



Report To: Cabinet
Lead Officer: Head of Finance

3 October 2018

2018-19 Q1 Position Statement: Performance, Finance and Risk

Purpose

1. To provide Cabinet with a budget forecast based on Q1 position with regard to its General Fund, Housing Revenue Account (HRA) and Capital budgets, plus Q1 performance indicator results (by exception as agreed by EMT at 18th July) and strategic risks, for consideration and approval. Integrated reporting in this way gives Officers and Members the opportunity to examine any areas of concern and decide on the appropriate action.
2. To invite Cabinet to approve the suite of Key Performance Indicators, previously agreed by EMT, as attached at **Appendix A**.
3. The Strategic Risk Register is currently under management review and will be reported to Cabinet in the near future, incorporating the priorities of the new Administration; the current version is attached to this report for information at **Appendix F**.

Recommendations

4. Cabinet is requested to:
 - (a) Review the provisional forecast outturn position together with the key performance exceptions (as identified by CMT on 8th August 2018) and risk issues contained in this report and appendices **B-E attached**, determining, where appropriate, any actions, including redeployment of resources, required to address issues identified;
 - (b) Approve the suite of Key Performance Indicators, previously agreed by EMT, as attached at **Appendix A**;
 - (c) Note the Strategic Risk Register at **Appendix F attached**.

Reasons for Recommendations

5. These recommendations are required to enable Members 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.
6. The Strategic Risk Register and Matrix form the record of corporate risks the Council currently faces in the achievement of strategic aims delivery of services, together with control measures to address / sources of assurance over the risks.

Background

7. This is the first quarterly position statement for 2018/19, providing updates in respect of:
 - Monthly and quarterly Key Performance Indicator (KPIs) exceptions at 30 June 2018; with KPIs having been agreed by EMT on 18 July 2018 and quarter 1 exceptions identified by CMT (8th August 2018) (**Appendix B**); and
 - The Financial Position at 30 June 2018, showing variance between original budgets and actuals for the period (**Appendix C**).

Key Performance Indicators (KPIs)

8. EMT has agreed a suite of 31 Key Performance Indicators (KPIs) (listed in full at **Appendix A**) to provide a strategic overview of organisational health. Performance against Key Performance Indicators, plus accompanying narrative, was reported in full to CMT on 8th August 2018.
9. Within their review of full KPI results, CMT identified exceptions for onward submission to EMT, Scrutiny and Overview Committee, and Cabinet. These exceptions are made up of all Red and Amber results (as defined in paragraph 10), plus Green results where CMT have identified that exceptional performance or circumstances have taken place.
10. The data in **Appendix B** shows actual performance against target and intervention levels. 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.

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Finance

11. This position statement is reporting on the variance between the 2018/19 working budgets and the projected Outturn for the Q1 of the year – as at the end of June 2018.
12. The table below shows the adjusted provisional forecast outturn figures, as at 30 June 2018:

	Q1 Provisional Forecast variance	
	Compared to Working Budget	
	£'000	%
General Fund	202	1
Housing Revenue Expenditure	0	0
Housing Revenue Income	0	0
Capital	0	0

13. Position report for Q1 is set out at **Appendix C** attached. Variance explanations are provided in **Appendices C1-C3**.
14. In a change of format from prior years, this year the report is set out by Directorate, rather than by Portfolio.
15. The Q1 actual position as at June 2018 is positive due largely to the additional income in Development Control and service costs savings in Planning Policy.

Enterprise Zones

16. South Cambridgeshire District Council receives 100% of the business rates income from businesses that locate onto the three Cambridge Compass Enterprise Zone sites located in South Cambridgeshire. As part of the agreement to establish the Enterprise Zone, until 2021, the Council has committed to pass 30% of this onto the Cambridgeshire and Peterborough Combined Authority (CPCA) (originally the commitment was payment to Greater Cambridge and Greater Peterborough Local Enterprise Partnership). From 2021 to 2041 South Cambridgeshire District Council will pass 50% onto CPCA.
17. During 2017/18 the Net Rates Payable by Ratepayers for the Enterprise Zones was £560,807. The figure to be paid to CPCA for 2017/18 is therefore £168,242.10.
18. The 30% payable to CPCA would also be applied to the S.31 grant received from Government which reflects the discount paid to eligible businesses locating on the Enterprise Zone. However, when it is received, the amount returned from Government is not differentiated from the other S.31 grant received by the Council. Therefore further work is required to understand how this Enterprise Zone S.31 income can be identified going forward.

Income

19. With declining resources from Government funding, ensuring that income targets are met becomes more important. Itemised below is the current position on significant income sources.

Please note that Council's income/savings/receipts are shown in brackets, therefore variances in brackets are positive or favourable and without brackets are negative – adverse, i.e. indicate shortfall of revenue for year to date.

No outturn income variances were projected by services in Q1.

Key lines of income generating activities across the Council	Budget	Budget	Actuals	Variance
	for full	to date	for year	for year
<i>(positive)/negative</i>	year		to date	to date
	£	£	£	£
Land Charges	(£254,360)	(£63,591)	(£96,916)	(£33,325)
Waste and Recycling*	(£3,853,000)	(£2,423,120)	(£2,430,679)	(£7,559)
Other Environmental Health charging services	(£1,210,680)	£0	(£13,922)	(£13,922)
Taxi Licensing Fees and Charges	(£7,700)	(£1,920)	(£4,872)	(£2,952)
Licences under Acts - Fees and Charges	(£96,150)	(£11,160)	(£12,638)	(£1,478)
Private sector leasing scheme	(£185,090)	(£46,280)	(£49,082)	(£2,802)
Travellers Sites Rents	(£117,990)	(£23,669)	(£25,234)	(£1,565)
Development Control Fees	(£58,010)	(£1,200)	£4,607	£5,807
Development Control Pre-App Fees	(£112,560)	(£28,110)	(£24,648)	£3,462
New Communities Charges for Services	(£1,285,650)	(£321,414)	(£641,520)	(£320,106)
New Communities Pre-App Fees	(£150,000)	(£37,500)	(£39,677)	(£2,177)
Total	(£431,240)	(£107,811)	(£1,516)	£106,295

*Shared service with Cambridge City Council - figures represent total for the service.

Consultation responses

20. Council Performance Indicator updates have been prepared in liaison with lead officers in each directorate.

Effect on Strategic Aims

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

Background Papers: None

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