



REPORT TO: Cabinet

DATE: 24 July 2024

SUBJECT: 2023/24 Outturn Report and 2022/23 Abbreviated Outturn

PURPOSE: This report details the 2023/24 outturn position and the summary outturn position for 2022/23 and provides an update on the overall financial reporting position.

KEY DECISION: N/A

PORTFOLIO HOLDER: Councillor Ghosh – Portfolio Holder for Finance

REPORT OF: Christine Marshall, Deputy Chief Executive (Corporate Development) and S151

REPORT AUTHOR: Head of Finance (Client) Interim, PSPS

WARD(S) AFFECTED: N/A

EXEMPT REPORT? No

SUMMARY

This report sets out a summary of the financial position for the Council for the year 2023/24 and the summary outturn position for 2022/23 and provides an overall financial update.

RECOMMENDATIONS

That Cabinet:

- 1) Notes the report outlining the current year end underspend of £458,000 for 2023/24 and the detail set out in Appendix A and approves the transfer of the surplus to reserves.
- 2) Notes that the Draft Statement of Accounts for 2023/24 has been finalised and published on 30 May 2024 in line with the regulatory requirements, with the External

Audit due to commence shortly as recently reported to Audit and Governance Committee.

- 3) Notes the final revenue position of 2022/23 which was an underspend of £155,868 transferred to reserves as set out in Appendix B.
- 4) Notes that the 2022/23 Statement of Accounts have been audited and signed off by the External Auditor as reported to Audit and Governance Committee.
- 5) Recommends to Full Council to approve the reserves transactions and balances as set out in Appendix A - Table 4 for 2023/24.
- 6) Recommends to Full Council to amend the Capital Programme for 2024/25 as shown in Table 5a to take into account the changes set out in Appendix A.
- 7) Recommends to Full Council to approve the reserve transactions and balances for 2022/23 as set out in Appendix B – Table 3.

REASONS FOR RECOMMENDATIONS

To ensure the Council's year-end financial position for 2022/23 and 2023/24 is considered and related decisions approved. It is important that the Cabinet are aware of the financial position of the General Fund to ensure that they can make informed decisions that are affordable and financially sustainable for the Council.

OTHER OPTIONS CONSIDERED

To not approve the reserve movements and Capital Budget amendments outlined.

REPORT

1. BACKGROUND

1.1 Nationally local authorities have faced a number of challenging financial periods due to many factors, the residual impacts of international events which have impacted both on resourcing levels and directly on the Councils financial position through significant inflationary pressures across all areas in terms of contract pressures, service pressures, pay, power and fuel.

1.2 The Statements of Accounts for the year 2022/23 were published by May 31, 2023, in compliance with regulatory requirements. Additionally, the audited 2022/23 Statement of Accounts have been signed off. The final revenue position for 2022/23 was a surplus of £155,868 as shown in Appendix B. This report also summarises the outturn for 2022/23, reserve balances, and year-end adjustments. Many of these have been reported throughout the year 2023/24 as part of the Quarterly Monitoring, reporting to Audit and Governance Committee as part of the Treasury Reporting and as part of the 2024/25 budget setting process.

2. OUTTURN 2023/24

2.1 The attached Appendix A provides detailed information on the full year financial performance as at 31 March 2024 for the following areas:

- The General Fund Revenue Budget,
- The General Fund Reserves Position,
- The Capital Programme for 2023/24, and
- The Treasury Management Performance for the year.

General Fund Revenue Outturn

2.2 At 31 March 2024, the General Fund outturn position was an underspend of £458,000. Budget pressures experienced by the services, largely a result of the inflationary environment and in particular pay, were offset by additional investment income earned due to high interest rates. The outturn position by Assistant Director/Corporate Finance areas is detailed at Table 1 together with an analysis of variations.

Savings Target

2.3 When setting the budget certain assumptions had to be made around inflationary pressures, particularly pay, fuel, power and support for IDB costs. As a result of this approach when the budgets were not required these have been offset against the savings target and this information is detailed in Appendix A Section 2.2 – Table 2 of the report. The year end position is that £575,000 of savings have been achieved at year end against a target of £664,000 (86.6%).

IDB's

2.4 The financial pressure generated by the Internal Drainage Boards was supported by government for 2023/24 in the sum of £319,000. The issue and challenge of the need for a longer-term solution to this problem has been raised again with government officials at DLUHC and BEIS in order to seek to come to a resolution that enables the Council to make use of the Council Tax that it raises for the purpose that it is set. The Council is now working with others affected through the Special Interest Group on this topic to take this forward.

Reserves

2.5 General Fund Specific Reserves at 31 March 2024 had balances totalling £13.208m. The General Fund Reserve Balance remains at £2m. Further specific details are set out in Appendix A – Table 4 with associated narrative.

Capital – General Fund

2.6 Appendix A Section 2.3 details the revised Capital Programme Budget for 2023/24 of £8.602m and includes proposed year-end adjustments as detailed in Table 5a. Capital expenditure for the year totalled £5.939m, against a full-year budget of £8.602m (at Q3, Capital spend was £3.099m).

This detail also takes account of other approvals that are required and seeks to update the Capital Programme accordingly.

3. Treasury Management Outturn 2023/24

3.1 Appendix A Section 2.4 provides details of the Council's Treasury investments. The Council's 2023/24 budget for investment income was £1.462m. At the end of March 2024 investment income and other interest was £2.307m which was £845k above the budget. The higher levels of investment income overall compared to the original budget is due to increased balances available for investment resulting from additional grant money being received, slippage in the capital programme and rises in interest rates on new investments.

In addition to this income, the Council received liquidation distributions from the M&G Property Fund totalling £551k which is classified as a revenue receipt. As the purchase of this investment was unfinanced capital expenditure, these receipts will be used to finance the required Minimum Revenue Provision charge relating to this investment.

3.2 On 30 September 2023 the Council had external loans with Public Works Loans Board totalling £15.499m. On 9 October 2023 the Council prematurely repaid £15.449m of external borrowing to the Public Works Loan Board at a discount of £6.417m. Accounting rules require the discount to be allocated to revenue over a 10 year period which offsets any reduction in investment income resulting from the repayment. This has resulted in a credit to revenue in 2023/24 of £642k and borrowing costs were reduced by £182k as a result of the debt repayment.

4. 2022/23 ABBREVIATED OUTTURN

4.1 In summary the financial outturn for 2022/23 was as follows (see Appendix B for more detail):

- The revenue outturn was an underspend of £156k
- Specific and general reserves of the Council were £14.111m at 31 March 2023.
- Capital spend at the end of Quarter 4 was £3.747m against a full year budget of £6.440m
- After funding the 2022/23 Capital Programme the capital resources were:
 - Capital Reserve - £5.643m
 - Capital Receipts - £0.275m

CONCLUSION

To ensure that the 2023/24 and 2022/23 outturn positions are reviewed by Cabinet.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

WORKFORCE CAPACITY IMPLICATIONS

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

As contained in Appendix A.

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

None

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

None

APPENDICES

Appendices are listed below and attached to the back of the report: -

Appendix A	BBC Q4 Finance Report 2023/24
Appendix B	Q4 Outturn (Abbreviated) Report 2022/23

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL

Report author:	Head of Finance (Client) Interim, PSPS
Signed off by:	Christine Marshall, Deputy Chief Executive (Corporate Development) and S151
Approved for publication:	Councillor Sandeep Ghosh Portfolio Holder for Finance