

## Boston Borough Council – Q4 (Abbreviated) Finance Report 2022/23

### Finance Summary

This is a shortened report as many aspects of the 22/23 outturn have already been dealt with through previous financial reporting processes as set out in the detail below. This final report on 22/23 with 23/24 means that the Councils Financial reporting is now fully caught up and all backlogs have been dealt with.

In summary:

- The revenue outturn was an underspend of £156k
- Specific and general reserves of the Council were £14.111m at 31 March 2023.
- Capital spend at the end of Quarter 4 was £3.747m against a full year budget of £6.440m
- After funding the 2022/23 Capital Programme the capital resources were:
  - Capital Reserve - £5.643m
  - Capital Receipts - £0.275m
- The Council held treasury investments of £20.5m including accrued interest as at 31 March 2023.

### Section 2 – Finance

Section 2.1	Revenue Budget
Section 2.2	Capital Budget
Section 2.3	Treasury Update
Section 2.4	Insurance
Section 2.5	Debt Collection
Section 2.6	Business Rates and Council Tax Collection

Inflation	January (%)	February (%)	March (%)
CPI	10.1	10.4	10.1
RPI	13.4	13.8	13.5

### Section 2.2 – Revenue Budget

**Table 1** details the outturn by Assistant Director. This shows an underspend position of £156k.

Table 1 – Net Spend by Assistant Director				
Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Corporate	2,192	2,075	(117)	(£147k) IT software due to savings against budget, (£16k) salary & oncost savings due to actual costs lower than budgeted & secondment savings, (£22k) internal communications savings, offset by £74k vacancy efficiency target

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Economic Growth	126	207	81	£119k salary and oncosts due to service review taking place after original budgets were set offset by (£35k) additional S113 income received
Finance	2,284	2,495	211	£377k rent allowances offset by (£50k) saving on license costs and (£116k) saving on miscellaneous non-distributed costs
Governance	662	638	(24)	£12k legal services income, (£14k) salary and oncosts offset by income received for S113s posts, (£14k) savings against postages, (£4k) overachievement of other income on other areas combined
General Fund Assets	(1,297)	(1,203)	94	(£36k) Bereavement Income due to increased volumes compared to budget, (£2k) gas savings, (£9k) water savings offset by £45k reduction in parking income and £99k electricity overspend against budget.
Leisure and Culture	472	482	10	(£30k) salary and oncosts savings due to vacant posts offset by £18k overspend against electricity, £2k small overspends across other areas
Neighbourhoods	1,752	1,808	56	£80k fuel, £14k washing contract, £46k vehicle hire, £99k materials & consumables, £47k agency, £9k contractor, offset by (£99k) staffing & oncosts and (£146k) additional income
Planning & Strategic Infrastructure	220	134	(86)	(£17k) salary & oncosts savings, (£142k) S113 reduction in expenditure, offset by £72k movement to reserves
Regulatory	486	515	28	£39k income underachievement against budget (of which £23k building control fees, £44k land charges offset by H&S Enforcement (£13k) and Hackney Carriage Licences (£15k)) offset by (£11k) salary & oncosts & S113s posts savings
Wellbeing and Community Leadership	1,320	1,208	(112)	(£104k) Income overachievement on demand for payment (service of notice) - this was a new income stream added to the 2022/23 budget and it difficult to predict the level of income this would generate when setting the

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
				budget, (£8k) other small savings across all other service areas
BTAC	733	733	(0)	
<b>Sub Total – Assistant Director – net costs</b>	<b>8,950</b>	<b>9,090</b>	<b>141</b>	
Internal Drainage Boards/Parish Precepts	2,660	2,627	(33)	IDB actuals less than budgeted for
DRF	1,888	360	(1,528)	(£1.5m) Towns Fund - Leisure, (£280k) amongst other areas
MRP	15	50	35	
Interest Payments Received / Return on Property Funds	(466)	(830)	(364)	(£364k) Additional investment income due to better than anticipated interest rates & higher volumes invested than budgeted for.
Reserves	(5,182)	(2,532)	2,649	See reserves tab
Efficiencies Requirement	(282)	(118)	164	PSPS Contract savings
Impairment Allowance	0	(173)	(173)	(£294k) decrease in Housing benefit overpayment provision offset by £110k court costs and £11k sundry bad debtors
<b>Non Service Expenditure</b>	<b>(1,367)</b>	<b>(618)</b>	<b>750</b>	
<b>Total Expenditure</b>	<b>7,583</b>	<b>8,473</b>	<b>890</b>	
Council Tax	(5,396)	(5,397)	(1)	
Business Rates	1,249	756	(492)	(£519k) reduction in NNDR deficit, (£26k) Business rates levy surplus offset by £50k increase in pooling levy charge
Non Ring Fenced Government Grant	(3,436)	(3,988)	(553)	(£563K) additional CARF received, £10k reduction in other S31 grants
<b>Total Funding</b>	<b>(7,583)</b>	<b>(8,629)</b>	<b>(1,046)</b>	

Table 1 – Net Spend by Assistant Director				
Assistant Director Area	Revised Budget 2022/23	Outturn 2022/23	Variance (underspend)/overspend	Comments on main variances
	£'000	£'000	£'000	
<b>Total Budget - (Surplus)/Deficit</b>	<b>(0)</b>	<b>(156)</b>	<b>(156)</b>	

### Income

The Council has a number of demand-led budget areas which are reliant on income for services provided.

Table 2 – Trading Income Budgets				
Income Area	Revised Budget 2022/23	Actual Income 2022/23	Variance (above)/below budget	Comments
	£'000	£'000	£'000	
GF - Car Parking, Bereavement, and Property	(1,938)	(1,949)	(12)	£36k Car Parking, (£36k) Bereavement Income, (£12k) other income
Leisure Pool, and Markets	(1,035)	(1,015)	20	Market income
Neighbourhoods – Office Cleaning, Recycling	(978)	(919)	59	Green waste collection fees less than budgeted for
Development Management	(633)	(585)	48	Planning application fees
Regulatory – Land Charges, Licences	(391)	(394)	(3)	
Bed & Breakfast	(44)	(168)	(125)	Higher income received than budgeted for but offset by higher expenditure within the service
Property Asset Income	(808)	(833)	(24)	Rent reviews resulted in higher than budgeted for income
<b>Total</b>	<b>(5,825)</b>	<b>(5,863)</b>	<b>(38)</b>	

Reserves

At 31 March 2023 specific reserves were £16.11m, after a net transfer from reserves of £2.938k to cover revenue and capital expenditure. **Table 3** reflects the outturn position.

<b>Table 3 – Specific and General Reserves Balance</b>				
<b>Reserve</b>	<b>Balances at 1 April 2022 £'000</b>	<b>Contributions into Reserves £'000</b>	<b>Use of Reserves £'000</b>	<b>Balances at 31 March 2023 £'000</b>
Capital Funding	5,627	333	(317)	5,643
Transformation	1,622	37	(268)	1,391
Repairs and Renewals	698	52	(83)	667
ICT	87	-	(36)	50
Housing	1,514	42	(161)	1,395
Controlling Migration Fund	14	-	0	14
Insurance	260	-	(10)	250
Risk Mitigation Reserve	1,116	-	0	1,116
Funding Volatility*	4,990	563	(2,987)	2,566
Covid 19	852	65	(339)	578
Climate Change Reserve	-	84	0	84
Planning Reserve	-	102	(17)	86
NEW S106 & Commuted Sums Reserve	-	157	0	157
Property Funds Reserve	271	-	(156)	115
<b>Specific Reserves Total</b>	<b>17,049</b>	<b>1,435</b>	<b>(4,373)</b>	<b>14,111</b>
General Fund	2,000			2,000
<b>Total</b>	<b>19,049</b>	<b>1,435</b>	<b>(4,373)</b>	<b>16,111</b>
<b>BTAC</b>	<b>303</b>	<b>26</b>	<b>-</b>	<b>328</b>
<b>TOTAL</b>	<b>19,351</b>	<b>1,461</b>	<b>(4,373)</b>	<b>16,439</b>

\* Funding Volatility– this reserve was used to fund business rates deficit (£2.982m) and Economic Development Expenditure (£4.5k).

## Section 2.3 – Capital Budget

### Revised 2023/24 Capital Programmes

General Fund 2023/24 capital programmes were affected by slippage/re-profiling from 2022/23. The revised programmes were approved as part of Quarter 1 Finance Report to Cabinet on 20 September 2023.

**Table 5** indicates the actual capital resources that were available to the Council at the end of 2022/23. The position for 2023/2024 is also provided.

Table 5 – Capital Resources			
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Capital Resources* available at start of each year	5,616	6,358	5,918
Capital Investment (estimate in future years)	(2,047)	(3,747)	(35,715)
Additional Sources of Finance			
- New Capital Receipts (estimate in future years)	456	(456)	-
- Funding from other reserves	249	58	259
- External Grants	1,214	3,352	30,214
- Revenue Contributions	-	35	-
- Internal borrowing	-	-	959
- Budgeted contributions to capital reserve	995	333	344
- Minimum Revenue Contribution	(15)	(15)	(15)
- Transfer from Capital Reserve to support ongoing projects	(110)	-	-
<b>Estimated Capital Resources* at end of each year</b>	<b>6,358</b>	<b>5,918</b>	<b>1,964</b>

\* Capital Reserve and Capital Receipts

## Section 2.4 – Treasury Management

The Annual Treasury Management Review 2022/23 was approved by Governance and Audit Committee on 19 September 2023 and Full Council on 27 September 2023.

## Section 2.6 – Debt Collection

A review of debts is undertaken every month and monitoring is reported against targets. In line with the financial procedure limits debts below £5,000 require sign off by the Chief Finance Officer with all debts for this amount or over requiring Cabinet approval.

An analysis of the sundry debts the Council held as at 31 March 2023 is show in **Table 9**.

Table 9 – Sundry Debt Analysis							
0-30 days	31-60 days	61-90 days	91-120 days	121-183 days	184-365 days	Over 365 days	Total
£	£	£	£	£	£	£	£
237,022	37,708	17,912	37,577	101,268	288,369	287,783	1,007,639

Note: This did not include details of invoice amounts (£718,229) that were not yet due at that point.

## Section 2.7 – Council Tax and Business Rates

Table 10 – 2022/23 Business Rates Retention

	Base Estimate included in 2022/23 budget £	Forecast position at 31 March 2023 £	(Surplus)/Deficit in 2022/23 – will impact next year's budget £
Non Domestic rating income for the year	(18,566,309)	(16,797,661)	1,768,648
Less: LCC share (10% for 22/23)	1,856,631	1,679,766	(176,865)
Less: Government Share (50% for 22/23)	9,283,155	8,398,831	(884,324)
Boston Borough Council's income (excluding renewables) (40% for 22/23)	<b>(7,426,524)</b>	<b>(6,719,064)</b>	<b>707,459</b>

*Business Rates – 2022/23 In-Year Collection*

The collectable debit for 2022/23 was £19.5m with an in-year collection rate of 92.45% at 31 March 2023 (94.08% at 31 March 2022). The annual collectable debit remains below pre-covid levels as a result of ongoing retail rate relief.

The Covid Additional Relief Fund (CARF) scheme provided rate relief support against 2021/22 financial year for businesses impacted by covid but who had not been supported through other relief schemes. This relief was awarded in 2022/23.