



**BRENTWOOD
BOROUGH COUNCIL**

Brentwood Borough Council
Revenue
2022/23 Outturn

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General Fund 2022/23

Introduction

This enclosure summarises the provisional outturn position (subject to external audit process) for each of the Council's revenue funds and compares these with the corresponding working budget for the year.

A summary of the net position is set out below. There is an overall balanced position in the net cost of services compared to the deficit of £122k that was set.

The current budget is the original budget for the year plus items brought forward from the previous year plus other budget amendments approved during the year.

Some of the costs incurred during the year have been funded from earmarked reserves and surplus income received has been earmarked for specific purposes. The table below looks to highlight the impact of the contribution to and from reserves on the actual position on the total cost of services.

Service Net Expenditure	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Growing Our Economy	1,157	1,197	40	(361)	836	(321)
Protecting Our Environment	(2,008)	(2,681)	(673)	0	(2,681)	(673)
Developing Our Communities	1,160	1,044	(116)	35	1,079	(81)
Improving Housing	183	39	(144)	70	109	(74)
Delivering An Efficient & Effective Council	5,457	5,827	370	(69)	5,758	301
Total Corporate Priority Spend	5,949	5,426	(523)	325	5,101	(848)
Debt Impairments	38	(77)	(115)	0	(77)	(115)
Interest Payable	2,958	2,948	(10)	0	2,948	(10)
Investment Income	(2,756)	(3,287)	(531)	0	(3,287)	(531)
Pension Fund	1,138	1,037	(101)	0	1,037	(101)
Provision for Loan Repayment	1,286	1,246	(40)	0	1,246	(40)
Total Non-Service Expenditure	2,664	1,867	-797	0	1,867	-797
Appropriations	535	2,191	1,656	0	2,191	1,656
Total Cost of Services	9,148	9,484	336	-325	9,159	11

The total Net Service Expenditure has been funded as set out in the table below.

	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	(6,589)	(6,589)	0	0	(6,589)	0
New Homes Bonus	(715)	(712)	3	0	(712)	3
Other Grants	(188)	(323)	(135)	0	(323)	(135)
Business Rates Retention	(1,535)	(835)	(700)	(700)	(1,535)	0
Collection Fund Deficit/(Surplus)	0	4,404	4,404	(4,404)	0	0
Total Funding	(9,027)	(4,055)	3,572	(5,104)	(9,159)	(132)

When the funding has been considered, the overall outturn is a drawdown on working balance of £121k.

	Current Budget	Actuals	Variance	Earmarked Reserve Adj	Revised Actual	Revised Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Cost of Services	9,148	9,484	336	-325	9,159	11
Total Funding	(9,027)	(4,055)	3,572	(5,104)	(7,735)	(132)
Deficit/(Surplus)	121	5,429	3,908	(5,429)	0	(121)

The General Fund Working Balances is £2.874m for the year ending 31st March 2023 and will be shown on the Council's balance sheet.

	Current Budget	Actuals	Variance
	£'000	£'000	£'000
Working Balance b/f	2,874	2,874	0
Deficit/(Surplus)	121	0	(121)
Working Balance c/f	2,753	2,874	(121)

Earmarked Reserves Adjustment

The presented outturn position is a balanced position by utilising adjustments to and from earmarked reserves. This section looks to highlight the reason for these adjustments.

Developing Our Communities

The health and wellbeing board had a surplus of £6.7k. As this funding is ringfenced. This has been put in the health and wellbeing reserve. There was funding for CEV of £27k which has also been placed into reserves.

There is also new burdens grant for pavement licenses. In 22/23 only £790 was spent so the remaining £2.6k has been put into reserves for 23/24.

Efficient & Effective Council

Drawdown on the Rochford partnership reserve of £111k. These costs covered recruitment, legal fees, training, consultancy fees and a subscription with the good economy.

There was also a total of £42k put into reserves. £28k was for future corporate training and £13.4k for Electoral registration.

Growing Our Economy

Planned expenditure in Planning development and enforcement drew down on reserves for £346k. This covered planning legal fees, a temporary additional enforcement officer and contracted services.

There was also draw down of £18k to fund procurement legal fees regarding advice for electric vehicle charging.

There was £3k remaining from the planning referendum grant. Therefore, this has been put in to reserves for 23/24.

Improving Housing

We received a grant for £70k within general fund housing for Domestic Abuse funding. This money is yet to be spent and therefore been earmarked to 23/24.

Total Non-Service Expenditure

The Council reviewed its bad debt impairments at the end of year, this review highlighted that the Council believes it has over provided on the debts and therefore the budgeted provision was not required. In addition, there have been underspends on the Council's pension budget and minimum revenue provision. These underspends are to be contributed to a new reserve to help support the future mitigation of inflation and financing costs. The Council believes based on the current economic climate it is prudent to set aside some money to help smooth future pressures that could arise.

Funding

Contributions to and from the NDR Collection Fund Deficit and Tax Income Guarantee Scheme to offset future deficits on the Collection Fund. These deficits arise from the granting by Government of business rates relief to businesses in the retail, hospitality & leisure sectors. The loss of business rates income is paid in advance to the Council as S31 grant and is held in these earmarked reserves to offset future Collection Fund deficits.

Earmarked Reserves

As part of the year end procedures the Council must review its Earmarked Reserves. These Reserves are required to comply with proper accounting practice, whilst others have been created to earmark resources for known or predicted liabilities.

After considering the earmark reserve adjustments highlighted to present a balanced budget, the total reserve balance on 31st March 2023 is £9,472k; the in-year movement was a net position of (£3,213k).

The reserves are grouped into 4 types of reserves.

- Service – Monies requested by services to be used on specific plans or projects.
- Specific – Monies that the Council has received that have restricted conditions on how the money can be used.
- Mitigation – Earmarked specifically to mitigate financial risks to the Council.
- COVID-19 – Specific monies set aside due to funding received during the pandemic to be utilised in the short-term as the pandemic impact continues.

	2022/23		
	Balance at 1 April 2022	Movement	Balance at 31 March 2023
General Fund	£'000	£'000	£'000
Mitigation Reserves			
Inflation & Financing Mitigation	939	261	1,200
Funding Volatility	1,239	81	1,320
Housing Benefit Subsidy	150	0	150
Insurance and Risk Management	37	0	37
In Borough Regeneration	1,931	1,569	3,500
Total Mitigation Reserves	4,296	1,911	6,207
Service Reserves			
ICT Investment	0	0	0
Community Alarms	0	0	0
Asset Management	164	0	164
Electoral Registration	43	14	57
Economic Development	300	0	300
Brentwood Community Fund	0	0	0
High Street Fund	200	0	200
Environmental Initiatives	200	(18)	182
Planning Enforcement	180	(119)	61
Service Investment and Initiatives	200	0	200
Legal Resource	100	0	100
Leisure Contingency	72	0	72
LGV Driver Training	10	0	10
Parking Strategy/MSCP Clean	0	0	0
Digital, Customer & Comms	134	0	134
Planning Development	227	(227)	0
Election Costs	0	0	0
Rochford Partnership	300	(111)	189
Other Licences	3	2	5
Corporate Training	18	28	46
Apprentice Incentive	8	1	9
Street Scene Initiatives Creation	200	0	200
Staff Achievement & Recognition	3	0	3
Total Service Reserves	2,362	(430)	1,932

	Balance at 1 April 2022	Movement	Balance at 31 March 2023
Specific Reserves			
Waste Management	0	0	0
Dunton Hills Development	0	0	0
Nightingale Maintenance	292	(12)	280
Planning Delivery Grant	0	0	0
Preventing Homelessness	100	0	100
EU Exit Grant	0	0	0
Brentwood Community Hospital	40	0	40
Community Rights	38	0	38
Health and Wellbeing	103	6	109
Neighbourhood Plan	26	3	29
Land at Hanover House	10	0	10
Willowbrook Rosen Crescent	7	0	7
Play Area Grant	0	0	0
Open Data Funding to LA's	1	0	1
New corporate priorities	0	250	250
CEV funding	0	27	27
Domestic Abuse funding	0	69	69
Total Specific Reserves	617	343	960
COVID-19 Specific Reserves			
ECC - Night Time Economy Grant	0	0	0
New Burdens for SBSG	130	(130)	0
New Burdens LADGF (covid-19)	226	(226)	0
Test and Trace Admin	64	(64)	0
New burdens CT Hardship Fund and BRR	20	(20)	0
Tax Income Guarantee Scheme	440	(440)	0
COVID 19 Volatility	412	(412)	0
NDR Collection Fund Deficit	3,937	(3,564)	373
COVID-19 Support Grant	0	0	0
Council Tax Hardship Fund	26	(26)	0
Additional Restrictions Grant	24	(24)	0
New Burden funding post payment assurance	131	(131)	0
Total COVID-19 Specific Reserves	5,410	(5,037)	373
Total General Fund Reserves	12,685	(3,213)	9,472

*Closing balance is subject to approval of Audited Financial Statements 2022/23

Earmarked Reserve Detail

Mitigation Reserves

- **Funding Volatility** - Fund to mitigate the uncertainty and financial risks regarding the Government Funding
- **Housing Benefit Subsidy Smoothing** - To support the funding of subsidy claims
- **Insurance and Risk Management** – To support and mitigate high risks identified through the risk register.
- **In Borough Regeneration** – Specifically set aside to mitigate future financing risk on redevelopment of Town Centre project.
- **Inflation & Financing Mitigation** – Funds to support the uncertainty of the Council's short-term finances regarding the current cost of living crisis.

Service Reserves

- **ICT Investment** - To fund investment in the Council's ICT structure.
- **Community Alarms** - To fund the expansion of the community alarm service and the upgrading of the equipment.
- **Asset Management** - To fund the costs of developing and implementing the Council's asset management programme.
- **Electoral Registration** - To fund future changes to registration, and the implementation of the Canvass Reform 2020
- **Economic Development** - To fund the development of the Council's Economic Development Strategy
- **Brentwood Community Fund** - To fund agreed community projects.
- **High Street Fund** - To aid corporate objectives for growing the economy in town and village centres
- **Environmental Initiatives** - To develop environmental initiatives that will reduce the Council's carbon footprint.
- **Planning Enforcement** - To aid the dealing with unauthorised incursions and related enforcement work
- **Service Investment and Initiatives** - To mitigate one off costs for any identified service investments or initiatives in year
- **Legal Resources** - To fund the cost of unexpected legal case work
- **Leisure Contingency** - To support the interim direct management by the Council of the Brentwood Leisure
- **LGV Driver Training** - To fund mandatory CPC training for LGV drivers
- **Parking Strategy/MSCP Clean** - To fund specialised cleansing in the Multi Storey Car Park and costs associated with the Parking Strategy
- **Digital, Customer & Comms** - To fund schemes such as customer service accreditation and development of social media engagement
- **Planning Development** - To fund ongoing costs associated with dealing with planning applications
- **Election Costs** - To fund election services costs
- **Rochford Partnership** - To fund the development of the partnership
- **Other Licences** - Pavement licence grant to be utilised during 2022/23

- **Corporate Training** - To fund investment in staff training and development
- **Apprenticeship Investment Programme** - To maintain a rolling programme of apprenticeships at the Council.
- **Street Scene Initiatives Creation** - To fund development of one-off initiatives within Street Scene service area.
- **Staff Achievement & Recognition** - To recognise and celebrate staff achievements

Specific Reserves

- **Waste Management** - To fund the development of waste management within the Borough.
- **Dunton Hills Development** - To fund planning costs associated with the Dunton Hills Garden Village Development.
- **Nightingale Maintenance** - To meet the cost of grounds maintenance at the new housing development at this site.
- **Planning Delivery Grant** - To fund work associated with the Local Development Plan.
- **Preventing Homelessness** - To fund prevention initiatives and new costs associated with the Homelessness Reduction Act 2018.
- **EU Exit Grant** - To fund preparations required of the Council when the UK exits the EU.
- **Brentwood Community Hospital** - To fund grounds maintenance of the former hospital site.
- **Willowbrook Rosen Crescent** - To fund the cost of hedge maintenance at this location.
- **Community Rights** - To fund costs associated with Community Rights to Buy and Assets of Community Value
- **Play Area Grant** - Park improvement funding, earmarked specifically to contribute to the Council's play area strategy
- **Health and Wellbeing** - To fund projects as determined by the Brentwood Health & Wellbeing Board.
- **Neighbourhood Plan** - To fund future costs associated with the with Doddinghurst and West Horndon Neighbourhood Plans.
- **Land at Hanover House** - To fund public open space improvements at land at Hanover House.
- **Leisure Strategy** - To fund the Council's Leisure Service review.
- **Open Data Funding to LA's** - To support additional work for DCA authorities in handling queries related to open UPRN/USRN data.
- **Corporate priorities** - To fund emerging new schemes
- **CEV funding** - To support the extremely vulnerable
- **Domestic Abuse fund** - To support initiatives to reduce domestic abuse

COVID-19 Reserves

- **ECC – Night time Economy Grant** - To support licensed premises during the easing of the lockdown restrictions
- **New Burdens for SBSG** - To fund the administration of COVID 19 discretionary grants to support small businesses
- **New Burdens LADGF (covid-19)** - To fund COVID 19 local authority discretionary grants
- **Test and Trace Admin** - To fund the administration of the Test and Trace programme
- **New burdens CT Hardship Fund and BRR** - To fund the administration of delivering Council Tax and Business Rates relief.
- **Tax Income Guarantee (TIG) Scheme** - To carry TIG received in 2022/23 to offset the future year deficits on the Collection Fund
- **COVID 19 Volatility** - To mitigate any financial pressures on services caused by the COVID-19 pandemic.
- **NDR Collection Fund Deficit** - To carry forward S31 Grant received in 2022/23 to offset the deficit carried forward on the NDR Collection Fund due to the extended Retail Relief Scheme in 2022/23
- **COVID-19 Support Grant** - To assist local authorities deal with the financial pressures caused by the COVID-19 pandemic
- **Council Tax Hardship Fund** - To fund Council Tax reliefs for Council Tax payers financial Hardship Grant
- **Additional Restrictions Grant** - To hold grants funding that may need to be repaid to Government
- **New Burden post payment assurance** - To fund the reconciliation required by Government regarding all administered grants.

General Fund Subjective Variances

Detailed in the table below is a summary overall variance per subjective across General fund.

Subjective	Budget	Outturn	Variance	Comments
	£'000s	£'000s	£'000s	
Employee Related Expenditure	11,954	11,484	(470)	Overachieved on vacancy factor – lot of vacancies within departments
Premises Related Expenditure	2,151	2,435	284	Increases in energy bills and materials and labour for R&M
Transport Related Expenditure	861	999	138	Inflationary pressures
Supplies & Services	4,757	5,077	320	Inflationary pressures
Third Party Payments	2,623	2,792	169	Inflationary pressures
Transfer Payments	99	79	(20)	
Rent Allowances	4,771	4,771	0	
Rent Rebates	3,767	3,767	0	
Appropriations	(362)	(512)	(150)	
Housing benefit subsidy	(8,765)	(8,665)	100	
Government Grants	(660)	(843)	(183)	
Other Grants & Reimbursements	(2,766)	(3,450)	(684)	Recharges to RDC were greater than budgeted. Costs would be included in expenditure above i.e. staffing
Customer & Client Receipts	(10,447)	(10,821)	(374)	Rental and parking income returned more than budgeted
Recharges - Internal Income	(2,034)	(1,995)	39	
GF Debt Impairments	39	(92)	(131)	Our bad debt provision improved.
Interest Payable	2,958	2,948	(10)	
Interest Receivable	(2,402)	(2,730)	(328)	High interest rates have meant a greater return on our surplus case
Investment Properties	(354)	(558)	(204)	
Pension Fund	1,138	1,037	(101)	
MRP	1,286	1,246	(40)	
Duchess Of Kent Reserve	(12)	(12)	0	
In Borough Regeneration	878	1,569	691	Income from strategic assets was greater and therefore able to put into reserve.
Financing Volatility	0	328	328	Extra income from interest receivable
Brentwood Centre	0	0	0	
Funding Volatility Reserve	(331)	56	387	Absorbed pay award within service budgets, remaining was from accumulated savings
New Corporate Priorities	0	250	250	New reserve set up to fund new corporate priorities. Funding for in year underspends
Council Tax	(6,589)	(6,589)	0	
New Homes Bonus	(715)	(713)	2	
Other Non-Specific Grants	(188)	(323)	(135)	
Business Rates Retention	(1,535)	(1,535)	0	
Total	122	0	(122)	

Detailed in the tables below are the cost centre variances for each area under each corporate strategy heading. This is to highlight the variances and costs associated in delivering the Corporate Strategy. Adjustments between earmarked reserves have been presented to show the impact of utilising reserves this financial year.

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Total	121	0	(121)	
Delivering an Efficient & effective council	5,455	5,691	236	
Business Transformation	141	84	(57)	Vacancies
Commercial Activity	(200)	0	200	Savings target not delivered
Communications	80	95	15	
Corporate Finance	632	596	(36)	Vacancies
Corporate Fraud	(25)	(18)	7	
Corporate Health & Safety	(10)	(14)	(4)	
Corporate Leadership Team	701	750	49	Redundancy payments
Corporate Management	42	188	146	Inflationary pressures and insurance premiums
Corporate Support	220	226	6	
Council Tax & NNDR	205	114	(91)	Reimbursement from Basildon for Grant
Customer & Performance	319	311	(8)	
Democratic Services & Support	320	314	(6)	
Design And Print Services	57	47	(10)	
Digital Servs & Transformation	1,141	1,232	91	Server & licenses cost increased.
Electoral Services	327	298	(29)	
Emergency Planning	1	11	10	
Hsg Benefit & C.Tax Support	49	175	126	
Human Resources	357	301	(56)	PM Support only used part year.
Internal Audit	90	95	5	
Legal Services & Data Protect	375	231	(144)	Vacancies
Office Accommodation	156	194	38	
Payroll	37	40	3	
Procurement	21	19	(2)	
Revs & Bens Customer Support	419	402	(17)	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Developing Our Communities	1,160	1,078	(82)	
Communities, Health & Leisure	678	578	(100)	40k contribution from AXIS & SAIL & savings on events
Community Safety	167	144	(23)	
Golf Course	(71)	(92)	(21)	
Health & Food Safety	223	202	(21)	
Open Spaces	163	246	83	Inflationary pressures
Growing Our Economy	1,157	903	(254)	
Asset Development	0	0	0	
Economic Development	190	122	(68)	
Land Charges	(28)	1	29	
Planning Development Management	300	300	0	
Planning Policy Total	695	480	(215)	Saving on project support
Improving Housing	184	108	(76)	
Community Alarms	18	28	10	
Homelessness	173	96	(77)	Grant larger than budgeted
Housing Advice & Enabling	53	45	(8)	
Housing General Fund Properties	(55)	(56)	(1)	
Housing Standards	(5)	(5)	0	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Protecting Our Environment	(2,008)	(2,679)	(671)	
Asset Management	(3,841)	(4,174)	(333)	Greater rental income
Building Control	78	97	19	
CCTV	126	163	37	
Cemeteries	31	(37)	(68)	Vacancies and generated more income than budgeted
Countryside Recreation	45	78	33	
Depot Management & Admin	640	828	188	Energy bills for depot
Dog Control	8	8	0	
Env Health & Licensing Admin	105	102	(3)	
Env Health Team & Support	266	194	(72)	Vacancies
Env Pro. Noise & Pollution	4	6	2	
Environmental Initiatives	38	64	26	
Environmental Maintenance	(58)	(58)	0	
Grounds Maintenance	458	323	(135)	Vacancies
Licensing	(11)	(7)	4	
Parking	(753)	(916)	(163)	Greater parking income
Street Services	558	446	(112)	Vacancies and higher income for recycling credits
Traveller And Caravan Sites	8	8	0	
Vehicle Fleet Management	751	936	185	Inflationary pressures such as fuel & repairs
Waste Management	(461)	(740)	(279)	Vacancies and income for hire charges
Non-service expenditure	2,665	1,868	(797)	
GF Debt Impairments	39	(92)	(131)	Bad debt provision improved
Interest Payable	2,958	2,948	(10)	
Interest Receivable	(2,402)	(2,730)	(328)	High interest rates have meant a greater return on our surplus case
Investment Properties	(354)	(558)	(204)	
Pension Fund	1,138	1,037	(101)	
MRP	1,286	1,246	(40)	Slippage on cap programme
Other operating expenditure	0	17	(40)	

Corporate priority/Cost centre	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Appropriations	535	2,191	1,656	
Duchess Of Kent Reserve	(12)	(12)	0	
In Borough Regeneration	878	1,569	691	Income from strategic assets was greater and therefore able to put into reserve.
Financing Volatility	0	328	328	Extra income from interest receivable
Brentwood Centre	0	0	0	
Funding Volatility Reserve	(331)	56	387	Absorbed pay award within service budgets, remaining was from accumulated savings
New Corporate Priorities	0	250	250	New reserve set up to fund new corporate priorities. Funding for in year underspends
Funding	(9,027)	(9,160)	(133)	
Council Tax	(6,589)	(6,589)	0	
New Homes Bonus	(715)	(713)	2	
Other Non-Specific Grants	(188)	(323)	(135)	
Business Rates Retention	(1,535)	(1,535)	0	

Housing Revenue Account

The net expenditure for the year was a surplus of £390k increasing the HRA working balance to? The table below summarises the HRA outturn position for the year:

	Budget £'000	Outturn £'000	Variance £'000
Repairs & Maintenance	3,314	3,235	(79)
Supervision & Management	4,705	4,113	(592)
Rents Rates Taxes & Other Charges	171	161	(10)
Depreciation (major repairs reserve)	2,941	3,250	309
Corporate & Democratic Core	347	377	30
Total Expenditure	11,478	11,136	(342)
Dwelling Rent	(12,396)	(12,487)	(91)
Non-Dwelling Rent	(327)	(253)	74
Charges for Services & Facilities	(937)	(954)	(17)
Contributions to Expenditure	(3)	(115)	(112)
Total Income	(13,663)	(13,809)	(146)
Net Cost of Services	(2,185)	(2,673)	(488)
Bad Debt Provision	60	146	86
Interest Payable	2,071	1,908	(163)
Pension Contributions	185	276	91
Investment Income	(94)	(47)	47
Contribution (from)/to reserves	(72)	0	72
Total Non-Service Expenditure	2,150	2,283	133
Deficit/(Surplus)	(35)	(390)	(355)
Working Balance bfwd	1,921	1,921	0
Working Balance cfwd	1,956	2,311	355

HRA subjective variance analysis.

Subjective	Budget	Outturn	Variance	Reason for variance
	£'000s	£'000s	£'000s	
Employee Related Expenditure	1,561	1,401	(161)	Vacancies in Supervision and Management
Premises Related Expenditure	3,648	3,710	62	Increased energy bills
Transport Related Expenditure	12	11	(1)	
Supplies & Services	1,173	655	(517)	Savings on professional fees,
Third Party Payments	176	188	11	
Support Services	1,964	1,895	(69)	Saving on GF recharge
Capital Financing Costs	2,941	3,250	309	Depreciation charge greater than budgeted
Government Grants	0	(9)	(9)	
Other Grants & reimbursements	(9)	(127)	(118)	Insurance claims recovered greater than budgeted
Client Receipts	(13,651)	(13,616)	34	
Recharges - Internal Income	0	(31)	(31)	
Bad Debt Provision	60	146	86	
Interest Payable	2,071	1,908	(163)	Capital programme slipped, so not as much borrowing.
Pension Contributions	185	276	91	
Investment Income	(94)	(47)	47	
Contribution (from)/to reserves	(72)	0	72	
Total	(35)	(390)	(357)	