
REPORT OF THE STRATEGIC DIRECTOR FOR PLACE

TO GROWTH & PROSPERITY SCRUTINY PANEL
ON 28TH NOVEMBER 2022.

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

RECOMMENDATIONS:

It is recommended that the Panel:

- 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.
-

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 £197.938m.

BACKGROUND DOCUMENTS:

- SAP general ledger and BI reports
 - Various documents held on the accountancy team
-

CONTACT OFFICERS:

David R Mills 07990 977 388 david.mills@salford.gov.uk

ASSESSMENT OF RISK: High

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

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

LEGAL ADVICE OBTAINED: Not applicable

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

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

KEY COUNCIL POLICIES: 2022/23 revenue budget.

1 Introduction

1.1 This report is set out in three 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 30/09/2022

2.2 Table A: Revenue budget to September 2022

Consolidated figures	Annual Budget £'000	Forecast Outturn £'000	Forecast Variation £'000	Risk assessment
Planning & Transport	12,619	11,605	1,014	Green
Housing, Comm & Neighbour	1,347	1,305	42	Green
Environment & Comm Safety	21,330	21,896	(566)	Red
Culture & Leisure	6,688	6,710	(23)	Red
Regeneration	2,596	2,502	94	Green
Property	(709)	(148)	(561)	Red
Total	43,870	43,870	0	

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. However, this should be balanced against job satisfaction and retention.

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.

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.

Energy Costs – for note

It is expected that pressure will increase with regard to energy costs in the service. The additional cost will, in 2022/23 be balanced from corporate but it should be noted that costs are increasing as shown in the table below. It should be noted that as a result of recent budget and spending proposals issued by HM Government it is expected that the corporate electricity cost and corporate gas cost will improve:

	Budget 2022/23	Forecast spend for 2022/23 based on contract renewal	Estimated spend for 2023/24 based on any increased increase in price or Contract renewal	Comments regarding future contract renewals	Shortfall against budget 2022/23
Corporate Electricity Cost	1,461,355	4,981,082	6,065,325	Oct-23	- 3,519,727
Corporate Gas Cost	634,751	2,405,871	2,466,018	Jul-23	- 1,771,120
Unmetered street lighting Electricity Cost	1,357,386	1,368,413	4,076,940	Apr-23	- 11,027
	3,453,492	8,755,366	12,608,283		- 5,301,874

Capital

3.1 This section advises the Panel of developments regarding the Place capital programme, which as of September totals £197.938m.

3.2 Place Capital Programme 2022/23

The current Place Capital programme and expenditure to September is set out in Table B, which totals £31.469m.

Table B – Place Capital Programme 2022/23 (£m)

	Total Self financing / Invest to save	Total Unsupported	Total Grant	Total Contributions (inc. capital receipts)	Total Approved Programme	Total Spend to end of September 2022
Place						
Environment	0.004	2.859	0.014	0.613	3.490	0.337
Highways	0.000	8.051	8.508	0.170	16.730	2.400
Housing - Regulatory Services		3.216	0.265	0.050	3.531	0.425
Housing Strategy and Enabling	44.472	9.430	52.111		106.013	13.296
Infrastructure	0.000	4.151	18.573	1.354	24.078	8.345
Low carbon	3.558	0.871	2.258	0.000	6.687	0.091
Property	10.305	9.978	0.633	0.002	20.919	4.634
Regeneration		5.171	8.346	0.089	13.605	1.729
Salford Community Leisure		1.700	1.057	0.128	2.885	0.212
Grand Total	58.340	45.425	91.766	2.407	197.938	31.469

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 the autumn.

3.4 Adjustment to the programme

The Place Property programme has been increased by £0.380m, which reflects an approved virement of Invest to Save resource for the renovation of the esports studio at HOST.

4. Recommendation

The Panel is 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

Place Capital Programme 2022/23 (£m)

	Total Self financing / Invest to save	Total Unsupported	Total Grant	Total Contributions (inc. capital receipts)	Total Approved Programme	Total Spend to end of September 2022
Place						
Environment						
Bereavement		0.051	-		0.051	0.032
Essential equipment for service delivery		0.129	-		0.129	0.067
Greenspace & Streetscene Infrastructure		0.663	0.004	0.133	0.799	0.110
Operational Division Schemes	0.004	2.014	-		2.018	0.038
Parks Improvement Schemes		0.002	0.011	0.480	0.493	0.090
Environment Total	0.004	2.859	0.014	0.613	3.490	0.337
Highways						
Block 3	-		5.045	0.031	5.075	
Capitalisation of Highways Maintenance	-	1.980			1.980	-
Construction schemes	-	0.229	0.555	0.140	0.924	0.341
Crash Barrier Programme (S)	-	0.262	-		0.262	0.000
Fleet Replacement - Highways vehicles	-	0.609	-		0.609	0.302
Flood Risk Management (DIP / CIP)	-	0.274	-		0.274	0.070
Highways Investment Programme	-	1.552	1.098		2.650	1.462
Highways Network Management	-	0.032	-		0.032	-
Lester Road Carriageway Refurbishment		0.525	1.175		1.700	0.024
Lighting Programme (High Mast)	-	0.055	-		0.055	0.128
Signs and Bollards	-	0.117	-		0.117	0.004
Structures	-	2.418	0.635		3.053	0.070
Highways Total	-	8.051	8.508	0.170	16.730	2.400
Housing - Regulatory Services						
Empty properties		0.413	0.156		0.569	0.000
Former HMR CPO		0.088	-		0.088	0.001
Home Improvement Agency		0.331	-		0.331	0.030
Housing crime reduction		0.154	-		0.154	0.062
Housing enforcement		1.000	-		1.000	0.128
Housing project costs		0.606	-		0.606	-
Salford Money Line / Loan products		0.066	-		0.066	-
Winter Welfare		0.126	-		0.126	0.001
Warm Home Investment Team			0.090	0.050	0.140	-
Housing - Regulatory Services Total		3.216	0.265	0.050	3.531	0.425
Housing Strategy and Enabling						
Creating a new Pendleton	-	0.415	-		0.415	0.001
Derive	2.981	2.666	-		5.647	3.412
Disabled Facilities work	-	-	-		-	0.015
Housing Delivery and Development	35.804	2.209	46.418		84.430	5.716
Housing strategy capitalised costs	-	0.140	-		0.140	-
HRA new builds	5.687	-	5.693		11.380	4.152
Pendleton Concierge service transfer	-	-	-		-	-
Tower block safety works	-	4.000	-		4.000	-
Housing Strategy and Enabling Total	44.472	9.430	52.111		106.013	13.296
Infrastructure						
Pre-Imp Infrastructure		0.111	0.005	-	0.116	0.040
Quays Media City Trafford Rd Corridor Project		3.221	2.422	1.354	6.997	3.945
Strategic Connections	-	0.399	16.108	-	16.507	4.297
Western Gateway		0.420	0.039	-	0.458	0.062
Infrastructure Total	-	4.151	18.573	1.354	24.078	8.345

	Total Self financing / Invest to save	Total Unsupported	Total Grant	Total Contributions (inc. capital receipts)	Total Approved Programme	Total Spend to end of September 2022
Low carbon						
Kenyon Way solar farm & Charlestown weir hydro (ERDF programme)	2.189	-	0.984	-	3.173	0.029
Unlocking Clean Energy	1.369	0.528	1.274	-	3.171	0.062
Zero carbon pipeline development		0.343	-	-	0.343	
Low carbon Total	3.558	0.871	2.258	-	6.687	0.091
Property						
100 Embankment	6.624	-	-	-	6.624	-
Buile Hill mansion		0.700	-	-	0.700	-
Carbon management programme & Energy Manager	3.301	0.089	-	-	3.389	2.223
MyWork - civic ventilation		0.625	-	-	0.625	-
Property - General	0.380	2.532	-	0.002	2.914	0.862
Property - New Premises		0.700	-	-	0.700	-
Property capitalised salaries		0.275	-	-	0.275	0.015
Public Sector Decarbonisation	-	0.393	0.633	-	1.026	1.533
Property Acquisition Fund		4.665	-	-	4.665	-
Property Total	10.305	9.978	0.633	0.002	20.919	4.634
Regeneration						
Capitalised Salaries		1.257	-	-	1.257	
City Centre Salford		0.793	7.421		8.214	1.255
Innovation Pipeline Development		0.100	-		0.100	
Pre-Imp Development		0.315			0.315	0.090
Quays and Media City UK		1.304	0.111	0.065	1.480	0.206
RHS Bridgewater		0.933	0.813	-	1.747	0.133
Strategic Place Making		0.118	-	0.008	0.126	
Town centres		0.351	-	0.016	0.367	0.046
Regeneration Total		5.171	8.346	0.089	13.605	1.729
Salford Community Leisure						
Brookhouse Changing Rooms		0.027	-		0.027	-
Building ventilation			-	0.088	0.088	0.049
Cleavley track - Synthetic Track Repair		0.019	-		0.019	-
Cultural Development Schemes		0.535	0.247	0.003	0.785	0.101
Leisure Centre Equipment			-		-	0.022
Ordsall Futsal		0.008	-	0.008	0.015	0.002
Outdoor Sports - Grass Playing Pitches		0.140	0.140		0.280	-
Pendleton Leisure Centre		0.891	0.670		1.561	0.042
Salford Roosters Changing Rooms		0.078		0.010	0.088	-
Salford Sports Village			-	0.019	0.019	-
SCL IT Equipment		0.003	-		0.003	-
Salford Community Leisure Total		1.700	1.057	0.128	2.885	0.212
Place Total	58.340	45.425	91.766	2.407	197.938	31.469
Grand Total	58.340	45.425	91.766	2.407	197.938	31.469