

Delegated Decisions report



11 July 2023

QUARTER 4 DRAFT OUTTURN 2022/23 - GENERAL FUND REVENUE, HOUSING REVENUE ACCOUNT, DEDICATED SCHOOLS GRANT AND CAPITAL PROGRAMME

Name of Cabinet Member	Councillor Rob Middleton (Cabinet member for Resources)
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Exempt / confidential / not for publication	No
Council Plan reference	1 – “A Balanced Budget”
Wards affected	All wards

Executive Summary

This report sets out the 2022/23 quarter 4 (QTR) Draft outturn for the General Fund (GFRA); Dedicated Schools Grant (DSG); Housing Revenue Account (HRA) and Capital Programme; based upon income and expenditure between 1 April 2022 and 31 March 2023.

The General Fund provisional outturn is an underspend of £0.526m at the end of 2022/23, this has been added to the Political Priorities reserve.

The Housing Revenue Account (HRA) provisional outturn is an underspend of £1.434m. There will also be a transfer between reserves (RCCO to Major Repairs Reserve) of £2.611m to reflect the increased value in depreciation linked to our stock values. These will be offset by a decrease in the planned level of Revenue Contribution to Capital (RCCO).

Public Health budget is reporting a contribution to the Public Health reserve of £0.402m after using £0.265m for one-off projects agreed as part of the budget

Dedicated Schools Grant (DSG) budget was set with an estimated surplus carry forward into 2022/23 of £2.515m, the position as at 31 March 2023 is a surplus carry forward of £6.790m.

The Capital Programme is reporting an underspend of £116.915m, of which £104.679m is planned to slip to later years, leaving an in-year underspend of £12.326m.

The 2023/24 Capital Programme has been rebased and includes proposed slippage from 2022/23 and recommendations to amend the 2023/24 Capital Programme. The agreed 2023/24 Capital Programme was £157.997m plus amendments to be approved of £72.990m giving a total in year programme of £230.987m. Overall the five year programme of £546.611m is detailed and included in **Annex M**.

The Tariff Programme was underspent by £26.516m, of this amount £31.409m is required to be slipped into 2023/24, leaving an in year overspend of £4.893m. The 2023/24 Tariff Programme has been rebased, and includes proposed slippage from 2022/23 and recommendations to amend the 2023/24 Tariff Programme.

1. Proposed Decisions

- 1.1 That the General Fund (GFRA) draft outturn of £0.526m against the budget, together with the management actions set out at **Annex A** to the report, be noted.
- 1.2 That GFRA savings of £4.691m savings, as set out in **Annex B** to the report, be noted.
- 1.3 That the provisional outturn for the Housing Revenue Account, at an underspend of £1.434m, which has been funded through an increase in the transfer to reserves be noted, together with the management actions set out at **Annex C** to the report.
- 1.4 That the Dedicated Schools Grant surplus carry forward of £6.790m, together with the management actions set out at **Annex D** of the report, be noted.
- 1.5 That the reserves position, as detailed in **Annex E** to the report, be noted.
- 1.6 That the outturn on the 2022/23 Capital Programme at an underspend of £12.236m after proposed slippage of £104.679m, as detailed in **Annex F** to the report, be noted.
- 1.7 That the outturn position of the 2022/23 Tariff Programme, as detailed in **Annex G** of the report, be noted.
- 1.8 That the debt position of the Council at the end of quarter 4, as detailed in **Annex H** to the report, be noted.
- 1.9 That the write-off of an unrecoverable debts that exceeds £20,000, as detailed in **Annex H** to the report, be approved.

- 1.10 That the Treasury Management report including prudential indicators, as detailed in **Annex I** to the report, be noted.
- 1.11 That the virements to the original budget, as detailed in **Annex J** to the report, be approved.
- 1.12 That the current position on the Collection Fund, as detailed in **Annex K** to the report, be noted.
- 1.13 That the procurement waiver decisions, as detailed in **Annex L** to the report, be noted.
- 1.14 That the additions and amendments to resource allocation and spend approval for the 2023/24 Capital Programme and Tariff Programme, as detailed in **Annexes M and N** to the report, be approved.

2. Why is the Decision Needed?

- 2.1 To ensure that the Council delivers a balanced budget in 2022/23 in line with the Council Plan.

Key Issues

General Fund Revenue Account (GFRA)

- 2.2 General Fund Revenue Account (GFRA) - is reporting an underspend of £0.526m.
- 2.3 The table over the page shows the draft outturn position by service area.

Table 1 - General Fund Draft Outturn

General Fund High Level Revenue Summary	Outturn Position			Movement since P9	
	2022/23 Full Year Budget	Actual	Variance	Forecast Outturn P9	Movement in month
Service	£m's	£m's	£m's	£m's	£m's
Adult Social Care	89.209	89.991	0.782	2.639	(1.857)
Public Health	12.122	12.122	0.000	0.000	0.000
Children's Services	56.533	58.776	2.243	2.137	0.106
Customer and Community	7.821	7.129	(0.692)	(0.405)	(0.287)
Planning and Placemaking	4.170	4.606	0.436	0.107	0.329
Environment & Property	72.114	71.341	(0.773)	(0.238)	(0.535)
Resources - Retained MKC	6.107	5.876	(0.231)	0.238	(0.469)
Resources - Shared Services	(0.469)	(0.469)	0.000	0.000	0.000
Law & Governance	4.162	5.357	1.195	1.053	0.142
Corporate Codes & Debt Financing	(4.110)	(7.565)	(3.455)	(4.370)	0.915
Assets Management	(27.992)	(27.992)	0.000	0.000	0.000
General Fund Requirement	219.667	219.172	(0.495)	1.161	(1.656)
New Homes Bonus	(5.997)	(5.997)	0.000	0.000	0.000
NNDR	(55.098)	(55.098)	0.000	0.000	0.000
RSG	(5.801)	(5.801)	0.000	0.000	0.000
Public Health	(12.126)	(12.126)	0.000	0.000	0.000
Other Government Grants	(3.566)	(3.597)	(0.031)	0.000	(0.031)
Council Tax	(137.079)	(137.079)	0.000	0.000	0.000
Total Financing	(219.667)	(219.698)	(0.031)	0.000	(0.031)
Net Surplus / Deficit	0.000	(0.526)	(0.526)	1.161	(1.687)
Transfer to Political Priority Reserve	0.000	0.526	0.526	0.000	0.526
Net Total	0.000	0.000	0.000	1.161	(1.161)

2.4 The GFRA draft outturn variance and management actions set out at **Annex A** of this report.

2.5 General Fund Services are currently reporting an underspend of £0.526m. The Key GFRA Variances since P9 are:

Adult Services

2.6 Adult Services has seen an improvement of £1.857m since period 9 this is due to:

- a) Learning Disability favourable movement of (£0.910m) due to a delay in transition packages starting and packages being fully funded by Continuing Health Care (£0.635m); higher than anticipated recovery of unutilised Direct Payments from service users (£0.183m) and lower Direct payments (£0.117m).
- b) Homelessness adverse movement of £0.471m due to increase in repair expenditure and extension of Queensway contract. Additionally, the average occupation of hotels in December was seven households, but this increased to an average of 11 in the last quarter of 22/23.

- c) Contracts and Commissioning favourable movement of (£0.832m); due to a reduction in the cost of Care Home placements (£0.603m) due to income from Hospital Discharge fund and an increase in Deferred Payment Agreement income. Additionally, staffing costs decreased by (£0.148m) due to lower than anticipated agency costs.
- d) Physical Disability favourable movement of (£0.569m) resulting from lower costs for support at home packages due to system miscoding, which has now been resolved.

Children's Services

2.7 Children Services forecast has seen an adverse movement of (£0.106m) since period 9. This is due to:

- a) Special Educational Needs and Disabilities had a favourable movement of (£0.086m) due to a delay in recruiting to vacant posts and a reduction in the take up of short breaks.
- b) Home to School Travel had an adverse movement of £0.311m due to an increase in demand of children with EHCP's resulting in needing school transport both within Milton Keynes and out of Milton Keynes.
- c) Corporate Parenting service had a favourable movement of (£0.189m), largely as a result of Unaccompanied Asylum Seeking Children (UASC) grant income not forecasted due to uncertainty with this cohort (£0.099m) and the remaining amount was due to placement changes during the period.
- d) Children with Disabilities Carers Support budget had an adverse movement of £0.124m as a result of increased demand of cases including one expensive emergency support package agreed since the Period 9 forecast.
- e) No Recourse to Public Funds had a favourable movement of (£0.070m) because of the reduction of families requiring support in latter part of the year compared to earlier in the financial year.

Customer and Community

2.8 Customer and Community position has improved by £0.287m since period 9, this is due to:

- a) Policy and Performance service had a favourable movement of (£0.092m) largely as a result of additional external income to the budget (0.056m) and the remaining amount was due to reserves funding one off projects in this area and not originally forecasted.
- b) Customer Services had a favourable movement of (£0.100m) largely due to additional funding posts in the Customer Service team being identified and not originally forecasted alongside vacancies in the team.
- c) Vacancies in the Regulatory Unit and Leisure have reduced by £0.049m.

- d) A pressure from Coroners and Inquests is due to backdated invoices for services (toxicology, post-mortem and other hospital bills) from Nottinghamshire & Cambridgeshire hospitals in prior years, not previously invoiced or accrued, totalling £0.140m. This is off-set by higher than budgeted income in Environmental Health and Registrations totalling (£0.144m).
- e) There is a pressure within Leisure for swimming of £0.040m due to higher than anticipated costs; this is off-set by the percentage share in income from the Abbeyhill golf course (membership income) of (£0.065m).

Planning and Placemaking

2.9 Planning and Placemaking have seen an adverse movement of £0.329m since P9. This is due to:

- a) Additional income was realised from electricity at MK Coachway for the Go Ultra City Scheme of (£0.040m).
- b) Planning application income has further reduced by £0.200m, along with a slight reduction in land charges income by £0.005m. These were partly offset by an increase in planning obligation income of (£0.017m).
- c) Previously forecasted grant income from the Ministry of Housing, Communities and Local Government (now DLUHC) of £0.160m has now been carried forward therefore eliminating the previously reported underspend.

Environment and Property

2.10 Environment and Property outturn has improved by £0.535m since period 9, this is due to:

- a) Income from car parking was £1.245m higher mainly due to pay and display and employee permits remaining strong. Car parking income for 22/23 was £10.295m which is the first time since the pandemic that income has exceeded £10m. Part (£0.350m) of this incremental income has been transferred to the Parking reserve to fund the completion of the CMK lining project, essential off-street car park repairs and maintenance and a CMK parking review in 23/24 and 24/25, leaving an improved position for the period of £0.895m.
- b) The Residual Waste Treatment Facility (RWTF) costs were £0.339m lower due to a further reduction in the tonnage of waste however, the costs to manage the commissioning of the works in Environment and Waste, were £0.261m higher due to the decision to delay the use of reserve funding until 23/24. The late finalisation of a joint insurance cost report on the RWTF increased costs by £0.102m.
- c) Winter maintenance costs were £0.244m lower due to the mild winter which has meant that fewer gritting runs were required.

- d) The Ringway costs on the Golden Grid Roads project were £0.222m higher mainly due to the inclusion of V8 pavement improvement work in the project. However, the net underspend on the landscape contract was £0.205m higher due to the nature of the programme of works undertaken.
- e) The Ringway traffic signal maintenance costs were £0.198m higher due to the age profile of the equipment and increased labour and material costs.
- f) Car parking contract costs were £0.108m higher due to the increase in parking volumes and unaccrued prior year invoices for the Councils parking enforcement contract.

Finance and Resources

2.11 Finance and Resources have seen a favourable movement since period 9 of £0.469m. Key movements include:

- a) IT's underspend has increased due to an increase in vacancies and an increase in income in excess of budget (£0.149m). This is against a reduction in previously forecasted internal income of £0.065m as less input than anticipated was required. Inflation pressure on licenses is off-set by a prepayment adjustment at the year-end reducing the overspend by (£0.126m). There was also an overspend on print of £0.085m.
- b) Vacancies within Internal Audit have increased by (£0.053m).
- c) There is an underspend of (£0.219m) on the Overpayments Debtor due to a reduction in the bad debt provision required as the number of overpayments reduce as cases migrate to Universal Credit.

Law and Governance

2.12 Law and Governance position overspend has increased from period 9 by £0.142m. This is due to:

- a) An additional £0.030m pressure on agency staff and consultants was realised in order to cover staffing vacancies to deal with the pressures on the legal service and the backlog in cases.
- b) Costs from HM Courts and Tribunals Service were £0.050m higher than anticipated for the children's social care legal service and for those directly attributable to legal and not recovered from other departments within the council, along with an unanticipated decrease in income from court awards of £0.031m.
- c) A further £0.030m pressure was realised on specialist testing within the children's social care legal service; this is as a result of the increase in court required testing for guardian suitability.

Corporate Items

- 2.13 Corporate items forecast underspend has reduced by £0.915m from the forecast reported at period 9. This is mainly due to a reduction in the use of one-off funding needed which was identified to off-set in year inflationary and demand pressures in the services.

Housing Revenue Account (HRA)

- 2.14 The Housing Revenue Account (HRA) is reporting an underspend of £1.434m. There will also be a transfer between reserves (RCCO to Major Repairs Reserve) of £2.611m to reflect the increased value in depreciation linked to our stock values. These will be offset by a decrease in the planned level of Revenue Contribution to Capital (RCCO). The forecast has improved by £1.830m since P9.
- 2.15 The details of the HRA variance are included in Annex C. The key movement in since period 9 are:

- a) Interest receivable income was higher due to increases in interest rates at £0.382m and interest payable was slightly lower than anticipated £0.105m.
- b) Regeneration team had a (£0.341m) underspend, consisting of; staff costs were transferred to capital (£0.089m), professional fees (£0.072m), internally traded expenditure (£0.096m) and consultancy and staff costs (£0.083m).
- c) Leaseholder Major works completed in 22/23 which have not yet been billed, have resulted in an accrual of (£0.550m). This is partially offset by a specific provision for bad debts on major works of £0.270m.
- d) An underspend on services in Housing System & Strategy which are contracted out to third party, where one contractor started mid-way through the year (£0.184m).
- e) Contingency was not drawn down (£0.500m).

Public Health

- 2.16 Public Health budget is reporting a contribution to the Public Health reserve of £0.402m. The underspend is as a result of using £0.265m for one-off projects, offset by a continued underspend in Sexual Health service (£0.192m) due to the re-prioritisation of GP appointments during and following Covid, additionally there is low spend for Out of Area costs. There also continues to be an underspend in Smoking Cessation (£0.131m) and NHS Check Programme (£0.091m) due to low take up of these services and re-prioritisation of primary care activity.

Dedicated Schools Grant (DSG)

- 2.17 When the budget was set, it was anticipated that there would be a surplus carry forward of £2.515m into 2022/23, however the carry forward is a surplus of £6.790m. There was a significant favourable movement of £2.621m (11%) in the Early Years block and £1.200m (2%) in the High Needs block mainly due to the volatility on both of these blocks and delays with DSG funding being confirmed due to census data at points throughout the academic year.
- 2.18 The main area of risk is in high needs where there have been increases in the number of children requiring support at increasing levels of complexity. High needs funding remains a national issue and although we currently have a high needs surplus, this is one off and the future funding increases remain uncertain on the DSG and have not up until now, kept up with demand. The early years block is very volatile and remains uncertain in terms of the level of take up due to the impact of COVID-19. There is a low level of base contingency in the block in which to deal with the pressures should they arise. Pending education reforms also add to the uncertainty to future funding levels.

Delivery of Savings

- 2.19 Savings of £5.256m were approved for implementation in 2022/23, and £0.646m savings were carried forward from 2021/22, resulting in a total of target of £5.902m to deliver in 2022/23. £4.691m (79%) has been delivered in year, and £1.211m (21%) will either not be delivered until next year or are undeliverable.
- 2.20 A full schedule of all delayed and non-deliverable budget reductions and income proposals is attached at **Annex B** to the report and sets out the detailed position on each of the individual proposals.

Collection Fund

- 2.21 The Collection Fund includes all income generated from council tax and business rates that is due in the year, including arrears, from council taxpayers and ratepayers.
- 2.22 The Collection Fund for Business rates will have an in- year surplus for 2022/23, details of this are set out in **Annex K** to the report. Surpluses will be released into the General Fund in 2023/24.
- 2.23 The current position of the Collection Fund is reported in **Annex K** to the report.

Reserves

2.24 The main reasons the Council holds reserves are to:

- manage known financial risks;
- hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions;
- manage timing differences between the receipt of funding and actual spend; and
- hold ring-fenced funds such as specific grants, trusts, schools or the HRA.

2.25 Reserves can only be spent once, and the on-going discipline of not using reserves to manage on-going expenditure must remain. Reserves are monitored during the year and reviewed at year end and when setting the budget.

2.26 The Council also has a working balance of £29.727m. This is above the minimum recommended level for 2022/23.

2.27 **Annex E** to the report shows the reserves balances based on actual spending and contributions made as part of the MTFP and new in year movements approved by the Chief Finance Officer in line with the Council's Constitution.

Revisions to the Capital Programme

2.28 There are a number of schemes that were not included in the original 2023/24 capital programme but have now completed the officer review process. Cabinet approval for resource allocation and spend approval is now sought to include new capital projects and to reprofile budgets following a review of the 2022/23 outturn (summarised in **Annex M** to the report) in the 2023/24 Capital Programme.

2.29 **Table 2** summarises the changes on the Capital Programme.

Table 2 - Summary of the changes to the 2023/24 Capital Programme

	Resource Allocation 23/24	Spend Approval 22/23	Total Resource Allocation	Total Spend Approval
	£m	£m	£m	£m
Capital Programme Council February 2023	157.997	141.742	416.991	232.024
New Projects	7.963	7.963	7.963	7.963
Amendments to Existing Project	65.027	65.027	114.107	114.107
Total	230.987	214.732	539.061	354.094

2.30 New schemes submitted for inclusion in the 2023/24 capital programme are:

- a) Refurbishment works to create Higher Complex Needs Provision for SEND pupils £5.000m – Resource allocation and spend approval was approved by Delegated Decision on the 14 March for a capital project at the former Milton Keynes Professional Development Centre (MKPDC) to create a High Complex Needs Provision (HCNP) for pupils with Special Educational Needs and Disabilities (SEND). This will be a permanent home for the HCNP provision. The funding source is the Special Provision Fund, which is grant funding allocated to the Council directly from Central Government.
- b) Local Authority Housing Fund (LAHF) £2.100m – The Government announced the Local Authority Housing Fund (LAHF) in January 2023. This capital fund is intended to help local authorities provide long term housing solutions for Afghan and Ukrainian arrivals who are homeless or at risk of becoming homeless. The Delegated Decision was approved on the 21 March 2023 to agree Resource Allocation and spend approval for the LAHF to purchase properties (2x3 bed homes and 3x4 bed homes) for use by Afghan and Ukrainian arrivals at risk of homelessness. Over 300 Afghan refugees are being housed in hotels at the present time and whilst this is a limited action in addressing the wider issue, it is seen as a step in the right direction. This project will be funded by the Homes for Ukraine grant funding.
- c) Emberton Park – Changing Places grant £0.066m – The use of the Changing Places grant funding awarded to MKCC to use on the disabled toilet facilities that cater to the complex needs of those with profound disabilities, to be used on having a modular unit built and fitted for a disabled toilet at Emberton Country Park within the static caravan park this summer. There is currently no provision in the static caravan area for disabled users.
- d) Fairfields Community Meeting Place (CMP) £0.035m – Tariff funding required to progress with the reconfigured planning permission for the Fairfields Community Meeting Place to support the Fairfields community.
- e) Fairfields Tudor Gardens Redway £0.500m - spend approval of £0.500m Tariff funding to provide a missing Redway link from the Fairfields (WEA 11) to Stony Stratford via Calverton End, a length of approximately 150 meters, the scheme also includes traffic calming measures along the H1 Ridgeway.
- f) Transport E INK displays £0.262m – Resource allocation and spend approval required to procure 50 more e-ink real time displays and maintenance for three years, in order to support better passenger transport information and audio information provision at stops as per the Bus Service Improvement Plan. The funding to be allocated from the bus service operators grant.

2.31 Approval is sought for the following amendments to resource allocation and spend approval:

- a) MK East - HIF Social Infrastructure £9.1m - Additional resource and spend approval to enable the award of the construction contract for the MK East' Primary School and Community Health Hub Project as approved by the Delegated Decision on 30 May 2023. This is subject to Full Council on the 14 June 2023 to approve the additional borrowing of £9.1m to cashflow the delivery of the project in advance of the receipt of Tariff contributions from the MK East development.
- b) Whitehouse Health Facility £0.188m - That additional resource allocation and spend approval of £0.188m in the 2023/2024 Capital Programme, funded from Capital Receipts to undertake capital works to the second floor of Whitehouse Health Centre, be notes as agreed at Delegated Decision on 7th March 2023. The additional budget is to fund works to create a Renal Unit at Whitehouse Health Centre, following increased scope requests by Oxford University Hospital (OUH) and a delayed start to the project. The costs will be recovered by additional rent paid by OUH.
- c) Bletchley to Blue Lagoon Redway links £1.774m – Spend approval to commit the remaining allocated funding to progress the new Redway from the Lakes Estate to Water Eaton Rd. Planning Permission is in place and the Bletchley Town Deal is part funding the works. The project aligns with Network Rail lease arrangements, which will enable construction to take place. This project is funding by active travel grant allocation and existing capital budget.
- d) Pothole Grant Funding £1.235m – Additional DFT Grant funding for 2023/24 has been awarded for Potholes. This funding will contribute to additional improvements and eliminate road defects to the carriageway network in Milton Keynes following the winter of 2022/23 which will also contribute to the council plan objective L52 to fix 25,000 road defects.
- e) Towns Fund £0.014m – Additional resource allocation for the Towns fund is required to match the business case report to Government.
- f) Tickford Park Development £0.150m – Additional budget required for ongoing costs of the site until its sold funding from internal borrowing.
- g) Wavendon Playing Fields £0.035m - Additional works required to be able to achieve the handover to the Parish Council. The additional funding with be covered by Tariff.
- h) Total adjustment to the 2023/24 Capital programme including realising of underspends or budget no longer required, acceleration of budget used in 2022/23, slippage brought forward from 2022/23 and the rephasing of the 2023/24 Programme is £99.815m

2022/23 Capital Outturn

2.32 **Table 3** shows a summary of the outturn position for the 2022/23 capital programme compared to budget (resource allocation). The outturn position shows an underspend of (£116.915m); however, after slippage of £104.679m, this will result in an underspend of £12.236m in year.

2.33 Detailed individual project outturn, including total project positions are detailed in **Annex F** to the report.

Table 3: Capital Programme - 2022/23 Outturn at 31 March 2023

Capital Summary	In Year Outturn			Draft Outturn after Slippage	
	2022/23 Revised Budget	2022/23 Draft Outturn	In year Variation	Project Slippage to later Years	2022/23 Under/Overspend
Service	£m's	£m's	£m's	£m's	£m's
Adult Social Care	0.068	0.000	(0.068)	0.068	0.000
Children Services	29.936	20.987	(8.949)	8.150	(0.799)
Housing and Regeneration – HRA	91.150	46.313	(44.837)	34.053	(10.784)
Housing and Regeneration - GF	1.854	1.644	(0.210)	0.210	(0.000)
Customer and Community	4.244	1.410	(2.834)	2.832	(0.002)
Planning and Placemaking	15.724	5.165	(10.559)	10.559	0.000
Environment and Property	80.267	31.665	(48.602)	48.462	(0.140)
Resources	2.037	1.180	(0.857)	0.345	(0.512)
Capital Programme Requirements	225.280	108.365	(116.915)	104.679	(12.236)
Capital Financing					
Capital Receipts	(40.645)	(40.645)	0.000	-	-
Major Repairs Reserve	(16.411)	(16.411)	0.000	-	-
Government Grants	(69.802)	(69.802)	0.000	-	-
Prudential Borrowing	(45.092)	(45.092)	0.000	-	-
Developer Contribution	(14.559)	(14.559)	0.000	-	-
Third Party Contributions	(0.521)	(0.521)	0.000	-	-
Parking Income	(0.004)	(0.004)	0.000	-	-
Revenue Contributions	(36.346)	(36.346)	0.000	-	-
New Homes Bonus	(1.900)	(1.900)	0.000	-	-
Total Capital Financing	(225.280)	(225.280)	0.000	-	-
Net Surplus / Deficit	0.000	(116.915)	(116.915)	-	-

2.34 Key Project Variances

- a) Housing Revenue Account £10.784m underspend - The majority of the in-year underspend is within the HRA regeneration and new council housing programmes where projects have been paused pending sufficient headroom within the HRA business plan.

- b) Children's services £0.799m underspend – these are due to a number of projects being completed at a lower cost than previously anticipated.
- c) Resources £0.512m - there were not any requirements for the IT Improvement Fund in 2022/23 as further funding is built into future years this allocation has been released.

2.35 2022/23 Key Slippage to later Years

- a) HRA New Build Programme £7.283m – a number of projects are to slip into 2023/24 because the Project delivery is behind schedule. The Pipeline 2 Programme is under review in light of the HRA in year funding position and uncommitted schemes will now need to be paused pending sufficient headroom in the HRA Business Plan.
- b) Fishermead – Modular £6.501m – Project is required to slip into 2023/24. There has been a slight delay and the Modular housing is expected now in June 2023.
- c) The Lakes Estate Regeneration £12.987m – Project slip into future years. The forecast spend includes main construction budget, subject to tender prices; forecast timescales are subject to agreements with the successful tenderer but likely to be delayed and the project.
- d) Harrier Court £2.344 – Project has slipped into 2023/24. There have been queries around planning details which have been reviewed and application resubmitted. The scale and complexity of project which includes decanting of 14 flats means delivery will not be on site until the end of 2023/24.
- e) Netherfield Decarbonisation £8.853m – The project is requesting slippage into 2023/24. The project design has had additional complexities along with planning application considerations which has delayed the project. The majority of site works will now fall during 2023/24. This project is expected to come in line with budget.
- f) Agora £1.662m – Project will slip into 2023/24. Demolition now completed. Contract awarded to work through design stage & surveys. Main contract to be awarded summer, works on to start autumn. Delayed due to appointment of the contractor and agreeing the first design stage has taken longer due to the volatility of the market
- g) Lakes Estate - Commercial Development £3.000m – Slippage into future years. This is the part of Lakes Estates redevelopment for building commercial property funded from General Fund. Expected to start on site 2023/24 with commercial element planned for 2024/25.
- h) Whitehouse Community Facility £1.770m – The project is expected to slip into 2023/24. The contract has been awarded, work expected to commence February 23 and complete Summer 23. Slippage is due to re-design and material availability issues.

- i) Whitehouse Health Facility £2.143 – The project is slipping into 2023/24. The Project recommenced, approval for additional budget via a DD on 7 March (See para 2.31 c above). Works due to commence June 23 and complete September 23.
- j) Towns Fund £7.181m - to be slipped into 2023/24. Summary Business cases have passed DLUHC to review & process. Programme will be rephased.
- k) Housing Infrastructure Fund £14.180m – The project is expected to slip into future years. Highway procurement led by Berkeley Group and Project funding utilising HIF. Preliminary work completed in December 22. Detailed technical design stage, main works commencement in mid-2023, project extended to 2025 and delivery profile updated
- l) Purchase of Wheeled Bins for new Waste Collection contract £5.372m - The project is expected to slip, the completion is in line with the commencement of the new service for the wheeled bins. Payment will be made on the delivery of bins to MK in 2023.
- m) Purchase of Fleet for new Waste Collection contract £9.600m – the project is slipping into 2023/24. The commencement of the Waste & Environmental Services Contract is in September 2023 to allow for supply chain issues of manufacturers. Build slots have been reserved.
- n) Improvements to Waste Services Depot £3.186m – Slippage expected. One site has now been acquired with works still on going with a property swap for another. The construction works have been slipped into 2023/24 financial year.
- o) Conversion to waste transfer Stations £1.335m – Slippage required to 2023/24. Works completed to convert to a waste transfer station. Shredder equipment to be installed by the summer 2023.
- p) Environmental Services Commissioning – Private Wire £1.992m - The timing of the Private Wire and Electric Vehicle charging infrastructure has to coincide with a major shut down at MKWRP to energise this work which is set for July and therefore delay to works commencing, therefore slippage of funding required into 2023/24.
- q) Primary Pru Special provision £1.733m - Project expected to slip into 2023/24. The project is in progress and expected to complete in the Autumn of 2023.
- r) St Pauls School Special Provision £2.489m - The project is in progress, the planning application has been submitted and expected to complete in December 2023, therefore part of the budget is expected to slip into 2023/24.

Revisions to the Tariff Programme

2.36 The 2023/24 Tariff programme has been rephased and includes potential slippage from 2022/23. The revised programme is detailed in **Annex N** to the report and included the following amendments to the Programme:

- a) Fairfields Community Meeting Place (CMP) £0.035m – Tariff funding required to progress with the reconfigured planning permission for the Fairfields Community Meeting Place to support the Fairfields community.
- b) Total adjustment to the 2023/24 Tariff programme including realising of underspends or budget no longer required, acceleration of budget used in 2022/23, slippage brought forward from 2022/23 and the rephasing of the 2023/24 Programme is £30.271m.

2022/23 Tariff Forecast Outturn

2.37 **Table 4** shows a summary of the outturn for the Tariff programme compared to budget for 2022/23. The current position shows an underspend of £26.516m; however, after slippage of £31.409m, this becomes an overall overspend of £4.893m. This overspend is due to the unbudgeted annual repayments to Homes England to reimburse them for the net expenditure balance owed to them at the time the Tariff was transferred in 2013. The sums repayable in any given year are linked to contributions generated from the development on the land owned by Homes England at Kingsmead South and Tattenhoe Park and vary year on year.

2.38 Detailed individual project outturn position, including total project positions are detailed in **Annex G** to the report.

Table 4 - Tariff Monitoring

Tariff Summary	Year End Outturn			Slippage	
	2022/23 Project Budget	2022/23 Outturn	In year Variation	Project Slippage to later Years	2022/23 Under/Overspend
Service	£m's	£m's	£m's	£m's	£m's
Roads and Highways	1.494	0.516	(0.978)	0.978	0.000
Public Transport	0.979	0.596	(0.383)	0.383	0.000
Schools	2.642	2.642	0.000	0.000	0.000
Leisure and Culture	9.629	1.375	(8.254)	8.254	0.000
Social Care and Health	5.184	0.184	(5.000)	5.000	0.000
Other Services	2.617	1.443	(1.174)	1.174	0.000
Costs of Running Tariff	0.146	5.025	4.879	0.014	4.893
Works in Kind	15.671	0.065	(15.606)	15.606	0.000
Tariff Programme	38.362	11.846	(26.516)	31.409	4.893
Tariff Financing					
Tariff Receipts	(38.362)	(38.362)	0.000	0.000	0.000
Total Tariff Financing	(38.362)	(38.362)	0.000	0.000	0.000
Net Surplus / Deficit	0.000	(26.516)	(26.516)	31.409	4.893

2.39 2022/23 Key Slippage to later Years

- MKUH Pathway Unit £5.000m - The finishing works on the Pathway Unit at MKUH were completing towards the end of the financial year and the Hospital Trust will be calling on the Council's funding contribution in 2023/24.
- Green Spaces £4.653m - The Green Spaces budget is used primarily to fund endowment payments to the Parks Trust on adoption of the parks and play areas in the expansion areas. Several of these major spaces are completed or nearing completion at the year end and subject to remedial works being completed by developers to the Parks Trust satisfaction there will be significant adoptions in 2023/24.
- Brooklands Community Space £0.300m required to slip into future years due to third party project delays. The funding will be used in future years.
- Expansion Area Flooding & Drainage Schemes £0.625m. Staff changes at LLFA and IDB likely to lead to project delay. The funding will be required in future years.
- WEA Community Meeting Place £1.781m. Construction commencement delayed due to material availability. The funding will be required in 2023/24.
- P T Patronage and Subsidy £0.250m. There are no schemes yet identified outside of Demand Responsive Transport scheme. The funding will be required in future years.
- Fairfields LP4 £0.461m – Delivery timetable being impeded by access issues. The funding will be required in 2023/24.
- Phase 2 Expansion Teaching & Learning £0.245m - Awaiting project proposals from MK College. The funding will be required in 2023/24.
- Works in kind £15.606m- The majority of the works covered by this element have been or are in the process of being delivered. The Council acknowledges the completion of the works when the credits are recovered against contributions due which will always be later.

Debt Collection and Performance

- 2.40 **Annex H** to the report details the Council's overall debt position and collection performance in quarter.
- 2.41 The Council's scheme of delegation requires that where the value of an individual debt to be written off exceeds £20,000 it should be referred to Cabinet for authorisation following the relevant approval by s151 Officer.
- 2.42 There are 2 debts to be written off in Q4 that exceeds £20,000 and requires authorisation.

2.43 Full details of the Debt Collection and Performance can be found in **Annex H**.

Treasury

2.44 **Annex I** to the report outlines the current treasury management forecast.

Virements

2.45 Financial procedure rules require virements between services to be reported and agreed, **Annex J** to the report details the virements processed in the quarter.

Procurement Waivers

2.46 Financial procedure rules require all variations to the ordering system to be approved by the Director of Finance and Resources. A summary of the procurement waivers are in **Annex L** to the report.

3. Implications of the Decision

Financial	X	Human rights, equalities, diversity	
Legal	X	Policies or Council Plan	X
Communication		Procurement	
Energy Efficiency	X	Workforce	

(a) Financial Implications

Capital implications are fully considered throughout the report. Revenue implications as a result of capital schemes are built into the Council’s debt financing and other revenue budgets as appropriate through the Medium Term Planning process. Where significant risks are known they are highlighted in this report.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

(b) Legal Implications

Legal implications may arise in relation to specific capital schemes or revenue projects. In particular a capital scheme or revenue project may be needed to meet a specific legal requirement. These implications are addressed in the individual project appraisals. There are no significant legal implications arising as a result of this report.

(b) Other Implications

(i) Policy

The recommendations of this report are consistent with the Council’s Medium Term Financial Plan.

(ii) Carbon and Energy Management

All capital schemes consider Carbon and Energy Management implications at the capital appraisal stage before they are added to the capital programme. All new buildings included within the report for inclusion in the capital programme will be built to achieve EPC rating A.

List of Annexes

Annex A	GFRA Variances
Annex B	Savings Tracker
Annex C	HRA Variances
Annex D	DSG Variances
Annex E	Reserves Position
Annex F	Capital Monitoring
Annex G	Tariff Monitoring
Annex H	Debt Position
Annex I	Treasury
Annex J	Virements
Annex K	Collection Fund
Annex L	Procurement Waivers
Annex M	Capital Programme Additions

List of Background Papers - None