

**Report to:** Cabinet

**Date:** 17 July 2024

**Title:** Provisional Revenue and Capital Outturn 2023/24

**Report of:** Homira Javadi, Director of Finance and Performance

**Cabinet member:** Councillor Daniel Butcher, Cabinet member for Finance and Resources

**Ward(s):** All

**Purpose of report:** To update Members on the provisional outturn for 2023/24

**Officer recommendation(s):**

- (1) Note and approve the revenue and capital provisional outturn for 2023/24 subject to final accounting adjustments.
- (2) Approve the funding of the General Fund provisional outturn 2023/24 of £1.688m from general fund balances.
- (3) Note and approve the housing revenue account provisional outturn for 2023/24 subject to final accounting adjustments; and
- (4) To give delegated authority to Cabinet member for finance and resources in consultation with the S151 Officer to make final accounting adjustments.

**Reasons for recommendations:** To enable Cabinet members to consider the Council's financial performance for 2023/24

**Contact Officer(s):** Name: Homira Javadi  
Post title: Director of Finance and Performance  
E-mail: [homira.javadi@lewes-eastbourne.gov.uk](mailto:homira.javadi@lewes-eastbourne.gov.uk)  
Telephone number: 01323 485512

---

## 1. Introduction & Background

- 1.1 All local authorities have a legal duty to produce annual accounts, in support of openness and accountability. At the time of writing, the Statement of Accounts were still to be completed and signed off by the Chief Finance Officer. This is therefore a provisional outturn position and is subject to the accounts being finalised and subsequently audited.
- 1.2 This report provides information and analysis on the Council's financial performance and use of resources in the 2023/24 financial year in comparison to the revised budget set by Council in February 2024.
- 1.3 As is the case with every outturn report there are several changes that result as balance sheet activities are reviewed, finalised and translated into the Statement of Accounts. It is the statutory Statement of Accounts on which the audit opinion is given, and accounting regulations drive some of the final movements reported. As this report precedes the production of the Council's formal Statement of Accounts, if further adjustments are required, they would alter the final outturn position.
- 1.4 In line with the national picture, challenges facing local residents, businesses and communities as a result of the cost-of-living crisis are very real. This report highlights key movements and variations to the budget set in February 2023 against a backdrop where local authorities across the country are responding to ongoing national financial pressures while facing increasing demand and cost pressures. It also provides an opportunity to reassess and consider emerging risks in 2024/25.
- 1.5 The forecast exercises throughout the year and the Council's Medium-Term Financial Strategy for 2023/24 through to 2026/27 highlighted the pressures facing the council's finances. The main drivers of these cost pressures are below:
  - Disproportionate and significant demand compounded by inflationary pressures within housing and the provision of temporary accommodation for homelessness.
  - Increasing interest rates as part of a national monetary policy impacting the cost of capital and financing.
  - Inflationary and cost of living pressures affecting pay, prices, supply chain and net cost of services.
- 1.6 Coupled with a background of uncertain and reducing (in real terms) financial settlements, the Council has been under considerable pressure during 2023/24.

This has led to:

- The Council making representations at the highest level to Department of Levelling Up, Housing and Communities (DLUHC) and His Majesty's Treasury (HMT) highlighting the social and financial impact of temporary accommodation.
- The raising of Homelessness costs for local authorities as a major concern with long lasting social and health implications at the local and national level.

- An extended and challenging savings programme built into the Medium-Term Financial Strategy (MTFS).
- Agreeing to Exceptional Financial Support (EFS) of £3m per year agreed between EBC and DLUHC for the 2-year period 2023/24 to 2024/25.
- An Independent Panel being formed to advise the Council and oversee the delivery of its Financial Recovery programme over this period.
- An external assurance review to be commissioned by DLUHC.

1.7 The financial challenges will continue into 2024/25 and beyond but there are some signs that pressures may ease.

- Inflation rates have consistently reduced in recent months, and it is likely that this will mean interest rates will also reduce at some point. The uncertainty created by the announcement of a General Election and New Parliament may mean this does not happen soon. If interest rates did reduce, this would have a positive impact on the cost of financing the council capital investment programme for loans we are not locked in to for a long term.
- The prevention and analytical work undertaken by the Housing Services team to reduce costs and the demand for Emergency and Temporary Accommodation placement is delivering positive outcomes. A peak of 333 families earlier in the year fell to 308 at year end and are currently 263 (June 2024)
- Achievement of the Stability and Growth savings targets for Eastbourne are already significant although not yet at target. Continued focus here and in other cost reduction exercises throughout 2024/25 will be crucial to emerging from this challenging period with the ability to achieve our goals, objectives, and commitments in future years.

## 2 General Fund

2.1 The provisional outturn position for 2023/24 is a net shortfall of **£4.688m** as shown in Table 1.

2.2 This does not significantly differ from the forecasts provided throughout the financial year with the most significant overspends relating to

- **£3.3m** – Additional costs of Emergency and Temporary Accommodation
- **£0.45m** – Reduced income from Tourism & Culture.
- **£1.1m** – Additional cost of Capital Financing due to high interest rates.

2.3 The overspend of £4.688m is offset by £3m Exceptional Financial Support leading to a further **Reserves Drawdown of £1.688m** which is included in the tables in this report 2023/24 and at **Appendix 2**.

Table 1: Provisional Outturn 2023-24 by Directorate

Directorate Provisional Outturn	Revised Net Budget	Actuals	variation
	£000		
Corporate Services	4,969	5,318	349
Service Delivery	8,386	11,877	3,492
Regeneration & Planning	22	(56)	(78)
Tourism & Enterprise	2,144	2,595	451
<b>Cost of Services</b>	<b>15,521</b>	<b>19,734</b>	<b>4,214</b>
Central & Capital Financing	2,452	3,196	744
<b>Total Budgeted Expenditure</b>	<b>17,972</b>	<b>22,930</b>	<b>4,958</b>
Less Funding	(17,972)	(18,242)	(270)
<b>Net Position 2023-24 (Before EFS)</b>	<b>0</b>	<b>4,688</b>	<b>4,689</b>
Exceptional Financial Support	0	(3,000)	(3,000)
Additional Reserve Transfer	0	1,688	1,688
<b>Net Position 2023-24 (after EFS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.4 The detailed forecast variations against budget are set out from Section 4.0

### 3.0 Homelessness and Temporary Accommodation

3.1 The largest and most disproportionate pressure faced by the Council during the year has been the increased demand and cost of provision of emergency and temporary accommodation. The Council has directly spent £2.5m more than an already increased budget and has also faced associated costs such as an increase in bad debt provision requirements of c.£600k. In addition, the council is utilising some of its Eastbourne Housing Investment portfolio (EHICL) to reduce costs. The estimated net cost of this approach is c.£600k.

3.2 **The Council had budgeted to support 150 households in 2023/24. The highest peak of the year would have seen applicant figures climb to 480 if no preventative actions had been in place. Comparative figures at the end of the financial year were 446 but continue to fluctuate meaning that this pressure will continue during 2024/25 and beyond. Actual placements (following prevention work) at the end of the year were 308.**

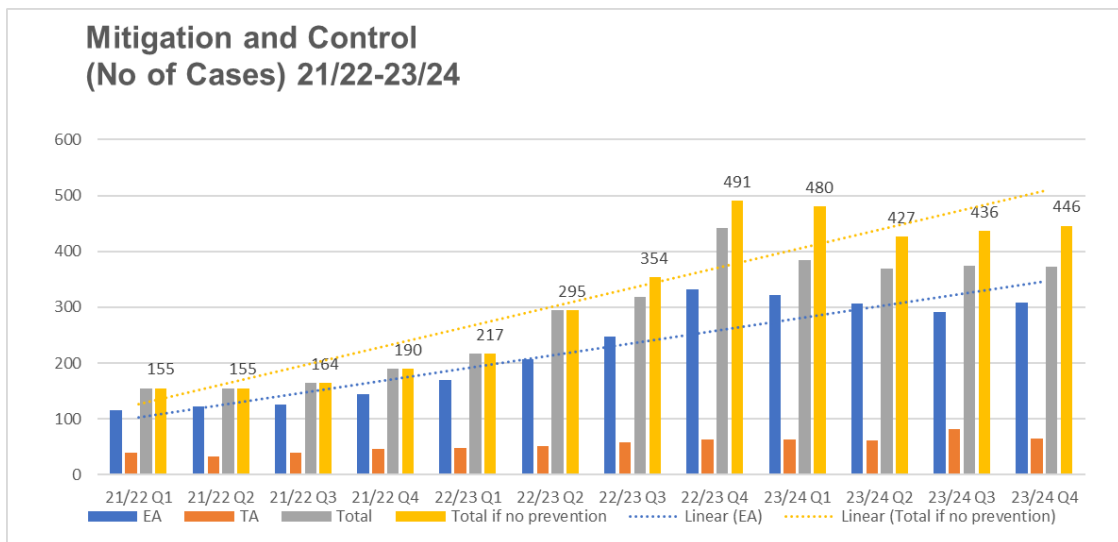
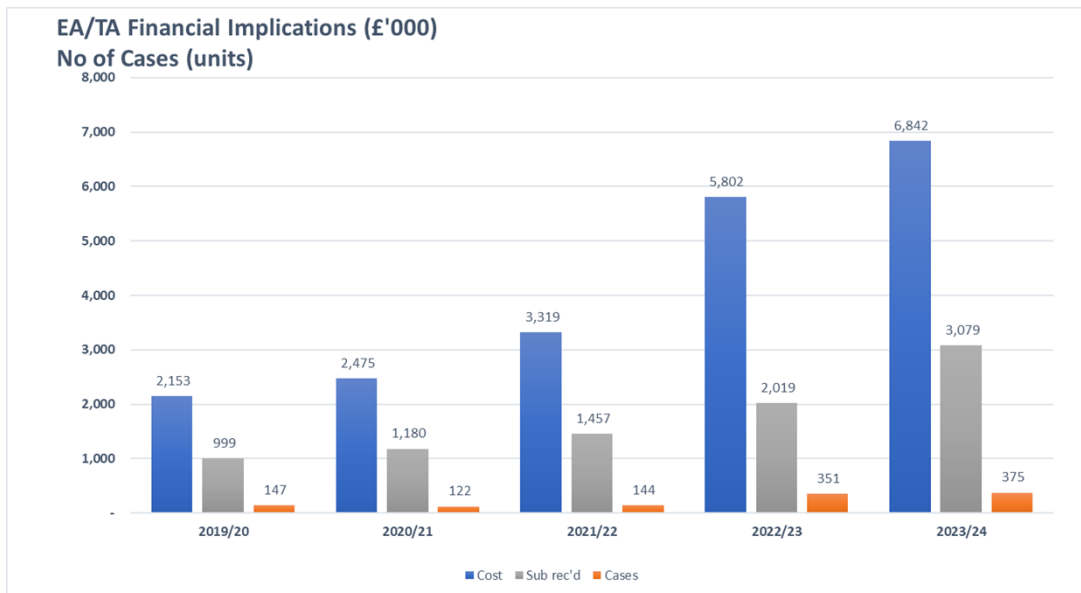
The demand at the beginning of June 24 of 263 households (308 at 23/24-year end and excluding 39 EHICL placements) in emergency accommodation is an improvement from the Q3 position of 294. This reflects the considerable resources that have been allocated to manage and mitigate the demand. Whilst this work will continue into 2024/25, the council recognises the level of uncertainty and long-term concerns associated with the provision of this service and will continue with its strategy to campaign nationally for fairer outcomes and sustainable solutions for housing need.

3.3 The costs of this unprecedented pressure are spread over many council service areas as shown below.

<b>EBC Costs</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Costs of placements	£3.3m	£5.8m	£6.8m
Housing Benefit Receipts	(£2.7m)	(£4.3m)	(£5.8m)
Subsidy & Subsidy loss	£1.5m	£2.6m	£3.6m
<b>Total</b>	<b>£2.1m</b>	<b>£4.1m</b>	<b>£4.6m</b>

<b>EHICL Costs</b>	<b>2023/24</b>
Net costs of 39 placements	£0.6m
<b>Total</b>	<b>£0.6k</b>

The graph below shows the EBC costs, cases and projected subsidies based on year-end figures.



## 4.0 Corporate Services

Corporate Services delivers services including human resources, finance s & performance, corporate management team, business transformation and legal and democracy support.

Table 2: Corporate Services 2023-24

Corporate Services Provisional Outturn	Revised Net Budget	Actuals	variation
	£000		
Corporate Management Team	(137)	(78)	59
Business Planning and Performance	449	424	(25)
Business Transformation	242	222	(20)
Information Technology	1,244	1,383	138
Finance	1,231	1,649	417
Internal Audit & Corporate Fraud	222	217	(5)
Human Resources	391	396	5
Local Democracy	1,107	863	(245)
Legal and Local Democracy	218	232	14
Land Charges	0	10	10
<b>Net Position</b>	<b>4,969</b>	<b>5,318</b>	<b>349</b>

4.1 The Provisional Outturn is **£349k of net shortfall**. The main variations are:

### 4.2 Information Technology £138k shortfall.

- **£71k** relates to network charges.
- **£56k** relates to Microsoft licensing charges.
- **£113k** relates to support & maintenance.
- **(£102k) savings** relates to Servers & Desktop.

### 4.3 Financial Services £216k shortfall.

- **£216k** relates to agency staff costs due to difficulty in recruiting permanently to posts. This figure will reduce significantly in 2024/25 as permanent recruitment has been successful.

### 4.4 Corporate Finance Costs £196k Shortfall

- **£96k** relates to an increase in Treasury Management' banking fees and increased Insurance premium.
- **£100k** relates to recharging issues which is currently under review and is expected to be resolved once the accounts are finalised.

### 4.5 Local Democracy – (£245k) underspent.

- **(£124k)** relates to Local Election expenditure being lower than forecast.
- **(£121k) savings** on members allowances.

## 5.0 Service Delivery

Service Delivery provides services including Housing & Homelessness support, Waste & Environmental Services, Income Maximisation & Welfare and Regulatory Services.

Table 3 Service Delivery

Service Delivery Provisional Outturn 2023/24	Revised Net Budget	Actuals	variation
	£000		
Customer First	2,257	5,595	3,338
Bereavement Services	(1,396)	(927)	469
Homes First	586	(118)	(704)
Environment First (SEESL)	4,918	4,850	(68)
Neighbourhood First	2,021	2,479	458
<b>Net Position</b>	<b>8,386</b>	<b>11,878</b>	<b>3,492</b>

5.1 The Provisional Outturn is **£3.5m shortfall**. The main variations are:

### 5.2 **Customer First £3.3m shortfall.**

This relates to £180k cost of collection income for NNDR and Council Tax. Net accommodation costs and subsidy loss projection total £4.6m against an increased provision of £2.2m to meet the current costs of providing homelessness support and housing need. (see Section 3.0).

### 5.3 **Bereavement Services £469k net reduction in income.**

There is a £250k under recovery on income compared to target plus £219k shortfalls on staffing and maintenance budgets. The number of cremations has fallen by 12% compared to 2022-23. A review is being undertaken to identify options to bring this service back into budget.

### 5.4 **Homes First (£704k) additional grant**

The Homes First variation reflects one off grant we've received in 2023-24 - UK Resettlement grant (£300k), Homeless Prevention Grant top-up (£109k) and Asylum Dispersal Grant (£275k) contribution towards staffing costs.

This will offset some of the administrative cost relating to the Homeless Prevention work carried out by the Council during 2023/24 within the Customer First Service to reduce homeless placements numbers and costs where possible.

### 5.5 **Environment First (£68k) underspent.**

This relates to a contribution from ESCC for tipping away payments.

## 5.6 Neighbourhood First £458k net shortfall

The review of the Neighbourhood First area has seen a part year effect within 2023/24. For 2024/25 the service is expected to remain within budget as the full year effects of phase 1 and 2 of the review are realised.

## 6.0 Regeneration and Planning

The Regeneration and Planning Directorate delivers services including Estates & Property, Estate Management and Regeneration & Planning activity across the Borough.

Table 4 Regeneration and Planning

Regeneration & Planning Provisional Outturn	Revised Net Budget	Actuals	Provisional Outturn variation
	£000		
Director of Regeneration & Planning	45	48	3
Head of Commercial Business & Property	27	18	(9)
Investment Properties	(2,370)	(1,780)	590
Estates and Property	269	258	(11)
Corporate Landlord	1,285	1,079	(206)
Housing Delivery Team	90	(109)	(199)
Planning & Building Control	450	237	(213)
Regeneration	226	193	(33)
<b>Net Position</b>	<b>22</b>	<b>(56)</b>	<b>(78)</b>

6.1 The provisional outturn is **(£78k) net saving**. The main variations are:

6.2 **Head of Commercial Business and Properties (£9k) saving**. This is due to income from a secondment to external companies.

6.3 **Investment Properties £590k temporary reduction in income**. Incentives on reduced rent and rates for new leases for this year. This should reduce next year if tenants remain. Professional fees for setting up new leases have also contributed to this overspend.

6.4 **Estates & Properties (£11k) higher income**. Slightly higher rental income than budgeted on 1, Grove Road. This has been occupied by the Police and DWP throughout 2023/24. DWP moved out at the end of March 2023 but will continue to pay rent throughout 2024/25. A decision about the future of Grove Road will be made in due course.

6.5 **Corporate Landlord (£206k) capitalised cost**. This relates to items which are Capital in nature that have been adjusted between the General Fund and Capital.

6.6 **Planning & Building Control (£213k) increased fee income**. Consultant's fees for developing the Local Plan and reduction in pre-planning advice income offset by some *Net Biodiversity* grant income and planning fee income higher than budget.



6.7 **Regeneration (£33k) additional income.** One-off contribution from ESCC for Town Centre Retail Development Project.

## 7.0 Tourism and Culture

The Tourism and Culture Directorate delivers a range of cultural activities across the area including the Devonshire Quarter, Leisure, and Sporting facilities as well as ongoing and one-off yearly events and productions.

Table 5 Tourism and Culture

Tourism & Culture Provisional Outturn	Revised Net Budget	Actuals	variation
	£000		
Director of Tourism and Culture	421	423	2
Events	212	290	78
Seafront	67	46	(21)
Sports Delivery	626	423	(203)
Theatres	138	563	425
Tourism and Culture	680	850	170
<b>Net Position</b>	<b>2,144</b>	<b>2,595</b>	<b>451</b>

7.1 The provisional outturn is **£451k shortfall**. The main variations are:

7.2 **Events £78k accounting adjustment.** This is largely due to a transactional correction relating to 2022/23 plus reduced income across some events.

7.3 **Seafront (£21k) saving.** Partial year impact of voluntary redundancies.

7.4 **Sports Delivery (£203k) net saving.** The underspend is due to reduced staff costs and higher fee income than expected at the Sovereign Centre.

7.5 **Theatres £451k shortfall.**

- **£198k transitional cost** relating to transitional cost of the Devonshire Quarter Operation Team which is pending the transfer of Theatres to the LACC.
- **£43k transitional cost** relating to Redundancy payments.
- **£340k lower income** -customer numbers slow to return to the pre pandemic levels.
- **£145k** relating to Repairs and Maintenance spend for the Congress Theatre Building.
- **£302k** draw down from the Cultural Development Reserve to offset against transitional and one-off costs.

## 8.0 Centrally Controlled Budgets

Centrally controlled budgets include Capital Financing and contingency budgets.

Table 6 Technical/Centrally controlled.

Centrally Controlled Budgets Provisional Outturn	Revised Net Budget	Actuals	variation
	£000		
Levies	237	265	27
Contingencies	213	0	(213)
S106 Grant Income	0	(208)	(208)
Capital Financing	2,001	3,139	1,138
<b>Net Position</b>	<b>2,452</b>	<b>3,196</b>	<b>744</b>

- 8.1 Centrally Managed Budgets are reporting a provisional outturn of **£744m net shortfall**. The main variations are:
- 8.2 **Levies £27k.** The drainage levy payment was higher than budgeted.
- 8.3 **Net contingencies (£213k) reduced spend.** Savings from distributed pay award.
- 8.4 Additional resources from expired **S106 sums** have been moved here to offset against other centrally controlled costs.
- 8.5 **Capital financing costs £1.1m additional cost.** High interest cost for borrowing.

## 9.0 Housing Revenue Account (HRA)

The Housing Revenue Account is a ring-fenced account used to manage the Council's Housing Stock. The costs of managing and maintaining the properties, collecting rents, and meeting the interest cost of monies borrowed to pay for investment in the housing stock are all charged to the Housing Revenue Account.

Table 7: HRA 2023-24

<b>EBC Housing Revenue Account 2023/24</b>				
	<b>Original Budget £000's</b>	<b>Revised Budget £000's</b>	<b>Provisional Outturn £000's</b>	<b>Outturn Variance £000's</b>
<b>INCOME</b>				
Dwelling Rents	(15,830)	(15,854)	(15,799)	55
Non-Dwelling Rents	(355)	(354)	(306)	48
Charges for Services	(1,378)	(1,378)	(1,838)	(460)
<b>GROSS INCOME</b>	<b>(17,562)</b>	<b>(17,586)</b>	<b>(17,944)</b>	<b>(358)</b>
<b>EXPENDITURE</b>				
Management Fee	8,436	8,818	8,818	0
Supervision and Management	1,748	1,656	1,542	(114)
Provision for Doubtful Debts	145	612	773	161
Depreciation	5,518	5,346	5,399	53
Debt Management Costs	16	31	30	(1)
<b>GROSS EXPENDITURE</b>	<b>15,863</b>	<b>16,463</b>	<b>16,562</b>	<b>99</b>
<b>NET COST OF HRA SERVICES</b>	<b>(1,699)</b>	<b>(1,123)</b>	<b>(1,382)</b>	<b>(259)</b>
Loan Charges - Interest	1,781	1,724	1,724	0
Interest Receivable	(57)	(308)	(308)	0
<b>NET OPERATING COST OF HRA</b>	<b>24</b>	<b>293</b>	<b>34</b>	<b>(259)</b>
<b>Capital Financing and Interest Charges</b>				
Contribution to Capital Expenditure	0	1,431	1,431	0
<b>Transfer to/(from) Reserves</b>				
Leaseholders Future Repair Reserve	0	0	80	80
Revenue Grant	0	0	28	28
<b>HRA (SURPLUS) / DEFICIT</b>	<b>24</b>	<b>1,724</b>	<b>1,574</b>	<b>(150)</b>

9.1 The provisional outturn is **£150k underspent**.

9.2 A full review of the 30-year Business Plan, which provided a comprehensive assessment of the overall position for the current and future years, was completed during the year. This resulted in the uplift of the original budget by £1.7m to a revised budget of £1.724m, funded from working balances to offset the pressures affecting the service. This was reported to Cabinet as part of the Quarter 3 2023/24 financial performance.

- 9.3 Net expenditure of £1,574k has been incurred compared to the revised budget of £1,724k, resulting in a favourable variation of £150k as summarised in the table. This is mainly due to a prudent budgeted income target for Service Charge recovery compared to actual Service Charges invoiced for the period £328k, an additional £30k rechargeable works income, offsetting increases in the end of year provision for rental income and service charge debts £161k and an increase in Depreciation costs of £53k.

<b>HOUSING REVENUE ACCOUNT WORKING BALANCE</b>	<b>Original Budget £000's</b>	<b>Revised Budget £000's</b>	<b>Provisional Outturn £000's</b>
Working Balance at 1 April	(2,801)	(2,801)	(2,801)
(Surplus) or Deficit for the year	24	1,724	1,574
Working Balance at 31 March	(2,777)	(1,077)	(1,227)

## 10.0 Capital Expenditure - General Fund

- 10.1 The table below shows a revised GF capital budget for the year of £20.8m and reflects the recent review of the GF Capital Programme that was undertaken as part of the 2024/25 budget setting process. The 2023/24 revised budget was approved by Cabinet on 7 February 2024.
- 10.2 The revised capital budget reflects an overall reduction against the original budget of £28.0m primarily due to reduction in the Regeneration programme. Projects in this area are linked to the councils Levelling Up, Town Deal and Future High Street grants schemes.
- 10.3 The actual outturn for 2023/24 is £13.5m, a variance of £7.3m representing a 65% spend against the revised budget.
- 10.4 Variances to the outturn can be attributed to a range of factors both internal such as capacity and external such as supply issues, planning, and other environmental factors. These changes have been documented in the regular cabinet monitoring reports presented during the financial year.
- 10.5 The report identifies an overspend in relation to the Councils Disabled Facilities Grant of £0.8m. This reflects repayments of unused grant across several financial years back to East Sussex County Council (ESCC). Arrangements for the use of this unused grant has been agreed with ESCC and is reflected in the Councils 24/25 revenue budget.
- 10.6 The largest general fund underspend for the year is under Regeneration and relate to projects funded by Levelling Up Fund (LUF) awarded to the council. The Levelling Up Fund is central to the Government's ambition to invest in high value local infrastructure and building stronger and more resilient local economies and communities.
- 10.7 Schemes funded through LUF will be reprofiled in accordance with the conditions of the grant reflecting anticipated spend profile of the projects

10.8 Other underspends identified as part of the final outturn reporting process will be reviewed by the Capital Programme Oversight Board (CPOB) as part of the 25/26 Financial Planning process to ensure that it projects are reprofiled realistically based on the scheme's delivery timeframe.

10.9 A detailed analysis of the Council's Capital Programme can be found at **Appendix 1**

Table 8: General Fund Capital Programme Summary Table 2023-24

GF CAPITAL PROGRAMME	Original Budget 2023-24	Revised Budget 2023-24	Actual Spend 2023-24	Variance to Revised Budget
	£'000	£'000	£'000	£'000
General Fund Housing	1,200	2,247	3,020	773
Loans to Housing Companies	751	890	- 65	955
Regeneration	19,237	10,798	3,194	7,604
Asset Management	3,660	2,133	1,647	486
Service Delivery	2,592	3,266	1,898	1,368
Information Technology	170	263	212	51
Digital Transformation	-	1,214	571	643
Corporate	400	-	3,000	3,000
<b>Total General Fund</b>	<b>28,010</b>	<b>20,811</b>	<b>13,477</b>	<b>7,334</b>
<b>GF FINANCING</b>				
Capital Receipts	250	92	50	(42)
Revenue	50	-	-	-
Grants & Contributions	20,036	12,970	5,280	(7,690)
Borrowing	7,674	7,749	8,147	398
<b>Total GF Financing</b>	<b>28,010</b>	<b>20,811</b>	<b>13,477</b>	<b>(7,334)</b>

#### 10.10 Capital Expenditure – HRA

10.11 The table below shows a revised HRA capital budget for the year of £17.1 m and reflects the recent review of the HRA 30-year business plan that was undertaken as part of the 2024/25 budget setting process. The 2023/24 revised budget was approved by Cabinet on 7 February 2024.

10.12 The revised capital budget reflects an overall increase against the original budget of £3.6m due to an increase in investment in the acquisition of new dwelling and an increase to the major repairs budget for the year. This is offset by a reduction in New Build budget.

10.13 The actual outturn for 2023/24 is £12.9m, a variance of £4.2m representing a 75% spend against the revised budget.

10.14 Projects that will not be completed in 2023/24 and will be re-profiled to 2024/25 and later years as part of the continual review of the council's HRA 30 Year Plan. Details of the HRA capital programme can also be found in **Appendix 1**.

Table 9: HRA Capital Programme Summary Table 2023-24

HRA CAPITAL PROGRAMME	Original Budget 2023-24	Revised Budget 2023-24	Actual Spend 2023-24	Variance to Revised Budget
	£'000	£'000	£'000	£'000
<b>HOUSING REVENUE ACCOUNT</b>				
Major Works	5,000	5,880	3,870	- 2,010
Disabled Adaptations	450	450	556	106
New Build & Acquisitions	8,141	10,811	8,480	- 2,331
<b>Total HRA</b>	<b>13,591</b>	<b>17,141</b>	<b>12,905</b>	<b>- 4,236</b>

HRA FINANCING				
Capital Receipts	3,318	1,285	1,520	235
Major Repairs Reserve	5,450	6,330	4,345	(1,985)
Reserves		2,529	2,529	-
Revenue	-	1,431	1,431	-
Grants & Contributions	1,200	2,986	3,080	94
Borrowing	3,623	2,580		(2,580)
<b>Total HRA Financing</b>	<b>13,591</b>	<b>17,141</b>	<b>12,905</b>	<b>(4,236)</b>

10.15 Since quarter 3, both the HRA and General Fund spend against the 2023/24 revised budget has increased. However significant challenges remain in the construction sector which continues to be under pressure from rising prices for materials and labour shortages. The year-end forecasts are provided against a backdrop of economic uncertainty, regarding supply chain challenges, building cost inflation and other factors outside of the control of those delivering the projects.

10.16 Project budget holders and managers are required to review scheme progress on an ongoing basis throughout the year and advise where there are significant revisions. The programme is under continuous review by the Capital Programme Overview Board, which is reflected by the recent reductions in the overall revised budget.

10.17 Schemes that have been deferred and are funded from additional borrowing (rather than from capital grants, capital receipts or revenue) will impact on the projected cost of borrowing and minimum revenue provision (MRP).

## 11.0 Funding

*The Council's General Fund expenditure is funded from Council Tax Income, Business Rates Income, Government grants and reserves.*

Table 10 Funding

Funding Provisional Outturn	Revised Net Budget	Actuals	variation
	£000		
Council Tax Income	(9,639)	(9,639)	(0)
Business Rates Income	(3,805)	(3,534)	271
Grants and Contributions	(1,926)	(2,467)	(541)
Transfer from Reserves	(2,602)	(4,289)	(1,688)
<b>Net Position</b>	<b>(17,972)</b>	<b>(19,930)</b>	<b>(1,958)</b>

11.0 The Councils Provisional Funding Outturn is £1.96m under-recovered which supports the overall position. The main variations are:

11.1 **Business Rates £271k under-recovered.**

11.2 **Grants & Contributions £541k over recovered.** This relates to Better Care Funding Capital/Revenue swap agreements with ESCC which has led to an increase of £434k above expectations.

11.3 **Reserve Transfers £1,688k higher than expected.** This amounts to the overall service expenditure overspend of £4,688k funding from £3m Exceptional Financial Support and £1,688k additional reserves transfers.

## 12.0 Financial appraisal

12.1 The provisional outturn position for 2023/24 is an overspend of £4.688m before Exceptional Financial Support of £3.0m.

12.2 During this year, savings and reduction plans have been progressed together with options for additional financial support requested of Government. We expect our current financial pressures to continue into 2024/25 but also expect the impacts of our savings and reduction plans to offset some of this pressure. Work will continue to mitigate and address the 2024/25 position.

12.3 The capital programme and new scheme proposals will also continue to be reviewed prior to the Outturn position being confirmed, with particular emphasis on the prior year slippage that is routinely added to the Original Budget to ensure that only those amounts required are allocated within the revised Capital Programme going forward.

### **13.0 Legal implications**

13.1 There are no legal implications arising directly from this report.

### **14.0 Risk management implications**

14.1 There are no risk management implications arising directly from this report.

### **15.0 Equality analysis**

15.1 There are no equality implications arising directly from this report.

### **16.0 Appendices**

Appendix 1 - EBC Capital Programme Provisional Outturn 2023/24

Appendix 2 – Provisional Reserves Outturn 2023/24

Appendix 3 – Glossary of Terms