



## Corporate Overview Group

Tuesday, 20 July 2021

## Finance and Performance Management Quarter 4 (Outturn)

### Report of the Director – Finance and Corporate Services

#### 1. Purpose of report

- 1.1. This report outlines the year-end (outturn) position in terms of financial and performance monitoring for 2020/21. This is linked to the closure of accounts process and previous financial update reports and includes the in-year variances along with variances resulting from Covid.
- 1.2. This draft Statement of Accounts has been prepared and was approved by the Director – Finance and Corporate Services by 30 June 2021. The financial element of the report is to be presented to Cabinet on 13 July 2021.
- 1.3. Due to additional work pressures as a result of Covid-19 the approval of the draft accounts is later than the usual date of 31 May. However, this is well within the statutory deadlines which have been extended as a result of the Covid-19 pandemic to publication of the draft financial statements 1 August 2021 with approval of the audited statements by 30 September 2021.
- 1.4. Performance updates have been provided during the year showing the impact of Covid and explaining under-performance for non-Covid indicators. Despite the real impact that the pandemic has had on services, most notably the operation of leisure and community facilities, there have been positive outcomes for other indicators like a reduction in reported crime and lower NoX emissions. Many indicators that have not met their target have only missed by a small margin and shows the efforts that have been made to ensure services continue to be provided with minimum disruption to our residents.

#### 2. Recommendation

It is RECOMMENDED that the Corporate Overview Group notes:

- a) the 2021/22 revenue position and efficiencies identified in **Table 1**, the Covid related variances in **Table 2** and the carry forwards in **Table 6**;
- b) the associated changes to the earmarked reserves as set out at **Appendix B** including the newly created Collection Fund Reserve as stated in paragraph **4.2**,
- c) the re-profiled position on capital and approves the capital carry forwards outlined in **Appendix C**;
- d) the update on the Special Expenses outturn and loan position at paragraph 4.13 and in **Appendix D**;

- e) the comments for performance exceptions and considers whether additional scrutiny is required – **Appendix F.**
- f) the progress to date of Strategic Tasks and endorses the removal of completed tasks and inclusion of four new emerging tasks in the Strategic Task Review – **Appendix G.**

### 3. Reasons for Recommendation

- 3.1. To demonstrate good governance in terms of scrutinising the Council's on-going performance and financial position.

### 4. Supporting Information

- 4.1 The Council is required to categorise its income and expenditure as either revenue or capital. The General Fund account deals with the Council's revenue income and expenditure, where spend is incurred on day to day expenditure or on items used within the year. Capital income and expenditure is included in the capital programme. The Financial Outturn, for both Revenue and Capital, is presented below.

#### Financial Monitoring – Revenue Outturn

- 4.2 The net revenue position in Table 1 below shows a transfer to reserves of £8.892m (originally planned to be a transfer to reserves of £1.859m (adjusted down to £1.59m to reflect carry forward commitments) a significant net increase of £7.302m. The majority of this transfer is due to a number of high value transactions in the year relating to Covid; £7.4m of Covid grants received; £4.7m of payments of Covid Business grants paid out and £5m of S31 Business Rates (National non Domestic Rates – NNDR) grants (related to additional Covid reliefs). Given the unique situation we are proposing to create a Collection Fund Reserve, the balance to be released in 2021/22 and 2022/23 to offset the deficit arising from the additional reliefs awarded in April 2020. Other variances include a reduction (£0.297m) in the net transfer from the Nottinghamshire NNDR Pool originally budgeted at £0.4m and net deficit on the revenue budget (£0.093m). The impact of Covid on the revenue budget has mostly been mitigated by in-year savings and service efficiencies (some of which are to be carried forward) and both are included in the overall net revenue deficit of £0.093m.

The main variances resulting from Covid are shown in Table 2.

**Table 1: Revenue Outturn Position**

	Original Budget £'000	Revised Budget £'000	Outturn	Variance
<b>Communities</b>	2,907	3,027	3,164	137
<b>Finance &amp; Corporate Services</b>	3,443	3,493	2,776	-717
<b>Neighbourhoods</b>	6,521	6,538	7,652	1,114

	Original Budget £'000	Revised Budget £'000	Outturn	Variance
<b>Transformation</b>	2	84	-357	-441
<b>Sub Total</b>	<b>12,873</b>	<b>13,142</b>	<b>13,235</b>	<b>93</b>
<b>Capital Accounting Reversals</b>	-2,131	-2,131	-2,131	0
<b>Minimum Revenue Provision</b>	1,000	1,000	1,000	0
<b>Total Net Service Expenditure</b>	<b>11,742</b>	<b>12,011</b>	<b>12,104</b>	<b>93</b>
<b>Covid Grant Expenditure</b>	0	0	4,647	4,647
<b>Grant Income (New Homes Bonus, S31 and Covid)</b>	-2,329	-2,329	-9,702	-7,373
<b>Business Rates (including SBRR)</b>	-3,984	-3,984	-8,952	-4,968
<b>Council Tax</b>	-6,991	-6,991	-6,991	0
<b>Collection Fund Surplus</b>	-444	-444	-147	297
<b>Total Funding</b>	<b>-13,748</b>	<b>-13,748</b>	<b>-21,145</b>	<b>-7,397</b>
<b>Surplus (-)/Deficit on Revenue Budget</b>	<b>-2,006</b>	<b>-1,737</b>	<b>-9,041</b>	<b>-7,304</b>
<b>Transfer from Reserves for Capital Expenditure</b>	147	147	149	2
<b>Net Revenue Transfer (-)to/from Reserves</b>	<b>1,859</b>	<b>1,590</b>	<b>8,892</b>	<b>-7,302</b>

- 4.3 The above table shows a positive outcome in what has been a difficult year. Service efficiencies and government Covid grants have mitigated losses and the improved outturn position enables the Council to continue to achieve its corporate objectives and support any future budget deficit position arising from legacy Covid issues. As reported in paragraph 4.15, £5.9m of the net transfer to reserves will be required to fund the Business Rates deficit in later years. The Council received £0.01m under the Tax Income Guarantee scheme (TIG) in relation to Council Tax deficits and will be transferred to reserves to be released to offset the deficit over the next three years. As agreed at Cabinet 10 November 2020, £0.2m will also be transferred to the Development Corporation Reserve bringing the total commitments to £6.2m. Carry forward requests are included in Table 6 at paragraph 4.11. The remaining surplus will be transferred to the Organisation Stabilisation Reserve to support future financial pressures.
- 4.4 Technical adjustments for the collection fund are made to account for entries that are required to be reported in the accounts but are reversed through reserves with no impact on the general fund. These accounting adjustments relate to Business Rates (£5.852m) and Council Tax (£0.053m).
- 4.5 The COVID 19 pandemic had a negative effect on the economic outlook at the end of March 2020 resulting in a reduction in value of the Council's Treasury Investments of £1.2m reported in the 2019/20 accounts. However as at 31st March 2021 this position had recovered by £1.1m. The previous reduction in value was charged to the revenue account in 2019/20 in accordance with statute and reversed through reserves. The increase in value is treated in the same way and therefore does not affect the bottom-line revenue position. Whilst the recovery of the investment values is positive, as expected for

assets held over a long period, there is still a risk that these values can fluctuate in response to market conditions, particularly with the continued uncertainty brought about by Covid.

**Table 2: Main Items Impacting on the Current Revenue Budget**

	<b>Pressure/(Saving) (£m) 2020/21</b>
<b>Reductions in income (i)</b>	<b>0.820</b>
Hire of Facilities	0.187
Car Parking	0.361
Council Tax Summons/Overpayments Recovered	0.082
Commercial Activity (eg loss of property income)	0.093
Other Lost Income (Licensing, Hostel, Arts and Events)	0.097
<b>Additional Costs (ii)</b>	<b>1.582</b>
Anti-social behaviour/PPE	0.038
Leisure	1.200
Waste Collection/Street Cleansing	0.193
Other Costs (EH enforcement, Overtime, equipment)	0.151
<b>Total Covid Related Budget Pressure (i + ii)</b>	<b>2.402</b>
Covid related savings (Furlough, NDR grants, events, printing, training, public transport, conferences)	(0.273)
Government funding (Contain and Leisure funding)	(0.522)
Government funding (General)	(2.726)
<b>Total additional funding/savings (iii)</b>	<b>(3.521)</b>
<b>Net Budget surplus (i+ii+iii = A)</b>	<b>(1.119)</b>
<b>In year costs/(savings) - :</b>	
<b>Total in-year net efficiency savings (B)</b>	<b>(1.514)</b>
<b>Net Revenue Efficiencies (A) + (B)</b>	<b>(2.633)</b>
Business Rates surplus	(4.968)
Nottinghamshire Business Rates Pool deficit	0.297
Transfer from Reserves for Capital Expenditure	2

<b>Net in year transfer to reserves</b>	<b>(7.302)</b>
<b>Reserve Commitments (see paragraph 4.3)</b>	6.200
<b>Carry Forwards (see table 6)</b>	0.910
<b>Total Net Projected Budget Variance</b>	<b>(0.192)</b>

- 4.6 As documented at Appendix A the financial position to date reflects a number of positive variances totalling £2.53m. These include staff efficiencies (£0.384m), Interest receipts and bank charges correction (£0.367m), savings relating to Covid restrictions and remote working (£0.273m) and saving on contingency (£0.157m). There are several adverse variances totalling £2.823m. The majority of the adverse variances arise from additional payments to Parkwood – leisure services (£1.2m), lost income from community facility hire (£0.187m), agency costs (£0.198m), and reduced car parking income (£0.361m). These losses have prevailed throughout the year and have been reported on to Cabinet in previous update reports.

### **Business Rates**

- 4.7 The Council ensured that applicable business rates reliefs were applied, including Covid related reliefs, resulting in 926 businesses benefitting from over £11m of additional rates relief.

**Table 3: Business rates Relief**

	<b>Value of relief awarded</b>	<b>Number of businesses</b>
<b>Covid Related Relief</b>		
<b>Extended Retail Relief</b>	£10,804,300	847
<b>Childcare Relief</b>	£319,368	38
<b>Total</b>	<b>£11,123,668</b>	<b>885</b>
<b>Other Relief</b>		
<b>Supporting Small Businesses</b>	£34,903	27
<b>Flood Relief</b>	£5,265	3
<b>Local Discretionary Scheme</b>	£7,616.00	10
<b>Newspaper Relief</b>	£316	1
<b>Total</b>	<b>£48,100</b>	<b>41</b>
<b>Total Relief</b>	<b>£11,171,768</b>	<b>926</b>

- 4.8 The Council has also administered a number of grants to support the local economy and these were referenced in the Covid update report to Cabinet in February 2021. The table below shows the funding received as at 31 March 2021. Grant underspend is generally a result of the Council receiving more

resources than it needed (given the Government, when estimating resources, would have been unsure of demand).

**Table 4: Covid related grants**

<b>Grant Name</b>	<b>Grant (£)</b>	<b>Spend (£)</b>	<b>Balance (£)</b>
<b>Retail/Discretionary</b>	(20,417,250)	19,347,460	(1,069,790)
<b>Local Restrictions closed Grants 16 February to 31 March</b>	(2,056,060)	1,432,439	** (623,621)
<b>Local Restrictions Grants (closed) addendum</b>	(1,308,402)	900,624	(407,778)
<b>LRSO Closed</b>	(48,352)	66,733	18,381
<b>Wet led pubs</b>	(44,800)	45,000	200
<b>T3 Closed December</b>	(625,454)	416,859	(208,595)
<b>Closed Lockdown</b>	(3,924,000)	2,782,000	(1,142,000)
<b>LRSO Closed Addendum (January)</b>	(1,962,603)	1,391,451	(571,152)
<b>Local restrictions support grant open</b>	(221,446)	219,000	(2,446)
<b>Additional Restrictions Grant</b>	(3,442,398)	3,443,750	1,352

<b>Grant Name</b>	<b>Grant (£)</b>	<b>Spend (£)</b>	<b>Balance (£)</b>
<b>Open December</b>	(27,557)	11,669	(15,888)
<b>Winter Food Grants</b>	(23,800)	22,700	(1,100)
<b>Contain Outbreak Management</b>	(248,771)	168,124	** (80,647)
<b>Opening High Streets Safely</b>	(55,650)*	55,650	0
<b>Hardship Funding</b>	(515,389)	514,850	(539)
<b>Total</b>	<b>(34,866,282)</b>	<b>30,818,309</b>	<b>(3,399,355)</b>

\*£106,200 was the maximum amount awarded based on actual expenditure incurred and revised to £55,650 based on actual spend.

\*\*£704,268 balances that can be carried forward to 2021/22. Other balances are where schemes have closed and cannot be carried forward.

### **Test and Trace**

- 4.9 During 2020/21 the Council helped to help support individuals who were self-isolating and on low incomes and cannot work from home with £500 payments from government funding. The table below shows the funding and expenditure up to 31 March 2021. The scheme and funding have now been extended until 30 June 2021 and now includes parents and carers of children who have to isolate.

**Table 5: Test and Trace**

	Discretionary	Main	Administration
<b>Funding £</b>	75,500	59,000	24,464
<b>Paid £</b>	20,000	38,500	N/A
<b>Number</b>	41	80	N/A

## Reserves

4.10 There are a number of movements in Reserves largely agreed as part of the budget setting process and budget monitoring for 2020/21. The overall net movement on reserves is of £8.892m detailed at **Appendix B**. This comprises £9.041m from surplus revenue outturn and £149k relating to capital reserves movements. The key points to note are:

- There are a number of ‘transfers out’ or use of reserves totalling £2.369m including: £1.077m from the New Homes Bonus reserve, £1m of which is to offset the Minimum Revenue Provision (MRP) arising from internal borrowing to fund the Arena and Cotgrave Masterplan;
- £0.319m is transferred out from the Organisation Stabilisation Reserve. £82k meets the Positive Futures grants; £51k released to meet revenue 2019-20 carry forward commitments and the balance to meet the revenue budget deficit.
- There are a number of ‘transfers in’ totalling £11.261m that increase reserves. Significant items comprise: £2.311m New Homes Bonus receipts; £2.227 net efficiencies and Covid related grants; Collection fund surplus £5.99m relating to reimbursement of additional reliefs given to businesses in April 2020.
- The New Homes Bonus (NHB) Reserve balance of £8.420m is largely earmarked to fund internal borrowing in relation to capital projects such as the Arena and Cotgrave Masterplan;
- The Collection Fund Reserve balance of £5.99m is earmarked to offset the NDR deficit in 2021/22 of £4m and in 2022/23 of £2m.
- Overall, whilst the level of Earmarked Reserves is a healthy £22.365m, there are risks going forward in terms of the continuing financial pressures from COVID 19, uncertainty regarding Fairer Funding and Business Rates systems and further reductions and commitments from reserves to capital projects. This includes the repayment of internal borrowing for the Arena and Cotgrave Masterplan, which was reliant on NHB receipts and these are predicted to cease at the end of 2022/23.
- The General Fund balance of £2.604m accords with the Council’s approved Medium-Term Financial Strategy.

## Revenue carry forward requests

- 4.11 The Council is committed to growing the Borough, ensuring it maximises available opportunities, particularly linked to the impact of both growth and the economic recovery of the borough, following the pandemic. Below are the requests for the use of reserves in 2021/22 (from 2020/21 efficiencies), for both supporting the recovery process and delivery of the Council's priorities totalling £0.910m detailed in table 6 below.

**Table 6: Revenue Budget Carry Forward Requests**

<b>Edwalton Golf Course feasibility and Masterplan</b>	300,000
<b>Development Corporation</b>	100,000
<b>External Audit increased costs</b>	10,000
<b>Trunk Road cleansing</b>	30,000
<b>Car Parking – Free After 3</b>	30,000
<b>Legal external support</b>	20,000
<b>East Leake LC contract</b>	20,000
<b>Test and Trace unspent provision</b>	55,000
<b>Economic Development Growth Board</b>	44,000
<b>Financial Services Support</b>	30,000
<b>Covid Memorial</b>	24,000
<b>Planning Enforcement Review Funding</b>	20,000
<b>Refuse Collection (net allocation)</b>	75,000
<b>Levelling Up Funding Bid</b>	10,000
<b>Shop Front Grants</b>	6,000
<b>General Contingency (mainly 1.5% potential pay award)</b>	136,000
<b>Total</b>	<b>910,000</b>

## Capital

- 4.12 The year-end Capital Programme provision totalled £16.130m (see Table 7 and Appendix C). Actual expenditure in relation to this provision totalled £9.306m (71% of the budget) giving rise to a variance of £6.824m, £6.682m of which is recommended to be carried forward. This position is as expected and as reported throughout the year. Significant commitments have been made with regard to Bingham Hub, Crematorium and Gresham Pitches and 3G lighting (as some of the more significant projects in the programme) among other capital projects. The wider issues surrounding the Covid pandemic has impacted upon the delivery of some of the schemes and as a result there has been some slippage. The projects have now commenced with the majority of the work expected to be completed in 2021/22. The Capital Programme will be further updated with the revised budget position at September Full Council.



The main variations are as follows:

- Gresham Pitches and 3G lighting £1.258m – to meet contract commitments early 2021/22
- Bingham Leisure Hub and Offices £2.240m – to meet planned expenditure in line with projected cash flow
- Cotgrave Regeneration Scheme Phase II £0.477m – enhancements to the second phase of shops continues into 2021/22;
- The Crematorium £0.512m – to meet committed design costs
- Support for Registered Housing Providers £0.612m as officers continue to explore options for the delivery of affordable housing.

**Appendix C** highlights the main variances and summarises the carry forward amounts (£6.682m); efficiency savings (£0.292m); overspends (£1k); and acceleration (£0.149m).

**Table 7 Capital Summary**

<b>CAPITAL PROGRAMME MONITORING - MARCH 2021</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Transformation</b>	6,471	3,241	(3,230)
<b>Neighbourhoods</b>	2,333	897	(1,436)
<b>Communities</b>	2,087	229	(1,858)
<b>Finance &amp; Corporate Services</b>	5,089	4,939	(150)
<b>Contingency</b>	150	0	(150)
	<b>16,130</b>	<b>9,306</b>	<b>(6,824)</b>
<b>FINANCING ANALYSIS</b>			
<b>Capital Receipts</b>	(7,829)	(7,600)	229
<b>Government Grants</b>	(1,702)	(1,519)	183
<b>Use of Reserves</b>	(452)	(149)	303
<b>Grants/Contributions</b>	(573)	(38)	535
<b>Section 106 Monies</b>	(1,271)	-	1,271
<b>Borrowing</b>	(4,303)	-	4,303
	<b>(16,130)</b>	<b>(9,306)</b>	<b>6,824</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>

4.13 Appendix D shows the Outturn position on the Special Expenses budget. Budgets within the Special Expenses area have been impacted by Covid,

particularly on the loss of income from hire of venues and bar sales. These losses are included in the net budget deficit of £0.093m. The Special Expenses outturn budget deficit for West Bridgford is £0.060m. This deficit is net of a proportion of Covid Government funding received by the Council as reimbursement for lost sales, fees and charges income. As agreed by the West Bridgford Community Infrastructure Levy (CIL) and Special Expenses Group on 25 September 2020, the overall cumulative net deficit at 31st March 2021 will be repaid by way of a loan and included in the budget setting for 2022/23. The total net deficit as at 31 March 2021 is £0.087m comprising of an opening deficit of £0.027m and the in-year deficit of £0.060m. The budgets are set using estimates and the timing of expenditure can result in variances against the budget and has resulted in the £0.027m deficit.

### **Covid-19 Update**

- 4.14.1 The Council has remained in close dialogue with its leisure providers throughout the pandemic and the support package and financial implications reported to Cabinet throughout the year. At 31 March the total cost to the Council was £1.2m. The Council, in conjunction with Parkwood, submitted and was successful in an application to the National Leisure Recovery Fund for support of £0.226m toward the financial losses incurred. The net losses to the Council stand at £0.974m. Projections indicate that the Parkwood leisure budget should recover for 2021/22.
- 4.14.2 RBC currently pay East Leake Schools Ltd (ELSL), an annual management fee of £187k in respect of Leisure Management services, inclusive of all utility and operating costs for East Leake Leisure Centre. There has been a dispute over historic utility costs and as a consequence a historic claim of £78k has been agreed and the annual budget going forward will need to be increased by £20k. For which the 2021/22 expected uplift is included as a carry forward request in table 6.
- 4.15.1 The 2020/21 NDR position estimated in January 2021 (and on which the 2021/22 budget was set) was a deficit of £4m resulting from additional Covid-related reliefs issued in April 2020. The outturn position at 31 March now stands at £5.9m deficit due to increased risk surrounding appeals and consequently an increase in provisions. Due to statutory accounting arrangements the deficit will not affect the general fund until 2021/22 (£4m estimated in January 2021) and in 2022/23 (difference between the outturn position of £5.9m and the estimated £4m). During 2020/21, the Council were reimbursed the equivalent of the additional reliefs by way of S31 grants which is included in the NDR surplus of £5m in Table 1. As explained in paragraph 4.2 this will be appropriated to the Collection Fund Reserve to smooth the above effects of the deficit in later years.
- 4.15.2 The in-year Council Tax deficit at 31 March 2021 was £0.144m (estimated at £0.147m in January) and as per statutory accounting arrangements this will be spread over 3 years (2021/22 to 2023/24). The Council is eligible for Council Tax Income compensation of £0.138m to offset this. However, this will

be accounted for in 2020/21 and will therefore be appropriated to the collection fund reserve to be released to offset the deficit over the three years.

- 4.16 The Council has received payment to date of £0.447m from the income reimbursement scheme announced by government in July with a further £0.233 expected for the period December to March bringing the total to £0.68m (subject to final reconciliation adjustments). The scheme reimburses local authorities for 75% lost income from sales fees and charges after the Council has absorbed 5% of the losses. A proportion of the total reimbursement has been allocated to the Special Expense fund to support the lost income from closure of facilities in the West Bridgford area (see paragraph 4.13).

### **Financial Outturn Conclusion**

- 4.17 The financial impact of Covid has been significant and is likely to continue into 2021/22 and beyond. Many other uncertainties prevail which also continue to present significant financial challenges. The Comprehensive Spending Review and both the business rates revaluation and the Fairer Funding reviews which were due to take place in 2020/21 and are now postponed. They were expected in 2021 but this looks increasingly unlikely. Uncertainty over resource allocations will make financial planning even more challenging.
- 4.18 A healthy position on reserves is necessary to insulate the Council against significant financial risks, enabling it to withstand short-term financial shocks. The Covid 19 pandemic has demonstrated how vital a healthy reserves position is to the Council's financial resilience and positively, our position remains stable which enables the Council to deliver its ambitions to improve services, and invest and grow the Borough and support its environmental objectives. A number of commitments, both revenue and capital, are identified in the report to be resourced from the improved reserve position, particularly linked to the Council's growth agenda.
- 4.19 The year-end Financial Statements are subject to audit by Mazars and will be considered by the Governance Scrutiny Group in September 2021.

### **Performance Monitoring – Strategic Scorecard**

- 4.20 Throughout the year, some of the COVID-19 impacted services have not been able to operate at full capacity due to the requirements to operate a COVID secure service. Measures to combat the spread of Coronavirus had an effect on performance. This effect was negative in some cases but also positive in others, whilst there were performance measures that were below 2019-20 levels others improved. These variances were a result of the impact of the measures in place to combat the pandemic and are not expected to form a long-term trend.
- 4.21 The Strategic Scorecard outturn summary table below shows that there were no exceptions to report for strategic tasks and only six performance indicators falling below target, all of these were Covid-affected measures that will start to

recover once the full effect of lifting the national lockdown is realised. The Covid indicators should be treated in a national context. For example, we now know that for Council Tax we have the 3rd best collection rate in the country and the best collection rates in both the East Midlands and Nottinghamshire. For Business Rates we have the 6<sup>th</sup> best rate in the country, the 3<sup>rd</sup> best in the East Midlands and best in Nottinghamshire.

EFFICIENT SERVICES				ENVIRONMENT				
<b>Strategic Tasks</b>				<b>Strategic Tasks</b>				
2	2	0	0	2	1	0	0	
There are no task exceptions this quarter.				There are no task exceptions this quarter.				
<b>Performance Indicators</b>				<b>Performance Indicators</b>				
1	0	1	3	0	1	1	1	1
Performance Exception (COVID) LIFCS15 Value of savings achieved by the Transformation Strategy against the programme at the start of the financial year  Explanations are provided in the appendix.				Performance Exception (COVID) LINS23 Residual waste collected per household, in kilos  Explanations are provided in the appendix.				






QUALITY OF LIFE				SUSTAINABLE GROWTH				
<b>Strategic Tasks</b>				<b>Strategic Tasks</b>				
1	4	0	0	1	5	0	0	
There are no task exceptions this quarter.				There are no task exceptions this quarter.				
<b>Performance Indicators</b>				<b>Performance Indicators</b>				
1	0	3	1	6	1	1	2	6
Performance Exceptions (COVID) LICO64 Number of pavilion, community hall and playing field users  LICO66 Percentage usage of community				Performance Exceptions (COVID) LITR36 Percentage of new homes at the Land North of Bingham completed  Explanations are provided in the				

QUALITY OF LIFE	SUSTAINABLE GROWTH
facilities  LINS51 Number of leisure centre users – public  Explanations are provided in the appendix.	appendix.

Further details and a key of symbols are shown in **Appendices E and F**.

### Performance Monitoring – Operational Scorecard

4.22 The Council’s operational business is also monitored, and 38 measures make up the Operational Scorecard.

Operational Scorecard – Performance Indicators				
 23	 2	 5	 5	 3
<p>There are five performance exceptions to report, two are COVID performance indicators and three are non-COVID.</p> <p><b>Performance Exceptions (COVID)</b>            LINS06 Cumulative number of fly tipping cases (against cumulative monthly comparison for last year)             LINS25 Number of households living in temporary accommodation</p> <p><b>Performance Exceptions (non-COVID)</b>             LICO41 Percentage of householder planning applications processed within target times             LIFCS56 Percentage of visitors satisfied by their website visit             LINS19a Number of household waste collection (residual, dry and garden) missed twice or more in a 3-month period</p> <p>These indicators have been identified as exceptions. Explanations are provided in <b>Appendix F</b>.</p>				

## **5 Risks and Uncertainties**

- 5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both Councillors and the Council's external auditors.
- 5.2 The transfer of the net surplus to reserves will support the budget deficit created by additional business rates relief issued in 2020/21. Carry forward of budget efficiencies will assist the Council to meet its priorities to support and grow the borough. A healthy reserves position is essential to provide resilience against continued pressures and uncertainty from COVID 19 and other risks.
- 5.3 Business rates is subject to specific risks given the volatile nature of the tax base with a small number of properties accounting for a disproportionate amount of tax revenue, notably in Rushcliffe, Ratcliffe-on-Soar power station. Furthermore, changes in central government policy influences business rates received and their timing, for example policy changes on small business rates relief.
- 5.4 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use reserves to support projects where there is 'upside risk' or there is a change in strategic direction. The Council continues to ensure it is financially resilient at this most difficult of times.

## **6 Implications**

### **6.1 Financial Implications**

Financial implications are covered in the body of this report.

### **6.2 Legal Implications**

The Council is required to have adequate procedures in place for financial and performance management and this report fulfils that requirement.

### **6.3 Equalities Implications**

There are no equalities implications connected to this report.

### **6.4 Section 17 of the Crime and Disorder Act 1998 Implications**

There are no Section 17 implications connected to this report.

## **7 Link to Corporate Priorities**

Quality of Life	Successful management of the Council's resources can help the Council deliver on its goals as stated in the Corporate Strategy and monitored through this quarterly report
Efficient Services	
Sustainable	

Growth	
The Environment	

## 8 Recommendations

It is RECOMMENDED that the Corporate Overview Group notes:

- a) the 2021/22 revenue position and efficiencies identified in **Table 1**, the Covid related variances in **Table 2** and the carry forwards in **Table 6**;
- b) the associated changes to the earmarked reserves as set out at **Appendix B** including the newly created Collection Fund Reserve as stated in paragraph **4.2**,
- c) the re-profiled position on capital and approves the capital carry forwards outlined in **Appendix C**;
- d) the update on the Special Expenses outturn and loan position at paragraph 4.13 and in **Appendix D**;
- e) the comments for performance exceptions and considers whether additional scrutiny is required – **Appendix F**.
- f) the progress to date of Strategic Tasks and endorses the removal of completed tasks and inclusion of four new emerging tasks in the Strategic Task Review – **Appendix G**.

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<b>Background papers available for Inspection:</b>	
<b>List of appendices:</b>	Appendix A – Revenue Variance Explanations 2021/22 Appendix B – Movement in Reserves 2021/22 Appendix C – Capital Programme Summary 2021/22 Appendix D – Special Expenses Monitoring 2021/22 Appendix E – Corporate Scorecard Tasks Appendix F – Performance Indicators Appendix G – Corporate Strategy 2019-23 Strategic Task Review