

REPORT TO:	Executive Board
DATE:	18 th September 2024
SUBJECT:	2024/25 Quarter One Finance Update
PURPOSE:	To report on the Councils Finances as at the 30 th June 2024
KEY DECISION:	No
PORTFOLIO HOLDER:	Councillor Kemp – Portfolio Holder for Finance
REPORT OF:	Christine Marshall – Deputy Chief Executive Corporate s151
REPORT AUTHOR:	Carl Holland (Head of Finance (PSPS)) Stuart Leafe (Strategic Finance Manager (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 2024/25 forecasting to the year end for members consideration.

RECOMMENDATIONS

It is recommended:

- 1) That Executive Board notes the general fund forecast outturn position for 2024/25 being an underspend of £660k as detailed in Table 1 of Appendix A.
- 2) That Executive Board recommends to Full Council to amend the Capital Programme for 2024/25 as shown in Appendix A - Table 4 to take into account the changes proposed.

REASONS FOR RECOMMENDATIONS

To ensure the Council’s forecast financial position for 2024/25 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.

1. BACKGROUND

1.1 Appendix A provides information on the full year forecasted financial performance at 30 June 2024 for the following areas:

- The General Fund Revenue Budget,
- The General Fund Reserves Position,
- The Capital Programme for 2024/25, and
- The Treasury Management Performance for the year.

General Fund Revenue Provisional Outturn

1.2 Quarter 1 data provides a view on which to base a revised full year forecast. The full year outturn based on current projections and assumptions is a forecast net surplus of £660k.

1.3 The major variances relate to continued staffing pressures within services, alongside reductions in planning, building control and land charges income, offset by 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

1.4 An efficiency target of £1.496m is included in the 2024/25 budget. Saving opportunities are being monitored throughout the year, this information is detailed in Appendix A – Table 1b of the report. The forecast outturn position is now £1.496m being 100% of the efficiency target for 24/25. This position reflects the recent IDB funding support announcement and savings/income identified as part of the Q1 process.

IDB's

1.5 The financial pressure generated by the Internal Drainage Boards has now been supported by Government for 2024/25 to the sum of £834,000 as very recently announced. This is a really positive sign that the Government has taken note of the financial impact being felt by this Council. and is responding to the representations by the Special Interest Group. A further meeting is scheduled with the Local Government Minister on the 21st October affords an opportunity to press for a longer term funding solution and for further financial support as this only partially reflects the pressure that the Council has seen over the past few years.

Capital – General Fund

1.6 The total General Fund Capital Programme for 2024/25 was £55.110m, with the amendment proposed to Full Council to include the 2023/24 slippage, the revised capital programme for 2024/25 will be £76.882m, as detailed in Appendix A Table 4 & 4b. Actual capital expenditure for Q1 2024/25 is £7.966m.

2. TREASURY MANAGEMENT

2.1 Section 2.4 of Appendix A provides details of the Council's Treasury Investments as at 30 June 2024. The Council's 2024/25 budget for investment income is £2.745m, the forecast outturn position for investment income at Q1 is £3.758m.

2.2 The higher levels of investment income compared to the original budget is due to increased balances available for investment resulting from an increased cashflow surplus and increased interest rates.

CONCLUSION

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

IMPLICATIONS:

None

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

As contained in this report and Appendix.

STAKEHOLDER / CONSULTATION / TIMESCALES

None

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
Appendix A	Q1 Finance Report 2024/25

BACKGROUND PAPERS

None

REPORT APPROVAL	
Report author:	Carl Holland, Head of Finance, PSPS Stuart Leafe, Strategic Finance Manager, PSPS
Signed off by:	Christine Marshall, Deputy Chief Executive (Corporate Development) and S151
Approved for publication:	Councillor Thomas Kemp, Portfolio Holder for Finance