

# REVENUE FORECAST OUTTURN 2023-24

# APPENDIX A

## 1. Summary Revenue Outturn £000

Summary	Note #	Approved Budget	Carry Forwards	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Employee Costs	3	7,037		0	7,037	6,961	(76)	(2)
Premises	4	576		0	576	592	16	16
Supplies and Services	5	9,410		0	9,410	9,626	216	(90)
Transport	6	104		0	104	77	(27)	(22)
Third Party Payments	7	1,864		0	1,864	1,855	(9)	(9)
Transfer Payments	8	10,309		0	10,309	10,309	0	0
Other Grants and Contributions	9	(258)		0	(258)	(272)	(14)	118
Income	10	(16,321)		(181)	(16,452)	(16,899)	(397)	(489)
<b>Net Cost of Service</b>		12,720	0	(181)	12,589	12,248	(291)	(478)
Revenue Projects	12	405	271	50	676	718	(8)	78
Commercial Income		(1,413)		0	(1,413)	(1,413)	(0)	0
Collection Fund		(9,468)		0	(9,468)	(9,468)	(0)	0
Treasury	11	109		0	109	(463)	(572)	(572)
Other Funding		(2,354)	(271)	131	(2,494)	(2,522)	(28)	8
<b>Outturn</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(899)</b>	<b>(899)</b>	<b>(964)</b>

The significant variances are explained in breakout tables below.

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### 2. Movement in Reserves

Movement in Reserves	£000	Reason
Refurbishment of third floor	(50)	Ear-marked reserve for this purpose
Biodiversity	(6)	S106 receipts received in 2023/24
Affordable Housing	(26)	S106 receipts received in 2023/24
SANGS	(99)	S106 receipts received in 2023/24
	<b>(181)</b>	

### 3. Employee Costs

Employee Costs	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Pay Costs	6,792	0	6,792	6,619	(174)	(130)
Agency	126	0	126	256	130	131
Severance	0	0	0	0	0	0
Other	119	0	119	86	(32)	(3)
<b>Outturn</b>	<b>7,037</b>	<b>0</b>	<b>7,037</b>	<b>6,961</b>	<b>(76)</b>	<b>(2)</b>

- Agency costs supplement staff vacancies and support projects.
- Other includes salary capitalisation which is £40k higher than budget – this is the impact of process improvement, using time sheets to reflect activity.

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### 4. Premises £000

Premises	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Electricity	101	0	101	83	(18)	(7)
Gas	53	0	53	53	0	0
Business Rates	322	0	322	311	(11)	(6)
Building Repair & Maintenance	22	0	22	56	34	19
Other	78	0	78	89	11	11
<b>Outturn</b>	<b>576</b>	<b>0</b>	<b>576</b>	<b>592</b>	<b>16</b>	<b>16</b>

- Budget estimates for the general repair and maintenance of the Civic Building were insufficient.
- Electricity cost forecast has reduced reflecting Solar panel energy generation.

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### 5. Supplies & Services £000

Supplies & Services	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Fees and hired services	4,826	0	4,826	4,660	(166)	(198)
Sub-contracted work	1,166	0	1,166	1,088	(77)	(93)
Postage and Printing	228	0	228	302	74	85
Homes for Ukraine	0	0	0	421	421	256
Other	3,191	0	3,191	3,155	(37)	(139)
<b>Outturn</b>	<b>9,410</b>	<b>0</b>	<b>9,410</b>	<b>9,626</b>	<b>216</b>	<b>(89)</b>

- Fees and hired services budget assumed a 10% inflationary pressure – although many costs have increased as expected others have remained stable.
- Budget estimates for printing were insufficient.
- Homes for Ukraine expenditure is an off-set from income received (see Table 10)

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### 6. Transport £000

Transport	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Car Allowances	69	0	69	45	(24)	(20)
Travel Expenses	18	0	18	16	(3)	(2)
Other vehicle expenses	17	0	17	17	0	0
<b>Outturn</b>	<b>104</b>	<b>0</b>	<b>104</b>	<b>77</b>	<b>(27)</b>	<b>(22)</b>

### 7. Third Party Payments £000

Third Party Payments	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
5C Contract	1,576	0	1,576	1,547	(28)	(28)
Other	288	0	288	307	19	19
<b>Outturn</b>	<b>1,864</b>	<b>0</b>	<b>1,864</b>	<b>1,855</b>	<b>(9)</b>	<b>(9)</b>

The 5C contract is a cost sharing agreement. Services provided by Capita were changed for some of the 5 councils which is reflected in a decrease in costs for Hart.

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### 8. Transfer Payments £000

Transfer Payments	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Rent Allowances	10,541	0	10,541	10,541	0	0
Rent Allowances over payments	(232)	0	(232)	(232)	0	0
<b>Outturn</b>	<b>10,309</b>	<b>0</b>	<b>10,309</b>	<b>10,309</b>	<b>0</b>	<b>0</b>

### 9. Other Grants & Contributions £000

Other Grants & Contributions	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Accounting Provisions	(219)	0	(219)	(219)	0	107
Capital Grants & Contributions	(39)	0	(39)	(53)	(14)	11
<b>Outturn</b>	<b>(258)</b>	<b>0</b>	<b>(258)</b>	<b>(272)</b>	<b>(14)</b>	<b>118</b>

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### 10. Income £000

Income	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Green waste sacks	(830)	0	(830)	(950)	(120)	(131)
Recycling income	(220)	0	(220)	(412)	(192)	(148)
Car Parking	(756)	0	(756)	(759)	(3)	(5)
Planning - application fees	(759)	0	(759)	(583)	176	1
Building Control	(375)	0	(375)	(323)	52	19
Rent Income	(224)	0	(224)	(235)	(11)	(9)
Homes for Ukraine grant	(179)	0	(179)	(502)	(323)	(223)
Other	(12,977)	(181)	(13,158)	(13,134)	24	8
<b>Outturn</b>	<b>(16,321)</b>	<b>(181)</b>	<b>(16,502)</b>	<b>(16,899)</b>	<b>(397)</b>	<b>(488)</b>

- Green waste subscribers are forecast to be at pre-pandemic levels. Year to date, subscription income has increased by 18% over prior year.
- Mixed recycling income per tonne is volatile and is currently higher than budget assumptions. This will be monitored during the year.
- Planning application fees and building control are dependent on activity levels.
- Homes for Ukraine grant is offset by spend in Supplies & Services (see Table 5).

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### 2. 11. Treasury £000

Treasury	Approved Budget	Movement in Reserves	Revised Budget	Latest Forecast	Forecast Outturn	Previous Forecast
Interest Payable	314	0	314	336	23	22
Interest on Investments	(205)	0	(205)	(799)	(594)	(594)
<b>Outturn</b>	<b>109</b>	<b>0</b>	<b>109</b>	<b>(463)</b>	<b>(572)</b>	<b>(572)</b>

- Interest rates on investments is significantly higher than budget assumptions.



**CAPITAL & PROJECTS SPEND FORECAST 2023-24****APPENDIX B****Capital & Project Summary £000**

<b>Projects</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Q1 Variance</b>
Revenue Projects	405	271	50	726	718	(8)	78
Capital Projects	902	1,463	565	2,928	2,415	(513)	(740)
	<b>1,307</b>	<b>1,734</b>	<b>615</b>	<b>3,654</b>	<b>3,133</b>	<b>(521)</b>	<b>(663)</b>

## CAPITAL & PROJECTS SPEND FORECAST 2023-24

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### 12. Revenue Projects £000

Community Services	Approved Budget	Carry Forwards	Movement in Reserves	Revised Budget	Latest Forecast	Variance	Previous Variance
Bramshot Farm: Woodland Path	50	0	0	50	50	0	0
Bramshot Farm: Stock Fencing	15	0	0	15	7	(8)	0
Bramshot Farm: Resurface Car Park	30	0	0	30	30	0	0
Countryside Stewardship	0	50	0	50	20	(30)	0
Edenbrook CP Boardwalk	40	0	0	40	40	0	0
Edenbrook CP Supply Water	20	0	0	20	20	0	0
Fleet Pond Signage	0	0	0	0	18	18	7
Whitewater Meadow Culverts	20	0	0	20	20	0	0
Whitewater Meadow Stock Fencing	30	0	0	30	30	0	0
Whitewater Meadow Signage	30	0	0	30	30	0	0
QEII Fields Fencing	10	0	0	10	10	0	0
Bramshot Farm Concessions	0	40	0	40	0	(40)	0
Edenbrook CP Concessions	0	40	0	40	40	0	0
Fleet Pond Ecology	0	30	0	30	30	0	0
Hazeley Heath Grazing	0	11	0	11	11	0	0
HW Central Common Access Improvements	0	76	0	76	76	0	0
	<b>245</b>	<b>247</b>	<b>0</b>	<b>492</b>	<b>432</b>	<b>(60)</b>	<b>7</b>

**CAPITAL & PROJECTS SPEND FORECAST 2023-24**

**APPENDIX B**

Revenue Projects continued.

<b>Corporate Services</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Previous Variance</b>
Accessibility Project	0	24	0	24	24	0	0
Use of Civic Offices by FCoT	0	0	50	50	64	14	60
Telephony upgrade	40	0	0	40	35	(5)	0
Exit IT from 5C Contract	30	0	0	30	3	(27)	0
Upgrade Hyper V Servers	20	0	0	20	38	18	0
Decommissioning Switch Cabinet	20	0	0	20	20	0	0
Cyber Assurance Framework	20	0	0	20	20	0	0
Email Marketing Platform	5	0	0	5	3	(2)	0
Website-Phase2	25	0	0	25	25	0	0
Kings Coronation Grants	0	0	0	0	10	10	10
	<b>160</b>	<b>24</b>	<b>50</b>	<b>234</b>	<b>242</b>	<b>8</b>	<b>71</b>
<b>Corporate Services</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Previous Variance</b>
Planning Settlement Study	0	0	0	0	45	45	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>45</b>	<b>0</b>
<b>Total</b>	<b>405</b>	<b>271</b>	<b>50</b>	<b>726</b>	<b>718</b>	<b>(8)</b>	<b>78</b>

**CAPITAL & PROJECTS SPEND FORECAST 2023-24**

**APPENDIX B**

<b>Capital Projects £000 Community</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Previous Variance</b>
Disabled Facilities - Mandatory	867	0	0	<b>867</b>	861	<b>(6)</b>	0
Fleet Pond Visitor Enhancement	0	51	0	<b>51</b>	22	<b>(29)</b>	(31)
Bramshot Farm	0	137	0	<b>137</b>	0	<b>(137)</b>	0
Private Sector Renewal	0	0	10	<b>10</b>	10	<b>0</b>	0
S106 Leisure Parish	0	0	267	<b>267</b>	267	<b>0</b>	0
Hazeley Hth Access Improvement	0	0	0	<b>0</b>	0	<b>0</b>	0
Service Vehicles	35	16	20	<b>71</b>	55	<b>(16)</b>	(9)
Edenbrook CP - Skate/Bike Park	0	165	0	<b>165</b>	165	<b>0</b>	0
Edenbrook CP - Teen Health	0	65	0	<b>65</b>	65	<b>0</b>	0
Fleet Pond Fencing	0	0	0	<b>0</b>	0	<b>0</b>	0
Grants for Affordable Housing	0	300	0	<b>300</b>	300	<b>0</b>	(300)
Fleet Pond Green Corridor	0	0	0	<b>0</b>	0	<b>0</b>	0
GG A3013 Cove Road Crossing	0	255	0	<b>255</b>	0	<b>(255)</b>	0
Fleet Pond Signage	0	0	0	<b>0</b>	0	<b>0</b>	0
Energy Efficiency Affordable Homes	0	250	0	<b>250</b>	250	<b>0</b>	(250)
Whitewater Meadows-PlayArea	0	0	167	<b>167</b>	167	<b>0</b>	0
CCTV Improvement works	0	0	26	<b>26</b>	26	<b>0</b>	0
	<b>902</b>	<b>1,239</b>	<b>490</b>	<b>2,631</b>	<b>2,187</b>	<b>(443)</b>	<b>(590)</b>
<b>Capital Projects £000 Corporate</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Previous Variance</b>
IT Upgrade	0	18	0	<b>18</b>	18	<b>(1)</b>	(0)
Website Development Project	0	7	0	<b>7</b>	7	<b>0</b>	(0)
Cyber Security 23-24	0	48	0	<b>48</b>	48	<b>0</b>	0
Climate Change Programme	0	0	75	<b>75</b>	75	<b>0</b>	0
	<b>0</b>	<b>73</b>	<b>75</b>	<b>148</b>	<b>147</b>	<b>(1)</b>	<b>(1)</b>

**CAPITAL & PROJECTS SPEND FORECAST 2023-24**

**APPENDIX B**

Capital Projects continued....

<b>Capital Projects £000 Place</b>	<b>Approved Budget</b>	<b>Carry Forwards</b>	<b>Movement in Reserves</b>	<b>Revised Budget</b>	<b>Latest Forecast</b>	<b>Variance</b>	<b>Previous Variance</b>
Phoenix Green, Hartley Wintney	0	70	0	<b>70</b>	0	<b>(70)</b>	(70)
Mill Corner, North Warnborough	0	27	0	<b>27</b>	27	<b>0</b>	(27)
Kingsway Flood Alleviation Sch	0	54	0	<b>54</b>	54	<b>0</b>	(53)
	<b>0</b>	<b>150</b>	<b>0</b>	<b>150</b>	<b>80</b>	<b>(70)</b>	(150)
<b>Total</b>	<b>902</b>	<b>1,463</b>	<b>565</b>	<b>2,928</b>	<b>2,415</b>	<b>(513)</b>	<b>(740)</b>

Both S106 Leisure Parish and Whitewater Meadows, Play Area spend reflect contractual obligations associated with S106 funds already received. Service vehicles have been replaced by electric vehicles in line with Climate Change policy.

## 1. Treasury Management Strategy Statement

The Treasury Management Strategy Statement (TMSS) for 2023/24 was approved by the Council on 23rd February 2023.

There are no policy changes to the TMSS; the details in this appendix update the position in the light of the updated economic position and budgetary changes already approved.

The table below shows the revised estimates for capital expenditure and the changes since the capital programme was agreed in the Budget.

Prudential Indicator	2023/24	2023/24
	Original	Revised
	£'000	£'000
Operational Boundary	25,000	25,000
Authorised Limit	30,000	30,000
Capital Financing Requirement (CFR)	40,345	40,862

## 2. Limits to Borrowing Activity

Net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not exceed the total of CFR.

Operational Boundary for External debt	2023/24	2023/24
	Original	Revised
	£'000	£'000
Operational Boundary	25,000	25,000
Borrowing	13,387	13,904

The overall level of borrowing is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members.

Authorised Limit for External Debt	2023/24	2023/24
	Original	Revised
	£'000	£'000
Authorised Limit	30,000	30,000
Borrowing	13,387	13,904

### 3. Borrowing

The Council's capital financing requirement (CFR) for 2023/24 is £40.9m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

### 4. The Council's Position (Prudential Indicators)

The revised estimates for capital expenditure and the changes since the capital programme was agreed in the Budget.

<b>Capital Expenditure by Service</b>	<b>2023/24 Original Estimate £'000</b>	<b>Current Position 30/09/23 £'000</b>	<b>2023/24 Revised Estimate £'000</b>
Community Services	1,147	872	2,188
Corporate Services	140	51	148
Place Services	0	0	81
<b>Total capital expenditure</b>	<b>1,287</b>	<b>923</b>	<b>2,417</b>

<b>Capital Expenditure</b>	<b>2023/24 Original Estimate £'000</b>	<b>Current Position 30/09/23 £'000</b>	<b>2023/24 Revised Estimate £'000</b>
<b>Total capital expenditure</b>	<b>1,287</b>	<b>923</b>	<b>2,417</b>
<b>Financed by:</b>			
Capital grants	867	803	1,958
Capital receipts	0	0	0
Revenue	420	120	459
<b>Total financing</b>	<b>1,287</b>	<b>923</b>	<b>2,417</b>
<b>Borrowing requirement</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 5. Operational Boundary for external debt

The Capital Financing Requirement (CFR), which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Operational Boundary for external debt	2023/24	2023/24
	Original	Revised
	£'000	£'000
CFR	40,345	40,862
Borrowing	13,387	13,904

### 6. The CFR and Borrowing

	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000
Authorised Limit	30,000	30,000	30,000	30,000
Operational Boundary	25,000	25,000	25,000	25,000
Capital Financing Requirement	41,450	40,862	40,274	39,686
External Debt	15,689	13,904	13,543	13,175
Under/(over) borrowing	25,761	26,958	26,731	26,511
Change in External Debt	4,154	(1,785)	(361)	(368)



### 1. Economic Update

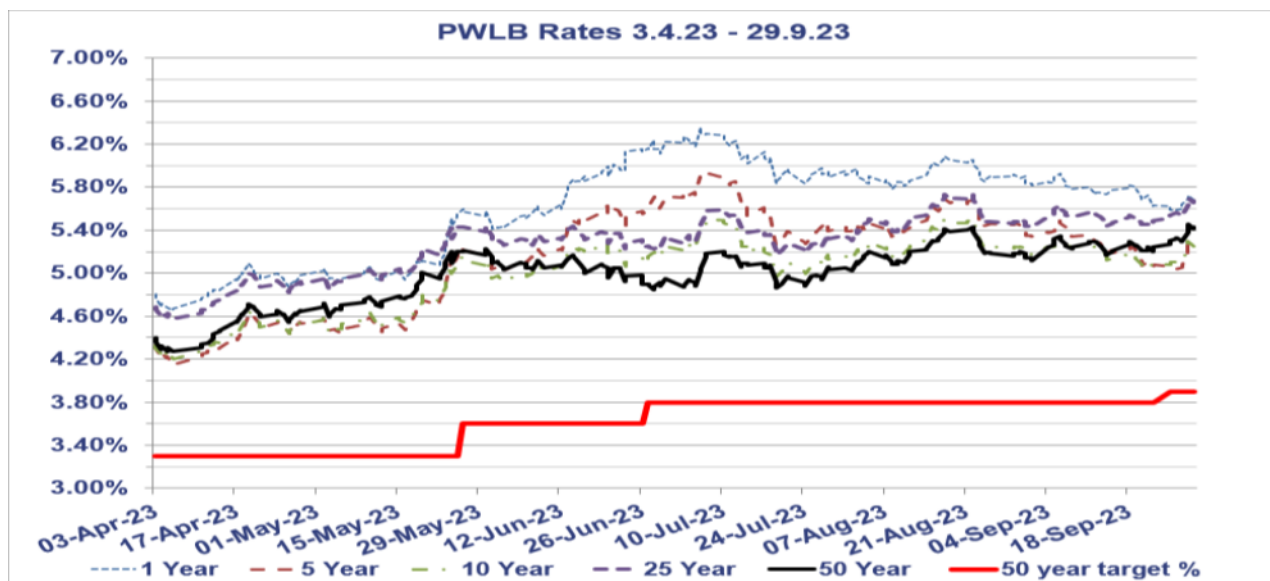
The first half of 2023/24 saw:

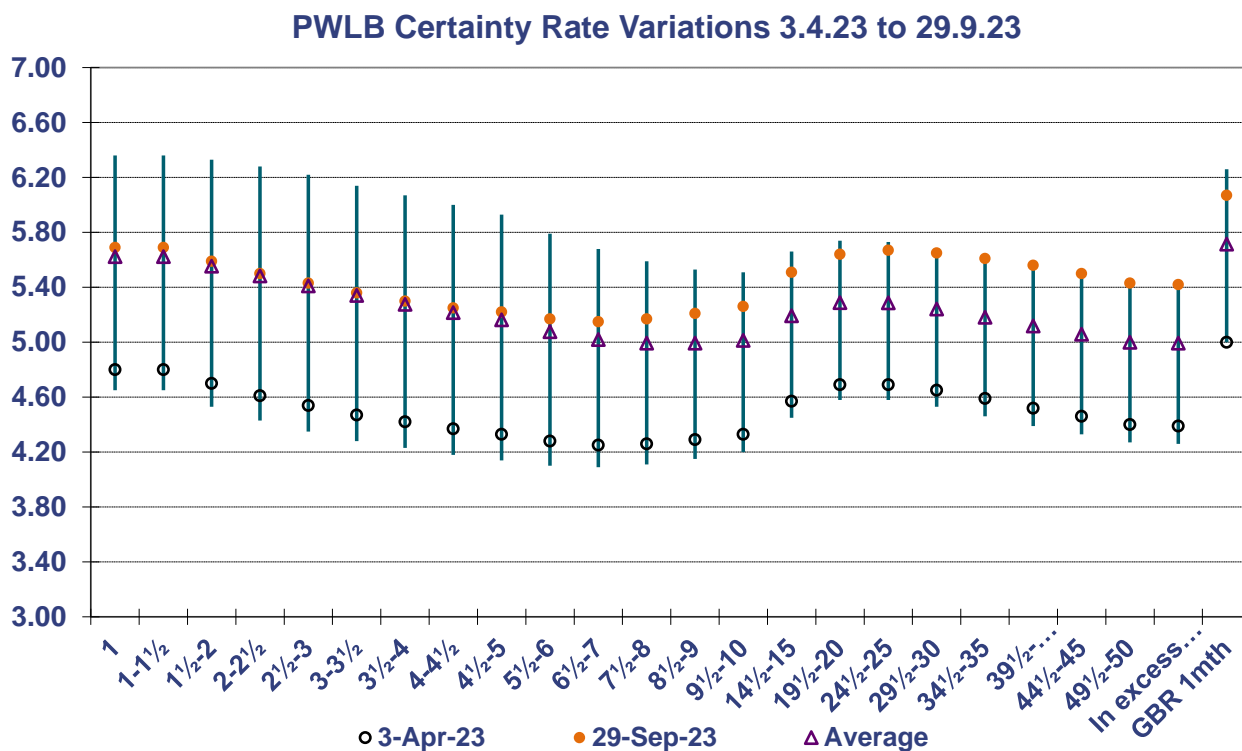
- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
- A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
- CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
- Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).

### 2. Interest Forecasts

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

### 3. PWLB Rates 01-Apr-23 to 29-Sep-23

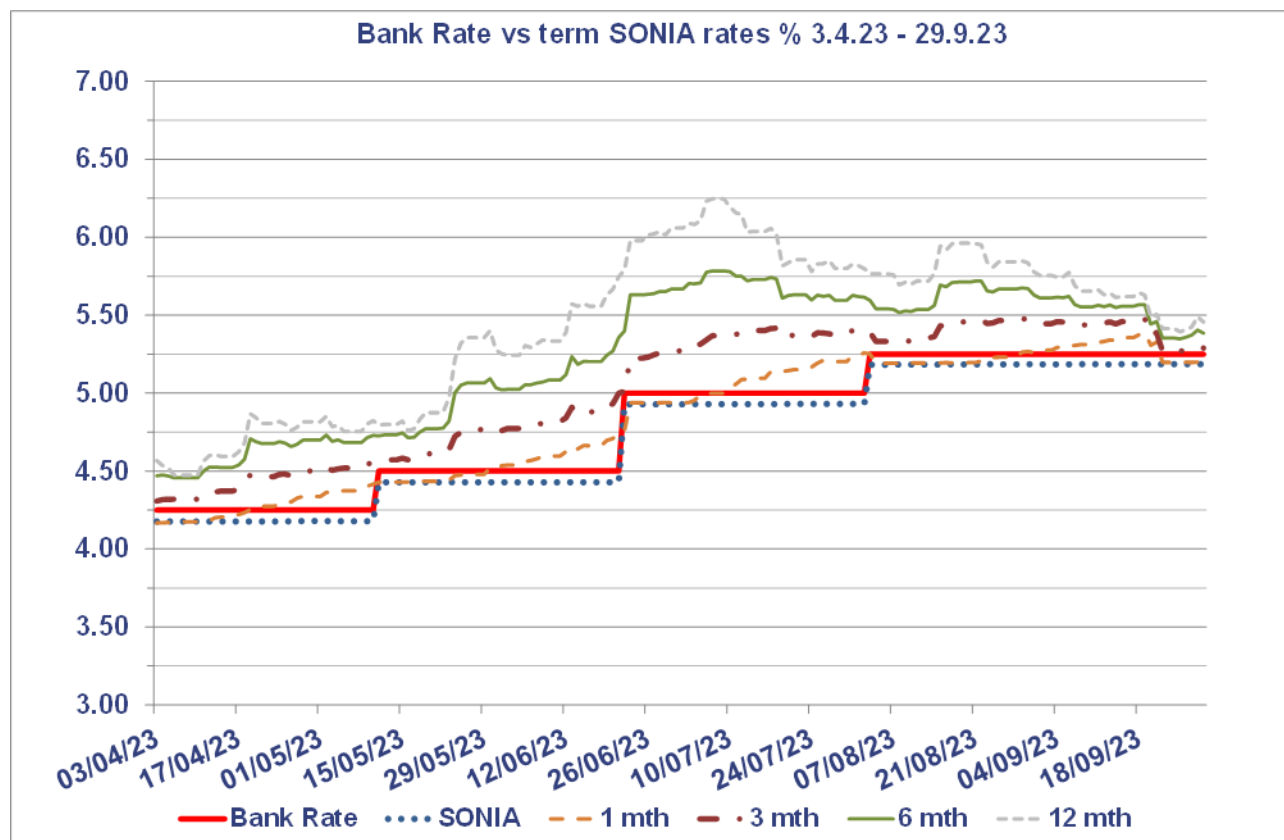




HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	4.65%	4.14%	4.20%	4.58%	4.27%
<b>Date</b>	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
<b>High</b>	6.36%	5.93%	5.51%	5.73%	5.45%
<b>Date</b>	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
<b>Average</b>	5.62%	5.16%	5.01%	5.29%	5.00%
<b>Spread</b>	1.71%	1.79%	1.31%	1.15%	1.18%

4. Investment Performance



	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
<b>High</b>	5.25	5.19	5.39	5.48	5.78	6.25
<b>High Date</b>	03/08/2023	29/09/2023	19/09/2023	30/08/2023	07/07/2023	07/07/2023
<b>Low</b>	4.25	4.18	4.17	4.31	4.46	4.47
<b>Low Date</b>	03/04/2023	04/04/2023	03/04/2023	03/04/2023	06/04/2023	06/04/2023
<b>Average</b>	4.81	4.74	4.83	5.03	5.26	5.45
<b>Spread</b>	1.00	1.01	1.22	1.17	1.33	1.77

The table above covers the first half of 2023/24.

**5. Approved Countries for Investments as of 30<sup>th</sup> September 2023**

*Based on lowest available rating*

**AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

**AA+**

- Canada
- Finland
- U.S.A.

**AA**

- Abu Dhabi (UAE)

**AA-**

- Belgium
- France (downgraded by Fitch on 9<sup>th</sup> May 2023)
- Qatar
- **U.K.**