

# COMMUNITIES, LEISURE & ARTS 5 December 2023 POLICY ADVISORY COMMITTEE

## 2<sup>nd</sup> Quarter Finance Update & Performance Monitoring Report 2023/24

<b>Timetable</b>	
<b>Meeting</b>	<b>Date</b>
Communities, Leisure & Arts Policy Advisory Committee	5 December 2023
Cabinet Meeting	22 November 2023

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Cabinet
<b>Lead Head of Service</b>	Mark Green, Director of Finance, Resources & Business Improvement
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager Carly Benville, Senior Information Analyst
<b>Classification</b>	Public
<b>Wards affected</b>	All

### Executive Summary

This report sets out the 2023/24 financial and performance position for the services reporting into the Communities, Leisure & Arts Policy Advisory Committee (CLA PAC) as at 30<sup>th</sup> September 2023 (Quarter 2). 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.

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

Overall net expenditure at the end of Quarter 2 for the services reporting to CLA PAC is £0.407m, compared to the approved profiled budget of £0.248m, representing an overspend of £0.158m.

Capital expenditure at the end of Quarter 2 for CLA PAC was £0.198m against a total budget of £4.216m.

### Performance Monitoring

50% (2 of 4) of the KPIs falling under this PAC achieved their quarter 2 targets.

### Recovery & Renewal Update

A number of actions across the five areas of focus in the Recovery and Renewal Action have now been completed. This is shown in the update at Appendix 3.

### UK Shared Prosperity Fund Update

An update on progress made against schemes using this funding is shown at Appendix 4.

## **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 30<sup>th</sup> September 2023.

## **This report makes the following recommendations to the Communities, Leisure & Arts Policy Advisory Committee:**

1. That the Revenue position as at the end of Quarter 2 for 2023/24, 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 2 for 2023/24 be noted;
3. That the Performance position as at Quarter 2 for 2023/24, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted;
4. That the Recovery & Renewal Update, attached at Appendix 3 be noted; and
5. That the UK Shared Prosperity Fund update, attached at Appendix 4 be noted.

## 2<sup>nd</sup> Quarter Finance Update & Performance Monitoring Report 2023/24

### 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, Resources 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, Resources and Business Improvement (Section 151 Officer)
<b>Risk Management</b>	This is addressed in Section 5 of this report.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
<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.</p>	Senior Finance Manager (Client)

	<p>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>	
<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>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<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>	<p>Senior Finance Manager (Client)</p>
<b>Information Governance</b>	<p>The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.</p>	<p>Policy and Information Team</p>
<b>Equalities</b>	<p>There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a</p>	<p>Equalities and Communities Officer</p>

	policy or service change, should one be identified.	
<b>Public Health</b>	The performance recommendations will not negatively impact on population health or that of individuals.	Senior Finance Manager (Client)
<b>Crime and Disorder</b>	There are no specific issues arising.	Director of Finance, Resources 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, Resources and Business Improvement (Section 151 Officer)
<b>Biodiversity and Climate Change</b>	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Senior Finance Manager (Client)

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2023/24 to 2027/28 - including the budget for 2023/24 - was approved by full Council on 22<sup>nd</sup> February 2023. This report updates the Committee on how its services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 2.2 The financial position for CLA needs to be considered within context of the overall financial position for Maidstone. Currently there is a forecast overspend that will need to be managed over the rest of the year to come back within budget. We know this may fluctuate as demand as costs settle during the year. The CLA PAC will need to consider any actions it may need to take to ensure it manages within its controllable budgets.
- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 2 stage. Overall net expenditure at the end of Quarter 1 for the services reporting to CLA PAC is £0.407m compared to the approved profiled budget of £0.248m, representing an overspend of

£0.158m. Capital expenditure at the end of Quarter 2 for CLA PAC was £0.198m against a total budget of £4.216m. There are two significant revenue budget variances that are currently forecast by the end of the year, and these are detailed in Appendix 1.

- 2.4 Attached at Appendix 2 is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 is an update on progress against the Recovery & Renewal Plan and attached at Appendix 4 is an update on the UK Shared Prosperity Fund.

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### 3. **AVAILABLE OPTIONS**

- 3.1 The Committee is asked to note the contents but may choose to comment.

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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 the KPIs at the end of September 2023, the Committee can choose to note this information or could choose to comment.

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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 produced a balanced budget for both revenue and capital income and expenditure for 2023/24. The budget is set against a continuing backdrop of limited resources and the continuation of 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 Cabinet 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") are reported to the Policy Advisory Committees (PAC) quarterly: Communities, Leisure & Arts PAC, Housing, Health & Environment PAC and Planning, Infrastructure & Economic Development PAC. Each committee also receives a report on the relevant priority action areas. The report is also presented to the Corporate Services PAC 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 2 Budget & Performance Monitoring reports are being considered by the relevant Policy Advisory Committees during November and December 2023.
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## 8. **REPORT APPENDICES**

- Appendix 1: Second Quarter Budget Monitoring 2023/24
  - Appendix 2: Second Quarter Performance Monitoring 2023/24
  - Appendix 3: Recovery & Renewal Update 2023/24
  - Appendix 4: UK Shared Prosperity Fund Update 2023/24
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## 9. **BACKGROUND PAPERS**

None.