

Report for: Overview & Scrutiny Committee 14 October 2024

Title: 2024/25 Finance Update Quarter 1 (Period 3)

Report authorised by: Taryn Eves, Director of Finance

Lead Officer: Frances Palopoli - Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

**Report for Key/
Non Key Decision:**

1. Describe the issue under consideration

- 1.1 This budget report covers the position at Quarter 1 (Period 3) of the 2024/25 financial year including General Fund (GF) Revenue, Capital, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) budgets. The report focuses on significant budget variances including those arising from the forecast non-achievement of approved Medium Term Financial Strategy (MTFS) savings.
- 1.2 The report provides the opportunity to consider the overall financial performance of the Council at the end of the first Quarter of 2024 and to note the significant financial pressures being forecast. This is most significant for the General Fund (GF) but there are also overspends forecast against the DSG and the HRA.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee are recommended to:
 - 2.1.1 Note the significant forecast General Fund overspend and the implications of this for the Council.
 - 2.1.2 Note that this forecast assumes that the budgeted £5.1m drawdown from reserves takes place. Note also, as highlighted in paragraphs 6.6 and 6.7, that there are potential additional, as yet unquantified, risks and an update will be provided in the Quarter 2 report.
 - 2.1.3 Note that the Council's overall level of reserves are unsustainably low. Re-building reserve levels is a stated medium to long term objective to increase the Council's financial resilience.
 - 2.1.4 Note that the Safety Valve programme, relating to SEND pressures, is on track to deliver the agreed priorities this year.

- 2.1.5 Note that the HRA is forecasting £3.093m less surplus than budgeted for. To consider the actions being taken to mitigate this forecast and what this means for the medium term HRA business plan.
- 2.1.6 Note in particular, the Director of Finance's statutory comments in paragraphs 11.1 to 11.2 which highlight the challenging financial position that the Council is in, and the action required now to develop a long-term sustainable plan.
- 2.1.7 Note the statutory comments that are included in the original report to Cabinet.

3. Appendices

- 3.1 Appendix 1 – 2024-25 Finance Update Quarter 1 (Period 3) Report for Cabinet 19.9.2024