

ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN 2023/24

1. RECOMMENDATIONS

- 1.1 It is recommended that the Cabinet note:
- a) the Annual Performance Report for 2023/24;
 - b) the provisional outturn of the General Fund revenue and capital budgets for 2023/24;
 - c) the provisional outturn of the Housing Revenue Account and capital budgets for 2023/24; and
 - d) the year-end rephasings, as included within the provisional outturn figures.
- 1.2 It is recommended that the Cabinet request Council approval of;
- e) the establishment of a new Corporate Priorities Reserves, with an initial contribution of £1.5 million in 2023/24 and note the transfer of £262,000 in 2023/24 to enhance the Treasury Management Reserve.

2. PURPOSE OF THE REPORT

- 2.1 This report provides an overview of performance over the last year (April 2023 to March 2024) against our Corporate Plan 2020-2024 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 A new Corporate Plan was introduced in April 2024 and is in place covering the years 2024-2028.
- 3.2 The annual report for April 2023-March 2024 therefore represents the last year of reporting against our previous Corporate Plan, Community Matters 2020-2024.
- 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 September 2023, November 2023 and February 2024. The February reported position for the General Fund, Capital Programme and Housing Revenue Account budgets were as follows:

	Original Budget Set Feb '23	Latest Budget Feb '24 Cabinet	Reported Variations up to Feb '24 Cabinet
	£'m	£'m	£'m
General Fund - Net Budget Requirement	22.468	22.468	0
General Fund - Business Rate Retention	(3.185)	(3.185)	0
General Fund - Capital Programme	15.031	13.881	(1.150)
Housing Revenue Account - Income	(32.553)	(32.696)	(0.143)
Housing Revenue Account - Expenditure	19.979	20.543	0.564
Housing Revenue Account - Capital Programme	27.610	28.021	0.411

- 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 2023/24 highlighting each Portfolio's performance against the priorities set.
- 4.2 The annual report is a reflection on the previous year and recognises the achievements organised by their new portfolios. The Key Performance Indicators (KPIs) too, are backwards looking and will not represent the newly agreed set of KPIs that accompanied the new corporate plan 2024-2028. These new KPIs are being presented separately as part of our Performance Management Framework.

5. BUDGET OUTTURN

- 5.1 The General Fund Net Budget Requirement (Revenue) provisional outturn position confirms a spend of £20.649m against an original budget of £22.468m. Within those figures, the net spend at Service Portfolio level is just £20,000 over the original budgeted sum for the year (£20.765m spend as against £20.745m original budget). The outturn variation that has reduced the net budget requirement has occurred outside of the service Portfolios and is due principally to additional interest earnings of £2.132m above the originally budgeted sum, a VAT refund of £668,000 and additional business rates income of £701,000. These positive variations mean that the General Fund has been able to support 2023/24 Capital Programme financing of £1.807m (the originally budgeted contribution was £700,000), enhance the Treasury Management

Reserve by £262,000, create a new Corporate Priorities Reserve, with a contribution of £1.5m and transfer £767,000 to the Capital Programme Reserve.

5.2 Rephasings to future years included in the outturn total £2.502m and include:

• ICT Work Programme	£450,000
• Homes for Ukraine Support	£715,000
• CCTV	£260,000
• Corporate Plan Priorities budget	£188,000
• Totton Commercial Investment	£140,000
• Digital Planning Grant	£100,000
• UK shared Prosperity Fund	£112,000
• Appletree Court East Wing	£93,000
• Other	£444,000

5.3 The Financial Monitoring reports presented through Cabinet during the year included the reasoning for the in year 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**.

5.4 The original General Fund Capital Programme budget was set at £15.031m. This was reduced to £13.881m via financial monitoring through the year to take into account the scheme rephasings from 2022/23 and updated for new in year requirements. The outturn position confirms a spend for the year of £8.160m. Outturn rephasings to future years total £4.692m and project savings were £1.029m. This results in a year-end variation in comparison to the revised budget of -£5.721m.

5.5 The Housing Revenue Account provisional position confirms income for the year of £32.911 (an increase of £358,000 from the original budget) and revenue spend for the year of £20.216m (an increase of £237,000 from the original budget). After taking these variations into account, and after allowing for net transfers from earmarked reserves of £49,000 and contributions to capital of £13.222m, this results in an overall deficit for the year of £478,000, with this sum being transferred from the Acquisition and Development reserve. Excluding increased Contribution to Capital (Depreciation) charges of £492,000, included within capital financing costs, the HRA operational position for the year shows a surplus of £14,000.

5.6 The original Housing Revenue Account Capital Programme budget was set at £27.610m. This was increased via financial monitoring through the year to £28.021m. The outturn position confirms a spend for the year of £26.382m. Outturn project underspends, largely on the Development Programme were £1.639m, with no project rephasings to future years.

- 5.7 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 '23	Provisional Outturn Position	Total Variation
	£'m	£'m	£'m
General Fund - Net Budget Requirement	22.468	20.649	(1.819)
General Fund - Business Rate Retention	(3.185)	(3.886)	(0.701)
General Fund - Capital Programme	15.031	8.160	(6.871)
Housing Revenue Account - Income	(32.553)	(32.911)	(0.358)
Housing Revenue Account - Expenditure	19.979	20.216	0.237
Housing Revenue Account - Capital Programme	27.610	26.382	(1.228)

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

- 6.1 There are none arising directly from this report.

7. OVERVIEW AND SCRUTINY PANEL COMMENTS

- 7.1 The Annual Performance Report and Provisional Budget Outturn was presented to the Resources and Transformation Overview and Scrutiny Panel on 25 July 2024 with all members having been asked to input through this panel. Members thanked officers for the very comprehensive information provided, noted the report, and supported the recommendation for the establishment of a new Corporate Priorities Reserve.
- 7.2 The panel recommendations were agreed.

8. PORTFOLIO HOLDER COMMENTS

- 8.1 This is a report that reflects back on the last year of our corporate plan 2020-2024. I am proud of all that has been achieved over the last year including the development of our new corporate plan 2024-28, which was adopted in April 2024. The new plan, coupled with our Performance Management Framework sets the approach for driving performance right the way through our organisation. The new plan outlines how we will conduct ourselves and new ways of working, it also introduces a new set of core values for the organisation.
- 8.2 We are realistic about the challenges ahead for the organisation, including advancing technology, potential significant future budget gaps, attracting and retaining staff as well as climate and environmental considerations. In response, an ambitious Transformation Programme, named 'Future New Forest' has been developed and was approved in December 2023, providing a framework to respond to these challenges and setting out how we will transform the council so we can meet customer needs, protect finances, and embed sustainability as we move forward.

Further Information:

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Background Papers

Appendix 1: Annual Performance
Report 2023-2024

Appendix 2 and 3: Financial
Monitoring Report

Cabinet September 2023
Cabinet November 2023
Cabinet 7th February 2024