



Strategic Planning and Environment Overview and Scrutiny Committee



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Report for:	Strategic Planning and Environment Overview and Scrutiny Committee
Title of report:	Financial Performance Quarter 1 2023-24
Date:	5th September 2023
Report on behalf of:	Cllr Sally Symington, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Forecast Outturn Position Q1 2023-24 Appendix B– SPaE Projected Capital Outturn Q1 2023-24
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

Report Author

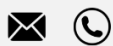
Clare Dempsey, Financial Planning and Analysis Manager



Clare.Dempsey@dacorum.gov.uk / 01442 228264 (ext. 2264)

Responsible Officer

Fiona Jump, Head of Financial Services



Fiona.Jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

Corporate Priorities

A clean, safe and enjoyable environment
Building strong and vibrant communities
Ensuring economic growth and prosperity
Providing good quality affordable homes, in particular for those most in need
Ensuring efficient, effective and modern service delivery
Climate and ecological emergency

Wards affected	All
Purpose of the report:	<p>1. To provide details of the projected outturn 2023-24 as at quarter 1 for the:</p> <ul style="list-style-type: none"> • General Fund • Capital Programme
Recommendation (s) to the decision maker (s):	<p>1. That Committee note the financial position for 2023-24 as at Quarter 1.</p>
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1 Introduction:

1.1 This report presents the Council's forecast outturn for 2023-24 as at quarter 1, 30th June 2023. The report focuses in particular on services within the Strategic Planning and Environment area with associated appendices:

- General Fund – Appendix A. Across all scrutiny committee areas, a surplus against budget of £0.766m is forecast. Included in this is a pressure of £0.789m against Strategic Planning and Environment services.
- Capital Programme – Appendix B. Strategic Planning and Environment General Fund capital schemes are currently forecasting a pressure of £0.100m.

2 General Fund Position – all Scrutiny Committee Areas

2.1 Appendix A provides an overview of the General Fund forecast outturn position.

2.2 The table below provides an overview by Scrutiny area of the provisional outturn for controllable budgets within the General Fund.

Table 1 Scrutiny Committee	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Finance & Resources	10.937	11.760	0.823	7.5%
Strategic Planning and Environment	12.299	13.088	0.789	6.4%
Housing and Community	1.903	1.933	0.030	1.6%
Total Operating Cost	25.139	26.781	1.642	6.5%
Core Funding	(25.140)	(27.548)	(2.408)	9.6%
(Surplus)/ Deficit	(0.001)	(0.767)	(0.766)	

2.3 Key variances against General Fund and HRA service areas (greater than £0.100m) are outlined in section 3 below.

3 General Fund Position- Strategic Planning and Environment

Table 2 – Strategic Planning and Environment Quarter 1	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m	£m	%
Neighbourhood Operations	11.310	11.399	0.089	0.8%
Housing & Property	0.053	0.098	0.045	84.9%
People & Transformation	(0.114)	(0.165)	(0.051)	44.7%
Place	1.050	1.756	0.706	67.2%
Total Operating Cost	12.299	13.088	0.789	6.4%

3.1 Neighbourhood Operations – pressure of £0.089m

Staffing pressures for waste services are forecast to be £0.520m for the year, due to additional agency requirements to meet service demand. The waste transformation program is nearing completion with the new rounds having commenced from the beginning of August. The breakdown of this pressure is split between current operational structures causing a pressure £0.250m, and the new rounds including staff absence pressures are expected to cause a further pressure of £0.270m for the remaining 8 months of the year. The pressure in 23/24 is a significant reduction on 22/23 financial pressures due to the implementation of the route optimisation project and further cost reductions are expected going forward.

There is a pressure of £0.175m on hire vehicle budgets due to the ongoing breakdowns from the existing fleet. The service is working with the supplier to find a resolution to the problems and options to reduce / control these pressures moving forwards.

A surplus of £0.700m on Garden Waste income is reported. Take up of the scheme is much higher than anticipated when the charge was introduced at the end of 2022-23 and hence the underlying service financial pressure is significantly reduced.

3.2 Place – pressures of £0.706m

The planning service has seen the pressures on their planning income continue from 2022-23. The income pressure for 2023/24 is £0.500m for planning income and £0.050m for land searches fees. The pressures are linked to the impact of the current economic conditions on developers and the associated adverse impact on planning income. There are smaller pressures across the service contributing to the balance of pressures.

4 Capital Programme

4.1 Appendix C shows the projected capital provisional outturn in detail by scheme.

The table below summarises the overall capital outturn position for Strategic Planning and Environment committee area.

The current budget is the original budget approved by Cabinet in February 2023, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred but will now be in 2024-25 rather than 2023-24 ('slippage'), or conversely, where expenditure planned initially for 2024-25 has been incurred in 2023-24 ('accelerated spend').

The 'Variance' column refers to projects which are expected to come in under or over budget and projects which are no longer required.

Table 3- Capital Outturn 2023-24	Current Budget	Re-phasing (To)/from future years	Revised Budget	Forecast Outturn	Variance	
	£m	£m	£0m	£m	£m	%
Strategic Planning and Environment	6.261	(3.373)	2.888	2.988	0.100	3.46%

4.2 General Fund Capital Programme Major Variances

Strategic Planning and Environment capital schemes are reporting slippage of £3.373m. The slippage includes the following items over £0.100m:

- Fleet Replacement Programme £0.750m, additional time taken to review the requirements of fleet moving forward and delays in delivery of orders.
- The Bury £2.623m. This project is still under review to determine the best use of the site moving forwards.

There is an expected pressure on Strategic Planning and Environment capital projects of £0.100m. This relates to Wheeled Bins and Boxes. The service has experience continuing high level of demand for replacement bins following the deterioration of existing bins splitting and requiring replacement. A large proportion of the defective bins have now been replaced and therefore spend is expected to fall within budget in future years.

5. Financial implications

5.1 Contained within the body of this report.

6. Legal implications

6.1 There are no direct legal implications arising from this report.

7. Risk implications

7.1 Regular monitoring and reporting on the Council's financial position is one of the key ways in which the organisation manages the potential risk of the weakening of its financial resilience.

8 Equalities, Community Impact and Human Rights

8.1 Community Impact Assessments on Council activities are carried out by relevant services with responsibility for those activities. A separate Community Impact Assessment has not been carried out in respect of this report.

8.2 There are no Human Rights Implications arising from this report.

9 Sustainability implications

9.1 There are no specific sustainability implications arising from this report.

10 Council infrastructure

10.1 The content of this report sets out the implications of the Council's activities for its financial resources for 2023-24.

11 Conclusions

11.1 The forecast position for 2023-24 at quarter 1 is a surplus of £0.766m against Council General Fund budgets, covering all scrutiny committee areas. Housing Revenue Account budgets are reporting a pressure of £0.390m.

11.2 The forecast position for 2023-24 at quarter 1 is slippage of £3.373m for Strategic Planning and Environment capital schemes.