ENVIRONMENT AND SUSTAINABILITY OVERVIEW AND SCRUTINY PANEL – 17 JUNE 2021

ANNUAL PERFORMANCE AND PROVISIONAL BUDGET OUTTURN 2020/21

1. RECOMMENDATIONS

1.1 It is recommended that the Panel:

a) Note the Annual Performance Statement for 2020/21, including the impact of Covid-19 on performance;
b) Note the provisional outturn of the General Fund revenue and capital budgets for 2020/21;
c) Note the provisional outturn of the Housing Revenue Account for 2020/21; and
d) Provide feedback or comments back to Cabinet.

2. PURPOSE OF THE REPORT

2.1 This report provides an overview of performance and delivery of the corporate plan for 2020/21. It is a backward-looking report that reflects the impact of the Coronavirus pandemic and sets out provisional outturn results for the General Fund and Housing Revenue Account.

2.2 The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer by 30 September and will be presented to Audit Committee following external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn now presented is in management format.

3. INTRODUCTION

3.1 Community Matters, the Council's Corporate Plan for 2020-2024, sets out the overarching commitments and vision for the Council and focuses on the challenges faced and the plans to address them, including priorities for each Portfolio. It was approved in March 2020, just prior to the first lockdown. The Annual Performance Statement reflects the progress in delivering the corporate plan and the impact of the Coronavirus pandemic.

3.2 Understandably some of the priorities of the corporate plan were overshadowed by the more immediate and necessary response to the pandemic and this is reflected in the Annual Performance Statement appended to this report. Performance for each Portfolio has also been presented to overview and scrutiny panels during the year in the form of Portfolio Dashboards, which reflect the progress of specific activities within the corporate plan.

3.3 In light of the impact of the pandemic there is a need to revisit the corporate plan to ensure that priorities continue to reflect the needs of the community, to update associated actions and to align responsibilities with the new Cabinet structure that came in to effect in April 2021. This will be reported back to Cabinet later in the year.

3.4 The Council's financial planning process further supports the delivery of the corporate objectives and the annual budget, and its performance is an important element of the overall corporate plan.

3.5 The provisional outturn report was presented to Cabinet in April 2021. This followed the adoption of the emergency budget in September 2020, and subsequent financial monitoring report in December 2020.

3.6 The latest budgets for 2020/21 as reported to the Cabinet resulted in revised General Fund, Capital Programme and Housing Revenue Account budgets as follows:

	Original Budget	Latest Budget April Cabinet	Reported Variations
	£'m	£'m	£'m
General Fund	19.194	20.211	1.017
Capital Programme	25.694	27.238	1.544
Housing Revenue Account (Income)	(28.199)	(28.077)	0.122
Housing Revenue Account (Expend.)	19.726	19.796	0.070

4. ANNUAL PERFORMANCE STATEMENT

4.1 The pandemic dominated the Council's delivery of services during 2020/21 and this is reflected in the performance overview. Some services were significantly impacted and were unable to be offered, whilst other services saw demand increase or new responsibilities arise, directly linked to supporting individuals and businesses during the crisis.

4.2 The Annual Performance Statement (Appendix 1) illustrates the performance for 2020/21, highlighting the Council's Covid-19 response and providing an overview of the performance for each Portfolio, including an assessment of performance for key service areas in terms of the availability of staff, the impact on budget and overall service delivery impact.

5. BUDGET OUTTURN

5.1 The Annual Budget is an important element of the delivery of the Council's financial strategy which supports the delivery of core services and provides value for money to local taxpayers. Financial Monitoring Reports and Medium-Term Financial Plan updates are presented to Cabinet throughout the year, providing up to date information on current performance and the budget outlook over a medium-term period.

5.2 The mitigating factors put in place by this Council during the emergency budget process, and subsequent savings identified through financial monitoring, identified savings of around £1.5m. The updated General Fund revenue outturn position confirms a spend of £23.200m. Retained Business Rates income was originally budgeted at £7.287m, with the provisional outturn being £6.437m. When combined, these two variations result in a total adverse variation for the year as against the original budget of £4.856m. Government support of £6.472m has been received during the year; £4.235m through the Sales, Fees and Charges compensation

scheme, and £2.237m in general support funding. The Financial Monitoring reports presented through Cabinet during the year confirm the reasoning for the significant variations and the summarised position is shown within Appendix 2. The overall resultant balancing position allows for a transfer to Capital Programme reserves of £1.515m.

5.3 The original Capital Programme budget was set at £25.694m. This was increased via financial monitoring to take into account the scheme rephasing's from 2019/20 and updated for new requirements, including £5.25m for investment in economic regeneration and employment projects as well as £1.825m for Emergency Works to the sea wall at Milford. The Capital Programme outturn position confirms a spend for the year of £26.959m. This is a yearend variation in comparison to the revised budget of £279,000, and results in a total variation for the year as against the original budget of +£1.265m.

5.4 The updated Housing Revenue Account position confirms income for the year of £28.131m and revenue spend for the year of £19.818m. After a transfer to an earmarked reserve of £72,000, this results in an overall deficit for the year of £88,000, with this sum being transferred from the Acquisition and Development reserve.

5.5 The following table summarises the positions as explained above (although all stated positions are still subject to change during the course of External Audit):

	Original Budget	**Outturn Position**	**Total Variation**
	£'m	**£'m**	**£'m**
General Fund – Portfolio Budgets	19.194	23.200	4.006
General Fund – Business Rate Retention	(7.287)	(6.437)	0.850
General Fund – Financial Support	0.00	(6.472)	(6.472)
Capital Programme	25.694	26.959	1.265
Housing Revenue Account (Income)	(28.199)	(28.131)	0.068
Housing Revenue Account (Expend.)	19.726	19.818	0.092

6. CRIME & DISORDER / EQUALITY & DIVERSITY / ENVIRONMENTAL IMPLICATIONS

6.1 There are none arising directly from this report.

Further Information:

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Background Papers

The Corporate Plan 2020-2024
'Community Matters'
Cabinet 4 March 2020

April Financial Monitoring Report