

Quarter 3 - 2023/24 Finance Update Report

Mark Hak-Sanders
Director of Resources (S151)

26th March 2024

Contents

- Executive Summary
- Revenue Summary
- Saving Plans Update
- Capital Position
- **Annex**
 - Revenue Position - Committee Detail
 - Financial Risks and Opportunities
 - Capital Position - Committee Detail

Executive Summary - Month 9 (September 2023)

Revenue Forecast at M9 Q3

	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k
Community Services	4,528	4,613	(85)
Housing General Fund	739	713	26
Planning Policy	1,871	1,338	533
Strategy & Resources	6,181	6,187	(6)
Corporate Items	(863)	(916)	53
General Fund- Services	12,456	11,935	521
Central Funding	(11,935)	(11,935)	0
General Fund	521	0	521

Overall, at M9 Q3, the Council is forecasting a net £521k overspend, containable within contingencies to deliver a balanced outturn

- Community Services: £85k underspend – 1.8% of committee budget
- Housing General Fund: £26k overspend – 3.6% of committee budget
- Planning Policy: £533k overspend – 39.8% of committee budget
- Strategy & Resources: £6k underspend – 0.1% of committee budget
- Corporate Items: £53k overspend – 5.8% of committee budget

M9 headlines are set out on the next slide, with full details in the Annex

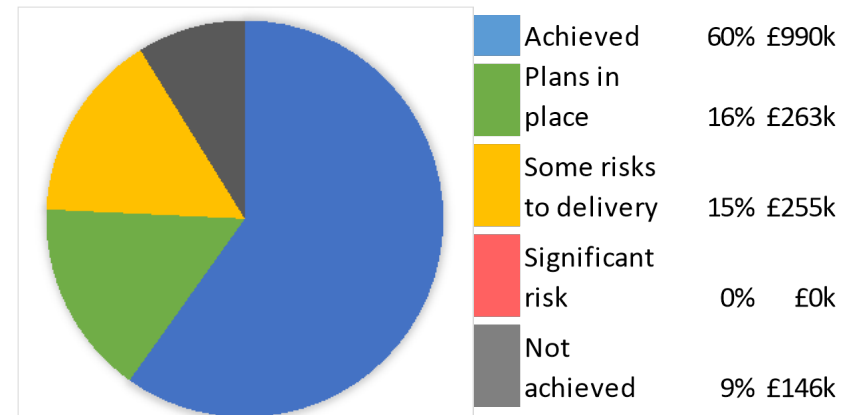
Capital Programme Forecast at M9 Q3

Net Forecast Underspend £93k

	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k
Community Services	1,740	827	(913)
Housing General Fund	503	488	(15)
Strategy & Resources	917	1,152	235
Planning Policy	500	253	(247)
General Fund	3,660	2,719	(941)
Housing Revenue Account	16,133	16,980	847
Total	19,793	19,699	(93)

Further detail is set out on Slide 6

Savings Plan at M9 Q3 - £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 M9-Q3

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change Qtr2 £k	One-off events £k	Ongoing Pressures £k
4,156 Community Services	4,528	4,613	(85)	(26)	(81)	(4)
462 Housing General Fund	739	713	26	2	0	26
1,259 Planning Policy	1,871	1,338	533	114	215	318
5,952 Strategy & Resources	6,181	6,187	(6)	102	(107)	101
(589) Corporate Items	(863)	(916)	53	(32)	0	53
11,240 General Fund- Services	12,456	11,935	521	160	27	494
(11,351) Central Funding	(11,935)	(11,935)	0	0	0	0
(111) General Fund	521	0	521	160	27	494

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
- Less £200k carried forward to 2024/25

Totalling £721k – a balanced outcome is therefore deemed to be achievable

Key Messages:

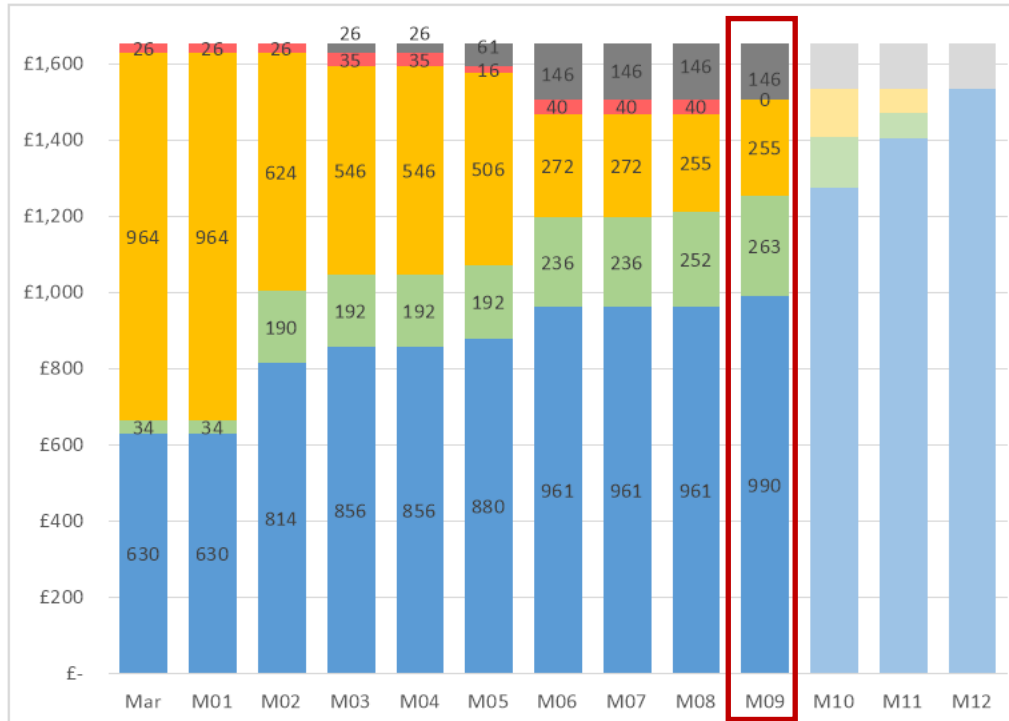
Committees are projecting a full year **£521k overspend in Q3**.

- **Community Services: £85k underspend** – Change (£26k) from Q2 mainly to do (£33k) Waste Service improvements. M9 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), (£56k) re Waste Services lower than budget, (£29k) savings in Environmental Services from vacant posts, offset by £26k in Parks and Open spaces – mainly for preliminary costs in mobilising new GM agreements.
- **Housing General Fund: £26k overspend** – Change £2k from Q2. Overspend due mainly to £15k Meadowside additional costs of surveying the site and £11k due to additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services)
- **Planning Policy: £533k overspend** – Change £114k from Q2 mainly due to extension of Enforcement interim staff and provision changes. Overspend is mainly due to Enforcement: £159k, due to reliance on contract staff, appeals provisions £182k, planning applications and advice: £129k, mainly due to overspend on salaries £230k, offset by favourable planning applications fees (£155k).
- **Strategy and Resources: £6k underspend** – Change £102k from Q2 mainly due to £115k change in external audit fees. Variance mainly: £115k external audit fees (offset by £32k charge to HRA in Corporate Items), (£70k) Information Technology, one-off favourable variances in corporate & departmental software, telephony and network maintenance, £11k vacancy factor not being delivered, (£30k) in HR due to staff turnover and (£25k) one-off utility underspend.
- **Corporate Items: £53k overspend** - Change (£32k) from Q2: Variance due to a portion of the management structure saving being reinvested into Planning and an increase in recharge to HRA for its portion of the change in External Audit fees, reported above.

Whilst at Q3, an overspend of £521k is forecast, there are 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, although the risk is diminishing as year end approaches.

Saving Plans Delivery

Summary and Projection



Delivery by Committee

Committee	Target	Complete	Green	Amber	Red	Black
Community Srvcs	388	198	164	-	-	26
Housing GF	210	60	-	150	-	-
Planning	70	60	10	-	-	-
S&R	844	530	89	105	-	120
Corporate Items	142	142	-	-	-	-
Total	1,654	990	263	255	-	146

Commentary

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

Unachievable:

- £26k in Regulatory Services 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.

Red Items changed from Qtr 2 - £40k for Legal and £16k for Customer Services changed to green as these savings will be delivered during 2023/24.

Further details for each saving can be found in the March 2024 FTP- S&R Overall Report.

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 M9-Q3

	Annual Budget 2023-24	Forecast M9 2023/24	Variance M9 2023/24	Variance Overspend/ (Underspend)	Variance Acceleration/ (Slippage)	Change from M6
	£k	£k	£k	£k	£k	£k
Community Services	1,740	827	(913)	0	(913)	(257)
Housing General Fund	503	488	(15)	68	(83)	68
Strategy & Resources	917	1,152	235	0	235	235
Planning Policy	500	253	(247)	0	(247)	149
General Fund	3,660	2,719	(941)	68	(1,009)	194
Housing Revenue Account	16,133	16,980	847	0	847	949
Total	19,793	19,699	(93)	68	(161)	1,143

Capital – Net Variance: £93k slippage mainly due to:

- **Community Services: Net Slippage of (£913k) less than budget**, across various capital schemes, significant areas as noted below (require re-profiling into 2024/25) :-
 - Parks, Playgrounds and Open Spaces - (£642k)
 - Community infrastructure and assets - (£346k)
 - Waste and Recycling - £75k spend accelerated from 2024/25, adjustment to previous reprofiling
- **Housing General Fund: Net (£15k) less than budget**, £83k Slippage, surplus capital grant, reprofiled into 2024/25 and £68k delayed signing off for Social Housing Grant funding which was approved by Housing Committee in 2021/22.
- **Strategy & Resources: £235k more than budget**. Acceleration of IT Hardware / Infrastructure spend.
- **Planning Policy – Community Infrastructure Levy: £247k less than budget**. Slippage, surplus reprofiled into 2024/25.
- **Housing Revenue Account : Net £847k more than budget**, net £1,081k on Council House Building of which (£1,499k) Slippage at Bronzeoak, Auckland Road & Windmill Close and Buy-Backs and £2,581k acceleration for acquisitions of new development sites.(£192k) Slippage mainly on Aids and Adaption capital scheme. Surplus capital grant, reprofiled into 2024/25, (£42k) Slippage on HRA IT renewals.

Additional Information

Debt as at 31st December 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	Q3 23/24	Outcome
Sundry Debts	£282k	£249k	£227k	£322k	£280k	G
HBOP	£1,144k	£1342k	£1259k	£1074k	£1113k	A
HRA	£444k	£525k	£565k	£748k	£752k	A

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 (2019/20 used as pre-Covid baseline)

	YTD	YTD	O	Monthly		YTD
	Qtr 1	Qtr 2		N	D	Qtr 3
Business Rates 19/20	33.0%	60.5%	8.8%	8.2%	8.6%	86.2%
Business Rates 22/23	30.8%	62.3%	9.4%	3.3%	8.6%	83.6%
Business Rates 23/24	32.0%	59.3%	9.3%	9.1%	9.5%	87.2%
Outcome	G	A	A	G	G	G
Council Tax (19/20)	35.8%	63.6%	9.3%	9.3%	8.6%	90.8%
Council Tax (22/23)	34.9%	61.7%	8.8%	9.3%	8.9%	88.7%
Council Tax (23/24)	34.5%	61.5%	9.1%	9.0%	8.9%	88.5%
Outcome	A	A	G	A	G	A

Additional Information (2)

Vacancy Factor – Q3 Update

Area	Posts	FTE	Staff	Vacancies	%	Temps	%	Total	%	Previous	Difference
Communities	45.0	43.7	35.7	8	82%	6	14%	41.7	95%	90%	5%
Planning	58.0	56.5	37.5	19	66%	15	27%	52.5	93%	95%	-2%
Housing	69.0	68.4	57.4	11	84%	4	6%	61.4	90%	92%	-2%
Strategy & Resources	122.0	110.9	88.9	22	80%	8	7%	96.9	87%	87%	0%
Total	294.0	279.5	219.5	60	79%	33	12%	252.5	90%	90%	0%

ANNEX

DETAILED REVENUE AND CAPITAL

- M9 Forecast – Committee Detail (slides 9 to 15)
- Financial Risks and Opportunities (slide 16 - 17)
- M9 Capital Budget – Committee Detail (slide 18 - 22)

Revenue Commentary- Community Services

Community Services: (£85k) Underspend – Change (£26k)

from Q2. Variance mainly due to: (£48k) Salaries underspend – No change from Q2. Variance 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).

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn £k	Qtr 3 £k	Budget £k	Variance £k	from Qtr2 £k	events £k	Pressures £k
1,206 Salaries	1,250	1,298	(48)	0	(10)	(38)
(31) Car Parking-On Street	0	0	0	0		
30 Car Parking-Off Street	37	40	(3)	(4)		(3)
(19) Hackney Carriage/Private Hire	(15)	(19)	4	4	3	1
201 Leisure & Community Grants	237	260	(23)	(4)		(23)
290 Environmental Services	282	311	(29)	2	(35)	6
2,245 Waste Services	2,275	2,325	(50)	(33)		(50)
(36) Cesspool Services	(48)	(59)	11	(4)	(7)	18
(199) All Operational Services	(100)	(130)	30	3	(14)	44
400 Parks and Open Spaces	608	582	26	23	(26)	52
69 Streets & Public Conveniences	2	5	(3)	(13)	8	(11)
4,156 Community Services	4,528	4,613	(85)	(26)	(81)	(4)

(£3k) Car Parking Off-street underspend – Change (£4k) from Q2: due to reduced income of £4k in car parks excluding Ellice Road, (£16k) release surplus budget on Business Rates offset by increased costs of broadband and data charges £6k and cash collection costs £3k for the car parks.

£4k Hackney Carriages – Change £4k from Q2: due to decrease in fees as volumes have decreased.

(£23k) Leisure & Community Grants underspend – Change (£4k) from Q2: due to savings on a contingency budget no longer needed.

(£29k) Environmental Services underspend – Change (£2k) from Q2: due to (£36k) saving for 1 FTE vacant, expected to fill in February / March 2024 and £7k less income from various licences.

(£50k) Waste Services underspend, - Change (£33k) 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) 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.

(£3k) Streets & Public Conveniences underspend, - Change (£13k) from Q2: due to (£6k) savings for property charges now exempt, (£10k) savings on water charges, (£2k) savings road tax, (£3k) Cesspool budget no longer required. Offset by additional £15k costs of repair of sweeper, increased diesel costs £4k and £5k unachievable third-party income.

Revenue Commentary – Housing General Fund

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £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	93	82	11	2		11
(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		
462 Housing General Fund	739	713	26	2	0	26

Housing General Fund overspend £26k – Change £2k from M6, mainly due to :-

- **£15k Meadowside Mobile Homes** – No change from M6, reassessment for increased costs for planned repairs and tree works.
- **£11k Private Sector Enabling – change £2k from M6**, 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 (£2k) release of unspent budgets on various small budgets.

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 3	Budget	Variance	from Qtr2	events	Pressures
£k		£k	£k	£k	£k	£k	£k
409	Planning Applications & Advice	520	391	129	36	4	125
324	Planning Strategy & Policy Guidance	332	332	0	0		
259	Enforcement	398	239	159	26	159	
-	Appeals	262	80	182	52		182
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	0	52	
(11)	Land Charges and Street Naming	27	16	11	0		11
1,259	Planning	1,871	1,338	533	114	215	318

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. Conversely, additional spending on planning policy team matters will be met from the reserve where they exceed the annual budget.

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. See next slide.

Planning Policy Committee overspend £533k : deterioration of £114k from M6 .

The variance mainly comprises of:

- **£129k Planning Application and Advice** adverse variance at year end predicted (M6 £93k adverse) based upon the following:
 - £230k overspend on salaries (M6 £222k over) due to reliance on contract staff for longer than originally anticipated. £54k overspend on running costs (M6 £42k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.
 - (£155k) surplus (M6 £171k surplus) on planning application fee and expected planning performance agreement income. It is expected that fee income will be supported by income from some major sites where planning applications are anticipated, as well as future fee increases.
- **£159k Enforcement overspend (M6 £133k)** predicted. £168k salary overspend (M6 £144k over) due to reliance on contract staff offset by one off lower running costs (£9k in M9, M6 £10k under) and a small amount of income.
- **£182k Appeals overspend (M6 £130k over)** due to a change in provisions, based on operational Planning records, and application of the prior provision where associated expenditure is realised in year.
- **£52k Gatwick DCO overspend (unchanged from M6)** 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 September 2023.
- **£11k overspent (unchanged from M6) Land Charges and Street Naming & Numbering.** 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 a Government grant of £20k to facilitate Land Charges LLC1 data migration to central government.

Use of Planning Earmarked Reserves

Use of Planning Earmarked Reserves	
	Forecast change in Reserve £ k
Planning Policy & Local Plan Reserve	69
Neighbourhood Plan Reserve	2
In year change in Earmarked Reserves	71

Use of Earmarked Reserves described by:

£69k Planning Policy & Local Plan Earmarked Reserve use of reserve to fund overspend due to salary and wages expenditure, associated with full year use of interims and seconded officers to manage Planning Policy Team function.

£2k Neighbourhood Plan Reserve use of reserve to fund overspend associated with Tatsfield Neighbourhood Plan, examination and on going progression of Neighbourhood Plan.

Local Plan and Planning Policy Team Funds Available in 2024/25 :

Funding for the Local Plan in 2024/25 is limited and will require robust management. The maximum funding available for all Planning Policy matters, including the Local Plan, is £1,489k. This consists of £979k in reserves and £510k in-year budget. The Local Plan is likely to span multiple years, meaning that use of the reserve should be carefully considered. Other matters are unpredictable and are likely to further place further constraints on the budget.

Revenue Commentary – Strategy and Resources

Strategy & Resources net underspend of (£6k) : Change £102k deterioration from M6.

Variance mainly due to:

£7k Legal Services overspend at year end.

Improvement of £31k. Variance primarily due to improvement in salary from £19k over in M6 to (£2k) better in M9, due to staff churn and changes in working patterns in the team (more part timers). Running costs over by £15k which are recovered in income. (£6k) income surplus at M9 (M6 was £19k worse than budget). Legal Services Team is recharging costs to

other funds (eg Capital) for certain services.

(£70k) Information Technology favourable variance at year end. Change from M6 £18k mainly due to a reduction in amount of salary capitalised. (£70k) one off favourable variances in corporate software, department software, telephony and network maintenance due to (i) delays to the implementation of software (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, offset by reduction in capitalised salaries.

(£30k) Human Resources favourable variance at year end. Unchanged from M6 due to salaries (staff churn).

£11k Customer Services overspend at year end. Unchanged from M6. £10k Primarily due to vacancy factor not predicted to be realised, and one-off salary overspend due to staff savings linked to digital tools delivery timescales. £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 Unchanged from M6, due to ongoing salary underspend from revised restructure of combined team following outcome of FTP programme.

(£25k) Office Services underspend at year end Unchanged from M6, due to one off utility underspend offset by interim staffing costs being more expensive than permanent equivalents.

£115k Financial Services. Change in external audit fees, due to additional audit burdens imposed by the Financial Reporting Council and other stakeholders. This change is driven by the PSAA procurement, the results of which were announced in November and £32k is charged to the HRA, showing as a variance under Corporate Items.

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn	Qtr 3	Budget	Variance	from Qtr2	events	Pressure
£k	£k	£k	£k	£k	£k	£k
398 Legal Services	464	457	7	(31)	7	
595 Democratic Services	587	587	0	0		
1,117 Information Technology	1,331	1,401	(70)	18	(70)	
359 Human Resources	325	355	(30)	0	(30)	
587 Customer Services	464	453	11	0	11	
341 Policy and Communications	397	411	(14)	0		(14)
158 Emergency Planning & Community Safety	340	340	0	0		
284 Office Services	357	382	(25)	0	(25)	
138 Asset Management	152	152	0	0		
291 Leadership Team	243	243	0	0		
1,066 Financial Services	1,147	1,032	115	115		115
455 Revenues and Benefits	374	374	0	0		
166 Communities Executive Projects	0	0	0	0		
5,953 General Fund	6,181	6,187	(6)	102	(107)	101
(1) Wellbeing Prescription	0	0	0	0		
5,952 Strategy & Resources	6,181	6,187	(6)	102	(107)	101

Revenue Commentary - Corporate Items

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £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	(2,530)	(2,498)	(32)	(32)		(32)
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	0		85
(589) Corporate Items	(863)	(916)	53	(32)	0	53

Corporate Items - £53k Net overspend: Change : (£32k) since M6.

- £85k Management Restructuring : Variance due to a portion of the management structure saving being reinvested into Planning.
- (£35k) increase in Support Recharges, being HRA's share of increased external audit fees reflected in S&R Financial Services.

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

	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £k	One-off events £k	Ongoing Pressures £k
Salaries	2,027	2,149	(122)	(152)	(125)	3
Services Costs	1,470	1,865	(395)	(477)		(395)
Corporate Support Service	1,572	1,572	0	(2)		
Repairs and Maintenance	3,568	3,636	(68)	(68)	(68)	
Interest Changes on Loan	2,045	2,045	0	0		
Rental Income Dwellings	(15,973)	(15,973)	0	0		
Rental Income Garages	(385)	(385)	0	0		
Other Income	(179)	(136)	(43)	(26)		(43)
Total Revenue Movement before Tfr to Reserves	(5,855)	(5,227)	(628)	(725)	(193)	(435)
Transfer to Reserves	5,855	5,227	628	725	193	435
HRA	0	0	0	0	0	0

Housing Revenue Account – (£628k) net underspend – Change (£725k) from Q2, mainly due to :-

- **(£122k) Salary Costs** – Change (£152k) from Q2, due to additional reinvestment in the Building Surveyors team to cover Health and Safety and other priority areas.
- **(£395k) Service Costs** – Change (£477k) from Q2, due to releasing (£350k) electricity & gas, (£50k) Assisted Purchase, (£27k) consultancy fees and (£80k) trees budgets no longer required offset by £30k 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.
- **(£68k) Repairs and Maintenance** – Change (£68k) from Q2: due to releasing (£42k) external decorations, (£4k) internal decorations, (£22k) costs for fuel, servicing of vehicles, (£10k) tenant redecoration allowances budgets no longer required, offset by £10k additional costs for skip hire.
- **Corporate Support Services** – Change £2k from Q2, due to the HRA 30-year plan advisor contract increasing support to the Housing Development team.
- **(£43k) Other Income** - Change (£26k) from Q2, 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	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	
Planning	Planning Guarantee ; The planning guarantee is defined by Government as "a policy that no application should spend more than a year with decision-makers, including any appeal." The policy sits alongside statutory time limits for decision making, subject to the potential to agree extensions. The Council has no control over the timing of Appeals. Linked to this is a risk that current planning fees become repayable if secured extensions of time are exceed in certain circumstances.	Extensions of time will be sought where appropriate.	
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.	The UK inflation rates stay high and drive up the cost of living.	
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 M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Community Services						
Waste and Recycling	19	93	75	0	75	(0)
Parks, Playgrounds and Open Spaces	1,086	444	(642)	0	(642)	(61)
Community infrastructure and assets	635	289	(346)	0	(346)	(196)
Total Community Services	1,740	827	(913)	0	(913)	(257)

- The Capital Budget was approved by Full Council on 9th February 2023 at £990k.
- The request for Capital carry forwards of £1,087k from 2022/23 was approved in the S&R Committee on 29th 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 Q3, the total capital forecast is £827k. The variance of (£913k) is due to below:-
 - £75k – Acceleration for Waste Bins. Further work has established the previous reprofiling was too restrictive.
 - (£642k). 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-
 - (£495k) - Childrens Playgrounds.
 - (£105k) - Park Pavilions.
 - (£42k) - Playground Match Funding.
 - (£346k) Community Infrastructure and assets, (£384k) slippage relates to Public Conveniences and £38k acceleration Vehicle Fleet Renewals for the purchase of a new Sweeper.
- The change from Q2 is (£257k) due to further slippage (£61k) Children Playgrounds and (£234k) Public Conveniences. Offset by £38k acceleration Vehicle Fleet Renewals.
- It should be noted that an interim resource has now been recruited and will start in April 2024. The resource will help with managing the capital spend particular in Playgrounds and Public Conveniences.
- Spend across the Committee's schemes is c.£134k (16%) at Q3.

Capital Budget – Housing General Fund

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Housing General Fund						
Social Housing Grants	0	68	68	68	0	68
Disabled Facilities Grants	503	420	(83)	0	(83)	0
Total Housing General Fund	503	488	(15)	68	(83)	68

- The Capital Budget was approved by Full Council on 9th February 2023 at £503k.
- The request for Capital carry forwards of £139k from 2022/23 was approved in the S&R Committee on 29th 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 Q3, the total Capital Forecast for HGF is £488k. The variance is (£15k) is due to below-
 - Social Housing Grants overspend of £68k. A grant was awarded in 2021/22 to the partnership Transform Housing and Support under the Government’s Rough Sleeper Programme. The nominations and the grant agreement have been delayed in getting completed and until this was done the grant could not be settled.
 - DFG slippage of (£83k), mainly due to surplus capital grant, reprofiled into 2024/25.
- Spend across the Committee’s schemes is c.£151k (31%) at M9. Activity has greatly increased in the last quarter of the year 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 M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	

Planning Policy						
Capital contributions to third parties from CIL	500	253	(247)	0	(247)	149
Total Planning Policy	500	253	(247)	0	(247)	149

- 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 M9 with a forecast variance - slippage of (£247k)

Capital Budget – Strategy and Resources

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Strategy & Resources						
Croydon Road Regeneration	50	50	0	0	0	0
Quadrant House Solar Panels & Suite Refurb	150	150	0	0	0	0
Council Offices Buildings	39	39	0	0	0	0
Digital FTP	295	295	0	0	0	0
GF IT - Hardware/Infrastructure	383	618	235	0	235	235
Total Strategy & Resources	917	1,152	235	0	235	235

- The Capital Budget for S&R was approved by Full Council on 9th 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 29th 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 M9 with a forecast variance of £235k Acceleration for GF IT –Hardware and Infrastructure.
- Spend across the Committee’s schemes is c.£343k (30%) at M9.

Capital Budget – Housing Revenue Account

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Housing Revenue Account						
Council House Building	11,244	12,325	1,081	0	1,081	995
Improvements to Housing Stock	4,648	4,456	(192)	0	(192)	(5)
HRA IT - Hardware/Infrastructure	241	199	(42)	0	(42)	(42)
Vehicle Fleet Renewals - HRA	0	0	0	0	0	0
Total Housing Revenue Account	16,133	16,980	847	0	847	949

- The Capital Budget was approved by Full Council on 9th 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 29th 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 Q3, the total Capital Forecast for HRA is £16,980k, with Acceleration Variance of £847k, mainly due from
 - Council House Building – variance £1,081k. (£1,499k) Slippage at Bronzeoaks, Auckland Road & Windmill Close and Buy-Backs. £2,581 Acceleration for acquisitions of new development sites.
 - Adaptations for the Disabled – slippage (£192k).
 - HRA IT – Hardware / Infrastructure – slippage (£42k)
- Spend across the Committee’s schemes is c.£8,576k (51%) at M9 although will accelerate as stalled schemes at Uplands and Bronzeoak are re-started and the LAHF purchases are completed.