



24/25 Q2 Revenue and Capital Latest Forecast

Cabinet

Date 7th November 2024

Recommendations

That Cabinet:

- Note the projected Revenue outturn for 2024-25
- Note the forecast Capital position for 2024-25
- Note the Treasury Management position at 30th Sep 2024.
- Approve Budget changes – New Finance System, IT and Countryside.
- Approve new Finance Trainee post.
- Note UK Shared prosperity update

Summary

The Council is forecasting an overall underspend of £1.35m against the 2024-25 net revenue budget of £13.0m.

Capital expenditure is forecast to be £5.4m against a budget of £9.4m – an underspend of £4.0m

A detailed breakdown of these numbers with explanations are provided in the appendices

Forecast Revenue Outturn

Outturn for 2024/25 is forecast to be
£1.4m surplus against Budget

£000	Approved Budget	Carry Forwards	Budget Movements	Revised Budget	Latest Forecast	Forecast Variance
Community	3,820	36	(2)	3,854	3,627	(227)
Corporate	6,925	18	(40)	6,902	6,765	(137)
Place	2,289	65	26	2,380	2,419	39
Net Cost of Service	13,034	119	(16)	13,137	12,811	(325)
Developers Contributions	0	0	(590)	(590)	(590)	0
Capital Grants	0	0	(2,104)	(2,104)	(2,104)	0
Revenue Projects	213	136	101	450	348	(102)
Treasury	(205)	0	0	(205)	(851)	(646)
Funding	(13,041)	(255)	2,609	(10,687)	(10,965)	(277)
Forecast Outturn	0	0	0	0	(1,351)	(1,351)

Revenue Projects Overview

Revenue projects forecast underspend by £102k

£000	Approved Budget	Carry Forwards	Budget Movement	Revised Budget	Latest Forecast	Forecast Variance
Community	170	136	35	341	255	(86)
Corporate	38	0	66	104	92	(12)
Place	5	0	0	5	0	(5)
Total	213	136	101	450	348	(102)

- Projects are not included in the cost of Services and are non-capital in nature.
- Detailed tables can be found in the Appendices

Capital Projects Overview

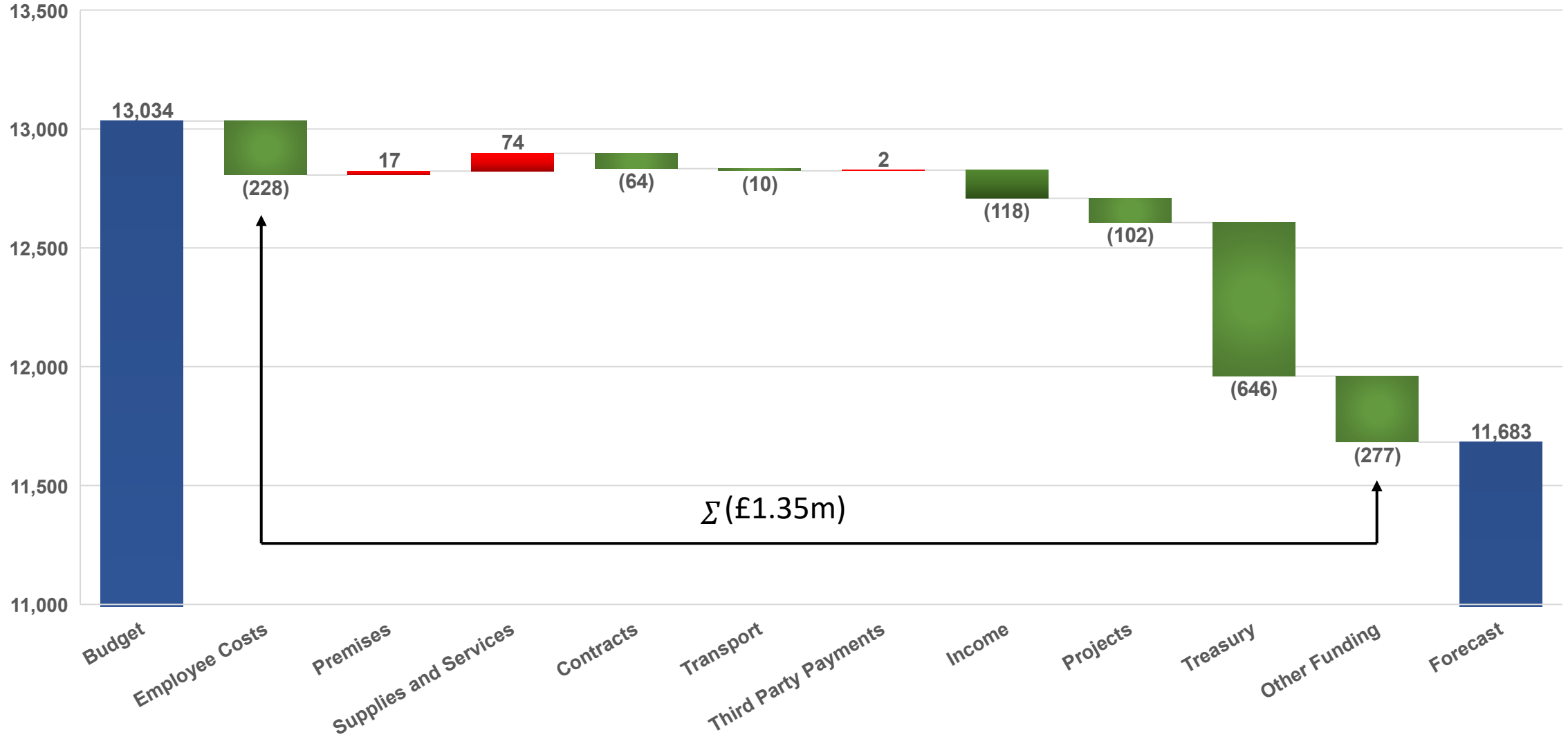
Capital is expenditure on new assets or improvements to existing assets.

Capital projects forecast underspend £1.2m

£000	Approved Budget	Carry Forwards	Budget Changes	Revised Budget	Latest Forecast	Forecast Variance
Community	3,938	572	679	5,188	4,053	(1,136)
Corporate	2,293	0	1,675	3,968	1,223	(2,746)
Place	198	0	0	198	138	(60)
Total	6,428	572	2,354	9,355	5,414	(3,941)

- Detailed tables can be found in the Appendices

Actual Variance by Subjective £k



Forecast Pressures & Savings

Increase/Decrease in Income

Planning Development income £95k ↓

Building control income £57k ↓

Waste and recycling income £36k ↓

Parking Income (PCNs and season tickets) £60k ↑

Treasury income £646k ↑

Increase/Decrease in Costs

Historic electricity costs £13k ↑

Employee costs £228k ↓

Proposed Budget Changes

New Finance System (NFS)

- Project being delivered in 2 phases to mitigate risk (25/26 costs)
- Cost of maintaining legacy data higher than expected. (24/25 costs)
- New system delivers efficiency savings in 2026/27.
- These numbers include the creation of a new Finance Trainee post. This role will support the NFS as well as the Revs and Bens Client Team function that will be brought in-house from Oct 25.

	2024/25	2025/26	2026/27	Total
Additional Requirement £k	38	19	(100)	(43)

- **Recommendation:** £57k be moved to Finance System project budget from Capita Contract change reserve and £100k to the MTFS for savings in 2026/27

Proposed Budget Changes

IT Security Improvements

To further strengthen security controls on documents held within the councils SharePoint environment:

- Proof of concept with subject expert to create and test controls and process
- Implementation of compliance module for automatic archiving and deletion of documents in line with Hart's retention policy

This initiative will mitigate risk of security, data and privacy breaches

£k	2024/25
110 Microsoft compliance licences	8
Third party support	12
Internal staff resource	20
Total	40

Recommendation: £40k to be moved from the Cyber Security reserve

Proposed Budget Changes

Countryside

- The Fleet Pond ecology and mitigation strategy project is forecast to be underspent by £55k
- Fleet Pond green grid signage project requires an additional £27k to complete the works.

	Ecology	Green Grid	Total
Budget Virement £k	(27)	27	0

- **Recommendation:** £27k be moved from cost centre HAJFPC to HAJFPB.
- Both projects are funded from Hartland park S106 contribution earmarked for Fleet Pond maintenance and improvement

UK Shared Prosperity Fund Update

- Full UKSPF grant has been received from central Government (£1.02m)
- All projects within the scheme are on track to be completed and evaluated by March 2025.
- Costs for each project are being finalised – all identified savings will be re-allocated in line with scheme terms to ensure full potential of the fund is achieved.
- Programme and Financial Plan is included in Appendix C.

Treasury Summary @ 30th Sep 2024

Borrower	Amount £m	Interest Rate	ESG Rating	Terms	Investment Date	Maturity Date	Interest £m
Barclays Ltd - Green A/C	5.0	5.05%	97	95 Days	01-Apr-24	04-Jan-24	0.196
London Borough of Hillingdon	6.0	5.60%		Fixed	01-Apr-24	31-Dec-24	0.252
Qatar National Bank	6.7	5.25%	93	Fixed	01-Aug-24	16-Oct-24	0.074
Oversea-Chinese Banking Corp.	6.9	4.95%	92	Fixed	16-Aug-24	15-Nov-24	0.086
Sumitomo Mitsui Banking Corp.	2.3	4.99%	94	Fixed	02-Sep-24	21-Oct-24	0.015
First Abu Dhabi	6.4	4.89%	93	Fixed	02-Sep-24	16-Dec-24	0.090
Aberdeen Liquidity - Standard Life	4.6	5.00%		Money Market Fund	26-Sep-24	01-Oct-24	0.003
Bank of New Year Mellon	6.2	5.02%		Money Market Fund	16-Sep-24	01-Oct-24	0.013
	44.2						0.729
Barclays-FIBCA	0.5	0.84%	97				
Total	44.7						

- ESG (Economic, Social and Corporate Governance) ratings as agreed in Treasury Management (TM) Strategy. During 2024/25 all cash deposits with banks have exceeded the Council's minimum ESG threshold.
- 2024/25 Treasury activity has operated within the prudential indicators approved in 24/25 TM Strategy
- No new borrowing has been taken out during 2024/25.