

BODY: **SCRUTINY**

DATE: **6 June 2012**

SUBJECT: **Corporate Performance – Year-end 2011/12**

REPORT OF: **Deputy Chief Executive and Chief Finance Officer**

Ward(s): All

Purpose: To update Members on the Council’s performance against Corporate Plan Priority actions, indicators and milestones for 2011/12.

To inform Scrutiny of the Council’s Provision financial outturn for 2011/12.

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- Recommendations:** Members are asked to:
- i) Note the performance against national and local Performance Indicators from the 2010/15 Corporate Plan (2011 refresh).
 - ii) Note the provisional general fund outturn on service expenditure for 2011/12 of £16.513m, a net under spend of £25,000 against the revised budget.
 - iii) Note the transfers to and from reserves as set out at Appendix 3
 - iv) Note the provisional balances on non-earmarked revenue reserves as at 31.3.12
 - v) Note the transfers to and from reserves as set out at Appendix 3
 - vi) Note the provisional housing revenue account surplus for 2011/12 of £146,000.
 - vii) Note the final Capital programme and outturn for 2011/12 of £14.4m (a variance of -1% against the final programme)

1.0 Introduction

1.1 The 2010/15 Corporate Plan was refreshed for 2011 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 will be reported to Cabinet on a quarterly basis.

- 1.2 The information in these performance reports is collected and managed using the Covalent performance management system and has been compiled and checked by the Strategic Performance Officer. 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. Two Member training sessions dedicated to accessing and using Covalent are already scheduled but 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 With the removal last year of National Indicators, 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.

2.0 Performance Overview

- 2.1 **Appendix 1** is a detailed report on the year's priority 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 completed within the year whereas larger scale priorities will be delivered over a longer period. **The summary action table at the beginning of each section shows the percentage of in-year actions/milestones completed so achieving 100% will not necessarily equate to final completion of the whole project.** The specific milestones for the year are set out in the Actions reports in Appendix 1 and details of the milestones for the whole year are available on Covalent or can be supplied on request.
- 2.3 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.
- 2.4 The actual outturn for each PI is shown on the performance gauges and 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.
- 2.5 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.
- 2.6 Priority theme summary comments have been included at the beginning of

each section to provide some contextual background for the performance in that area.

3.0 Provisional Outturn

- 3.1 This report provides members with the provisional outturn results for the general fund, the housing revenue account (HRA) and capital programme for 2011/12. Although all 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.
- 3.2 The final outturn will form part of the statement of accounts that will be reported to the Audit Committee at the end of June and the next Cabinet meeting in July.
- 3.4 Variances are shown in (brackets) if they are favourable and without if they are adverse.

4.0 General Fund Revenue Account

- 4.1 The table at **Appendix 2** shows the Council's provisional outturn compared to 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 under spend on service expenditure of £25,000 for the year analysed over services as follows:

Table 1 General Fund Service Provisional Outturn

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	4,647	5,855	5,710	(145)
Community Services	465	(389)	(668)	(279)
Environmental Services	7,441	7,149	7,079	(70)
Tourism & Leisure Services	3,085	3,313	3,681	368
Contingencies	152	-	-	-
Service Total	15,790	15,928	15,802	(126)
Capital Financing Costs	739	727	727	-
Provision for leave carried forward	-	-	101	101
Transfer to/(from) reserves	-	(117)	(117)	-
Total	16,529	16,538	16,513	(25)

- 4.3 The provisional outturn of (£25,000) shows a reduction of £33,000 compared to the December monitoring (£58,000). This is due to a number of variances mainly relating to year end adjustments:

- additional provision for bad debts £62k,
- reversal of 10/11 control account adjustment (£63K),
- final outturn on from Housing Subsidy and Benefits overpayment recovery (£89K)
- an accounting provision for the value of untaken staff annual leave that the end of the financial year as required by accounting regulations £101K
- additional provision for repairs and maintenance of £50k.

4.4 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 to reserves had been established previously. The figures that have been applied take account of more up-to-date information and anticipated Circumstances.

5.0 General Revenue Reserves

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

Table 2 General Revenue Reserves as at 31.3.2012

Reserve	31.3.12 £'000
Strategic Change	542
Repairs and Maintenance	667
Regeneration	551
General	4,888

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

6.0 Housing Revenue Account

6.1 The table at **Appendix 4** summarise the HRA performance for 2011/12 and shows a surplus of (£146,909). This represents a variance of (£113,419) against the revised budget of (£260,000).

6.2 The principle reasons for this variance are:

- Additional rental income of (£74K) as a result of voids being lower than anticipated.
- Increase in Subsidy Limitation payable to the General Fund of £132K for rents above the benefit guidelines.
- Repayment to tenants of £45k from overcharged service for heating and water in prior years.

6.3 The HRA balance at 31.3.12 was £1.9m.

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 2011/12 was £14.5m and the outturn £14.4m represents a general fund variance of 2% and Housing variance of (-6%) This gives an overall variance of (-2%).

7.3 The variance on Housing is due to the following three reasons:

- The next phase of the decent homes contract – non traditional properties was required to be re-tendered and successfully won by Apollo over Mears improving the Value for Money on the scheme. This delayed the start by about 3 months to November 2011.
- The remodelling of Roxburgh Court (using the Cumbria Court template) was re-tendered and Apollo was reappointed. Fees for the project incurred were halved. The project started 2 months late in December.
- There have been a higher number of tenants that continue to refuse internal decent homes works moving the cost out of this year to an unknown time in the future – most likely to be done when the property becomes void.

7.3 Detailed reasons for the variance against each general fund schemes are shown in **Appendix 5**.

7.4 The capital programme for 2012/13 has been updated to reflect the re-profiling changes required as a result of the 2011/12 outturn and the addition of three new schemes indentified since the budget report in February.

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 the end of the third quarter of 2011/12. 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 less than 0.2% of the budget. Whilst the service revenue and capital accounts are now closed there is still some work to be done on balance sheet and control account which may marginally impact on

the final outturn.

- 10.3 The council continues to have general balances in excess of the declared minimum and these balances can therefore be used to invest in corporate plan priorities over the medium term as well as providing funding for invest to save schemes.
- 10.4 The Housing Revenue Account outturn delivered a surplus of £146,000 which represents 1% of total HRA turnover. The HRA balance is in line with expectations and is sufficiently robust to support the housing self financing regime introduced on the 1 April 2012.
- 10.5 The Councils 2011/12 capital programme was substantially (98%) delivered and in line with the resources allocated.

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Pauline Adams
Financial Services Manager

Background Papers:

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

Corporate Plan 2010/15 (2011 refresh)
Covalent performance management system reports

Final account working papers 2011/12

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