

**Report to:** Cabinet

**Date:** 14 March 2024

**Title:** Revenue & Capital Financial Monitoring Report Quarter 3 2023-24

**Report of:** Homira Javadi, Director of Finance and Performance

**Cabinet member:** Councillor Zoe Nicholson, Leader of the Council and portfolio holder for Finance

**Ward(s):** All

**Purpose of report:** The report provides an assessment of the Council's financial performance against its approved 2023-24 budget, incorporating key financial risks, issues and opportunities identified since 2 April 2023 for the General Fund and the Housing Revenue Account (HRA)

**Decision type:** Non-Key

**Officer recommendation(s):** It is recommended that the Cabinet:

- i) Note the forecast outturn position for 2023-24 and associated risks.
- ii) Delegate authority to the Director of Finance and Performance and the portfolio holder for finance to apply any budget variations required to effectively manage the overall budget.
- iii) Note Appendices 1 & 2

**Reasons for recommendations:** To update members on the financial position of the Council and ensure that the Authority complies with its financial regulations.

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## 1. Introduction

- 1.1. Lewes District Council provides a range of services to residents and businesses across the area including the collection and disposal of waste, housing, and support for the homeless, leisure and community wellbeing, planning and tourism and culture activities.
- 1.2. The Council, alongside many other local authorities and organisations across the nation, has seen a significant impact on its finances because of external factors beyond its control. The recent exercise to construct the Medium-Term Financial Strategy for 2024-25 through to 2027-28 has highlighted continued pressures facing the council's finances although we have been able to set a balanced budget for 2024/25. The main drivers of these cost pressures are highlighted below:
  - The increased cost of borrowing affecting our ability to fund Capital Expenditure.
  - Inflationary and cost of living pressures impacting on the pay award for 2023-24, contract inflation and energy costs.
  - Demand led and inflationary pressures within housing and temporary accommodation for homelessness.
  - The lack of clarity over Government funding for local government particularly around business rates and a long-term settlement to enable planning over the medium term.
- 1.3. As a result of these externally driven financial challenges, the Corporate Management Team continue to focus on reducing costs to support the Council to keep costs to budget while ensuring that services are still delivered and at the quality expected.
- 1.4. For the quarter ending December 31<sup>st</sup> 2023 the Council is forecasting a balance of income and expenditure for the year. **This is an improved position of £547k** since the Q2 exercise.

## 2. General Fund

- 2.1. The position at Q3 follows our usual review of budgets and likely expenditure. The position will continue to be analysed and monitored over the coming months to achieve the balanced position by the year end.
- 2.2. The pay award agreed and paid to staff in November has been reflected in budgets and forecast spend and the central contingency reduced accordingly. This should have no material impact on forecasts.
- 2.3. The initial main underlying pressures which directorates are seeking to mitigate are as follows:
  - Underlying levels of inflation and increased interest costs affecting contracts, operations, running costs and capital expenditure.
  - The risks of losing planning appeals and costs of associated consultancy and the legal reimbursement costs of being found against.

- Increase in homelessness and the use of expensive nightly purchase temporary accommodation.

2.4. The detailed forecast variations against budget are set out from Section 3.

Table 1: Quarter 2 Forecast Outturn 2023-24 by Directorate

Directorate	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
	£'000						
Corporate Services	6,218	6,382	6,224	(158)	63	(221)	-2%
Service Delivery	10,869	11,337	12,074	737	1,025	(288)	7%
Regeneration & Planning	1,367	1,376	2,237	861	839	23	63%
Tourism & Culture	292	303	342	39	48	(10)	13%
Recharges to the HRA	(4,111)	(4,203)	(4,203)	0	0	0	0%
<b>Cost of Services</b>	<b>14,635</b>	<b>15,195</b>	<b>16,674</b>	<b>1,480</b>	<b>1,975</b>	<b>(496)</b>	<b>10%</b>
Technical/Centrally Controlled Budgets	968	409	(429)	(838)	(742)	(96)	-205%
<b>Total Budgeted Expenditure</b>	<b>15,603</b>	<b>15,603</b>	<b>16,245</b>	<b>642</b>	<b>1,234</b>	<b>(592)</b>	<b>4%</b>
Less Funding	(15,603)	(15,603)	(16,245)	(642)	(687)	45	4%
<b>Net Position 2023-24</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>547</b>	<b>(547)</b>	

## Financial Overview by Directorate

This section of the report provides an update on the forecast variations against the 2023-24 budget focused on individual Directorates.

### 3.0 Corporate Services

*The Corporate Services Directorate delivers services including human resources, financial services and performance, corporate management team, business transformation and legal and democracy support.*

Table 2: Corporate Services Forecast Outturn 2023-24

Table 1A: Corporate Services Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
	£'000						
Finance	967	1,030	1,210	180	156	24	19%
Corporate Management Team	521	530	523	(7)	(20)	13	-1%
Internal Audit and Corporate Fraud	250	280	251	(29)	(7)	(22)	-12%
Business Strategy and Performance	843	851	929	27	149	(122)	3%
Human Resources	348	363	282	(81)	(71)	(10)	-23%
Business Transformation	1,706	1,722	1,728	6	(16)	23	0%
Legal & Democratic Services	1,660	1,626	1,259	(317)	(158)	(159)	-19%
Land Charges	(76)	(21)	42	62	30	32	-82%
<b>Net Position</b>	<b>6,218</b>	<b>6,382</b>	<b>6,224</b>	<b>(158)</b>	<b>63</b>	<b>(221)</b>	<b>-3%</b>

3.1 The Directorate is forecasting an outturn position of (£158k) underspent. **This is an improved position of £221k** since the Q2 exercise.

- 3.2 **Finance £180k forecast overspend.** In common with many other local authorities, Finance has struggled to recruit to key posts on a permanent basis. Savings from permanent vacant posts are currently partially offsetting interim costs. The service conducted a successful recruitment campaign with seven posts permanently recruited to and five having started. The reduction this quarter is because there had been an assumption that the new starters would start earlier but notice periods were longer than expected. The issue is not expected to continue into 24/25
- 3.3 **Business Strategy and Performance £27k overspend** forecast. The forecast has been adjusted by £122k this quarter reflecting salary expenditure within the team which has been reviewed and now allocated as Capital Spend.
- 3.4 **HR – (£81k) underspent.** Lower than expected costs with regards to Recruitment and Training.
- 3.5 **Business Transformation (IT) £6k overspend** forecast.
- 3.6 **Legal – (£317k) underspent.** Increased legal services income which could not be accurately forecast at Q2 because of a time lag in payments received. Also, reduced training and recruitment costs forecast.
- 3.7 **Land Charges - £62k overspend** - £30k relates to a revised fee income projection as there was insufficient information to make a reliable forecast at Q2. £8k relates to increase in Highways Question Fees and the remainder is additional staff costs.
- 3.8 Other areas are forecasting various amendments to their Q2 positions.

#### 4.0 Service Delivery

*The Service Delivery Directorate delivers services including housing and support to the homeless, waste, and environmental services and maximisation and welfare and regulatory service teams.*

Table 3: Service Delivery Forecast Outturn 2023-24

Table 1B: Service Delivery Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
	£'000						
Head of Customer First	242	242	299	57	48	9	24%
CFRT Income Max and Welfare	1,091	1,180	1,536	355	673	(317)	33%
CFRT Regulatory Services	69	191	359	168	98	70	244%
CFRT Customer Contact	985	929	992	63	(4)	67	6%
Bereavement Services	(23)	(23)	47	70	26	45	
Neighbourhood First	1,725	1,764	2,151	388	310	78	22%
Waste and Recycling	4,447	4,647	4,401	(246)	(72)	(175)	-6%
Head of Homes First	72	76	116	40	41	(0)	
Homes First - Housing Property Services	786	826	858	32	(1)	33	4%
Homes First - Neighbourhood Management	888	918	857	(61)	(48)	(13)	-7%
Homes First - Customer Experience	166	176	178	2	(8)	10	1%
Home First - Housing Needs and Standards	421	412	280	(132)	(37)	(95)	-31%
<b>Net Position</b>	<b>10,869</b>	<b>11,337</b>	<b>12,074</b>	<b>737</b>	<b>1,025</b>	<b>(288)</b>	<b>7%</b>

- 4.1 The Directorate is forecasting an outturn position of £737k overspend, which is a improved position of £288k since the Q2 forecast.

**CFRT Income, Max, and Welfare £355k overspend forecast.**

The information on Housing Benefit Subsidy has not altered since October as the NEC system has not produced reports yet. The forecast has reduced by £317k this quarter due to some expenditure relating to 2022/23 being forecast throughout the year at Q2.

**Homelessness Emergency Accommodation £150k overspend forecast** - The Council had budgeted to support approximately 44 homeless households whereas an average of 50 households have been supported throughout 2023/24. The cost of one night's accommodation is also higher than anticipated (£65 rather than £60). The current demand is 47 households in emergency accommodation. While the current demand has levelled off and the number of households in emergency accommodation by December had decreased, the service is still projecting an overspend relating to activity during the entirety of the year. This will continue to be monitored and reviewed over the coming months.

**Staff costs including agency staff £190k overspend forecast** - to help with preparation of implementation work for the new Revenues and Benefits System (NEC) by back filling and processing for the old system. These costs can only be capitalised if they were increasing the value of the new system asset costs. Finance is identifying which posts can be capitalised.

- 4.2 **CFRT Regulatory Services £198k overspend forecast** A change in forecast by £100k relates to Lewes Bonfire overspend of £100k in relation to Crowd Management Barriers and Health & Safety costs during the event which were unbudgeted.

- 4.3 **Neighbourhood First (£388k overspend forecast)**

There is a medium-term plan to review the Neighbourhood First Service and a recognition that their funding does not align with their current commitments. The Council has set aside sums for increases to their budget for 2024/25 and together with the Service Review expects the current issue to be resolved within 2024/25.

The main issues in the service are.

**Car Parks** - Car Park income and Penalty Charges are lower than is expected and the contracts with both RINGO and ESCC need reviewing.

**Neighbourhood First Team** Forecast overspends relating to employee costs in the Neighbourhood First Team for Cleaning, and Public Convenience team.

**Pest Control overspent** on the use of Pest Control Contractors – we do not charge for Pest Control.

- 4.4 **Waste and Recycling. (£246k) forecast underspend.** The service has benefited from lower-than-expected fuel costs which has been part offset by higher vehicle

repair costs. It has not used its agency staff budget and has used existing staff overtime to meet demand. The Food waste collection started later than planned in October 23 and is currently still recruiting some of these roles and expects to be at full FTE by the end of the year. It has been able to therefore absorb part of their pay award from existing salary budget.

- 4.5 **Housing Needs and Standards. (£132k) underspend.** Private Sector leasing payments scheme costs are projected to be £100k lower than reported at Q2. This relates to repairs and maintenance on properties of £90k and provision for doubtful debt of £30k which are both forecasting no spend.
- 4.6 There are other smaller variances across teams that make up the remaining overspend.

## 5.0 Regeneration and Planning

*The Regeneration and Planning Directorate delivers services including estates and property estate management and regeneration and planning activity across the area.*

Table 4: Regeneration and Planning Forecast Outturn 2023-24

Regeneration & Planning Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
<b>£'000</b>							
Estates and Property	(73)	(73)	8	82	(34)	115	
Wave Leisure	224	224	224	0	(1)	1	
Solar Panel Trading Account	(74)	(74)	(74)	0	0	0	
Planning Policy	567	567	1,513	946	919	28	
Building Control	64	64	119	55	37	18	
Regeneration	533	541	320	(220)	(82)	(139)	
Regeneration Portfolio	128	128	127	(2)	(2)	0	
<b>Net Position</b>	<b>1,367</b>	<b>1,376</b>	<b>2,237</b>	<b>861</b>	<b>839</b>	<b>23</b>	<b>63%</b>

- 5.1 The Directorate is forecasting an outturn position of £861k overspend, which is an adverse movement of £23k from the previous forecast. The overall financial issue in the Directorate continues to be Planning Policy.

### 5.2 Planning Policy £946k overspend forecast due to

- £330k - The Consultancy costs of defending planning appeals.
- £184k - The cost of one Planning Appeal where costs were awarded to the appellant.
- £380k - The management consultant fees for Planning Policy to support the development of Local Plan. This could be funded from the Resilience Reserve; the decision will be made at Outturn.

Since the Q2 report the perceived risk of planning appeals to LDC has reduced. There are currently 2 appeals still to be heard. This was reported to the Planning Applications Committee on 6<sup>th</sup> Dec 2023.

5.3 **Regeneration (£220k underspent)** – The further £139k underspend (over Q2) relates to Grant Funding which has been identified to cover Consultancy Costs.

5.4 There are other smaller variances across teams making up the remaining overspends.

## 6.0 Tourism and Culture

*The Tourism and Culture Directorate delivers a range of cultural activities across the area as well as ongoing and one-off yearly events.*

Table 5: Tourism and Culture Forecast Outturn 2023-24

Tourism & Culture Q3 Forecast Outturn	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
£'000						
Arts Development	6	20	15	20	(6)	
Tourism and Enterprise	297	321	24	28	(4)	
<b>Net Position</b>	<b>303</b>	<b>342</b>	<b>39</b>	<b>48</b>	<b>(10)</b>	<b>13%</b>

6.1 The Directorate is forecasting an outturn position of £39k overspend, which is an improved position of £10k from the previous forecast. The overspend relates to a £10k VAT adjustment relating to 2022/23 and £30k of consultancy fees for design and publicity.

## 7.0 Technical and Central Controlled Budgets

*Technical and centrally controlled budgets include the treasury budgets, capital financing and contingency budgets. This area will also include any Council wide funds.*

Table 6: Technical and centrally controlled Forecast Outturn 2023-24

Technical/Centrally Controlled Budgets Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
£'000							
Capital Financing	(603)	(603)	(1,246)	(643)	(643)	0	
Minimum Revenue Provision	703	703	467	(236)	(236)	0	
Centrally Managed	868	309	350	41	137	(96)	
<b>Net Position</b>	<b>968</b>	<b>409</b>	<b>(429)</b>	<b>(838)</b>	<b>(742)</b>	<b>(96)</b>	<b>-87%</b>

7.1 The Council is forecasting an outturn position of (£838k) underspent which is a improved position of £96k from Q2.

7.2 Capital Financing - the underspend is due to higher than budgeted investment interest payments due to the significant increase in interest rates that has occurred since the original budget was approved by Council in February 2023.

- 7.3 Minimum Revenue Provision - The MRP is forecast to be lower than budgeted this year due to Capital Programme expenditure expecting to be lower than budgeted.
- 7.4 Centrally Managed Budgets The staffing inflation contingency has been transferred to services as expected. and the central contingency of £350k has been used to offset Neighbourhood First overspends for this year.
- 7.5 Further updates and will be provided to Cabinet as the year progresses and as financial monitoring is reported.

## 8.0 Housing Revenue Account (HRA)

*The Housing Revenue Account is a ring-fenced account used to manage the Council's housing stock. The costs of managing and maintaining the properties, collecting rents, and meeting the interest cost of monies borrowed to pay for investment in the housing stock are all charged to the housing revenue account.*

Table 7: HRA Quarter 3 Forecast Outturn 2023-24

Housing Revenue Account	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast
£'000					
Dwelling Rents	(17,047)	(17,008)	39	18	21
Non-Dwelling Rents	(391)	(343)	48	52	(4)
Charges for services	(1,386)	(1,781)	(395)	(221)	(174)
Contributions towards expenditure	(210)	(191)	19	53	(34)
<b>GROSS INCOME</b>	<b>(19,034)</b>	<b>(19,323)</b>	<b>(289)</b>	<b>(98)</b>	<b>(191)</b>
Repairs and Maintenance	5,804	6,164	360	420	(60)
Supervision and Management	3,962	3,637	(325)	(60)	(265)
Special services	1,650	1,780	130	168	(38)
Rents, Rates, Travel and other charges	287	254	(33)	(27)	(6)
Increase in impairment of debtors	(190)	(227)	(37)	0	(37)
Depreciation of Fixed Assets	5,583	5,583	0	0	0
Amortisation of Intangible Assets	3	3	0	0	0
Debt management cost	10	10	0	(1)	1
<b>GROSS EXPENDITURE</b>	<b>17,109</b>	<b>17,204</b>	<b>95</b>	<b>500</b>	<b>(405)</b>
<b>NET COST OF HRA SERVICES</b>	<b>(1,925)</b>	<b>(2,119)</b>	<b>(194)</b>	<b>402</b>	<b>(596)</b>
HRA share of Corporate & Democratic Core	128	128	0	104	(104)
<b>NET OPERATING COST</b>	<b>(1,797)</b>	<b>(1,991)</b>	<b>(194)</b>	<b>506</b>	<b>(700)</b>
Interest payable	2,970	2,971	1	(79)	80
Interest receivable	(798)	(798)	0	(259)	259
Revenue Contributions to Capital Expenditure	94	94	0	(100)	100
<b>Total Capital Financing and Interest Charges</b>	<b>2,266</b>	<b>2,267</b>	<b>1</b>	<b>(438)</b>	<b>439</b>
<b>Transfer to (from) Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA (SURPLUS) DEFICIT</b>	<b>469</b>	<b>276</b>	<b>(193)</b>	<b>68</b>	<b>(261)</b>

- 8.1 The Housing Revenue Account is reporting a forecast outturn position of (£193k) underspend, which is the third reported outturn projection reported for financial year 2023-24 compared to the revised budget.



- 8.2 The additional income forecast for Service Charges of £395k is the recovery of contract and energy inflationary increases in 2022-23 including recovery of Special Services contract inflation (£130k) forecast for this financial year.
- 8.3 There are forecast overspends of £360k relating to Repairs and Maintenance. Whilst the demand for stock repairs remains high, the service's priority remains on essential repairs.
- 8.4 Supervision & Management is reporting a (£325k) underspend. The service has not proceeded with planned Cyclical Decorations (£240k) to mitigate the pressures experienced in Repairs & Maintenance.

Table 8 – HRA Working Balances

HRA Working Balance (£000)	Original Budget	Revised Budget	Projected Outturn
Working Balance at 1st April 2023	(3,993)	(3,993)	(3,993)
(Surplus)/ Deficit for year	59	469	276
Use of Cost of Living Provision		150	150
	<b>(3,934)</b>	<b>(3,374)</b>	<b>(3,567)</b>

Allocation of Working Balance (£000)	Original Budget	Revised Budget	Projected Outturn
General Working Balance	(3,239)	(2,829)	(3,023)
Special Projects	(270)	(270)	(270)
Cost of Living Provision	(150)	0	0
Self Insurance	(275)	(275)	(275)
	<b>(3,934)</b>	<b>(3,374)</b>	<b>(3,568)</b>

## 9.0 Capital Expenditure

### 9.1 Capital Expenditure – Housing Revenue Account (HRA)

- 9.2 The table below shows a revised HRA capital budget for the year of £19.1 m and reflects the recent review of the HRA 30-year business plan that was undertaken as part of the 2024/25 budget setting process. The 2023/24 revised budget was approved by Cabinet on 1 February 2024.
- 9.3 The revised capital budget reflects an overall increase against the original budget of £2.6m due to an increase in investment in the construction and acquisition of new dwelling and an increase to the major repairs budget for the year.
- 9.4 The overall spend as at the end of Q3 was £6.6m with projected forecast spend for the year at Q3 of £18.7m, a reduction of £.4m on the revised budget. Projects that will not be completed in 2023/24 and will be re-profiled to 2024/25 and later years. Actual expenditure at the end of quarter was £3.2m, so significant expenditure is

expected for the final quarter of the year. Details of the capital programme are in **Appendix 1**.

Table 9: HRA Capital programme 2023-24

HRA CAPITAL PROGRAMME	Original Budget 2023-24	Revised Budget 2023-24	Forecast Outturn 2023-24	Variance to Revised Budget	Actual Spend Q3 2023/24
	£'000	£'000	£'000	£'000	£'000
Construction of Dwellings	11,501	12,444	12,252	-192	3,886
Retirement Schemes	83	0	0	0	0
Improvements to Stock	4,500	6,200	6,304	104	2,595
Adaptations	415	415	158	-257	108
Recreation & Play Areas	50	50	8	-42	8
<b>Total HRA</b>	<b>16,549</b>	<b>19,109</b>	<b>18,722</b>	<b>-387</b>	<b>6,597</b>

## 9.5 Capital Expenditure – General Fund

- 9.6 The table below shows a revised GF capital budget for the year of £32.7m and reflects the recent review of the GF Capital Programme that was undertaken as part of the 2024/25 budget setting process. The 2023/24 revised budget was approved by Cabinet on 1 February 2024.
- 9.7 The revised capital budget reflects an overall reduction against the original budget of £52.6m primarily due to reduction in the Regeneration programme. Projects in this area are linked to the councils Levelling Up, Town Deal and Future High Street grants schemes have been re-profiled due to so the Council's successful bid to become a Pathfinder Pilot which allows a greater level of autonomy to choose how each scheme is funded.
- 9.8 The forecast for the year at Q3 is £17.3m, a reduction of £14.0m on the revised budget. GF projects that will not be completed in 2023/24 will also been re-profiled to 2024/25 and later years. Actual expenditure at the end of quarter was £10.5m. Details of the capital programme are in **Appendix 1**.

Table 10: GF Capital programme 2023-24

<b>GENERAL FUND CAPITAL PROGRAMME</b>	<b>Original Budget 2023/24</b>	<b>Revised Budget 2023/24</b>	<b>Forecast for Year 2023/24</b>	<b>Variance to Revised Budget</b>	<b>Actual Spend Q3 2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing Support & Disabled Facility Grants	1,135	1,486	1,101	-385	765
Loans to Housing Companies	2,000	0	0	0	0
<b>Total GF Housing</b>	<b>3,135</b>	<b>1,486</b>	<b>1,101</b>	<b>-385</b>	<b>765</b>
Recovery and Stabilisation	20	607	607	0	69
Regeneration	35,223	16,195	7,785	-8,410	4,555
Asset Management	3,080	775	626	-149	215
Indoor Leisure Facilities	2,159	2,527	924	-1603	909
Energy Schemes	500	500	0	-500	0
Infrastructure Levy (CIL)	900	1,486	414	-1072	219
Service Delivery	6,181	6,225	5,500	-725	3,866
Flood and Coastal	236	705	209	-496	21
Parks & Pavilions	200	1,053	230	-823	230
Open Space/Biodiversity	610	789	554	-235	231
Information Technology	213	397	406	9	182
Finance Transformation	150	0	0	0	0
<b>Total General Fund</b>	<b>49,472</b>	<b>31,259</b>	<b>17,255</b>	<b>-14,004</b>	<b>10,497</b>

- 9.9 At the end of quarter 3, both the HRA and General Fund spend against the 2023/24 revised budget has increased. However significant challenges remain in construction sector which continues to be under pressure from rising prices for materials and labour shortages. The year-end forecasts are provided against a backdrop of economic uncertainty, regarding supply chain challenges, building cost inflation and other factors outside of the control of those delivering the projects.
- 9.10 Project budget holders and managers are required to review scheme progress on an ongoing basis throughout the year and advise where there are significant revisions. The programme is under continuous review by the Capital Programme Overview Board, which is reflected by the recent reductions in the overall revised budget.
- 9.11 Schemes that have been deferred and are funded from additional borrowing (rather than from capital grants, capital receipts or revenue) will impact on the projected cost of borrowing and minimum revenue provision (MRP).

## 10 Funding

The Council's net service budget is funded from the following areas: Council Tax income, Business Rates income, Government grants and reserves. A breakdown of the funding budget is detailed below.

Table 11: Financing Quarter 3 Forecast Outturn 2023-24

Financing Budgets Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	var %
	£'000						
Council Tax Income	(8,831)	(8,831)	(8,919)	(88)	(87)	(1)	1%
Grants and Contributions	(1,643)	(1,643)	(1,736)	(93)	(138)	45	6%
NNDR Income	(4,900)	(4,900)	(5,361)	(462)	(462)	0	9%
Transfer from Reserves	(229)	(229)	(229)	0	0	0	0%
<b>Net Position</b>	<b>(15,603)</b>	<b>(15,603)</b>	<b>(16,245)</b>	<b>(642)</b>	<b>(687)</b>	<b>45</b>	<b>4%</b>

10.1 The Council is forecasting an outturn of £642k more funding than budget which is an improved position of £45k from Q2.

10.2 Council Tax income is forecast at £8.9m, as additional £88k on the budget of £8.8k.

10.3 Retained Business Rates income budget of £4.9m includes,

- NNDR income
- Tariff
- Section 31 grant
- previous year deficit
- Levy
- Pooling redistribution

There is a projected to be an additional income of £462k for NNDR.

## 11.0 Financial appraisal

11.1 The report reflects the position at 30<sup>th</sup> September 2023. Services have an early awareness of their pressures and as a result can take positive steps to mitigate the overspend in this area.

11.2 The capital programme will continue to be reviewed with regard to the prior year slippage that is routinely added to the Original Budget to ensure that only those amounts required are allocated within the revised Capital Programme going forward.

## 12. Legal implications

12.1 There are no legal implications arising directly from this report.

### **13. Risk management implications**

13.1 There are no risk management implications arising directly from this report.

### **14. Equality analysis**

14.1 There are no environmental sustainability implications arising directly from this report.

### **15. Appendices**

Appendix 1 – LDC Capital Programme Monitoring Q3 2023-24

Appendix 2 – Glossary of Items

### **16. Background Papers**

16.1 LDC General Fund Revenue Budget 2023/24 and Capital Programme