

APPENDIX A

Harlow Council

**Joint Finance and Performance Report for the
period ending**

30/06/2016, Quarter 1



The Council's aim for 2016-17 –

“to improve Harlow for residents, businesses and visitors”

The Council's priorities:

1. More and better housing



2. Regeneration and a thriving economy



3. Wellbeing and social inclusion



4. A clean and green environment



5. Successful children and young people



How to use this report

You may wish to consider the following questions to form an idea on how well the Council is doing in achieving its priorities and objectives.

Questions which the reader may wish to consider:

1. What are the reasons for the performance being below target?
2. What is the Council's expenditure on this service?
3. Has performance fluctuated between quarters and what are the reasons for this?
4. Is it anticipated that the target will be met by the end of the year?
5. What are the proposed actions to improve performance and achieve the target and when will this be done by?
6. How well is the Council responding to gaps in performance or shortfalls in income?

Other areas for consideration could include:

7. Is the indicator a high priority for the Council? Is this reflected in the budget?
8. How does the service compare to other local authorities in terms of value for money – how does the Council's expenditure on this service and performance achieved compare to similar local authorities?
9. What are other Council's doing to improve performance in this area?
10. Are there any overspends/underspends in the budget area within which the under performing indicator sits?
11. Are there any future projects planned that will enhance existing performance?
12. How severe or likely are risks associated with lower level performance?

Performance Symbols:

Harlow Council uses the below symbols when reporting performance.

Below Target: e.g. more than 5% worse than target	On Target: e.g. within 5% of target	Above Target: e.g. more than 5% above target	Data not yet available: e.g. survey information pending

Direction of Travel (DOT) Symbols:

The direction of travel is from the same quarter in the previous year.

Going up and getting better e.g. % of rent collected	Going down and getting better e.g. crime levels	Exactly the same as previous year	Going up and getting worse e.g. levels of litter	Going down and getting worse e.g. income generated

Section One: Key considerations for Quarter One

The key issues relating to the Council's finances, performance, risks and corporate projects (excluding the HRA):

FINANCE	<p>The forecast outturn position for 2016/17 is that the controllable General Fund revenue budget will under-spend by £278,000 on its gross controllable costs. This represents -0.45% of the Council's approved gross budget for the General Fund.</p> <p>Key risks in relation to financial management continue to be:</p> <ul style="list-style-type: none">• The risks and volatility associated with the Government's localisation of council tax support and business rates.• Variations in income from fees and charges as public spending habits respond to the economic climate.• Continued long-term austerity measures placed upon local government by central government. <p>In addition, there are potential risks and uncertainties in the light of the UK's recent Referendum result.</p>	<p>The following performance indicators did not meet their performance target:</p> <p>Community Wellbeing : CS25q % of customer complaints responded to within target time</p> <p>Housing : JVC 302 Urgent Housing requests within 5 days (4.8) (%)</p> <p>Place Services : JVC 402 % standard Non Housing repairs within 20 days (5.3)</p> <p>Place Services : JVC 403 % Non Housing Property statutory tests before due date (5.4)</p> <p>Place Services : NI195c Street & Environmental Cleanliness (% land assessed having unacceptable levels of graffiti)</p>	PERFORMANCE
RISK	<p>The following exceptional residual risks (rated as high likelihood, high impact) have been highlighted for this quarter:</p> <p>CR01 - Financial resilience CR03 - Lack of Suitable Housing Mix</p>	<p>The Council is on target to meet eighty-five percent of its Corporate Plan milestones with 9 out of 167 key corporate milestones completed between April 2016 and June 2016.</p> <p>No milestones were at 'red' and 23 milestones are 'not started' for the quarter ended 30 June 2016.</p>	CORPORATE PLAN

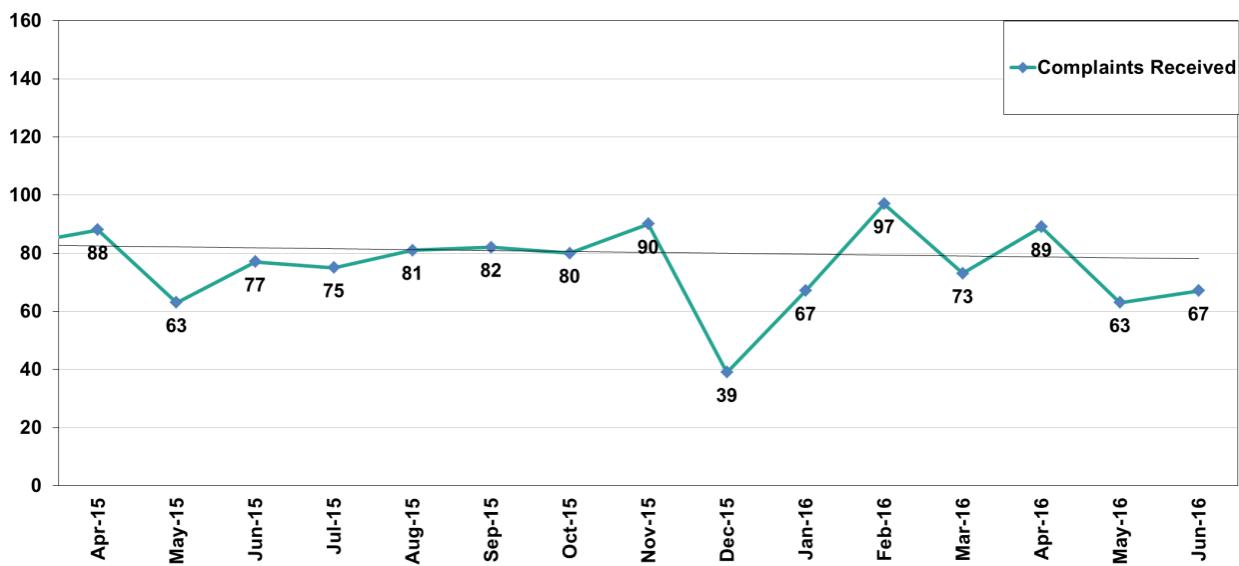
Section Two: What our customers are telling us (complaints)

Summary:

The Council provides and commissions a large number of services to a population of over 85,000 residents. In its role as a Housing Provider with over nine thousand properties, each year it undertakes in excess of 600,000 housing transactions, deals with hundreds of thousands of enquiries at Contact Harlow and provides Housing Benefit and Local Council Tax Support administration for a caseload of nine thousand benefit claimants.

The Council takes all complaints seriously and aims to respond to and resolve all stage one and stage two complaints within ten working days and stage three complaints within 15 working days.

The trend line on the chart below shows that the overall number of complaints remained fairly static over the last year and monthly trends are reflected year on year with a slight decrease in volumes in June 2016.



In quarter one (April to June 2016) there were 158 performance related complaints, 26 person related complaints and 35 policy related complaints. The main areas of complaint were 33 per cent Housing Services and 43 per cent Kier Harlow Ltd – Housing. Detailed information is fed back to service managers to ensure that lessons can be learned and improvements made where required.

Section Three: Latest Financial Performance

The Council continues to face extreme financial challenges as identified within its Medium Term Financial Strategy (MTFS). It faces budget reductions of over £3.4million over the MTFS period representing more than a 40% reduction against its overall net General Fund budget.

The contents of this report highlight the extremely tight financial control being placed upon existing budgets and the degree to which services are looking ahead and planning to manage to lower funding levels before the reductions actually take effect.

The forecast service underspend on the controllable budgets in 2016/17 total £53,000 or 0.085% of the Council's gross budget. Taking into account the reduction in the HRA recharges to the General Fund together with the approved carry forwards from 2015/16, the forecast underspend is £278,000 or -0.45% of the gross budget.

The Council has been determined to continue to deliver key services to and for the benefit of Harlow residents despite unprecedented Government funding cuts. Further contributions have been made to support some key discretionary services to be delivered into the future. This provides confidence that Council's services will strive to manage with ever reducing funding levels wherever possible.

Simon Freeman, Head of Finance

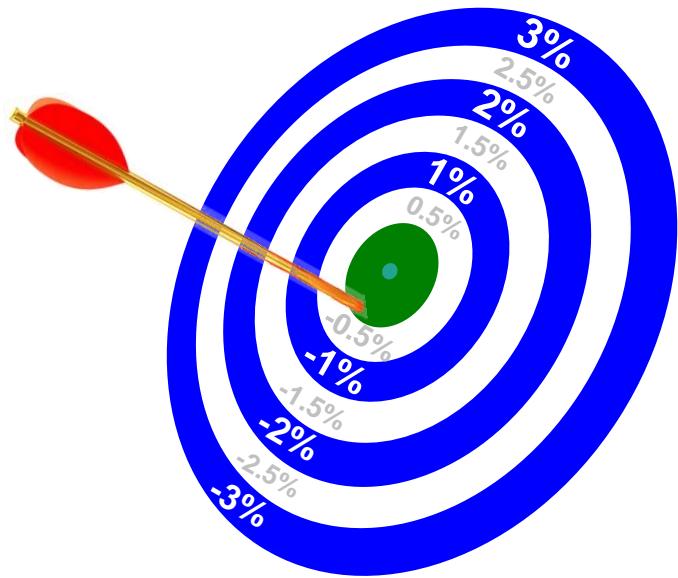
Movements in General Fund Balance in Quarter one 2016/17

General Fund opening balance as at 1 Apr 2016	3.888
• Service budget variations (favourable)	53
• Other variations	362
• Budget carry over from 2015/16 into 2016/17 (approved Cabinet 21/7/16)	(137)
Balance on General Fund at 31 March 2017 (Projected)	4.166

* Note: Figures in brackets () reduce the projected General Fund Balance.

2016/17 Projected Outturn

The Council projects to underspend by a margin of **-0.45%** on its gross General Fund revenue budget.



Latest Financial Performance (Budget Variations / Exceptions):
Major Variances – Year End 2016/17:

Service	Adverse £000s	Favourable £000s	Net £000s	Main Contributing Factors to Variations
Community Wellbeing Services				
Sports Partnership		(17)	(17)	Harlow District Sports Trust performance is forecast to be better than initially anticipated.
Community Services - Central Services	12		12	Increased costs of the Fine Art insurance premium
Community Safety		(10)	(10)	Vacant posts
Other Minor Variations	4		4	
Total Community Wellbeing & Regeneration			(11)	
Place				
Latton Bush Centre		(27)	(27)	Increased service charges income resulting from the Centre being fully occupied as at the end of June.
Housing Garages (General Fund)		(77)	(77)	Increased garage rental fees.
Planning Services	33		33	Savings on salary vacancies offset by a forecast reduction in planning fees.
Other minor service Variances		5	5	Includes increased rental income from Commercial Properties (£12k) and increased rental income from The Stow Shopping Centre (£16k)
Total Place			(66)	

Housing (General Fund) Service				
Minor Service Variances		(19)	(19)	This projected underspend is due to the full year effect of deleting the Admin Assistant post in Supporting People (14k) and a saving due to a member of the Housing Options and advice team being seconded to Regeneration (£10k), offset by some small overspends.
Finance Service				
Insurance		(15)	(15)	Projected underspend on policy excess
Minor service variances	48		48	
Total Finance Service			33	
Governance Service				
Data Protection and FOI		(9)	(9)	Staff vacancy.
Other Minor Service Variances	19		19	
Total Governance Service			10	
Service Specific Variations				(53) Sub-total
Other				
Costs chargeable to/from the HRA Approved carry forwards from 2015/16	137	(362)	(362)	
Total Variations				(278)
Total General Fund Budget Variation (net underspend)				(278)

** Note: Figures in () are a credit e.g. income or underspend

Service based analysis

Community Wellbeing, Jane Greer

Overall, financial control is good although essential paddling pool repairs have had a negative impact on the budget. However, for Quarter One, cumulatively, the service has managed budgets to achieve nil overspend.

Place Services, Graeme Bloomer

Financial control for the first quarter has been good and there are no indications from this quarter's results that would point towards areas of concern.

Housing, Andrew Murray

Resources for housing need are continually being reduced through on-going prioritisation and targeting of resources against continued increases in the costs associated with external temporary accommodation. These reductions are set against increased demand for temporary accommodation both locally and nationally. The service continues to prioritise homelessness prevention initiatives in an attempt to reduce the increased demand thus reducing the Council's statutory provision and overall costs.

There are still major uncertainties over future levels and the procurement of supported housing and commissioning arrangements.

Governance, Brian Keane

Good financial control continues to be maintained during the first quarter of the 2016/17 financial year with no major variations to be reported at this stage of the year. Issues which may arise will generally be staffing related, through the occurrence of vacancy savings currently built in to the service budget. Income from Land Charges will be monitored closely as this will be largely determined by the housing market locally.

Finance, Simon Freeman

The current forecast for the Finance Service is that it will overspend by £33,000 in 2016/17. Work will be carried out throughout the remainder of the financial year to ensure that this pressure is managed within the service area by looking at ways to reduce costs in order to avoid an overspend occurring at the year end.

Section Four: Performance

Harlow Council performed on target or above target for 42 out of 47 (89 per cent) of performance indicators. Sixty-four per cent of indicators have been maintained or improved compared to Quarter One 2015/16.

Percentage of indicators within or better than target	Qtr ended 30/06/2015	Qtr ended 30/09/2015	Qtr ended 31/12/2015	Qtr ended 31/03/2016	Qtr ended 30/06/2016
	84%	87%	91%	93%	89%
Percentage of indicators improving or unchanged from the same period last year	Qtr ended 30/06/2015	Qtr ended 30/09/2015	Qtr ended 31/12/2015	Qtr ended 31/03/2016	Qtr ended 30/06/2016
	64%	67%	70%	66%	64%

Good Performance:

Harlow Council continues to improve performance in a number of areas. 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.

		30/06/2015 Actual	30/06/2015 Target	30/06/2016 Actual	30/06/2016 Target
	Community Wellbeing : CS02b % Lost calls for Contact Harlow (Quarter Cumulative)	4.72	15	8.12	15

Although performance has dipped when compared to the previous year, the outturn is well within target. Significant call volumes relating to the referendum in addition to some staff vacancies have had an impact on lost call rates. Steps have been taken to address this with recruitment underway to fill the gaps.

	Finance : BV008 Invoices paid within 30 days (%)	98.3	98	98.7	98
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The over performance is a result of a targeted campaign to encourage the use of the correct procedures and processes.

		30/06/2015 Actual	30/06/2015 Target	30/06/2016 Actual	30/06/2016 Target
	Housing : LHI SO26 Annual Leasehold Service Charge Collection	32.88	24.62	35.28	24.75
The annual leasehold service charge collection is 2.4% higher than quarter 1 last year and is a good start to the year. The processes that have been put in place are working well and are being managed effectively.					
	Place Services : JVC 104 Customer Satisfaction with Street Scene	81.6	87.5	94.12	88
Satisfaction levels with the Kier Harlow Ltd. street scene service have increased to 94 per cent. 96 per cent of respondents to the satisfaction survey said that work was carried out without causing disruption to residents and 95 per cent said that Kier Harlow Ltd. staff presented and conducted themselves in an efficient and professional manner whilst undertaking the street cleaning service.					
	Place Services : NI157b Processing of minor applications within 8 weeks (%)	95	65	84.62	65
Actual performance is well above target but has dipped from Q1 last year. It is considered that this is because of applications being referred to planning committee without agreed extensions of time, therefore missing their target date. The scheme of delegation and referral to Development Management Committee is an important process, therefore Officers will aim to secure extension of time agreements early in the assessment process. This should enable us to maintain increased levels of performance					

Section Five: Improvement Action Plans

Harlow Council keeps track of any indicator which has been subjected to an Improvement Action Plan (IAP) during the past 12 months. The table below illustrates how each indicator subjected to an IAP has performed over time.

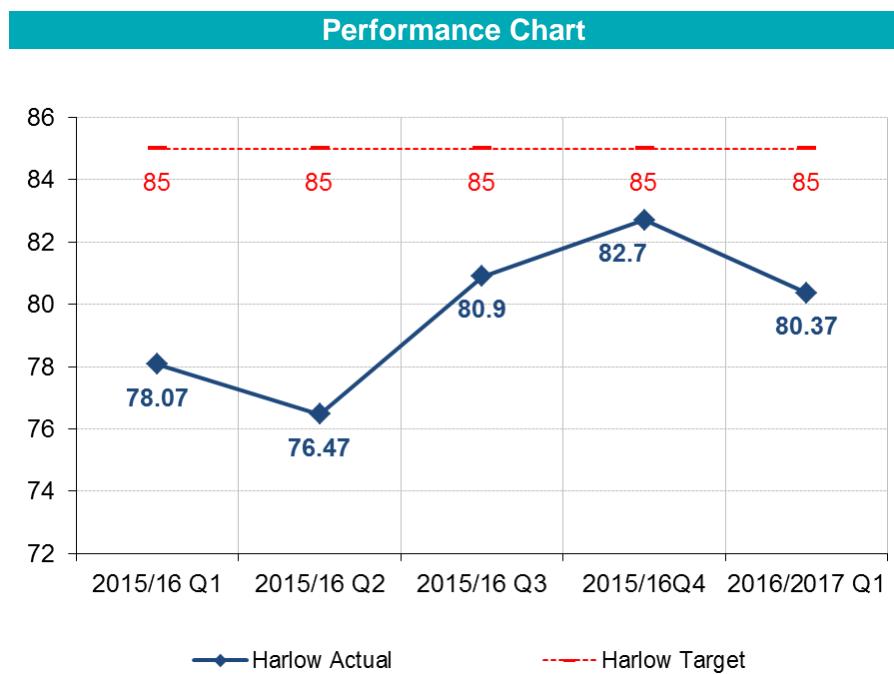
Performance Indicators	QTR 1 15/16	QTR 2 15/16	QTR 3 15/16	QTR 4 15/16	QTR 1 16/17
CS25q Per cent of customer complaints responded to within target time	▲	▲	●	●	▲
BF005 Average days to process new claims	▲	▲	●	●	●
BF006 Average days to process change events	●	▲	●	●	●
BV012 Average number of working days / shifts lost to sickness & absence	▲	▲	▲	▲	★
JVC 302 Urgent Housing Requests within 5 days (4.8) (%)	★	★	●	●	▲
BV082ai Household waste recycled (%)	▲	▲	▲	▲	●
BV082bi Household waste composted (%)	▲	▲	▲	▲	●
JVC 104 Customer satisfaction with Street Scene	▲	●	●	●	★
JVC 207d Tree works carried out within 80 working days (four months) (3.14d) (per cent)	●	●	▲	●	●
JVC 402 % standard Non Housing repairs within 20 days (5.3)	●	●	●	●	▲
JVC 403 % Non Housing Property statutory tests before due date (5.4)	●	●	●	●	▲
NI195c Improved street and environmental cleanliness (graffiti)	▲	★	★	▲	▲
Number of under-performing indicators	7	6	4	4	5

Improvement Action Plan

Reporting Period Ended: 30/06/2016

Performance Indicator	Performance				
	to 30/06/15	to 30/09/15	to 31/12/15	to 31/03/16	to 30/06/16
CS25q % of customer complaints responded to within target time	Harlow Actual 78.07	76.47	80.90	82.70	80.37
	Harlow Target 85	85	85	85	85

Description
The quarterly percentage of total number of complaints (posted, emailed or telephoned) that were responded to within Council's target time. A higher percentage of customers complaints responded to within target time demonstrates good performance



Direction of Travel

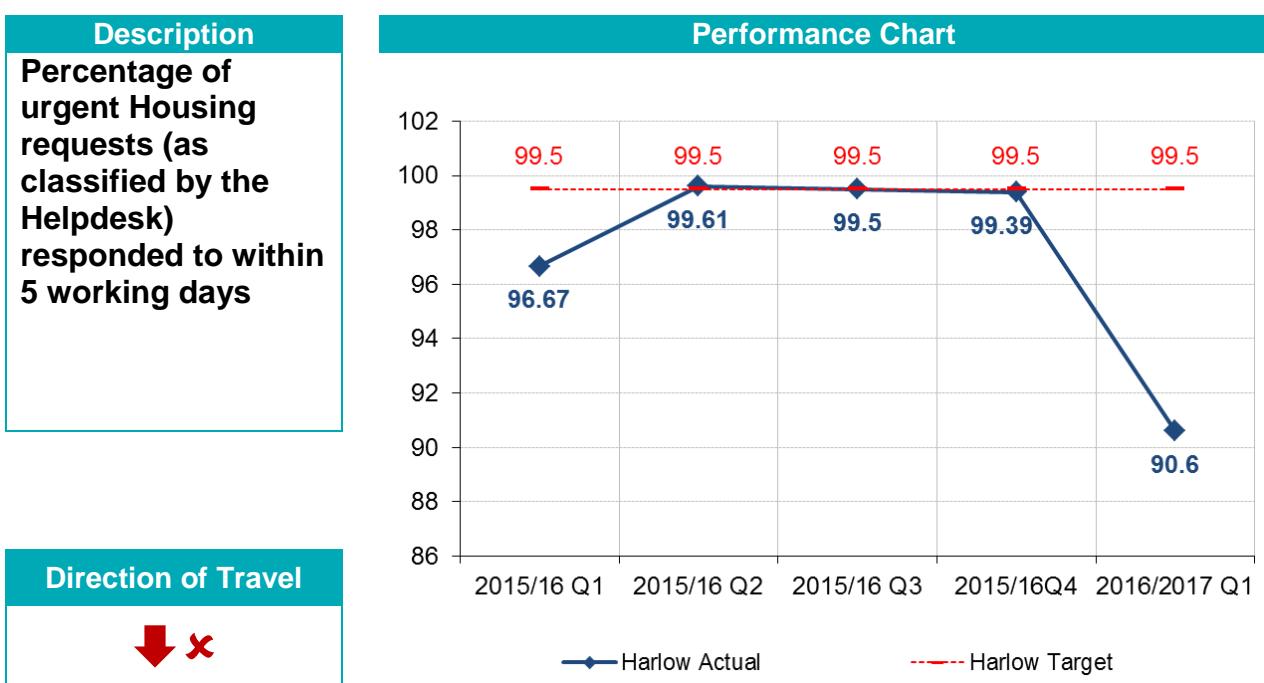
What is the performance situation?
As the complaints that are dealt with become more complex, due to their diverse nature, this has affected the performance.
The percentage of complaints upheld was 27%, Not upheld 63% and partially upheld 10%.

What practical steps are being taken to improve?
Monthly reports are sent to CMT/HOS to enable data to be used to improve service delivery.

Improvement Action Plan

Reporting Period Ended: 30/06/2016

Performance Indicator	Performance				
	to 30/06/15	to 30/09/15	to 31/12/15	to 31/03/16	to 30/06/16
JVC 302 Urgent Housing requests within 5 days (4.8) (%)	Harlow Actual 96.67	99.61	99.5	99.39	90.6
	Harlow Target 99.5	99.5	99.5	99.5	99.5



What is the performance situation?

This KPI has historically performed very well. The performance decreased marginally below target in April 2016 and May 2016. June 2016 saw heavy rain spells in a very short space of time thus resulting in a higher than expected number of urgent jobs. This period stretched the resources and 42 out of 447 jobs were completed outside of their priority.

- April: 0.30% (4 Jobs)
- May: 1.11% (6 Jobs)
- June: 8.9% (42 Jobs)

What practical steps are being taken to improve?

Kier Harlow Ltd implemented an internal action plan after a reported drop in the June performance. Resources were allocated from other craft teams to attend to all outstanding jobs.

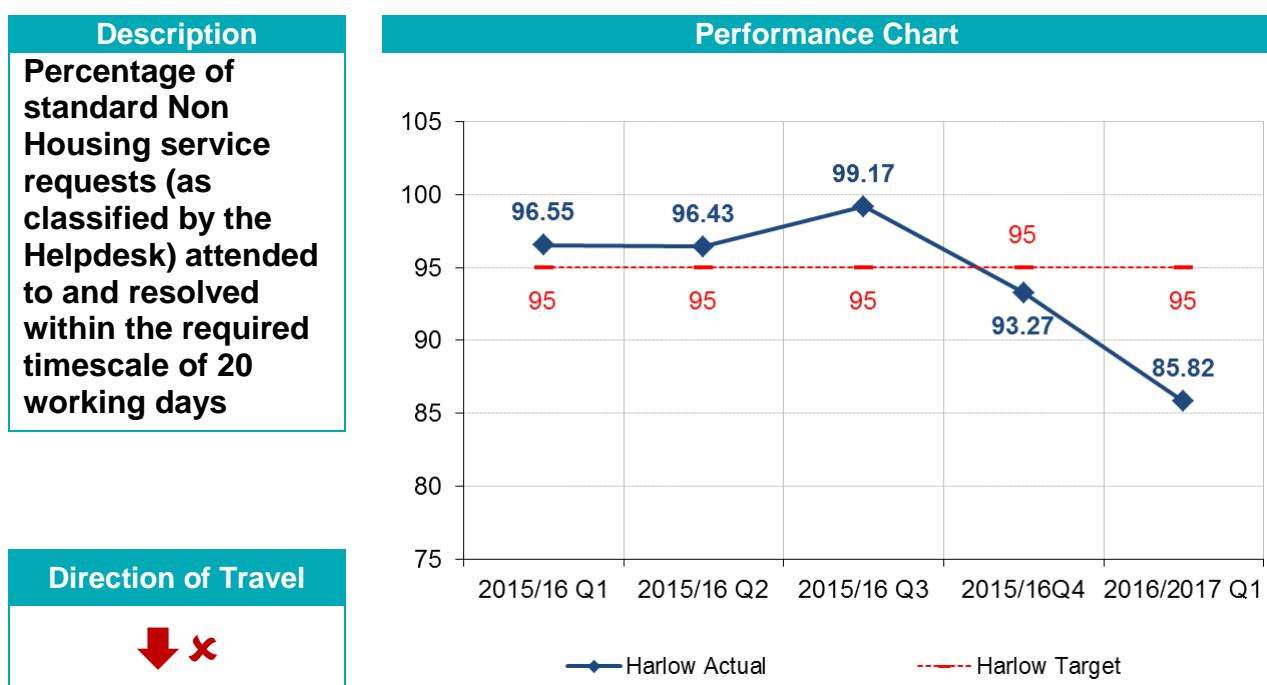
The supply chain has been utilised to carry out the majority of jobs.

Discussions are ongoing to identify roofing jobs that can be added to the capital works programme. This will free up resources in Roofing & Maintenance, further improving performance going forward.

Improvement Action Plan

Reporting Period Ended: 30/06/2016

Performance Indicator	Performance				
	to 30/06/15	to 30/09/15	to 31/12/15	to 31/03/16	to 30/06/16
JVC 402 % standard Non housing repairs within 20 days (5.3)	Harlow Actual 96.55	Harlow Actual 96.43	Harlow Actual 99.17	Harlow Actual 93.27	Harlow Actual 85.82
	Harlow Target 95				



What is the performance situation?

Due to unseasonal weather across the quarter, Kier Harlow Ltd, had a high inflow of roofing leaks and carpentry works, which generated a high number of jobs on an urgent priority. Kier Harlow Ltd. were able to attend majority of the works, unfortunately some of these jobs were just outside of the target.

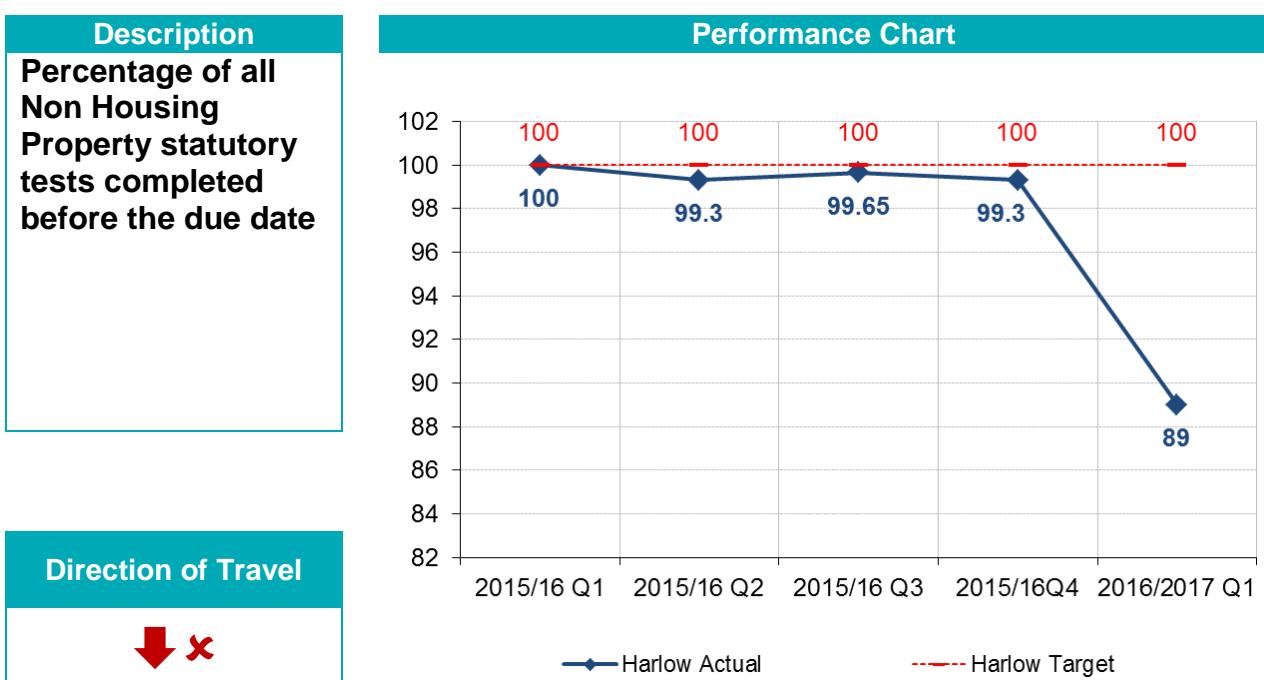
What practical steps are being taken to improve?

In order to validate the information provided by Kier Harlow Ltd. the Council has requested data for jobs that were out of target. The analysis identified the reasons for non urgent jobs being reappointed to a later date and/or sub-contracted was due to resourcing constraints to (long term) sickness.
 Kier Harlow Ltd. have advised that there will be no further resourcing issues and expect the KPI to increase for the next quarter.

Improvement Action Plan

Reporting Period Ended: 30/06/2016

Performance Indicator	Performance				
	to 30/06/15	to 30/09/15	to 31/12/15	to 31/03/16	to 30/06/16
JVC 403 % Non Housing Property statutory tests before due date (5.4)	Harlow Actual 100	99.3	99.65	99.3	89
	Harlow Target 100	100	100	100	100



What is the performance situation?

Electrical Installation Condition Report (EICR) Tests carried out within target, however remedial works were required to provide satisfactory test certificates. Whilst the KPI has decreased to 89%, this was due to a number of out of date test certificates received which required validation. The KPI should be back on target subject to the validation of the information received from Kier Harlow Ltd.

What practical steps are being taken to improve?

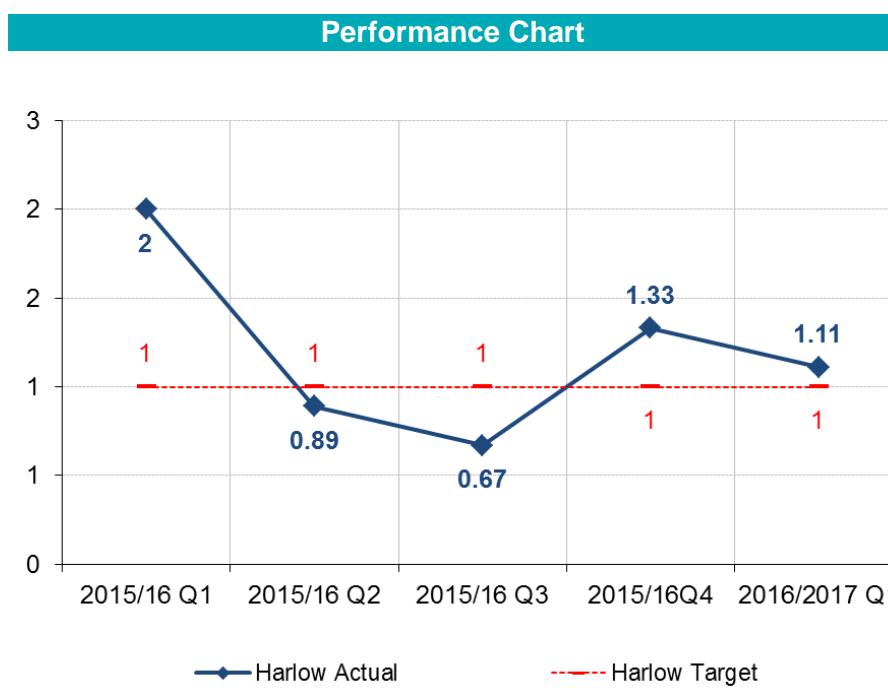
It has been agreed by Kier Harlow Ltd. that testing will commence several months in advance should a test be returned as unsatisfactory, to enable remedial works to be carried out before the current test certificate expires.

Improvement Action Plan

Reporting Period Ended: 30/06/2016

Performance Indicator	Performance				
	to 30/06/15	to 30/09/15	to 31/12/15	to 31/03/16	to 30/06/16
NI195c Street & Environmental Cleanliness (%land assessed having unacceptable levels of graffiti)	Harlow Actual 2	0.89	0.67	1.33	1.11
	Harlow Target 1	1	1	1	1

Description
This is reported as the percentage of relevant land and highways assessed as having graffiti and fly-posting that fall below an acceptable level



Direction of Travel

What is the performance situation?
The target is set at such high standard that compliance is sensitive to a very small number of adverse findings which could cause reported performance to drop below target. Graffiti on private land that is not in Council control, where the Council has no direct influence, can cause the target to fail. Performance on clearing reported graffiti within a short timescale remains strong. Performance has improved since the last quarter to such a degree that the reported poor performance is now very minor.

What practical steps are being taken to improve?
The Council has been in liaison with Kier Harlow Ltd over any particular hot-spots that appear to require specific attention and the PI has been monitored to ensure focus on improved performance is maintained. These measures will be maintained.

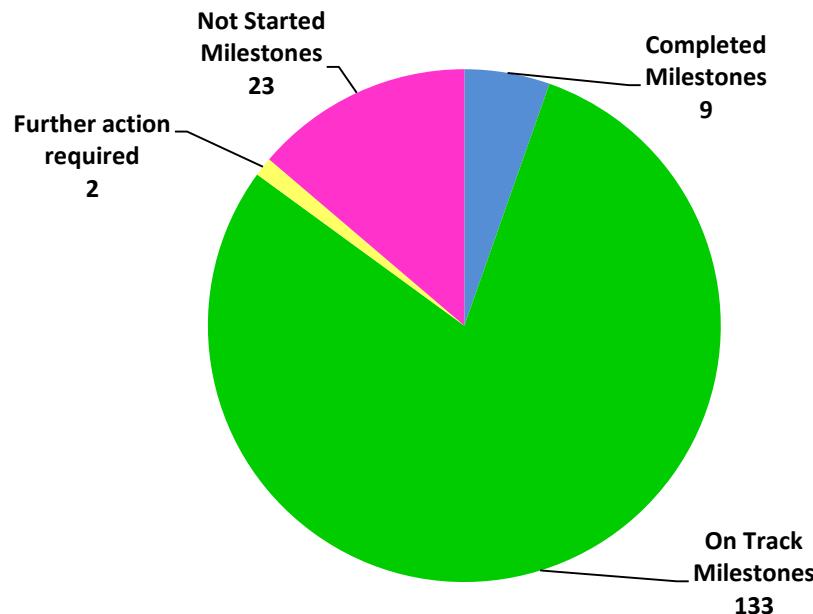
Section Six: Key Corporate and Financial Risks

Risk Owner	Inherent Likelihood	Inherent Impact	Controls Already in Place	Residual Likelihood	Residual Impact	Residual Risk Score	Residual Risk Indicator	DoT	Foreseeable Likelihood	Foreseeable Impact	Foreseeable Risk Score	Additional actions to mitigate risk	Last Reviewed
CR01 - Financial resilience													
IF : If a sustainable budget is not secured THEN : Then the Council will lack financial resilience BACKGROUND : 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.													
Freeman, Simon	Likely (4)	Major (4)	MTFS and detailed planning of future budgets undertaken early in the financial year. Budget Monitoring process. However, for the period of the MTFS there are substantial budget reductions required to meet the Government's funding cuts which may impact on this in the medium to long term forecasts.	Likely (4)	Major (4)	21	▲ ➡	Likely (4)	Moderate (3)	17	The majority of issues relating to the Council's finances are dictated by Government. However, the Council's financial situation continues to be monitored at a high frequency. The Administration will continue to be provided with options concerning the work of the Council and will decide upon how these financial challenges can be faced. Scrutiny review of discretionary services (Playhouse and Pets Corner).	31/12/2015	
CR03 - Lack of Suitable Housing Mix													
IF : If the town lacks a suitable housing mix THEN : Then it will not attract or retain residents BACKGROUND : The town requires a suitable housing 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.													
Bloomer, Graeme	Likely (4)	Major (4)	Duty to cooperate discussions. Housing studies including joint ones to support the Local Plan.	Likely (4)	Major (4)	21	▲ ➡	Moderate (3)	Major (4)	18	Implement Local Development Plan	31/12/2015	

Section Seven: Progress in delivering the Corporate Plan

Corporate Priorities Milestone Tracker as at 30/06/2016

The Corporate Plan includes an Action Plan setting out the milestones the Council needs to complete in order to deliver its objectives. Below is a status update of how well the Council is doing in delivering its Plan.



Eighty-five per cent (142 out of 167) of all milestones are self-assessed as completed or on track as at 30 June 2016.

One per cent (2 out of 167) of milestones have lapsed or require further action to ensure they are brought back on track.

No milestones are significantly off target as at 30 June 2016.

Fourteen per cent (23 out of 167) of milestones have not started.