



AGENDA ITEM:

**EXECUTIVE OVERVIEW & SCRUTINY:
14 March 2024**

CABINET: 26 March 2024

Report of:	Head of Finance, Procurement and Commercial Services
Relevant Portfolio Holder:	Councillor Rob Molloy
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SUBJECT: 2023/24 GRA REVENUE Q3 MONITORING

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide a summary of the General Revenue Account (GRA) position for the 2023/24 financial year at quarter 3.

2.0 RECOMMENDATIONS

2.1 TO OVERVIEW & SCRUTINY COMMITTEE

- 2.2 That the 2023/24 GRA position be noted and any agreed comments passed to Cabinet prior to the meeting on 26 March 2024.

2.3 TO CABINET

- 2.4 That the 2023/24 GRA position be noted and endorsed.

3.0 BACKGROUND

- 3.1 In February 2023, Council agreed the 2023/24 GRA Net Budget of £16.327m.
- 3.2 December 2023 cpi remains relatively high at 4.0% though the general trend now seems to be downward. This means there is likely to be ongoing contract inflation pressures to fund or manage in-year and beyond as inflation flows through

contracts. In addition, the 2023/24 pay settlement was £1,925 per full time employee, this is in excess of the 3% budgeted and will therefore be a pressure in the current year of approximately £600k.

- 3.3 The Medium Term Financial Forecast (MTFF) is showing that significant pressure remains following the Government Financial Settlement. Work is currently being undertaken to identify additional measures to reduce this pressure over the period to 2026/27. The MTFF is based on the phasing out of the use of reserves beyond 2024/25 in order to provide a sustainable financial position going forward.

4.0 GENERAL REVENUE ACCOUNT: QUARTER 3 POSITION

- 4.1 The table below provides quarter 3 forecast outturn estimates against the latest revised budget. The Q3 net forecast is a favourable position of £201K. If the forecast proves to be correct, this means that £201k less reserves will be required at year-end than was budgeted, (around £1,579k of general reserves required in 2023/24 rather than the budgeted amount of £1,780k). Further details are provided below. This Q3 forecast outturn compares favourably to the forecast at Q2, which was a £524k shortfall, the change is primarily due to the reduction in NNDR appeals provision (see below).

	FY Bud £000's	Q2 FY Var £000's	Q3 FY Var £000's	Commentary
Corporate & Customer Services	5,409	-600	-1,150	£750k favourable on ICT costs and salaries. 2024/25 savings likely to remove ICT favourable position. £400k one-off favourable anticipated on NNDR appeals provision at year end.
Environmental Services	6,696	600	650	Mainly staff & agency costs, plus fleet repair costs. 2024/25 fee increases should improve the position, subject to Council approval.
Finance Procurement & Commercial Services	1,592	125	130	Additional use of agency staff due to vacant posts & year end £60k savings target – additional income/efficiencies across WLBC
Housing Services (incl. Estates)	-886	-20	-15	
Legal & Democratic Services	1,128	110	75	Staff & agency costs, plus costs of new governance structure
Planning & Regulatory Services	1,818	200	150	Mainly Planning & Building Control income, plus staff & agency costs.

				1 January 2024 increase in planning fees without change to income budgets in 2024/25 should reduce/remove underlying budget pressure.
Wellbeing & Place Services	1,689	350	425	Leisure Contract. Staff costs, pay settlement. Parking income down.
Other Corporate Budgets	501	0	-75	Central budget contingency
Total Net Service Budgets	17,932	765	190	
Interest Receivable (net)	-225	-241	-391	Higher interest rates, as well as £90k budgeted interest payments not required to be made by WLBC in 2023/24.
Minimum Revenue Position	400	0	0	
Contribution to/from reserves	-1,780	0	0	
Total Net Budget	16,327	524	-201	1.2% of budget. Estimated pay settlement shortfall £0.6m offset by once-off estimated year end upside and interest.
GRA Net Funding	-16,327	0	0	

- 4.2 Overall budget pressure primarily relates to the pay settlement of £1,925 per full time employee. Budgets were set assuming a 3% increase, the settlement was closer to 6% on average.
- 4.3 At service level there are various additional service-specific pressures as identified in the table above, these are largely offset by service-specific budget savings, once-off favourable matters at year end, plus treasury interest income being better than budget due to high interest rates and the reduced need to borrow.
- 4.4 It was reported in 2022/23 that agency staff were being used to help fill vacant posts, so maintaining service delivery. The use of agency staff is being monitored in 2023/24 with the intention of reducing reliance on this type of staff.
- 4.5 Savings proposals of around £1.3m have been identified to address the budget gap within the Medium-Term Financial Forecast. These have been built into budgets for 2024/25, for Council approval in February 2024, and will comprise a combination of one-off and recurring measures to reduce expenditure and increase income.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 Careful monitoring of the budget position helps ensure that the GRA remains able to deliver services and is financially sustainable in the medium term.

6.0 RISK ASSESSMENT

- 6.1 The formal reporting of performance on the General Revenue Account is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, no Equality Impact Assessment is required.