

# Cabinet Report

Report of Head of Finance

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Wards affected: All

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To: CABINET

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## Budget monitoring April 2024 – June 2024

### Recommendation

Cabinet is recommended to note the contents of the report

Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes/No	Yes/No	Yes/No	Yes/No
Signing off officer	Anna Winship	Vivien Williams	Jessie Fieth	Lorne Grove

### Purpose of report

1. To report the revenue and capital expenditure outturns for March 2025 as forecasted by heads of service.

### Corporate objectives

2. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The budget monitoring report shows how these resources have been allocated during the first three months of the financial year.

### Background

3. This report reviews the council's revenue and capital expenditure forecast outturn as at the end of month three (June). While some consideration has already been given to year-end outturn forecasts, these will be placed under further scrutiny as the financial year progresses.

## Revenue budget monitoring

4. On 21 February 2024, Council agreed a net revenue budget for 2024/25 of £22.340 million. This has subsequently increased to £23.172 million. This reflects the carry forward of unspent one-off project budgets from 2023/24.
5. Table 1 below shows, summarised at service level, the current forecast position at year end.

**Table 1: Breakdown of forecast variance as at June 2024**

Service	Working budget full year £000	Forecast spend for year £000	Variance £000	Employee costs £000	Other £000
Corporate Management Team	1,132	1,132	0	0	0
Communities	1,864	1,864	0	0	0
Corporate Services	3,586	3,586	0	0	0
Development & Corporate Landlord	1,597	1,637	41	81	(40)
Finance	1,038	904	(134)	0	(134)
Housing & Environment	7,268	7,830	563	44	518
Legal & Democratic	1,538	1,538	0	0	0
Partnerships	2,493	2,493	0	0	0
Planning	555	555	0	0	0
Policy & Programmes	2,301	1,969	(332)	18	(350)
Contingency	(200)	(200)	0	0	0
<b>Service Expenditure</b>	<b>23,172</b>	<b>23,309</b>	<b>137</b>	<b>143</b>	<b>(6)</b>
Investment Income	(5,005)	(6,339)	(1,334)	0	(1,334)
<b>Net Expenditure</b>	<b>18,168</b>	<b>16,970</b>	<b>(1,197)</b>	<b>143</b>	<b>(1,340)</b>

6. The projected overspend is forecast to be £0.137 million. Treasury income achieved in year however is anticipated to be ahead of budget by £1.334 million and net expenditure is therefore forecast to be under budget. The effective net position of the council is therefore an underspend of £1.340 million.

## Budgets forecast to be carried forward to 2025/26

7. At this early stage in the financial year, managers have not yet formally identified any forecast slippage into 2025/26. Whilst described as slippage, the majority of any sums identified will likely represent multi-year grant awards or ring-fenced funding, where there is planned expenditure for future years, but the terms of the grant require it to be included within the budget each year, until spent in line with the grant conditions.

## Employee costs

8. As at the end of June 2024, employee costs are forecast to be overspent by £143,000. Key employee forecast variances are as follows:
  - Development and Corporate Landlord is forecasting an overspend within Commercial Property to contribute to costs being incurred in South on agency surveyors who are needed to input into high priority corporate projects.

- Housing and Environment is forecasting an overspend within the Homelessness service as a result of there being an additional member of staff above budget in South.

The overspend reflects the continued high levels of staff retention across the Council and corresponding very low vacancy levels, which remain amongst the lowest in the UK. The 2024/25 budget does not fully fund all staff costs but assumes a vacancy level of less than three per cent. This assumption will be reviewed for the 2025/26 budget setting process.

### **Service department variance over £25,000**

9. After considering forecasted employee cost variances, net revenue expenditure is forecast to be £6,000 overspent. However, this is more than offset by increased investment income as highlighted in table 1 above.
10. There are some significant forecast variations from budget which are shown in table 1 above and are explained below.

### **Development and Corporate Landlord**

11. We have carried forward S106 contributions in respect of Tuckmill Meadows and are currently not expecting to use the whole balance in the current year.

### **Finance**

12. This forecast underspend is as a result of variations in the various elements of Housing Benefit primarily where the DWP anticipated a drop off in claims that has not materialised.

### **Housing and Environment**

13. Garden waste income is forecasted to be significantly down as a result of introducing the permit scheme from April 2025 because current year charges are being pro-rated until that point. This is only an issue in this single transitional year rather than having an on ongoing impact.

### **Policy & Programmes**

14. The forecasted underspend here relates to the transformation programme and associated team. The transformation team are now permanently funded within the budget so any carried forward one-off funding will be used to cover additional costs associated with transformation and will be transferred to reserves pending use.

### **Capital Budget Monitoring**

15. On 21 February 2024, Council agreed a capital programme for 2024/25 of £20.820 million.
16. At the end of June 2024, the capital programme had increased to £26.181 million against which £3.338 million had been spent. Details of the changes to the capital programme during the first nine months are summarised in table 2 below:

**Table 2: movement on capital programme**

	<b>2024/25 £000</b>
<b>Original capital budget 1 April 2024</b>	<b>20,820</b>
Roll forward from prior years	5,326
Additions in year (externally funded)	35
Additions in year (other)	0
Schemes deleted	0
Slippage into future years	0
<b>Capital programme 30 June 2024</b>	<b>26,181</b>

17. The capital budgets have not been reviewed for this report. A full review of the capital programme will be undertaken as part of the budget challenge exercise and the outcome will be reflected in future budget monitoring reports.

### **Financial Implications**

18. The financial implications are set out in the body of the report.

### **Legal Implications**

19. There are no direct legal implications to this report.

### **Climate and ecological impact implications**

20. There are no direct climate and ecological impact implications to this report. As agreed with the climate team, the use of the Climate Impact Assessment Tool is not required for the contents of this report.

### **Equalities implications**

21. This report is for information only and therefore there are no equalities implications.

### **Risks**

22. This report is for information only and therefore there are no risk implications.

### **Conclusion**

23. At this stage of the financial year, a small revenue overspend is forecast, which is anticipated to be offset by additional investment income.

### **Background Papers**

Budget papers for 2024/25

### **Appendices**

None