



<b>Subject:</b>	<b>Quarterly Performance Report (Q1 – April to June 2017)</b>
<b>Officer:</b>	Gavin Handford/Jocelyn Convey
<b>To:</b>	Overview and Scrutiny Committee, 7 September 2017.
<b>Purpose:</b>	To consider the key service performance for the first quarter of the year 2017-18.

## 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 Key Performance Indicators reported in this quarter, 7 are on target or within agreed tolerances. KPI 4 is a contextual indicator and no target is therefore set. Two indicators are not reported in this quarter: recycling rates (KPI 12) are reported retrospectively, with Q1 performance reported in Q2; and trade waste figures (KPI 10) are reported biannually (Q2 and Q4). Two indicators were off target.

#### Major variances (those off target)

KPI 2 – Total number of residential completions	
Target	Actual
115	53

#### 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. The low number of completions this quarter is likely to be as a result of the phasing of individual development sites by developers. Information about anticipated development commencements (including at the Horley North West Sector site) suggests that delivery rates will increase in coming months.

KPI 3 – Number of affordable homes included in KPI 2	
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. Delivery of affordable housing is closely related to the total number of residential completions (see KPI2). Information about anticipated affordable housing completions suggests that delivery rates will increase in coming months.

#### eMembers room information

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

## Section 2

### REVENUE BUDGET MONITORING

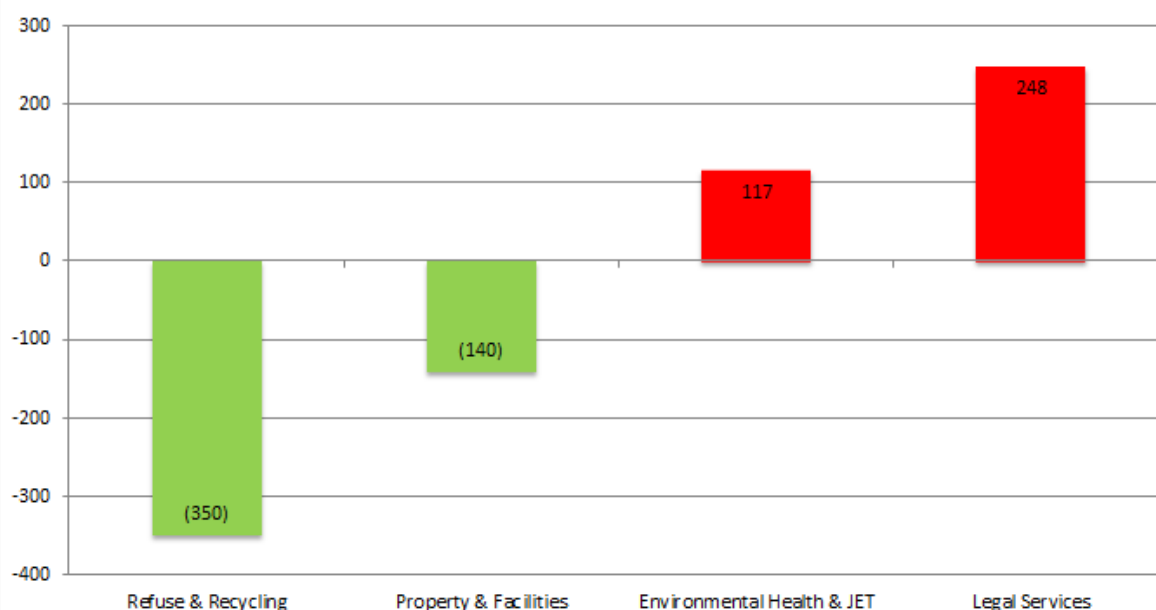
#### Reconciliation of Original Budget to Management Budget for 2017-18

	£000	£000
Original Budget		14,894.0
Transfers from Reserves:		
Corporate Plan Delivery Fund <sup>1</sup>	947.3	
Total Transfers from Reserves		<u>947.3</u>
Management Budget		<u><u>15,841.3</u></u>

#### Headline Revenue Budget information 2017-18

Management Budget	15,841,275
Forecast Year End Outturn	15,740,049
Projected underspend	-101,226 (or 1% of the budget)

**Table 1: Major Revenue Variances**



**Major Variances**

**Refuse & Recycling:**

Over recovery of Mixed Waste recycling income due to current buoyancy of recycling market.

**Property & Facilities:**

Large over-recovery is mainly due to the rent receivable and is attributable to Forum House which was purchased in July 2017.

**Environmental Health:**

£78k was for urgent remedial drainage work that will be recovered in the long term. Projections of Pest Control income received are £30k lower than budget.

**Legal Services:**

Additional staff have been brought on board, including locum cover to improve the service. Legal Services are undertaking a review of service provision as an improvement project.

Income from Land charges has fallen for several years and this year there is forecast a shortfall of £100k. 2018/19 Financial Planning has been altered to reflect this.

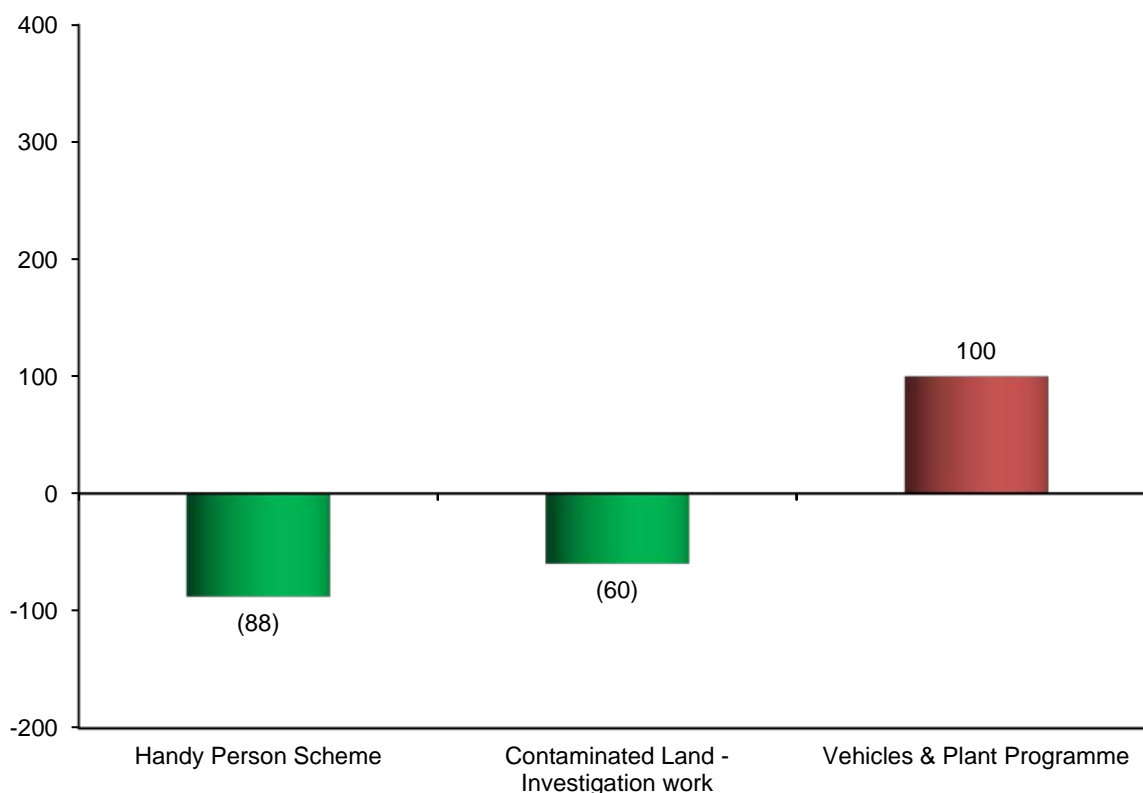
## Section 3

### CAPITAL BUDGET MONITORING

#### Headline Capital Budget Information, Quarter 1 2017/18

Current Budget:	£12,306,400	
Forecast Expenditure:	£12,194,700	
Projected Underspend:	£111,700	(or 0.9% of budget)

**Table 1: Major Capital Variances (£000)**



#### Major Variances

**Handy Person Scheme:** This is currently reported as an underspend. It is intended that this underspend will be used to replace the expenditure usually covered by the Home Improvement Agency Grant from Surrey County Council, which has now ceased. Approval is currently being sought for this by the Environmental Health Manager.

**Contaminated Land – Investigation work:** This is reactive expenditure and will only be implemented if investigative work is required. It is expected that expenditure will not be required for 2017/18. Budget will be retained for contingency purposes. The unspent funding will be carried forward to next year (if required) or returned to reserves.

**Vehicles and Plant programme:** Overspend is due to delayed expenditure on a Bin Lorry. This expenditure was expected in 2016/17, procurement was delayed. Budget will be re-profiled from 2018-19 to reduce this overspend.

### **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

<b>RED</b>	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).
<b>AMBER/ RED</b>	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).
<b>AMBER/ GREEN</b>	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).
<b>GREEN</b>	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
Payroll	Amber / Green
Homelessness Support	Green

Recommendations with a high priority

None

Management action

N/A

eMembers room information

Copies of the individual audit reports.