

**REPORT TO:** CABINET

**DATE:** 2 DECEMBER 2021

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 2 2021/22

**PORTFOLIO HOLDERS:** COUNCILLOR JAMES LEPPARD, PORTFOLIO  
HOLDER FOR FINANCE

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**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I012614**

**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 January 2021.

**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 – September) of 2021/22 as follow:
- i) A projected overspend of £252,000 representing 0.4 per cent of the gross General Fund Budget.
  - ii) The Council performed on or above target for 40 out of 46 (87 per cent) of its monthly and quarterly Key Performance Indicators (KPIs); and successfully completed 14 out of 59 (24 per cent) of its 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 2021 following the significant impact of the Coronavirus. The report is the second in the formal reporting process for the 2021/22 financial year.

## **SUMMARY OF QUARTER TWO FINANCIAL PERFORMANCE – 2021/22**

2. A review of the second quarter of 2021/22 indicates that, in total, the General Fund Budget is projected to overspend by £252,000 or 0.4 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations and highlights that much of the current forecast is related to pressures which continue as a result of the Covid crisis.
3. 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.
4. The major variations across 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 as the Council progresses through the remainder of the financial year.
5. As set out in reports to Cabinet and Council earlier in the year a £1.5m Budget Resilience Reserve has been created to acknowledge and help manage the fact that there are likely to be financial impacts for the Council in the current and possibly future years as a direct result of the global crisis which has impacted every aspect of life since early 2020 and is expected to continue to do so for some time to come.

## **SUMMARY OF QUARTER TWO OPERATIONAL PERFORMANCE – 2021/22**

6. The Council's operational performance is set out in section four of Appendix A to this report.
7. The Council has a total of 59 service milestones for 2021/22, of which 14 milestones (24 per cent) were successfully completed and 40 milestones (68 per cent) have started and are on track. Four milestones (7 per cent) have been suspended; and 1 (1 per cent) of the milestones is significantly off track.
8. The Council performed on or above target for 40 out of 46 (87 per cent) of its monthly and quarterly Key Performance Indicators (KPIs). Twenty-nine (63 per cent) of the Council's KPIs performed significantly better than their targets. The KPIs that have contributed to this achievement are set out in the section four of Appendix A to this report.

9. Six out of the 46 ( per cent) Key Performance Indicators (KPIs) did not perform as well as expected. The KPIs detailed below have an Improvement Action Plan (IAP) which outlines the performance situation and the steps for improvements.
  - a) BF006 Average days to process Change Events
  - b) BV008 Invoices paid within 30 days
  - c) BV009 Council Tax Collected (%)
  - d) BV010 NNDR Collected (%)
  - e) CS25Q Percentage of Customer Complaints responded to within target time
  - f) CS50 Average waiting time of calls received by Contact Harlow

### **SIGNIFICANT RISKS/OPPORTUNITIES**

10. Worldwide economic conditions and legislative changes being introduced by the Government and the 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 with regard to the funding arrangements for the local government sector beyond 2022/23. This ongoing uncertainty stems from both the proposals regarding the new distribution methodology and the actual level of resources to be distributed through that mechanism.
  - d) Short and medium term impacts of the Brexit process following the UK's exit of the European Union in December 2020.
  - e) Effects of Covid-19 pandemic. Working with key partners and businesses has been key through lockdown and will continue to be necessary as the Government's roadmap out of lockdown is implemented.
11. 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 (EZ) and Harlow Innovation Park delivery and skills plan to support development of a skilled workforce.

c) The former Public Health England (PHE) relocation to Harlow including partnership working to address employment skills development and supply chain opportunities, following transfer of all health protection functions to the new UK Health Security Agency (UKHSA) as from 1 October 2021.

d) Road and transport infrastructure including completion of M11 Junction 7a and associated improvements to Gilden Way.

12. 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, Director of Strategic Growth and Regeneration**

### **Finance and Property (Includes ICT)**

As contained within the report.

**Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance**

### **Housing**

As contained within the report.

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

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

As contained within the report.

**Author: Jane Greer, Director of Communities and Environment**

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

As contained within the report.

**Author: Simon Hill, Director of Governance and Corporate Support**

## **Appendices**

Appendix A – Joint Finance and Performance Report, Quarter 2 2021/22

## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

EZ - Enterprise Zone

IAP – Improvement Action Plan

KPIs – Key Performance Indicators

PHE – Public Health England  
UKHSA – UK Health Security Agency