

Budget Narrative

The Headline figure is a projected deficit for the financial year 2022/23 of **£1,081k**.

Key significant adverse variances	
A projected overspend of £890k with regards to the Council undertaking its statutory homelessness responsibilities. The overspend is a combination of temporary accomodation costs and housing benefit subsidy shortfall	£866k
Staff costs - the prime driver behind the overspend is the anticipated costs of meeting the 2022/23 pay award. A budgetary provision of 2% was included within the 2022/23 budgets but taking into account the impact of the projected inflationary uplift to the Minimum Living Wage (MLW); a settlement in the region of the 5% is forecast.	£299k
Inflationary increases, primarily with regards to Fuel have resulted in a forecast over spend on transport related costs of £122k	£122k
The Council's utilites are fixed until October 2022, based on current market conditions a overspend on utilities costs is forecast	£89k

Key Favourable Variances

Recent increases in the Bank of England base rate has increased the Councils' return on its short term treasury deposits	£202k
The Council has in previous years been tasked with undertaking additional duties on behalf of Central Government. These have included amongst others delivery of the energy rebate scheme. Whilst there has been additional costs associated with these additional burdens the actual grants received has exceeded the direct costs incurred.	£98k