

# Guildford Borough Council

Report to: Corporate Leadership Board

Date: 6<sup>th</sup> January 2025

Ward(s) affected: All

Report of Director: Joint Strategic Director of Finance (section 151)

Author: Solomon Akuffo Interim Business Partner

Contact [Solomon.akuffo@guildford.gov.uk](mailto:Solomon.akuffo@guildford.gov.uk)

Lead Councillor responsible: Richard Lucas

Email: [Richard.lucas@guildford.gov.uk](mailto:Richard.lucas@guildford.gov.uk)

Report Status: Open

## Period 8 Financial Monitoring 2024/25

### 1. Executive Summary

- The report summarises the projected outturn position for the Council's General Fund (GF) revenue account and Housing Revenue Account (HRA), based on the latest actual and accrued data.
- Officers are projecting an underspend within services on the GF revenue account of £0.927 million which includes specific reserves transfers. This is a favourable movement of £0.059 million from the previous period. Whilst there are several smaller forecast changes across the Directorates, the main areas that contribute towards this overall favourable position are as follows and shown in Appendix 2:
- Within Assets & Property there is a favourable forecast position of £0.619 million mainly related to staff vacancies in the Corporate Property team as well as increased income from favourable rent reviews in Industrial Estates.
- There is a forecast favourable variance within Commercial Services of £0.209 million largely due to higher car park income.
- Within the Finance service, there is an adverse forecast position of £0.190 million and that is mainly attributed to the Finance Specialists service where agency costs are pushing the spend over the

established budget. This area is currently being restructured and will be implemented later this year.

- Overall, the Economy Planning & Place Directorate is projecting to underspend by £0.199 million which mainly relates to staff vacancies within the Planning and Development control service and the Regeneration and Planning Policy service.
- There is a forecasted overspend of £0.174 million from necessary refuse freighter hire due to an aged fleet.
- The favourable forecast of £0.125 million in Housing Services is attributable to Housing repairs that are expected to be charged to the HRA.
- Within the Legal & Democratic Services, the current favourable forecast is related to additional Housing Revenue Account recharges following a recalculation.

The Directorates Corporate adjustments, provisions, and external interest receivable is forecast to give an overall favourable variance of £0.927 million. Any surpluses or deficits would impact reserves at year end.

Officers are projecting an overspend on the HRA of £0.606 million, details are highlighted in Appendix 2.

GF reserves are forecast to be £35.425 million at year end, of which £17.962 million are unusable and £17.463 million are available and classed as usable, this excludes the GF working balance.

Progress against the capital programme is underway. The Council currently expects to spend £111.121 million on its capital schemes by the end of the financial year against a revised budget of £167.117 million.

Debt due to the council is £9.494 million of which £4.996 million is overdue. Of that, £1.478 million is supported by payment plans leaving £3.518 million as remaining overdue debt due to the council. Overdue Debt has reduced by £0.213 million since month 7.

There are £4.981 million savings within the 2024/25 budget which can be seen in Appendix 5 and will be monitored and reported on monthly.

## **2. Recommendation to Committee**

That the Committee notes:

- 2.1. The Council's latest financial monitoring for the financial year 2024/25 and pass any comments and observations to the Executive.
- 2.2. That underspends be earmarked for any additional interim support needed at the current time.

## **3. Reason(s) for Recommendation:**

- 3.1. To ensure that councillors and Executives fulfil their responsibilities for the overall financial management of the Council's resources.

## **4. Exemption from publication**

- 4.1. No.

## **5. Purpose of Report**

- 5.1. This report shows the projected outturn for 2024/25 for the GF and HRA based on the latest actual position and assumptions, and progress against capital projects within its capital programme.

## **6. Strategic Priorities**

- 6.1. Councillors have reviewed and adopted a Corporate Strategy for 2024-2034. Monitoring of our financial position during the year is a crucial part of managing the resources that will ultimately support the delivery of the corporate plan.

## **7. Background**

- 7.1. The Council's Corporate Leadership Board, Chief Financial Officer and Deputy review monitoring reports. Financial monitoring for all services is reported to the Council's Resources Overview and Scrutiny Committee on a regular basis.

7.2. This report sets out the financial monitoring and covers the GF, Capital and HRA monitoring.

## **8. Consultations**

8.1. Finance specialists prepare the financial monitoring in consultation with the relevant Service Managers, Assistant Directors and Strategic Directors.

8.2. The lead councillor for finance has been consulted on the content of this report.

## **9. Key Risks**

9.1. Any overspend on the GF will impact on the Councils reserve position and potentially in future years depending on the reasons for the overspend.

9.2. Any overspend on the HRA will impact on the ringfenced reserves held within the HRA.

9.3. The value of unpaid work held within the orchard system may have significant impact on GF and HRA reserves.

## **10. Financial Implications**

### **General Fund Revenue Account**

10.1. The current forecast spending against the council's net GF budget for the year is projected to be a favourable variance of £0.928 million. This is shown in Appendix 1.

### **Housing Revenue Account**

10.2. The HRA is forecast to have an adverse variance of £0.606 million this financial, as shown in Appendix 2. This would reduce the balance in reserves.

## **Reserves Monitoring**

10.3. The draft GF earmarked revenue reserves estimate as at 31 March 2025 is shown in Appendix 6. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is £17.463 million.

## **Capital Programme**

10.4. Appendix 3 summarises the current position on the various strands of the Council's capital programme including the Housing Revenue Account.

## **11.Sundry Debt**

11.1. As at the 30 Nov 2024 the sundry debt (including Housing Benefit overpayments) position is £9.494 million as shown in Appendix 4.

## **12.Budget Savings for 2024/25**

12.1 The 2024/25 budget includes £4.981 million of savings which are either service specific or cross organisational. The progress of these can be seen in Appendix 5.

## **13.Legal Implications**

13.1. Financial reporting is consistent with the Section 151 officer's duty to ensure good financial administration of the council.

## **14.Human Resource Implications**

14.1. There are no human resources implications arising from this report.

## **15.Equality and Diversity Implications**

15.1. There are no direct equality and diversity because of this report. Each Strategic Director will consider these issues when providing their services and monitoring their budgets.

15.2. This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

## **16.Climate Change/Sustainability Implications**

16.1. This duty has been considered in the context of this report and it has been concluded that there are no climate change or sustainability implications arising directly from this report.

## **17.Summary of Options**

17.1. This report outlines the anticipated end of year position for the 2024/25 financial year based on the latest assumptions and actual data. This report should be considered in the current economic context.

## **18.Conclusion**

18.1. The report summarises the financial monitoring position to date for the 2024/25 financial year.

18.2. There is currently a net favourable variance from budget of £0.928 million on the general fund. Services must continue to review all known risks for the remainder of the financial year.

18.3. The local government Finance Settlement for 2025/26 has been released and provides Guildford Borough Council with a Minimum Funding Guarantee of 0%. This settlement will mean that inflationary growth on contracts and pay increases or any growth will need to be funded from savings within services.

## **19.Background Papers**

19.1. None.

## **20.Appendices**

20.1. Appendix 1 Summary Directorate Variances

20.2. Appendix 2 Summary Directorate Variances Explanations

20.3. Appendix 3 Summary Capital Variances

20.4. Appendix 4 Summary Debt Position

20.5. Appendix 5 Summary Savings Position

20.6. Appendix 6 Summary Reserves Position

Finance	Jo Knight	30/12/2024
Democracy, Law & People	Susan Sale	14/01/2025
Place	Ezra Wallace	14/01/2025
Housing, Communities & Environment	Julian Higson	14/01/2025
Chief Executive	Pedro Wrobel	14/01/2025
Strategic Director	Richard Bates	14/01/2025