

BUDGET AND PERFORMANCE PANEL

Quarter 3 Corporate Performance and Financial Monitoring Report 21 February 2012

Report of Assistant Head (Partnerships) and Accountancy Services Manager

PURPOSE OF REPORT

To present the corporate performance report for Quarter 3 of the 2011/12 Performance Review Team Cycle

This report is public

RECOMMENDATIONS OF ASSISTANT HEAD (Partnerships) and ACCOUNTANCY SERVICES MANAGER

- (1) That Budget and Performance Panel considers and comments on the Quarter 3 Corporate Performance and Financial Monitoring Reports of the 2011/12 Performance Review Team Cycle.
- (2) That Budget and Performance Panel considers the arrangements for the future scrutiny of corporate performance making recommendations to Council Business Committee as necessary.

1.0 Corporate Performance Review

- 1.1 Quarter three Performance Review Team (PRT) meetings with individual Cabinet members were held between 17 and 26 January 2012. These are presented by Service Heads covering each portfolio area and related corporate priorities.
- 1.2 PRT reports discussed at these meetings set out performance on service delivery (including corporate projects and programmes) using the following RAG (Red, Amber and Green) reporting system.

Corporate/Service Plan Outcome Delivery

Rating	Target for delivery	Description
R(ed)	Significantly behind target	We have either not achieved or do not expect to achieve what we set out to do
A(mber)	Slightly behind target	We are behind schedule but still expect to achieve what we set out to do through actions/plans within the Service
G(reen)	On target	We have either achieved / exceeded / expect to achieve what we set out to do

Project and Programme Delivery

Rating	Time	Cost	Benefits
R(ed)	Significantly behind time	Significantly over budget	Significant action needed to realise stated benefit(s)
A(mber)	Slightly delayed	Slightly over budget	Some action needed to realise stated benefit(s)
G(reen)	On time	Within budget	On track to realise stated benefit(s)

- 1.3 The PRT reports also highlight achievements against key work areas together with any problems/ opportunities encountered during the previous quarter or forecast in the future. This information helped to facilitate meaningful discussions on progress over the previous quarter and any action(s) needed to get delivery back on track.
- 1.4 Individual Cabinet Members were also provided with financial reports for Quarter 3 covering their portfolio and service areas and provided with reasons for any variances and actions being taken to address these.
- 1.5 The Corporate Performance Review report was considered by the Leader of the Council on Wednesday 08 February 2012 indicating **only** those activities with a R(ed) status where further corporate intervention is/is likely to be necessary to achieve the stated outcome or realise the benefits of projects/programmes.
- 1.6 This report is attached as **Appendix A** and indicates that at Quarter 3 there are **no** activities where performance on the delivery of planned outcomes have not, or are not expected to be, achieved within target without further intervention at a corporate level.
- 1.7 Only the realisation of potential benefits arising from the delivery of the proposed Lancaster Town Hall Secondary Glazing Project is currently indicating a Red Status. This is because a cost/benefit analysis has been commissioned which should provide the information needed to make an informed decision on the viability of such a project. The result of this analysis is expected soon.
- 1.8 Whilst the published Corporate Performance Report indicates only areas of work and projects that are forecast to, or are already experiencing difficulties, it is important to acknowledge that overall corporate priorities are on track to be achieved. Notable examples include:
 - Ongoing involvement and support for the investment in the new energy infrastructure in the region, including the National Grid project and Heysham Power Station
 - Targeting action to build on the districts potential for tourism, including Williamson Park which has developed its retail offer and visitor service provision resulting in £16K increase in income compared to 2010/11
 - Developing plans for the increased provision of a housing offer that addresses the needs of vulnerable people
 - Delivery of a suite of projects, such as the Solar PV Project, aimed at reducing the council's energy costs and increasing income

- Ongoing delivery of the services that matter most to people including keeping our streets and open spaces clean and safe
 - Continuing to work with partners to reduce costs and make efficiencies through joint working and shared services
- 1.9 The *Qtr 3 Corporate Financial Monitoring* for General Fund and the Housing Revenue Account (HRA) was also considered at the Leaders PRT meeting. These are attached as **Appendix B and Annexe A** respectively. The main points to note from the report are as follows:
- General Fund revenue budget current underspend of £119K, projected to reduce to £59K by the end of the financial year.
 - HRA has no major variances to report.
 - Capital programmes for both General Fund and HRA have been updated as part of the current budget process. General Fund capital receipts have been reprofiled to allow for the anticipated delay in the sale of land at South Lancaster.
 - Revenue collection performance is still on target.
 - A small surplus of £73K is being projected on the Collection Fund account, of which the Council's share equates to £9K.
 - Sundry debt levels have reduced by almost £500K from the previous quarter down to £2.1M.
- 1.10 As a result of the meeting with the Leader an *Action Plan* has been produced, setting out the *Key Actions Agreed*. This is included at **Appendix C** together with information on progress to date on outstanding actions. The Action Plan that forms part of the Corporate PRT Reports outlines planned and ongoing actions that have been discussed in PRT meetings to deliver key areas of work. Service Heads have been asked to provide a more detailed briefing note on the actions identified and these will be made available to Budget and Performance Panel prior to the meeting.

2.0 Scrutiny of Corporate Performance

- 2.1 Over the last few years the timetabling of Cabinet and Budget Performance Panel meetings has meant that the Corporate Performance Report has been considered by Cabinet prior to being scrutinised by the Budget and Performance Panel.
- 2.2 In the 2011/12 municipal year it became apparent that the timetabling of both Cabinet and Budget Performance Panel meetings did not align well with Council's performance reporting cycle. With this in mind a proposed timetable has been drafted – **see Appendix D** - that will afford the Budget and Performance Panel an opportunity to scrutinise corporate performance, in line with their Terms of Reference, prior to Cabinet so that recommendations can be made for their consideration.
- 2.3 The Council Business Committee has delegated authority to agree the annual timetable of Committee meetings and the draft timetable for 2012/13 will be considered at their meeting on 15 March 2012. As such, the Budget and Performance Panel are asked consider arrangements for the future scrutiny of corporate performance, making recommendations to Council Business Committee as necessary.

3.0 Conclusion

- 3.1 The Council's Performance Management Framework requires the regular reporting of operational and financial performance to Cabinet as part of the Performance Review Team cycle of meetings. The Corporate PRT report provides a summary of key matters and associated actions that have arisen in the quarter that have been escalated to the Leader of the Council and Finance Portfolio Holder for attention.
- 3.2 Overall the Corporate PRT report for this quarter demonstrates that positive action has/is being taken to manage corporate performance towards the achievement of stated outcomes and priorities within the Corporate Plan.
- 3.3 Budget and Performance Panel are asked to consider the proposed timetable and arrangements for the future scrutiny of corporate performance and to make recommendations to Council Business Committee as considered necessary.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None arising from this report

LEGAL IMPLICATIONS

None arising from this report

FINANCIAL IMPLICATIONS

As set out in the attached report.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

None arising from this report

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Performance Review Team Reports

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