

ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN 2022/23

1. RECOMMENDATIONS

1.1 It is recommended that Panel note:

- a) the Annual Performance Report for 2022/23;
- b) the provisional outturn of the General Fund revenue and capital budgets for 2022/23;
- c) the provisional outturn of the Housing Revenue Account and capital budgets for 2022/23; and
- d) the yearend rephasings as included within the provisional outturn figures.

2. PURPOSE OF THE REPORT

- 2.1 This report provides an overview of performance and delivery of the Corporate Plan for 2022/23 and sets out provisional outturn results for Revenue and Capital budgets for both the General Fund and Housing Revenue Account.
- 2.2 The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer and will be presented as final to the Audit Committee following the completion of an external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn now presented is in management format.

3. INTRODUCTION

- 3.1 Community Matters, the Council's Corporate Plan for 2020-2024, sets out the overarching commitments and vision for the Council and focuses on the challenges faced and the plans to address them, including priorities for each Portfolio. It was originally approved in March 2020, and then revisited in May 2021 in order to align responsibilities with the new Cabinet structure that came into effect in April 2021. The Annual Performance Report (**Appendix 1**) reflects the progress in delivering the Corporate Plan.
- 3.2 Work will now commence on drafting the administration's new corporate plan for the four-year term, which will be subject to consultation later this year. This will be underpinned by the development of a new performance management framework that will continue to see performance for the relevant portfolios presented to overview and scrutiny panels during the year.
- 3.3 The Annual Budget is an important element of the delivery of the Council's financial strategy which supports the delivery of core services and provides value for money to local taxpayers. Financial Monitoring Reports and Medium-Term Financial Plan updates are presented to Cabinet throughout the year, providing up to date information on current performance and the budget outlook over a medium-term period.

- 3.4 The Council's financial planning process supports the delivery of the corporate objectives and the setting of the annual budget and its performance is an important element of the overall Corporate Plan.
- 3.5 Financial monitoring reports have been presented to Cabinet in July 2022, November 2022 and February 2023. The February reported position for the General Fund, Capital Programme and Housing Revenue Account budgets were as follows:

	Original Budget Set Feb '22	Latest Budget Feb '23 Cabinet	Reported Variations upto Feb '23 Cabinet
	£'m	£'m	£'m
General Fund - Net Budget Requirement	20.674	21.373	0.699
General Fund - Business Rate Retention	(6.381)	(6.381)	0
General Fund - Capital Programme	17.174	20.699	3.525
Housing Revenue Account - Income	(30.225)	(29.909)	0.316
Housing Revenue Account - Expenditure	21.305	22.591	1.286
Housing Revenue Account - Capital Programme	24.900	20.900	(4.000)

- 3.6 This report at section 5 and the Appendices includes the provisional budget outturn position statements covering the General Fund (Appendix 2A and 2B), the Housing Revenue Account (Appendix 2C) and combined Capital Programme (Appendix 3).

4. ANNUAL PERFORMANCE REPORT

- 4.1 The Annual Performance Report (Appendix 1) illustrates the Council's achievements during 2022/23 highlighting each Portfolio's performance against the priorities set.

5. BUDGET OUTTURN

- 5.1 The General Fund Net Budget Requirement (Revenue) provisional outturn position confirms a spend of £20.107m against an original budget of £20.674m. Within those figures, the net spend at Service Portfolio level is just £56,000 over the original budgeted sum for the year (£20.174m spend as against £20.118m original budget). The outturn variation that has reduced the net budget requirement has occurred outside of the service Portfolio's and is due to additional interest earnings of £893,000 to the General Fund above the originally budgeted sum. These additional interest earnings mean that the General Fund has been able to support 2022/23 Capital Programme financing of £1.675m (the originally budgeted contribution was £1.750m, originally reduced through Financial Monitoring to help finance additional costs of pay award).

5.2 Rephasings to future years included in the outturn total £964,000 and include:

5.2.1	ICT Work Programme	£329,000
5.2.2	Homes for Ukraine Support	£269,000
5.2.3	Corporate Plan Priorities budget	£188,000
5.2.4	UK shared Prosperity Fund	£86,000
5.2.5	Net Other	£92,000

5.3 Business Rates income was originally budgeted at £6.381m, with the provisional outturn being £5.801m. This £580,000 reduction is mainly associated with a required increase to the appeals provision.

5.4 **When combined, the overall general fund variations result in a neutral position for the year with no transfers to or from general non-committed reserves.** The Financial Monitoring reports presented through Cabinet during the year included the reasoning for the significant variations and the summarised position is shown within Appendix 2A, with further detail on the new outturn General Fund variations being shown within Appendix 2B.

5.5 The original General Fund Capital Programme budget was set at £17.174m. This was increased via financial monitoring through the year to take into account the scheme rephasings from 2021/22 and updated for new requirements, including investment in economic regeneration and employment projects. The outturn position confirms a spend for the year of £21.641m. Outturn project variations (including a new acquisition) total +£1.747m, with this figure netted down by £805,000 of rephasings to future years. This results in a year-end variation in comparison to the revised budget of +£942,000.

5.6 The Housing Revenue Account provisional position confirms income for the year of £30.083m (a reduction of £142,000 from the original budget) and revenue spend for the year of £22.321m (an increase of £1.016m from the original budget). After taking these variations into account, and after allowing for net transfers from earmarked reserves of £174,000 and contributions to capital of £9.120m, this results in an overall deficit for the year of £1.184m with this sum being transferred from the Acquisition and Development reserve.

5.7 The original Housing Revenue Account Capital Programme budget was set at £24.900m. This was reduced via financial monitoring through the year to £20.900m. The outturn position confirms a spend for the year of £22.077m. Outturn project variations (including additional affordable housing additions) total +£2.397m, with this figure netted down by £1.220m of rephasings to future years. This results in a year-end variation in comparison to the revised budget of +£1.177m.

5.8 The following table summarises the positions as explained above (although all stated positions are still subject to change during the course of External Audit):

	Original Budget Set Feb '22	Provisional Outturn Position	Total Variation
	£'m	£'m	£'m
General Fund - Net Budget Requirement	20.674	20.107	(0.567)
General Fund - Business Rate Retention	(6.381)	(5.801)	0.580
General Fund - Capital Programme	17.174	21.641	4.467
Housing Revenue Account - Income	(30.225)	(30.083)	0.142
Housing Revenue Account - Expenditure	21.305	22.321	1.016
Housing Revenue Account - Capital Programme	24.900	22.077	(2.823)

6. CRIME & DISORDER/ EQUALITY & DIVERSITY / ENVIRONMENTAL IMPLICATIONS

6.1 There are none arising directly from this report.

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Background Papers

The Corporate Plan 2020-2024
'Community Matters'
Cabinet 4 March 2020

The Corporate Plan 2020-2024
'Community Matters' (Revised 2021)
Cabinet 6 October 2021

Financial Monitoring Report
Cabinet 29th July 2022
Cabinet November 2022
Cabinet February 2023