

REPORT TO: CABINET

DATE: 15 SEPTEMBER 2022

TITLE: JOINT FINANCE AND PERFORMANCE REPORT,
QUARTER 1 2022/23

PORTFOLIO HOLDER: 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 I013851

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 Strategy approved by Full Council in December 2021

This decision will affect no ward specifically.

RECOMMENDED that Cabinet:

- A** Notes the forecast outturn position set out within the report in respect of the General Fund for the first quarter (April-June) of 2022/23 of a projected overspend of £80,000 or 0.13 percent of the gross General Fund Budget.
- B** Notes the Quarter 1 operational performance and risk management that has been achieved in 2022/23 across all Council services.

REASON FOR DECISION

- A** To ensure that Cabinet reviews performance against the Council's approved budgets for the General Fund and the Corporate Strategy for 2022/23; and acknowledges the small variation to the forecast outturn position.

BACKGROUND

1. A review of the first quarter of 2022/23 indicates that, in total, the General Fund Budget is projected to overspend by £80,000 or 0.13 per cent when compared to

the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations.

2. 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 where there continue to be impacts following the Covid crisis.
3. 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 especially in light of the very uncertain and volatile economic situation.

ISSUES/PROPOSALS

4. A review of the final financial information for the 2022/23 financial year indicates that, in total, the General Fund Budget is projected to overspend by £80,000 0.13 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 the areas of significant variation as at the end of June 2022.
5. The following tables summarises the Quarter 1 financial position:

	£'000
Total Service Variations	0.080
Windfall and non-controllable variations and reserve	0.00
Total General Fund outturn 2022/23	0.080

6. The expected position on the General Fund balance as a result of the information presented in this report will be:

	£ millions
General Fund closing balance 31 March 2022	3.371
Forecast Service budget variations Q1	0.080
General Fund Closing Balance – 31 March 2023	3.291

SUMMARY OF QUARTER ONE OPERATIONAL PERFORMANCE 2022/23

7. In Quarter 1 of 2022/23, the Council performance and financial reporting is against the ambitions set out in the Corporate Strategy, with the performance of each Portfolio matched against the Strategy. As set out in Appendix A to this report, the Council performed on or above target for 31 of its quarterly key performance indicators.

8. The Council is currently on track to achieve 94 per cent of its Portfolio milestones.

SIGNIFICANT RISKS/ OPPORTUNITIES

9. The Council continues to operate in a very challenging environment resulting from the ongoing impacts of the pandemic and associated worldwide economic conditions. This is further exacerbated by the ongoing war in Ukraine which is creating further pressures across the world economy not least in respect of the escalating energy prices.
10. Legislative changes further impact upon the council not least around climate change and the requirement to reduce carbon emissions in pursuit of a net zero target. Such changes presents both risk and opportunity in terms of infrastructure, property, and the wider environment.
11. The Environmental, Social and Governance (ESG) agenda will increasingly impact on decision-making to support carbon-reduction, environmental impact, support for the local community, plus strong governance, and accountability.
12. Management of related corporate risks including business resilience will be key. The Covid-19 pandemic has been a stark reminder of how ESG risks can come together in a perfect storm: business disruption, supply chain consequences, economic effects coupled with social and employment consequences have impacted residents, local businesses, and the Council alike.
13. However, significant opportunities exist now and into the future to create growth and other benefits for the town and its residents. The council must continue to work with stakeholders to create and realise the growth opportunities which exist and the benefits which need to be delivered for local residents and businesses. Strategic opportunities which will contribute to the attainment of the growth agenda:
 - a) The Harlow and Gilston Garden Town;
 - b) Increased commercialisation within Council activities;
 - c) Enterprise Zone (EZ) and Harlow Innovation Park through;
 - i) Consolidation of commercial opportunity.
 - ii) Ongoing work to support development of a skilled workforce.
 - iii) Growth in job opportunities for Harlow residents.
 - d) UK Health Security Agency (UKHSA) relocation to Harlow including partnership working to address employment skills development and supply chain opportunities;
 - e) Town Centre Regeneration; and

- f) Council housebuilding programme and partnerships with third parties to deliver housing growth.

14. The Senior Management Board is currently reviewing and reassessing the Council's strategic risk register to ensure alignment with the current Corporate Strategy and vision. Risk Appetite will also be re-articulated to reflect the corporate ambitions. The Senior Management Board will continue to assess impact and necessary controls required to keep risks at acceptable levels whilst striving to realise available opportunities.

IMPLICATIONS

Strategic Growth and Regeneration

As contained within the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

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

Communities and Environment

As contained within the report.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

As contained within the report.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Joint Finance and Performance Report, Quarter 1 2022/23

Background Papers

None.

Glossary of terms/abbreviations used

EZ – Enterprise Zone

JFPR – Joint Finance and Performance Report

MTFS – Medium Term Financial Strategy

PHE – Public Health England

SMB – Senior Management Board

UKHSA – UK Health Security Agency