

# Arun District Council

<b>REPORT TO:</b>	<b>Environment Committee - 21 November 2023</b>
<b>SUBJECT:</b>	<b>Budget Monitoring Report to 30 September 2023</b>
<b>LEAD OFFICER:</b>	<b>Antony Baden – Group Head of Finance &amp; Section 151 Officer</b>
<b>LEAD MEMBER:</b>	Councillor Sue Wallsgrove, Chair of Environment Committee
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> The Council's budget supports all the Council's Objectives.	
<b>DIRECTORATE POLICY CONTEXT:</b> 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.	
<b>FINANCIAL SUMMARY:</b> The report shows the Committee's Revenue budget and Capital programme forecast out turn position for 2023/24 as at the end of Quarter 2.	

## 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to apprise the Environment 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

- 2.1. To note the report.

## 3. EXECUTIVE SUMMARY

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

## 4. DETAIL

- 4.1. Table 1 below details the 2023/24 forecast revenue budget out turn as at Quarter 2 and anticipates an underspend of £55,000, which is a favourable movement of £58,000 against the £3,000 overspend reported in Quarter 1. The significant changes in the forecast are explained in paragraphs 4.2 to 4.7 below.

**Table 1**

<b>Environment Committee</b>					
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Variance</b>	<b>Movement</b>
	<b>2023-24</b>	<b>Outturn</b>		<b>(Qtr. 1)</b>	
<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Building Control (D10)	192	227	35	-	35
Bus Shelters & Street Nameplates	11	3	(8)	-	(8)
Car Parks	(866)	(921)	(55)	-	(55)
Cemeteries & Churchyards	33	12	(21)	-	(21)
Cleansing Services	7,753	7,905	152	-	152
Coast Protection & Land Drainage	212	277	65	65	-
Emergency Planning & Support	50	50	-	-	-
Environmental Health & Protection	607	607	-	-	-
Foreshores	67	22	(45)	(45)	-
Parks & Green Spaces	2,435	2,310	(125)	(17)	(108)
Private Sector Housing	288	288	-	-	-
Management and Support Services (Engineering & Infrastructure Services)	581	528	(53)	-	(53)
<b>Total for Environment Committee:</b>	<b>11, 363</b>	<b>11,308</b>	<b>(55)</b>	<b>3</b>	<b>(58)</b>

- 4.2. **Building Control** – £35k overspend against budget. This is largely due to income from building control fees being lower than budgeted. The current economic climate including higher interest rates are impacting the level of anticipated activity and income.
- 4.3. **Car Parks** - £55k underspend against budget. This is due to increase in forecast income level against the budget for the year and reflects updated information on position reported earlier for Quarter 1.
- 4.4. **Cemeteries & Churchyards** - £21k overspend against budget. The variance is due to an overspend against the staffing budget.
- 4.5. **Cleansing Services** - £152k overspend against budget. This relates to an increase in the contract cost for two reasons. Firstly, the contract is increased annually for inflation and the published inflation rate was higher than what was

anticipated during the budget setting process. Secondly, a back dated pay increase for contract staff further impacted on the contract cost.

- 4.6. **Parks & Green Spaces** - £125k underspend against budget. Staff vacancies are expected to show an underspend against this service.
- 4.7. **Management & Support Services** – £125k underspend against budget. Staff vacancies are also expected to show an underspend against this service.
- 4.8. Table 2 below details the Committee’s 2023/24 forecast capital programme out turn as at Quarter 2 and anticipates slippage of £200,000, which will be carried forward into the following financial year.

**Table 2**

Budget Monitoring 2023/24 - Capital Programme								September 2023 (Quarter 2 - 2023/24)		
Environment Committee										
Project	Original Capital Budget (Approved) 2023/24	Carry Forwards from 2022/23	Additional Approvals In-Year	Other Changes	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
Improvement & Discretionary Grants*	1,400	0			1,400	1,400	0	1,400	1,400	1,400
Keystone Centre	0	250			250	250	0	0	0	0
Sunken Gardens	0	226		(50)	176	176	0	0	0	0
Bersted Brooks Country Park	0	320			320	320	0	0	0	0
Parks Chipper										26
Place St. Maur	0	22			22	22	0	0	0	0
Play Areas	255	285	30		570	370	(200)	65	100	100
<b>Environment Committee - Total</b>	<b>1,655</b>	<b>1,102</b>	<b>30</b>	<b>(50)</b>	<b>2,737</b>	<b>2,538</b>	<b>(200)</b>	<b>1,465</b>	<b>1,500</b>	<b>1,526</b>
* Improvement and Discretionary Grants - (Disabled Facilities Grants)										

4.9. The total capital budget for 2023/24 is £2,737,000, which includes slippage from the previous year of £1,102,000. The forecast in table 2 indicates slippage in 2023/24 of £200,000 on the Skate Park project.

4.10. The Capital programme is being reviewed as part of the budget setting process and will take account of progress against the 2023/24 budget. Any changes will be reported to this Committee for approval by Policy & Finance Committee.

## **5. CONSULTATION**

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

## **6. OPTIONS / ALTERNATIVES CONSIDERED**

6.1. There are no alternative options to this report.

## **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. None.

## **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.

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### **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.](#)

[Quarter 1 Budget Monitoring Report, Environment Committee, Minute 227.](#)