

# **Management Committee**

## **6<sup>th</sup> February 2018**

### **Business Review 2017/18 – For period ending 31<sup>st</sup> December 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) Approve £100,000 to be transferred to the 'once off projects' reserve. This will be funded from a Car Parking business rates refund, as detailed in paragraph 5.3.
  - b) Approve the revenue carry forwards as detailed in appendix 3.
  - c) Note the predicted outturn for the 2017/18 revenue and capital budgets.
  - d) Note the KPI's for each service for the period and any actions being taken.
  - e) Note the Service Plan updates provided by Heads of Service / Corporate Managers.
  - f) 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 Joint Advisory Scrutiny Committee also considers 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 £263,563 favourable variance. This is a total variance of 3% 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 £77,205 favourable.
- 5.3 Car Parking has received a significant refund after a recent successful business rates revaluation. This refund would be transferred to the 'once off projects' reserve with a view to being made available for conservation enforcement and town centre improvements. Reports on these projects will be considered by Management Committee in March.
- 5.4 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.
- 5.5 Key Revenue / Performance issues to date
  - Assets & Infrastructure has seen additional income from car parking as well as a large business rates revaluation refund. 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

- A number of new KPIs have been introduced around Housing and Car Parking.
- Weymouth & Portland is marginally under the 5 year target for supply of housing. It currently shows 4.9 years. Where there is no five-year housing land supply, relevant local plan policies for the supply of housing should not be considered up to date, so cannot be given as much weight in decisions.
- Affordable Housing – The target of 33 affordable homes has not been met by quarter 2. Only 1 rented home has been delivered so far this financial year. The pipeline for Weymouth and Portland is improving with sites to deliver affordable housing moving forward. There are currently 39 affordable homes under construction at Curtis Field, Pemberley and the Waverley Arms. Further homes will also be delivered through the off site provision at Lorton lane.
- Land Charge processing performance has improved this quarter from 26 working days to 18 working days. The recovery plan continues to be implemented.

#### Capital

- 5.6 The predicted 2017/18 overall scheme variance showing on the Capital Budget Monitoring appendix 4 is £251,867 favourable against a 2017/18 scheme budget of £461,826.

#### 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 31st December 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 12 services
- Appendix 2 – Overall service reviews of the performance, Service Plan update & risk
- Appendix 3 – Revenue carry forward requests
- Appendix 4 – Capital budget monitoring position
- Appendix 5 – 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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