



Report To: Leader and Cabinet
Lead Officer: Chief Executive

28 June 2018

2017-18 YEAR-END POSITION STATEMENT: PERFORMANCE, FINANCE AND RISK

Purpose

1. To provide Cabinet with:
 - A provisional 2017-18 outturn position statement on General Fund, Housing Revenue Account (HRA) and Capital expenditure, including requests for budget rollovers from 2017-18 to 2018-19;
 - Statements on the 2017-18 year-end position with regard to the Council's corporate objectives and performance indicators, and
 - The Strategic Risk Register.
2. Approval of capital and revenue budget rollovers constitutes a key decision, notice of which was first published in the March 2018 Forward Plan.
3. The Strategic Risk Register is currently under management review and will be reported to Cabinet in September 2018, incorporating the priorities of the new Administration; the current version is attached to this report for information at **Appendix F attached**.

Recommendations

4. Cabinet is requested to:
 - (a) Consider, comment on and note the Council's provisional financial outturn position, together with the overview of Corporate Plan 2017-2022 achievements and performance against key performance indicators set out in the report and appendices **A-E attached**;
 - (b) Approve budget rollovers totalling £83,555 on General Fund revenue budgets, £382,839 on HRA Revenue budgets and £3,303,383 on the Capital Programme, as detailed in **Appendices E(1) General Fund Revenue, E(2) HRA Revenue and E(3) Capital**, to be carried forward into the 2018-19 financial year, and
 - (c) Note the Strategic Risk Register at **Appendix F attached**.

Reasons for Recommendations

5. 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.
6. Rollovers are required to be submitted to Cabinet as, subject to approval, they will result in increases in 2018-19 budget estimates for specific, exceptional items that were originally included in the 2017-18 estimates but will now fall in 2018-19. Rolling over revenue and capital budgets will allow the re-phasing of specific

expenditure into 2018-2019 as stated in proposal forms, summarised in **Appendices E(1), E(2) and E(3) attached.**

7. 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

8. This is the final position statement for 2017/18, providing updates in respect of:
 - The Corporate Plan 2017-2022, agreed by Council in February 2017;
 - Key monthly, quarterly and annual Performance Indicators at 31 March 2018, and
 - Draft Budget Outturn variances at 31 March 2018, and
 - The Strategic Risk Register.

Corporate Plan 2017-2022

9. The Corporate Plan 2017-2022 set 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.’

10. We worked to attain our Vision through four strategic objectives: Living Well, Homes for our Future, Connected Communities, and an Innovative and Dynamic Organisation, and 22 accompanying actions. A summary of progress and achievements with each of the actions, bringing together relevant performance information, is set out in **Appendix A** attached.

Key Performance Indicators (KPI) and Corporate Plan outcome measures

11. Cabinet has agreed a suite of 28 key performance indicators (KPIs) to provide a strategic overview of organisational health. Performance against Key Performance Indicators is set out in **Appendix B** attached, accompanied by narrative for each KPI. For the year end performance report, narrative is split into three sub-headings explaining how we did during the year in relation to target and intervention levels, what the context was for levels of performance and what the outlook is for 2018-19.
12. The data in **Appendix B** 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.

Finance

(Note – references in the report and appendices are to 2017-2018 Portfolios which were used for the preparation of outturn figures)

13. Provisional outturn report for General Fund is set out at **Appendix C** attached. Variance explanations are provided in **Appendices C1-C3**.
14. The provisional General Fund outturn as at March 2018 is positive due largely to the staff savings in Finance and Staffing, Housing General Fund and Strategic Planning and Infrastructure portfolios.
15. The March 2018 provisional outturn figures need to be adjusted for rollovers requested. The rollover requests listed in **Appendices E1-E3**, total £83,555 on General Fund revenue budgets, £382,839 on HRA Revenue budgets and £3,303,383 on the Capital Programme.
16. In recent years, capital investment in ICT has been scaled-back whilst the delivery of the ICT function has been in transition and the new shared service has established itself. This has resulted in budgets which were in place to develop the ICT infrastructure being under-utilised. Now that the service has embedded, the capital programme has been re-configured and adopted for our current strategic needs; as such, there is a requirement to reclaim this unutilised budget for our future requirements. A request is therefore being made for a consolidated rollover of £666,000 of unspent ICT budget into 2018-19 to include balances unspent in 2016-17 and rolled over into 2017-18. It is recommended that special dispensation is approved to rollover the total funds available within the ICT capital programme, including those balances that exceed one year.
17. The table below shows the adjusted net March 2018 provisional outturn figures, taking rollover requests into account:

Outturn compared to working budget	Provisional Outturn variance March 2018		Rollover etc requests	Adjusted Outturn variance March 2018	
	£	%		£	£
General Fund	(1,176)	(7%)	84	(1,093)	(6%)
Housing Revenue Account (HRA) – Expenditure	(1,694)	(6%)	383	(1,312)	(4%)
GF Capital	(1,557)	(26%)	3,303	(234)	(1%)
Housing Revenue Account (HRA) – Capital	(1,578)	(9%)			

18. A summary of Earmarked Reserves is also provided in **Appendix D**.

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.

Key lines of income generating activities across the Council	Budget	Actuals	Variance	Comment
	2017/18	2017/18	(positive)/	
			negative	
	£	£	£	
Land Charges	(£254,360)	(£325,589)	(£71,229)	Surplus transferred to Earmarked Reserve
Trade waste*	(£3,517,900)	(£3,602,620)	(£84,720)	These variances are explained under Single Shared Waste Service narrative in Appendix C1
Refuse Recycling Credits*	(£1,180,000)	(£1,004,830)	£175,170	
Paper Recycling*	(£307,700)	(£166,622)	£141,078	
Other Environmental Health charging services	(£95,930)	(£93,747)	£2,183	Variance explained under Environmental Health General narrative in Appendix C1
Taxi Licensing Fees and Charges	(£170,000)	(£257,451)	(£87,451)	Variance explained under Taxi Licensing Service narrative in Appendix C1
Licences under Acts - Fees and Charges	(£115,000)	(£125,920)	(£10,920)	Variance referred under Licences narrative in Appendix C1
Travellers Sites Rents	(£109,700)	(£116,352)	(£6,652)	Variance referred under Travellers Sites narrative in Appendix C1
Development Control Fees	(£1,915,000)	(£1,650,107)	£264,893	Variance referred under Development Control narrative in Appendix C1
Development Control Pre-App Fees	(£120,000)	(£201,206)	(£81,206)	
New Communities Charges for Services	(£431,240)	(£340,554)	£90,686	Variance referred under Growth Agenda/ Northstowe narrative in Appendix C1
New Communities Pre-App Fees	(£75,000)	(£243,778)	(£168,778)	
Total	(£8,291,830)	(£8,128,776)	£163,054	

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

Consultation responses

20. Corporate Plan aims and actions, are based on assessed priorities and are subject to consultation each year prior to adoption.
21. Council Action and Performance Indicator updates have been prepared in liaison with lead officers in each directorate.

Effect on Strategic Aims

22. 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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