

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 14 November 2013

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2013/2014 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 2013/2014 financial year. The budgets include all carried forward amounts from the 2012/2013 financial year.
- To seek Cabinet approval for budget changes outlined in this report.

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.

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 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, performance information is now accessible publicly on line on the Council's website.
- 2.1.3 As a result, 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/>. Hard copies will only be made available to members upon request.
- 2.1.4 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.
- 2.1.5 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 available in the Members Room for information.
- 2.1.6 Overall performance has improved compared with the position at the end of quarter 1. 16 of the 28 performance indicators suitable for quarterly monitoring are on target – of the remainder, 3 are at amber status and 9 are red. This does however understate performance in a number of areas – for example, with regard to new homes completed, the 107

completions in the quarter, though just shy of the 110 target, represents the best quarterly result for four years. All actions in the Council Plan are completed or on target.

2.1.7 Target changes are requested for two performance indicators.

Portfolio Area	Action/ indicator	Original Target	Proposed Target	Reason for change
Leisure and Development	Indicator – Percentage of “Other” planning applications determined within 8 weeks	92%	83%	To reflect priority being attached to attracting growth to the Borough, allowing the planning service to prioritise major planning applications within available resource.
Leisure and Development	Indicator - Number of visits to Leisure Centres	963,800	940,800	To reflect extended closure of Arnold Leisure Centre for reception and changing room refurbishment.

2.1.8 Members are also asked to support a change to a Service Plan action, originally included in an earlier year’s Council Plan. In 2010, Council supported a proposal to secure Member Development Charter status, and actions were included in subsequent Council Plans, with a view to securing accreditation in 2014. Significant progress has been made during that time to improve member development and training. However, closer examination of actions outstanding to formally secure Charter status has made clear that those remaining actions are largely process based and would add little value to what has already been achieved, while taking up significant amounts of officer time to deliver them. Therefore, following discussions with the Leader of the Council and the Portfolio Holder for Community Development, it has been agreed that this task is deleted from the Elections and Members’ Services Service Plan for 2013/14.

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 2013/14.

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 2 following approval from Portfolio holders.

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 2013. The overall resource implication for the Council's General Fund is a predicted under-spend of £41,300.

General Fund Revenue Budget 2013/2014 – Change Analysis

	£
The original 2013/14 budget approved by Council on 4 March 2013	12,842,500
Revenue Carry Forwards from 2012/13 approved under delegation arrangements by the Chief Finance Officer	24,300
Revenue Carry Forwards from 2012/13 approved by Council on 10 July 2013	90,000
The current total approved budget for 2013/2014 and Cabinet's Maximum Budget is:	<u>12,956,800</u>
Up to the end of September 2013 expenditure less income totalled	4,997,300
In the remaining 6 months of year we expect net expenditure less income to be	7,918,200
Total net revenue spend for the year is currently expected to be	<u>12,915,500</u>
Projected Revenue Underspend 2013/14	<u>(41,300)</u>

2.2.3 Capital Programme

Appendix 2 details the current projected position on the Capital Programme and its' financing for 2013/14, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

Specific proposed amendments to note include:

Capital Budget 2013/2014 - Change Analysis

	£
Original 2013/14 budget approved by Council on 4 March 2013	4,396,700
Capital Carry Forwards from 2012/13 approved under delegation arrangements by the Chief Finance Officer	735,500
Capital Carry Forwards from 2012/13 approved by Council on 10 July 2013	103,300
Additional Arnold Leisure Centre expenditure approved by Council 10 July 2013	320,000
Changes approved at Quarter 1	(457,400)
The current total approved budget for 2013/2014	<u>5,098,100</u>

Proposed Quarter 2 Amendments to the 2013/14 Programme:

(a) Additional budget requirement funded by External Grant

Daybrook Water Course funded by Groundworks.	45,000
Additional Fuel Poverty Grant funded by Dept for Climate and Energy Change	20,000

(b) Budget Reductions

Efficiency reduction of 3 vehicles as no longer required within the Parks and Street Cleansing Service.	(44,000)
Removal of the Safety Surface scheme as programme now complete.	(26,000)

(c) Schemes identified for deferral

Exhaust fans in workshop will not require replacing until 2016/17.	(20,000)
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(d) Additional Budget Requirement

Additional costs on 3 vehicles in the fleet programme due to price increases.	11,000
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Bartech Grounds Maintenance & Street Cleaning Software funded by revenue contribution.	4,000
Total Proposed Amendments To Capital Programme	<u>(10,000)</u>
Proposed Revised Capital Programme 2013/14	<u>5,088,100</u>
Actual Expenditure to Quarter 2 2013/14	1,708,311
Estimated Expenditure Quarter 3-4 2013/14	3,379,789
Projected Outturn 2013/14	<u>5,088,100</u>
Projected Capital Programme Variance 2013/14	<u>0</u>

There is currently sufficient funding available in 2013/2014 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

- 3 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 2013/14 – Budgetary Control Report

Appendix 2 - Capital Programme 2013/14 – Budgetary Control Report

Appendix 3 – Virements approved by Portfolio Holders

Background Papers

6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation(s)

Members are recommended:

- a) To approve the changes to Performance Indicator targets and Actions as detailed in paragraphs 2.1.7 and 2.1.8 of the report;
- b) To approve the General Fund Revenue Budget virements included within Appendix 1;
- c) To approve the changes to the Capital Programme of £50,000 and below included in paragraph 2.2.3;
- d) 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.

**For more information, please contact:
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