

# Guildford Borough Council

Report to:	Executive
Date:	3 October 2024
Ward(s) affected:	All
Report of Strategic Director of:	Finance and Resources
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Status:	Open
Key decision:	No

## Revenue & Capital Outturn 2023-24

### 1.0 Executive Summary

- 1.1 This report advises Councillors of the provisional (unaudited) Revenue, Housing Revenue Account (HRA) and Capital year end position for the financial year 2023/24 together with the reserves position.
- 1.2 The draft statement of accounts has been published as per the statutory deadline of 31 May 2024.

### 2.0 Recommendation to Executive

That the Executive resolves to:

- 2.1 Agree the General Fund revenue outturn for 2023/24 as a balanced position after a transfer of the year end surplus of £3.62M to reserves. Details are shown in section 10 and Appendix 1.
- 2.2 Agree the HRA revenue outturn for 2023/24 as outlined in section 11 and Appendix 2.

2.3 Agree the year end Capital position as outlined in section 12 and Appendix 3.

2.4 Note the year end Reserves position as detailed in section 13.

### **3.0 Reasons for Recommendations**

3.1 To ensure that the Executive fulfils its responsibilities for the overall financial management and transparency of the Council's resources.

### **4.0 Exempt from publication**

4.1 No

### **5.0 Strategic Priorities**

A resilient and well managed council

5.1 These reports advise Councillors in a timely fashion about the finances of the Council enabling strategic decisions to be made.

### **7.0 Options**

7.1 This report is for information and intended to inform the Executive.

### **8.0 Legal Implications**

8.1 Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the Council.

### **9.0 Key Risks**

9.1 Should the Executive not have awareness of the year end position, funding available within the reserves, over and underspend through the year they would be unable to make informed decisions.

## 10.0 General Fund

10.1 The overall 2023/24 outturn for the General Fund Revenue Account was a surplus of £4.506M. The summarised General Fund position is shown in the table below:

	Final Budget £'000	Outturn £'000	Variation £'000
Community Wellbeing	17,762	17,640	(122)
Transformation & Governance Place	9,420 (2,301)	8,947 (1,947)	(473) 354
<b>Total Services</b>	<b>24,881</b>	<b>24,640</b>	<b>(241)</b>
MRP	1,619	1,560	(59)
Interest payable to HRA	1,376	1,376	0
External interest payable and receivable	(3,394)	(4,720)	(1,326)
Revenue Contributions to Capital Outlay (RCCO)	906	906	0
Capital Charges	(8,773)	(10,767)	(1,994)
Other Charges	212	212	0
<b>Total Cost of Services</b>	<b>16,827</b>	<b>13,207</b>	<b>(3,620)</b>
<b>Funded by:</b>			
Parish Precepts	2,174	2,174	0
Business Rates Retention			0
Tariff	32,512	32,512	0
Levy		0	0
Safety Net	619	619	0
Retained Income	(31,623)	(31,623)	0
Collection Fund deficit	140	140	0
Council Tax			0
Demand on the Collection Fund (inc precepts)	(13,567)	(13,567)	0
Collection Fund surplus	(2,297)	(2,297)	0
General Grants			0
New Homes Bonus Grant	(1,283)	(1,283)	0
S31 grant	(4,652)	(4,652)	0
Other grants and inCome	(227)	(1,763)	(1,536)
Contributions to/(from) Earmarked Reserves	1,377	2,027	650
Contributions to/(from) business rates reserves			0
<b>Total Funding</b>	<b>(16,827)</b>	<b>(17,713)</b>	<b>(886)</b>

10.2 Further details of the year end spend against budget are set out in Appendix 1.

## 11.0 HRA

11.1 The finances for the Council's council houses are maintained in a ring-fenced account called the Housing Revenue Account (HRA). The HRA has an agreed 30-year Business Plan. Revenue spend for the year was within budget. The cost of providing services is detailed in the table below:

	<b>Budget</b>	<b>2023-24 Outturn</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Expenditure</u></b>			
Borough Housing Services	11,251	12,480	1,229
Strategic Housing Services	1,872	2,408	536
Community Services	852	1,259	407
Depreciation	5,865	6,782	917
Other Expenditure	578	5,539	4,961
<b><u>Total Expenditure</u></b>	<b>20,418</b>	<b>28,468</b>	<b>8,050</b>
<b><u>Income</u></b>			
Rents	(34,429)	(33,756)	673
Other Income	(2,225)	(1,764)	461
<b><u>Total Income</u></b>	<b>(36,654)</b>	<b>(35,520)</b>	<b>1,134</b>
<b><u>Net Cost of Services</u></b>	<b>(16,236)</b>	<b>(7,052)</b>	<b>9,184</b>
HRA share of CDC	1,438	1,528	90
<b><u>Net Cost of HRA Services</u></b>	<b>(14,798)</b>	<b>(5,524)</b>	<b>9,274</b>
Investment Income	(1,593)	(2,714)	(1,121)
Interest Payable	4,751	4,751	0
<b><u>Operating (Surplus) / Deficit</u></b>	<b>(11,640)</b>	<b>(3,487)</b>	<b>8,153</b>
<b><u>Reserves &amp; Adjustments</u></b>			
REFCUS - Revenue funded from capital	75	0	(75)
Transfer from Pensions Reserve	0	(78)	(78)
Transfer from CAA re: Revaluation	0	(5,256)	(5,256)

Transfer from CAA re: REFCUS	0	(207)	(207)
Transfer from CAA re: Intangible assets	0	(9)	(9)
Contribution to RFFC	2,500	2,500	0
Contribution to New Build Reserve	9,065	6,536	(2,529)
<b>HRA Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance Brought Forward	(2,500)	(2,500)	0
<b>Balance Carried Forward</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>0</b>

11.2 The HRA Income and Expenditure Statement shows the income and expenditure related to providing council dwellings in accordance with generally accepted accounting practices. However, the Council is required to charge rent to cover expenditure in accordance with the legislative framework rather than on an accounting basis. The increase or decrease in the year of the HRA balance on the legislative basis is shown in the Movement on the HRA Statement. This and the Income and Expenditure statement are shown in Appendix 2.

## 12.0 Capital

12.1 Expenditure for the year on the main approved budget was £61.90 million representing a £114.52 million variance to the revised estimate of £176.42 million. If a project is on the approved programme, it is an indicator that the project has started or is near to start following the approval of a final business case by Executive (or Council where appropriate). Details can be found at Appendices 3 and 4.

12.2 In line with the Financial Procedure Rules, there was no expenditure on the provisional programme against the revised estimate of £48.75 million, representing a variance of £48.75 million. These projects are still at feasibility stage and will be subject to Executive approval of a business case before they are transferred to the approved capital programme. It is only once the business case is approved that the capital works can begin.

12.3 The HRA approved capital programme outturn was £32.3 million against a revised estimate of £60.955 million. Several projects are in progress.

## 13.0 Reserves

13.1 The Council sets aside specific amounts from the GF and HRA as Earmarked Reserves for future policy purposes or to cover contingencies. The table below show the movement in reserves from 31 March 2023 to 31 March 2024.

	<b>Balance at 31 March 2023</b>	<b>Transfers out</b>	<b>Transfers in</b>	<b>Balance at 31 March 2024</b>
	£'000	£'000	£'000	£'000
<b>General Fund – “usable”</b>				
MTFP Reserve	(8,265)	642	(589)	(8,211)
Business Rates Equalisation	(2,931)	0	0	(2,931)
Carried Forward Items	(894)	269	(50)	(675)
Election Costs Reserve	(266)	265	(48)	(49)
Safer Guildford Partnership Reserve	(27)			(27)
Business Rates - New Burdens Ongoing	(330)			(330)
Insurance	(500)			(500)
IT Renewals	(1,894)	564	(531)	(1,861)
Spectrum	(773)	373	0	(401)
Car Parks Maintenance	(2,331)	130	(200)	(2,400)
	<u>(18,211)</u>	<u>2,243</u>	<u>(1,418)</u>	<u>(17,385)</u>
<b>General Fund – “Legally Ringfenced”</b>				
SPA Reserve - Effingham	(3,520)	0	(629)	(4,148)
SPA Reserve - Riverside Park	(989)	24	(120)	(1,084)
SPA Reserve - Chantry Wood	(6,284)	76	(167)	(6,375)
SPA Reserve - Lakeside	(532)	0	(47)	(579)
SPA Reserve -Parsonage Water	(2,127)	0	(124)	(2,251)
Hls Reserve	(232)	46	(40)	(226)
Salix Reserve	(315)	0	(31)	(346)
Refugee Support	(393)	191	(1,984)	(2,186)
Family Support Programme	0		(237)	(237)
G Live Sinking Fund	(130)	27	(10)	(113)
Civil Parking-Gbc/Glc Shared	2			2
	<u>(14,520)</u>	<u>364</u>	<u>(3,389)</u>	<u>(17,543)</u>
<b>General Fund - Total</b>	<b><u>(32,731)</u></b>	<b><u>2,608</u></b>	<b><u>(4,807)</u></b>	<b><u>(34,929)</u></b>
<b>HRA</b>				
Capital Programme	(37,905)	16,914	(6,608)	(27,599)
New Build	(59,377)	2,542	(1,189)	(58,024)

Total	<u>(97,282)</u>	<u>19,456</u>	<u>(7,797)</u>	<u>(85,622)</u>
<b>TOTAL</b>	<u><b>(130,013)</b></u>	<u><b>22,064</b></u>	<u><b>(12,603)</b></u>	<u><b>(120,552)</b></u>

13.2 The Council is required, under accounting practice, to hold endowment funds received as developer planning contributions in earmarked reserves for the long-term repairs and maintenance expenditure on Special Protection Areas (SPA) or Suitable Alternative Natural Greenspaces (SANGs), these reserves are required to fund the revenue costs of SPA / SANGS in perpetuity. Earmarked reserves for SPA and SANGS are £14.438M at 31 March 2024. Additionally, some funding is held which is legally ringfenced by the grant conditions e.g. Refugee Support, or contractually required e.g. sinking funds. These reserves are therefore legally ringfenced for specific purposes and cannot be repurposed by the Council.

13.3 The other General Fund reserves are defined as "usable" as they could be reprioritised by the Council if necessary. These include general allocations for the MTFP and Business Rates Equalisation as well as reserves set aside for specified purposes. These can be contingent in nature (for example the insurance reserve) or are earmarked for specific future spending such as car parks maintenance or ICT renewals which help to even out expenditure on the General Fund.

## 14.0 Background Papers

None

## 15.0 Appendices

Appendix 1 – General Fund Revenue Outturn 2023-24

Appendix 2 – HRA Outturn 2023-24

Appendix 3 – Capital Outturn 2023-24

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