



East Lindsey

DISTRICT COUNCIL

REPORT TO:	Executive Board
DATE:	20 th September 2023
SUBJECT:	2023/24 Quarter One Finance Update
KEY DECISION:	N/A
PORTFOLIO HOLDER:	<i>Councillor Fry</i>
REPORT AUTHOR:	Deborah Proctor (Strategic Finance Manager PSPS) and Colleen Warren (Head of Finance PSPS)
WARD(S) AFFECTED:	N/A
EXEMPT REPORT?	<i>No</i>

SUMMARY

This report sets out a summary of the current financial position for the Council at the end of the first quarter of 2023/24 forecasting to the year end for members consideration.

RECOMMENDATIONS

That Executive Board:

- 1 Notes the current forecast unbudgeted surplus of £1.525m and the detail set out in Appendix A.
- 2 Recommends to Full Council to amend the Capital Programme to take into account the changes set out in this report at Appendix A – Table 4 which includes slippage, additions and changes to the previously reported programme.

REASONS FOR RECOMMENDATIONS

To ensure the Council's forecast financial position for 2023/24 is considered and related decisions approved. It is important that the Executive are aware of the financial position of the General Fund to ensure that they can make informed decisions that are affordable and financially sustainable for the Council.

OTHER OPTIONS CONSIDERED

To not approve the financial movements outlined.

REPORT

BACKGROUND

Throughout the year, quarterly monitoring reports forecast the expected year end outturn against the budget. This report provides information on the forecast full year financial performance at 30 June 2023 and as detailed in the attached Appendix A, for the following areas:

- The General Fund Revenue Budget,
- The General Fund Reserves Position,
- The Capital Programme for 2023/24, and
- The Treasury Management Performance for the year.

General Fund Provisional Outturn

Quarter 1 data provides a 3-month view on which to base the full year forecast in what is a volatile and inflationary environment; these figures are therefore susceptible to further change. The full year outturn based on current projections and assumptions is a forecast net service surplus of £1.525m.

The major variances relate to additional garden waste income and increased investment income. The forecast position by Assistant Director and Corporate Areas is detailed at **Table 1** together with an analysis of variations.

Savings Target

When setting the budget certain assumptions had to be made around inflation pressures particularly pay, fuel, power and support for IDB costs. As a result of this approach when the budgets are not required eg as budgets become more accurate these are being offset against the savings target and this information is detailed in Appendix A – Table 2 of the report. The current position is that £1,155,000 of potential savings have been identified at quarter 1 against a target of £1,608,000 and further areas have been identified for detailed consideration.

IDB's

The financial pressure generated by the Internal Drainage Boards has been supported by government for 2023/24 in the sum off £927,000 in respect of which we are very grateful. However, the issue and challenge of a longer-term solution to this problem has been raised again with government officials at DLUC and BEIS in order to seek to come to a resolution that enables the Council to make use of the Council Tax that it raises for the purpose that it is set. In addition the Council is now working with others affected in the setting up of a Special Interest Group on this topic to take it forward. Further updates will be provided as this matter progresses.

Reserves

General Fund Specific Reserves have seen a reduction in balances of £852K. Further specific details are set out in **Appendix A – Table 3** with associated narrative and members are requested to note the use of reserves detailed in that section.

The General Fund Reserve Balance remains at £1.822m.

Capital – General Fund

The total revised General Fund Capital programme for 2023/24 is £65.867, detailed in in **Table 5 of Appendix A**.

The total budget carry forward due to slippage on the GF Capital Programme is £10.340m as detailed in **Table 5** which is recommended for approval. This is mainly due to the Climate Change project, Green homes Grants and Towns Fund Projects which are now being reprofiled in line with latest expectations for spend. Other amendments to the capital programme are proposed as set out in table 4a.

Treasury Management

Section 2.4 provides details of the Council's Treasury Investments, as at the original budget investment income the investment income forecast was £3.071m, the forecast projected as at 30 June 2023 is £4.492 an increase in income of £1.421m. This is mainly due to the increase in interest rates and the additional income in relation to LUF/Towns Fund projects enabling an increase in investments.

The Council has external loans held with Public Works Loans Board totalling £20m. Borrowing costs on this external borrowing is £493K for 2023/24.

CONCLUSION

To ensure that the Quarter one position is scrutinised and the forecast outturn is reviewed.

FINANCIAL IMPLICATIONS

As contained in Appendix A

LEGAL IMPLICATIONS

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

EQUALITY AND SAFEGUARDING IMPLICATIONS

None

OTHER IMPLICATIONS

None

CONSULTATION

None

APPENDICES

None

BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
	Executive Board 1st March 2023 Agenda

CHRONOLOGICAL HISTORY OF THIS REPORT	
Name of body	Date

REPORT APPROVAL	
Report author:	Deborah Proctor, Strategic Finance Manager, Colleen Warren Head of Finance Client PSPS
Signed off by:	Christine Marshall, S151 Officer
Approved for publication:	Councillor Richard Fry Portfolio Holder for Finance