



Report to: Audit & Governance Committee Meeting 21 February 2024

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –
Resources - Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on
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Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 31 December 2023
Purpose of Report	<p>To update Members with the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue and capital expenditure and income.</p>
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none">(a) note the General Fund projected favourable outturn variance of £0.636m;(b) note the Housing Revenue Account projected favourable outturn variance of £0.025m to the Major Repairs Reserve;(c) note the Capital Programme revised budget and financing of £69.564m; and(d) note the Prudential indicators at Appendix A.
Reason for Recommendations	<p>To consider the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>Ensure the Council has overall financial sustainability for the current financial year compared to the budgeted position.</p>

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2023/24 as at 31 December 2023

1.1 *Table 1* shows a projected unfavourable variance on Service budgets against the revised budget of £0.331m (previous quarter unfavourable variance £0.418m), with an overall favourable variance of £0.636m (previous quarter favourable variance £0.422m) to be transferred to General Fund reserves. This forecast outturn position is based on

meetings which took place with Business Managers during January, whereby they have analysed actual income and expenditure to 31 December 2023 and forecasted forward the additional income and expenditure expected to be incurred to the end of March 2024.

Table 1: General Fund revenue outturn for 2023/24 financial year as at 31 December 2023

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of Services	16.084	17.788	18.119	0.331
Other Operating Expenditure	4.570	4.485	4.485	(0.000)
Finance & Investment Income/Expenditure	(0.859)	(0.859)	(1.333)	(0.474)
Taxation & Non-Specific Grant Income	(21.989)	(22.617)	(23.000)	(0.383)
Net Cost of Non-Service	(18.278)	(18.991)	(19.848)	(0.857)
Net Cost of Council Expenditure	(2.194)	(1.203)	(1.729)	(0.526)
Transfer to/(from) Usable Reserves	1.457	0.466	0.466	0.000
Transfer to/(from) Unusable Reserves	0.737	0.737	0.627	(0.110)
Transfer to/(from) General Reserves	0.000	0.000	0.636	0.636

- 1.2 While the current overall favourable variance of £0.636m is a positive impact for the Councils resources, it is only a forecast, therefore the Outturn Report in June 2024 will finalise the variance and the allocation of that variance into the Councils General Reserves.

Overview of Projected Housing Revenue Account (HRA) Outturn for 2023/24

- 1.3 With reference to the 'Variance' column in *Table 3*, the HRA accounts show a projected unfavourable variance on the Net Cost of HRA Services against the revised budget of £0.044m (previous quarter unfavourable variance £0.155m). However, overall there is an increase in the forecast transfer to the Major Repairs Reserve of £0.025m (previous quarter favourable transfer £0.113m):

Table 3: HRA revenue outturn for 2023/24 financial year as at 31 December 2023

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of HRA Services	(7.701)	(7.160)	(7.116)	0.044
Other Operating Expenditure	0.142	0.142	0.142	0.000
Finance & Investment Income/Expenditure	3.504	3.504	3.435	(0.069)
Taxation & Non Specific Grant Income	0.000	0.000	0.000	0.000
(Surplus)/Deficit on HRA Services	(4.055)	(3.514)	(3.539)	(0.025)
Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.527)	(1.068)	(1.068)	0.000
Transfer to/(from) Unusable Reserves	(5.880)	(5.880)	(5.880)	0.000
Transfer to/(from) Major Repairs Reserve	10.462	10.462	10.487	0.025
Total	0.000	0.000	0.000	0.000

- 1.4 While the current overall favourable variance of £0.025m is a positive impact for the Council's resources, it is only a forecast, therefore the Outturn Report in June 2024 will finalise the variance and therefore the transfer to the Major Repairs Reserve.

Overview of Projected Capital Outturn 2023/24

- 1.5 The table below summarises the position for the Capital Programme as at 31 December 2023 and is split between General Fund and Housing Revenue Account.

	Original Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 31 December 2023 £'m	Forecast Outturn £'m
General Fund	66.354	64.350	52.238	29.859	52.238
Housing Revenue Account	23.045	16.887	17.236	8.273	17.326
Total	89.399	81.237	69.564	38.132	69.564

- 1.6 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. The below table summarises the changes that have been approved and are due to be approved on 5 March 2024 and account for the difference between the Revised budget updated for approval of £69.564m and the original budget of £89.399m above.

	General Fund £'m	HRA £'m
Original Budget as approved on 8 March 2023	66.354	23.045
Slippage added in from 2022/23	21.772	6.871
Reprofiles to future years	(35.957)	(13.537)
Additions/Reductions	0.069	0.947
Total Change	(14.116)	(5.718)
Revised budget to be approved	52.238	17.326

Capital Programme Resources

- 1.7 The revised budget of £69.564m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
Borrowing	8.299	2.504	10.803
External Grants & Contributions	35.428	1.120	36.548
Capital Receipts	1.844	2.471	4.316
Community Infrastructure Levy	0.100	0	0.100
Revenue Contributions	6.567	11.230	17.797
Total	52.238	17.326	69.564

Prudential Indicators

- 1.8 The Treasury Management Code of Practice 2021 stipulates that quarterly update reports on prudential indicators are now required from 2023/24 onwards.
- 1.9 The prudential indicators are set within the Treasury Management Strategy, Capital Strategy and the Investment Strategy and the three strategies were approved by Audit and Governance Committee on 1 February 2023 and Full Council on 9 March 2023. The summary of the prudential indicators can be found at **Appendix A**.
- 1.10 As can be seen from **Appendix A**, the Council was fully compliant with all of the indicators as set within the Treasury Management Strategy, Capital Strategy and Investment Strategy.

2.0 Implications

- 2.1 In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 30 September 2023