

**HOUSING & COMMUNITY
COHESION POLICY ADVISORY
COMMITTEE**

10 December 2024

2nd Quarter Finance Update Report 2024/25

Timetable	
Meeting	Date
Housing & Community Cohesion Policy Advisory Committee	10 December 2024
Cabinet	18 December 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 position for the services reporting into the Housing & Community Cohesion Policy Advisory Committee (HCC PAC) as at 30 September 2024 (Quarter 2).

The financial review 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 £0.450m.

Capital

The overall position for the HCC PAC is that the projected year-end expenditure at this stage is £32.436m.

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 30 September 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 2 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 2 for 2024/25 be noted.

2nd Quarter Finance Update Report 2024/25

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>	Head of Finance

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 Legal Adviser – 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.	Head of Finance
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.	Head of Finance

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 21 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. The current projection forecasts that there will be a significant overspend at the end of the year, if no action is taken, so in order to reduce the overspend we are implementing the following actions.
- a) Review by Corporate Leadership Team of any recruitment requests as and when they arise.
 - b) Instructions to Heads of Service to minimise any discretionary expenditure and focus on critical areas only.
-

3. PERFORMANCE REPORTING

- 3.1 Maidstone Borough Council's key performance indicators (KPIs) are now presented on the Council's website via the KPI dashboard. This new way of reporting is increasing the transparency of the Council's performance (as agreed by the PACs and Cabinet in March 2024). The dashboard will be refreshed monthly, 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. Additionally, a half-yearly performance update is also being presented to PACs and Cabinet this quarter, and an annual statement of performance will follow at the end of the financial year.
-

4. AVAILABLE OPTIONS

- 4.1 The Committee is asked to note the report but may choose to comment.
-

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.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

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

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 2 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during December 2024.

9. REPORT APPENDICES

- Appendix 1: Second Quarter Budget Monitoring 2024/25
-

10. BACKGROUND PAPERS

None.