

**1<sup>st</sup> Quarter Performance & Budget Monitoring**

|  |   |
|--|---|
| <b>Final Decision-Maker</b>            | Economic Regeneration & Leisure Committee   |
| <b>Lead Head of Service</b>            | Mark Green, Director of Business Improvement  |
| <b>Lead Officer and Report Authors</b> | Chris Hartgrove, Interim Head of Finance<br>Paul Holland, Senior Finance Manager (Client)<br>Claire Harvey, Data Intelligence Officer |
| <b>Classification</b>                  | Public  |
| <b>Wards affected</b>                  | All   |

**Executive Summary**

This report sets out the financial position for the Committee at the end of Quarter 1 2019/20 against the revenue and capital budgets. The report also asks the Committee to review the progress of Key Performance Indicators that relate to the delivery of the Strategic Plan 2019-2045, and to consider the comments and actions against performance to ensure they are robust.

At the Quarter 1 stage, there is an under spend against the revenue budget of £61,000, but this is expected to change to an over spend of £54,000 by the end of the financial year.

Capital expenditure totalling £0.40m has been incurred in Quarter 1 for the projects within this Committee's remit. At this stage, it is anticipated that there will be slippage of £2.28m into 2020/21, which relates to projects being undertaken in Mote Park.

For the strategic priority "A Thriving Place", 90% (9 out of 10) of Key Performance Indicators, reportable to the Committee, achieved their Quarter 1 targets. For the strategic priority "Embracing Growth and Enabling Infrastructure", 75% (3 out of 4) of Key Performance Indicators, reportable to the Committee, achieved their Quarter 1 targets.

**Purpose of Report**

The report enables the Committee to consider the financial position and any performance issues at the end of June 2019.

---

**This report makes the following recommendations to this Committee:**

1. That the Revenue position at the end of the Quarter 1 and the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the Capital position at the end of Quarter 1 be noted.
3. That the Summary of Performance for Quarter 1 for Key Performance Indicators is noted.

| <b>Timetable</b>                          |                    |
|---|--------------------|
| <b><i>Meeting</i></b>                     | <b><i>Date</i></b> |
| Economic Regeneration & Leisure Committee | 3 September 2019   |

# 1<sup>st</sup> Quarter Performance & Budget Monitoring

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue                                 | Implications  | Sign-off                                      |
|---------------------------------------|---|---|
| <b>Impact on Corporate Priorities</b> | <p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council's Medium Term Financial Strategy which is linked to the strategic plan and corporate priorities.</p> <p>The key performance indicators and strategic actions are part of the Council's overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>  | [Head of Service or Manager]                  |
| <b>Cross Cutting Objectives</b>       | This report enables any links between performance and financial issues to be identified and addressed at an early stage.  | [Head of Service or Manager]                  |
| <b>Risk Management</b>                | This is addressed in Section 5 of this report.  | [Head of Service or Manager]                  |
| <b>Financial</b>                      | <p>Financial implications are the focus of this report through high level budget monitoring. The process of budget monitoring ensures that services can react quickly to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council's Medium Term Financial Plan and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p> | Paul Holland, Senior Finance Manager (Client) |
| <b>Staffing</b>                       | The budget for staffing represents a significant proportion of the direct spend of the council and is carefully   | [Head of Service]                             |

|                                    |  |  |
|------------------------------------|--|--|
|                                    | <p>monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>   |  |
| <b>Legal</b>                       | <p>The Council has a statutory obligation to maintain a balanced budget and this monitoring process enables the committee to remain aware of issues and the process to be taken to maintain a balanced budget for the year.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p> | Team Leader (Corporate Governance), MKLS |
| <b>Privacy and Data Protection</b> | <p>The performance data will be held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.</p>   | Team Leader (Corporate Governance), MKLS |
| <b>Equalities</b>                  | <p>No impact as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change should one be identified.</p>   | Equalities and Corporate Policy Officer  |
| <b>Public Health</b>               | <p>We recognise that the performance recommendations will not negatively impact on population health or that of individuals.</p>   | [Public Health Officer]                  |
| <b>Crime and Disorder</b>          | <p>No specific issues arise.</p>   | [Head of Service or                      |

|                    |   |   |
|--------------------|---|---|
|                    |   | Manager]                                |
| <b>Procurement</b> | Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan. | [Head of Service & Section 151 Officer] |

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium Term Financial Strategy for 2019/20 onwards was agreed by full Council on 27 February 2019. This report advises and updates the Committee on how each service has performed in regard to revenue and capital expenditure against the approved budgets within its remit.
- 2.2 The Director of Finance & Business Improvement is the Responsible Financial Officer and has overall responsibility for budgetary control and financial management. However, in practice, day to day budgetary control is delegated to service managers, with assistance and advice from their director and the finance section.
- 2.3 This report now also includes a section on the Key Performance Indicators (KPIs) for this Committee. This was previously covered in a separate report but it was felt that it would be more helpful for Members to see this alongside the financial reports as there are sometimes common issues that link the two sets of data.
- 2.4 Attached at **Appendix 1** is a report detailing the position for the revenue and capital budgets at the end of June 2019. Attached at **Appendix 2** is a report setting out the position for the KPIs at the end of June 2019.

---

## 3. AVAILABLE OPTIONS

- 3.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported here.

---

## 4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the revenue budget, the capital programme and the KPIs at the end of June 2019 the committee can choose to note this information or it could choose to take further action.
- 4.2 The committee is requested to note the content of the report and agree on any necessary action to be taken in relation to the budget position or the KPIs report.
-

## **5. RISK**

- 5.1 This report is presented for information only and has no risk management implications.
  - 5.2 The Council has produced a balanced budget for both capital and revenue expenditure and income for 2019/20. This budget is set against a backdrop of limited resources and a difficult economic climate. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives this committee the best opportunity to take actions to mitigate such risks.
- 

## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The KPIs Update is reported quarterly to the service committees; Communities Housing and Environment Committee, Strategic Planning & Infrastructure Committee and Economic Regeneration & Leisure Committee. Each Committee will receive a report on the relevant priority action areas. The report is also presented to the Policy & Resources Committee, reporting on the priority areas of: "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
- 

## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 The Quarter 1 performance and budget monitoring reports are being considered by the relevant Service Committees during September, including a full report to Policy & Resources Committee on 18th September 2019.
  - 7.2 Details of the discussions which take place at service committees regarding budget management will be reported to Policy and Resources Committee where appropriate.
  - 7.3 The Council could choose not to monitor the Strategic Plan and/or make alternative performance management arrangements, such as frequency of reporting. This is not recommended as it could lead to action not being taken against performance during the year, and the Council failing to deliver its priorities.
- 

## **8. REPORT APPENDICES**

- Appendix 1: First Quarter Revenue and Capital Budget Monitoring 2019/20
  - Appendix 2: First Quarter Key Performance Indicators Update 2019/20
-

## **9. BACKGROUND PAPERS**

None.