


Agenda Item No:	5	
Committee:	Cabinet	
Date:	15 July 2024	
Report Title:	Council Revenue and Capital Outturn 2023/24	

Cover sheet:

1 Purpose / Summary

To inform Cabinet of the income and expenditure (known as “Outturn”) for the Council for 2023/24 and reasons for variations.

2 Key issues

Revenue

- The Council’s provisional General Fund services net deficit is £212,425 for the financial year 2023/24. This is an improvement of £335,927 compared to the projected deficit of £548,352 as reported to Council in February 2024.
- The deficit of £212,425 will be funded from the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end be transferred to this reserve. As at 31 March 2024, this reserve has a balance of £1,654,142.
- The General Fund balance at 31 March 2024 remains at the approved minimum level of £2m.
- Given the scale of the challenges faced by the Council in 2023/24, the financial position at the year-end represents a considerable achievement and demonstrates the focus from Members and officers throughout the Council in reducing the projected deficit.
- As a result of continuing prudent financial management and improved income received, the Council is in an improved position, compared with the projections in February 2024, to deal with the significant ongoing financial challenges in 2024/25 and over the medium term.
- The Council’s Draft Statement of Accounts 2023/24 (subject to external audit) is expected to be signed off by the Corporate Director and Chief Finance Officer by 31 July 2024. Although this is later than the date required by the Accounts and Audit Regulations (31 May 2024), this will not impact on the external audit of the 2023/24 accounts by EY who have scheduled their audit to start towards the end of October 2024 with a view of completing their work by the end of 2024. In addition, the formal process of completing the 2022/23 accounts work has not yet been completed as is the case for many authorities nationally.
- The Statement of Accounts 2023/24 will incorporate all the outturn figures, revenue and capital presented in this report.

Capital

- The Capital Programme has been underspent by £6.176m. This compares with an under-spend of £949k in 2022/23. The variation principally relates to the re-profiling of the several high-profile grant-funded schemes, including High Street, March (-£4.137m) Disabled Facilities Grants (-£0.477m) and the property purchases funded by the Local Authority Housing Fund (-£0.545m). Additionally, the timing and extent of capital works which need to be undertaken at Council-owned buildings and facilities will be reviewed with an updated programme being presented to Cabinet in September. There is no loss of resources arising from the re-phasing set out shown in Appendix B(i).

3 Recommendations

- It is recommended that :-
 - (i) The Outturn for the Council's General Fund services in 2023/24, as detailed at Appendix A and Section 2 of this report be noted and that Members note the transfer of the deficit to the Budget Equalisation Reserve;
 - (ii) The reasons for the variations from revised estimate be noted;
 - (iii) The current position on the Cambridgeshire Horizons Reserve, as detailed in Section 3 of this report be noted;
 - (iv) The proposed Capital Funding schedule for 2023/24 at Appendix B(i) be approved.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Cllr Chris Boden, Leader & Portfolio Holder, Finance
Report Originator(s)	Peter Catchpole, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Contact Officer(s)	Paul Medd, Chief Executive Peter Catchpole, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Background Paper(s)	Budget Setting Reports Monthly Budgetary Control Reports 2023/24 Final Accounts Working Papers 2023/24

1 Introduction

- 1.1 The Council's income and expenditure figures for General Fund services and the Capital Programme for the financial year 2023/24 (known as 'Outturn') are presented in this report.
- 1.2 The Council's Draft Statement of Accounts 2023/24 (subject to external audit) is expected to be signed off by the Corporate Director and Chief Finance Officer by 31 July 2024. Although this is later than the date required by the Accounts and Audit Regulations (31 May 2024), this will not impact on the external audit of the 2023/24 accounts by EY who have scheduled their audit to start towards the end of October 2024 with a view of completing their work by the end of 2024. In addition, the formal process of completing the 2022/23 accounts work has not yet been completed as is the case for the majority of authorities nationally.
- 1.3 We have published the required notice on our website advising that we will not meet the timescales specified in the regulations and the reasons for this. In addition, we have been notified by EY that the earliest they will be able to start the Council's 2023/24 audit is 28 October 2024. The regulations require audited accounts to be published by 30 September 2024.
- 1.4 The 2023/24 draft accounts, which are subject to external audit, will be published on the Council's website along with the required notice of the Exercise of Public Rights to inspect the accounts (30 days from 1 August 2024).
- 1.5 The figures presented in this report are all provisional pending audit by the Council's external auditors EY (Ernst & Young). Any significant or material changes will be reported back to Members at a later stage.
- 1.6 As a result of EY's scheduled timescale for completing the audit, the publication of the final audited accounts for 2023/24 will be later than the 30 September date specified in the regulations. EY are expecting to complete their work on the 2023/24 accounts by the end of 2024. There are no consequences to the Council of these revised audit dates.

2 The Revenue Budget

- 2.1 In February 2024 the Council's year end position was estimated as a deficit of £548,352. It is important to note that this figure was based on projections as at the end of December 2023 and the report to Council also noted that there were still many uncertainties around the year-end position, particularly around projected income levels, government grants for new burdens and the projected support required by Freedom Leisure.
- 2.2 Following the closure process, the full position shows a net deficit of £212,425, an improvement of £335,927 compared to the previous projection. The net deficit of £212,425 represents 1.33% of the net expenditure of £16.016m and compares with an under-spend of £799,924 in 2022/23.
- 2.3 An analysis of the overall position is shown at Appendix A(i) and explanations of variances are detailed in Appendix A(ii).
- 2.4 Of the reduction in deficit for the year, one-off variations show a reduction of £94k. Of this amount,
 - -£15k relates to additional fees and charges received,
 - -£44k relates to higher income from Investments and Property Funds,
 - -£132k relates to higher income from the RTB/VAT sharing arrangement with Clarion,
 - £75k relates to a higher contribution to the Anglia Revenues Partnership (ARP) costs due to lower Enforcement Fees,

- -£34k relates to lower Recycling Gate fees,
 - £20k cost relating to a Planning Appeal,
 - £53 additional Legal Fees costs mainly as a result of the costs associated with the Wisbech Incinerator Appeal (£88k) and the lower than anticipated spend relating to the Waste MRF contract (-£31k),
 - -£17k relates to a lower than anticipated requirement for Bad Debts Provision.
- 2.5 Service variations have reduced the deficit by £242k, which includes lower employee costs (-£67k) across a variety of services. Lower Premises costs (-£204k), Transport costs (-£28k) and Capital Financing costs (-£19k) have been off-set by higher Supplies and Services costs (£60k) and Third Party payments (£14k).
- 2.6 Together with the projected deficit of £548,352 (as detailed in the budget report to Cabinet and Council on 26 February 2024), the reduction in deficit of -£335,927 (detailed in 2.3 – 2.5 above) brings the total deficit in 2023/24 to £212,425. This has been funded from the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end be transferred to this reserve. As at 31 March 2024, this reserve has a balance of £1,654,142.
- 2.7 As a result of continuing prudent financial management together with better than expected income received, the Council is in an improved position, compared to the projections in February 2024, to deal with the significant ongoing financial challenges in 2024/25 and over the medium term.
- 2.8 The Council's reserves will be reviewed again as part of the 2025/26 budget process during the Autumn of 2024.

3 Cambridgeshire Horizons Reserve

- 3.1 Members will recall that in May 2021, the Council received £3,891,500 as its' share of the surplus generated by Cambridgeshire Horizons Ltd. Of this, £1,050,000 was an agreed contribution to the A14 improvements which was paid last year to the Department for Transport, as notified to Cabinet in July 2023. This left £2,841,500 available for this Council's future use and was set-aside in an earmarked reserve. There are numerous conditions attached to the use of this money, mainly around regeneration and future economic development of the district, which restricts its future use.
- 3.2 The following table summarises the use of the reserve to date together with current commitments leaving the balance currently uncommitted.

Table 1: Cambridgeshire Horizons Reserve Current Position

Description	Actual 2021/22	Actual 2022/23	Actual 2023/24	Estimate 2024/25	Forecast 2025/26
	£	£	£	£	£
Consultancy support to produce Levelling Up Fund Proposal for Wisbech	61,866	52,642			
Consultant Support for regeneration schemes - fixed term to 31 March 2025	87,955	91,261	76,440	88,200	
Economic Development - Technical Support - to September 2025		19,407	35,741	34,800	28,000
Consultant support for Accommodation Strategy Review		13,125	62,681		
Local Plan Costs - Traveller Needs Assessment			19,940		
Economic Growth Strategy - to 31 March 2026				177,000	388,000
Total Utilised	149,821	176,435	194,802	300,000	416,000
Balance 1st April	2,841,500	2,691,679	2,515,244	2,320,442	2,020,442
Utilised during year	-149,821	-176,435	-194,802	-300,000	-416,000
Balance 31st March	2,691,679	2,515,244	2,320,442	2,020,442	1,604,442

- 3.3 After taking into account current commitments, there remains a balance uncommitted of £1.604m. Consideration is currently being given to the optimum funding strategy for the works to properties in the High Street, Wisbech and other initiatives such as the outcome of the Accommodation Review which may result in the use of part of this reserve. Further details will be provided to Cabinet at future meetings regarding the use of this reserve.

4 Capital Programme

- 4.1 The Capital Programme has been underspent by £6.176m. This compares with an underspend of £949k in 2022/23. The variation principally relates to the re-profiling of the several high-profile grant-funded schemes, including High Street, March (-£4.137m) Disabled Facilities Grants (-£0.477m) and the property purchases funded by the Local Authority Housing Fund (-£0.545m). Additionally, the timing and extent of capital works which need to be undertaken at Council-owned buildings and facilities has been reviewed and this has resulted in changes in the budget required.
- 4.2 There is no loss of resources arising from this re-phasing as shown in Appendix B(i), which has been input to the 2024/25 programme as appropriate.
- 4.3 An updated Capital Programme for 2024-27 will be presented to Cabinet at the September meeting.

FENLAND DISTRICT COUNCIL

Summary of Revenue Estimates

Service Summary	Projected 2023/24 £	Outturn 2023/24 £	Variation compared with Projected £
Growth & Infrastructure	1,441,865	1,166,341	-275,524
Communities, Environment, Leisure & Planning	4,701,947	4,655,782	-46,165
Resources & Customer Services	9,953,820	9,970,374	16,554
NET COST OF GENERAL FUND SERVICES	16,097,632	15,792,497	-305,135
Corporate Items			
Internal Drainage Board Levies	1,903,750	1,903,751	1
Internal Drainage Board Levies Grant	-177,280	-177,281	-1
Contributions to(+)/from(-) Earmarked Reserves	64,734	246,130	181,396
Contribution from(-) Business Rates Reserve	-211,048	-250,478	-39,430
Bad Debts Provision	80,000	62,531	-17,469
RTB/VAT Sharing Income	-20,000	-151,872	-131,872
Financing Charges - <i>Interest on External Borrowings</i>	504,450	485,266	-19,184
Financing Charges - <i>Minimum Revenue Provision</i>	383,989	383,989	0
Investment Income and Property Funds	-1,115,000	-1,158,663	-43,663
New Homes Bonus	-369,245	-369,245	0
Services Grant	-149,720	-149,720	0
Core Spending Power 3% Guarantee Grant	-600,957	-600,957	0
Corporate Adjustments	293,673	223,451	-70,222
Net Expenditure after use of balances/reserves	16,391,305	16,015,948	-375,357
Core Funding			
Revenue Support Grant	-173,414	-173,414	0
Business Rates - Income due in Year			
Business Rates Funding	-10,557,996	-10,557,996	0
Tariff Payment to Government	7,243,731	7,243,731	0
Renewable Energy Rates Retained	-2,076,700	-2,076,700	0
Business Rates Pool - FDC Share of Benefit	-450,000	-505,595	-55,595
Business Rates S31 Grants due in year	-3,028,030	-3,184,480	-156,450
Business Rates Levy due in year	1,034,013	1,285,488	251,475
Business Rates Levy Account Surplus allocation	-31,046	-31,046	0
	-7,866,028	-7,826,598	39,430
Business Rates Collection Fund Deficit(+)	211,048	211,048	0
Council Tax Collection Fund Deficit(+)/Surplus(-)	-87,064	-87,064	0
Council Tax	-7,927,495	-7,927,495	0
Business Rates and Council Tax Funding	-15,842,953	-15,803,523	39,430
Shortfall(+)	548,352	212,425	-335,927

Shortfall at year-end funded from Budget Equalisation Reserve

APPENDIX A(ii)

Summary of Revenue Provisional Out-turn 2023/24 - Main Variances

Service Area	Description	Over(+) / Under spend (-)	
		£000	£000
<u>One-Off Variations</u>			
Fees and Charges	Income variations across a variety of services		
	Enforcement Fees (Housing Standards)	-20	
	Marine Services	-15	
	Planning & Pre-App Fees	110	
	Waste Services - bulky waste and recycling	-45	
	Trade Waste	-24	
	Planning Policy	-21	
			-15
Other Income/Costs	Investment Income and property funds		-44
	RTB/VAT Sharing arrangement with Clarion		-132
	Higher contribution to ARP costs mainly due to lower Enforcement Fees		75
	Lower Gate Fees - Recycling		-34
	Planning Appeal Costs		20
	Higher Legal Fees, of which:		53
	- Wisbech Incinerator Appeal costs in 2023/24 (£88k)		
	- Lower Household Waste fees - MRF Contract (-£31k)		
	Lower Bad Debts Provision		-17
	Sub-Total One-Off Variations		-94
<u>Service Base Variations</u>			
Employee Costs	Variance across a variety of services mainly resulting from vacancies	-67	
Premises Costs	Lower Repair & Maintenance costs across a variety of services	-181	
	Lower Utilities costs across a variety of services	-23	
Transport Costs	Lower car allowance & mileage costs across a variety of services	-13	
	Lower vehicles/vessel maintenance costs	-15	
Supplies and Services	Homelessness - higher accommodation costs	60	
Third Party Payments	Net impact of Housing Benefit subsidy claim and overpayments	14	
Capitl Financing Costs	Lower Interest Paid	-19	
Other variations	Other cost/income variations	2	
	Sub-Total Service Base Variations		-242
	Reduction in Deficit		-336
Projected Deficit 2023-24 at Revised Estimate (Cabinet/Council February 2024)			548
Net Deficit 2023-24	Transfer from Budget Equalisation Reserve		212
Net deficit as a % of Net Expenditure (£16.016m for 2023/24)		1.33%	
	Balance on Budget Equalisation Reserve as at 01.04.23		1,866
	Funding of Deficit in 2023-24		-212
	Balance on Budget Equalisation Reserve as at 31.03.24		1,654

CAPITAL PROGRAMME AND FUNDING OUTTURN 2023/24

	Budget £000	Actual £000	Variance £000
Capital Programme (excluding Commercial and Investment Strategy Schemes)	14,634	8,676	(5,958)
Commercial and Investment Strategy	7,389	7,171	(218)
TOTAL EXPENDITURE	22,023	15,847	(6,176)
RESOURCES AVAILABLE			
Capital Grants	12,541	8,085	(4,456)
Usable Capital Receipts - In Year	155	343	188
Reserves used in year to fund Capital Section 106's and Other Contributions	2,674	542	(2,132)
Borrowing (Internal and Prudential)	1,025	1,040	15
	4,628	3,661	(967)
	21,023	13,671	(7,352)
Borrowing (Prudential) - CIS	1,000	2,176	1,176
Total Available Resources to fund Expenditure	22,023	15,847	(6,176)

GENERAL FUND CAPITAL EXPENDITURE VARIATIONS 2023/24

SCHEME	VARIATION £000	REASON
Leisure Centres		
Building Improvements	(566)	The Leisure Centre Survey and Other scheduled improvement works have been re-profiled to the 2024/25 financial year.
Regeneration Programmes		
Heritage Lottery Fund - Non-FDC Properties	(98)	Some minor works to other privately-owned properties on the High Street have been re-profiled to reflect revised timelines received from property owners and other works on the High Street are being appraised.
Heritage Lottery Fund - 24 High Street, Wisbech	286	Works are ongoing and due to be finished later in 2024. Cabinet receives regular updates on the High Street works and are aware that the costs of this project are higher than anticipated in the budget setting process.
Heritage Lottery Fund - 11-12 High Street, Wisbech	194	Options for the potential redevelopment of this site currently being investigated.
Railway Station Master-Planning	25	This project is now complete and the car park at Manea Station opened earlier in the year.
Future High Street Fund, March	(4,137)	The works on the March High Street are progressing well. This under spend is mainly due to the highways works being completed later than previously planned.
Growing Fenland - Capital Grants	7	Work remains ongoing to finalise the allocation of funds to local businesses in line with applications.
Whittlesey Market Place Improvements	(20)	This work is has been reprofiled into 2024/25.
Cemeteries		
Cemetery Chapels Condition Survey Works	(157)	Work remains ongoing to complete the works required in the findings of the conditions surveys.
Highways		
Street Light Improvements - FDC (Cat 2)	(41)	Expenditure re-profiled and due to be incurred over the life of the project.
Whittlesey Southern Relief Road - SOBC	(174)	The completion of this work has been reprofiled into 2024/25.
Huntingdon Road Improvements, Chatteris	(17)	The costs were less than expected.
Environment		
Replacement and Grant-Funded Additional Litter Bins	(27)	Replacement programme ongoing and expected to be complete in 2023/24.
Pollution Monitoring Equipment	13	The equipment was slightly more expensive than budgeted for.
Parks and Open Spaces		
Wisbech Water Park and Pavillion	49	Wisbech Pavillion works has now been completed and Cabinet are aware of the extra costs incurred.
Vehicles and Plant		
Vehicles	74	Replacement vehicle purchased earlier due to price increases.
ICT System Replacement Programme & Infrastructure Upgrades		
Information Technology	(241)	This scheme reflects a multi-year investment in the Council's transformation programme. Total planned investment across three years to 31 March 2025 remains unchanged.
Improvement of Assets		
March Mooring Improvements	(20)	Reprofiled works in 2024/25.
Sewage Treatment Works Refurbishment	(275)	Reprofiled works in 2024/25.
Nene Waterfront Infrastructure Improvements	(161)	The works are ongoing and will be completed in 2024/25.
National Trust Peckover House	(40)	Work to be carried out in 2024/25.
Economic Estates		
Longhill Industrial Estate - Roof	(205)	Reprofiled into 2024/25
UK Shared Prosperity Fund		
Investment in Business Grants	41	The Council were able to provide more grants to small businesses than profiled but is grant funded.
Private Sector Housing Support		
Disabled Facilities Grants	(477)	Expenditure dependant on throughput of grant applications. Remaining budget committed but not spent and carried forward to 2024/25.
Commercial and Investment Strategy		
Local Authority Housing Fund (LAHF)	(545)	Reprofiled into 2024/25.
Loans to Fenland Future Ltd (FFL)	300	Dependent upon cashflow requirements of FFL.
The Elms & Nene Waterfront Land Transfers	27	Costs associated with the land transfersto FFL.
Other Minor Variations		
	9	Minor budget variations.
Total	(6,176)	

Key

() indicates the scheme is underspent by the amount shown

+ indicates scheme is overspent by the amount shown