Appendices
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NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Finance and Performance Report to 30 Sep 2014

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	12 November 2014
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr A Bottwood
Ward(s)	N/A

3 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), and the proposed realignment of the HRA Capital Programme

2. Recommendations

2.1 That Cabinet reviews the contents of the report and appendices, and identifies actions to be taken to address any issues arising from it.

2.2 That Cabinet note the changes to the 2014-15 General Fund Capital Programme as detailed in Appendix 3.

2.3 That Cabinet approve the realignment of the HRA Capital Programme, as detailed in Appendix 4.

2.4 That Cabinet approves the Land Charges supplementary estimate amount to settle the claim, £216,152.34, to be funded out of General Fund working balances.

2.5 That Cabinet notes the Supplementary Estimate £20k to develop plans for Abington Museum.

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 Exceptions

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	YTD ACTUAL	YTD TARGET
ESC01n Total bins/boxes missed in period (M)	Environment	▲	1781	700
This matter is being addressed within the contract performance process.				
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	32.17%	100.00%
This matter is being addressed within the contract performance process.				
ESC04 % household waste recycled and composted (NI192) (M)	Environment	▲	45.79%	48.00%
The month of September sees an increase of 6.22% of KG's sent for recycling, reuse and composting in comparison to August 14. The recycling performance has also increased by 2.55% in comparison to September 13. The YTD % of recycling, reuse and composting has increased by 1.13% in comparison to 2013/14 and is primarily due to the increase of green waste. There is a minor adjustment of 31.55 tonnes in relation to July 14				
HI 01 Average time taken to re-let local authority homes (days) (M)	Housing	▲	31.22	20
Several properties this month had multiple refusals after the completion of works which extended the void times by 3-4 weeks. As tenancy management move to office based sign ups which will be reliant on accurate completion dates for making sign up arrangements, the focus to ensure all properties meet the target dates will be across all departments. A change in the process for provisional viewings with prospective tenants is to be introduced on 20 October. The responsibility for arranging and organising viewings will be controlled by the property maintenance team with the in house trade team carrying out the accompanied viewing. It is hoped the advantages of this move will decrease the amount of refusals on properties by engaging prospective tenants in the process at an earlier juncture with detail of the refurbishment work and completion dates.				
HI 04 Percentage void rent loss (M)	Housing	▲	2.14%	1.50%
Our objective of controlling long term voids by introduction of sustainable, effective processes continue to be a collective priority to reduce void times and associated rent losses.				

HI 21 Former tenant arrears as a percentage of the annual rent debit (M)	Finance	▲	1.32%	1.18%
At the end of September former tenants arrears totalled £685,308. Although this is another monthly increase it also reflects the fact that the amount of FTA debt written off, year to date, has been lower than expected. A liaison meeting between the Recovery Team (LGSS) and Landlord Services has been arranged during October to look at measures being taken to reduce the level of FTA debt.				
MPE01 No. of new businesses locating on NWEZ (Q)	Regeneration, Enterprise and Planning	▲	1	3
Through existing discussions, end of year target of 7 remains achievable				
PP09 Overall crime figure for the period (M)	Community Safety	▲	9222	8450
The volume of all crime for September 2014 is 1459 crimes. The actual figures since April 2014 have been adjusted to reflect slight changes in recorded crimes.				
PP14 % change in Violence Offences (M)	Community Safety	▲	25.09%	-4.51%
There has been a 25.1% increase in violence offences from the baseline at the end of March 2014. This includes an 16.3% increase in violence with injury and a 33.6% increase in violence without injury. Some of the actual figures for violence offences since April 2014 have altered slightly due to changes in recorded crime.				

YOUR TOWN: BLUE KPIs				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
CH10 No. of unique visits to Museum Pages (M)	Community Engagement	●	24354	21000
CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	Community Engagement	●	95.07%	90.00%
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	Environment	●	0.67%	2.00%
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	Environment	●	0.33%	5.00%
ESC10 Level of quality against an agreed standard - Open Spaces & Parks - Litter (%) (Q)	Environment	●	0.00%	2.00%

ESC11 Level of quality against an agreed standard - Open Spaces & Parks - Detritus (%) (Q)	Environment	●	1.67%	5.00%
HI 13 Rent arrears as a percentage of the annual debit (M)	Housing	●	2.63%	3.23%
HI 22 Rent written off as a percentage of the annual rent roll (M)	Finance	●	0.31%	0.40%
MPE02 No. of new jobs created on NWEZ (Q)	Regeneration, Enterprise and Planning	●	208	18
MPE20 Amount of external funding secured for economic stimulation projects (Q)	Regeneration, Enterprise and Planning	●	£2,362,000	£500,000
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M)	Regeneration, Enterprise and Planning	●	79.31%	60.00%
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	Regeneration, Enterprise & Planning	●	96.71%	86.00%
TCO02 Number of events delivered in partnership: parks and open spaces (Q)	Community Engagement	●	12	7
TCO05n Town Centre footfall (Q)	Regeneration, Enterprise & Planning	●	7,939,917	7,000,000

YOU: RED KPIs				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
HSE01 Number of affordable homes delivered (Q)	Housing	▲	87	180
Performance is below target partially due to the delivery of 36 units being delayed until quarter 3.				

There are no Blue KPIs within the “YOU” theme.

3.2.2 Key Financial Indicator Exceptions

Dashboard Indicator Description	Variation from Budget		RAG
		£000	
Controllable GF Revenue Budget	Underspend	(271)	**B**
Controllable HRA Revenue Budget	Overspend	(408)	**B**
Debt Financing Budget and HRA Recharges	Balanced	(325)	**B**

3.2.3 Controllable General Fund Revenue Budget (Blue)

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

Service Area	£000
Asset Management	50
Head of Planning	(401)
Housing	(151)
Borough Secretary	84
Head of Customer and Cultural Services	357
Head of Communities and Environment	71
Local Government Shared Service	(292)
Other Minor Variations	11
Total	(271)

Budget Managers are working to mitigate the pressures on their budgets and bring forecasts back in line with budgets.

3.2.3.1 **Asset Management (Green)** forecast overspend relates to staff overspends due to the forecast underachievement of Corporate savings relating to vacancies, and terms and conditions changes.

3.2.3.2 **Head of Planning (Blue)** forecast underspend relates to over recovery of income through high levels of Development control fees. This overachievement of income is another good indicator that the Borough's regeneration and development work is facilitating growth. Reinvestment of £250k of the estimated income over recovery has been directed into the Business Incentive Scheme as per the last Cabinet report

3.2.3.3 **Housing (Blue)** forecast underspend reflects savings in the service relating to vacant staff posts offset by an overspend due to the reduced revenue fee income generated by capital expenditure on disabled facilities.

3.2.3.4 **Borough Secretary (Green)** forecast reflects staff overspends due to delayed implementation of a Staff restructure to deliver savings within the Legal Service.

3.2.3.5 **Head of Customer and Cultural Services** forecast reflects additional costs incurred for new events for 2014, additional security and NNDR costs for the bus station and lower projected income across several areas.

3.2.3.6 **Head of Communities and Environment** forecast overspend reflects a number of small forecast variations across the service.

3.2.3.7 **LGSS** forecast underspend reflects savings made in the insurance provision for the year.

3.2.3.8 **Supplementary Estimate**- Under Financial Regulations para 5.4.2 the Chief Finance Officer has approved an unfunded supplementary estimate of £20k for the provision of professional consultancy on the development plans of Abington Museum.

3.2.3.9 **Supplementary Estimate** The charges levied by local authority land charges services for property searches have been regulated by statute which has traditionally set out either a mandatory charging basis or a permissive charging basis. Most if not all Local Authorities set charges to reflect the statutory scheme and implemented these. Private property search companies have challenged the fees set by authorities because in their view these are incompatible with the environmental Information regulations 2004 (EIRs) which provides for the free disclosure of certain information. In 2010 the Government revoked the personal search fee of local land charges register because of this incompatibility. Legal action has been brought against Local Authorities for charges levied from the 1 January 2005 onwards who have jointly instructed lawyers to represent them. A framework for settlement has now been agreed nationally by the local authorities group legal advisors Bevan Brittan which has resulted in an unfunded supplementary estimate requirement of £216,152.34 to settle the claim for this Council. Funds exist within the risk assessment of working balances level to cover this amount.

3.2.4 Controllable HRA Revenue Budget (Blue)

3.2.4.1 **Special Services** forecast saving against service reflecting the restructure carried out within the service.

3.2.4.2 **Provision for Bad Debts** forecast saving reflecting the continued good performance on arrears management and the potential delay in the impact of the Welfare reforms predicted.

3.2.4.3 **Dwelling Rents** forecast reflects impact of higher level of Right to Buys.

3.2.4.4 **Other** includes forecast overspend on Rents, rates, taxes on empty properties and the forecast nil rent rebate subsidy limitation deductions.

3.2.5 Capital Programme

General Fund Capital Programme

3.2.5.1 Following the reprioritisation of the programme, as approved by Cabinet on the 10th September 2014, there are few variances currently forecast. Where there are variances, these are mostly in relation to schemes that are externally funded, e.g. grants or section 106, so there is no net saving. The only significant forecast saving

is in relation to Disabled Facility Grants, currently forecast to be £242k underspent although further work is being undertaken to firm this up.

3.2.5.2 In line with approved processes, the Capital Programme Board has approved changes to the capital programme as set out in Appendix 3.

3.2.5.3 The net impact of these changes is an increase in the programme of £3.24m to £36.08m. These increases are entirely funded by external grants, section 106, additional capital receipts or self-funded borrowing. Any further net increase in the Capital Programme, would need to be funded by borrowing unless an alternative funding source can be identified, with a consequent increase in revenue costs due to MRP repayments and interest costs. Any increases would therefore need to be funded by savings elsewhere in the programme or by revenue savings

3.2.5.4 Any further additions to the capital programme, including strategic property purchases, will be subject to the development of a robust business case.

HRA Capital Programme

3.2.5 Overall expenditure on the HRA Capital Programme is forecast to be below budget by around £4.1m as at the end of September. There are some variations between schemes; proposed realignment of budgets to reflect current patterns of expenditure is set out in Appendix 4. The priority remains the achievement of Decent Homes standard across the whole of the Council's dwelling stock.

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)

3.3.1 Cabinet is asked to note the reported position financial position.

3.3.2 Cabinet are asked to note the Supplementary estimate approved under Financial Regulations para 5.4.2 by the Chief Finance Officer as set out in para 3.2.3.8.

3.3.3 Cabinet are asked to approve the Supplementary estimate for settlement of the Land Charges national claim as set out in para 3.2.3.9.

3.3.4 Cabinet are asked to approve the changes to the General Fund Capital Programme for 2014-15 as set out in Appendix 3 and the revised Programme set out in Appendix 4.

3.3.5 If Cabinet do not approve these changes then approve an offsetting increase in the level of borrowing used to fund the Capital Programme in 2014-15.

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 2014. 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 June 2014. 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 2014/15 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.

4.2.4 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.2.5 The risk of not settling the Land Charges claim in line with the Legal advice from Bevan Brittan, the legal advisors of the local authorities group, could result in much higher costs to the Council.

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.

4.4.2 A full Community/Equalities Impact Analysis has been completed for both the Corporate Plan, and the 2014/19 Budget, which are available on the Council website

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 2014

5.2 Corporate Performance Highlight Report - September 2014

5.3 All measures report - September 2014

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