

Arun District Council

REPORT TO:	Economy Committee - 05 October 2023
SUBJECT:	Budget Monitoring Report to 30 June 2023
LEAD OFFICER:	Antony Baden – Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Councillor Roger Nash, Chair of Economy Committee
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 Economy 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 a virement of £190,900 from the Corporate Support Committee budget to the Economy Committee budget.

2. EXECUTIVE SUMMARY

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

3. DETAIL

Revenue Budget

- 3.1. The Committee’s 2023/24 approved revenue budget by Full Council at its meeting of the 9 March 2023 was £2,548,700. However, it should be amended, subject to approval by Policy & Finance Committee, to include the Accommodation Services budget, which is managed by this Committee but currently included in the Corporate

Support Committee budget. There are no cost implications arising from this action 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 £128,000. The variances are explained in paragraphs 4.3 to 4.5 below.

Table 1

			Table 1
Description	Budget 2023/24 (£'000)	Forecast (£'000)	Variance (£'000)
Land Charges	(20)	(20)	0
Tourism	87	87	0
Sundry Properties	(359)	(359)	0
Investment Properties	(71)	(71)	0
Property Management	1,196	1,182	(14)
Property Management - Resp	200	200	0
Beach Huts	(173)	(180)	(7)
Property & Estates	505	505	0
Civic Centre	550	550	0
Bognor Regis Town Hall	111	111	0
Hotham Park Lodge	19	19	0
Phoenix House	18	18	0
Harwood Road	11	11	0
Economic Regeneration	476	625	149
Accommodation Services	190	190	0
Economy Total:	2,739	2,867	128

3.3. **Economic Regeneration** – An overspend of £109,000 is forecast due to the need to continue the essential engagement of a regeneration consultant to drive the Council's main regeneration projects. Officers are actively seeking ways of mitigating this cost and an update will be provided in the Quarter 2 forecast report.

An overspend of £40,000 is also reported due to the cost of other regeneration activities being higher than expected when the 2023/24 budget was set.

3.4. **Property Management** - An underspend of £14,000 is forecast due to a saving on a vacant post.

3.5. **Beach Huts** – A one-off £7,000 overachievement of income against budget is forecast for the year. Beach hut owners pay the Council a ground rent and under the terms of their lease, the Council is entitled to a share of the sale proceeds when a hut is sold.

Capital Programme

3.6. Table 2 below details the 2023/24 forecast capital programme forecast out turn as at Quarter 1 and anticipates that spend will be in line with the revised budget.

Table 2

Budget Monitoring 2023/24 - Capital Programme						June 2023 (Quarter 1 2023/24)		
Economy Committee								
Project	Original Capital Budget (Approved) 2023/24	Carry Forwards from 2022/23	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
Littlehampton Public Realm	0	796	796	796	0	0	0	0
Asset Management	539	2,137	2,675	2,675	0	453	500	0
Economy - Total	539	2,933	3,472	3,472	0	453	500	0

3.7. The total capital budget for 2023/24 is £3,472,000, which includes slippage from the previous year of £2,933,000.

3.8. The Waterloo Square and Bognor Regis Arcade schemes were approved at Full Council on the 19 July 2023 after the Quarter 1 period and will be included in the Quarter 2 forecast report.

4. CONSULTATION

4.1. Consultation with other stakeholders is not required for this report.

5. OPTIONS/ALTERNATIVES CONSIDERED

5.1. Not applicable.

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

6.1. 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.

7. RISK ASSESSMENT CONSIDERATIONS

7.1. 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.

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

8.1. None.

9. HUMAN RESOURCES IMPACT

9.1. None.

10. HEALTH & SAFETY IMPACT

10.1. None.

11. PROPERTY & ESTATES IMPACT

11.1. None.

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 2023/24

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