

Report to: Cabinet

Date: 18 September 2024

Title: Provisional Revenue & Capital Outturn 2024/25 – Quarter 1

Report of: Homira Javadi, Director of Finance and Performance

Cabinet member: Councillor Daniel Butcher, Cabinet member for finance

Ward(s): All

Purpose of report: The report provides an assessment of the Council’s financial performance against its approved 2024/25 budget, incorporating key financial risks, issues and opportunities for the General Fund and the Housing Revenue Account (HRA)

Decision type: Key

Officer recommendation(s):

- (1) Note the forecast outturn position for 2024/25 and associated risks.
- (2) Delegate authority to the Director of Finance and Performance and the portfolio holder for finance to apply the required budget virements to support effective management of the overall budget.
- (3) Approve the carry forward of 23/24 Capital Programme slippage to 2024/25 ahead of a review of the overall programme by the Capital Programme Oversight Board
- (4) Note Appendix 1 and 2.

Reasons for recommendations: To enable Cabinet members to consider the Council’s financial performance for 2024/25

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1. Introduction & Background

- 1.1. Eastbourne Borough Council provides a range of services to residents and businesses across the area including the collection and disposal of waste, housing, support for the homeless, leisure and community wellbeing, planning, culture and tourism activities.
- 1.2. However, the Council, alongside many other local authorities and organisations across the nation, has seen a significant impact on its finances originating from external factors beyond its control. The main drivers of these cost pressures are highlighted below:
 - Significant demand and inflationary pressures within housing and the provision of temporary accommodation for homelessness.
 - Increasing interest rates as part of a national monetary policy impacting the cost of capital and financing.
 - Inflationary and cost of living pressures affecting pay, prices, supply chain and net cost of services.
- 1.3 As is the case nationally, challenges facing residents, businesses and communities as a result of the cost-of-living crisis are very real. This report highlights key movements and variations to the budget set in February 2024 against a backdrop where local authorities across the country are responding to ongoing national financial pressures while facing increasing demand and cost pressures.
- 1.4 Coupled with a background of uncertain and reducing (in real terms) financial settlements, the Council was overwhelmed by these pressures during 2023/24.
- 1.5 The financial challenges will continue into 2024/25 and beyond but there are some signs that pressures may soon ease.
 - Inflation rates have consistently reduced in recent months, and it is likely that this will mean interest rates will also reduce at some point. The uncertainty created by the announcement of a General Election and New Parliament may mean this does not happen soon. If interest rates did reduce, this would have a positive impact on the cost of financing the council capital investment programme for those loans that are not locked in over the long-term when they mature.
 - The prevention and analytical work undertaken by the Housing Services team to reduce costs and the demand for emergency and temporary accommodation placement is delivering positive outcomes. A peak of 317 families during 2023/24 fell to 264 at the end of June 2024 (and 249 by mid-July).
 - Achievement of the Stability and Growth savings targets for Eastbourne are already significant although not yet at target. Continued focus here and in other cost reduction exercises throughout this year will be crucial to emerging from this challenging period with the ability to achieve our goals, objectives and commitments in future years.
- 1.6 The challenging situation faced by the Council has led to the development of an extended programme of savings included in the next agenda item (item 10) and introduction of additional financial controls outlined below. These strategic

decisions will bring Eastbourne Borough Council back within budget in this financial year, produce a lawful and balanced 2025/26 budget and begin to build back enough reserves to cushion against future financial pressures.

- A further set of savings ideas will be considered by Cabinet elsewhere on this agenda and work has begun on actioning these and undertaking consultation where necessary.
- The Quarter 2 (undertaken at the end of September) Financial Monitoring exercise will be replaced with a 3-week period of reviewing all budgets on a line-by-line basis. The meetings will be attended by Budgets Holders and Service Heads and will be run by the Section 151 Officer, The Deputy Section 151 Officer and the interim Head of Financial Planning.
- The results of this exercise will be fed into a new revised and balanced budget that Cabinet will be asked to approve.
- Financial controls will continue to be increased, as necessary, with the objective of reducing the Council's base running level of committed expenditure.
- It is anticipated that difficult decisions will need to be made, but the Council has very clear objectives of both preserving its statutory and essential services and future proofing its financial position.

2 General Fund

- 2.1 The forecast outturn position for 2024/25 before the actions outlined above is an overspend of **£2.476m**. This includes use of £3m of additional borrowing as part of the Exceptional Financial Support (EFS) arrangements. Agenda item 10 outlines key savings proposals which have been developed to significantly reduce the projected outturn position in order to avoid the risk of a S114 notice being issued.
- 2.2 The extended S&G plan is intended to deliver a full year reduction of up to £7m, with a part year effect of approximately £1.5m to £2.0m, leading to a reduced requirement for use of reserves. This will allow the council to set a balance budget for 2025/26 and start to rebuild its reserve levels.

Table 1: Provisional Outturn 2024/25 by Directorate

Eastbourne - Directorate Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Corporate Services	5,318	4,605	4,724	119
Service Delivery	11,877	8,021	11,988	3,967
Regeneration & Planning	(56)	(334)	(395)	(60)
Tourism & Culture	2,595	(722)	1,424	2,146
Recharges to the HRA	0	(1,196)	(1,196)	0
EFS	0	3,000	0	(3,000)
Cost of Services	19,734	13,373	16,545	3,172
Capital Financing & Central	3,196	6,946	6,042	(904)
Total Forecast Position	22,930	20,319	22,587	2,268
Funding	(22,930)	(20,319)	(20,111)	208
Net Position	0	0	2,476	2,476

2.3 The detailed forecast variations against budget are set out from Section 5.

3 Stability and Growth

3.1 The Stability and Growth savings plans were agreed as part of the 2024/25 budget setting process as a plan to balance the budget. Whilst significant savings have been made, the Council now needs to go further and faster in delivering its savings programme to be able to set a lawful budget for 2025/26. As set out in para 1.6, a comprehensive budget review will be carried out in September and October 2024 to identify, plan and deliver the remaining savings. Please see agenda item 10 for more detail.

4 Emergency and Temporary Accommodation

4.1 The largest and most disproportionate pressure faced by the Council is the increased demand and cost of provision of emergency and temporary accommodation.

4.2 Based Q1 projections, the Council expects to spend **£6.3m** more than budget in 2024/25. This is partly offset by **£3.9m** of grants leaving a projected shortfall of **£2.4m** to be funded through additional borrowing (Exceptional Financial Support). The service has been commended by MHCLG for their excellent work on intervention and preventative measures.

Table 3 – Detailed breakdown of Forecast

EA/TA Forecast	23/24 (£K)	2024/25 (£K)		
	Provisional Outturn	Budget	Forecast	overspend
Bed and Breakfast Accommodation	6,130	2,422	5,432	3,010
Prevention Initiatives	351	69	172	103
Private Tenants/ HRA Rent Rebates Housing Benefit, Subsidy & Housing Benefits Overpayments	504	(311)	481	792
Homeless Prevention Grant	(939)	(708)	(937)	(229)
HB Payments to Homeless Account	6,219	2,885	5,221	2,335
Homeless Account Housing Benefit Income	(5,485)	(1,833)	(4,901)	(3,067)
Emergency/ Temporary Accommodation Subsidy	(2,323)	(1,320)	(1,939)	(619)
Client Income and Service Charges	(474)	(156)	(90)	66
	3,984	1,048	3,439	2,392

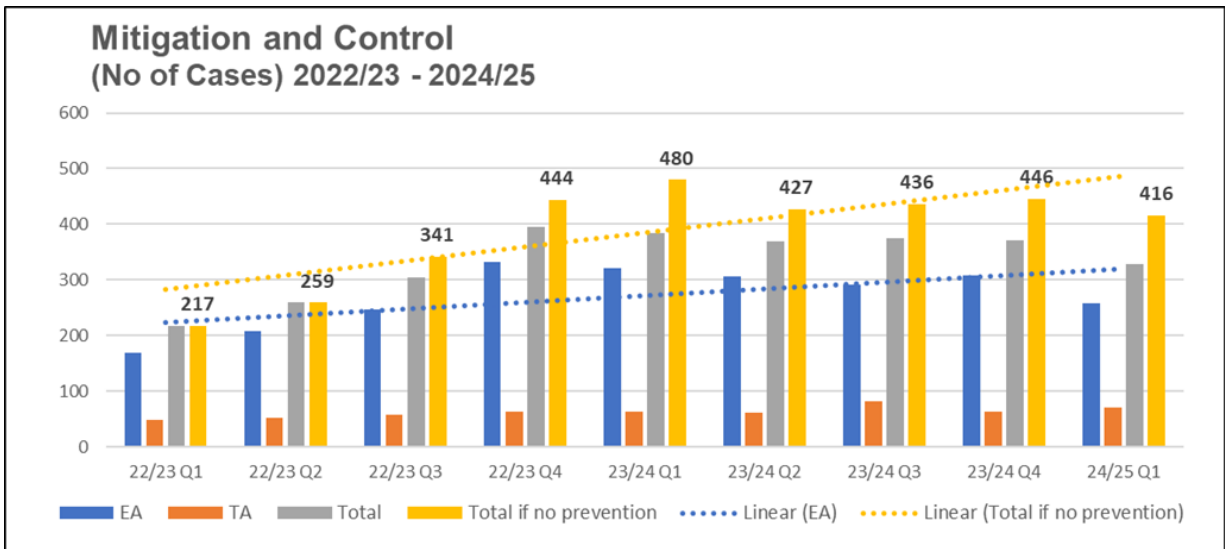
- 4.3 In July 2024, the council managed two hundred and sixty-four placements, but this demand continues to fluctuate meaning that this pressure will continue during 2024/25 and beyond amidst increasing cost of accommodation. There continues to be improvement on the prevention work, however, numbers and increasing costs continue to drive a significant overspend.

The current demand of 264 households (excluding EHICL placements) in emergency accommodation is an improvement from the 23/24 outturn position of 308. This reflects the considerable resources and effort that have been allocated to manage and mitigate the demand. Whilst this work continues, the Council recognises the level of uncertainty and long-term concerns associated with the provision and cost of this service and will continue with its strategy to campaign nationally for fairer outcomes and sustainable solutions for housing need.

- 4.4 The costs of this disproportionate pressure, although beginning to reduce, are spread over many council service areas as shown below.

EBC Costs	2021/22	2022/23	Provisional 2023/24	2024/25 Forecast
Costs of placements	£3.3m	£5.8m	£6.8m	£5.4m
Housing Benefit Receipts	(£2.7m)	(£4.3m)	(£5.8m)	(£4.9m)
Subsidy & Subsidy loss	£1.5m	£2.6m	£3.6m	£3.5m
Total	£2.1m	£4.1m	£4.6m	£4.0m

- 4.5 The graph below demonstrates the rise in numbers and the effects of the considerable efforts and resources used to control the situation to current levels.



5 Corporate Services

Corporate Services deliver services including human resources, finance, performance, corporate management team, business transformation, information technology, legal and democracy support.

Table 4: Corporate Services 2024/25

Corporate Services Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Business Planning & Performance	416	356	363	7
Business Transformation	209	317	300	(16)
Information Technology	1,397	1,136	1,208	73
Finance	1,579	1,369	1,472	103
Human Resources	381	391	338	(53)
Internal Audit & Fraud	217	248	243	(4)
Legal	226	238	238	0
Democracy	870	852	825	(27)
Land Charges	7	(86)	(41)	46
Corporate Management Team	(93)	(214)	(224)	(10)
Net Position	5,209	4,605	4,724	119

5.1 The projected outturn is **£119k overspent**. This is a £230k reduction from the 23/24 provisional outturn reflecting a reduction in agency and interim spend. As referenced in paragraph 1.6 above, Corporate Services budgets are planned to be reviewed on a line-by-line basis in September/October to bring them back to a balanced or reduced position.

The main variations are:

5.2 Information Technology £73k additional costs.

£70k - additional contract costs re: revised Civica contract.

£124k - additional costs for Microsoft Licensing.

(£102k) - reduced costs of mobiles phones under new contract.

(£19k) – reduced costs for servers and desktop support.

5.3 Finance £103k under resourced.

£100k – Increased insurance premiums. The cost for this budget heading will be recharged to related services areas and removed from Financial Services.

£25k – increased Treasury Management Broker fees.

(£22k) – net savings from not recruiting to Head of Finance post.

6. Service Delivery

Service Delivery provides services including Housing & Homelessness support, Waste & Environmental Services, Income Maximisation & Welfare and Regulatory Services.

Table 5 Service Delivery 2024/25

Service Delivery Forecast Outturn	23/24 provisional outturn	Base Budget	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
£000					
Emergency and Temporary Accommodation	3,984	1,048	1,048	3,439	2,392
Customer First - Other	1,282	1,093	1,003	1,275	271
Bereavements	(927)	(1,575)	(1,613)	(936)	677
Environment First	4,850	5,181	5,181	5,185	4
Homes First - Other	175	676	676	786	110
Neighbourhood First	2,479	1,739	1,726	2,239	513
Director of Service Delivery	35	(308)	0	0	0
Net Position	11,878	7,853	8,021	11,988	3,967

6.1 The Provisional Outturn is **£4.2m overspent**. The main variations are:

6.2 Emergency & Temporary Accommodation £2.4m added pressure.

Both Customer First and Homes First provide support for Emergency and Temporary Accommodation. These budgets are now presented together to show a consolidated position. The remaining Customer First and Homes First budgets are shown separately as “other”.

There is a provisional general fund overspend of £2.4m (includes accommodation and subsidy loss projection £3.4m) to meet the current costs of providing homeless support and housing. This is a net improved position of £500k from the 2023/24 provisional outturn reflecting both the prevention work undertaken and an expectation that numbers will continue to slowly reduce.

In addition, there is work happening alongside to increase the overall housing supply including reduction in voids, building new homes, (e.g. 100 new homes planned at Bedfordwell Road recently approved by Cabinet), enhanced and extended private sector leasing schemes.

6.3 Customer First (non-EA/TA) £271k pressure plus £107k capitalisation

£98k – Additional cost of Regulatory Services

£19k - Public Health Burials – the service is developing an extended income generation and cost recovery operational model

£20k - Licensing Income reduced due to betting premises reducing as gambling moves more online. The team are working to assess the impact on income and related costs.

£34k Under budget on postage costs which are forecast to be similar to 2023/24.

£69k – *Redundancy costs Functional Leads budgets – to be capitalised.*

£38k – *Redundancy payment – to be capitalised.*

6.4 Bereavement Services £677k net reduction in income.

Bereavement Services continue to contribute around £1m to the Council but the post COVID-19 effects on the national death rate means that the service is under recovering against its budget expectation. A review of the service and its operating times is expected to generate more income, but it is likely that the budget will need to be restructured to a more realistic level as part of the planned budget review exercises.

6.5 Homes First (non-EA/TA) £110k net shortfall plus £79k capitalisation

£55k - additional pressure for waste services management of Fly Tipping

£38k - One off Solar Panel Income relating to 23/24

£92k - Increase to bad debt provision calculated at Quarter 1

£71k - *Redundancy payment – to be capitalised.*

6.6 Neighbourhood First £513k pressure (£78k to be recovered in Q2).

A comprehensive review the service is underway to identify immediate savings.. Neighbourhood First has developed and is delivering a savings plan. The service will be scrutinised carefully in the forthcoming budget review exercises with a view to reducing some large areas of spend. The current pressures are.

£130k - Devonshire Quarter grounds maintenance

£125k - Parks and Gardens Contract

£187k - Neighbourhood First Team

£91k - Town Hall

£32k - College Road office

£17k - Surface water management (potentially could be funded from S106 monies)

£43k - Children's playgrounds

In Q2, £53k with Grant Funding, S106 monies and a recharge to EHL of £25k will be recovered and this is included in the forecast.

7. Regeneration and Planning

The Regeneration and Planning Department delivers services including Estates & Property, Estate Management and Regeneration & Planning activity across the borough.

Table 4 Regeneration and Planning

Regeneration & Planning Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Building Control	42	62	62	0
Planning	195	252	406	154
Commercial Business & Property	18	36	56	20
Estates & Property	(443)	(960)	(908)	52
Housing Delivery	(109)	6	(276)	(283)
Regeneration & Planning	276	269	264	(5)
Net Position	(21)	(334)	(395)	(60)

7.1 The provisional outturn is **£60k underspent**. The main variations are:

7.2 **Planning £154k pressure.** Consultant's fees for developing the Local Plan which was paused in 2023/24 is expected to cost £150k otherwise the Council will fail to be meet the existing government submission deadline. However, following the new government announcement confirming a review of the National Planning Policy Framework (NPPF) currently out to consultation, the timescales to progress the Plan may change to ensure alignment with government policy. This will continue to be reviewed.

7.3 **Housing Delivery £283k underspent.**

This is due largely to external income generation from other public sector services including with the East Sussex College Group and Hastings Borough Council, as well as from the Clear Futures Partnership. Higher capitalisation of salaries.

8. Tourism and Culture

The Tourism and Culture Directorate delivers a range of cultural activities across the area including the Devonshire Quarter, Leisure, and Sporting facilities as well as ongoing and one-off yearly events and productions.

Table 7 Tourism and Culture

Tourism & Culture Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Director of Tourism and Culture	475	432	446	14
Events	246	(136)	205	341
Seafront	(43)	(287)	(248)	39
Sports Delivery	582	262	688	427
Tourism	193	180	259	79
Theatres - LACC	405	(776)	(499)	277
Heritage	143	(54)	148	202
Conference & Catering	894	(344)	423	767
Net Position	2,895	(722)	1,424	2,146

8.1 Tourism & Culture are undergoing a significant programme of transformation and are set to deliver over £2m of annual savings. The variations included in this report are primarily caused due to timing and complexity of the work involved. Agenda item 10 provides a detail view of these savings.

9. Centrally Controlled Budgets

9.1 Centrally controlled budgets include Capital Financing and contingency budgets.

Table 8 Technical/Centrally controlled.

Central Budgets Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Contingency - S&G Buffer	(208)	957	0	(957)
Contingency - Pressures	0	485	0	(485)
Contingency Pay Award	0	583	622	39
Levies	265	237	265	27
MRP	478	1,699	1,707	8
Interest payments	4,532	4,382	5,118	736
Interest received	(1,871)	(1,398)	(1,670)	(272)
Net Position	3,196	6,946	6,042	(904)

9.2 Centrally Managed Budgets are reporting a forecast outturn of **£0.904m underspend**. Contingency budgets are held (largely unspent) but are contributing to

reducing the overall bottom line. They are also increased by any over recovery of Stability and Growth savings.

The main variations are:

- 9.3 **Contingencies S&G £957k underspent**. This is held to offset any undelivered Stability and Growth savings which are currently forecast to be under achieved by a higher amount than this contingency.
- 9.4 **Contingencies Pressures £485k underspent**. This is held to offset service pressures which are currently higher than this contingency. This contingency will be used as part of the budget review exercise scheduled for September/October this year.
- 9.5 **Contingencies Pay Award £39k additional pressure**. This is held to distribute later in the year when the pay award is agreed. The pressure of £39k relates to the pay offer made, which is currently rejected by the Unions.
- 9.6 **Capital financing costs net £0.456m additional pressure**. Capital financing costs are expected to be overspend by £0.456m, primarily as a result of increased borrowing for EFS. The projected outturn assumes that the 2024/25 capital programme will be fully spent. As an interim measure, the council has introduced additional spending controls to reduce the cost of financing. A full review of the existing capital programme will be undertaken in the autumn, and it is anticipated that interest payment expenditure will reduce.

10.0 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.

EBC Housing Revenue Account 2024/25

	Original Budget £000's	Revised Budget £000's	Forecast Actuals £000's	Q1 Variance £000's
INCOME				
Dwelling Rents	(17,849)	(17,849)	(17,774)	75
Non-Dwelling Rents	(378)	(378)	(378)	0
Charges for Services	(1,471)	(1,471)	(1,430)	41
GROSS INCOME	(19,698)	(19,698)	(19,582)	116
EXPENDITURE				
Management Fee	9,477	9,477	9,477	0
Supervision and Management	1,722	1,722	1,722	(0)
Provision for Doubtful Debts	82	82	82	0
Depreciation	5,772	5,772	5,772	0
Debt Management Costs	33	33	33	0
GROSS EXPENDITURE	17,086	17,086	17,086	0
NET COST OF HRA SERVICES	(2,612)	(2,612)	(2,496)	116
Loan Charges - Interest	1,923	1,923	1,923	0
Interest Receivable	(203)	(203)	(203)	0
NET OPERATING COST OF HRA	(892)	(892)	(776)	116
Capital Financing and Interest Charges				
Contribution to Capital Expenditure	906	906	906	0
HRA (SURPLUS) / DEFICIT	14	14	130	116

- 10.1 The Housing Revenue Account is reporting a forecast outturn position pressure of £116k, which is the first outturn projection reported for financial year 2024/25 compared to the original budget.
- 10.2 During the reporting period, the Council's HRA is projected to see pressures of £75k in lost rental income and £26k in lost service charge income on properties in void. Whilst void repairs are progressing and not restricted by the financial constraints seen in 2023/24, the arising pressure represents how effectively the council is able to turnaround void properties to relet. The current rate of rental income loss is 2.25% of the total rental income due compared to a budgeted 1.81%.
- 10.3 The outturn projection has been prudently calculated to assume a continued 2.25%, however Officers are investigating the underlying causes with a view to mitigating this pressure over the coming months.
- 10.4 Charges for Services also includes a pressure of £15k which represents reduced income resulting from the applied cap of 7.7% to elements of the Retirement Housing Service Charges.

11.0 General Fund Capital Programme

GF CAPITAL PROGRAMME	Original Budget 2024-25	Carry Forward 2023/24	Other Variations	Revised Budget 2024-25	Spend to Date	Variance to Revised Budget
	£'000					
General Fund Housing	1,666	423	-	2,089	213	1,876
Regeneration	9,190	8,449	-	17,639	303	17,336
Asset Management	2,280	787	-	3,067	171	2,896
Service Delivery	1,571	950	-	2,521	58	2,463
Tourism & Leisure	35	-	-	35	-	35
Information Technology	250	71	-	321	120	201
Digital Transformation	255	79	-	334	-	334
Corporate	150	142	3,000	3,292	-	3,292
General Fund	15,397	10,901	3,000	29,298	865	28,433

11.1 The total original budget for the 2024/25 Capital budget is £15.397m. The revised 2024/25 budget assumes the carry forward of prior year allocations due to slippage against the GF Capital Programme 2023/24 of £10.901m. In addition, there is a further variation following the provision by MHCLG (formerly DLUHC) of a Capitalisation Direction to allow the council to capitalise expenditure related the significant levels of EA/TA placement activity detailed earlier in this report.

11.2 A detailed review of the council's capital programme is scheduled to commence from September to significantly reduce the council's capital commitments and the reduce the associated capital financing costs in future years.

11.3 Total spend to date at the end of Quarter 1 is £0.865m.

11.4 General Fund Housing

11.5 Includes loan allocations for council housing companies that have not yet been drawn and the allocation of funding for home adaptations via the Disabled Facilities Grant that will be undertaken throughout the financial year.

11.6 Regeneration

11.7 The vast majority of capital funds allocated to Regeneration (£17m) is supported by government grants including Levelling Up Funding and UK Shared Prosperity Fund. The lack of spend reflects the overall complexity of those programmes and whilst a significant amount of preliminary work has been undertaken over recent months it is likely that the majority of this programme will be reprofiled to future years.

11.8 Asset Management

11.9 Includes a variety of schemes associated with the ongoing programme of improvement and modernisation of council owned assets including items required to ensure the councils meets it Health and Safety obligations. Spend in this area will be impacted by the council's asset disposal programme and will be reviewed.

11.10 Service Delivery

11.11 Capital schemes in this area include the councils ongoing Coast Defence Management, expenditure on council play areas and funding of the ongoing refresh of the SEESL waste fleet and bin stock part of which (£0.800m) is grant funded

11.12 Tourism & Leisure

11.13 Minor updates to the Western Lawn for Health & Safety purposes.

11.14 Information Technology

11.15 Includes rolling allocations to refresh the council's stock of laptops and IT infrastructure

11.16 Digital Transformation

11.17 These are schemes funded to support the implementation of digital solutions designed to increase the council's efficiency and effectiveness.

11.18 Corporate

11.19 Includes an annual allocation to support continual development of the council's financial system, it also includes the £3m Capitalisation Direction mentioned earlier in this report

12.0 Housing Revenue Account Capital Programme

HRA CAPITAL PROGRAMME	Original Budget 2024-25	Carry Forward 2023/24	Other Variations	Revised Budget 2024-25	Spend to Date	Variance to Revised Budget
Major Works	6,272	1,904		8,176	387	7,789
Disabled Adaptations	478			478	-	478
Helpline	50			50	-	50
New Build	8,618	1,183		9,801	649	9,152
Total HRA	15,418	3,087	-	18,505	1,036	17,469

12.1 The total original budget for the 2024/25 HRA Capital Programme is £15.418m. The revised 2024/25 budget assumes the carry forward of prior year allocations due to slippage against the HRA Capital Programme 2023/24 of £3.087m. There are no other variations.

12.2 Major Works

12.3 Whilst spend to date is low compared to the revised budget all planned major works up to this date has been completed with an ongoing exercise to identify the relevant capital expenditure which will be coded throughout the financial year.

12.4 Helpline

12.5 No spend has been allocated to this area to date.

12.6 New Build

12.7 Initial viability and surveys have been carried out on several acquisitions properties that are now delayed. Works are progressing well on the Calvery Road site with practical completion expected by Oct 2024. Snagging has started on several plots however here have been some minor delays relating to asbestos removal, utilities and recent inclement weather which has resulted in potentially a staggered handover.

13.0 Funding

The Council's General Fund expenditure is funded from Council Tax Income, Business Rates Income, Government grants and reserves.

Table 10 Funding

Funding Budgets Forecast Outturn	23/24 provisional outturn	24/25 Revised Net Budget	24/25 Forecast (Actuals)	24/25 variance
	£000			
Council Tax Income	(9,639)	(9,919)	(9,919)	0
NNDR	(4,179)	(6,096)	(4,928)	1,168
Grants and Contributions	(1,822)	(1,639)	(1,639)	0
Exceptional Financial Support	0	(3,000)	(3,000)	0
Flexible Use of Capital receipts	0	0	(625)	(625)
Reserves Transfers	(4,289)	335	0	(335)
Net Position	(19,929)	(20,319)	(20,111)	208

13.1 Council Tax

Council Tax income is currently projected to be on target.

13.2 Business Rates

Overall business rate income is currently anticipated to show a £1.168m under recovery due to an increase in the prior year deficit of £0.554m and a reduction in current in-year income of £0.585m. Officers are currently reviewing the assumptions built into the estimates with respect to total rateable values, however initial analysis suggests a structural reduction in the overall rateable value due to a change in the valuation of a number of hereditaments particularly within the retail sector.

13.3 Flexible Use of Capital Receipts

The Council is delivering an ambitious and challenging savings and transformation programme. In December 2017, the Secretary of State announced the continuation of the capital receipts flexibility programme, which provides Local Authorities the freedom to use capital receipts generated from the sale of assets (except for Right

to Buy disposals) to fund revenue costs arising from transformational revenue projects that deliver savings or service improvements.

The council has developed its Flexible Use of Capital Receipts Strategy for the schemes detailed in S&G programme. Full Council approval will be required and a submission to MHCLG outlining the intended use of the receipts.

14.0 Financial appraisal

14.1 The provisional outturn position for 2024/25 is an overspend of £5.476m before Exceptional Financial Support of £3.0m.

14.2 Urgent action is being taken to bringing the budget back into line and Cabinet can expect a revised budget to be proposed at Qtr2.

15.0 Legal implications

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

16.0 Risk management implications

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

17.0 Equality analysis

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

18.0 Appendices

Appendix 1 - EBC Capital Monitoring Q1 2024/25

Appendix 2 – Glossary of Terms