

REPORT TO: CABINET

DATE: 6 DECEMBER 2018

TITLE: JOINT FINANCE AND PERFORMANCE REPORT,
QUARTER 2 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 I008569

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 second quarter (July - September) of 2018/19 as follows:
- i) An adverse variation on controllable budgets of £141,000 representing 0.23 per cent of the gross General Fund Budget.
 - ii) A total projected underspend of £1,076,000 representing -1.78 per cent of the gross General Fund Budget.
 - iii) The Council performed on or above target for 48 out of 48 (100 per cent) 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 September 2018. The report is the second in the formal reporting process for the 2018/19 financial year.

ISSUES/PROPOSALS

Summary of Quarter Two Financial Performance 2018/19

2. A review of the second quarter of 2018/19 indicates that, in total, the controllable General Fund Budget is projected to overspend by £141,000 or 0.23 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A 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 September 2018 is that the General Fund is forecast to underspend by £1,076,000 or -1.78 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.
5. Appendix A to this report details the major variations across both controllable and non-controllable budgets. The situation will be closely monitored during the financial year and should the position change the forecasts will be amended and reported in future financial reports accordingly.

Summary of Quarter Two Operational Performance 2018/19

6. Section four of Appendix A details the Council's operational performance. The Council performed on or above target for 48 out of 48 (100 per cent) of its quarterly performance indicators. Sixty-six per cent of the indicators have been maintained or improved compared to Quarter Two 2017/18.
7. Forty-one (17.4 per cent) of the Corporate milestones have been successfully completed and 168 (71.1 per cent) of the Corporate milestones have started and are on track. Three (1.3 per cent) of the Corporate milestones required further action and 24 (10.2 per cent) of the Corporate milestones have not started as the due dates are in the future.
8. 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) CS25q – Percentage of Customer Complaints responded to within target time;

- b) BF006 – Average days to process Change Events;
- c) HTS 4.11 – Emergency Housing requests attended within two working hours and made safe; and
- d) HTS 3.1 – Compliance with Landscape Maintenance requirements.

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 risk and volatility associated with the Government's localisation of 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 three exceptional risks (rated with a risk score of 20 or higher) recorded in the Council's Risk Register as at September 2018. These risk are:
 - a) SRFIN02 (Financial Systems Operational Availability) – The risk relates to ongoing support required for financial systems reporting. It is currently controlled by buying in external systems support while relevant skillsets are developed within the accountancy service.
 - b) SRHSG03 (Tackling Housing Need) – There is a known acute housing shortage of all tenures which results in increased Housing Need Register and overcrowding. In addition to the existing Allocations Policy and Homelessness Strategy, partnership working and Government grants will be required to increase supply of supported housing accommodation.
 - c) SRPLC11 (Continue to lobby Central Government to meet infrastructure needs of Harlow) – The town requires key infrastructure to deliver housing growth. A Housing infrastructure Fund bid is in progress to enable faster delivery. Without the Government funds, delivery will continue but at much slower pace.

11. The Corporate Risk Register continues to be reviewed on a quarterly basis by Senior Management Board and key risks are reported to the Audit and Standards Committee for scrutiny and challenge.

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 2 2018/19

Background Papers

None.

Glossary of terms/abbreviations used

None.