

11. **SLIPPAGE REQUESTS FROM 2022/23 INTO 2023/24 BUDGET (JW)**

1. **Purpose of the report**

To seek approval from Members for the budget slippage requests to carry unspent budget from 2022/23 into the 2023/24 budget.

Key Issues

- **The full outturn report will be brought to members in July 2023, however the requests to move forward of monies from underspends in the 2022/23 budget need to be approved by members before expenditure can be incurred in 2023/24.**

2. **Recommendations(s)**

1. **The specific slippage requests of £320k (at Appendix 1) be approved to be carried forward into the 2023/24 budget.**

How does this contribute to our policies and legal obligations?

3. Under standing orders 7.A-3 'the Chief Executive or a Head of Service may authorise the placing of orders for routine consumable expenditure up to the amounts provided in the detailed annual budget.' Slippage that has been requested from 2022/23 into 2023/24 needs further approval to be utilised in 2023/24.

Background Information

4. Slippage requests are requests from budget holders who have an underspend in their service budget for the previous financial year and wish to carry forward the budget into the next financial year. The 2022/23 budget was approved in February 2022 and the outturn position for 2022/23 is currently being finalised as part of the Statement of Accounts processes.
5. The Authority has an obligation to publish the draft statement of accounts by 31 May each financial year. For 2020/21 and 2021/22 this was pushed back to 31 July as a result of the coronavirus pandemic and other audit related issues. However, for the 2022/23 financial year, the statutory publication deadline has reverted back to the pre-covid date of 31 May.
6. The Authority's outturn position has previously been reported in May of each year for the previous financial year, however for the previous two financial years, the final outturn position has changed during the completion of the Statement of Accounts or external audit processes with an update reported to Members at a later date. Meeting the reporting deadlines for the May committee is also very challenging each year. Therefore, the full outturn and commentary on budget variances will be presented after the Statement of Accounts are completed but before the external audit is completed, the closest meeting date to this being 28 July 2023.
7. However, this means that the slippage requests for 2022/23 would remain unauthorised until July and this could have an operational impact to the services without separate approval from Members contained in this report. The Authority has a culture of authorising slippage each financial year, however the Head of Finance has been working to reduce the reliance on slippage each year. The requests for 2022/23 at £315k are significantly reduced from the £939k requested for 2021/23. It has been raised with the Management Team that there is an intention for there to be no slippage for 2023/24 into 2024/25 to allow for a more strategic approach to utilising underspent

budgets.

Proposals

8. Whilst the final variances are still being calculated at the time of writing, the provisional outturn shows that the overall budget for 2022/23 will be underspent and the £315k proposed slippage requests can be accommodated. Individual budgets are checked when the request is received and confirmed by the finance team before the slippage is taken to RMM for discussion.
9. The Head of Finance reviewed the slippage requests from budget holders to ensure they had a sound financial reasoning for the budget to be carried forward. These were then discussed at RMM on 4 May 2023, and at the meeting of budget monitoring group on 5 May 2023.
10. Appendix 1 shows the proposed slippage requests totalling £315k from underspends in the 2022/23 budget for Member approval.

Are there any corporate implications members should be concerned about?

Financial:

11. The financial implications are contained in the main body of the report.

Risk Management:

12. The Chief Finance Officer has a statutory responsibility under Sections 25 – 28 of the Local Government Act 2003 to report to Members, the Monitoring Officer and external auditors on the robustness of the budget setting and monitoring process. They have an express duty to monitor the budget and underlying assumptions throughout the year, and to act when significant overspends or shortfalls in income occur. The Annual Governance Statement prepared by the Monitoring Officer is reported to and approved by Members. The Management Team consider financial risks in the Risk Register during the year. The External Auditor considers the financial position of the Authority as part of the annual Value for Money conclusion. The recommendations within are considered to be part of the evidence to support the effectiveness of the value for money processes as they relate to the 2022/23 financial year.

Sustainability:

13. There are no specific issues relevant to this report.

Equality, Diversity and Inclusion:

14. There are no specific issues relevant to this report.

15. Climate Change

16. **Background papers (not previously published)**
None

17. **Appendices**
Appendix 1 - Slippage Requests 2022/23

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 11th May 2023