

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE CABINET

Decision Made: 19 March 2024

3rd Quarter Finance, Performance and Risk Monitoring Report 2023/24

Issue for Decision

To consider the 2023/24 financial and performance position for the services reporting into the Corporate Services Policy Advisory Committee (CS PAC) as at 31st December 2023 (Quarter 3). The primary focus is on:

- The 2023/24 Revenue and Capital budgets; and
- The 2023/24 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.
- Corporate Risk Register

Decision Made

That

1. The Revenue position as at the end of Quarter 3 for 2023/24, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted;
2. The Capital position at the end of Quarter 3 for 2023/24 be noted;
3. The Performance position as at Quarter 3 for 2023/24, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. The UK Shared Prosperity Fund update, attached at Appendix 3 to the report, be noted;
5. The Risk Update, attached at Appendix 4 to the report, be noted;
6. The uncollectable Business Rates (NNDR) listed at Appendix 5 to the report be approved for write-off, and;
7. The new contract approval levels shown at Appendix 6 to the report be approved. These changes will then need approval by Democracy and General Purposes Committee before final approval by Council.

Reasons for Decision

The Medium-Term Financial Strategy for 2023/24 to 2027/28 - including the budget for 2023/24 - was approved by full Council on 22nd February 2023. The report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.

The report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs), and an updated covering corporate risks.

Attached at Appendix 1 to the report is a report setting out the revenue and capital spending position at the Quarter 3 stage. Attached at Appendix 2 to the report is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 to the report is an update on progress against the Recovery & Renewal Plan and attached at Appendix 4 to the report is a report providing an update on corporate risks, in response to the former Policy & Resources Committee's previous request for regular updates on this subject. Attached at Appendix 5 to the report are the details of the uncollectable Business Rates (NNDR) being requested for approval to write off. Appendix 6 to the report are details of new contract approval levels for the Committee to consider.

REVENUE AND CAPITAL BUDGETS

The tables below summarise the overall position as at 31st December 2023. Further details and an explanation of the significant variances are shown in Appendix 1 to the report.

Revenue Budget

Policy Advisory Committee	Full Year Budget (Revised) 2023/24 £000	Budget to 31 December 2023 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Corporate Services	12,581	4,569	3,675	895	11,621	960
Planning, Infrastructure & Economic Development	540	636	657	-21	543	-3
Housing, Health & Environment	11,255	5,953	6,402	-449	11,861	-606
Communities, Leisure & Arts	1,401	636	1,397	-761	1,991	-590
Net Revenue Expenditure	25,777	11,795	12,131	-337	26,016	-239

Capital Budget

Policy Advisory Committee	Adjusted Estimate 2023/24 £000	Actual to December 2023 £000	Budget Remaining £000	Projected Slippage to 2024/25 £000
Corporate Services	16,439	1,574	14,865	12,958
Planning, Infrastructure & Economic Development	656		656	606
Housing, Health & Environment	39,438	16,572	22,917	14,622
Communities, Leisure & Arts	1,433	284	1,149	593
Total	57,965	18,430	39,586	28,780

PROCUREMENT LEVELS

Contract Approval Level - As part of the work of regularly reviewing procurement processes to ensure they remain fit for purpose and support the

Council's priorities two new policies and one statement were discussed on 14th December 2022 at CS PAC and subsequently approved by Cabinet. These have subsequently been implemented as follows:

- Sustainable Procurement Policy
- Social Value Policy
- Modern Slavery Statement

As part of the continual review of procurement, and the underlying policies and processes which underpin the delivery of the service, it is proposed to update of the financial approval levels. This is to reflect a consistent approach across the procurement partnership, and to reflect the impact of inflation since the levels were originally set in 2018/19.

New approval levels are being recommended to streamline the procurement process for officers and the procurement team. Appendix 6 to the report details the current and future approval levels. The changes can be summarised as :

- increasing the approval level at the high value from £75k to £100k
- on all levels reducing the seniority of the approval
- clarify the process at the lower end at under £10k
- this process also encourages the use of e-tendering to maximise competitiveness of any procurement requests.

During financial year 2022-23 of the 27 MBC procurements, 15 were over the current MBC ITT threshold of £75k. Of these 15, 13 were valued at over £100k – which is the proposed new threshold for a mandatory ITT process.

The proposed new procurement thresholds reflect more accurately the operational procurement being undertaken at MBC. These new thresholds will be supported by a new digital approvals process, which will allow us greater oversight and transparency of all procurement over £5,000 within the organisation. This will provide us with the following benefits:

- Efficiency for procuring officers
- Efficiency for the procurement team
- Greater oversight and scrutiny of spend
- Aligned procurement processes and procedures across the procurement partnership.

These changes support procurement best practice and allow a consistent approach across the Procurement Partnership between Tunbridge Wells and Maidstone Borough Council. Note that the new approval levels will require a change to the Council's constitution and will therefore now be considered by the Democracy and General Purposes Committee and by Council.

Alternatives considered and why rejected

To not approve the write off of the uncollectable Business Rates and the new contract approval levels. However, these were not recommended for the reasons set out above and because the business rates to be written off would be too difficult or impossible to recover.

Background Papers

None.

I have read and approved the above decision for the reasons
(including possible alternative options rejected) as set out above.



Signed: _____
Councillor David Burton – Leader of the Council

Full details of both the report for the decision taken above and any consideration by the relevant Policy Advisory Committee can be found at the following area of the [website](#)

Call-In: Should you be concerned about this decision and wish to call it in, please submit a call-in form signed by any three Members to the Proper Officer by: **5pm on 28 March 2024**