

Arun District Council

REPORT TO:	Corporate Support Committee - 12 October 2023
SUBJECT:	Budget Monitoring Report to 30 June 2023
LEAD OFFICER:	Antony Baden – Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Councillor Francis Oppler, Chair of Corporate Support
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The Council's budget supports all the Council's Objectives.	
DIRECTORATE POLICY CONTEXT: Budget monitoring and forecasting are key 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 Committee's Revenue budget, and Capital programme forecast out turn position for 2023/24 as at the end of Quarter 1.	

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to apprise the Corporate Support Committee of its forecast out turn against the 2023/24 budgets, which were approved by Full Council at its meeting of the 9 March 2023.

2. RECOMMENDATIONS

- 1.2. To note the report.
- 1.3. To request that Policy & Finance Committee approve virements of £190,900 from the Corporate Support Committee to the Economy Committee and £34,423 from the Policy & Finance Committee to the Corporate Support Committee.

2. EXECUTIVE SUMMARY

- 2.1. The report sets out in further detail the Committee's Revenue and Capital programme budget forecast projections to the 31 March 2024.

3. DETAIL

Revenue Budget

- 3.1. The Committee's 2023/24 revenue budget was approved by Full Council at its meeting of the 9 March 2023. Subject to approval by Policy & Finance Committee, the following virements are required:-

- the Accommodation Services budget, which is managed by the Economy Committee but currently included in the Corporate Support Committee budget.

- the Strategy & Performance Monitoring Services budget, which is managed by this Committee but currently included in the Policy & Finance Committee budget.

There are no cost implications arising from these actions but Part 6, Section 3, paragraph 3.2.1 of the Council's constitution requires virements between directorates to be approved by Policy & Finance Committee.

3.2. The amended Table 1 below shows the 2023/24 revenue out turn forecast as at Quarter 1 and anticipates an overspend of £112,000. The variances are explained in paragraphs 4.3 to 4.8 below.

Table 1

Corporate Support Committee		Table 1	
Description	Budget 2023/24 (£'000)	Forecast (£'000)	Variance: (£'000)
Administration Services	191	191	0
Human Resources	271	271	0
Corporate Training	76	76	0
Health & Safety	77	77	0
Photocopying Services	20	20	0
Postal Services	77	77	0
Committee Services	856	806	(51)
Public Relations & Information	138	138	0
Payroll Services	92	103	11
Procurement	69	69	0
Strategy and Performance Monitoring	34	34	0
Accountancy	1,029	1,049	20
Internal Audit	152	172	20
Financial Services	120	120	0
Central Support Adjustments	(1,526)	(1,526)	0
Staff Support	303	303	0
Legal Services	428	578	150
Computer Services	2,145	2,106	(39)
Election Services	384	384	0
Registration of Electors	215	215	0
Design Unit	94	94	0
Print Unit	82	82	0
Customer Services	804	804	0
Corporate Telecoms	27	27	0
Debt Management Expenses	37	37	0
Total: Corporate Support	6,198	6,309	112

4.3 Committee Services- A variance of £51,000 is forecast due to underspends on Salaries budget.

4.4 Payroll Services – An overspend of £11,400 is anticipated due to commission charges for professional and administration fees for staff who wish to make additional voluntary contributions to the pension scheme. However, this does mean that the Council pays less national insurance contributions and Apprenticeship Levy costs, which will generate a net saving of £13,000 overall across the Council.

4.5 Accountancy – The £20,000 forecast overspend is due to increased costs from the use of agency staff to cover vacant posts within the service.

4.6 Internal Audit - An overspend of £20,000 is forecast due to the retention of a member of staff to complete essential work, including the Annual Governance Statement and processing Energy Bills Support Scheme grants.

4.7 Legal Services – a £150,000 cost pressure is forecast due to the additional costs incurred in the use of agency staff to cover vacant posts within the service.

4.8 Computer Services - The £39,000 net underspend reported is due to £45,000 total service underspends offset by a £6,000 cost pressure; details as provided below.

- There is a saving on maintenance contract costs relating to the Council's e-Forms system, which is a platform for making payments to the Council and has now been decommissioned (£14,000).

- Cost reduction to the IT replacement programme for 2023-24 (£31,000) because of extending the life of equipment, such as laptops, therefore reducing the frequency of replacement.

- Increased costs for the Council's Microsoft licence of £6,000

Capital Programme

4.9 Table 2 details the 2023/24 capital programme which shows forecast outturn as at Quarter 1 being in line with budget. The Capital programme is being reviewed as part of the budget process for 2024/25, taking account of progress against the 2023/24 budget, with any changes being reported and approval sought in the budget report which will be presented to Committee.

Table 2

Project	Original Capital Budget (Approved) 2023/24	Carry Forwards from 2022/23	Other Changes	Total In -Year Movements	Revised Capital Budget (Approved) 2023/24	Forecast Outturn for the Year (2023/24)	Variance (Forecast Outturn vs Revised Budget)	Capital Budget 2024/25	Capital Budget 2025/26	Capital Budget 2026/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Information Communication Technology (ICT)	0	347	(32)	(32)	315	315	0	50	0	335
Corporate Support Committee - Total	0	347	(32)	(32)	315	315	0	50	0	355

- 4.10 The total revised capital budget for 2023/24 is £315,000, which includes slippage from the previous year of £347,000 and a £32,000 budget saving already identified from the Edge Switch replacement project which is no longer proceeding in 2023/24 as planned and deferred until 2027/28. Members will note that the slippage was due to capacity issues, but it is still intended to complete the work.

5 CONSULTATION

- 5.1 Consultation with other stakeholders is not required for this report.

6 OPTIONS/ALTERNATIVES CONSIDERED

- 6.1 Not applicable.

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

- 7.1 There are no additional financial implications arising from the matters set out in this report. Committee will note that the Group Head of Finance & Section 151 Officer will work throughout the financial year with other Group Heads to mitigate any overspends that have been highlighted in the report and to maximise potential income generation opportunities/cost avoidance efficiencies.

8 RISK ASSESSMENT CONSIDERATIONS

- 8.1 Regular budget monitoring and forecasting mitigates against the risk of poor financial control and ensures that Members are informed when corrective action is required and what action has been taken.

9 COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 There are no direct legal implications associated with this report.

10 HUMAN RESOURCES IMPACT

- 10.1 None.

11 HEALTH & SAFETY IMPACT

- 11.1 None.

12 PROPERTY & ESTATES IMPACT

- 12.1 None.

13 EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 13.1 None.

14 CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 None.

15 CRIME AND DISORDER REDUCTION IMPACT

15.1 None.

16 HUMAN RIGHTS IMPACT

16.1 None.

17 FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 None.

CONTACT OFFICER:

Name: Antony Baden

Job Title: Group Head of Finance and Section 151 Officer

Contact Number: 01903 737558

BACKGROUND DOCUMENTS:

Budget Book 2023/24

Minute 779, Full Council 9 March 2023 – Arun District Council budget 2023/24.