

## Report to Cabinet

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

**Date:** 2 August 2018

**Author:** Senior Leadership Team

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## Wards Affected

Borough-wide

## Purpose

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2018/19 financial year. The budgets include all carried forward amounts from the 2017/18 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 2018/19 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 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 the performance management system, Pentenna.

## **Proposal**

### **2 Quarterly Progress Report**

#### **2.1 Performance Information**

##### **Current Performance**

## **Background**

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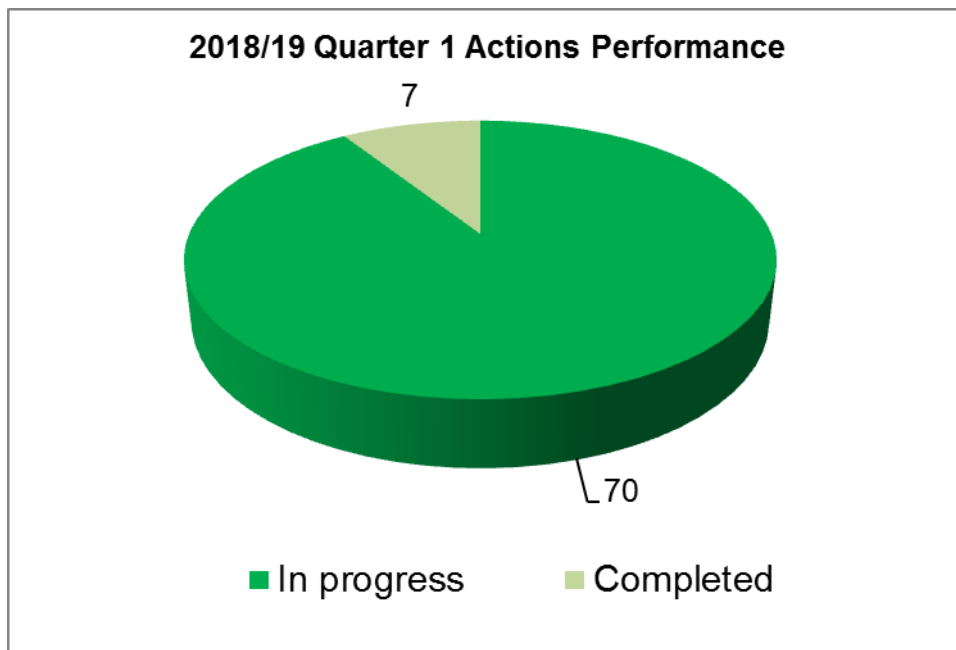
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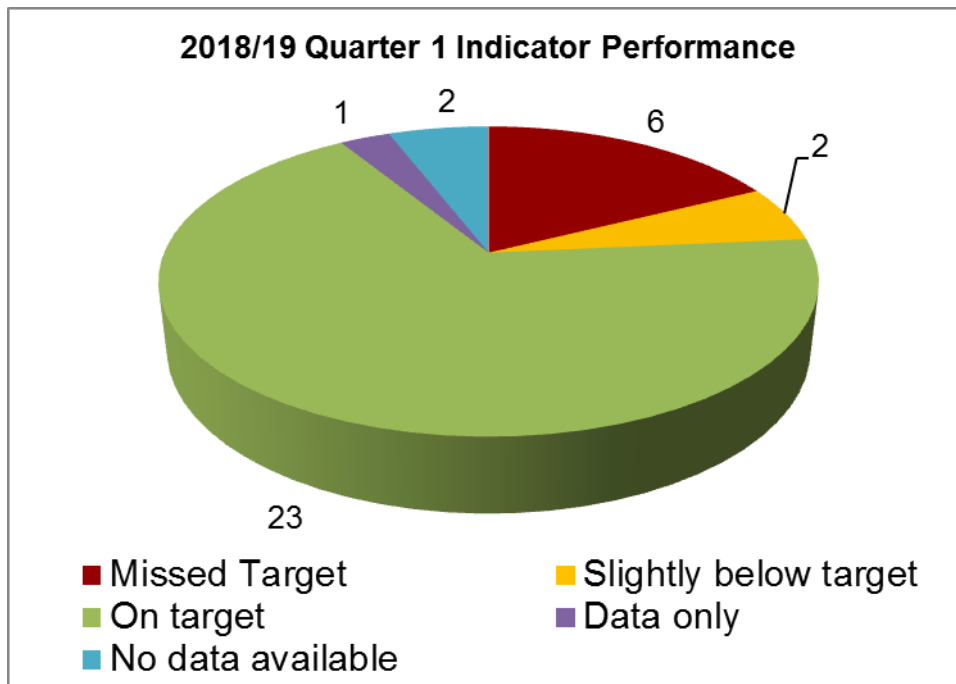
## 2 **Quarterly Progress Report**

### 2.1 **Performance Information**

#### **Current Performance**

- 2.1.1 Overall performance at quarter 1 against the 2018/19 Gedling Plan actions and indicators shows the following:





## Actions

- 2.1.2 Seven of the 77 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 first quarter of the financial year only and it is expected that actions identified for the year will be met.

## Indicators

- 2.1.3 Overall indicator performance at the end of quarter 1 shows that out of a total of 34 indicators, 23 were on or above target, 2 were slightly below target and 6 indicators missed their target. One indicator is for tracking purposes only and for two indicators the data was not available at the time of drafting this report.

Examples of particularly positive performance during quarter 1 include:

- A total of 272,400 people visited the leisure centres against a target of 237,500.
- The average number of DNA members increase to 4308, exceeding the target of 4200.
- A total of 8,809 people have attended Bonington Theatre productions against a target of 7,125.
- Average time to process Housing Benefit change in circumstances (in calendar days) was 3.3 days against target of 4 days.
- Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (in calendar days) was 4.7 days against target of 6 days.
- Almost 30% of business rates were collected against a target of 27.37%.
- The number of working days lost due to sickness absence was 8.51 days, below the 9 days target.

- Over 93% of calls to the contact centre were answered (or call back made) against a target of 90%.
- 6 school age work experience placements were hosted.
- 15 long term empty homes in the Borough were returned to use as a result of Gedling Borough Council intervention, against a target of 5.
- 49 affordable homes delivered against target of 33.
- 97.7% of minor planning applications were processed within 8 weeks against a target of 91%.
- 97.1% of Other planning applications were processed within 8 weeks against a target of 85%.

The following performance indicators missed their target at the end of quarter 1, however from an SLT perspective there are no specific performance concerns to raise:

- Level of All Crime across Gedling Borough rate per 1000 population was 14.7 against a target of 13.3. Recorded crimes across the borough for the first quarter of 2018 / 19 total 1725 offences, which is an increase of 261 offences when compared to the same period the previous year, equal to an increase of 17.8%. The South Nottinghamshire Community Partnership is working hard to put plans in place to prevent crime and have been working with Nottinghamshire Police colleagues to increase the numbers of 'response officers' based in Gedling.
- Level of recorded anti-social behaviour across Gedling Borough per 1000 population was 4.6 against a target of 3.9. Recorded anti-social behaviour for quarter 1 2018 / 19 has shown an increase of 51 incidents (542 incidents), compared to the same period the previous year, this equates to an increase of 10.4%. The Community Safety Partnership have put in place, with police colleagues, plans for additional youth worker patrols to help divert young people from committing anti-social behaviour, in addition a CCTV camera is being installed in Arnold close to a known anti-social behaviour hot spot.
- Average time taken to process Housing Benefit claims is 14 days, above the 13 days target. Performance continues to be in the top 5% nationally and performance against the other performance indicators relating to the processing of benefit claims remains strong. Performance did temporary dip in quarter one due to workload, however this should be addressed and recovered by quarter two.
- Average length of time spent in temporary is 14.1 weeks against a target of 8 weeks, as this target is very much demand led and totally dependent on Gedling Homes, Housing Associations and Private Sector properties being available, of which there are very few. Medium to large families are particularly hard to find properties for. Our Temporary accommodation is under pressure, however, plans are in place to secure additional temporary accommodation.
- Percentage of household waste sent for reuse, recycling and composting was 34% against a target of 39%. The basis of calculation for this indicator is subject to clarification, however quarter 4 reflects the winter period where garden waste collection yields are low. The Council is also suffering from contamination in its recycling bins, and efforts are being

made on a countywide basis to reinforce the message about contaminants, and education materials are being produced locally.

106 additional homes were built during quarter 1, against a target of 120. Whilst the target has not been met, Members should note that this figure was the second highest since quarter 2 of 2014/15. It is anticipated that the adoption of the Local Planning Document at Council on 18th July, will release additional sites for development and increase the number of homes delivered further.

### **Target change requests**

2.1.4 Performance indicator targets are set at the end of quarter 3 for the following year and are based on actual. In light of the particularly positive performance during quarter 1 which the Council expects to sustain throughout the year, the following requests for changes to targets have been made:

- Number of visits to Leisure Centres – request to change target from 950,000 to 1,020,000.
- Number of attendance at the Bonington Theatre – request to change target from 28,500 to 37,500. Actual outturn for 17/18 was 37,297
- Number of theatre events/shows taking place at the Bonington Theatre – request to change target from 585 to 690. Actual outturn for 17/18 was 687.
- Number of cinema shows taking place at the Bonington Theatre – change to target from 260 to 350. Actual outturn for 17/18 was 339.

### **Achievements**

2.1.5 A separate report is produced highlighting key achievements delivered during quarter 1, 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.

#### **Significant partnership working between Gedling Borough Council and the Police and other agencies in response to knife crime issues in**

**Arnold** - These measures included increased CCTV monitoring, work to install additional CCTV cameras, targeted enforcement against known individuals, additional patrolling by the Police and Neighbourhood wardens and the commencement of a program of engagement with youths who are at risk of being caught up in knife related crime.

**Arnold Carnival** - There were big crowds again at this year's Carnival over two days in June. The event offered a broad range of stage entertainment, walkabout artists, young people's activities and a fun fair. Gedling Play Forum offered arts and crafts and inflatable fun, while a new outdoor market place was available for local traders and charities.

### **Adoption of the Papplewick Conservation Area Appraisal - A**

Conservation Area Appraisal was approved for Papplewick Conservation Area on 28th June 2018. The Appraisal identifies those qualities that contribute to the area's significance as a place of special architectural and historic interest and provides a framework against which decisions about future development can be made.

**Gedling Borough Heritage Strategy** - The Council has adopted a new Heritage Strategy for the Borough. This will direct the work of the Council for the next few years regarding work with and support for our local heritage partners. Key actions include:

- The delivery of the Gedling Borough's Heritage Brought Alive project
- Support for the Local Plan
- Upkeep of the Historic Buildings at Risk Register
- Development of a Gedling Borough Heritage Way footpath
- Explore plans for a new Heritage Centre at Gedling Country Park
- Consider how to support local heritage assets to have a long-term sustainable future
- Develop long-term plans to work alongside local groups through the Gedling Borough Heritage Forum

**Carlton Forum fitness suite refurbishment** - Carlton Forum Leisure Centre's fitness suite was refurbished and re-opened to customer on the 11<sup>th</sup> April.

**Transnational meeting for the Erasmus+ funded project 'Increasing SME engagement in apprenticeships held by Council** - During week commencing 25 June the Council hosted the final transnational meeting for the Erasmus+ funded project 'Increasing SME engagement in apprenticeships'. Our international partners from Bulgaria, Canada, Germany and Poland visited for the week. During this time we delivered the multiplier event, to share the outputs of the project, on Wednesday 27 June where 135 SMEs, apprenticeship providers, schools and public sector bodies heard about the project outputs and a wider agenda around apprenticeships. The event also included a Skills Marketplace.

## **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 2018/19.

### **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 June 2018. In summary the Council's General Fund outturn is projected to be underspent by

£3,800 against the approved budget. This represents a 0.03% underspend against the original budget of £12,145,200.

### **General Fund Revenue Budget 2018/19 – Change Analysis**

	£
<b>Net Council Budget for 2018/19 approved by Council on 5 March 2018 and Cabinet’s Maximum Budget is:</b>	<b>12,145,200</b>
Up to the end of June 2018 expenditure less income totalled	2,346,240
In the remaining 9 months of year we expect net expenditure to be	9,795,160
<b>Total net revenue spend for the year is currently expected to be</b>	<b>12,141,400</b>
<b>Total Projected Revenue (Under)/Overspend 2018/19</b>	<b>(3,800)</b>

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 one against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

The major variances detailed in Appendix 1 include:

- Events - funding for the Cycling Tour of Britain and WW1 events £10,000;
- Waste Services – long term sickness cover £11,400;
- Financial Services – vacant post (£26,300);
- Additional investment interest from Property Fund (£13,000);
- Parks And Street Care – slippage of Pet Cremation Scheme to 2019/20 £57,600;
- Fleet – additional vehicle sale income slipped from 2017/18 (£17,000);
- Housing Benefit Admin - additional Subsidy Grant and New Burdens funding (£81,900), partly offset by a contribution to reserves £64,100;
- Reduction in Minimum Revenue Provision due to slippage in the 2017/18 programme (£39,900);

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 one.



## Efficiency/Budget Reduction Programme – Progress Update

Since 2014/15 Council have approved three separate budget reduction programmes totalling £5.2m net of risk provision. Progress to date has been positive and budget reductions achieved are in line with the profiled estimate. Of the total programme £2.8m is still to be delivered over 2018/19 to 2022/23.

In 2018/19 the programme for the delivery of efficiencies totals £1,187,000. Quarter 1 monitoring indicates that of this total £72,500 will be delayed to 2019/20, which includes delays in the introduction of the pet cremation project and tree cutting services. The budget impacts of these deferred projects are included in Appendix 1 and are accommodated within the current approved 2018/19 budget.

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 2018/19, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

#### **Capital Budget 2018/19 - Change Analysis**

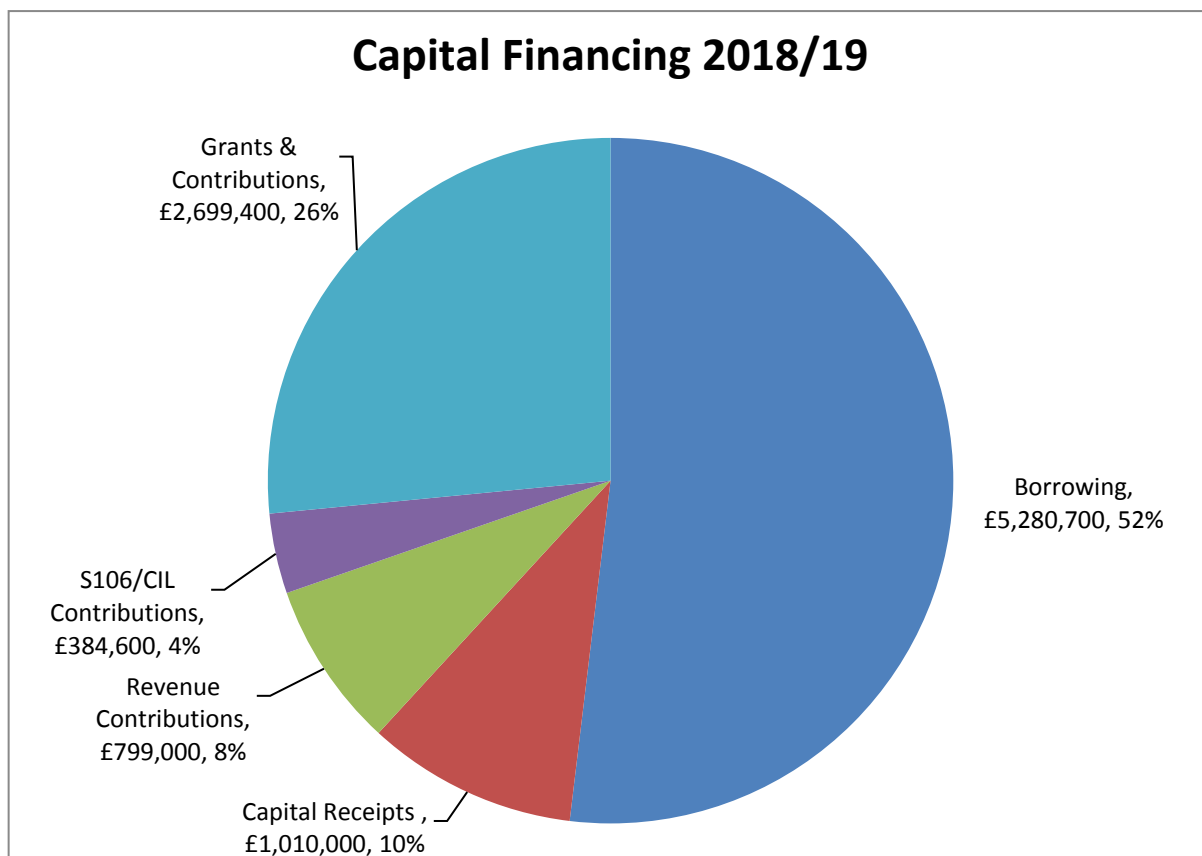
	£
<b>Original 2018/19 budget approved by Council on 5 March 2018</b>	8,374,000
Approved Capital Carry Forwards from 2017/18	2,025,000
<b>Current approved budget for 2018/19</b>	<b>10,399,000</b>
<b><u>Proposed Quarter 1 Amendments to the 2018/19 Programme</u></b>	
<b>Additional Schemes:</b>	
Muirfield Road Outdoor Gym – fully funded by grants and contributions from St Albans Parish Council and Warren Hill Action Group	16,000
Redhill Changing Room Refurbishment – fully funded by Asset Management Reserve, NCC Contribution and base maintenance revenue contribution.	47,700

Additional CCTV for Smithy Crescent, Arnold and Gedling Country Park funded from CCTV Replacement Reserve	21,000
<b>Schemes identified for deferral:</b>	
Vehicle and Equipment Replacement – deferred due to extended useful life (5 vehicles less than £50,000)	(138,000)
<b>Schemes identified for deletion:</b>	
Ford Transit replacement – no longer required due to loss of Gedling Homes Grounds Maintenance contract	(32,000)
Calverton Soft Play – scheme removed due to the extension of the gym facilities. Alternative investment options to be discussed with the Portfolio holder.	(140,000)
<b>Total Proposed Amendments to the Capital Programme</b>	<b>(225,300)</b>
<b>Proposed Revised Capital Programme 2018/19</b>	<b>10,173,700</b>
Actual Expenditure to Quarter 1 2018/19	<b>695,726</b>
Estimated Expenditure Quarter 2-4 2018/19	<b>9,477,974</b>
<b>Projected Outturn 2018/19</b>	<b>10,173,700</b>
<b>Projected Capital Programme Variance 2018/19</b>	<b>0</b>

There is a quarterly 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 £10,173,700 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 2018/19 projected that £1,010,000 will be generated with the whole amount to be used in financing the capital programme in 2018/19. There is no change to the capital receipt estimate projected at quarter 1 monitoring.

#### 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), 113 liability notices have been issued and 88 Reliefs have been granted either for new dwellings, residential extensions over 100 square metres or residential annexes.

Since 15 October 2015 to 30 June 2018 the Council has received 41 payments across 26 developments totalling £766,032. Of this £113,698 (15%) is to be spent on the locality it has been collected via Neighbourhood Funding. £38,301 (5%) is to be set aside to cover the administration costs as permitted under the Regulations and the remaining £614,032 is to be spent on the strategic infrastructure projects that are identified on the Regulation 123 list.

Up to the 30 June the Council has issued liability notices totalling £1,580,441 of which £814,408 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.

### **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 2018/19 – Budgetary Control Report

Appendix 2 – Use of Earmarked Reserves and Revenue Budget Funds

Appendix 3 - Capital Programme 2018/19 – Budgetary Control Report

Appendix 4 – Examples of Outcomes achieved during Quarter 1 2018/19

## **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 2018/19 Gedling Plan;
- b) To agree the amendments to the performance indicator targets set out in paragraph 2.1.4;
- c) To approve the General Fund Revenue Budget virements included in Appendix 1;
- d) To note the use of reserves and funds during quarter one as detailed in Appendix 2;
- e) To approve the changes to the capital programme included in paragraph 2.2.3. and refer to Council for approval the following amendment to the capital programme:
  - The removal of the Calverton Soft Play scheme (£140,000).

## **Reasons for Recommendations**

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

To ensure Members are informed of the performance against the Gedling Plan 2018/19.