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REPORT OF THE STRATEGIC DIRECTOR FOR PLACE

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TO GROWTH & PROSPERITY SCRUTINY PANEL  
26 SEPTEMBER 2022

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TITLE: **REVENUE AND CAPITAL BUDGET MONITORING 2022/23**

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RECOMMENDATIONS:

It is recommended that the panel Members:

- Note the current position and forecasted position to year end for the Service Group's revenue and capital budget.
  - Note further measures to bring forecast expenditure back in line with the budget.
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EXECUTIVE SUMMARY:

(a) Revenue forecast

The Service Group budget for 2022/23 is forecast to balance at year end.

(b) Capital

The Service Group programme budget for 2022/23 is £197.504m.

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BACKGROUND DOCUMENTS:

- SAP general ledger and BI reports
  - Various documents held on the accountancy team
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ASSESSMENT OF RISK: High

Key risks to budgetary control risk are identified in this report.

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SOURCE OF FUNDING: Sections in this report consider the revenue budget.

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LEGAL ADVICE OBTAINED: Not applicable

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FINANCIAL ADVICE OBTAINED: This report concerns key aspects of the Council's revenue finances and has been produced by the Finance division.

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WARD(S) TO WHICH REPORT RELATE(S): None specifically

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KEY COUNCIL POLICIES: 2022/23 revenue budget

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## 1 Introduction

1.1 This report is set out in two main sections:

- Section 2 sets out the current position of expenditure against the revenue budget and forecasts the year end position, highlighting any risks/sensitivities.
- Section 3 provides an update of the capital programme.

## 2 Revenue Budget

2.1 The current position and year end forecast are set out in **Table A** below.

Expenditure data reflects salaries and other expenditure up to 30/06/2022

### 2.2 Table A: Revenue budget to June 2022

Consolidated figures	Annual Budget £'000	Forecast Outturn £'000	Forecast Variation £'000	Risk Assessment
Planning & Transport	12,618	11,623	995	Green
Housing, Communities & Neighbourhoods	1,346	1,287	59	Green
Environment & Community Safety	21,431	21,969	(538)	Red
Culture & Leisure	6,662	6,685	(23)	Red
Regeneration	2,496	2,432	64	Green
Property	(695)	(138)	(557)	Red
<b>Total</b>	<b>43,858</b>	<b>43,858</b>	-	

### 2.3 Risks and Opportunities

Set out below are those areas which have been identified as currently representing the greatest risks and potential opportunities in budgetary control. These include areas where there is a high current and/or projected variance.

It is expected that the service will have a balanced position at year end.

However, it must be noted that due to continued inflation and price increases, the level of uncertainty and risk has increased. The service together with the support of finance are working closely to report the figures as accurately as possible.

## Planning and Transport

The underspend on Planning & Transport is predominantly as a result of Urban Vision, now Technical Services being brought back in house.

Bus lane enforcement surplus income, the camera on Victoria Bridge Street, remains contributing to the overall balanced position however, to a lesser degree than in 2021/22.

Parking income does appear to be showing improvement especially since new machines have been installed, although still not to pre-covid levels.

## Environment and Community Safety

Environment & Community Safety group continues to feel the pressure of Covid-19 and inflationary pressures.

Whilst income on the school catering account has improved, food increases has offset this positive effect. Increased fuel costs are impacting on other services such as waste, street cleansing and grounds maintenance and will be monitored closely with the service.

The waste service position has been affected by the outcome of a job evaluation which has significantly impacted on the financial position of the service.

Finance and service colleagues are reviewing the charge out rates for the grounds maintenance account with a view to these being implemented, this should reduce the overspend on the account.

## Culture & Leisure

The adverse variance relates to pressures on the Gateway library savings.

## Property

Pressures that remain on Salford University Park and Salford Innovation Forum, as well as on the Quays due to Peel serving notice on the service charge.

### 3 Capital

3.1 This section advises the Lead Members of developments regarding the Place capital programme, which as of June totals £197.504m.

#### 3.2 Place Capital Programme 2022/23

Executive Lead Members are asked to consider and comment on the current Place Capital programme and expenditure to June in Table B, which totals £14.645m.

**Table B – Place Capital Programme 2022/23**

Capital Monitoring Statement (£m)

Row Labels	Total Self financing / Invest to save	Total Unsupported	Total Grant	Total Contributions (inc. capital receipts)	Total Approved Programme	Sum of Spend to end of June 22
<b>Place</b>	<b>57.960</b>	<b>45.425</b>	<b>91.712</b>	<b>2.407</b>	<b>197.504</b>	<b>14.645</b>
Environment	0.004	2.859	0.011	0.663	3.537	0.146
Highways	0.000	8.051	8.508	0.170	16.730	0.550
Housing - Regulatory Services		3.216	0.215		3.430	0.134
Housing Strategy and Enabling	44.472	9.430	52.111		106.013	4.984
Infrastructure	0.000	4.151	18.573	1.354	24.078	4.354
Low carbon	3.558	0.871	2.258	0.000	6.687	0.060
Property	9.925	9.978	0.633	0.002	20.539	3.176
Regeneration		5.171	8.346	0.089	13.605	1.135
Salford Community Leisure		1.700	1.057	0.128	2.885	0.106
<b>Grand Total</b>	<b>57.960</b>	<b>45.425</b>	<b>91.712</b>	<b>2.407</b>	<b>197.504</b>	<b>14.645</b>

#### 3.3 Scheme re-profiles for delivery in subsequent years

At the request of the Corporate Capital Working Group the service is currently undertaking a review of the plan for 2022-23 to ascertain what should be reprofiled into subsequent years. Additional work is on-going to provide an indicative plan for spend in 2023-24 and 2024-25. This, together with the reprofiled 2022-23 will be presented as a report in due course.

#### 3.4 Adjustments to the Programme

There are no adjustments to this programme at present.

### 4. Recommendation

Members are requested to note the current position regarding the 2022/23 capital programme, and the proposal to re-profile the current year together with additional indicative spending for subsequent years.

## Appendix 1

### Capital Monitoring Statement (£m)

Row Labels	Total Self financing / Invest to save	Total Unsupported	Total Grant	Total Contributions (inc. capital receipts)	Total Approved Programme	Sum of Spend to end of June 22
<b>Place</b>	<b>57.960</b>	<b>45.425</b>	<b>91.712</b>	<b>2.407</b>	<b>197.504</b>	<b>14.645</b>
<b>Environment</b>	<b>0.004</b>	<b>2.859</b>	<b>0.011</b>	<b>0.663</b>	<b>3.537</b>	<b>0.146</b>
Bereavement		0.051	-		0.051	0.025
Essential equipment for service delivery		0.129	-		0.129	0.002
Greenspace & Streetscene Infrastructure		0.663	0.004	0.133	0.799	0.031
Operational Division Schemes	0.004	2.014	-		2.018	0.084
Parks Improvement Schemes		0.002	0.008	0.530	0.540	0.005
<b>Highways</b>	<b>-</b>	<b>8.051</b>	<b>8.508</b>	<b>0.170</b>	<b>16.730</b>	<b>0.550</b>
Block 3	-		5.045	0.031	5.075	0.198
Capitalisation of Highways Maintenance	-	1.980			1.980	
Construction schemes	-	0.229	0.555	0.140	0.924	0.113
Crash Barrier Programme (S)	-	0.262	-		0.262	
Fleet Replacement - Highways vehicles	-	0.609	-		0.609	
Flood Risk Management (DIP/ CIP)	-	0.274	-		0.274	0.011
Highways Investment Programme	-	1.552	1.098		2.650	0.202
Highways Network Management	-	0.032	-		0.032	

Lester Road Carriageway Refurbishment		0.525	1.175		1.700	
Lighting Programme (High Mast)	-	0.055	-		0.055	
Signs and Bollards	-	0.117	-		0.117	0.005
Structures	-	2.418	0.635		3.053	0.021
<b>Housing - Regulatory Services</b>		<b>3.216</b>	<b>0.215</b>		<b>3.430</b>	<b>0.134</b>
Affordable warmth		0.081	-		0.081	0.008
Civica Upgrade		0.001	-		0.001	
Empty properties		0.413	0.215		0.628	0.000
Former HMR CPO		0.088	-		0.088	0.000
Handyperson		0.351	-		0.351	0.051
Home Improvement Agency		0.331	-		0.331	0.027
Housing crime reduction		0.154	-		0.154	0.047
Housing enforcement		1.000	-		1.000	0.001
Housing project costs		0.606	-		0.606	
Salford Money Line / Loan products		0.066	-		0.066	
Winter Welfare		0.126	-		0.126	
<b>Housing Strategy and Enabling</b>	<b>44.472</b>	<b>9.430</b>	<b>52.111</b>		<b>106.013</b>	<b>4.984</b>
Creating a new Pendleton	-	0.415	-		0.415	-
Derive	2.981	2.666	-		5.647	0.519
Housing Delivery and Development	35.804	2.209	46.418		84.430	2.089
Housing strategy capitalised costs	-	0.140	-		0.140	-

HRA new builds	5.687	-	5.693		11.380	2.376
Tower block safety works	-	4.000	-		4.000	-
<b>Infrastructure</b>	<b>-</b>	<b>4.151</b>	<b>18.573</b>	<b>1.354</b>	<b>24.078</b>	<b>4.354</b>
Pre-Imp Infrastructure		0.111	0.005	-	0.116	0.006
Quays Media City Trafford Rd Corridor Project		3.221	2.422	1.354	6.997	1.922
Strategic Connections	-	0.399	16.108	-	16.507	2.426
Western Gateway		0.420	0.039	-	0.458	0.001
<b>Low carbon</b>	<b>3.558</b>	<b>0.871</b>	<b>2.258</b>	<b>-</b>	<b>6.687</b>	<b>0.060</b>
Kenyon Way solar farm & Charlestown weir hydro (ERDF programme)	2.189	-	0.984	-	3.173	-
Unlocking Clean Energy	1.369	0.528	1.274	-	3.171	0.060
Zero carbon pipeline development		0.343	-	-	0.343	-
<b>Property</b>	<b>9.925</b>	<b>9.978</b>	<b>0.633</b>	<b>0.002</b>	<b>20.539</b>	<b>3.176</b>
100 Embankment	6.624	-	-	-	6.624	-
Buile Hill mansion		0.700	-	-	0.700	
Carbon management programme & Energy Manager	3.301	0.089	-	-	3.389	1.446
Moor Lane - Leasehold		4.665	-	-	4.665	
MyWork - civic ventilation		0.625	-	-	0.625	
Property - General		2.532	-	0.002	2.534	0.329
Property - New Premises		0.700	-	-	0.700	-
Property capitalised salaries		0.275	-	-	0.275	-
Public Sector Decarbonisation	-	0.393	0.633	-	1.026	1.401



<b>Regeneration</b>		<b>5.171</b>	<b>8.346</b>	<b>0.089</b>	<b>13.605</b>	<b>1.135</b>
Capitalised Salaries		1.257	-	-	1.257	
City Centre Salford		0.793	7.421		8.214	0.825
Innovation Pipeline Development		0.100	-		0.100	
Pre-Imp Development		0.315			0.315	0.073
Quays and Media City UK		1.304	0.111	0.065	1.480	0.088
RHS Bridgewater		0.933	0.813	-	1.747	0.126
Strategic Place Making		0.118	-	0.008	0.126	
Town centres		0.351	-	0.016	0.367	0.023
<b>Salford Community Leisure</b>		<b>1.700</b>	<b>1.057</b>	<b>0.128</b>	<b>2.885</b>	<b>0.106</b>
Brookhouse Changing Rooms		0.035	-		0.035	
Building ventilation			-	0.088	0.088	0.033
Cleavley track - Synthetic Track Repair		0.019	-		0.019	
Cultural Development Schemes		0.535	0.247	0.003	0.785	0.050
Ordsall Futsal		0.000	-	0.008	0.008	0.001
Outdoor Sports - Grass Playing Pitches		0.140	0.140		0.280	
Pendleton Leisure Centre		0.891	0.670		1.561	0.021
Salford Roosters Changing Rooms		0.078		0.010	0.088	
Salford Sports Village			-	0.019	0.019	
SCL IT Equipment		0.003	-		0.003	
<b>Grand Total</b>	<b>57.960</b>	<b>45.425</b>	<b>91.712</b>	<b>2.407</b>	<b>197.504</b>	<b>14.645</b>