

Performance, Finance and Risk – September and October 2024



Report to:	Cabinet
Date:	10 December 2024
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 (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 I017308
Call In:	This item is not subject to call in procedures because it is within the scope of the budget approved in February 2024
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 October 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 September and October.
- B** Notes the Finance position as October (period 7) of 2024/25 financial year.
- C** Approves the Period 7 reprofiling into 2025/26 within the Housing and Non-Housing Capital Programmes included within Appendices E and F to the report.
- D** 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. 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

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 October 2024. Data published against the metrics collected by Oflog have not been updated since the last report to Cabinet and are therefore not included in this report.

Performance – Key Performance Indicators

4. 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. 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.

5. 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.
6. The council performed well against the majority of KPIs during September and October 2024. As at end of October Sixteen indicators performed within target and one indicator was highlighted for awareness and monitoring as performance is just outside tolerance of good performance. Performance for September and October can be found at Appendix A.
7. Changes have been made to the way that income collection performance is measured. This data is cumulative and shows how much is collected month on month and is compared to the previous year. The amount collected each month can differ as some payments are made annually, and others monthly, dependant on payment terms used by those paying.
8. The presentation of this data previously showed the % of money collected to date, but did not show how the collection rates were performing. A target of 100% of expected collection levels has now been applied. 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 contextual indicator showing number of rough sleepers is not included in this report. 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. It is recognised that this is one of a number of indicators that highlights the number of rough sleepers within the town. Work around a new rough sleepers strategy was presented to the September Scrutiny Committee meeting and consultation on this document started in October 2024. The draft strategy includes a number of priority actions and delivery of these alongside a number of metrics related to rough sleepers, homelessness prevention and temporary accommodation will provide a holistic picture of the council's performance in this critical area of work.
10. 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. Areas of good

performance include complaints response times, rent and service charge collection rates, and missed bin rates.

11. Staff sickness levels are reporting at an *awareness level*. Staff sickness is marginally higher than the targeted level; the Personnel Committee receives a detailed breakdown of sickness absence types and length for full review and monitoring in this area.
12. The data for the void turnaround times is to be confirmed for period of October. A review of timings and methodology for the way data is collected and formulated is currently being carried out. The timelines for the review did not align with publication dates for this report, however full data will be included in the next report to Cabinet.

Corporate Plan Delivery Plan

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 2 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. Where milestone target dates have slipped, expected completion for each still remains within the financial year.

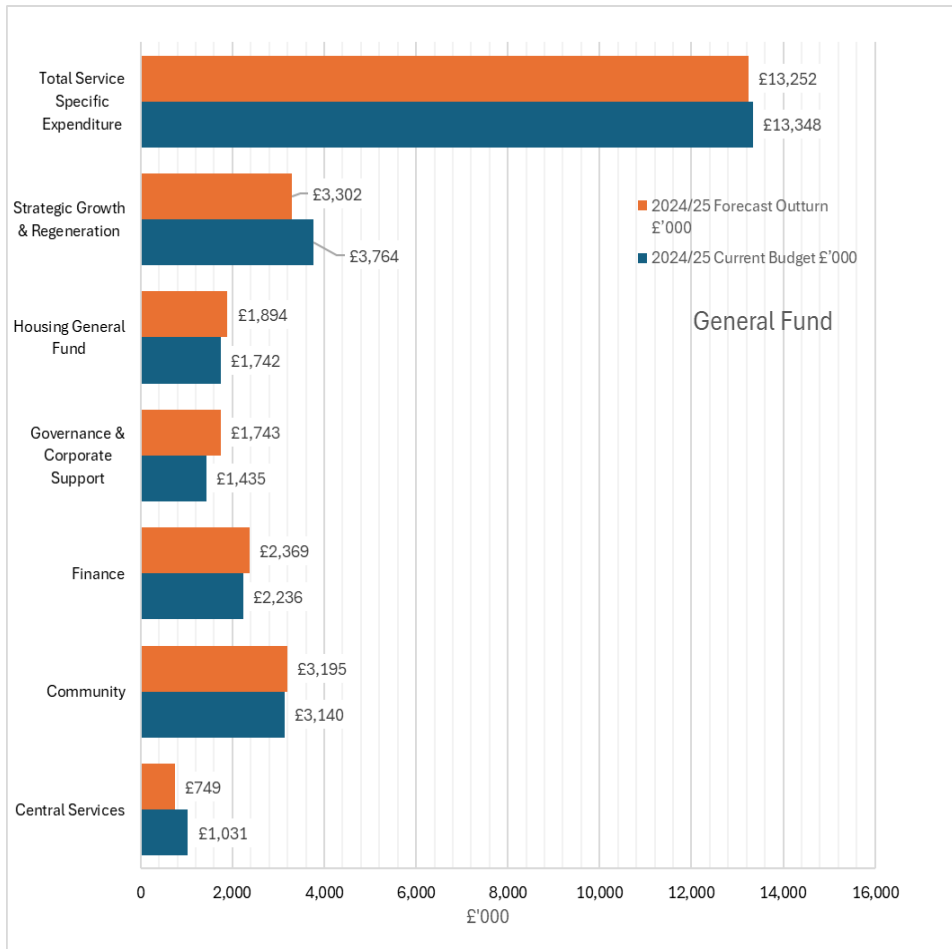
Finance

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 October 2024 (Period 7) is summarised in the table below. The forecast outturn for service expenditure is expected to decrease to £13.252 million, reporting a favourable variance of £136,000.
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 and increased Essex County Council Inter Authority Agreement contribution.

	2024/25 Current Budget £'000	2024/25 Forecast Outturn £'000	2024/25 Variance £'000
Central Services	1,031	749	(282)
Community	3,140	3,195	55
Finance	2,236	2,369	133
Governance & Corporate Support	1,435	1,743	308
Housing General Fund	1,742	1,894	152
Strategic Growth & Regeneration	3,764	3,302	(462)
Total Service Specific Expenditure	13,348	13,252	(96)
Non Service Specific & Funding	1,578	1,538	(40)
Funding	(14,926)	(14,926)	0
General Fund (Surplus)/Deficit	0	(136)	(136)

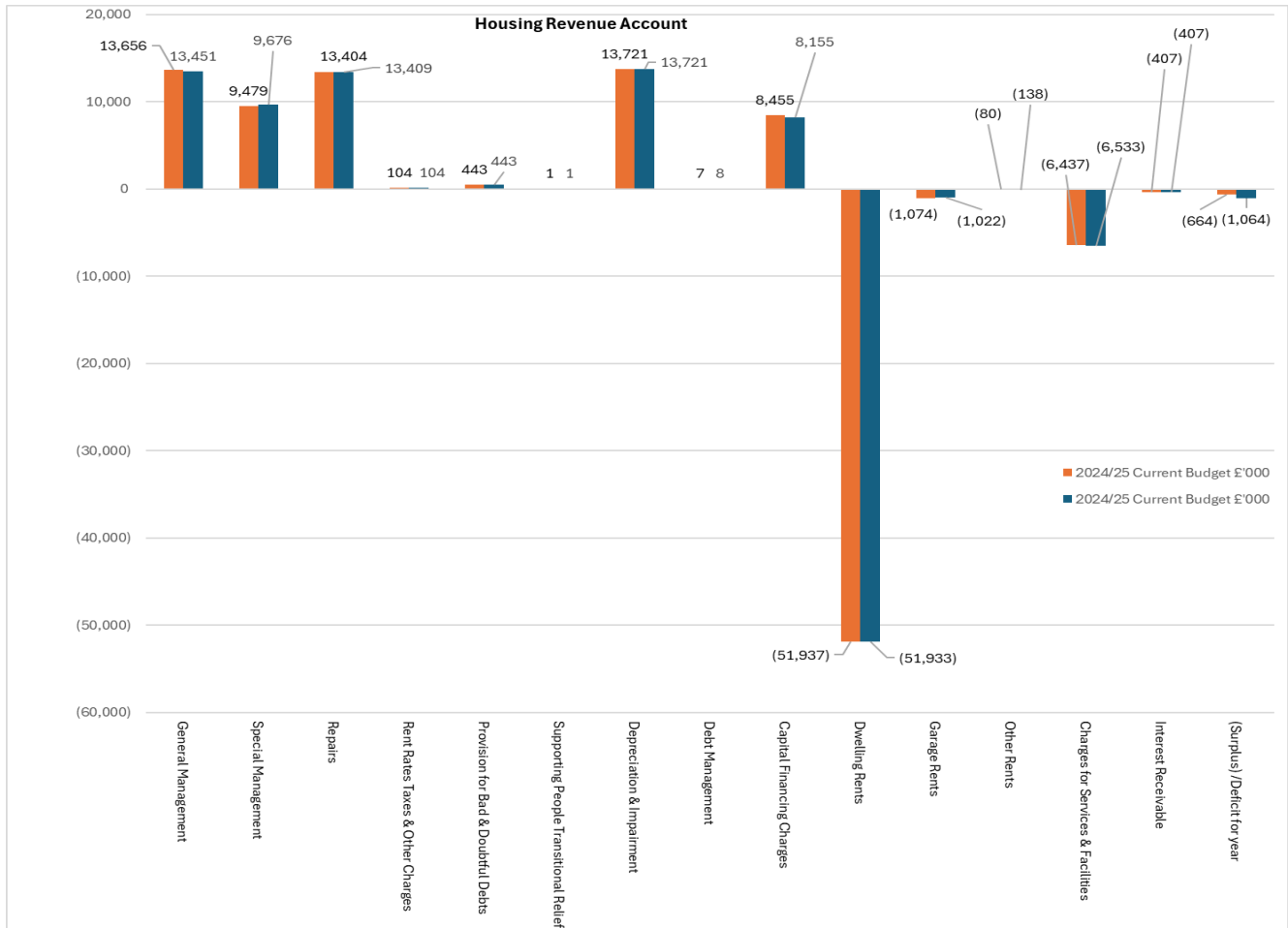
Note: Figures in brackets represent reductions in expenditure or increases in income



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 October 2024 (Period 7) is summarised in the table below. The forecast outturn is expected to decrease significantly to £1.064 million surplus, reporting a favourable variance of £400,000 with a revised working balance of £11.844 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	13,451	(205)
Special Management	9,479	9,676	197
Repairs	13,404	13,409	5
Rent Rates Taxes & Other Charges	104	104	-
Provision for Bad & Doubtful Debts	443	443	-
Supporting People Transitional Relief	1	1	-
Depreciation & Impairment	13,721	13,721	-
Debt Management	7	8	1
Capital Financing Charges	8,455	8,155	(300)
Total Expenditure	59,271	58,969	(302)
<u>Income</u>			
Dwelling Rents	(51,937)	(51,933)	4
Garage Rents	(1,074)	(1,022)	52
Other Rents	(80)	(138)	(58)
Charges for Services & Facilities	(6,437)	(6,533)	(96)
Interest Receivable	(407)	(407)	-
Total Income	(59,935)	(60,032)	(98)
(Surplus) /Deficit for year	(664)	(1,064)	(400)
Balance at 1 April (pre-Audit)	10,780	10,780	-
Surplus / (Deficit) for year	664	1,064	400
Balance as at 31 March	11,444	11,844	400



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 favourable position is due to the changes in legislation regarding retained capital receipts.

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 £42.334 million.

NON HOUSING CAPITAL PROGRAMME Period 7 2024/25							
Schemes	Approved Budget 2024/25	2023/24 Carry overs	Q1 Cabinet Amendments	Q2 Cabinet Amendments	Current Budget	Projected Outturn	Variance: Outturn to current budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Latton Bush Centre	873	873		(63)	1,683	1,632	(51)
Commercial Properties	603	658	(124)	63	1,200	1,317	117
Highways & Car Parks	240	157			397	367	(30)
Drainage Works	135	80			215	55	(160)
Community Buildings	574	187	(317)		444	424	(20)
Other Public Schemes	631	138			769	443	(326)
Civic Centre	909	1,020	(300)		1,629	1,629	-
Garages	197	0			197	197	-
Contingency	50	0			50	50	-
TOTAL ASSET MANAGEMENT	4,212	3,113	(741)	-	6,584	6,114	(470)
Communities and Environment	629	246			875	838	(37)
Governance and Corporate Services	311	19		(120)	210	329	119
Strategic Growth & Regeneration	1,108	1,008		30	2,146	2,057	(89)
OTHER SERVICES	2,048	1,273	-	(90)	3,231	3,224	(7)
Council House Building Programme	3,708	468	(4,026)		150	100	(50)
Innovation Park	0	1,906			1,906	1,906	-
Levelling Up Fund	9,352	468			9,820	1,093	(8,727)
Town Centre Ltd Liability Partnership	0	5,000			5,000	5,000	-
Towns Fund	13,461	2,182			15,643	11,712	(3,931)
OTHER SCHEMES	26,521	10,024	(4,026)	-	32,519	19,811	(12,708)
TOTAL NON-HOUSING CAPITAL PROGRAMME	32,781	14,410	(4,767)	(90)	42,334	29,149	(13,185)
Reprofiling as at period 7 required							13,502
New Budget Allocations Required							-
Period 6 Variance (Favourable)/Adverse							317

21. As at Period 7 the projected outturn of the full programme is forecasted to be £29.149 million resulting in a favourable variance of £13.185 million. A full list of variances and commentary is included within Appendix E.
22. Included within the projected outturn, £13.502 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 E.
23. If the reprofiling is approved, the overall forecast for period 7 shows an adverse variance of £0.317 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 7 2024/25							
Schemes	Approved Budget 2024/25	2023/24 Carry overs	Q1 Cabinet Amendments	Q2 Cabinet Amendments	Current Budget	Projected Outturn	Variance: Outturn to current budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HTS Internal Works - ASC	1,139				1,139	1,257	118
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			179	479	479	-
TOTAL HTS	5,354	265	0	179	5,798	5,916	118
External Works	9,050	1,679	450	(179)	11,000	11,000	-
Damp & Structural Works	1,600		164		1,764	1,764	-
Other Works	8,700				8,700	8,700	-
Fire Safety & Compliance	6,500	1,133			7,633	7,633	-
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	614	(179)	31,728	31,728	-
Acquisitions	0	926			926	926	-
Council House Building Programme	27,650	4,352	(24,202)	(24,202)	7,800	14,635	6,835
TOTAL NON CORE PROGRAMME	27,650	5,278	(24,202)	(24,202)	8,726	15,561	6,835
TOTAL ALL HOUSING CAPITAL PROGRAMME	60,409	9,431	(23,588)	(24,202)	46,252	53,205	6,953
Reprofiling as at period 7 Required							(6,835)
New Budget Allocations Required							-
Period 7 Variance (Favourable)/Adverse							118

25. As at Period 7 the projected outturn of the full programme is forecasted to be £53.205 million resulting in an adverse variance of £6.953m million. This is due to realignment of HTS inflationary uplifts within the Annual Service Charge and the re-profiling of scheme's back into 2024/25. A full list of variances and commentary is included within Appendix F.
26. Included within the projected outturn, £0.675m 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 D.
27. In addition £7.510 million of scheme's are requested to be re-profiled back into the 2024/25 programme due to works on the Staple Tye sites accelerating more rapidly than expected following the recent appointment of The Hill Partnership Ltd as the main contractor.

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. In accordance with the councils Risk Management Strategy, risk owners have reviewed the strategic risks and updated them accordingly. As a result of the current risk review two scores have increased. The remaining scores have remained unchanged.
30. A dashboard of the current status of strategic risks and the strategic risk register can be found at Appendix F and details risk scores derived from the likelihood of a risk occurring, and the impact if it does, alongside the current controls in place.
31. The highest scoring risks remain those around financial resilience, contract and partnership management, climate change 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.

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

Author: Julie Galvin, Legal Services Manager and Monitoring Officer

Appendices

Appendix A - KPI report August

Appendix B - Corporate Delivery Plan
Appendix C – General Fund Variances Period 7
Appendix D – HRA Variances Period 7
Appendix E – NHCP Variances Period 7
Appendix F – HCP Variances Period 7
Appendix G – Risk dashboard and risk register

Background Papers

None

Glossary of terms/abbreviations used

KPIs – Key Performance Indicators
MTFP – Medium Term Financial Plan
HTS – Harlow Trading Services