

Harlow Council

**Joint Finance and Performance Report for the
period ending**

30/06/2017, Quarter 1

The Council's aim for 2017-18 –

“to improve Harlow for residents, businesses and visitors”

The Council's priorities:

1. More and better housing



2. Regeneration and a thriving economy



3. Wellbeing and social inclusion



4. A clean and green environment



5. Successful children and young people



How to use this report

You may wish to consider the following questions to form an idea on how well the Council is doing in achieving its priorities and objectives.

Questions which the reader may wish to consider:

1. What are the reasons for the performance being below target?
2. What is the Council's expenditure on this service?
3. Has performance fluctuated between quarters and what are the reasons for this?
4. Is it anticipated that the target will be met by the end of the year?
5. What are the proposed actions to improve performance and achieve the target and when will this be done by?
6. How well is the Council responding to gaps in performance or shortfalls in income?

Other areas for consideration could include:

7. Is the indicator a high priority for the Council? Is this reflected in the budget?
8. How does the service compare to other local authorities in terms of value for money – how does the Council's expenditure on this service and performance achieved compare to similar local authorities?
9. What are other Council's doing to improve performance in this area?
10. Are there any overspends/underspends in the budget area within which the under performing indicator sits?
11. Are there any future projects planned that will enhance existing performance?
12. How severe or likely are risks associated with lower level performance?

Performance Symbols:

Symbols used to measure performance.

Below Target: e.g. more than 5% worse than target	On Target: e.g. within 5% of target	Above Target: e.g. more than 5% above target	Data not yet available: e.g. survey information pending
			

Direction of Travel (DOT) Symbols:

The direction of travel is from the same quarter in the previous year.

Going up and getting better e.g. % of rent collected	Going down and getting better e.g. crime levels	Exactly the same as previous year	Going up and getting worse e.g. levels of litter	Going down and getting worse e.g. income generated
				

Section One: Key considerations for Quarter One

The key issues relating to the Council's finances, performance, risks and corporate projects (excluding the HRA):

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FINANCE</p>	<p>The forecast outturn position for 2017/18 is that the controllable General Fund revenue budget will under-spend by £85,000 on its gross controllable costs. This represents an under spend of -0.14% of the Council's approved gross budget for the General Fund. Taking into consideration the budgets which are not controllable by services, the forecast underspend is £104,000 or -0.17%.</p> <p>Key risks in relation to financial management are currently:</p> <ul style="list-style-type: none"> • The risks and volatility associated with the Government's localisation of council tax support and future localisation of business rates. • Variations in income from fees and charges across all service areas. • The impacts of the long term austerity measures placed upon Councils by central Government. • The impact on the Council's treasury management activities during (and possibly post) 'Brexit' negotiations. 	<p>The following performance indicators did not meet their performance target:</p> <p>Community Wellbeing Service: CS25q Percentage of customer complaints responded to within target time</p> <p>Finance Service: BV008 Invoices paid within 30 days (%)</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">PERFORMANCE</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">RISK</p>	<p>The following exceptional residual risks (rated as high likelihood, high impact) have been highlighted for this quarter:</p> <p>CR01 – Financial resilience CR03 – Lack of Suitable Housing Mix CR08 – Information Governance and Data Compliance</p>	<p>The Council is on target to meet eighty-four per cent of its Corporate Plan milestones with 22 out of 249 key corporate milestones completed between April 2017 and June 2017.</p> <p>No milestones were at 'red' and 25 milestones are 'not started' for the quarter ended 30 June 2017.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CORPORATE PLAN</p>

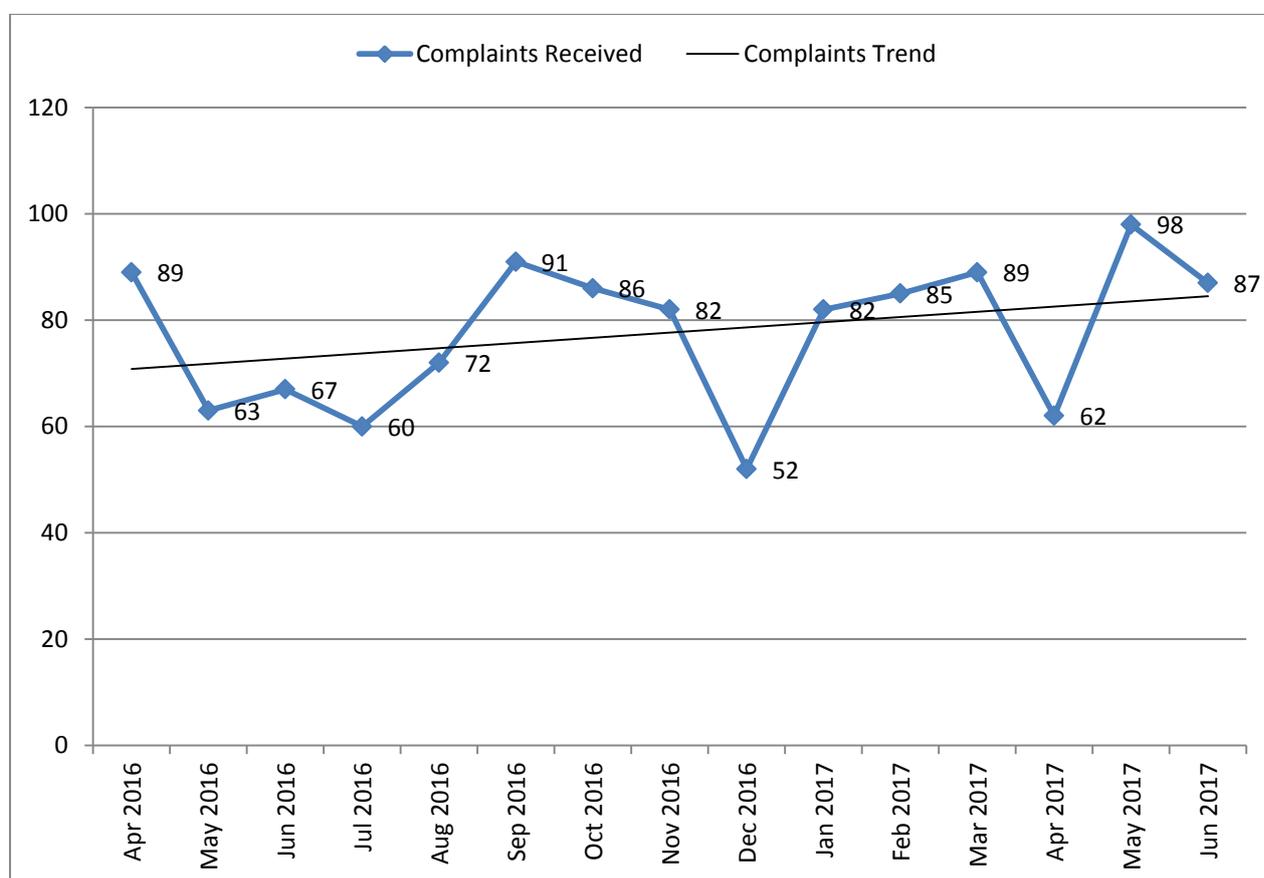
Section Two: What our customers are telling us (complaints)

Summary:

The Council provides and commissions a large number of services to a population of over 85,000 residents. In its role as a Housing Provider with over nine thousand properties, each year it undertakes in excess of 600,000 housing transactions, deals with hundreds of thousands of enquiries at Contact Harlow and provides Housing Benefit and Local Council Tax Support administration for a caseload of nine thousand benefit claimants.

The Council takes all complaints seriously and aims to respond to and resolve all stage one and stage two complaints within ten working days and stage three complaints within 15 working days.

The trend line on the chart below, shows a gradual increase in the overall number of complaints over the last year. There was a sharp increase in the volume of complaints in May which primarily related to Housing. Eighty two per cent of complaints were resolved by Stage One.



In quarter one (April to June 2017) there were 185 performance, 25 person and 35 policy related complaints. The main areas of complaints were 40 per cent HTS- Housing and 31 per cent Housing Services. Detailed information is fed back to service managers to ensure that lessons can be learned and improvements made where required. A review is now being undertaken of the complaints policy to ensure complaints are dealt with more effectively and to ensure the overall process takes less time to resolve resulting in improved performance.

Section Three: Latest Financial Performance

The Council continues to face extreme financial challenges as identified within its Medium Term Financial Strategy (MTFS).

The contents of this report highlight the extremely tight financial control being placed upon existing budgets and the degree to which services are looking ahead and planning to manage to lower funding levels before the reductions actually take effect.

The forecast service underspend on the controllable budgets in 2017/18 total £85,000 or - 0.14% of the Council's gross budget. Taking into account the reduction in the HRA recharges to the General Fund together with other non-controllable costs, the forecast underspend is £104,000 or - 0.17% of the gross budget.

The Council has been determined to continue to deliver key services to and for the benefit of Harlow residents despite unprecedented Government funding cuts

Simon Freeman, Head of Finance

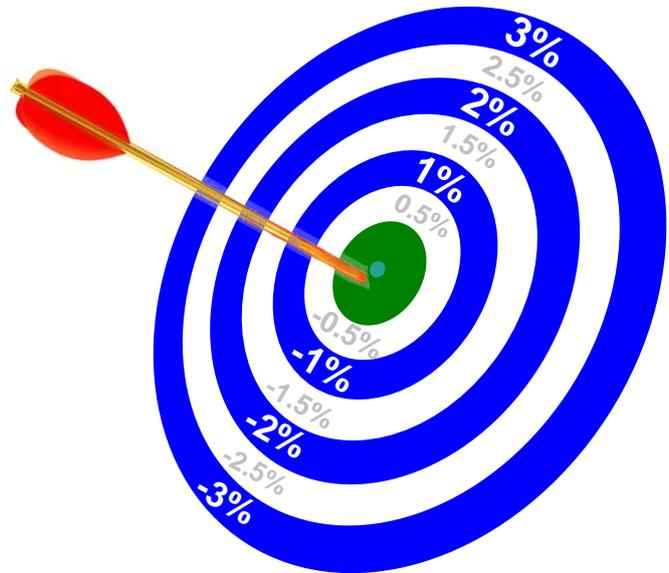
Movements in General Fund Balance in Quarter One 2017/18

	<i>£millions*</i>
General Fund closing balance as at 31 March 2017	5.458
• Transfer to Planning and LDF Reserve	(0.300)
• Additional Community Safety resources	(0.200)
• Harlow 70 th Birthday celebrations	(0.025)
• Carry forwards from 2016/17 to 2017/18	(0.219)
Effective General Fund closing balance as at 31 March 2017	4.714
• Service budget variations	0.085
• Other variations	0.019
Balance on General Fund at 31 March 2018 (Projected)	4.818

* Note: Figures in brackets () reduce the projected General Fund Balance.

2017/18 Projected Outturn

The Council projects to underspend by a margin of **-0.17%** on its gross General Fund revenue budget.



Latest Financial Performance (Budget Variations / Exceptions):

Major Variances – Quarter 1 of 2017/18:

Service	Adverse £000s	Favourable £000s	Net £000s	Main Contributing Factors to Variations
Community Wellbeing				
Other Minor Service Variances	10		10	
Total Community Wellbeing			10	
Place				
Latton Bush Centre		(50)	(50)	A reduction in business rates as a result of the 2017 revaluation of the ratings list by the Valuation Office Agency (£26k) coupled with increased rental income (£24k) as a result of higher occupancy.
Civic Centre	44		44	An increase in business rates as a result of the 2017 revaluation of the ratings list by the Valuation Office Agency.
Other Minor Service Variances		(42)	(42)	
Total Place			(48)	
Housing (General Fund) Services				
Other Minor Service Variances	32		32	
			32	
Finance Service				
Revenues and Benefits	41		41	Repaid council tax benefit from the public is reducing year on year with a forecast reduction of £35k. The housing benefit admin subsidy from the DWP is also lower than forecast by £53k and there is a forecast overspend on agency staff of £27k. This is offset by additional grant income from the DWP of £71k.
Accountancy	29		29	A forecast overspend as a result of temporary agency staff offset by an underspend due to a vacant post.
Insurance		(86)	(86)	HTS Service Level Agreement income.

Service	Adverse £000s	Favourable £000s	Net £000s	Main Contributing Factors to Variations
ICT		(53)	(53)	Income from HTS Service level agreement for the provision of ICT services.
Early Retirement / Under Funding Pension Scheme	328	(302)	26	There is a forecast underspend on superannuation / added years payments.
Other Minor Service Variances	15		15	
Total Finance Service			(28)	
Governance Service				
Human Resources		(34)	(34)	This forecast underspend is due to a vacant payroll post and a career break by another officer.
Other Minor Service Variances		(17)	(17)	
Total Governance Service			(51)	
Service Specific Variations			(85)	Sub-total

Other				
Transition Grant		(25)	(25)	Grant funding from the DCLG which is designed to ease the change from a system based on Government grant funding to one in which local resources determine a council's revenue.
ECC Grant Funding		(146)	(146)	The ECC precept schedule indicates that the grant will be higher than estimated.
Other Income		(148)	(148)	Council Tax sharing agreement income.
Community Safety	70		70	Costs associated with the extension to the travellers injunction work.
Costs chargeable to/from the HRA	111	(27)	84	
Total Other Variations			(19)	
Total General Fund Budget Variations			(104)	

**** Note: Figures in () are a credit e.g. income or underspend.**

Service based analysis

Community Wellbeing, Jane Greer

Overall, financial control is good and at Quarter One, cumulatively, the service has managed budgets to achieve nil overspend

Place Services, Graeme Bloomer

Financial control for the first quarter has been good and there are no indications from this quarter's results that would point towards areas of concern. The income from planning fees in the first quarter is above target as the major applications that were expected last year have now been submitted.

Housing, Andrew Murray

The amount of housing which is genuinely affordable continues to reduce with a corresponding growing housing need. The need to prioritise and target resources accordingly remains the priority, responding to new government regulation with the need to target resources to homelessness prevention, housing options, and support. Trends indicate there is a 35% increase in the ongoing demand for temporary accommodation. Efficiencies continue being realised from the ongoing re-procurement of temporary accommodation. This together with continuing to prioritise homelessness prevention initiatives reduce the cost of housing need and homelessness, thereby reducing the Council's statutory provision and overall costs.

Essex County Council (ECC) have now ceased funding for supported housing as part of their new commissioning arrangements. This has been reflected in Council budgets requiring the passing on of support charges to recipients, and/or a reduction in the services provided.

Governance, Brian Keane

Good financial control continues to be maintained during the first quarter of the 2017/18 financial year with no major variations to be reported at this stage of the year. Issues which may arise will generally be staffing related, through the occurrence of vacancy savings currently built in to the service budget. Income from Land Charges will continue to be monitored closely as this will be largely determined by the housing market locally.

Finance, Simon Freeman

The current forecast for the Finance Service is that it will underspend by £28,000 in 2017/18. Whilst there are a number of known and reported pressures across the service area these will be managed across the service to deliver within the approved controllable budget.

Section Four: Performance

Harlow Council performed on target or above target for 41 out of 43 (95 per cent) of performance indicators. Sixty-seven per cent of indicators have been maintained or improved compared to Quarter One 2016/17.

Percentage of indicators within or better than target	Qtr ended 30/06/2016	Qtr ended 30/09/2016	Qtr ended 31/12/2016	Qtr ended 31/03/2017	Qtr ended 30/06/2017
	89%	90%	92%	95%	95%
Percentage of indicators improving or unchanged from the same period last year	Qtr ended 30/06/2016	Qtr ended 30/09/2016	Qtr ended 31/12/2016	Qtr ended 31/03/2017	Qtr ended 30/06/2017
	64%	60%	66%	60%	67%

Good Performance:

Harlow Council continues to improve performance in a number of areas. Twenty eight out of forty three (65 per cent) performance indicators performed significantly above their target. Listed below is a selection of KPI's which are contributing towards the achievement of the Council's priorities.

		30/06/2016 Actual	30/06/2016 Target	30/06/2017 Actual	30/06/2017 Target
	BV082aii Household Waste Recycled (Tonnes)	2,096.11	2,000.00	2,105.56	2,000.00
The Council has supported waste minimisation and recycling communication campaigns promoted through Essex Waste Management Partnership. The Council has continued to engage with residents on managing their waste and recycling, and with its collection contractor to support effective and reliable collection services.					
	BV066a.05 Rent Collected/Rent Owed (%)	98.33	99.00	98.97	98.00
The target set for this year takes into account the expansion of Universal Credit and full roll out of Universal Credit in Harlow which is due in July 2017. Therefore the over performance against the target in quarter one was expected as the full impact of the changes are not expected to impact on performance until later this year.					

		30/06/2016 Actual	30/06/2016 Target	30/06/2017 Actual	30/06/2017 Target
	BV012 Average number of working days/shifts lost to sickness and absence	1.93	2.19	2.13	2.19
<p>Although performance has dipped when compared to the previous year, the outturn is well within target. There has been an increase in long term sickness which resulted in 14 employees compared to the same quarter last year which was 9 employees on long term sickness.</p>					

Section Five: Improvement Action Plans

Harlow Council keeps track of any indicator which has been subjected to an Improvement Action Plan (IAP) during the past 12 months. The table below illustrates how each indicator subjected to an IAP has performed over time.

Performance Indicator	QTR 1 16/17	QTR 2 16/17	QTR 3 16/17	QTR 4 16/17	QTR 1 17/18
BV008 % of invoices paid within 30 days	★	●	●	●	▲
CS25q % of customer complaints responded to within target time	▲	●	▲	●	▲
BF005 Average days to process new claims	●	▲	▲	●	●
BF006 Average days to process change events	●	▲	●	★	★
HTS 4.12 Urgent Housing Requests completed within 5 working days	▲	●	●	★	★
NI156 Number of households living in Temporary Accommodation	●	▲	▲	▲	★
HTS 2.9 Empty full and overflowing litter and dual bins within 3.5 hours	●	▲	▲	●	★
HTS 3.11d Tree works – work carried out within 80 working days	●	●	●	▲	★
HTS 5.3 Standard requests for repairs and minor adaptations carried out within 20 working days (%)	▲	●	●	●	★
HTS 5.4 Statutory tests for inspections completed prior to due date (%)	▲	●	●	●	●
HTS 2.10b Percentage of public land and highways with unacceptable levels of graffiti	▲	▲	★	★	★
Number of under-performing indicators	5	5	4	2*	2

*Q4 had three indicators subject to IAP. BV202 people sleeping rough is now a contextual indicator and is no longer included in above list.

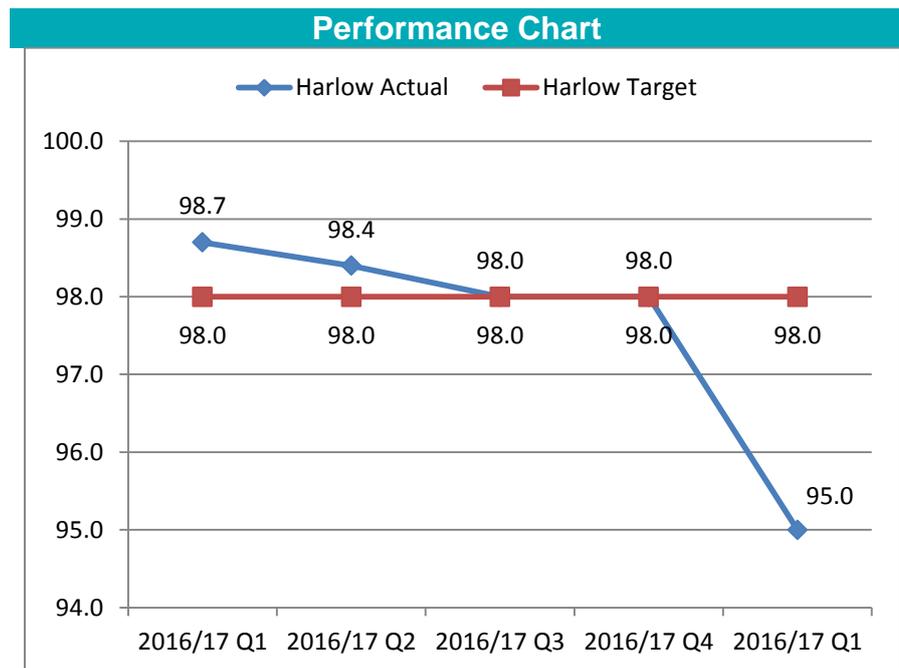
Improvement Action Plan

Reporting Period Ended: 30/06/2017

Performance Indicator
BV008 Invoices paid within 30 days (%)

Performance					
	to 30/06/16	to 30/09/16	to 31/12/16	to 31/03/17	to 30/06/17
Harlow Actual	98.70	98.40	98.00	98.00	95.00
Harlow Target	98.00	98.00	98.00	98.00	98.00

Description
The percentage of invoices for commercial goods and services which were paid by the authority within 30 days of such invoices being received by the authority.



Direction of Travel
↓ x

What is the performance situation?

Performance has dipped due to reduced resource, priority being given to closure of accounts plus a major upgrade taking place to the Agresso invoice system . There has also been an increase in the volume of invoices to be processed.

What practical steps are being taken to improve?

A vacant post has now been filled and the impact of the upgrade has now declined. Staff have been reminded of the need to record disputed invoices, and to accurately capture the date invoices are received by the authority.
A new report (post upgrade) is being developed to provide better performance data.

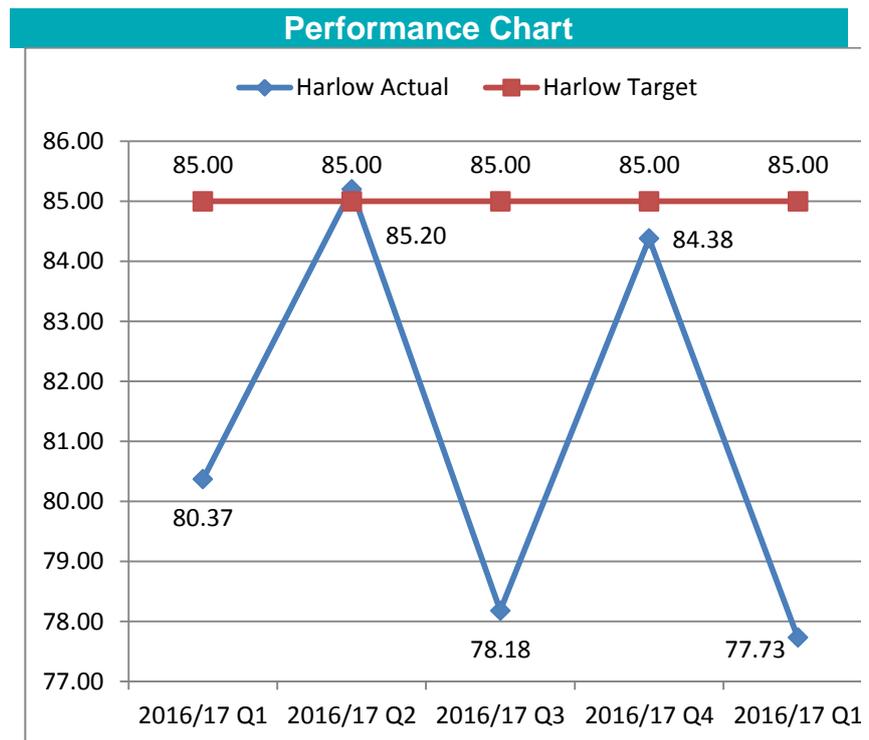
Improvement Action Plan

Reporting Period Ended: 30/06/2017

Performance Indicator
CS25q Percentage of customer complaints responded to within target time

Performance					
	to 30/06/16	to 30/09/16	to 31/12/16	to 31/03/17	to 30/06/17
Harlow Actual	80.37	85.20	78.18	84.38	77.73
Harlow Target	85.00	85.00	85.00	85.00	85.00

Description
<p>The quarterly percentage of total customer complaints (posted, emailed or telephoned) that were responded to within Council's target time. A higher percentage of customers complaints responded to within target time demonstrates good performance</p>



Direction of Travel
↓ x

What is the performance situation?
<p>An increase in the volume and the complex nature of complaints as they are escalated has led to a decrease in general performance.</p>

What practical steps are being taken to improve?
<p>Monthly reports are sent to CMT/HOS so that the data can be used to improve service delivery.</p> <p>A review is now being undertaken of the complaints policy to ensure complaints are dealt with more effectively and to ensure the overall process takes less time to resolve resulting in improved performance.</p>

Section Six: Key Corporate and Financial Risks

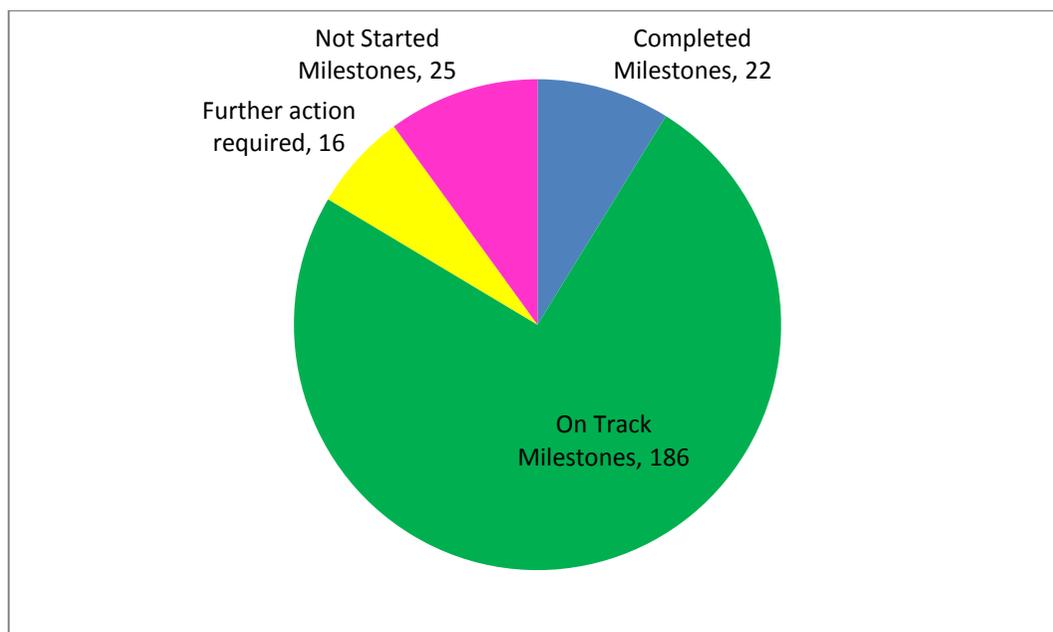
Risk Owner	Inherent Likelihood	Inherent Impact	Controls Already in Place	Residual Likelihood	Residual Impact	Residual Risk Score	Residual Risk Indicator	DoT	Foreseeable Likelihood	Foreseeable Impact	Foreseeable Risk Score	Additional actions to mitigate risk	Last Reviewed
CR01 - Financial resilience													
IF : If a sustainable budget is not secured													
THEN : Then the Council will lack financial resilience													
BACKGROUND : The Government's fiscal policy in respect of deficit reduction reducing public sector funding combined with the Council's limited ability to raise income could result in the Council's financial resilience being at risk.													
Freeman, Simon	Likely (4)	Major (4)	Development of the Council's MTFS and the detailed planning of future budgets is now undertaken early in the financial year and is an ongoing process rather than an annual review and is linked with the monthly Budget Monitoring process. Whilst savings are still required over the three year financial period covered by the current MTFS the overall target is significantly lower than in previous years.	Likely (4)	Major (4)	21	▲	➡	Likely (4)	Moderate (3)	17	Whilst the pressures generated in the Council's grant income are largely driven by Government policy the financial situation continues to be monitored at a high frequency. The Administration will continue to be provided with detailed financial information and will be appropriately supported in reaching decisions upon how these financial challenges can be faced.	31/03/2017
CR03 - Lack of Suitable Housing Mix													
IF : If the town lacks a suitable housing mix													
THEN : Then it will not attract or retain residents													
BACKGROUND : The town requires a suitable housing mix to attract new and retain existing residents for an evolving and sustainable community. Supply must be balanced with demand and housing need, taking into account National Housing and Planning policies. As part of that mix, housing for local people that is genuinely affordable remains a high priority for the Council.													
Bloomer, Graeme	Likely (4)	Major (4)	Duty to cooperate discussions. Housing studies including joint ones to support the Local Plan.	Likely (4)	Major (4)	21	▲	➡	Moderate (3)	Major (4)	18	Implement Local Development Plan	31/03/2017
CR08 - Information Governance and Data Compliance													
IF : If the Council does not adopt a holistic response to data and information governance													
THEN : Then it may be unable to demonstrate statutory compliance													
BACKGROUND : The Council requires an Information Governance Framework to ensure information is dealt with efficiently, effectively and in compliance with statutory provisions and regulations. The General Data Protection Regulation (GDPR) applies in the UK from 25 May 2018, replacing the Data Protection Act 1998, imposing a much tougher data protection regulatory framework. Also on the horizon is Electronic Data Protection Regulation (EDPR).													
												GDPR Project Plan required.	

Risk Owner	Inherent Likelihood	Inherent Impact	Controls Already in Place	Residual Likelihood	Residual Impact	Residual Risk Score	Residual Risk Indicator	DoT	Foreseeable Likelihood	Foreseeable Impact	Foreseeable Risk Score	Additional actions to mitigate risk	Last Reviewed
Keane, Brian	Almost Certain (5)	Major (4)	Existing policies relating to FIA and EIR. Legal Services Manager leading a GDPR compliance project. Internal Audit are in process of establishing a Corporate Information Asset Register. Regular monitoring by Governance Group. Browne Jacobson have been employed as legal consultants and are looking at Corporate policies and reviewing Privacy Notices.	Likely (4)	Major (4)	21	▲	»	Likely (4)	Major (4)	21	Appoint/Nominate Data Controller. Data retention policy to be reviewed/refreshed. Make officers aware of existing Data Retention/Disposal Policy Guidance to enable data cleansing to commence. Corporate policy/process rollout and training. Fair Processing Notices require updating. Data sharing agreements to be reviewed, updated or drafted. Data Impact Assessments to be carried out as necessary.	03/08/2017

Section Seven: Progress in delivering the Corporate Plan

Corporate Priorities Milestone Tracker as at 30/06/2017

The Corporate Plan includes an Action Plan setting out the milestones the Council needs to complete in order to deliver its objectives. Below is a status update of how well the Council is doing in delivering its Plan.



	Number	%
Completed Milestones	22	9%
On Track Milestones	186	75%
Further action required	16	6%
Significantly off target	0	0%
Not Started Milestones	25	10%

84% (208 out of 249) of all milestones are self-assessed as completed or on track as at 30 June 2017.

6% (16 out of 249) of milestones have lapsed or require further action to ensure they are brought back on track.

0% (0 out of 249) of milestones is significantly off target as at 30 June 2017.

10% (25 out of 249) of milestones have not started.