

Report to Place Overview and Scrutiny Committee

Report Title	Q3 Forecast Revenue and Capital Outturn Report-Place Directorate Services
Date of Meeting	20th March 2025
Report Author	Sima Khiroya, Assistant Director Financial Management & Procurement
Corporate Director	Dawn Calvert, Chief Financial Officer S151
Lead Cabinet Member(s)	Cabinet Member for Resources
Wards Affected	(All Wards);
Identify exempt information and exemption category	Choose an item. <i>n/a</i>
Appendices (if any)	1. General Fund Capital Monitoring 2024/25 – Quarter 3 (Place Services) 2. HRA Capital Monitoring 2024/25 Quarter 3

1. Executive Summary

- 1.1 This report sets out the estimated forecast revenue outturn position for 2024/25 for the Place Directorate, including the Housing Revenue Account (HRA) at Quarter 3.
- 1.2 The report provides an update on delivery against the savings targets for 2024/25 for the Place Directorate at Quarter 3.
- 1.3 An update on progress against the General Fund and HRA Capital Budgets for 2024/25 at quarter 3 are provided.

2. Recommendations

For the reasons set out in this report, the Committee is recommended to:

- 2.1 Note and comment on the Place Directorate's projected overspend position of £0.764m at Quarter 3, as per Section 4.1.1.
- 2.2 Note and comment on the Place Directorate's savings delivery for 2024/25 against the target, as per section 4.1.5.
- 2.3 Note and comment on the General Fund Capital position at Quarter 3, as per Section 4.4 and Appendix 1 of this report, which shows anticipated slippage of £6.031m against a budget of £21.913m.
- 2.4 Note and comment on the HRA Capital position at Quarter 3 which shows the anticipated release of funding from schemes of £5.5m against a budget of £44.099m, as per Section and Appendix 2 of this report.

3. Commissioner's Comments

- 3.1 Commissioners' comments will be included in the full quarter 3 report to Cabinet on 19th March 2025.

4. Proposals – the rationale and evidence for the recommendations

4.1 Revenue Position at Quarter 3 Place

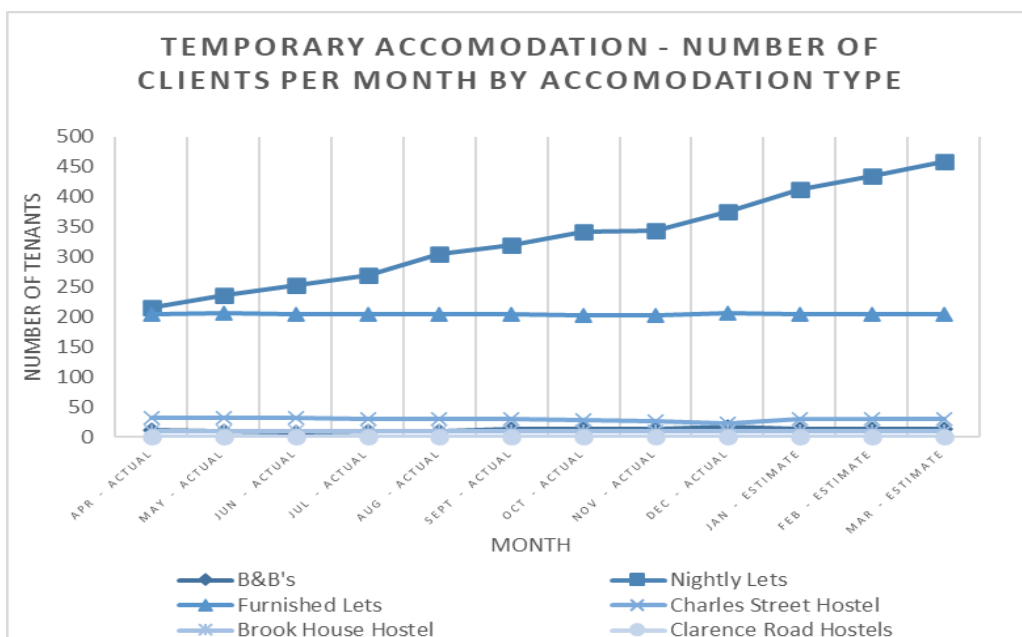
- 4.1.1 The Place Directorate position at quarter 3 is forecast expenditure of £45.384m against a budget of £42.848m, and after transfer from reserves of £1.772m, is reporting an overspend position of £0.764m (1.8%). This is a reduction of £1.155m on the quarter 2 position, as shown in Table 12.
- 4.1.2 The reduction between quarter 2 and 3 has been achieved by a detailed review of all forecasts across all service areas in the Place Directorate and a restatement to reflect the position anticipated at the financial year-end, including reductions in projected expenditure and increases in projected income to align to actual expenditure and taking into account known changes during quarter 4.

Table 1: Place Directorate Summary Revenue Position Quarter 3

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Property	6,373	136	6,462	89		89	(47)
Economic Growth & Partnerships	811	0	835	24	(30)	(6)	(6)
Lower Thames Crossing	0	28	28	28		28	0
Place Delivery	296	(14)	287	(9)		(9)	5
Planning	1,780	109	2,647	867	(1,061)	(194)	(303)
Planning Delivery Fund	0	0	0	0		0	0
Performance & Support	1,582	246	1,859	277		277	31
Highways and Transportation	9,882	(189)	9,731	(151)	(388)	(539)	(350)
Street Scene and Leisure	19,605	(638)	18,667	(938)		(938)	(300)
Homelessness (Housing)	1,332	2,151	3,817	2,485	(293)	2,192	41
Private Sector Housing	1,139	90	957	(182)		(182)	(272)
Travellers (Housing)	48	0	94	46		46	46
Place Total	42,848	1,919	45,384	2,536	(1,772)	764	(1,155)

- 4.1.3 The main adjustments are being driven by forecast underspends in staffing costs (£0.512m), increased income generation (£0.270m), reduced transport related costs across the directorate (£0.153m), reduced Waste contract disposal spend (£0.095m) and various underspends across the service (£0.124m).
- 4.1.4 Temporary Accommodation is the most significant budget pressure on the Homelessness Service within the Place Directorate. The pressure at quarter 3 is £2.485m before transfers from earmarked reserves of £0.293m. The revision of forecast increases in the net number of new households per month, which was made during quarter 2, has transpired in actual numbers being tracked, as shown in Figure 1.
- 4.1.5 To offset the pressures in Homelessness, a transfer from the Public Health Contain Outbreak Management Fund (COMF) Grant will be utilised at the year-end from reserves in the amount of £0.965m. This is being shown separately within the Council's overall revenue position, and outside the Place service pressures in Table 1 above. Despite being projected at the full value, the actual use of this reserve will be dependent upon the final outturn position of the Place directorate.

Figure 1: Temporary Accommodation Client Numbers



TA types - 24-25	Apr - Actual	May - Actual	Jun - Actual	Jul - Actual	Aug - Actual	Sept - Actual	Oct - Actual	Nov - Actual	Dec - Actual	Jan - Estimate	Feb - Estimate	Mar - Estimate	Annual average
B&B's	11	9	7	9	10	14	14	14	16	14	14	14	12
Nightly Lets	216	235	252	270	304	320	341	344	376	412	435	458	330
Furnished Lets	204	206	205	205	205	204	202	202	207	204	204	204	204
Charles Street Hostel	31	31	31	30	30	30	28	27	23	30	30	30	29
Brook House Hostel	10	10	10	10	10	10	10	10	10	10	10	10	10
Clarence Road Hostels	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	472	491	505	524	559	578	595	597	632	670	693	716	586
Actual/Assumed increase on previous month		19	14	19	35	19	17	2	35	38	23	23	

4.2 General Fund Savings Delivery Quarter 3

4.2.1 The Place Directorate's total savings target for 2024/25 is £5.046m, and at quarter 3 the forecast delivery against that target is £4.983m (98.8%), as seen in Table 2.

Table 2: Place Directorate Savings Target 2024-25 and Forecast Quarter

Service	Reference	Description	2024/25 Savings Target £'s	Forecast at Quarter 2 £	Savings Status at Quarter 2	Forecast at Quarter 3 £	Savings Status at Quarter 3	Movements Quarter 2 to Quarter 3
Housing - Housing Solution	CTS0013	Growing Portfolio of Temporary Accommodation	£140,000	£75,000	At Risk	£75,000	At risk	
Place - Business Improvement	CTS0305	Business Improvement and Performance Management	£86,785	£86,785	Delivered	£86,785	Delivered	
Facilities	CTS0082	Civic Centre Energy Efficiency Review	£30,000	£30,000	Mitigated	£30,000	Mitigated	
Trade Waste	CTS0124	Client Support Officer tasks moved to Support & Performance team	£44,600	£44,600	Delivered	£44,600	Delivered	
Waste	CTS0126	Contracts & Disposal Management	£98,984	£98,984	Delivered	£98,984	Delivered	
Support & Performance	CTS0098	Deletion of Land Charges Manager	£68,723	£68,723	Delivered	£68,723	Delivered	
Counter Fraud, Enforcement, Community Safety & Emergency Planning & Public Protection	CTS0321	Emergency Planning and Public Protection Management	£103,276	£103,276	Delivered	£103,276	Delivered	
Street Scene and Leisure	CTS0209	Grass cutting only	£166,663	£166,663	Delivered	£166,663	Delivered	
Highways & Transportation	CTS0310	Highways and Transportation Service Management	£106,337	£106,337	Delivered	£106,337	Delivered	
Property	CTS0211	Outsourced Daytime Security at Town Hall	£90,000	£90,000	Mitigated	£90,000	Mitigated	
Street Scene and Leisure	CTS0209	Parks and Open Spaces	£74,000	£20,000	At Risk	£9,088	Mitigated	Forecast reduced. Saving status amended from At Risk to Mitigated. Mitigated via over achievement on garden waste income.
Street Scene and Leisure	CTax shortfall	Parks and Open Spaces	£53,000	£0	Mitigated	£0	Mitigated	
Highways & Transportation	CTS0309	Public Rights of Way Structure	£23,798	£23,798	Delivered	£23,798	Delivered	
Property	CTS0080	Remove outsourced night time security guards at Civic Office and Town Hall	£63,000	£63,000	Mitigated	£63,000	Mitigated	
Economic Development	CTS0085	Remove subsidy on Christmas Lights	£15,000	£15,000	Delivered	£15,000	Delivered	
Property	CTS0077	Rent Reviews	£182,000	£182,000	On Track	£182,000	On Track	
Stores & Facilities	CTS0320	Review of Depot and Stores	£33,000	£33,000	Delivered	£33,000	Delivered	
Support & Performance	CTS0307	Review of Directorate Support	£33,389	£26,653	Delivered	£26,653	Delivered	
Support & Performance	CTS0304	Review of Technical Support Team	£80,000	£80,000	Delivered	£80,000	Delivered	
Recreation and Leisure	CTS0125	Sports, Recreation & Leisure Management	£77,170	£77,170	Delivered	£77,170	Delivered	
C&G & Waste	CTS0127	Street Scene Management	£100,454	£100,454	Delivered	£100,454	Delivered	
Waste	CTS0137	Trade Waste income	£200,000	£145,261	Mitigated	£154,377	Mitigated	Forecast increased. Mitigated by over-recovery on garden waste income.
Waste	CTS0136	Waste Collections	£1,773,958	£1,773,958	On Track	£1,773,958	On Track	
Waste	CTS0136	Garden Waste Charging	£776,667	£950,000	Delivered	£949,400	Delivered	
Place	CTS0203	Corporate Services Redesign	£57,390	£57,390	Mitigated	£57,390	Mitigated	
Place	CTS0202	Workforce Planning and Agency Spend	£567,718	£567,718	On Track	£567,718	On Track	
Total Place Directorate			£5,045,912	£4,985,770		£4,983,374		

4.2.2 Performance at Quarter 3 shows that 3% of the savings (£0.140m) are deemed as At Risk, 50% (£2.524m) are On Track for delivery by the end of the financial year, and 36% (£1.815m) have been delivered. 11% of the savings (£0.567m) have been mitigated either through identification of alternative funding within existing budgets, via overachievement on other savings, or by the delivery of the saving proposal in an alternative manner. The summary of savings by status are shown in Table 3. Savings are closely monitored monthly, and if at risk for delivery, mitigations will be sought from services.

Table 3: Summary Savings Target by Status Quarter 3

Savings RAG Status Place Directorate	Total Savings Target by Status 24/25 £'000	% of Total Savings Target 24/25
	Quarter 3	Quarter 3
Unachievable	£0	
At Risk	£140	3%
On Track	£2,524	50%
Delivered	£1,815	36%
Mitigated	£567	11%
Grand Total	£5,046	

4.3 Housing Revenue Account (HRA) Monitoring Quarter 3

4.3.1 The summary position of the Housing Revenue Account at quarter 3 shown in Table 4 includes a £0.813m contribution to the HRA Balance (General HRA Reserve) which is shown in the contribution to reserves line. The budget of £0.995m on this line represents a contingency budget to be used for in-year pressures and is an accounting convention that is used to ensure that the HRA balances to zero and that total expenditure matches total income. Therefore, the true position on the HRA will be a £0 forecast at the financial year end once all adjustments are made.

Table 4: Housing Revenue Account (HRA) Summary Position Quarter 3

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Housing Development	367	221	552	185		185	(36)
Financing and Recharges	28,541	147	28,673	132		132	(15)
Rent and Income	(61,151)	440	(62,597)	(1,446)		(1,446)	(1,886)
Repairs and Maintenance	14,004	79	14,466	462		462	383
Supervision and Management	17,244	(61)	17,098	(146)		(146)	(85)
Contribution to Reserves from Operating Surplus	995	(826)	1,808	813	813	1,626	2,452
Redevelopment & Decant costs	0	0	2,359	2,359	(2,359)	0	0
Housing Revenue Account Total	0	0	2,359	2,359	(1,546)	813	813

- 4.3.2 Expenditure in relation to the redevelopment of the Blackshots Tower Blocks will be funded from a specific reserve which was created for this purpose. Works will include the relocation of existing tenants, the buyback of leaseholder properties and health and safety requirements in securing the existing building.
- 4.3.3 There are a growing number of legal disrepairs claims where tenants are able to claim compensation from the Council if repairs are not carried out within a certain period of time. While there are still low claim numbers in Thurrock, some Councils are facing legal and compensation claims, in relation to disrepair, at over £10m per annum.

4.4 General Fund Capital Monitoring 2024/25 Quarter 3

- 4.4.1 At quarter 3, the Place General Fund Capital Program shows a projected outturn of £15.882m against a budget of £21.913m, as shown in **Appendix 1**. Anticipated slippage at quarter 3 is estimated at £6.031m (27.5%).
- 4.4.2 The Tilbury Towns Fund projects encompass a range of initiatives aimed at enhancing Tilbury Civic Square and the waterfront, contributing to the overall revitalisation of the area. Part of these efforts is the refurbishment of Brennan Road, which is on track to be completed within this financial year. However, site investigation delays and the resulting delays to the tendering process for the other Towns Fund projects have necessitated a further re-profiling of £1.475m, which will be carried over into the next financial year to ensure that the projects meet these updated timelines. The scheme is funded via a Government Grant, with a requirement that all funds are committed or spent by 31st March 2026.
- 4.4.3 The A13 widening project, which officially opened to traffic in May 2022, marks a significant improvement in the region's transport infrastructure, aimed at alleviating congestion and enhancing connectivity. As the project wraps up, the remaining budget is designated for addressing compensation claims from those affected by the construction. Claimants have up to six years to submit their claims, reflecting a fair commitment to ensuring fair compensation. Several claims have been received with some expected to be processed and

paid in the current financial year, while others, contingent on their success may be settled in 2025/26. To effectively manage these future claims, a request to carry forward a further £1.5m into 2025/26 has been made.

- 4.4.4 The Government Grant funding for A126 improvements is being utilised to enhance key areas of the road infrastructure. Work has already commenced on the Marshfoot section, with improvements progressing as planned, and the next phase is set to begin in February at Devonshire Road. These upgrades are vital for improving traffic flow and road safety. Further design works are currently underway, with the goal of implementing additional improvements in the 2025/26 financial year. A request has been made to carry forward £0.700m of the grant funding into the next financial year to ensure the smooth continuation of the project.
- 4.4.5 The Stanford le Hope Rail and Bus interchange project recently completed its gateway review. The Council remains actively engaged in discussions with Network Rail and C2C and as part of the ongoing efforts, various funding options are being explored to support the development of this vital transport hub.
- 4.4.6 The Council has been awarded a further £0.922m of Government funding from DEFRA to support the delivery of weekly food waste collections. The capital funding is for the purchase of food waste bins (this includes internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles. The project to roll-out food waste caddies into flats is likely to take until March 2026. It has therefore been requested to carry forward £0.771m into the next financial year to allow the project to successfully complete.

4.5 HRA Capital Monitoring 2024/25 Quarter 3

- 4.5.1 The HRA Capital Monitoring Report for Quarter 3 is provided in **Appendix 2**. It shows a forecast projection of £38.599m against a budget of £44.099m, with anticipated underspends from schemes of £5.500m (12.5%).

4.5.2 The acquisition of 20 properties aimed at reducing the need for temporary accommodation is an important initiative to provide more stable housing options for individuals and families in need. The budget of £5.5m, originally allocated for this purpose, was mistakenly included twice in the capital programme—once under the acquisition of temporary accommodation properties and again under the PHi property purchase category. As a result of this duplication, the £5.5m will be removed from the capital programme to correct the oversight and ensure that the budget reflects the accurate allocation of resources.

5. Alternative Options Considered

5.1 Not applicable.

6. Consultation

6.1 The service positions are produced in conjunction with budget holders and reported to each Directorate Management Team.

6.2 This report is an extract from the Council's Quarter 3 Revenue and Capital Outturn Report at Cabinet 12th March 2025 for the Place portfolio.

7. Financial Implications

7.1 This report is primarily financial in nature and the financial implications of the issues raised have been included in the report and its associated appendix.

Implications Verified by: **Sima Khiroya**
Assistant Director Financial Management & Procurement

8. Risks

8.1 The table below provides the high-level risks, mitigations and risks status associated with this report. Each Directorate has been consulted on to determine risks to service delivery impacted upon by the respective current and future financial position.

8.2 Financial risks are discussed monthly as part of the budget monitoring process with each Directorate.

RISK DESCRIPTION & CONSEQUENCE	MITIGATIONS	RISK STATUS
Fluctuations in demanded services leads to a worsened financial position against the budget.	Monthly monitoring of financial position will determine fluctuations in demand that are leading to pressures that will need to be mitigated by underspends in other areas in the budget. Demographic changes are built into the budget assumptions. Any residual risks would be funded within available council funding and resources.	Green
Inflation and other cost pressures	Staff Pay and inflationary pressures cause significant impact on the council's budget. These are estimated and built into the forward planned budget.	Green
If the organisation is not able to redesign its services quickly enough, a reduction in staffing levels and loss of experienced and skilled staff will have an impact on service delivery, and on remaining staff.	New Corporate Plan priorities linked to staff values. Any redesign of services linked to Council and Corporate Plan priorities.	Green
Legal disputes & claims, self-Insurance and the risk of claims to the council not being covered by the council's insurance policies	Ensure sufficient resources are available to secure the appropriate advice / advisor for complex operational issues and to protect / successfully defend the council's position should the need arise. Unknown claims cannot be forecast.	Amber
Failure to prevent or detect acts of significant	An established system of internal control to prevent fraud and increase the	Green

fraud or corruption against the Council from either internal or external sources.	likelihood of detection including financial system controls, internal audit processes, fraud awareness in the Council, and financial delegation.	
Government policy, funding decisions, and the economy	Assumptions on government policy, funding and the economy are built into the budget as part of the MTFS process: increase in numbers of residents, loss of rental income, financial settlement, collection rates, future legislative changes etc.	Green

Implications Verified by: **Kelly Mcmillan,
Chief Risk Advisor**

9. Legal and Governance Implications

- 9.1 The Local Government Finance Act 1992 requires a Council to set a balanced budget for each financial year. There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget pursuant to section 114 of the same Act.
- 9.2 Section 28 of the Local Government Act 2003 requires to Council to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. There is no statutory requirement of the regularity of such reviews, but quarterly seems to be entirely appropriate. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This report allows for the periodic monitoring of the budget as required by statute.

Implications verified by: **Helen Nicol
Assistant Director Legal & Governance**

10. Equality and Diversity Implications (including the public sector equality duty)

10.1 There are no equality or diversity implications directly resulting from this report.

Implications verified by: **Natalie Smith**
Head of Community Development

11. Other Relevant Implications

11.1 Not applicable.

12. Background Documents

12.1 Not applicable.

