

**REPORT TO:** CABINET

**DATE:** 13 SEPTEMBER 2018

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 1 2018/19

**PORTFOLIO HOLDER:** COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

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**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I008563**

**The decision is not subject to Call-in Procedures for the following reason:**

The recommendations are within the scope of the original budget and Corporate Plan approved by Full Council in February 2018.

**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 2018/19 as follows:
- i) An adverse variation on controllable budgets of £109,000 representing 0.18 percent of the gross General Fund Budget.
  - ii) A total projected underspend of £429,000 representing -0.71 percent of the gross General Fund Budget.
  - iii) The Council performed on or above target for 47 out of 48 (98 percent) of its quarterly performance indicators.

**REASON FOR DECISION**

- A** To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2018/19 and acknowledges the small variation to the forecast outturn position.

## **BACKGROUND**

1. This report sets out the Council's corporate priorities and financial and performance position as at the end of the June 2018. The report is the first in the formal reporting process for the 2018/19 financial year.

## **ISSUES/PROPOSALS**

### **Summary of Quarter One Financial Performance 2018/19**

2. A review of the first quarter of 2018/19 indicates that, in total, the controllable General Fund Budget is projected to overspend by £109,000 or 0.18 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 into consideration the budgets which are not directly under service area control the overall position at the end of June 2018 is that the General Fund Budget is forecast to underspend by £429,000 or -0.71 per cent 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.

### **Summary of Quarter One Operational Performance 2018/19**

5. Section four of Appendix A details the Council's operational performance. The Council performed on or above target for 47 out of 48 (98 percent) of its quarterly performance indicators. Sixty-seven percent of the indicators have been maintained or improved compared to Quarter One 2017/18.
6. Fifteen (six percent) of the Corporate milestones have been successfully completed, 166 (70 percent) of the Corporate milestones have started and are on track, and 55 (23 percent) of the Corporate milestones have not started as the due dates are in the future.
7. The Council continues to improve performance in key areas linked to its Corporate Priorities. Some of the performance indicators that have contributed to this achievement are:
  - a) CSO2b – Percentage of lost calls for Contact Harlow;
  - b) CS25Q – Percentage of customer complaints responded to within target time;
  - c) BVO10 – NNDR collected;

- d) HTS 2.1a – Routine cleaning of streets (NI 195) Litter to Grade A standard (Wave);
  - e) HTS 2.4 – Average time (in hours) to remove fly tips;
  - f) HTS 5.3 – Standard requests for repairs and minor adaptations carried out within 20 working days; and
  - g) NI157c – Processing of other applications within 8 weeks or agreed timescale.
8. One out of the 48 (two percent) performance indicators did not perform as well as expected. The indicator detailed below has an Improvement Action Plan (IAP) which outlines the performance situation and the steps for improvement.
- a) BV082ai – Household Waste Recycled.

### **Significant Risks/Opportunities**

9. The Council is operating in a period of major change driven by both worldwide economic conditions and legislative changes being introduced by the Government. Some of the key changes that will or already are impacting on the Council include:
- a) The risk and volatility associated with the Government's localisation of Council Tax support and business rates;
  - b) Variations in income from fees and charges and other specific grants;
  - c) Ongoing low staff turnover rates which put at risk the achievement of the vacancy savings targets allocated to each service within the Council's budget; and
  - d) The uncertainty regarding the future financial settlements including the end of the current four year funding deal beyond the current spending review period from 2021/21 onwards.
10. Section six of Appendix A details information about the one exceptional risk (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register as at June 2018 related to lack of suitable housing mix which is:
- a) 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.

11. Implementation of the Local Development Plan will mitigate this risk and direct delivery of council housing is also being pursued along with set up of a housing delivery company under the HTS Group.

## **IMPLICATIONS**

### **Place (Includes Sustainability)**

As contained within the report.

**Author: Jane Greer, Head of Community Wellbeing on behalf of Graeme Bloomer, Head of Place**

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

As contained within the report.

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

### **Housing**

As contained within the report.

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

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

As contained within the report.

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

### **Governance (Includes HR)**

As contained within the report.

**Author: Colleen O'Boyle, Interim Head of Governance**

## **Appendices**

Appendix A – Joint Finance and Performance Report, Quarter 1 2018/19

## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

IAP – Improvement Action Plan