

Quarter 1 2023/24 Budget Monitoring - Housing Committee

Community Services Committee Tuesday, 19 September 2023

Report of: Chief Finance Officer (Section 151)

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

Publication status: Unrestricted

Wards affected: All

Executive summary:

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

This report supports the Council's priority of: [Building a better Council/ Creating the homes, infrastructure and environment we need / supporting economic recovery in Tandridge/ Becoming a greener, more sustainable District

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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.

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 developing budget for 2024/25.

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

Introduction and background

- 1 The 2023/24 Community Services revenue budget was proposed at £4,560k on 17th January 2023 and approved by Full Council on the 9th February 2023. This has since been increased by £53k to distribute an amount held corporately for the 2023/24 pay award, bringing the total budget to £4,613k.
- 2 The draft Capital Programme for 2023/24 was approved at £990k on 17th January 2023. Carry forwards of £1,087k were approved at S&R committee on 29th June 2023 to increase the available budget to £2,077k.

Key implications

- 3 At Month 3 a full-year balanced budget for the committee is forecast. It should be noted that despite forecasting to budget overall, a number of offsetting risks and opportunities are being managed within the budget, particularly:
 - Waste Inflation until inflation rates are confirmed, this could lead to a surplus or deficit against the budget.
 - Garden Waste - whilst membership remains high, there is still risk to delivering on this budget.
 - Operational Services - £16.5k savings target remains as amber, pending further work on delivering changes in service.
 - Car Parking – the impact of Surrey County Council taking on on-street parking responsibilities is uncertain at this point.
 - Cesspool – the performance of this traded service is being kept under review and may be a risk or an opportunity as the year progresses.

- 4 As agreed at the 29th 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.
- 5 Taken the above into account, the Community Service Committee Capital Budgets forecast outturn at Q1 has been reviewed. The changes are set out below:-
 - Waste and Recycling – £215k less than available budget, reducing expected spend from £234k to £19k. Slippage is due to a review of the expenditure on bins to be carried out later in the year and changes to be made to the capital expenditure profile.
 - Community Infrastructure and Assets - £122k less than available budget, reducing expected spend from £757k to £635k. The surplus capital / slippage has been reprofiled to 2024/25. Dedicated resource to deliver the capital programmes for Community Services is in the process of being recruited to ensure that available budget is used effectively.

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

- Community Services Committee 23/24 draft budget, Medium-Term Financial Strategy and capital programme – 17th 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 9th February 2023.
- 2023/24 Budget – Outturn Report – Strategy and Resources Committee 29th June 2023

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