Mid Devon
DISTRICT COUNCIL

Report for:	**Cabinet**
Date of Meeting:	4 June 2024
Subject:	**2023/24 REVENUE AND CAPITAL OUTTURN**
Cabinet Member:	Cllr James Buczkowski, Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett, Deputy Chief Executive (S151)
Exempt:	N/A
Wards Affected:	All
Enclosures:	Appendix 1a – General Fund Summary Appendix 1b – General Fund Service Variances Appendix 2 – HRA Summary and Variance Analysis Appendix 3 – Movement in Earmarked Reserves Appendix 4 – 3Rivers Overall Financial Summary Appendix 5 – Capital Programme Summary

Section 1 – Summary and Recommendation(s)

To present the Revenue and Capital Outturn figures for the financial year 2023/24 for both the General Fund (GF) and Housing Revenue Account (HRA).

Recommendation(s):

That Cabinet consider the finance position reported and:

1. **Note the General Fund Outturn achieved in 2023/24 which requires no draw from the General Fund balance, but requires a transfer of £635k (4.05% on the Net Cost of Services Budget) from the New Homes Bonus reserve and the Housing Revenue Account which shows an under spend of £393k (3.28% on the Total Direct Expenditure Budget).**

2. **Note the overarching General Fund budgetary savings delivered of £1,873k in order to mitigate the £2,508k exceptional cost pressures shown in paragraphs 1.3 and 1.4.**

3. **Approve the transfer of the £393k Housing Revenue Account surplus to the ring-fenced HRA Earmarked Reserves as detailed in the HRA Budget Variance Report shown in Appendix 2 and summarised in Appendix 3.**

4. **Approve the Net Transfers from Earmarked Reserves of £1,532k detailed in the General Fund Service Budget Variance Reports shown in Appendix 1a and 1b and summarised in Appendix 3.**

5. **Approve the slippage of £28,441k from the 2023/24 Capital Programme to be delivered in 2024/25 or later years.**

6. **Note the procurement waivers used in Quarter 4 of 2023/24, as outlined in Section 7.**

Section 2 – Report

1.0 Executive Summary

1.1 This report contains information relating to the Council's overall financial performance for the 2023/24 financial year. The Outturn figures included are provisional and subject to external audit; the findings of which are expected to be reported to Audit Committee in October this year. Bishop Fleming (the Council's new auditor) have recently advised that due to resourcing issues, the audit will be delayed from July to August but officers currently continue to expect the audit to be completed and reported in October.

1.2 Monitoring the Budget is an important part of the Council's performance management framework. The aim is to keep a tight control on spending on services within a flexible budget management framework.

1.3 The General Fund position must be considered against the position agreed by Full Council in March 2023 to draw £625k from General Reserves to balance the budget and the £400k vacancy saving target to be identified in-year. Therefore, officers were set the challenge to offset £1,025k in-year to avoid drawing on reserves and taking them below the £2,000k recommended minimum balance.

1.4 In addition to the above budgetary challenge, the Council also incurred exceptional one-off costs totalling £1,483k in order to deliver the soft closure of 3 Rivers Developments Ltd.

1.5 Therefore, the Council has delivered overall in-year savings and increased income of circa £1,873k, to offset the challenges quoted in paragraphs 1.3 and 1.4 totalling £2,508k, requiring a draw of only £635k from reserves. This is a major corporate achievement and reflects the hard work and efforts of managers and services during the year.

1.6 The Revenue Outturn position for the financial year 2023/24 is as follows:

- The General Fund (GF) Revenue Outturn position for 2023/24 is a net over spend of £635k as shown in **Appendix 1a**. The table below assumes this is offset by a transfer from the New Homes Bonus Earmarked Reserve. An explanation of variances at service level is included within **Appendix 1b**.
- The HRA is a "Self-Financing" account for the Council's Housing Landlord function, which is budgeted to "breakeven" (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2023/24 is a net under spend of £393k as shown in **Appendix 2.** It is assumed this will be transferred to the ring-fenced HRA Earmarked Reserves, therefore the balance held on the HRA Reserve is unaffected.

1.7 Members should note that officers have also identified areas where the carry-forward of some unspent budgets will be beneficial to help mitigate the impact of financial pressures and commitments in 2024/25. These are proposed to be transferred into Earmarked Reserves. These are identified within the individual service summaries and within **Appendix 3**.

1.8 During 2023/24, Members agreed to soft close 3 Rivers Developments Ltd. The net over spend position includes the final costs incurred in closing down the company. When combining the impairments on both the loans and the assets purchased, the Council's total loss from 3Rivers is £3,384k. This is shown in **Appendix 4**.

1.9 Actual Capital expenditure across the financial year was £30,431k leaving a variance of £37,676k against the 2023/24 Deliverable Budget. Of which, £1,464k is an under spend, £1,556k is an over spend, and £28,441k will slip into future years and £454k has been brought forward from the future year's programme. In addition, £15,186k has been spent to purchase assets from 3Rivers as part of the closedown and £24,996k is no longer required. The status of the Capital Programme is shown at **Appendix 5**.

1.10 A summary of the Council's Treasury Management year end position is shown in Section **Error! Reference source not found.**. Further detail on the Treasury Management position is included within a separate report on this meeting agenda.

1.11 This report also includes Section 7 which updates Members on the use of Procurement Waivers during the last quarter of 2023/24. A procurement waiver is were contract procedure regulations have not been applied due to exceptional circumstances, such as urgency of the goods/services being required, or the specialist nature of the goods/services where there is no effective competition to provide it.

2.0 Introduction

2.1 Members of the Cabinet should note that the Outturn report is fundamentally a set of management reports that show the year-end position on all service areas. The Finance Team then have to turn these management reports into the statutory financial statements which are subject to a wide number of complex accounting rules that often significantly change the final picture of a service's financial position for the year. However, it is important to note that the bottom-line profit or loss for the year remains constant.

2.2 Members will be aware that the position can change between “in-year” projections and the final Outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a regular review of budgets. Budget Holders, with support and advice from their Accountants, review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that assumptions and estimates will differ from the eventual outcome.

2.3 During the budget setting process, Budget Holders / Accountants continue to ensure that Revenue and Capital Budgets are set on a robust basis and take a prudent view of the likely levels of income and expenditure.

3.0 The General Fund

3.1 The summarised General Fund Revenue Outturn Position is provided in **Appendix 1a**, with more detail provided on a service-by-service basis shown in **Appendix 1b**.

3.2 Detailed budget monitoring reports were provided to both senior managers and Members throughout 2023/24. This monitoring focused on significant budget variances (+/- £20k), including any remedial action where necessary leading to an estimated overall Outturn position. The final written in-year monitoring report considered by the Cabinet gave a detailed position as at 31 December 2023 and predicted an end of year over spend of £119k for the General Fund. Therefore the final position at £635k has worsened, mainly due to the further impairment of 3Rivers loans as part of the closedown of the company.

3.3 The table below shows the overall Budget, Actual and Variance, summarised for 2023/24.

Table 1 – General Fund Financial Summary

Financial Summary for 2023/24	**2023/24 Budget £**	**2023/24 Actual £**	**2023/24 Variance £**
Total Net Cost of Services	15,664,819	15,258,805	(406,014)
Other Income and Expenditure	(2,576,584)	(2,514,029)	62,555
Total Net Budgeted Expenditure	**13,088,235**	**12,744,776**	**(343,459)**
Total Funding	**(12,463,235)**	**(12,774,776)**	**(281,541)**
Budgeted Draw on GF Balance	**(625,000)**	**0**	**625,000**
Net Income and Expenditure	**0**	**0**	**0**

3.4 As described above, there have been some significant variances at an individual service level. A summary explanation of these key variances is shown in **Appendix 1a**, service by service. **Appendix 1b** also provides the detail of the key variances at individual service level to enable full transparency of the position.

3.5 Overarching Variances

3.5.1 Employee Related Costs

3.5.1.1 Vacancy Target

As part of the 2023/24 budget, a vacancy target of £400k was set. Recruitment to non-critical roles was delayed by three-months to allow time to fully review the role and assess whether alternative solutions could be found. Some roles have not be filled as a result, for example the previous Director of Business Improvement and Operations and Group Manager for Property and Leisure. The £34k underspend achieved against employee costs reflects a true saving of £434k or 2.6%.

3.5.1.2 Local Government Pay Award

The impact on the 2023/24 local government pay award has been amended from the assumed 5.5% budgeted uplift, to reflect the agreed uplift of the higher of £1,925k or 3.88%. This creates a relatively minor variance (+ or -) in each service area depending on the average pay in that area.

3.5.1.3 Agency Costs

The Council continues to struggle with recruitment and retention and has had higher levels of turnover (17%) and sickness (10.45 days per FTE) during the year. This has resulted in key services, particularly Public Health, Waste and Planning having higher usage of agency staff than planned. Overall agency spend was £571k above budget, however this is offset by the vacancy underspends on the overall staffing establishment and through the use of Earmarked Reserves.

3.5.2 Non-Employee Expenditure

3.5.2.1 Specific Revenue Project Costs.

Each year, the Council plans to undertake projects across its property portfolio to replace / enhance its assets. An example for this is resurfacing the car parks. Given the budget situation as outlined within paragraph 1.3 above, a risk based review was undertaken to postpone as many projects as safely possible in order to help contain spend. Essentially, little more than fire safety works at Phoenix House were completed to ensure compliance with the regulations. A full programme of projects were again approved within the 2024/25 and are being delivered.

3.5.2.2 Local Authority Housing Fund (LAHF)

During the year, the Council spent £1,911k purchasing 10 Homes across the district using the LAHF capital funding to ease the pressure on the homelessness budget by providing increased temporary accommodation. To date £129k has been spent to updating and making them into Homes in Multiple Occupation (HMOs) funded through additional Homelessness Support Grant. Some are now in operation saving on Bed and Breakfast costs and partially recovering costs through rent. The remainder will be operational soon.

3.5.2.3 ICT costs

A number of ICT projects initially budgeted through Capital have been charged through the Revenue budget and funded from Earmarked Reserves.

3.5.2.4 Economic Development Projects

A number of long-term projects to enhance the local economy and community has been progressed, including Culm Garden Village, J28 enhancement, Cullompton Railway Station, Shared Prosperity fund and bidding for additional grant funding to progress the Cullompton Town Centre Relief Road. These have been funded through grants received, or previously received and held in Earmarked Reserves.

3.5.2.5 Utilities

Following the significant price increase experienced over the last couple of years that were built into the base budget, the Council achieved a £164k underspend against its Gas and Electricity budgets. This is in part due to the effective procurement of energy supply through our Laser contract, and through the investment in Solar and Ground and Heat Source Pumps at Exe Valley and Lords Meadow leisure centres to reduce our use of fossil fuels. All electricity used now comes from a renewable source.

3.5.3 Income

3.5.3.1 Waste Income

3.5.3.1.1 Bin-it 123 – increased recycling rates and Shared Savings

In October 2022, the Council moved to collecting all non-recyclable waste every three weeks as part of the Council's drive to increase recycling and reduce waste. Recycling rates have subsequently increased by circa 5% which has increased the estimated shared savings to be received from Devon County to £520k, up from £370k in the previous year.

3.5.3.1.2 Trade Waste Income

Income generated from Trade Waste increased across both Residual Waste (£32k) and Recycled Waste (£15k).

3.5.3.1.3 Recyclate Income

Income generated from selling recyclate materials was volatile across the year. Income from materials such as Steel and Cardboard were stronger than budget. However, this was offset by lower income generated from Paper, Aluminium, Plastic and Glass. Overall, recyclate income was £48k lower than budget.

3.5.3.1.4 Garden and Bulky Waste Income
Increases in both the number of permits and the fee charged generated significantly more income from Garden Waste collection (£120k). Similarly Bulky Waste income also benefited from both increase demand and charges (£21k).

3.5.3.2 Leisure Memberships and Income
Leisure membership numbers and income have increased and returned to pre-Covid-19 levels. In particular, swimming lesson income has increased. When coupled with the 20% VAT that no longer needs to be passed to Government, overall income is £419k higher and thereby reduces the subsidy to just over £800k – significantly below the £1,400k budgeted subsidy.

3.5.3.3 Car Parking Income
Similarly, Car Parking income has virtually recovered to pre-Covid-19 levels. Projections for income from the Multi-Storey car park were a little optimistic, but income from permits and pay and display parking in other car parks have increased.

3.5.3.4 Planning and Building Control Income
Income for both Planning (-9%) and Building Control (-32%) fell short of the budgeted targets due to the economic conditions and depressed housing development leading to fewer planning applications and build sign offs. Consequently, Land Charges Income was also below budget by 35%. However, Pre-App Advice income was nearly 20% up on budget. Overall, income for the service was £200k lower than budget.

3.5.4 3 Rivers Developments Ltd (3Rivers)
Following the rejection of three business plans and the agreement to only support the completion of the live development projects, the future of the Council's subsidiary company, 3 Rivers Developments Ltd, needed to be reviewed. Considering the external, independent, options appraisal report, the decision was taken to "soft close" the company, with all assets being realised and a commitment to paying all contractors, suppliers and tradesmen in full. The following actions were taken to soft close the company:

- St George's Court was sold to the Housing Revenue Account at an agreed price of £8,150k to enable an over 60's social housing scheme.
- Knowle Lane, Cullompton, was bought by the Council at 3Rivers book value (£3,662k) to be held until such time as development is permitted within Cullompton. A decision can then be taken as to the most appropriate use for the site.

- The 5 unsold units at Hadden Heights, Bampton, were bought by the Council at the marketed price (£3,135k) and continue to be marketed for sale.
- The property managed by 3Rivers was bought by the Council at 3Rivers book value (£180k).
- Finally, the outstanding balance on the Working Capital Loan was written off.

An overall loss of £6,800k has been incurred on the loans made to the company in delivering their developments. This required further impairments of the loans against St George’s Court and Working Capital £1,483k, split £816k and £667k respectively. £1,069k of this has been charged to Revenue through the Corporate Management line within **Appendix 1a**, reflecting the Revenue backed loans and £414k to Capital Charges for the capital funded loans.

However, this can be partially offset by the interest paid on these loans and other service recharges, totalling £3,416k. Therefore the net Revenue loss is £3,384k.

This is shown in summary below and in detail within **Appendix 4**. This is as forecast in Qtr 3 monitoring report.

Table 2 – Financial Summary of 3Rivers

Project	Drawdowns £	Repayments £	Recharges / Interest Received £	Final Position £
St George's Court	12,866,253	(8,150,000)	(1,616,609)	**3,099,644**
Threwstones	827,823	(827,823)	(77,614)	**(77,614)**
Banksia	180,012	(180,012)	(23,697)	**(23,697)**
Orchard House	900,880	(900,880)	(72,790)	**(72,790)**
Knowle Lane	4,077,323	(4,077,323)	(610,987)	**(610,987)**
Park Road	86,524	(86,524)	(5,652)	**(5,652)**
Bampton	4,898,478	(4,898,478)	(367,485)	**(367,485)**
Working Capital	2,886,150	(801,992)	(242,793)	**1,841,366**
Recharges	0	0	(398,447)	**(398,447)**
Totals	**26,723,441**	**(19,923,030)**	**(3,416,074)**	**3,384,337**

In addition, the valuation of the assets purchased from 3Rivers have been reviewed and revalued by the District Valuer. Notional losses on asset valuations do not appear on the General Fund outturn position. This is due to a statutory override which results in the impairment being reversed out through the ABF[1] and transferred into a revaluation reserve. Any losses or gains only hit the general fund when the asset is disposed of and any variation from the price paid is realised.

[1] Adjustments between Accounting Basis and Funding Basis under Regulations

Once all contractors / suppliers bills are settled, the company will enter a dormant period of three months before being struck off at Companies House – in line with a voluntary strike off.

The company are currently finalising their trading accounts for the year, including all the close down costs and this will be made available through Companies House when completed.

It should be recognised that the loans to 3Rivers tied up funding that could have been invested elsewhere, or used to fund expenditure. However, for the majority of the time the company existed, interest rates were at an historic low and a mark-up of 4.5% was added to ensure the loans were completed on a commercial basis.

3.5.5 Non-service Variances

3.5.5.1 HRA Recharges

The HRA recharge was £87k lower than budgeted. The recharge is largely staffing based and therefore reflects the under spend on staffing across the Council.

3.5.5.2 Capital Charges

As highlighted within paragraph 3.5.4 above, the £414k capital impairment of the 3Rivers loan is included with Capital Charges. The remainder of the over spend reflects bringing forward the final element of the original impairment in 2019/20 which was spread over 5 years, but has now been brought forward into 2023/24 following changes in regulations requiring any impairment to be charged in the year identified.

3.5.5.3 Interest Receivable

Interest received on treasury investments were significantly higher (£762k) than budget due to the increase in interest rates, along with increased and extended lending to 3 Rivers Developments Ltd to complete their live projects.

3.5.5.4 Net Movement in Reserves

The various movements in and out of Earmarked Reserves nets to a £1,532k draw to reserves, inclusive of the balancing £635k required to offset the cost of closing down 3Rivers. **Appendix 3** provides full disclosure of the movements.

Drawing on the New Homes Bonus Reserve to offset the closedown costs protects the General Fund Reserve, which remains at £2,025k despite the original budget expecting it to reduce by £635k.

The opportunity cost of utilising these funds means that the Council has less capacity and flexibility to meet costs in the future. This might therefore require alternative funding, most likely through borrowing, at additional cost.

Table 3 – Summary of Key Reserves

Usable Reserves	**31/03/2023**	**In Year Movement**	**31/03/2024**
Unring-fenced Reserves	**£000's**	**£000's**	**£000's**
General Fund	(2,025)	0	(2,025)
Housing Revenue Account	(2,000)	0	(2,000)
Total	**(4,025)**	**0**	**(4,025)**
Earmarked Reserves (See Appendix 3)			
General Fund	(18,160)	1,532	(16,628)
Housing Revenue Account	(22,190)	861	(21,330)
Total	**(40,350)**	**2,393**	**(37,957)**

The Council (in common with other public bodies) continues to face a difficult financial climate, therefore, it is prudent to retain robust balances to smooth the potential effect to the tax payer of further cuts. The level of Earmarked Reserves in this report further supports the forward planning of the organisation. This approach to financial management will help to deliver our corporate priorities during the short to medium term whilst mitigating the effect of any future cuts in Government funding as we move towards becoming a self-financing organisation.

3.5.5.5 Collection fund

Mid Devon is a Collection Authority for Council Tax and Non-Domestic Rates, and as such, is required to produce a Collection Fund Account for the Mid Devon area.

The Council Tax collection rate for 2023/24 was 97.5% (97.1% in 2022/23). Although the budget was also based upon a collection rate of 97.5%, a small surplus has been generated which has reduced the deficit on the fund to £363k (from £553k in 2022/23) with Mid Devon's share of this amounting to £48k, which will be paid in 2024/25.

The Non-Domestic Rates collection rate was 99.4% (96.8% for 2022/23). This significant increase has removed the 2022/23 collection deficit (£267k for the year, with Mid Devon's 40% share of this amounting to £107k) and created a collection surplus of £670k with Mid Devon's share of this amounting to £267k. £239k of this has been earmarked to be released in 2024/25. In addition to this, the Devon Business Rates Pool is forecast to collectively make a surplus and Mid Devon's share is forecast as £228k.

There is a variance shown against Business Rates budget of £75k due to adjustments in the Tariff Revaluation and S31 Grant allocations.

This demonstrates how our Revenues section has consistently been effective in collecting the annual charge in extremely challenging economic times.

3.5.5.6 Grant Funding

The majority of the movement in grant income covered by the Local Government Funding Settlement reflects that the budget was set using the Provisional Settlement, and the Final Settlement was announced after budget papers had been published.

However, of note, is the long overdue £109k 2020/21 Covid-19 reconciliation payment. A further £40k remains due for Qtr 1 of 2021/22.

4.0 Housing Revenue Account (HRA)

4.1 This is a ring-fenced reserve in respect of the Council's housing landlord function. It is increased or decreased by the surplus or deficit generated on the HRA in the year. For 2023/24 the Outturn is a net surplus of £393k and Members are requested to approve a transfer to HRA reserves to bring this to zero.

4.2 Main budget variances during 2023/24 giving rise to the surplus of £393k include:

- - £260k Salary savings due to delays in filling vacancies, net of pay award;
- + £768k Increase in External contractors cost due to vacancies and higher materials prices due to inflation across Voids, Responsive Repairs and Adaptations;
- + £296k Contribution to the Major Repairs Reserve equal to the depreciation charge for the year;
- + and - £780k Homes England and One Public Estate grant funding received and applied to a number of capital projects
- - £187k lower capital charges due to capital programme underspend;
- - £158k decrease in provision for bad debts as outstanding debt has reduced;
- - £221k underspend on various maintenance and repairs budgets;
- - £134k reduced transfers to reserves;
- - £482k increased income across rents, investment returns, rechargeable repairs and from the solar panel scheme.

For further details, please see the HRA Outturn Summary for 2023/24, which is attached as **Appendix 2** to this report.

4.3 Given the positive closing financial position delivered in 2023/24, it is recommended to transfer a sum of £393k into the ring-fenced HRA reserves, as shown below. This therefore leaves the HRA balance of £2,000k untouched as at 31 March 2024.

4.4 In addition to the above, the HRA holds a number of other Earmarked Reserves. The movements on these during 2023/24 and their closing balances are shown on **Appendix 3**. This money is effectively "ring-fenced" and will be held to meet expenditure during 2024/25 and beyond.

5.0 Capital Outturn

5.1 It is important to recognise the difference between a Revenue and Capital under spend; Revenue is an under spend against a cash budget, Capital is an under spend against an outline approval. Therefore this does not necessarily result in a cash balance to carry forward, instead it generally leads to a lower Capital Financing Requirement (in essence lower borrowing).

5.2 A Capital Outturn summary is attached as **Appendix 5** to this report. The Deliverable Capital Programme Approval was £68,107k, to be funded through a mix of unspent Capital Grants, Capital Earmarked Reserves or Prudential Borrowing.

5.3 At the year-end £30,431k has been spent leaving a variance of £37,676k against the 2023/24 Deliverable Budget. Of which, £1,464k is an under spend, £1,556k is an over spend, and £28,441k will slip into future years. In addition, £15,186k has been spent to purchase assets from 3Rivers as part of the closedown as outlined within paragraph 3.5.4 above, £24,996k is no longer required as the project is no longer progressing (largely 3Rivers and Post Hill Investment) and £454k has been spent on projects that have been brought forward from later years in the 5-year programme. This can be explained by the following key variances.

£1,464k Under spend

- £1,064k 3Rivers projects;
- £154k on maintenance and upgrades to HRA stock;
- £101k on vehicle leasing costs;
- £74k Leisure projects including the replacement of Spin Bikes and the completion of the Salix investments;
- £40k Laptop / desktop refresh; and
- £20k on New HRA Housing development at Beech Road.

£1,556k Over spend

- £717k HRA modular housing at Shapland Place – offset by increased grant funding received;
- £400k HRA modular housing at St Andrews – offset by increased grant funding received;
- £134k increase demand for Disabled Facilities Grant (DFG), funded from DFG reserve;
- £70k HRA housing development at Allington Terrace.

£28,441k Slippage into future years

- £13,218k Cullompton Town Centre Relief Road (HIF project) – following the third rejection of a bid for Levelling-up Funding – alternative funding options continue to be explored;
- £12,626k various projects within the HRA housing development programme;
- £1,268k various projects planned to be completed across our property estate;
- £1,000k land acquisition for a new waste and recycling depot;

5.4 The expenditure has been funded by the use of £4,445k of Capital Receipts (including 1-4-1 receipts), £3,758k grant funding, £5,885k Revenue Contributions such as S106 or utilisation of reserves and £16,345k through internal borrowing. No further external borrowing has been required during the year.

6.0 Treasury Management

6.1 A review of the 2023/24 investment performance, including the details of interest payable, are included within the separate 2023/24 Treasury Outturn Report on this meeting agenda.

6.2 During the year, the Council maintained an average balance of £22.7m of internally managed funds. These internally managed funds earned interest of £1,191k giving an average rate of return of 5.25%. The comparable performance indicator is the 365 days backward looking SONIA rate, which was 3.93%.

6.3 As at the 31 March 2024, the Council had short term cash investments totalling £14,000k. In addition, the Council held £5,000k invested in Churches, Charities and Local Authorities (CCLA) Property Funds earning dividends of £234k (4.68%) in 2023/24.

7.0 Procurement Waivers

7.1 In exceptional circumstances, there are sometimes justifiable reasons to act outside the contract procedure regulations. These include the following reasons:

I. The work, goods or materials are urgently required, and loss would be entailed by delay arising from advertising;
II. The work, goods or materials required are of such special nature that no advantage would accrue by inviting competitive tenders;

III. There is no effective competition for the goods or materials required by reason of the fixing of prices under statutory authority or that such goods or materials are patented or proprietary articles or materials;
IV. Transactions, which, because of special circumstances, may (either individually or as a class) be excepted from time to time by the Cabinet of the Council.

7.2 In such circumstances, prior written approval of the Deputy Chief Executive (S151) is required and Cabinet will be informed. Below is a list of the Procurement Waivers utilised during the final quarter of this financial year:

Table 4 – Summary of Qtr 4 Waivers

Ref	Subject of the Waiver	Approximate Value £	Reason Code
1	Specialist Vehicle Repairs.	£26k	I and II
2	Continued Vehicle Repairs and Insurance work	£45k	I and II

8.0 Conclusion

8.1 Members are asked to note the Revenue and Capital Outturn figures for the financial year 2023/24 and agree the proposed transfers to and from Earmarked Reserves from both the General Fund and the HRA and funding required to offset planned or additional expenditure where necessary.

8.2 In addition, Members are requested to approve the ongoing projects on the 2023/24 Capital Programme be rolled forward into the 2024/25 Capital Programme.

8.3 Finally, Members are asked to note the use of Procurement Waivers as outline in Section 7.

8.4 Achieving an Outturn position close to budget is a significant achievement given the implications of the savings targets included within the 2023/24 budget and the decision to close 3Rivers with the costs entailed is a credit to the financial management of the organisation. To give this statement context, only requiring a £635k draw on reserves after setting a budget that included £1,025k of savings targets and meeting the exceptional cost of finalising the soft closure of 3Rivers of £1,483k, means the Council has actually delivered operational savings of £1,873k.

Financial Implications
Good financial management and administration underpin the entire document. A surplus or deficit on the Revenue Budget will impact on the Council's General Fund balances. The Council's financial position is constantly reviewed to ensure its continued financial health.

Legal Implications
None.

Risk Assessment

Regular financial monitoring information mitigates the risk of over or underspends at year-end and allows the Council to direct its resources to key corporate priorities. Members will be aware that the Council continues to face a financially difficult and uncertain future. As such, the Strategic Risk Register (monitored by Audit Committee) includes a specific risk relating to this issue (CR7).

Impact on Climate Change
The General Fund, Capital Programme and the Housing Revenue Account all contain significant investment in order to work towards the Council's Carbon Reduction Pledge.

Equalities Impact Assessment
No equality issues identified for this report

Relationship to Corporate Plan
The financial resources of the Council impact directly on its ability to deliver the Corporate Plan prioritising the use of available resources carried forward into 2024/25. The Outturn Report indicates how the Council's resources have been used to support the delivery of budgetary decisions

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett
Agreed by or on behalf of the Section 151
Date: 21/05/2024 via Leadership Team meeting

Statutory Officer: Maria De Leiburne
Agreed on behalf of the Monitoring Officer
Date: 21/05/2024 via Leadership Team meeting

Chief Officer: Stephen Walford
Agreed by or on behalf of the Chief Executive/Corporate Director
Date: 21/05/2024 via Leadership Team meeting

Performance and risk: Dr Stephen Carr
Agreed on behalf of the Corporate Performance & Improvement Manager
Date: 21/05/2024

Cabinet member notified: No – awaiting confirmation of new Portfolio Holder.

Section 4 - Contact Details and Background Papers

Contact: Paul Deal, Head of Finance, Property and Climate Resilience
Email: pdeal@middevon.gov.uk
Telephone: 01884 23(4254)

Background papers: Quarterly Monitoring reports to Cabinet
2023/24 Budget Report to Cabinet