

# **Quarter 2 - 2023/24 Finance Update Report**

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Chief Finance Officer (S151)

**November 2023**

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# Executive Summary - Month 6 (September 2023)

## Revenue Forecast at M6 Q2

	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k
Community Services	4,554	4,613	(59)
Housing General Fund	737	713	24
Planning Policy	1,757	1,338	419
Strategy & Resources	6,079	6,187	(108)
Corporate Items	(831)	(916)	85
<b>General Fund- Services</b>	<b>12,296</b>	<b>11,935</b>	<b>361</b>
Central Funding	(11,935)	(11,935)	0
<b>General Fund</b>	<b>361</b>	<b>0</b>	<b>361</b>

Overall, at M6 Q2, the Council is forecasting a net £361k overspend, containable within contingencies to deliver a balanced outturn

- Community Services: £59k underspend – 1.3% of committee budget
- Housing General Fund: £24k overspend – 3.4% of committee budget
- Planning Policy: £419k overspend – 31.3% of committee budget
- Strategy & Resources: £108k underspend – 1.7% of committee budget
- Corporate Items: £85k overspend – 9.3% of committee budget

***M6 headlines are set out on the next slide, with full details in the Annex***

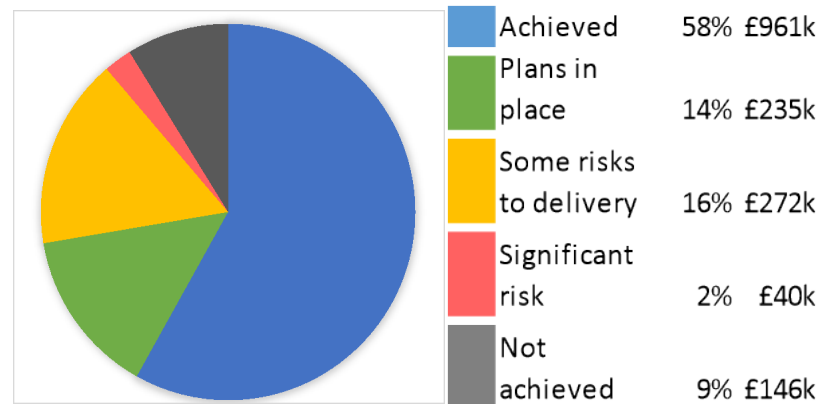
## Capital Programme Forecast at M6 Q2

Net Forecast Underspend £1.2m

	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k
Community Services	1,740	1,084	(656)
Housing General Fund	503	420	(83)
Strategy & Resources	917	917	0
Planning Policy	500	104	(396)
<b>General Fund</b>	<b>3,660</b>	<b>2,525</b>	<b>(1,135)</b>
Housing Revenue Account	16,133	16,031	(102)
<b>Total</b>	<b>19,793</b>	<b>18,556</b>	<b>(1,237)</b>

Further detail is set out on Slide 6

## Savings Plan at M6 Q2 - £1.65m



Unachievable amount is due to a shortfall in Community Services – Regulatory Services (£26k), Resources – IT (£35k) and Senior Management restructure savings (£85k)

# Revenue Summary by Committee M6-Q2

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
4,156 Community Services	4,554	4,613	(59)	(59)	(62)	3
462 Housing General Fund	737	713	24	9	0	24
1,259 Planning Policy	1,757	1,338	419	222	189	230
5,952 Strategy & Resources	6,079	6,187	(108)	(146)	(113)	5
(589) Corporate Items	(831)	(916)	85	85	0	85
11,240 General Fund- Services	12,296	11,935	361	111	14	347
(11,351) Central Funding	(11,935)	(11,935)	0	0	0	0
<b>(111) General Fund</b>	<b>361</b>	<b>0</b>	<b>361</b>	<b>111</b>	<b>14</b>	<b>347</b>

## Available contingencies

Offsetting the forecast deficit identified are contingencies as follows:

- £371k base budget contingency (£445k total contingency less £74k set aside for cost-of-living pressures)
- £550k set aside in 2022/23 outturn

**Totalling £921k – a balanced outcome is therefore deemed to be achievable**

## Key Messages:

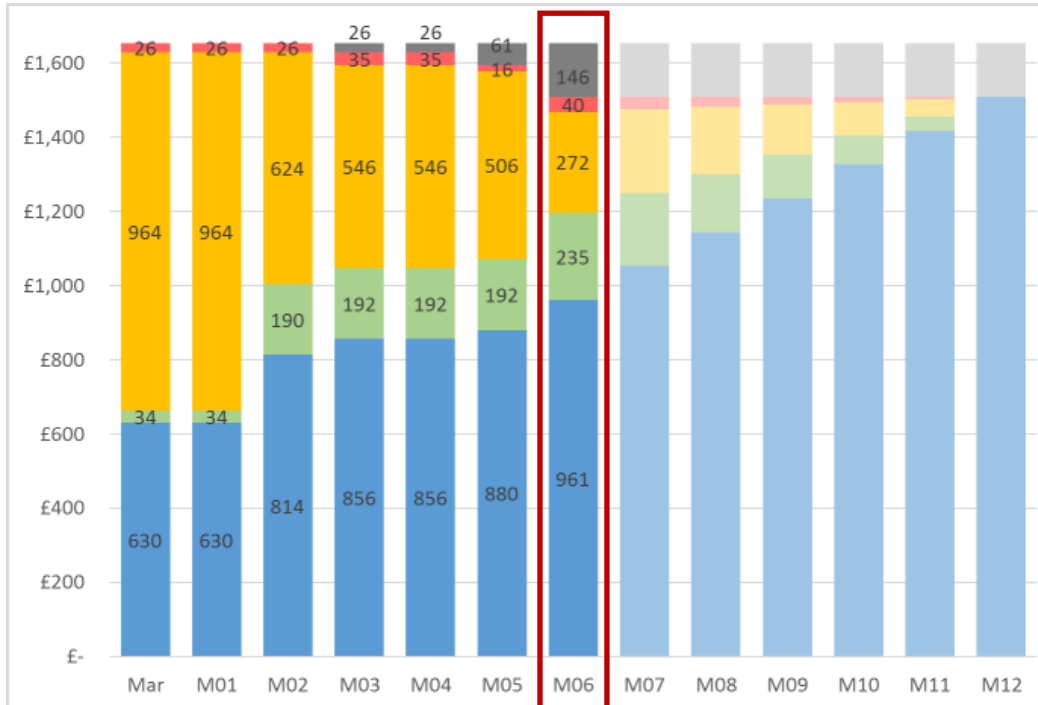
Committees are projecting a full year **£361k overspend in Q2**.

- **Community Services: £59k underspend** – Change (£59k) from Q1. M6 underspend due mainly to a change in the Handyman Service (realigning with Housing team contract for DFG and Aids and Adaptions) which has led to a net saving to CS of (£16k). Additionally, (£31k) savings in Environmental Services from vacant posts and improved licence income.
- **Housing General Fund: £24k overspend** – Change (£9k) from Q1. M6 Overspend due mainly to £15k Meadowside additional costs of surveying the site and £10k due to additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services)
- **Planning Policy: £419k overspend** – Change £222k from Q1. Overspend is mainly due to enforcement: £133k, due to reliance on contract staff, appeals provisions £130k, planning applications and advice: £93k, mainly due to overspend on salaries - £222k, offset by forecast increase in planning applications fees - (£171k).
- **Strategy and Resources: £108k underspend** – Change (£111k) from Q1 – mainly due to (£88k) Information Technology, one-off favourable variances in corporate & department software, telephony and network maintenance, £38k Legal Services, £19k vacancy factor not being delivered and £19k gap in income generation, (£30k) in HR due to staff turnover and (£25k) one-off utility underspend.
- **Corporate Items: £85k overspend** Change £85k from Q1: Variance due to a portion of the management structure saving being reinvested into Planning.

**Whilst at Q2, an overspend of £361k is forecast, there are significant risks and opportunities that will need to be managed as the year progresses. There is a particular risk to the planning appeals and homelessness budgets which may cause volatility later in the year.**

# Saving Plans Delivery

## Summary and Projection



## Commentary

Total plan of £1.65m - forecasting c£1.5m (91%) delivery

### Black

- £26k in Regulatory Services is now marked as unachievable in 2023/24, due to a change in the management leads at TDC and MVDC and the subsequent need for a reset on the savings proposed. This is likely to be offset by other savings within Regulatory Services to achieve a balanced budget, but the longer-term change is still required and will be pursued in 2024/25. The Deputy Chief Executive is actively discussing savings in this area with counterparts at MVDC.
- £35k in IT, marked as unachievable in 2023/24, due to savings being reprofiled into late 2023/24 with full-year effect in 2024/25.
- £85k variance due to a portion of the management structure saving being reinvested into Planning.

Further details for each saving can be found in the Nov 2023 FTP- S&R Overall Report.

## Delivery by Committee

Committee	Target	Complete	Green	Amber	Red	Black
Community Srvcs	388	198	148	17	0	26
Housing GF	210	60	0	150	0	0
Planning	70	50	20	0	0	0
S&R	844	511	68	105	40	120
Corporate Items	142	142	0	0	0	0
<b>Total</b>	<b>1,654</b>	<b>961</b>	<b>235</b>	<b>272</b>	<b>40</b>	<b>146</b>

### Key:

- Black** – Savings target will not be met this year
- Red** – Significant risks to delivery, delivery plan yet to be agreed
- Amber** – Some risks to delivery, or detailed delivery plan still in development
- Green** – Clear plans, realistic timescales
- Blue** – Savings delivered

# Capital Summary by Committee M6-Q2

	Annual Budget 2023-24	Forecast M6 2023/24	Variance M6 2023/24	Variance Overspend/ (Underspend)	Variance Acceleration/ (Slippage)	Change from M3
	£k	£k	£k	£k	£k	£k
Community Services	1,740	1,084	(656)	0	(656)	(656)
Housing General Fund	503	420	(83)	0	(83)	(83)
Strategy & Resources	917	917	0	0	0	0
Planning Policy	500	104	(396)	0	(396)	(396)
General Fund	3,660	2,525	(1,135)	0	(1,135)	(1,135)
Housing Revenue Account	16,133	16,031	(102)	0	(102)	(102)
<b>Total</b>	<b>19,793</b>	<b>18,556</b>	<b>(1,237)</b>	<b>0</b>	<b>(1,237)</b>	<b>(1,237)</b>

## **Capital – Net Variance: £1,237k slippage mainly due to:**

- **Community Services: Net Slippage of £656k** across various capital schemes, significant areas as noted below (require re-profiling into 2024/25) :-
  - Parks, Playgrounds and Open Spaces - (£581k)
  - Community infrastructure and assets - (£150k)
  - Waste and Recycling - £75k spend accelerated from 2024/25, adjustment to previous reprofiling
- **Housing General Fund: £83k less than budget:** Slippage, surplus capital grant, reprofiled into 2024/25.
- **Planning Policy – Community Infrastructure Levy: £396k less than budget.** Slippage, surplus reprofiled into 2024/25.
- **Housing Revenue Account : £102k less than budget:** Slippage mainly on Aids and Adaption capital scheme, surplus capital grant, reprofiled into 2024/25.

# Additional Information

## Debt as at 30<sup>th</sup> September 2023

Update to set out the direction of travel for debt recovery. Direction of travel from the last report has been RAG rated as follows;

Red – deteriorates by over 10% against target;

Amber – deteriorates by less than 10% against target

Green – improves against target

### Sundry Debt, HBOP and HRA:

Type	Q4 21/22	Q4 22/23	Q1 23/24	Q2 23/24	Outcome
Sundry Debts	£282k	£249k	£227k	£322k	R
HBOP	£1,144k	£1342k	£1259k	£1074k	G
HRA	£444k	£525k	£565k	£748k	R

Debt in general has increased given cost of living impacting on residents and tenants prioritising which bills to pay. The debt recovery team continues to work with debtors to help manage outstanding bills.

Note debts older than six months for HRA and Sundry but one year for HBOP

### Collection Fund (2022/23 used as pre-Covid baseline)

	Monthly			YTD				YTD
	A	M	J	Qtr 1	J	A	S	Qtr 2
Business Rates 19/20	15.2%	8.8%	8.9%	33.0%	8.3%	10.3%	8.9%	60.5%
Business Rates 22/23	14.7%	7.6%	8.5%	30.8%	13.4%	9.8%	8.3%	62.3%
Business Rates 23/24	16.3%	8.4%	7.3%	32.0%	8.6%	10.8%	7.9%	59.3%
Outcome	G	G	R	G	R	G	A	A
Council Tax (19/20)	17.3%	9.2%	9.3%	35.8%	9.2%	9.1%	9.5%	63.6%
Council Tax (22/23)	16.6%	9.3%	9.0%	34.9%	8.9%	8.8%	9.1%	61.7%
Council Tax (23/24)	16.5%	9.1%	8.9%	34.5%	9.1%	8.9%	9.0%	61.5%
Outcome	A	A	A	A	G	G	A	A

# Additional Information (2)

## Vacancy Factor – Q2 Update

Area	Posts	FTE	Staff	Vacancies	%	Temps	%	Total	%	Previous	Difference
Communities	63	60.5	51.5	9	85%	3	5%	54.5	90%	92%	-2%
Planning	58	56.1	39.5	17	70%	14	25%	53.5	95%	93%	2%
Housing	50	49.6	43.6	6	88%	2	4%	45.6	92%	97%	-5%
Strategy & Resources	122	111.2	88.2	23	79%	9	8%	97.2	87%	84%	4%
<b>Total</b>	<b>293</b>	<b>277.4</b>	<b>222.8</b>	<b>55</b>	<b>80%</b>	<b>28</b>	<b>10%</b>	<b>250.8</b>	<b>90%</b>	<b>89%</b>	<b>1%</b>



# ANNEX

## DETAILED REVENUE AND CAPITAL

- M6 Forecast – Committee Detail (slides 10 to 15)
- Financial Risks and Opportunities (slide 16 - 17)
- M6 Capital Budget – Committee Detail (slide 18 - 22)

# Revenue Commentary- Community Services

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn	Qtr 2	Budget	Variance	from Qtr 1	events	Pressures
£k	£k	£k	£k	£k	£k	£k
1,206 Salaries	1,250	1,298	(48)	(48)	(10)	(38)
(31) Car Parking-On Street	0	0	0	0		
30 Car Parking-Off Street	41	40	1	1		1
(19) Hackney Carriage/Private Hire	(19)	(19)	0	0		
201 Leisure & Community Grants	241	260	(19)	(19)		(19)
290 Environmental Services	280	311	(31)	(31)	(31)	
2,245 Waste Services	2,308	2,325	(17)	(17)	(17)	
(36) Cesspool Services	(44)	(59)	15	15		15
(199) All Operational Services	(103)	(130)	27	27		27
400 Parks and Open Spaces	585	582	3	3		3
69 Streets & Public Conveniences	15	5	10	10	(4)	14
0 Other Variances less than £10k	0	0	0	0		
<b>4,156 Community Services</b>	<b>4,554</b>	<b>4,613</b>	<b>(59)</b>	<b>(59)</b>	<b>(62)</b>	<b>3</b>

## Community Services: (£59k) Underspend – Change (£59k) from M3, mainly due to :-

- **(£48k) Salaries underspend** - Change (£48k) from M3, due to £10k overachieved vacancy factor in Waste Services and £38k underspend in Handyman Services (offset in Ops Services by £22k new contract costs), as service being realigned with the Housing contract for DFG and Aids and Adaptions. (Note Handyman Service delivery model change has led to a net saving to CS of £16k).
- **£1k Car Parking Off-street** – Change £1k from M3, due to reduced income in car parks excluding Ellice Road.
- **(£19k) Leisure & Community Grants** – Change (£19k) from M3, due to savings on a contingency budget no longer needed.
- **(£31k) Environmental Services** – Change (£31k) from M3 due to (£26k) saving for 1 FTE vacant, expected to fill in October / November 2023 and (£5k) additional income from premises licences.
- **(£17k) Waste Services underspend**, - Change (£17k) from M3, due to (£27k) savings from Bring Banks, (£7k) wheelie bins sales offset by additional costs of £11k for garden waste admin, £4k collection of medical waste and £2k other small variances.
- **£15k Cesspool Services** – Change £15k from M3, due to income down by £27k offset by £12k savings in disposal costs.
- **£27k All Operational Services** – Change £27k from M3, due to £7k reduced quantities of scrap metal income, £22k increase in costs - Handyman changes in services delivery from in-house to outsourcing model, offset by (£2k) increased cemetery fees.
- **£3k Parks & Open Spaces** – Change £3k from M3, due to (£1k) savings from NNDR no longer due on toilets, offset by £4k unachievable budget for rent and wayleaves.
- **£10k Streets & Public Conveniences underspend**, - Change £10k from M3, due to £4k savings on water charges offset by additional £10k costs of repair of sweeper and £4k unachievable third-party income.

# Revenue Commentary – Housing General Fund

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
601 Salaries	865	865	0	0		
(141) Meadowside Mobile Homes	(109)	(124)	15	0		15
50 Westway	0	0	0	0		
75 Private Sector Enabling	91	82	9	9		9
(84) Housing of the Homeless	(179)	(179)	0	0		
51 Other Housing Renewal Functions	12	12	0	0		
0 Syrian & Afghan Refugees	25	25	0	0		
(45) Ukraine Placements	0	0	0	0		
4 Redstone House	0	0	0	0		
(69) Housing Benefits	31	31	0	0		
21 Other variances less than £10k	1	1	0	0		
<b>462 Housing General Fund</b>	<b>737</b>	<b>713</b>	<b>24</b>	<b>9</b>	<b>0</b>	<b>24</b>

## Housing General Fund overspend £24k – Change £9k from M3, mainly due to :-

- **£15k Meadowside Mobile Homes** – No change from M3, reassessment for increased costs for planned repairs and tree works.
- **£9k Private Sector Enabling – change £9k from M3**, due to £10k additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services) and £3k additional costs of employees provided by Mole Valley Partnership, offset by £4k release of underspend on housing renovation grants.

Alongside the known variance on Meadowside, risks are being managed within 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 latter).

# Revenue Commentary – Planning Policy Committee

2022/23		Forecast Annual	Outturn	Change	One-off	Ongoing	
Outturn		Qtr 2	Budget	Variance	from Qtr 1	events	Pressures
£k		£k	£k	£k	£k	£k	£k
409	Planning Applications & Advice	484	391	93	97	4	89
324	Planning Strategy & Policy Guidance	332	332	0	0		
259	Enforcement	372	239	133	122	133	
	Appeals	210	80	130	(2)		130
95	Tree Preservation & Advice	100	100	0	0		
-	Community Infrastructure Levy (CIL)	2	2	0	0		
182	Local Development Plan - Evidence	178	178	0	0		
2	Gatwick Airport DCO	52	0	52	25	52	
(11)	Land Charges and Street Naming	27	16	11	(20)		11
<b>1,259</b>	<b>Planning</b>	<b>1,757</b>	<b>1,338</b>	<b>419</b>	<b>222</b>	<b>189</b>	<b>230</b>

**Note** – the forecast currently assumes that the budgets for the local plan and other planning policy team matters are spent in full in 2023/24 or remain ringfenced to the local plan if not.

This ensures that funding approved for such matters is retained to meet uncertain future costs and not used to offset overspends elsewhere in the budget.

**Planning Policy Committee overspend £419k.** Change: £222k from M3. The variance mainly comprises of:

- **£93k Planning Application and Advice overspend** Change: £97k from M3, negative variance at year end predicted based upon the following:
  - £222k overspend on salaries (M3 £86k over) due to reliance on contract staff for longer than originally anticipated. £42k overspend on running costs (M3 £47k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.
  - (£171k) surplus (M3 £136k surplus) on planning application fee and expected planning performance agreement income. It is expected that the budget will be supported by income from some major sites where planning applications are anticipated, as well as future fee increases.
- **£133k Enforcement overspend** Change: £122k from M3, predicted. £144k salary overspend (£21k over in M3) due to reliance on contract staff offset by one-off lower running costs (M3 £10k under) and a small amount of income.
- **£130k Appeals overspend** Change: (£2k) from M3, due to a change in the forecast Appeals provision, based on doubling the 2022/23 provision, and application of the prior provision where associated expenditure is realised in year.
- **£52k Gatwick DCO overspend** Change: £25k from M3, associated with consultant commission for bespoke assessment of air quality and noise impacts on Tandridge arising from Gatwick Airport Northern Runway project. Approved by Planning Policy Committee in March and Sept 2023.
- **£11k Land Charges and Street Naming & Numbering overspend.** Change: (£20k) from M3. Land Charges income worse than budget caused by transient external pressures of rising inflation and high interest rates. Officers will closely monitor search numbers/income whilst delivering new initiatives to improve and promote the service. Includes an expected Government grant of £20k to facilitate Land Charges LLC1 data migration to Central Government.

# Revenue Commentary – Strategy and Resources

**Strategy & Resources net underspend of (£108k): Change (£146k) improvement from M3, mainly due to:**

- **£38k Legal Services overspend at year end.** No change from M3. Variance primarily due to £19k vacancy factor not being delivered and £19k gap in income generation. Legal Services Team are looking at possibility of recharges to other funds (e.g. HRA / Capital) to cover shortfalls, and reviewing other options

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn	Qtr 2	Budget	Variance	from Qtr 1	events	Pressure
£k	£k	£k	£k	£k	£k	£k
398 Legal Services	495	457	38	0	19	19
595 Democratic Services	587	587	0	0		
1,117 Information Technology	1,313	1,401	(88)	(88)	(88)	
359 Human Resources	325	355	(30)	(30)	(30)	
587 Customer Services	464	453	11	11	11	
341 Policy and Communications	397	411	(14)	(14)		(14)
158 Emergency Planning & Community Safety	340	340	0	0		
284 Office Services	357	382	(25)	(25)	(25)	
138 Asset Management	152	152	0	0		
291 Leadership Team	243	243	0	0		
1,066 Financial Services	1,032	1,032	0	0		
455 Revenues and Benefits	374	374	0	0		
166 Communities Executive Projects	0	0	0	0		
<b>5,953 General Fund</b>	<b>6,079</b>	<b>6,187</b>	<b>(108)</b>	<b>(146)</b>	<b>(113)</b>	<b>5</b>
-1 Wellbeing Prescription	0	0	0	0		
<b>5,952 Strategy &amp; Resources</b>	<b>6,079</b>	<b>6,187</b>	<b>(108)</b>	<b>(146)</b>	<b>(113)</b>	<b>5</b>

which are in their infancy, for mitigating the overspend. At the same time Legal officers are responding to an increase in demand for completing work in-house which has reduced opportunities for delivering work to third parties.

- **(£88k) Information Technology favourable variance at year end.** Change (£88k) from M3 based upon one off favourable variances in corporate software, department software, telephony and network maintenance due to (i) delays to the implementation of more expensive software provided for in the budget (ii) one-off licence fee and software expenditure funded by grants, and (iii) realisation of the benefits of contracts agreed for greater than one year suppressing inflation impacts for the Council.
- **(£30k) Human resources favourable variance at year end.** Change: (£25k) from M3 due to staff vacancies.
- **£11k Customer Services overspend at year end.** Change: £11k from M3. £10k Primarily due to vacancy factor not predicted to be realised, and one-off overspend due to staff savings linked to digital tools delivery timescales. Staff savings are still expected but delayed until 2024/25 when the benefits of the digitisation strategy is expected. £1k other minor variances. Mitigation sought from (i) changing culture around use of postage and any other underspends across the budget although these are likely to be minimal.
- **(£14k) Policy and Communications underspend at year end** Change: (£14k) from M3, due to ongoing salary underspend from revised restructure of combined team following outcome of FTP programme.
- **(£25k) Office Services underspend at year end** Change: (£25k) from M3, due to one off utility underspend.

# Revenue Commentary - Corporate Items

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
1,163 Interest Payable	1,163	1,163	0	0		
(1,495) Interest Receivable & Investment Income	(1,495)	(1,495)	0	0		
(745) Property Income	(777)	(777)	0	0		
(2,048) Non GF Support recharges & Bank charges	(2,498)	(2,498)	0	0		
1,161 Minimum Revenue Provision (MRP)	1,179	1,179	0	0		
1,488 Pension - Actuarial top up, Added Years, & Compensation	1,485	1,485	0	0		
(42) Write Offs and Bad Debt Provision	22	22	0	0		
(201) Cost of Collection	(270)	(270)	0	0		
116 Contingency	445	445	0	0		
15 Contributions to / (Drawdown from) Earmarked Reserves	0	0	0	0		
0 Management structure saving held corporately	(85)	(170)	85	85		85
<b>(589) Corporate Items</b>	<b>(831)</b>	<b>(916)</b>	<b>85</b>	<b>85</b>	<b>0</b>	<b>85</b>

## **Corporate Items - £85k Net overspend: no change since M3.**

- £85k Management Restructuring : Variance due to a portion of the management structure saving being reinvested into Planning.

Performance against interest receivable is likely to exceed budget and it is assumed that any surplus will be transferred to reserve, subject to discussion with and approval by Investment Sub-Committee and Strategy & Resources.

# Revenue Commentary – Housing Revenue Account

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
2,302 Salaries	2,179	2,149	30	30		30
1,027 Services Costs	1,947	1,865	82	22		82
1,542 Corporate Support Service	1,574	1,572	2	2		2
2,457 Repairs and Maintenance	3,636	3,636	0	0		
1,616 Interest Changes on Loan	2,045	2,045	0	0		
(14,528) Rental Income Dwellings	(15,973)	(15,973)	0	0		
(263) Rental Income Garages	(385)	(385)	0	0		
(359) Other Income	(153)	(136)	(17)	(17)		(17)
(6,205) Total Revenue Movement before Tfr to Reserves	(5,130)	(5,227)	97	37	0	97
6,205 Transfer to Reserves	5,227	5,227	0	0		
0 HRA	97	0	97	37	0	97

## Housing Revenue Account - £97k net overspend – Change £37k from M3, mainly due to :-

- **£30k Salary Costs** – Change £30k from M3, due to additional reinvestment in the Building Surveyors team to cover Health and Safety and other priority areas.
- **£82k Service Costs** – Change £22k from M3, due to releasing (£5k) consultancy budget no longer required offset by £9k increase costs of voids for Council Tax and £28k new fraud contract with R&B. Projected £60k increased costs on Orchard MRI Housing Management Software linked to upgrading to a new hosted version.
- **£2k Corporate Support Services** – Change £2k from M3, due to the HRA 30-year plan advisor contract increasing support to the Housing Development team.
- **(£17k) Other Income** - Change (£17k) from M3, due to increase in income from private house lease extensions.

# Revenue Risks

These risks have not been included in the budget monitoring position unless otherwise stated

Committee	Outline of Risk	Mitigation	Range Max - Min £k
Community Services	Ops and Localities net shortfall of savings from Phase 1 Tandridge Future Saving's programme	Improvements in 2023/24 outturn	£16.5k
Community Services	Trees - Throughout the District Ash dieback continues to be a potential risk. Also trees near railway lines will cost more to manage as specialist contractors have to be engaged and also potentially railway line closure, speed restrictions and H&S issues may become a bigger issue.	Ensuring tree management is programmed to be flexible enough to allow any arising risks to be dealt with in a timely basis.	
Housing	Demand for Social accommodation is on the rise with lack of availability of LA's being able to house families and individuals. The use of Bed and Breakfast accommodation is on the rise not only in Tandridge but throughout the UK.	Keeping a watching brief on the costs Tandridge are incurring. The government have released additional grant of £154k in 2023/24 to help with the additional costs and also Tandridge hold funds within the Homelessness reserve which we expected will cover any additional costs.	
Planning	The need for externalising work may increase now that the Local Plan has been found unsound with more appeals requiring external legal output.	Monitor and report, taking commensurate actions where opportunities arise	
Planning	Unexpected fall of in planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise	
Resources	Escalating external legal costs related to specialist employee matters are a possible cost pressure within HR.	Officers are looking at reviewing options to economically and effectively source ad-hoc advice on complex / sensitive employment matters.	
Resources	External employment market is buoyant for professional Legal staff. Any further reduction of staff is a risk to service provision	Outsourcing of Legal work would reduce the legal compliance risks to the Council, but increase cost pressures	
Resources	Council continues to seek tenants for available Council office space to increase rent income.	The Council has extended the security hours related to the offices to further develop interest in the rental.	
Corporate Items	Possibility of higher empty properties due to business revaluating workspaces and impact on investment / property income (above current forecast)	Asset Manager will review all opportunities to maximise investments and market all opportunities (for finding new tenants).	£0-100k



# Revenue Opportunities

These opportunities have not been included in the budget monitoring position

Committee	Outline of Opportunity	Any blockers to achievability	Range Max - Min £k
Community Services	Waste and Garden waste contract indexation rate used in the Budget 2023/24 may now not be as high as anticipated. If this happened then the Council would incur less costs on both the Waste and Garden waste contracts. This has not been included in the latest forecast as there is a high degree of volatility around what may happen.	The UK inflation rates stay high and drive up the cost of living.	£0-£59k
Resources	IRIS contribution reduction. The Surrey Police managed Identification and Referral to Improve Safety ("IRIS") programme is a training and support programme which enables GPs to identify patients affected by domestic violence and abuse and refer them to specialist services. The Council contributes funding to this programme	Council is exploring options to seek alternative funding for the IRIS programme.	£0-19k
Corporate Items	Improved temporary lending rates due to Bank base rate increases (affects Interest Receivable)	BoE decisions and investment market reaction	£0-£200k

# Capital Budget – Community Services

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Community Services					
Waste and Recycling	19	93	75	0	75
Parks, Playgrounds and Open Spaces	1,086	505	(581)	0	(581)
Community infrastructure and assets	635	485	(150)	0	(150)
<b>Total Community Services</b>	<b>1,740</b>	<b>1,084</b>	<b>(656)</b>	<b>0</b>	<b>(656)</b>

- The Capital Budget was approved by Full Council on 9<sup>th</sup> February 2023 at £990k.
- The request for Capital carry forwards of £1,087k from 2022/23 was approved in the S&R Committee on 29<sup>th</sup> June 2023, with a revised phasing reported during the September 2023 Committee cycle.
- At Q1, approved at the S&R Committee in September 2023, the total capital requirement for 2023/24 was re-set at £1,740k, with £337k carried forward into 2024/25.
- At Q2, the total capital forecast is £1,084k. The variance of (£656k) is due to below:-
  - £75k – Acceleration for Waste Bins. Further work has established the previous reprofiling was too restrictive.
  - (£581k). Slippage on Parks, Playgrounds and Open Spaces. All of the slippage amounts sums removed are to be reprofiled into 2024/25. The slippages are broken down into schemes below-
    - (£434k) - Childrens Playgrounds.
    - (£105k) - Park Pavilions.
    - (£42k) - Playground Match Funding.
  - (£150k) Slippage on Community Infrastructure and assets, all relates to Public Conveniences.
- It should be noted that there are plans to recruit an interim resource to help with managing the capital spend particular in Playgrounds and Public Conveniences.
- Spend across the Committee's schemes is c.£122k (11%) at Q2.

# Capital Budget – Housing General Fund

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Housing General Fund					
Disabled Facilities Grants	503	420	(83)	0	(83)
<b>Total Housing General Fund</b>	<b>503</b>	<b>420</b>	<b>(83)</b>	<b>0</b>	<b>(83)</b>

- The Capital Budget was approved by Full Council on 9<sup>th</sup> February 2023 at £503k.
- The request for Capital carry forwards of £139k from 2022/23 was approved in the S&R Committee on 29<sup>th</sup> June 2023, with a revised phasing to be reported during the September 2023 committee cycle.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £503k with £139k carried forward into 2024/25.
- At Q2, the total Capital Forecast for HGF is £420k, with a slippage of (£83k), mainly due to surplus capital grant, reprofiled into 2024/25.
- Spend across the Committee's schemes is c.£37k (9%) at M6 however with many projects in the pipeline to start this financial year the capital programme is on track to achieve the forecasted spend.

# Capital Budget – Planning Policy Committee (CIL)

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Planning Policy					
Capital contributions to third parties from CIL	500	104	(396)	0	(396)
<b>Total Planning Policy</b>	<b>500</b>	<b>104</b>	<b>(396)</b>	<b>0</b>	<b>(396)</b>

- The Capital Budget was approved by Full Council on 9th February 2023 at £500k.
- The request for Capital carry forwards of £2,108k from 2022/23 was approved in the S&R Committee on 29th June 2023.
- The total available budget for 2023/24 was therefore £2,608k.
- Due to match funding and project delivery delays, £2,108k slippage in the projected scheme expenditure was requested to be carried forward to 2024/25. This is normal practice with grant allocations. This was approved in the S&R committee on 28th September 2023.
- The budget 2023/24 now stands at £500k.
- The budget has been reviewed for deliverability at M6 with a forecast variance - slippage of (£396k)

# Capital Budget – Strategy and Resources

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Strategy & Resources					
Croydon Road Regeneration	50	50	0	0	0
Quadrant House Solar Panels & Suite Refurb	150	150	0	0	0
Council Offices Buildings	39	39	0	0	0
Digital FTP	295	295	0	0	0
GF IT - Hardware/Infrastructure	383	383	0	0	0
<b>Total Strategy &amp; Resources</b>	<b>917</b>	<b>917</b>	<b>0</b>	<b>0</b>	<b>0</b>

- The Capital Budget for S&R was approved by Full Council on 9<sup>th</sup> February 2023 at £1,822k.
- The request for Capital carry forwards of £1,217k from 2022/23 was approved in the S&R Committee on 29<sup>th</sup> June 2023, with a revised phasing reported during the September 2023 committee cycle.
- During the year, £295k was approved as an addition for the Digital project in Future Tandridge Programme.
- The total available budget for 2023/24 was therefore £3,334k.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £917k with a carry forward of £2,417k into 2024/25.
- The budget has been reviewed for deliverability at M6 and at present it is deemed to be deliverable with no further forecast variance
- Spend across the Committee's schemes is c.£92k (10%) at Q2.

# Capital Budget – Housing Revenue Account

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Housing Revenue Account					
Council House Building	11,244	11,330	86	0	86
Improvements to Housing Stock	4,648	4,461	(187)	0	(187)
HRA IT - Hardware/Infrastructure	241	241	0	0	0
<b>Total Housing Revenue Account</b>	<b>16,133</b>	<b>16,031</b>	<b>(102)</b>	<b>0</b>	<b>(102)</b>

- The Capital Budget was approved by Full Council on 9<sup>th</sup> February 2023 at £15,398k.
- The request for Capital carry forwards of £4,597k from 2022/23 was approved in the S&R Committee on 29<sup>th</sup> June 2023, with a revised phasing reported during the September 2023 committee cycle.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £16,133k with £3,862k carried forwards to 2024/25.
- At Q2, the total Capital Forecast for HGF is £16,031k, with a Slippage Variance of (£102k), mainly due from
  - Council House Building – acceleration £86k.
  - Adaptations for the Disabled – slippage (£187k).
- Spend across the Committee’s schemes is c.£4,512k (28%) at M6 although will accelerate as stalled schemes at Uplands and Bronzeoak are re-started and the LAHF purchases are completed.