



REPORT OF:	DIRECTOR OF FINANCE AND ORGANISATION
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TO:	EXECUTIVE
DATE:	13 September 2018
EXECUTIVE MEMBER:	COUNCILLOR SCHOFIELD

KEY DECISION REQUIRED:	NO
WARD (S) AFFECTED:	ALL

SUBJECT:	QUARTERLY PERFORMANCE REPORT (Q1 2018-19)
RECOMMENDATION: To note the performance outlined in the attached report.	
REASONS FOR RECOMMENDATIONS: To consider performance for the first quarter of the financial year 2018-19.	
EXECUTIVE SUMMARY: The attached report provides the headline issues in relation to the Council's overall performance for Quarter 1. The attached report (Annex 1) was considered by the Overview and Scrutiny Committee on 6 September 2018.	

Executive has authority to approve the above recommendation.



Subject:	Quarterly Performance Report (Q1 – April to June 2018)
Officer:	Jocelyn Convey
To:	Overview and Scrutiny Committee, 6 September 2018
Purpose:	To consider the key service performance for the first quarter of the year 2018-19.

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 1.

The detailed information showing all performance is available for Members to review at the eMembers room.

The headline performance information is set out in the following Annexes:

Key Performance Indicators	Section 1
Revenue Budget Monitoring	Section 2
Capital Budget Monitoring	Section 3
Risk Management	Section 4
Internal audit	Section 5

Recommendation

The Committee is requested to review the performance update, consider any advance questions received in relation to strategic issues and make any observations to the Executive.

Section 1

KEY PERFORMANCE INDICATORS

Headline Information

Of the 14 Key Performance Indicators reported this quarter, 8 are on target or within the agreed tolerance. The data for KPI 14 (recycling rate) is available retrospectively, with Q1 data available in Q2. As such, performance for Q4 2017/18 is reported this quarter, and is in excess of the target set.

KPIs 4-8 are contextual homelessness indicators introduced to reflect the changes required by the Homelessness Reduction Act (2017). As the impact of the new legislation is uncertain, no target has been set for these indicators this year. Performance this year will therefore inform targets for next year.

Major variances (those off target)

KPI 3 - Number of affordable homes	
Target	Actual
25	8

Management comments/actions:

Although the status for this indicator is red, achieving this target falls outside the control of the Council, instead being dependent on the performance of private developers.

Total number of affordable dwellings under construction: 69

Number of affordable dwellings commenced in Q4: 15.

eMembers room information

A copy of the full schedule can be found in the eMembers room.

REVENUE BUDGET MONITORING

SECTION 2

Reconciliation of Original Budget to Management Budget for 2018-19

	£'000	£'000
Original Budget		15,494.5
Transfers from Reserves:		
Corporate Plan Delivery Fund	1,653.1	
Allocation of CIL funds	100.1	
		<u>1,753.2</u>
Management Budget		<u>17,247.7</u>

Headline Revenue Budget information 2018-19

	£'000
Management Budget	17,247.7
Forecast Year End Outturn	17,344.5
Projected overspend	96.8 (or 0.6% of the budget)

Table 1: Major Revenue Variances



Major Variances

Planning Policy:

Forecast underspend relates to posts created in the business plan that are currently vacant, mainly pending work programming, in line with Corporate Priorities.

Development Management:

Income from planning fees continues to remain buoyant with a surplus over the budget being forecast at this stage.

Legal Services:

Legal overspend of £70k relates to a reliance on locum staff and external advice to deliver the service. Land charges income still under recovered against budget by £27k.

Car Parking:

In 2017-18 parking ticket receipts (PCN) were lower than budget levels and the profile of receipts in 2018-19 so far, is similar. In addition there has been the loss of the contract fee for providing Tandridge DC with their off-street enforcement. A growth bid for this loss of income from TDC will be requested in the 2019/20 budget setting round.

eMembers Room Information

Further information has been provided in the eMembers' room to support the Committee's consideration of the monitoring report as follows:

- Impact on Reserves
- Budget Monitoring Summary
- Key Variances

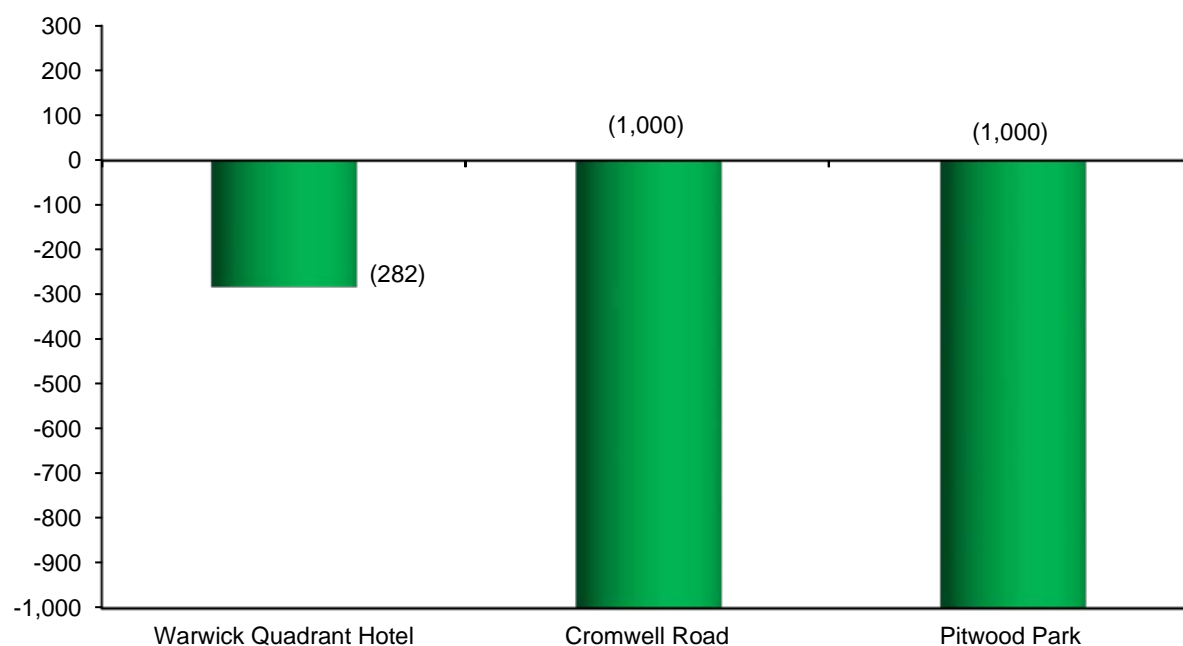
CAPITAL BUDGET MONITORING

Section 3

Headline Capital Budget Information, Quarter 1 2018/19

Current Budget:	£11,769,200	
Forecast Expenditure:	£8,687,200	
Projected Underspend:	£3,082,000	(or 26.19% of budget)

Table 1: Major Capital Variances (£000)



Major Variances

Warwick Quadrant Hotel: £282k is currently being reported as an anticipated underspend; following the expected completion of all snagging in 2018/19.

Cromwell Road: Planning decision due to be made 5th September 2018 at which point the design team will be selected. Demolition of the buildings is expected to be carried out in December 2018 and the construction tender to be finalised by February 2019. Start on site is planned for Q1 2019/20 therefore the budget will be re-profiled to the next financial year.

Pitwood Park: Planning, demolition, design team selection and start on site is expected to follow the same time scales as Cromwell Road (above). However, the V&A have shown interest in the door panels and some other structural items and intend to visit the site prior to demolition to salvage these items. It is not expected to cause any delay in the demolition of the existing building or have an impact on the next stage of the development. Start on site is scheduled to commence in Q1 2019/20, as such the budget will be profiled to the next financial year.

eMembers Room Information

Further information has been provided in the eMembers' room to support the Committee's consideration of the monitoring report as follows:

- Reconciliation of Capital Programme to Approved Budget
- Budget Monitoring Summary

Section 4

RISK MANAGEMENT

A risk management update is not provided in this quarter.

No new strategic risks were identified in Q1.

Section 5

INTERNAL AUDIT

Background

The annual Audit Plan is agreed by the Overview and Scrutiny Committee.

SCORING

RED	Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).
AMBER/ RED	Taking account of the issues identified, the Authority can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).
AMBER/ GREEN	Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).
GREEN	Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

Headline Information

During the last quarter the following 2 internal audits have been completed:

Name of Audit	score
Dog Warden	Amber / Green
Property Maintenance	Green

Recommendations with a high priority

None

Management action

N/A

eMembers room information

Copies of the individual audit reports are available on eMembers

