

Arun District Council

REPORT TO:	Policy & Finance Committee – 24 October 2024
SUBJECT:	Consolidated Council and Policy & Finance Committee Budget Monitoring Report to 30 June 2024
LEAD OFFICER:	Antony Baden – Group Head of Finance & Section 151 Officer
LEAD MEMBER:	Councillor Martin Lury
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: This report provides a detailed overview of the Council's consolidated and also this Committee's Revenue budget progress, approved savings against the planned budget, and Capital programme for 2024/25, as at the end of Quarter 1.	

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to appraise the Policy & Finance Committee of the Council's consolidated and this Committee's forecast General Fund Revenue, Capital and Housing Revenue out-turn against the 2024/25 budgets which were approved by Full Council at its meeting of the 21 February 2024.

2. RECOMMENDATIONS

- 2.1. Members are asked to consider the report and provide officers with any comments.

3. EXECUTIVE SUMMARY

- 3.1. This report sets out in further detail the Council's consolidated and this Committee's Revenue and Capital programme budget performance projections to the 31 March 2025.
- 3.2. The report also comprises of:
 - Financial Report as of 30 June 2024.Period 3 / Quarter 1 for the year 2024/25 (Appendix A)

4. DETAIL

Consolidated Revenue, HRA and Capital Programme Forecast Out-turn 2024/25 as at Quarter 1

4.1. Consolidated Revenue Budget Summary

- 4.1.1. £94k less drawdown from Usable Revenue Reserves is forecast driven by an estimated £200k additional business rates income, £100k of other non-ringfenced grants and Corporate Costs are forecast to out-turn £28k below budget.
- 4.1.2. The Cost of Service out-turn indicates an overspend of £234k against a budget of £28.373m. This budget includes a £1.53m savings target where there is currently a £185k pressure, contributing to the £234k deviation from budget.
- 4.1.3. A structural budget deficit remains, with a projected £3.5m contribution required from reserves to fund the current year's General Fund budget.
- 4.1.4. Detailed insights on these variations can be found on page 4 to 6 of Appendix A.

4.2. Housing Revenue Account (HRA)

- 4.2.1. The forecast end-of-year HRA reserve balance shows an increase to £1.471m from an opening position of £608k.
- 4.2.2. The above is due to an in-year surplus of £863k. Whilst expenditure is projected to overspend by £15k, income is also expected to surpass budget by £346k resulting in the contribution to the HRA reserve exceeding budget by £332k.
- 4.2.2. Note, the HRA reserve target of £2m remains. For a detailed summary of variations against the budget, please refer to page 9 of Appendix A.

4.3. Consolidated Capital Programme

- 4.3.1. The forecast 2024/25 capital programme out-turn (excluding the HRA) is £28.4m against a revised budget of £31.3m that includes slippage from the prior year. Efforts are underway to determine profiling on key major projects, with reprofiled budgets to be reported in due course. Progress details can be found on pages 7 and 8 of Appendix A.
- 4.3.2. The HRA capital programme's forecast out-turn is £11.7m against a revised budget of £26.9m. The stock development and sheltered accommodation projects necessitate feasibility studies to profile the budget. Additionally, the £3m decarbonisation programme requires externally matched funding before commencing. Insights on this can be found on page 10 of Appendix A.

Policy & Finance Committee Revenue Budget

4.4. Table 1 below details the 2024/25 forecast revenue budget out-turn as at the end of Quarter 1 and anticipates an underspend of £156k. The significant variances are explained below.

Table 1

Description	Original 2024/25 Budget	Forecast Q1/P3	Variance at Q1/P3
	£'000	£'000	£'000
Chief Executive	199	144	(55)
Climate Change	202	209	6
Group Heads	1,301	1,195	(107)
Personal Assistants	243	243	0
Total for Policy & Finance Committee:	1,946	1,790	(156)

4.5. Group Heads underspend of £107k is attributed to the deletion of the Group Head of Wellbeing & Communities role. The Chief Executive's £55k underspend relates to the incoming CEO, assuming her position at the Council four months into the new financial year.

Policy & Finance Committee General Fund Capital Programme

4.6. Table 2 below details the Committee's General Fund 2024/25 forecast capital programme out-turn as at Quarter 1.

Table 2

Project	Revised 2024/25 Budget	Forecast Q1/P3	Variance at Q1/P3
	£'000	£'000	£'000
Alexandra Theatre	14,456	14,456	0
Littlehampton Seafront	6,662	6,662	0
Total for Policy & Finance Committee:	21,118	21,118	0

Alexandra Theatre

4.7. The budget was increased to £14,456k from £11,794k. This includes £2,522k slippage from 2023/24, £45k for photo voltaic panels and £94k from the Council's UK shared prosperity fund.

4.8. A detailed delivery timeline is planned for enhanced budget forecasting.

Littlehampton Seafront

4.9. The budget is now £6,662k, up from £5,743k. This involves £894k slippage from 2023/24 and £25k for photo voltaic panels.

4.10. A value engineering exercise has since been completed and will be reported in the Quarter 2 budget monitoring report.

5. CONSULTATION

5.1. Not applicable.

6. OPTIONS/ALTERNATIVES CONSIDERED

6.1. No alternatives have been considered.

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

7.1. It is sound governance to monitor spending against budget during the financial year. Such control allows the Council to take prompt corrective action if spending or income significantly varies from the approved budgets.

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:

Special Full Council 21 February 2024 – Arun District Council budget 2024/25.