

Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 04 August 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 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.

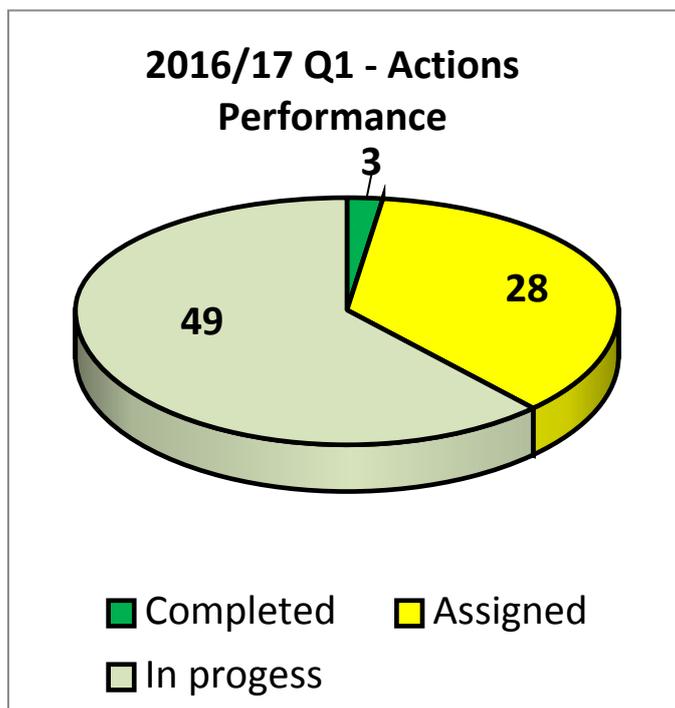
Proposal

2. Quarterly Progress Report

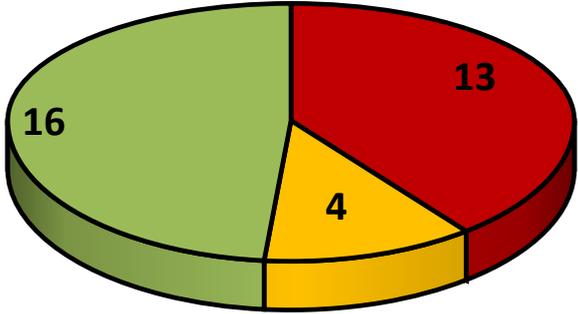
2.1 Performance Information

Current Performance

2.1.1 Overall performance at quarter 1 against the 2016/2019 Gedling Plan actions and indicators shows the following:



**2016/17 Q1 - Indicator
Performance**



- Missed target
- Slightly below target
- On target

Actions

- 2.1.2 Three of the 80 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 33 indicators, 16 were on or above target, 4 were slightly below target and 13 indicators missed their target.

Examples of particularly positive performance during quarter 1 include:

- 134 theatre events/shows taking place at the Bonington Theatre against a target of 97.
- 54 cinema shows taking place at the Bonington Theatre against a target of 24.
- 92% of One Stop shop customers seen within 15 minutes against a target of 83%.
- 100% of Major planning applications processed within 13 weeks against a target of 90%.

The following performance indicators which missed their target are worthy of note at this stage:

Homelessness

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

This is due to the increased complexity of the cases and the significant impact associated with a key member of staff being absent with ill health. A new Housing Needs Officer joined the team at the end of July which has increased the team's capacity. In addition a review of the service has been carried out and new homeless procedures are being implemented with additional training to improve the quality and efficiency of the service.

- b) Average length of time spent in temporary accommodation (in weeks)

Performance has dropped during quarter 1, predominantly due to two longstanding and challenging cases which necessitated court action to gain possession of the property. It is expected that the average stay will reduce in future quarters, however this needs to be monitored as the team continues to find it difficult to source permanent affordable housing.

- c) Preventing Homelessness – number of households who considered themselves as homeless, who approached the Council, and for whom housing advice resolved their situation

The underperformance in terms of the number of homeless presentations relates mainly to the changes in the housing market i.e. lack of affordable properties and increases in both the need levels and complexity of cases. The team is now fully

staffed and with the focus returning onto prevention. In addition the social rent properties at both The Grove and on Dunstan Street will be available in quarter 2, which is a further resource to prevent homelessness.

Housing

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) Number of affordable homes delivered (gross)

In addition to the 6 properties which became ready to let during quarter 1, a further 18 will become available at The Grove in quarter 2 significantly improving performance.

Flytipping

f) Number of fly tipping incidents reported to Gedling Borough Council

Whilst the indicator is behind target in quarter 1, there is an improvement on quarter 4. The Council continues to remove a higher than usual number of fly-tips, so 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.

Nottinghamshire County Council continues to run its initiative to make sure only those allowed to use their recycling centres do so, which means that residents must register their vehicles first before they arrive at recycling centres otherwise they will be turned away. This initiative may lead to a further increase in fly-tipping. The situation is being monitored to ascertain whether it has an impact on the number of fly tipping incidents.

Planning

g) Percentage of Minor planning applications processed within 8 weeks

h) Percentage of Other planning applications processed within 8 weeks

Whilst still below target, good progress is being made against both indicators, with a 9% improvement in performance at the same time as an increase in caseloads. As changes in working practices become embedded and new management and other staff make an impact, it is fully expected that this year's targets will be met.

Achievements

2.1.4 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 5 and is available on the Council's website and in hard copy in the Members' Room.

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 June 2016. The overall resource implication for the Council's General Fund is a predicted under-spend of £3,400.

General Fund Revenue Budget 2016/2017 – Change Analysis

	£
The original 2016/17 budget approved by Council on 3 March 2016	12,623,300
Revenue Carry Forwards from 2015/16 approved under delegation arrangements by the Chief Financial Officer	83,400
The current total approved budget for 2016/2017 and Cabinet's Maximum Budget is:	12,706,700
Up to the end of June 2016 expenditure less income totalled	2,681,418
In the remaining 9 months of year we expect net expenditure less income to be	10,021,882
Total net revenue spend for the year is currently expected to be	12,703,300
Projected Revenue Underspend 2016/17	(3,400)

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 2015/2016 - Change Analysis

	£
Original 2016/17 budget approved by Council on 3 March 2016	4,366,900
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
<u>Quarter 1 Virements Approved:</u>	
Portfolio Holder report for the additional contribution towards the Redhill Pitch Scheme financed from Earmarked Grants	25,000
Project Management costs for Arnold Leisure Centre Roof Replacement financed by contribution from Asset Management Reserve	10,500
The current total approved budget for 2016/17	5,229,000
Actual Expenditure to Quarter 1 2016/17	184,400
Estimated Expenditure Quarter 2-4 2016/17	5,044,600
Projected Outturn 2016/17	5,229,000
Projected Capital Programme Variance 2016/17	0

There are no proposed Quarter 1 amendments to the Capital Programme.

There is currently sufficient funding available in 2016/2017 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 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 1 2016/17

Background Papers

- 6 Detailed Quarterly Budgetary Control Exception Reports

Recommendation

Members are **recommended**:

- a) To note the progress against Improvement Actions and Performance Indicators in the 2016/19 Gedling Plan
- b) To approve the General Fund Revenue Budget virements included within Appendix 1;
- c) To note the Capital Programme projected outturn for 2016/17;
- d) 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.