

Report to Overview and Scrutiny Committee

Date of meeting 23 July 2018

By the Head of Finance

INFORMATION REPORT

Not exempt



REPORT ON THE COUNCIL'S CORPORATE PLAN PRIORITIES, FINANCE AND PERFORMANCE IN 2017/18

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.

Projects where the Council has made significant progress over the year include the redevelopment and opening of Hop Oast Depot; the completion of the Future Horsham programme; the build of 'The Bridge', the replacement for Broadbridge Heath Leisure Centre, and preparation for the introduction of GDPR.

The Council delivered a £621k revenue surplus after allowing for budgets that will be carried to 2018/19 to cover essential expenditure which has been unavoidably delayed.

Capital expenditure amounted to £28.0m which was 61% of the approved £46.1m capital programme including the £15m supplementary budget agreed by Council in July 2017.

An analysis of performance demonstrates that to date progress has been made on all Corporate Plan priorities and 7 have been delivered.

An analysis of performance indicators shows 69% within target and 11% (4KPIs) close to target, and 20% (7KPIs) below target and with no areas of major concern. The trend of a decrease in complaints from the year 2016/17 has continued.

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, Cabinet Members.

Wards affected: All

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Background Papers:

Appendix A: Outturn Performance Highlight Report (Corporate Plan Priorities/Key Tracked Projects and KPIs 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 2018/19

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

Background Information

1. Monitoring of performance

- 1.1** One of the roles of the Overview and Scrutiny Committee is to review the internal and external delivery of the Council's services. The Committee does this by looking at the Council's progress in meeting the Corporate Plan priorities, financial performance, key performance indicators, major projects' progress and complaints and compliments.

2. Monitoring of Corporate Plan Priorities 2017/18

- 2.1** Appendix A is a dashboard of our Corporate Plan and Performance Monitoring. Council approved the Corporate Plan in February 2016 and updated it for Year 3 in December 2017.
- 2.2** An analysis of performance demonstrates that to date progress has been made on all Corporate Plan priorities and 7 have been delivered.
- 2.3** Priorities where there has been significant progress over the year include; the redevelopment and opening of Hop Oast Depot; the completion of the Future Horsham programme; the build of 'The Bridge' the replacement for Broadbridge Heath Leisure Centre; preparation for the introduction of GDPR and the delivery of 249 affordable homes.
- 2.4** The Hop Oast Depot project was completed on time and on budget and is in full use. The change of waste collection arrangements were introduced in February 2018 and the roll out to isolated properties and all Zones went well. The Broadbridge Health Leisure Centre build is well underway, topping out in May 2018. The outdoor Multi Use Games Areas have opened for daytime use.
- 2.5** Progress has been made across the organisation for the introduction of the new General Data Protection Regulations (GDPR) in May 2018.

3. Performance monitoring

- 3.1** Appendix A is a summary of the Council's key performance indicators at the end of the Council's 2017/18 business year (ending 31 March 2018) compared where possible with the previous year.
- 3.2** The Key Performance Basket of Indicators form part of the measures to demonstrate delivery of the Corporate Plan Priorities 2016-19. Where possible, we measure performance in numbers against set targets. Where we have no control of volume, for example the number of cases or enquiries we receive, we just report the number. 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.
- 3.3** We updated the list of key performance indicators and targets as part of the development of the departmental service plans. We published Service plans for 2017/18 on the Council's website in April 2017 and work has just finished and published the Service Plans for 2018/19.

- 3.4** An analysis of performance demonstrates that to date – 69% of indicators met or exceeded targets set; 11% were close to target, and 20% fell outside of the target range, and, where comparable – 15 indicators improved over the previous year, 16 worsened and for four there was no change.
- 3.5** Positive improvement over the previous year was seen in levels of income across, parking, trade waste as part of MTFs; the processing of major, minor 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 affordable housing units delivered.
- 3.6** Services management are focusing on at present are:
- The Year of Culture 2019, which launches on 1 January 2019 and will feature a key event for each month to celebrate the many facets of culture, as well as an extensive programme of fringe events which will be promoted and celebrated.
 - Delivery of 'The Bridge' Leisure Centre at Broadbridge Heath. Internal works are underway and is due to open in Autumn 2018.
 - The transition of the Revenue and Benefits service to LGSS. The disentangling of the technology is complex and involves a number of organisations.
 - The demolition and rebuild of Piries Place carpark.
- 3.7** A review of the Corporate Plan priorities 2016-19 has been undertaken by SLT and Cabinet as we approached the end of the second year. Some adjustments and redefining of priorities has been undertaken. The Service Planning 2018/19 and budget setting process has taken the refinements into consideration. Service Plans for service areas have been produced for 2018/19 and were published on the website in April 2018.

4. Financial performance

- 4.1** Appendix B is the Council's Financial Dashboard. The Council has delivered a £621k revenue surplus which is less than the £776k surplus last year. However, £158k will be carried forward compared to £88k last year, indicating a small slippage in delivery in year. See 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, investments and trade waste income.
- 4.2** Appendix C is the Council's Revenue Dashboard containing managers' comments on the more significant differences from budget.
- 4.3** Appendix D is the detailed capital programme and expenditures from 2017/18. Projects spent £28.0m (61% of the £46.1m programme) which compares to £9.3m (52% of £17.9m) in 2016/17.
- 4.4** The capital programme in 2017/18 though includes the supplementary £15m capital expenditure agreed by Cabinet for the purchase of the Forum in July 2017. If capitalised expenditure on the Forum was removed from the analysis, the Council would have spent £12.7m or 41% of the £31.1m programme. This performance

reflects officer ambition and optimism in the capital programme against the reality of large capital projects often with third parties being difficult to deliver.

4.5 The Broadbridge Heath Leisure Centre build, further commercial property investment and two temporary accommodation opportunities were three projects that did not progress as originally planned in the year. The Council also underspent on disabled facilities, housing enabling and home repairs grants. Where this and other capital expenditure is still required, the unspent capital budgets will be re-profiled into later years.

5.1 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.

5.2 Appendix F sets out the movements between the general fund and ear marked reserves. The level of general fund reserves at 31 March 2018 stood at £11.7m and earmarked reserves at £9.2m. The usable reserves total of £20.9m at 31 March 2018 compares to £20.0m at 31 March 2017. The receipt of £4.8m of NHB in 2017/18 has contributed to the increase, albeit £0.7m of this was used to fund general revenue.

5.3 The Council is currently forecasting a budget surplus in 2018/19 and 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 to help tackle the predicted budget deficits in the 2020s.

5.4 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.

5.5 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 2018/19. This will help to set aside a balance to help transform the Council in the future; effectively being funded using the budget surplus from 2017/18. Expenditure from this transformation reserve will follow the normal financial authorisation and budget process procedures. Appendix F also contains a snapshot of the transformation fund at 31 March 2018 with anticipated estimated future expenditure.

5.6 This 'policy' would be revisited each year should a surplus be made in future years.

6 Outcome of consultations

6.1 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.

7. Other courses of action considered but rejected

7.1 None. The Council must monitor its performance and take corrective action where appropriate.

8. Resources consequences

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