



Report To: Cabinet

6 March 2019

Lead Cabinet Member Lead Cabinet Member for Finance

Lead Officer: Head of Finance

2018-19 Q3 POSITION STATEMENT: PERFORMANCE AND FINANCE

Purpose

1. To provide Cabinet with a statement on the Council's Q3 position with regard to its General Fund, Housing Revenue Account (HRA) and Capital budgets and performance indicators (by exception), for consideration and comment. The report also provides an update in respect of the Council's in-flight projects. Integrated reporting in this way gives Officers and Members the opportunity to examine any areas of concern and decide on the appropriate action.
2. The Strategic Risk Register is currently under management review. It will be reported to Cabinet in the near future, incorporating the priorities of the new Administration.

Recommendations

3. Cabinet is invited to review the provisional forecast outturn position together with the performance indicator results and comments, and in-flight project updates in this report and appendices attached, recommending, where appropriate, any actions, including redeployment of resources, required to address issues identified for consideration by Cabinet.

Reasons for Recommendations

4. 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.

Background

5. This is the third quarterly position statement for 2018-19, providing updates in respect of:
 - Quarter 3 Key Performance Indicators exceptions (**Appendix A**), as identified by CMT (23rd January 2019) and reviewed by EMT (30th January 2019);
 - In-flight projects at 31st December 2018 (**Appendix B**).
 - The Financial Position at the end of Quarter 3 2018-19, showing variance between original budgets and actuals for the period (**Appendix C**).

Key Performance Indicators (KPIs)

6. Cabinet has agreed a suite of 31 Key Performance Indicators (KPIs) for 2018-19 to provide a strategic overview of organisational health during the financial year.

Performance against Key Performance Indicators, plus accompanying narrative, was reported in full to CMT on 23rd January 2019.

7. Within their review of full KPI results, CMT identified exceptions for onward submission to EMT, Scrutiny and Overview Committee and Cabinet (included at **Appendix A**). These exceptions are made up of all Red and Amber results (as defined in paragraph 8), plus Green results where CMT have identified that exceptional performance or circumstances have taken place.
8. The data in **Appendix A** shows actual performance against target and intervention levels, which were agreed at the beginning of the year by Directors in consultation with Portfolio Holders. 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.

In-Flight Project Tracker

9. A report was previously presented on a monthly basis to provide EMT with information relating to the Council's in-flight Business Improvements and Efficiency (BIEP) projects. This report lapsed following the completion of that programme and in October EMT requested that an equivalent report is produced to provide an overview of project performance to enable effective scrutiny and management of projects.
10. The in-flight project tracker at **Appendix B** was developed and presented to EMT on 21st November 2018 and it was agreed that this would be included as part of the regular performance report.
11. Please note that this is the first version of the in-flight project tracker to be presented to Cabinet, and as such it is recognised that the content may not be exhaustive at this stage. The Policy and Performance Team is in the process of collating all on-going projects for inclusion in future versions. Once the Business Plan is agreed, this will also lead to the inclusion of further projects to enable the delivery of the Business Plan.

Finance

12. This position statement is reporting on the variance between the 2018/19 working budgets and the projected Outturn for the Q3 of the year.
13. The table below (see following page) shows the adjusted provisional forecast outturn figures for the year 2018-19:

| | Q3 Provisional Forecast variance | |
|-----------------------------|-------------------------------------|------|
| | Compared to Working Budget | |
| | £'000 | % |
| General Fund | (2,424) | (9) |
| Housing Revenue Expenditure | (200) | (1) |
| Housing Revenue Income | (250) | (1) |
| HRA Capital | (5,260) | (23) |
| GF Capital | (1,129) | (27) |

14. Position report for Q3 is set out at **Appendix C** attached. Variance explanations are provided in **Appendices C1-C3**.
15. In a change of format from prior years, this year the report is set out by Directorate, rather than by Portfolio.
16. The Q3 actual position for the General Fund shows an underspend of £1.5m, due mainly to the staff savings, unspent £500k on energy grants within Corporate Services, service costs savings and higher than expected fee income in Planning. In Actuals to date, Shared Services are shown as a total cost of the service.
17. General Fund Capital is showing an underspend for the year to date mainly due to the slower than expected Repurchase of GF Sheltered Properties, which are not easy to predict, and underspend in ICT Development. The Outturn projection is £1.1m underspend, most of which will be subject to Rollover requests due to the delays in the project implementation.
18. HRA underspend for the year to date is partly driven by timing variances and is expected to reduce for the Outturn.
19. HRA Capital budget is based on the original budget for the year, however, the New Build capital investment plan has been re-phased in the HRA MTFs with £4.8m removed from current year & re-allocated over the following four years

Income

20. With declining resources from Government funding, ensuring that income targets are met becomes vital. Itemised on the following page is the current position on significant income lines.

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

Please note that these are actuals for the year to date, projections to year end for the relevant services are presented in Appendix C1.

| Key lines of income generating activities across the Council | Budget | Budget | Actuals | Variance |
|---|---------------------|---------------------|--------------------|-----------------|
| | for full | to date | for year | for year |
| (positive)/negative | year | | to date | to date |
| | £ | £ | £ | £ |
| Waste and Recycling* | (£5,284,600) | (£4,575,280) | (£4,726,655) | (£151,375) |
| Land Charges | (£254,360) | (£169,576) | (£220,718) | (£51,142) |
| Other Environmental Health charging services | (£96,150) | (£48,910) | (£61,078) | (£12,168) |
| Taxi Licensing Fees and Charges | (£185,090) | (£123,410) | (£147,146) | (£23,736) |
| Licences under Acts - Fees and Charges | (£117,990) | (£78,810) | (£74,937) | £3,873 |
| Private sector leasing scheme | (£58,010) | (£2,400) | (£1,473) | £927 |
| Travellers Sites Rents | (£112,560) | (£74,960) | (£78,342) | (£3,382) |
| Development Control Fees*and ** | (£3,052,900) | (£2,035,280) | (£1,347,262) | £688,018 |
| Development Control Pre-App Fees* | (£150,000) | (£99,993) | (£88,393) | £11,600 |
| Consultancy Service Recoverable Charge | (£18,290) | (£12,188) | (£22,335) | (£10,147) |
| Strategic Sites Charges for Services* | (£431,240) | (£287,496) | (£211,592) | £75,904 |
| Strategic Sites Recoverable Charges* | (£100,850) | (£67,232) | (£87,721) | (£20,489) |
| Strategic Sites Pre-App Fees* | (£75,000) | (£50,000) | (£129,998) | (£79,998) |
| Total | (£9,937,040) | (£7,625,535) | (7,197,650) | 427,885 |

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

**An invoice for £612k for income received by Cambridge City Council on behalf of the Greater Cambridge Shared Planning Service has been raised and will bring Development Control Fees in line with budget.

Consultation responses

Council Performance Indicator and in-flight project updates are prepared in liaison with lead officers in each directorate.

Effect on Corporate Priorities

21. Timely and robust consideration of the Council's budgets and corporate plan is vital to ensure corporate priorities are met.

Background Papers: None

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