

Decision Report FP/24/06/28

Committee: Executive

Meeting Date – 15 January 2025

Key Decision – No



2024/25 General Fund Revenue & Capital Budget Monitoring Report – Month 7 – End of October 2024

Chair of Committee: Cllr Bill Revans Leader of the Council and Lead Member for Governance & Communications

Executive Member(s): Cllr Liz Leyshon Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance

Local Member(s) and Division(s) affected: All

Executive Director: Maria G. Christofi Interim Chief Finance Officer (Section 151 Officer)

Executive Summary

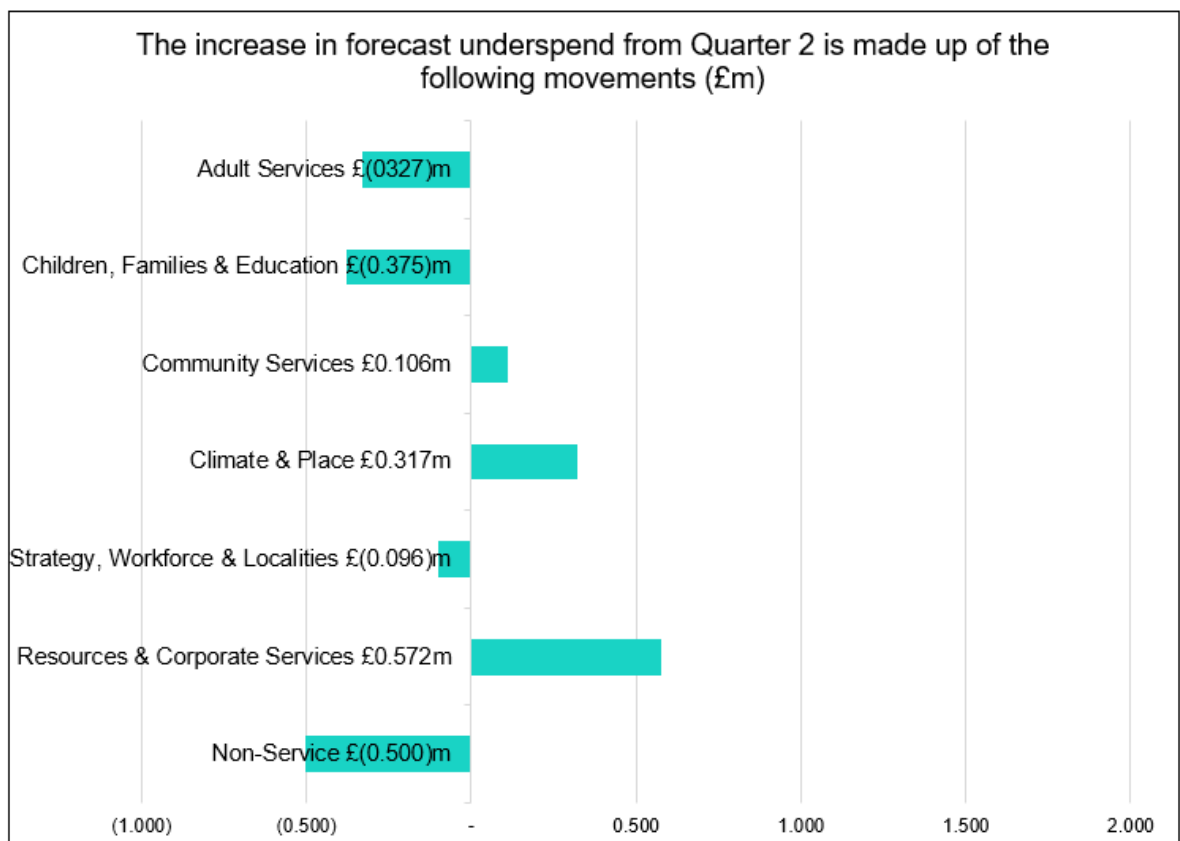
1. This is the General Fund Revenue & Capital Budget Monitoring Report for the end of October 2024 (Month 7). The purpose of this report is to provide Members with a forecast of the 2024/25 year-end spend (Outturn) against the Council's approved Revenue budget and Capital Programme budget as at the end of October 2024, and to explain projected variances against individual revenue budgets, capital projects, and the capital programme as a whole.

General Fund Revenue

2. The last report Executive received was the General Fund Revenue Budget Monitoring Report for Quarter 2, as at the end of September 2024, which reported the revenue budget as on-budget.
3. The Council is still forecasting a **balanced revenue position** (on-budget). There is a forecast **underspend of £2.722m** within **Service Directorates** for 2024/25. The Corporate contingency of £6.000m remains unallocated but released into the forecast, leading to a **revenue forecast underspend of £8.782m** within budget lines. The **£8.782m** will **reduce the drawdown** from **Earmarked Reserves to £30.717m** which were utilised to balance the 2024/25 budget.
4. There has been an **increase of £0.303m** in the revenue forecast underspend position of £8.479m reported in Quarter 2. The main movements are reported in the following areas:
5. The most significant movements since Quarter 2 are as follows:
 - **Adults Services** has an increased underspend of **£0.327m** mainly due to lower demand, reduced costs, and growth being less than originally anticipated.

- **Children, Families & Education Services**, has a decreased overspend of **£0.375m** mainly due to lower demand, reduced costs, and holding staff vacancies.
 - **Climate & Place Services** has an increased overspend of **£0.317m** mainly due to an unachievable saving identified within **Waste Services**.
 - **Resources & Corporate Services** has a decreased underspend of **£0.572m** largely due to no longer using the Investment Risk Reserve to offset the overspend in Commercial Investment Properties.
 - **Non-Service** has an increased underspend of **£0.500m** due to the general fund proportion of the **Pension Deficit** charge being lower than anticipated at budget setting.
6. Work continues to ensure that assumptions within the forecast are relevant and robust. This is a priority in those areas with demand led budgets and pressures.
7. **Chart 1** is a graph showing the largest changes in revenue forecast outturn position from Quarter 2 (reported to the Executive on the 02 December 2024), and Month 7.

Chart 1: Movement in revenue forecast outturn position from Quarter 2



Recommendations

8. That the Executive:

- a) Notes Council is now **forecasting a balanced revenue position** (on-budget).
- b) Notes the total Council revenue forecast underspend of **£8.782m** for the year. There is a forecast **underspend of £2.722m within Service Directorates** for 2024/25 and the Corporate Contingency of £6.000m, whilst remains unallocated it has been released into the forecast outturn within budget lines **Table 1**.
- c) Note that the planned use of reserves of £36.800m for Medium Term Financial Plan (MFTP) Support towards the budget is forecast to **reduce by £8.782m to £30.717m**, due to the forecast underspend within budget lines. This is shown on the Reserves line of **Table 1**.
- d) Agree that mitigating actions are to be identified in order to reduce any overspends, to take action and to contribute to the long-term financial sustainability of the authority.
- e) Agree that the **Council continues with the aim of avoiding a Section 114 notice** by taking all of the necessary actions and continuing to operate as if one has been issued.
- f) Note the progress and **delivered savings of £14.293m** of the approved savings programme as set out in **Table 2** and **Appendix J**.
- g) Notes that work will continue to find mitigating or substitute savings for the **£1.239m** of Red unachievable savings, deliver the **£4.410m** Amber at risk savings and the **£18.935m** Green on track savings.
- h) Note the in-year forecast overspend on the Dedicated Schools Grant of **£32.767m, an increase of £4.508m** from Quarter 2 (**in section 12**).
- i) Note the total forecast Dedicated Schools Grant year-end **deficit of £68.707m** as set out in **Appendix C**.
- j) Note the collection rates for Council Tax and Business Rates as set out in **section 19**.
- k) Note the Capital Programme forecast outturn at Month 7 is £113.678m.
- l) Approve that any application for **Exceptional Financial Support** for the 2025/26 budget is delegated to the Interim Chief Finance Officer (Section 151 Officer) as detailed in **section 31** of this report.

Reasons for Proposals

To ensure that the Council continues to work to a balanced revenue and capital outturn and to maintain tight financial control over its budget.

Report Author: Nicola Hix, Director of Finance & Procurement
Contact Details: nicola.hix@somerset.gov.uk

Main report and supporting information

Background and purpose of report

General Fund Revenue

9. Full Council approved the 2024/25 budget in February 2024, and **Table 1** provides a summary of budget, forecasts, and variances on a service-by-service basis as at the end of October 2024. This table shows a breakdown of the budget into expenditure and income to give the net budget for each service. Further details and mitigations being taken by the responsible director are outlined in **Appendices A to M**.

Table 1: 2024/25 Revenue Budget Monitoring Report as at the end of October 2024 (Month 7)

Service Area	Current Expenditure Budget £m	Current Income Budget £m	Current Net Budget £m	Full Year Projection £m	Month 7 Variance £m	Overspend / (Underspend)	RAG Status	Ongoing Pressure £m	One-off Pressures £m	Movement From Month 6 £m
Adult Social Care Operations:										
Physical Disability/Sensory Loss/65 Plus	166.108	(27.873)	138.235	134.630	(3.605)	Underspend	Green	-	8.220	(0.354)
Mental Health	43.367	(6.348)	37.019	36.185	(0.834)	Underspend	Green	-	0.872	(0.004)
Learning Disabilities	145.385	(7.802)	137.583	134.407	(3.176)	Underspend	Green	-	4.053	(0.562)
Adult Social Care - Commissioning	21.595	(94.900)	(73.305)	(69.513)	3.792	Overspend	Red	-	3.792	0.593
Adult Services Total	376.455	(136.923)	239.532	235.709	(3.823)	Underspend	Green	-	16.937	(0.327)
Children & Families	115.076	(16.570)	98.506	108.621	10.115	Overspend	Red	14.701	0.197	0.205
Commissioning & Performance	19.106	(7.521)	11.585	10.954	(0.631)	Underspend	Green	-	-	(0.104)
Education	59.014	(26.607)	32.407	31.548	(0.859)	Underspend	Green	0.181	1.235	(0.523)
Childrens Services	0.330	(0.001)	0.329	0.084	(0.245)	Underspend	Green	-	-	0.047
Children, Family & Education Services Total	193.526	(50.699)	142.827	151.207	8.380	Overspend	Red	14.882	1.432	(0.375)
Housing	14.485	(7.865)	6.620	6.620	-	On-budget	Green	-	0.530	(0.022)
Customer Services	8.856	(3.321)	5.535	5.535	-	On-budget	Green	-	-	-
Cultural Services	12.738	(3.625)	9.113	7.927	(1.186)	Underspend	Green	-	0.120	0.128
Regulatory & Operational Services	24.735	(11.591)	13.144	12.864	(0.280)	Underspend	Green	-	0.454	-
Community Services Total	60.814	(26.402)	34.412	32.946	(1.466)	Underspend	Green	-	1.104	0.106
Climate, Environment & Sustainability	66.838	(8.899)	57.939	61.418	3.479	Overspend	Red	3.000	0.567	0.377
Infrastructure & Transport	49.916	(27.188)	22.728	22.691	(0.037)	Underspend	Green	-	0.914	(0.005)
Economy, Employment & Planning	20.200	(10.264)	9.936	10.084	0.148	Overspend	Amber	-	0.256	(0.050)
Accountable Bodies	4.157	(0.559)	3.598	3.538	(0.060)	Underspend	Green	-	-	(0.005)
Climate & Place Total	141.111	(46.910)	94.201	97.731	3.530	Overspend	Red	3.000	1.737	0.317
Partnership & Localities	3.109	(0.225)	2.884	2.884	-	On-budget	Green	-	-	-
Strategy & Performance	7.544	(1.059)	6.485	5.795	(0.690)	Underspend	Green	0.140	-	-
Workforce	10.186	(3.963)	6.223	5.391	(0.832)	Underspend	Green	-	-	(0.048)
Governance, Democratic & Legal Services	11.254	(1.465)	9.789	10.600	0.811	Overspend	Red	1.300	0.023	(0.048)
Strategy, Workforce & Localities Total	32.093	(6.712)	25.381	24.670	(0.711)	Underspend	Green	1.477	0.023	(0.096)
Finance & Procurement	120.475	(106.088)	14.387	13.759	(0.628)	Underspend	Green	0.483	0.601	(0.148)
Strategic Asset Management	19.491	(24.161)	(4.670)	(4.068)	0.602	Underachievement	Red	-	0.860	0.703
Information Communication Technology	20.249	(2.891)	17.358	16.056	(1.302)	Underspend	Green	0.168	0.116	0.017
Resources & Corporate Services Total	160.215	(133.140)	27.075	25.747	(1.328)	Underspend	Green	0.651	1.577	0.572
Public Health	24.039	(23.000)	1.039	1.039	-	On-budget	Green	-	-	-
Corporate Management	1.575	(0.103)	1.472	1.491	0.019	Overspend	Amber	-	0.019	-
Non-Service	78.584	(10.912)	67.672	60.349	(7.323)	Underspend	Green	0.125	-	(0.500)
Traded Services	-	-	-	-	-	On-budget	Green	-	-	-
Total Service Position	1,068.412	(434.801)	633.611	630.889	(2.722)	Underspend	Green	20.135	22.829	(0.303)
Corporate Contingency	6.000	-	6.000	-	(6.000)	Underspend	Green	-	-	-
Total After Contingencies	1,074.412	(434.801)	639.611	630.889	(8.722)	Underspend	Green	20.135	22.829	(0.303)
Council Tax	-	(361.071)	(361.071)	(361.071)	-	On-budget	Green	-	-	-
Business Rates	-	(128.447)	(128.447)	(128.447)	-	On-budget	Green	-	-	-
Grants	-	(65.997)	(65.997)	(66.057)	(0.060)	Overachievement	Green	-	0.001	-
Collection Fund (Surplus)/Deficit	-	(7.713)	(7.713)	(7.713)	-	On-budget	Green	-	-	-
Total After Funding	1,074.412	(998.029)	76.383	67.601	(8.782)	Underspend	Green	20.135	22.830	(0.303)
Reserves	-	(39.499)	(39.499)	(30.717)	8.782	Reduced draw	Green	-	8.782	0.303
Capitalisation Direction	-	(36.884)	(36.884)	(36.884)	-	On-budget	Green	-	-	-
Total Position	1,074.412	(1,074.412)	-	-	-	On-budget	Green	20.135	31.612	-

Key Variances and Movements

10. The final two sections below 'total after contingencies' of **Table 1** above show the different sources of funding to balance the budget for 2024/25. The financial challenges facing the Council are significant and the 2024/25 budget was set with significant one-off resources. Use of **Earmarked Reserves of £36.800m** was budgeted and **Exceptional Financial Support with a Capitalisation Direction of £36.884m** from Ministry of Housing Communities and Local Government (MHCLG) have been used to close the budget gap and set a balanced budget for 2024/25. It is forecast that **£28.018m of Earmarked Reserves** will be used due to underspends within other areas.

11. The main revenue variances at Month 7 are:

- **Adult Services** is forecasting an **underspend of £3.823m** (1.6% of budget). This is an **increase of £0.327m** from Quarter 2. This is due to commissioning work carried out within the market to reduce weekly residential and nursing fees. The decrease within the Older People and Learning Disabilities budgets are due to growth being less than originally anticipated. The service will continue to monitor this throughout the financial year.
- **Children's Services** is forecasting an **overspend of £8.380m** (5.9% of budget). This is a **decrease of £0.375m** from Quarter 2. This is mainly due to an overspend of £11.846m (£14.701m gross less £2.854m Children's management contingency) on the External Placements budget due to the rising numbers of children moving into high cost residential and unregistered placements. Forecast underspends in Home to School Transport and Special Education Needs (SEN) Transport have increased by £0.523m from Quarter 2 due to reduced average costs per child.
- **Community Services** is forecasting an **underspend of £1.466m** (4.3% of budget). This is a **decrease of £0.106m** from Quarter 2. This is due to legacy budgets of £1.2m still being held in Leisure services. Underspends have also been identified in Museums and Tourism due to devolution or closure of the service, and Regulations and Operations have projected underspends due to updated salary forecasts, and reducing service spend without impacting the delivery of the service and a decrease in Visitor Centre income within Cultural Services.
- **Climate & Place** is forecasting an **overspend of £3.530m** (3.7% of budget). This is an **increase of £0.317m** from Quarter 2. This is due to increased contract costs in Waste Services, and increased expenditure for safety defects, vehicle, and salaries within Highways. There are also overspends within Infrastructures Programme Group due to a review of eligible salary costs that can be allocated to capital projects. Land Charges highlight an income budget that has not yet been achieved, partially offset by holding vacancies and a saving which has now been identified as unachievable within Waste Services.

- **Strategy, Workforce & Localities** is forecasting an **underspend of £0.711m** (2.8% of budget). This is an **increase of £0.096m** from Quarter 2. This is mainly due to a forecast overspend in Legal Services due to reliance on locum/agency lawyers, to deliver statutory and demand led services, because of recruitment challenges offset by savings in staff vacancies.
- **Resources & Corporate Services** is forecasting an **underspend of £1.328m** (4.9% of budget). This is a **decrease of £0.572m** from Quarter 2. This is due to pressures including one-off external audit costs, income not yet achieved, and Health & Safety costs on property, as well as savings on Microsoft products within Information Communications Technology, and the Mendip 5C contract. The decrease is due to a change in approach to offset the overspend in Commercial Investment Properties from service underspends rather than the Investment Risk Reserve.
- **Non-Service** has a forecast outturn **underspend of £7.323m** (10.8% of budget) this is an **increase of £0.500m** from Quarter 2. This is due to the council's debt charges now forecast to be lower than anticipated at budget setting, whilst investment income is expected to be higher by the end of the financial year and the proportion of the Pension Deficit charge to the General Fund being lower than estimated at budget setting.
- The Corporate Contingency budget remains unallocated, however **all £6.000m has been released into the forecast outturn.**
- The **overachievement of £0.060m** income forecast for **grants** is due to receiving confirmation that the 2024/25 Services grant will be more than budgeted. There is no change from Quarter 2.

12. The Dedicated Schools Grant (DSG) budget for Quarter 2 forecasts an in-year **overspend of £32.767m** on the High Needs Block, this is an **increased overspend of £4.508m** from Quarter 2. The High Needs block budget was set with a budgeted deficit of £18.853m for 2024/25. The cause remains to be mainly due to the Mainstream Top Ups and Costed Plans budgets have had an increase to the average rate of a costed plan of approximately 10%, as well as an increase in the profile of need to higher banded children and the average number of places being higher than anticipated for the financial year within the Independent Non-Maintained School (INMS) and Children Looked After (CLA) Pre-16 budget.

Mitigations

13. To pull back the revenue overspend forecast within Service Directorates, to a balanced position for outturn, and protect the Council's reserves position, the following elements of the budget are being reviewed:
- A focus on Commissioning of suitable Children's Placements including step down

- Capital programme - reviews and reprofiling have been undertaken and will continue. The reduction in the capital financing has been reflected in the revenue forecast outturn
- Alternative funding sources
- Recharges across to Housing Revenue Account (HRA), Dedicated Schools Grant (DSG), Public Health Grant (PHG) – recharges are being reviewed throughout the year to ensure that eligible expenditure is being recharged to these
- Invoiced income versus alternative payment methods
- Fees and charges
- Annual underspends (review from 2023/24 outturn) – A review has been undertaken and savings have been identified and reflected in the forecast outturn.

14. Service Directorates that are forecasting overspends are required to identify mitigating actions to address the full forecast overspends, both one-off and ongoing. This is to ensure a balanced outturn position in-year and prevent any pressures rolling forward into 2025/26. The mitigating actions can be found in the service directorate **Appendices A-I**.

MTFP Savings Monitoring

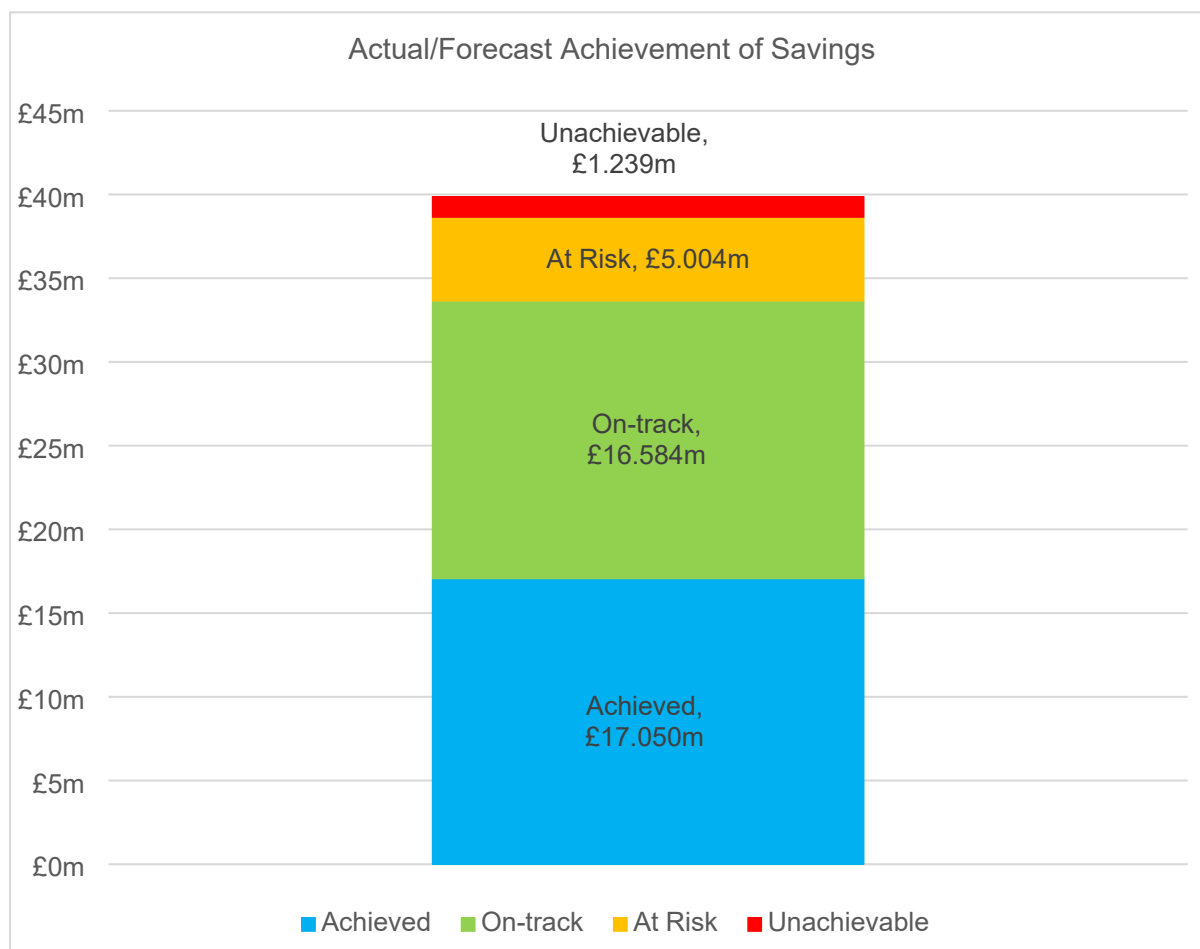
15. The Council's 2024/25 revenue budget included **£34.977m** of approved MTFP savings proposals. In addition to this **£4.9m** of savings which were not achieved in 2023/24 have been rolled forward to 2024/25. Therefore, the total savings to be delivered in 2024/25 is **£39.877m**.

16. **Table 2** shows the Month 7 forecast achievement of savings against the approved amounts. Services monitor these monthly based on their achievement to date and the forecast profile for realising the savings over the year. The forecast positions are reflected in the outturn position.

Table 2: Performance of Agreed Savings Proposals as at end of October 2024 (Month 7)

Service Area	Savings Rolled Forward from 2023/24	Savings for 2024/25	Total Savings to be Delivered	Achieved	On-track	At Risk	Unachievable
	£m	£m	£m	£m	£m	£m	£m
Adults Services	(3.900)	(9.808)	(13.708)	(8.908)	(4.800)	-	-
Children & Family Services	(1.000)	(9.570)	(10.570)	(4.097)	(2.172)	(4.266)	(0.035)
Community Services	-	(2.866)	(2.866)	(0.115)	(2.412)	(0.225)	(0.114)
Climate & Place	-	(5.637)	(5.637)	(2.844)	(1.310)	(0.506)	(0.977)
Strategy, Workforce & Localities	-	(0.484)	(0.484)	(0.402)	(0.082)	-	-
Resources & Corporate Services	-	(2.564)	(2.564)	(0.684)	(1.760)	(0.007)	(0.113)
Public Health	-	-	-	-	-	-	-
Non-Service	-	(4.048)	(4.048)	-	(4.048)	-	-
Total	(4.900)	(34.977)	(39.877)	(17.050)	(16.584)	(5.004)	(1.239)
Percentages - Month 7			100%	43%	42%	12%	3%
Percentages - Quarter 2			100%	34%	52%	13%	1%

Chart 2: Actual/Forecast Achievement of Savings during 2024/25



17. Delivery of the savings is vital to ensure the current and future financial viability of the Council. Where savings are not forecast to be achieved then the relevant service directors are working on the development of alternative recovery or mitigation measures. These measures will be listed in future reports.

Reserves

18. The current budget for reserves is £39.499m as detailed in table 1. This is made up of £36.800m of earmarked reserves used to balance the budget. In addition to this there is also £2.699m of additional service drawdowns. The forecast underspend of £8.782m is due to a reduction in the reserves used to balance the budget and will bring the authority from an underspend to an on-budget position.

Collection Fund

19. For 2024/25, the amount of Council Tax collected at the end of Month 7 was **66.1%** against a target of 65.82%. The amount of Business Rates collected by the end of Month 7 was **64.89%** against a target of 63.22%. Both of these collections are ahead of the in-year profile as at Month 7.

Capital Programme

20. This report is for the General Fund and does not include anything in relation to the Council's Housing Revenue Account. The General Fund (GF) mainstream Capital programme that includes all the departments and represents schemes which are funded from Council resources (capital receipts or borrowing). It is the area of the programme where the Council has the greatest discretion.
21. A high-level update on the significant schemes that are planned to be delivered is provided. Each scheme has a nominated Budget Manager who is responsible for ensuring the scheme stays within budget, and who provides the forecast the spend, working with the Capital Finance team and Finance Business Partnering Team.
22. Capital investment decisions are now required to be underpinned by a robust business plan that sets out the full costs and risks and any expected financial return alongside the broader outcomes including economic and social benefits. Where possible the project initiation document/business cases have been collected to provide details on each project. Officers are responsible for monitoring and delivering projects within approved budgets and reporting variances.
23. The Capital and Finance Business Partnering Teams are working closely with Budget Managers to review their capital schemes, with particular focus on the spend profile against that budgeted for 2024/25. The effect of which can be seen in **Table 3** below where the 2024/25 capital budget is now set at £119.319m. This will also allow the Treasury Management Team to forecast more accurately the borrowing requirement for the year.

Table 3: 2024/25 Quarter 2 Capital profiling comparison to original budget and Month 7 budget.

Service	Original Budget 2024/25 £m	Revised Budget per Q2 Report 2024/25 £m	Revised M7 Budget (including £m)	Budget slipped into future years £m	Month 7 Variance £m	Overspend / (Underspend)
Adult Services	4.689	4.132	4.132	0.557	-	On-budget
Children, Families & Education Services	40.556	14.166	14.166	26.391	-	On-budget
Community Services	18.689	5.833	6.757	11.957	(0.025)	Underspend
Climate & Place	183.792	88.982	88.982	94.810	-	On-budget
Resources & Corporate Services	20.625	6.071	5.147	15.619	(0.141)	Underspend
Strategy, Workforce & Localities	0.370	0.135	0.135	0.235	-	On-budget
Total Services	268.721	119.319	119.319	149.568	(0.166)	Underspend

Capital Spend for 2024/25

24. Total spending for 2024/25 per **Table 4** below, is estimated to be **£113.678m**; Against the reprofiled budget of £119.319m there is a total variance of £5.640m being forecast; slippage of £5.475m and an underspend of £0.166m. The slippage

will be reviewed and collated over the next two months and any relevant recommendations included in the Quarter 3 report.

25. **Table 4** provides a Directorate level breakdown of the reprofiled 2024/25 budget and spend to Month 7. The slippage mainly relates to the Staplegrove Housing Infrastructure project in Climate & Place, for which a £14.216m grant was received with a spend deadline of 31 March 2025. The delivery of the project is delayed, and negotiations are underway to extend the deadline, however, should the deadline not be extended it is possible that £9.000m can be committed and there is a risk that £5.216m may need to be returned.

a) The net £0.166m underspend is mainly in Property Services following a detailed review of the projects, which identified a number of projects that were completed or old projects brought forward in legacy District budgets that are no longer expected to be delivered.

Table 4: Directorate summary of 2024/25 spend against budget

Capital Programme General Fund	Reprofiled Budget 2024/25	Forecast Outturn 2024/25	Total Variance (under)/ overspend	Slippage Forecast to Budget	Month 7 Variance	Overspend / (Underspend)
	M7 £m	M7 £m	£m	£m	£m	
Adult Services	4.132	4.132	-	-	-	On-budget
Children, Families & Education Services	14.166	14.166	-	-	-	On-budget
Community Services	6.757	6.752	(0.005)	0.020	(0.025)	Underspend
Climate & Place	88.982	83.549	(5.433)	(5.433)	-	Underspend
Resources & Corporate Services	5.147	4.944	(0.203)	(0.061)	(0.141)	Underspend
Strategy, Workforce & Localities	0.135	0.135	-	-	-	On-budget
Total Services	119.319	113.678	(5.640)	(5.475)	(0.166)	Underspend

26. A summary by Service and Directorate is in **Appendix K**.

External Funding Additions to the Programme since Quarter 2 report for 2024/25

27. There are no **additions** to the capital programme in Month 7 which Members are recommended to approve

Financing of the 2024/25 Capital Programme

28. The financing of the forecast capital outturn is in **Table 5** below. The Grants and Contributions is £94.019m, being made up of Central Government funding of £87.987m (of which £9.000m relates to the Staplegrove Infrastructure Project), Other Grants of £0.788m, and £5.244m of CIL/S106. Borrowings at £18.277m constitute 16.1% of the funding required.

Table 5: Expected Financing of 2024/25 Forecast Spend

Capital Programme General Fund	Forecast Outturn 2024/25	Grant and Contributions	Capital Receipts	RCCO and Reserves	Borrowing
	£m	£m	£m	£m	£m
Adult Services	4.132	4.132	-	-	-
Children, Families & Education Services	14.166	8.964	0.009	(0.085)	5.277
Community Services	6.752	2.399	-	0.100	4.253
Climate & Place	83.549	78.132	1.089	0.069	4.259
Resources & Corporate Services	4.944	0.256	0.075	0.126	4.487
Strategy, Workforce & Localities	0.135	0.135	-	-	-
Total Services	113.678	94.019	1.172	0.210	18.277

Capital Programme 2024/25 to 2027/28

29. Appendix L shows the total capital programme for 2024/25 to 2027/28, in terms of the Budgeted spend for each year and the total funding.

Exceptional Financial Support (EFS) for the 2025/26 budget

30. The 2024/25 budget was set with the use of significant one-off resources, including use of earmarked reserves (£36.800m) and Exceptional Financial Support (EFS) in the form of a capitalisation direction (£36.884m), approved by MHCLG.

31. As outlined in the Budget Proposals 2025/26 to 2029/30 Report, which went to Executive in December 2024, the current budget gap identified for 2025/26 after taking into account initial savings proposals now stands at £53.846m. The Authority is in discussions with MHCLG regarding an application for Exceptional Financial Support for 2025/26 should this be required. Discussions are in the early stages and will be detailed in future budget update reports. It is requested that any application for EFS for the 2025/26 budget is delegated to the Interim Chief Finance Officer (Section 151 Officer) as per **recommendation I** in this report.

Links to Council Plan and Medium-Term Financial Plan

32. The 2024/25 Revenue Budget was approved by Council in February 2024 as part of the Medium-Term Financial Plan (MTFP) and is the financial resourcing plan to deliver the Council Plan.

33. The 2024/25 Capital Budget was approved by Council in February 2024 alongside the Medium-Term Financial Plan (MTFP) and is the financial resourcing plan to deliver the Council Plan. Monitoring of the agreed programme has been delegated to Executive and is undertaken on a quarterly basis.

Other options considered

34. No other options were considered as continuing to monitor the budget on a monthly basis is considered best practice.

Key considerations for the Council

Scrutiny comments/recommendations:

35. This report was presented to Scrutiny for Corporate & Resources Committee, on 6 January 2025

Consultation and feedback

36. A consultation is not required for this report.

Financial and Risk Implications

Current Risk Score:

There are two relevant Strategic Risks which are ORG0083 Revenue Budget overspend for 2024/25 and ORG0057 Sustainable Medium Term Financial Plan.					
ORG0057 Sustainable Medium Term Financial Plan					
Likelihood	5	Impact	5	Risk Score	25
This has a current risk score of 25 which is an increase to the previous score of 20. The increase is in recognition of the issues set out in this report, and the Medium Term Financial Plan & Strategy Update report, which went to Executive on 7 October. Despite all the actions taken and mitigations put in place, the risk is set at 25, the highest risk score possible.					
ORG0083 Revenue Budget overspend for 2024/25 – A significant budget overspend in current financial year (2024/25) that would have to be funded from council reserves reducing them to dangerously low levels affecting the Council's Financial Resilience and potential S114 notice.					
Likelihood	3	Impact	4	Risk Score	12

Legal and Procurement Implications

37. There are no specific legal implications arising from this report.

HR / Workforce Implications

38. There are no specific HR/Workforce implications arising from this report.

Equalities Implications

39. There are no specific equalities implications arising from this report.

Community Safety Implications

40. There are no community safety implications arising from this report.

Climate Change and Sustainability Implications

41. There are no climate change and sustainability implications arising from this report.

Health and Safety Implications

42. There are no health and safety implications arising from this report.

Health and Wellbeing Implications

43. There are no health and wellbeing implications arising from this report.

Social Value

44. There are no social value implications arising from this report.

Background Papers

- Medium Term Financial Strategy (MTFS) 2025/26 to 2029/30 report to Executive and Council April 2024.
- 2024/25 Budget, Medium-Term Financial Plan & Council Tax Setting report to Council in February 2024.
- 2024/25 General Fund Revenue Budget Monitoring Outturn Report to Scrutiny for Corporate & Resources and Executive in September 2024.
- Budget Monitoring Report – 2024/25 Emerging Issues & 2023/24 Provisional Outturn to Executive and Scrutiny for Corporate & Resources in July 2024.
- 2024/25 General Fund Capital Budget Monitoring Report - Qtr1 to Scrutiny in August 2024 and to Executive in September 2024.
- 2024/25 General Fund Revenue Budget Monitoring Report – Month 4 – End of July 2024 to Scrutiny in September 2024 and Executive in October 2024
- 2024/25 General Fund Revenue Budget Monitoring Report – Month 5 – End of August 2024 to Scrutiny in October 2024 and Executive in November 2024.
- 2024/25 General Fund Capital MTFP Budget report to Corporate & Resources Scrutiny, Executive, and Full Council February 2024.
- 2023/24 Month 12 (Qtr. 4) Capital Budget report to Corporate & Resources Scrutiny & Executive September 2024.
- 2024/25 General Fund Revenue Budget Monitoring Report – Quarter 2 – End of September 2024 to Scrutiny in November 2024 and Executive in December 2024.

Appendices

Appendix A: Adults Services

Appendix B: Children, Families & Education Services

Appendix C: Dedicated Schools Grant

Appendix D: Community Services

Appendix E: Climate & Place (including Accountable Bodies)

Appendix F: Strategy, Workforce & Localities

Appendix G: Resources & Corporate Services

Appendix H: Public Health

Appendix I: Other service areas

Appendix J: MTFP Savings Monitoring

Appendix K: General Fund Capital Programme Outturn Forecast 2024-25

Appendix L: General Fund Capital Programme Budget & Funding

Appendix M: 2024/25 Summary Updates for Major General Fund Capital Projects

Report assurance checklist ahead of report publication

(for Audit, Executive, Full Council and Scrutiny Committees)

	Officer Name	Date Completed
Legal & Governance Implications	Jill Byron/Alyn Jones/Steven Hellard	23/12/2024
Finance & Procurement	Nicola Hix	20/12/2024
Workforce (*)	Dawn Bettridge	23/12/2024
Asset Management (*)	Simon Lewis	N/A
Executive Director	Maria G Christofi	20/12/2024
Executive Lead Member	Cllr Liz Leyshon	22/12/2024
Consulted:		
Local Division Members	All	N/A
Opposition Spokesperson(s)	Cllr Mandy Chilcott Deputy Leader of the Opposition and Opposition Spokesperson for Resources and Performance	23/12/2024
Relevant Scrutiny Chair(s)	Cllr Bob Filmer, Chair - Scrutiny Corporate & Resources Committee	23/12/2024

Note:

Directors may nominate additional officers to act on their behalf

(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadline