



CABINET REPORT

Report Title	Finance and Performance Report to 30 December 2013
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 January 2014
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr A Bottwood
Ward(s)	N/A

1. Purpose

- 1.1 The purpose of this report is to assist Cabinet in monitoring the delivery of the Corporate Plan within the agreed capital and revenue budgets for the General Fund (GF) and Housing Revenue Account (HRA).

2. Recommendations

- 2.1 That Cabinet notes the contents of the report and identifies what actions are to be taken to address any issues arising from it.
- 2.2 That Cabinet note the variations previously approved by Cabinet and under delegated authority, as set out in Appendix 3.

3. Issues and Choices

3.1 Report Background

- 3.1.1 This report presents the Council's key financial and performance exceptions for the year to date, together with changes in the revenue budget and capital programme. It further highlights any emerging issues as identified by service managers.

- 3.1.2 The report also brings forward any capital appraisals and variations for noting and approval.
- 3.1.3 The report takes into consideration the progress of key projects being delivered across the Council, achievement against performance indicators and financial/resource information.
- 3.1.4 Portfolio holders receive detailed information on specific measures monitoring the Corporate Plan within their individual portfolios.

3.2.1 Performance Exceptions on Corporate Plan Priorities

This section of the report highlights those measures that are under (▲) or over (●) performing by corporate priority against their profiled monthly targets. Appendix 1 provides further detail of the issues and actions being taken by relevant service areas.

YOUR TOWN: RED KPIS				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	42.45%	100.00%
Whilst there is no KPI for rectifying missed bins within a certain timeframe Enterprise reports these figures to demonstrate its commitment to improving the 'customer experience'				
ESC04 % household waste recycled and composted (NI192) (M)	Environment	▲	42.85%	47.00%
The month of December brings a decrease of 26.30% of KG's sent for recycling, reuse and composting in comparison to November 13. This is in line with seasonal trend and primarily due to reduction in composted waste. The YTD recycling performance has decreased by 1.67% in comparison to last year. The October/November 13 data remains amber as the final report has not been agreed by Northamptonshire County Council.				
HI 01 Average time taken to re-let local authority homes (days) (M)	Housing	▲	26.24	16
The Christmas period along with an increasing number of difficult to let 3 bedroom properties have contributed to a sharp increase in the monthly re-let figure for December at 34.36 days. The mutual exchange officers have been in post for only a short time. However they have reviewed the potential customer base for 3 Bedroom properties to identify the underlying problem. Alternative options to address the shortfall in demand or remodel properties are being developed. The sustainability and affordability of these options and whether they would maximise rental income will need to be tested.				

YOUR TOWN: BLUE KPIS

Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	Environment	●	1.50%	4.00%
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	Environment	●	2.08%	6.00%
ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	Environment	●	0.00%	4.00%
ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	Environment	●	0.56%	6.00%
HI 12 Rent collected as a proportion of rent owed on HRA dwellings % exc.arrears brought forward (M)	Housing	●	99.38%	98.34%
HI 13 Rent arrears as a percentage of the annual debit (M)	Housing	●	2.90%	3.41%
NI157a % Major Planning applications determined within 13 weeks (M)	Regeneration, Enterprise and Planning	●	65.91%	60.00%
PP06 % change in serious acquisitive crime from the baseline (M)	Leader	●	-16.50%	-7.50%
PP09 Overall crime figure for the period (M)	Leader	●	12665	15300
PP14 % change in Violence Offences (M)	Leader	●	-13.67%	-3.75%
TCO01 Number of events delivered in partnership: Town Centre (Q)	Community Engagement	●	17	11
TCO02 Number of events delivered in partnership: parks and open spaces (Q)	Community Engagement	●	21	6
PP21 % Licensing enforcement checks completed (M)	Environment	●	95.42%	80.00%
CH10 No. of unique visits to Museum Pages (M)	Community Engagement	●	35758	31940

YOU: RED KPIS

Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	Finance	▲	95.74%	98.53%
A slight performance improvement over last month has been achieved. Work continues between NBC and LGSS to improve processes and drive out non-compliance to ensure the additional resources currently being deployed to support the processing of NBC invoices can be withdrawn.				
CEX01 Total number of Local Government Ombudsman First Enquiries (cases completed) (Q)	Leader	▲	22	9
There have been 5 investigations in the last quarter with 2 cases issued with a decision by the LGO straight away.				
CS13 Percentage of ALL calls into the Contact Centre answered (M)	Community Engagement	▲	81.92%	90.00%
<p>Overall Contact Centre performance increased by 16.3% in December over November to 86.6%.</p> <p>December was a quieter month and calls reduced by 8684 over November</p> <p>Email contact increased by 242 in October over September</p> <p>Target was not achieved across the Contact Centre, 86.6% against a target of 90%. Individual targets were hit in 4 of the 9 services. General Enquiries was the best performing at 96%.% of calls answered. Followed by Streetscene. Rent Income and Housing repairs. Worst performing was Council Tax at 75.5% but that was an increase of 14.7% over November</p> <p>LGSS testing continued in December and we are testing the use of NBC staff only when necessary, there was an decrease in revenues and benefits calls over the previous month (-3806). This is the 4th month of testing LGSS sessions, which will continue to impact the revenues and benefits service over the coming months. Further Temp staff have been recruited to cover the loss of housing staff.</p> <p>Average wait times reduced in December over November by 2 min 17 seconds to an average wait of 2mins 28 seconds. Emails reduced by 876 in December over November.</p>				
HI 36 Number of affordable homes delivered (NI 155)(Q)	Housing	▲	136	195
<p>Whilst there has been an improvement this quarter, delivery is below levels anticipated in the target setting process last year. The delivery of affordable homes is heavily dependent on S.106 sites associated with market homes. Whilst demand for market dwellings has picked up over the year, this has not been as large as was predicted; consequently the handover of affordable dwellings from house builders to registered providers has been slower than anticipated. The recent obvious upturn in Northampton's housing market has resulted in increased activity on sites to meet demand, so outputs should be up in the 4th quarter. In addition to this, HCA grant supported schemes often are targeted for completion in Quarter 4 to meet funding requirements.</p>				

YOU: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	Dec 2013 YTD ACTUAL	Dec 2013 YTD TARGET
CEX02 Av no. of days taken to deal with LG Ombudsman First Enquiries (cases completed) (Q)	Leader	●	6.05	19.5
HI 07 Number of households living in B&B accommodation (M)	Housing	●	26	40
HI 09 Homeless households for whom casework advice resolved their situation (M)	Housing	●	1568	1125

3.2.2 Key Financial Indicator Exceptions

Dashboard Indicator Description	Variation from Budget		RAG
		£000	
Controllable GF Revenue Budget	Overspend	89	A
Controllable HRA Revenue Budget	Overspend	267	R
Debt Financing Budget and HRA Recharges	Overspend	42	G

3.2.3 Controllable General Fund Revenue Budget (Red)

The following table summarises the major variations from budget for the General Fund.

Service Area	£000
Major Projects and Enterprise	120
Head of Planning	(424)
Housing	248
Borough Secretary	32
Head of Communities and Environment	27
Head of Customer and Cultural Services	92
Other minor variations	-6
Total	89

Budget Managers are working to mitigate the pressures on their budgets and bring forecasts back in line with budgets. The progress made to date has seen the overall GF position improve from last period 7 which reported a £268k overspend to the current £89k forecast overspend.

3.2.3.1 Major Projects and Enterprise (Red) forecast overspend relates to costs of interim cover pending appointment of new head of service and the delay in implementation of a restructure.

- 3.2.3.2 **Head of Planning (Blue)** forecast saving is the result of a high level of planning applications in the year plus managed vacancies and the delayed implementation of the revised structure.
- 3.2.3.3 **Housing (Red)** forecast reflects a reduction in forecast Disabled Facilities Grants administration fees income, a staffing restructure across the service that is unlikely to be delivered and additional costs that have arisen from increased activities in priority areas, partially offset by staffing savings in Home Choice and Resettlement Service. This area is being subject to continued further work in light of the recent staffing service changes.
- 3.2.3.4 **Borough Secretary (Green)** forecast reflects a lower than budgeted level of Benefit Subsidy recoverable in relation to Rent Allowance payments. This is partially offset by staff vacancies.
- 3.2.3.5 **Head of Communities and Environment (Green)** forecast reflects a number of small increases on running costs and reduced income from CCTV under Community Safety and Agency costs for supporting various Communities and Environment projects offset by staff vacancies. Additional costs due to the resolution of some contractual issues with EMS are now reflected along with a subsequent potential draw down from reserves.
- 3.2.3.6 **Head of Customer and Cultural Services (Amber)** forecast overspend is mainly due to a fall in daily Car Parking ticket income plus the forecast impact of the free/reduced price car parking initiative in August, and a forecast reduction in season ticket income due to less take up. The overall forecast has improved due to an increase in predicted ticket sales for the last period. Due to the volatile nature of Car Parking income, the Council maintains a reserve to smooth out fluctuations and this is reflected in the figures shown.
- 3.2.4 Debt Financing (Green)**
- 3.2.4.1 Debt financing is forecast as an overspend of £228k, mainly due to a significant fall in available investment interest rates. The shortfall can be met from the debt financing earmarked reserve, specifically set up to mitigate the impact of fluctuations in interest rates., This has now been reflected in the figures in the report which now shows a £25k overspend.
- 3.2.5 Controllable HRA Revenue Budget (Red)**
- 3.2.5.1 The major variation on the HRA was the consequence of Supporting People funding being withdrawn at the end of September. Interim arrangements are in place which should mean continued support to the financial year end; therefore this estimate has been removed. Due to the uncertainty around this area a reserve of £500k was prudently created in 2012/13 which remains in place. There is also an increasing pressure forecast on dwelling rent reflecting the increase in Right to Buys and therefore reduction in stock numbers over what was budgeted. These have been partially offset by forecast underspends in other service areas and a nil forecast on Rent Rebate subsidy deductions. In addition to this an underspend has been forecast for contributions to the bad debt provision reflecting a slower impact of Welfare reform that anticipated and continuing good performance collecting rents.

3.2.6 Capital Programme

- 3.2.6.1 **General Fund:** Managers are currently forecasting the General Fund capital programme as being on track to be spent in year apart from three schemes. There is one saving of £40k forecast on the St Crispin Football Pitches and Play Provision project and another of £30k for the Planning IT Improvements project. A forecast overspend of £7k is made for Disabled Facilities Grant and request for additional funding.
- 3.2.6.2 Appendix 2 includes details of new schemes and variations to the General Fund Capital programme, previously approved by Cabinet or approved under delegated authority by the Chief Finance Officer.
- 3.2.6.3 **Housing Revenue Account (HRA):** Managers are currently forecasting underspends and overspends in a number of areas in the HRA capital programme. This position is continually under review with revised figures to be provided for subsequent Cabinet meetings.
- 3.2.6.4 Sheltered Housing Improvements are to be re-phased into 2014/15 with £1.62m being rescheduled.
- 3.2.6.5 Lift Refurbishment St Katherine's Court £100k is being rescheduled into 14/15 – the lift programme will take approximately 26 weeks from contract start and therefore funding will be carried over into 2014/15.
- 3.2.6.6 CCTV saving of £30k being forecast – the use of CCTV in residential areas is being reviewed and it is anticipated that with a combination of additional housing management activity the need for CCTV will be limited.
- 3.2.6.7 Repurchase of former Council Properties saving of £428k being forecast – council properties sold under the Right to Buy since the 2005 include a covenant giving the council first refusal on any subsequent re-sale. The number of re-sales has not matched projected expectations.

3.2.7 Data Quality

The Council has processes in place to ensure that the data and information it provides to support management decision making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it. This is closely linked to the Council's risk assessment processes and is monitored each month as part of the Council's Performance Management Framework.

3.3 Choices (Options)

Cabinet is asked to note the reported position and note the variations approved under delegated authority detailed in Appendix 2.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2013. Delivery of the budget is monitored through the budget monitoring framework.
- 4.1.2 Corporate measures are monitored regularly to track progress towards delivering our priorities, as detailed in the Council's Corporate Plan. Service areas annually develop objectives, measures and targets to ensure the delivery of the Corporate Plan through the service planning process. The monitoring of progress is through the Performance Management Framework.

4.2 Resources and Risk

- 4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of September 2013. It also highlights the key risks identified to date in delivering those budgets and where performance measures are significantly over or under performing.
- 4.2.2 There will be an on-going impact in future years if any of the savings within the 2013/14 budget are not achieved, particularly where services move outside the direct control of the Council.
- 4.2.3 All objectives, measures and targets within Service Plans are risk assessed and challenged before final approval. The challenge process includes the agreement of performance targets and the capacity to deliver the plans with appropriate resources set aside to do so.

4.3 Legal

- 4.3.1 There are no specific legal implications arising from this report.

4.4 Equality and Health

- 4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

- 4.5.1 Heads of Service, Budget Managers and Management Board are consulted as part of the budget and performance monitoring process on a monthly basis.
- 4.5.2 Performance data (financial and non-financial) is published on the Council website.

4.6 How the Proposals Deliver Priority Outcomes

- 4.6.1 Performance monitoring (financial and non-financial) by exception and using it to improve performance is good practice in terms of efficient and effective management. It contributes directly to the priorities of sustaining "effective and prudent financial management" and being "an agile, transparent organisation with good governance".

4.7 Other Implications

- 4.7.1 There are no other implications arising from this report.

5. Background Papers

- 5.1 Cabinet and Council Budget and Capital Programme Reports February 2013
- 5.2 Corporate Performance Highlight Report December 2013
- 5.3 All measures report - December 2013

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