

REPORT TO: CABINET

DATE: 15 SEPTEMBER 2016

TITLE: QUARTER ONE JOINT FINANCE AND PERFORMANCE REPORT 2016/17

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This is not a Key Decision

**This decision is not subject to Call-in procedures for the following reasons:
The recommendations are within the scope of the original budget and
Corporate Plan approved by Full Council in February 2016.
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 first quarter (April – June) of 2016/17 as follows:
- (i) A favourable variation on controllable budgets of £53,000, representing 0.085 per cent of the gross General Fund Budget.
 - (ii) A total projected underspend of £278,000 representing -0.45 per cent of the gross General Fund Budget.
 - (iii) The Council performed on target or above target for 42 out of 47 (89 per cent) of performance indicators.

REASON FOR DECISION

- A** To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2016/17 and acknowledges the extremely small variation and the caution that should be applied to it given the challenges the Council may face in the later part of the financial year.

BACKGROUND

1. This report sets out the Council's corporate priorities and financial and performance position as at the end of the June 2016. The report is the first in the formal reporting process for the 2016/17 financial year.

SUMMARY OF QUARTER ONE FINANCIAL PERFORMANCE - 2016/17

1. A review of the first quarter of 2016/17 indicates that, in total, the controllable General Fund Budget is projected to be under-spent by £53,000 or -0.085 per cent when compared to the approved gross General Fund Budget. Section three of the Appendix to this report summarises major budget variations. This variance is extremely small given the economic circumstances within which the Council continues to operate.
2. Taking in to consideration the budgets which are not directly under service area control the overall position at the end of June 2016 is that the General Fund is expected to underspend by £278,000 or -0.45 per cent when compared to the approved gross General Fund Budget.
3. Careful management of budgets continues to be exercised across all services in order to guard against expenditure pressures and to offset income reductions. The current position represents an extremely small variation given the economic climate and ongoing Government changes to the welfare state.
4. Appendix A to this report details the major variations across all service areas and for non-controllable budgets. The situation will be closely monitored in the coming months and should the position change the forecasts for future financial reports will be amended accordingly.

SUMMARY OF QUARTER ONE OPERATIONAL PERFORMANCE – 2016/17

1. Section four of the Appendix details information about the Council's operational performance. The Council performed on target or above target for 42 out of 47 (89 per cent) of performance indicators. Eighty-five per cent of all Corporate Plan milestones were successfully completed or on track for completion by June 2016. No milestones are significantly off target and will not be complete in 2016/17.

Details of all of the Council's performance indicators can be found on the Council's website, www.harlow.gov.uk/performance/

2. Despite an extraordinarily challenging financial environment, 20 out of 47 (43 per cent) performance indicators performed significantly above their target. Listed below is a selection of KPIs which are contributing towards the achievement of the Council's priorities.

Percentage of Lost Calls for Contact Harlow: Although performance has dipped when compared to the previous year, the outturn is well within target.

Percentage of invoices for commercial goods and services which were paid by the authority within 30 days upon being received: 98.7% of invoices were paid within 30 days.

Annual Housing Leasehold Service Charge Collection: The annual leasehold service charge collection is 2.4% higher than quarter 1 last year and is a good start to the year.

Customer satisfaction with Street Scene: Satisfaction levels with the Kier Harlow Ltd Street Scene service have increased to 94 per cent.

Percentage of minor planning applications processed within 8 weeks: The target for quarter 1 was 65% and the planning department achieved 84.6%.

3. Five out of forty-seven (11 per cent) of performance indicators did not perform as well as expected; each have a detailed IAP which explains why the performance did not perform as well. Areas of reduced performance include:

Customer Complaints: Performance was affected by complaints becoming more complicated and taking longer to resolve..

Percentage of urgent Housing requests responded to within 5 working days: June 2016 saw heavy rain spells in a very short space of time resulting in a higher than expected number of urgent jobs.

Percentage of standard Non Housing service requests attended to and resolved within the required timescale of 20 working days: Due to unseasonal weather across the quarter, Kier Harlow Ltd, had a high inflow of roofing leaks and carpentry work.

Percentage of Non Housing Property statutory tests completed before due date: Electrical Installation Condition Report Tests carried out within targets but remedial works were required to provide satisfactory test certificates.

1. 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 -
 - i. The risk associated with the Government's localisation of Council Tax support and business rates.
 - ii. Long term austerity measures which continue to be placed upon Council funding by the Government leading to the need for the Council to make significant annual savings.
 - iii. 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.

2. Section six of the Appendix details information about the Key Corporate and Financial risks (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register as of June 2016* which are
 - i. The Government's fiscal policy in respect of deficit reduction reducing public sector funding, combined with the Council's limited ability to raise income could result in the Council's financial resilience being at risk.

 - ii. The town requires a suitable 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.

* These risks relate to 30 June 2016 and may have changed between that period of time and the meeting of Cabinet.

IMPLICATIONS

Place (includes Sustainability)

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

Author: **Simon Freeman, Head of Finance**

Housing

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

Author: **Brian Keane, Head of Governance**

Background Papers

None

Glossary of terms/abbreviations used

IAP – Improvement Action Plan