

**REPORT TO:** CABINET

**DATE:** 12 SEPTEMBER 2019

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 1 2019/20

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

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POLICY AND PERFORMANCE TEAM

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I010138**

**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 2019.

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

**RECOMMENDED that** Cabinet:

- A** Notes the projected outturn position set out in sections three and four of Appendix A to this report for the first quarter (April – June) of 2019/20 as follow:
- i) An adverse variation on controllable budgets of £215,000 representing 0.4 per cent of the gross General Fund Budget.
  - ii) A total projected overspend of £46,000 representing 0.08 per cent of the gross General Fund Budget.
  - iii) The Council performed on or above target for 47 out of 49 (96 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 June 2019. The report is the first in the formal reporting process for the 2019/20 financial year.

## **SUMMARY OF QUARTER ONE FINANCIAL PERFORMANCE – 2019/20**

2. A review of the first quarter of 2019/20 indicates that, in total, the controllable General Fund Budget is projected to overspend by £215,000 or 0.4 per cent 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 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 2019 is that the General Fund is forecast to overspend by £46,000 or 0.08 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. The major variations across both controllable and non-controllable budgets are set out in Appendix A to the report. 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 ONE OPERATIONAL PERFORMANCE – 2019/20**

6. The Council's operational performance is set out in section four of Appendix A to the report.
7. As part of the Council's business planning process a review of its Key Performance Indicators and Corporate Milestones was undertaken. This resulted in a 34 per cent reduction (236 to 155) of the Corporate Milestones for the financial year 2019/20.
8. The Council performed on or above target for 47 out of 49 (96 per cent) of its quarterly performance indicators. Fifty-seven per cent of the indicators have been maintained or improved compared to Quarter One for 2018/19.
9. Eight (five per cent) of the corporate milestones have been successfully completed and 128 (82 per cent) of the corporate milestones have started and are on track. Eighteen (12 per cent) of the corporate milestones have not started as the due dates are in the future and one (one per cent) of the corporate milestones require further action.

10. 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) Housing NI156 – Number of Households living in Temporary Accommodation.
  - c) Place Service HTS 2.7 – Repair or Replace Damaged Litter and Dual Use Bins within two working days.
  - d) Place Services HTS 3.1a – Grounds Maintenance (grass cutting).
  - e) Place Services NI157b – Processing of Minor Applications within eight weeks or agreed timescale.
11. Two out of the 49 (four per cent) performance indicators did not perform as well as expected. The indicators detailed below have an Improvement Action Plan which outlines the performance situation and the steps for improvement.
- a) CSO2b – Percentage of lost calls for Contact Harlow.
  - b) CS50 – Average waiting time of calls received by Contact Harlow.

## **SIGNIFICANT RISKS/OPPORTUNITIES**

12. 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.
  - 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.
13. Significant opportunities continue to arise and develop to benefit the town and its residents. The Council must ensure it continues to work with all stakeholders to realise those benefits. Examples where opportunities arise include:

- a) Harlow and Gilston Garden Town.
- b) The Enterprise Zone.
- c) Public Health England relocation to Harlow.
- d) M11 Junction 7a and associated road infrastructure.

14. Section six of Appendix A to the report 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 2019 related to tackling housing need:

- a) Due to a known acute housing shortage of all tenures, particularly social housing, this will impact on the Housing Need Register and may lead to residents having unsuitable housing conditions.

15. In order to address the exceptional risk, the Council has an Allocations Policy and Homelessness Strategy, targeting use of scarce resources by regularly reviewing housing options, assessing property suitability and priority need. In addition as part of wider strategic delivery, the council is pursuing housing development and grant opportunities as they arise and has initiated a five year council house building programme, which was approved by Cabinet in December 2018.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

As contained within the report.

**Author: Andrew Bramidge, Head of Environment and Planning**

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

As contained within the report.

**Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive**

### **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: Simon Hill, Head of Governance**

## **Appendices**

Appendix A – Joint Finance and Performance Report, Quarter 1 2019/20

**Background Papers**

None.

**Glossary of terms/abbreviations used**

None.