

Agenda Item No:

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 9th September 2008

Report Title: Quarter 1 Performance and Financial Monitoring Report

Report By: Jane Hartnell and Peter Grace
Head of Policy, Performance and Sustainability and Head of
Financial Services

Purpose of Report

To advise Members of the performance against the 2008/09 targets in Part II and Part III of the Corporate Plan and related Budget issues.

Recommendation(s)

1. That staff in the Corporate Resources Directorate and Personnel and Organisational Development Service be thanked for their hard work
2. That the Committee be assured that action is being taken to improve any shortfalls in performance and/or to address risks highlighted.

Reasons for Recommendations

To enable the Overview and Scrutiny Committee to undertake their performance management function.

Background

1. Part II of the Council's Corporate Plan sets out the 2008/09 annual targets by service, Part III sets out performance indicators and three-year targets up to 2010/11. These documents together with the associated Budget together form the Council's overarching strategic policy and financial direction for the period up to 2010/11.

2. These are probably the Council's most important documents. The focus of service activity, policy developments, financial commitments, and partnership working is geared towards achieving the goals set out in this Plan.
3. The Overview and Scrutiny Committee play a key role in reviewing performance against the Annual Targets on a quarterly basis.

Performance in Quarter 1 2008/09

4. The appendices attached to this report set out details of performance against targets.
5. Appendix A shows first quarter progress of each Part II target relating to this committee's area of responsibility. Each of the Corporate Plan targets is tagged with a status comment as either:

Achieved:	Target has been delivered successfully
On Target:	Confident of delivery of the target as worded by the end of the year or earlier if indicated in the target wording.
On Target with: Risks Identified	Majority of item on target for delivery, delays possible with some items (to be detailed in text)
Slippage Possible:	There are concerns about ability to deliver within the year – consequences and remedial actions to be described
Will Not Meet Target:	Reasons, consequences and any actions needed

6. Appendix B sets out details of PIs by exception – those that are exceeding target, or where we are at risk of not achieving targets by year-end. In addition, narrative is provided about issues regarding some of the new National Indicators for Members information.
7. At Members request, we will no longer be reporting the previous quarters performance position. This will be effective from quarter 2, we will however ensure the link to the previous quarters monitoring reports is included.

Summary of Financial Information

Revenue Budget

8. The overall position can be summarised below. The original budget has been amended for unspent budgets carried forward from 2007-08, supplementary estimate approvals and the changes arising from Area Based Grant expenditure.



	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
All Directorates	20,816	21,106	290
Net Interest earnings less than anticipated			48
Forecast net variance as at 30th June 2008			<u>338</u>

9. Major variances included in 'All Directorates' are:-

	£'000
* Land Charges - shortfall in income following the downturn in the housing market	130
* Assumed PIER savings re the administrative review will not be achieved this year	83
* East Hill Lift - the continued closure of this lift will affect net income earnings	90
* Pebsham Landfill Site - tipping fee receipts - the use of the tip has been more advanced than had originally been anticipated and income of £162,000 was received in 2007-08 ahead of the assumed profile in 2008-09	162
* Reserve funded items - revised (IT reserve £70k & R&R reserve £90k)	(160)

10. In addition it should be noted that the contingency of £175,000 has been fully utilised in the support of :-

* Tressell Training	£68,000
* Energy contract renewal	£72,000
* Member Allowances	£4,200



* Personnel & Organisational Dev. Project Support £30,000

Capital Programme – variations

11. The overall Capital Programme expenditure to 30th June 2008 was £920,000 against the year's budget of £9,019,000. The budget has been increased from the original figure to reflect the carry forwards of £1,790,000 from 2007-08. The performance is summarised below:-

Budget 2008-09	Actual Spend for Qtr.1	Forecast to Year-end	Forecast Variance over / (under)	Forecast Headline % Under-spend
£'000	£'000	£'000	£'000	
£9,019	£920	£8,583	(£436)	(4.8%)

12. The reasons for the overall variance of £436,000 have been categorised by 'reason' code shown below:-

Reason Code *	Capital Programme – Summary of Variances to Planned Expenditure	Variance over / (under) £'000
	Slippage in programmed expenditure due to:	
A1	- 3rd Party delays in agreed grant draw-downs	(424)
A2	- 3rd Party delays in leases or legal agreements	(40)
A3	- HBC revisions to programming, management and/or invoicing	(643)
	Sub-total	(1,107)
B	Expenditure brought forward from later programme years:	200
C1	Expenditure has exceeded budget:	26
C2	Expenditure has increased to match additional external funding	655
D	Savings – schemes completed for less money:	(10)
E	Schemes not proceeding, deferred or re-scheduled (see H16 for detail)	(200)
	Total 2008-09 Capital Programme variations	(436)

Major scheme variations:



<u>Service Grouping:</u>	Budget 2008-09	Actual Spend to 1st Qtr.	Forecast to Year- end	Forecast Variance over / (under)	Reason *
	£'000	£'000	£'000	£'000	
<u>Head of Amenities & Resort Services:</u>					
<u>LS04 Public Open Spaces Strategy</u> – it is expected that one scheme costing £100k will slip into 2009-10. The Wishing Tree play area costing £100k will be undertaken as will smaller schemes within the provision.	224	6	124	(100)	A3
<u>ES20 Coast Protection Works</u> – a DEFRA allocation of £200k has been received and will be utilised during the year.	0	0	200	200	C2
<u>ES21 Play Pathfinder – Playground Renewal</u> - a new scheme arising from funding made available by the ESSC (£300k for this element)	0	0	100	100	C2
<u>Head of Housing Services:</u>					
<u>H08 Disabled Facilities Grant</u> – it is anticipated that around £900k of grants will be paid out in the year although the sum committed will exceed the budget to allow this to happen.	1,129	136	900	(229)	A1
<u>H16 Central St. Leonards Urban Renaissance</u> – Phase 1 works are now complete with phase 2 works in London Road occurring in Q3 followed by Phase 3 works in Kings Road in Q4. Phase 3 works were delayed by other agency work undertaken earlier in the year, so Phase 4 work now slips into 2009-10. Financially £200k ESSC funding is to be removed from the programme as this will now be spent directly by ESSC during Phase 2 and a further £30k was awarded to the project towards Phase 4 public art.	874	14	300	(200) (374)	E A3



Borough Planning Officer:

PL01 Central St. Leonards Town Heritage Initiative 2 – grant commitment at end of Q1 was £123k and at end July 08 is approx £225k. A clause has now been entered in all grant offers that spend should start within 6 months of the grant offer to speed delivery. Anticipated spend by year end is estimated at £250k-300k

445	53	250	(195)	A1
-----	----	-----	-------	----

Head of Leisure Services:

LS** Play Pathfinder Scheme – Adventure Playground – a new scheme arising from funding made available by the ESCC the creation of an adventure playground (£800k)

0	0	100	100	C2
---	---	-----	-----	----

Head of Regeneration:

RT18 Employment Land – Contract is proceeding ahead of schedule and practical completion is currently due by end Sept 08. Additional £335k Objective 2 funding has been made available of which approx £80k is yet to be allocated to sustainable initiatives for the scheme. Contract retention of 5% for 12 months will apply and it is currently assumed that the £80k will be spent in 2009-10.

792	182	1,047	255	C2
-----	-----	-------	-----	----

RP05-2 Stade Improvements – Work is now underway to appoint various consultants to complete the identified work packages (the Jerwood project) to achieve a planning application in Spring 2009.

0	16	200	200	B
---	----	-----	-----	---

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:



Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes

Supporting Documents

Hastings Borough Council Corporate Plan 2008/09 - 2010/11
http://www.hastings.gov.uk/corporate_plan/default.aspx

Officer to Contact

Jane Hartnell
jhartnell@hastings.gov.uk
01424 451482

