

REPORT TO: CABINET

DATE: 23 MARCH 2017

TITLE: JOINT FINANCE AND PERFORMANCE
REPORT, QUARTER 3 2016/17

PORTFOLIO HOLDER: COUNCILLOR JON CLEMPNER, LEADER OF
THE COUNCIL

COUNCILLOR MIKE DANVERS, PORTFOLIO
HOLDER FOR RESOURCES

LEAD OFFICERS: CORPORATE MANAGEMENT TEAM / HEADS
OF SERVICE (01279) 446004

This is not a Key Decision

It is on the Forward Plan as Decision Number I005989

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 third quarter (October to December) of 2016/17 as follows:
- (i) A favourable variation on controllable budgets of £314,000 representing a net favourable variance of -0.50 percent of the gross General Fund Budget.
 - (ii) A total projected underspend of £481,000 representing a forecast underspend of -0.77 percent of the gross General Fund Budget.
 - (iii) The Council performed on target or above target for 44 out of 48 (92 percent) of performance indicators.
- B** The transfers to reserves as set out in the Major Variations table in Appendix A to this report are made.

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 small variation and the caution that should be applied to it given the financial challenges the Council may face.

BACKGROUND

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

SUMMARY OF QUARTER THREE FINANCIAL PERFORMANCE - 2016/17

2. A review of the third quarter of 2016/17 indicates that, in total, the controllable General Fund Budget is projected to be under-spent by £314,000 or -0.50 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A summarises major budget variations. This variance is extremely small given the economic circumstances within which the Council continues to operate.
3. Taking into consideration the budgets which are not directly under service area control, the overall position at the end of December 2016 is that the General Fund is expected to underspend by £481,000 or -0.77 percent 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. The current position represents a small variation given the economic climate and ongoing Government changes to the welfare state.
5. Included within Appendix A to this report are details of the major variations across all service areas and for non-controllable budgets. The situation has been closely monitored during the year and the outturn position will be reported to Cabinet in July 2017.

SUMMARY OF QUARTER THREE OPERATIONAL PERFORMANCE – 2016/17

6. Section four of Appendix A details information about the Council's operational performance. The Council performed on target or above target for 44 out of 48 (92 percent) of performance indicators. Eighty-eight percent of all Corporate Plan milestones were successfully completed or on track for completion as at 31 December 2016.

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

7. Despite an extraordinarily challenging financial environment, the Council made performance improvements in several key areas linked to its corporate priorities during the third quarter of 2016/17 including:
 - a) **Percentage of lost calls for contact Harlow:** The actual figure of six percent for Quarter Three is significantly lower than the target of 15 percent. This demonstrates a balance between ensuring good levels of

service and maintaining low waiting times for customers resulting in a low lost call rate.

- b) **Average waiting time of calls received by Contact Harlow:** The actual figure of 19 seconds for Quarter Three is significantly lower than the target of 45 seconds. This demonstrates a balance between ensuring good levels of service and maintaining low waiting times for customers resulting in a low lost call rate.
 - c) **People sleeping rough (numbers):** This indicator is a snapshot of the number of people that are sleeping rough on the same night each quarter. The number of rough sleepers reduced to zero for Quarter Three. This is an expected figure in Quarter Three due to the annual provision of The Haven night shelter provided by The Chocolate Run organisation for the Christmas and New Year period.
 - d) **Processing of minor applications within eight weeks (%):** Minor applications often relate to more contentious schemes, such as proposals for residential infill development, which often need to be determined by Development Management Committee. The figure of 93 percent achieved for Quarter Three was based on having an increased awareness of how significant each application is to our performance and being mindful that applications may need to be assessed early in the planning process in order to be reported to Committees within the statutory expiry period.
 - e) **Street and Environmental Cleanliness (% land assessed having unacceptable levels of litter):** Whilst there has been a slight slippage in performance of this KPI when compared with the previous year, the results are better than both the regional and national averages for this KPI and still represent strong performance.
8. Four out of forty-eight (eight percent) of performance indicators did not perform as well as expected. Each has a detailed Improvement Action Plan which explains why the performance did not perform as well. Areas of reduced performance include:
- a) **The percentage of customer complaints responded to within target time:** The volume of complaints has increased (by over 10 percent) from the same period last year. The percentage of complaints upheld was 35 per cent, 50 percent were not upheld and 15 percent were partially upheld. The Heads of Service are reviewing internal processes with a view to better monitoring of responses for each of their respective service areas and improving response times.
 - b) **The average time taken in calendar days to process new claims for Housing Benefit and/or Council Tax Benefit:** The overall performance for the average number of days to process new claims has improved in Quarter Three compared with Quarter Two.

Performance is improving year on year, moving from an average of 31.02 days in 2014/15 to 26.26 days in 2016/17. The year to date figure for performance at 31 January 2017 is 24.55 days. The service is implementing increased on line access for customers and greater automation which it is anticipated will further improve performance in future reporting periods.

- c) **Number of households living in Temporary Accommodation:** Quarter Three has seen an increase of 29 percent from last year and an increase of seven per cent from Quarter Two 2016/17. Housing Services pre-assess those that are homeless or threatened with homelessness by providing a separate housing advice and assistance service (including those that approach for general housing advice). This provides an early opportunity to signpost, suggest or provide other housing solutions available. This approach has been successful and is seen to save costs in the long run, and prevent the actual incidence of homelessness by early intervention. The Council is also considering the potential impact/opportunities from the new Homelessness Reduction Bill which is increasing the statutory role of the Council to prevent homelessness which is going through the parliamentary process.
- d) **Litter bins and dual use bins emptying performance:** This minor indicator measures the percentage of those bins reported as being full and/or overflowing. One of the 31 bins reported as overflowing in Quarter Three failed to be dealt with by Kier Harlow Ltd within the prescribed timescale of 3.5 working hours and so the indicator fell below target. To set some context to the performance, in Quarter Three the 460 bins subject to this performance indicator were emptied (cumulatively) almost 12,000 times. Whilst there was one failure, the performance has improved upon the previous quarter. Options are currently being explored with HTS (Property and Environment) Ltd to enhance the bin emptying service town wide.

SIGNIFICANT RISKS / OPPORTUNITIES

9. 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:
- a) The volatility associated with the Government's localisation of Council Tax support and business rates.
 - b) 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.
 - c) The impact on the Council's treasury management activities following

the EU Referendum vote for 'Brexit' together with the announcement by the Bank of England in August of its cut in base rate to 0.25 percent.

d) Variations in income from fees and charges as public spending habits respond to the economic climate.

10. Section six of Appendix A details information about the two exceptional risks (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register as of 31 December 2016* which are that:

a) 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.

b) Harlow 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.

* These risks relate to 31 December 2016 and may have changed between that period of time and the meeting of Cabinet.

IMPLICATIONS

Place (includes Sustainability)

None other than set out in the report.

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

Finance (Includes ICT)

The Financial implications are set out within the report and its appendix.

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

Housing

None other than set out in 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)

Any specific implications are set out in the report.

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

Background Papers

None

Glossary of terms/abbreviations used

IAP – Improvement Action Plan

KPI – Key Performance Indicator

Appendices

Appendix A – Joint Finance and Performance Report for the period ending 31/12/2016, Quarter 3