
NON-EXEMPT

East Hampshire District Council

Cabinet

14 September 2021

CORPORATE PERFORMANCE REPORT QUARTER ONE 2021/22

FOR NOTING

Portfolio Holder: Cllr Louisson

Key Decision: No

Report Number: *EHDC/*

1. Purpose

- 1.1. This paper is submitted to Cabinet Briefing 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. Cabinet Briefing are required to note:
- a. The revenue forecast variance outturn for 2021/22 in Appendix 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 **£0.105 million**. 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 reports.
- 3.5. *Capital Forecast*
At present capital monitoring reports is on line. Further work will be undertaken in quarter 2 to highlight any variances

Revenue Forecast Details

- 3.6. Table 1 of this report shows current estimates against approved budget and focuses on forecast exceptions to meeting the approved budget. Detailed appendices showing the individual service headings are included in Appendix A

3.7. 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	11.352	2.838	2.028	11.457	0.105
Business Rates, Council Tax and Grants	(11.352)			(11.352)	0.000
Net (Surplus) / Deficit	0.000			0.105	0.105

3.8. The main revenue 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?
Customer Services	(0.229)	Forecast improvement in land charges fees (104k) and staffing savings in revs & bens (125k)	One off
Strategic Commissioning	0.158	Reduction in income forecast for leisure	One-off subject to further Covid-19 impact current best estimate. It is hoped this will improve during year with lockdown lifted
Neighbourhood Support	0.498	Reduction in income for car parking. 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	0.161	Reduction in income (in Building Control & Development control) as a result of Covid-19	Reduction in income (in Building Control & Development control) as a result of Covid-19
Covid Grants	(0.583)	Estimated extra income reclaimed from central government for 2020/21. This	One off extra income

		helps compensates for decreases in income in services above	
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Income – Fees & Charges

- 3.9. Covid-19 has placed considerable pressure on a number of income streams as a result of the lockdown and reduced economic activities. 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 2022/2

- 3.10. 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.
- 3.11. 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 within 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.
- 3.12. The further budget proposals to potentially be built into the 2022/23 budget are currently being reviewed and worked on. One of these proposals (service review within Customer Services Revenue & Benefits team) has already been achieved and resulted in a saving of £0.125 million which has been included within this forecast and will be built into the budget as saving for 2022/23 onwards. Progress against the remaining budget proposals work is reported within the corporate action plan progress updates contained within Appendix B under the relevant service.

4. Corporate Performance

- 4.1 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.

5. Options considered

- 5.1. None – n/a

6. Resource Implications

6.1. 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 forecast with completely accuracy due to the uncertainty about any further national or local lockdowns which may impact on income and/or expenditure.

6.2. 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.

6.3. Information Governance Implications

- a. None

6.4. Other resource implications

- a. None

7. Legal Implications

- a. None

8. Risks

- 8.1. The Corporate Risk Register and Covid Risk Register has been updated as part of the Quarterly review.
- 8.2. 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.
- 8.3. 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).

9. Consultation

- 9.1. 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.

10. Appendices

Appendix A: Revenue Outturn Forecast

Appendix B: Performance information

11. Background papers

11.1. None

To be agreed and signed off by:

Portfolio Holder: Cllr Louisson

Director & S151: Lydia Morrison

Monitoring Officer: Daniel Toohey