

Report to Overview and Scrutiny Committee

Date of meeting 25 September 2023

By Director of Resources

INFORMATION REPORT

Not exempt



REPORT ON THE COUNCIL'S FINANCE AND PERFORMANCE IN 2023/24

Executive Summary

This report gives the Overview and Scrutiny Committee information to help it carry out its role of monitoring the internal and external delivery of services. The Council uses corporate performance indicators, financial reporting and review of progress against key corporate projects to show progress.

The financial performance is forecast at Month 4 of the 2023/24 financial year. There are significant budget pressures. The pay settlement has not yet been finalised but is expected to be £0.45m more than the salaries budget. This has not yet been factored into the operational forecast at the individual service level. A forecast £0.28m overspend in Investment Properties for long-term vacancies and rent reductions from rent reviews and £0.31m loss of income forecast in planning as developments decisions remain delayed due to water neutrality. This is also affecting building control income. There are forecast surpluses of £1.3m from the impact of increased interest rates on our investment income. Officers are currently forecast an operational surplus of £0.77m which will reduce to £0.32m once the pay settlement has been applied.

Work on the Local Plan is going to take place later than originally budgeted and it is likely that most of the spend will now take place in 2024/25. An underspend of £0.18m is forecast in 2023/24, although there is potential to carry this budget forward into 2024/25 should the operational position remain in surplus.

Once everything has been included, the overall funding position is a £42,000 deficit.

Debt over 90 days is aging and the risk associated is building, albeit being closely monitored by the Planning and Legal departments.

Capital expenditure at Month 4 was £3.3m (19.7%) of the £16.8m capital programme. By comparison, spend on capital was £0.92m (8%) of the £12.1m programme at same period in 2022/23. Most of the capital spend (£2.2m) is from the Local Authority Housing Fund that has purchased 6 of the 16 required homes. The Council will start to receive an income when the tenants move into these homes. A very optimistic outturn of £15.4m or 92% is forecast by officers with several schemes due to start in the Autumn. In 2022/23, the outturn was £5.2m (43%).

An analysis of performance indicators at the end of quarter 1 shows 62% (21) at or above target, 18% (6) close to target and 20% (7) outside of the target.

Of the seven KPIS outside their target, two new ones in Health and Wellbeing reflect the fact that some services were on hold during the move to the new site in Swan Walk. Whilst two KPIs in Revenues and Benefits remain red, a previous third red KPI on the collection of business rate arrears is now within target this quarter; signs that the service is moving in the right direction as improvement actions start to take effect.

Likewise work to increase the number of leased properties in Housing has improved the KPI in households in temporary accommodation, although the number of households in bed and breakfast accommodation currently remains red.

Work on Corporate Projects progressed during quarter one of 2023/24. Of the 26 current projects listed, planning for improvement at Southwater Country Park and the holding of the local election have been completed.

18 projects are progressing without current issues, including work to support residents with the impact of the cost of living, and preparatory work on the improvements to public realm in the Bishopric, Carfax and the Billingshurst investment programme, along with consultation with residents on the climate action strategy.

Four projects are classed as having issues that delaying the projects. A joint project with West Sussex County Council on the Hurst Road Regeneration is awaiting a viability study, a response to the Gatwick Airport Development Consent order was submitted but is awaiting the next stage, we need to understand the budget implications of decarbonising the estate in the internal carbon reduction action plan, and further consultations are being undertaken on the potential Parkside office improvements.

Recommendations

It is recommended that Members note the contents of this report.

Reasons for Recommendations

To enable Overview and Scrutiny to carry out its Constitutional role of monitoring the delivery of internal and external services and scrutinise any part of the Council's work.

Consultation: Senior Leadership Team, Cabinet Members.

Wards affected: All

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Background Papers:

Appendix A: Key Performance Indicators Q1

Appendix B: Budget Monitoring and Forecast Outturn summary at M4

Appendix C: Capital Budget monitoring and forecast outturn at M4

Appendix D: Revenue Budget monitoring and forecast outturn at M4

Appendix E: Corporate Projects Update Q1