

Report to Overview and Scrutiny Committee

Date of meeting 20 November 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 6 of the 2023/24 financial year. There are significant budget pressures. The recently agreed pay settlement is expected to be £0.35m more than the salaries budget. This has not yet been factored into the operational forecast at the individual service level but will feed through when applied and backdated in the December salaries. Development and Building Control is forecasting a £0.85m loss of income as development decisions remain delayed due to water neutrality, and the impact of current economic climate on household applications. Housing is forecasting a £0.15m overspend due to the increased cost of providing B&B and temporary accommodation. There are forecast surpluses of £1.3m on our investment income from the impact of increased interest rates, as well as £0.19m underspends in Strategic Planning because consultancy works on the Local Plan will now take place in 2024/25. Officers currently forecast an operational surplus of £0.35m. However, after including the pay settlement and other additional budget net spent added in 2023/24, the overall funding position is forecast to be £0.25m deficit.

Capital expenditure at Month 7 was £9.5m (55.8%) of the £16.9m capital programme. By comparison, spend on capital was £2.0m (16.5%) of the £12.1m programme at same period in 2022/23. An outturn of £14.8m or 87.4% is forecast by officers, there are 12 schemes due to start in quarter 4. In 2022/23, the outturn was £5.1m (43%).

An analysis of performance indicators at quarter 2 shows 85% at or close to target and 15% (five) outside of the target. This is an improvement since the last quarter, which had reported six red indicators. The direction of travel is improving. The five outside target are:

- CD23: number of voluntary organisations supported as some of the regular drop-ins and forum meeting were rescheduled until after the summer but are now well underway in quarter 3.
- OP17: the number of missed bins represents approximately 33 bins per 100,000 which is much better than the industry 'target' of 80. Note this KPI is being reviewed for 2024/25 to provide the data per 100,000 bins which will be more easily comparable with other local authorities.
- R&B03 quality assurance LA error current performance is currently below threshold, but remains a red risk as this is pre-audit and the headroom is limited.
- R&B04 collection of business rates performance is being internally reviewed.
- SSC9a: the number of fly tipping incidents. We continue to investigate every fly tip for evidence so that fines can be issued. The use of heat maps allows officers to

identify trends and high-risk areas so that they are able to work with partners on monthly operations to target suspected vehicles.

Work on the Corporate Projects progressed through quarter 2. Of the 26 current projects listed, Horsham Park path and the Athletics track are future items but both will have further updates before the end of the year. The Gatwick Airport development consent order has moved from progressing with issues to in progress because the development consent order has been formally submitted and work on the local impact report has begun. Nineteen projects are progressing with no current issues including work on the local plan which will be presented to Cabinet and Council on the 11 December 2023 and the new telephony system is now live and the upgrade to the Contact Centre solution will be completed in November 2023.

Three projects are currently progressing but with issues. These are work on the Hurst Road Regeneration where discussions are being undertaken with WSCC, the internal carbon reduction action plan which is slow due to the need to understand the budget implications of decarbonising the estate and Parkside office improvements where costings have come back higher than expected and we are assessing options.

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 Q2

Appendix B: Budget Monitoring and Forecast Outturn summary April 2023 to September 23

Appendix C: Capital Budget monitoring and forecast outturn at M7

Appendix D: Revenue Budget monitoring and forecast outturn at M6

Appendix E: Corporate Projects Update Q2