



Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 4 August 2011

Author: Senior Management Team

1. PURPOSE OF THE REPORT

- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2011/2012 Council Plan
- To seek Cabinet approval for changes to targets as set out in Section 3
- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2011/2012 financial year. The budgets include all carried forward amounts from the 2010/2011 financial year.
- To seek Cabinet approval where required for budget changes outlined in this report at Appendices 2 and 3
- To inform Cabinet of virements approved during quarter ended June 2011, as set out in Appendix 4

2. BACKGROUND

- 2.1 The Council has made a commitment to more closely align budget and performance management. This is in line with accepted good practice.
- 2.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have been brought together and are now embedded in the way the Council works.
- 2.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instance where targets may not be secured.

3. **QUARTERLY PROGRESS REPORT**

- 3.1 Appendices 1-4 set out details of the summary financial and performance position.
- 3.2 The Financial Information section includes details of variances for the year to date against the originally approved budget for each portfolio area. Cabinet is recommended to approve these changes.
- 3.3 A summary setting out the implications of these changes for the overall financial position for the Council is set out in section 4 below.
- 3.4 Performance information is presented in the format derived from the Covalent Performance Management system, as agreed and implemented in 2009/10, after discussion and engagement with Performance Review Scrutiny Committee. The information relates to improvement actions and performance indicator targets agreed by Council in March and April 2011 respectively – they have not yet been amended to reflect any changes that may be considered by the new administration elected in May 2011.
- 3.5 Members may wish to note that performance indicators have been fully reviewed over the past year following the removal of the previous national performance reporting regime by the Coalition Government. The result is that the Council now has an adopted set of performance indicators that reflect those issues it needs to measure to manage its own performance, against its current adopted priorities. The indicators, and the work done to derive them, are likely to form a sound base for managing performance against revised priorities in due course.
- 3.6 Attached at Appendix 1 are two summary reports from the Covalent system. They summarise progress towards Improvement Actions and Performance Indicators for the first quarter of 2011/12. For Cabinet, the reports are sorted by the Council's priority themes, to give an overview of progress towards these priorities – as above, there reflect the priorities set out in the Council Plan agreed by Council on 2 March 2011. (For Performance Review Scrutiny Committee, the information is sorted by portfolio, in accordance with that Committee's request). Summary reports, sorted by both portfolio and by theme, will in due course be made available on the Covalent system and on the Council's website. Also included as an appendix are details of outcomes achieved during the quarter.
- 3.7 At this stage in the year, these reports cover only those performance indicators suitable for quarterly monitoring. A symbol-based system similar in principle to a traffic light system is used to assess progress – details are explained at the front of each report and these show in colour on screen for easier viewing, retaining "traffic light" principles. There are also

progress bars for Improvement Actions, and trend arrows for performance indicators (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value).

3.8 In reporting performance, the following conventions are followed.

- Improvement actions must be on target against milestones set out in Covalent to be assessed as “completed” or “assigned; in progress”
- Performance indicators must be in line with their profiled performance at this stage of the year to be assessed as on target.
- Explanations should be included for any tasks or indicators assessed at Amber or Red (slightly or significantly below target for indicators; “unassigned” or “overdue” for tasks)
- Though this does not yet apply at quarter 1, future progress will be assessed against amended targets where these have been agreed by Cabinet rather than original dates wherever appropriate

3.9 For actions that are overdue and indicators significantly below target, recommendations for changes to targets may also be included where these are felt to be necessary.

3.10 There are no requests for changes to target dates for improvement actions in the current quarter.

3.11 There are five performance indicators agreed for which baseline data was not available at the time that targets were set, but for which such data now is available. Cabinet is therefore requested to adopt the proposed targets for 2011/12 for these indicators as set out below.

Performance Indicator changes

Portfolio Area	Indicator	Original Target	Proposed Target
Development	LI 135 - Number of new businesses started in Gedling	Not set	50
Development	LI 193 - Number of new business surviving for 12 months and showing growth	Not set	120
Customer and Member Services	LI 055 – Increase number of 'hits' on the website	10%	900,000 extra hits (this is a numeric expression of 10% increase)
Direct Services	LI 137 Percentage of incidents of	Not set	100%

	offensive graffiti removed within 2 working days		
Direct Services	LI 136 Percentage of incidents of high visibility removed within 10 working days	Not set	98%

4. OVERALL FINANCIAL POSITION

4.1 The following summary brings together the overall financial position of the General Fund and the expected total spend for the year. Appendix 2 outlines how the General Fund Revenue budget and expected net expenditure is divided between the Portfolio areas of the Council and the summary of the changes reported.

4.2 This information has been compiled using the best information made available to the Finance Department by the relevant spending officers as at 30th June 2011. The overall resource implication for the Council General Fund is a predicted under spend of £16,500

4.3 **General Fund Revenue Budget 2011/2012 – Change Analysis at 30 June 2011**

	£
The original 2011/12 budget approved by Council on 2 March 2011	13,223,900
On 2 June 2011 Council approved carry forward schemes that had slipped from the 2010/11 Revenue Programme	178,900
Net increase in budget approved at Council 7 July 2011	10,400
Cabinets Maximum Budget	13,413,200
The current approved budget for 2011/2012 is therefore	13,413,200
Up to the end of June 2011 expenditure less income totalled	3,142,115
In the remaining 9 months of year net of income we expect net expenditure to be	10,254,585
Total net revenue spend for the year is currently expected to be	13,396,700
Projected Revenue Variance 2011/12	(16,500)

4.4 Capital Budget 2011/2012 - Change Analysis at 30 June 2011

<u>Approved Capital Programme 2011/12</u>	£
Original 2011/12 budget approved by Council on 2 March 2011	2,656,000
Capital Carry Forwards from 2010/11 approved by Council on 2 June 2011.	703,200
The current total approved budget for 2011/2012	3,359,200
 <u>Proposed Quarter 1 Amendments to the 2011/12 Programme</u>	
<u>Schemes identified for deferral to 2012/2013</u>	
Electronic Documents Records Manager	(30,000)
<u>Savings identified:</u>	
Richard Herrod Roof Replacement	(15,800)
<u>Additional budget requirement:</u>	
Arnold Town Centre Development funded by Performance Reward Grant (Capital) and Revenue Contribution	100,000
Ravenshead Parish Council funded from S106 Developers Contribution.	16,300
Disabled Facilities Grant funded by additional Govt Grant	26,000
Total Proposed Amendments To Capital Programme	96,500
Proposed Revised Capital Programme 2011/12	3,455,700
Actual Expenditure to Quarter 1 2011/12	188,420
Estimated Expenditure Quarter 2-4 2011/12	3,267,280
Projected Outturn 2011/12	3,455,700
Projected Capital Programme Variance 2011/12	0

A Capital Programme monitoring summary is attached at Appendix 3.

There is currently sufficient funding available in 2011/2012 to finance the Capital Programme as outlined in paragraph 4.4.

5. **RESOURCE IMPLICATIONS**

The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

6. **RECOMMENDATIONS**

Members are **recommended**:

- To approve the changes to Performance Indicator targets as detailed in paragraph 3.11 of the report, as an amendment to the agreed Council Plan,
- To note the General Fund Revenue Budget changes included within Appendix 2 and approve the budget changes of £50,000 & below,
- To note the budget change in the General Fund above £50,000 for the LAA Performance Reward Grant allocation of £82,000 and refer it to Council for approval,
- To note the capital programme schemes totalling £30,000 proposed for deferral into 2011/2012 and the additional Arnold Town Development Scheme of £100,000 funded from £70,000 LAA Performance Reward grant and £30,000 revenue contribution to capital, and refer to Council for approval,
- To include details of budget and performance monitoring in a quarterly performance digest, to be published on the Council's website and Intranet; in line with the recommendations of Performance Review Scrutiny Committee.