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## **BALANCES AT 31 MARCH 2024**

**Report by Director of Finance & Procurement**

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### **EXECUTIVE COMMITTEE**

**15 August 2023**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides the Executive Committee with an analysis of the Council's balances as at 31 March 2023 and advises Members of the projected balances at 31 March 2024.**
- 1.2 The unaudited Council's General Fund useable reserve (non-earmarked) balance was £9.980m at 31 March 2023. The General Fund useable reserve is projected, at this early stage in the financial year, to be around £8.4m at 31 March 2023 in line with the Council's Financial Strategy and recognises the requirement to draw down from reserves during 2023/24 to fund the 2023/24 pay award which is yet to be agreed.
- 1.3 The total of all useable balances, excluding development contributions, at 31 March 2024 is projected to be £61.906m, compared to £62.244m at 31 March 2023. The movement in balances year to year is primarily due to the net effect of the release of earmarked balances, carried forward from 2022/23, into the 2023/24 revenue budget and the increase in allocated balances associated with service concessions (the reprofiling of PPP debt) as approved by Council on 16<sup>th</sup> February 2023.
- 1.4 The projected balance on the Capital Fund of £9.111m will be affected by any further capital receipts, developer contributions, interest credited and any expenditure authorised to be financed from the Fund during the remainder of the financial year.

#### **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Executive Committee:**
  - (a) Notes the unaudited 2022/23 revenue balances at 31 March 2023;**
  - (b) Notes the projected revenue balances as at 31 March 2024 as per Appendices 1 & 2; and**
  - (c) Notes the projected balance in the Capital Fund as per Appendix 3.**

### 3 ACCOUNTS AND FUNDS OPERATED BY THE COUNCIL

3.1 Income and expenditure relating to the Council's services are accounted for and financed through the following funds (as required or permitted by statute):

- (a) General Fund
- (b) Corporate Property Repairs & Renewals Fund
- (c) Insurance Fund
- (d) Plant & Vehicles Renewals Fund
- (e) Pitch and Play Park Replacement Fund
- (f) Capital Fund

### 4 BALANCES

4.1 Appendix 1 summarises the projected transactions and resultant projected balances at 31 March 2024 on the General Fund and Appendix 2 shows the projected non-General Fund balances. The net effect is the useable General Fund balance after earmarked funds and allocated reserves is projected to be around **£8.4m** at 31 March 2024. This is in line with the recommended level included in the 2023/24 Financial Strategy approved by Council and recognises the requirement to draw down from reserves during 2023/24 to fund the 2023/24 pay award which is yet to be agreed.

4.2 The projections in the statements attached in Appendices 1, 2 and 3 are based on actual expenditure and income to 30 June 2023 and are detailed in the table below along with movement from the 31<sup>st</sup> March 2023 position.

	<b>31/03/23</b> <b>£m</b>	<b>31/03/24</b> <b>projection</b> <b>£m</b>	<b>Movement</b> <b>£m</b>
<b>BALANCES</b>			
Earmarked Balances (non DSM)	26.366	2.924	(23.442)
Recovery Fund (previously COVID-19 reserve)	1.187	1.187	0
Earmarked Balances (DSM)	3.589	0	(3.589)
Allocated Balances (31 <sup>st</sup> March 23 reflects an increased balance of £762k due to statutory adjustment post June Executive)	8.525	36.164	27,639
General Fund (Unallocated Reserve which includes £1.532m ringfenced to support 2023/24 pay award)	9.980	9.946	(0.034)
Corporate Property Repairs & Renewals Fund	0	0	0
Pitch & Play Park replacement fund	1.401	1.875	0.474
Plant & Vehicles Renewals Fund	8.597	7.248	(1.349)
Insurance Fund	1.387	1.350	(0.037)
Capital Fund (exc. Developer Contributions)	1.212	1.212	0
	<b>62.244</b>	<b>61.906</b>	<b>(0.338)</b>

4.3 Key movements in the General Fund unallocated balances during 2023/24 to date are as a result of:

- Movement in earmarked balances is as a result of earmarked balances carried forward from 2022/23 being applied to the 2023/24 revenue budget as planned. £1.187m one-off balance has been retained in the Recovery Fund to support pressures on the revenue budget as the financial year progresses.
- As approved by Council on 10<sup>th</sup> March 2022, the drawdown of £34k for 1 X Education Officer (part time within the Child Protection Unit).

4.4 The Corporate Financial Risk Register was considered at the Council Meeting on 23 February 2023 and identified potential risks including the failure to control budgets within approved limits, severe weather events, the economic downturn, potential contractual claims and unplanned emergencies. The unallocated balance of £8.4m, approved by Council as part of the Financial Strategy on 23 February 2023, equates to 2.5% of net revenue expenditure and is sufficient to cover 59% of the risks identified in the finance risk register should they be realised. The general fund reserve will continue to be monitored through the Corporate Financial Risk Register on a regular basis.

4.5 Allocated balances have increased by a net £27.6m to date in 2023/24 as detailed in the table below:

<b>ALLOCATED BALANCES</b>	<b>31<sup>st</sup> March 2023 £m</b>	<b>Increase during 2023/24 £m</b>	<b>Released during 2023/24 £m</b>	<b>31<sup>st</sup> March 2024 £m</b>
Municipal Mutual	0.233	0	(0.233)	0
Adverse Weather (including flood)	1.000	0	0	1.000
Workforce Management	0.890	0	(0.046)	0.844
Treasury reserve	5.131	0	0	5.131
Strategic Contract movement reserve	1.271	0	(0.493)	0.778
Service concessions (support financial plan)	0	9.093	(0.682)	8.411
Service concessions (Change Fund)	0	20.000	0	20.000
<b>Total</b>	<b>8.525</b>	<b>29.093</b>	<b>(1.454)</b>	<b>36.164</b>

Key movements in the allocated balances during 2023/24 to date are as a result of:

- the increase in allocated balances of £29.093m associated with service concessions (the reprofiling of PPP debt) as approved by Council on 16<sup>th</sup> February 2023 and the subsequent draw down from this reserve of £682k as approved as part of the 2023/24 financial plan;
- the approved draw down of £726k from reserves as per the 2023/24

financial plan.

- 4.6 Appendix 3 details the balances currently held in the Capital Fund. These balances are temporarily held in the Loans Fund and will attract interest at the end of the financial year. The Fund can only be used for capital purposes or to repay external debt.

## **5 IMPLICATIONS**

### **5.1 Financial**

There are no financial implications beyond those contained in the report and appendices.

### **5.2 Risk and Mitigations**

The major risks associated with this report are that the level of projected balances proves to be insufficient. Service budget pressures plus unexpected liabilities are the most likely sources of pressure on reserves. These risks are being managed through regular monitoring of financial activity in all funds of the Council, including regular revenue and capital budgetary control reports to the Executive Committee. In addition, the Corporate Financial Risk Register is regularly reviewed by senior Finance staff.

### **5.3 Integrated Impact Assessment**

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

### **5.4 Sustainable Development Goals**

There are no significant effects on the economy, community or environment.

### **5.5 Climate Change**

No effect on carbon emissions are anticipated from the recommendation of this report.

### **5.6 Rural Proofing**

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

### **5.7 Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

### **5.8 Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to the Schemes of Administration or Delegation as a result of this report.

## **6 CONSULTATION**

- 6.1 The Director of Corporate Governance, the Chief Officer Audit and Risk, the Director of People, Performance & Change, the Clerk to the Council and Corporate Communications are being consulted on this report and any comments received will be reported to the meeting.

### **Approved by**

**Suzy Douglas**  
**Director of Finance & Procurement**

**Signature .....**

### **Author(s)**

*Executive Committee – 15 August 2023*

**Background Papers:****Previous Minute Reference:**

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