



Borough of Telford and Wrekin

Cabinet

10 July 2024

2023/24 Financial Outturn Report

Cabinet Member:	Cllr Zona Hannington - Cabinet Member: Finance and Governance
Lead Director:	Michelle Brockway - Interim Director: Finance & Human Resources
Service Area:	Finance & Human Resources
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Wards Affected:	All Wards
Key Decision:	Key Decision
Forward Plan:	Yes - 2 May 2024
Report considered by:	Senior Management Team – 14 May 2024 Business Briefing – 23 May 2024

1.0 Recommendations for Decision/Noting

It is recommended that Cabinet approves the following recommendations that will go forward to Full Council for final approval:

- 1.1 The revenue outturn position for 2023/24, which remains subject to audit by the Council's external auditors, and related virements in Appendix C
- 1.2 The transfers to reserves, and associated approval to the relevant members of the Senior Management Team (as determined by the Chief Executive) after consultation with the relevant Cabinet Member to spend the reserves detailed in Appendix E
- 1.3 The capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix D and as summarised in the report

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- 1.4 To grant delegated authority to the Interim Director: Finance & HR to make any changes required, in consultation with the Cabinet Member for Finance, Customer Services and Governance
- 1.5 To note the performance against income targets

2.0 Purpose of Report

- 2.1 To present the final outturn position for the year to members, relating to: the revenue budget, capital programme and income collection and seek the necessary approvals to comply with financial regulations.

3.0 Background

- 3.1 The Medium Term Financial Strategy (MTFS) 2023/24 – 2026/27 was approved at Full Council on 2 March 2023, which included the 2023/24 revenue budget and medium term capital programme. Since the MTFS was approved, the economic climate has continued to change with high inflation, high energy costs, increases in interest rates and increasing demand for many services partly fuelled by the cost of living emergency facing our residents, businesses and the Council itself.
- 3.2 Good financial management is an essential element of good governance and long-term service planning which are critical to ensuring that local service provision is sustainable and the use of resources is maximised in order to meet the needs of our residents.
- 3.3 Financial monitoring reports have been provided during 2023/24 showing the projected outturn position i.e. how projected net revenue spend compares to the budget set for the year; progress against the 2023/24 capital programme; the key issues to be highlighted; together with a summary of collection information in relation to Council Tax, Business Rates and Sales Ledger income. This report now shows the final financial outturn position for 2023/24.
- 3.4 The funding outlook for the medium term remains very uncertain and will undoubtedly continue to be challenging. The Medium Term Financial Strategy for 2024/25 – 2027/28 was approved at Full Council on 29 February 2024 and regular updates of the projected financial position for 2024/25 will be provided to Cabinet throughout 2024/25.

4.0 Summary of main proposals

- 4.1.1 Nationally, Councils continue to face extreme challenges with unprecedented pressures fuelled by high inflation and high demand for services – particularly Adult Social Care and Children’s Safeguarding. Many councils have reported significant pressures in their financial monitoring reports during 2023/24 arising from increases in demand for key services and higher costs particularly for provision of social care.
- 4.1.2 While inflation is expected to reduce in the medium term, current indicators show that the economy will be slower to recover than was expected when the Council’s 2023/24 budget was set. During 2023/24 CPI peaked at 8.7% and ended the year at 3.2%, still reflecting an ongoing pressure of increasing costs. There was no

additional government funding to meet cost pressures; although it is clear that councils need a long-term, fully resourced plan from the Government in order to sufficiently fund local services.

- 4.1.3 Given these factors, early monitoring for 2023/24 indicated a number of variations from the approved budget, particularly relating to Adult Social Care and Children’s Safeguarding where in order to meet the needs of residents, additional investment was required. Due to the Council’s proactive and strong financial management, work was undertaken earlier in the year to identify savings and additional income to meet the projected pressures at that point and the Medium Term Financial Strategy was updated at Full Council in July to reflect this.
- 4.1.4 Children’s Safeguarding and Adult Social Care continued to project further additional investment being required since July in order to meet high demand and manage market challenges. Similar pressures are being experienced by all councils nationally. It was very disappointing that the provisional local government finance settlement announced in December 2023 failed to address the considerable pressures being experienced nationally in Adults and Children’s Services.
- 4.1.5 Despite the significant pressures faced during 2023/24 the Council ended the year within budget which is a considerable achievement and clearly demonstrates the strong financial management and financial resilience which is embedded in the authority; a testament to Cabinet Members, Management Teams and all employees. This has been achieved through maximisation of external income including grants received in year, capitalisation of revenue spend under the flexibilities of the capitalisation directive and also where spend is of a capital nature, reprofiling of the capital programme, early delivery of 2024/25 savings, a robust review of reserves releasing over £6million to support the bottom line and active management of vacant posts to provide one off revenue savings.
- 4.1.6 The gross revenue budget for 2023/24 was £481m and the net budget was £146m. The revenue outturn position is within budget by £0.015m (which is equivalent to -0.01% of net budget). The year end position allowed a small number of one off investments in key areas to be made which support the Council’s priorities and future financial sustainability. These are detailed in Appendix E and are included in the overall year end position shown.

A summary of the year end position is:-

	£m
Net Revenue Budget	146.774
Net Revenue Outturn	146.759
Underspend	-0.015
Underspend as a % of Net Budget	-0.01%

It is pleasing to report that the Council has not had to make any unplanned use of the budget strategy reserve, which remains at £21.7m and has retained a prudent level of balances which will support the delivery of the medium-term Financial Strategy and support financial resilience in future years, as we will continue to feel

the impacts of inflationary pressures in the economy, and at the same time also face the uncertainties of potential changes to the local government funding system and increasing demand for services.

Clearly, given the scale and complexity of the Council's budget and the vast number of different services provided to our residents there were a number variations from the approved budget in 2023/24. These included essential additional investment required in both Children's Safeguarding and Adult Social Care to ensure we looked after the most vulnerable in our society.

4.2 **2023/24 Capital Outturn**

Capital spend ended the year at £83.49m against an approved budget of £90.05m. Some re-phasing of expenditure into 2024/25 will take place as a result of re-profiling spend, including grant funded programmes which have been extended. The re-phasing will generate some treasury management benefits in 2024/25.

4.3 **Corporate Income Collection**

At the end of the year, Council Tax collection was on target while NDR and Sales Ledger Debt were slightly behind targets set.

Ultimately, all debt will be rigorously pursued and will continue to be collected after the end of the financial year with appropriate recovery avenues being pursued at appropriate times.

4.4 **NuPlace Ltd**

NuPlace is the Council's wholly owned housing investment company. It was set up primarily to improve standards in the private rented sector and to offer homes for life to tenants operated by a responsible and responsive landlord. It is a separate legal entity and as such prepares its own accounts; in addition the Council is also required to prepare consolidated group accounts as part of its financial statements which incorporates NuPlace's financial position. The unaudited accounts show that NuPlace generated an operating profit after interest and taxation of £0.253m in 2023/24. The company issued a dividend of £0.253m in 2023/24 which was paid to the Council as its sole investor. Including the dividend, the Council received a total of £2.0m from NuPlace during 2023/24, net of additional interest and other marginal costs. The financial benefits that arise from NuPlace are invested in providing front line services such as providing Adult Social Care services to vulnerable residents and have helped to reduce the budget savings that would otherwise have had to have been made as a result of Government grant cuts

4.5 **General**

The draft formal statement of accounts will be considered at the Audit Committee on 29 May 2024 and audited by KPMG, the Council's external auditors. The accounts will also be available for public inspection for 30 working days from 1 June 2024. The Statutory deadline for publishing the 2023/24 audited accounts is currently 30 September 2024 however due to the national back-log in relation to local authority audits there are proposed changes to the Accounts and Audit Regulations which if implemented would change this date to 31 May 2025.

4.6 Summaries of the outturn on revenue and capital along with major variations are shown as appendices to this report.

5.0 Additional Information

5.1 2023/24 REVENUE BUDGET

The Council had a gross revenue budget of £481m for 2023/24 and the final net revenue outturn position is as follows (a more detailed summary is provided in Appendix A):

	£m
Net Revenue Budget	146.774
Net Revenue Outturn	146.759
Underspend	-0.015
Underspend as a % of Net Budget	-0.01%

5.2 Variations by Service Delivery Unit are summarised below and further detail is provided in Appendix B.

	Final Budget	Outturn	Variation
	£	£	£
Finance & HR	14,496,539	12,779,046	(1,717,493)
Policy & Governance	691,338	564,183	(127,155)
Adult Social Care	65,677,379	74,054,798	8,377,419
Children's Safeguarding & Family Support	45,748,872	49,732,942	3,984,070
Education & Skills	7,825,587	7,337,081	(488,506)
Health & Wellbeing	1,619,437	1,614,285	(5,152)
Neighbourhood & Enforcement Services	27,487,583	26,296,784	(1,190,799)
Housing, Employment & Infrastructure	2,274,137	1,776,440	(497,697)
Communities, Customer & Commercial Services	2,233,347	2,127,336	(106,011)
Corporate Communications	(7,720)	(27,720)	(20,000)
Prosperity & Investment	(8,158,434)	(8,810,563)	(652,129)
Council Wide Items	(13,113,665)	(21,044,143)	(7,930,478)
Funding	0	359,059	359,059
Total	146,774,400	146,759,528	(14,872)

This table shows the position for each service area after transfers to reserves detailed in the report. The figures in the above table exclude budgets and variances on capital and pensions charges which are "non-controllable" accounting entries.

5.3 Service variances over £0.250m are highlighted; all other variances over £50k are detailed in Appendix B.

Service Area	Variance £m
<u>Finance & HR</u>	
Treasury – the impact of capital spend re-profiling and positive cash flow has resulted in a benefit during 2023/24.	-1.336
<u>Adult Social Care</u>	
Longer Term Care Purchasing –expenditure relating to block and spot contracts requiring additional investment to meet demand and fees. Additional funding from Health and additional Market Sustainability Grant have been secured to offset some of these costs (see below).	+11.693
Health Funding –towards above costs for clients with health needs.	-2.550
Prevention & Independence – Staffing underspends mainly due to vacancies pending recruitment	-0.577
Prevention & Independence – Older People & Disability – income from reimbursed direct payments	-0.313
Autism, Learning Disability & Mental Health – Staffing underspends mainly due to vacancies pending recruitment	-0.283
Autism, Learning Disability & Mental Health – direct payments income	-0.359
Autism, Learning Disability & Mental Health – reduced reserves funding available due to additional care costs within Transforming Care Partnership	+0.284
My Options – an in year pressure only, resulting mainly from a part rescheduling of an invest to save project , together with in year recruitment issues which are being addressed through small reorganisation and service realignment.	+0.951
Prevention & Enablement – high demand for reablement services and services to facilitate discharge from hospital throughout the year; the pressure has been shared with the Integrated Care Board. Partnership organisations are undertaking work programmes to look at strategies to deal with demand in the medium to long term.	+7.037
Prevention & Enablement – intermediate care funding towards the above costs	-5.914

Service Area	Variance £m
Market Sustainability Grant - additional government grant announced during the Summer.	-1.179
<u>Children's Safeguarding & Family Support</u>	
Children In Care Placements – additional investment required to cover cost of residential placements. This is a combination of escalating needs of some children and young people; new children entering residential placements and high costs associated with some placements, in particular Post 16 placements, offset by benefits from some young people being stepped down from residential placements.	+5.966
Health Funding –in relation to health needs as a result of increased engagement with health colleagues, which partly offsets the CIC costs above.	-3.417
Children with Disabilities – the impact of increased complexity of need requiring additional care and support provision to enable support children's needs arising from the impact of their disabilities. Health are also contributing towards these packages.	+0.374
Children in Care, Leaving Care Team & Speciality Services, Family Solutions – expenditure on staffing in excess of the budget; restructures are planned to alleviate this pressure going forward.	+0.327
Child Protection & Family Support, Parenting Assessment & Contract Teams – underspend relating to staff vacancies during the year	-0.312
Family Connect, EDT & Early Help Children & Families – higher staffing expenditure relating to the Emergency duties Team.	+0.269
Fostering Adoption & Permanence – costs associated with placements, including travelling	+0.254
Family Safeguarding –relating to costs which generally increase in line with complexity of children's needs and care planning.	+1.182
Family Safeguarding – additional grant income and reserves to support the costs of the family safeguarding initiative.	-0.735
Safeguarding Management & Partnerships – use of reserves	-0.301
<u>Education & Skills</u>	

Service Area	Variance £m
Transport –continued efficiencies have been achieved via commissioning and procurement of transport.	-0.357
<u>Neighbourhood & Enforcement Services</u>	
Income – recovery of costs incurred from fire at Overdale in 2021/22	-0.288
<u>Communities, Customer & Commercial Services</u>	
Housing Benefit Subsidy – a combination of reduced recovery of overpayments, loss of subsidy on supported accommodation and B&B spend where no subsidy can be claimed. This is an improved position from 2022/23 and the service is continuing to work with providers to find long term solutions to reduce subsidy loss on an ongoing basis.	+0.790
Leisure – overachievement against income targets across leisure services, offset by additional employee costs.	-0.248
Use of One offs – across the Directorate	-0.349
<u>Prosperity & Investment</u>	
One off benefit relating to NDR refunds as a result of appeals on TWC properties.	-0.600
<u>Council Wide</u>	
Corporate Contingency – residual balance	-2.656
Contribution from reserves – identified council wide to support the 23/24 in year position	-7.377
Contributions to reserves – see Appendix E	+3.501
Other council wide items including: WME dividend and in year one off benefit from active energy contract management; pension cost benefits, inflation contingency and NDR Levy Account surplus	-1.295

Transfers to reserves are detailed in Appendix E.

5.4 Public Health

The Council receives a ring-fenced grant to support its Public Health responsibilities. In 2023/24 this grant totalled £13.598m. The conditions of the grant are that it must be used to address health needs and improve health and well-being in the community. Work to support improving public health outcomes is delivered across

a number of the Council's Service Areas and a summary of the grant in 2023/24 is shown in the table below:

	£
Public Health Reserve (grant b fwd from 2022/23)	2,906,029
Public Health Grant allocation 2023/24	13,597,648
Total Funding available	16,503,677
Funding applied during 2023/24	14,232,681
Grant carried forward to 2024/25	2,270,996

5.5 Dedicated Schools Grant (DSG)

Excluding funds passed to academies and colleges, Dedicated Schools Grant totalled £120.2m in 2023/24. There was an overspend of £2.07m during the year. As £0.25m had been carried forward into 2023/24 from the previous year, a year-end deficit of £1.82m has been carried forward to 2024/25.

This deficit arises because of budget arising from high needs provision. This is a national issue, illustrated by most upper tier Councils having already incurred a DSG deficit by the end of 2022/23. In order to alleviate pressure on the 2024/25 high needs budgets, Telford & Wrekin's schools forum agreed to transfer 0.5% of the schools block to high needs, amounting to £0.82m. This agreement illustrates the positive relationships with schools and other providers which are invaluable in assisting the Council maintain budgetary control of DSG, whilst ensuring that we meet our responsibilities to young people.

However, the increase in the Government's 2024/25 high needs funding allocation to Councils, including Telford & Wrekin, is significantly lower than in recent years. With little indication that pressures on high needs are diminishing, it will be very challenging to avoid an increase in the deficit in 2024/25.

The way in which local authorities account for DSG deficits was altered in 2020. DSG deficits are now required to be held in a separate reserve in local authorities' accounts and is disregarded from the measure of local authority reserves. These regulations apply up to and including the accounts for 2025 to 2026.

The Council continues to work hard to tackle the high needs pressures in partnership with the Forum, schools and other providers of education.

6.0 RESERVES & BALANCES

6.1 The main General and Special Fund balances were £4.721m at 1 April 2023. The position on the main General and Special Fund Balances is now:

	£m
Balances at 1 st April 2023	4.721
Planned approved use to support investment in footway lighting	(0.167)
2024/25 Final Contribution to Balances	+0.015
Balances at 31st March 2024	4.569

The General/Special Fund balance forms part of the Council's overall reserves and balances.

- 6.2 In addition to the General and Special Fund Balances, the Council has general contingencies of £5.909m in 2024/25 (£3.2m of which is ongoing) and £4.8m held centrally for inflation and pay awards in 2024/25. Further, there is a prudent level of reserves and provisions available to support the medium term financial strategy including the uncommitted balance of £21.7m held in the Budget Strategy Reserve.
- 6.3 A number of specific transfers to reserves are proposed which support the Council's priorities. These are included in the overall outturn position as reported above and are detailed in Appendix E.
- 6.4 The balance of the Public Health ring-fenced grant has also been carried forward to 2024/25 (in line with the grant conditions see section 5.4 above) as has the residual balance of other grants received in year, in line with accounting requirements.

7.0 2023/24 CAPITAL PROGRAMME

- 7.1 The capital programme for 2023/24 totalled £90.05m. Some re-phasing of expenditure into 2024/25 will take place as a result of extensions and re-profiling of grant funded programmes. Spend at year end was £83.49m as summarised in the table below, all schemes that have been re-phased are already in progress:

Service Area	Budget £m	Spend £m	% Spend £m	Year End Variance £m
Adult Social Care	0.99	1.21	122%	0.22
Prosperity & Investment	46.04	42.50	92%	-3.54
Neighbourhood & Enforcement Services	17.70	14.60	83%	-3.09
Education & Skills	9.29	10.33	111%	1.03
Housing, Employment & Infrastructure	9.53	8.72	92%	-0.81
Communities, Customer & Commercial Services	4.82	4.92	102%	0.10
Policy & Governance	0.08	0.05	56%	-0.04
Finance & Human Resources	1.60	1.16	73%	-0.44
Total	90.05	83.49	93%	-6.56

Note: The approved estimate excludes the new allocations, slippage and virements detailed in Appendix D.

7.2 The main scheme re-phasing to future years is shown below with detail included in Appendix D.

	£m
<u>Prosperity & Investment</u>	
Towns Fund projects– reprofiling of spend in line with revised programme of delivery, all fully committed	-1.62
Levelling Up Fund Projects –reprofile of spend in line with delivery profile, fully committed	-0.85
Capital Regeneration project – reprofile in line with delivery profile	-0.53
HE Land Deal, and Liability sites – rephasing of spend, mainly site preparation	-0.44
Housing Company – rephasing of spend, fully committed to schemes currently in development in 2024/25	-1.10
Condition works leisure – schemes progressing ahead of schedule	+0.86
Accommodation strategy –additional funds for property rationalisation benefits	+0.27
<u>Neighbourhood & Enforcement Services</u>	
Highways, Carriageways, structures, drainage, footways and Integrated Transport –fully committed to schemes currently in delivery	-0.59
Additional pot hole grant allocation and spend	+0.54
Environmental Improvements –spend slipped to future years	-0.25
Miscellaneous Asset Schemes – fully committed for delivery in 2024/25	-0.16
Active Travel Scheme –rephrased to match delivery profile	-1.79
On Street residential chargepoint scheme – spend rephased to 24/25	-0.68
<u>Education & Skills</u>	
Other School Schemes – funding ahead of schedule for maintenance and school schemes in delivery	+1.03

<u>Housing, Employment & Infrastructure</u>	
Housing Up Grade/LAD Energy Efficiency Grant Programmes, write off of unallocated grant	-0.92
Housing - spend on Temporary Accommodation strategies accelerated, offset by slippage on empty property priorities	+0.31
Local Authority Housing Fund – grant slippage on committed acquisitions in 2024/25	-0.23
Pride in Your High Street –revenue funding written out	-0.36
Disabled facilities grant –increased allocation to meet demand	+0.41
<u>Communities, Customer & Commercial Services</u>	
ICT/eGov – spend brought forward from 2024/25 to meet schemes in delivery, namely Gigabit Telford project	+0.49
Leisure Capital Schemes – slippage for future years schemes	-0.29
<u>Adult Social Care</u>	
Adults Supported Accommodation – additional resources required at Lakewood Court being vired from Prosperity & Investment, Asset Management Plan.	+0.20
<u>Finance & Human Resources</u>	
Capitalisation of Efficiency Schemes/Severance costs in accordance with eligible spend during 23/24 and available capital receipts in year	-0.44

7.3 There are a number of new approvals, virements and slippage which are also detailed in Appendix D and require formal approval.

7.4 The funding for the capital programme in 2023/24 included £0.773m estimated income from capital receipts. The actual income received in year was higher at £1.852m – the difference was mainly due to the generation of receipts within the Property and Investment Portfolio for reinvestment in future years.

8.0 NUPLACE

8.1 Nuplace Ltd, is the Council’s wholly owned housing investment company. It was set up primarily to improve standards in the private rented sector and to offer homes for life to tenants operated by a responsible and responsive landlord. The principal activity of which is the procurement of the construction and management of private and affordable residential property for rent, responding to the Borough’s housing needs including the availability of accessible and adaptable housing. Nuplace also operates a sub brand known as Telford & Wrekin Homes, intended to acquire and

refurbish existing housing stock, which focusses on refurbishment and ensuring we make the best use of homes in the borough.

- 8.2 At 31 March 2024, Nuplace's housing portfolio comprised of 500 homes of which 64 are available to let at affordable rents, 19 are built to accessible standards, and 46 have been built to meet the new Building Regulation requirements regarding low carbon design. The programme has resulted in over 23 acres of brownfield land being regenerated, addressing sites that might otherwise blight communities, with a further 37.66 acres currently being regenerated at Wild Walk, Muxton. The programme is also delivering added value in terms of local employment, apprenticeships, supply chain development and the delivery of a range of community projects.
- 8.3 During the year, works progressed on the scheme at The Gower, St Georges, with the construction of 10 new build properties alongside the creation of 3 converted dwellings within the graded 2 listed building, now well underway. Works have also continued at Wild Walk, Donnington, with 10 of the 66 plots now having been handed over and tenanted with the remainder of plots to be handed over in phases throughout the year. Works also commenced on 20 dwellings at the former New College site in Wellington, with these being developed alongside designated older people's housing being delivered by Wrekin Housing Group. Works also commenced to create 10, one and two bedroom apartments through the conversion of redundant first floor ancillary space above commercial units, as part of a wider regeneration scheme in Oakengates.
- 8.4 Funding was secured from the West Midlands Combined Authority to support the delivery of 28 homes, at a site in Ketley Bank, Telford including, 7 converted dwellings alongside 21 new build. This project is set to start on site in April 2024 and will help safeguard a building of historical significance on a prominent site within the locality.
- 8.5 Planning consent was granted for a mixed use scheme within the Station Quarter area of Telford Town Centre which will see the delivery of 117 town houses and apartments for Nuplace, kick-starting the creation of a "city living" offer within Nuplace's predominantly suburban portfolio. Works on this scheme are set to start on site in July 2024 and continue until early 2026 and will be delivered alongside 72 dwellings for affordable rent and shared ownership.
- 8.6 A planning application has also been submitted to convert redundant space within a historic building in Wellington into 9, one and two bedroom dwellings with works due to start on site late in the year.
- 8.7 In addition there is a strong pipeline of properties at feasibility stage as part of the ongoing Telford and Wrekin Homes Programme with Nuplace targeting the acquisition and refurbishment of circa 30 properties within the year.
- 8.8 In accordance with the Company's accounting policy, the housing portfolio was revalued at the year end, which has resulted in an increase in value of 5.4% (£4.7m) over all completed sites.

8.9 Nuplace Ltd is a separate legal entity and as such will prepare its own Statement of Accounts and comply with company regulations. The accounts will be independently audited. As Nuplace is wholly owned by Telford & Wrekin Council, the Council is required to prepare Group Accounts as part of its Statement of Accounts for 2023/4 which will consolidate the Council and Nuplace’s financial position.

8.10 Nuplace distributed a final dividend of £0.012 per ordinary share registered on 1st March 2024, totalling £253,300. The company reported an operating profit before taxation of £0.43m, £0.25m after tax. It should be noted that the Council has received income totalling £2.0m from Nuplace during 2023/24 net of additional interest and other associated costs which is a combination of interest paid relating to the loan agreement, dividend income and services Nuplace purchased from the Council. The Council will also benefit from additional Council Tax, and New Homes Bonus as Nuplace properties are completed. The financial benefits that arise from Nuplace are invested in providing front line services such as providing Adult Social Care and have helped to reduce the budget savings that would otherwise have had to been made as a result of Government grant cuts.

9.0 CORPORATE INCOME MONITORING

9.1 The Council’s budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

9.2 In summary, council tax collection is on target, but NNDR and sales ledger collection are slightly behind target. Cash collection has increased for council tax and sales ledger income streams compared to last year.

INCOME COLLECTION – 2023/24			
	Actual	Target	Performance
Council Tax Collection	97.31%	97.31%	On target
NNDR Collection	97.37%	98.17%	0.80% behind target
Sales Ledger Outstanding Debt	5.98%	5.25%	0.73% behind target

9.3 Council Tax (£109.4m)

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year End performance 2022/23	97.31%
Year End Target for 2023/24	97.31%

Performance is cumulative during the year and expressed against the complete year's debit.

Year End Target	Year End Actual	Last year Actual
97.31%	97.31%	97.31%

Council Tax collection performance has matched last years performance and the target set for 23/24. This has been achieved despite the difficulty customers are faced with in light of the cost-of-living crisis.

9.4 **NDR-Business Rates (£74.9m)**

The % of business rates for 2023/24 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year End performance 2022/23	98.17%
Year End Target for 2023/24	98.17%

Year End Target	Year End Actual	Last year Actual
98.17%	97.37%	98.17%

Collection has out turned 0.80% behind target and performance last year. Analysis of the reasons for this has identified a number of new or amended assessments which the Valuation Office Agency brought into the list in March 2024, resulting in limited opportunity for collection. Collection of these new balances will continue in 24/25.

9.5 **Sales Ledger (£86.9m)**

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2023/24 are as follows:

Age of debt	Annual Target %	March 2024	
		£m	%
Total	5.25	5.198	5.98%

Sales ledger is outside of target although can tend to fluctuate from one month to the next, and has shown improvement in recent months.

10.0 Alternative Options

10.1 Budget holders will have investigated a number of options to seek to deliver required service outcomes from within available resources during the year. Decisions made by the Chief Financial Officer and Senior Management Team as part of the closure of accounts process aim to safeguard the Council's financial position in 2024/25 and optimise the Council's position in terms of financial sustainability and resilience.

11.0 Key Risks

11.1 Budget holders actively manage their budgets and the many financial risks and challenges that council services face, examples include the risk of a particularly harsh winter which would impact adversely on the winter gritting and adult social care budgets, the increasing dependency on income from a wide range of activities and the risk of interest rate movements and further inflationary pressures, the risk of changes in legislative or accounting requirements impacting on budgets etc. The Council has comprehensive risk management arrangements in place, which are reviewed and updated by the Senior Management Team. It is considered that there is an adequate level of reserves and provisions set aside to cover anticipated risks.

12.0 Council Priorities

12.1 Delivery of all Council priorities depends on the effective use of available resources. Strong and effective financial management ensures the best use of resources.

13.0 Financial Implications

13.1 The financial impacts are detailed throughout the report.

14.0 Legal and HR Implications

14.1 The Council's s151 Officer has a statutory duty to monitor income and expenditure and to take action if overspends/shortfalls emerge.

The statutory date for making the draft 2023/24 Statement of Accounts (SOA) available for public inspection is 31 May 2024 and the statutory deadline to publish the audited SOA is 30 September. Audit Committee has delegated authority to approve the SOA and updates will be provided to the Committee as appropriate.

15.0 Ward Implications

15.1 Funds have been set aside as part of financial outturn towards an additional Community Action Team in the Brookside Ward. There are no specific impacts on any other wards.

16.0 Health, Social and Economic Implications

16.1 There are no Health, Social and Economic Implications directly arising from this report.

17.0 Equality and Diversity Implications

17.1 There are no Equality & Diversity implications directly arising from this report.

18.0 Climate Change and Environmental Implications

18.1 During the financial outturn funds have been set aside to meet Energy Performance Compliance (EPC) regulations and support environmental issues (see Appendix E). There are no other specific Climate Change and Environmental Implications directly arising from this report.

19.0 Background Papers

1	Medium Term Financial Strategy 2023/24 – 2026/27	Council 02/03/2023
2	2023/24 Financial Monitoring Report	Cabinet 13/07/2023 Council 13/07/2023
3	2023/24 Financial Monitoring Report	Cabinet 04/01/2024 Council 25/01/2024
4	2023/24 Financial Monitoring Report	Cabinet 15/02/2024
5	Medium Term Financial Strategy 2024/25 – 2027/28	Council 29/02/2024

20.0 Appendices

Appendix A	Summary Revenue Outturn
Appendix B	Detailed Revenue Outturn
Appendix C	Virements
Appendix D	Capital Approvals
Appendix E	Reserves

21.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Director	08/05/2024	08/05/2024	MLB
Finance	07/05/2024	07/05/2024	PH
Legal	08/05/2024	09/05/2024	EH