

South Northamptonshire Council

Scrutiny

2 December 2020

Quarterly Performance, Risk and Finance Report – September 2020

Report of Assistant Director: Performance and Transformation and Assistant Director: Strategic Business Partner and Deputy Section 151 Officer

This report is public

Purpose of report

This report summarises the Council's Performance monitoring position as at the end of the reporting month.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance Monitoring Report.
- 1.2 To note that the Performance, Risk and Finance Monitoring Report is considered by Cabinet on a quarterly basis.
- 1.3 To review and comment on the performance update (Appendix 2)

2.0 Summary and Introduction

- 2.1 A summary of the key finance, performance and risks highlighted in this report is shown below.

Finance summary

- 2.2 The enclosed Finance report details the financial results for the end of September 2020 and forecasts the outturn for 2020/2021. The report also incorporates the effect of the Covid-19 Pandemic.

This period shows a revenue outturn position, surplus of (£9k), however this deficit includes costs for Covid-19 total directorates £2,171k, executive matters £3,912k, grant funding (£1,663k), Business Rates (£3,847k) and draft surplus 2019/2020 (£530k). After excluding the Covid-19 costs this would have resulted in an outturn position of a surplus of (£52k) against the 2020/2021 budget. The movement explaining the decrease in the deficit of (£561k) compared with the previous month

is due to several factors which are listed below in Table 1. The majority of this reduction relates to further grant funding by Central Government for Sales, Fees & Charges and Leisure. SNC submitted its first claim for this grant at the beginning of October and this and a forecast for the rest of the year has been included in the September results which significantly helps to mitigate the deficit position.

In determining the effects on the SNC finances of the Covid-19 pandemic the finance team have worked with the various directorate managers assessing the additional costs that the pandemic has created. Presently it is anticipated that most of these costs would have been incurred in the first six months of this financial year and this is reflected in the results shown below.(Table 4) The finance team have carried out an exercise to determine the additional cost to the Council if a further lockdown was implemented by Central Government. The additional worst-case cost would be £571k. A table showing best, worst and realistic scenarios is shown below Table 4.

This month the report has identified risks and opportunities which is set out below. All services are continually reviewing their forecasts to identify savings and efficiencies which may mitigate some of the risks being identified. Details of risks and opportunities are detailed in Table 3 below. These will be monitored closely leading up to the financial year end.

- 2.3 The capital programme of £5.4m for 2020/2021 is detailed in this report (Table 6) and incorporate budgets carried forwards of £3.1m from 2019/2020 which were approved by Council on 22 July 2020. Due to the Covid-19 pandemic the capital projects 2020/2021 completion times are being reviewed monthly to ensure that they are still accurate. A full review of all capital projects will be undertaken in October.

Performance and Risk summary

- 2.4 Performance has been impacted upon by Covid-19. There are six performance indicator (PI) exceptions as a result.
- 2.5 Council Tax collection remains challenging. Recovery has now recommenced with the first reminders being sent in October, in smaller batches than normal. This will help improve performance in October. At the end of September, we have achieved a cumulative collection rate of 57.14% against a target of 58.75%, however in-month collection in September increased by £200k.
- 2.6 Business Rate collection was a cumulative 52.78% at the end of September against a target of 57%. The first summonses for non-payment were issued last month seeing an increase of £200k income collected in-month. We are continuing to proactively pursue overdue accounts.
- 2.7 During the last quarter, although housing application processing performance remains below target it has improved significantly. In quarter 1 we were processing 39% of these within target, this has now risen to 65% (in quarter 2 we received 115 applications and of the 60 processed some 39 were dealt with within 20 working days).
- 2.8 Our promotion of environmental sustainability has been delayed by covid and remains green for YTD albeit amber for September. An update report and mitigations were taken to the Scrutiny Committee in October.

- 2.9 Leadership risks remain under control as robust action continues to be taken to mitigate risk, including additional actions across all areas to respond to Covid related pressures. The Leadership Risk Register (attached as Appendix 3) now shows specific actions taken in respect of covid pressures.
- 2.10 With approval of the Local Plan, risk L04 “Local Plan – Failure to ensure sound local plan is submitted on time”, this risk has been deleted.
- 2.11 Risk L03 “Lack of management capacity” has had its residual risk score increased from low risk (a score of 4) to medium risk (a score of 12) reflecting appointments of senior Council Officers to roles in the unitary authority. Additional capacity will be sought should pressures be caused by this change.

Introduction

- 2.12 The following sections explain the purpose and structure of this report. The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis.
- 2.13 This report provides an update on progress made so far in 2020-21 to deliver the Council's priorities through reporting on performance, the Leadership Risk Register and providing an update on the financial position.
- 2.14 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2020-21 business plan and the priorities of the Council. These measures and key performance indicators are reported on a quarterly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.15 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 2.16 The Report details section is split into three parts:
- Performance Update
 - Leadership Risk Register Update
 - Finance Update
- 2.17 There are four appendices to this report:
- Appendix 1 – 2020-21 Business Plan
 - Appendix 2 – Monthly Performance Report
 - Appendix 3 – Leadership Risk Register
 - Appendix 4 – Capital Programme

3.0 Report Details

Performance Update

3.1 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2020-21 Business Plan (Appendix 1) and the priorities of the Council.

3.2 The 2020-21 business plan sets out priorities:




Our external focus:

- Thriving communities and wellbeing
- Protected clean and green
- District of opportunity and growth

Our internal focus:

- A well-run Council
- A great place to work
- Building a bright future (of the West Northamptonshire Council)

3.3 This report provides a summary of the Council's performance in delivering against each strategic priority. To measure performance a 'traffic light' system is used as shown in the table below. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

Colour	Symbol	Meaning
Red		Significantly behind schedule / worse than target
Amber		Slightly behind schedule / target
Green		Delivering to plan / on or ahead of target

Priority: Protected, Green and Clean

3.4 The Council is committed to protecting the natural environment and ensuring the character of the district is preserved and enhanced. Our commitment includes working to ensure the district has high standards of environmental cleanliness and greater waste and recycling services. Maintaining the district as a low crime area is another key part of this priority and the Council is committed to working in partnership to deliver against this objective.

3.5 Overview of our performance against this strategic priority:



Picture shows climate change challenge logo

Stitch-up your clothes this September and help reduce your carbon footprint. With the textiles industry said to be responsible for around 10 per cent of global greenhouse gas emissions, South Northamptonshire Council (SNC) is challenging residents to take part in Stitch-up September as part of their efforts to combat climate change. SNC's Climate Change Challenge has been running since April. This month the focus is to raise awareness of the textile industry's carbon footprint by encouraging residents to consider their fashion choices and do what they can to extend the life of their clothes. Cllr Dermot Bambridge, SNC's portfolio holder for environmental services, said: "In recent years we have seen the rise of what is referred to as 'fast fashion'.

Where clothes are produced at such high volumes and at such low costs that they have lost their value and become disposable in many people's eyes. "This has led to around 350,000 tonnes of clothing being sent to landfill in the UK every year. "The textiles industry is responsible for around 10 per cent of all global greenhouse gas emissions, as well as around 20 per cent of all waste water. The carbon footprint of the textiles industry is larger than that of aviation and shipping combined." Most of these emissions come from producing the raw materials.

For example, through agricultural processes to produce crops such as cotton, or through the extraction and processing of oil to produce synthetic materials such as polyester. Other emissions come from cutting, sewing, packing and transporting clothes. Then once clothes have been bought, washing, drying and eventually disposal, all contribute to the total environmental impact of clothes. Cllr Bambridge adds: "Extending the useful life of our clothes is one way we can reduce this impact. By keeping clothes in use for just three months longer, you can reduce the carbon, water and waste footprint of your clothes by around five to 10 per cent. "Making your clothes last longer not only helps the environment but also saves money. Also think about what you do with old clothes before throwing them away; if you no longer need them and they are still wearable put them in a charity clothes collection or take them to a charity shop - you may also be helping someone at the same time." The campaign aims to highlight how making smarter fashion choices can have less impact on the environment. From repairing or upcycling existing items to buying better quality clothing that lasts longer, or swapping clothes with family and friends to buying second-hand, there are many ways residents can reduce their own carbon footprint. For more information and tips on how to get involved with Stitch-up September, follow SNC on Facebook and Twitter or visit the website – www.southnorthants.gov.uk/climatechangechallenge.

Picture shows Green Homes Grant Scheme logo

Council backs new Green Homes Grant scheme offering up to £5,000 for home improvements.



Vouchers worth up to £5,000 will be issued to eligible homeowners across South Northamptonshire to make their homes more energy efficient under a new government scheme being launched at the end of September. South Northamptonshire Council (SNC) is encouraging eligible homeowners to apply to the Green Homes Grant scheme, which could help pay for environmentally friendly home improvements such as heating controls and insulation or double and triple glazing. Cllr Karen Cooper, portfolio holder for wellbeing, said: “This is a welcomed announcement from the Government, that we are pleased to support. “Green home improvements will not only help many residents cut carbon emissions and save money on their energy bills but will create work for many thousands of builders and tradespeople across the district. “The government will provide a voucher that covers up to two thirds of the cost of qualifying home improvements. The maximum value of the voucher is £5,000. However, you may be able to receive up to £10,000 if you or a member of your household receives a qualifying means-tested benefit.” To obtain a voucher, homeowners will have to make an online application detailing the energy efficiency measures they wish to carry out. Registration for a voucher will open late September 2020 at www.simpleenergyadvice.org.uk. Cllr Cooper added: “Although we are yet to hear from the Government when registration will be open, we would like to encourage those who are eligible to start thinking about their application.

The Simple Energy Advice website is currently open for potential applicants to complete a pre-checker and to approach trust mark businesses to get estimates ready for when the online application is ready to go live.” The measures will be split into two categories: primary and secondary. Homeowners must install at least one measure from the primary category to qualify for the vouchers. Potential applicants can visit www.northantswarmhomes.com/green-home-grants-your-guide for further information on the categories and to check their eligibility. Once homeowners have applied, their details will be forwarded to accredited local suppliers.

Once one of the suppliers has issued a quote, and the requested work has been approved, the Government will issue the voucher. Further information from Government can be found on the Department for Energy & Industrial Strategy website - <http://bit.ly/GovGreenHomes>.

Priority: Thriving Communities and Wellbeing

3.6 The Council is committed to supporting our communities to thrive and to promoting the wellbeing of our residents. This priority includes supporting health and wellbeing, improving leisure facilities and delivering leisure activities and working in partnership with voluntary organisations to deliver services in a manner that safeguards children, young people and vulnerable adults. Another key aspect of this priority is preventing homelessness, the delivery of affordable housing and improving the condition of residential properties.

3.7 Overview of our performance against this strategic priority:

Number of housing applications processed within 20 working days is red for the month and YTD. During Q2 115 housing applications were received. 60 applications were processed, which determined eligibility and qualification for the housing register.

Of the 60 applications processed, 39 were processed within 20 working days, this equates to 65% of applications processed.

Deliver a range of affordable homes (quarterly measure) is Amber for the quarter and YTD. During Q2, there were 36 new affordable housing dwellings delivered. This included 31 for rent and 5 for shared ownership.

The developments where this new delivery took place, include:

- Brackley, Radstone Fields - 7 affordable homes.
- Harpole, Larkhall Lane - 3 affordable homes.
- Towcester, Burcote Road - 6 affordable homes.
- Towcester South - 9 affordable homes.
- Wootton Field - 11 affordable homes.

Percentage of Council Tax collected is reporting Amber for September and for YTD. We have achieved a cumulative collection rate of 57.14% against a target of 58.75%. The shortfall equates to approx. £1.1m, however in month collection has increased by just over £200k this month. We are due to commence our first recovery run of 2020/21 by issuing reminders during October, we will be issuing smaller batches of reminders in accordance with guidance from the Magistrates Court and whilst the numbers issued are vastly reduced the reminders should result in an increase in Octobers in month collection. We will continue to signpost customers to relevant organisations should they have been adversely affected by the pandemic.

Percentage of Business Rates collected is Green for the month and Amber for YTD. We have achieved a collection rate of 52.78% as at end of September against a target of 57%. Whilst the collection rates are still short of our cumulative target, the shortfall reduced from just under £839k last month to just over £698k this month. We issued summonses during September which has meant that the amount of income received increased by £200k in September from the previous month. We will continue to monitor accounts with large overdue balances and will proactively chase debtors via email and telephone calls as well as issuing formal reminder notices, final notices and summonses to prompt payment.

Priority: District of Opportunity and Growth

3.8 The Council is committed to developing the local economy, promoting inward investment and delivering sustainable growth. This priority also contributes towards making great places to live, work, visit and invest through economic development and working in partnership to deliver strategic transport infrastructure projects.

3.9 Overview of our performance against this strategic priority:

Promote inward investment & business growth is reporting Green for the month and YTD. The Economic Growth team continue to support South Northamptonshire businesses during Covid-19, ensuring the dedicated Covid-19 page on the SNC

Website is kept updated with the latest information, guidance, support and free webinars available through SEMLEP's Growth Hub and the University of Northampton.



Picture of the winning home

Council takes home building excellence award. South Northants Council (SNC) was announced the winner of the Best Individual New Home Award and was commended in the Best High-Volume New Housing Development category at this year's prestigious Local Authority Building Control (LABC) Awards. The LABC Regional Building Excellence Awards take place each year

to celebrate building works undertaken across the UK and recognise excellence in both technical work and people within the building industry. SNC received the Best Individual New Home Award in recognition of a unique new build house in Gayton, which was designed by M Square Architects Ltd and built by Cornerhouse Building Contractors Limited. Councillor Phil Bignell, Portfolio holder for Planning said: "Receiving this award is a fantastic achievement. The LABC focus on the very best in technical innovation and construction quality, both of which we take huge pride in with all our new developments in the district." Mark Bettes, the owner of Cornerhouse was present throughout the construction of the house in Gayton, from initial meetings with structural engineers, through to concreting and drainage works. Mark said: "We are delighted that this project has won this award. We are very proud of the standards of construction and workmanship achieved on the site which have resulted in a beautiful individual home. We were impressed with the support and guidance we received from SNC throughout and hope to work with them again on other projects in the future." South Northants Building Control worked with Cornerhouse all the way through construction to carry out inspections and to offer advice and guidance on the build. Cllr Bignell went onto say: "As well as the accolade of Best Individual House, SNC were also highly commended in the Best High-Volume New Housing Development category, for the Morris Homes development at St Georges Field, Wootton. "We are extremely proud that St Georges Field has been recognised in this category for the excellent standard of construction. This development demonstrates our continued commitment to provide good quality, affordable housing for local people." The building control team from SNC worked closely with Morris Homes, carrying out regular site inspections to make sure each dwelling was built in accordance with the building regulations and were on hand to offer advice and guidance on all aspects relating to building regulations. St Georges Fields is an impressive development which includes 1 and 2-bedroom apartments and 2, 3, 4 and 5-bedroom mews, semi-detached and detached houses for all sorts of buyers, from first-time to families.

Summary of Performance

- 3.10 The Council reports on performance against 19 business plan measures and 14 key performance indicators on a monthly basis, six of which are quarterly measures.

Performance for this month is summarised in the table below. The full details, including commentary against each measure and key performance indicator can be found in Appendix 2.

Business Plan Measures and Key Performance Indicators (33 in total)					
Status	Description	September	%	YTD	%
Green	On target	28	85%	28	85%
Amber	Slightly off target	3	9%	4	12%
Red	Off target	2	6%	1	3%

Risk Update

- 3.11 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 3.12 The heat table below shows the overall position of all risks contained within the Leadership Risk Register.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic			L09		
	4 - Major			L03, L07, L12		
	3 - Moderate		L02	L05, L10, L11, L13	L01, L06, L08	
	2 - Minor		L14			
	1 - Insignificant					

- 3.13 A summary table of risks is below, see Appendix 3 Leadership risk register for further details: -

Leadership Risk	Residual Score	Direction of travel	Latest Update
L01 Financial Resilience	12 medium risk	↔	Ongoing impact of Covid-19 continues to affect all Council activities, mitigating actions and comments have been updated as the situation moves rapidly. However risk L03 increased to medium risk in August 2020, as appointments started being made of SNC Officers to the Shadow West Northants Council as this impacted upon our management capacity. With adoption of the Local Plan, risk L04 has been deleted.
L02 Statutory functions	6 Low risk	↔	
L03 Lack of management Capacity	12 Medium risk	↔ (increased Aug20)	
L04 Local Plan	Risk deleted Aug20 as Local Plan now adopted		
L05 Business Continuity	9 Low risk	↔	
L06 Strategic Community Partners	12 Medium risk	Risk L12	
L07 Emergency Planning	12 Medium risk	↔	
L08 Health & Safety	12 Medium risk	↔	
L09 Cyber Security	15 Medium risk	↔	
L10 Safeguarding the Vulnerable	9 Low risk	↔	
L11 Income generation through council owned companies	9 Medium risk	↔	
L12 Financial sustainability of third party suppliers	12 medium risk	↔	
L13 Local Government Reorganisation	9 Medium risk	↔	
L14 Corporate Governance	4 Low risk	↔	

3.14 Finance Update

The enclosed Finance report details the financial results for the end of September 2020 and forecasts the outturn for 2020/2021. The report also incorporates the effect of the Covid-19 Pandemic.

This period shows a revenue outturn position, surplus of (£9k), however this deficit includes costs for Covid-19 total directorates £2,171k, executive matters £3,912k, grant funding (£1,663k), Business Rates (£3,847k) and draft surplus 2019/2020 (£530k). After excluding the Covid-19 costs this would have resulted in an outturn position of a surplus of (£52k) against the 2020/2021 budget. The movement explaining the decrease in the deficit of (£561k) compared with the previous month is due to several factors which are listed below in Table 1. The majority of this reduction relates to further grant funding by Central Government for Sales, Fees & Charges and Leisure. SNC submitted its first claim for this grant at the beginning of October and this and a forecast for the rest of the year has been included in the September results which significantly helps to mitigate the deficit position.

In determining the effects on the SNC finances of the Covid-19 pandemic the finance team have worked with the various directorate managers assessing the additional costs that the pandemic has created. Presently it is anticipated that most of these costs would have been incurred in the first six months of this financial year and this is reflected in the results shown below.(Table 4) The finance team have carried out an exercise to determine the additional cost to the Council if a further lockdown was implemented by Central Government. The additional worst-case cost would be £571k. A table showing best, worst and realistic scenarios is shown below Table 4.

This month the report has identified risks and opportunities which is set out below. All services are continually reviewing their forecasts to identify savings and efficiencies which may mitigate some of the risks being identified. Details of risks and opportunities are detailed in Table 3 below. These will be monitored closely leading up to the financial year end.

The capital programme of £5.4m for 2020/2021 is detailed in this report (Table 6) and incorporate budgets carried forwards of £3.1m from 2019/2020 which were approved by Council on 22 July 2020. Due to the Covid-19 pandemic the capital projects 2020/2021 completion times are being reviewed monthly to ensure that they are still accurate. A full review of all capital projects will be undertaken in October.

3.15 Revenue Position

Overall the draft outturn revenue position shows a surplus at the end of September of £9k

Table 1

There has been a decrease in the deficit over the previous period of (£561k). This has been caused by:

- Housing: Reduction in forecast for Covid-19 costs (£51k)
- Environmental Health: Reduction in forecast for Covid-19 costs (£21k)
- Finance and Procurement: Reduction in forecast for Covid-19 costs (£24k)
- Revs and Bens: Increase in costs due to under-recoveries £16k
- Performance and transformation: Reduction in forecast for Covid -19 costs (£5k)
- Property Investment and Contract Management: Reduction in forecast for Covid-19 costs (£25k)
- Interest Receivable: Reduction of Interest receivable for year due to lower interest rates (Covid Related) £5k
- Covid-19 Grants: Self-Isolation Administration Grant (£24k) and grant to cover loss of income through Sales Fees and charges (£432k) (£456k)

Decrease in deficit for the period (£561k)

The Council's financial position by service area at the end of Period 6 (September) is set out in the table below and includes Covid-19 costs based on a Realistic Case.

Table 2

Revenue Monitoring (Brackets denotes an Underspend)	Budget £000	Forecast Excluding Covid-19 £000	Covid-19 Costs Forecast £000	Forecast £000	Current Month Variances £000	Prior Month Variances £000
Wellbeing	1,825	1,825	1,415	3,240	1,415	1,466
Environmental Planning	3,464 1,780	3,443 1,780	437 232	3,880 2,012	416 232	437 232
WELLBEING, ENVIRONMENTAL & REGULATORY SERVICES TOTAL	7,069	7,048	2,084	9,132	2,063	2,135
WELLBEING £1,415k						

Housing Due to Covid-19 there is anticipated to be additional costs against budget of **£94k** for the year. This is due to the employment of additional staff should a back log occur within housing options and private sector housing with an estimate cost of **£60k** and an additional cost for the year to support ongoing accommodation costs for Rough Sleepers **£34k**.

Leisure Sport and Communities Due to Covid-19 there is anticipated to be additional costs against budget of **£1,321k** for the year. This is due to a loss of management fee income of **£364k** for the Leisure Centre for the year, a cost of reopening the centre under the preferred option **£733k**, plus the cost of closure due to Covid-19 **£224k**. This is assuming the centre is closed for 4 months, then a phased reopening from the end of July 20 and a loss of management fee income of 12 months.

ENVIRONMENTAL 416k

Environmental Services £356k - Covid-19 has caused additional costs against budget of **£312k**. These increases consist of Gate fees £84k, PPE costs £5k, Agency Costs £218k due to increase tonnages, and under recovery of pest control costs £5k. An anticipated loss of income of **£44k** from trade Waste £40k and pest control income £4k. The loss of trade waste income has been revised down as the previous estimate was based on the worst-case scenario of no income for a whole quarter from all of our customers.

Environmental Health Licensing £60k - Due to Covid-19 there is an anticipated reduction in Taxi renewals for the year, resulting in an anticipated loss of income of **£43k**. Other licences we anticipate **£5k** loss of income. Street Trading consents have increased we are not sure if this trend will continue, however Temporary Event notices are down along with tattoo/acupuncture registrations and personal licences. There is no suggestion at the moment that alcohol licence premises annual fees will fall in November, resulting in a loss of income, however this is still very uncertain. There is also an additional cost for Agency of **£9k** to cover work pressures due to Covid-19. In Environmental Health due to Covid-19 there is anticipated to be a loss of income from Primary Authorities of **£6k** and food safety **£7k**. As a result of Covid-19 there may be an additional cost of **£11k** for additional staff due to increase in workload to complete the back log of visits, to catch up with statutory inspections by the end of March. These are offset by salary savings of **(£21k)**

PLANNING £232K

Planning Policy & Development - £212k. Due to Covid-19 there has been an under recovery of income for planning over the first part of the year due to planning applications being reduced. Anticipating that the income from applications starts to pick up and we achieve our targeted budget for the remainder of the financial year we anticipate a loss of **£172k** income. There is also anticipated to be an additional cost to budget of **£40k** to clear any site visits, due to Covid-19.

Building Control - £20k. Due to Covid-19 there has been a reduction at the start of the year in Building Control Fees. However, applications have started to increase and if this trend continues and we achieve our targeted budget for the remainder of the financial year we anticipate a loss of income of **£20k** due to Covid-19

Revenue Monitoring	Budget £000	Forecast Excluding Covid-19 £000	Covid-19 Costs Forecast £000	Forecast £000	Current Month Variances £000	Prior Month Variances £000
Corporate Services	311	311	0	311	0	0
Strategic Marketing and Comms	413	413	0	413	0	0
CORPORATE SERVICES TOTAL	724	724	0	724	0	0
Law and Governance	1,014	1,014	0	1,014	0	0
Finance and Procurement	1,168	1,209	0	1,209	41	65
Revenues & Benefits	1,397	1,341	47	1,388	(9)	(25)

Property Investment & Contract Management	1,584	1,599	0	1,599	15	40
Customer and IT Services	1,145	1,145	5	1,150	5	5
HR OD and Payroll	467	467	0	467	0	0
Performance and Transformation	224	193	35	228	4	9
RESOURCES TOTAL	6,999	6,968	87	7,055	56	94

Finance and Procurement - £41k. This is due to increase Internal and External Audit Costs of **£71k**, CIPFA Fixed Asset Register Overspend of **£10k**, which are offset by salary savings of **(£40k)**

Revs & Bens - (£9k) Underspend is predicted. This is due to additional Covid-19 costs caused by the increase in staff overtime of **£47k**, Overpayments not being recovered of **£25k**, Liability Orders not being recovered of **£15k**, additional Capita costs of **£13k**, this is offset by HB Subsidy of **(£72k)** and DHP Receipts of **(£37k)**

Property Investment & Contract Management - £15k shortfall of income is predicted for the rental income for Towcester Mill.

Customers & IT Services - £5k Increased staff costs for overtime

Performance & Transformation - £4k A **£35k** overspend is predicted in relation to Land Charges income this is as a result of Covid-19. An underspend of **(£31k)** is anticipated for 3 apprentice posts that we will not be recruiting to in this financial year.

TOTAL DIRECTORATES	14,792	14,740	2,171	16,911	2,119	2,229
Compensatory Pensions And Pension Strain	1,237	1,237	0	1,237	0	0
Interest Receivable Gf	(400)	(400)	65	(335)	65	60
Appropriations For Transfer To Reserves	1,734	1,734	3,847	5,581	3,847	3,847
Appropriations For Transfer From Reserve	(1,412)	(1,412)	0	(1,412)	0	0
EXECUTIVE MATTERS TOTAL	1,159	1,159	3,912	5,071	3,912	3,907
COST OF SERVICES	15,951	15,899	6,083	21,982	6,031	6,136

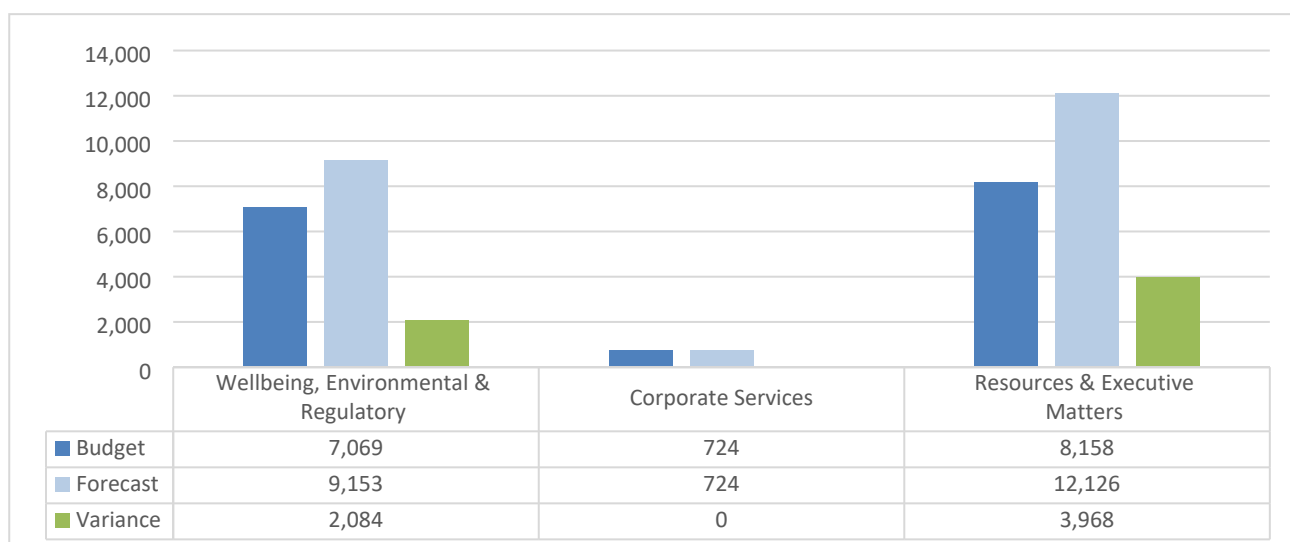
Interest Receivable rate Base Rate has been reduced to 0.1%. This has impacted on the interest income achieved. This is being monitored closely and will look to maximise the interest income where possible.

Appropriations for Transfer To Reserves £3.8m – The business rates surplus of £3.8m due to the S31 compensation paid to the council in 2020/21 relates to the Covid-19 reliefs introduced in March 2020 for retail, hospitality and leisure businesses. In 2021/22 the deficit in business rates income as a result of the relief will be £3.8m, therefore the surplus of £3.8m from 2020/21 is proposed to be put into an earmarked reserve to fund the £3.8m deficit in 2021/22.

Funding (Brackets denotes an Underspend)	Budget £000	Forecast Excluding Covid-19 £000	Covid-19 Costs Forecast £000	Forecast £000	Current Month Variations £000	Prior Month Variations £000
Covid-19 Grants	0	0	(1,663)	(1,663)	(1,663)	(1,207)
Rural Services Delivery Grant	(189)	(189)	0	(189)	0	0
External Funding	(469)	(469)	0	(469)	0	0
New Homes Bonus	(3,187)	(3,187)	0	(3,187)	0	0

GRANTS AWARDED TOTAL	(3,845)	(3,845)	(1,663)	(5,508)	(1,663)	(1,207)
BUSINESS RATES GROWTH TOTAL	(4,657)	(4,657)	(3,847)	(8,504)	(3,847)	(3,847)
Business rates is forecasting a (£3.8m) surplus due to the S31 compensation paid to the council in 2020/21 relating to the Covid-19 reliefs introduced in March 2020 for retail, hospitality and leisure businesses.						
Council Tax	(7,267)	(7,267)	0	(7,267)	0	0
Collection Fund	(182)	(182)	0	(182)	0	0
COUNCIL TAX INCOME TOTAL	(7,449)	(7,449)	0	(7,449)	0	0
Draft Surplus 2020/2021	0	0	(530)	(530)	(530)	(530)
TOTAL INCOME	(15,951)	(15,951)	(6,040)	(21,991)	(6,040)	(5,584)
(Surplus)/Deficit	0	(52)	43	(9)	(9)	552

Graph showing Actuals against budget and Forecast (Table 5)



Risks and Opportunities

The risks and opportunities table below demonstrates that if the total savings from identified opportunities were to be achieved the charges to the reserves will not be necessary. These will be continually monitored during the next six months leading up to the financial year end

Table 3

Service	Amount £000	Comment	Level of Confidence	Value £000
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Licencing	93	Alcohol Licence Premises Annual fees due in November. Although no suggestion a moment these will fall. Renewals due in November. In 19/20 we received £82k in November if we lose 25% of this, we will lose £20.5k	25%	18
Additional Staff costs	150	Corporate Staffing Pressure relating to the Staff Vacancy Factor and the difference in budgeted inflation and pay award	50%	75
TOTAL OVERSPENDS	243			93

NET CHARGED TO RESERVES	243	The amount planned to be charged to the reserves for 2020/2021 but this charge will increase if no underspends materialise	Use of Reserve based on level of Confidence	93
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Covid-19 Cost Forecasts

The table below demonstrates the effect that the Covid-19 pandemic has had on SNC finances. Finance have carried out an exercise using three different scenarios:

- **Best case:** The Covid-19 Pandemic in SNC is over and our area does not have any further lockdowns resulting in business as normal.
- **Realistic Case:** The worst of the Covid-19 pandemic has passed although SNC continues to incur some costs. For the monitoring process we have assumed this to be the case in this report.
- **Worst Case:** Central government imposes another lockdown either centrally or locally.

Table 4

Covid-19 Forecasts	Best Case £000	Realistic Case £000	Worst Case £000
Total income at risk	910	761	620
Variation to Budget	30%	25%	20%
Total expenditure at risk	1,897	1,475	1,115
Total income & expenditure pressures	2,807	2,236	1,735
Difference from realistic position	571	0	(501)

3.16 Capital Programme

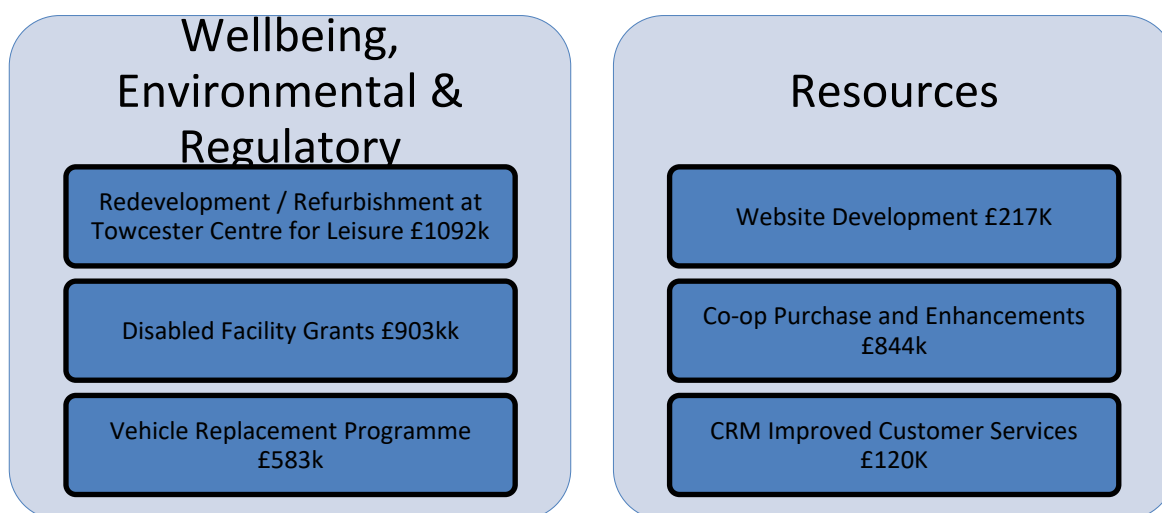
A summary table of the capital programme outturn as at the end of September is set out in the table below. The budget figures are the total of the approved Capital Budget for 2020/2021 £2,256k plus the carry-over for projects not completed in 2019/2020 of £3,104k. The detailed capital programme is shown in the appendices to this report.

Table 6

Directorate	Budget £000	Forecast £000	Re- profiled into 2021/22 £000	Current Period Variances £000	Prior Period Variances £000
Wellbeing, Environmental & Regulatory Resources	3,564 1,796	2,634 1,806	783 0	(147) 10	(147) (10)
Total	5,360	4,440	783	(137)	(137)

The diagram below lists the major schemes during 2020/2021

Key Capital Projects 2020/2021



4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

This report sets out performance risk and budgetary information and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2019-20 business plan. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications – Mandatory paragraph

7.1 The financial implications are detailed within section 3.15 of this report.

Comments checked by:

Kate Crussell, Finance Business Partner
kate.crussell@southnorthants.gov.uk

Legal Implications – Mandatory paragraph

7.2 There are no legal implications from this report.

Comments checked by:

Andrew Hunkin, Executive Director: Resources
Andrew.hunkin@cherwellandsouthnorthants.gov.uk

Risk Implications - Mandatory paragraph

7.3 This report contains a full update with regards to the Council's risk position at the end of the previous month. A risk management strategy is in place and the risk register has been fully reviewed.

Comments checked by:

Kerry Ellis, Performance and Insight Officer
Kerry.ellis@southnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Phil Bignell – Deputy Leader and Portfolio Holder for Planning
Councillor Peter Rawlinson – Portfolio Holder for Finance, Performance and Governance

Document Information

Appendix number and title

- Appendix 1 2020-21 Business Plan
- Appendix 2 Monthly Performance Report
- Appendix 3 Leadership Risk Register
- Appendix 4 Capital Programme

Background papers

None

Report Author and contact details

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