

SOUTH STAFFORDSHIRE COUNCIL

CABINET – 12 SEPTEMBER 2023

BUDGET MONITORING – 2023/24 QUARTER 1

REPORT OF THE FINANCE MANAGER AND INTERIM S151 OFFICER

LEAD CABINET MEMBER – COUNCILLOR ROGER LEES, LEADER OF THE COUNCIL

PART A – SUMMARY REPORT

1.1 SUMMARY OF PROPOSALS

- 1.1 This report provides an update as of 30 June 2023 (Quarter 1 of 2023/24) on the in-year financial performance (budget monitoring) of the Council.

2.1 RECOMMENDATIONS

- 2.1 It is recommended that Cabinet review and note the Quarter 1 financial position.

3.1 SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	It reports progress against Council Plan targets
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	This report does not impact on equality issues
SCRUTINY POWERS APPLICABLE	No – A comprehensive IPM report (to include Performance and Risk alongside Finance) is presented to O&S at Quarter 2 and 4.	
KEY DECISION	No	
TARGET DATE	Quarterly	
FINANCIAL IMPACT	Yes	The report details the financial position as at the end of Quarter 1 2023/24.
LEGAL ISSUES	Yes	Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	All Wards

4 Finance

- 4.1 The main headlines from the Quarter 1 (end June 2023) Finance Scorecard (included in full at Appendix 1) are as follows
- 4.2 Total (net) projected annual Service Expenditure at Quarter 1 is £14.830m against an approved budget of £14.704m resulting in an adverse variation of £0.126m before application of Earmarked Reserves. Further to these, there is a net saving allowing a projected contribution to General Fund Reserves of £0.046m. Current spend does not account for pending pay award budgeted at 5%. Overall, this generates a projected increase of £0.045m in General Reserves.
- 4.3 Earmarked Reserves are currently forecast to improve against budget by £0.945m at the end of the financial year. This arises through a combination of in-year Business Rate receipts, current investment income is exceeding budget by £0.238m due to higher than budgeted interest rates and minor improvements in Council Tax collection estimates.
- 4.4 In relation to Business Rates, at outturn the Collection Fund moved from a deficit of £0.766m in 2021/22 to a surplus of £1.561m in 2022/23. This volatility is not unusual and is primarily related to timing differences around correct accounting for Business Rate receipts (and was exacerbated by Covid related reliefs). There is a benefit however and this will enable Business Rate related Earmarked Reserves to be bolstered in 2023/24 as the Collection Fund surplus is distributed, currently forecast to be £0.850m. Where there has been genuine growth and benefits from pooling arrangements, there may be leeway to provide further betterment to the Council Finances in the medium term.
- 4.5 Current investment income is exceeding budget by £0.238m due to higher than anticipated interest rates at the time the budget was set. This has created the opportunity to set aside a specific Earmarked Reserve to initially pump-prime any requirements to fund restoration work at Closed Churchyards.
- 4.6 Variations within the £0.045m include
- £31k pressures in Leisure Operations, amidst temporary reductions in capacity due to refurbishments & repairs to pool.
 - £109k pressures Estates and Assets partly due to reduced income at Element Court (which is now tenanted) and one off revenue costs associated with Wombourne & 4E redevelopment.
 - £68k surplus in Planning relating to additional PPA agreements and part year staffing of new posts agreed via RPP.
 - £50k surplus in Localities relating to unspent Consultancy budget.

- 4.7 The budget for 2023/24 assumed a deficit (adjusted by contributions from Earmarked Reserves) to be funded from General Fund reserves of £1.770m. The current projected adjusted contribution from General Reserves of £1.726m is a £0.045m improvement against budget.
- 4.8 New Homes Bonus & Services Grant are forecast to be close to budget.

5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Not applicable

6 PREVIOUS MINUTES

Not applicable

7 BACKGROUND PAPERS

- Appendix 1 – Quarter 1 Finance Scorecard

Report prepared by:

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