

**HOUSING, HEALTH &
ENVIRONMENT POLICY
ADVISORY COMMITTEE**

12 March 2024

**3rd Quarter Finance Update & Performance Monitoring
Report 2023/24**

Timetable	
Meeting	Date
Housing, Health & Environment Policy Advisory Committee	12 March 2024
Cabinet Meeting	20 March 2024

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Mark Green, Director of Finance, Resources & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager Carly Benville, Senior Information Analyst
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2023/24 financial and performance position for the services reporting into the Housing, Health & Environment Policy Advisory Committee (HHE PAC) as at 31st December 2023 (Quarter 3). The primary focus is on:

- The 2023/24 Revenue and Capital budgets; and
- The 2023/24 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked.

Budget Monitoring

Overall net expenditure at the end of Quarter 3 for the services reporting to HHE PAC is £6.402m, compared to the approved profiled budget of £5.952m, representing an overspend of £0.448m. Continuing pressure on the budget for Temporary Accommodation for Homeless Persons means that the year-end overspend is projected to be £0.606m.

Capital expenditure at the end of Quarter 3 for HHE PAC was £16.572m against a total budget of £39.438m. Projected total expenditure is £24.867m.

The budgets used in this report are the revised estimates for 2023/24.

Performance Monitoring

75.0% (6 of 8) the targetable quarterly KPIs reportable to this Committee achieved their Quarter 3 target.

UK Shared Prosperity Fund Update

An update on progress made against schemes using this funding is shown at Appendix 3.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 31st December 2023.

This report makes the following recommendations to the Housing, Health & Environment Policy Advisory Committee:

1. That the Revenue position as at the end of Quarter 3 for 2023/24, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. That the Capital position at the end of Quarter 3 for 2023/24 be noted;
3. That the Performance position as at Quarter 3 for 2023/24, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.
4. That the UK Shared Prosperity Fund update, attached at Appendix 3 be noted.

3rd Quarter Finance Update & Performance Monitoring Report 2023/24

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	<p>This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Risk Management	<p>This is addressed in Section 5 of this report.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Financial	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p>	Senior Finance Manager (Client)

	<p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium-Term Financial Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	
Staffing	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
Legal	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	<p>Team Leader (Contentious and Corporate Governance)</p>
Information Governance	<p>The recommendations do not impact personal information (as defined in UK</p>	<p>Policy and Information Team</p>

	GDPR and Data Protection Act 2018) the Council processes.	
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Communities Officer
Public Health	Monitoring performance indicators, revenue budget, expenditure and strategic milestones will have a positive impact on the public's health or that of individuals.	Senior Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2023/24 to 2027/28 - including the budget for 2023/24 - was approved by full Council on 22nd February 2023. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 2.2 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 3 stage. Overall net expenditure at the end of Quarter 3 for the services reporting to HHE PAC is £6.402m compared to the approved profiled budget of £5.952m, representing an overspend of £0.448m. There continues to be a significant overspend on the budget for

housing temporarily homeless persons and families. Capital expenditure at the end of Quarter 3 for HHE PAC was £16.572m against a total budget of £39.438m, with total spend projected to be £24.867m. There are a number of significant variances that are currently forecast by the end of the year, and these are also detailed in Appendix 1.

- 2.3 Attached at Appendix 2 is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 is an update on the UK Shared Prosperity Fund.

3. AVAILABLE OPTIONS

- 3.1 The Committee is asked to note the contents but may choose to comment.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the Revenue budget, the Capital Programme, and the KPIs at the end of December 2023, the Committee can choose to note this information or could choose to comment.

5. RISK

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council produced a balanced budget for both revenue and capital income and expenditure for 2023/24. The budget is set against a continuing backdrop of limited resources and the continuation of a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The KPIs update ("Performance Monitoring") are reported to the Policy Advisory Committees (PAC) quarterly: Communities, Leisure & Arts PAC, Housing, Health & Environment PAC and Planning, Infrastructure & Economic Development PAC. Each committee also receives a report on the relevant priority action areas. The report was also presented to the Corporate Services PAC reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Quarter 3 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during March 2024.
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8. REPORT APPENDICES

- Appendix 1: Third Quarter Budget Monitoring 2023/24
 - Appendix 2: Third Quarter Performance Monitoring 2023/24
 - Appendix 3: UK Shared Prosperity Fund Update 2023/24
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9. BACKGROUND PAPERS

None.