

RECOMMENDATIONS FROM CABINET – 11 SEPTEMBER 2023

REPORT OF: Director of Resources and Organisational Development
Contact Officer: Rachel Jarvis, Assistant Director Corporate Resources (and S151 Officer)
Email: Rachel.jarvis@midsussex.gov.uk Tel: 01444 477064
Wards Affected: All
Key Decision: Yes
Report to: Council
20 September 2023

FINANCIAL OUTTURN 2022/23

Purpose of Report

Cabinet considered the outturn position for the Revenue Budget, Capital Programme and Treasury Management Income for 2022/23 and details of specific grants received since the last report.

Summary

1. The financial year spanning 2022/23 has been subject to a volatile economic climate seeing a cost-of-living crisis and unprecedented levels of inflation. The impact on the council's budget has been regularly reported and shown that despite the pressures this has caused there has been some counterbalancing comfort through an exceptional windfall in year in terms of the returns we have been able to make from Treasury Management. This is due to high interest rates and taking a fresh look at actively managing the accounts. The nature of the investments made, their duration, and the changing position on interest rates mean this should not be considered a long-term income stream.
2. The combined forces set out above means that the Council has therefore been able to achieve an overall underspend of £715,000 for 2022/23.
3. Within services, the projected overspend decreased from £1,087,000 (Q3) to £753,000. This is due to a number of deliberate management actions to drive down expenditure across the Council.
4. Interest receipts (including dividend income) for the year are £1,709k. After the planned use for, £1k for professional subscriptions, £240k used to support the revenue budget, and £753k to support service overspend this leaves a remaining balance of £715k as noted to go to General Reserve. It is proposed that this will fund the projected budget gap for the revenue budget for 24/25 (in the MTFP as approved by Council in March 2023).
5. The main changes in the last quarter of the year are detailed in paragraph 11 of the Cabinet report and the final position is summarised in the table shown in Appendix A of the Cabinet report.
6. The capital outturn position indicates a planned reprofiling of budgeted project work of £3,297,000, together with some small changes for approved variations. An analysis of this is shown in Table 2 of the Cabinet report. The total net expenditure from Specific Reserve and the General Reserve for 2022/23 is set out in Appendix C of the Cabinet report.

Recommendations:

That Council approves that the balance of interest (including additional Dividend income) totalling £715,000 is transferred to the General Reserve and set aside to support the forecast budget gap in 2024/25.

Financial Implications

7. The Cabinet report is concerned in its entirety with the outturn financial position for each service area for 2022/23.

Risk Management Implications

8. The Cabinet report has no specific implications for risk management. The recommendations are concerned primarily with the movement of reserves and slippage in the capital programme; neither of which change the risk profile of the authority.

Equality and Customer Service Implications

9. There are no Equality and Customer Service implications as a direct consequence of the Cabinet report.

Legal Implications

10. There are no Legal implications as a direct consequence of the Cabinet report.

Sustainability Implications

11. There are no Sustainability implications as a direct consequence of the Cabinet report.