

REPORT TO: CABINET

DATE: 3 DECEMBER 2020

TITLE: JOINT FINANCE AND PERFORMANCE REPORT,
QUARTER 2 2020/21

PORTFOLIO HOLDER: COUNCILLOR MIKE DANVERS, PORTFOLIO
HOLDER FOR RESOURCES

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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 2020.

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 2020/21 as follow:
- i) An adverse variation on controllable budgets of £1,455,000 representing 2.5 per cent of the gross General Fund Budget.
 - ii) A total projected overspend of £345,000 representing -0.6 per cent of the gross General Fund Budget.
 - iii) The Council performed on or above target for 41 out of 49 (84 per cent) of its monthly and quarterly performance indicators.
 - iv) The Council also successfully completed 19 (11 per cent) of its revised service milestones.

REASON FOR DECISION

- A** To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2020/21 and acknowledges the small variation to the forecast outturn position.

BACKGROUND

1. This report sets out the Council's corporate priorities, financial and performance position as at the end of September 2020 following the significant impact of the Coronavirus. The report is the second in the formal reporting process for the 2020/21 financial year.

ISSUES/PROPOSALS

Summary of Quarter 2 Financial Performance 2020/21

2. A review of the second quarter of 2019/20 indicates that, in total, the controllable General Fund Budget is projected to overspend by £1,455,000 or 2.5 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations many of which are related to the current Covid crisis.
3. Taking into consideration the budgets which are not directly under service area control the overall position at the end of September 2020 is that the General Fund is forecast to overspend by £345,000 or -0.6 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 especially in respect of those areas of the councils services directly impacted by the Covid crisis.
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. It is highly likely that the position will change in the second half of the year subject to any further local or national restriction that may be put in place by the Government, the longer term impact of the crisis on behaviours of local residents and businesses and any further support that may be made available by the government through future announcements.

Summary of Quarter 2 Operational Performance 2020/21

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 41 out of 49 (84 per cent) of its monthly and quarterly performance indicators.

8. The Council has a total of 176 revised service milestones for 2020/21, of which, 19 milestones (11 per cent) were successfully completed, 122 milestones (69 per cent) have started and are on track. Twenty one milestones (12 per cent) have not started as the due dates are in the future; 11 milestones (6 per cent) were slightly delayed, and 3 milestones (2 per cent) were cancelled or suspended due to Covid-19.
9. Thirty-two (65 per cent) of the Council's Key Performance Indicators (KPIs) performed significantly better than their targets. The performance indicators that have contributed to this achievement are set out in section 4 of Appendix A to this report.
10. Four out of the 49 (8 per cent) performance indicators did not perform as well as expected. The indicators detailed below have an Improvement Action Plan which outlines the performance situation and the steps for improvement.
 - a) BV008 - Invoices paid within 30 days
 - b) BV009 - Council Tax Collected
 - c) BV010 - National Non-Domestics Rates (NNDR) Collected
 - d) HTS3.11 - Tree Works carried out within 80 Working Days.

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 at the end of Quarter 4 2019/2020. There has also been significant impact from Covid-19. Key changes that will or continue to be impact on the Council include:
 - a) Variations in income from fees and charges and other specific grants.
 - b) 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.
 - c) 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.
 - d) Short and medium term impacts of the Brexit process following the UK's exit of the European Union and for the remainder of the transition period through to December 2020.
 - e) Effects of Covid-19 pandemic. The Council has been working with key partners and businesses throughout lockdown and is now well into

recovery phase, working with all key stakeholders affected by the pandemic.

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 including partnership working to address employment skills development and supply chain opportunities. Public Health England and NHS Test and Trace, as well as the Joint Biosecurity Centre was brought under a single new organisation The National Institute for Health Protection from 18 August 2020. Discussions are ongoing to ensure plans are not affected by the recent government announcement.
 - d) Road and transport infrastructure including M11 Junction 7a which is now in build phase.
13. At end of Quarter 2 2020/21 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 and a full review of risks has been undertaken for the first Quarter 2020. The Senior Management Board will continue to assess future impact and the necessary controls required to keep risks at acceptable levels compared to the council's risk appetite.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

As contained within the report.

Author: Andrew Bramidge, Head of Environment and Planning

Finance and Property (Includes ICT)

As contained within the report.

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

Housing

Performance levels for the Housing Service Bernal fund activities have been affected as a result of Covid-19 pandemic since they are demand led. Whilst recovery continues to be established, responding to Government guidance and local priorities, this will continue to have financial implications as well as having an affect on

the setting of realistic targets. This situation will be reviewed in quarter 3 and aligned to wider corporate and housing services landlord business plan priorities.

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 2020/21

Background Papers

None.

Glossary of terms/abbreviations used

IAP – Improvement Action Plan

KPIs – Key Performance Indicators