

## **Report to Finance and Performance Sub-Committee**

Date of meeting 15 June 2017

By the Head of Finance

### **INFORMATION REPORT**

Not exempt



**Horsham  
District  
Council**

## **REPORT ON THE COUNCIL'S CORPORATE PLAN PRIORITIES, FINANCE AND PERFORMANCE IN 2016/17**

### **Executive Summary**

This report shows 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 demonstrate progress against corporate priorities.

The key projects where there has been significant progress over the quarter include; plans for the Broadbridge Heath Leisure Centre; the redevelopment of Hop Oast Depot; and the Future Horsham Programme.

The Council delivered a £776k revenue surplus after allowing for budgets that will be carried to 2017/18 to cover essential expenditure which has been unavoidably delayed. Capital expenditure amounted to £9.3m which was 52% of the approved programme.

An analysis of performance demonstrates that to date progress has been made on all Corporate Plan priorities and 8 have been delivered. An analysis of performance indicators demonstrates that – 72.5% (previous year 60%) of indicators met or exceeded targets set; 20% (32.5%) were close to target, and 7.5% (7.5%) fell outside of the target range, and, where comparable – 26 (18) indicators improved over the previous year, 9 (14) worsened and for three there was no change.

### **Recommendations**

Members are recommended to 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, as outlined in the report.
- iii) the transfers between the general reserves and the earmarked reserves as outlined in the report.

### **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

**Wards affected:** All

**Contact:** Gillian Bloomfield, Group Accountant (Revenue) ext. 5450

**Background Papers:**

Appendix A: Outturn Performance Highlight Report ((i)Corporate Plan Priorities/Key Tracked Projects and (ii) PIs reporting)

Appendix B: Outturn Financial Highlight Report

Appendix C: Outturn Revenue Dashboard

Appendix D: Outturn Capital Budget monitoring

Appendix E: Revenue Budget carried forward into 2017/18

Appendix F: Movement between GF and ear-marked reserves including transformation fund

## **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 Corporate Plan priorities, financial performance and key performance indicators and progress reporting for major projects.

### **2. Monitoring of Corporate Plan Priorities 2016/17**

- 2.1 The Corporate Plan Priorities monitoring report for 2016/17 is appended to this report at Appendix A. The 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 An analysis of performance demonstrates that to date progress has been made on all Corporate Plan priorities and 8 have been delivered.
- 2.3 The Hop Oast capital building project is due for completion June/July. Broadbridge Heath Leisure Centre, is both complex and high profile with tight deadlines, works will now commence early June. Key tracked projects monitoring is included within Appendix A.

### **3. Financial performance**

- 3.1 The Financial Dashboard is attached at Appendix B. The Council has delivered a £776k revenue surplus which is similar to last year. However, only £88k will be carried forward compared to £391k last year, indicating better delivery in year. See Appendix E. Within the surplus, there are some variances both over and under budget. A large proportion of the surplus is from income that has exceeded budget.
- 3.2 The Revenue Dashboard containing summary comments on the more significant forecast variances is attached at Appendix C.
- 3.3 The detailed capital programme and expenditures from 2016/17 are provided at Appendix D. In 2016/17, £9.3m (52% of the programme) was spent which compares to £7.4m (and only 25%) in 2015/16. Where still required, the unspent capital budget will be re-profiled into later years.

### **4. Reserves**

- 1.1 The Council holds a number of ear marked reserves which may be used 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.
- 1.2 The movements between the general fund and ear marked reserves are given in Appendix F. The level of general fund reserves at 31 March 2017 stood at £9.5m and earmarked reserves at £10.5m. The usable reserves total of £20.0m at 31 March 2017 compares to £17.3m at 31 March 2016. This is largely as a result of New Homes Bonus receipts of £4.4m in 2016/17 of which only £1.17m was used to fund revenue.
- 1.3 The Council is currently forecasting a balanced budget from 2017/18 through to 2019/20. 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.

- 1.4 The next phase of this transformation will focus on how we ensure that services are designed to meet customer's needs and done in the most efficient way. Projects to facilitate transformation include areas such as ICT to help unlock further digital change and enhancing the website to improve customer self-service, and investment under the wider "Future Horsham" business transformation project.
- 1.5 Subject to Cabinet approval, £0.5m will again be transferred from the General Fund reserve balance to an earmarked transformation reserve for this purpose during 2017/18. This will help to set aside a balance to help transform the Council in the future; effectively being funded using the budget surplus from 2016/17. Expenditure from this transformation reserve will follow the normal financial authorisation and budget process procedures. A snapshot of the transformation fund at 31 March 2017 with anticipated estimated future expenditure is also available at Appendix F.
- 1.6 This 'policy' would be revisited each year should a surplus be made in future years.

## **5. Performance monitoring**

- 5.1 A Dashboard of Key Performance data are provided for discussion at this meeting at Appendix A(i), covering the 2016/17 year-end figures compared with the previous year. The Key Performance Basket of Indicators form part of the measures to demonstrate delivery of the [Corporate Plan Priorities 2016-19](#).
- 5.2 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.
- 5.3 An analysis of performance demonstrates that to date – 72.5% (previous year 60%) of indicators met or exceeded targets set; 20% (32.5%) were close to target, and 7.5% (7.5%) fell outside of the target range, and, where comparable – 26 (18) indicators improved over the previous year, 9 (14) worsened and for three there was no change.
- 5.4 Positive improvement over the previous year was seen in levels of income across planning, parking, trade waste and local land charges as part of MTFs; the processing of major and other planning applications; complaints about our services have reduced further and compliments increased; sickness levels at below 7 days continue to improve; the number of planning appeals costs awarded have reduced and the number of planning appeals allowed with the adoption of the HDLP.
- 5.5 A review of the Corporate Plan priorities 2016-19 has been undertaken by SLT and Cabinet as we approached the end of the first year. Some adjustments and redefining of priorities has been undertaken. The Service Planning 2017/18 and budget setting process has taken the refinements into consideration. Service Plans for service areas have been produced for 2017/18 and were published on the website in April 2017.

**6 Outcome of consultations**

**6.1** SLT has considered the review of Financial Monitoring and Key Performance Indicators; the Corporate Plan Priorities and Tracked Key Projects Outturn Report in 2016/17.

**7. Other courses of action considered but rejected**

7.1 Not appropriate; Council needs to be seen to effectively monitor its performance.

**8. Resources consequences**

**8.1** There are no direct financial or staffing consequences associated with this report.

**9. Consequences of the proposed action**

9.1 This report does not impact on Crime & Disorder; Human Rights; Equality & Diversity and Sustainability matters and there are no risks associated.