

# Arun District Council

<b>REPORT TO:</b>	<b>Policy &amp; Finance Committee – 11 December 2024</b>
<b>SUBJECT:</b>	<b>Consolidated Council Budget Monitoring Report to 30 September 2024</b>
<b>LEAD OFFICER:</b>	<b>Antony Baden – Group Head of Finance &amp; Section 151 Officer</b>
<b>LEAD MEMBER:</b>	<b>Councillor Martin Lury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:</b> The Council's budget supports all the Council's Objectives.	
<b>DIRECTORATE POLICY CONTEXT:</b> 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.	
<b>FINANCIAL SUMMARY:</b> This report provides a detailed overview of the Council's consolidated Revenue budget progress, approved savings against the planned budget, and Capital programme for 2024/25, as at the end of Quarter 2.	

## 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to appraise the Policy & Finance Committee of the Council's consolidated 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 Revenue and Capital programme budget performance projections to the 31 March 2025.
- 3.2. The report also comprises of:
  - Financial Report as of 30 September 2024 Period 6 / Quarter 2 for the year 2024/25 (Appendix A)

## 4. DETAIL

### Consolidated Revenue, HRA and Capital Programme Forecast Out-turn 2024/25 as at Quarter 2

#### 4.1. Consolidated Revenue Budget Summary

- 4.1.1. £165k 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 £163k against a budget of £28.373m. This budget includes a £1.53m savings target where there is currently a £564k pressure, contributing to the £163k deviation from budget. If the savings target had been met, then we would have an £800k underspend.
- 4.1.3. A structural budget deficit remains, with a projected £3.4m 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 pages 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 £981k from an opening position of £482k. The opening position of £608k reported in Quarter 1 has been adjusted due to late costs and is still subject to 2023/24 external year end Audit.
- 4.2.2. The above is due to an in-year surplus of £499k. Whilst expenditure is projected to overspend by £494k, income is also expected to surpass budget by £461k resulting in the contribution to the HRA reserve of £499k.
- 4.2.2. Note, the HRA reserve target of £2m remains. For a detailed summary of variations against the budget, please refer to page 10 and 11 of Appendix A.

#### 4.3. Consolidated Capital Programme

- 4.3.1. The forecast 2024/25 capital programme out-turn (excluding the HRA) has been reprofiled from £28.4m to £14.02m against a revised budget of £13.8m. Progress details can be found on pages 7 & 9 of Appendix A.
- 4.3.2. The HRA capital programme's forecast out-turn is £12.6m against a revised budget of £12.6m. 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 12 of Appendix A.

## **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.

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### **CONTACT OFFICER:**

Name: Antony Baden

Job Title: Group Head of Finance and Section 151 Officer

Contact Number: 01903 737558

### **BACKGROUND DOCUMENTS:**

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

[Budget Report](#)

Policy and Finance Committee 24 October 2024 – Consolidated Budget Monitoring Report Quarter 1 – 2024-25

[Budget Monitoring Report Quarter 1](#)