

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 3 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 I011385**

**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 third quarter (ending 31 December 2020) of 2020/21 as follow:
- i) An adverse variation on controllable budgets of £856,000 representing 1.49 per cent of the gross General Fund Budget.
  - ii) A total projected underspend of £79,000 representing -0.14 per cent of the gross General Fund Budget.
  - iii) The Council performed on or above target for 40 out of 46 (87 per cent) of its monthly and quarterly Key Performance Indicators (KPIs). The number of KPIs has reduced from 49 to 46 following the decision by Housing Services to report 3 of its KPIs within its HRA Q3 report. Housing Services have also advised that there is no data for its remaining KPI until Q4.
  - iv) The Council also successfully completed 24 (16 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 December 2020 following the significant impact of the Coronavirus. The report is the third in the formal reporting process for the 2020/21 financial year.

## **ISSUES/PROPOSALS**

### **Summary of Quarter Three Financial Performance 2020**

2. A review of the third quarter of 2020/21 indicates that, in total, the controllable General Fund Budget is projected to overspend by £856,000 or 1.49 percent which is an improvement over Quarter 2 which was indicating an overspend on controllable budgets of £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 December 2020 is that the General Fund is forecast to underspend by £79,000 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 especially in respect of those areas of the Council's 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 remainder of the financial year. It is highly likely that the position will change in the final quarter of the year and subject to the impacts of the current ongoing local and national restrictions 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 Three Operational Performance 2020/21**

6. The Council's operational performance is set out in section four of Appendix A to the report.

7. The number of the Council's Key Performance Indicators (KPIs) has reduced from 49 to 46 following a decision by Housing Services to report 3 of its KPIs within its HRA Q3 report. For Q3 2020/21, the Council performed on or above target for 40 out of 46 (87%) of its revised Covid-19 monthly and quarterly Key Performance Indicators. Housing Services have also advised that there is no data for its remaining KPI until Q4.
8. As a result of a decision by Housing Services to report 23 of its Milestones within its Q3 Housing Revenue Account (HRA) report, the number of Corporate Milestones has reduced from 176 to 153. Twenty four milestones (16 per cent) were successfully completed, 98 milestones (64 per cent) have started and are on track and three milestones (2 per cent) have not started as the due dates are in the future. Three milestones (2 per cent) were significantly off track, 7 milestones (5 per cent) were slightly delayed and 18 milestones (12 per cent) were cancelled or suspended due to Covid 19.
9. Thirty one (67 per cent) of the Council's Key Performance Indicators (KPIs) performed significantly better than their targets. Some of the performance indicators that have contributed to this achievement are set out in section 4 of Appendix A to this report.
10. Five out of the 46 (11 per cent) Key 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) CS25Q - Percentage of Customer Complaints responded to within target time
  - e) 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 4th Quarter 2019/2020. There has also been significant impact from Covid-19. Key changes that will or continue to 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 2020/21 onwards.
  - d) Short and medium term impacts of Brexit following the UK's exit of the European Union on 31 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 (PHE) and NHS Test and Trace, as well as the Joint Biosecurity Centre (JBC) was brought under a single new organisation The National Institute for Health Protection (NIHP) 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 3<sup>rd</sup> Quarter 2020 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 was 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**

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 3 2020/21

**Background Papers**

None.

**Glossary of terms/abbreviations used**

IAP – Improvement Action Plan

HRA – Housing Revenue Account

KPIs – Key Performance Indicators