

Guildford Borough Council

Report to: Corporate Leadership Board

Date: 31st January 2025

Ward(s) affected: All

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

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Report Status: Open

Period 9 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 £0.825 million which includes specific reserves transfers. This is an adverse movement of £0.102 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 £0.266 million largely due to a reduction in forecasted utility costs for the year.
- Within the Finance service, there is an adverse forecast position of £0.049 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 overspend by £0.178 million which mainly relates to a budget shortfall within ICT currently being urgently reviewed to minimise impact. Additionally, there is an ongoing downward trend in Planning fees and Land charge.
- There is a forecasted overspend of £0.139 million from necessary refuse freighter hire due to an aged fleet.
- The favourable forecast of £0.136 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 £0.826 million. Any surpluses or deficits would impact reserves at year end.

Officers are projecting an overspend on the HRA of £0.474 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 £104.788 million on its general fund capital schemes by the end of the financial year against a revised budget of £168.525 million.

Debt due to the council is £12.642 million of which £5.829 million is overdue. Of that, £1.471 million is supported by payment plans leaving £4.358 million as remaining overdue debt due to the council.

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 £0.826 million. This is shown in Appendix 1.

Housing Revenue Account

10.2. The HRA is forecast to have an adverse variance of £0.474 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 £12.642 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 £0.826 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