

Arun District Council

REPORT TO:	Housing and Wellbeing Committee - 23 November 2023
SUBJECT:	Budget Monitoring Report to 30 September 2023
LEAD OFFICER:	Antony Baden – Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Councillor Carol Birch – Chair of Housing and Wellbeing 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 2.	

1. PURPOSE OF REPORT

1.1. The purpose of this report is to apprise the Housing and Wellbeing 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. It is recommended that Committee notes this 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. The Housing Revenue Account forecast is the subject of a separate report on this agenda.

4. DETAIL

Revenue Budget

4.1. Table 1 below shows the 2023/24 revenue out turn forecast as at Quarter 2 and anticipates an underspend of £240,000, which is a reduction of £160,000 since the Quarter 1 forecast. The major changes are explained in paragraphs 4.2 to 4.4.

Table 1 – Revenue Budget forecast

Housing and Wellbeing Committee					
Description	Budget £'000	Forecast £'000	Variance £'000	Variance (Qtr.1) £'000	Movement £'000
Homelessness (including Temporary Accommodation)	2,442	2,778	336	36	300
Arun Lifeline	(7)	12	19	0	19
Laburnum Day Centre	49	49	0	0	0
Day Centres	78	78	0	0	0
Housing Strategy, Advice & Enabling	39	21	(18)	(18)	0
Community Development	234	234	0	(40)	40
Children's/Adult Safety Initiatives	57	57	0	0	0
Safety Services (Crime Red)	716	600	(116)	0	(116)
Health & Equalities Partners	45	45	0	0	0
Arun Leisure Centre	201	201	0	0	0
Fred Lyons Pool	112	112	0	0	0
Littlehampton Swimming Centre	284	284	0	0	0
Leisure Management	(488)	(863)	(375)	(378)	3
Windmill Theatre	21	21	0	0	0
Concessionary Fares	11	11	0	0	0
Revenues & Benefits Administration	2,170	2,084	(86)	0	(86)
Rent Allowances	440	440	0	0	0
Rent Rebates	171	171	0	0	0
Housing & Wellbeing - Total	6,575	6,335	(240)	(400)	160

4.2. Homelessness – The Quarter 2 forecast overspend has increased by £300k due to expenditure on providing Temporary Accommodation. The council have three times the number of households in nightly paid private rented sector accommodation than its own stock. The overall number has increased considerably since April 2023 from 166 households to 205 currently. This reflects the national picture of the highest numbers ever since records began in 1998 and of the overall picture across the country. The situation is exacerbated by record high rents in the private rented sectors where the local housing allowance typically covers about 50% of the rent, thus making it unaffordable to most homeless clients. The Council’s social housing applicants list is lengthening, which means the length of an average stay in nightly paid accommodation also lengthens.

4.3. Safety Services – £116k underspend against budget. Staff vacancies are expected to show an underspend against this service.

4.4. Revenues & Benefits administration - The £86k underspend is mainly due to staff vacancies of £138,000, which are partially reduced by £52,000 due to the use of temporary staff to provide essential cover for a Recovery Officer.

Capital Programme

4.5. Table 2 below details the 2023/24 forecast capital programme forecast out turn as at Quarter 2 and anticipates slippage in 2023/24 of £6,370,000

Table 2

Budget Monitoring 2023/24 - Capital Programme								September 2023 (Quarter 2 2023/24)		
Housing and Wellbeing Committee										
Project	Original Capital Budget (Approved) 2023/24	Carry Forwards from 2022/23	Additional Approvals In-Year	Reprofiled	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
ALC Wet Change	0	578			578	578	0	0	0	0
Housing Improvements and Stock Development	2,931	7,821	3,780	(6,671)	7,861	7,091	(770)	9,585	2,903	2,776
Decarbonisation (match funding)	3,000	0			3,000	0	(3,000)	0	0	0
Civica Implementation	467	60		(107)	420	420	(0)	160	0	0
Sheltered Accommodation	2,600	0			2,600	0	(2,600)	2,000	1,400	0
Housing and Wellbeing (HRA) - Total	8,998	8,459	3,780	(6,778)	14,458	8,088	(6,370)	11,745	4,303	2,776

4.6. The total capital budget for 2023/24 is £14,458,000, which includes slippage from the previous year of £8,459,000 and expenditure reprofiling of £6,778,000 into future financial years in relation to existing schemes. Members will note that this

has not resulted in additional expenditure but reflects the estimated timing of future costs. Table 2 also indicates estimated slippage in 2023/24 of £6,370,000. The reasons are outlined in paragraphs 4.7 to 4.9.

4.7. The Housing Improvements & Stock Development scheme slippage (£770,000) relates to budget that has not yet been allocated to a specific area of work. This will be carried forward into the following financial year if required.

4.8. The Decarbonisation scheme slippage of £3,000,000 has arisen because the scheme has been put on hold as a result of the Council's unsuccessful bid to secure matched grant. Officers are considering other options and will report to Members in due course.

4.9. Officers are also developing options around the Sheltered Accommodation scheme (slippage of £2,600,000) and will report these to Members in due course.

4.10. The Warwick Nurseries & Boweries scheme was approved at Full Council on the 19 July 2023 with a capital budget of £3,780,000 and is included in Housing Improvements & Stock Development in Table 2.

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 arising from 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:

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BACKGROUND DOCUMENTS:

[Budget Book 2023/24](#)

[Minute 779, Full Council 9 March 2023 – Arun District Council budget 2023/24.](#)