

**1st Quarter Finance, Performance & Risk Monitoring Report
2023/24**

Timetable	
Meeting	Date
Corporate Services Policy Advisory Committee	11 September 2023
Cabinet Meeting	20 September 2023

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Cabinet
Lead Head of Service	Mark Green, Director of Finance, Resources & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager Carly Benville, Senior Information Analyst Orla Sweeney, Senior Policies & Communities Officer Charlotte Yarnold, Programme Manager (Strategic Planning) Uche Olufemi, Emergency Planning & Resilience Manager
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2023/24 financial and performance position as at 30th June 2023 (Quarter 1). 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

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

At the Quarter 1 stage the Council has incurred net expenditure of £2.916m against the approved profiled budget of £2.473m, representing an overspend of £0.444m. The projected year-end outturn position at this stage is an overspend of £0.274m.

Overall net expenditure at the end of Quarter 1 for the services reporting to CS PAC is £1.606m, compared to the approved profiled budget of £1.309m, representing an overspend of £0.297m.

At the Quarter 1 stage, the Council has incurred overall net expenditure of £2.411m against a budget allocation within the Capital Programme of £54.999m. The projected year-end net expenditure is £40.627m.

Capital expenditure at the end of Quarter 4 for CS PAC was £0.490m against a total budget of £17.605m.

Performance Monitoring

100% (2 out of 2) of the Key Performance Indicators for this 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

One of the three areas of focus in the Recovery and Renewal Action has 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.

Corporate Risk Update

Appendix 5 outlines all the Council's corporate risks. The corporate risk ratings and scores have remained largely consistent with the last report in May. There remains one black operational risk in respect of the waste collection contact costs.

Purpose of Report

The report enables the Cabinet to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 30th June 2023.

This report makes the following recommendations to the Cabinet:

1. That the Revenue position as at the end of Quarter 1 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 1 for 2023/24 be noted;
3. That the Performance position as at Quarter 1 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.
5. That the UK Shared Prosperity Fund update, attached at Appendix 4 be noted.
6. That the Risk Update, attached at Appendix 5 be noted.

1st Quarter Finance, Performance & Risk Monitoring Report 2023/24

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Impact on Corporate Priorities</p>	<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>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p>Cross Cutting Objectives</p>	<p>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.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p>Risk Management</p>	<p>This is addressed in Section 5 of this report.</p>	<p>Director of Finance, Resources and Business Improvement (Section 151 Officer)</p>
<p>Financial</p>	<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>	<p>Senior Finance Manager (Client)</p>

	<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>	
Staffing	<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>
Legal	<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 Legal Advisor – Corporate Governance</p>
Information Governance	<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>
Equalities	<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.	
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Procurement	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)
Biodiversity and Climate Change	Sufficient budget has been allocated for the Council's short to medium term financial commitment to addressing the biodiversity and climate issues stipulated in the Biodiversity and Climate Change Action Plan.	Biodiversity and Climate Change Manager

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 22nd 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 This report also includes an update to the Committee on progress against its Key Performance Indicators (KPIs), and an updated covering corporate risks.
- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 2 stage. 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. Also attached at Appendix 5 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.

3. REVENUE AND CAPITAL BUDGETS

3.1 The tables below summarise the overall position as at 30th June 2023. Further details and an explanation of the significant variances are shown in Appendix 1.

Policy Advisory Committee	Full Year Budget 2023/24 £000	Budget to 30 June 2023 £000	Actual £000	Variance £000	Year End Forecast £000	Year End Variance £000
Corporate Services	12,289	1,309	1,606	-297	11,682	607
Planning, Infrastructure & Economic Development	565	619	556	62	615	-50
Housing, Health & Environment	11,414	632	795	-163	12,185	-771
Communities, Leisure & Arts	1,510	-87	-41	-46	1,570	-60
Net Revenue Expenditure	25,777	2,473	2,916	-444	26,051	-274

Revenue Budget

Policy Advisory Committee	Adjusted Estimate 2023/24 £000	Actual to June 2023 £000	Budget Remaining £000	Projected Total Expenditure £000	Projected Slippage to 2024/25 £000
Corporate Services	17,605	490	17,115	12,798	4,807
Planning, Infrastructure & Economic Development	656		656	306	350
Housing, Health & Environment	32,522	1,887	30,635	26,203	6,319
Communities, Leisure & Arts	4,216	34	4,182	1,320	2,758
Total	54,999	2,411	52,588	40,627	14,234

Capital Budget

4. AVAILABLE OPTIONS

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

5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

5.1 In considering the current position on the Revenue budget, the Capital Programme, and the KPIs at the end of June 2023, the Committee can choose to note this information or could choose to comment.

6. **RISK**

- 6.1 This report is presented for information only and has no direct risk management implications.
- 6.2 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.
- 6.3 Within the adverse variance reported to the Housing, Health and Environment PAC is a projected overspend in excess of £800,000 in relation to the provision of temporary accommodation. Expenditure in this area is unpredictable, and whilst current projections are that this overspend can be mitigated substantially through underspends elsewhere around the Council, this area of spend poses a very significant risk.
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7. **CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 7.1 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 was 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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8. **NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 8.1 The Quarter 1 Budget & Performance Monitoring reports were considered by the Policy Advisory Committees during September 2023.
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9. **REPORT APPENDICES**

- Appendix 1: First Quarter Budget Monitoring 2023/24
 - Appendix 2: First Quarter Performance Monitoring 2023/24
 - Appendix 3: Recovery & Renewal Update 2023/24
 - Appendix 4: UK Shared Prosperity Fund Update 2023/24
 - Appendix 5: Risk Update 2023/24
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10. **BACKGROUND PAPERS**

None.