

Overview and Scrutiny Committee – 7 December 2023

Draft Minute 48 – Quarter 3 2023/24 performance report

The Committee received the Performance Reports for Quarter 2 2023/24 including the Key Performance Indicators (KPIs) and Budget Monitoring forecasts Quarter 2 2023/24, both for revenue and capital. The reports were due to be presented to the Executive on 14 December 2023.

Key Performance Indicators

Of the ten KPIs reported on, eight were on target or within agreed tolerances. Two KPIs were off target: KPI 6 – housing completions, and KPI 7 – Net affordable housing completions. Although Affordable housing completions had not met their target within this quarter, in Quarter 2, 52 dwellings were completed, 40 at market rate and 12 affordable. The majority of completions had come from the developments at the Horley North West Sector and 136 Brighton Road, Hooley.

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 December 2023 | Reigate and Banstead Borough Council \(modern.gov.co.uk\)](#)

The following clarifications were provided:

KPI 10 – The percentage of household waste that is recycled or composted

Although the target for KPI 10 had not been met for several quarters, it was explained that this target was set by the Surrey Environmental Partnership and was a stretch target, which the Council aspires to achieve. The Council was currently reviewing how the service is delivered and considering how to best make changes to ensure that the new Government waste and recycling guidelines will be met. This includes a full recycling roll-out to all households in the borough. The Chair added that this was one of the uncertainties identified by the Budget Scrutiny Panel.

Finance

Councillor Lewanski, Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, gave an overview of the Quarter 2 Budget Monitoring set out in the report, which also included an update on the quarter's treasury management activities.

At Quarter 2 the projected full year outturn is £21.911m against a management budget of £23.194m resulting in an underspend for the year of £1.283m (5.5%).

Details of the more significant budget variances were set out in the report.

At this stage in the year there were no significant areas of concern, but further work is being carried out to look into the adverse variances.

The full year Capital Programme forecast at the end of Quarter 2 of £27.074m is 26% below the approved Programme for the year.

The variance is predominantly as a result of £9.752m slippage.

The reasons for the slippage at this stage were primarily because of updated forecasts of the time required to deliver the larger programmes.

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

The Portfolio Holder also confirmed that the balance of the £30.0 million that was previously approved for investment in Housing schemes remains available but not yet committed. Reference to this was omitted in the report; that would be corrected in the next update.

Annex 5.1 sets out the treasury management position to the end of September 2023. 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 Portfolio Holder highlighted the fact that the return on the Council's investments continued to outperform similar authorities, and this was a key factor contributing to the favourable revenue budget outturn forecasts.

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 December 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 2 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 slippage had been higher in previous years due to the challenges of delivering complex large-scale projects, such as The Rise, and the pandemic had also had an impact on general delivery of capital programme projects. Project managers were learning and improving. The budget is a financial representation of plans and intended activities; budget holders are consulted in detail and challenged as part of annual budget-setting to set realistic timeframes for procurement of goods and services.

Summary

The Chair summarised that there were some substantial favourable revenue variances and some one-off items in the current year, which had been discussed by the Budget Scrutiny Panel. Uncertainties remain but they would be reviewed again in the January budget report.

RESOLVED that the Overview & Scrutiny Committee:

- i) Noted Key Performance Indicator (KPI) performance for Q2 2023/24 as detailed in the report and at Annex 1 and made observations to the Executive.
- ii) Noted the Revenue Budget and Capital Programme forecasts for Q2 2023/24 as detailed in the report and at Annexes 2, 3 and 4 and made observations to the Executive.

iii) Noted the Quarter 2 Treasury Management Performance Update for 2023/24 at Annex 5 and made observations to the Executive.