

REPORT TO:	Executive Board
DATE:	16 th December 2024
SUBJECT:	2024/25 Quarter Two Finance Update
PURPOSE:	To report on the Council's Finances as at the 30 th September 2024
KEY DECISION:	N/A
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	No

SUMMARY

This report sets out a summary of the current financial position for the Council at the end of the second quarter of 2024/25 forecasting to the year end for members consideration.

RECOMMENDATIONS

It is recommended that Executive Board:

- 1) Notes the general fund forecast for the full year forecast outturn position for 2024/25 being an underspend of £822k as detailed in Table 1 of Appendix A.
- 2) Approves the amendment of the Capital Programme for 2024/25 by £263k as shown in Appendix A - Table 4b.
- 3) Approves a commitment from the Carbon Reduction Reserve of £102k in advance of awaited funding announcements to support this area of work.

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 September 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 2 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 £822k.

1.3 The major variances relate to continued staffing pressures within services, alongside reductions in planning and land charges income combined with an emerging pressure in Housing Benefit Subsidy, 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 £1.37m was 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. This position reflects the IDB funding support, savings/income identified as part of the Q2 process and an allocation of the forecast outturn surplus. Due to some Q2 adjustments the total currently identified is £1.113m (81%) with a net saving requirement of £257k still to be found.

Capital – General Fund

1.5 The total General Fund Capital Programme for 2024/25 was £76.882m, with the amendments detailed within **Table 4b**, the revised capital programme for 2024/25 will be £79.315m as detailed in Appendix A Table 4. Actual capital expenditure for Q2 2024/25 is £16.724m. The majority of the additions to the capital programme have been approved by Full Council with all residual items below the Executives limit for approval.

2. TREASURY MANAGEMENT

2.1 Section 2.4 of Appendix A provides details of the Council's Treasury Investments as at 30 September 2024. The Council's 2024/25 budget for net investment income is £2.745m, the forecast outturn position for investment income at Q2 is £3.931m.

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 Two 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	Q2 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