

Performance, Finance and Risk – April 2025



Report to:	Cabinet
Date:	12 June 2025
Portfolio Holders:	Councillor Hannah Ellis, Portfolio Holder for Corporate Services and Transformation Councillor James Leppard, Portfolio Holder for Finance
Lead Officers:	Jacqueline Van Mellaerts, Assistant Director – Finance and Section 151 Officer Rebecca Farrant, Assistant Director – Corporate Services and Improvement
Contributing Officers:	Jason Thorpe, Business Insight Officer Richard Criddle, Finance Manager
Key Decision:	No
Forward Plan:	Forward Plan number I018335
Call In:	This item is not subject to call in procedures because it is within the scope of the budget approved in February 2025
Corporate Mission:	Transform our council
Wards Affected:	None Specifically

Executive Summary

- A** The Building Harlow's Future plan states that the council will *"introduce a clear, data-driven performance framework"*. In line with that stated outcome, this report sets out our operational and financial performance in order to to *"improve accountability, track progress in real time, and support better decision-making and customer service"*.
- B** This report provides Cabinet with the current performance of the council against agreed indicators. It provides a high-level review of the approved 2025-26 budgets set in February 2025 across the general fund, HRA and capital programmes. 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. Performance as

shown at the end of April shows that all but three performance indicators are showing as 'extremely good'.

Recommended that Cabinet:

- A** Notes and endorses the proposed review of the Performance, Finance and Risk reporting structure in light of the new Building Harlow's Future plan.
- B** Notes the performance of key performance indicators for April 2025 which demonstrate strong performance on majority of indicators.
- C** Notes the financial position as of April (period 1) of 2025/26 financial year across the General Fund, Housing Revenue Account and Capital Programmes.
- D** Approves the virements for the Non-Housing Capital Programme identified within the table included in paragraph 25 of the report.
- E** Delegated Authority is given to the Leader of the Council in consultation with the Section 151 Officer to approve the carry forwards of 2024/25 budgets into the financial year 2025/26.
- F** Notes the current strategic risks for the council's operations in Appendix C.

Reason for decision

- A** The Building Harlow's Future plan states that the council will "*introduce a clear, data-driven performance framework*". In line with that stated outcome, this report sets out our operational and financial performance in order to "*improve accountability, track progress in real time, and support better decision-making and customer service*".
- B** To ensure the Cabinet is fully informed of performance against its budget position for General Fund, Housing Revenue Fund and Capital programmes and therefore, can make fully informed decisions.
- C** To ensure the Cabinet manages the strategic risks that affect the organisation, and control measures in place to mitigate these and therefore, can make fully informed decisions.

Other Options

- A** No other options were considered; the consideration 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 Cabinet regularly monitors the performance of service delivery and financial position to ensure it can deliver its annual delivery plan and respond efficiently to arising issues. The monthly reporting to Cabinet of financial and service performance was introduced in May 2024 and this report and its appendices demonstrate the

positive impact that regular monitoring has had by allowing the Cabinet to take fully informed decisions in real time to effect change.

2. The information in this report supports the council's corporate mission to 'transform our council'. Effective use of financial resources supports maintaining delivery of priority and statutory services, and investment in the council's assets.

Issues/Proposals

3. The report is split into three sections, Performance, Finance and Risk. The performance section sets out the council's achievement against key performance indicators as at end of April 2025.
4. The Building Harlow's Future plan includes the introduction of a clear performance framework for our financial and programme performance which will drive a culture of continuous improvement, ensuring every mission delivers measurable results for residents. With a dedicated project management office and appropriate tools enabling strategic oversight and assurance all projects will be aligned with our core objectives. In line with the stated outcome in the Building Harlow's Future plan, the reporting of the Performance, Finance and Risk reporting structure will now be reviewed for future months.
5. Key Performance Indicators (KPIs) are set annually as part of the council's corporate delivery planning process. The performance measures selected reflect the key service delivery of the council and these will be reviewed in line with the Building Harlow's Future plan and be redefined in some cases to ensure that the performance data presented reflects the best measurement of the council's six missions.
6. In addition to those indicators reported to Cabinet a number of internal measures are also collated for operational management purposes, for example customer service advisor feedback surveys and workflow data for specific processes.

Performance – Key Performance Indicators

7. Monthly performance indicator reporting includes details of the actual performance figure as compared to targeted performance figure, along with commentary to provide additional context for the performance of that month. The reporting also includes assignment of a RAG status for each indicator. A *RAG* status provides a shorthand way of identifying measures that *Require attention* as they may not align with the annual expected performance, measures that are out of target for that month and therefore need *Awareness*, and measures where performance is *Going well*. This status is denoted by the letters R, A and G, and presented through red, orange, and green colouring.
8. For income collection performance is measured using a target of 100% of expected collection levels. Where the reported collection data equals or exceeds the 100% target, the council is on track to achieve the year-end figures. If the reported data falls

below the target, the percentage indicates how close the council is to achieving the year-end goal.

9. The council performed well against the majority of KPIs during April 2025. Performance for year to April 2025 can be found at Appendix A. Performance measures are used to inform and drive more effective performance on the part of both the council and those contracted to deliver on its behalf. As at the end of April only two performance indicators are RAG rated red and one RAG rated as orange as detailed in paragraphs below. All other areas are demonstrating extremely good performance (RAG = green):
 - Households living in temporary accommodation
 - Leaseholder service charge collection rate
 - Contact Harlow calls abandoned
 - Customer complaint response times
 - Contact Harlow call wait times
 - Staff sickness absence
 - Missed bin collections
 - Invoice payments
 - New benefits claims
 - Benefit changes in circumstances
 - Council Tax collection rate
 - Business Rates collection rate
 - Planning appeals
 - Major planning applications determined
 - Other planning applications determined

10. The number of empty homes and void turnaround times are reporting at a *requires attention level*. The increase in numbers of empty homes continues to be attributed to a high number of properties being received by the council from tenants in a condition that requires remedial works which are more than what would be considered as routine void work to be completed prior to reletting. The council and HTS are currently in the process of carrying a full review of the 'keys to keys' process to remove barriers and establish accountability of all teams involved in the void process. HTS are also focused on improved performance on repairs deliver which will have a positive impact on the turnaround timescales of void properties. It is still expected that with the completion of stock condition surveys and the new tenancy audit programme, that these issues will be picked up with the tenant still in situ and could be remedied prior to the property becoming void.

11. There was an 1.5 % decrease in rent collection rates; this indicator has been classified as requiring monitoring, however previous year's data shows that this is in line with collection rates trends and is higher than in previous years, meaning rent collection rates remain within targeted performance for this stage of the year.

12. Overall, performance across nearly every single KPI is showing as extremely good with previous interventions from Cabinet having improved performance where required for customer complaint and invoice payment indicators in particular.

Finance – General Fund Account, Housing Revenue Account and Capital Programmes

General Fund Account

13. The council set the 2025/26 budget in February 2025, aligned to the council's six missions, with service specific expenditure which makes up the General Fund Account totalling of £16.6 million.
14. The key highlights of the approved 2025-28 MTFP budget included:
 - a) A 0% increase in council tax for the lifetime of the MTFP which would mean Harlow council tax will have been frozen since 2022/23.
 - b) Full funding for every corporate mission and priority with a balanced budget over three-year period.
 - c) No unidentified savings and no budget gaps across the lifetime of the MTFP.
 - d) Greater value for money and efficiency throughout service budgets to reflect true requirements and drive down waste and costs on things that are no longer required to deliver services such as reducing car allowances and stationary budgets. This MTFP much better reflects actual base budget requirements.
 - e) No cuts or closures, but increased investment for services across the lifetime of the MTFP such as Pets' Corner, Harlow Playhouse, Harlow Museum, supported housing, the Leah Manning Centre, Town Park, paddling pools, and splash parks.
 - f) No cuts, but increased investment for essential day-to-day services across the lifetime of the MTFP like bin collections, street cleansing, landscape and parks maintenance, housing repairs and supported housing.
 - g) Nearly all fees and charges remaining frozen across the lifetime of the MTFP including free car parking, no charges for use of much-loved services such as Pets' Corner, the Harlow Museum and the paddling pools and splash parks. Only small and proportionate increases in fees and charges where it is required to do so as detailed below in the report.
 - h) Prudent use and make up of reserves across the lifetime of the MTFP to ensure sound financial management and full funding for every corporate mission and priority.
 - i) No cuts to jobs or service provision across the lifetime of the MTFP, but an overall growth in the General Fund budget.

- j) A continued significantly worse than forecast Government settlement across the lifetime of the MTFP with considerable reductions in core funding year on year.
- k) Full provision to meet the significantly increased pressures across the lifetime of the MTFP, particularly from the increased National Insurance contributions.

	2024/25 Forecast £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000
Net Budget Requirement	14,467	16,626	14,805	14,667
Total Funding	(6,619)	(8,162)	(6,327)	(6,147)
Council Tax Requirement	(8,307)	(8,464)	(8,477)	(8,520)
Funding Gap/(Surplus)	(459)	0	0	0
GF Balance Brought forward (forecasted)	3,969	4,428	4,428	4,428
(Deficit)/Surplus	459	0	0	0
Closing Balance	4,428	4,428	4,428	4,428

15. A review of the council's MTFP 2025/26 is shown in the table below, which includes the period 11 forecast for 2024/25. The final outturn will be reported to cabinet for the financial year once it is finalised and brought forward balances will be updated.
16. On 22 April 2025 the National Employers (NJC) for local government services who negotiates the pay, terms, and conditions of staff in local authorities including Harlow Council staff made a one year full and final pay offer to the unions for the 2025/26 financial year, offering a 3.2% pay rise. This offer includes a 3.2% increase on all pay points, as well as a 3.2% increase on all allowances. Additionally, the offer proposes the deletion of pay point 2 from the NJC pay spine on April 1, 2026.
17. The MTFP currently includes modelling of a 3.5% pay award increase for 2025/26, the union's responses are still awaited on the above offer however based on this offer modelling if ultimately accepted could see a reduced requirement of approximately £54k.
18. A summary of the 2025-26 General Fund Budget is shown below:

GENERAL FUND	
	2025/26 Current Budget £'000
Corporate Services & Improvement	1,860
Culture & Community	2,607
Environment	5,817
Executive Office	2,496
Facilities & Assets	(5,149)
Finance	1,488
Housing Operations (People) GF	2,551
HR & Organisational Development	463
Legal & Democratic Services	682
Planning & Garden Town	777
Public Protection	1,543
Regeneration	554
Total Service Specific Expenditure	15,690
Non Service Specific & Funding	937
Funding	(16,626)
General Fund (Surplus)/Deficit	0

19. Financial monitoring will continue to be carried out for period 2 of the financial year and reported in July's Performance, Finance and Risk report.

Housing Revenue Account (HRA)

20. In February, the council approved a HRA budget of £61.355 million with a net surplus of £0.248 million for 2025/26. The working balance brought forward following Period 11 monitoring increased to £12.150 million. Once the final outturn is finalised for 2024/25, working balances will be updated accordingly.

HOUSING REVENUE ACCOUNT

2025/26

Current Budget

£'000

EXPENDITURE	General Management	14,514
	Special Management	9,656
	Repairs	13,638
	Rent Rates Taxes & Other Charges	108
	Provision for Bad & Doubtful Debts	424
	Supporting People Transitional Relief	1
	Depreciation & Impairment	13,827
	Debt Management	14
	Capital Financing Charges	8,314
	Reserve Movements	858
	Total Expenditure	61,355
INCOME	Dwelling Rents	(52,971)
	Garage Rents	(1,261)
	Other Rents	(80)
	Charges for Services & Facilities	(6,349)
	Interest Receivable	(446)
Total Income	(61,108)	
(Surplus) / Deficit for year	248	
Balance at 1 April (pre-outturn)	12,150	
Surplus / (Deficit) for year	(248)	
Balance as at 31 March	11,902	

21. Financial monitoring will continue to be carried out for period 2 of the financial year and reported in July's Performance, Finance and Risk report.

Capital Programmes

Non-Housing Capital Programme (NHCP)

22. The 2025/26 budget set out an ambitious NHCP. The council's six corporate missions are reflected in the schemes that make up the capital programme. This programme is the biggest the council has ever set and includes improvements and new facilities across the council's varied asset base, improvements that make a real difference to those who live in and visit Harlow.
23. A summary of the NHCP is shown in the table below. The council approved a budget of £39.672 million in February 2025 which included £4.2 million worth of new schemes.

SCHEMES	Approved Budget 2025/26 £'000s	Current Budget £'000s	Projected Outturn £'000s	Variance: Outturn to current budget £'000s
Facilities and Assets	2,767	2,767	2,767	0
Executive Office	0	0	0	0
Corporate Services and Improvement	260	260	260	0
Contingency	450	450	450	0
TRANSFORM TOTAL	3,477	3,477	3,477	0
Regeneration - Town Centre	3,085	3,085	3,085	0
Council House Build Programme	470	470	470	0
Towns Fund	10,323	10,323	10,323	0
Levelling Up Fund	16,217	16,217	16,217	0
REBUILD TOTAL	30,095	30,095	30,095	0
Garages	136	136	136	0
INVEST TOTAL	136	136	136	0
Environment	3,202	3,202	3,202	0
Culture and Communities	1,563	1,563	1,563	0
RENEW TOTAL	4,765	4,765	4,765	0
Facilities and Assets - Commercial	1,099	1,099	1,099	0
SECURE TOTAL	1,099	1,099	1,099	0
Public Protection	100	100	100	0
PROTECT TOTAL	100	100	100	0
TOTAL NON-HOUSING CAPITAL PROGRAMME	39,672	39,672	39,672	0

24. When a budget is transferred to another budget service heading it is called a virement. All virements carried out, are required to meet the officer limits within the financial regulations of the constitution.
25. Following the monitoring of period 1 within the capital programme, it has been identified that there is virement within the programme that exceed officer limits within the financial regulations of the constitution and requires Cabinet approval. The proposed virement is explained below.

Virement to	Amount £'000	Virement from	Reason
Harlow Innovation Park	250	Flat block food waste trucks	NEW PROJECT – There is a requirement to make further investment into the innovation park which requires café fit out and landscaping.
	139	2 & 2A Wych Elm Boiler Replacement	Flat block food waste trucks and Wych elm boiler projects are no longer required
	111	PV panels	It is expected that external grant funding will be sought to meet the requirements of the PV panel project.
Total	500		

26. Financial monitoring will continue to be carried out for period 2 of the financial year and reported in July's Performance, Finance and Risk report.

Housing Capital Programme (HCP)

27. The council approved a budget of £75.236 million in February 2025. A summary of the Housing Capital Programme (HCP) is shown in the table below.

Schemes	Approved Budget 2025/26
£'000	
Internal Works	12,443
External Works	16,728
Damp & Structural Works	2,000
Other Works	1,600
Fire Safety & Compliance	11,370
Energy Efficiency Works	2,000
Housing IT	120
Garage Demolition Programme	0
TOTAL CORE HOUSING CAPITAL PROGRAMME	46,261
Acquisitions	6,000
Council House Building Programme	22,975
TOTAL NON CORE PROGRAMME	28,975
TOTAL HOUSING CAPITAL PROGRAMME	75,236

28. Financial monitoring will continue to be carried out for period 2 of the financial year and reported in July's Performance, Finance and Risk report.

Carry Overs

29. As part of 2024/25 outturn, officers review the requested carry forwards that have been proposed to be reprofiled into the new financial year. A list of carry forwards is currently under review with the section 151 officer in consultation with the leader.
30. In order not to delay operational management of the general fund, HRA and capital programmes, it is requested the delegated authority is given to the Section 151 Officer in consultation with the leader to allow officers to agree the necessary carry overs and report to cabinet for noting within the outturn report.

Risk

31. The council's strategic risk register 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.
32. The strategic risk register has been realigned with Building Harlow's Future revised corporate missions and the newly formed Executive Management Team.
33. In accordance with the council's Risk Management Strategy, risk owners have reviewed the strategic risks and updated them accordingly. As a result, no scores have changed since the last report.
34. A dashboard of the current status of strategic risks and the strategic risk register can be found at Appendix C and details risk scores derived from the likelihood of a risk occurring, and the impact if it does, alongside the current controls in place.
35. Following the launch of Building Harlow's Future delivery plan, the strategic risk register will be reviewed by EMT and updated in the next cabinet report accordingly.

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 1 of financial year 2025/26 has been reviewed and included within the body of the report.

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

Governance

The council has a fiduciary duty to the taxpayer, requiring the prudent use of resources, including control of expenditure and financial prudence in the short and long term. This report sets out, as at the end of April 2025, the performance, risk, and financial position of the council as part of its fiduciary duty to implement budgetary controls and monitoring.

Author: Daniel Dickinson, Assistant Director – Legal and Democratic Services and Monitoring Officer

Appendices

Appendix A – Performance Datasheet

Appendix B – Performance Dashboard

Appendix C – Risk dashboard and risk register

Background Papers

None

Glossary of terms/abbreviations used

KPIs – Key Performance Indicators

MTFP – Medium Term Financial Plan

NHCP – Non Housing Capital Programme

HCP – Housing Capital Programme

EMT - Executive Management Team