

CALDERDALE MBC

WARDS AFFECTED ALL

CABINET 7th AUGUST 2023

FIRST QUARTER PROJECTED OUTTURN REPORT 2023/24

REVENUE & CAPITAL OUTTURN POSITION

REPORT OF THE HEAD OF FINANCE

1. PURPOSE OF REPORT

- 1.1 This report summarises the revenue and capital projected outturn position as at 30th June 2023 and the availability of reserves to mitigate the impact of any deficits. Specific actions are recommended to reduce the current projected outturn position and retain the current level of reserves.

2. NEED FOR A DECISION

- 2.1 Under the Council's Financial Procedure Rules, a report covering the quarterly financial position must be presented to Cabinet each quarter for noting and approval of any significant budget changes. Members are invited to review the appendix included and consider the action required to manage the overall outturn position.

3. RECOMMENDATIONS

It is recommended that Cabinet:

- 3.1 Notes the Quarter 1 projected budget outturn and the analysis of the 2023/24 revenue outturn position, the impact on available reserves, and the underlying budget pressures faced by directorates.
- 3.2 Agrees the Capital Programme of £205.774m for the period 2023-24 to 2025/26.
- 3.3 Agree to an additional £800k WYCA funding allocation for Year of Culture.
- 3.4 Note the risks to the budget for 2023/24.

4. BACKGROUND AND DETAILS

- 4.1 The Council's management accounts are based on the Council's directorate structure and are used to help plan and control service delivery within the financial resources specifically approved by Council. They reflect the way the Council is organised and the delegations of budget responsibility, with some costs being delegated to directors to manage, and some being met corporately by the Council.
- 4.2 Both revenue and capital monitoring reports are presented to Cabinet three times a year. The process of monitoring allows service managers to identify significant variances and ways of managing these, and to estimate the overall effect on the service budget. The report to Cabinet summarises these forecasts and proposes solutions and strategies as to how these variances may best be mitigated, and what the implications might be on future budget requirements.
- 4.3 There are inevitably fluctuations in service forecasts in light of changing circumstances and issues. This projected outturn report summarises how the Council's financial position currently stands as at 30th June 2023.
- 4.4 As they serve a different purpose, management accounts are prepared on bases which do not reflect all the accounting policies required in the preparation of the financial accounting statements.

5. OPTIONS CONSIDERED

- 5.1 This report is presented primarily for information. Although Members have set a balanced budget for 2023/24, there are still potential shortfalls in this year's activity. Officers are now considering future budgets for the Medium-Term Financial Strategy and will provide further update within each quarters reporting cycle.

6. FINANCIAL IMPLICATIONS

Revenue

- 6.1 These are set out in the Appendix and identify the net spend by directorate and the movements in reserves.

Capital

- 6.2 The Appendix to the report details the capital expenditure and relevant funding of £205.774million forecast for the period 2023/24 to 2025/26, including the forecast of £90.994million for the current year. The overall budget includes the capital budget and funding brought forward from the financial year 2022/23, the Home Upgrade Grant and Community Alarms and Mobile Response schemes approved by Cabinet on 12 June 2023 and the West Yorkshire Combined Authority (WYCA) schemes approved via the WYCA Assurance Framework at this point in the financial year 2023/24.
- 6.3 During a financial year the overall capital budget can change for a variety of reasons, including the approval of additional external funding. Most of the external funding for the Council's schemes is provided by Government to fund highways schemes, or the

WYCA to fund the West Yorkshire Plus Transport and Transforming Cities funded schemes. The expenditure and funding of these schemes is only included in the Capital Programme for the current year as it is agreed by WYCA, and it is likely that overall programme will increase significantly in future years as schemes progress through the WYCA Assurance Framework.

7. LEGAL IMPLICATIONS

7.1 None directly arising from this report.

8. HUMAN RESOURCES AND ORGANISATION DEVELOPMENT IMPLICATIONS

8.1 None directly arising from this report.

9. CONSULTATION

9.1 None directly arising from this report.

10. ENVIRONMENT, HEALTH AND ECONOMIC IMPLICATIONS

10.1 None directly arising from this report.

11. EQUALITY AND DIVERSITY

11.1 None directly arising from this report.

12. SUMMARY AND RECOMMENDATIONS

12.1 The Council's overall projected outturn position is an overspend of £5.6m. Work has commenced to address this overspend and deliver a balanced position for the outturn of 2023/24.

12.2 As detailed in the Appendix, the forecast for the Council's Overall Capital Programme is £205.774million for the period 2023/24 to 2025/26. The forecast for the current year is £90.994million. The programme will be funded by a combination of grants and contributions, revenue and reserves, prudential borrowing and pooled resources.

Isabel Brittain

Head of Finance

Date: 27th July 2023

FOR FURTHER INFORMATION ON THIS REPORT CONTACT: Lee Holden

Lee.holden@calderdale.gov.uk

DOCUMENTS USED IN THE PREPARATION OF THE REPORT: Financial ledger