

Cabinet Report



Listening Learning Leading

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(s)

- a) 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 performance to the end of month three (June). Year-end outturn forecasts were worked on during June and are based on heads of service's best knowledge at that time.

Revenue budget monitoring

4. On 22 February 2024, Council agreed a net revenue budget for 2024/25 of £23.446 million. This has subsequently increased to £26.394 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	1,231	1,231	0	0	0
Communities	3,338	3,338	0	0	
Corporate Services	3,564	3,564	0	0	0
Development & Corporate Landlord	1,037	954	(83)	81	(163)
Finance	991	979	(12)	0	(12)
Housing & Environment	7,953	8,777	824	51	773
Legal & Democratic	1,457	1,457	0	0	0
Partnerships	2,803	2,803	0	0	0
Planning	1,064	1,064	0	0	0
Policy & Programmes	3,156	2,046	(1,110)	(0)	(1,110)
Contingency	(200)	(200)	0	0	0
Service Expenditure	26,394	26,013	(381)	132	(513)
Investment Income	(7,317)	(8,489)	(1,172)	0	(1,172)
Net Expenditure	19,076	17,524	(1,553)	132	(1,684)

6. The projected underspend is £0.381 million. However, Treasury income achieved in year is anticipated to be ahead of budget by £1.172 million leading to an effective net position of the Council of a £1.553 million underspend.

Budgets forecast to be carried forward to 2024/25

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 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 £132,000. Key employee cost variances are as follows:
 - Development and Corporate Landlord is forecasting an overspend within Commercial Property where agency surveyors are covering vacancies, and the work is 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 members of staff currently above budget. It is envisaged that at least some of these costs will be covered by a top up in Homelessness Prevention Grant.

Service department variances over £25,000

9. After considering forecasted employee cost variances, net revenue expenditure is forecast to be £513,000 underspent. This is compounded 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 and explained below.

Development & Corporate Landlord

11. We are forecasting an underspend on grant income received several years in respect of development projects. This money will be transferred to reserves shortly so as not to skew base budget variances. In addition, we are forecasting to receive additional income around insurances recouped and service charges from our commercial sites.

Housing and Environment

12. 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

13. The forecasted underspend here primarily relates to the Didcot Garden Town project where the funding is expected to cover future years in addition to the current financial year. The finance team are looking to transfer this funding to a reserve so it can be released when necessary without affecting base budget variances. There is additional underspend relating to previously agreed one-off funding for the transformation programme. As the transformation team are now funded permanently as part of the budget, the 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

14. On 22 February 2024, Council agreed a capital programme for 2024/25 as follows:
 - Approved programme - £19.359 million
 - Provisional programme (including Cabinet growth proposals) - £13.101 million.
15. At the end of June 2024, the approved programme totalled £36.943 million, against which £7.523 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

	2024/25 £000
Original capital budget	32,460
Roll forward from prior years	18,397
Schemes deleted	0
Additions in year (externally funded)	221
Additions in year (other)	0
Slippage to/from future years	27
Capital programme 30 June 2024	51,105
Made up of:	
Approved programme	36,943
Provisional programme	14,162
Capital programme 30 June 2024	51,105

16. 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, legal and other implications

17. The financial implications are as set out in the body of the report. As agreed with the climate team, the use of the Climate Impact Assessment Tool is not required for the contents of this report. There are no direct legal or other implications from this report.

Conclusion

18. At this stage of the financial year, for revenue a small underspend is forecast which is anticipated to be increased by additional investment income.

Background Papers

Budget papers for 2024/25

Appendices

None