

# Quarter 1 2023/24 Budget Monitoring - Housing Committee

## Housing Committee Thursday, 14 September 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: To note the 2023/24 Quarter 1 / Month 3 (June) financial position of the Committee and take associated decisions.

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Publication status: Unrestricted

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Wards affected: All

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### **Executive summary:**

This report presents the 2023/24 Quarter 1 / Month 3 (June) financial position of both Revenue and Capital for the Committee.

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**This report supports the Council's priority of:** Building a better Council

**Contact officer** Mark Hak-Sanders, Chief Finance Officer (S151)  
mhaksanders@tandridge.gov.uk

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### **Recommendation to Committee:**

That the Committee's forecast Revenue and Capital budget positions as at Quarter 1 / M3 (June) 2023/24 be noted.

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### **Reason for recommendation:**

The Council has a duty to ensure that its expenditure does not exceed resources available. The medium-term financial outlook remains uncertain and so the Council must continue to take steps towards growing its financial resilience, including building reserves to a sustainable level.

It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that the revenue budget is delivered, and that any new expenditure is contained within the available resources.

Finance have committed to bringing quarterly financial monitoring updates to each committee to ensure that all Members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and in terms of the effect on the budget for 2023/24.

The consolidated position for quarter 1 will be reported to Strategy & Resources Committee on the 28 September 2023.

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## **Introduction and background**

- 1 The 2023/24 Housing General Fund (HGF) Revenue draft budget was proposed at £684k on 24<sup>th</sup> January 2023 and approved by Full Council on the 20<sup>th</sup> February 2023. This has since been increased by £28k to distribute an amount held corporately for the 2023/24 pay award.
- 2 The 2023/24 Housing Revenue Account (HRA) Revenue draft budget was approved with a net operating Surplus of £2,711.6k before allowing for revenue contributions to capital expenditure and interest charges at 24<sup>th</sup> January 2023.
- 3 The HGF draft Capital programme for 2023/24 was approved at £503k on 24<sup>th</sup> January 2023. Carry forwards of £139k were approved at Strategy & Resources Committee on 29<sup>th</sup> June 2023 to increase the available budget to £642k.
- 4 The HRA draft Capital programme for 2023/24 was approved at £15,397k on 24<sup>th</sup> January 2023. Carry forwards of £4,597k were approved at Strategy & Resources Committee on the 29<sup>th</sup> June 2023, to increase the available budget to £19,995k.

## **Key implications**

- 5 At Month 3 a full-year overspend of £15k for the HGF is forecast. The main reasons for the changes are as follows:-
  - £15k Meadowside Mobile Homes – increase costs for planned repairs and tree works.

Alongside the known variance on Meadowside, risks are being managed with the budget, particularly in respect of Homelessness which is very sensitive to changes in temporary accommodation costs. Spend to-date is in line with expectations but a small increase in numbers can have a significant impact on the budget. Temporary Accommodation costs can also

have a knock-on impact on Housing Benefit (although a reserve exists to mitigate the impact on the later).

- 6 At month 3 a full-year overspend of £60k for the HRA. The main reasons for the changes are as follows:-
  - £60k Service Costs – projected increased costs on Orchard MRI Housing Management Software linked to upgrade to a new hosted version.
- 7 As agreed at the 29<sup>th</sup> June 2023 Strategy & Resources Committee a review has been undertaken to ensure capital programme can be delivered in 2023/24. In doing so, the capital schemes have been reprofiled into future capital years.
- 8 Taken the above into account, the Housing Committee Capital Budgets forecast outturn at Q1 has been reviewed. The changes are set out below:-
  - Housing General Fund – Disabled Facilities Grant - £139k less than available budget, reducing expected spend from £642k to £503k.. This slippage has been reprofiled to 2024/25.
  - Housing Revenue Account – Council House Building and other HRA Capital works. £3,862k less than available budget, reducing expected spend from £19,995k to £16,133k. Slippage, is based on a line-by-line review of the Council House Building and associated schemes (including LAHF and buy-back programmes). Based on prior-year experience, slippage of 20% against scheme by scheme expectations has been assumed.

### **Comments of the Chief Finance Officer**

The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions taking into account all material, financial and business issues and risks. The key financial implications at this stage are captured in the body of the report.

### **Comments of the Head of Legal Services**

It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

## **Equality**

There are no equality implications associated with this report.

## **Climate change**

There are no significant environmental / sustainability implications associated with this report.

## **Appendices**

Appendix A – Committee’s M3 (June) 2023 Financial Report and supporting data

## **Background papers**

- Housing Committee 23/24 draft budget, Medium-Term Financial Strategy and capital programme – 24th January 2023
- 2023/24 final budget, MTFS and capital programme - Strategy and Resources Committee 31st January 2023
- 2023/24 final budget, MTFS and Capital programme – Full Council 10<sup>th</sup> February 2023.
- 2023/24 Budget – Outturn Report – Strategy and Resources Committee 29th June 2023

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