

REPORT FROM: DIRECTOR OF RESOURCES

TO: Executive

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Report Author: Gemma-Louise Wells

Tel. No: 01282 661936

E-mail: gemma-louise.wells@pendle.gov.uk

QUARTER 1 – REVENUE AND CAPITAL BUDGET MONITORING 2024/25

PURPOSE OF REPORT

To inform The Committee of the Q1 Revenue & Capital Budget Monitoring position for 2024-25.

RECOMMENDATIONS

The Committee is recommended to:-

- (1) Note the Quarter 1 position on the Council's Revenue Budgets for 2024/25.
- (2) Note the Quarter 1 position on the Council's Capital Programme for 2024/25.

REASONS FOR RECOMMENDATIONS

To inform The Committee of the Council's Quarter 1 position for revenue and capital budgets for 2024/25.

ISSUE

2024/25 Quarter 1 Revenue Budget

1. The net cost of service for 2024/25 as agreed at Council on 26th February 2024 was £16.160m. This excludes the slippage of £327k included in the budget which was agreed at Executive 1st August 2024. This brings the total approved budget to £16.487m.

At the end of quarter 1 the year end position is forecast to be an overspend of £231k. Further details of budget pressures and risk areas are highlighted below.

Table 1 – 2024/25 Q1 Revenue Budget

£'000	Budget to Date	Actual to Date	(Over)/Under Spend	Full Year Budget	Project Outturn	Project (Over)/Under Spend
Directorate (Note 7)	10	48	(38)	39	91	(53)
Policy and Commissioning	24	3	21	115	80	34
Financial Services	1,186	1,310	(124)	4,742	4,714	28
Legal & Democratic Services	317	298	20	1,461	1,425	37
Planning, Building Control & Regulatory Services	155	136	18	618	561	57
Operational Services	1,504	1,606	(102)	6,049	6,040	8
Property Services (note 2)	111	195	(84)	444	582	(138)
Economic Growth	293	305	(11)	1,249	1,153	97
Housing and Environmental Health (note 3)	284	271	14	1,136	1,168	(31)
Human Resources Liberata	5	12	(7)	19	19	0
Information Technology Liberata	9	(0)	9	35	35	0
Revenue Services Liberata (Note 5)	411	413	(2)	1,644	2,163	(519)
Corporate Income & Expenditure (Note 10)	(266)	(204)	(62)	(1,064)	(1,314)	250
Total Net Cost of Services	4,043	4,392	(349)	16,487	16,718	(231)

2. There is an overspend of £156k projected in the Property Services. The revenue impact of relocating traders from Colne Indoor market is still being understood, along with the impact of the Council's ownership of Pendle Rise Shopping Centre, which should give us greater certainty of costs over the coming months.
3. The pest control income target was increased by £65k at Special Budget Council. The fulfilment of this amount is under review, and at present is looking likely to only reach 50% of this target.
4. Levels or recoverable Housing Benefit Subsidy have been negatively affected in recent years, by both temporary accommodation costs, and the setting up of exempt accommodation dwellings. The impact on the Council has risen significantly during 2023/24 and 2024/25. At present it is estimated financial pressure for this year is approximately £500k. A firmer understanding of this estimate will be available once the mid-year estimate is performed in October 2024.

Recurrent Costs not yet reflected

5. The 2024/25 pay award is yet to be agreed. The figures included here assume that the Employers offer of £1,290 increase on all posts below SCP46, and 2.5% on SCP46 and above. Pay award has already been agreed with director level positions.
6. The Council has purchased Pendle Rise Shopping Centre under Nelson Town Deal scheme, and plans for required demolish will see a timetable of between and 12-18months until the site is vacant. The ongoing revenue impact of the costs associated will include the security and

upkeep of the Centre, as well as relocation of tenants. Figures will be ascertained during Quarter 2 to as to the foreseeable impact.

One-Off Costs

7. The directorate department is showing a £14k unbudgeted cost of the Leisure Review sanctioned by Executive in 2024/25.

Savings

8. Council agreed a vacancy factor of 2.5% and this has been allocated out across all service budgets and is reflected in the Q1 figures.
9. Interest earned on Council investments, continues to be at higher levels. The projected full year income is set to exceed the budgeted income by £250k. This will be used to meet the above pressures. Full year projection for investment income is likely to be over £1m.

Use of Reserves

10. The 2024/25 base budget set out a contribution to the reserves balance of £117k. Current projections would see this change to a draw-down from the Budget Strategy Reserve if circa £114k
11. Whilst the for 2024/25 is as yet uncertain, the Council will need to take steps to control existing spend as well as future growth.

Statement of Accounts 2022/23 and 2023/24

12. The 2022/23 Statement of Accounts were prepared in draft in December 2023. Audit by Grant Thornton has been taking place since then with new drafts issued in May, August and September 2024. It is hoped that sign-off can be finalised for Accounts and Audit Committee 30th September 2024.
13. The Draft Statement of Accounts for 2023/24 are yet to be produced. pre audit planning working by Grant Thornton are underway, draft accounts set to be issued in November 2024.

14. 2024/25 Q1 Capital Programme

15. A summary table showing the Quarter 1 position is shown in table 2 below.
The funding of the revised budget is shown in Appendix A

Table 2 – 2024/25 Q1 Capital Programme

	Opening Budget £000	Revised Budget £000	Spend to Date £000	Budget Remaining £000
Housing	1,105	1,869	214	1,655
Regeneration	19,223	31,048	1,348	29,700
Council Assets	1,938	2,456	35	2,421
Resources	0	23	8	16
Environmental Services	4,909	5,175	16	5,159
Planning	0	125	0	125
Other	0	0	0	0
Total Capital Programme	27,175	40,697	1,622	39,075

16. The 2024/25 budget has increase from £27.175m to £40.687m, £12.568m of this increase is slippage from the 2023/24 capital programme. The other changes include the following;

- a. £100k Additional amount in DFG allocation
- b. £342k swimming pool funding.
- c. £699k Agreed for additional works at Colne Municipal Hall.

A review has been undertaken of the Levelling Up project overspend at the Muni. It found that additional remedial works were commissioned and coded (by external officers) to the Levelling Up project budget, when a separate report ought to have been brought to Executive seeking the additional funding. Processes have been put in place to prevent this happening in the future.

17. Other minor changes have been made to reflect actual spend expected in year and to reflect grant claims made on some schemes. Full details are set out in Appendix A.

18. In total the capital programme for 2024/25 is to be funded by Prudential Borrowing of £9.358m.

19. The affordability of this level of prudential borrowing will lead to the need to borrow additional funds in the coming years. The Council has been 'over-borrowed' in recent years, however this level has been reducing. The timing of any external borrowing to support these large spends will need to be carefully considered, to ensure the best possible borrowing rates are attained.

20. Council will consider future capital programme as part of the 2025/26 budget setting process.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: The financial implications arising are as set out in the report.

Legal: The legal implications arising are as set out in this report.

Risk Management: There risk management implications are as set out in this report.

Health and Safety: There are no health and safety issues arising directly from the contents of this report.

Sustainability: There are no sustainability issues arising directly from the contents of this report.

Community Safety: There are no community safety issues arising from this report.

Equality and Diversity:

There are no equality and diversity issues arising from this report.

APPENDICES

Appendix A – 2024/25 Q1 Capital Programme

LIST OF BACKGROUND PAPERS