

<b>REPORT TO:</b>	Council
<b>DATE:</b>	9 <sup>th</sup> October 2024
<b>SUBJECT:</b>	2024/25 Quarter One Finance Update
<b>PURPOSE:</b>	To report on the Councils Finances as at the 30 <sup>th</sup> June 2024
<b>KEY DECISION:</b>	N/A
<b>PORTFOLIO HOLDER:</b>	Councillor Kemp – Portfolio Holder for Finance
<b>REPORT OF:</b>	Christine Marshall – Deputy Chief Executive Corporate s151
<b>REPORT AUTHOR:</b>	Carl Holland (Head of Finance (PSPS)) Stuart Leafe (Strategic Finance Manager (PSPS))
<b>WARD(S) AFFECTED:</b>	N/A
<b>EXEMPT REPORT</b>	No

**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**

That Council agrees to:

- 1) Full Council 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 Full Council 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 21<sup>st</sup> 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

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

**BACKGROUND PAPERS**

None

**Chronological History of this Report**

**Name of Body**

**Date**

Executive Board

18<sup>th</sup> September 2024

<b>REPORT APPROVAL</b>	
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