

**3rd Quarter Budget & Performance Monitoring Report  
2019/20**

<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 Paul Holland, Senior Finance Manager (Client) Claire Harvey, Data Intelligence Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

This report sets out the 2019/20 financial and performance position for the services reporting into the Economic Regeneration and Leisure Committee (ERL) as at 31st December 2019 (Quarter 3). The primary focus is on:

- The 2019/20 Revenue and Capital budgets; and
- The 2019/20 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context, reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked.

*Budget Monitoring*

With regard to revenue, at the Quarter 3 stage, net expenditure of £1.019 million has been incurred against a profiled budget of £1.094 million, representing an under spend of £75,000. The Committee is also expected to remain within its overall net revenue expenditure budget for the year.

With regard to capital, at the Quarter 3 stage, expenditure of £532,000 has been incurred against a total *revised* budget allocation of £460,000. This includes an overspend of £380,000 on the Mote Park Adventure Zone project due to additional costs incurred as a result of the sewage leak in the Park.

*Performance Monitoring*

For the strategic priority "A Thriving Place", 43% (3 out of 7) of Key Performance Indicators, reportable to the Committee, achieved their Quarter 3 targets.

**Purpose of Report**

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 31st December 2019.

**This report makes the following Recommendations to the Committee:**

1. That the Revenue position as at the end of Quarter 3 for 2019/20, including 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 3 be noted; and
3. That the Performance position as at Quarter 3 for 2019/20, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.

**Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Economic Regeneration & Leisure Committee	28th January 2020

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## 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>	Director of Finance and Business Improvement (Section 151 Officer)
<b>Cross Cutting Objectives</b>	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Risk Management</b>	This is addressed in Section 5 of this report.	Director of Finance and Business Improvement (Section 151 Officer)

Issue	Implications	Sign-off
<b>Financial</b>	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough 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 Strategy and associated annual budget setting process. Performance issues are highlighted as part of the budget monitoring reporting process.</p>	Senior Finance Manager (Client)
<b>Staffing</b>	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully 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>	Director of Finance and Business Improvement (Section 151 Officer)
<b>Legal</b>	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</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

Issue	Implications	Sign-off
<b>Privacy and Data Protection</b>	The performance data is 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.	Team Leader (Corporate Governance), MKLS
<b>Equalities</b>	There is no impact on Equalities as a result of the recommendations in this report. An EIA would be carried out as part of a policy or service change should one be identified.	Equalities and Corporate Policy Officer
<b>Public Health</b>	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	There are no specific issues arising.	Director of Finance and Business Improvement (Section 151 Officer)
<b>Procurement</b>	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance and Business Improvement (Section 151 Officer)

## 2. BACKGROUND AND INTRODUCTION

- 2.1 The Medium-Term Financial Strategy for 2019/20 to 2023/24 - including the budget for 2019/20 - was approved by full Council on 27th February 2019. This report updates the Committee on how its services have performed in the first nine months of the financial year with regard to revenue and capital expenditure against approved budgets.
- 2.2 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs).
- 2.3 Attached at **Appendix 1**, is a report setting out the revenue and capital spending position at the Quarter 3 stage. Attached at **Appendix 2**, is a report setting out the position for the KPIs for the corresponding period.

### **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.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 In considering the current position on the Revenue budget, the Capital Programme and KPIs at the end of December 2019, the Committee can choose to note this information or 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 and/or the KPIs position.
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### **5. RISK**

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council has produced a balanced budget for both revenue and capital income and expenditure for 2019/20. The 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 the Committee the best opportunity to take actions to mitigate such risks.
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### **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The KPIs update ("Performance Monitoring") is reported to service committees quarterly: Communities, Housing & Environment Committee; Economic Regeneration & Leisure Committee; and the Strategic Planning & Infrastructure 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".
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### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 The Quarter 3 Budget & Performance Monitoring reports are being considered by the relevant Service Committees during January and February 2020, including a full report to the Policy & Resources Committee on 12th February 2020.

- 7.2 Details of the discussions which take place at Service Committees regarding financial and performance management will be reported to Policy and Resources Committee where appropriate.
- 7.3 The Council could choose not to monitor its budget and/or the Strategic Plan and/or make alternative performance management arrangements, such as the frequency of reporting. This is not recommended as it could lead to action not being taken against financial and/or other performance during the year, and the Council failing to deliver its priorities.
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## **8. REPORT APPENDICES**

- **Appendix 1:** Third Quarter Budget Monitoring 2019/20
  - **Appendix 2:** Third Quarter Performance Monitoring 2019/20
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## **9. BACKGROUND PAPERS**

None.