Guildford Borough Council

Report to: Corporate Leadership Board
Date: 17th October 2024
Ward(s) affected: All
Report of Director: Joint Strategic Director of Finance (section 151)
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Report Status: Open

Period 6 Financial Monitoring 2024/25

1. Executive Summary

- The report summarises the projected outturn position for the Council's General Fund (GF) revenue account and Housing Revenue Account (HRA), based on the latest actual and accrued data.
- Officers are projecting an underspend within services on the GF revenue account of £0.285 million which includes specific reserves transfers. Whilst there are several smaller forecast changes across the Directorates, the main areas that contribute towards this overall adverse position are as follows and also shown in Appendix 2:
- Within Assets & Property there is a favourable forecast position of £0.248 million mainly related to staff vacancies in the Corporate Property team as well as increased income from favourable rent reviews in Industrial Estates.
- There is a forecast favourable variance within Commercial Services of £0.046 million largely due to higher car park income.
- Within the Finance service, there is an adverse forecast position of £0.229 million and that relates to within Finance Specialists where agency costs are pushing the spend over the established budget.

This area is currently being restructured and will be implemented later this year.

- The main adverse position of £0.091 million in Communication & Customer Services is due to a budget shortfall this year being realised related to IT contracts. This is being reviewed as part of the 2025-26 budget exercise.
- There is a forecasted overspend of £0.250 million from necessary refuse freighter hire due to an aged fleet as well as an increased unbudgeted cost to manage horse fly grazing.
- The favourable forecast of £0.173 million in Housing Services is due to a number of vacant posts within the Teams as well as an unbudgeted end of year Housing Benefit claim that will be amended for 2025-26.
- Within the Legal & Democratic Services, the current favourable forecast is related to additional Housing Revenue Account recharges following a recalculation.

The Directorates, Corporate adjustments, provisions and external interest receivable, is forecast to give an overall favourable variance of £0.274 million. Any surpluses or deficits would impact reserves at year end.

Officers are projecting an overspend on the HRA of £0.247 million, details are highlighted in Appendix 3.

GF reserves are forecast to be £35.412 million at year end, of which £18.308 million are unusable and £17.104 million are available and classed as usable, this excludes the GF working balance.

Progress against the capital programme is underway. The Council currently expects to spend £127.518 million on its capital schemes by the end of the financial year against a revised budget of £166.806 million.

Debt due to the council is £9.053 million of which £5.117 million is overdue. Of that, £1.319 is supported by payment plans leaving £3.798 million as remaining overdue debt due to the council.

There are £4.981 million savings within the 2024/25 budget which can be seen in Appendix 5 and will be monitored and reported on monthly.

2. Recommendation to Committee

That the Committee notes:

2.1. The Council's latest financial monitoring for the financial year 2024/25 and pass any comments and observations to the Executive.

3. Reason(s) for Recommendation:

3.1. To ensure that councillors and Executives fulfil their responsibilities for the overall financial management of the Council's resources.

4. Exemption from publication

4.1. No.

5. Purpose of Report

5.1. This report shows the projected outturn for 2024/25 for the GF and HRA based on the latest actual position and assumptions, and progress against capital projects within its capital programme.

6. Strategic Priorities

6.1. Councillors have reviewed and adopted a Corporate Strategy for 2024-2034. Monitoring of our financial position during the year is a crucial part of managing the resources that will ultimately support the delivery of the corporate plan.

7. Background

7.1. The Council's Corporate Leadership Board, Chief Financial Officer and Deputy review monitoring reports. Financial monitoring for all services is reported to the Council's Resources Overview and Scrutiny Committee on a regular basis.

7.2. This report sets out the financial monitoring and covers the GF, Capital and HRA monitoring.

8. Consultations

8.1. Finance specialists prepare the financial monitoring in consultation with the relevant Service Managers, Assistant Directors and Strategic Directors.

8.2. The lead councillor for finance has been consulted on the content of this report.

9. Key Risks

9.1. Any overspend on the GF will impact on the Councils reserve position and potentially in future years depending on the reasons for the overspend.

9.2. Any overspend on the HRA will impact on the ringfenced reserves held within the HRA.

9.3. The value of unpaid work held within the orchard system may have significant impact on GF and HRA reserves.

10. Financial Implications

General Fund Revenue Account

10.1. The current forecast spending against the council's net GF budget for the year is projected to be a favourable position of £0.274 million. This is shown in Appendix 1.

Housing Revenue Account

10.2. The HRA is forecast to have an adverse variance of £0.247 million this financial, as shown in Appendix 3. This would reduce the balance in reserves.

Reserves Monitoring

10.3. The draft GF earmarked revenue reserves estimate as at 31 March 2025 is shown in Appendix 6. The level of projected earmarked reserves

available for general purposes, to support the revenue or capital budgets is £17.104 million.

Capital Programme

10.4. Appendix 3 summarises the current position on the various strands of the Council's capital programme including the Housing Revenue Account.

11. Sundry Debt

11.1. As at the 31st May 2024 the sundry debt (including Housing Benefit overpayments) position is £9.053 million as shown in Appendix 4.

12. Budget Savings for 2024/25

12.1 The 2024/25 budget includes £4.981 million of savings which are either service specific or cross organisational. The progress of these can be seen in Appendix 5

13. Legal Implications

13.1. Financial reporting is consistent with the Section 151 officer's duty to ensure good financial administration of the council.

14. Human Resource Implications

14.1. There are no human resources implications arising from this report.

15. Equality and Diversity Implications

15.1. There are no direct equality and diversity because of this report. Each Strategic Director will consider these issues when providing their services and monitoring their budgets.

15.2. This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

16.Climate Change/Sustainability Implications

16.1. This duty has been considered in the context of this report and it has been concluded that there are no climate change or sustainability implications arising directly from this report.

17.Summary of Options

17.1. This report outlines the anticipated end of year position for the 2024/25 financial year based on the latest assumptions and actual data. This report should be considered in the current economic context.

18.Conclusion

18.1. The report summarises the financial monitoring position to date for the 2024/25 financial year.

18.2. There is currently a net favourable variance from budget of £0.274 million on the general fund. Services must continue to review all known risks for the remainder of the financial year.

19.Background Papers

19.1. None.

20.Appendices

20.1. Appendix 1 Summary Directorate Variances

20.2. Appendix 2 Summary Directorate Variances Explanations

20.3. Appendix 3 Summary Capital Variances

20.4. Appendix 4 Summary Debt Position

20.5. Appendix 5 Summary Savings Position

20.6. Appendix 6 Summary Reserves Position