

Report to Overview and Scrutiny Committee

Date of meeting 23 November 2020

By Director of Corporate Resources

INFORMATION REPORT

Not exempt



Horsham
District
Council

REPORT ON THE COUNCIL'S FINANCE AND PERFORMANCE IN 2020/21

Executive Summary

This report gives the Overview and Scrutiny Committee information to help it carry out its role of monitoring the internal and external delivery of services. The Council uses corporate performance indicators, financial reporting, monitoring of corporate plan actions and review of progress against key corporate projects to show progress.

An analysis of performance indicators shows 57% within target and 14% close to target, and 29% below target. The continued impact of COVID-19 can be seen in a number of those KPIs where targets have not been met, especially those related to Leisure and Culture and Parking.

The financial performance is forecast at Month 7 of the 2020/21 financial year. Officers currently forecast a year-end revenue deficit of £5.4m.

Income remains significantly affected by the impact of Covid-19, with parking being particularly affected. This together with the contractual expenditure obligations in leisure services make up around three quarters of the forecast overspend. The forecast has been disrupted further by the November 2020 national lockdown, although to a lesser extent than earlier in the year. Officers across the Council are working through general service actions to limit expenditure to improve the position before the year-end, including revisiting all expenditure and income items within the budget and forecast. Longer term work has commenced on the restructure of some services to bring forward longer term efficiencies, most notably at the Capitol and Museum, but also to a number of service areas across the Council.

Capital expenditure at Month 7 was £3.4m (39%) of the £8.8m capital programme, which was reduced in size in July 2020 to focus on essential projects and those with a financial return. By comparison, spend on capital was £5.8m (27%) of the £21.2m programme at same period in 2019/20. An outturn of £6.8m or 77% is forecast by officers. The impact of Covid-19 continues to subdue some capital expenditure and officers remain generally over-optimistic on delivery of the capital programme during the year.

Although impacted by COVID-19 work still continues on key tracked projects and Corporate Plan actions. Work on the Green agenda is making good progress, aspirational targets have been approved and a short term action plan agreed to support the work towards becoming carbon neutral. A grant scheme for local green projects was launched in July 2020 with first awards to be made in November 2020. The phase IV extension of Oakhurst Business Park with an additional two units has now completed, and Property and Facilities are converting the interest in letting into leases. Horsham Park has been recognised by the prestigious international Green Flag Award Scheme as one of the best green spaces in the UK, achieving the highest international standards demanded by the Green Flag Award.

Recommendations

It is recommended that Members note the contents of this report.

Reasons for Recommendations

To enable Overview and Scrutiny to carry out its Constitutional role of monitoring the delivery of internal and external services and scrutinise any part of the Council's work.

Consultation: Senior Leadership Team, Cabinet Members. Director of Corporate Resources

Wards affected: All

Contact: Jane Eaton, Corporate Director of Resources. 01403 215302

Background Papers:

Appendix A: Key performance indicators Q2

Appendix B: Budget monitoring and forecast outturn summary April 2020 to October 2020

Appendix C: Capital budget monitoring and forecast outturn at M7

Appendix D: Revenue budget monitoring and forecast outturn at M7

Appendix E: Corporate Plan update Q2

