

**HOUSING & COMMUNITY
COHESION POLICY ADVISORY
COMMITTEE**

**10 September
2024**

1st Quarter Finance Update Report 2024/25

Timetable	
Meeting	Date
Housing & Community Cohesion Policy Advisory Committee	10 September 2024
Cabinet	18 September 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
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2024/25 financial and performance position for the services reporting into the Housing & Community Cohesion Policy Advisory Committee (HCCC PAC) as at 30th June 2024 (Quarter 1).

The financial enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures.

Revenue

The overall position for the HCC PAC is that the projected year-end outturn position at this stage is an overspend of £0.200m.

Capital

The overall position for the HCC PAC is that the projected year-end expenditure at this stage is £35.313m.

Further details on the revenue and capital position are shown at Appendix 1.

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 30th June 2024.

This report makes the following recommendations to the Housing & Community Cohesion Policy Advisory Committee:

1. That the Revenue position as at the end of Quarter 1 for 2024/25, 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 1 for 2024/25 be noted.

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

2. Issue	Implications	Sign-off
Impact on Corporate Priorities	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.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	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.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Risk Management	<p>The financial risks are managed via the actions identified to deal with budget variances in the Appendix to this report.</p> <p>Corporate risk management is reported as part of the quarterly monitoring process in a separate item on the agenda of the Climate Transition, Corporate and Environmental Services PAC.</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> <p>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.</p>	Senior Finance Manager (Client)

Staffing	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.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Legal	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, and to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.	Senior Lawyer (Corporate Governance)
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Policy and Information Team
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	There are no specific issues arising.	Senior Finance Manager (Client Accountancy)
Crime and Disorder	There are no specific issues arising.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Procurement	There is no direct procurement activity linked to this report.	Director of Finance, Resources and Business Improvement (Section 151 Officer)

Biodiversity and Climate Change	Sufficient budget has been allocated for the Council's short to medium term financial commitment to addressing the biodiversity and climate issues stipulated in the Biodiversity and Climate Change Action Plan.	Senior Finance Manager (Client Accountancy)
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2024/25 to 2028/29 - including the budget for 2024/25 - was approved by full Council on 21st February 2024. 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 Further details and an explanation of the significant variances are shown in Appendix 1. Where there are projected overspends these will need to be managed down. In areas where we have control over the cost of services and income is lower than budgeted, the approach will be to ensure that these services must not put financial pressure on other areas. These service areas' in year budget position will therefore be reviewed to evaluate options to mitigate the overspend in this and future years. There are other areas where we have limited ability to impact costs of the service, such as temporary accommodation, where costs are driven by external factors. Such pressure will have to be managed within the overall budget.
- 2.3 The approved capital budget for the Council housebuilding programme included significant spend (approximately £40m) on both Maidstone East (Former Royal Mail Sorting Office) and the Springfield Library sites during the current financial year. With hindsight, these assumptions were incorrect, as neither site benefitted from planning permission, and so the construction contracts could not be let presently. Furthermore, both schemes have been subject to some delays in the planning process too. Accordingly, this spend will be re-profiled across the subsequent three financial years in the revised capital programme for 25/26 in due course. Furthermore, the spend on purchasing properties for temporary accommodation is slightly behind schedule owing the lack of suitable stock on the market and so again, the spend for this area will be re-profiled.

3. PERFORMANCE REPORTING

- 3.1 The key performance indicators have been set for 2024/25. Indicators have been developed based upon:
- New and potential OFLOG indicators as described above,
 - Current Strategic Priorities,
 - Feedback from members over the course of the year,
 - Advice from Head of Services and key managers.

- 3.2 Reporting will change in 2024/25 to increase transparency of the Council's performance (as agreed as PACs March 2024). A dashboards of Key Performance Indicators (KPIs) is being developed, which gives options to filter the KPI set for each committee. The dashboard will be refreshed monthly for members, where data allows for a monthly collection. In addition to the monthly dashboard, Committee can request more detail about performance from Heads of Service or Managers at committee on any aspect of the performance to feature on the Committee agenda. A formal summary of performance will be reported biannually, with the annual report providing a more in-depth analysis including trends and benchmarking data.
- 3.3 The development of the new performance dashboard is currently in its final stages and the Council's Q1 performance data will be presented in this new dashboard to PACs. This will be presented alongside a briefing paper, giving committee members the opportunity to contribute to the final view and usability of the performance dashboard. As well as a briefing paper, drop-in sessions will be arranged for PACs in October. The final dashboard will be available on the Council's website, and a monthly reminder will be issued to committees once a refresh of performance data has happened.
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4. AVAILABLE OPTIONS

- 4.1 The Committee is asked to note the report but may choose to comment.
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5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 5.1 In considering the current position on the Revenue budget and the Capital Programme, the Committee can choose to note this information or could choose to comment.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Performance outturn is reported separately to the Policy Advisory Committees (PAC) quarterly.
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7. RISK

- 7.1 The Council produced a balanced budget for both revenue and capital income and expenditure for 2024/25. 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.

8. **NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

8.1 The Quarter 1 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during September 2024.

9. **REPORT APPENDICES**

- Appendix 1: First Quarter Budget Monitoring 2024/25

10. **BACKGROUND PAPERS**

None.