

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>25 July 2019</b>
<b>Title of report:</b>	<b>Quarter 1 2019/20 corporate budget and performance report</b>
<b>Report by:</b>	<b>Cabinet member finance and corporate services</b>

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose and summary**

To review performance for quarter 1 2019/20 and the budget outturn.

To provide assurance that progress is being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the Cabinet's satisfaction.

## **Recommendation(s)**

**That:**

- (a) Performance and financial outturn for quarter 1 2019/20, as set out in appendices A - G, are reviewed and the Cabinet identifies any additional actions to be considered to achieve future improvement;**

## Alternative options

1. Cabinet may: choose to review financial and operational performance more or less frequently; or request alternative actions to address any identified areas of under-performance, including referral to the relevant scrutiny committee.

## Key considerations

### *Revenue outturn*

2. The 2019/20 outturn is £16k underspend as at the end of May 2019.
3. The table below sets out the directorate position at the end of May. Further service detail is available in appendix A.

### Projected revenue outturn 2019/20 (as at the end of May)

Directorate net budget	Gross budget	Net budget	Outturn	Variance over / (under)spend
	£000	£000	£000	£000
Adults & Communities	92,936	56,850	56,934	84
Children & Families	158,286	29,962	30,162	200
Economy & Place	49,503	31,064	31,064	0
Corporate	19,171	15,086	15,086	0
<b>Directorate total</b>	<b>319,896</b>	<b>132,962</b>	<b>133,246</b>	<b>284</b>
Central, treasury management, capital financing & reserves	62,877	22,877	22,577	(300)
<b>TOTAL</b>	<b>382,773</b>	<b>155,839</b>	<b>155,823</b>	<b>(16)</b>

4. The outturn position reflects an initial review of the current spend vs the budget set in February 2019. The overspend in Children & families reflects an increase the average annual cost of placements since budget setting and an increase in external supported accommodation. In Adults and communities there has been an increase in clients in learning disabilities since budget setting. This is offset by a reduction in the minimum revenue provision charge due to a capital underspend in 2018/19.

### *Capital outturn*

5. The capital budget for 2019/20 has been revised to £89.246m, the summary breakdown is shown in the table below. This consists of £19.435m carried forward from 2018/19, a result of unspent budget and additional grants of £0.897m. An exercise to re-profile project budgets based on current timing of delivery moving into future years was carried out in May and full details are in appendix B. Based on this re-profiled budget the forecast

is £86.594m, this forecast underspend consists of mainly small projects that are anticipated to deliver below the project budget.

	<b>2019/20 Budget £'000</b>	<b>2020/21 Budget £'000</b>	<b>2021/22 Budget £'000</b>	<b>2022/23 Budget £'000</b>	<b>Total £'000</b>
February 2019 Council Approved Budget	130,124	54,780	11,521	-	196,425
Re-profiled	(61,210)	47,043	12,086	2,081	-
18/19 Carry Forwards	19,435				19,435
Additional Grants	897			-	897
<b>Revised Capital Budget</b>	<b>89,246</b>	<b>101,823</b>	<b>23,607</b>	<b>2,081</b>	<b>216,757</b>

### **Corporate performance**

6. Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:
  - enable residents to live safe, healthy and independent lives;
  - keep children and young people safe and give them a great start in life;
  - support the growth of our economy; and
  - secure better services, quality of life and value for money.
7. This Corporate Plan is scheduled for review during this year, with a new plan to be agreed at Council in February 2020.
8. In February 2019 Council approved the 2019/20 budget and the supporting delivery plan was agreed by Cabinet in February 2019.
9. Progress towards implementing the delivery plan is measured through a number of agreed performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks are available on the council's website and in appendix E and contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.
10. The proportion of performance measures showing improved performance or remaining the same compared to the same period last year is 72% (62% in the Q4 report); there are 28% of performance measures that are currently performing worse than the same period last year.

### **Community impact**

11. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. To support effective accountability the

council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner.

12. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities.

## **Equality duty**

13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
14. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As part of the decision making processes, individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

## **Resource implications**

15. The recommendations have no direct financial implications, however Cabinet may wish to revise how money is utilised in order to meet the council's objectives.

## **Legal implications**

16. None.

## **Risk management**

17. The risks associated with any delivery plan objectives and projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is found in appendix F.

## **Consultees**

18. None in relation to this report. The development of the delivery plan was informed by the evidence base already gathered during the year and which includes user, resident and partner feedback where available.

## **Appendices**

Appendix A Revenue forecast

Appendix B Capital outturn

Appendix C Treasury management forecast

Appendix D Savings performance reports

Appendix E Corporate Plan Performance Metrics

Appendix F Corporate Risk Register

Appendix G Scorecards

## **Background papers**

None