



# Strategic Planning and Environment Overview and Scrutiny Committee



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<b>Report for:</b>	Strategic Planning and Environment Overview and Scrutiny Committee
<b>Title of report:</b>	Financial Performance Quarter 2 2023-24
<b>Date:</b>	1st November 2023
<b>Report on behalf of:</b>	Cllr Ron Tindall, Portfolio Holder for Corporate & Commercial Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A – General Fund Forecast Outturn Position Q2 2023-24 Appendix B – Projected Capital Outturn Q2 2023-24
<b>Background papers:</b>	None.
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	GF – General Fund HRA – Housing Revenue Account

## Report Author

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## 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

<b>Wards affected</b>	All
<b>Purpose of the report:</b>	<p>1. To provide details of the projected outturn 2023-24 as at quarter 2 for the:</p> <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Capital Programme</li> </ul>
<b>Recommendation (s) to the decision maker (s):</b>	<p>1. That Committee note the financial position for 2023-24 as at Quarter 2.</p>
<b>Period for post policy/project review:</b>	The Council's financial position is reported to committee on an ongoing, quarterly basis.

## 1. Exec Summary:

**1.1** The Quarter 2 financial position of the General Fund is reporting a surplus against budget of £0.536m, a reduction of £0.231m from quarter 1. In summary this is due to pressures from the imminent public sector pay award £0.500m, employee cost pressures for Neighbourhood operations of an additional £0.109m, additional expenditure on works to trees £0.150m, £0.254m on Place interim costs while offset by increased investment income of £0.551m, and a reduction in borrowing costs of £0.232m

## 2. Introduction:

**2.1** This report presents the Council's forecast outturn for 2023-24 as at quarter 2, 30<sup>th</sup> September 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 £0.536m is forecast. Included in this is a pressure of £0.984m 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 as reported in quarter 1.

## 3. General Fund Position – all Scrutiny Committee Areas

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

**3.2** 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 Quarter 2 £m	Variance		Forecast Outturn at Quarter 1 £m	Movement from quarter 1 to Quarter 2 £m
			£m	%		
Finance & Resources	11.138	12.689	<b>1.551</b>	13.9%	11.760	0.929
Strategic Planning and Environment	12.049	13.033	<b>0.984</b>	8.2%	13.088	(0.055)
Housing and Community	1.953	2.095	<b>0.142</b>	7.3%	1.933	0.162
<b>Total Operating Cost</b>	<b>25.140</b>	<b>27.817</b>	<b>2.677</b>	10.6%	26.781	1.036
Core Funding	(25.140)	(28.353)	<b>(3.213)</b>	12.8%	(27.548)	(0.805)
<b>(Surplus)/ Deficit</b>	<b>0.000</b>	<b>(0.536)</b>	<b>(0.536)</b>		<b>(0.767)</b>	<b>0.231</b>

3.3 There are several variation changes identified between Quarter 1 and Quarter 2 against General Fund the material changes are outlined in section 4 below.

#### 4. General Fund Position- Strategic Planning and Environment

Table 2 – Strategic Planning and Environment Quarter 2	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Neighbourhood Operations	11.310	11.461	<b>0.151</b>	1.3%
Housing & Property	0.053	0.088	<b>0.035</b>	66.0%
People & Transformation	(0.114)	(0.035)	<b>0.079</b>	(69.3%)
Place	0.800	1.519	<b>0.719</b>	89.9%
<b>Total Operating Cost</b>	<b>12.049</b>	<b>13.033</b>	<b>0.984</b>	8.2%

#### 4.1 Neighbourhood Operations – pressure of £0.151m

Due to vacancies within the service, interim cover and consultancy is causing an increased forecast pressure for Neighbourhood Delivery Management of £0.109m, creating a total projected pressure of £0.657m on staffing within the directorate. The Corporate Leadership posts within the service have been permanently recruited to at the end of quarter 2 so no further interim management is in place going forward.

Since quarter 1 further garden waste subscriptions have continued. The take up to the scheme is much higher than anticipated when the charge was introduced at the end of 2022/23. The number of subscriptions now in operation for this year are 34,178 which equates to a 70% take up for the service. The total surplus is now £0.758m, an increase of £0.058m from quarter 1.

Recycling income is showing a surplus of £0.134m. This includes additional income arising from the final payment from Hertfordshire County Council for the Alternative Funding Model (AFM), which generated

income based on recycling levels £0.064m. This scheme ended in 2022/23, the final payment received for last financial year has now been paid and was in excess of that forecast at the end of last financial year. The cost for Gate fees for the disposal of recycling materials has risen over the last 6 months, however the current forecast is showing that these costs are currently below budget by £0.070m. These costs are driven by the basket rate on recyclables. This market is known to have suddenly declined in price, so the continuation of this underspend cannot be guaranteed moving forward in the medium term.

Maintenance of trees on the Highways has been contracted to Dacorum for a number of years by Hertfordshire County Council. This agreement has now ceased, however a large number of works are still due to be completed for which the Council will receive no further income. This is causing a pressure of £0.150m on the budgets within this area.

#### 4.2 Place – pressures of £0.719m

Planning income at quarter 1 reported a pressure on planning fees of £0.500m on land search fees. £0.050m. A number of large applications were placed in August meaning that the planning income pressure has reduced to £0.335m. Land search fees are now reporting an increased pressure now for the full year, total £0.090m.

Following a review of the Place structure, staffing pressure including interim management pressures are forecast for the service £0.254m. The Place restructure has now concluded, the recruitment processes are coming to an end to ensure we have permanent and Fixed Term vacancies filled.

### 5. Capital Programme

#### 5.1 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	2.888	(0.515)	2.373	2.473	0.100	3.5%

#### 5.2 General Fund Capital Programme Major Variances

Strategic Planning and Environment capital budgets are reporting slippage of £0.515m. The slippage includes the following items over £0.100m:

- Urban Park/education centre (Durrants Lakes) £0.104m. Initial development design in regards to bridges, river and bio diversity will be undertaken in 2023/24 the balance of the budget will be slipped while these plans are agreed.
- Play areas & Open Spaces £0.387m. Tendering of the next play area is expected to commence November 2023 with works expected to take place from June 2024.

## **6. Financial implications**

**6.1** Contained within the body of this report.

## **7. Legal implications**

**7.1** There are no direct legal implications arising from this report.

## **8. Risk implications**

**8.1** 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.

## **9. Equalities, Community Impact and Human Rights**

**9.1** 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.

**9.2** There are no Human Rights Implications arising from this report.

## **10. Sustainability implications**

**10.1** There are no specific sustainability implications arising from this report.

## **11. Council infrastructure**

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

## **12. Conclusions**

**12.1** The forecast financial performance position at quarter 2 for the Strategic Planning and Environment directorate is a pressure of £0.984m against the approved budget.

**12.2** A forecast position for 2023-24 at quarter 2 is slippage of £0.515m for Strategic Planning and Environment capital schemes.