

Arun District Council

REPORT TO:	Policy & Finance Committee - 8 February 2024
SUBJECT:	Budget Monitoring Report to 31 December 2023
LEAD OFFICER:	Antony Baden – Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Councillor Matt Stanley, Chair of Policy & Finance 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 Policy & Finance Committee of its forecast outturn 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 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 underspend of £314k, which is a favourable movement of £258k against the £56k underspend reported in Quarter 2. The significant changes in the forecast are explained in paragraphs 4.2 to 4.3.

Table 1

Policy & Finance Committee					
	Budget	Forecast	Variance	Variance	Movement
	2023-24	Q3	Q3	Q2	
Description	£'000	£'000	£'000	£'000	£'000
Chief Executive	183	83	(100)	(100)	-
Group Heads	1,267	1,274	7	44	(37)
Personal Assistants	230	230	-	-	-
Levelling Up Project Management	221	-	(221)	-	(221)
Climate Change	302	302	-	-	-
Total for Policy & Finance Committee:	2,203	1,889	(314)	(56)	(258)

- 4.2. **Chief Executive** – The £100k underspend is due to the continued vacant Chief Executive Officer post.
- 4.3. **Levelling Up Project Management** – These costs can be capitalised and charged to the Levelling Up projects. It will generate an underspend of £221k.
- 4.4. Table 2 below details the Committee’s 2023/24 forecast capital programme out turn as at Quarter 3. The total capital budget for 2023/24 is £5,964k which includes slippage from the previous year of £18,470, but £17,232 has since been reprofiled to future years. There have also been additions during the year of £750k for the Littlehampton Harbour Entrance Renewal, £115k for the Alexandra Theatre Project and £111k for Littlehampton Seafront relating to the capitalisation of project staff costs.

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
Levelling Up Fund Littlehampton Seafront	0	6,938	0	-5,689	1,249	366	-883	5,689	0	0
L'ton Seafront Other Funding	0	0	56	0	56	56	0	0	0	0
Levelling Up Fund Alexandra Theatre	0	11,532	0	-8,543	2,989	599	-2,390	8,543	0	0
Alexander Theatre ADC	3,750	0	0	-3,000	750	785	35	3,082	0	0
L'ton Seafront Prj Team	0	0	0	55	55	55	0	54	0	0
Alexandra Theatre Prj Team	0	0	0	115	115	115	0	169	0	0
Littlehampton Harbour Entrance Renewal	0	0	750	0	750	750	0	0	0	0
Total Policy & Finance Committee Capital	3,750	18,470	806	-17,062	5,964	2,726	-3,238	17,537	0	0

- 4.5. The Levelling Up Fund (LUF) grant relating to Littlehampton Seafront has been reprofiled in line with project delivery and subsequently the forecast revised for the latest revised cashflow forecast (December 23). Any underspend as a result of this and any further revised cashflows in 2023/24 will be carried forward to 2024/25. The additional Council contribution relates to the capitalisation of project staff costs. A review of the Stage 3 cost plan has shown that savings of £560k are needed to keep within the budget allocation and a process of value engineering is underway to achieve this.
- 4.6. The LUF grant relating to Alexandra Theatre has also been reprofiled to reflect project delivery and subsequently the forecast revised for the latest revised cashflow forecast (December 23), along with the reprofiling of Council's contribution towards the project. Any underspend as a result of this revised forecast and any further revisions in 2023/24 will be carried forward to 2024/25. The building has now been vacated. Tender documentation has been released to 5 interested contractors and intrusive and structural surveys are being tendered and scheduled for 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:

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

[Minutes](#)

Quarter 2 Budget Monitoring Report, Policy & Finance Committee – 6 December 2023

[Report](#)