

Report to: Cabinet

Date: 20 March 2024

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

Report of: Homira Javadi, Director of Finance and Performance

Cabinet member: Councillor Robin Maxted, Cabinet member for Finance and Resources

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 1 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 the required budget virements to support effective management of the overall budget.
- iii) Approve the additional release of £17,000 from the HRA to support the allocation of twelve HRA properties to support Emergency & Temporary Accommodation pressures.
- iv) Note Appendix 1 and 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. Eastbourne Borough 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. 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 recent exercise to construct the Medium-Term Financial Strategy for 2024-25 through to 2027-28 has further highlighted pressures facing the council's finances. The main drivers of these cost pressures are highlighted below:
 - The higher interest rates affecting our ability to fund Capital Expenditure.
 - Inflationary and cost of living pressures impacting on the now agreed pay award for 2023-24, the net cost of borrowing, 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, Corporate Management Teams continue to be focused on reducing the cost-of-service delivery in their areas to support the Council to forecast spend closer in line with the budget, while ensuring that services are still delivered and that there is not a corresponding reduction in service provision.

2. General Fund

- 2.1. The forecast outturn position for 2023-24 on 31st December 2023 is an overspend of **£3.99m** as shown in Table 1. This shows a worsened position of £0.022m from that reported at Q2.
- 2.2. 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 a plan of expenditure and funding aligning by the year end.
- 2.3. Base budgets have been adjusted by £0.581m to reflect the movement of the pay award from the central contingency held for the purpose so this quarters tables also show the revised budget against which the forecast is compared.
- 2.4. 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 the cost of borrowing to fund the capital programme. **£1.4m above budget**

- Increase in homelessness provision. **£2.4m above budget. This is a £4.6m spend above the existing provision of £2.2m.**
- Significant pressure on the Neighbourhood First Service. **£0.4m above budget.**
- Tourism and Enterprise now forecasting an increased overspend of **£0.396k** in Q3 leading to an overall forecast of **£0.566m** overspend. This relates to Theatres underperforming.

2.5. Work continues to identify financial options with Government, as well as scrutiny of our current and aspirational Capital Programme and in reviewing service spend across the organisation to try and mitigate the budget gap which is currently forecast to continue into 2024/25.

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

Table 1: Quarter 3 Forecast Outturn 2023-24 by Directorate

Directorate	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
£'000							
Corporate Services	4,820	4,969	5,121	152	281	(129)	3%
Service Delivery	8,139	8,386	11,393	3,007	3,439	(432)	37%
Regeneration & Planning	(56)	22	(372)	(394)	(294)	(100)	0%
Tourism & Enterprise	2,037	2,144	2,710	566	170	396	28%
Cost of Services	14,940	15,521	18,851	3,330	3,596	(266)	68%
Technical/Centrally Controlled Budgets	3,033	2,452	3,859	1,407	1,119	289	46%
Total Budgeted Expenditure	17,973	17,973	22,711	4,738	4,715	24	26%
Less Funding	(17,973)	(17,973)	(18,723)	(750)	(750)	(0)	4%
Net Position 2023-24	0	0	3,987	3,987	3,965	22	22%

2.6 The report reflects the position on 31st December 2023.

2.7 Services are aware of the pressures and as trying to pull back spending in their areas.

3.0 Homelessness and Temporary Accommodation

3.1 The largest and most disproportionate pressure the Council currently faces is the numbers and costs of those seeking emergency or temporary accommodation. Within Eastbourne Council, there is a current projected net overspend against budget of £2.7m to meet the current costs of providing homeless support and housing.

3.2 In addition, the council is utilising some of its Eastbourne Housing Investment portfolio (EHICL) to reduce costs. The estimated net cost of this approach is c.£600k.

3.3 The costs arising for the Council in both responding to the increased numbers and in putting in processes and resources to attempt to successfully manage the

numbers down are also considerable. We will work to quantify these figures during Q3.

- 3.4 The Council had supported approximately 120 households during the previous year and had budgeted to support 150 households in 2023/24.

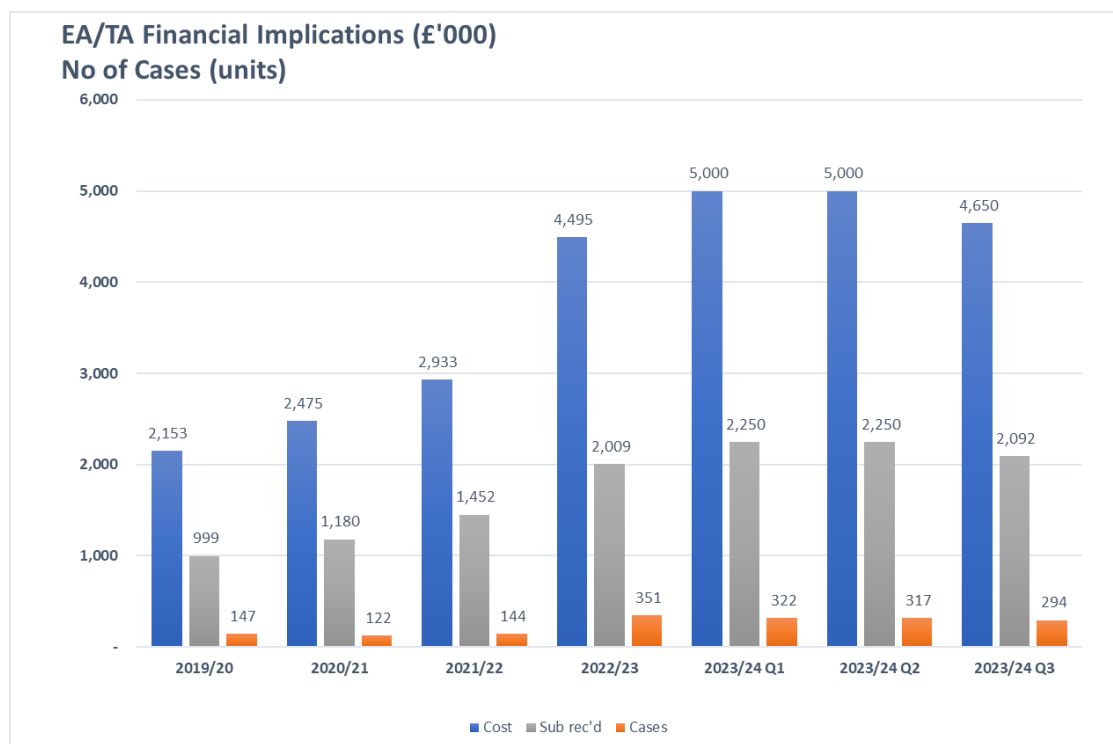
The current demand (*first 2 weeks of January*) is 294 households (excluding 39 EHICL placements) in emergency accommodation which is an improvement from the Q2 position which was 317 and reflects the considerable resources being used to attempt to manage the situation. Realistically though, the service is working hard to reduce the numbers but is likely to achieve a move on rate of only 2 households per 4-week period if current circumstances remain the same. The pressure will certainly continue for several years.

- 3.5 The costs of this unprecedented pressure are spread over many council service areas. The table below shows what has been quantified.

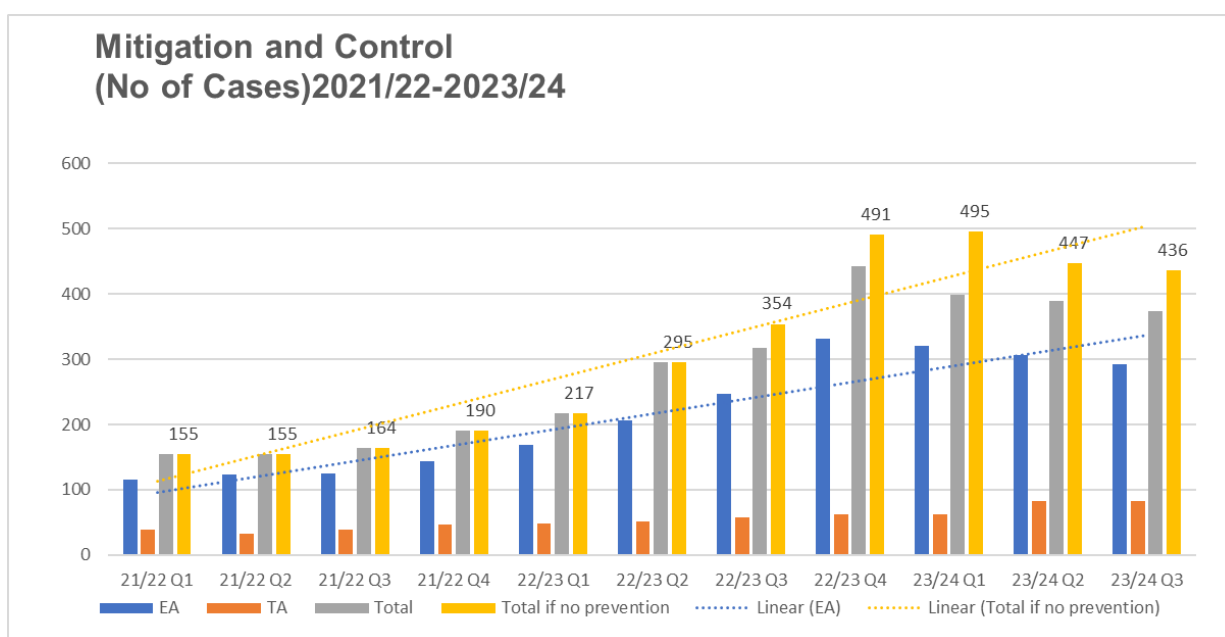
EBC Costs	2021/22	2022/23	2023/24
Costs of placements	£3.3m	£5.8m	£6.6m
Housing Benefit Receipts	(£2.7m)	(£4.3m)	(£5.5m)
Subsidy	£1.5m	£2.6m	£3.5m
Total	£2.1m	£4.1m	£4.6m

EHICL Costs			2023/24
Net costs of 39 placements			£0.6m
Total			£0.6k

The graph below shows the EBC costs, cases and projected subsidies based on current figures.



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.



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.

4.0 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 2023-24

Corporate Services Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Finance	1,404	1,453	1,767	313	385	(72)	22%
Corporate Management Team	(143)	(137)	(42)	94	67	27	-66%
Business Transformation	1,488	1,537	1,371	(167)	(68)	(99)	-11%
Business Planning and Performance	445	449	459	10	(39)	49	2%
Human Resources	377	391	365	(27)	(25)	(2)	-7%
Legal and Local Democracy	1,305	1,371	1,297	(74)	(24)	(50)	-6%
Local Land Charges	(57)	(97)	(95)	2	(15)	17	
Net Position	4,820	4,969	5,121	152	281	(129)	3%

4.1 The Directorate is forecasting an outturn position of **£152k overspend**.

4.2 **This is an improvement of (£129k)** since the Q2 exercise.

- 4.3 **Finance £313k 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.
- 4.4 The forecast includes £100k overspend on insurance costs due to higher premiums.
- 4.5 **Corporate Management Team £94k overspend** – The forecast spend relates to Health & Safety cost which has previously been recharged to other services.
- 4.6 **Business Transformation (IT) (£167k underspend)** Salary expenditure within the team have been reviewed and where applicable capitalised.
- 4.7 **Legal and Local Democracy (£74k underspend)** – Actual Local Election expenditure has been available this quarter which has led to a reduction of expenditure forecast for the year.
- 4.8 There are various minor changes to other Corporate Services area.

5.0 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

Service Delivery Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Customer First	829	843	3,468	2,625	2,961	(336)	317%
Director of Service Delivery	15	17	27	10	14	(4)	65%
Neighbourhood First	1,895	2,021	2,421	400	421	(21)	21%
Environment First	4,916	4,918	4,916	(2)	(99)	97	0%
Homes First	484	586	560	(26)	142	(168)	-5%
Net Position	8,139	8,386	11,393	3,007	3,439	(432)	37%

- 5.1 The Directorate is forecasting an **overspend of £3.007m. This is an improved position of £0.432m** since the Q2 monitoring exercise.
- 5.2 **Customer First £2.6m overspend** - There is a total current projected general fund overspend of £2.4m (net accommodation and subsidy loss projection £4.6m against a budgeted provision of £2.2m) to meet the current costs of providing homeless support and housing. The Council had supported approximately 120 households during recent years and had budgeted to support only 150 households. (current demand 294 see section 3.0). The forecast has reduced by £300k since Q2.

Bereavement Services £200k net overspend - are forecasting a £200k income loss compared to target. At Q3 the number of cremations has fallen by 11% compared to

2022-23 when the service also under recovered on income. This relates to a reduction in National death rate figures plus increased competition from neighbouring authorities.

The Customer First Team are forecasting an overspend of £300k relating to implementation costs of the new NEC Revenues and Benefits System (net of HB grant funding used for this purpose). This area will be reviewed to identify capitalised elements as part of the final accounts processes.

5.3 Neighbourhood First £400k forecast overspend.

A targeted review of the Neighbourhood First area continues with savings of over £250k identified so far. The next imminent stage of review is for car parking. In 2023/24 the service will overspend but provision has been made in the 2024/25 budget to support the service and together with planned savings in the area are expected to contribute to a balanced forecast position for 2024/25. Contingency funding of £279k has been allocated in 23/24 to bring the overspend down to £400k this year.

The overspends related to

- a reduction in Town Hall Letting Income
- Increased Maintenance costs in the Town Hall
- Devonshire Park Grounds Maintenance costs salary overspends.
- Cleaning costs for Public Conveniences.

5.4 **Homes First** is forecasting an underspend of (£26k), a reduction of £168k since Q2. This relates to Housing Prevention Reserve funding of £72k plus £65k from the Community Housing Fund which are offsetting some of the directorates overspend.

6.0 Regeneration and Planning

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

Table 4 Regeneration and Planning

Regeneration & Planning Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Director of Regeneration and Planning	42	45	58	13	18	(5)	32%
Estates and Property	(829)	(817)	(1,385)	(569)	(497)	(72)	69%
Head of Commercial Business and Property	25	27	30	3	46	(43)	11%
Housing Delivery Team	78	90	85	(5)	45	(50)	-6%
Planning	407	450	678	228	358	(130)	56%
Regeneration	221	226	161	(65)	(264)	199	
Net Position	(56)	22	(372)	(394)	(294)	(100)	

6.1 The Directorate is reporting a forecast outturn position of (£394k) underspend subject to year-end recharge review. This is an improved position of (£100k) over Q2.

- 6.2 **Estates and Property (£569k) underspend** – as well as forecasts reducing on fuel and utilities reflecting the overall national drop in energy prices. The recharges including those to Tourism and the Sovereign Centre will be reviewed as part of the final accounts' arrangements.
- 6.3 **Head of Commercial Business and Properties £3k overspend.** This is an improved forecast over Q2 as recharges to the HRA had not previously been forecast.
- 6.4 **Housing Delivery Team (£5k) underspend**– Capital expenditure rules have been examined and the service is expecting to transfer £50k of staff salaries from the General Fund to Capital.
- 6.5 **Planning - £228k forecast overspend** (a reduction of £130k since Q2) due to high levels of agency staff and procurement of Specialist Consultancy advice to support Planning Applications. The Head of Planning post vacancy has led to a reduced overspend plus an increase in development fees are forecast.
- 6.6 **Regeneration (£65k) underspend** – Grant funding for Regeneration projects identified earlier in year.

7.0 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 5 Tourism and Culture

Tourism & Culture Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Towner	420	420	415	(6)	4	(10)	-1%
Events	225	212	353	140	41	99	62%
Seafront	56	67	111	43	70	(27)	77%
Sports Delivery	606	626	574	(53)	(38)	(15)	-9%
Theatres	32	138	417	279	10	269	867%
Tourism and Culture	697	679	841	162	83	79	23%
Net Position	2,037	2,144	2,710	566	170	396	27.8%

- 7.1 Subject to final accounts review of recharges, the Directorate is forecasting an outturn position of £566k overspent.
- 7.2 **Events** – are forecasting a **£140k overspend** (an increase of £99k). This is due to increases to staff salaries plus additional staff to run events and under-recovery of income targets of £35k.
- 7.3 **Seafront £43k overspend** – The service has pulled back again this quarter showing a partial impact in 23/24 of Voluntary Redundancies.
- 7.4 **Sports Delivery (£53k underspend) - An underspend continues to be forecast.** Sports delivery is a combination of the dry sites run by Wave Leisure, we recharge

most of the cost to back to them except premises insurance, payment to contractor and variation of contract, the Sovereign centre is also part of Sports Delivery. The underspend is due to staff cost and membership fee adjustments.

7.5 **Theatres – are forecasting a £279k overspend** (an increase of £269k). This is due to reduced forecast for income some of which may be due to timing. A more accurate fig will be produced at outturn.

7.6 **Tourism and Culture is projecting an overspend of £162k** which is an increase of £79k from their Q2 forecast. The overspend is due to a combination of storage costs, wages costs and underachieved income from Heritage activities.

8.0 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 corporate cross cutting issues and/or opportunities.

Table 6 Technical/Centrally controlled.

Technical/Centrally Controlled Budgets Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Contingencies	794	213	279	66	(213)	279	8%
Levies	237	237	237	0	0	0	0%
Capital Financing	1,352	1,352	2,740	1,388	1,378	10	103%
Minimum Revenue Provision	649	649	603	(46)	(46)	(0)	-7%
Net Position	3,033	2,452	3,859	1,407	1,119	289	46%

- 8.1 Contingencies - The Council will be releasing its provision for contingency to offset the expected higher utility costs and to support service pressures being experienced during this year. £279k is being utilised to support the Neighbourhood First Service in 2023/24.
- 8.2 The pay award for 2023/24 plus an additional £99k (for the higher than anticipated pay award) has been distributed to services.
- 8.3 Levies are expected to be as budget.
- 8.4 Capital financing costs **£1.4m overspend** are showing a minor movement this quarter.
- 8.5 Further updates and will be provided to Cabinet as the year progresses and as financial monitoring is reported.

9.0 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 2023-24

EHB Housing Revenue Account	Base Budget	Revised Budget	Forecast Net Spend	Q3 Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Dwelling Rents	(15,830)	(15,854)	(15,826)	28	40	(12)	0%
Non-Dwelling Rents	(355)	(354)	(356)	(2)	14	(16)	1%
Charges for services	(1,378)	(1,378)	(1,769)	(391)	0	(391)	28%
GROSS INCOME	(17,563)	(17,586)	(17,951)	(365)	54	(419)	2%
Management Fee	8,436	8,818	8,818	0	0	0	0%
Supervision and Management	1,748	1,656	1,721	65	(87)	152	4%
Doubtful Debt provision	145	612	613	1	0	1	1%
Depreciation	5,518	5,346	5,346	0	(172)	172	0%
Debt management cost	16	31	31	0	16	(16)	0%
GROSS EXPENDITURE	15,863	16,463	16,529	66	(243)	309	0%
NET COST OF HRA SERVICES	(1,700)	(1,123)	(1,422)	(299)	(189)	(110)	18%
Loan Charges- Interest	1,781	1,724	1,724	0	43	(43)	0%
Interest receivable	(57)	(308)	(308)	0	(95)	95	0%
NET OPERATING COST	24	293	(6)	(299)	(241)	(58)	
Contribution to Capital Expenditure	0	1,431	1,431	0	0	0	
HRA (SURPLUS) DEFICIT	24	1,724	1,425	(299)	(241)	(58)	

- 9.1 The Housing Revenue Account is reporting a forecast outturn position of £299k underspend, which is the third reported outturn projection reported for financial year 2023-24 compared to the revised budget.
- 9.2 The additional income forecast for Service Charges of £391k is the recovery of contract and energy inflationary increases in 2022-23.
- 9.3 Supervision and Management is reporting a forecast overspend of £65k due to a decrease in void turnaround resulting in Council Tax charges whilst the service manages the demand of Repairs & Maintenance pressures.

HRA Working Balances Forecast

	Base Budget	Revised Budget	Forecast Net Spend
	£000		
Working Balance at 1st April 2023	(2,713)	(2,713)	(2,713)
(Surplus) or Deficit for the year	24	1,724	1,425
Working Balance at 31st March 2024	(2,689)	(989)	(989)

10.0 Release of Void Properties to Support TA/EA

- 10.1 In supporting the TA/EA issues highlighted in section 3 of the report. Twelve void properties have been identified that can be brought back to the HRA in the current financial year and be utilised to help mitigate the pressure against TA/EA costs.
- 10.2 The additional cost of bring the properties back into use (£67,000) will be incurred in the first instance by Eastbourne Homes Ltd (EHL). However, as this work has not been factored into the EHL's existing work plan, cabinet are asked to support the underwriting of those cost of up to a maximum of £67,000 to ensure that EHL are able meet the total costs within their existing budget.
- 10.3 The average weekly cost of housing a family in temporary accommodation is £414. This equates to £65,000 per quarter. In supporting the reallocation of these properties to TA/EA, individual and families would be placed in an assured shorthold tenancy paying an average rent of £90.22 per week. This equates approx. £14,000 per quarter in additional rent income resulting in an overall net saving to the council of £79,000 excluding any service charge income that may also be due.
- 10.4 As some of the properties were built using Government subsidy (under its RSAP and NSAP schemes), the Council will not be able to claim a proportion of the revenue subsidy available if the properties are not tenanted. The latest HRA analysis shows that a sufficient underspend is now predicted to enable the underwriting to occur.
- 10.5 Approval for £50,000 of this spend will be sought from the S151 and Portfolio Holder for Finance as per their delegated powers. Cabinet is therefore asked to approve the additional cost of £17,000 as per the Councils Financial Regulations.

10.6 Capital Expenditure - General Fund

- 10.7 The table below shows a revised GF capital budget for the year of £20.8m 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 7 February 2024.
- 10.8 The revised capital budget reflects an overall reduction against the original budget of £28.0m 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.
- 10.9 The forecast for the year at Q3 is £13.3m, a reduction of £7.5m 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 8: General Fund Capital Programme Summary Table 2023-24

GENERAL FUND 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
Housing Support & Disabled Facility Grants	1,200	2,247	2,247	0	624
Loans to Housing Companies	751	890	864	-26	0
Total General Fund Housing	1,951	3,137	3,111	-26	624
Digital Transformation	0	1214	939	-275	145
Regeneration	19,237	10,798	4,776	-6,022	1,576
Asset Management	3,660	2,133	1,602	-531	1,010
Service Delivery	2,592	3,266	2,683	-583	1,430
Information Technology	170	263	227	-36	82
Corporate	400	0	0	0	0
Total General Fund	26,059	17,674	10,228	-7,446	4,242

10.10 Capital Expenditure – HRA

10.11 The table below shows a revised HRA capital budget for the year of £17.1 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 7 February 2024.

10.12 The revised capital budget reflects an overall increase against the original budget of £3.6m due to an increase in investment in the acquisition of new dwelling and an increase to the major repairs budget for the year. This is offset by a reduction in New Build budget.

10.13 The overall spend as at the end of Q3 was £8.8m with projected forecast spend for the year at Q3 of £14.1m an underspend of £3m against the revised budget. Projects that will not be completed in 2023/24 and will be re-profiled to 2024/25 and later years. Details of the capital programme are in **Appendix 1**.

Table 9: HRA Capital Programme Summary Table 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
Major Works	5,000	5,880	4,950	-930	1,815
Disabled Adaptations	450	450	450	0	556
New Build	6,688	4,992	5,009	17	3,579
Acquisitions	1,453	5,819	3,700	-2,119	2,832
Total HRA	13,591	17,141	14,109	-3,032	8,782

11.8 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 the 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.

11.9 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.

11.10 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).

11.0 Funding

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

Table 10 Funding

Financing Budgets Q3 Forecast Outturn	Net Budget	Revised Net Budget	Forecast Net Spend	Forecast variance	Q2 variance	Q3/Q2 change in forecast	variance %
	£'000						
Council Tax Income	(9,639)	(9,639)	(9,639)	(0)	0	(0)	0%
Grants and Contributions	(4,431)	(4,431)	(4,834)	(403)	(403)	0	9%
Business Rates Income	(2,564)	(2,564)	(2,911)	(347)	(347)	0	14%
Transfer from Reserves	(1,339)	(1,339)	(1,339)	0	0	0	0%
Net Position	(17,973)	(17,973)	(18,723)	(750)	(750)	(0)	4%

11.0 The Council is still forecasting an over-recovery of income totalling £750k position for the year in at Quarter 3.

13.0 Financial appraisal

13.1 The forecast outturn position for 2023-24 is an overspend of £3.99m reflecting the position as of 31 December 2023.

13.2 During this year, savings and reduction plans have been progressed together with options for additional financial support requested of Government. We expect our current financial pressures to continue into 2024-25 but also expect the impacts of our savings and reduction plans to offset some of this pressure and report an improved position in the first quarter's forecast. Work will continue to mitigate and address this years projected outturn position.

13.3 The capital programme and new scheme proposals will also continue to be reviewed prior to the Outturn position being confirmed, with particular emphasis on 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.

14.0 Legal implications

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

15.0 Risk management implications

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

16.0 Equality analysis

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

17.0 Appendices

Appendix 1 - EBC Capital Programme Monitoring Q2 2023-24

Appendix 2 – Glossary of Terms