

General Fund Revenue Outturn position 2023/24

1. Net Cost of Services

An overspend of £1.3m is reported against the net cost of services budget, the main areas of variance against budget are detailed across the following paragraphs:

- Within Planning ongoing recruitment difficulties meant that the service continued to use consultants to assist with the workload and planning application backlog alongside a decrease in planning applications fee income as a result of the cost of living crisis has led to a £368k overspend against budget.
- Charringtons House was closed to tenants on 31 March 2023, the Council remains liable for costs in relation to Business rates and utilities, which totalled £361k in 2023/24.
- A review of the council's aged debt position was undertaken in 2024/25, which resulted in a number of debts being deemed uncollectable, therefore the provision for doubtful debts was increased by £659k, as the 2023/24 Statement of accounts were still in production this amount was charged against the 2023/24 revenue position.

2. Corporate budgets

An underspend of £1.2m is reported against corporate budgets;

- A review of the Councils Minimum Revenue Provision (MRP) has undertaken by external advisors (Arlingclose) to ensure that the Council is making proper provision. A budget for MRP was set at £557k, following the review it was determined that £600k needed to be set aside in respect of 2023/24. This has resulted in a pressure of £43k.
- In 2023/24 the council entered into short term borrowing to fund the capital programme. Interest on borrowing cost the authority £1.5m. Following a review by Arlingclose the 2023/24 accounting policies have been updated to include the capitalisation of interest (presented to audit and Governance Committee on 18th February 2025). This enables the Council to allocate borrowing costs to assets under construction, this increased the capital cost of project and reduced the interest charged to the Comprehensive Income and Expenditure Statement (CIES) by £1m to £541k. This has resulted in a £438k saving against the 2023/24 interest payable budget. This has been transferred to the interest equalisation reserve.
- Due to the increased bank of England base rate, the interest that the Council received on its investments was £774k higher than the budget of £1m. This has been transferred to the interest equalisation reserve.

3. Use of Reserves

The 2023/24 Medium Term Financial Plan (MTFP) budgeted a contribution from reserves of £818k, the outturn position was a net contribution to reserves of £2.2m a movement of £3m;

- New Homes Bonus Grant of £931k was received in 2023/24, this was all transferred to the New Homes Bonus priority spend reserve.
- As detailed in the section above the £1.2m was transferred to the interest equalisation reserve.
- In line with the MTFP £235k was transferred to the Council election reserve.

At the 31 March 2024 the usable reserves total £26m, as shown in the following table and the 2023/24 draft statement of accounts (Appendix C to this report).

Usable reserves	£'000
General Fund	3,854

Earmarked reserves	22,015
Capital grants unapplied	189
Total as at 31 March 2024	26,058

The calculated minimum level of general fund balance is £3.3m, as at 31 March 2024 the Council's general fund balance was £3.854m, this is set aside to meet unforeseen risks. As per the table above the earmarked reserves are £22m, these are set aside for specific purposes or are required to provide risk finance.

4. Funding

A movement of £3.3m against the budget set in March 2023 is shown as at 31 March 2024. When the budget was set a net £1.6m deficit on the council tax and business rate collection funds. The outturn position for 2023/24 was a surplus of £1.7m, this gives a movement of £3.3m.