

Performance, Finance and Risk – November and December 2024



Report to:	Cabinet
Date:	13 February 2025
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 and Improvement (01279) 446811
Contributing Officers:	Jason Thorpe, Business Insight Officer (01279) 446942 Richard Criddle, Finance Manager (01279) 446251
Key Decision:	No
Forward Plan:	Forward Plan number I017309
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 December 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. Performance as shown at the end of December shows that all bar one performance indicators are showing as 'extremely good' and financial performance remains extremely strong which are both improvements from the last period.

Recommended that Cabinet:

- A** Notes the performance of key performance indicators for November and December which demonstrate strong performance on all indicators.
- B** Notes the financial performance and position as of December (period 9) of 2024/25 financial year which demonstrate strong financial performance across the General Fund, Housing Revenue Account and Capital Programmes.
- C** Approves the Period 9 reprofiling into 2025/26 within the Housing and Non-Housing Capital Programmes included within Appendices D and E to the report.
- D** Notes the current strategic risks for the council's operations in Appendix F.

Reason for decision

- A** To ensure the Cabinet is fully informed of performance against its budget position for General Fund, Housing Revenue Fund and Capital programmes and therefore, can make fully informed decisions.
- B** To ensure the Cabinet manages the strategic risks that affect the organisation, and control measures in place to mitigate these and therefore, can make fully informed decisions.

Other Options

- A** No other options were considered, the consideration 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. The monthly reporting to Cabinet of financial and service performance was introduced in May 2024 and this report and its appendices demonstrate the positive impact that regular monitoring has had by allowing the Cabinet to take fully informed decisions in real time to effect change.
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 December 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. It should also be noted by Cabinet that Oflog has been disbanded by the new Government.

4. This is the first time that performance is reported against the council's new directorates (service areas) which came into force on Monday 3 February. Whilst the council was operating against its previous structure and directorates when this performance took place, all performance will now be reported against the new directorates.

Performance – Key Performance Indicators

5. 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.
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. Changes were made to the way that income collection performance is measured at the last meeting of the Cabinet. 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.
8. The council performed well against the majority of KPIs during November and December 2024. Performance for November and December can be found at Appendix A. 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. As at the end of December, only one performance indicator is RAG rated red and only one is RAG rated as orange as detailed in paragraphs 10 and 11. All other areas are demonstrating extremely good performance (RAG = green):
 - Void turnaround
 - Households living in temporary accommodation
 - Housing rent collection rate
 - Leaseholder service charge collection rate

- Contact Harlow calls abandoned
- Contact Harlow call wait times
- Staff sickness absence
- Missed bin collections
- Invoice payments
- New benefits claims
- Benefit changes in circumstances
- Council Tax collection rate
- Business Rates collection rate
- Planning appeals
- Major planning applications
- Other planning applications

9. The last performance report to Cabinet in December (which covered October performance) highlighted staff sickness as being RAG rated orange for awareness. This has now improved and is back to being RAG rated green with extremely good performance with the staff sickness rate on a continued downward trend.
10. Customer complaints response times are reporting at an *awareness level*. The time taken to respond to complaints increased during November, this is due to a small number of complaints which were responded to slightly out of target completion date. The average amount of time for complaints to be responded to during November was 11.2 days against a target completion of 20 days. Where complaints are more complex, they may take longer to respond to and require more than the targeted 20 days. Complaints progress is monitored weekly and complaints which are due to take longer than 20 days flagged with responding managers and related Assistant Directors.
11. The number of empty homes is reporting at a *requires attention level*. This is attributed to a high number of properties being received by the council from tenants in a condition that requires remedial works which are more than what would be considered as routine void work to be completed prior to reletting. The council and HTS are working together to reduce this number with a focus on making offers of accommodation and ensuring that HTS' resources are prioritised accordingly to deal with these more challenging voids. It is expected that with the completion of stock condition surveys that these issues will be picked up with the tenant still in situ and could be remedied prior to the property becoming void. The council has also introduced a Tenancy Audit programme to audit all properties throughout tenancies which will have an impact on the condition of properties being returned to the council as interventions can take place sooner.
12. Overall, performance across nearly every single KPI is showing as extremely good with previous interventions from Cabinet having improved performance where required.

Finance – General Fund Account, Housing Revenue Account and Capital Programmes

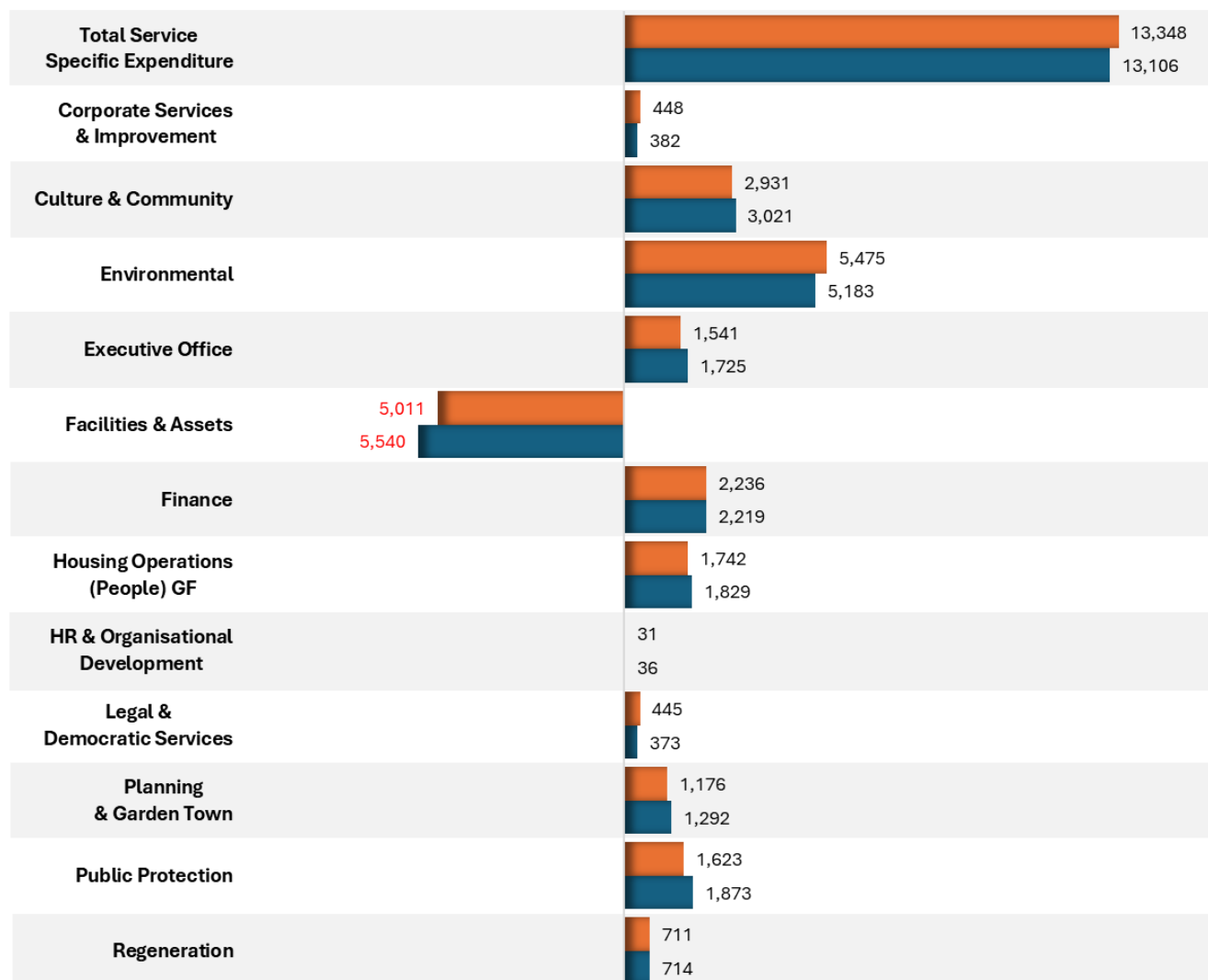
General Fund Account

13. The council set the 2024/25 budget in February 2024, aligned to its new corporate plan, with service specific expenditure which makes up the General Fund Account totalling of £13.348 million. The council's six missions directed this budget, funding priorities set by our residents in our 2023 residents survey.
14. The General Fund summary position up to the end of December 2024 (Period 9) is summarised in the table below. The forecast outturn for service expenditure is expected to decrease to £13.106 million, reporting a favourable variance of £332,000.

GENERAL FUND			
	2024/25 Current Budget £'000	2024/25 Forecast Outturn £'000	2024/25 Variance £'000
Corporate Services & Improvement	448	382	(66)
Culture & Community	2,931	3,021	90
Environmental	5,475	5,183	(292)
Executive Office	1,541	1,725	184
Facilities & Assets	(5,011)	(5,540)	(529)
Finance	2,236	2,219	(17)
Housing Operations (People) GF	1,742	1,829	87
HR & Organisational Development	31	36	5
Legal & Democratic Services	445	372	(73)
Planning & Garden Town	1,176	1,292	116
Public Protection	1,623	1,873	250
Regeneration	711	714	3
Total Service Specific Expenditure	13,348	13,106	(242)
Non Service Specific & Funding	1,578	1,488	(90)
Funding	(14,926)	(14,926)	0
General Fund (Surplus)/Deficit	0	(332)	(332)

GENERAL FUND

■ 2024/25 Current Budget £'000
 ■ 2024/25 Forecast Outturn £'000



15. Appendix B 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, reduced insurance premiums, net reduced employee costs as well as increased green waste subscriptions and increased Essex County Council Inter Authority Agreement contribution.

Housing Revenue Account (HRA)

16. In February, the council approved a HRA budget in excess of £59 million with a net surplus of £0.664 million for 2024/25. There were no approved carry forwards in July 2024, thus the current working balance for the HRA as at 31 March 2024 is £11.444 million.
17. Throughout the year, the council has been working to deliver the corporate priorities set out under the 'Transform Harlow's Housing' corporate mission. This has focussed

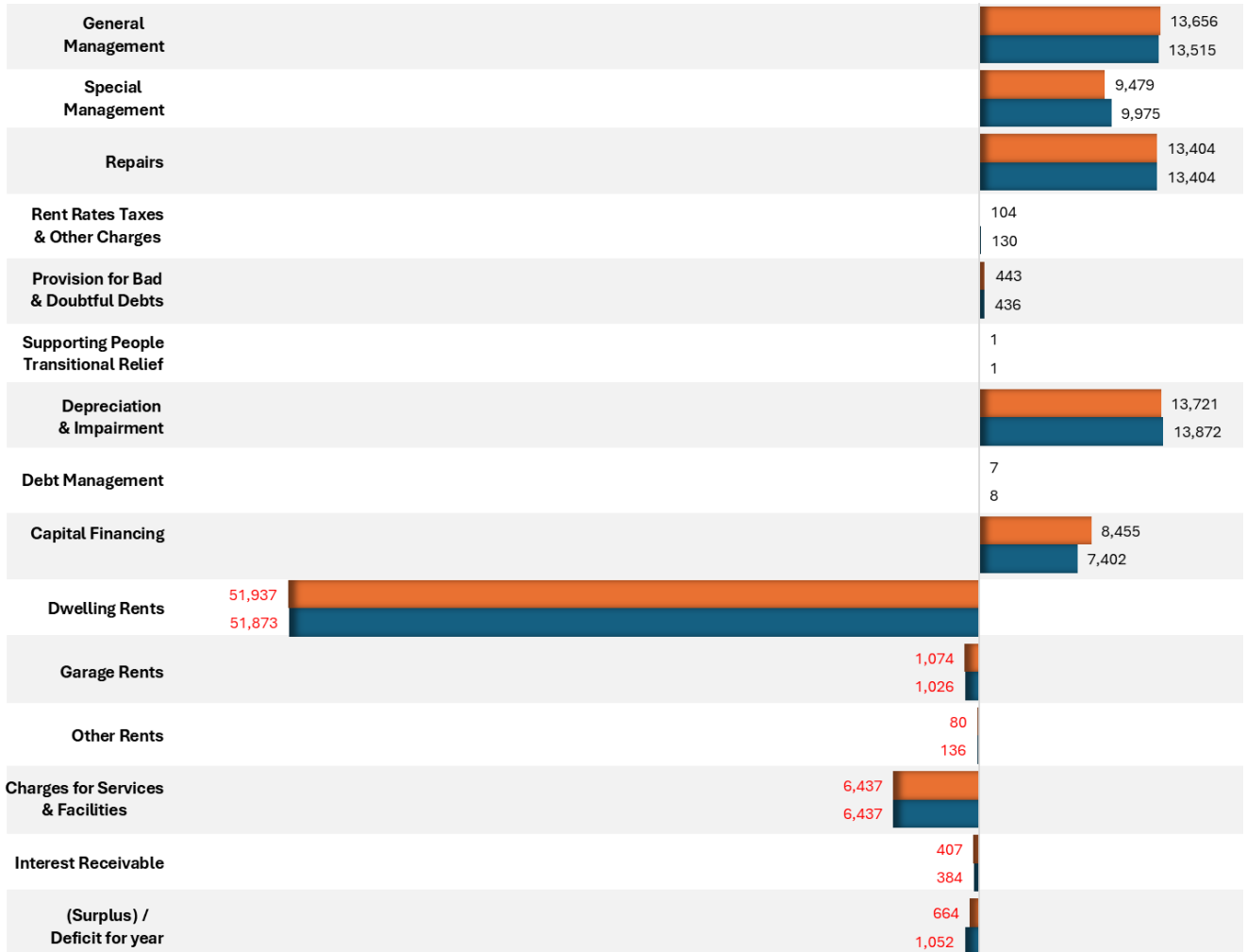
on improved repairs and maintenance of the housing stock, a new tenancy audit programme, a 100% internal and external stock condition survey, responding to the new regulatory landscape as required by the Regulator for Social Housing and the Ombudsmen and much more besides. These priorities, as well as the increasing costs of service provision, have seen significant pressure on the HRA. However, the financial performance of the HRA remains extremely strong.

18. The HRA summary position up to the end of December 2024 (Period 9) is summarised in the table below. The forecast outturn is expected to increase to £1.052 million surplus, reporting a favourable variance of £389,000 with a revised working balance of £11.833 million.

HOUSING REVENUE ACCOUNT				
	2024/25	2024/25	2024/25	
	Current Budget £'000	Forecast Outturn £'000	Variance £'000	
EXPENDITURE	General Management	13,656	13,515	(141)
	Special Management	9,479	9,975	496
	Repairs	13,404	13,404	-
	Rent Rates Taxes & Other Charges	104	130	26
	Provision for Bad & Doubtful Debts	443	436	(8)
	Supporting People Transitional Relief	1	1	-
	Depreciation & Impairment	13,721	13,872	151
	Debt Management	7	8	1
	Capital Financing Charges	8,455	7,402	(1,053)
	Total Expenditure	59,271	58,743	(528)
INCOME	Dwelling Rents	(51,937)	(51,873)	64
	Garage Rents	(1,074)	(1,026)	48
	Other Rents	(80)	(138)	(58)
	Charges for Services & Facilities	(6,437)	(6,375)	61
	Interest Receivable	(407)	(384)	23
	Total Income	(59,935)	(59,795)	139
(Surplus) /Deficit for year	(664)	(1,052)	(389)	
Balance at 1 April (pre-Audit)	10,781	10,781	-	
Surplus / (Deficit) for year	664	1,052	389	
Balance as at 31 March	11,444	11,833	389	

HOUSING REVENUE ACCOUNT

■ 2024/25 Current Budget £'000 ■ 2024/25 Forecast Outturn £'000



19. Appendix C 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 Programmes

Non-Housing Capital Programme (NHCP)

20. The 2024/25 budget set out an ambitious NHCP. The council's six corporate missions are reflected in the the schemes that make up the capital programme, a high number of which are aimed at improving community facilities. This programme is the biggest the council has ever set and includes improvements and new facilities across the council's varied asset base, improvements that make a real difference to those who live in and visit Harlow. A summary of the NHCP is shown in the table below. The council approved a budget of £32.781 million in February 2024, and subsequently £14.409 million of carryovers in July 2024. Further changes totalling (£10.089) million

have been agreed during the year and the total NHCP Programme for 2024/25 is £37.102 million.

NON HOUSING CAPITAL PROGRAMME Period 9 2024/25

SCHEMES	Approved Budget 2024/25 £'000s	2023/24 Carry Overs £'000s	Cabinet Amendments £'000s	Current Budget £'000s	Projected Outturn £'000s	Variance: Outturn to current budget £'000s
Garages	197			197	197	0
TRANSFORM TOTAL	197	0	0	197	197	0
Environment	1,430	1,001	(356)	2,075	1,625	(450)
Culture and Communities	1,058	408	(635)	831	1,110	279
RENEW TOTAL	2,488	1,409	-991	2,906	2,735	-171
Regeneration - Town Centre	375	408	(90)	693	693	0
Council House Build Programme	3,708	468	(4,076)	100	100	0
Towns Fund	13,461	2,182	(3,931)	11,712	11,712	0
Levelling Up Fund	9,352	468	(8,727)	1,093	1,093	0
Acquisitions	0	5,000	8,270	13,270	13,270	0
REBUILD TOTAL	26,896	8,526	-8,554	26,868	26,868	0
Facilities and Assets - Commercial	603	2,562	(60)	3,105	3,083	(22)
SECURE TOTAL	603	2,562	-60	3,105	3,083	-22
Public Protection	255	0		255	105	(150)
PROTECT TOTAL	255	0	0	255	105	-150
Facilities and Assets	1,982	1,894	(362)	3,514	2,196	(1,318)
Corporate Services and Improvement	311	18	(120)	209	329	120
Contingency	50		(02)	48	48	0
DELIVER TOTAL	2,343	1,912	-484	3,771	2,573	-1,198
TOTAL NON-HOUSING CAPITAL PROGRAMME	32,782	14,409	-10,089	37,102	35,561	-1,541

21. As at Period 9 the projected outturn of the full programme is forecasted to be £35.561 million resulting in a favourable variation of £1.541 million. A full list of variances and commentary is included within Appendix D.
22. Included within the projected outturn, £1.781 millions of schemes 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
23. If the reprofiling is approved, the overall forecast for period 9 shows an adverse variance of £240k. This is largely due to urgent roofing works at Katherines hatch and Slacksbury Hatch.

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. Further changes totalling (£16.753) million have been agreed throughout the year and the total HCP Programme for 2024/25 is £53.087 million.

HOUSING CAPITAL PROGRAMME PERIOD 9 2024/25							
Schemes	Approved Budget 2024/25	2023/24 Carry overs	Sept Cabinet Amendments	Dec 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	1,614	351
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	644	165
TOTAL HTS	5,354	265	0	179	5,798	6,432	634
External Works	9,050	1,679	450	(179)	11,000	6,100	(4,900)
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	5,833	(1,800)
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	25,028	(6,700)
Acquisitions	0	926			926	926	-
Council House Building Programme	27,650	4,352	(24,202)	6,835	14,635	14,635	-
TOTAL NON CORE PROGRAMME	27,650	5,278	(24,202)	6,835	15,561	15,561	-
TOTAL ALL HOUSING CAPITAL PROGRAMME	60,409	9,431	(23,588)	6,835	53,087	47,021	(6,066)
Reprofiling as at period 9 Required							6,700
New Budget Allocations Required							-
Period 9 Variance (Favourable)/Adverse							634

25. As at Period 9 the projected outturn of the full programme is forecasted to be £47,021 million resulting in a favourable variance of £6.066 million. This is due to realignment of HTS inflationary uplifts within the Annual Service Charge and the re-profiling of schemes into 2025/26. A full list of variances and commentary is included within Appendix E.
26. Included within the projected outturn, £6.066 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.

Risk

27. 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.
28. In accordance with the council's Risk Management Strategy, risk owners have reviewed the strategic risks and updated them accordingly. As a result, two scores have been decreased since the last report, namely on housing and staff capacity given the additional resource and focus that has been given to these areas to mitigate and reduce the risks.

29. 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.
30. The risk where the score has decreased are as follows.

SR13 – Resource Capacity - If the council does not have the appropriate resources to match the delivery requirements, it can not deliver its priorities – L3xI4 = 12 (High)

The score has decreased due to the recent recruitment of the new Executive Management Team.

SR1 – Adequate Housing - If there is not sufficient and adequate Housing provided, the town will not be able to fulfil housing needs. – L3xI4 = 12 (High)

The score has decreased due to the positive ongoing discussions with the Housing regulator and the councils progress.

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 9 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 December 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 November and December

Appendix B – General Fund Variances Period 9

Appendix C – HRA Variances Period 9

Appendix D– NHCP Variances Period 9

Appendix E – HCP Variances Period 9

Appendix F – Risk dashboard and risk register

Background Papers

None

Glossary of terms/abbreviations used

KPIs – Key Performance Indicators

MTFP – Medium Term Financial Plan