

This report is public	
Finance Monitoring Report October 2024	
Committee	Executive
Date of Committee	2 December 2024
Portfolio Holder presenting the report	Cllr Lesley McLean, Portfolio Holder for Finance and Resources & Transformation
Date Portfolio Holder agreed report	20 November 2024
Report of	Assistant Director of Finance (Section 151 Officer), Michael Furness

Purpose of report

To report to the committee the council's forecast financial position as at the end of the October 2024.

1. Recommendations

The Executive resolves:

- 1.1 To consider and note the contents of the council's financial management report as at the end of October 2024
- 1.2 To approve the movements in reserves requested (Appendix 5)
- 1.3 To approve the reprofiling of capital projects beyond 2024/25 (section 4.2.3 and Appendix 1) and the subsequent update to the programme budget for this financial year 2024/25.
- 1.4 To approve the reduction in capital budget for S106 Development of Activity Play Zones from £0.600m to £0.142m to reflect the actual cost to the Council. The remaining £0.458m is to be met by the Football Foundation.

2. Executive Summary

- 2.1 The Finance section presents the forecast outturn position for the 2024/25 financial year.

Implications	Commentary
Finance	Financial and Resource implications are detailed within sections 4.1 and 4.2 of this report. The reserves policy requires Executive to agree transfers to and from earmarked reserves and general balances during the financial year.

	Joanne Kaye, Head of Finance, 13 November 2024			
Legal	There are no legal implications arising directly from this report. Shiraz Sheikh, Assistant Director Law and Governance and Democratic Services, 13 November 2024			
Risk Management	There are no risks implications arising directly from this report. Celia Prado-Teeling, Performance & Insight Team Leader, 13 November 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Climate & Environmental Impact		x		N/A
ICT & Digital Impact		x		N/A
Data Impact		x		N/A
Procurement & subsidy		x		N/A
Council Priorities	This report links to all council's priorities, as it summarises our progress against them during 2024/25			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 The council actively and regularly monitors its financial position to ensure it can deliver its corporate priorities and respond effectively to emerging issues.
- 3.2 This monitoring takes place monthly for finance, so the council can identify potential issues at the earliest opportunity and put measures in place to mitigate them.
- 3.3 These updates are consolidated on a quarterly basis where performance and Finance updates are given due to the implications and interdependencies between them, and this is the summary financial outturn forecast for the end of the financial year 2024/25.

4. Details

4.1 Finance Update

- 4.1.1 The council's overall forecast outturn position for 2024/25 is an overspend of £0.248m. This is after a total proposed transfer to reserves of £0.522m from a windfall surplus relating to Treasury Management income. Without the transfer to reserves there would be an overall forecast underspend of (£0.274m). The forecast overspend is due to pressures totalling £0.363m within service budgets which are being offset by an underspend in Executive Matters. The Corporate Leadership Team (CLT) has agreed that a Budget Oversight Group will meet with service managers each month where overspends are identified to agree in-year mitigation plans and to further strengthen budget management and forecasting. The projected outturn for the services is summarised below in Table 1 and further details providing explanations for variances can be found in Appendix 2.

Table 1: Year End Position

Service	Original Budget £m	Current Budget £m	October Forecast Outturn £m	October Variance (Under) / Over £m	% Variance to current budget %	September Variance (Under) / Over £m	Change since Previous (better) / worse £m
Finance	3.039	3.031	3.031	0.000	0.0%	0.000	0.000
Legal, Democratic, Elections & Procurement	2.265	2.305	2.424	0.119	5.2%	0.109	0.010
ICT	1.510	1.510	1.510	0.000	0.0%	0.000	0.000
Property	(2.432)	(2.432)	(2.348)	0.084	-3.5%	0.075	0.009
HR & OD	0.779	0.789	0.819	0.030	3.8%	0.030	0.000
Customer Focus	2.518	2.518	2.428	(0.090)	-3.6%	(0.090)	0.000

Resources & Transformation	7.679	7.721	7.864	0.143	1.9%	0.124	0.019
Planning & Development	1.738	1.738	1.852	0.114	6.6%	0.080	0.034
Growth & Economy	0.477	0.466	0.479	0.013	2.8%	0.013	0.000
Environmental	5.665	5.681	5.890	0.209	3.7%	0.143	0.066
Regulatory	1.116	1.116	1.100	(0.016)	-1.4%	0.000	(0.016)
Wellbeing & Housing	2.040	2.150	2.050	(0.100)	-4.7%	(0.100)	0.000
Communities	11.036	11.151	11.371	0.220	2.0%	0.136	0.084
Subtotal for Directorates	18.715	18.872	19.235	0.363	1.9%	0.260	0.103
Executive Matters	4.293	4.293	4.178	(0.115)	-2.7%	(0.115)	0.000
Policy Contingency	3.979	3.822	3.822	0.000	0.0%	0.000	0.000
Total	26.987	26.987	27.235	0.248	0.9%	0.145	0.103
FUNDING	(26.987)	(26.987)	(26.987)	0.000	0.0%	0.000	0.000
(Surplus)/Deficit Before proposed Transfers to reserves	0.000	0.000	0.248	0.248		0.145	0.103

Note: A positive variance is an overspend or a reduction in forecast income and a (negative) is an underspend or extra income received.

Green represents an underspend and red represents a overspend for the outturn position.

4.1.2 Table 2 below analyses the variances to distinguish between base budget variances and variances resulting from the non-delivery of previously approved savings. The non-delivery of savings has a knock-on impact on the Medium-Term Financial Strategy as failure to deliver on an ongoing basis adds to future pressures.

Table 2: Analysis of Variance – October 2024

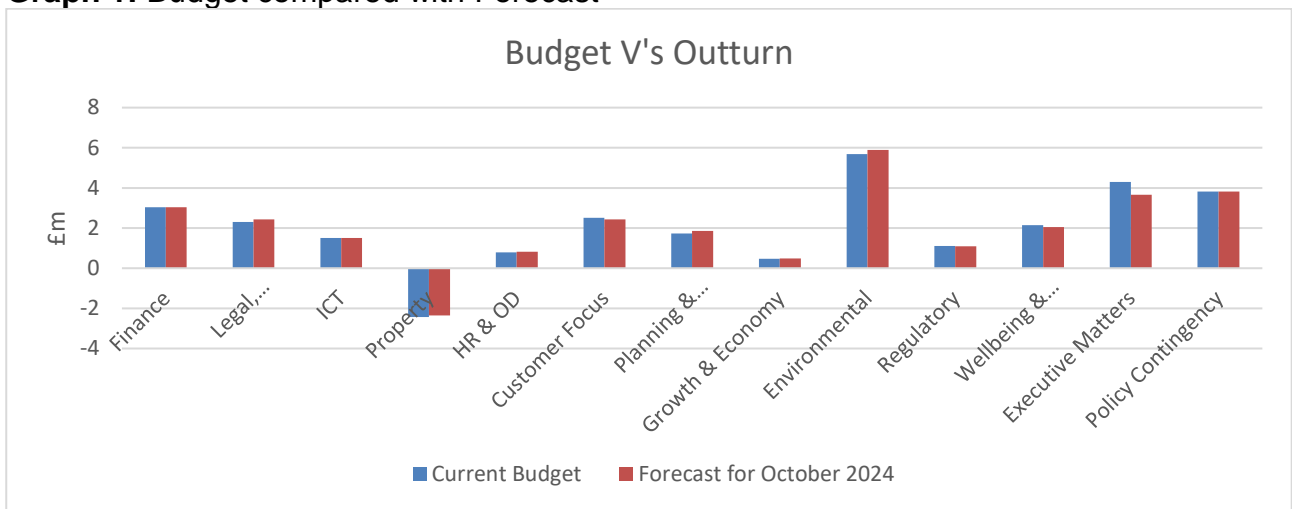
Breakdown of current month forecast	October 2024 Forecast	Base Budget Over/ (Under)	Savings Non-Delivery
	£m	£m	£m
Resources	0.143	0.081	0.063
Communities	0.220	(0.187)	0.407
Subtotal Directorates	0.363	(0.107)	0.470
Executive Matters	(0.115)	(0.115)	0.000
Policy Contingency	0.000	0.000	0.000
Total	0.248	(0.222)	0.470

FUNDING	0.000	0.000	0.000
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(Surplus)/Deficit	0.248	(0.222)	0.470
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4.1.3 The graph below shows the Budget compared with the forecast to the end of the financial year.

Graph 1: Budget compared with Forecast



4.1.4 Table 3 below summarises the major forecast variances for the reporting period. Further details can be found in Appendix 2.

Table 3: Top Major Variances:

Service	Current Budget	Variance	% Variance
Environmental	5.681	0.209	3.7%
Legal, Democratic, Elections & Procurement	2.305	0.119	5.2%
Planning & Development	1.738	0.114	6.6%
Property	(2.432)	0.084	3.5%
Total	7.292	0.526	

Reserves

4.1.5 Allocations to and from reserves are made according to the Reserves Policy. Table 5 below summarises the movements which have been requested as at 31 October 2024, further detail is provided in Appendix 5.

Table 5: Reserves forecast:

Reserves	Balance 1 April 2024	Original Budgeted use/ (contribution)	Changes agreed since budget setting	Changes proposed October 2024	Forecast Balance 31 March 2025
	£m	£m	£m	£m	£m
General Balance	(6.153)	0.000	0.000	0.000	(6.153)
Earmarked	(28.325)	(0.776)	0.476	(0.522)	(29.147)
Ringfenced Grant	(2.552)	0.898	0.422	0.080	(1.152)
Subtotal Revenue	(37.030)	0.122	0.898	(0.442)	(36.452)
Capital	(6.293)	3.250	0.000	0.000	(3.043)
Total	(43.323)	3.372	0.898	(0.442)	(39.495)

*According to the Reserves Policy Executive are only required to approve uses of Capital Reserves, not contributions.

4.2 Capital

4.2.1 Table 6 below summarises the projected year end forecast for profiled spend in 2024/25 and Table 7 summarises the financing. There is a projected in-year underspend of (£0.881m), with £0.514m that is recommended to be reprofiled into future years. Projects that are recommended to have budget reprofiled from 2024/25 are detailed in Table 9.

Table 6: Capital Projection

Directorate	Revised Budget £m	Forecast Spend 24/25 £m	Re-profiled beyond 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Resources & Transformation	8.950	8.523	0.339	(0.088)	0.591
Communities	9.519	8.550	0.175	(0.794)	(0.778)
Total	18.469	17.073	(0.514)	(0.881)	(0.187)

For further detail on individual schemes please see Appendix 1.

Table 7: How the Capital Programme is financed

Financing	24/25 Budget £m	Future Years £m	Total
Borrowing	14.402	11.329	25.731
Capital Grants	2.096	9.011	11.107
Capital Receipts	0.425	5.250	5.675
S106 Receipts	1.546	3.563	5.109
	18.469	29.153	47.622

4.2.2 Table 8 below summarises the projected spend against the full capital programme (i.e. all years spend). Since September's report there has been a reduction in forecast underspend in the programme of (£0.624m) predominantly due to the budget relating to the CDC Office relocation being increased by Council at its October meeting.

Table 8: Total Capital Project Outturn

Directorate	Budget £m	Total Forecast 2024/25 £m	Variance to Budget £m	Prior Month Variance to Budget £m
Resources & Transformation	14.755	14.667	(0.088)	0.591
Communities	32.867	32.073	(0.794)	(0.778)
Total	47.622	46.740	(0.881)	(0.187)

4.2.3 Table 9 below details the capital schemes which it is recommended budgets are reprofiled from 2024/25 to 2025/26 or beyond. The reprofiling of capital budgets can be for several reasons and is common on multi-year projects. The reasons for the recommendations are summarised in section 4.2.4.

Table 9: Requested capital budget reprofiling

Code	Top In-Year Variances	Budget Total £'000	Reprofile to 24/25 £'000	% of in year Budget Variance
40326	Digital Futures Programme (Business Cases Required)	0.217	0.217	100%
40320	Net Zero	0.125	0.125	100%
40237	Council Website & Digital Service	0.122	0.122	100%
40321	Landscape Software Upgrade	0.025	0.025	100%
40322	Street Cleansing IT System	0.025	0.025	100%
		0.514	0.514	

4.2.4 Capital schemes recommended to be reprofiled:

- Digital Futures Programme (Business Cases Required) (40326)
New digital futures budget - reprofiled to 25/26 due to time and resources required for a detailed business case with options other than just a full unified platform.
- Net Zero (40320)
Energy audits to be carried out on various sites across the district with results not expected until early 2025 which will inform the requirement for this budget pot.
- Council Website & Digital Service (40237)
Work underway to select a product to form basis of Unified Customer Relationship Management Platform.
- Landscape Software Upgrade (40321)
Reprofiling required due to staffing resources.
- Street Cleansing IT System (40322)
Reprofiling required due to staffing resources.

5 Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report summarises the council's forecast financial position up to the end of March 2025, therefore there are no alternative options to consider.

6 Conclusion and Reasons for Recommendations

6.1 The report updates the Committee on the projected year-end financial position of the council for 2024/25. Regular reporting is key to good governance and demonstrates that the council is actively managing its financial resources sustainably.

Decision Information

Key Decision	Yes
Subject to Call in	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Capital October 2024
Appendix 2	Detailed Revenue Narrative on Forecast October 2024
Appendix 3	Virements October 2024
Appendix 4	Funding October 2024
Appendix 5	Use of reserves and grant funding October 2024.
Background Papers	None
Reference Papers	None
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Statutory Officer (Section 151 Officer) report