

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 8 November 2012

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2012/2013 Council Plan.
- To seek Cabinet approval for changes to targets as set out in Section 2.1.
- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2012/2013 financial year. The budgets include all carried forward amounts from the 2011/2012 financial year.
- To seek Cabinet approval for budget changes outlined in this report.

Key Decision

This is not a Key Decision

Background

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 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.
- 1.3 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.

Proposal

2. Quarterly Progress Report

2.1 Performance Information

- 2.1.1 The Council continues to manage its performance using the Covalent Performance Management system.
- 2.1.2 Recent practice has been for hard copy of performance reports, generated through the Covalent system, to be appended to quarterly performance and budget reports to Cabinet.
- 2.1.3 However, against the backdrop of a continuing move away from paper based information towards use of more electronic means, and the government's aspiration for local authorities to be more open and transparent, work has recently been carried out to make performance information more accessible publicly on line on the Council's website. These changes were originally highlighted to members in the quarter 1 progress report (Cabinet – 6 September 2012).
- 2.1.4 That work has now been completed and performance information is now being presented online. Hard copy performance documents are no longer being routinely produced nor attached to Cabinet agendas – they can, however, be accessed at <http://www.gedling.gov.uk/aboutus/howwework/prioritiesplansperformance/performance/> and hard copies will still be made available to members upon request.
- 2.1.5 For members and the public accessing performance information through this link, the previous criteria for performance assessment continue to apply. Red, amber and green traffic light symbols continue to be used to show progress for both actions and performance indicators. To be assessed as green, performance indicators must be in line with their profiled performance at this stage of the year, while actions must be on target against milestones set out in Covalent to be assessed as “completed” or “assigned; in progress”. Where Cabinet has agreed to an amended target, progress is assessed against that amended target rather than the original target.
- 2.1.6 Pdf reports for both performance indicators and actions continue to be made available on the website, in the previously agreed format. These documents contain explanations of variances and proposed target changes as previously, along with 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) and progress bars for actions showing progress made against project milestones. Hard copies of both reports are being made available in the Members Room for information.
- 2.1.7 Overall performance at the end of quarter 2 is positive. 23 of the 33 performance indicators suitable for quarterly monitoring are on target – of the remainder, 2 are at amber status and 10 are red. 103 of 105 actions are either on target or completed – just two are overdue. Two related actions (SLT 1213-05 and COM 1213-02, both relating to increasing on-line transactions) have been merged as a single action.

2.1.8 Target changes are requested for two actions and one performance indicator.

Portfolio Area	Action	Original Target	Proposed Target	Reason for change
Leisure and Dev'ment	Identify and tackle localised barriers to employment - with an emphasis on young people	30 Sept 2012	31 March 2013	Most areas of work sitting under this action are progressing well, but are ongoing (Employment and Skills Group; South Nottingham College partnership work etc.). The revised target date reflects the continuing nature of the work.
Leisure and Dev'ment	Ensure appropriate facility and open space provision in development sites	31 July 2012	31 March 2013	Consultants appointed March 2012 to review Supplementary Planning Guidance for Parks and Open Spaces. Consultation nearing completion and draft SPG expected October 2012, aiming for adoption in early 2013.

Portfolio Area	Performance indicator	Original Target	Proposed Target	Reason for change
Public Protection and Comms	Number of hits on website	4.2 million per ¼	3.75 million per ¼	Website hits have increased significantly since the new website was launched in October 2011. Further services are being made available online through which customers can do business with us as well as find out information. However, the target set for 2012/13 appears to have been influenced by exceptionally high reported usage for the final quarter of 2011/12, which now appears to have been a mathematical error. Therefore we recommend amending the target to 3.75million hits per quarter which would represent a more realistic, but still challenging target.

2.2 Financial Information

2.2.1 Appendices 1 and 2 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2012/13.

2.2.2 General Fund Revenue Budget

Appendix 1 outlines how the General Fund Revenue budget is divided between the Portfolio areas of the Council and includes a detailed variance analysis identifying the current proposed changes for the year against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. This information has been compiled using the best information made available to Financial Services by the relevant spending officers as at 30 September 2012. The overall resource implication for the Council's General Fund is a predicted underspend of £41,100.

General Fund Revenue Budget 2012/2013 – Change Analysis at 30 September 2012

	£
The original 2012/13 budget approved by Council on 5 March 2012 and Cabinets Maximum Budget	12,298,700
Up to the end of September 2012 expenditure less income totalled	6,369,583
In the remaining 6 months of year we expect net expenditure less income to be:	5,888,017
Total net revenue spend for the year is currently expected to be	12,257,600
Projected Revenue Underspend 2012/13	(41,100)

2.2.3 Capital Programme

Appendix 2 details the current projected position on the Capital Programme and its financing for 2012/13, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

Capital Budget 2012/2013 - Change Analysis at 30 September 2012

	£
Original 2012/13 budget approved by Council on 5 March 2012	3,958,200
Capital Carry Forwards from 2011/12 approved by Council on 7 June 2012.	895,700
Changes approved at Quarter 1	56,000
The current total approved budget for 2012/2013	4,909,900
<u>Proposed Quarter 2 Amendments to the 2012/13 Programme:</u>	
<u>(a) Schemes identified for deferral to 2013/2014</u>	
Salop Street Play Area	(65,000)
Cash Office Self Service Kiosks	(32,900)
<u>(b) Virement</u>	
Transfer of funding:	
from Asset Management Scheme	(200,000)
to Office Accommodation Joint Working Scheme (Hub)	200,000
<u>(c) Additional budget requirement</u>	
Gedling Colliery Country Park funded by Growth Point Grant	250,000
Total Proposed Amendments To Capital Programme	152,100
Proposed Revised Capital Programme 2012/13	5,062,000
Actual Expenditure to Quarter 2 2012/13	1,438,985
Estimated Expenditure Quarter 3-4 2012/13	3,623,015
Projected Outturn 2012/13	5,062,000
Projected Capital Programme Variance 2012/13	0

There is currently sufficient funding available in 2012/2013 to finance the Capital Programme as outlined above.

Alternative Options

- 3 Option – Not to amend the original Council approved budgets during the year to reflect the latest projected outturn position.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

- Budgets not aligned to current budget pressures resulting in increased likelihood of budget overspend and emerging Council priorities not being addressed.
- Restrict the effectiveness of medium term planning process and preparation of the forward budget if pressures and areas of efficiency are not readily identifiable during budget preparation.
- Budget not reflective of latest performance information.

Reason for rejection – Not likely to result in the best outcomes in financial management or support delivery of priorities.

Financial Implications

- 4 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.

Appendices

- 5 Appendix 1 – General Fund Revenue Budget 2012/13 – Budgetary Control Report
Appendix 2 - Capital Programme 2012/13 – Budgetary Control Report

Background Papers

- 6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation

THAT:

Members are **recommended**:

- a) To approve the changes to Performance Indicator and Action targets as detailed in paragraph 2.1.8 of the report, as an amendment to the agreed Council Plan;
- b) To note the General Fund Revenue Budget changes included within Appendix 2 and approve the budget changes of £50,000 & below;
- c) To note the General Fund Revenue Budget changes above £50,000 as listed below and refer them to Council for approval:
 - Additional Hackney Carriage Income £64,700
 - Additional Investment Income £97,100
- d) To note the addition to the capital programme of £250,000 for the Gedling Colliery Country Park scheme funded by Growth Point Grant, and refer it to Council for approval;
- e) To note the virement within the capital programme for the transfer of £200,000 from the Asset Management Scheme to the Office Accommodation Joint Working Scheme and refer it to Council for approval;
- f) 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.

Reasons for Recommendations

- 7 To align the budgets to the current pressures and priorities and ensure the delivery of Council objectives is supported.