

REPORT OF Finance Manager and S.151 Officer

To: Full Council

Subject: Draft Financial Outturn 2023/24

Date: 14th October 2024

Reference:

PURPOSE OF REPORT:

For Members to confirm the recommendation for the utilisation of the 2023/24 surplus.

1. INTRODUCTION

At the close of each financial year, the utilisation of any surplus generated is required to be confirmed by Committee. For 2023/24 this process has been delayed due to the timing of the snap general election and the deferral of decisions around the Levelling Up Fund. Full Council is asked to recommend the utilisation of the 2023/24 surplus at this time as it dovetails with and supports the Leisure related decisions.

2. REPORT

The **draft** surplus for the financial year 2023/24 is £1,371k, however, members should note that this is after the budgeted contribution to reserves. The overall increase in reserves over the course of 2023/24 is £997k.

The increase from the underspend anticipated at quarter 3 and this draft outturn is due to information that was not available at the time. This includes, the changes to support to Active Torridge, end of year Business Rates and Collection Fund positions, the late recognition of grants, and receipts from Treasury Management being higher than anticipated.

The table below shows the *some of the main contributory factors* towards the surplus for breakdown of the surplus generated in 2023/24.

Favourable Variances (in £'000)	Under budget
Bank interest	(987)
NNDR Collection Fund	(468)
Homelessness - Temporary Accommodation	(232)
Govt Grants	(318)
Other Local Authority Contributions	(186)
Services By Private Contractors	(147)
Recycling Shared Saving Scheme (Waste)	(163)
External Interest Payable (slippage)	(57)
Net Car Parks including Northam Burrows	(61)
Rental & Other Income	(185)
Transport Fuel/Oil	(84)
Supplies & Services	(83)
Bank Charges	(24)



Net Small Variances (<£20k)	(73)
Subtotal - Favourable Variances	(3,068)

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Adverse Variances (in £'000)	Over Budget
Staff costs	460
Computer Software	194
Services by Private Contractors	137
Planning	74
Audit Fees	108
Repairs & Maintenance	151
Contract Cleaning	60
Premises Rents	115
Vehicle Parts	80
Harbour & Pilotage Income	21
Postage	44
Professional Fees	146
Transport Insurance Premium	27
Net Small Variances (<£20k)	80
Subtotal - Adverse Variances	1,697

In considering how to utilise the underspend, attention is focussed on meeting specific obligations, directly supporting investment in assets and facilitating the development of future capital schemes.

- **£500k** Capital Reserve

Funds are set aside for financing the capital programme. This £500k becomes available to support investment in the Town Hall should members wish to support it. If members do not wish to support that scheme then the funds will be available to provide an additional capacity to relieve pressure on the capital programme and reduce the ongoing revenue cost associated with the borrowing.

- **£400k** Property Acquisition

Opportunities may arise to purchase properties for delivering services such as Temporary Accommodation. External funding opportunities may also appear to purchase such properties that may need match funding. Setting aside £400k within the Strategic Property Acquisition reserve will provide additional capacity here.

- **£209k** Contribution to Leisure Reserve

In 2023/24 TDC's Leisure Services budget underspent as not all of the Management Fee for Active Torridge was required. This underspend will be retained to meet future liabilities and invest in leisure services.



- **£100k Project Management**

There are may be significant opportunities arising from government grants to invest in the district and associated local authority services. There is also limited capacity inhouse to prepare, enable and deliver capital schemes in the context of the other large capital schemes currently being delivered.

The £100k will provide additional capacity to TDC to prepare and facilitate capital investment.

- **£90k Apprentice Reserve**

Torrige continues to invest in its staff with a range of apprenticeships and professional level training programmes. £90k will allow Torrige to meet its obligations to Apprentices for the rest of the year.

- **£42k S.106 Monitoring**

£42k is the amount that was received by the Council in 2023/24 from developers to monitor the delivery of obligations attached to s.106 payments in future years. This allocation will ensure that funds are available when needed.

- **£20k Member Development**

£20k will provide some additional capacity to develop skills and improve governance.

- **£5k Training**

The £5k requested to be carried forward will support the programme of training following on from the recent Health and Safety Audit.

- **£5k Pilot Boat**

There is a formal inspection of the Pilot Boat every five years. Underspend from the 2023/24 annual maintenance budget can be set aside to ensure that sufficient funds are available for this inspection.

3. IMPLICATIONS

Legal Implications

No specific legal implications

Financial Implications

As outlined in the report

Human Resources Implications

None

Sustainability/Biodiversity Implications

None

Equality/Diversity

Not applicable

Risk Management

Both housing/homelessness and staff recruitment and retention have been identified within the Council's Corporate Risk Register as areas of significant risk.



Compliance with Policies and Strategies

This report is in compliance with the Council's Constitution

Data Protection (GDPR) Implications

Not applicable

Climate Change

Not applicable

Lead Member View

Councillor Bushby

The proposed utilisation of the draft surplus for 2023/24 represents a reasoned usage considering the priorities and pressures faced by the Council.

4. RECOMMENDATIONS

That Members:

1. Approve setting aside the **draft** surplus from 2023/24 as outlined in the report.

Contact Officer: Gordon Bryant Finance Manager (Section 151 Officer)

