

Arun District Council

REPORT TO:	Economy Committee – 1 February 2024
SUBJECT:	Budget Monitoring Report to 31 December 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 to the end of Quarter 3.	

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to appraise 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. RECOMENDATIONS

- 2.1. It is recommended that the Committee notes the content of 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.

4. DETAIL

- 4.1. Table 1 below details the 2023/24 forecast revenue budget out turn to the end of Quarter 3 and anticipates an overspend of £118k, which is an adverse movement of £76k against the £42k overspend reported in Quarter 2. The significant change in the forecast is explained in paragraph 4.2 below.

Table 1

Economy Committee					
	Budget	Forecast	Variance	Variance	Movement
	2023-24	Q3	Q3	Q2	
Description	£'000	£'000	£'000	£'000	£'000
Sundry Properties inc. Beach Huts	(689)	(705)	(17)	(23)	6
Economic Regeneration	388	566	179	109	70
Land Charges	(21)	(20)	-	-	-
Tourism	87	87	-	-	-
Admin. Buildings & Facilities Mgt.	782	782	-	-	-
Property & Estates Management	506	475	(30)	(30)	-
Corporate Asset Management	1,396	1,382	(14)	(14)	-
Total for Economy Committee:	2,449	2,567	118	42	76

4.2. **Economic Regeneration** - £179k overspend on salaries as we have prudently included costs until we ascertain whether they can be capitalised which is determined on if the projects working are Capital or Revenue projects. The overspend is partially mitigated by underspends and increased income in other areas.

Table 2

	Original 2023/24 Budget	Slippage from 2022/23	In Year Additions	Reprofiling & Other Changes	Revised 2023/24 Budget	Forecast Outturn	Variance	2024/25 Budget	2025/26 Budget	2026/27 Budget
Project	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Littlehampton Public Realm	0	796	0	0	796	796	0	0	0	0
Asset Management	539	2,137	1,000	-478	3,197	3,197	0	1,233	1,046	784
Bognor Regis Arcade, Upper floors	0	0	781	0	781	781	0	3,550	3,660	0
Total Economy Committee Capital	539	2,933	1,781	-478	4,775	4,775	0	4,783	4,706	784

- 4.3. Table 2 above details the Committee's 2023/24 forecast capital programme out turn as at Quarter 3. The total capital budget for 2023/24 is £4,775k which includes slippage from the previous year of £2,933k. There have been changes within year of an additional £1m in relation to Waterloo Square approved at Full Council in July and the reduction of £478k in relation to withdrawal of the Arundel Air B&B scheme which was approved at the Economy Committee in November within Asset Management and an additional £781k within the Bognor Regis Arcade scheme.
- 4.4. The Littlehampton Public Realm scheme is complete. Within the £796k forecast is a £111k commitment relating to contract retention. A provision for this will be made at year end.
- 4.5. Asset Management:
- There have been in year additions to the capital programme with the approval of the Waterloo Square project.
 - The additional beach hut project at Littlehampton including wheelchair accessible huts, is progressing. Once the order is placed there is a lead in time of around 16 weeks
 - It has also been decided that the self-catering holiday accommodation project should not proceed in its current form which has reduced the above capital programme additions within year to a nett £522k.
 - The Arcade pitched roof project is progressing, however other essential repairs have been uncovered whilst undertaking this project. Non-essential works will be omitted to keep within budgets and delivery timeframes.
 - Contractors are on site and work is progressing well on the Crown Yard and Rustington changing places facilities project. Both are partly grant funded and the latter is being delivered on behalf of Rustington Parish Council who are funding it.
- 4.6. Site investigation works are progressing well at the Bognor Regis Arcade. The first enabling works contractor is to be appointed imminently to remove asbestos. Works are expected to commence in early/mid-January 2024.

4.7. 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 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:

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BACKGROUND DOCUMENTS:

Budget Book 2023/24

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

[Report](#)

Quarter 1 Budget Monitoring Report, Economy Committee, 5 October
Minute 283

[Report](#)