

CABINET

18 October 2022

MID-YEAR REVENUE FINANCE REPORT 2022/23

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/020922	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
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Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Cabinet:

1. Notes the revenue forecast at the end of August (para 3.3).
2. Notes the changes to the approved budget as per para 3.2 including budget adjustments for new Ring Fenced grants (Appendix A).
3. Notes that the Medium Term Financial Plan (MTFP) gap for 23/24 is still estimated at £2.8m but further updates will be undertaken prior to budget setting to reflect the issues detailed in 4.1.
4. Approves the budget timetable for 22/23 as per para 8.3.

1 PURPOSE OF THE REPORT

- 1.1 To provide all Members with an update on the revenue budget position for 22/23. An update on the capital programme is included in a separate report 157/2022.

2 EXECUTIVE SUMMARY

2.1 Financial priorities

2.1.1 The Council has two key financial objectives which are stated in its approved Corporate Strategy:

- The Council is committed to being financially sustainable. This means ensuring it can live “within its means”, only spending the funding it receives and balancing the budget in any given year without using General Fund reserves. This is the number one priority.
- The second key priority is to maintain reserves above the current recommended minimum limit of £3m as approved by Council.

2.1.2 The plan to achieve financial sustainability is discussed in report 158/2022. The short-term priority for the 22/23 budget is for the Council to minimise reliance on reserves to balance the budget whilst still achieving its corporate objectives. Whilst the Council’s original 22/23 budget assumed a reliance on non ring-fenced reserves of £155k, Officers highlighted pressures in the Outturn that meant use of reserves could reach £3.895m. The challenge for 22/23 was to minimise use of reserves which would give the Council more time to address its future financial gap.

2.2 Budget performance in 22/23

	Key questions	Position	Comments and where you can find out more
1	Are we on track to achieve overall budget?	Green	Yes, under budget by £216k (see 3.3)
2	How confident are we about forecasts?	Amber	Confident about most areas, a number of risks still exist and confidence level on high risk budgets is covered in Appendix C.
3	Are there budgets under pressure?	Red	Yes, Appendices B & C highlight a number of areas where the Council is seeing pressures.
4	Have we committed all the additional funding requested in the outturn report?	Green	No, only £3.507m has been drawn down from reserves rather than £5.917m at Outturn. See section 3.2 for further details.

2.3 Reducing reliance on Reserves

	Key questions	Position	Comments and where you can find out more
OVERALL			
1	What is the gap and is it getting worse?	Amber	Section 4.1 provides an update on the current position and the issue that need to be considered in the next formal update of the MTFP. It remains difficult

	Key questions	Position	Comments and where you can find out more
			to determine whether the position will get “worse” without details of any funding settlement.
2	How confident are we about the size of the gap?	Red	Section 4.1 provides an update on the current position. Confidence is still low as significant uncertainty re.
3	Have we got a plan to close the gap?	Amber	A financial sustainability report will be presented in the October Cabinet meeting.
4	Have there been any changes to assumptions in MTFP?	Amber	Section 4.1 provides an update on the current position but no formal updates of the MTFP have been undertaken.

3 BUDGET PERFORMANCE IN 22/23

3.1 Overall position

3.1.1 This reports sets out the latest financial position as at the end of Period 5 (August 2022). It includes:

- a) Update on how the budget has changed (3.2)
- b) A summary of the revenue budget forecast for 22/23 (3.3)
- c) Local Plan budget Position (3.4)
- d) The latest position on funding bids (3.5)

3.1.2 At a headline level at budget setting, the total reserve usage was expected to be £2.689m (of which £2.314m relates to business rates timing differences). This was increased at outturn to a potential £5.917m for a range of new pressures. Due to the new process outlined in the Outturn report (repeated in section 3.2.2) this has reduced the use of reserves to £3.507m. This, rather than performance against budget, is a key indicator of success for the current position.

3.2 How the budget has changed

3.2.1 The Council approved its budget in February 2022 and revised this as part of the Revenue and Capital Outturn Report (104/2022). Changes have been made following approvals by Cabinet, Council and proposed changes in this report which are listed in Appendix A.

3.2.2 As described previously, it was explained at Outturn that additional budget requests would be managed differently. Rather than increase individual budgets by the amounts proposed, the Director for Resources, working with Corporate Leadership Team, would:

- alert managers that budget is available to meet additional pressures;
- seek further information about spending plans and timing;

- work with managers to assess what underspends might be achieved e.g. staffing or what further pressures might emerge;
- subject to the above, release budget to individual areas as required.

3.2.3 Only £3.507m has been drawn down rather than the £5.917m approved (Appendix D gives details of how the use of reserves position has moved). This has been achieved for various reasons:

- Demand – although the Council is seeing additional demand in areas requested (social care, transport etc), the overall financial position (including underspends in other areas) has meant the majority has not been required. Point (iv) in Appendix A shows demand pressure drawn down of £110k rather than the original request of £820k.
- Staffing – although some of the staffing requests are being used, vacancy levels and therefore staff underspends (totalling £496k) across the Council has mitigated the need for more drawdown. This has resulted in only £186k of the additional request of £835k being applied.
- Contracts – at the time of writing the Outturn report the uplift to the waste contract had not been agreed. The final agreed uplift was 5.4% which due to the underspend on dry mixed recycling, coupled with the MTFP allowing for c3% inflation meant that the £216k additional drawdown is not required.
- Funding – The way in which some of the anticipated pressures have been funded has changed as new Government funding has become available. We have received Adult Social Care Reforms funding of £97k and funding for the Special Educational Needs programme “Delivering Better Value” of £45k.

3.2.4 Whilst the position is positive there are still several areas where we could see pressures materialise that may impact the amount of funding that will be drawn down for the remainder of the year, these include:

- Utilities – the Government has recently announced a support package through an energy price cap. There is little detail about the scheme at the time of writing so no adjustment has been made to forecasts.
- Demand – if we do see demand continuing to rise then more resource may have to be drip fed into the budget.
- Waste and Waste Infrastructure – the Council is preparing a report to undertake a high-level feasibility study into the options for provision of waste infrastructure facilities on Council land. The report will request funding for the development of a business case and cost model for investment in waste infrastructure (depot, waste transfer station and fleet).
- Asset Review – the Council is preparing a report to undertake further work on options for held assets. The options work will require funding.

3.2.5 Appendix A shows how the budgets have moved since outturn.

3.3 2022/23 Revenue forecast

3.3.1 The mid-year revenue position is that the Council is forecasting a deficit position of £0.961m compared to a budgeted deficit position of £1.176m, resulting in a underspend of £216k. The table below shows the forecast position at the end of August.

	Original Budget	Total Revised Budget	Mid Year Forecast	Variance to Budget
People	19,807	19,935	20,467	533
Places	14,701	15,415	15,500	85
Resources	7,667	7,858	7,693	(165)
Projects	0	217	217	0
Contribution to Overheads	0	0	(162)	(162)
Directorate Total	42,175	43,424	43,715	291
Pay Inflation	674	678	678	0
Social Care Contingency	429	0	0	0
Net Cost of Services	43,277	44,102	44,393	291
Appropriations	(2,478)	(2,478)	(2,478)	0
Revenue Contribution to Capital	0	243	243	0
Capital Financing	1,647	1,647	1,648	1
Interest Receivable	(100)	(200)	(761)	(561)
Net Operating Expenditure	42,346	43,314	43,045	(269)
Financing	(39,656)	(39,656)	(39,656)	0
Transfers to / (From) Reserves	(2,683)	(2,482)	(2,428)	54
(Surplus) / Deficit	7	1,176	961	(216)

3.3.2 The overall position of the Council shows that the Council is experiencing significant additional cost pressures (Appendices B and C give detail) but these pressures are offset by staffing vacancies (£496k), other underspends including better than expected returns on investments and top slicing some grants to offset against existing overheads (Appendix B).

3.3.3 Details of the functions over / underspending by more than £25k can be found in Appendix B. The Council has a number of high risk budgets, mainly around demand led areas, and performance against these budget can be found in Appendix C.

3.4 Local Plan

3.4.1 A new Local Plan was approved by Council (report 105/2021). A £1.545m reserve was created to resource the making of a new local Plan for the County, which included funding for the expected pressure of operating without a local plan. A

further £172.7k was added as part of the outturn report. The Local Plan budget is accounted for as a memorandum account and is not included within the table in 3.3.

3.4.2 The table below shows the latest position of the Local Plan budgets, which shows a pressure of £601k. No additional top up is requested as some of the figures are not known and there could be further fluctuation. The oversight of the budget is within the scope of the Local Plan working Group.

Local Plan	Budget	2021/22 Outturn	Forecast 2022/23	Future Years Forecast	Total Forecast	Projected Overspend
	£000	£000	£000	£000	£000	£000
Local Plan	(983)	12	411	678	1,101	118
No Local Plan	(736)	(26)	121	1,124	1,219	483
Total	(1,719)	(14)	532	1,802	2,320	601

3.5 Funding Bids

3.5.1 The Council has recently submitted or will be submitting bids for external funding.

- i) **Levelling Up fund bid** – Cabinet approval was given in June to submit a joint application with Melton Borough Council for Levelling Up Funding. If successful, the Council may be asked to provide match funding for up to 20% of the award value. An announcement on the grant award is expected to be made in the Autumn statement.
- ii) **UK Share Prosperity Fund Allocation (UKSPF)** – the funding has been launched to support the Levelling Up agenda. All local authority areas in the UK have received a conditional allocation. Rutland’s allocation is £1m. A local investment plan was submitted on the 1st August 2022. A further update will be provided once confirmation has been received from government.
- iii) **The New Prosperity Fund** was announced by Government on 3rd September 2022. It complements the UKSPF and is a top-up to help address the extra needs and challenges facing rural areas. Rutland has a notional allocation of £400k. An investment plan needs to be developed and submitted by 30th November to release the funding.

4 REDUCING RELIANCE ON RESERVES

4.1 Overall position

4.1.1 The Outturn MTFP indicated that in 23/24 the reliance on reserves will be c£2.8m. The MTFP has not been updated since Outturn but will be updated before budget setting to reflect emerging issues:

- e) Investment Income – interest rates are increasing and the Council’s cash balances remain high so investment income is expected to increase until March 2024 (See Appendix B Reference 13).
- f) Adult Social Care Cap – the Government is consulting on funding allocations for 23/24 on the implementation of the Care Cap. Funding could be in the

region of £500k - £700k but the Council is still working on what the costs could be (modelling is underway) and will not know this before the end of the financial year.

- g) Fair Funding – the Council is doing a fair cost of care exercise. This will give us a view about the actual operating costs of homecare and residential care provider and what rate we may need to pay to sustain the market. Any new rate is expected to be much higher than the current rate. We are due to submit a provisional market sustainability plan in October. We will receive funding for 23/24 (our share of £600m) but we do not know if this will be sufficient. Consultants, Newton, believe the Government has underestimated the funding required nationally by c£10billion for the Fair Cost of Care and Adult Social Care Cap.
- h) Known pressures – there are some known pressures and some expected to materialise.
 - Adult Social Care – As Appendix C (Reference 5) shows Council is currently overspending on Adult Social Care by £378k.
 - Children Social – We have seen two high cost placements present within this year that will cost c£500k for the foreseeable future (Appendix C Reference 7).
 - Commissioned Transport – As can be seen in Appendix C (Reference 3) the Council is already forecasting an overspend of £253k on commissioned transport. This is likely to continue as demand for SEN continues to rise.
- i) Pay – the pay settlement for 22/23 is still not settled. The deal on the table includes an uplift of c£1,950 per employee.
- j) National Insurance – the governments decision to reverse the ASC levy will save the council approx. £100k per annum
- k) Council tax base – the taxbase is reviewed in October. The taxbase multiplied by the council tax rate gives the potential tax yield. If the taxbase grows above expectations then there can be a positive yield.

5 CONSULTATION

- 5.1 Formal consultation is not required for any decisions being sought in this report. Internal consultation has been undertaken with officers to assess the impact of the forecast on the budget in future years.

6 ALTERNATIVE OPTIONS

- 6.1 Cabinet are requested to note the current position and future outlook. There are no alternative options.

7 FINANCIAL IMPLICATIONS

- 7.1 The report highlights the impact of the current forecast for 21/22 on the MTFP. The under spend is positive and will help subsidise future deficits giving the

Council more time to right size the budget. For 22/23 onwards revised MTFP assumptions and the impact of savings work mean the gap is estimated at c£1.8m.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

8.1 Where Directors wish to increase a functional budget by over £100k or they anticipate that the overall Directorate budget is likely to be overspent (there is no de-minimis level) they must seek approval in advance from Cabinet or Council for a virement to cover any increase.

8.2 There are functions within the People and Places Directorates that fall into this category, but no specific request has been made because overspends can be contained within the overall budget.

8.3 In accordance with the Constitution, Cabinet is required to publish a budget timeline for 23/24. The budget timetable is as follows:

- December - settlement expected to be received from Government (date unknown)
- January Cabinet - draft budget approved by Cabinet
- January - February - consultation (no less than three weeks) including special budget scrutiny panels
- February Cabinet - Cabinet approve final budget to Council
- February Council - Council approved final budget and Council tax

9 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment (EqIA) has not been completed as this report does not impact on Council policies and procedures.

10 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications.

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 There are no health and wellbeing implications.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 The report updates Cabinet and all members of the forecast financial position for 22/23 which is positive as the Council is not intending to draw down all of the additional budget approved at Outturn.

13 BACKGROUND PAPERS

13.1 None

14 APPENDICES

Appendix A	Approved Budget Changes
Appendix B	Variances Over/underspent £25k
Appendix C	High Risk Budgets
Appendix D	Movement in Reserves
Appendix E	MTFP

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577

Appendix A. Approved Budget 22/23 changes

This Appendix shows budget changes since Outturn.

Description	Net Cost of Services		Capital Financing	Funding	Transfer to/(from) Reserves	Spend on Capital	(Surplus)/ Deficit
	£000		£000	£000	£000	£000	£000
Approved Budget (09/2022)	43,276		(931)	(39,656)	(2,683)	0	6
Contingency (i)	(428)						(428)
Budget C/Fwd (i)	440		0	0	(484)	44	0
Grants (i)	2,459	(2,082)	0	0	(439)	0	(62)
Staffing – Contingency (i)	835	(20)	0		(371)	0	444
Inflation/cost pressures (i)	299		0	0	0	0	299
Pay (i)	347						347
Investments (i)			(100)				(100)
Contracts (i)	216						216
Demand (i)	820						820
Leisure (i)						150	150
Local Plan (i)							0
High needs deficit (i)					1,025		1,025
Minor Budget adjustments (i)	117	(86)			(49)	49	31
Ukraine (i)	956	(956)					0
Outturn Budget (104/2022)	49,337	(3,144)	(1,031)	(39,656)	(3,001)	243	2,748
Budget C/Fwd not required (ii)	(64)				64		0
Inflation/cost pressures not drawn down (iii)	(276)						-276
Demand not drawn down (iv)	(710)						-710
Contracts not drawn down (v)	(216)						-216
Staffing not drawn down and changes to funding (vi)	(649)	(110)			327		-400
Minor Budget adjustments (vii)	47				(47)		0
Grant not drawn down (viii)	(214)				276		62
New Grants (ix)	507	(507)					0
Transformation (x)	100				(100)		0
Revised Budget	47,862	(3,761)	(1,031)	(39,656)	(2,481)	243	1,176

Figures shown in brackets denotes income/surplus position

i) As per section 7 of the Outturn report (104/2022).

ii) Of the budget carry forward requested (£484k), £64k has not been drawn down with

£30k relating to domestic abuse as additional funding was received in year and £34k relating to Training.

- iii) Of the £299k for cost pressures the only amount that has been drawn down relates to the Coroner Service (£26k). Although we are seeing additional pressures from Utilities, these are being managed with underspends.
- iv) Demand pressures of £820k was requested at outturn. Additional budget drawn down for Commissioned Transport, other areas such as Childrens etc no draw down actioned (See High Risk Appendix C ref 2,5 & 6)
- v) The outturn report requested an additional contractual pressure relating to waste management as this is subject to increases to CPI which was running at c9%. The service area is underspending and the agreed rate of inflation was only 5.4% so there was no requirement to drawdown.
- vi) The outturn report requested additional resource to facilitate additional staffing requests. Due to the overall financial position of the Council and the underspends relating to staffing (5 of the 12 functions in Appendix B are underspent because of staffing) only requests to deliver project work (ASC reforms (90k), Delivering Better Value (£45k) and Equality and Diversity Strategy £11k)) have been drawn down. The good news is that the drawdown for ASC and DBV are funded by new burdens funding.
- vii) Additional budget adjustment to drawdown ring fenced funding to pay for the ASC workforce retention payment as instructed by the Department for Health and Social Care.
- viii) Of the additional grants element (£2,549k) £15k for neighbourhood planning is not required as grant received in year should be sufficient to meet current spend, £178k relating to Local Transport Authority Capacity Grant for LTP has not been drawdown as we are awaiting detailed spend plans and £80k not drawn down from the Changing Lives grant as underspends relating to staffing and additional grant to that in the budget are sufficient to cover the emerging pressures.
- ix) The Council has received additional ring fenced funding as per the table below, all grants are expected to incur additional expenditure

Grant	Amount	Comment
CCG – WHZAN Project	£300k	To deliver remote monitoring of service users in care homes (LLR wide project).
CCG Funding Neighbourhood Worker	£34k	Additional funding for a post to support the population a data led GP Tool.
CCG Ageing Well	£82k	Extend existing provision of occupational therapists for a further year, to support early discharge 7 days a week.
Local Transport Authority Capacity Grant	£12k	Grant to support the appointment of an enhanced partnership officer.
Local Transport Authority Operators Grant	£60k	Grant to support Bus Operators within the County
Minor Grants (Below £10k)	£20k	The Council has received various small grants mainly to deliver additional culture and leisure related activities

- x) Drawing down of the £100k support requested within the budget report (01/2022) section 8.3.7 for Transformation.

Appendix B. Functions Over/Underspent by £25k

Ref	Function	Budget	Forecast	Variance	Comment
1	Contracts and Procurement	£503k	£457k	(£46k)	Underspend mainly due to vacancies
2	Public Health	£52k	£23k	(£29k)	Underspend relates to demand for Sexual Health services. As this is ring fenced funding any underspend is taken to the Public Health ring fenced reserve.
3	Development Control	£154k	£40k	(£114k)	Due to increase in expected income from planning fees and Planning Performance Agreements. The forecast allows for two larger applications coming in this financial year.
4	Parking	(£218k)	(£171k)	£47k	There is a £70k shortfall in income mainly due loss of income from staff parking permits. This has been partly mitigated by salary savings c£8k and reduced pay by mobile contract costs c£16k.
5	Public Transport	£834k	£792k	(£42k)	The Cost of Public transport provision has reduced with Oakham Town Council contributing £25k to the service and reduced costs for operating service 9 in-house for 7 months. Concessionary fares usage levels are still lower than predicted having not recovered following Covid.
6	Highways Management	£390k	£493k	£103k	Overspend largely relates to staffing position due to additional demand within the team and interim cover for maternity.
7	Transport Management	£390k	£287k	(£103k)	Underspend mainly due to vacancies.
8	Finance	£664k	£718k	54k	Overspend due to interim staffing arrangements. Agreed budget not drawn down, due to overall position of the Resources Directorate.
9	Revenues and	£367k	£404k	£37k	Overspend due to interim staffing

Ref	Function	Budget	Forecast	Variance	Comment
	Benefits				arrangements. Agreed budget not drawn down, due to overall position of the Resources Directorate.
10	Communications	£203k	£159k	(£44k)	Underspend mainly due to vacancies.
11	Business Support Services	£729k	£639k	(£90k)	Underspend mainly due to vacancies.
12	Customer Services	£187k	£159k	(£29k)	Underspend mainly due to vacancies.
13	Interest Receivable	(£200k)	(£761k)	(£561k)	Better returns on investments as base rate continues to rise and Council's cash balances remain high.
14	Contribution to Overheads	£0k	(£162k)	(£162k)	We have set aside grant income to contribute towards management costs and overheads.

Appendix C. High risk budgets

	Function	Confidence Level	Budget	Forecast	Variance	Comment
1	Commercial Properties	Medium	(£247k)	(£167k)	£80k	Increases in utility costs c£40k, vacant units £20k, and repairs forecast at £15k over budget. No draw down for the increase in utility cost forecast.
2	Commissioned Transport	Low	£2,167k	£2,420k	£253k	<p>The overspend is due to over 10 new SEND transport requirements to out of county placements and the high rise in fuel costs has increased prices for new and existing contracts.</p> <p>This is a volatile service area where we are likely to see further variances as demand for SEN continues to increase.</p> <p>£170k of the £300k outturn request has been added to the budget.</p>
3	Environmental Services and Refuse Collection	Medium	£4,717k	£4,490k	(£227k)	Main reason for underspend is gate fees for dry mixed recycling continue to be low. No drawdown of the £226k requested at outturn has been made.
4	Property Services	Medium	£1,107k	£1,145k	£36k	Overspend is mainly due to a new Stock Condition/Estate Management Database £17k, repairs £8k and Asset Review spend £6k.
5	Adults	Low	£9,170k	£9,548k	£378k	<p>The Adult Social Care service has seen a number of pressures emerging.</p> <p>1) Fuel surcharge from care providers totalling £167k.</p> <p>2) Bed Rates – Additional</p>

	Function	Confidence Level	Budget	Forecast	Variance	Comment
						<p>cost due to having to place service users at market bed rates (between £300-£500 more per week of previously agreed Council rates) as the Council have seen a care home close resulting in no available places at Council rates.</p> <p>3) Changes in demand for services - more service users using homecare services rather than Direct Payments or residential Care</p> <p>4) New high cost placement of £228k per annum.</p> <p>The budget does not include any of the £280k requested at Outturn given the overall financial position.</p>
6	Childrens	Low	£5,851k	£6,115k	£264k	<p>The main reason for the level of overspend is due to 2 new high cost placements in year costing approx. £500k per annum. There was capacity in the budget of c£100k. The service has done well to mitigate some of this demand by use of internal foster carers rather than Independent Foster Agencies and salary underspends have also helped to mitigate pressures.</p> <p>The budget does not include any of the £300k requested at Outturn.</p>
7	Legal &	Medium	£657k	£589k	(£68k)	Undertaking more work internally and more

	Function	Confidence Level	Budget	Forecast	Variance	Comment
	Governance					effective gatekeeping by the internal legal team has reduced the number of legal cases referred to external lawyers.

Appendix D. Movement in Reserves

For the purposes of our work, the Council will use the term non ringfenced reserves to include the General Fund balances plus earmarked reserves that, whilst earmarked, could in effect be made available to subsidise the budget. For example, the Council has an adverse weather reserve that is there if needed but is not committed. Conversely, the Council has other earmarked reserves such as the Local Plan reserve, for these term ringfenced reserves will be used. These reserves are already committed and therefore not available. They are not there “just in case”. We will use the term ringfenced reserves for this type of reserve. This classification is helpful as it excludes statutory ringfenced reserves and those that are already committed.

The reserves were classified differently at outturn with Non-ringfenced reserves, at the end of the year, totalling £16.96m and ring fenced reserves being £10.19m, the reclassifications between the two categories are;

- i) Local Plan £1.705m moved from non-ring fenced to ringfenced,
- ii) High Needs £1.025m moved from non-ring fenced to ringfenced,
- iii) NNDR Technical Reserve £0.459m moved from non-ring fenced to ringfenced (this is balance on the reserve after the usage in year shown in the table below).

After the reclassifications the balances would be £13.77m for non-ringfenced reserves and £13.37m for ringfenced reserves.

The table below shows how the reserves have moved since budget setting. The outturn position had a number of resource requests (additional draw down funds to support the budget) as well as top ups because of the outturn position. The MTFP in Appendix E shows the balances held as per the last update of the MTFP at Outturn. The table uses the classification set out above and separates out the transactions further to show in more detail the movement from budget setting.

Ref	Reserve	Original Budget £000	Outturn Budget £000	Proposed Budget £000
A	Ring Fenced Reserve (Technical) (i)	2,314	2,314	2,314
B	Ring Fenced Reserves – Existing	220	565	393
C	Ring Fenced Reserve – High Needs (ii)	0	(1,025)	(1,025)
D	Non-Ring Fenced Reserves – Existing	148	1,317	800
A+B+C+D	Total Use of Reserves	2,682	3,172	2,482
E	Non Ring Fenced Reserves (General Fund)	7	1,720	0
F	Non Ring Fenced Reserves (General Fund - High Needs) (ii)	0	1,025	1,025
A+B+C+G	Total Movement Ring Fenced Reserves	2,534	1,854	1,682
D+E+F	Total Movement Non-Ringfenced Reserves	155	4,063	1,825
	Total Reserve Movement	2,689	5,917	3,507
G	Ringfenced Reserve – Top Up Outturn 21/22		(1,355)	(1,355)

Ref	Reserve	Original Budget £000	Outturn Budget £000	Proposed Budget £000
H	Non Ringfenced Reserve – Top Up Outturn 21/22		(1,008)	(1,008)
I	Non Ringfenced Reserve (General Fund) – Top Up Outturn 21/22		(1,561)	(1,561)
	Balance c/fwd - Ring fenced	(11,221)	(13,377)	(13,549)
	Balance c/fwd - Non-Ring fenced	(15,120)	(13,776)	(15,862)
<p>(i) Use of reserves for business rates is classed as a technical use of reserves. It does not represent a pressure. The balance on the business rates reserve results from funds received in one year but then used in another due to timing differences.</p> <p>(ii) Includes new reserve created of £1.025m in relation to the High Needs Deficit (outturn report section 7.8) funded by a contribution from the general fund.</p> <p>(iii) The balance of £26.341m (£11.2221m + £15.120m) can be found in budget setting report (01/2022) £14.882m (appendix 3) + £11.459m Appendix 1 (General fund balance)</p>				

Appendix E. Medium Term Financial Plan

	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget (Outturn)	Budget (Proposed)	Budget	Budget	Budget	Budget	Budget
	£	£	£	£	£	£	£
People	20,420,900	19,935,100	21,021,500	21,637,100	22,266,500	22,980,400	23,720,600
Places	16,127,200	15,414,900	16,127,000	17,142,400	17,135,100	17,511,200	17,897,300
Resources	7,725,200	7,587,700	7,775,300	7,804,800	7,895,800	8,017,800	8,202,600
Covid	0	0	0	0	0	0	0
Projects	251,000	216,600	0	0	0	0	0
Pay Inflation Contingency	1,021,500	677,600	1,387,000	1,749,100	2,114,200	2,478,900	2,849,300
Staffing Contingency	815,000	0	0	0	0	0	0
Demand Led Contingency	0	0	463,100	946,400	1,440,500	1,950,400	2,477,100
Net Cost of Services	46,360,800	44,101,900	46,773,900	49,279,800	50,852,100	52,938,700	55,146,900
Capital met from Direct Revenue	243,200	243,200	0	0	0	0	0
Appropriations	(2,478,300)	(2,478,300)	(2,478,300)	(2,478,300)	(2,478,300)	(2,478,300)	(2,478,300)
Capital Financing	1,646,900	1,646,900	1,646,900	1,646,900	1,646,900	1,646,900	1,646,900
Interest Receivable	(200,000)	(200,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Net spending	45,572,600	43,313,700	45,692,500	48,198,400	49,770,700	51,857,300	54,065,500
Other Income	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)	(1,604,500)
New Homes Bonus	(461,300)	(461,300)	0	0	0	0	0
Better Care Fund	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)	(2,712,300)
Social Care In Prisons	(74,100)	(74,100)	(74,100)	(74,100)	(74,100)	(74,100)	(74,100)
Rural Delivery Grant	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)	(890,400)
CSP Increase 1%	0	0	0	339,300	550,600	780,100	1,029,100
CSP Increase 2.5% 23/24 Only			145,728				
Retained Business Rates Funding	(3,462,200)	(3,462,200)	(6,268,900)	(6,215,000)	(6,448,900)	(6,448,900)	(6,448,900)

	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Budget (Outturn)	Budget (Proposed)	Budget	Budget	Budget	Budget	Budget
	£	£	£	£	£	£	£
Government funding subtotal	(9,204,800)	(9,204,800)	(11,404,472)	(11,157,000)	(11,179,600)	(10,950,100)	(10,701,100)
Council Tax/Social care precept	(30,292,100)	(30,292,100)	(31,424,600)	(32,597,600)	(33,812,800)	(35,071,400)	(36,375,100)
Collection fund Deficit/(Surplus)	(159,000)	(159,000)	0	0	0	0	0
Total available Resources	(39,655,900)	(39,655,900)	(42,829,072)	(43,754,600)	(44,992,400)	(46,021,500)	(47,076,200)
Earmarked Reserve	(4,196,600)	(2,481,500)	(70,000)	0	0	0	0
Use of General Fund Balances	1,720,100	1,176,300	2,793,428	4,443,800	4,778,300	5,835,800	6,989,300
Balance brought forward	(13,026,162)	(13,026,162)	(11,849,862)	(9,056,434)	(4,612,634)	165,666	6,001,466
Local Plan	0	0	0	0	0	0	0
High Needs	1,025,000	0*					
Balance carried forward (A)	(10,281,062)	(11,849,862)	(9,056,434)	(4,612,634)	165,666	6,001,466	12,990,766
Non-Ringfenced Earmarked Reserve B/Fwd	(4,812,006)	(4,812,006)	(4,012,106)	(3,942,106)	(3,942,106)	(3,942,106)	(3,942,106)
Non-Ringfenced Earmarked Reserve C/Fwd (B)	(3,494,606)	(4,012,106)	(3,942,106)	(3,942,106)	(3,942,106)	(3,942,106)	(3,942,106)
Total Reserves C/fwd (A+B)	(13,775,668)	(15,861,968)	(12,998,540)	(8,554,740)	(3,776,440)	2,059,360	9,048,660
Ringfenced ER b/f	(15,231,365)	(15,231,365)	(13,549,165)	(13,549,165)	(13,549,165)	(13,549,165)	(13,549,165)
Ringfenced ER c/f	(13,377,165)	(13,549,165)	(13,549,165)	(13,549,165)	(13,549,165)	(13,549,165)	(13,549,165)

*Included in the £1,176,300 use of general fund balances