



# 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 3 2023-24
<b>Date:</b>	6th March 2024
<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 Q3 2023-24 Appendix B – Projected Capital Outturn Q3 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>	<ol style="list-style-type: none"> <li>1. To provide details of the projected outturn 2023-24 as at quarter 3 for the: <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Housing Revenue Account</li> <li>• Capital Programme</li> </ul> </li> </ol>
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That Committee note the financial position for 2023-24 as at Quarter 3.</li> </ol>
<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 3 2023-24 financial position of the General Fund is reporting a surplus against budget of £0.236m. This represents a reduction of £0.300m on the surplus reported at quarter 2 (£0.536m). The quarter on quarter change is accounted for by the additional cost pressures being reported since the quarter 2 financial position was presented to Cabinet in November 2023. Key additional costs include:

- additional employee costs within Neighbourhood Operations £0.175m
- additional expenditure on works to trees in the borough £0.080m
- a reduction in income received in relation to services provided to the HRA (HRA recharge) £0.459m

These additional pressure are partly offset by:

- increased investment income £0.203m
- further government grants £0.170m
- reduction in staffing pressures within the Place directorate £0.115m.

## 2. Introduction:

**2.1** This report presents the Council's forecast outturn for 2023-24 as at quarter 3, 31<sup>st</sup> December 2023, with a focus on changes to the forecast since quarter 2. The report covers the following budgets with associated appendices:

- General Fund revenue position – Appendix A. Across all scrutiny committee areas, a surplus against budget of £0.236m is forecast. Included in this is a pressure of £1.527m against Strategic Planning and Environment services.
- Capital Programme – Appendix B. Strategic Planning and Environment General Fund Budgets are forecasting a pressure of £0.100m as reported in Quarter 1 and re-phasing (programme slippage) to future years of £0.895m.

## 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 3 £m	Variance		Forecast Outturn at Quarter 2 £m	Movement from quarter 2 to Quarter 3 £m
			£m	%		
Finance & Resources	10.701	11.850	<b>1.149</b>	10.7%	12.689	(0.839)
Strategic Planning and Environment	12.049	13.576	<b>1.527</b>	12.7%	13.033	0.543
Housing and Community	1.953	2.066	<b>0.113</b>	5.8%	1.953	0.113
<b>Total Operating Cost</b>	<b>24.703</b>	<b>27.492</b>	<b>2.789</b>	11.3%	<b>27.817</b>	(0.325)
Core Funding	(24.703)	(27.728)	<b>(3.025)</b>	12.2%	(28.353)	0.625
<b>(Surplus)/ Deficit</b>	<b>0.000</b>	<b>(0.236)</b>	<b>(0.236)</b>		<b>(0.536)</b>	<b>0.300</b>

**3.3** Sections 4 below provide further information on the material changes to the Council's General Fund and HRA financial position between quarter 2 and quarter 3.

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

Table 2 – Strategic Planning and Environment Quarter 3	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Neighbourhood Operations	11.310	12.123	<b>0.813</b>	7.2%
Housing & Property	0.053	0.083	<b>0.030</b>	56.6%
People & Transformation	(0.167)	(0.187)	<b>(0.020)</b>	12.0%
Place	0.853	1.557	<b>0.704</b>	82.5%
<b>Total Operating Cost</b>	<b>12.049</b>	<b>13.576</b>	<b>1.527</b>	12.7%

##### **4.1 Neighbourhood Operations**

The pressure reported on works relating to trees has increased by £0.080m at quarter 3. The service are working on a backlog of safety works required to trees around the borough. A significant amount of works will be undertaken in quarter 4 2023-24 as the service seeks to maximise contractor capacity during a time of the year that is optimum for undertaking tree maintenance.

Fleet services have seen an increase in works to the Council's fleet which has led to a forecast pressure on fleet repairs and maintenance of £0.052m at quarter 3.

Waste Agency pressures have increased by £0.175m from the reported position at quarter 2. This is due to agency usage being higher over the initial winter period than previously forecast. The service are working closely with Financial Services to monitor their staffing requirements and the associated financial

impact. They are looking to significantly reduce the number of agency per day from the end of January and throughout February.

## 4.2 Place

At quarter 3 forecast planning income has increased by £0.050m from the position reported in quarter 2, reducing the overall pressure reported against planning income and land charges to £0.400m. Planning fees, which are determined by statute, were increased in January as notified by the government. This appears to have led to more applications being made for smaller planning applications in the period to the end of December.

Place directorate forecast interim cost pressures has reduced by £0.115m in quarter 3 from that forecast at quarter 2. This is associated with delays in recruitment within Place, Communities and Enterprise. The total pressure within the Place directorate relating to interim and restructure costs is £0.139m

## 5. General Fund reserve transfer requests

5.1 At their March meeting, Cabinet agreed to recommend to Council to approve the following reserve transfer requests:

- £0.100m Funding for Luton Airport Legal costs - £0.050m from the Dacorum Development reserve and £0.050m from the Local Development Framework reserve.
- £0.025m drawdown to fund additional Customer Support Unit (CSU) support for Garden waste renewals from the Management of Change reserve.

## 6. Capital Programme

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

The table below summarises the overall capital outturn position by Scrutiny 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 £m	Re-phasing (To)/from future years £m	Revised Budget £0m	Forecast Outturn £m	Variance	
					£m	%
Strategic Planning and Environment	2.323	(0.895)	1.428	1.528	0.100	4.31%

## **6.2 General Fund Capital Programme Major Variances**

Strategic Planning and Environment capital budgets are reporting slippage of £0.895m. The slippage includes the following items over £0.100m:

- Waste Transfer Site Upgrade works £0.162m - Improvements to the lighting is expected to commence March 2024 with future works being undertaken during 2025/26.
- Fleet Replacement Programme £0.529m - Due to vacancies within the service and a review of requirements further budget is being slipped – a review of the programme is being undertaken in quarter 4 to ensure the programme is on track for 2024/25.
- Chipperfield Common carpark £0.100m - Awaiting approval from secretary of State to allow resurfacing works to commence.

## **7. Financial implications**

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

## **8. Legal implications**

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

## **9. Risk implications**

**9.1** 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.

## **10 Equalities, Community Impact and Human Rights**

**10.1** 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.

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

## **11 Sustainability implications**

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

## **12 Council infrastructure**

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

## **13 Conclusions**

**13.1** The forecast position for 2023-24 at quarter 3 for the Strategic Planning and Environment services is a pressure of £1.527m against Council General Fund budgets.

**13.2** A forecast position for 2023-24 at quarter 3 is slippage of £0.895m for Strategic Planning and Environment capital schemes.