

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 2 November 2017

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2017/18 financial year. The budgets include all carried forward amounts from the 2016/17 financial year.
- To request Cabinet approval for the budget changes outlined in this report.
- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2017/19 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 all 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 instances 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/council/aboutus/prioritiesplansandperformance/howweredoing/>

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 2.

- 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 the performance management system.

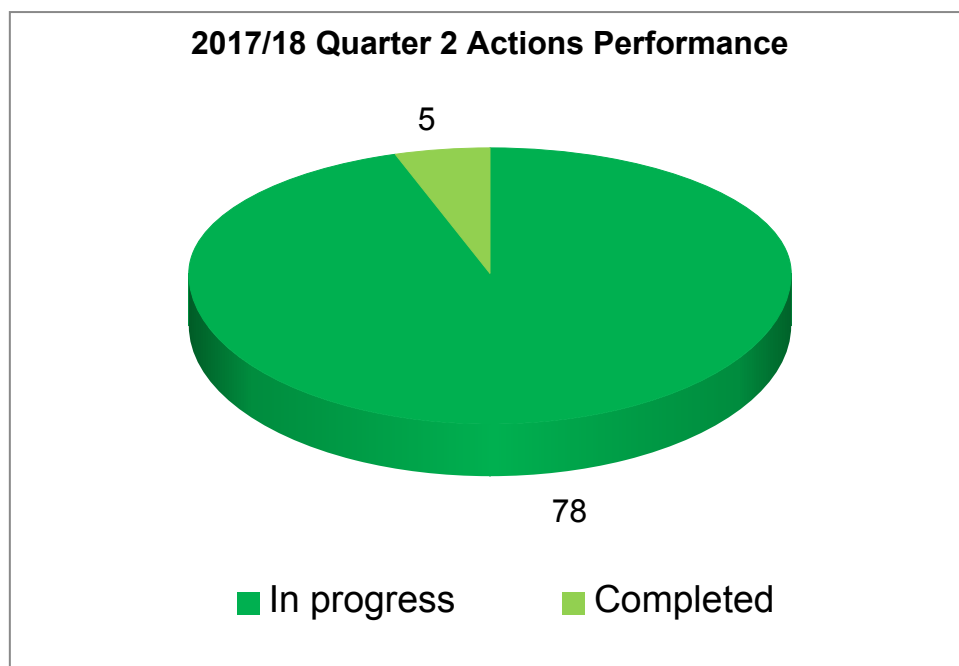
Proposal

2 Quarterly Progress Report

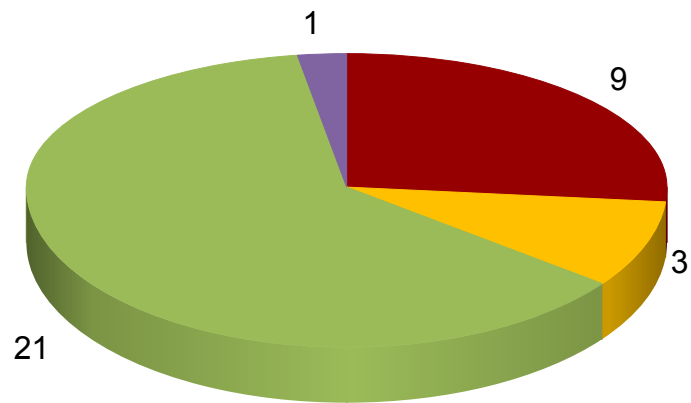
2.1 Performance Information

Current Performance

- 2.1.1 Overall performance at quarter 2 against the 2017/19 Gedling Plan actions and indicators shows the following:



2017/19 Quarter 2 Indicator Performance



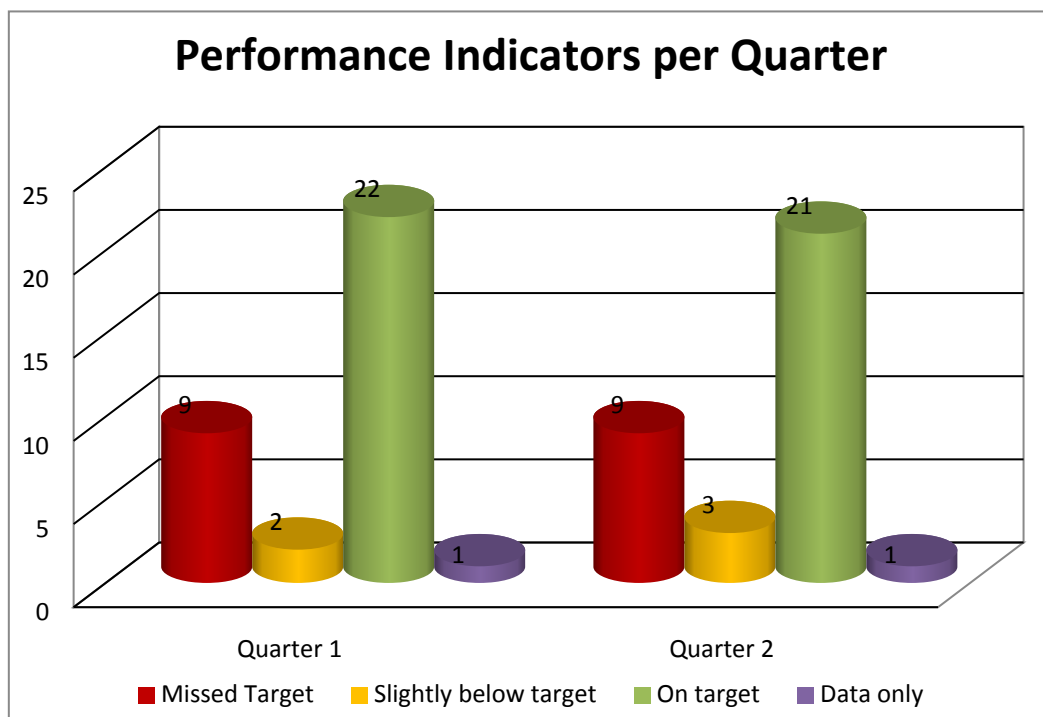
■ Missed Target ■ Slightly below target ■ On target
■ Data only

Actions

2.1.2 Five of the 83 Gedling Plan actions are completed, with the remaining either in progress or assigned to an Officer. It must be noted that the data in this report refers to the second quarter of the financial year only and it is expected that actions identified for the year will be met.

Indicators

2.1.3 As can be seen from the graph below, there has been limited movement in performance indicators between Quarters 1 and 2.



2.1.4 Examples of particularly positive performance during quarter 2 include:

- The average number of DNA members at 4,250 is already well above the annual target of 3,800.
- The proportion of households who considered themselves as homeless that the Council were able to help resolve their situation at 17.26% continues to be significantly higher than the 13% target.
- The time taken to process Housing and Council Tax Benefit claims and change events has improved to 5 days against a target of 6 days.
- 88% of One Stop shop customers seen within 15 minutes against a target of 83%.
- 6,415 people attended Bonington Theatre productions against a target of 6,200.
- 6 empty homes were returned to use against a target of 3, significantly higher than the 2 achieved during quarter 1.
- 100% of Major planning applications were processed within 13 weeks, higher than the 90% target.

- 182 theatre events/shows took place at the Bonington Theatre against a target of 125.

2.1.5 Of the 9 indicators shown red at the end of quarter 2, 5 are expected to improve and be on target at year end and 1 is expected to improve but be slightly behind target at year end. However Service Managers have indicated that 3 indicators are expected to be behind target at year end, despite management action. The following performance indicators which missed their target at quarter 2 are worthy of note at this stage:

Crime levels

a) Level of overall crime

The level of overall crime across the borough has increased to 13.1 incidents per 1,000 population, higher than the 11.43 target. This represents an increase of 26.2% compared to the same period of time in 2016-2017 equating to 631 more crimes. There has been a large increase in vehicle crime and also overall violence that in itself is in a large part related to changes in Police recording practices.

Homelessness

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

Loss of two members of staff has partly contributed to missing this target, but with re-allocation/reprioritisation of resources, it is expected that performance will improve and meet the target by the end of the year.

Housing

c) Net additional homes provided

While the target was missed during quarter 2, we are seeing encouraging signs of housing activity. The increase in the number of housing starts, with a figure of 134 for Quarter 2, is the highest recorded figure we have so the picture moving forward is a positive one.

Also the adoption of the emerging Local Plan Document (anticipated summer 2018) will release additional sites for development which will help to increase housing starts and completions.

Achievements

- 2.1.6 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 4 and is available on the Council's website and in hard copy in the Members' Room. The following outcomes are identified for particular attention:

Dealing effectively with illegal encampments – the Public Protection team, working in partnership with colleagues in Legal and Parks and Street Care successfully dealt with 4 illegal encampments.

- Colwick Recreation Ground during July 2017.
- Burton Road Recreation Ground during August on site for approximately 2 weeks later.
- Carlton Forum Playing fields during August. This was Redhill Academy land however Gedling Borough Council became involved to help deal with the eviction
- Thackeray's Lane Recreation Ground September.

Skate Jam 2017 - Following an approach by a young man at the Arnold Carnival asking for some kind of "organised" competition for those who have left school and are either at work or university/college but still had a love of BMX, scooters and skateboards, a successful Awards for All bid of £9,500 was obtained by the Friends of Arnot Hill Park. The Community Relations Service supported the Friends Of Group to commission Extreme Wheels to deliver a series of drop in sessions and skate-jams at local parks with a finale to be held at the Joshua Dale skate-park in Colwick. Events were held at the Play Days and across Arnold and Carlton. Bestwood Village also saw a drop-in event. This was the first Skate Jam programme of its kind to be delivered anywhere in the country.

Average attendance at the drop in sessions was 20-35 and at the skate-jam events approximately 40-55. The finale at Colwick attracted nearly 100 riders with additional activities and catering provided by the local Scout group.

Carlton Forum Health Suite - In the first 200 days of being open (up to 31st July) the Carlton Forum Health Suite had

- 5,778 users, which is 29 users per day on average.
- A net income of £1,774.86
- 196 DNA members took up health suite membership running alongside their other memberships.

2.2 Financial Information

- 2.2.1 Appendices 1 and 3 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2017/18.

2.2.2 General Fund Revenue Budget

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 2017. In summary the Council's General Fund outturn is projected to be underspent by £71,200 against the approved budget.

General Fund Revenue Budget 2017/18 – Change Analysis

	£
Net Council Budget for 2017/18 approved by Council on 1 March 2017 and Cabinet's Maximum Budget is:	12,481,100
Up to the end of September 2017 expenditure less income totalled	5,452,360
In the remaining 6 months of year we expect net expenditure to be	6,957,540
Total net revenue spend for the year is currently expected to be	12,409,900
Projected Revenue (Under)/Overspend 2017/18	(71,200)

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

The major variances detailed in Appendix 1 include:

- Leisure – early delivery of efficiencies, increased DNA membership and utility savings in Leisure Centres (£70,900);
- Reduction in volume of Land Charge Searches resulting in reduced income of £30,000;
- Office space at Home Brewery no longer required giving a rental saving of (£30,000);
- Projected borrowing not undertaken in 2016/17 giving an interest saving of (£29,000);
- Early delivery of efficiency savings in Financial Services, originally anticipated for 2018/19 (£20,700).
- Site development work for New Farm, Top Wighay and Rolleston Drive funded by HCA Grant (£195,000);

Attached at Appendix 2 are details of the budget virements authorising the usage of Earmarked Reserves and Revenue Budget Funds as approved by the Chief Financial Officer and Corporate Director in accordance with Financial Regulations. No virements were approved by Portfolio Holders for amounts of £50,000 or less during quarter two.

Efficiency/Budget Reduction Programme 2017/18 – Progress Update

At its meeting on 1 March 2017, Council approved a programme of efficiency/budget reductions totalling £1,694,200 for delivery over the period 2017/18 to 2021/22. Of the total programme, £532,200 was approved for delivery in 2017/18 and quarter two monitoring indicates that £10,000 will not be achieved and a further £32,500 will be delayed until 2018/19. However, this will be fully offset by the early delivery of some proposals, totalling £43,400, which were initially planned for 2018/19.

In terms of the overall programme, 2017/18 to 2021/22, it is now anticipated that projects totalling £124,500 will not be achievable. This remains within the overall risk provision of £140,000 approved by Council in March 2017. The provision was agreed by Council in recognition of the risks in being able to deliver the full amount of savings. Delivery of the programme will continue to be monitored and updates provided in future reports.

2.2.3 Capital Programme

Appendix 3 details the current projected position on the Capital Programme and its' financing for 2017/18, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

Capital Budget 2017/18 - Change Analysis

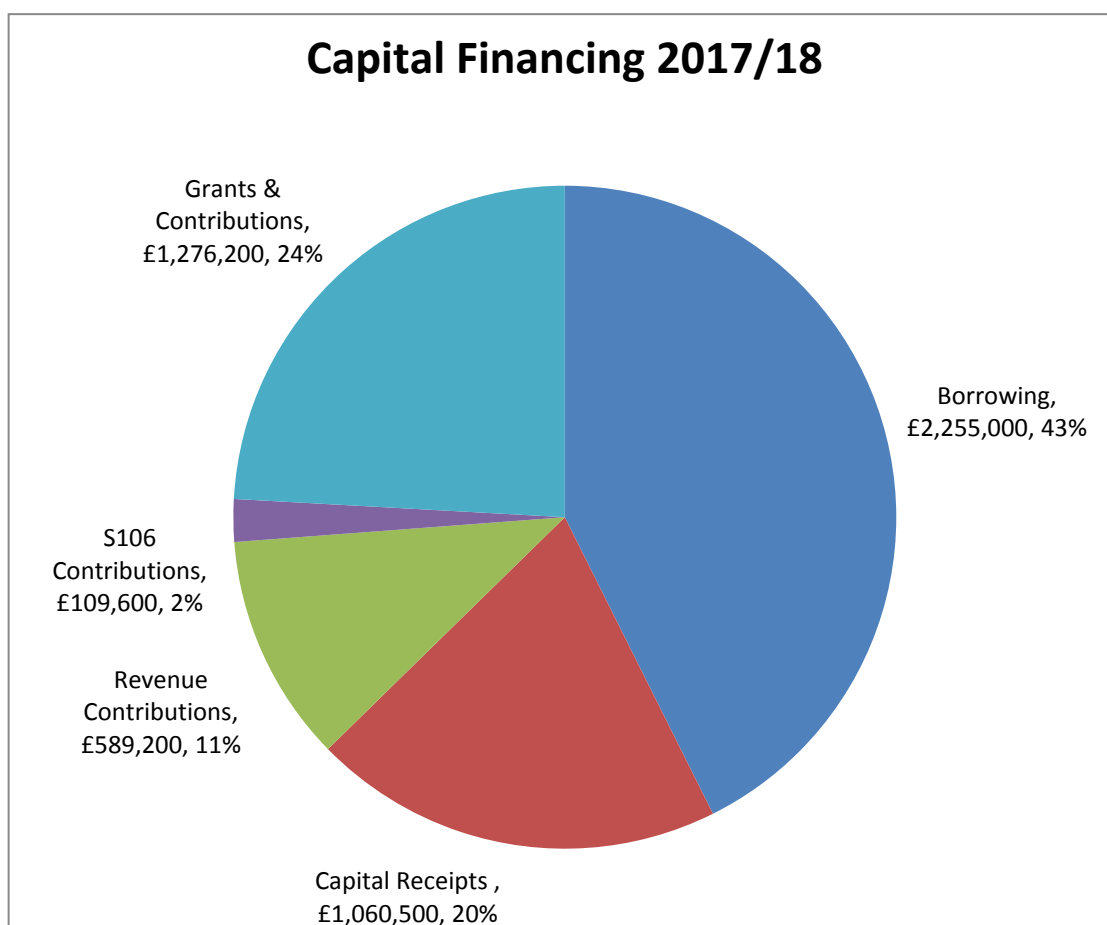
	£
Original 2017/18 budget approved by Council on 1 March 2017	4,967,900
Approved Capital Carry Forwards from 2016/17	507,100
Addition to Arnold LC Roof & Ceiling Replacement funded from Asset Management and Risk Reserves	50,000
Quarter 1 Amendments	227,000
Current approved budget for 2017/18	5,752,000

<u>Proposed Quarter 2 Amendments to the 2017/18 Programme</u>	
Additional Schemes:	
Arnot Hill Park Play Area – 100% funded by S106 Grant and WREN Grant	124,800
Valeside Gardens, Colwick Multi Use Games Area – 100% funded by WREN Grant	50,000
Cinder Path Netherfield - 100% funded by WREN Grant	46,000
Schemes identified for removal:	
CCTV Monitor Room upgrade funded from the CCTV reserve.	(50,000)
Schemes identified for deferral:	
All Weather Pitch Carlton Le Willows – delay in grant bid timetable set by the Football Foundation means that the scheme will be delivered in 2018/19	(300,000)
Civic Centre Public Toilets scheme to be slipped to 2018/19 due to alternatives now being considered.	(22,000)
Affordable Housing scheme fully funded by S106 to slip to 2018/19 as further work required before scheme can be identified.	(150,000)
Starter Homes Station Road, Carlton 100% funded by grant slip to 2018/19 due to changes in grant conditions allowing alternative delivery	(160,300)
Total Proposed Amendments to the Capital Programme	(461,500)
Proposed Revised Capital Programme 2017/18	5,290,500
Actual Expenditure to Quarter 2 2017/18	1,941,315
Estimated Expenditure Quarter 3-4 2017/18	3,349,185
Projected Outturn 2017/18	5,290,500
Projected Capital Programme Variance 2017/18	0

There is a bi-monthly capital monitoring of the projects chaired by the S151 officer and attended by finance officers and project officers. This meeting is pro-active in ensuring that the existing capital projects are delivered as efficiently and quickly as possible.

Capital Programme Financing

The projected method of financing the current capital programme requirement of £5,290,500 is detailed in Appendix 3 and summarised in the chart below:



Capital Receipt Monitoring

When the Council sells General Fund assets it is permitted to use this income to fund capital expenditure. The initial capital receipts estimate for 2017/18 projected that £1,209,000 will be generated with the whole amount to be used in financing the capital programme in 2017/18. The latest monitoring position indicates that £1,060,500 will be achieved, £148,500 less than the original estimate due to reduced land sales partly offset by additional preserved right to buy receipts.

Community Infrastructure Levy (CIL) Monitoring

Officers have been requested to report to Cabinet on the progress with the Community Infrastructure awards. In total, since the implementation of CIL (15 October 2015), 77 liability notices have been issued and 61 Self-Build Reliefs have been granted either for new dwellings, residential extensions over 100 square metres or residential annexes.

Since 15 October 2015 to 30 September 2017 the Council has received 21 payments across 16 developments totalling £102,960. Of this £15,444 (15%) is to be spent on the locality it has been collected via Neighbourhood Funding. £5,148 (5%) is to be set aside to cover the administration costs as permitted under the Regulations and the remaining £82,368 is to be spent on the strategic infrastructure projects that are identified on the Regulation 123 list.

Up to the 30 September the Council has issued liability notices totalling £1,446,948 of which £1,343,988 is still to be collected. This is reliant upon the developments commencing and the applicants complying with the notice. Each individual case for the outstanding monies is reviewed regularly and where appropriate followed up by the CIL officer.

As at the 17 October a further CIL receipt of £290,652 has been received taking the total receipts to date to £393,612.

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 – the option is 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 2017/18 – Budgetary Control Report

Appendix 2 – Use of Earmarked Reserves and Revenue Budget Funds

Appendix 3 - Capital Programme 2017/18 – Budgetary Control Report

Appendix 4 – Examples of Outcomes achieved during Quarter 2 2017/18

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 2017/19 Gedling Plan;
- b) To approve the General Fund Revenue Budget virements included in Appendix 1;
- c) To note the use of reserves and funds during quarter two as detailed in Appendix 2;
- d) To approve the changes to the capital programme included in paragraph 2.2.3.

Reasons for Recommendations

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