

**REPORT TO:** CABINET

**DATE:** 14 SEPTEMBER 2017

**TITLE:** JOINT FINANCE AND PERFORMANCE  
REPORT, QUARTER ONE 2017/18

**PORTFOLIO HOLDERS:** COUNCILLOR JON CLEMPNER, LEADER OF  
THE COUNCIL

COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

**LEAD OFFICERS:** SIMON FREEMAN, HEAD OF FINANCE  
(01279) 446228

BRIAN KEANE, HEAD OF GOVERNANCE  
(01279) 446037

**This is not a Key Decision**

**It is on the Forward Plan as Decision number I007282**

**This decision is not subject to Call-in procedures for the following reasons:**

The recommendations are within the scope of the original budget and Corporate Plan approved by Full Council in February 2017

**This decision will affect no ward specifically.**

**RECOMMENDED that:**

- A** Cabinet acknowledges the projected outturn position set out in sections three and four of Appendix A to this report for the first quarter (April – June) of 2017/18 as follows:
- (i) A favourable variation on controllable budgets of £85,000 representing -0.14 percent of the gross General Fund Budget.
  - (ii) A total projected underspend of £104,000 representing -0.17 percent of the gross General Fund Budget.
  - (iii) The Council performed on target or above target for 41 out of 43 (95 percent) of performance indicators.

**REASON FOR DECISION**

- A** To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2017/18 and acknowledges the

extremely small variation and the caution that should be applied to it given the challenges the Council may face in the later part of the financial year.

## **BACKGROUND**

1. This report sets out the Council's corporate priorities and financial and performance position as at the end of June 2017. The report is the first in the formal reporting process for the 2017/18 financial year.

## **SUMMARY OF QUARTER ONE FINANCIAL PERFORMANCE – 2017/18**

2. A review of the first quarter of 2017/18 indicates that, in total, the controllable General Fund Budget is projected to be underspent by £85,000 or -0.14 percent when compared to the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations. This variance is extremely small in the context of the Council's approved budget and range of services provided.
3. Taking in to consideration the budgets which are not directly under service area control the overall position at the end of June 2017 is that the General Fund is forecast to underspend by £104,000 or -0.17 percent when compared to the approved gross General Fund Budget.
4. Careful management of budgets continues to be exercised across all services in order to guard against expenditure pressures and to offset income reductions.
5. Appendix A to this report details the major variations across both controllable and non-controllable budgets. The situation will be closely monitored in the coming months and should the position change the forecasts for future financial reports will be amended and reported accordingly.

## **SUMMARY OF QUARTER ONE OPERATIONAL PERFORMANCE – 2017/18**

6. Section four of Appendix A details information about the Council's operational performance. The Council performed on target or above target for 41 out of 43 (95 percent) of performance indicators. Eighty-four percent of all Corporate Plan milestones were self-assessed as completed or on track as at 30 June 2017.

Details of all of the Council's performance indicators can be found on the Council's website, [www.harlow.gov.uk/performance/](http://www.harlow.gov.uk/performance/)

7. Despite an extraordinarily challenging financial environment, 28 out of 43 (65 percent) performance indicators performed significantly above their target. Listed below is a selection of Key Performance Indicators (KPIs) which are

contributing towards the achievement of the corporate priorities during the first quarter of 2017/18 including:

- a) **Household Waste Recycled (Tonnes):** 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.
  - b) **Rent Collected/Rent Owed (%):** 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.
  - c) **Average number of working days/shifts lost to sickness and absence:** Although performance has dipped when compared to the previous year, the outturn is well within target.
8. Two out of forty-three (five percent) of performance indicators did not perform as well as expected; both have a detailed IAP which explains why the performance did not perform as well. Areas of reduced performance include:
- a) **Invoices paid within 30 days (%):** 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.
  - b) **Percentage of customer complaints responded to within target time:** An increase in the volume and the complex nature of complaints as they are escalated has led to a decrease in the general performance.

## **SIGNIFICANT RISKS / OPPORTUNITIES**

9. The Council is operating in a period of major change driven by both the world-wide economic condition and the legislative changes being introduced by the Government. Some of the key changes that will or are already impacting on the Council include:
- a) The risks and volatility associated with the Government's localisation of council tax support and business rates;

- b) Variations in income from fees and charges as public spending habits respond to the economic climate;
  - c) Continued long-term austerity measures placed upon councils by the Government; and
  - d) The impact on the Council's treasury management activities following the EU referendum vote for Brexit.
10. Section six of Appendix A details information about the three exceptional risks (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register as of June 2017\* which are:
- a) 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.
  - b) 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 retains a high priority for the Council.
  - c) 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).

\* These risks relate to 30 June 2017 and may have changed between that period of time and the meeting of Cabinet.

## **IMPLICATIONS**

### **Place (includes Sustainability)**

Any specific implications are set out in the report.

Author: **Graeme Bloomer, Head of Place**

### **Finance (Includes ICT)**

Any specific implications are set out in the report.

Author: **Simon Freeman, Head of Finance**

**Housing**

Any specific implications are set out in the report.

Author: **Andrew Murray, Head of Housing**

**Community Wellbeing (includes Equalities and Social Inclusion)**

Any specific implications are set out in the report.

Author: **Jane Greer, Head of Community Wellbeing**

**Governance (includes HR)**

Any specific implications are set out in the report.

Author: **Brian Keane, Head of Governance**

**Background Papers**

None.

**Glossary of terms/abbreviations used**

IAP – Improvement Action Plan

**Appendices**

Appendix A – Joint Finance and Performance Report, Quarter One 2017/18