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9. **Revenue and Capital Outturn 2023/24** (Pages 3 - 6)
From the Cabinet, 9 July 2024



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Agenda Item 9
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Council – 9 July 2024
Recommendation from Cabinet
9 July 2024

Coventry City Council
Minutes of the Meeting of Cabinet held at 10.00am on Tuesday, 9 July 2024

Present:

Cabinet Members: Councillor G Duggins (Chair)
Councillor L Bigham
Councillor R Brown
Councillor K Caan
Councillor J O'Boyle
Councillor K Sandhu
Councillor P Hetherton
Councillor D Welsh

Non-Voting Deputy
Cabinet Members: Councillor G Lloyd
Councillor S Nazir

Non-Voting Opposition
Members: Councillor P Male
Councillor G Ridley

Other Non-voting
Members: Councillor N Akhtar
Councillor R Lakha
Councillor C E Thomas

Employees (by Service):

Chief Executive J Nugent (Chief Executive)

Childrens Services and
Education M Steele, R Sugars

Communications M Burrows (Strategic Lead for Policy and Communications),
N Hart

Finance and Resources B Hastie (Director of Finance and Resources), P Helm,
T Pinks

Law and Governance J Adams, D Blackburn, G Carter, L Nagle, M Salmon

Others in Attendance: Chief Inspector D Amos, West Midlands Police

Apologies: Councillor F Abbott
Councillor P Ahktar
Councillor A S Khan (Deputy Chair)
Councillor A Jobbar
Councillor P Seaman

Public Business

6. Declarations of Interest

There were no disclosable pecuniary interests.

RECOMMENDATION

8. Revenue and Capital Outturn 2023/24

The Cabinet considered a report of the Director of Finance and Resources that outlined the final revenue and capital outturn position for 2023/24 and reviewed treasury management activity and 2023/24 Prudential Indicators reported under the Prudential Code for Capital Finance. Appendices to the report provided a detailed breakdown of Directorate Revenue Variations, Capital Programme Changes and Analysis of Rescheduling, and Prudential Indicators.

The overall financial position included the following headline items:

- An overspend of £1.8m, balanced by a contribution from unearmarked reserves.
- Capital Programme expenditure of £115.3m
- A reduction in the level of available Council revenue reserves from £128m to £118m

Further detail within the overall position included:

- An overspend of £4.9m in Adults' Social Care reflecting an increased number of high-cost complex cases.
- An overspend of £4.7m within Streetscene and Regulatory Services representing a reduction in income generation in several areas such as planning applications, car parking in parks and bereavement services as well and pressures within urban forestry due to remedial works on trees. A significant proportion of this pressure was within Waste & Fleet services relating to implementation of HSE recommendations, costs of increased tonnages and increased gate fees, and deficits on planned income in both Commercial Waste and Passenger Transport.
- An overspend of £2.8m within Childrens' Services reflecting high placement costs and staffing pressures in Help & Protection (Area Teams) due to high levels of cases which required additional workers and agency staff.
- An overspend of £2.5m on Housing & Homelessness due to an increase in people seeking support and being placed in temporary accommodation (TA), combined with an increase in TA fees.

- An underspend of £1.8m in Education & Skills due to management of vacancies within Customer Services, alongside other efficiencies and the utilisation of grant income and earmarked reserves.
- An overspend of £1.4m on Business, Investment & Culture represented underachievement of sponsorship income and reduced grant from ERDF as well as holding costs for the City Centre Cultural Gateway due to slipped project implementation timescales.
- An overspend of £1.4m on Transport & Highways relates to increased costs in highways maintenance to address highways defects, as well as continuing high costs of energy for street lighting.
- The service had experienced pressures in highways maintenance due to the cost of addressing highways defects and income pressures resulting from sickness and recruitment challenges. In addition, the continuing high cost of energy had resulted in pressures in street lighting. These pressures had been partially offset by a recovery in car park income.
- A net underspend of £12.4m within central budgets, included higher dividend income from Council owned companies, interest income from loans, higher than budgeted investment income, and distribution of Business Rates Levy Account Surplus.

The underlying revenue position had improved by £6.7m since Quarter 3 when an overspend of £8.5m was forecast. The majority of the improved position related to increased one-off income within Contingency and Central budgets which were set out in the report.

The prudent management of the Councils financial position throughout the Covid crisis enabled the Council to retain some resources to manage any legacy issues. £1.8m of this had been used to balance the position at the end of 2023/24. Although the Covid crisis was no longer a significant threat to the Councils service delivery and financial position, the cost-of-living crisis and high levels of inflation had had tangible impacts on demand for both Childrens, Adults and Housing services. The complexity of need, support required and sufficiency of the external market to provide for this had directly impacted the Councils financial outturn reported up to 31st March 2024 and would be an ongoing financial challenge in 2024/25.

The Cabinet agreed to:

- 1) Approve the final balanced revenue outturn position after a contribution of £1.8m from reserves.
- 2) Approve the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in Section 2.2.3 of the report.
- 3) Approve the final capital expenditure and resourcing position (Section 2.3 and Appendix 2 of the report), incorporating expenditure of £115.3m against a final budget of £137.1m; £21.7m expenditure rescheduled into 2024/25 and £0.1m underspend.
- 4) Approve the outturn Prudential Indicators position in Section 2.4.4 and Appendix 3 of the report.

- 5) Recommend that Council approves the reserve contribution of £1.8m for the purposes described in Section 5.1 of the report.
- 6) Recommend that Council approves the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in Section 2.2.3 of the report.

RESOLVED that Council is recommended to:

- 1) Approve the reserve contribution of £1.8m for the purposes described in Section 5.1 of the report.**
- 2) Approve the resource switch of £5.9m of capital projects funded by revenue to capital receipts, to create the Financial Risk Contingency within Reserves, referenced in Section 2.2.3 of the report.**