



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 2 2024/25
Date:	6 th November 2024
Report on behalf of:	Cllr William Allen, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Revenue Q2 2024/25 Appendix B – SPaE Capital Programme Q2 2024/25
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund

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Corporate Priorities

Community engagement: Engage with residents and partners to have a real say on our services and the borough

Service improvement and delivery:
Running the Council efficiently and putting residents at the heart of everything we do

Vibrant communities: Foster arts, culture and leisure opportunities

	<p>Sustainable future: Take action on the Climate and Ecological Emergency</p> <p>Clean, safe and green: Provide a clean, safe and green-focussed environment</p> <p>Homes to be proud of: Enable well-maintained and affordable homes, where people want to live</p> <p>Proud and thriving borough: Realise our potential as a great place to live and work with a thriving business community</p>
Wards affected	All
Purpose of the report:	<p>1. To provide details of the Quarter 2 position 2024-25 for the:</p> <ul style="list-style-type: none"> • General Fund • SPaE Capital Programme
Recommendation (s) to the decision maker (s):	To note the Quarter 2 2024-25 forecast financial outturn position for the General Fund and Strategic Planning and Environment Capital Programme.
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1. Executive Summary and Key Forecast Outturn Figures

This report presents the forecast outturn position for the Council as at 30 September 2024, Q2 2024/25.

- 1.1** The General Fund is reporting a forecast surplus against budget of £0.645m. This net surplus position is driven by the favourable performance of the Council's treasury management investments against target, the result of larger than expected cash balances. Included within this is a pressure of £0.855m relating to Strategic Planning and Environment services, including parking services. The position includes pressures against service budgets and income targets, with some continuing from 2023/24. Included in these are: Environmental Services (pressure of circa £0.2m).
- 1.2** The Council operates a capital programme across its General Fund and Housing Revenue Account that represents investment in its assets. Strategic Planning and Environment General Fund capital schemes are forecast as on budget overall, with slippage of £0.630m. The slippage relates to delays to some Property Services schemes, the Durrants Lakes project and verge hardening.

2. Summary Narrative and Forward Look

- 2.1** The Council set a balanced budget for 2024/25 in February 2024. This budget addressed known variances arising during 2023/24. As part of the 2023/24 provisional outturn report, it was identified that risks remained within the Council's financial position for 2024/25. Included within this were costs relating to the Council's Waste Services. These pressures are included in the forecast outturn for 2024/25 as at Q2

of the current financial year. General Fund income pressures for 2024/25 have been identified against investment properties, parking and temporary accommodation.

2.2 All General Fund 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

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

Budgets have been realigned across Scrutiny Committee areas between the Q1 Financial Performance report and the Q2 Financial Performance report to reflect changes to the remit of Overview and Scrutiny set out in the Council's Constitution.

Table 1- General Fund Position by Scrutiny Area	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Finance & Resources	9.066	9.658	0.592	6.5%
Strategic Planning and Environment	12.052	12.937	0.885	7.3%
Housing & Community	1.481	1.615	0.134	9.0%
Operational Cost	22.599	24.210	1.611	7.1%
Core Funding	(22.600)	(24.856)	(2.256)	10.0%
Contribution (to)/ from General Fund Working Balance	(0.001)	(0.646)	(0.645)	

4. General Fund Position- Strategic Planning and Environment

Table 2 – Strategic Planning and Environment	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Neighbourhood Operations	8.190	8.751	0.561	6.8%
Housing & Property	0.053	0.073	0.020	37.7%
People & Transformation	(0.114)	(0.031)	0.083	(72.8%)
Place	3.923	4.144	0.221	5.6%
Total Operating Cost	12.052	12.937	0.885	7.3%

4.1 Key variances for 2024/25 reported against Strategic Planning and Environment General Fund service areas are outlined below.

4.2 Neighbourhood Operations

Pressures on budgets within Environmental Services at Q2 total £0.169m relating to staffing costs across the service. These have been incurred in relation to sickness and service demands. Surplus garden waste income to target of £0.060m is forecast, offset by an expected shortfall against cesspool income £0.060m

There is a £0.073m pressure relating to repairs and maintenance in Clean, Safe and Green. Garages income is forecast to achieve £0.050m above target. The service has focused on increasing occupancy of the Council's garages.

There is a forecast shortfall against parking income targets of £0.300m. The announcement of a General Election in the summer has brought a delay to the consultation process for proposed changes to car parking fees and an associated pressure of £0.100m. There is a further £0.100m pressure associated with the recent call- in of a decision on changes to car – parking fees. The final £0.100m relates to trends in car park usage which support a further shortfall against income targets.

A forecast pressure of £0.080m is reported on Trees and Woodlands works, a continuation of pressures reported in 2023/24. A review of tree works requirements and risks identified is being undertaken to assess the medium-term outlook for this service.

4.3 People & Transformation

A pressure of £0.070m is reported in relation to Filming budgets for 2024/25. Income has been lower than budget during the year. The income position continues to be closely monitored.

4.4 Place

There are pressures against Business Centre income and expenditure budgets of £0.05m. These are under ongoing review. There are other smaller pressures across the Place service.

5 General Fund reserve requests

5.1 The following reserve requests relating to Strategic Planning and Environment services will be made to Cabinet to recommend to Full Council to approve.

- Draw down of £0.33m from the Dacorum Development Reserve to support costs associated with vehicle and staffing costs in Environmental Services.
- Draw down of £0.036m from the Dacorum Development Reserve to support costs associated with the temporary Head of Strategic Planning post.
- Draw down of £0.052m from the Leisure Reserve to support costs associated with repairs to the Berkhamsted Leisure Centre swimming pool.
- Drawn down from the invest to save reserve for roundabout planting as part of an exercise to replace summer bedding and seasonal winter bulbs with more permanent planting to deliver ongoing cost reduction in this area- £0.040m
- Drawn down from the invest to save reserve to support development of the Council's parking strategy- £0.025m

6. Capital Programme

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

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

The current budget is the original budget approved by Cabinet in February 2024, plus approved amendments.

The 're-phasing' column refers to projects where expenditure is still expected to be incurred but will now be in 2025/26 rather than 2024/25 ('slippage'), or conversely, where expenditure planned initially for 2025/26 has been incurred in 2024/25 ('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.

All overspends will be monitored closely. Associated supplementary budget requests will be brought to Cabinet to recommend to Council later in the financial year as appropriate.

Table 6- Capital Outturn 2024/25	Current	Re-phasing	Revised	Forecast	Variance	
	Budget	(To)/from future years	Budget	Outturn		
	£m	£m	£0m	£m	£m	%
Strategic Planning and Environment	3.861	(0.630)	3.231	3.231	0.000	0.00%

6.2 General Fund Capital Programme

General Fund capital budgets are broadly on budget.

General Fund budgets are reporting slippage of £0.703m. The slippage includes the following items over £100k:

- Durrants Lake urban/ park education centre- £0.122m.
- Verge hardening- £0.455m arising from delays to the programme

Supplementary capital budget requests

This following supplementary capital budget request will be presented to Cabinet to recommend to Full Council for approval:

- £630k for the installation of solar panels at Hemel Hempstead Leisure Centre. This work is 100% grant funded.

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 2024/25.

13 Conclusions

13.1 The position for 2024/25 is a surplus of £0.645m against Council General Fund budgets. There is a pressure of £0.855m against Strategic Planning and Environment services included within this.

13.2 Strategic Planning and Environment General Fund capital schemes are forecast as on budget overall, with slippage of £0.630m