

Report to Finance and Performance Sub-Committee

Date of meeting 16th June 2016

By the Head of Finance

INFORMATION REPORT

Not exempt



**Horsham
District
Council**

REPORT ON HDC'S DISTRICT PLAN PRIORITIES AND FINANCE AND PERFORMANCE FOR 2015/16

Executive Summary

This reports progress against Council priorities listed in Year 5 of an extended 4 year District Plan. Priorities where there has been significant progress over the year include the adoption of the Horsham District Planning Framework (HDPF); plans for the Broadbridge Heath Leisure Centre; development of Horsham Town Vision and the redevelopment of the Hop Oast Depot.

The Council achieved a £0.758m surplus in 2015/16 after allowing for budgets that will be carried forward to 2016/17 to cover essential expenditure which has been unavoidably delayed. The surplus is a combination of income in excess of budget and also efficiencies and net underspends during the year.

Capital expenditure amounted to £7.4m (£5.2m in 2014/15) for the period, which was only 25% of the £29.9m approved budget for the year.

An analysis of performance demonstrates that 60% (62.5%) of indicators met or exceeded targets set; 32.5% (25%) were close to target, and 7.5% (12.5%) fell outside of the target range (previous year 14/15 shown in brackets). Where comparable – 18 indicators improved over previous year, 14 worsened and for two there was no change.

Recommendations

It is recommended that Members note the contents of this report.

Reasons for Recommendations

Performance Indicators are provided as part of the duty of Best Value to drive up service improvement.

Consultation: SLT

Wards affected: All

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Background Papers:

Appendix A: 2015/16 District Plan Priorities and Key Tracked Projects reporting (Year 5)

Appendix B: Unaudited Balance Sheet as at 31 March 2016

Appendix C: Outturn Capital Budget Monitoring

Appendix D: Outturn Monitoring of Budget and Key Performance Indicators Report

Appendix E: Outturn Revenue Summary

Appendix F: New Homes Bonus

Background Information

1. MONITORING OF PERFORMANCE

- 1.1** The sub-committee meets on a quarterly basis to deal with the main items of regular business for both finance and performance matters. The sub-committee reviews progress in meeting the District Plan priorities, financial performance and key performance indicators and progress reporting for major projects.

2. MONITORING OF DISTRICT PLAN PRIORITIES 2015/16

- 2.1** The District Plan Priorities monitoring report for 2015/16 is appended to this report at Appendix A. This reports progress against an interim District Plan. A Corporate Plan for the three years 2016-19 was agreed by Cabinet on 28 January 2016 and approved at Council in February 2016.
- 2.2** Priorities where there has been significant progress over the year include the adoption of the Horsham District Planning Framework (HDPF); plans for the Broadbridge Heath Leisure Centre; development of Horsham Town Vision and the redevelopment of the Hop Oast Depot. Key tracked projects monitoring is included within Appendix A.

3. FINANCIAL PERFORMANCE

- 3.1** The unaudited¹ balance sheet, provided at Appendix B, sets out a net asset position of £127m at 31 March 2016 (£111m at 31 March 2015). The main movements between the two years relate to a £5m increase in current assets (£10m short term investments less the £5m reduction of cash and cash equivalents) and a reduction in the pension liability of £11.5m due to assets increasing significantly in value.
- 3.2** Expenditure on capital amounted to £7.4m (£3.7m at Q3) which compares to £5.2m spent in 2014/15. However, it is only 25% of the £29.9m full year planned capital programme which included unspent budgets of £7m from 2014/15. Schemes did not progress as far as expected in this financial year. In total, £22.5m will be re-profiled into 2016/17 and future years. The detailed capital programme is provided at Appendix C.
- 3.3** The significant schemes re-profiled into future years have been previously reported during the year and relate to the Hop Oast depot redevelopment £4.5m, Broadbridge Heath Leisure centre £12.3m, the building of temporary accommodation at the Bishopric £2.9m, the £7m loan for a third party housing association, not yet finding suitable assets in which to invest the remainder of the £5m commercial property investment fund and the postponement of some of the £1.4m vehicle replacements whilst a vehicle review was being carried out.
- 3.4** The Council achieved income in excess of budget and also made efficiencies and underspends in the year, resulting in a £0.74m surplus at year-end. This has led to an increase in the Council's revenue reserves.

¹ Note that the balance sheet and outturn figures remain draft as the finance team finalises their work on closing the accounts for the year. The figures are yet to be audited by the external auditor.

- 3.5** The revenue position on a service by service basis can be found in Appendix E. Income exceeded budget and ended £2.2m higher than budget at year-end. Despite some areas where income was lower than budgeted such as the rent reduction at Rookwood, key income areas performed well and income from planning fees and green waste for example ended well ahead of budgeted levels. Parking income also withstood the impact of the John Lewis / Waitrose car-park and was higher than budgeted for, albeit the budget had been reduced in anticipation of this effect. Our estimate of the Housing Benefit subsidy budget for 2015/16 was based a mid-year estimate of 2014/15 outturn at the point we set the budget which has also contributed to income being higher than budget, although this nets out as the expenditure budget was similarly under-estimated.
- 3.6** Underspends and efficiencies were generated by both officers and circumstances. Underspends contributing to the surplus include £46k savings from the decommissioning of the reprographics department, a £35k reduction in Bed and Breakfast placements and £170k fuel cost savings due to the relative fall in the price of fuel since the budget was set.
- 3.7** Expenditure was monitored throughout the year and officers took prompt action to mitigate and reduce overspends where possible. The year-end surplus included some areas of overspend such as for example on vehicle repairs and parts £34k, and legacy repairs of the leisure centres £60k. Some costs such as those on higher consultancy costs for specific plans and to cover vacancies in planning and development of £420k were mitigated somewhat by higher planning fees income. Cumulative appeal costs paid in the year totalled £253k of which £59k were costs of appeals and £194k were adverse costs awarded.

4. Performance Monitoring

- 4.1** Key Performance data are provided for discussion at this meeting at Appendix D, covering the 2015/16 year-end figures compared with the previous year.
- 4.2** Where possible, performance is measured against set targets. A target is not appropriate for a small number of volumetric (ie data only) performance indicators which identify the number of cases/enquiries.
- 4.3** Revisions of Performance Indicators and targets are undertaken annually as part of the development of the departmental service plans. [Service plans for 2016/17](#) were published on the website in April 2016.
- 4.4** An analysis of performance demonstrates that 60% (62.5%) of indicators met or exceeded targets set; 32.5% (25%) were close to target, and 7.5% (12.5%) fell outside of the target range (previous year 14/15 shown in brackets) - an improvement over the previous year. Where comparable – 18 indicators improved over previous year, 14 worsened and for two there was no change.
- 4.5** A number of concerns around Planning appeals allowed, with associated costs and number of costs awarded remain. Although there has been an improvement in performance over the previous year as a result of Constitutional changes and member training programme.
- 4.6** Positive improvement over the previous year was seen: in processing of minor and major planning applications; Complaints about our services have reduced by 21%; attendance at The Capitol exceeding last year's record breaking year; levels of

sickness at below 8 days continue to improve; and responses to FOI requests within 20 days improved at 92%.

- 4.7** Other performance measures with positive outcomes include: 150 affordable homes were delivered as a result of the Council's work with developers, and excess of 300 homes anticipated for delivery 2016/17; attendances at sports centres over a million for the third year running and the Museum & Visitor Information centre exceeded target and previous year's performance; the green garden waste service has performed ahead of target despite fee increase, with participation and revenues increased; positive improvement in management of complaints which has led to fewer referrals to the Local Government Ombudsman, a fall from 20 to 12 over the year and 3 minor findings against. For the year 2015/16 we recorded **353% more compliments** for all of our services than in 2014/15.
- 4.8** An intensive review of key indicators was undertaken for 2014/15. An important part of this review included working with other local authorities and the Local Government Association (LGA) to investigate a common set of indicators for benchmarking across councils, from which local authorities could select. As a result a small set of indicators has been set up for voluntary completion. For more information on this, please refer to [Inform and Knowledge Hub](#):
- 4.9** HDC has contributed to two indicators over the year covering waste and complaints and from 2016/17 will add fly tipping data

5 OUTCOME OF CONSULTATIONS

- 5.1** SLT have considered the review of Financial Monitoring and Key Performance Indicators; the District Plan Priorities and Tracked Key Projects Report for 2015/16.

6 OTHER COURSES OF ACTION CONSIDERED BUT REJECTED

- 6.1** Not appropriate; Council needs to be seen to effectively monitor its performance.

7 STAFFING CONSEQUENCES

- 7.1** There are no staffing consequences associated with this report.

8 FINANCIAL CONSEQUENCES

- 8.1** There are no direct financial consequences as a result of this report

Appendix 1

Consequences of the Proposed Action

What are the risks associated with the proposal? Risk Assessment attached Yes/No	None
How will the proposal help to reduce Crime and Disorder?	Managing finance and performance will help identify areas where the Council can provide better crime and disorder reduction initiatives
How will the proposal help to promote Human Rights?	Managing finance and performance will help identify areas where the Council can promote Human rights initiatives
What is the impact of the proposal on Equality and Diversity? Equalities Impact Assessment attached Yes/No/Not relevant	Service and performance improvements will ensure that our work reaches out to more local residents and meet the requirements as set out by the Equality Act 2010. No Equality Impact Assessment (EIAs) required at this level (EIAs will be carried out at more strategic opportunity)
How will the proposal help to promote Sustainability?	Performance against sustainability issues are reviewed regularly through Performance Management Working Group

Statutory and Policy Background

Statutory Background	'Best value' (Local Government Act 1999) is the statutory basis on which councils plan, review and manage their performance in order to meet the needs and expectations of their citizens who use their services. The aim is to deliver continuous improvement in all their services. The principles involve local accountability, breaking departmental and organisational boundaries, partnership, performance measurement and management, comparability and continuous improvement
Relevant Government policy	Duty of Best Value. 'Taking the Lead' and 'Sector Led Improvement'. The LGA is to maintain an overview of the performance of the sector in order to identify potential performance challenges and opportunities
Relevant Council policy	The Performance Management Framework, 'Performing to Win', supports how we will achieve this.