

**BODY:** CABINET

**DATE:** 1<sup>st</sup> June 2015

**SUBJECT:** Corporate Performance - Quarter 4 2014/15

**REPORT OF:** Deputy Chief Executive and Head of Corporate Development

**Ward(s):** All

**Purpose:** To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets for Quarter 4 2014/15.

To inform Cabinet of the Council's provision financial outturn for Quarter 4 2014/15.

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**Recommendations:** Members are asked to:

- i) Agree the performance against national and local Performance Indicators and Actions from the 2010/15 Corporate Plan (2014 refresh).
- ii) Agree the provisional general fund outturn on services expenditure for 2014/15 of £16.395m, a net underspend of £216,000 against the revised budget.
- iii) Agree the transfers to and from reserves as set out at Appendix 3.
- iv) Agree the budget virements as set out in para 4.6 and 6.4.
- v) Agree the provisional balances on non-earmarked revenue reserves as at 31.3.15 as shown in paragraph 5.1
- vi) Agree the provisional housing revenue account surplus for 2014/15 of £494,000.
- vii) Agree the final Capital Programme and outturn for 2014/15 of £17.5m, a variance of 8.35% against the final programme.

## **1.0 Introduction**

1.1 The 2010/15 Corporate Plan was refreshed for 2014 and sets out a number of key actions and indicators to deliver and measure progress against key

priorities. Throughout the year, performance against these key indicators and milestones is reported to Cabinet and Scrutiny committees on a quarterly basis and to Scrutiny monthly.

- 1.2 The information in these performance reports is collected and managed using the Covalent performance management system. Further detail behind the report and evidence providing a full and robust audit trail for the performance information presented is available to view within the online system. Members are invited to contact the Strategic Performance Team at any time to arrange individual training support on using the system if required.
- 1.3 In the absence of a National Performance Framework it is important that the authority continues to strengthen its own performance management procedures particularly in relation to the use of robust local indicators and meaningful reporting against actions and activities. The actions, milestones and performance indicators in the Corporate Plan refresh 2014 have been chosen to reflect this year's priority activities and objectives with a view to realising the longer term vision set out in the Corporate Plan.
- 1.4 Due to operational improvements made to our activity reporting procedures in Quarter 3, we made a change to one of the reported performance indicators. CS\_012 "Calls Handled at First Point of Contact" has now been replaced with CS\_012a "Telephone Calls handled at first point of contact." This new version of the indicator focuses solely on phone scripts.
- 1.5 Following changes to crime reporting procedures, it was decided to change the crime related PIs from targeted to data only as the previous targets are no longer relevant to the data being reported. These PIs will be revised for the next iteration of the Corporate Plan.

## **2.0 Performance Overview**

- 2.1 **Appendix 1** is a detailed report on the 2014/15 activities and outturns of the performance indicators listed within the Corporate Plan. This report shows the latest available outturns for the local performance indicators featured in the 2010/15 Corporate Plan broken down into themed areas.
- 2.2 Each project has been allocated a number of in-year actions and milestones to be completed in order to progress the project efficiently. Some projects may be fully completed within the year whereas larger scale priorities will be delivered over a longer period. **The first section of Appendix 1 lists all the Corporate Plan priority actions whose in-year milestones have already been fully completed this year.** Full details of the specific milestones and commentary for these actions is available on request or directly via the Covalent Performance Management System.
- 2.3 The second section of Appendix 1 lists the ongoing actions showing all milestones that were scheduled for completion within quarter 4 of the 2014/5 year and any outstanding milestones along with commentary to explain the context behind them.

- 2.4 Chapter summary text has been supplied by the relevant Heads of Service to provide added context for the performance reported in each section. This commentary highlights important achievements and challenges for the reporting period and can be found at the start of each chapter.
- 2.5 The PI tables show which indicators related to the priority projects are performing on target (green tick icon), failing to reach target (red octagonal icon) or are near misses (amber triangle icon). Relative performance is based on quarterly targets as set by the managers of each area using past performance, available benchmarking and planned service developments.
- 2.6 The current outturn for each PI is shown on the performance gauges in column 4 – Year to date. The gauges show visually how the level of performance compares to targets (green zones) and near miss levels (amber zones). Amber zones have been reviewed to reflect appropriate levels of performance expectation and any national targets which are lower than our own local aspirations.
- 2.7 The bar charts in column 6 show comparative performance against previous quarters/years as appropriate. This enables an at a glance indication of whether performance is improving or not and will help identify potential trends and seasonality of performance.
- 2.8 Commentary has been included in the action and indicator outturn tables where supplied. This provides some contextual background to the performance and this function and is backed up by the online evidence collation facility of the Covalent system.
- 2.9 Of the 29 Key Performance Indicators reported in the Corporate Plan this quarter, 4 are currently showing as Red, 11 are showing as Green, 5 are showing as Amber and 9 are data only or contextual PIs. The off target PIs are...
- DE\_004 – Marketing campaign value for money
  - DE\_154 – Net additional homes provided
  - CD\_055 – Number of completed adaptations (Disabled Facilities Grants)
  - CD\_181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events
- 2.10 We have the capability within Covalent to analyse performance data via dashboard reporting. This allows us to look beyond green – amber – red performance reporting and drill down more into the data and what it is telling us. The following PIs are showing as the relatively best performing according to the latest confirmed data available:

Code & Title	Gauge	Value	Target
CS_011 Telephone call abandonment rate		2.8%	6%
TL_008 Conference delegates		14,775	12,000
CD_155 Number of affordable homes delivered (gr...		70	30
TL_017a Redoubt visitors - paying visitors		15,026	7,800
CD_051 Number of difficult problem properties re...		44	30

*\*The data in this table is based on the latest reported out-turns including annually reported indicators so may include PIs where data is from the 2013/14 out-turn.*

### 3.0 Provisional Outturn

3.1 This report provides cabinet with the provisional outturn results for the general fund, the housing revenue account (HRA) and capital programme for the year 2014/15.

3.2 Although service accounts have now been closed, other balance sheet and suspense accounts have yet to be finalised. So it is possible that there could be some further adjustments that may marginally affect the figures in this report.

3.3 The final outturn will form part of the statement of accounts that will be reported to the Audit and Governance Committee at the end of June and the next Cabinet meeting in July.

### 4.0 General Fund Revenue Account

4.1 The table at **Appendix 2** shows the Council's provision financial outturn compared to the agreed budget at service level. A more detailed breakdown at code or transactional level is available from Financial Services.

4.2 There was a net spend on service expenditure of £16.4m for the year analysed over services as follows:

Table 1 – General Fund Service Provision Outturn

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	11,694	11,289	11,143	(146)
Community Services	(3)	462	395	(67)
Tourism & Leisure Services	2,855	2,893	2,963	70
	14,546	14,644	14,501	(143)
Contingencies	178	73	-	(73)
Capital Financing Costs	1,650	1,894	1,894	-
<b>Net Service Expenditure</b>	<b>16,374</b>	<b>16,611</b>	<b>16,395</b>	<b>(216)</b>

4.3 The provision outturn variance of £(216,000) shows an movement of £29,000 compared to the December projected variance of (£187,000)

4.4 Service expenditure variance for the year is mainly as a result of:

- Theatres Show increased income achieved (£175k)
- CMT Vacancies and shared services (£144k)
- Income from Crematorium and Cemeteries (£130k)
- Housing Benefit Subsidy and recovery of HB Overpayments (£104k)\*
- Additional corporate income (£82k)
- One off backdated rental income (67k)
- Additional net trading surplus from Solarbourne (£30k)

These have been offset principally by the following negative variances:

- Redundancy payments £224k
- Revenue costs of Devonshire Park project £68k
- Dotto Train £65k
- Reduction in income received from council tax costs £62k
- Legal resources to support new initiatives £59K
- Net trading loss for catering service £53k

\*Still being reconciled so may change

4.5 The General Fund Summary figures include the transfers to and from reserves as shown in **Appendix 3**. In many cases these transfers reflect items previously agreed, or at the very least where the principle of a transfer from reserves had been established as part of the overall budget strategy. The figures that have been applied take into account more up-to-date information and anticipated circumstances.

4.6 Members are asked to approve the budget virement of £183,150 between refuse collection and capital financing from revenue. This is to enable the financing of the purchase of bins to be made from one off savings in the refuse service rather than using capital borrowing which has ongoing revenue implications.

## 5.0 General Fund Reserves

5.1 The effect of the over spend in the outturn and the application of reserves to fund expenditure has resulted in the following balances on the useable revenue reserves:

Table 2 – Provisional General Revenue Reserves as at 31.3.15

Reserve	31.3.15 £'000
General Fund	3,908
Earmarked Reserves	1,287
Strategic Change Reserve	1,020
Repairs and Maintenance (Capital Programme) Reserve	1,112
Regeneration Reserve	1,154

5.2 The details of other reserves will be reported as part of the statement of accounts.

## **6.0 Housing Revenue Account**

6.1 The table at **Appendix 4** summarises the HRA performance for 2014/15 and shows a surplus of (£494,000). This represents a variance of (£186,000) against the revised budget of (£308,000).

6.2 The principal reason for this variance is due to an increase in the income from commercial rents, savings in council tax on void properties, offset by loss of rental income from right to buy properties and voids.

6.3 The difference between the budget figure for depreciation based on the 30 year Business Plan and the actual calculated amount of £728,825 is transferred into the Housing Regeneration and Investment reserve in line with the Budget Strategy to provide flexibility for funding future major projects or the repayment of debt.

6.4 Members are asked to approve a budget virement of £133,000 from capital financing from revenue to EHL management fee. EHL has seen an increase in the value of revenue voids and the revenue overheads of the repairs contract due to a shift from capital following a review of the accounting allocation of actual work flows. This has resulted in a reduction of capital expenditure recharged to the Council thus the funding available for capital is not required and it is deemed appropriate to transfer this to EHL as part of the management fee.

6.5 The HRA balance at 31.3.14 is expected to be £3.2m.

## **7.0 Capital Programme**

7.1 A summary of capital expenditure for the year is shown in **Appendix 5**.

7.2 The revised capital programme for 2014/15 was £19.0m and the outturn £17.5m, representing a profile variance of £1.5m or 8.35%. Over 6% of this was in respect of schemes in the HRA.

7.3 A detailed reason for the variance against each scheme is shown at **Appendix 5**.

7.4 Apart from the shift on the HRA for revenue voids and contract overhead charges, as mention in para 4.4 above, the vast majority of the variance is a timing issue rather than a genuine under spend. The capital programme for 2015/16 will be updated to reflect the re-profiling changes required.

## **8.0 Consultation**

8.1 Not applicable

## **9.0 Implications**

9.1 There are no significant implications of this report.

## **10.0 Conclusions**

10.1 This report provides an overview of performance against the authority's priority actions and indicators as at Quarter 4 2014/15. Progress against the key projects and indicators is updated on the online Covalent system on a regular basis and provides a "live" view of the Council's performance accessible at any time.

10.2 Revenue expenditure is in line with budget monitoring predictions and the outturn variance represents 1.3% of net budgeted expenditure. There is still some work to be carried out on the balance sheet, suspense and control accounts which may marginally impact on the final outturn.

10.3 The council continues to have general balances in excess of the declared minimum which provides flexibility for future investment in corporate plan priorities over the medium term as well as providing funding for invest to save schemes and asset management requirements.

10.4 The Housing Revenue Account outturn delivered a surplus representing 1.2% over turnover. The HRA balance is in line with expectations and is sufficiently robust to support the housing self-financing 30 year business plan.

10.5 92% of the capital programme was delivered in year and in line with resources allocated

10.6 Work is still continuing in finalising the council accounts and the final statement of accounts will be reported to the Audit and Governance Committee at the end of June and Cabinet in July.

**William Tompsett**  
**Strategic Performance Manager**

**Pauline Adams**  
**Financial Services Manager**

### **Background Papers:**

The Background Papers used in compiling this report were as follows:

*Corporate Plan 2010/15 (2014 refresh)*  
*Covalent performance management system reports*

*Quarters 1, 2 and 3 monitoring to Cabinet September, December and February*  
*Quarter 4 2014/15 Budget monitoring working papers*

To inspect or obtain copies of background papers please refer to the contact officer listed above.