

Management Committee

31st October 2017

Business Review 2017/18 – For period ending 30th September 2017

For Decision

Briefholder

Cllr Jeff Cant – Finance & Assets

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

Christian Evans – Financial Performance Manager

Statutory Authority

Members have a responsibility under the Local Government Act to regularly review the Council's financial position and this report fulfils this requirement.

1. Purpose of Report

- 1.1 To set out the Council's performance across all services. This is broken down into financial performance, key performance indicators and risks on a service by service basis.

2. Officer Recommendations

That members:-

- 2.1
 - a) Note the predicted outturn for the 2017/18 revenue and capital budgets.
 - b) Note the KPI's for each service for the period and any actions being taken.
 - c) Note the Service Plan updates provided by Heads of Service / Corporate Managers
 - d) Note the high risks for each service area and any actions being taken.

3. Reason for Decision

- 3.1 The report is the key accountability tool for the performance of all the Council services. The report contains the strategic position of the Council's finances combined with performance statistics and service risks.

4. Background and Reason Decision Needed

- 4.1 This report is considered by this Committee as they have the delegated responsibility in the Constitution from Full Council to monitor the budget. The report is also considered by the Joint Advisory Audit and Accounts Committee as the year end financial position is a key component of the Annual Statement of Accounts which they adopt each year. The Joint Advisory Scrutiny Committee also consider the report and will identify any areas that they wish to scrutinise in more detail.
- 4.2 The budgets shown in Appendix 1 are 'controllable costs'. This is expenditure / income where the Head of Service / Corporate Manager has influence. Capital charges (depreciation) and service recharges are not shown. The budget holder has then made an assessment of the likely outturn for the financial year, which has been compared to the budget to identify any potential outturn variances. If there is a projected variance, then the budget holder has to provide a comment explaining the reason and outline what corrective action is being taken.
- 4.3 Key Performance Indicators are measures of service performance that are monitored. They have been developed by each Head of Service / Corporate Manager in conjunction with relevant Briefholders / Portfolio holders and are standard across all three councils.
- 4.4 Each service maintains a service risk register and the summary of the number of risks in each category is included within the report. Where a risk is scored as high or very high, the full details of the risk and mitigating actions are detailed.

5. Report

- 5.1 The predicted year end outturn position on the revenue budget monitoring report is estimated to show a £217,971 favourable variance. This is a total variance of 2.7% against the 2017/18 budget requirement of £8,079,852.
- 5.2 The revenue predictions above do not include variances for the Harbour activities. The monitoring of the Harbour budget and any corrective action is the responsibility of the Harbour Board. The current predicted year-end position for the Harbour budget is £79,705 favourable.
- 5.3 Heads of Service and Corporate Managers produce a Service Plan every year for each of the 12 services. In Appendix 2 Managers have provided an update of achievements so far this year, as well as actions still to be completed.
- 5.4 Key Revenue / Performance issues to date
 - Planning Development Management – The improvement plan is in full flow and performance has increased considerably since its inception.
 - A new Intelligent Scanning system has been implemented. For WPBC this has led to approximately 40% of payments to creditors being paid within 5 days leading to improved cash flow to local businesses that trade with the Council.

- A significant amount of Tri Council Partnership savings has been achieved ahead of the 2018/19 budget.
- Assets & Infrastructure has seen additional income from car parking, there are a number of vacancies throughout the service. Additional income has been received from non operational properties.
- Planning income is considerably down on predicted levels given the lack of major building projects in the Borough.

Current / Future issues

- Weymouth & Portland is marginally under the 5 year target for supply of housing. It currently shows 4.9 years.
- Affordable Housing – The target of 33 affordable homes has not been met by quarter 2, it is hoped that the target range of 50 - 65 homes will be met by the end of the financial year.
- Land charge performance has reduced this quarter with resilience being an issue. This is currently being addressed by the Corporate Manager.

Capital

- 5.5 The predicted 2017/18 overall scheme variance showing on the Capital Budget Monitoring appendix 3 is £429,133 favourable against a 2017/18 scheme budget of £493,439. The delay in the Weymouth Harbour Walls Remediation project makes up the majority of the predicted under spend for the year but this will be incurred in 2018/19. The capital budget has been re-profiled to reflect this.

Key Capital issues

- Weymouth Harbour Walls Remediation Project – The design and application for consents & preparation of tender documents are progressing. Construction of Wall D will hopefully begin in autumn 2018. Wall C will be a separate contract but preparation work has started.
- The compulsory purchase order scheme for a property on Portland has begun. This scheme will eventually bring the land back into housing use.

6. Corporate Plan

- 6.1 The service performance and targets reflects the current Corporate Plan.

7. Financial Implications

- 7.1 These are predictions based at the information available at 30th September 2017. Any variance at the end of the financial year will impact upon the level of General Reserves.

8. Risk Management (including Health & Safety)

- 8.1 High and very high risks are reported in detail in Appendix 2. Service risk registers can be found in the Councils performance system (QPR).

- 8.2 There is a risk the Council will overspend its budget for the year.

9. Appendices

- 9.1 Appendix 1 – Graph showing the predicted outturn position of the twelve services with overall commentary
- Appendix 2 – Overall service reviews of the performance, Service Plan update & risk
- Appendix 3 – Capital budget monitoring
- Appendix 4 – Treasury management update

10. Background Papers

- 10.1 The Council's financial information system
- 10.2 The Council's corporate performance system (QPR)

11. Footnote

- 11.1 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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