

Harlow Council

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

30/06/2018

The Council's aim for 2018-19:-

"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:

1. Is the indicator a high priority for the Council? Is this reflected in the budget?
2. 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?
3. What are other Council's doing to improve performance in this area?
4. Are there any overspends/underspends in the budget area within which the under performing indicator sits?
5. Are there any future projects planned that will enhance existing performance?
6. How severe or likely are risks associated with lower level performance?






Performance Symbols:

Harlow Council uses the below symbols when reporting 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

The key issues relating to the Council's finances, performance, risks and corporate plan:

FINANCE

The forecast outturn position for 2018/19 is that the controllable General Fund revenue budget will overspend by £109,000 on its gross controllable costs. This represents an overspend of 0.18% of the Council's approved gross budget for the General Fund. Taking into consideration the budgets which are not controllable by services, there is an overall forecast underspend is £429,000 or -0.71%.

Key risks in relation to financial management are currently:

1. The risks and volatility likely to be associated with the Government's planned funding review and resulting Business Rates Retention scheme.
2. The uncertainty regarding any national and local impacts as a result of the UK's exit from the European Union.
3. Variations in income from fees and charges and public spending habits respond to the economic climate.

The following performance indicators did not meet their performance target:

Place Services : BV082ai Household waste recycled (%)

PERFORMANCE

RISK

The following **exceptional residual risks** (rated as high likelihood, high impact) have been highlighted for this quarter:

CR03 - Lack of Suitable Housing Mix

Six per cent of the milestones were successfully completed between April and June 2018.

Seventy per cent of the milestones have started and are on track.

Twenty-three per cent of the milestones have not started as the due dates are in the future.

There are no 'red' milestones for the quarter one.

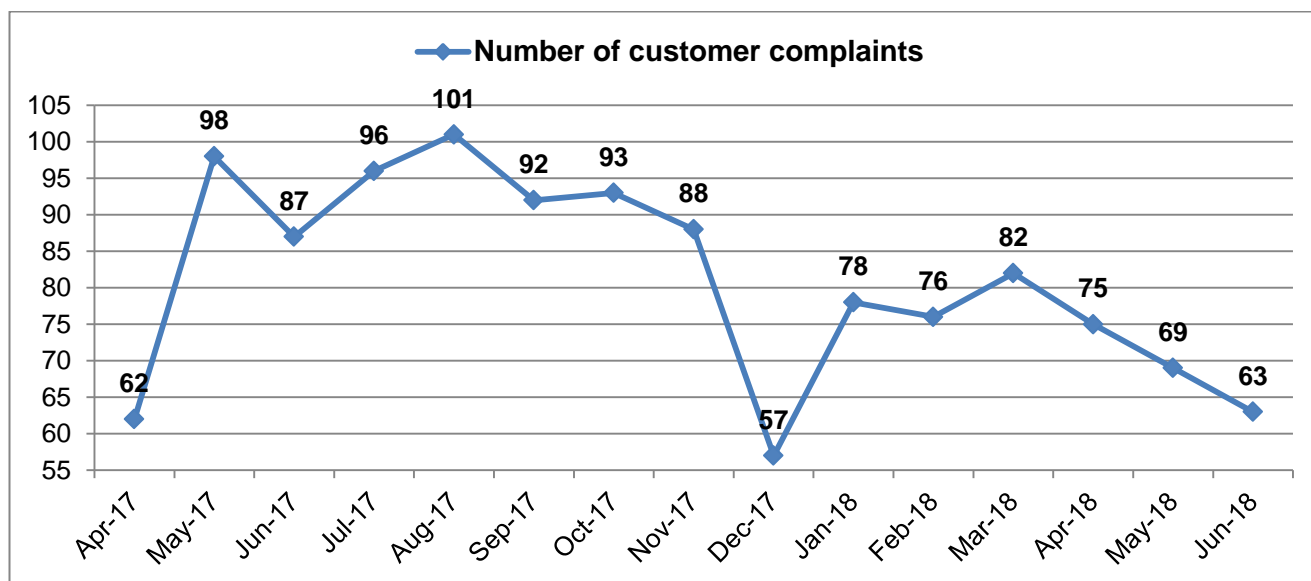
CORPORATE PLAN

Section Two: What our Customers are telling us (Complaints)

The Council provides and commissions a large number of services to a population of over 85,000 residents. Each year the Council undertakes over 600,000 housing transactions, deals with hundreds of thousands of enquiries at Contact Harlow and provides an administrative service for Housing Benefit and Local Council Tax Support to a caseload of nine thousand benefit claimants.

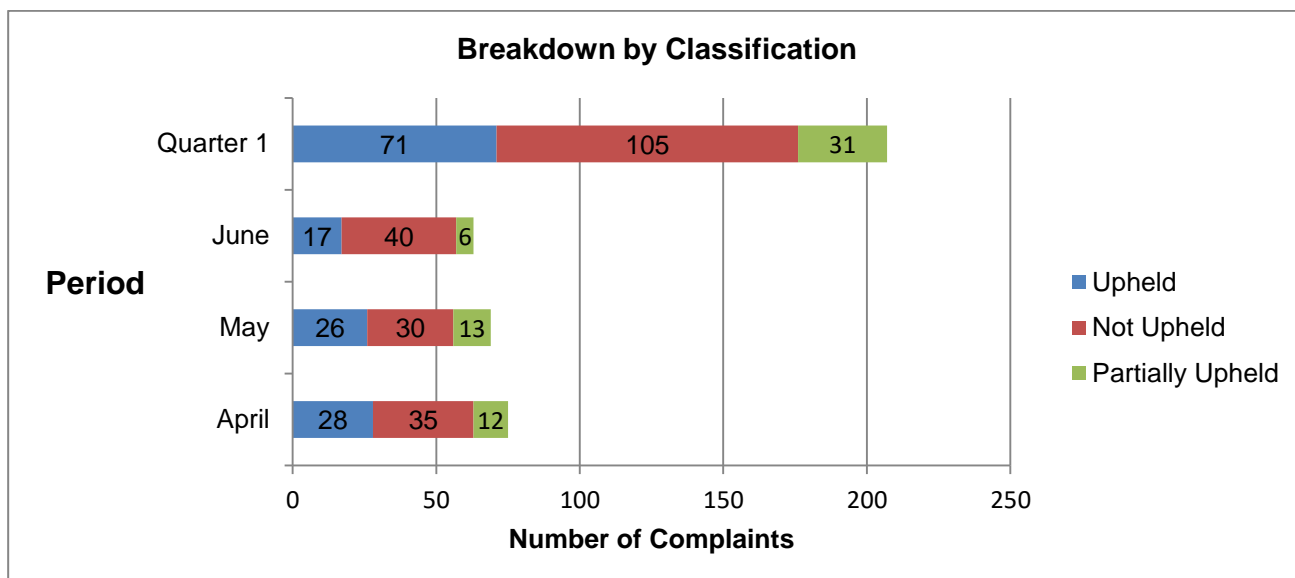
The Council aims to respond to and resolve all stage one and stage two complaints within ten working days and stage three complaints within 15 working days.

The chart below shows a gradual decrease in the number of complaints compared with the previous quarter (April to June 2017).



In Quarter One (April to June 2018), the Council received a total of 207 complaints. Of these, complaints 71 (34%) were upheld, 105 (51%) were not upheld and 31 (15%) were partially upheld.

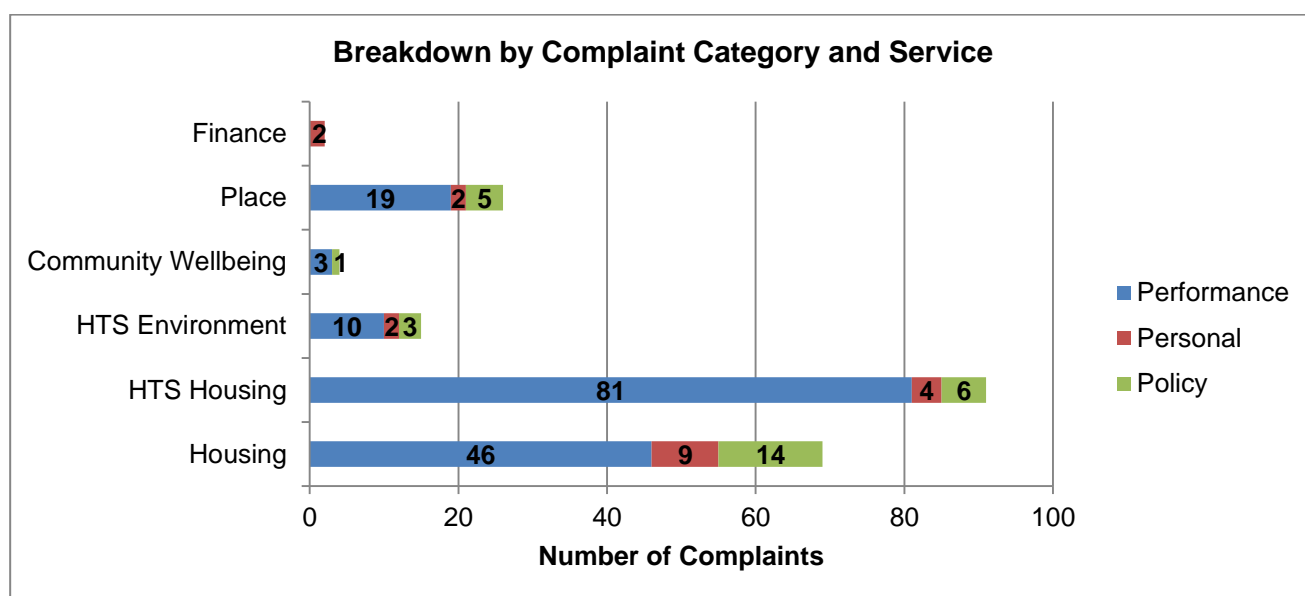
The chart below breaks down the classifications for each month in Quarter One.



Eighty-seven per cent of the complaints were resolved by Stage One, nine per cent of the complaints were resolved by Stage Two and four per cent of the complaints reached Stage Three. The table below breaks down the complaints stages by month.

Time Period	Stage One	Stage Two	Stage Three
April	67	4	4
May	57	9	3
June	56	6	1
Quarter One (Total)	180	19	8

The chart below shows the number of complaints related to a) performance; b) person; and c) policy. Between April and June 2018, there were 159 (performance), 19 (person) and 29 (policy) related complaints.



Since April 2018, additional information has been collected on all closed complaints that were either upheld or partially upheld to ensure lessons are learnt to improve service delivery; and minimise the risk of reoccurrence.

The information is logged by the Service areas responding to the complaint and includes:

- What will be done as a result of the complaint?
- Who by?
- By when?

The Service areas provide a monthly report to the Customer Services Officer to ensure that action(s) are completed. Any failures/blockages are reported to the Customer and Media Services Manager to progress to the relevant Head of Service.

Reports will be provided to the Senior Management Board showing the trends and resolutions to ensure continuous improvement.

Section Three: The Latest Financial Performance

The Council continues to face financial challenges, especially those created by the long term reductions in its core Government funding, which have and will continue to feature within its Medium Term Financial Strategy (MTFS). The contents of this report highlight the excellent financial control being placed upon existing budgets by all services.

The Governments intended review of local Government funding continues to create significant uncertainties for the future but with the record of strong financial management coupled with the ambition to operate to lower cost base in advance of required savings, the Council can have confidence that its services will continue to be delivered to the residents it serves without reduction or cuts for the foreseeable future.

The forecast service overspend on the controllable budgets in 2018/19 total £109,000 or 0.18% of the Council's gross budget. Taking into account the non-controllable costs, there is a forecast underspend is £429,000 or -0.71% of the gross budget.

Simon Freeman, Head of Finance

[Movements In General Fund Balance Quarter 1.pdf](#); [The Budget Variances_ Exceptions \(Quarter 1\).pdf](#)

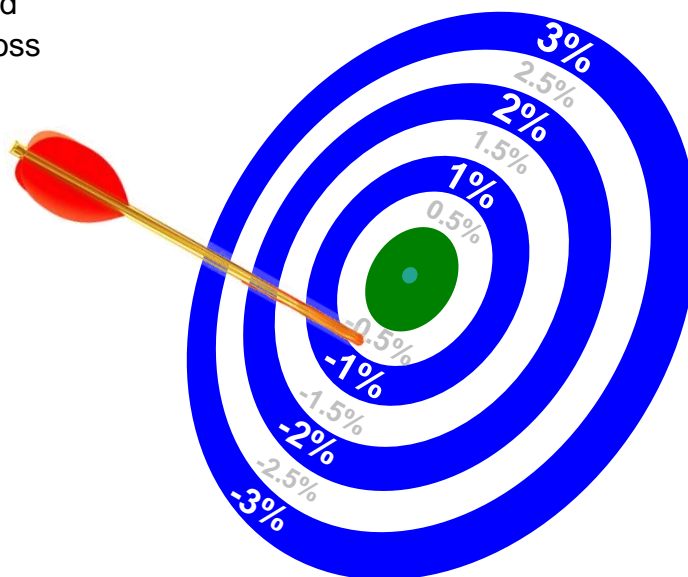
Movements in General Fund Balance in Quarter One 2018/19

	<i>£millions*</i>
General Fund closing balance as at 31 March 2018	6.734
Variations resulting from previous Cabinet / Council decisions:	
• Planned investment in Harlow's environment	(1.000)
• Transfer to Harlow & Gilston Garden Town Funding Reserve	(0.500)
• Replacement of Paddling Pools	(0.750)
• Contribution to Discretionary Services Fund	(0.026)
• Carry forwards from 2017/18 to 2018/19	(0.137)
Effective General Fund closing balance as at 31 March 2018	4.321
Current Variations	
• Service budget variations	(0.109)
• Other variations	0.538
Balance on General Fund at 31 March 2018 (Projected)	4.750

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

2018/19 Projected Outturn

The Council projects to underspend by a margin of **-0.71%** on its gross General Fund revenue budget.



Latest Financial Performance (Budget Variations / Exceptions):

Major Variances - Quarter 1 of 2018/19

Service	Adverse £000s	Favourable £000s	Net £000s	Main Contributing Factors to Variations
Community Wellbeing				
Support for Voluntary Organisations		(76)	(76)	This budget was previously used to award Discretionary Rate Relief to businesses / charities. This expenditure is now accounted for within the Collection Fund rather than the General Fund as a result of legislative changes in accounting practice.
The Playhouse	30		30	The overspend at the Playhouse has occurred due to technicalities related to the Playhouse Capital investment programme in 2018/19.
Regeneration Team	34		34	Reconciliation of staffing budgets between service areas will be required over the following quarter
Other Minor Variations	14		14	
Total Community Wellbeing			2	
Place				
Cemetery & Crematorium	30		30	Legal fees and other costs associated with the extension of burial land.
Housing Garages - GF	31		31	This forecast variation reflects net reallocation of costs between the HRA and GF.
Commercial Properties - Miscellaneous		(38)	(38)	Forecast increased rental income.
Other minor variations		(8)	(8)	
			15	
Housing (General Fund) Services				
Supporting People		(23)	(23)	Increased income for alarms.
Housing Options & Advice	189		189	A forecast increase in the cost of temporary accommodation.
Other Minor Variations	10		10	
Total Housing (General Fund) Services			176	
Finance Service				
Revenues and Benefits		(61)	(61)	Additional government grant funding offset by increased bank charges and Allpay charges and the cost of GDPR software.
Early Retirement / Under Funding Pensions	35		35	An underspend on Added Years Superannuation which is offset by financial strain payments.
Minor Service variances	19		19	
Total Finance Service			(7)	
Managing Director and Services				
Managing Director		(11)	(11)	Salary and superannuation savings.
Governance				
Head of Governance		(29)	(29)	Underspend on salaries offset by agency staff costs.
Other minor variances		(37)	(37)	
Total Governance Service			(66)	
Service Specific Variations			109	Sub-total
Other				
Council Tax Sharing Agreement		(60)	(60)	Council Tax sharing agreement income from County, Fire and Police is estimated at £460,000. This compares to an approved income budget of £400,000.
S31 Grant		(188)	(188)	Grant received from the Government to compensate the Council for legislative changes that reduce the amount of business rates that are collected.
HTS Management		(290)	(290)	The year-end variation reflects the final settlement from Kier following the conclusion of the JVCO.
Total Other Variations			(538)	Sub-total
Total General Fund Budget Variations			(429)	

Service Based Analysis

Community Wellbeing, Jane Greer

Overall, financial control is generally satisfactory although some reconciliation of staffing budgets between service areas will be required over the following quarter. In addition the overspend at the Playhouse has occurred due to technicalities related to the Playhouse Capital investment programme in 2018/19.

Place Services, Jane Greer on behalf of Graeme Bloomer

Financial control for the first quarter has been satisfactory and there are no indications from this quarter's results that would point towards areas of particular concern.

Housing, Andrew Murray

Resources for housing need were previously reduced through on-going prioritisation and targeting of resources against continued increases in the costs associated with external temporary accommodation. Incidences of homelessness have however continued to rise both locally and nationally. Central Government initiatives to reduce homelessness including the commencement of the Homelessness Reduction Act in April 2018 have placed additional relief duties on the Local Authority to provide longer term temporary accommodation whilst homelessness enquiries are completed.

No additional budget was identified to cover these increases. Additionally, increased prevention duties require extra resources to comply with the new legislation. Whilst actual numbers in TA remained constant during Quarter 1 it is anticipated that levels will rise over the remainder of the year and this reflects in the present forecasted budget variation. The Homelessness Reduction Act places uncertainties over future levels of activity throughout the remainder of 2018/19.

The review of supported housing was completed in November 2017. Cabinet recommended a plan for going forward against the background of reduced funding and cessation of funding from Essex County Council for Housing Related Support.

Governance, Colleen O'Boyle

Good financial control continues to be maintained during the first quarter of the 2018/19 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 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 £7,000 in 2018/19. This is an extremely small variance against service controllable budgets of over £40 million and the position will continue to be monitored very closely throughout the remainder of the financial year to ensure that the service manages within its approved budget allocation.

Section Four: Performance

The Council performed on or above target for 47 out of 48 (98 per cent) of the performance indicators. Sixty seven per cent of the indicators have been maintained or improved compared to Quarter One 2017/18.

Percentage of indicators within or better than target	Qtr ended	Qtr ended	Qtr ended	Qtr ended	Qtr ended
	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018
	95 %	98 %	98 %	92 %	98 %

Percentage of indicators improving or unchanged from the same period last year	Qtr ended	Qtr ended	Qtr ended	Qtr ended	Qtr ended
	30/06/2017	30/09/2017	31/12/2017	31/03/2018	30/06/2018
	67 %	60 %	64 %	57 %	67 %

Good Performance:

The Council continues to improve performance in a number of areas. Twenty two out of forty eight (46 per cent) performance indicators performed significantly above their target. Listed below are a selection of the performance indicators which have contributed towards the achievement of the Council's priorities.

		30/06/2018	30/06/2018	30/06/2017	30/06/2017		
		Actual	Target	Actual	Target		
★	↕	Community Wellbeing : CS02b % Lost calls for Contact Harlow (Quarter Cumulative)		9.02	14.00	11.34	15.00
The improvement in performance is a result of resourcing the call centre effectively to manage the fluctuating call demands.							
★	↕	Community Wellbeing : CS25q % of customer complaints responded to within target time		89.37	85.00	77.73	85.00
Complaint reports are provided to Service Managers highlighting the progress of all complaints to ensure they are closely monitored. This has resulted in a reduction in the number of complaints going out of target and improvement in the timescales.							
★	↕	Finance : BV010 NNDR collected (%)		31.96	29.90	30.74	29.90
Quarter 1 performance was due to the a high value account paying the full years charge in April 2018.							
★	↕	Place Services : HTS 2.1a Routine cleaning of streets (NI195) Litter to Grade A standard (Wave)		0.67	3.00	1.33	4.00
HTS consistently review feedback from residents' and "Keep Britain Tidy" surveys to target litter, particularly its impact in hot spot areas across Town. This has enabled HTS to allocate resources where necessary and maintain a high performance.							
★	↕	Place Services : HTS 2.4 Average time (in hours) to remove fly tips		1.42	3.50	1.50	3.50
HTS place great importance on the quick clearance of all reported fly tipping. This has led to HTS consistently exceeding its performance by a substantial margin.							
★	↕	Place Services : HTS 5.3 Standard requests for repairs and minor adaptations carried out within 20 working days (%)		100.00	95.00	99.19	93.00
HTS supports the Council in its delivery of home adaptations in the most efficient and effective ways, whilst making the best use of resources. High performance has been maintained through the sharing of knowledge, flexibility and innovations.							
★	↕	Place Services : NI157c Processing of other applications within 8 weeks or agreed timescale (%)		88.67	80.00	78.43	80.00
The Development Management Team continues to prioritises all types of applications in line with statutory deadlines. In this quarter, 39 'other' applications were determined within 8 weeks, and 8 were determined within an agreed timescale.							

Section Five: Improvement Action Plans

The Council and HTS (Property & Environment) Ltd monitors all performance indicators which have been subject to an Improvement Action Plan (IAP) during the past 12 months. The table below illustrates how the indicators subject to an IAP have performed over time.

All performance indicators are reported as red, blue and green in line with the Council performance monitoring.

Quarterly Performance Indicator	QTR ended 30/06/2017	QTR ended 30/09/2017	QTR ended 31/12/2017	QTR ended 31/03/2018	QTR ended 30/06/2018
... CS25q % of customer complaints responded to within target time					
... BF005 Average days to process new claims					
... HTS 2.1b Routine cleaning of streets (NI195) Detritus to Grade A standard (Wave)					
... BV008 Invoices paid within 30 days (%)					
... BV012 Average number of working days / shifts lost to sickness and absence					
... BV082ai Household waste recycled (%)					
Number of Red Quarterly Indicators	2	2	1	3	1

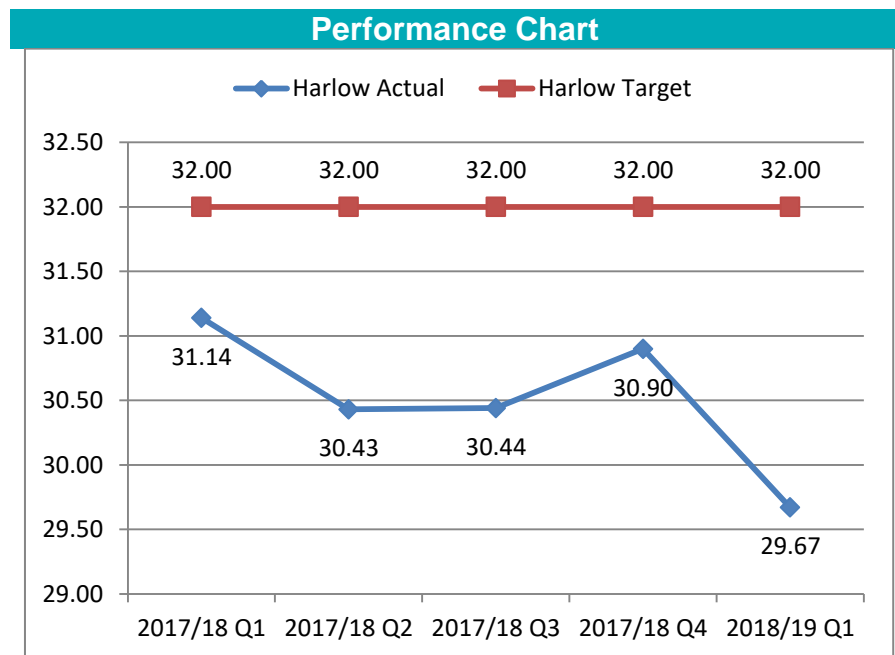
Improvement Action Plan

Reporting Period Ended: 30/06/2018

Performance Indicator
BV082ai Household waste recycled (%)

Performance					
	to 30/06/17	to 30/09/17	to 31/12/17	to 31/03/18	to 30/06/18
Harlow Actual	31.14	30.43	30.44	30.90	29.67
Harlow Target	32.00	32.00	32.00	32.00	32.00

Description
Percentage of household waste arisings which have been sent by the Authority for recycling



Direction of Travel
↓ x

What is the performance situation?

The figures are based on the available data which only includes data for April 2018. The data for May and June 2018 are not yet available due to Essex County Council experiencing issues with their new reporting system, which has caused a delay in the information being received by the Council. Therefore, the data has yet to be validated.

What practical steps are being taken to improve?

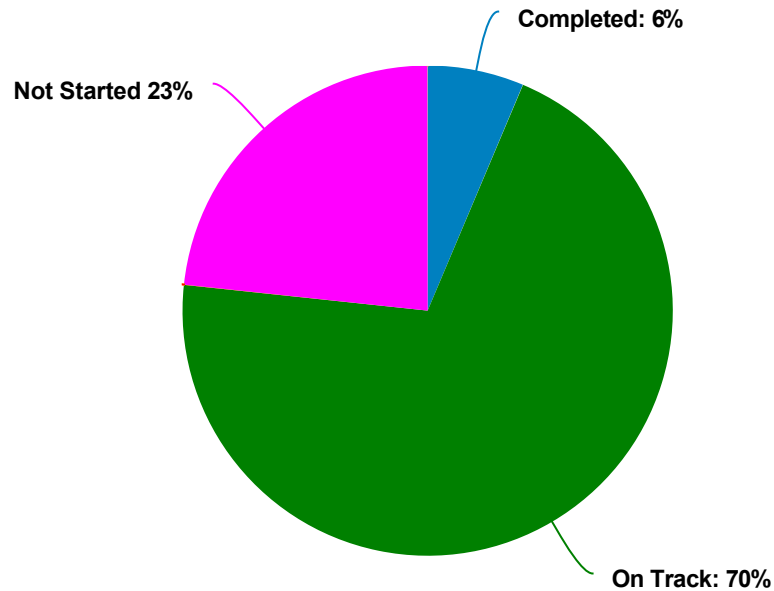
Officers continue to chase Essex County Council for the final data.

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
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. Pursue housing grant opportunities as they arise. Set up of a council housing and regeneration company. Direct delivery of council housing. Draft Local Plan submission to Cabinet June 2018.	30/06/2018

Section Seven: Progress in delivering the Corporate Plan

The Corporate Plan sets out the goals the Council needs to complete in order to deliver its corporate priorities and principles. Below is an update of how well the Council is doing in delivering its Corporate Plan.



The position of the Corporate Milestones as at 30 June 2018 are broken down as follows:

6% (15 out of 236) of the milestones have been successfully completed;

70% (166 out of 236) of the milestones have started and are on track;

23% (55 out of 236) of the milestones have not started as the due dates are in the future.

There were no milestones significantly off target, requiring further action, cancelled or suspended.