



**REPORT of
CHIEF FINANCE OFFICER**

**to
STRATEGY AND RESOURCES COMMITTEE
25 JULY 2024**

URGENT ITEM OF BUSINESS

PROVISIONAL OUTTURN 2023 / 24

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee with the Provisional Outturn position for the revenue and capital budgets for the year ended 31 March 2024.
- 1.2 To inform Members of movements in relation to the Council's General Fund and Earmarked Reserves and request carry forward of revenue and capital commitments into 2024 / 25.
- 1.3 This matter is brought forward for consideration with the agreement of the Chairman as the Council needs certainty on the available budgets for 2024 / 25 to be able to carry out its operations in a timely manner.

2. RECOMMENDATIONS

- (i) That the Provisional Outturn position for the 2023 / 24 revenue budget as detailed at **APPENDIX 1** be noted;
- (ii) That the reasons for the residual variances in the revenue budgets, after proposed revenue commitments and movements in earmarked reserves, as detailed at **APPENDIX 2** be noted;
- (iii) That the revenue commitments detailed in **APPENDIX 3** be approved to be brought forward into 2024 / 25;
- (iv) That the movements in earmarked reserves in **APPENDIX 4** be approved;
- (v) That the Provisional Outturn position for the 2023 / 24 capital budget in **APPENDIX 5** be noted and the proposed capital commitments be approved to be brought forward into 2024 / 25;

3. SUMMARY OF KEY ISSUES

- 3.1 The Provisional Outturn report provides financial results for the Council for the year ending 31 March 2024. It shows performance against the original budget agreed by the Council on 24 February 2023 including subsequent approved amendments and is used for management purposes. The annual statement of accounts is prepared for statutory reporting purposes.

- 3.2 The draft 2023 / 24 statement of accounts was due to be published by 31 May 2024, however due to ongoing external audit work on prior years which will impact on the 2023 / 24 opening figures these are not yet available for public inspection. The figures set out in this 2023 / 24 Provisional Outturn report are therefore subject to change.

3.3 2023 / 24 Final Budget

- 3.3.1 The final revised service budget for 2023 / 24 was £14.140m. This was based on the original budget approved by the Council on 24 February 2023 and subsequent approved amendments, as summarised in Table 1 below.

Table 1 – 2023 / 24 Budget Movement Reconciliation

Description	Amount £000
Original 2023 / 24 Service Budget	12,541
Revenue Commitments brought forward from 2022 / 23	1,341
Approved Supplementary Estimates	0
Approved Use of Earmarked Reserves	258
Final 2023 / 24 Service Budget	14,140

3.4 2023 / 24 Provisional Outturn

- 3.4.1 Table 2 below is an overview of the 2023 / 24 provisional outturn position. There is a provisional budget underspend of £2,252k with respect to the cost of services. In addition, interest on investments overachieved the budget by £697k. After the proposed revenue commitments to be carried forward into 2024 / 25 and the proposed movements in earmarked reserves, it is projected that the General Fund balance will increase by £739k.

Table 2 – 2023 / 24 Provisional Outturn

	Final Budget £000	Provisional Actuals £000	Provisional Variance £000
Net Cost of Services	14,140	11,888	(2,252)
Investment Income	(750)	(1,447)	(697)
Total	13,390	10,441	(2,949)
Less Funding and Transfers from Reserves	(13,390)	(11,180)	2,210
Transfer from General Fund	0	(739)	(739)

- 3.5 Detail of the variances attributed to the £739k underspend are detailed in **APPENDICES 1 and 2**.
- 3.6 The outturn position takes into account revenue commitments, where underspends in year have occurred but need to be carried forward into the next financial year to fund expenditure commitments. These are shown in **APPENDIX 3**.
- 3.7 The impact on the general fund balance as a result of the provisional 2023 / 24 outturn is shown in Table 3 below.

Table 3 – General Fund Balance

	£000
Opening General Fund Balance	5,081
Transfer to General Fund	739
Closing General Fund Balance	5,820

- 3.7.1 Table 3 shows that the general fund balance remains above the minimum recommended level of £2.6m. A minimum level of general reserves is set to ensure the Council has the financial resilience to respond to emergencies and unforeseen events such as the current pandemic. However, if it did fall below the minimum level it would need to be replenished in future years.

4. EARMARKED RESERVES

- 4.1 The Council holds a number of earmarked reserves for specific purposes. Movements on these reserves during 2023 / 24 are detailed in **APPENDIX 4**. Drawdowns totalled £2.225m during 2023 / 24, with transfers into the reserves of £2.392m. Earmarked Reserves balances as at 31 March 2024 are £8.554m. This is a net increase of £0.167m from 1 April 2023.

5. 2023 / 24 PROVISIONAL CAPITAL OUTTURN

- 5.1 The Council's approved capital programme was £1.642m in 2023 / 24. During the year £0.939m was spent, leaving a net Capital underspend of £0.703m. Projects that underspent did so by £0.954m. Of this, a total carry forward into 2024 / 25 of £0.875m is requested. Projects that overspent were either funded through additional grant or offset by underspending projects.
- 5.2 The capital programme outturn with requested carry forwards is detailed in **APPENDIX 5**, alongside reasons for the slippage during 2023 / 24.

6. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

6.1 Smarter finances

- 6.1.1 Regular reporting and monitoring of the Council's financial position is a key control in ensuring the Council makes the best use of its resources and is able to make informed decisions.

7. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – This is an outturn report stating the provisional financial position for 2023 / 24. There is a risk that these figures may change once the 2023 / 24 accounts are finalised and audited.

- (iv) **Impact on Resources (financial)** – There was an underspend of £739k against the final budget in 2023 / 24 leaving the general fund balance standing at £5.820m, which is above the agreed minimum level of £2.6m.
- (v) **Impact on Resources (human)** – None directly.

Background papers: None.

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