

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF CABINET

Decision Made: 20 December 2023

2nd Quarter Finance, Performance and Risk Monitoring Report

Issue for Decision

The report, including the background documents, set out the 2023/24 financial and performance position for the Council as at 30 September 2023 (Quarter 2). The primary focus was 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

The combined reporting of the financial and performance position enabled the Cabinet 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.

Decision Made

That:

1. 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 in the report, be noted;
2. The Capital position at the end of Quarter 2 for 2023/24 in the report be noted;
3. 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 in the report, be noted;
4. The Recovery & Renewal Update, attached at Appendix 3 of the report be noted;
5. The UK Shared Prosperity Fund update, attached at Appendix 4 of the report be noted;
6. The Risk Update, attached at Appendix 5 of the report be noted; and
7. The uncollectable Business Rates (NNDR) listed at Appendix 6 of the report be approved for write-off.

Reasons for Decision

Budget Monitoring

At the Quarter 2 stage the Council has incurred net expenditure of £7.554m against the approved profiled budget of £7.168m, representing an overspend of £0.387m. The projected year-end outturn position at this stage is an overspend of £0.298m.

At the Quarter 2 stage, the Council has incurred overall net expenditure of £7.359m against a budget allocation within the Capital Programme of £54.999m. The projected year-end net expenditure is £38.673m.

Capital expenditure at the end of Quarter 2 for CS PAC was £0.944m against a total budget of £17.605m.

Performance Monitoring

50% (1 out of 2) of the Key Performance Indicators for the Corporate Services Policy Advisory Committee achieved their Quarter 1 target. Across the other three Committees a number of targets were missed, mainly due to current issues with the economy, although there were improvements in a number of other areas.

Recovery & Renewal Update

Two of the three areas of focus in the Recovery and Renewal Action have now been completed. This is shown in the update at Appendix 3 to the report.

UK Shared Prosperity Fund Update

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

Corporate Risk Update

Appendix 5 to the report outlines all the Council's corporate risks. The corporate risk ratings and scores have remained largely consistent with the last report in September. There have however been significant changes in two corporate risks resulting in their elevation from red to black risks. These are a diminished local retail and leisure sector and the Council not fulfilling residential property health and safety responsibilities.

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 updated the Cabinet on how services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.

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

Attached to the report at Appendix 1 was a report setting out the revenue and

capital spending position at the Quarter 2 stage. Attached at Appendix 2 was 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 was an update on the UK Shared Prosperity Fund. Also attached at Appendix 5 was 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 6 to the report were the details of the uncollectable Business Rates (NNDR) being requested for approval to write off.

The tables below summarise the overall position as at 30 September 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 2023/24	Budget to 30 September 2023	Actual	Variance	Year End Forecast	Year End Variance
	£000	£000	£000	£000	£000	£000
Corporate Services	12,160	2,726	2,665	61	11,345	815
Planning, Infrastructure & Economic Development	676	760	868	-108	768	-92
Housing, Health & Environment	11,468	3,434	3,615	-181	12,050	-582
Communities, Leisure & Arts	1,473	248	407	-158	1,912	-439
Net Revenue Expenditure	25,777	7,168	7,554	-387	26,075	-298

Capital Budget

Policy Advisory Committee	Adjusted Estimate 2023/24	Actual to September 2023	Budget Remaining	Projected Total Expenditure	Projected Slippage to 2024/25
	£000	£000	£000	£000	£000
Corporate Services	17,605	944	16,661	4,011	13,594
Planning, Infrastructure & Economic Development	656		656	306	350
Housing, Health & Environment	32,522	6,217	26,304	33,290	-768
Communities, Leisure & Arts	4,216	198	4,018	1,066	3,151
Total	54,999	7,359	47,640	38,673	16,326

Policy Advisory Committee Consideration

Each Policy Advisory Committee considered a report covering their relevant areas of finance and performance and there were no additional comments made to Cabinet.

Alternatives considered and why rejected

It could have been decided not to agree to the write-off of uncollectable business rates. However, Appendix 6 to the report sets out each write-off and the reason why the debt could no longer be collected. On that basis the write-offs were agreed.

Background Papers

2nd Quarter Finance & Performance Monitoring Report 2023/24, as presented to the Communities, Leisure and Arts PAC, Planning, Infrastructure and Economic Development PAC and the Housing, Health and Environment PAC.

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



Signed: _____
Councillor Paul Cooper, Deputy 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 8 January 2024**