

Provisional Outturn 2023/24



Report to:	Cabinet
Date:	11 July 2024
Portfolio Holder:	Councillor Michael Hardware, Portfolio Holder for Finance
Lead Officer:	Jacqueline Van Mellaerts, Assistant Director – Finance and Deputy Section 151 Officer (01279) 446251
Contributing Officer:	Richard Criddle, Finance Service Manager (01279) 446223
Key Decision:	No
Forward Plan:	Forward Plan Number I017197
Call In:	This item is not subject to call in procedures because it is within the scope of the budget approved by Full Council February 2023
Corporate Mission:	Deliver High-Performing Services
Wards Affected:	None Specifically

Executive Summary

A This report sets out the positive position of the provisional outturn for the financial year ending 31st March 2024. This report includes outturn positions for general fund, housing revenue account and the capital programmes. The report also includes details of carryovers requested for approval and describes the earmarked reserves position at the end of 2023/24 financial year.

B The key elements of the provisional outturn are:

General Fund

- The outturn for the general fund shows a favourable position of £244,000.
- Utilise the general fund surplus to create a transformation earmarked reserve of £144,000 for identified projects within the transformation programme.
- Utilise the general fund surplus to create a climate change earmarked reserve of £100,000 to supply the delivery of the climate change action plan.

- Following approval of recommendations, working balances will stay at £3.969 million which is still well within the minimum level of reserves of £2.5 million.
- Earmarked reserve position as at 31 March 2024, including climate change reserve are:
Mitigation reserves balance - £9.528 million
Service reserves balance - £5.905 million
Grant reserves balance – £9.173 million
Capital reserves balance – £42,000

Housing Revenue Account

- The outturn reflects a favourable variance of £1.364 million against a budgeted deficit of £4.391 million.
- The HRA working balance has increased significantly to £10.782 million as at the 31st March 2024.
- The HRA earmarked reserves have increased to £9.573 million.

Capital

- The non housing capital outturn was £64,633 million
- The housing capital outturn was £26.071 million

Recommended that Cabinet:

- A** Endorses the outturn position for 2023/24 of £244,000 surplus, as set out within the report in respect for General Fund year ending 31 March 2024
- B** Endorses the outturn position for 2023/24 of £1,023,000 deficit as set out within the report in respect for Housing Revenue Account year ending 31 March 2024.
- C** Endorses the Non Housing Capital Programme (NHCP) outturn for 2023/24 is £26.071 million and the Housing Capital Programme (HCP) outturn for 2023/24 is £64.633 million as set out in the report.
- D** Endorses the Earmarked Reserves summary in Appendix E and Delegated authority is given to Deputy section 151 Officer, in consultation with the Portfolio Holder for Finance to agree the final reserve position upon completion of the Statement of Accounts 2023/24.
- E** Approves £144,000 from the general fund surplus to be contributed to a transformation earmarked reserve for identified projects within the transformation programme.
- F** Approves £100,000 from the general fund surplus to be contributed to a climate change earmarked reserve to support the delivery of the climate change action plan.

- G** Approves the Period 12 reprofiling into 2024/25 within the Non-Housing and Housing Capital Programmes included within Appendices C and D.
- H** Approves the carry forward of resources from 2023/24 to 2024/25 as set out in Appendix F.

Reason for decision

- A** The Council is obliged under Section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs.
- B** The report compares the actual outturn with the current budget as at 31 March 2024, across the General fund account, Housing Revenue Account and Capital Programmes and provides explanations for the variances in the attached appendices.
- C** To seek approval for the recommendations set out in the report in relation to earmarked reserve summary and the carrying forward of resources to ensure that the services those resources were intended to deliver are available for that purpose in 2024/25.

Other Options

- A** The council must report its annual year end position, so there are no other options to consider.
- B** The cabinet could choose not to approve the general fund carry overs, or reprofile the capital programme, but this would make less monies available for projects within 2024/25.
- C** The cabinet can choose not to contribute to a climate change reserve or transformation reserve, but this would make less monies available to resource this activity.

Background

1. The Budget 2023/24 was set in February 2023. Financial quarterly monitoring has been consolidated into one report in respect of the council's General Fund Revenue Account, Housing Revenue Account and Capital Programmes throughout the financial year.
2. The provisional outturn forms part of the preparation of the Council's Statement of Accounts for 2022/23. The outturn is reported prior to the audit of the Council's Accounts by the Council's external auditors – KPMG, which is due to be finalised later on in the year.

3. In line with the Local Government Act 2003, the relevant CIPFA codes of Practice and the Council's associated Treasury Management Policy and Practices, the outturn is presented to Members.

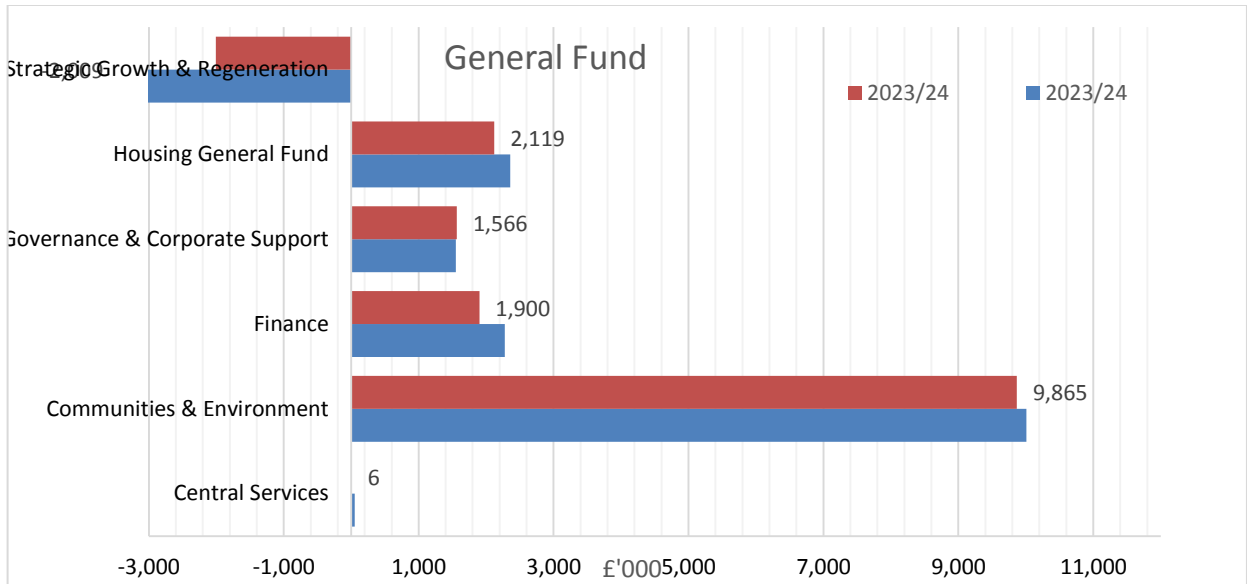
Issues/Proposals

4. The General Fund, Housing Revenue Account and Capital programmes outturn summaries are included within this report for the year ending 31 March 2024, individual breakdown of variances from each fund is included within the additional appendices.

General Fund

5. The General Fund revenue forecast for the year ending 31 March 2024 is in a favourable position of £244,000 which is a further improvement compared with period 10 which reported a forecasted favourable variance of £26,000. Appendix A provides a breakdown of major key variances and explanation of the position set out in the table and graph below.

	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Variance £'000
Central Services	51	6	-45
Communities & Environment	10,008	9,865	-143
Finance	2,276	1,900	-375
Governance & Corporate Support	1,549	1,566	17
Housing General Fund	2,358	2,119	-240
Strategic Growth & Regeneration	-3,072	-2,009	1,063
Total Service Specific Expenditure	13,170	13,448	277
Non Service Specific & Funding	-10,788	-12,693	-1,904
Earmarked Reserve Movement	-2,382	-999	1,383
General Fund (Surplus)/Deficit	0	-244	-244
Working Balance as at March 2023	3,969	3,969	0
Surplus/(Deficit) in Year	0	244	244
Contribution to Transformation Reserve	0	-144	-144
Contribution to Climate Change Reserve	0	-100	-100
Working Balance C/fwd	3,969	3,969	244



6. The overall surplus for the general revenue account brings its working balances to £3.969 million. Which is well above the minimum level of reserve of £2.5 million set by the Section 151 Officer.
7. A number of revenue carry over requests of resources have been included within Appendix F for approval. An earmarked reserve will be established for the carry overs, and they will be drawn down when the work has been undertaken.

Housing Revenue Account

8. The Council approved a HRA budget and net deficit of £4.391 million for 2023/24, including the approved carry forwards in July 2023, thus reducing the forecasted working balance as at 31 March 2024 to £9.418 million.
9. The HRA summary position for the year ending 31 March 24 are summarised in the table below and explanation of the variances within Appendix B. The forecast outturn is expected to decrease to £3.027 million deficit, reporting a favourable variance of £1,364,000 with a revised working balance of £10.782 million.

Housing Revenue Account	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Variance £'000
<u>Expenditure</u>			
General Management	11,425	11,871	446
Special Management	9,759	9,046	-713
Repairs	15,574	15,567	-7
Rents, Rates, Taxes & Other Charges	96	154	58
Provision for Bad & Doubtful Debts	409	-206	-615
Supporting People Transitional Relief	5	1	-4
Depreciation and Impairment	12,417	12,844	427
Debt Management Expenses	22	8	-14
Capital Financing Charges	7,110	6,799	-311
Contribution to Capital	3,583	3,583	0
Transfer to Earmarked Reserves	341	-78	-419
Total Expenditure	60,740	59,588	-1,152
<u>Income</u>			
Dwelling Rents	-48,501	-48,404	97
Garage Rents	-1,131	-1,081	50
Other Rents	-65	-64	1
Charges for Services and Facilities	-6,582	-5,690	892
Interest Receivable	-69	-1,321	-1,252
Total Income	-56,348	-56,560	-212
Balance at 1 April (pre-Audit)	13,809	13,809	0
Surplus / (Deficit) for year	-4,391	-3,027	1,364
Balance as at 31 March	9,418	10,782	1,364

Capital Programme

10. The Capital Programme is split up into two different areas. The Non Housing Capital Programme (NHCP) relates to expenditure financed by the General Fund (GF) revenue account and the Housing Capital Programme (HCP) relates to expenditure financed by the Housing Revenue Account (HRA). A summary table show below sets out the total amount spent in the financial year and the associated funding to the two Capital accounts.

	2023/24 Current Budget £'000	2023/24 Forecast Outturn £'000	2023/24 Variance £'000
Non Housing Capital Programme	68,226	64,633	(3,593)
Housing Capital Programme	25,674	26,071	397
Total Capital Programme	93,900	90,704	(3,196)
Capital Receipts	(64)	(105)	(41)
1-4-1 Capital Receipts	(2,867)	(1,022)	1,845
Major Repairs Reserve	(12,631)	(12,845)	(214)
Direct Revenue Financing	(4,061)	(451)	3,611
Government Grants	(3,985)	(4,206)	(222)
Other Grants and Contributions	(352)	(1,106)	(754)
Prudential Borrowing	(69,940)	(70,969)	(1,029)
Total Capital Financing	(93,900)	(90,704)	3,196

Non Housing Capital Programme

11. A summary of the Non-Housing Capital Programme (NHCP) is shown in the table below. The Council approved a budget of £13.471 million in Feb 2023, and subsequently £9.971 million of carryovers in July 2023. The total NHCP Programme for 2023/24 is £64,633 million, following quarter 1-3 reprofiling and budget allocations that were approved at Cabinet throughout the year.

NON HOUSING CAPITAL PROGRAMME QUARTER 4 2023/24							
Schemes	Approved Budget 2023/24	2022/23 Carry overs	Cabinet Amendments	Current Budget	Expenditure to date	Variance: Outturn to current budget	Period 12 Re-profiling
	£'000	£'000	£'000	£'000	£	£'000	£'000
Latton Bush Centre	845	519	(1,064)	301	83	(217)	(217)
Commercial Properties	128	822	(567)	384	252	(132)	(163)
Highways & Car Parks	185	0	260	445	261	(184)	(157)
Drainage Works	50	165	(165)	50	6	(44)	7
Community Buildings	491	735	(1,102)	124	65	(59)	(67)
Other Public Schemes	95	380	(395)	80	73	(7)	(7)
Civic Centre	866	387	(324)	929	695	(233)	(276)
Garages	143	-	-	143	222	79	-
Contingency	50	50	(100)	0	0	-	-
TOTAL ASSET MANAGEMENT	2,853	3,058	(3,457)	2,455	1,657	(797)	(881)
Communities and Environment	1,239	988	(231)	1,996	1,912	(84)	(170)
Governance and Corporate Services	139	11	(2)	148	134	(14)	(18)
Strategic Growth & Regeneration	897	553	(377)	1,073	683	(391)	(313)
OTHER SERVICES	2,275	1,552	-610	3,217	2,728	(489)	(502)
Council House Building Programme	3,310	118	(3,178)	250	52	(198)	(198)
Enterprise Zone	-	-	117	117	117	(0)	-
Innovation Park	-	-	1,970	1,970	64	(1,906)	(1,906)
Levelling Up Fund	-	-	1,295	1,295	2,010	715	(468)
Town Centre	-	5,000	60,000	65,000	56,603	(8,397)	(5,000)
Towns Fund	5,033	243	(1,922)	3,353	1,401	(1,952)	(2,182)
OTHER SCHEMES	8,343	5,361	58,281	71,985	60,247	(11,737)	(9,753)
TOTAL NON-HOUSING CAPITAL PROGRAMME	13,471	9,971	54,214	77,657	64,633	(13,023)	(11,135)
Reprofiling as at Quarter 4 Required				(11,135)	-	11,135	
New Budget Allocations Required				1,705	-	(1,705)	
Quarter 4 Variance (Favourable)/Adverse	13,471	9,971	54,214	68,226	64,633	(3,593)	
Requested Virements						-	
Quarter 4 Variance after Quarter 4 recommendations	13,471	9,971	54,214	68,226	64,633	(3,593)	
FINANCED BY							
Capital Receipts	-	-	(1,970)	(64)	(94)	(30)	
Direct Revenue Contribution	(690)	(5)	233	(478)	(451)	28	
Government Grants	(5,533)	(243)	628	(3,985)	(4,206)	(222)	
Other Grants and Contributions	(3,310)	(118)	3,178	(52)	(327)	(275)	
Prudential Borrowing	(3,939)	(9,605)	(56,283)	(63,647)	(59,555)	4,092	
TOTAL FINANCING	(13,471)	(9,971)	(54,214)	(68,226)	(64,633)	3,593	

12. Included within the provisional outturn, £11.135 million of scheme's are requested to be re-profiled into the 2024/25 programme. For clarification, this expenditure and therefore financing is still required for the scheme, but the expenditure will be committed in a future year. By reprofiling the budget into a later year, means that no additional future financing for the scheme will be required. A breakdown of the schemes requested to be reprofiled into 2024/25 are included within Appendix C.
13. Also included within the projected outturn, £1.705 million of new schemes have been identified that required a budget allocation to be assigned to them. The projects are all financing with grant funding and is not an increase to the overall financing of the programme.

14. If reprofiling and new budget allocations are taken into consideration, the year-end position has identified a net favourable variance of £3.593 million.

Housing Capital Programme

15. A summary of the Housing Capital Programme (HCP) is shown in the table below. The Council approved a budget of £38.891 million in February 2023, (including the New Council House Building Programme) and subsequently £4.001 million of carryovers in July 2023. The total HCP Programme for 2023/24 is £26.071 million following reprofiling and budget allocations approved by cabinet throughout the year.

HOUSING CAPITAL PROGRAMME QUARTER 4 2023/24							
Schemes	Approved Budget 2023/24	2022/23 Carry overs	Cabinet Amendments	Current Budget	Expenditure to date	Variance: Outturn to current budget	Period 12 Re-profiling
	£'000	£'000	£'000	£'000	£	£'000	£'000
HTS Internal Works - ASC	1,090	-	-	1,090	1,197	107	-
HTS Internal Works - Compliance	1,460	168	309	1,937	1,773	(163)	(163)
HTS Internal Works - Energy Efficiency	-	175	-	175	172	(2)	-
HTS Internal Works - Aids & Adaptations	-	24	-	24	25	1	-
HTS Internal Works - Internal	4,355	-	(771)	3,584	3,568	(16)	(16)
HTS Internal Works - Garages	195	149	-	344	259	(85)	(85)
HTS Internal Works - Sumners Farm Close	342	57	(138)	261	261	0	-
TOTAL HTS	7,442	573	(600)	7,414	7,255	(159)	(265)
External Works	7,106	328	(750)	6,684	5,666	(1,019)	(1,400)
Damp & Structural Works	1,600	-	100	1,700	1,870	170	-
Other Works	1,000	-	-	1,000	1,019	19	-
Fire Safety & Compliance	6,840	325	(400)	6,765	5,863	(902)	(912)
Energy Efficiency Works	1,103	49	0	1,152	977	(175)	(175)
Housing IT	400	71	(145)	326	276	(50)	(50)
Garage Demolition Programme	-	-	1,295	1,295	444	(851)	(851)
TOTAL CORE HOUSING CAPITAL PROGRAMME	18,049	772	100	18,922	16,114	(2,807)	(3,389)
Property Conversion	-	-	-	-	133	133	-
Property Acquisitions	-	-	926	926	-	(926)	(926)
Council House Building Programme	13,400	2,656	(12,144)	3,912	2,570	(1,342)	(1,214)
TOTAL NON CORE PROGRAMME	13,400	2,656	(11,218)	4,838	2,702	(2,136)	(2,140)
TOTAL ALL HOUSING CAPITAL PROGRAMME	38,891	4,001	(11,718)	31,174	26,071	(5,103)	(5,794)
Reprofiling as at Quarter 4 Required				(5,794)		5,794	
New Budget Allocations Required				294		(294)	
Quarter 4 Variance (Favourable)/Adverse	38,891	4,001	(11,718)	25,674	26,071	397	
Requested Virements						-	
Quarter 4 Variance after Quarter 4 recommendations	38,891	4,001	(11,718)	25,674	26,071	397	
FINANCED BY							
Capital Receipts	-	-	-	-	(11)	(11)	
1-4-1 Receipts Used	(7,030)	(1,062)	4,858	(2,867)	(1,022)	1,845	
Major Repairs Reserve	(12,631)	-	-	(12,631)	(12,845)	(214)	
Direct Revenue Contribution	(3,583)	-	-	(3,583)	-	3,583	
Other Grants and Contributions	(300)	-	-	(300)	(779)	(479)	
Borrowing	(15,347)	(2,939)	6,860	(6,294)	(11,415)	(5,121)	
TOTAL FINANCING	(38,891)	(4,001)	11,718	(25,674)	(26,071)	(397)	

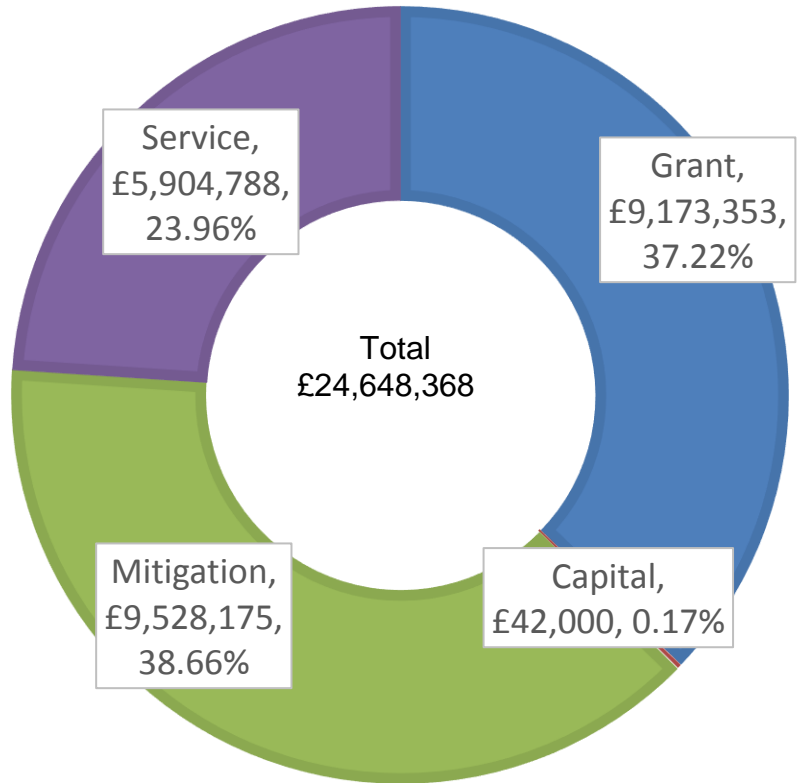
16. As at period 12, £5.794 million of scheme's are requested to be re-profiled into the 2024/25 programme. For clarification, this expenditure and therefore financing is still required for the scheme, but the expenditure will be committed in a future year. By reprofiling the budget into a later year, means that no additional future financing for the scheme will be required. A breakdown of the schemes requested to be reprofiled into 2024/25 are included within Appendix D.
17. Also included within the projected outturn, £294k of new schemes have been identified in Appendix D and required a budget allocation to be assigned to them. The new schemes are all financed with Grant funding and is not an increase to the overall financing of the programme.
18. Not including the schemes that are requested to be reprofiled or a new budget allocated, the year end position has identified an overall adverse variance of £397k. This is mainly due to additional preliminary work carried out on external works.

Earmarked Reserves

19. The earmarked reserve balances and summary of 2023/24 for general Fund and HRA is included within Appendix E, which shows planned contributions to/from earmarked reserves. A graphical representation is provided below to show how the Earmarked Reserves are categorised. The total earmarked res
20. The General Fund has a number of Earmarked Reserves set aside for specific purposes, endorsed by the Section 151 Officer. The mitigation reserves are set aside to specifically mitigate financial risks to the Council; Service reserves are set aside to be used on specific investment initiatives or projects; Capital reserves are set aside to make contributions to the Capital Programme and Grant reserves are set aside to be used for the purpose of the Grant.
21. The general fund has made a surplus in 2023/24 following planned contributions to/from earmarked reserves.
22. It is proposed to utilise this surplus and create a climate change earmarked reserve of £144,000 to resource climate change activities.
23. It is proposed to utilise this surplus and create a climate change earmarked reserve of £100,000 to support the delivery of the climate change action plan.

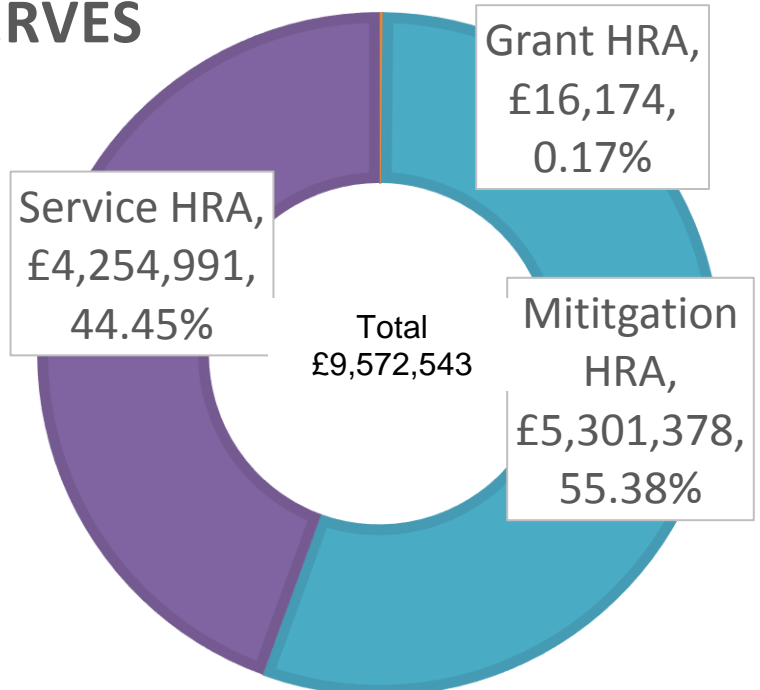
EARMARKED RESERVES BALANCES GENERAL FUND

- Grant
- Capital
- Mitigation
- Service



EARMARKED RESERVES BALANCES HRA

- Grant HRA
- Mitigation HRA
- Service HRA



Statement of Accounts 2023/24

24. The Council's Statement of Accounts 2023/24 continues to be finalised. There are some technical adjustments that require further attention before the accounts can be published and the public inspection period can be set. It is expected this will be completed in advance of the next Audit Committee meeting in September 2024.

Implications

Equalities and Diversity

There are no equality and diversity implications arising from this report.

Climate Change

There are no climate change implications arising from this report.

Finance

Financial information is included throughout the report

Author: Jacqueline Van Mellaerts, Assistant Director – Finance and Deputy Section 151 Officer

Governance

The Council is obliged under Section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs.

Author: Julie Galvin, Legal Services Manager and Monitoring Officer

Appendices

Appendix A – General Fund variances 2023/24

Appendix B – HRA variances 2023/24

Appendix C – Non Housing Capital Programme variances 2023/24

Appendix D – Housing Capital Programme variances 2023/24

Appendix E – Earmarked Reserves position

Appendix F – Revenue Carry Over Requests

Background Papers

Medium Term Financial Strategy 2023/24

HRA 30 Year business Plan 2023/24

Capital Programme 2023/24

Glossary of terms/abbreviations used

HRA – Housing Revenue Account

MTFP- Medium Term Financial Plan

HCP – Housing Capital Programme

NHCP – Non Housing Capital Programme