

MID SUFFOLK DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: MCa/23/30
FROM: Councillor Rachel Eburne, Cabinet Member for Finance & Resources	DATE OF MEETING: 13/11/23
OFFICER: Melissa Evans, Director Corporate Resources	KEY DECISION REF NO. CAB428/CAB429

FINANCIAL MONITORING QUARTER 2 2023/24

1. PURPOSE OF REPORT

- 1.1 This report summarises the financial activities of the Council for the second quarter of 2023/24, covering General Fund Revenue, the Housing Revenue Account and the Capital Programmes for both funds. There is a new requirement from the start of 2023/24 to monitor the Council's Prudential Indicators on a quarterly basis and this data is attached as Appendix C.

2. OPTIONS CONSIDERED

- 2.1 The recommended option is set out in the Recommendations. There are no other available options.

3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the projected surplus on the General Fund of £2.878m referred to in section 4.2 and Appendix A of the report be noted;
- 3.2 That, subject to any further budget variations that arise during the rest of the financial year, the projected overspend on the Housing Revenue Account of £1.488m and the underspend on the capital programme of £19.750m referred to in section 4.3 and Appendix B of the report be noted;
- 3.3 That, the Council's compliance with the Prudential Indicators during quarter two referred to in section 4.4 and Appendix C of the report be noted.

REASON FOR DECISION

To ensure that Members are kept informed of the financial position for both General Fund Revenue and Capital, Housing Revenue Account and Capital and the Prudential Indicators.

4. KEY INFORMATION

Background

- 4.1 The Cabinet receives financial monitoring reports on a quarterly basis. This report covers the financial activity for the second quarter of 2023/24 and the amendments to projections for the year where necessary. It is important to remember that the figures being presented are not actuals at Q2, they represent what the outturn will be at the year-end if current trends are maintained.
- 4.2 The General Fund forecast outturn is a surplus of £2.878m against a budget of £3.578m. This has arisen from a combination of factors including shortfalls in income. Additional unbudgeted income, in the form of investment dividends, is due to be received in 2023/24 however the amount of income and the date at which it will be received have not yet been confirmed. Similarly statutory increases to planning fees will take effect in year reducing the deficit, the effects of which will be reported in Q3. See Appendix A for further details of the variances to the Revenue Budget. The General Fund Capital outturn has been revised to an underspend in year of £19.750m, primarily influenced by Gateway 14 and Mid Suffolk Growth. Projects continue to be reviewed against current spend with the Project Managers. Further detailed analysis of the capital programme expenditure and funding will continue into Q3 and Q4.
- 4.3 The Housing Revenue Account forecast outturn has worsened from Q1 by £672k. A budgeted deficit of £0.816m is now forecast at £1,488m, the details of which are set out in appendix B. There is a significant variation anticipated on the HRA Capital Programme, only £20.210m of the £40.210m budget for new build and acquisitions is likely to be spent in 2023/24. The underspend of £20m will be re-phased to subsequent years.
- 4.4 There have been no breaches of the council's Prudential Indicators in the second quarter, and none are anticipated for the remainder of 2023/24. The new quarterly monitoring report for Prudential Indicators is attached as Appendix C.

5. LINKS TO THE CORPORATE PLAN

- 5.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to financially sustainable Councils, managing our corporate and housing assets effectively, and property investment to generate income.

6. FINANCIAL IMPLICATIONS

- 6.1 These are detailed in the report.

7. LEGAL IMPLICATIONS

- 7.1 There are no specific legal implications.

8. RISK MANAGEMENT

8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
We may be unable to react in a timely and effective way to financial demands.	3	3	Continued monitoring and reporting of the Councils financial forecast via quarterly reports to Cabinet. Reserves available to call upon.	Strategic Risk Register SRR004BDC
Service delivery may not be accomplished If economic conditions and other external factors are worse than budgeted for.	3	3	Budget control framework in place with Budget Holders and Assistant Directors with the Business Partner model operating effectively to support this. Continued monitoring and reporting of the Councils financial forecast during the year via quarterly reports to Cabinet.	Finance, Commissioning and Procurement ORR005BDC

9. CONSULTATIONS

9.1 Consultations have taken place with Directors, Corporate Managers and other Budget Managers as appropriate.

10. EQUALITY ANALYSIS

10.1 An equality analysis has not been completed because there is no action to be taken on service delivery as a result of this report.

11. ENVIRONMENTAL IMPLICATIONS

11.1 Directors, Corporate Managers and other Budget Managers continue to consider the environmental impact of their budgets and take the opportunity to reduce their carbon footprint as opportunities arise.

11.2 In subsequent years to support the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken from a combination

of the Council's own resources and those secured from external sources. Some of these are set out below.

- 11.3 A solar multi-function carport to generate electricity has been installed at Stowmarket Leisure Centre. The estimated CO₂ savings are equivalent to nearly 9 times the volume of the Royal Albert Hall and it is capable of generating enough power to supply 52 average homes in Stowmarket.
- 11.4 OZEV supported EV charging points are being moved to the implementation phase.
- 11.5 A property list of carbon emitting buildings is being established for future retrofit consideration.
- 11.6 A performance review of clean power installations on Council assets and operations and maintenance contracts is being commissioned.

12. APPENDICES

Title	Location
General Fund Financial Monitoring Quarter 1 2023/24	APPENDIX A
Housing Revenue Account Financial Monitoring Quarter 1 2023/24	APPENDIX B
Prudential Indicators Quarterly Monitoring	APPENDIX C

13. BACKGROUND DOCUMENTS

20 February 2023 General Fund Budget 2023/24 and Four-Year Outlook – MC/22/35

20 February 2023 Housing Revenue Account Budget 2023/24 – MC/22/36

20 February 2023 Joint Capital, Investment and Treasury Management Strategies 2023/24 – MC/22/39