

Performance, Finance and Risk – July 2024



Report to:	Cabinet
Date:	12 September 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 Richard Criddle, Service Finance Manager (01279) 446251
Key Decision:	No
Forward Plan:	Forward Plan number
Call In:	This item is not subject to call in procedures because it is within the scope of the budget approved in February 2024 and recommendation E stands as a recommendation to Full Council
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 up to the end of July 2024. 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:

- A** Notes the performance of key performance indicators for June and July.
- B** Notes the performance against the council's annual delivery plan for quarter 1.
- C** Notes the Finance position as July (period 4) of 2024/25 financial year.
- D** Approves the Period 4 reprofiling into 2025/26 within the Housing and Non-Housing Capital Programmes included within Appendices E and F to the report.
- E** Recommends to Full Council the approval of the Budget allocations identified for 2024/25 within the Housing Capital Programmes included within Appendix F to the report.
- F** Notes the current strategic risks for the council's operations.

Reason for decision

- A** To ensure the council scrutinises 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 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.
2. This report is the first report of performance and finance for 2024/25 to be reviewed by Scrutiny Committee.
3. 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

4. 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 July 2024. Data published against the metrics collected by Oflog have not changed since the last report to cabinet and are not included in this report. Oflog metrics will be reported every time the published data is updated. Finance section presents the period 4 position based on budget monitoring and risk section highlights the current strategic risk register.

Performance – key performance indicators

5. Key Performance Indicators (KPIs) are set annually as part of the council's corporate delivery planning process. The indicators selected reflect the key service delivery of the council. 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.
6. Monthly performance indicator reporting therefore 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.
7. The council performed well against the majority of KPIs during July 2024. There were 16 indicators where updated information was available by the end of July and of those, 12 performed within target. Two indicators were highlighted for awareness and monitoring as performance is just outside tolerance of good performance, and one indicator was highlighted for action. Performance for July can be found at Appendix A.
8. The reporting also includes one contextual indicator, that being the number of rough sleepers. There is no target set for this indicator as there are a number of internal and external services and varying factors that contribute to the support and delivery of services to this cohort. However, it is an indicator that highlights the number of rough sleepers within the town, that the council is working hard to support and therefore has chosen to include in its publicly reported indicators to both highlight and understand the impact of the work it is doing alongside third sector and other public sector partners.
9. 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 rent and council tax collection levels, continued low abandoned call volumes and call

waiting periods, and increasingly efficient turnaround times to process changes to benefit claimant details.

10. Invoice payments continue to be reporting an *awareness level*. The decrease in June's KPI, led to a review of the KPI which identified that invoice processes were recording the invoice date and not the date received. Although this was amended in mid July, senior officers continue to be aware of the KPI performance and are reviewing internal processes to identify efficiencies so performance can be improved.
11. A higher than anticipated number of properties were vacated during June and July 2024 which has tested the service to keep its overall average number of void properties across the year low. Having been reviewed by the service it has been determined that the higher-than-expected number is attributable to the increase in properties being vacated and not a result of any reduction in efficiency of the turnaround process for re-letting. As this is an uncontrollable factor there is no remedy to prevent higher than expected numbers being returned in future, however monitoring of the voids re-letting process is taking place to ensure that this is completed as quickly as possible.
12. The number of missed bins per 100,000 collected has increased and is outside of the targeted performance for the year. Recognising the issues that missed bin collections cause, the council has set stringent targets in this area for its contractor. Veolia have continued to rely on agency workers to assist with competing collection rounds and although these operatives are fully inducted it takes time for the knowledge and expertise of permanent staff to be learnt by newer staff, meaning service levels have dropped slightly. Veolia aim to keep at least one permanent employee on every round to mitigate this, although this is not always possible.

Annual Delivery Plan Performance

13. An annual delivery plan for the council's Corporate Plan was set for the start of the financial year. Progress against all milestones and measurements, across each of the council's 6 missions, due to outturn during quarter 1 of 2024/25 is shown at Appendix B. For each milestone the delivery plan includes a starting position (i.e. at start of Q1) and projected year end measurement to be used to demonstrate its success. Percentage completion against each milestone is reported, with more detailed commentary of activity presented alongside this.

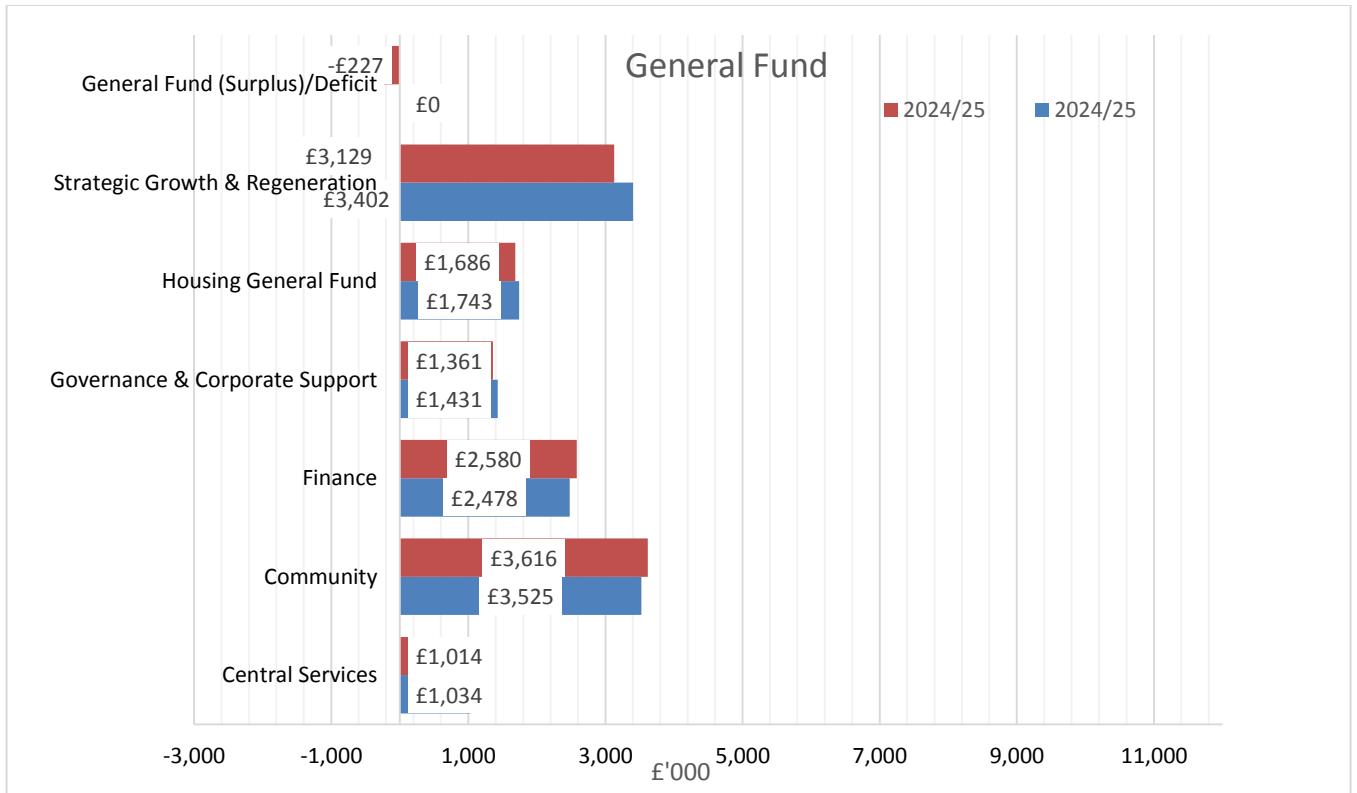
Finance

General Fund Account

14. The council set the 2024/25 budget in February 2024, with service specific expenditure totalling of £13.613 million.

15. The General Fund summary position up to the end of July 2024 (Period 4) is summarised in the table below. The forecast outturn for service expenditure is expected to decrease to £13.386 million, reporting a favourable variance of £227,000.
16. Appendix C provides a breakdown of major key variances and explanation of the position set out in the table below. The main reason for the favourable position is reduced business rates and energy costs for the civic centre as well as increased green waste subscriptions.

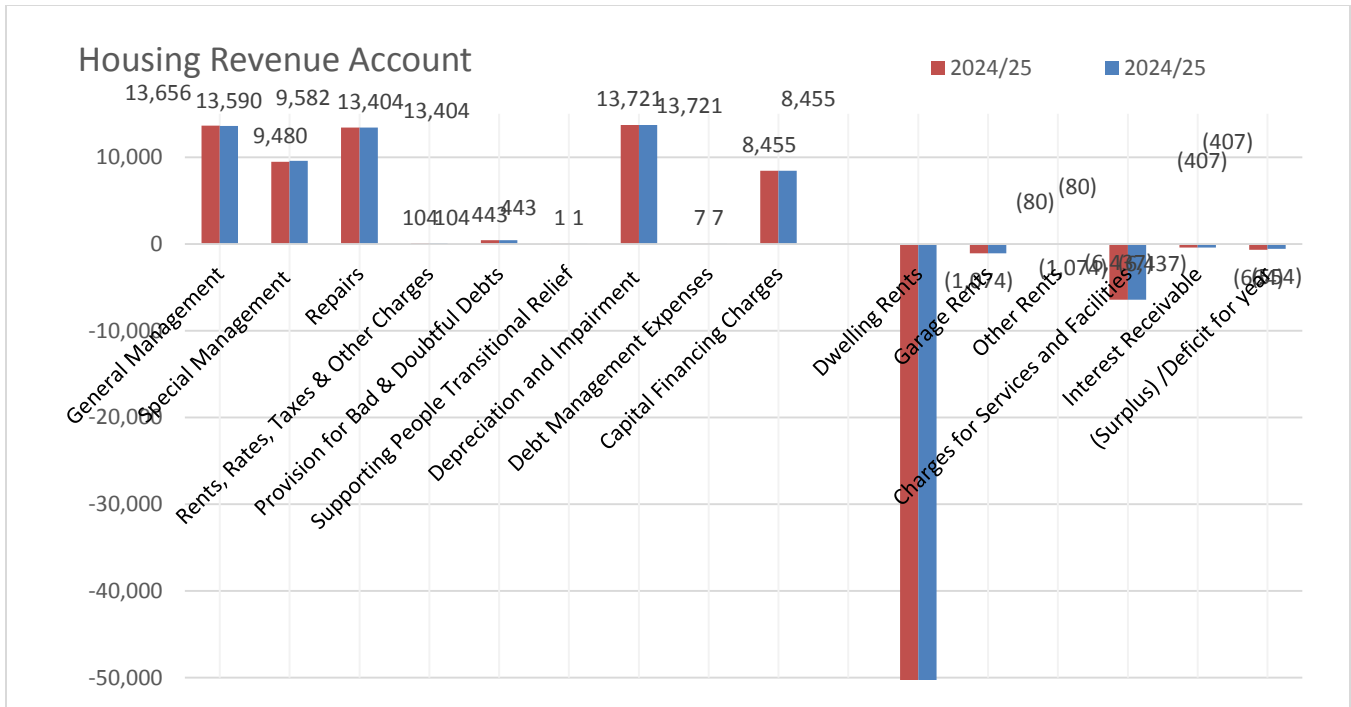
	2024/25 Current Budget £'000	2024/25 Forecast Outturn £'000	2024/25 Variance £'000
Central Services	1,034	1,014	(20)
Community	3,525	3,616	91
Finance	2,478	2,580	102
Governance & Corporate Support	1,431	1,361	(70)
Housing General Fund	1,743	1,686	(57)
Strategic Growth & Regeneration	3,402	3,129	(273)
Total Service Specific	13,613	13,386	(227)
Non Service Specific	1,313	1,313	0
Funding	(14,926)	(14,926)	0
General Fund (Surplus)/Deficit	0	(227)	(227)



Housing Revenue Account (HRA)

17. The Council approved a HRA budget and net surplus of £0.664 million for 2024/25, there were no approved carry forwards in July 2024, thus the current working balance as at 31 March 2024 is £11.444 million.
18. The HRA summary position up to the end of July 2024 (Period 4) is summarised in the table below. The forecast outturn is expected to decrease slightly to £0.554 million surplus, reporting an adverse variance of £110,000 with a revised working balance of £11.334 million.

Housing Revenue Account	2024/25 Current Budget £'000	2024/25 Forecast Outturn £'000	2024/25 Variance £'000
<u>Expenditure</u>			
General Management	13,656	13,590	(66)
Special Management	9,480	9,582	102
Repairs	13,404	13,404	0
Rents, Rates, Taxes & Other Charges	104	104	0
Provision for Bad & Doubtful Debts	443	443	0
Supporting People Transitional Relief	1	1	0
Depreciation and Impairment	13,721	13,721	0
Debt Management Expenses	7	7	0
Capital Financing Charges	8,455	8,455	0
Total Expenditure	59,271	59,307	36
<u>Income</u>			
Dwelling Rents	(51,937)	(51,863)	74
Garage Rents	(1,074)	(1,074)	0
Other Rents	(80)	(80)	0
Charges for Services and Facilities	(6,437)	(6,437)	0
Interest Receivable	(407)	(407)	0
Total Income	(59,935)	(59,861)	74
(Surplus) / Deficit for year	(664)	(554)	110
Balance at 1 April (pre-Audit)	10,780	10,780	0
Surplus / (Deficit) for year	664	554	(110)
Balance as at 31 March	11,444	11,334	(110)



19. Appendix D provides a breakdown of major key variances and explanation of the position set out in the table above. The main reason for the adverse position is due to the increase cost in alarm maintenance on multi storey flat blocks.

Capital Programme

Non Housing Capital Programme (NHCP)

20. A summary of the Non-Housing Capital Programme (NHCP) is shown in the table below. The Council approved a budget of £32.781 million in Feb 2024, and subsequently £14.4 million of carryovers in July 2024. The total NHCP Programme for 2024/25 is £47.181 million.

NON HOUSING CAPITAL PROGRAMME Period 4 2024/25					
Schemes	Approved Budget 2024/25 £'000	2023/24 Carry overs £'000	Current Budget £'000	Projected Outturn £'000	Variance: Outturn to current £'000
Latton Bush Centre	873	863	1,736	1,736	-
Commercial Properties	603	658	1,261	1,318	57
Highways & Car Parks	240	157	397	397	-
Drainage Works	135	80	215	215	-
Community Buildings	574	187	761	424	(337)
Other Public Schemes	631	138	769	669	(100)
Civic Centre	909	1,020	1,929	1,629	(300)
Garages	197	0	197	197	-
Contingency	50	0	50	50	-
TOTAL ASSET MANAGEMENT	4,212	3,103	7,315	6,635	(680)
Communities and Environment	629	221	850	862	12
Governance and Corporate Services	311	19	330	330	-
Strategic Growth & Regeneration	1,108	1,033	2,141	2,141	-
OTHER SERVICES	2,048	1,273	3,321	3,333	12
Council House Building Programme	3,708	468	4,176	150	(4,026)
Innovation Park	0	1,906	1,906	1,906	-
Levelling Up Fund	9,352	468	9,820	9,820	-
Town Centre Ltd Liability Partnership	0	5,000	5,000	5,000	-
Towns Fund	13,461	2,182	15,643	15,643	-
OTHER SCHEMES	26,521	10,024	36,545	32,519	(4,026)
TOTAL NON-HOUSING CAPITAL PROGRAMME	32,781	14,400	47,181	42,487	(4,694)
Reprofiling as at period 4 Required					4,767
New Budget Allocations Required					-
Period 4 Variance (Favourable)/Adverse					73

21. As at Period 4 the projected outturn of the full programme is forecasted to be £42.487 million resulting in a favourable variance of £4.694 million. The favourable variance is largely due the Elm Hatch New Build project, that requires to be reprofiled into the 2025/26 programme. A full list of variances and commentary is included within Appendix E.
22. Included within the projected outturn, £4.767 million of scheme's are requested to be reprofiled into the 2025/26 programme. For clarification, this expenditure and therefore financing is still required for the scheme, but the expenditure will be committed in a future year. By reprofiling the budget into a later year, means that no additional future financing for the scheme will be required. A breakdown of the schemes requested to be reprofiled into 2025/26 are included within Appendix E.

23. If the reprofiling is approved, the overall forecast for period 4 shows an adverse variance of £0.73 million. This is largely due to roofing projects within the programme occurring higher costs than expected.

Housing Capital Programme (HCP)

24. A summary of the Housing Capital Programme (HCP) is shown in the table below. The Council approved a budget of £60.409 million in February 2024, (including the New Council House Building Programme) and subsequently £9.431 million of carryovers in 2023/24. The total HCP Programme for 2024/25 is £69.840 million.

HOUSING CAPITAL PROGRAMME PERIOD 4 2024/25					
Schemes	Approved	2023/24			Variance:
	Budget	Carry	Current	Projected	Outturn to
	2024/25	overs	Budget	Outturn	current
	£'000	£'000	£'000	£'000	budget
					£'000
HTS Internal Works - ASC	1,139		1,139	1,139	-
HTS Internal Works - Compliance	1,100	163	1,263	1,263	-
HTS Internal Works - Internal	2,600	16	2,616	2,616	-
HTS Internal Works - Garages	215	86	301	301	-
HTS Internal Works - Sumners Farm Close	300		300	300	-
TOTAL HTS	5,354	265	5,619	5,619	-
External Works	9,050	1,600	10,650	11,100	450
Damp & Structural Works	1,600		1,600	1,764	164
Other Works	8,700		8,700	8,700	-
Fire Safety & Compliance	6,500	1,212	7,712	7,712	-
Energy Efficiency Works	800	175	975	975	-
Housing IT	255	50	305	305	-
Garage Demolition Programme	500	851	1,351	1,351	-
TOTAL CORE HOUSING CAPITAL PROGRAMME	27,405	3,888	31,293	31,907	614
Acquisitions	0	926	926	926	-
Council House Building Programme	27,650	4,352	32,002	7,800	(24,202)
TOTAL NON CORE PROGRAMME	27,650	5,278	32,928	8,726	(24,202)
TOTAL ALL HOUSING CAPITAL PROGRAMME	60,409	9,431	69,840	46,252	(23,588)
Reprofiling as at period 4 Required					24,202
New Budget Allocations Required					(614)
Period 4 Variance (Favourable)/Adverse					-

25. As at Period 4 the projected outturn of the full programme is forecasted to be £46.252 million resulting in a favourable variance of £23.588 million. The favourable variance is largely due to a number of projects, within the Council House Build Programme that require to be reprofiled into the 2025/26 programme. A full list of variances and commentary is included within Appendix F.

26. Included within the projected outturn, £24.202 million of scheme's are requested to be re-profiled into the 2025/26 programme. For clarification, this expenditure and therefore financing is still required for the scheme, but the expenditure will be committed in a future year. By reprofiling the budget into a later year, means that no additional future financing for the scheme will be required. A breakdown of the schemes requested to be reprofiled into 2025/26 are included within Appendix F.
27. Also included within the projected outturn, £0.614 million of new schemes have been identified and require a budget allocation to be assigned to them. The projects require new funding and it is expected this will be financed from the sold property 69 Old Road.

Risk

28. 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.
29. A dashboard of the current status of strategic risks and the strategic risk register can be found at Appendix G and details risk scores derived from the likelihood of a risk occurring, and the impact if it does, alongside the current controls in place.
30. The highest scoring risks remain those around financial resilience, contract and partnership management and cyber resilience due to the high impact they carry. Control measures in place mitigate the likelihood of these impacts as far as possible and are reviewed regularly.
31. There have been no change to risk scores since they were last reported.

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 4 of financial year 2024/25 has been reviewed and included within the body of the report.

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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 July 2024 performance, risk and financial position for the Council as part of its fiduciary duty to implement budgetary controls and monitoring.

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Appendices

Appendix A - KPI report July

Appendix B – Annual Delivery Plan - Q1

Appendix C – General Fund Variances Period 4

Appendix D – HRA Variances Period 4

Appendix E – NHCP Variances Period 4

Appendix F – HCP Variances Period 4

Appendix G – Risk dashboard and risk register

Background Papers

None

Glossary of terms/abbreviations used

KPIs - Key Performance Indicators

MTFP – Medium Term Financial Plan