

Agenda Item No:

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 10th December 2008

Report Title: Quarter 2 Performance and Financial Monitoring Report

Report By: Jane Hartnell and Peter Grace
Head of Policy & Performance 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 2 2008/09

4. The appendices attached to this report set out details of performance against targets.
5. Appendix A shows second 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:
 - a. Achieved: Target has been delivered successfully
 - b. On Target: Confident of delivery of the target as worded by the end of the year or earlier if indicated in the target wording.
 - c. On Target with Risks Identified: Majority of item on target for delivery, delays possible
 - d. with some items (to be detailed in text)
 - e. Slippage Possible: There are concerns about ability to deliver within the year – consequences and remedial actions to be described
 - f. 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. Appendix C contains the half year update of all the Performance Indicators which will be published, following the meeting, on Council's website as part of our accountability to local people. In addition there are some 'Plain English' descriptors of the National Indicators for Members information.
8. At Members request, we are no longer be reporting the previous quarters performance position. Please see



<http://www.hastings.gov.uk/meetings/default.aspx> for details of quarter one monitoring reports.

Summary of Financial Information

Revenue Budget

9. 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.

10.	11. Budget 12. £'000	13. Forecast Outturn £'000	14. Variance 15. £'000
16. All Directorates	17. 21,074	18. 21,629	19. 555
20. Net Interest earnings greater than anticipated in first half of year	21.	22.	23. (32)
24. Forecast net variance as at 30th September 2008			25. 523
26. Major variances include:-			
			£'000
* Reductions in income (rents, land charge fees, planning fees, car parking fees)			423
27. * Assumed PIER savings re the administrative review will not be achieved this year			28. 83
29. * Directorate wide budget reductions			31. (676)
30. * Directorate wide approved growth & commitments			32. 688
33. The Council's budget is currently estimated to be in balance as at 31 March 2009 following the identification of directorate-wide budget reductions, the full use of the contingency provision and the funding of additional legal fees in respect of the Foreshore Trust from reserves. However the financial position is expected to deteriorate further in the second half of the year and as such further measures are being considered to reduce expenditure.			34.



Capital Programme

35. The overall Capital Programme expenditure to 30th September 2008 was £2,366,946 against the year's new projected target of £7,950,000.

36. The major variations at this point in time compared to original budget plus previous years slippage (£9,019,000) are:-

Service Grouping:	Revised Budget 2008-09 £'000	Spend to 2nd Qtr. £'000	Project ed to Year- end £'000	Variance over / (under) £'000
H08 Disabled Facilities Grant – 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.	1,142	393	900	(242)
H14 Central St.Leonards Renewal Area – £468k has been committed but so far little actual expenditure. There are a number of large assistance packages outstanding. There may be a risk of slippage, which may, to a degree, balance out with an over-spend against H07.	908	218	750	(158)
H16 Central St.Leonards Urban Renaissance – the bulk of the current years provision is planned for the Kings Road corridor due to start in January 2009. There is a likelihood of significant slippage.	874	75	540	(334)
LC20 West Hill Cliff Railway and East Hill Cliff Railway – the principal consultant has been appointed and tenders for the main contract will be returned in December. It is probable that there will be some slippage, but it is too early to be certain of the amount.	365	13	100	(265)
	Total of major variations			999



13. You should also note these areas of risk:-

LC19 Alexandra Park Depot – Quadron have not carried out work to renew depot facilities and have not paid the weekly rental in respect of the Bulverhythe Depot.

ES04-2 Office Accommodation – work is progressing well to the lower ground and upper ground floors at Aquila House, but Cavendish House v Aquila 4th floor still unresolved re leases. This could delay moves out of Century House and dilapidations works to that building - there is also a risk of time now running out to resolve this. The implications are extra revenue costs to continue occupation of Century House.

RP08 Seafront Decorative Lighting – the tender has now been returned and is significantly above the budget for a full 15 year life. Negotiations are being undertaken with other non-compliant tenderers to cost for a 15 year life.

CL32 Castle & West Hill Lift – funding application – a decision will need to be taken to add resources if this work is to continue due to priority workload on the Destination Stade project.

ES23 Bulverhythe Depot – a potential income stream is available if 3rd party interest in a substantial part of the site comes to fruition in early 2009. Capital works are required to the site to enable this to be delivered and ensure health & safety issues relating to the site management can be resolved.

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

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

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



Officer to Contact

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