



**Report To:** Leader and Cabinet  
**Lead Officer:** Chief Executive

14 September 2017

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## 2017-18 QUARTER 1 POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

### Purpose

1. To provide Cabinet with a statement on the Council's position with regard to its General Fund, Housing Revenue Account (HRA) and Capital budgets, corporate objectives, performance indicators and strategic risks. Integrated reporting in this way gives Members the opportunity to examine any areas of concern and decide on the appropriate action.
2. To approve the Strategic Risk Register attached in **Appendix D** and to endorse the suite of Key Performance Indicators previously agreed by EMT in consultation with Portfolio Holders and attached in **Appendix B**.

### Recommendations

3. Cabinet is invited to:
  - (a) consider, comment on and note the Council's provisional financial position (**Appendix C**) together with the performance (**Appendices A-B**) and risk matters (**Appendices D-E**) and contextual information set out in the report,
  - (b) endorse the suite of Key Performance Indicators previously approved by EMT and attached at **Appendix B**, and
  - (c) approve the Strategic Risk Register and Risk Matrix set out in **Appendices D-E**.

### Reasons for Recommendations

4. These recommendations are required to enable Cabinet to understand the organisation's financial position and performance. This contributes to the evidence base for the ongoing review of priorities and enables, where appropriate, redirection of resources to reflect emerging priorities and address areas of concern.
5. The Strategic Risk Register and Risk Matrix form the record of corporate risks the Council currently faces in the achievement of strategic aims and delivery of services, together with control measures to address / sources of assurance over the risks.

### Background

6. This is the first quarterly position statement for 2017-18, providing updates in respect of:
  - The Financial Position at 30 June 2017, showing variance between 2017-2018 original budgets and actuals for Q1;
  - The Corporate Plan 2017-2022, agreed by Council in February 2017;
  - Key monthly and quarterly Performance Indicators at 30 June 2017; and
  - The Strategic Risk Register and Risk Matrix.

## ***Corporate Plan 2017-2022***

7. The Corporate Plan 2017-2022 sets out the following Vision for the Council:

'South Cambridgeshire will continue to be the best place to live, work and study in the country. Our district will demonstrate impressive and sustainable economic growth. Our residents will have a superb quality of life in an exceptionally beautiful, rural and green environment.'

8. We worked to attain our Vision through three Strategic Aims around four strategic objectives: Living Well, Homes for our Future, Connected Communities, and an Innovative and Dynamic Organisation, and 22 accompanying actions. Detailed commentary on progress and achievements with each of the actions, bringing together relevant performance information, is set out in **Appendix A attached**. Whilst many of the aims and objectives within the plan reflect ongoing long-term priorities, working with partners we have reached significant achievements and milestones during recent months, including:

### ***Living Well***

- Successful delivery of Parklife 2017 with over 5000 people enjoying the activities on offer.
- A legal agreement has been signed to allow ice-rink construction on land off Newmarket Road, Cambridge, part funded by a £1.85 million loan from SCDC.
- Active 4 Life GP exercise referral scheme has seen 272 clients starting the scheme and 112 completing a course during the year. 50 recorded improved blood pressure, 47 reduced body fat and 112 decreased their Body Mass Index.
- 75 children attending both the Netball and Athletics summer holiday camps.

### ***Homes for our Future***

- Affordable homes to be delivered through the Housing Development Agency now on site: 10 in Gamlingay; 8 in Great Abington; 13 in Balsham and 23 in Waterbeach (with a further 3 in Longstanton to be started on site imminently).
- First 20 homes at Northstowe have now been occupied.
- Hosted and facilitated a Building for Cambridgeshire and Peterborough Summit for housing developers, builders and housing providers.

### ***Connected Communities***

- SCDC assisted with publicity for the A14 Community Fund, which has allocated over £50k towards local activities focussed on bringing communities together.
- Began feasibility study into the establishment of rural travel hubs in South Cambridgeshire (two pilot sites identified).
- Adopted a discretionary business rate relief policy which will benefit around 300 rate payers.

### ***An Innovative and Dynamic Organisation***

- Business Case for Shared Planning Service approved by SCDC and City Councils in July 2017. Staff consultation underway.

- Recruited three apprentices to commence work in September.
- Sustained high levels of Customer Contact Service performance, whilst there has been an increase in the number of e-forms being submitted since measurement began in Apr 2016.

### Key Performance Indicators (KPI) and Corporate Plan outcome measures

9. EMT has agreed a suite of 28 key performance indicators (KPIs) to provide a strategic overview of organisational health. Cabinet is invited to endorse these KPIs. Performance against Key Performance Indicators is set out in **Appendix B** attached, accompanied by narrative for each KPI.
10. The data in Appendix B shows actual performance against target and intervention levels, which were agreed at the beginning of the year. The Council uses a ‘traffic light’ system to denote performance, whereby:
  - **Green** signifies performance targets which have been met or surpassed;
  - **Amber** denotes performance below target but above intervention level. It is the responsibility of service managers to monitor such performance closely, putting in place remedial actions at the operational level to raise standards as required.
  - **Red** denotes performance below the intervention level. This represents underperformance of concern, and should prompt interventions at the strategic level which are likely to involve the reallocation of resources and proposals to redesign how services are provided.

### Finance: General Fund, HRA and Capital

11. This position statement is reporting on the variance between the 2017/18 working budgets and the projected Outturn for the Q1 of the year – as at the end of June 2017. Below is a summary of the provisional outturns.

	Q1 Variance	
	Compared to Working Budget	
	£'000	%
General Fund	(804)	(11)
Housing Revenue Account (HRA)	(321)	(6)
Capital	(4,052)	(102)

12. A Summary position statement is provided at **Appendix C**, whilst significant items of variance are listed in **Appendices C1 and C2**.

### Planning and Strategic Planning and Infrastructure Portfolios costs control

13. Government has not authorised the Council to increase planning fees by 20% as anticipated in the budget. Consequently, careful monitoring of staff costs and income streams within Planning and Strategic Planning and Infrastructure Portfolios is taking place this year, focusing on the Development Control and Growth Agenda/New Communities service lines in order to mitigate any potential overspend.

14. Another area with high risk of overspend relates to the cost of appeals. While it is still expected that legal costs will be within budget for the year, there remains a risk that a costs award could be made against the Council in two outstanding appeal cases. Management will report back in November on the position relating to the costs of appeals and planning fee income.

### **Risk Management**

15. Risk management best practice is that the executive and governance roles should be carried out separately. These roles are allocated between the Executive and Corporate Governance Committee, as follows:
  - (a) agreement and ownership of the strategic risks facing the Council - the executive role - to the Executive, led by the appropriate portfolio holder;
  - (b) approval of the risk management strategy; advice and assurance regarding the adequacy and effectiveness of risk management - the governance role - to Audit and Corporate Governance Committee.
16. Cabinet, led by the designated portfolio holder for risk management, therefore takes executive responsibility for management of the strategic risks facing the Council, including review of the Strategic Risk Register.
17. The Strategic Risk Register has been reviewed with the nominated risk owners and other members of EMT. Changes proposed to risk descriptions, control measures / sources of assurance, timescales to progress or likelihood / impact scores are highlighted in the draft Strategic Risk Register attached as **Appendix D**. The Strategic Risk Matrix, attached as **Appendix E**, shows risk impact and likelihood scores in tabular form.
18. In reviewing the Strategic Risk Register and Matrix Cabinet could:
  - (a) add to, delete from, or make other changes to risks, in terms of either the title or detail of the risks or control measures / sources of assurance;
  - (b) alter the assessment scores of risks, in terms of either their impact or likelihood.

### **Consultation responses (including from the Youth Council)**

19. Corporate Plan aims and actions, and the allocation of resources to deliver them, are based on assessed need and priorities and are subject to consultation each year prior to adoption.
20. Updates within this report have been prepared in liaison with lead officers in each directorate. The report was submitted to Executive Management Team on 16 August 2017 and to Scrutiny and Overview Committee on 7 September 2017. Any recommendations from the Committee will be reported at the meeting.

### **Effect on Strategic Aims**

21. Timely and robust consideration of the Council's corporate plan is vital to ensure corporate priorities are met and strategic risks involved in delivering these identified and managed proactively.

## **Conclusion**

22. The Council has reached some important milestones against each of the four Corporate Plan objectives during the first quarter of 2017-2018, notably through the successful delivery of Parklife 2017, on-site work commencing on 54 Affordable homes to be delivered through the Housing Development Agency, and the approval of the business case for the Shared Planning Service. Strong performance has been maintained in key frontline and support areas of the business, including rent, Council Tax and Business Rate collection, the Customer Contact Service, Planning application determination times and Land Charges search response days.

**Background Papers:** Corporate Plan 2017-2022

**Report Authors:** Richard May – Policy and Performance Manager  
Telephone: (01954) 713366  
[Richard.may@scambs.gov.uk](mailto:Richard.may@scambs.gov.uk)

Kevin Ledger – Policy and Performance Officer  
Telephone: (01954) 713018  
[Kevin.ledger@scambs.gov.uk](mailto:Kevin.ledger@scambs.gov.uk)

Suzy Brandes – Principal Accountant  
Telephone: (01954) 713101  
[Suzy.brandes@scambs.gov.uk](mailto:Suzy.brandes@scambs.gov.uk)