

Agenda Item No:

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 10th March 2009

Report Title: Quarter 3 Performance and Head of Financial Services

Report By: Jane Hartnell and Peter Grace
Head of Policy and 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 3 2008/09

4. The appendices attached to this report set out details of performance against targets.
5. Appendix A shows third 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 with some items (to be detailed in text)
 - d. Slippage Possible: There are concerns about ability to deliver within the year – consequences and remedial actions to be described
 - e. 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 are no longer be reporting the previous quarters performance position. Please see <http://www.hastings.gov.uk/meetings/default.aspx> for details of quarter two monitoring reports.

Summary of Financial Information

8. Both the Revenue Budget and the Capital Programme have been approved by Cabinet at its meetings on 15th January and 12th February 2009. The revised budgets for 2008-09 as now approved are shown below.

9. Revenue

| | Original Budget £ | Revised Budget £ |
|---|----------------------|---------------------|
| Net Council Expenditure (after the use of earmarked reserves) | £21,793,540 | £22,402,110 |

10. The difference of £608,570 is explained by:-

- a. the carry forward into 2008-09 of unspent 2007-08 budgets amounting to £549,000, although this is matched by the additional sum transferred into the General Reserve last year because of the under-spend.
- b. Additional Area Based Grant (ABG) expenditure matched by extra ABG grant of £63,000 awarded during the year.

11. Savings in existing budgets have either been identified to bring the Council's overall budget into balance, or in the case of the Concessionary Travel Scheme, funding the recently notified increase of £369,000 from the Capital Reserve.

12. Capital

13. The capital programme was originally agreed at £7.229m, but with the re-profiling of expenditure, savings, new schemes and other variations the revised total is £7.678m which shows an increase of £449,000. Council funding of schemes however has risen by £684,000.

14. Significant variations include:-

| | £ k | £ k |
|--|-------|------------|
| a) re-profiling of expenditure on existing schemes | | (850) |
| b) additional expenditure- | | |
| Disabled Facilities Grants | 100 | |
| Employment Units at Stirling Road | 132 * | |
| Office Accommodation | 196 | |
| Stade Improvements | 400 * | |
| Other | 84 | 912 |
| c) savings arising from schemes | | (133) |
| d) new schemes arising during the year- | | |
| Toilet Closures | 60 | |
| Play Pathfinder schemes | 240 * | |
| Bulverhythe Depot improvements | 180 | |
| Jackson Hall refurbishments | 40 * | 520 |
| | | <u>449</u> |

* these variations are matched by funding from external sources

15. The planned funding of the Capital Programme has changed as follows:-

| | Original plan £ k | Revised £ k |
|---------------------------------------|----------------------|----------------|
| Gross expenditure | 7,229 | 7,678 |
| Assumed slippage | (500) | (500) |
| Capital grants and contributions | (3,771) | (3,536) |
| Amount to be met by Council resources | <u>2,958</u> | <u>3,642</u> |
| Funded by:- | | |
| New capital Receipts | 2,183 | 686 |
| Use of Capital Reserve | 600 | 650 |
| New Loans | 175 | 2,306 |
| | <u>2,958</u> | <u>3,642</u> |

16. The additional need to borrow gives rise to additional revenue costs of interest on borrowing and the MRP (Minimum Revenue Provision) to repay debt over the life of the assets. At an assumed composite rate of 9% this equates to an extra £192,000 in a full year (but not taking effect until after 2008-09). The first effect is factored into next year's revenue budget.

17. Reserves

18. Reserves and balances are estimated to be £6.33m at 31 March 2009. There has been an additional take from earmarked reserves in the current year of £104,000 and an extra take from the General Reserve of £546,000.

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

Appendix A: Third quarter progress of each Part II target relating to this committee's area of responsibility
Appendix B: Details of PIs by exception

Officer to Contact

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