

## Resources and Personnel Policy Portfolio Councillor G Marshall

### Report to Council – 10 July 2024

#### Finance Services Update

##### Audit of the Accounts 2022/23

The audit of the 2022/23 accounts is nearing completion with Mazars, the Council's external auditors, confirming that audit testing has been finalised and is now being reviewed. An Audit Completion Report is expected shortly to which management will provide their responses to any recommendations. It is expected that this will be reported to the forthcoming Governance, Audit and Standards Committee on 22 July.

##### Statement of Accounts 2023/24

The draft Statement of Accounts for 2023/24 have been published on the Council's website. The accounts closedown process is an extensive and complex project and it is a real achievement by the Finance Services team to meet the 31 May statutory deadline. Broxtowe was one of only 41% of local authorities to publish their draft accounts by this date.

The accounts will now be subjected to scrutiny by Mazars with the audit anticipated to conclude and the accounts being signed off by 30 November. In the meantime, regular updates will be provided to the Governance, Audit and Standards Committee.

##### Accounts Outturn

The postponement of the Cabinet meeting on 2 July due to the General Election has delayed the publication of the accounts outturn report. This will now be presented to Cabinet on 23 July. In the meantime, the accounts have provided some early insight and highlights for financial performance in 2023/24.

There was a net underspend of £1.8m on the General Fund revenue budget. Overall, after transfers to and from earmarked reserves, there was a net withdrawal of £326k from General Fund balances which closed at £6.0m at 31 March 2024. The variation was due to a variety of a net budget underspends, additional income, budget carry forwards, changes in provisions, government grants and effective financial management across the Council.

In terms of budgets, there was a net underspend in direct staffing costs of £408k against the budget which also included a challenging vacancy target. Outturn included the full-year impact of the pay award and interim staff used to cover vacancies within the establishment. Other operational spending continues to be impacted by the challenges of the high price inflation economy.

It was pleasing to note increased income has been generated from fees and charges and commercial property rentals. This is essential to support the Council in balancing its budgets and achieving financial sustainability.

In terms of financing the budget, the main area of risk, volatility and complexity is linked to Business Rates. Whilst there continues to be growth across the Nottinghamshire Business Rates Pool area, the value of net rates received by the Council can be significantly impacted by rating appeals and void periods, particularly for larger units. With Business Rates being accounted for through the Collection Fund, any impact on General Fund balances will not materialise until the following year. This timing issue for the General Fund is monitored by the Section 151 Officer.

The Council's Housing Revenue Account shows a £2.1m net underspend for 2023/24. This resulted in a decreased draw of £83k on HRA working balances which amounted to £2.9m at 31 March 2024.

There was an underspend of £832k on employee related costs. This was due to vacancies across the Housing service but in particular within the Housing Repairs team. Services were maintained by the increased use of subcontractors, the cost of which has been offset by this saving.

There was a net saving on capital financing costs. A budget of £1.7m for the financing of capital works was not required as other funding sources were used. The underspend has been partially offset by increased depreciation charges of £219k and an increased cost of borrowing of £131k in the year.

It was pleasing to note that Housing Rents income was £207k higher than budgeted, whilst income from investments was £306k higher than estimated due to positive cash flows and increases in interest rates across the year.

In terms of the approved Capital Programme for 2023/24, the Council spent £17.9m against a total budget of £57.9m. This included significant investment in the Council's housing stock, housing acquisitions and new builds, regeneration projects with the Stapleford Towns Fund, Kimberley Means Business Levelling-Up Fund, UK Shared Prosperity Fund, Beeston Square, parks and open spaces, vehicle fleet and the ICT development programme. The capital programme is financed by a mixture of capital receipts, grants, Section 106 contributions and prudential borrowing.

The main slippage in the programme largely related to the housing delivery schemes, where progress can be affected by many external factors, and the regeneration projects which continue to progress at a pace. Many of the unutilised capital budgets have been requested for carry forward into 2024/25. The progress and risks associated with all schemes continues to be carefully managed by the respective budget holders and is monitored GMT.

More details will be presented to Cabinet on 23 July 2024.

## **Medium Term Financial Strategy and Business Strategy**

The Council's Medium Term Financial Strategy and Business Strategy will be refreshed over the summer to reflect outturn and the latest budget information. The outcomes will be presented to Cabinet in October for approval in advance of 2025/26 budget setting.

## **Communications and Engagement**

### **General Election**

Work undertaken in preparation for the General Election has been the key piece of work the team have been focussed on.

This has included ensuring residents are aware of deadlines for registering to vote, what form of ID are accepted and how to gain free ID if don't already have as well as changes to voting by post. Work has included sharing messages across all of our digital platforms, providing printed material across all of our town centres and local businesses, as well as working with our Independent Living tenants. We have also engaged with over 400 stakeholders in the Borough to ensure that we reach as many residents as possible including providing material in other languages for example Cantonese for our Hong Kong community.

### **Summer Events**

The team have supported the Cultural Services team with the promotion of the summer events programme to encourage residents to come along to Hemlock Happening which saw its highest attendance yet at 9,000. Other events included have been the return of Friday18 in Beeston Square this summer, Play Days across the Borough, the Broxtowe Creates Festival and the D.H Lawrence Festival.

### **You Said, We Did**

The team are working on a project to improve the perceptions of the Council following feedback from the Budget Consultation last year. Communications are going out on You Said, We Did – showing residents where we have listened to their feedback and what we have done with this.

A couple of examples include:

Water Vole Recovery Project – putting your ideas into action. You asked us to introduce a scheme to create new wetlands. The Council teamed up with Nottinghamshire Wildlife Trust to improve existing habitats and create new ones to help build up existing populations of water voles, which have been rapidly declining in the UK.

As part of the project, the Council visited various sites along Nottingham Canal to identify burrow entrances, grazing areas and latrines with results looking positive that Water Voles are inhabiting the banks. From here we can begin to identify areas for wetland habitat enhancements that would have the best impact for the species.

**You said, we listened**

You told us that the paths at Leyton Crescent needed to be improved.

The Council have taken this on board and the Council's Parks Team have completed a 300m path to provide year round access, whatever the weather, as part of our Pride in Parks Scheme.

**Communications and marketing projects**

Recent projects undertaken by the Communications Team include:

- Climate Change – Helped support the Brinsley Headstocks consultation which resulted in 724 responses, the second highest number of responses to a consultation after the Budget Consultation in 2023. Launched a competition in June for the 3,000<sup>th</sup> subscriber to Green Rewards to win a £50 Marks and Spencers voucher. Broxtowe will be the first Council in Nottinghamshire to hit this number of residents signed up to the platform. As well as supporting the launch and promotion of the annual Parks Survey.
- Economic Development – Support of the launch and promotion of the UKSPF and Kimberley Booster Grants available to local businesses. For Kimberley this is the third round of booster grants and case studies will be shared on previous successful businesses that have benefitted from these grants.

**Civic Office**

The Civic Office held a flag raising event to mark the 80<sup>th</sup> anniversary of D-Day with the Mayor of Broxtowe in June. In addition to this the team supported by the wider Communications, Cultural and Civic Services Team have been putting a lot of work in to the Freedom Parade held in Stapleford on the 29 June which has also formed part of marking D-Day with soldiers and veterans from the Royal Engineers Works Groups and included the addition of uniformed organisations to join the parade this year.

They Mayor will be hosting tea parties in Beeston, Stapleford, Kimberley and Eastwood for those in the Borough who are aged 80 to tie in with the D-Day commemorations throughout July and August.