
NON-EXEMPT

Havant Borough Council

Audit Committee

15 September 2021

CORPORATE PERFORMANCE REPORT QUARTER ONE 2021/22

FOR NOTING

Portfolio Holder: Cllr Pike

Key Decision: No

Report Number: *HBC 333*

1. Purpose

- 1.1. This paper is submitted to Committee to provide a strategic overview of performance for Quarter One 2021/22 in relation to the corporate priorities in the Council's Corporate Plan.

2. Recommendation

- 2.1. To note:
- a. The revenue and forecast variance outturn for 2021/22 in Appendices A
 - b. The summary performance information at Appendix B for services

3. Executive Summary

Revenue Forecast

- 3.1. The revenue monitoring report for Quarter 1 shows a projected deficit for the net cost of services of **£0.199 million** for the full year. This mainly reflects projected loss on several income streams. It is hoped that through management action and regular monitoring during the year that this position would improve. Any changes will be included in future monitoring reports.
- 3.2. The impact of the projected deficit for the net cost of services is a potential requirement to drawdown from reserves to balance the budget or undertake a further exercise to limit spending for the remaining year.
- 3.3. At present the much of the shortfall is being managed through central Government grants, in particular the sales, fees and charges income recovery

scheme. This scheme ends on 31 July 2021. Commercial income losses cannot be recovered from central Government and are being mitigated by un-ringfenced Covid government grant and reduced expenditure. However Government grants and assistance during Covid are only one-off and hence there remains significant pressure on the revenue budget as reported in the current approved medium term financial strategy.

- 3.4. We have revised the presentation of figures for this quarter to include actual spend to the end of the quarter in order to improve transparency. Not all budgets are spent at equal rates during the year, so this does give rise to some timing differences. We are working with budget managers to improve the current profiling of budgets. These changes in process has meant that this report is a bit shorter than previous reports, but still covers the main areas, and more information will be included in future report.

Capital forecast

- 3.5. At present capital monitoring report is on line. Further work will be undertaken in quarter 2 to highlight any variances

4. Revenue Forecast Details

- 4.1. The report shows current estimates against approved budget and focuses on exceptions to meeting the approved budget. Detailed appendices showing the individual service headings are included at Appendix A.

4.2. Table 1 – Revenue Forecast

	FULL YEAR BUDGET (£m)	PROFILED BUDGET (£m)	ACTUAL YTD (£M)	QTR 1 YEAR END FORECAST (£m)	QTR 1 VARIANCE TO BUDGET (£m)
Net Cost of Services	13.593	3.398	0.947	13.792	0.199
Business Rates, Council Tax and Grants	(13.593)			(13.593)	0
Net (Surplus) / Deficit	0			0.199	0.199

4.3. The main service variances against the revised budget are set out in the table below:

Service Area	Variance to budget (£,000)	Reasons	Recurring or one-off impact?
Programme Redesign	0.026	Reduction in income for rental income	This will be reviewed as part of budget monitoring process
Strategic Commissioning	0.010	.Reduction in income forecast for community development	One-off
Neighbourhood Support	0.359	Reduction in income across service but in particular parking (320k). Some decreased income forecast in community safety and public health	One-off subject to further Covid-19 impact current best estimate. It is hoped this will improve during year with lockdown lifted
Planning	0.115	Reduction in income (in Building Control & Development control) as a result of Covid-19	One-off subject. It is hoped that this situation will improve during the year with more planning fees received
Covid Income	(0.311)	Estimated extra income reclaimed from central government for 2020/21. This helps compensates for decreases in income in services above	One-off extra income

Income – Fees & Charges

- 4.4. Covid-19 has placed considerable pressure on a number of income streams as a result of the lockdown and reduced economic activities. At quarter one this income pressure is still forecast as down on budgets. Further data on the impact is now available and being used to form the forecast. As last year, money has been claimed from central Government towards lost income

Budget Challenges 2021/22 and 2022/22

- 4.5. As part of the budget setting process for 2021/22 a number of budget challenges were set within services to deliver in year and built into the base budget. In addition, further potential future budget proposals were to be considered during the year for potential incorporation into the 2022/23 budget
- 4.6. The budget challenges built into the base budget for 2021/22 are all currently forecast to be delivered, further monitoring will taken place during the year to ensure they are delivered. The largest of these budget challenges represent vacancy efficiency targets across the organisation including individual vacancy targets in the largest service (Neighbourhood Support). Through close monitoring of vacancies as they arise and increased scrutiny of recruitment, it is expected that these vacancy savings can be achieved.
- 4.7. The further budget proposals to potentially be built into the 2022/23 budget are currently being reviewed and worked on. Progress against this work is reported within the corporate action plan progress updates contained within Appendix B under the relevant service.

5. Corporate Performance

- 5.1. The Covid-19 pandemic, response and recovery continues to place considerable pressure on the organisation. However, during the quarter services continued to operate, information on key performance indicators of services are contained at appendix B.

6. Options considered

- 6.1. None – n/a

7. Resource Implications

7.1. Financial Implications

- a. Finance continues to monitor the impact of Covid-19 through monthly budget monitoring and monthly returns to MHGLG. The full year impact of Covid-19

remains difficult to forecast with complete accuracy due to the uncertainty about any further national or local lockdowns which may impact on income and/or expenditure as well as the scale of the likely recession and impact that may have on the authority.

7.2. Human Resources Implications

- a. All recruitment is currently subject to approval by Executive Board. It is expected that there may be additional budgetary savings from the vacancies that are currently held within the system.

7.3. Information Governance Implications

- a. None

7.4. Other resource implications

- a. None

8. Legal Implications

- a. None

9. Risks

- 9.1. The Corporate Risk Register and Covid Risk Register has been updated as part of the Quarterly review.
- 9.2. A separate risk register is maintained in relation to Covid-19. All current Covid-19 risk are being managed within the risk tolerance threshold after mitigation actions have been assessed.
- 9.3. All Corporate and Covid-19 risks are being monitored through the Corporate Governance Board. Mitigations are in place for handling the risks. The key organisational corporate risks that are above the risk threshold level of the organisation are shown within the performance report (Appendix B).

10. Consultation

- 10.1. The information contained within this report has been gathered through quarterly budget forecasting supplied by budget holders as well as information supplied by Heads of Service on progress against corporate plan objectives. The report has been reviewed by Executive Board.

11. Communication

- 11.1. This report will be shared with Councillors as part of the publication of the Governance Audit & Finance papers which this report is sent to.

12. Appendices

Appendix A: Revenue Outturn Forecast

Appendix B: Performance information

13. Background papers

- 13.1. None

To be agreed and signed off by:

Portfolio Holder: Cllr Pike

Director & s151: Lydia Morrison

Monitoring Officer: Daniel Toohey