

FINANCIAL MONITORING 2024/25: TO THE END OF AUGUST 2024

Cabinet – 14 November 2024

Report of: Deputy Chief Executive and Chief Officer – Finance & Trading

Status: For Consideration

Also considered by:

- Finance and Investment Advisory Committee – 24 October 2024

Key Decision: No

Executive Summary: This report provides information on the current financial position of the authority and the forecast to March 2025.

This report supports the Key Aim of: Effective Management of Council Resources

Portfolio Holder: Cllr. Kevin Maskell

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Recommendation to Finance & Investment Advisory Committee:

- (a) To note this report and forward any comments to Cabinet.

Recommendation to Cabinet:

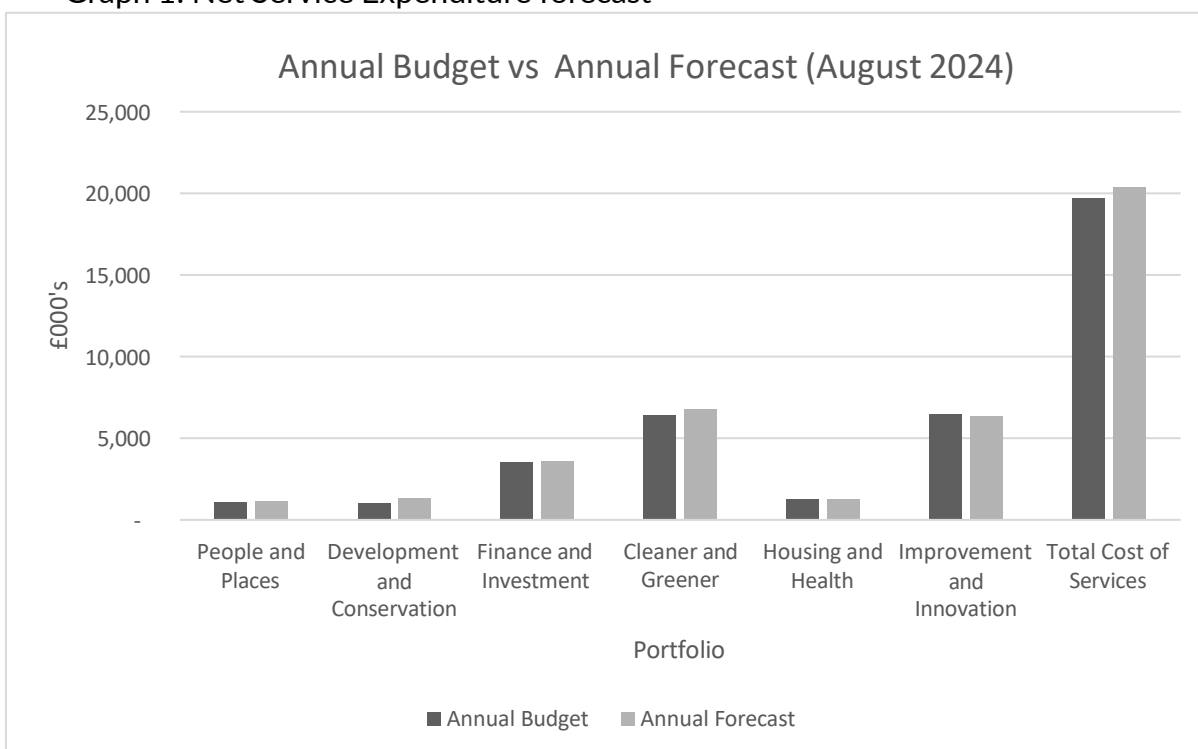
- (a) To note this report and consider any comments from Finance and Investment Advisory Committee.

Introductions and Background

- 1 This report provides information on both the revenue and capital position as at 31 August 2024 and forecasted financial position to 31 March 2025. The forecast is based on information available at the time of the report and includes estimates.
- 2 The current forecast position to the end of March 2025 is an unfavourable variance of £288,000 an improve from £317,000 for July's monitoring.

- 3 The pay award for 2024/25 has not yet been agreed and the current offer is an increase of £1,290 up to point 43 and 2.5% above point 43. If agreed this would be £80,000 below the 4% budgeted increase. The current Union request is 10% or £3,000, whichever is greater which would be £1.2m above the budget assumption.
- 4 The graph below shows the Net Service Expenditure forecast against the budget for each portfolio.

Graph 1: Net Service Expenditure forecast



- 5 The main variances in the current forecast are summarised in the table below and are detailed in the report.

Service	Summary	£000's
Planning	Development Mgt & Building Control fees	236
Direct Services	Net position of service	337
Investment Property	Additional Loan interest	(70)
Local Tax	Reduced Court Cost Income	92
Swanley Meeting Point	Lower income and higher costs	90
Corporate - Other	Increase in Vacancy Contributions	(150)
White Oak Leisure Centre	Saving on Financing costs	(124)
Interest Receipts	Treasury Management	(143)
All services	Net Staff Vacancies	(440)
All services	Other smaller variances	460

Areas of Note

- 6 Interest Receipts – the Council's Investment strategy continues to perform well, and a mix of longer-term multi-asset income funds and shorter money markets investments not only facilitates the operational needs of the Council but also provides a valuable income stream. The current forecast is a favourable variance of (£143,000).
- 7 The interim Leisure Contract is showing an unfavourable forecast of £220,000 but as agreed by members in at Council in April 2023 this is part of the approved £1.83m budget over two years. The 2023/34 draft outturn position was £1.052m meaning that £778,000 is available for this year and as agreed will be funded initially from the Budget Stabilisation Reserve, so the net effect is £0 on the bottom-line forecasted position.
- 8 Leisure Contracts is forecasting a favourable variance of £124,000 due to the cost of borrowing to fund the White Oak Leisure Centre capital scheme being less allowed for in the revised budget.

Net Service Expenditure – Favourable Variances

- 9 There have been a number of staff vacancies this year (£1.2m). The larger variances are being shown in Revenue and Benefits, Direct Services, Audit and Building Control. The savings forecasted are partly being used to offset agency costs £593,000 and £209,000 of consultants used to cover the vacancies.

Net Service Expenditure – Unfavourable Variances

- 10 Direct Services are reporting an overall unfavourable net variance of £326,000 after additional car parking income. This forecast reflects the cost of running the service at current waste levels and service delivery standards. It also the increased cost of the disposal of trade waste, vehicle repairs and reduced Trade Waste income.
- 11 Building control is forecasting an unfavourable variance of £66,000 due to fee income being lower than anticipated and additional staffing costs where contractors are covering vacant posts.
- 12 Planning – Development Management are forecasting an unfavourable variance of £257,000 due to planning income being behind the anticipated levels.
- 13 Swanley Meeting Point – Business Hub is reporting an unfavourable variance of £90,000 due to an overspend of salaries and lower than budgeted income levels.

Capital Programme

- 14 The Capital programme budget for 2024/25 is £33.6m. Current Progress on the projects is shown within Appendix B and the forecast position is currently £9.7m.
- 15 The difference between forecast and budget is due to the revision of the planned Affordable Housing acquisition the delay in the Bevan Place and White Oak Residential capital scheme.

Future Issues and Risk Areas

- 16 Areas that are considered to be a possible future issue or area of risk are shown in Appendix B within the portfolio to which they relate.

Key Implications

Financial

The financial implications are set out elsewhere in this report.

Legal Implications and Risk Assessment Statement

Under Section 151 of the Local Government Act 1972, the Section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

Detailed budget monitoring is completed on a regular basis where all variances are explained. Future risk items are also identified.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Climate Change Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to tackle the challenge of climate change. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district or supporting the resilience of the natural environment.

Appendices

Appendix A – August 2024 Financial Information

Appendix B – August 2024 Budget Monitoring Commentary

Background Papers

None

Adrian Rowbotham

Deputy Chief Executive and Chief Officer - Finance & Trading