

Arun District Council

REPORT TO:	Policy and Finance Committee - 13 December 2022
SUBJECT:	Budget Monitoring Report to 30 September 2022
LEAD OFFICER:	Carolyn Martlew – Interim Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Cllr Shaun Gunner
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's budget supports all the Council's Objectives.	
DIRECTORATE POLICY CONTEXT: Budget monitoring is a major component in ensuring sound financial control and control of spending is in place. It is also a major part in ensuring sound governance arrangements.	
FINANCIAL SUMMARY: The report shows the Capital, Housing Revenue Account and General Fund Revenue budget performance to the end of September 2022.	

1. PURPOSE OF REPORT

1.1. The purpose of this report is to apprise the Policy and Finance Committee of performance against the budgets approved by the Council at its meeting on 23 February 2022

2. RECOMMENDATIONS

1.2. There are no recommendations for the Committee to consider.

2. EXECUTIVE SUMMARY

2.1. The budget monitoring report appended to this report sets out the Capital, Housing Revenue and General Fund Revenue performance to the end of September 2022.

3. DETAIL

3.1. The Council approved a General Fund revenue total net budget of £25.874 million; a Housing Revenue Account revenue total expenditure budget of £19.361 million; and a capital budget of £11.473 million for 2022/23.

- 3.2. The Committee is requested to note the budget monitoring report in appendix 1. The report provides information on a management by exception basis to enable to the reader to understand the overall performance of the budget book summary. The report highlights significant expenditure and income variations against profiled budget for the second quarter of 2022.

4. CONSULTATION

- 4.1. No consultation has been undertaken with external bodies.

5. OPTIONS / ALTERNATIVES CONSIDERED

- 5.1. n/a

6. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 6.1. It is sound governance to monitor spend against budget during the financial year. Such control allows the Council to take prompt corrective action if spending or income varies significantly from the approved budget.
- 6.2. Inflationary pressure is having an adverse effect on the Council's financial position. An inflationary of £500k was set up at the end of 2021/22 to help mitigate the effects of the unprecedented high rates of inflation on expenditure including major contracts. These are reviewed as part of the budget monitoring process.
- 6.3. The HRA balance projection is a significant concern is forecast to decline below the £2m recommended minimum balance approved by Full Council. A report is included elsewhere on this agenda to update members on the financial position and to recommend a revised budget to Full Council.

7. RISK ASSESSMENT CONSIDERATIONS

- 7.1. Budget monitoring mitigates against the risk of poor financial control. Regular monitoring ensures that members are informed if corrective action is required and that this is taken promptly

8. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 8.1. No comment.

9. HUMAN RESOURCES IMPACT

- 9.1. None direct

10.HEALTH & SAFETY IMPACT

10.1. None direct

11.PROPERTY & ESTATES IMPACT

11.1. None direct

12.EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

12.1. None

13.CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

13.1. None

14.CRIME AND DISORDER REDUCTION IMPACT

14.1. None

15.HUMAN RIGHTS IMPACT

15.1. None

16.FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

16.1. None

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

Budget Book 2022/23