



Report To:	South Holland District Council
Date:	Wednesday, 2 October 2024
Subject:	Report from Cabinet meeting on 17 September 2024
Purpose:	To consider the recommendations of the Cabinet in respect of: <ul style="list-style-type: none">• 2024/25 Quarter One Finance update (Cabinet minute 28) (Cabinet agenda item 9)
Key Decision:	N/A
Portfolio Holder:	Councillor Paul Redgate, Portfolio Holder for Finance
Report Of:	Christine Marshall, Deputy Chief Executive - Corporate Development (S151)
Report Author:	Christine Morgan, Democratic Services Team Leader
Ward(s) Affected:	All Wards
Exempt Report:	No

Summary

This report provides Members of the Council with details on issues considered by the Cabinet at its meeting on 17 September 2024, which require decisions by Full Council. Relevant extracts from the Cabinet minute are detailed at Section 2 below, and the relevant Cabinet report and appendices are attached as appendices to this report.

Recommendations

That as recommended from Cabinet, Full Council:

Approves an amended 2024/25 budget for the Housing Revenue Account (HRA) with a surplus of £192,000 including an associated reserve withdrawal, as detailed in Table 3 (Appendix B of the Council Report and originally Appendix A to the Cabinet Report).

Reasons for Recommendations

The reasons for recommendation are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

Other Options Considered

Other Options considered are detailed within the individual report attached and are summarised in the relevant Cabinet minute below.

1. Background

- 1.1 Article 4 of the Council's Constitution provides that only the full Council may exercise the functions of approving, adopting or amending the policy framework and budget, adopting or changing the Constitution. Staffing matters are also a Council function. The Cabinet however has responsibility for advising the Council on such matters. At its meeting on 17 September 2024, the Cabinet made recommendations to Council in respect of the above item which may affect budget and policy framework, constitution or compromise staffing issues.
- 1.2 The remainder of this report details the recommendations of the Cabinet which must be read in conjunction with the individual report to Cabinet, a copy of which is attached as appendices.

2. 2024/25 Quarter One Finance update (Report submitted to Cabinet – Agenda item 9 attached)

Consideration as given to the report of the Deputy Chief Executive – Corporate (S151) which set out the current financial position for the Council at the end of the first quarter of 2024/25.

The Portfolio Holder – Finance presented the report and provided the following update:

Throughout the year, quarterly monitoring reports were completed forecasting the expected year end outturn compared to the approved budget. This report provided information on the forecast full year financial performance as at 30 June 2024.

This year, like recent years, would be challenging. A matter of particular note was that the 24/25 pay award had not yet been announced and would impact on the forecast outturn position if it was greater than the budgeted 3.5%.

A further significant matter for Cabinet's attention was the allocation of £335,000 in respect of the IDB levy pressure for 2024/25 which had now been included within the Q1 forecast and efficiencies table. This allocation was of great relief and showed that efforts in lobbying on this matter via the Special Interest Group had been worthwhile. It was

important that this work continued to ensure that a long-term solution to this pressure was achieved.

General Fund Revenue Forecast

The revenue outturn forecasted an overspend position of £67,000 at the year-end. The following key areas were brought to the Cabinet's attention:

- Neighbourhoods was forecast to overspend by £161,000 for the year due to staffing pressures within the Recycling and Refuse services.
- The General Fund 2024/25 net budget for investment income was £1.033m. The forecasted full year outturn for investment income as at Q1 was £1.1m, which would be an overachievement of £67,000.
- A new area of detail in the report was Table 1b illustrating additions to the revenue budget as the year progressed through decision notices and delegated decisions.
- The 2024/25 budget included a savings efficiency target of £831,000, savings were being tracked and could be found in table 1c. 55% of the target had been identified as at 30 June and the forecast assumed the remaining target would be met with work ongoing to support this.

General Fund Capital

Table 4 provided details of all capital schemes. The proposed revised capital budget as at Q1 for the General Fund was £10.709m. Changes to the capital programme were also being tracked with £104,000 identified and detailed in Table 5. Slippage continued to be carefully monitored and considered and budgets refined as the financial year progressed.

HRA

Section 2.3 detailed the HRA revenue budget. Instead of the usual Quarter 1 forecast, the report proposed a budget reset for the Cabinet to consider and refer to Full Council for approval. The HRA revenue budget was under extreme pressure with compounding demands from service pressures, hyperinflation, ageing components, greater publicity of the responsibility of social landlords, and increased reports of Damp, Condensation and Mould. The proposed budget included a net movement of £346,000, resulting in a £192,000 surplus for the year, including an associated reserve withdrawal.

For HRA Capital, Table 7 provided details of all capital schemes with the programme totalling £21.8m for 24/25. Alongside the revenue budget reset, a review of the HRA Capital Programme was underway. A stock condition survey programme had commenced, which alongside the Asset Management Strategy, would inform future investment decisions.

Treasury

Section 2.6 of Appendix A detailed the Council's treasury investments. The Council's cash continued to perform well with £111.6k forecast to be achieved in excess of budget.

The Leader thanked the Finance team for the timely report and stated that the position at Q1 was positive.

DECISIONS:

- 1) That Cabinet note the forecast revenue position of a £67,000 overspend for 2024/25, as detailed in Table 1, and the need for continued focus on the savings and efficiency programme;
- 2) That Cabinet approve a transfer to the Planning reserve of £300,000;
- 3) That Cabinet approves the amendments to the Capital Programme at Appendix A – Table 4 to take into account the changes set out in the report;

RECOMMENDATIONS FROM CABINET TO COUNCIL:

- 4) That Cabinet refers to Full Council the approval of an amended 2024/25 budget for the Housing Revenue Account (HRA) with a surplus of £192,000 including an associated reserve withdrawal, as detailed in Table 3.

(Other options considered:

- *To not approve the reserve movements outlined;*

Reasons for decision:

- *To ensure the Council's forecast financial position for 2024/25 is considered and related decisions approved. It is important that the Cabinet are aware of the financial position of the General Fund and Housing Revenue Account to ensure that they can make informed decisions that are affordable and financially sustainable for the Council).*

Appendices

Appendices are listed below and attached to the back of the report:

Appendix A	Cabinet Agenda Item 9 – 2024/25 Quarter One Finance update
Appendix B	Cabinet Agenda Item 9 – 2024/25 Quarter One Finance update (Appendix A to original Cabinet report)

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

Name of Body

Cabinet

Date

17 September 2024

Report Approval

Report author:

Christine Morgan, Democratic Services Team Leader
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Signed off by:

The individual report has previously been signed off by the relevant Director and Portfolio Holder

Approved for publication:

As above