



Finance and Resources

Overview and Scrutiny Committee



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Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Provisional Financial Outturn 2023/24
Date:	15 th July 2024
Report on behalf of:	Cllr Michela Capozzi, Portfolio Holder for Corporate & Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Revenue Provisional Outturn 2023/24 Appendix B – Housing Revenue Account Provisional Outturn 2023/24 Appendix C – Capital Programme Provisional Outturn 2023/24
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

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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
Wards affected	All
Purpose of the report:	<p>1. To provide details of the provisional financial outturn 2023-24 for the:</p> <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendation (s) to the decision maker (s):	<p>To note the provisional 2023-24 provisional financial outturn position and associated reserve movements for the General Fund, Housing Revenue Account and Capital Programme.</p> <p>To note the proposed reserve movements, virements and supplementary budgets highlighted in the report.</p>
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1. Introduction:

The report presents the provisional 2023/24 financial outturn position for the Council as at 31st March 2024. The final position for the year is subject to:

- Finalisation of reserve movements.
- The completion of the audit of the Council's accounts by the Council's external auditors KPMG.

2. Executive Summary:

2.1 Key Provisional Outturn Figures

The General Fund revenue budget is forecasting an underlying surplus of £0.489m. A request will be taken to Cabinet to recommend to Full Council that this surplus be transferred to the following reserves to fund future initiatives.

- £0.006m to the Council Tax Hardship Reserve
- £0.025m to the Housing Conditions Survey Reserve
- £0.458m to the Invest to Save Reserve

The Housing Revenue Account (HRA) is forecasting a residual pressure of £0.294m at year end. This position includes the release of a £0.650m from an HRA provision following review of the balance held. A request for a net drawdown from HRA reserves of £0.294m will be taken to Cabinet to recommend to Full Council in order to balance the outturn position.

General Fund capital is reporting further slippage of £2.183m across several schemes, compared to the position at quarter 3 2023/24. General Fund capital is underspent by £0.099m, relating to the creation of move on-accommodation for rough sleepers at Aragon Close.

HRA capital has additional slippage from the position reported at quarter 3 2023/24 of £4.955m and an underspend of £0.223m.

2.2 Summary Narrative and Forward Look

During 2023/24 the Council experienced significant revenue pressures across its General Fund (£0.500m) and Housing Revenue Account (HRA) (£0.150m) budgets relating to the staff 2023/24 staff pay award.

Further expenditure pressures for the General Fund arose due to agency staff costs associated with the delivery of the Council's Waste service (£0.606m). Whilst some General Fund revenue streams performed below budget such as Planning income (£0.282m shortfall against target), others performed over target such as income from Garden Waste (£0.821m additional income over target) and income from the investment of the Council's cash balances (£3.444m additional income over target). Overall, General Fund pressures were covered by additional income and underspends, leaving an overall surplus of £0.489m.

The Housing Revenue Account experienced significant expenditure pressures against budgets for the repair and maintenance of Council housing stock due to demand for works (£5.283m). Other expenditure pressures included supervision and management costs, which includes interim staff costs, support service costs and insurance costs (£1.75m total expenditure pressure). Income for the HRA performed well during the year, with rental income delivering £0.956m over target and income from the investment of HRA cash balances delivering £1.775m over target. The HRA's overall position is a deficit of £0.294m. A request will be made for Cabinet to recommend to Full Council to draw down from HRA revenue reserves to balance the overall position.

The Council set a balanced budget for 2024/25 in February 2024. This budget addressed known variances arising during 2023/24. Further review of the Council's expected position for 2024/25 has been undertaken following completion of the Council's provisional outturn position.

Risks remain within the Council's financial position in the current financial year. Within the General Fund, these include those relating to key income streams such as parking. Expenditure pressures seen during 2023/24 within the Council's Waste service are likely to continue into 2024/25. Within the Housing Revenue Account, the demand for repairs and maintenance to Council Homes continues. Insurance costs, driven by claims relating to water ingress, damp and mould are also expected to continue into 2024/25.

These risks are being closely monitored by service leads with support from the Council's Finance team. Emerging variances to budget and associated mitigating actions will be communicated to Members as part of the Council's regular financial reporting arrangements.

3. General Fund Position – all Scrutiny Committee Areas

Appendix A provides an overview of the General Fund forecast outturn position. The table below provides an overview for by scrutiny area.

Table 1- General Fund Position by Scrutiny Area	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Finance & Resources	9.317	11.799	2.482	26.6%
Strategic Planning and Environment	12.599	13.979	1.380	11.0%
Housing & Community	1.876	1.582	(0.294)	(15.7%)
Operational Cost	23.792	27.360	3.568	15.0%
Core Funding	(23.792)	(27.849)	(4.057)	17.1%
Contribution (to)/ from General Fund Working Balance	0.000	(0.489)	(0.489)	

4. General Fund Position- Finance and Resources and Core Funding

Table 2 – Finance and Resources	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m		
Chief Executives	0.999	0.927	(0.072)	(7.2%)
Housing & Property	(6.123)	(5.752)	0.371	(6.1%)
Neighbourhood Delivery	(0.387)	(0.274)	0.113	(29.2%)
Corporate and Commercial	6.064	7.537	1.473	24.3%
People and Transformation	4.132	4.509	0.377	9.1%
Place	4.632	4.852	0.220	4.7%
Total Operating Cost	9.317	11.799	2.482	26.6%
Core Funding	(23.792)	(27.849)	(4.057)	17.1%

4.1 Key variances for 2023/24 reported against Finance and Resources General Fund service areas are outlined below.

4.2 Chief Executives

Vacancies within the Chief Executives Service during 2023/24 has resulted in an underspend of £0.075m.

4.3 Corporate and Commercial

Legal and Democratic Services have had a number of vacancies across the service, in addition the demands relating to litigation work and damp and mould claims has increased. A number of the vacancies within Legal services were covered using agency and working with Hertfordshire County council legal services these additional costs offset by underspends on salary budgets resulted in a pressure of £0.072m. A significant proportion of this pressure is included in the recharges to the HRA.

The Legal services income is reporting a surplus of £0.107m. This income is in relation to recovery of legal costs incurred following action being undertaken.

A pressure of £0.385m in respect of targets previously established in relation to commercial Business Cases undertaken in 2021-23. These commercial income targets were reviewed after the completion of Business Cases as part of the 2024/25 budget setting process, and budgets adjusted accordingly. The Council's Commercial Strategy supports development of a stronger commercial culture and ethos in Council service delivery. Further improvements to net income will be analysed through an ongoing programme to review the Council's commercial income streams, and deliverables established.

External Audit fees for 2023/24 have increased following the introduction of a new charging regime overseen by Public Sector Audit Appointments (PSAA), the body responsible for appointing the Council's external auditors. These increases are part of a suite of measures to address the backlog in Local Authority audit by providing external audit firms with appropriate financial resources to deliver on their

local authority contracts. These costs represent a pressure of £0.213m. Growth in the budget for external audit fees has been incorporated into 2024/25 budgets.

The cost of insurance claims, particularly that relating to the Council's housing stock has risen during the year, resulting in a pressure of £0.620m. The majority of these costs are charged to the HRA. The most common cause of damage being claimed for is water ingress and damage from damp and mould. Costs associated with these claims represent an ongoing risk for 2024/25 and will be closely monitored.

4.4 People & Transformation

A £0.200m saving for 2023/24 associated with the Council's customer strategy was not realised in 2023/24. The service is progressing the strategy, having identified processes and areas for improvement. The project will now look at the level of digital support required in order to streamline manual process and implement changes. While clearer understanding of the impact on efficiencies are understood from a financial and performance perspective, the baseline saving has been removed from the ongoing budgets.

There are additional staffing costs, including interim costs, across the directorate of £0.206m. In this area costs relating to work carried out for the Housing Revenue Account which are recovered as part of a recharge made to the Housing Revenue Account for services provided to it by the General Fund.

4.5 Neighbourhood Delivery

Cemetery income reported a pressure of £0.168m. £0.092m relates to income for the crematorium at Poppyfields. The income has been received and accounted for within the Core Funding. The budget allocations have been resolved for 2024/25.

Parking services have seen an underspend on the SABA parking contract. Whilst additional recruitment was undertaken, the contract costs were reduced leading to an underspend of £0.074m. In addition, parking income is reporting a surplus of £0.200m, the net position of additional Penalty Charge Notice (PCN) income and an increased contribution to the Council's bad debt provision.

Due to vacancies within the service during 2023/24, interim cover and consultancy caused a pressure for Neighbourhood Delivery Management of £0.271m. Corporate Leadership posts within the service were filled at the end of quarter 2 so no further interim management costs are expected moving forwards. £0.093m of this is offset by budget for the Health and Safety post within Strategic Planning and Environment.

4.6 Housing and Property

A pressure of £0.183m is reported on Civic Halls in respect of income, utilities and repairs are being reported, including those relating to Victoria Hall, Tring and Berkhamsted Civic Centre and the Council's Community Centres.

Investment properties incurred the following pressures on budgets;

- Council Tax and Business rates on Void Properties £0.084m,
- Increase in arrears for commercial rents meant increase in provision held £0.087m and
- Pressures on the Forum budgets in respect of utility costs and facilities management £0.065m.

The income for investment property portfolio performed well with a surplus of £0.062m.

4.7 Place

Leisure management Income from the Leisure centre contracts generated a surplus of £0.090m for 2023/24. The surplus will be transferred to a leisure reserve to ensure that any pressures relating to Leisure Services can be met over the medium term.

4.8 Core Funding

Core Funding covers key corporate funding income and expenditure and includes General Fund investment income, government grants and income from Council Tax and Business rates.

Cash balances and interest rates remain higher than expected generating an additional £3.444m. This is linked to slippage on the Council’s capital programme leading to an increased level of cash balances for investment. Capital programme rephasing (slippage and accelerated expenditure) is explained at section 9 of this report.

In addition, due to capital slippage, the level of borrowing applied to finance the Council’s capital programme has been lower than expected, leading to an underspend against the Minimum Revenue Provision.

Further government grants to those originally budgeted, creating an overall surplus of £5.215m against government grants. The additional grant funding includes grant received relating to business rates relief awarded to local organisations, New Burdens funding to administer the energy rebate scheme and Welfare Reform obligations and other Council Operations.

The forecast recharge for services provided from the General Fund to the HRA has created a surplus to the General Fund of £0.079m. This relates to additional support for Communications, Human Resources and Customer Services.

4.9 Risks to Finance and Resources Scrutiny 2024/25 Budgets

Pressures within Legal Services will require ongoing review in 2024/25. Claims in relation to damp and mould are likely to continue leading to increased costs, which will be chargeable to the Housing Revenue Account. Works are ongoing to identify the potential financial impact for 2024/25.

Pressures on civic halls is also expected to continue for 2024/25. The service is being reviewed as part of the commercial income review, supported by the commercial development team, to assess the opportunities available for improving the net revenue position of facilities for hire.

5. General Fund Position- Strategic Planning and Environment

Table 3 – Strategic Planning and Environment	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m		
Neighbourhood Operations	11.310	12.394	1.084	9.6%
Housing & Property	0.053	0.075	0.022	41.5%
People & Transformation	(0.114)	(0.017)	0.097	(85.1%)
Place	1.350	1.527	0.177	13.1%
Total Operating Cost	12.599	13.979	1.380	11.0%

5.1 Variances for 2023/24 reported against Strategic Planning and Environment General Fund service areas are outlined below.

5.2 Neighbourhood Operations

Staffing pressures for Waste services are £0.726m for the year, due to the impact of the 2023/24 pay award £0.120m and additional agency requirements to meet service demand £0.606m. A significant element of this staffing pressure was as a result of the in-year route optimisation project commencing later than expected, in August 2023. In addition, staff absence remained higher than previous trends and higher than budgeted. The pressure in 2023/24 is a significant reduction on 2022/23 financial pressures following the implementation of the route optimisation project and further cost reductions are expected going forward.

Other service operation pressures include £0.113m on hire vehicle budgets due to the ongoing breakdowns from the existing fleet and £0.077m on fuel. The service are working closely with finance colleagues to monitor spend in this area and manage the position going forward.

Income pressures across Neighbourhood Operations total £0.080m relating to Bulky Waste Collections, Pest Control Services and Cesspool Emptying. The services are being reviewed as part of the commercial income review with the aim of reducing risks to future year budgets.

Maintenance of trees on 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 £0.111m on the budgets within this area. In addition, the service are working on a backlog of safety works required to trees around the borough. A significant amount of works were undertaken in quarter 4 2023/24 as the service sought to maximise contractor capacity during a time of the year that is optimum for undertaking tree maintenance. This caused a pressure of £0.102m for the general fund and £0.068m for the HRA. A total pressure on Trees and Woodlands budgets of £0.281m.

The above pressures are offset by the following underspends/surpluses within the directorate:

A surplus of £0.821m 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. The budget set was based on a 30% uptake. By the end of 2023/24, a 70% uptake of the service was achieved across the borough for all eligible households. For 2024/25 subscriptions we have a 64% uptake to date.

Recycling income is showing a surplus of £0.040m. 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 12 months. At provisional outturn these costs are budget by £0.124m. 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, and is not budgeted for in 24/25.

There is an underspend of salaries within the Health and Safety budget, £0.093m

5.3 People & Transformation

A pressure of £0.097m is reported in relation to Filming budgets for 2023/24. Income has been lower than budget during the year, believed to be linked to the writers' strike which impacted filming across the globe.

5.4 Place

Throughout 2023/24 the planning service has seen income pressures for planning income. At provisional outturn there is a pressure of £0.282m against planning income and £0.090m against 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.

The Council received £0.211m in relation to county-wide business rates growth from Hertfordshire County Council. It is proposed this income be transferred to the Dacorum Development reserve to fund future projects arising from the investment.

5.5 Risks to Strategic Planning and Environment Scrutiny 2024/25 Budgets

There is a risk on the Waste service budget for 2024/25 as pressures outlined at 5.2 continue from 2023/24. The service are working closely with finance colleagues to monitor agency spend resulting from sickness absence and vehicle breakdowns.

As the cost of living pressures continue for households, there is a risk that the pressures on income within Neighbourhood Operations could continue into 2024/25.

Pressures on trees and woodlands budgets are likely to continue into 2024/25. Potential pressures of £0.080m has been identified to date. Dependant on surveys and urgent health and safety works, further works are underway to develop the councils medium term approach to tree works .

Filming income poses a risk to budgets in 2024/25 based on actual income generated in the last few financial years. The risk could be between £0.070m to £0.100m.

6. General Fund Position- Housing and Community

Table 4 – Housing and Community General Fund	Current Budget	Forecast Outturn	Variance	
	£m	£m	£m	%
Housing & Property	1.228	0.839	(0.389)	(31.7%)
Neighbourhood Delivery	(2.369)	(2.342)	0.027	(1.1%)
Corporate and Commercial	(0.043)	0.000	0.043	(100.0%)
People and Transformation	1.162	1.330	0.168	14.5%
Place	1.898	1.755	(0.143)	(7.5%)
Total Operating Cost	1.876	1.582	(0.294)	(15.7%)

6.1 Variances for 2023/24 reported against Housing and Communities General Fund service areas are outlined below.

6.2 Housing and Property

Demand for Temporary Accommodation has increased in 2023/24, leading to an increase in costs of placing residents in hotels. This is a statutory duty of the Council, the increase in costs being driven by the rising number of referrals to temporary accommodation. The increased demand has led to increased repairs and maintenance to our temporary accommodation at a pressure of £0.200m and also an increase in utility costs of £0.048m. Due to the high number of referrals, Temporary Accommodation have seen high occupancy rate in their hostels. This has meant the Council has received £0.366m more income than budgeted for, that offsets the pressures detailed in the previous paragraph.

Closed Circuit Television have not fully achieved the service commercial income target in 2023/24, resulting in a pressure of £0.093m. Income targets for the service have been reviewed as part of the 2024/25 budget to address this shortfall.

A pressure of £0.031m is reported on Licencing fees. These pressures are offset by underspend in staffing of £0.081m due to vacancies within the service.

There are vacancies within the Community Safety team leading to an underspend of £0.033m.

The Department for Levelling Up, Housing and Communities announced a £0.270m top to the Homelessness Prevention Grant part way through 2023/24. This allowed the Council to fund some homelessness prevention activity through the grant, reducing the net cost of the service to the Council by £0.068m.

6.3 Corporate and Commercial

Licensing income has a pressure of £0.053m for 2023/24 relating to annual licence fees. A significant number of the fees are set by statute and not controlled by Dacorum. The service will monitor this position closely to identify if there is likely to be a continued risk into 2024/25.

6.4 Neighbourhood Operations

Garage Income was 2% below budget, giving a forecast pressure for the service £0.058m. A large number of garages were repaired in 2023/24, focusing on those where there is a waiting list. The remaining sites are currently being reviewed for the best approach to take in regard to the remaining void stock, to maximise value for money associated with the use of these assets.

6.5 People and Transformation

The pressure of £0.135m on People and Transformation relates to additional services supplied to the Housing Revenue Account, these pressures are picked up within the recharge to the HRA and covered within the Core Funding (see section 4.8).

6.6 Place

A surplus for the Old Town Hall is reported of £0.058m. This is due to strong income being received from operations surplus of £0.101m, staff vacancies £0.043m, offset by pressures on supplies and services budgets £0.076m.

Community grants are underspent by £0.150m as a result of a reduction in applicants compared to previous financial years. The service are looking at how to increase engagement in the process and will work with the voluntary sector as part of this.

6.7 Risks to Housing and Communities General Fund 2024/25 Budgets

Temporary Accommodation will be an area of financial focus for 2024/25. Demand is increasing as a result of the cost of living and also the allocation of asylum cases to be housed. The service is monitoring demand closely and will report accordingly on the position in 2024/25.

7 Housing Revenue Account Position

7.1 The HRA is a ring-fenced account relating to the Council's landlord functions. It is accounted for separately from General Fund services. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The provisional outturn position for the HRA is shown at Appendix B.

7.2 The provisional HRA balance at the end of 2023/24 is a net pressure of £0.294m. This is summarised as follows:

Table 5: Summary Housing Revenue Account Position

Housing Revenue Account	Current Budget £m	Forecast Outturn £m	Variance £m
Income	(63.939)	(67.305)	(3.366)
Expenditure	63.774	68.084	4.310
Reduction in provisions	0.000	(0.650)	(0.650)
Transfer to the HRA Working Balance (reserve movement)	0.165	0.165	0.000
Net Deficit / Surplus	0.000	0.294	0.294

7.3 Variances for 2023/24 reported against Housing Revenue Account service areas are outlined below.

7.4 Supervision and Management

A pressure of £0.351m is being seen on employee budget due to interim management within the HRA as work continues on the Housing Transformation Improvement Programme (HTIP) and agency staff cover vacancies across the service.

The pay award caused a pressure of £0.150m across the HRA.

Utility costs for sheltered housing caused pressure of £0.311m. These costs will be accounted for in the calculation of the service charges for tenants in future years.

There is a pressure of £0.625m in respect of insurance cost relating to increased claims in respect of damp and mould.

7.5 Repairs & Maintenance

Continuing from 2022/23, there has been a continued high demand for repairs and maintenance for housing along with inflationary increases to the works undertaken. The main demand and pressures are from Responsive Repairs and Empty Homes as shown in the table below.

Offsetting this increased pressure is a gain share from the main housing repairs contract. This is £0.464m for 2023/24. The gain share is not budgeted within the HRA budgets. The gains share has the effect of reducing the pressures on HRA repairs and maintenance costs.

Table 6: Breakdown of HRA Revenue Repairs and Maintenance Financial Forecast

	Budget £m	Outturn £m	Variance £m
Main Contract Overheads	2.183	2.751	0.568
Contract Pain and Gain	0.000	(0.464)	(0.464)
Cyclical Planned Maintenance	0.933	0.474	(0.459)
Compliance Planned Maintenance	3.301	3.191	(0.109)
Responsive Repairs	4.469	8.689	4.220
Empty Homes	3.745	5.236	1.491
Recharge to GF	(0.037)	0.00	0.037
Total	14.594	19.877	5.283

7.6 Income

Dwelling rent has a surplus of £0.956m, due to occupancy and voids rates. The budget is based on occupation at budget setting. When a tenancy changes, the new tenant is charged rent based on the target weekly rent for the property which is often higher than that charged to the previous tenant. Given the number of void relets in 2023/24, this has increased the rental income for the service.

Contribution to expenditure is income received from leaseholders for works to housing blocks. The cost of this work is recovered based on actual costs. There have been a significant number of major works completed over the last 12 months resulting in a higher income forecast from contributions.

7.7 HRA- Technical and Accounting Adjustments

Cash balances remain higher than budgeted, as capital HRA spend is 30% behind budget. This has the effect of increased cash balances, resulting in increased returns on cash investments, additional income of £1.797m for the HRA.

Given the pressures and demands on the HRA budgets, the budgeted revenue contribution to capital for 2023/24 has been redirected to support revenue expenditure. This contribution was reviewed as part of 2024/25 budget setting. Given demand on revenue repairs works, this contribution is likely to be removed from future budgets. A reduction in allocation to capital reserves means other capital financing options must be used. This can increase future borrowing requirements and associated future cost of capital.

The expected increase to the bad debt provision for the HRA has been lower than expected £0.182m. An increase in provision was required for leasehold properties, this is linked to the large invoices for improvements to the blocks. The cost of living has meant that the repayment plans for these works are for a longer period than previously experienced and an increase in provision is held to account for the risk to the council. The bad debt provision for Council tenants has remained at a similar level to previous years and therefore the full budget to increase provision is not required.

7.8 Risks to HRA Budgets for 2024/25

The HRA position for 2023/24 has benefitted from a one-off provision release and draw down from revenue reserves. Reserves are finite in nature and cannot be relied on up to sustain the HRA indefinitely.

Within the Housing Revenue Account, the demand for repairs and maintenance to Council Homes represents the biggest ongoing risk for the financial sustainability of the Council's housing landlord function. The repairs and maintenance budget for 2024/25 has increased to £19.077m, the outturn for 2023/24 was £19.877m. If demands on repairs remains high in 2024/25, further pressures could be felt on these budgets. The Housing and Property service will monitor this closely in 2024/25 to try to reduce budget pressures where possible.

Insurance costs, driven by claims relating to water ingress, damp and mould are also expected to continue into 2024/25.

Over the last few years, the Council has seen large increases in the utility costs. Within the HRA, this has been seen in relation to supported housing. Although these costs are recovered through future service charges, there is a timing delay in associated cost recovery to offset this pressure.

Staffing costs also represent a risk to the HRA, with agency appointments to posts being made and permanent recruitment on hold as the service awaits the outcome of the Housing Transformation Improvement Programme review. This could impact budgets in 2024/25.

7.9 HRA Revenue Virements for 2024/25

Following the review of repairs and maintenance priorities for 2024/25 the following virements will be recommended to Cabinet to approve for 2024/25. This represents a realignment of previously approved budget and does not represent growth to the HRA.

Asset Management service

Cyclical General Maintenance	reduction of £0.487m
DBC Commissioned Responsive	increase of £0.750m
DBC Commissioned Empty Homes Responsive	reduction of £0.233m

Safe Homes service

DBC Commissioned Responsive	reduction of £1.247m
Planned Repairs Total Asset Management	
– Safe Homes	increase of £0.487m
Responsive Repairs – Safe Homes	increase of £0.497m
Empty Homes – Safe Homes	increase of £0.233m

8. General Fund reserve transfer requests

8.1 Cabinet will be asked to recommend to Council to approve the following reserve requests relating to 2023/24:

- Contribution of additional Leisure income £0.095m to the Leisure Reserve
- Contribution to reserves for the HR System £0.020m to Training and Development Reserve, supported by unspent 2023/24 budget earmarked for this purpose.
- Contribution to reserves of business rates growth received from Hertfordshire County Council £0.211m to the Dacorum Development reserve, to be drawn down in 2024/25 and 2025/26 to fund project manager and studies on the use of town centres in the borough.
- Contributions to reserves of unspent SANG Contributions £1.378m to SANG Reserve
- Contribution to reserves relating to the Collection Fund (Business Rates and Council Tax) £2.677m to the Funding Equalisation Reserve
- Contribution to reserves relating to Private Sector Housing income £0.025m to Housing Conditions Survey Reserve to be drawn down in 2024/25.
- Contribution of unapplied Council Tax Support funds £0.006m to the Council Tax Hardship Fund reserve
- Contribution to reserves relating to the overall General Fund Surplus £0.458m to Invest to Save reserve.
- Drawdown from the Dacorum Development reserve £0.028m in respect of CIL administration costs.

Cabinet will be asked to recommend Council to approve the following reserve requests relating to 2024/25:

- Drawdown from the Dacorum Development reserve £0.030m in respect of Works to Durrants riverside.
- Drawdown from the Savings Efficiency Reserve to meet the costs of a Commercial business analyst £0.083m for up to two years.
- Drawdown from the Savings Efficiency Reserve to meet the costs of an Interim procurement manager post £0.075m
- Drawdown from the Civic Buildings Reserve of £0.040m to deliver a structural review of leisure centres to determine future investment.

9. Capital Programme

9.1 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 6- Capital Outturn 2023-24	Current Budget	Re-phasing (To)/from future years	Revised Budget	Forecast Outturn	Variance	
	£m	£m	£0m	£m	£m	%
Finance and Resources	3.661	(1.676)	1.985	1.915	(0.070)	(1.91%)
Strategic Planning and Environment	1.490	(0.207)	1.283	1.351	0.068	4.58%
Housing & Community	4.517	(0.300)	4.218	4.120	(0.097)	(2.15%)
GF Total	9.668	(2.183)	7.485	7.387	(0.099)	(1.02%)
HRA Total	59.432	(4.955)	54.477	54.254	(0.223)	(0.38%)
Grand Total	69.100	(7.138)	61.963	61.641	(0.322)	(0.47%)

9.2 General Fund Capital Programme Major Variances

General Fund capital budgets are reporting and underspend of £0.99m relating to move- on accommodation at Aragon close. General Fund budgets are also reporting slippage of £2.183m. The slippage includes the following items over £0.100m:

- Rolling Programme – Hardware £0.548m. The tendering of the procurement is due to complete and the rollout of new equipment is expected to commence in July 2024
- Future vision of Customer Relationship Management system £0.132m – delays in recruitment has meant the project has been slightly delayed. Recruitment was undertaken at the end of 2023/24 and the project is expected to progress during 2024/25.
- Bennettsgate - Window Renewal £0.162m. Works commenced September 2023 and are expected to be completed by the end of quarter 1 on 2024/25.
- Bellgate Canopy Renewal – Highfield £0.110m. Phase 2 of the works have been delayed due to roof leaks which are due to complete. It is anticipated that these works will commence in June 2024.
- Electric Vehicle Charging Point Programme £0.201m – The project has commenced with a number of charging points installed across the Borough and further sites having commenced. The programme will complete in 2024/25.
- Disabled Facilities Grant £0.236m – applications for DFG are continuing with further spend in 2024/25.

9.3 Housing Revenue Account

Following a review of the forecasts and project progression for HRA capital budgets further slippage of £5.595m in respect of planned expenditure to existing HRA properties and (£0.643m) in respect of new housing developments.

Slippage in respect of existing HRA properties is a result of capacity of Council contractors, mobilisation issues for decant homes programme, asbestos surveys being required and a high percentage of access refusal. In addition, a project in respect of the roof at Pelham Court has been delayed due to procurement and working with telecommunications providers in respect of equipment on the roof.

Slippage in respect of Right to Buy buy- backs equates to £0.532m due to assessment of properties, meaning that suitable properties that benefit Dacorum have not been identified.

Housing Development sites have had budget bought forward at the end of the year due to progress being further ahead in respect of Marchmont Fields site.

An underspend of £0.223m is reported for the HRA, this is as a result of the gainshare agreement with the main contractor.

9.4 Supplementary Capital Budget Requests

Cabinet will be asked to recommend to Council to approve the following supplementary budget requests relating to 2023/24:

- Local Authority Housing Fund £0.452m. This is grant funding for 40% spend of the project. The remaining 60% is funded from existing capital budgets.
- Affordable Housing Development fund £0.317m. This is to reflect previously approved contributions to third parties to develop affordable housing in the borough. The expenditure is funded from Council 141 Right to Buy receipts.

Cabinet will be asked to recommend to Council to approve the following supplementary budget requests relating to 2024/25:

- Local Authority Housing Fund £0.0398m. This is grant funding for 40% spend of the project. The remaining 60% is funded from existing capital budgets.
- UK Shared Prosperity Fund £0.265m. This project is fully grant funded.
- Hemel School Sports pitches £0.093m. This represents growth to a previously approved capital scheme for the refurbishment of multi- use games areas at Hemel School that are subject to a dual- use agreement.

9.5 Capital Budget Virement

Cabinet will be asked to approve the following budget virement requests relating to 2024/25:

Asset Management service

Planned Expenditure	reduction of £3.665m
DBC Commissioned Capital Works	reduction of £5.476m
Special Projects	increase of £0.387m

Safe Homes service

M&E Contracted Works	increase of £2.540m
Communal Gas & Heating	increase of £3.010m
Social Housing Development Fund	increase of £3.054m
Local Authority Housing Fund	increase of £0.150m

10. Financial implications

10.1 Contained within the body of this report.

11. Legal implications

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

12. Risk implications

12.1 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.

13 Equalities, Community Impact and Human Rights

13.1 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.

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

14 Sustainability implications

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

15 Council infrastructure

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

16 Conclusions

16.1 The position for 2023/24 is a surplus of £0.459m against Council General Fund budgets. Housing Revenue Account budgets are reporting a residual pressure of £0.294m.

16.2 The position for 2023/24 at quarter 4 is slippage of £2.183m for General Fund capital schemes and £4.954m for the Housing Revenue Account capital schemes. General Fund capital schemes are underspent by £0.099m and Housing Revenue Account capital schemes are underspent by £0.223m.