<u>Observations of the Overview & Scrutiny Committee for the Executive meeting on 17 September 2020</u>

At its meeting on 10 September 2020 the Committee reviewed the Q1 2020/21 Performance Report and made the following observations.

(i) The Committee welcomed the new set of Key Performance Indicators, the improvements in presentation and the more detailed explanations given. It noted the indicators and specifically the impact of COVID-19 on KPI's 6 Housing Completions and 7 Affordable Housing Completions, and on KPI 10 Recycling Performance and the expectation of improvements in Q2 and going forward.

(ii) The Committee noted the favourable forecast of £1.68m in the main revenue budget, with the contingency budget (£1.25m) and the underspending in Treasury Management (£0.85m) offsetting the adverse variance of £0.38m in service budgets.

(iii) In relation to the separate assessment of COVID-19 as at 30 June, the Committee noted that the net adverse financial impact if no further government funding support is given may be up to £3.024m, based on the forecast additional expenditure and income losses less the announced Government grant at that date. Even if the government provides the expected maximum support of 70% to reimburse the loss of non-commercial income, the Council would be left with a deficit in the region of £1.250m based on the forecasts at 30 June. The Committee requested additional summary reporting on the COVID-19 impact in future reports, following the layout of the main revenue budget.

(iv) The Committee noted the Collection Fund forecast risk at 30 June stood at £10.137m, and while it understood the deficit could be spread over future years, it was an additional risk to the Council. It was noted that although deficits would be shared with the Government, the County Council and the Police, the immediate impact created a cash flow and funding cost to the Council.

(v) The Committee noted the full year Capital Programme forecast at the end of Q1 of £30.48 (24%) was below the approved Programme, primarily because of slippage rather than under-spending.