

Arun District Council

| | |
|---|---|
| REPORT TO: | Policy & Finance Committee – 24 October 2024 |
| SUBJECT: | Draft Final Out-turn – 2023/24 |
| LEAD OFFICER: | Antony Baden – Group Head of Finance & Section 151 Officer |
| LEAD MEMBER: | Councillor Lury, 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: This report presents the Committee's revenue budget and capital programme 2023/24 draft out-turn position compared to the budget, highlighting any notable differences from the Q3 forecast. | |

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to appraise the Policy & Finance Committee of its draft final out-turn against the 2023/24 budgets which were approved by Full Council at its meeting of 9 March 2023, subject to external audit.

2. RECOMMENDATIONS

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

3. EXECUTIVE SUMMARY

- 3.1. The report sets out in further detail the Committee's revenue and capital programme draft final out-turn position for the 2023/24 financial year and compares this expenditure against the approved budget.

4. DETAIL

Revenue Budget

- 4.1. Table 1 below, outlines the Policy & Finance Committee's draft revenue final out-turn position for 2023/24, revealing an underspend of £442k. This marks a positive shift of £109k from the £314k underspend recorded in Quarter 3.

Table 1

| Description | Revised 2023/24 Budget | Out-turn 2023/24 | Variance 2023/24 | Variance at Q3 | Movement Q3 - Q4 |
|---|---------------------------|---------------------|---------------------|-------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Chief Executive | 183 | 53 | (129) | (100) | (29) |
| Climate Change | 302 | 272 | (30) | 0 | (30) |
| Group Heads | 1,267 | 1,215 | (52) | 7 | (59) |
| Levelling Up Project Management | 221 | 0 | (221) | (221) | 0 |
| Personal Assistants | 230 | 239 | 9 | 0 | 9 |
| Total for Policy & Finance Committee | 2,203 | 1,781 | (422) | (314) | (109) |

4.2. As reported to Policy & Finance Committee on 9 July 2024, detailed consolidated insights into significant deviations across all cost centres for the 2023/24 financial year are provided below.

4.3. In the 2023/24 financial year, a £422k favourable variance is reported. The key variances include:

- Levelling Up Project Management - Costs were capitalised and charged to projects, resulting in a revenue expenditure underspend of £221k
- Chief Executive – An underspend of £129k due to the vacant CEO post.
- Group Heads – A net underspend of £52k mainly due to the unfilled Group Head of Wellbeing & Communities position.

4.4. Quarter 4 showed a positive shift of £109k from the forecast £314k underspend in the previous Quarter. This improvement was primarily due to several key factors:

- Underspends related to the continued CEO and Wellbeing & Communities vacancies
- £29k underspend on Law & Governance specialist fees
- Within Climate Change, the £30k movement was a result of a staff vacancy and an unexpected grant from the Low Carbon Skills Fund.

General Fund Capital Programme

4.5. Table 2 reveals the Committee's 2023/24 draft final capital programme out-turn. The total capital budget for 2023/24 stood at £5,964k. This was made up of £18,470k in relation to delayed capital projects from the previous year, of which £17,232k relating to the Levelling Up Fund projects was subsequently reprofiled to beyond 2023/24. There were also in-year additions of £750k for Littlehampton Harbour Entrance Renewal, £115k for the Alexandra Theatre Project and £111k for Littlehampton Seafront, specifically in relation to the capitalization of project staffing costs.

Table 2

| Project | Revised 2023/24 Budget | Out-turn 2023/24 | Variance 2023/24 |
|---|-------------------------------|-------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Levelling Up Fund | 2,989 | 467 | (2,522) |
| Project Team | 115 | 199 | 84 |
| Arun D.C.Contribution | 750 | 785 | 35 |
| Total Alexandra Theatre Project | 3,854 | 1,451 | (2,403) |
| Levelling Up Fund | 1,249 | 376 | (873) |
| Project Team | 55 | 42 | (13) |
| Other Funding | 56 | 49 | (7) |
| Total Littlehampton Sea Front Project | 1,360 | 467 | (893) |
| Littlehampton Harbour Entrance Renewal | 750 | 654 | (96) |
| Total for Policy & Finance Committee | 5,964 | 2,572 | (3,392) |

4.6. The Levelling Up Alexandra Theatre Project has seen a total expenditure of £1.45m for 2023/24, covering professional fees, project team, planning costs, and lease repurchase. £2.4m has been carried over to 2024/25 as a result of a revised delivery forecast due to the requirement to find a new contractor to deliver the scheme.

4.7. The Levelling Up Littlehampton Seafront project, £467k was spent on professional fees, project team, and planning costs. £893k has been rolled over to 2024/25 following revised forecasts. A value engineering process has been completed to ensure that the project remains within budget.

4.8. The Littlehampton Harbour Entrance Renewal scheme has been completed under budget.

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. It is crucial for effective governance to closely monitor spending against budget throughout the financial year. This practice enables swift corrective measures by the Council in case spending or income deviates significantly 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:

Name: Antony Baden

Job Title: Group Head of Finance and Section 151 Officer

Contact Number: 01903 737558

BACKGROUND DOCUMENTS:

Policy & Finance July 24 – updated

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