

PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE

27 SEPTEMBER 2023

REPORT OF THE ASSISTANT DIRECTOR FINANCE & IT

A.1 CONSIDERATION / APPROVAL OF CARRY FORWARDS FROM 2022/23

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To agree the final carry forward amounts requested by Departments at the end of 2022/23.

EXECUTIVE SUMMARY

- As part of the 2022/23 Outturn Report considered by Cabinet on 21 July 2023, it was highlighted that carry forwards totalling **£25,703,270** had been requested. The carry forwards were highlighted in more detail within the associated outturn report agreed by the Portfolio Holder for Finance and Governance on 10 July 2023.
- At its meeting on 21 July 2023, Cabinet resolved that (minute 24 refers):
 - d) the approval of the carry forwards from 2022/23 be delegated to the Portfolio Holder for Finance and Governance, in consultation with the Section 151 Officer;*
 - (e) the value of any carry forwards not subsequently approved be added to the general variance set out in (c) above; and*
- Following this review, it is proposed that:

Carry forwards totalling £24,947,150 be approved (£15,022,610 revenue and £9,924,540 capital).

Carry forwards totalling £396,040 be withdrawn as they are no longer required. In accordance with (e) above, this amount be added to the general outturn variance in 2022/23 of £3.112m.

Carry forwards totalling £360,080 that do not meet the associated carry forward criteria are proposed to be referred to the next meeting of Cabinet for further consideration.

RECOMMENDATION(S)

It is recommended that:

- Carry Forwards from 2022/23 totalling £24,947,150 as set out in this report and appendices be approved; and**

(b) that subject to the above, the outcome of the review of carry forwards is formally reported back to Cabinet at its next meeting, including those items totalling £360,080 that have not been approved, for further consideration.

REASON(S) FOR THE RECOMMENDATION(S)

To finalise the budget amounts carried forward at the end of 2022/23 as part of the wider financial outturn process.

ALTERNATIVE OPTIONS CONSIDERED

The consideration of carry forward amounts form part of the wider financial outturn process and so a final determination is required.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The various carry forward amounts support a range of priorities across the Council and if approved enable the associated projects and activities to continue in 2023/24.

OUTCOME OF CONSULTATION AND ENGAGEMENT

Not applicable, however the review of the carry forwards was undertaken in consultation with Departments.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	No	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	<p>The more general item that this report relates to (Outturn Report 2022/23) was a key decision reflected in the forward plan, with the associated delegation set out in that report.</p> <p>As set out within the recommendations above, the outcome from the review will be formally reported to Cabinet at its next meeting.</p>

Yes The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:

There are no additional comments over and above those set out elsewhere in this report.

FINANCE AND OTHER RESOURCE IMPLICATIONS	
Please see comments set out elsewhere in this report.	
Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
The S151 Officer is the author of this report.	
USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The associated review undertaken has enabled an additional amount to be added to the general outturn variance for 2022/23 for further consideration as part of developing the forecast / budget later in the year.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
There are no other direct implications, although any separate decisions relating to the proposed carry forwards will need to address these issues as necessary.	
MILESTONES AND DELIVERY	
Once approved, the associated budgets will be available to Departments to continue to deliver projects and activities in 2023/24.	
The outturn report considered by Cabinet on 21 July 2023 highlighted that the outcome from the review would be reported back to Cabinet as part of a future in-year financial performance report, and that the review of carry forwards forms an important element of the Council's financial performance and development of the forecast in future years, especially within the context of the challenging financial position the Council currently faces. For example, existing base budgets can be reviewed / developed in light of prior year carry forward requests which in turn would provide the basis to explore opportunities to support the delivery of savings targets or providing 'headroom' to meet cost pressures going forward, which could be on a one-off basis or on-going.	
ASSOCIATED RISKS AND MITIGATION	
There are no direct risks, although such issues will need to be considered as part of any associated reports / decisions needed to deliver schemes and projects that the carry forwards support.	
EQUALITY IMPLICATIONS	
There are no direct implications, although such issues will need to be considered as part of any associated reports / decisions needed to deliver schemes and projects that the carry forwards support.	
SOCIAL VALUE CONSIDERATIONS	
There are no direct implications, although such issues will need to be considered as part of any associated reports / decisions needed to deliver schemes and projects that the carry forwards support.	

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

There are no direct implications, although such issues will need to be considered as part of any associated reports / decisions needed to deliver schemes and projects that the carry forwards support.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder	Please see comments above
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION**BACKGROUND AND PROPOSED CARRYFORWARDS FROM 2022/23**

On the 21 July 2023, Cabinet considered the Financial Outturn Report for 2022/23, which highlighted requested carry forwards totalling **£25,703,270**. The carry forwards were highlighted in more detail within the associated outturn report agreed by the Portfolio Holder for Finance and Governance on 10 July 2023.

A high level summary of the requested carry forwards are as follows:

Area of the Budget	Total Carry Forwards Requested
General Fund Revenue (<i>Incl. Revenue Contribution to the Capital Carry Forward Requests of £2,046,870</i>)	£15,778,730
General Fund Capital Schemes (<i>Excl. Revenue Contribution to the Capital Carry Forward Requests as they are included in the figure above</i>)	£9,924,540
TOTAL	£25,703,270

As set out in the report to Cabinet highlighted above, the above amounts are being 'held' in the relevant Commitments Reserve, pending further review. Such a review was necessary as the carry forwards requested by services may not have necessarily met the specific carry forward criteria as some items may have related more closely to taking advantage of underspends in 2022/23 to apply to potential advantageous schemes and projects in 2023/24.

In respect of the carry forward criteria mentioned above, these reflect the following broad principles:

- There is a 'contractual commitment';
- There is a related long term project which is expected to span a number of financial years;
- There is non-recurring item for which no budget provision exists in the following year;

The review mentioned above has now been completed with further details set out in the appendices. A summary of the proposed approach is set out in the following Table:

Area of the Budget	Total Carry Forwards Requested	Carry Forwards Proposed to be Approved	Carry Forwards No Longer Required	Carry Forwards to be Submitted to Cabinet for Further Consideration
(a)	(b)	(c)	(d)	(e)
General Fund Revenue (Incl. Revenue Contribution to the Capital Carry Forward Requests of £2,046,870) as set out in Appendix A	£15,778,730	£15,022,610	£396,040	£360,080
General Fund Capital Schemes (Excl. Revenue Contribution to the Capital Carry Forward Requests as they are included in the figure above) as set out in Appendix B	£9,924,540	£9,924,540	Nil	Nil
TOTAL	£25,703,270	£24,947,150	£396,040	£360,080

Subject to the recommendations above, the approval of carry forwards will support the on-going delivery of the associated schemes and projects in 2023/24.

In respect of the carry forwards no longer required of **£396,040** as set out in the table above, this amount has been added to the general favourable variance for the year of **£3.112m**, which reflects Cabinet's decision at their meeting on 21 July 2023. This brings the total general favourable outturn variance for 2022/23 to **£3.508m** which will be held in reserves for further consideration as part of developing the forecast and detailed budgets later in the year.

In respect of the items set out in column (e) above, a breakdown of which is set out in **Column (8) of Appendix A**, these relate to items that do not strictly comply with the above carry forward criteria but they may support initiatives and projects in 2023/24 and therefore it could be advantageous for them to be agreed as they further the delivery of priorities etc. In effect, they are an allocation from the general outturn variance for the year and as such, it is proposed to refer these to the next meeting of Cabinet for further consideration.

PREVIOUS RELEVANT DECISIONS

Detailed Outturn Report 2022/23 agreed by the Portfolio Holder for Finance and Governance on 10 July 2023.

Outturn Report 2022/23 that was considered by Cabinet on 21 July 2023.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – General Fund Revenue Carry Forward Requests 2022/23

Appendix B – General Fund Capital Carry Forward Requests 2022/23

REPORT CONTACT OFFICER(S)

Name	Richard Barrett
Job Title	Assistant Director Finance and IT
Email/Telephone	rbarrett@tendringdc.gov.uk 686521