.1 The Committee is asked to approve the £109,251 carry forward requests listed in appendix A.

## 2. Options analysis and proposal

2.1 This is an annual process and is being submitted to the Committee for approval, as the Revenue Outturn for 2022/23, to be agreed after this report, has generated a surplus.

2.2 Without creating a precedent, officers are recommending that the request for carry forward received from Pollution Control Operations, for the purchase

and installation of a new air quality monitoring station costing £10,900 is carried forward, despite the fact that this budget is overspent.

- 2.3 Officers have made this recommendation because the overspend was created due to circumstances beyond budgetary control, in respect of the following:
- (a) barrister expenses resulting from Member work request associated with the contaminated landfill (approx. £15,000)
  - (b) clean-up of illegal fly-tipping of hazardous liquid waste on council owned land (£19,572 so far)
- 2.4 Officers are recommending that the carry forward work at the Charter Building, which has already been approved by Council, is credited to the Sinking Fund, rather than credited the General Fund, as this expenditure relates to the refurbishment work being carried out for one of our investment properties, which is what the Sinking Fund was established for, this ensures that the funding for this project is ring fenced, and it will be released in 2023/24, meaning that the 2023/24 Budget will remain balanced.
- 2.5 The Committee could agree not to approve all or some of the requests for carry forward, and whilst that would be a savings, this was **rejected** by officers because some projects will remain incomplete, or reduced funding will be available for distribution to our vulnerable and at-risk residents, and it would not make a difference to some of the smaller value projects,
- 2.6 There are no other options to discuss in respect of the projects listed in appendix A, as each request needs to be evaluated and approved, or not by the Committee.

### **3. Financial implications**

- 3.1 In aggregate, this means that £109,521 of 2022-23 revenue expenditure will be moved into the Council's Revenue Carry Forward reserves as at 31 March 2022 and will be released 2023-24, to maintain a balanced budget.

### **4. Options**

- 4.1 There are a number of alternative options for the committee consider.
- 4.2 It could agree not to approve all or some of the requests for carry forward, and whilst that would be a savings, some projects will remain incomplete, or reduced funding will be available for distribution to our vulnerable and at-risk residents, and it would not make a difference to some of the smaller value projects.
- 4.3 It could agree to stop the already approved projects at Roundwood and Charter, although Roundwood is fully funded, and restart them at a later date once reapproved, however, this would seriously impact on the level of rental voids, put more pressure on revenue cashflow and will have wasted a great deal of officer time, spent on getting the contracts to their current stage. On these grounds officers do not recommend this option.
- 4.4 One further option Council has is to do nothing on the Charter Building, and this will have the following implications:
- (a) £800k unfunded project will be returned to the General Fund for 2022-23. The approved refurbishments will still go ahead and complete in

2023-24 and an additional £800k adverse will be added to the Revenue Monitoring report, as it would be treated as unplanned expenditure.

- 4.5 There could also be some reputational fall out and or result in increased construction costs, should any of these decisions impact on current or past contract negotiations with suppliers or delay the project.

## **5. Procurement**

- 5.1 None

## **6. Legal**

- 6.1 None.

## **7. Risks**

- 7.1 Should the Revenue Carry Forwards in respect of the two development projects be delayed further, this could have an adverse impact on the Council's ability to minimise the void period, leading to more lost rental income, which in turn will place more pressure on the Sinking Fund to support Council Services.

- 7.2 There are no other significant risks based on the amounts of money, £109,521 involved.

## **8. Equality and Diversity**

- 8.1 None

## **9. Sustainability/Climate Change Implications**

- 9.1 None.

## **10. Timetable for implementation**

- 10.1 All 2022-23 revenue expenditure carried forward, will be spent by 30 June 2023.

**Background papers:** 2022-23 Revenue Outturn Report, which is also being discussed at tonight's committee meeting and Council's financial regulations in respect of revenue carry forwards.

### **Appendices:**

**Appendix A** – list of 2022-23 revenue expenditure items to be carried forward in to 2023-24.