

## Report to Cabinet

**Subject:** Quarterly Budget Monitoring, Performance Digest & Virement Report

**Date:** 03 November 2016

**Author:** Senior Leadership Team

---

### Wards Affected

Borough-wide

### Purpose

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2016/2017 financial year. The budgets include all carried forward amounts from the 2015/2016 financial year.
- To seek Cabinet approval for budget and performance indicator changes outlined in this report.
- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2016/2019 Gedling Plan.

### Key Decision

This is 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.
- 1.4 As usual, comprehensive details about current performance against the Gedling Plan can be accessed through the following link on the Council's website:-

<http://www.gedling.gov.uk/aboutus/howwework/prioritiesplansperformance/howisgedlingdoing/>

Members are recommended to view this document which provides valuable background detail to this summary paper. It provides a more in-depth review of indicators, actions and outcomes for quarter 1.

- 1.5 A full set of papers that appear on the website have been printed and these reports are available in the Members' Room. They contain explanations of variances from expected performance together with trend arrows for all the performance indicators within the Gedling Plan (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value) and progress bars for all Gedling Plan actions showing progress made against project milestones.
- 1.6 The assessment criteria used for actions and indicators is based on red, amber and green traffic light symbols. To be assessed as green performance indicators must be in line with their expected performance at this stage of the year, whilst actions must be on target against the "completed" or "in progress" milestones determined within Covalent.

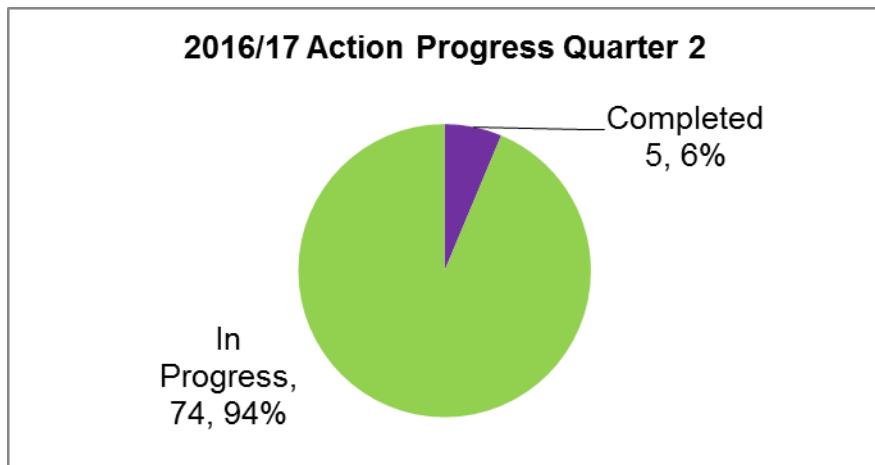
## **Proposal**

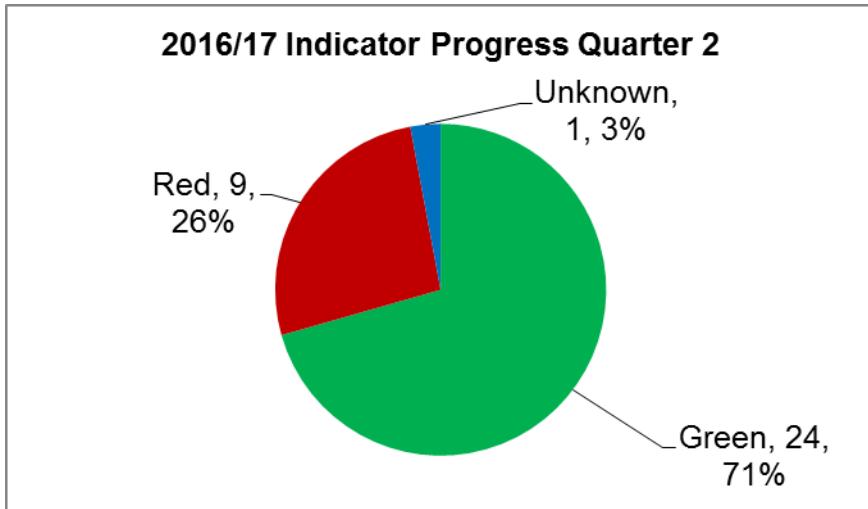
### **2      Quarterly Progress Report**

#### **2.1    Performance Information**

##### **Current Performance**

- 2.1.1 Overall Performance at Quarter 2 against of the 2016/19 Gedling Plan actions and indicators shows the following:



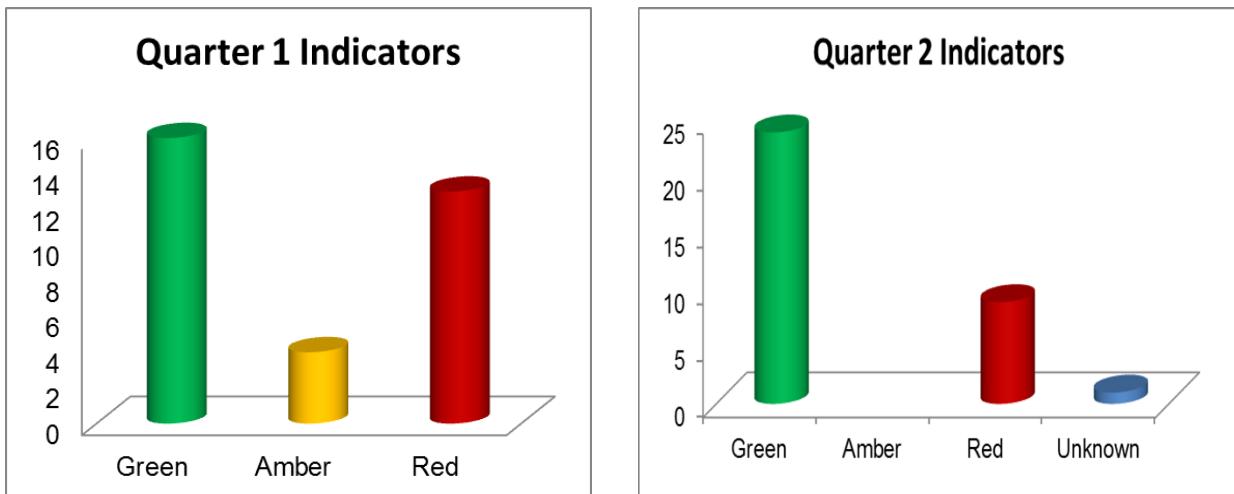


## Actions

2.1.2 Of the 80 actions, five are completed and the remaining 75 are in progress.

## Indicators

2.1.3 Performance at the end of quarter 2 has improved since quarter 1. Twenty four of the 34 performance indicators that are appropriate for quarterly monitoring are on target and 9 are red. One indicator is for tracking purposes only.



2.1.4 Of the 9 indicators shown red at the end of quarter 2, 4 are expected to improve and be on target at year end. However the following 5 indicators are expected to be behind target at year end, despite management action.

- (a) Number of fly tipping incidents reported to Gedling Borough Council

Whilst the indicator slowed in quarter 1, there was a worsening position in quarter 2. The Council continues to remove an increasing number of fly-tips, which reflects a national trend. Officers are focusing on how best to prevent them happening in the first place. While there are some patterns, for example certain

'hot-spot' locations, the often random nature of fly-tipping makes it extremely difficult to prevent. There have been two successful high profile GBC prosecutions and it is hoped that this will send a strong message out that this type of criminal behaviour is not and will not be tolerated. In addition a high profile TV campaign went out recently to promote the use of new covert cameras that will be deployed to 'hot spots' to gather evidence for prosecutions. It is hoped that a combination of the above will start to drive down the numbers of incidents moving forward.

(b) Average time to process homeless applications (number of working days)

Whilst performance has not achieved the target for the 2nd quarter, the team now has an additional full time housing officer and the increased capacity should improve performance. It is still challenging due to the lack of affordable housing and support services to resolve people housing needs, but the additional resource should see improvement in future quarters.

(c) Working Days Lost Due to Sickness Absence (rolling 12 month total)

Sickness absence is increasing both as an annual average and "month on month". Predominantly, the higher levels of monthly average seem to relate to a sharp rise in the number of cases of long-term absence. Any long term absence tends to have a material impact on a service's rate of absence and in particular this impact is proportionately severe in smaller teams. The annual "average" level of absence shows marked increase not only because of the current high levels of absence but also because the months that are being replaced through the rolling 12-month cycle we months that had experienced exceptionally low levels of sickness absence - in summary in our calculations we are replacing very low levels of absence with very high levels of absence. Officers continue to take steps to actively manage sickness absence.

(d) Net additional homes provided

In keeping with the national picture, house building continues to be slow in Gedling. A review is currently taking place of all schemes that have received planning permission to identify if there is any way to encourage starts on site.

(e) Residual household waste per household in Kg

The first 2 quarters of the year are generally high due to approximately 15-20% of garden waste being put in the black bin. In order to increase the garden waste scheme customer base and reduce the residual waste in the black bin, an additional vehicle has been purchased which arrived in August. Unfortunately due to delay in arrival of the new vehicle and being at capacity, the Council was unable to actively promote garden waste scheme. However the scheme will be actively promoted to coincide with the beginning of the next growing season and in the meantime we will continue to look at ways to reduce residual household waste.

2.1.5 A review of the performance indicators capturing information dealing with homeless individuals has been undertaken to support improved monitoring of performance to better inform management of the issues being faced in this service area. It is proposed that the current indicator LI046 Preventing homelessness – number of households who consider themselves as homeless, who approached the Council and for whom housing advice resolved their situation' be removed from the Gedling Plan and replaced by:

LI 372 Percentage of households who considered themselves as homeless who approached the Council and for whom housing advice resolved their situation.

LI087 Number of homeless applications received.

### **Improvements in performance**

2.1.6 Members will recall that at the end of quarter 1 good progress was being made to meet the following indicators:

- Percentage of Minor planning applications processed within 8 weeks – improved from 58.97% in quarter 1 to 86.79% in quarter 2 against a target of 70%.
- Percentage of Other planning applications processed within 8 weeks – improved from 76.16% in quarter 1 to 94.69% in quarter 2 against a target of 80%.

Both performance indicators are now expected to be on target at year end.

Other examples of where performance has improved since quarter 1 include:

- The average length of time spent in temporary accommodation has reduced from 13.5 weeks in quarter 1 to 6 weeks in quarter 2 against a target of 11 weeks.
- The percentage of young people (18-24 year olds) claiming Job Seeker Allowance has reduced from 2.7% in quarter 1 to 1.7% in quarter 2 against a target of 2.6%.
- The number of apprentices hosted within Gedling Borough Council has increased from 5 in quarter 1 to 7 in quarter 2 against a target of 6.
- The number of school-age work experience placements hosted in Gedling Borough Council in partnership with YouNG (and Economic Development) increased from 2 in quarter 1 to 6 in quarter 2 against a target of 2.
- The number of affordable homes delivered has met its quarterly target and risen to 20 during quarter 2 compared to 6 delivered during quarter 1.

### **Achievements**

2.1.7 A separate report is produced highlighting key achievements delivered during quarter 2, focusing on areas where the Council has made a real difference to people's lives. This is attached as Appendix 5 and is available on the Council's website and in hard copy in the Members' Room. The following outcomes are identified for particular attention:

**Gedling Borough Council's Accredited Centre** – the courses put on by our training team has attracted 12 attendees from Rushcliffe and Broxtowe Borough Councils for courses including the CMI Certificate in Management at Level 3, CMI Diploma in Management at Level 5, ILM Certificate in Leadership at Level 5. This has brought just over £5,000 into the Council during 2016.

**Gedling Menu Employability Programme** - The last employability activity was delivered in July. Across the academic year (1<sup>st</sup> September 2015 - 22<sup>nd</sup> July 2016) the programme resulted in 1300+ students receiving some form of employability support (CV development, mock interview, employability workshop) and having contact with at least one employer.

Four out of the 6 secondary schools in the Borough undertook an employability audit to identify activities to be developed for the new school year. The two remaining schools will be audited by the end of October. Based on the feedback from the audits a request for quotation was sent to providers in August. This resulted in Ideas4Careers being appointed to deliver a combined speed networking and 'Have a go' session that will be facilitated by a range of employers from different sectors in the new academic year and the first event will take place in December 2016.

**Jobs Fair** - The annual Jobs Fair took place on Wednesday 21 September at Arnold Methodist Church. 32 employers/providers exhibited at the event. 267 people visited the event to identify work opportunities. Economic Development will follow-up with employers to identify success stories.

## **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 2016/17.

### **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.

Included in Appendix 3 is a list of all the virements carried out in Quarter 1 following approval from Portfolio holders.

Included in Appendix 4 is a list of all transfers to/from Earmarked Reserves and Revenue Budget Funds following approval from Chief Financial Officer and Corporate Director.

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 2016. The overall resource implication for the Council's General Fund is a predicted under-spend of £6,200.

### **General Fund Revenue Budget 2016/2017 – Change Analysis**

	£
The original 2016/17 budget approved by Council on 3 March 2016	<b>12,623,300</b>
Revenue Carry Forwards from 2015/16 approved under delegation arrangements by the Chief Financial Officer	83,400
<b>The current total approved budget for 2016/2017 and Cabinet's Maximum Budget is:</b>	<b>12,706,700</b>
Up to the end of September 2016 expenditure less income totalled	<b>6,827,622</b>
In the remaining 6 months of year we expect net expenditure less income to be	5,872,878
<b>Total net revenue spend for the year is currently expected to be</b>	<b>12,700,500</b>
<b>Projected Revenue Underspend 2016/17</b>	<b>(6,200)</b>

### **2.2.3 Capital Programme**

Appendix 2 details the current projected position on the Capital Programme and its' financing for 2016/17, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

### **Capital Budget 2016/2017 - Change Analysis**

	£
Original 2016/17 budget approved by Council on 3 March 2016	<b>4,366,900</b>
Capital Carry Forwards from 2015/16 approved under delegation arrangements by the Chief Finance Officer	225,400
Capital Carry Forwards from 2015/16 approved by Council 13 July 2016	470,200
Additional Disabled Facilities Grant approved by Cabinet 19 May 2016	131,000
Quarter 1 Virements/Supplements previously approved	35,500
<b>Quarter 2 Supplements/Virements Approved:</b>	

Supplementary budget for Gedling Country Park Visitors Centre funded by Revenue Contribution, approved by Council. 358,600

**The current total approved budget for 2016/17** 5,587,600

£

**Proposed Quarter 2 Amendments to the 2016/17 Programme**

**Schemes identified for deferral:**

Relocation of Shopmobility scheme as options still to be identified (150,000)

**Additional Schemes:**

Fees for Land Sale financed by capital receipts 89,400

Total Proposed Amendments to the Capital Programme (60,600)

**Proposed Revised Capital Programme 2016/17** 5,527,000

Actual Expenditure to Quarter 2 2016/17 1,406,600

Estimated Expenditure Quarter 3-4 2016/17 4,120,400

**Projected Outturn 2016/17** 5,527,000

**Projected Capital Programme Variance 2016/17** 0

It is currently anticipated that there will be sufficient funding available in 2016/2017 to finance the Capital Programme as outlined above.

**Disabled Facilities Grant (DFG)**

At its meeting on the 19<sup>th</sup> May 2016 Cabinet approved an increase in the capital budget to £820,000 for the Disabled Facilities/ Better Care Fund Grant, following notification of an increase in Government Grant via Notts County Council. Since that date discussions at the Health and Wellbeing Board regarding the actual allocations have been ongoing and to date £791,000 has been allocated to Gedling for spend, leaving £29,000 unallocated. The situation will continue to be monitored and an update will be provided at Quarter 3.

**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 2016/17 – Budgetary Control Report

Appendix 2 - Capital Programme 2016/17 – Budgetary Control Report

Appendix 3 – Virements approved by Portfolio Holders

Appendix 4 – Transfers to/from Earmarked Reserves and Revenue Budget Funds

Appendix 5 – Examples of Outcomes achieved during Quarter 2 2016/17

## **Background Papers**

6 Detailed Quarterly Budgetary Control Exception Reports

## **Recommendations**

Members are **recommended**:

- a) To note the progress against Improvement Actions and Performance Indicators in the 2016/19 Gedling Plan;
- b) To approve the changes to the Indicators as detailed in paragraph 2.1.5 of the report as an amendment to the agreed Gedling Plan;
- c) To approve the General Fund Revenue Budget virements included within Appendix 1;
- d) To approve the changes to the capital programme included in paragraph 2.2.3; and
- e) To note the virements and transfers to/from reserves and funds during the last quarter as detailed in appendices 3 and 4.

### **Reasons for Recommendations**

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