

Report of the Performance and Audit Scrutiny Committee: 30 July 2020

Report number:	CAB/WS/20/052	
Report to and date(s):	Cabinet	22 September 2020
Cabinet member:	Councillor Sarah Broughton Portfolio Holder for Resources and Performance Telephone: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Chair of the Performance and Audit Scrutiny Committee:	Councillor Ian Houlder Performance and Audit Scrutiny Committee Telephone: 07597 961069 Email: ian.houlder@westsuffolk.gov.uk	
Lead officer:	Christine Brain Democratic Services Officer (Scrutiny) Telephone: 01638 719729 Email: christine.brain@westsuffolk.gov.uk	

Decisions Plan: **This item is not required to be included on the Decisions Plan.**

Wards impacted: **All wards**

Recommendation: **It is recommended that Report number: CAB/WS/20/052, being the report of the Performance and Audit Scrutiny Committee, be noted.**

1. Context to this report

1.1 On 30 July 2020, the Performance and Audit Scrutiny Committee held its virtual TeamsLive meeting, at which it considered the following items:

1. 2020-2021 Performance Report (Quarter 1);
2. Annual Financial Resilience Report (2019-2020);
3. Financial Resilience (June 2020); and
4. Work Programme Update 2020-2021.

Separate reports are included on this Cabinet agenda for Items 2. and 3. above.

2. Proposals within this report

2.1 **2020-2021 performance report – Quarter 1 (Report number: PAS/WS/20/012)**

2.1.1 The Committee received Report number: PAS/WS/20/012, which set out the impact of Covid-19; Covid-19 Government support received to date; next steps and principles for future financial planning and the Quarter 1 performance and financial outturn position for 2020-2021 up to 30 June 2020.

2.1.2 Since the outbreak of Covid-19 in the UK, a number of events had occurred which had had a significant impact on West Suffolk Council's financial position. Some of these had been restrictions imposed by Government that had affected West Suffolk Council's investments and services; and others had been announcements of Government financial support.

2.1.3 The Council has played its part in responding to Covid-19 in supporting businesses and the most vulnerable as well as running essential services. Appendix J attached to the Committee's report, provides an infographic of the support role West Suffolk has and continues to play. However, this has come at a cost of £2.2 million and has also impacted on a number of the local performance indicators, most notably around housing and homelessness. Furthermore, money expected to be generated by the Council in the current financial year through income is expected to reduce by £8 million.

2.1.4 Funding so far received from the Government was £2.1 million (updated numbers were provided to the Committee at the meeting following receipt of a third tranche of Government funding) of which £0.3 million was used to fund the 2019-2020 shortfall, and does not cover the financial gap which, with funding so far, is a total of £8.4 million, a loss of 15% of the Council's gross budget for 2020-2021. This unprecedented event will therefore require the Council to not only utilise to its full extent its £4.9

million general fund reserve in-year, but with £3.5 million still left to cover, the Council has needed to plan for in-year savings and potential use of earmarked reserve balances. The impact of Covid-19 is likely to be felt for years to come as the Council will need to make provision in its medium-term budget plans for the replenishment of its earmarked reserves, given they are earmarked for other purposes, and the general fund balances to manage/cover future budget risks.

2.1.5 Attached to the Quarter 1 performance report were a number of appendices which set out the performance and financial outturn position for 2020-2021 up to 30 June 2020, as follows:

- Appendix A: Performance Indicators – Commentary
- Appendix B: Performance Indicators – Growth
- Appendix C: Performance Indicators – Families and Communities
- Appendix D: Performance Indicators – Housing
- Appendix E: Performance Indicators – Day to Day
- Appendix F: Income and Expenditure Report
- Appendix G: Capital Programme
- Appendix H: Earmarked Reserves
- Appendix I: Strategic Risk Register
- Appendix J: Covid-19 Infographic

2.1.6 Members considered the report in detail and asked questions of the Assistant Directors, to which responses were provided. Discussions were held on the budget deficit, contingency plans in case there was a second wave of Covid-19, and options for selling council assets to support the financial gap. In particular detailed discussions were held on:

- Appendix A: Income from entire property portfolio;
- Appendix C: Number of fly-tipping incidents recorded in West Suffolk;
- Appendix E: % collection of Council Tax in West Suffolk;
- Appendix F: Other income below budget – solar income variance;
- Appendix F: Fees – car parking, Civil Parking Enforcement;
- Appendix G: Housing solutions; and
- Appendix I: Risk Register.

2.1.7 The Chair and members of the Committee wished to congratulate all council staff on their hard work in operating through these difficult times.

2.1.8 The Committee **noted** the:

- Impact of Covid-19 on the Council's current financial year 2020-2021 (Section 1 of the report).
- Next steps and principles for future planning (Section 2 of the report).

- 2020-2021 Revenue and Capital positions as detailed in the report and appendices.

2.2 Work programme update 2020-2021 (Report number: PAS/WS/20/013)

2.2.1 The Committee received Report number: PAS/WS/20/013, which provided information on the current status of its forward work programme for 2020-2021.

2.2.2 The Committee **noted** the contents of its forward work programme for 2020-2021.

3. Alternative options that have been considered

3.1 Please see background papers.

4. Consultation and engagement undertaken

4.1 Please see background papers.

5. Risks associated with the proposals

5.1 Please see background papers.

6. Implications arising from the proposals

6.1 Financial:

Please see background papers.

6.2 Equalities:

Please see background papers.

7. Appendices referenced in this report

7.1 Please see background papers.

8. Background documents associated with this report

- 8.1 Report number: [PAS/WS/20/012](#) and appendices [A](#), [B](#), [C](#), [D](#), [E](#), [F](#), [G](#), [H](#), [I](#) and [J](#) to the Performance and Audit Scrutiny Committee: 2020-2021 Performance Report (Quarter 1)
- 8.2 Report number: [PAS/WS/20/013](#) and [Appendix 1](#) to the Performance and Audit Scrutiny Committee: Work Programme Update 2020-2021