

## **Minute from Overview & Scrutiny Meeting on 7 September 2023**

### **Quarter 1 2023/24 Performance Report**

The Committee received reports on the Council's performance for the first quarter of 2023/24 including Key Performance Indicator (KPI) reporting, as well as revenue and budget monitoring. The reports were due to go to the Executive on 14 September 2023.

The Executive Member for Corporate Policy and Resources, Councillor James King, presented the Quarter 1 Performance Report 2023/24 covering the period April to June 2023.

### **Key Performance Indicators**

Of the ten KPIs reported on, seven were on target or within agreed tolerances. Two KPIs were off target and outside of their tolerance: KPI 7 – Net affordable housing completions, and KPI 10 – Percentage of household waste recycled and composted. Although Affordable housing completions had not met their target within this quarter, the Council has already delivered 1,139 affordable units against the overall target of 1,100 affordable units set out in the 15 year plan. The percentage of household waste recycled or composted in the Borough was 51.9% against a target of 60%. This figure is reported one quarter in arrears and Q4 performance remained broadly in line with that of previous years. KPI 8 - Local Environmental Quality Survey was unable to be reported on during Q1, due to resourcing challenges.

### Advance Questions

Several advance questions on the Key Performance Indicators had been submitted prior to the meeting. The advance questions and their responses can be viewed here:

[Document Advance Questions and Answers OS 7 September 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The Executive Member for Corporate Policy and Resources, Councillor James King, invited Members to ask questions on the Quarter 1 202/24 Performance Report provided in the agenda pack. In response, the following clarifications were provided:

### KPI 3 – Staff turnover

It was confirmed that the level of staff turnover had reduced; It was expected that the level would remain below that of 2022/23, but it was noted that the employment market is very buoyant and competitive, and some fluctuation was to be expected. This authority strives to be an employer of choice.

### KPI 5 – The % of positive homelessness prevention and relief outcomes

It was reported that the housing team assess all approaches for homelessness; certain criteria apply around those people presenting as homeless to the authority to assess their priority. There is a legal duty to assist certain people, who are given priority. For those the authority does not have a statutory duty to assist, the authority provides information to help source private sector accommodation, contact information for other authorities with which they have a local connection, contact information for Citizens Advice Reigate and Banstead, or CDA, who are a debt or organisation that the authority works with. Unfortunately, demand for housing exceeds supply. The Council

was working as hard as it can on this issue and the resource in the Housing team was being increased.

The Housing team would supply a written answer detailing the number of local properties available for emergency accommodation and the intended number for the entire year.

#### KPI 2 – The % of Business Rates collected

It was confirmed that this data related to the percentage of all business rates which are due, as opposed to the potential business rates if all rateable properties were occupied. It was confirmed that the data on the potential business rates if all rateable properties were occupied was collated and would be shared as a written answer with committee members.

#### KPI 6 – Net housing completions and KPI 7 – Net affordable housing completions

It was commented that it was difficult to evaluate performance over one quarter for these KPIs and that it was helpful to look at the performance over the (local) plan period. The Leader confirmed that the Council is working hard to deliver as much affordable housing as possible in the Borough. Housing completion figures would be fluid over a twelve month period and the Council had no control over commercial factors but the Leader was confident that housing completion targets would be met over the fifteen year period. The Leader confirmed that the Local Plan targets were fixed, but that the Local Plan would be reviewed and renewed, which could provide opportunities to make changes.

### **Finance**

The Deputy Leader and Executive Member for Finance, Governance, and Organisation, Councillor Lewanski, gave an overview of the Council's Revenue and Capital Budget position for Quarter 1 to 30 June 2023. For the first time, this report also included the Treasury Management Outturn Position for the previous year and an update on current year Quarter 1 treasury management activities.

#### Revenue Budget

At Quarter 1 the projected full year outturn is £22.52million against a management budget of £23.19million resulting in an underspend for the year of £0.670million (2.9%). Details of the more significant budget variances are set out as usual in the report; a positive variance of £0.632 for Treasury Management being the main driver. At this stage in the year there are no significant areas of concern, but further work is being carried out to look into the adverse variances.

#### Capital Programme

The full year Capital Programme forecast at the end of Q1 of £20.47million is 28% below the approved Programme for the year. The variance is as a result of £8.14million slippage.

The reason for the forecast slippage is primarily because of updated forecasts of the time required to deliver the larger programmes.

2023/24 capital spending plans were based on information available at the start of 2023 and, six months later, some timescales have been revised.

Further information is provided by the scheme managers to explain the reasons for the significant areas of slippage in response to an advance question from O&S Members. This would be circulated after the meeting.

The balance of the £30.0 million that was previously approved for investment in Housing schemes remains available but not yet committed. This was not referenced in this report and the Portfolio holder confirmed that it will be included in future updates.

### Treasury Management

Annex 4 sets out the outturn position for 2022/23. All activities were carried out within the limits specified in the Treasury Management Strategy for that year.

Annex 5 sets out the position for the current year to the end of June 2023. Once again, it confirms that treasury activities are in line with the Strategy that Council approved in July 2023 and that was reported to O&S and Executive in June 2023, following a Member briefing with the Council's treasury advisors Arlingclose.

The Deputy Leader and Executive Member for Finance, Governance, and Organisation, Councillor Lewanski, highlighted the question of why the Council has taken out short-term borrowing when it appears to have healthy investment balances. As explained in the Strategy, this is purely for cashflow management reasons. The Council needs to ensure that a minimum of £10 million in liquid assets is retained at all times and there was a period of time between March and July 2023 where day to day income streams were not keeping pace with expenditure, therefore access to additional short-term funds was required. This was primarily until the capital receipt for sale of the apartments at The Rise was received. In these circumstances the Council borrows from other public authorities for short periods of time at relatively low rates. The £35.7 million was received from the sale of The Rise on 4 August 2023.

The return on Council investments continues to outperform similar authorities and this is a key factor contributing to the favourable revenue budget outturn forecasts.

Members were asked to note that the report also sets out the current position with regard to the Council's non-treasury (company) investments. These investments were discussed in depth at the previous meeting of this Committee and the Portfolio Holder confirmed that there are no further updates to report at this stage, pending further reports to the Partner, Shareholder and Trustee Committee as new information becomes available.

### Advance Questions

Several advance questions on the Revenue Budget, Capital Expenditure and Treasury Management updates had been submitted prior to the meeting. The advance questions and their responses can be viewed here:

[Document Advance Questions and Answers OS 7 September 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The Deputy Leader and Executive Member for Finance and Governance, Councillor Lewanski invited Members to ask questions and comment on the Quarter 1 2023/24 Performance Report provided in the agenda pack.

In response to the questions raised, the following clarifications were provided:

### Capital Programme

The Chief Finance Officer confirmed that the slippage of £0.423 million for Horley Public Realm Improvements – Phase 4 includes expenditure on projects for Delivering Change in Horley Town Centre.

The Chief Finance Officer also confirmed that there was a typographic error in para 23 of the report: as set out in Annex 3, the figure of £8.14 million is 28% below the approved Programme for the year, rather than the 2% reported at para 23.

The Chair noted that an update on The Rise, including an up to date budget outturn forecast from the programme manager, remained outstanding.

### Treasury Management

In response to a question from a Committee Member, the Chief Finance Officer offered to circulate a written explanation of the treasury management benchmarks and their relevance.

### Service Budgets

A written response would be provided to explain more detail about the forecast overspends in the IT and HR & OD budgets.

**RESOLVED** that the Overview & Scrutiny Committee:

- (i) Noted the Key Performance Indicator (KPI) performance for Q1 2023/24 as detailed in the report and in Annex 1 and made observations to the Executive;
- (ii) Noted the Revenue Budget and Capital Programme forecasts for Q1 2023/24 as detailed in the report and at Annexes 2 and 3 and made observations to the Executive;
- (iii) Noted the Prudential and Treasury Management Indicators and Treasury Management Outturn Report for 2022/23 at Annex 4 and the Quarter 1 Treasury Management Performance Update for 2023/24 at Annex 5 and made observations to the Executive;