

Quarter 3 2023/24 Budget Monitoring - Community Services Committee

Community Services Committee Thursday, 14 March 2024

Report of: Director of Resources (Section 151)

Purpose: To note the 2023/24 Quarter 3 / Month 9 (December) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2023/24 Quarter 3 / Month 9 (December) 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

Contact officer Mark Hak-Sanders, Director of Resources (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That the Committee's forecast Revenue and Capital budget positions as at Quarter 3 / M9 (December) 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 approved budget for 2024/25.

The consolidated position for quarter 3 will be reported to Strategy & Resources Committee on the 26th March 2024.

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 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. Rephasing of the Capital Programme was approved at the S&R Committee on 28th September 2023 to re-set the budget required to £1,740k.

Key implications

Revenue

- 3 At Month 9 a full-year revenue underspend of (£85k) is forecast. The change from Month 6 is an improvement of (£26k). The main reasons for the variances are set out below:
 - (£48k) Salaries – No Change in quarter: underspend due to (£12k) vacancies in Waste Services and (£38k) underspend in Handyman Services. The Handyman Service is being realigned with the Housing contract for Disabled Facility Grant and Aids and Adaption. The contract has now been retendered and let out . The new contract which starts in April 2024 includes the Handyman Service. In the current financial year the existing contract has been extended to include the Handyman Service. It should be noted that in outsourcing the Handyman Service there is a net saving to Community Services

Committee of (£16k). This consists of (£38k) salary saving, offset by £22k of contract costs as set out below.

- (£23k) Leisure & Community Services Grants - change (£4k) improvement from Q2: due to a contingency budget no longer needed.
- (£29k) Environmental Services - change (£2k) improvement from Q2: (£36k) saving for 1FTE post being vacant. The team expect that this post will be filled shortly. £7k less income from various licences.
- (£50k) Waste Services - change (£33k) improvement from Q2: due to (£27k) savings from Bring Banks, (£12k) wheelie bins sales offset by £16k lower garden waste income, £12k lower Bulky waste income, additional costs of £12k for garden waste admin, £4k collection of medical waste and £1k other small variances.
- £11k Cesspool Services – change (£4k) improvement from Q2: due to income down by £32k offset by (£15k) savings in disposal costs and (£6k) compensation for lease vehicle being off the road.
- £30k All Operational Services – change £3k from Q2: due to £7k reduced quantities of scrap metal income, £16k recharges of costs of mechanic (post vacant since July23), £22k increase in costs - Handyman changes in services delivery from in-house to outsourcing model, offset by (£14k) increased cemetery fees.
- £26k Parks & Open Spaces - change £23k from Q2: due to (£1k) savings re NNDR no longer due on toilets, (£9k) additional income, (£24k) release from unauthorised encampment budget, (£6k) leased vehicle budget not required, offset by £4k unachievable budget for rent and wayleaves and new in month £56k for preliminary costs in mobilising new GM agreements.

Capital

- 4 The Committee's current capital budget is set at £1,740k. This is derived from the original budget of £990k, plus carry forwards of £1,087k from previous years, less £337k of re-phasing reported and approved in the September Committee cycle.
- 5 Against the revised budget of £1,740k, the Community Services Committee capital forecast at Q3 has been reviewed and reforecast to £827k. The (£257k) change from Q2 is further slippage of (£295k) in Children Playgrounds and Public Conveniences, offset by £38k acceleration in Vehicle Fleet renewals. The Q3 variance of (£913k) is due to-
 - £75k Waste and Recycling – acceleration for waste bins. Further work has been carried out by the Waste team, which has concluded that there will be more spend than was forecast at Q1.
 - (£642k) Parks, Playgrounds and Open Spaces – slippage. This amount will be reprofiled into the 2024/25 capital budget subject to Committee approval at outturn. The slippage is broken down into the schemes below-
 - i. (£495k) – Childrens Playgrounds
 - ii. (£105k) – Park Pavilions

- iii. (£42k) – Playground Match Funding
 - (£346k) Community Infrastructure and Assets, which all relates to Public Convenience Schemes with the intention to progress Godstone and Ellice Road in this financial year.
- 6 Spend across the capital programme for Community Services stands at £134k / 16% at Q3, indicating that capital spend will need accelerate to avoid a significant risk that the full capital budget will not be achieved. It should be noted that to enable the delivery of Community Services Capital programmes, particularly in Playgrounds and Public Conveniences. there are plans to recruit an interim resource to help manage the programmes.

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 M9 (December) 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
- Quarter 1 2023/24 Budget Monitoring – Community Services Committee 19th September 2023
- Quarter 2 2023/24 Budget Monitoring – Community Services Committee 9th November 2023

----- end of report -----