



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Finance and Performance Report to 30 September 2015
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	11th November 2015
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr M Hallam
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).
- 1.2 To inform Cabinet of the latest forecast outturn position for the Council's capital programme for 2015-16 and changes to the Programme approved under delegated powers

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 2015-16 General Fund Capital Programme as detailed 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 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	▲	2541	700
The total no. of missed bins for the month continues to decline.				
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	89.37%	98.00%
95.88% KPI target met which is an improvement on previous months.				
ESC04 % household waste recycled and composted (NI192) (M)	Environment	▲	43.76%	49.00%
The month of September sees a percentage increase of 2.78% of KG's sent for recycling, reuse and composting in comparison to August 15. All waste streams have seen an increase in tonnages during September 15. The best performing stream is dry waste which has seen an increase of 28.91% in tonnages, provisional plastic & cans data show an increase. The August 15 data remains red as NCC are yet to finalise the data with their disposal supplier and the dry recycling data is yet to be provided/verified by James Hornett.				

YOUR TOWN: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
CH10 No. of unique visits to Museum Pages (M)	Community Engagement	●	35245	22470
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	Environment	●	2.00%	5.00%
MPE01 No. of new businesses locating on NWEZ (Q)	Regeneration, Enterprise & Planning	●	14	10
MPE02 No. of new jobs created on NWEZ (Q)	Regeneration, Enterprise & Planning	●	133	100
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M)	Regeneration, Enterprise & Planning	●	100.00%	80.00%
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	Regeneration, Enterprise & Planning	●	100.00%	95.00%
TCO05n Town Centre footfall (Q)	Regeneration, Enterprise & Planning	●	7722173	7000000
YOU: RED KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
HML05 Total no. of people sleeping rough on the streets (A)	Housing	▲	19	12
Of the 19 people observed, 12 were Eastern European with no recourse so very limited housing options are available.				
HML07 Number of households that are prevented from becoming homeless (M)	Housing	▲	151	366
The number of households that have been recorded as being prevented from becoming homeless is low. Although problems in accessing the private rented sector are continuing to make it very difficult to prevent people from becoming homeless, a new team manager has recently been appointed and she will review the way in which homelessness prevention activity is being measured, recorded and reported. Together with additional training on homelessness prevention, this is likely to increase the number of preventions in the future				
HML09 Number of households for whom a full homelessness duty is accepted (M)	Housing	▲	133	120
This figure is slightly above target; an increase in the number of homelessness applications received during the quarter has resulted in an increase in the number of households in temporary accommodation who have been accepted, and who are awaiting a decision. When these decisions are made, the number of households for whom a full homelessness duty is accepted is likely to exceed the monthly target in October and November.				
IG03 % FOVEIR cases responded to within 20 working days (M)	Leader	▲	94.70%	95.00%
There was one case significantly delayed due to incorrect categorisation at point of receipt. This process has now been reviewed and revised to ensure future requests made in a similar way are properly processed.				
Other late cases took no more than 25 days to respond to due to their complex nature.				
PP53 % Service requests responded to within 3 working days (M)	Environment	▲	87.76%	93.00%
Response times increased due to significant amount of warden resource involved in green sack and litter campaigns				
YOU: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
HMO01 No. HMOs with Mandatory licence	Community Safety	●	574	188
LT02 Total No. of people enrolled in swimming program (M)	Community Engagement	●	3409	3100

3.3 Key Financial Indicator Exceptions

Dashboard Indicator Description	Variation from Budget	
	General Fund	Housing Revenue Account
	£000	£000
Controllable Budgets	903	(355)
Debt Financing and Recharges	(439)	(166)
Total	464	(521)
Net drawdown from reserves to fund planning appeals	(800)	0
Total	(336)	(521)

3.4 General Fund Revenue Budget (Blue)

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

Service Area	£000
Asset Management	17
Major projects and Enterprise	53
Head of Planning	722
Housing	2
Borough Secretary	80
Director of Customers & Communities	(16)
Local Government Shared Services	116
Corporate	(70)
Controllable Total	903
Debt Financing	(439)
Total	464
Net drawdown from reserves to fund planning appeals	(800)
Total	(336)

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

3.4.1 General Fund Revenue Budget (Blue)

- 3.4.1.1 **Asset Management (Green)** forecast overspend relates to additional staffing costs to help deliver the property projects currently being pursued by the Council offset by higher rental income than expected.
- 3.4.1.2 **Major Projects and Enterprise (Amber)** forecast overspend due to additional staffing costs delivering the demands of the Enterprise Zone and helping to deliver the Council's regeneration and growth agenda.
- 3.4.1.3 **Head of Planning (Red)** the Council is currently subject to two planning appeals, one in Hardingstone, the other in Collingtree. At present, the final total costs associated with these appeals are uncertain. Current estimates place the value at £0.8m, with the Council actively working to limit the final total cost. There are risks that the final

position may change and these are explained in paragraph 4.2.5. Cabinet is asked to note this position to date, and to note that these appeals will be funded from in year underspends and reserves, once full costs have been substantiated.

- 3.4.1.4 **Housing (Green)** forecast savings reflects a number of small variances across the service.
- 3.4.1.5 **Borough Secretary (Amber)** forecast overspend reflects a number of small variances across the service.
- 3.4.1.6 **Director of Customers and Communities (Green)** overall forecast saving reflecting additional deductions made through the Environmental Services Contract, additional income for grounds maintenance to accurately reflect work carried out on HRA land, savings in budgets for NNDR, Utilities and rent offset by forecast overspends reflecting unachievable sponsorship income, additional costs in relation to new cleaning contract, electrical works and museum opening hours.
- 3.4.1.7 **Local Government Shared Services (Red)** forecast overspend relates to the underachievement of budgeted savings for Revenues and Benefits offset by a saving due to the pension auto enrolment not starting in 2015/16.
- 3.4.1.8 **Corporate (Green)** forecast saving reflecting forecast underspend on Carbon Tax budget as NBC no longer falls within the scope of the scheme.
- 3.4.1.9 **Debt Financing and HRA Recharges (Blue)** forecast saving reflecting lower interest on new borrowing and additional investment interest due to investment balances being higher than budgeted.
- 3.4.2 **Controllable HRA Revenue Budget (Blue)**
 - 3.4.2.1 The forecast underspend position on the HRA relates mainly to continued good performance of arrears management resulting in lower arrears than anticipated leading to a reduction in the required contribution to the Bad Debt Provision. In addition to this is forecast additional investment interest, arising from significantly higher levels of HRA cash balances compared to budget.

3.5 Capital Programme

3.5.1 General Fund Capital Programme

- 3.5.1.1 In line with approved processes, the Capital Programme Board has approved changes to the General Fund capital programme as set out in Appendix 3. These additions, totalling £1.7m, are predominantly funded from capital receipts and reserves. The General Fund Capital Programme now stands at £70.8m.
- 3.5.1.2 There are no significant forecast variances as at the end of September.
- 3.5.1.3 Any further additions to the capital programme, including further strategic property purchases, will be subject to the development of a robust business case.
- 3.5.1.4 Capital Programme Board is due to go through a rigorous additional challenge process of individual project managers around the delivery and their forecast on schemes.

3.5.2 HRA Capital Programme

- 3.5.2.1 The HRA Capital Programme is managed by Northampton Partnership Homes via a managed budget arrangement. Overall expenditure on the HRA Capital Programme is

forecast to be below budget by around £3.1m as at the end of September. The main variances being forecast are around Major refurbishment projects and the PV Panels programmes.

3.5.2.2 As mentioned in paragraph 3.5.1.4 above Capital Programme Board is due to go through a rigorous additional challenge process of individual project managers within Northampton Partnership Homes around the delivery and their forecast on schemes.

3.6 Data Quality

3.6.1 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.

3.7 Choices (Options)

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

3.7.2 Cabinet are asked to note the changes to the General Fund Capital Programme for 2015-16 as set out in Appendix 3.

4 Implications (including financial)

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 2015. 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 2015. 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 2015/16 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 As noted in paragraph 3.4.1.3 there is a risk that costs incurred by the developer from appeal maybe awarded against the Council. The Council is actively working to mitigate any such claims. If costs are awarded against the Council they will be needed to be funded from in year underspend and reserves.

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 2015/19 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 Appendix 1 - Corporate performance exception report – September 2015

5.2 Appendix 2 - All measures report – September 2015

5.3 Cabinet and Council Budget and Capital Programme Reports September 2015

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