

Performance, Finance and Risk – April 2024



Report to:	Cabinet
Date:	13 June 2024
Portfolio Holders:	Councillor Hannah Ellis, Portfolio Holder for Corporate Services and Transformation Councillor Michael Hardware, Portfolio Holder for Finance
Lead Officers:	Jacqueline Van Mellaerts, Assistant Director – Finance and Deputy Section 151 Officer (01279) 446251 Rebecca Farrant, Assistant Director – Corporate Services (01279) 446811
Contributing Officers:	Jason Thorpe, Business Insight Officer (01279) 446942 Stuart Moseley, Insurance and Risk Manager (01279) 446215 Richard Criddle, Service Finance Manager (01279) 446251
Key Decision:	No
Forward Plan:	Forward Plan number I017195
Call In:	This item is not subject to call in procedures because it is within the scope of the budget approved by Full Council in February 2024
Corporate Mission:	Deliver High-Performing Services
Wards Affected:	None Specifically

Executive Summary

- A** This report provides Cabinet with the current performance of the council against agreed indicators alongside the financial position of the council. Strategic risks that may affect both financing and performance of council operations are also provided as context to

understanding the complete picture as to how the council is performing against its priorities as laid out in the Corporate Plan.

Recommended that Cabinet notes:

- A** The performance of key performance indicators for April.
- B** The Finance position as at first period of 2024/25 financial year.
- C** The current strategic risks for the council's operations.

Reason for decision

- A** To ensure the council reviews performance against its budget position for General Fund, Housing Revenue Fund and Capital programmes.
- B** To ensure the council understands the strategic risks that affect the organisation, and control measures in place to mitigate these.

Other Options

- A** No other options were considered, the noting of performance, finance and risk supports the Cabinet's role to review the use and allocation of assets and resources as contained within its terms of reference.

Background

1. The council set its 2024/5 budget in February 2024, to support the delivery of its Corporate Plan for 2024-2027 and Housing Revenue Account Business Plan. An annual delivery plan was approved by Cabinet in March 2024 setting out clear milestones for the year.
2. The council regularly monitors its performance, financial and risk positions to ensure it can deliver its annual delivery plan and respond efficiently to arising issues.
3. This report is the first of regular performance, finance and risk reports for 2024/25 which will provide context for reviewing how the council is performing overall, and inform budget setting for 2025/26 and updating the medium-term financial plan and future capital programmes.

4. Understanding risk is part of the council's approach to problem solving and achieving best value through taking calculated and controlled risks to achieve the council's priorities and improve the services that residents receive.
5. The information in this report supports the council's Corporate Mission to Deliver High-Performing Services. Effective use of financial resources supports maintaining delivery of priority and statutory services and investment in the council's assets.

Issues/Proposals

6. The report is split into three sections, Performance, Finance and Risk. The performance section sets out the council's achievement against key performance indicators and the Office for Local Government (OFLOG) indicator set, Finance section presents an estimated first period position based on budget monitoring and risk section highlights the current strategic risk register.

Performance

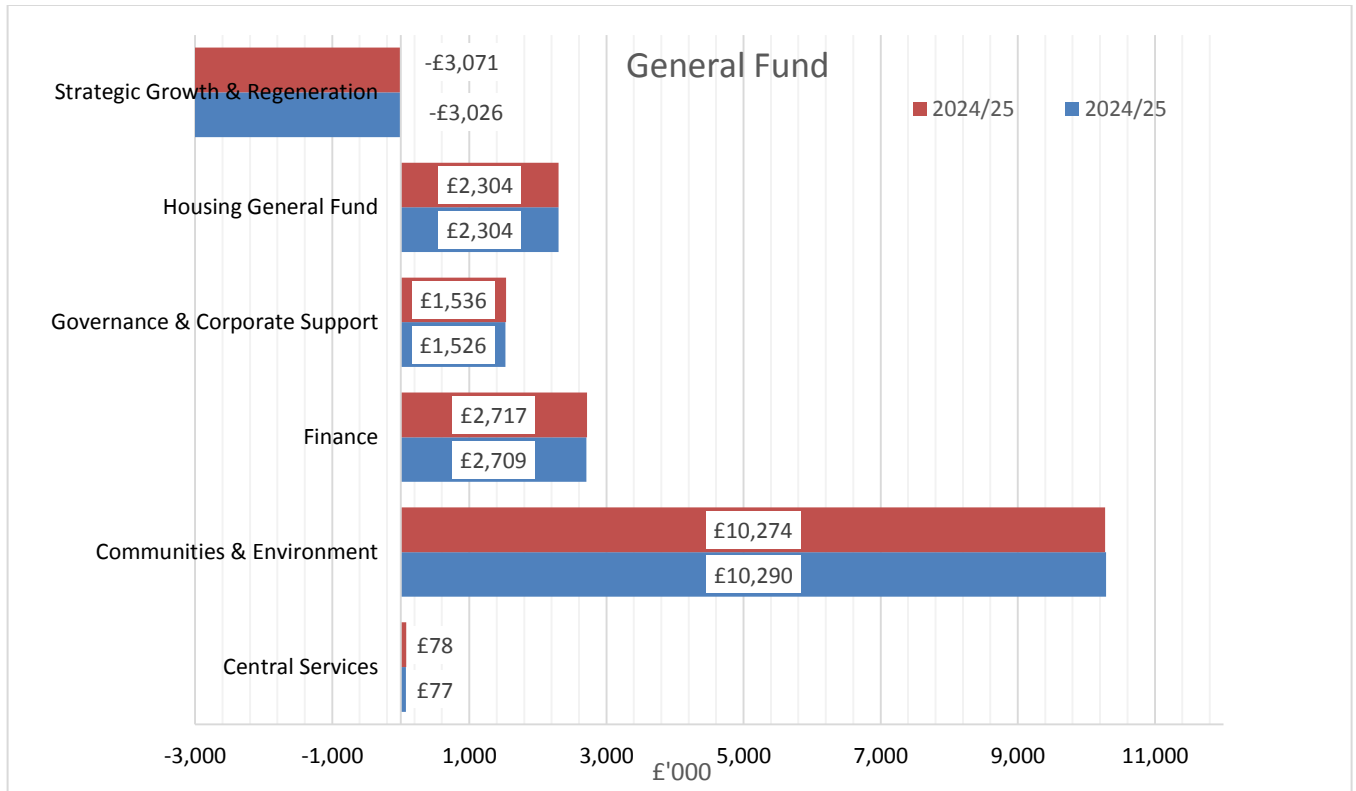
7. The council performed well against all of its Key Performance Indicators (KPIs) during April 2024. There were 11 indicators due for reporting and these all performed within target, with three highlighted for monitoring (amber performance) as performance is only just within the tolerance of good performance. Performance for April can be found at Appendix 1. KPIs are used to inform and drive more effective performance on the part of both the council and those contracted to deliver on its behalf. Areas of good performance include planning application decisions, level of empty homes and temporary accommodation KPIs where improvements have been made on previous year's performance.
8. Having reached the target for void turnarounds during 2023/24 financial year Housing teams put in place plans to maintain performance and where possible improve and reduce further. Unfortunately, there has been a significant increase in the void turnaround time for April, however which is currently 29 days. Easter bank holidays and additional requirements associated with verification checks for housing applicants prior to offers being made, along with reduced team capacity has lead to this increase. All aspects of voids services are monitored weekly to highlight any blockages and deal with demands on the service.
9. Housing rent collection KPI shows lower than average target collection rate for April 2024, however this is in line with usual collection patterns for rent which tend to be lower in April and performance for April 2024, although not matching the annual average target is in target for expected performance for the month of April based on historic performance. Similarly, April performance for the invoices paid within target show lower than annual targeted average in line with performance for previous years.

10. KPI for numbers of missed bins shows that 99 bins were missed in every 1000,000 collected which falls below the target of 90. In January and February 2024, Veolia had a higher than usual reliance on agency operatives. Whilst these operatives are given training, they lack the local knowledge of regular operatives which led to an increase in the number of bins being missed. Veolia try to reduce the dependency on agency staff as much as possible, but circumstances sometimes make their use essential.
11. Performance against OFLOG collated metrics is as per previous report to Cabinet as reporting cycles have not yet completed. and shows at Appendix 2. OFLOG has brought together a selection of existing metrics across local government including finance, complaints, planning and waste management. A statistical neighbour group of authorities has been created based on the following features; new town status, period of construction, retention of housing stock, authority type and Harlow's comparison against these authorities is shown at appendix 3. The median reported data for each metric across English councils is also published by OFLOG.

Finance

12. The council set the 2024/25 budget in February 2024, with service specific expenditure of £13.880m.
13. The council's forecast outturn position for 2024/25 is a favourable position of £42k shown in the table below. In prior years, financial monitoring has been carried out for the first quarter in July. However, a high-level review has been undertaken on salary expenditure and energy forecasts and this has been modelled to provide the most current financial position.

	2024/25 Current Budget £'000	2024/25 Forecast Outturn £'000	2024/25 Variance £'000
Central Services	77	78	1
Communities & Environment	10,290	10,274	-16
Finance	2,709	2,717	8
Governance & Corporate Support	1,526	1,536	10
Housing General Fund	2,304	2,304	0
Strategic Growth & Regeneration	-3,026	-3,071	-45
Total Service Specific Expenditure	13,880	13,838	-42
Non Service Specific & Funding	1,046	1,046	0
Funding	-14,926	-14,926	0
General Fund (Surplus)/Deficit	0	-42	-42



14. National pay negotiations for 2024/25 are ongoing. The National Joint Council (NJC) for local government services who negotiates the pay, terms, and conditions of staff in local authorities including Harlow Council unanimously agreed on 16 May 2024 to make a one year pay offer for 2024/25.
15. The MTFP currently includes a 3% uplift for 2024/25 and will create an in year budget pressure of approximately £41k, should the current offer be accepted.
16. Since the 2024/25 budget was set, additional forecast information is now known regarding our energy consumption. The original budget included a forecast increase of 8% for the council's gas usage. This is now expected to be -23.8% on 2023/24 prices. Modelling this new forecast into the 2024/25 outturn, it is expected there maybe a saving of approximately £83k, for this financial year. This will be closely monitored throughout the year and updated accordingly.

Risk

17. The council's strategic risk register has been reviewed alongside the Corporate Plan and reflects current controls in place to mitigate the impact of risks to the work of the council and keep these at acceptable levels whilst making the most of opportunities to achieve priorities within the Corporate Plan.

18. A dashboard of the current status of strategic risks and the strategic risk register can be found at Appendix D and details risk scores derived from the likelihood of a risk occurring, and the impact if it does, alongside the current controls in place.
19. The highest scoring risks are those around financial resilience, contract and partnership management and cyber resilience due to the high impact they carry. Control measures in place therefore mitigate the likelihood of these impacts as far as possible.

Implications

Equalities and Diversity

Officers do not believe that current performance will have an impact on the council's equality duty however the council will ensure that services included within its annual delivery plan are accessible to all.

Climate Change

This report has no direct impact on climate change.

Finance

Financial monitoring for period one of financial year 2024/25 has been reviewed and included within the body of the report.

Author: Jacqueline Van Mellaerts, Deputy Section 151 Officer and Assistant Director – Finance

Governance

Financial monitoring of the budget throughout the year complies with the duties under the Local Government Act 2003, the Housing Act 1985, the Local Government and Housing Act 1989 and the Local Government Finance Act 1992 and subsequent legislation.

Author: Julie Galvin Monitoring Officer, Legal Services Manager

Appendices

Appendix A - KPI report April

Appendix B - Oflog metrics

Appendix C - Oflog benchmarking dashboard

Appendix D - Risk dashboard and risk register

Background Papers

None

Glossary of terms/abbreviations used

KPIs - Key Performance Indicators

Oflog – Office for Local Government

MTFP – Medium Term Financial Plan