

Report to Overview and Scrutiny Committee

Date of meeting 22 July 2019

By the Head of Finance

INFORMATION REPORT

Not exempt



REPORT ON THE COUNCIL'S CORPORATE PLAN PRIORITIES, FINANCE AND PERFORMANCE IN 2018/19

Executive Summary

This report gives the Overview and Scrutiny Committee information to help it carry out its role of monitoring the internal and external delivery of services by detailing how successful the Council has been in delivering against identified Corporate Plan Priorities. The Council uses corporate performance indicators; financial reporting and review of progress against key corporate projects to show progress against corporate priorities.

The 2018/19 year ended with all 27 Corporate Plan priorities on track and 3 completed during the year.

Projects the Council completed or made significant progress over the year include: the Waste Management Services roll out of the new bin collection service which achieved savings of £1m; the Bridge Leisure Centre and associated leisure facilities; the Horsham District Year of Culture; Piries Place Car Park redevelopment; the transfer of the Revenues and Benefits Service to the LGSS partnership.

The Council delivered a £828k revenue surplus after carrying forward budgets that to 2019/20 to cover essential expenditure unavoidably delayed.

Capital expenditure amounted to £14.5m, which was 53% of the approved £27.4m capital programme.

An analysis of Key Performance Indicators showed 70% of indicators met or exceeded targets set; 11% were close to target, and one narrowly missed the target, with no areas of major concern.

Highlights include the improvements in recycling rates exceeding the 2020 European target; the figures for the speed of major and non-major development application processing and the quality of the decisions all well above target; the increase of income from HDC owned property and the increase of the commercial property return on investments.

Recommendations

That the Committee note:

- i) the financial position of the Council as outlined in the report.
- ii) the revenue budgets carried forwards as approved by the Director of Corporate Resources.

iii) the transfers between the general reserves and the earmarked reserves.

Reasons for Recommendations

The monitoring of Financial and Service Delivery as part of the duty of Best Value to drive up service improvement:

- i-iii) Monitoring of the Council's budget is essential, so that action can be taken to safeguard the Council's financial position if required.

Consultation: Senior Leadership Team, Cabinet Members.

Wards affected: All

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Background Papers:

Appendix A(i): Corporate Plan Priorities

Appendix A(ii): KPIs reporting

Appendix B: Financial highlight outturn report

Appendix C: Revenue dashboard outturn

Appendix D: Capital outturn

Appendix E: Revenue budgets carried forward into 2019/20

Appendix F: Transformation fund at 31 March 2019

Appendix G: Useable reserves; movement between GF and ear-marked reserves

Background Information

1. Monitoring of Corporate Plan Priorities 2018/19

- 1.1 Appendix A(i) report shows progress against the Corporate Plan Priorities for 2018/19 identified in the Councils Corporate Plan 2016-2019.

2. Monitoring of Key Performance Indicators 2018/19

- 2.1 Appendix A(ii) is a summary of the Council's Key Performance Indicators for 2018/19 compared where possible with the previous year.
- 2.2 The Key Performance Indicators were selected to provide an overview of corporate performance. This allows management, Cabinet and the Committee to look out for early patterns that might indicate we need more or less resource in the service.
- 2.3 Improvements to the reporting process of the Key Performance Indicators are under consideration and will tie-in to the new Corporate Plan.

3. Financial performance

- 3.1 Appendix B is the Council's Financial Dashboard. The Council has delivered a £828k revenue surplus, which is more than the £621k surplus last year. This is after the deduction of £201k which will be carried forward to next year (compared to £158k last year), as shown in appendix E. Within the surplus, there are services spending more than their budget and others spending less or where the Council is collecting more money than budgeted. A large proportion of the surplus is from income that has exceeded budget from additional grants and investments.
 - 3.2 Appendix C is the Council's Revenue Dashboard containing managers' comments on the more significant differences from budget.
 - 3.3 Appendix D is the detailed capital programme and expenditure from 2018/19. Projects spent £14.5m (53% of the £27.4m programme) which compares to £12.7m (41% of £31.1m) in 2017/18 after excluding the one-off nature of the £15m supplementary budget purchase of the Forum in that year.
 - 3.4 Whilst there has been an improvement in delivery, this performance again reflects officer ambition and optimism in the capital programme against the reality of large capital projects, often involving third parties over which the Council has limited control, being difficult to deliver.
 - 3.5 Initial delay to the £8m Piries car park scheme, further commercial property investment and Billingshurst temporary accommodation were three of the larger projects that did not progress as originally planned in the year. The Council also underspent on housing enabling grants and replacement vehicles. Where this and other capital expenditure is still required, the unspent capital budgets will be re-profiled into later years.
- 4.1 The Council holds a number of ear marked reserves it may use in year to fund associated expenditure. Where grants and contributions are received in year

but not spent the unused portion may be transferred to ear marked reserves for use in future years. The Council can also chose to move funds from the general fund reserve to ear marked reserves to cover future costs.

- 4.2** Appendix G sets out the movements between the general fund and ear marked reserves. The level of general fund reserves at 31 March 2019 stood at £14.2m and earmarked reserves at £8.8m. The usable reserves total of £23m at 31 March 2019 compares to £20.9m at 31 March 2018. The receipt of £4.8m of New Homes Bonus in 2018/19 has contributed to the stability of these reserves.
- 4.3** The Council is currently forecasting budget surpluses in 2019/20 and 2020/21 and near balanced budgets in 2021/22 and 2022/23. This relies on a range of actions being implemented to help deliver further income generation and efficiency measures. This will require further investment in transformational projects.
- 4.4** The next phase of this transformation will focus on how we ensure that services are designed to meet customers' needs and done in the most efficient way. Projects to facilitate transformation include areas such as ICT to help unlock further digital change, improving customer self-service, and investment in staff to help drive cultural change.
- 4.5** Subject to Cabinet approval, £144k will be transferred from the General Fund reserve balance to top up the existing balance of £356k at 31 March 2019 in the earmarked transformation reserve to £0.5m for this purpose during 2019/20. This will help to set aside a balance to help transform the Council in the future; effectively being funded using the budget surplus from 2018/19. Expenditure from this transformation reserve will follow the normal financial authorisation and budget process procedures. Appendix F contains a snapshot of the transformation fund at 31 March 2019 with anticipated estimated future expenditure.

5. Outcome of consultations

- 5.1** The Chief Executive and Directors together with the individual Cabinet Members have reviewed the reports contained in the appendices to this reports. Sections 3.5 and 5 tell Committee where officers are taking action on points of concern. Action on lesser issues is mentioned in the appendices.

6. Other courses of action considered but rejected

- 6.1** None. The Council must monitor its performance and take corrective action where appropriate.

7. Resources consequences

7.1 There are no staffing or direct financial consequences from the Overview and Scrutiny Committee reviewing this report.

8. Consequences of the proposed action

8.1 This report does not impact on Crime & Disorder; Human Rights; Equality & Diversity and Sustainability matters. Overview and Scrutiny reviewing this report and raising any concerns they have reduces the risk that management or Cabinet have missed any performance or financial trends they need to address.