

Scrutiny Committee

23 June 2014

Year-end Performance Monitoring Report

1 April 2013 – 31 March 2014



Lead Member: Councillor Margaret Smith, Leader of the Council

Lead Officer: Ian Parker, Director of Corporate Governance & Business Transformation

Introduction

The Council's corporate plan was agreed in September 2011 following extensive engagement with councillors after the May 2011 elections.

To ensure the Council's performance is managed effectively regular reports are provided to the Scrutiny Committee and Cabinet as part of our robust performance management framework.

This report outlines the Council's performance from 1 April 2013 to 31 March 2014 against:

- ▶ Corporate plan measures of success/targets
- ▶ Corporate plan key actions
- ▶ Budget and financial performance
- ▶ Risk management

The purpose of this report is to allow Members to assess how the Council is performing to ensure it is delivering on the key things that matter to South Ribble and ensure we continue to improve.

Our Measures of Success/key targets

A full breakdown of how we have performed against the corporate plan measures of success/key targets is included at Appendix 1.

Highlights from the results show:

- ▶ 19 out of the 21 measures of success that can be measured have been achieved during the year. Part of 1 target for the occupancy of Leyland town centre retail units has not been met. The one remaining measure will be collected during the year.
- ▶ Our corporate survey was undertaken by Gateway and is statistically valid to a margin of error +/- 5% and showed:
 - 96% - satisfied overall with the local area as a place to live
 - 95% - satisfied with the Council.
 - 95% - satisfied with the waste and recycling collection service
 - 97% - confidence in South Ribble as a safe place
- ▶ 49.6% of household waste sent for reuse, recycling and composting
- ▶ Council tax - frozen for the fourth time in 5 years.
- ▶ Efficiencies of £515,000 achieved.
- ▶ 96% of staff satisfied with the Council as an employer

Our Achievements

Headlines:

- ▶ Frontline services maintained
 - ▶ Employee redundancies limited
 - ▶ Efficiency targets achieved:
 - £515,000 - 2013/2014
 - £643,000 – 2012/2013
 - £1.8M – 2011/2012
1. The Preston, South Ribble and Lancashire City Deal has been signed
 - ▶ Potential of £1bn of investment over the next ten years
 - Major contribution to economic prosperity of Lancashire and region
 2. Increase in amount of waste recycled
 - ▶ Tonnage of residual waste fallen for ninth consecutive year
 - Missed bins remain extremely low - collection rate 99.97%
 3. Investment continues to be made in our parks and open spaces
 - ▶ £100,000 investment in parks/open spaces for next 4 years
 - ▶ Additional £200,000 invested in current year
 - Capital projects delivered at Withy Grove, Farington Park, Worden Park
 - ▶ Prestigious Green Flags retained again for Worden Park, Longton Brickcroft, Hurst Grange Park
 4. Proactive approach to environmental enforcement continues
 - ▶ 283 fixed penalty notices issued (281 in 2012/2013)
 - ▶ 47 written warnings given
 - ▶ 6 successful prosecutions
 5. Overall crime figure reduced by 9.3% compared with last year
 6. My Neighbourhood Forums have transformed the way we involve communities
 - ▶ 'My Neighbourhood' actions plans and priorities agreed
 - ▶ Action plans are being implemented with Members and communities,
 - ▶ Early successes including Walmer Bridge Bridge, Higher Walton Regeneration, mobile skate park, Lostock Hall Market, New Longton Memorial Gardens, Leyland Live! and Penwortham Live!
 7. Economic Development team supported 300+
 - ▶ Business networks continue to be supported
 - The 'Big Do' attracted circa 200 organisations
 - Inward investment campaign to bring more businesses to South Ribble launched

8. Partial version of Site Allocations Development Plan Document approved by Council (November 2013).
9. Community Infrastructure Levy Charging Schedule implemented
 - ▶ Assists delivery of infrastructure to support the LDF developments
10. Occupancy of our commercial property increased from 80% to 87%
 - ▶ Income targets of almost £1m achieved
 - ▶ Flexible approach adopted to smaller industrial properties has increased the number of fledgling businesses occupying units.
11. New public health arrangements came into operation on 1 April 2013
 - ▶ Relationships continue to be built with Lancashire County Council and the Clinical Commissioning Groups through the Chorley & South Ribble Health and Wellbeing Partnership
12. Increase in use of leisure centres
 - ▶ 19% increase in leisure card membership
 - ▶ 23% increase in fitness suite memberships
 - ▶ 19% increase in SWIMLIFE use
13. 4000 primary school children involved in Olympic Legacy Programme
 - ▶ 35 primary schools received level 2 Bikeability training
14. Our Gateway Team retained the prestigious Customer Service Excellence accreditation for a further year.
15. A number of Welfare Reform changes have impacted on the Council's Benefit service and where appropriate these have been implemented, including:
 - Under Occupancy
 - The Benefits Cap
 - Disability Living Allowance replacement to Personal Independence Payments (PIP)
 - Social Fund
 - Discretionary Housing Payments

Financial Picture

With regard to the Council's revenue budget the actual net revenue expenditure for 2013/14 was £12.766 million. When this is compared against the Council's budget it gives a deficit to be funded from general reserves of £0.800 million. It had been previously reported, and approved, that the expected transfer would be £0.956 million in addition to the delivery of a budget efficiency programme totalling £0.515m. This means that there is a favourable movement of £0.156 million. This variation has been brought about predominantly by a number of significant one-off items that have, in totality, improved the year-end financial position. A summary of the significant items is set out below:-

Item	(Positive)/ Negative Movement £000
Revenue Service Budget:	
Expenditure	(114)
Income	(72)
Housing/Council Tax Benefits – Bad Debts Provision to take account of the Government's welfare reform changes and introduction of Universal Credit which may adversely impact on the recovery of benefit overpayments from on-going benefit entitlement	205
One off transfer to Business Rates Retention Reserve to mitigate against the impact of future years income volatility.	101
Icelandic Investment - write back of impairments made in previous years as a result of the required accounting treatment as set out by the Charter Institute of Public Finance and Accountancy.	(276)
Total Movement	(156)

The main areas of underspend against the revenue service budget were within the premises and supplies and services spend categories. The investment property portfolio financial performance improved further as budget put aside for repairs and maintenance was not required. Also as more units were let then expected this also made a contribution to the improved budget out-turn position. As well as reduced expenditure, additional income was received. This came predominantly from court costs recovered.

In respect of the Council's Capital Programme budget the outturn spend at the end of the year amounted to £1.732 million compared to a total budget of

£2.511 million. This is a budget variation of £0.779 million of which £0.755 million relates to schemes that will be completed in the next financial year 2014/15. This means that the Capital Programme underspent by £0.024m in 2013/14, this is predominantly caused by savings realised by negotiating the cost of wheelie bin replacement with our service partner.

The programme was financed using Prudential Borrowing, Fund Balances and Reserves, Capital Receipts, Developers' Contributions and Government Grants.

The following table shows the Council's overall level of revenue reserves as at 31st March 2014 excluding the impact of the new Business Rates Regime. These reserves are supported by strategic spending plans and at this stage are subject to the approval of the draft Statement of Accounts.

REVENUE RESERVES	31st March 2014 £'000
General Fund Reserve	4,109
Earmarked and other Reserves	9,017
Total	13,126

The amount held in reserve should be considered in the context of the following issues that will have a significant impact on the Council's budget in future years:-

- (1) The budget pressures facing the Council in future years and the inherent uncertainty and risk of significant fluctuations in levels of income now included in the core grant regime.
- (2) The Council was able to secure a recurring, annual budget saving of £0.115m by paying three years' Pension Contributions, covering the period 2014/15 to 2016/17, in one payment upfront in April 2014. The advanced payments made for 2015/16 and 2016/17 will be funded from contributions from the General Fund Reserve which will reduce its balance by £1.315m in 2014/15.
- (3) The current forecast budget gap within the Medium Term Financial Strategy is as follows:-

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Budget Gap	0.542	1.374	1.715	2.512
Contribution from Reserves	(0.132)	-	-	-
Budget Efficiency Programme 2014/15	(0.410)	(0.360)	(0.410)	(0.410)
Budget (Surplus)/Deficit	0	1.014	1.305	2.102

Further information concerning the Council's financial performance for 2013/14 can be found in the reports being presented to the Governance Committee meeting on 25 June 2014.

Managing Risks

The Corporate Risk Register is the most important component of the Council's Risk Management Framework and a key element of the overall Performance Framework. It is the vehicle by which the Council aims to identify and address any potential risks to the achievement of its strategic objectives and goals. It complements the Corporate Plan and assists in managing its on-going delivery.

Appendix 2 summarises the actions taken by management to implement the Key Actions contained in the Corporate Plan and other corporate level actions that mitigate the key risks and opportunities in the Corporate Risk Register for 2013/14.

All of the actions have a green rating indicating that sufficient progress has been made to implement them to date. The number of green ratings has been influenced by the fact that the majority of the planned key actions within the Corporate Plan continue to develop and mature; they remain on track to deliver the expected outcomes.

There are no red or amber rated actions.