

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Scrutiny and Overview Committee
Leader and Cabinet

11 February 2014
13 February 2014

AUTHOR/S: Executive Director (Corporate Services)

POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK

Purpose

1. To provide Scrutiny and Cabinet with a statement on the Council's position with regard to its General Fund, HRA and Capital budgets, corporate objectives, performance indicators and strategic risks. Integrated reporting in this way gives management team and Members the opportunity to examine any areas of concern and determine the appropriate action. The report also sets out the latest benchmarking information about the council's performance, which is being used, alongside current performance, to shape future priority-setting and resource allocation as part of the concurrent Corporate Plan and Medium Term Financial Strategy (MTFS) reviews.
2. Information relating to finance and performance is for Cabinet's receipt and information. The Strategic Risk Register is presented for approval by the Corporate and Customer Services Portfolio Holder.
3. There are no key decisions arising directly from the report, although there may be specific feedback in respect of finance, performance and risk issues which will be built into future service and resource planning and may be subject to future key decisions.

Recommendations

4. *Cabinet* is invited to consider, comment on and note the Council's provisional outturn position together with the performance and risk matters set out in the report and **appendices A-E attached**.
5. *The Corporate and Customer Services Portfolio Holder* is recommended to approve the Strategic Risk Register and Matrix set out and **appendices D-E attached**.
6. *Scrutiny and Overview Committee* will consider this report at its meeting on 11 February 2014. Specific comments and recommendations will be reported to Cabinet.

Reasons for Recommendations

7. These recommendations enable Members to maintain a sound understanding of organisational performance which forms part of the evidence base for the concurrent annual review of priorities and will allow, where appropriate, the redirection of resources to address underperformance and reflect emerging priorities.
8. The Strategic Risk Register and Matrix forms the record of corporate risks the Council currently faces in the delivery of services and the achievement of strategic aims, together with control measures to address / sources of assurance over the risks.

Background

9. This report provides updates in respect of:
- the Financial Position at 30 November 2013;
 - the Corporate Plan 2013-18, agreed by Council in February 2013;
 - key Performance Indicators, agreed by EMT in April 2013; and
 - the Strategic Risk Register.

Summary Position

Performance

10. The Council is progressing key Actions within its Corporate Plan 2013-18. Detailed commentary on progress with each of the actions, bringing together relevant finance, performance and risk information, is set out in **Appendix A attached**. The appendix presents updates in terms of achievements to date and work still to do, reflecting that the plan period runs from 2013-18, with many of its key objectives being implemented to deliver benefits over a medium to long term time frame. As such, several of the actions comprise major programmes and projects which are works in progress. Some key recent achievements are set out below (Council Action reference in brackets):
- Agreed first recommendations arising from Business Improvement and Efficiency Programme review of agency staff usage (A4)
 - First business e-newsletter circulated; held eight further business support workshops, attended by 75 people (B2)
 - Deputy Prime Minister signed Memorandum of Understanding to progress City Deal (B5)
 - Successful conclusion of negotiations to enable Northstowe Phase 1 to go ahead (B7)
 - Purchase of further market homes to use as temporary accommodation (A6, B8)
 - New Council houses at Chalklands, Linton, completed and inhabited, part of the biggest building programme since the 1950s (B9)
 - Successful launch of the Green Deal home energy initiative (C5)
11. The Council monitors a suite of key performance indicators to assist in maintaining a strategic overview of organisational health. Performance information against the full suite of key indicators is set out in **Appendix B attached**. During October-December 2013, SCDC has performed strongly in the following areas:
- Rent collection (98.2%)
 - NNDR collection (90.5%)
 - Benefits processing (11 days)
 - Customer Contact Service first time call resolution (82%, also the annual average)
 - Determining planning applications (exceeding target for determining 'Minor' and 'Other' applications)
 - Affordable Homes delivery (171)
 - Helped another 62 households avoid homelessness (129 in total this year) and continued to minimise the number of households in temporary accommodation (48 in Q2 and Q3)
12. Contact Centre staff continue to achieve a high first-time resolution rate in response to customers' enquiries – 82% in December 2013 against a target of 80%. Average

call answer time was at its highest during November 2013 (5 minutes 32 seconds), falling to 2 minutes 11 seconds in December, as call volumes decreased sharply. More detailed commentary around Customer Contact Service performance improvement priorities was provided in the annual review report considered by Scrutiny and Overview Committee on 16 January 2014.

13. Invoice processing performance within ten working days continues to be a cause for concern. Following presentation at corporate brief in September 2013, performance improved in October 2013 but declined again in November and December. Further reminders will be issued, urging managers to ensure timely processing arrangements are in place, particularly to cover planned and unplanned absence, and to use the Council's electronic ordering system as much as possible.

Finance

14. This position statement is reporting on the variance between the working budgets and the projected Outturn at the end of November 2013. A summary of the provisional outturns and for comparison purposes the corresponding October 2013 projections is set out below. An analysis is provided at **Appendix C attached**.

	November's Projected Outturn		October's Projected Outturn		Movement
	Compared to Working Estimate		Compared to Working Estimate		Appendix C
	Overspend + / Underspend ()				
	£	%	£	%	£
General Fund	(42,800)	(0.27)	24,500	0.15	(67,300)
Housing Revenue Account (HRA)	(96,500)	(0.36)	(154,300)	(0.57)	57,800
Capital	(60,900)	(0.4)	(60,900)	(0.4)	0

15. The General Fund movement is mainly due to additional Elections income.
16. As in previous reports there is a predicted overspend on refunds on bills issued to **Non-Domestic Ratepayers** as agreed by the Valuation Officer relating to previous years of £450,000. However, if no further refunds were to be made then, based on the current information an over spend of approximately £82,200 would result. This item remains very volatile and dependent on how quickly the Valuation Officer resolves the outstanding appeals and the outcome of these appeals.
17. **Planning Income** is currently anticipated to be £350,000 more than originally planned which includes a number of large fees relating to planning permission for solar panels developments.
18. The HRA movement relates to the additional repairs expenditure, offset by various underspends/additional income.

Risk management

19. 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 or timescales to progress are highlighted in the draft Strategic Risk Register, attached as **Appendix D**. The draft Strategic Risk Matrix, attached as **Appendix E**, shows risk impact and likelihood scores in tabular form. Particular risks to note are:
- (a) **STR12, Supporting Housing:** The visiting support service has now been negotiated with the commissioning authority and so this risk can be removed from the Strategic Risk Register. There may be a new risk with regard to the future service provision to consider and score in due course.
 - (b) **STR25, Bed and Breakfast Accommodation:** The Housing Director has amended the Likelihood score from 4 (Likely) to 3 (Possible) in line with the Affordable Housing risk register, as the mitigation measures are proving successful thereby reducing the likelihood of this risk happening.
20. In reviewing the Strategic Risk Register and Matrix, the Corporate and Customer Services Portfolio Holder 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 of risks, in terms of either their impact or likelihood.

Other key projects

21. The Council monitors key corporate and service projects through an interactive database using the Sharepoint facility. The majority of key projects are concerned with the implementation of Council Actions (principally the Business Improvement and Efficiency Programme) and are therefore summarised in Appendix A. The following are major projects which are not separate Council Actions in themselves but which nevertheless contribute towards achieving corporate and service objectives:
- **Equality Framework for Local Government (EFLG):** The Council has prepared an interim self-assessment against the 'Excellence' level of the EFLG, which was considered by EMT on 27 November 2013. Following review, all baselines on the self-assessment are now scored as 3 (in place, but needs improving) or 4 (in place and effective). EMT welcomed the positive evidence from the self-assessment which demonstrated that equalities issues were well-understood and embedded across service areas and endorsed the suggested development areas of further work.
 - **Development Control improvement programme:** Progress has been delayed due to lack of resources, though reallocation of duties has since taken place to support the project manager's operational workload. Activities which have taken place include a review of other authorities' fee structures and drafting of improved acknowledgement and letter templates.
 - **Information governance:** The project is nearing completion, with the final suite of policies to be submitted to EMT for adoption. E-learning modules of Information Governance have been successfully completed by over 200 staff.
 - **Community Right to Bid:** Pubs in Grantchester and Stapleford were added to the list of Assets of Community Value in December 2013. Listing provides a moratorium on the sale of up to six months in the events of the assets coming to be sold, giving local communities greater opportunity to consider bidding for ownership of the asset.

Reviewing the Corporate Plan and Medium Term Financial Strategy (MTFS)

22. The Council is currently consulting on a refreshed Corporate Plan for 2014-2019. The updated plan seeks to reflect new and ongoing priorities. Many of the 30 actions in the current plan (see **Appendix A**) will remain priorities into the next year, allowing continuity and a smooth transition between reporting periods. The reporting format used in the appendix seeks to articulate this, and has formed a vital part of the evidence base for the review of current, and identification of future, priorities. The revised Corporate Plan and MTFS will be submitted to Cabinet and Council in February for approval and adoption.

Benchmarking Performance

23. The Local Government Association's *LG Inform* website (<http://lginform.local.gov.uk/>) provides access to a wealth of local authority comparator data. The table below shows that the Council performed at or above the regional average for all indicators, providing further evidence of the quality and value for money we continue to demonstrate despite increasing resource pressures.

Indicator	Period	SCDC performance	East of England average
NI181 - Average time taken to process new benefit claims	2012-13 Q4	10 days	23 days
BV066 - Council tax collection rate	2012-13 full year	99.3%	97.84%
Rent collection	2011-12 full year	99.1%	98.6%
NI157a – Processing major planning applications within 13 weeks	2012-13 Q4	55%	55%
NI157b – Processing Minor planning applications within 8 weeks	2012-13 Q4	67%	66%
NI157c – Processing 'Other' planning applications within 8 weeks	2012-13 Q4	85%	82%
NI192 – Reuse, recycling and composting	2012-13 full year	55.97%	45.78%
NNDR Collection Rate	2012-13	99.5%	97.9%
NI156 – Households in temporary accommodation	2012-13 Q4	42	61

Implications

Financial

24. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implication for the Medium Term Financial Strategy.

Legal

25. There are no specific legal implications arising from this report and recommendations.

Staffing

26. There are no specific staffing implications arising from this report and recommendations.

Equality and Diversity

27. The report is primarily for information and as such as no direct equality impacts.

Climate Change

28. There are no specific climate change implications arising from this report and recommendations.

Consultations

29. 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.
30. The comments of the cost centre managers and directors were requested on the August financial position and projected out-turn. Council Action and Performance Indicator updates have been prepared in liaison with lead officers in each directorate.
31. Risk owners and members of EMT have been consulted regarding the draft Strategic Risk Register and Matrix and their responses have been reflected and incorporated where appropriate.
32. The report was considered by EMT at its meeting on 29 January and will be considered by Scrutiny and Overview Committee on 11 February 2014.

Effect on Strategic Aims

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

Conclusions/Summary

34. The forecast outturn on the General Fund is a net underspend of £42,800, which amounts to 0.27% of the Net District Council Expenditure for the financial year ending 2013/14. The HRA predicted underspend of £96,500 equates to 0.36% of gross expenditure. Capital has a predicted underspend of £60,900, which is 0.4% of gross expenditure.
35. The Council continues to make good progress in implementing its Corporate Plan and is achieving strong performance against many of its key performance indicators. Taken alongside what is known about the district and the context in which the council is operating, this provides a strong base to from which to put in place refreshed Corporate Plan and financial strategies to meet future challenges.
36. The Council's Strategic Risks continue to be proactively managed through control measures to reduce their likelihood and mitigate their impact.

Background Papers: the following background papers were used in the preparation of this report: Original Estimates 2013/14

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