

**REPORT TO:** CABINET

**DATE:** 5 DECEMBER 2019

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 2 2019/20

**PORTFOLIO HOLDER:** COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

**LEAD OFFICER:** SIMON FREEMAN, HEAD OF FINANCE AND  
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**CONTRIBUTING OFFICERS:** SENIOR MANAGEMENT BOARD (01279) 446004  
POLICY AND PERFORMANCE TEAM

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I010144**

**The decision is not subject to Call-in Procedures for the following reason:**

The recommendations are within the scope of the original budget and Corporate Plan approved by Full Council in February 2019.

**This decision will affect no ward specifically.**

**RECOMMENDED that Cabinet:**

- A** Notes the projected outturn position set out in sections three and four of Appendix A to this report for the second quarter (July – Sept) of 2019/20 as follow:
- i) An adverse variation on controllable budgets of £441,000 representing 0.81 per cent of the gross General Fund Budget.
  - ii) A total projected underspend of £75,000 representing -0.14 per cent of the gross General Fund Budget.
  - iii) The Council performed on or above target for 48 out of 49 (98 per cent) of its quarterly performance indicators

#### **REASON FOR DECISION**

- A** To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2018/19 and acknowledges the small variation to the forecast outturn position.

## **BACKGROUND**

1. This report sets out the Council's corporate priorities and financial and performance position as at the end of September 2019. The report is the second in the formal reporting process for the 2019/20 financial year.

## **ISSUES/PROPOSALS**

### **Summary of Quarter Two Financial Performance 2019/20**

2. A review of the second quarter of 2019/20 indicates that, in total, the controllable General Fund Budget is projected to overspend by £441,000 or 0.81 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations. This variance is relatively small in the context of the Council's approved budget and range of services provided.
3. Taking into consideration the budgets which are not directly under service area control the overall position at the end of September 2019 is that the General Fund is forecast to underspend by £75,000 or -0.14 per cent when compared to the approved gross General Fund Budget.
4. Careful management of budgets continues to be exercised across all services in order to guard against expenditure pressures and to offset income reductions.
5. The major variations across both controllable and non-controllable budgets are set out in Appendix A to the report. The situation will be closely monitored during the financial year and should the position change the forecasts will be amended and reported in future financial reports accordingly.

### **Summary of Quarter Two Operational Performance 2019/20**

6. The Council's operational performance is set out in section four of Appendix A to the report.
7. The Council performed on or above target for 48 out of 49 (98 per cent) of its quarterly performance indicators. Sixty per cent of the indicators have been maintained or improved compared to Quarter Two for 2018/19.
8. Sixteen milestones (10 per cent) have been successfully completed and 129 milestones (83 per cent) have started and are on track. Six milestones (4 per cent) have not started as the due dates are in the future; 1 milestone (0.6 per cent) requires further action and 3 milestones (2 per cent) are significantly off-track.
9. Thirty-five (71 per cent) of the Council's Key Performance Indicators performed significantly better than their targets. Some of the indicators that have contributed to this achievement are:

- a) CS25Q – Percentage of Customer Complaints responded to within target time.
  - b) LHI SO26 - Annual Leasehold Service Charge Collection.
  - c) HTS 2.11 – Removal of Graffiti or Fly Posting of racist or obscene nature removed with 24 hours.
  - d) HTS 3.11d – Tree works carried out within 80 working days
10. One out of the 49 (two per cent) performance indicators did not perform as well as expected. The indicator detailed below has an Improvement Action Plan which outlines the performance situation and the steps for improvement.
- a) BV010 – National Non-Domestics Rates Collected.

### **Significant Risks/Opportunities**

11. The Council continues to operate in a period of major change driven by both worldwide economic conditions and legislative changes being introduced by the Government. Key changes that will or continue to have an impact on the Council include:
- a) The risk and volatility associated with the Government's localisation of Council Tax support and business rates.
  - b) Variations in income from fees and charges and other specific grants.
  - c) Ongoing low staff turnover rates which put at risk the achievement of the vacancy savings targets allocated to each service within the Council's budget.
  - d) The uncertainty regarding the future financial settlements including the end of the current four year funding deal beyond the current spending review period from 2021/21 onwards.
12. Significant opportunities continue to arise and develop to benefit the town and its residents. The Council must ensure it continues to work with all stakeholders to realise those benefits. Examples where opportunities arise include:
- a) Harlow and Gilston Garden Town.
  - b) Enterprise Zone delivery and skills plan to support development of a skilled workforce.
  - c) Public Health England relocation to Harlow.
  - d) Road and transport infrastructure including M11 Junction 7a

13. At end of 2 Quarter 2019 there are no exceptional strategic risks (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register.
14. The Senior Management Board continues to review strategic risks on a regular basis to assess future impact and necessary controls required to keep risks at acceptable levels.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

As contained within the report.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance and Property (Includes ICT, Properties & Facilities)**

As contained within the report.

**Author: Simon Freeman, Head of Finance & Property and Deputy to the Chief Executive**

### **Housing**

As contained within the report.

**Author: Andrew Murray, Head of Housing**

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

As contained within the report.

**Author: Jane Greer, Head of Community Wellbeing**

### **Governance (Includes HR)**

As contained within the report.

**Author: Simon Hill, Head of Governance**

## **Appendices**

Appendix A – Joint Finance and Performance Report, Quarter 2 2019/20