

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF RESOURCES

TO:	POLICY COMMITTEE		
DATE:	24 SEPTEMBER 2018	AGENDA ITEM:	9
TITLE:	QUARTER 1 PERFORMANCE MONITORING REPORT		
LEAD COUNCILLOR:	COUNCILLORS BROCK & LOVELOCK	PORTFOLIO:	CORPORATE & CONSUMER SERVICES
SERVICE:	FINANCE & CUSTOMER SERVICES	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report sets out the projected revenue and capital outturn positions for 2018/19 as at the end of June 2018 (Quarter 1).

1.1 The report also sets out performance for the first quarter against the measures of success published in the Council's Corporate Plan.

The Corporate Plan sets out:

- The context for service delivery;
- The Council's contribution to Shaping Readings Future; and
- The measures the Council will use to show the difference it is making.

Hence the Corporate Plan informs the Council's allocation of resources, its Medium Financial Plan and budget setting process.

1.2 The detail supporting this report are included in two appendices:

- Appendix 1 - Financial Monitoring for Quarter 1, and
- Appendix 2 - Performance Monitoring for Quarter 1

2. RECOMMENDED ACTION -

That Policy Committee notes:

2.1 The forecast General Fund outturn position as at the end of June 2018, an overspend of £1.367m excluding the use of contingency.

2.2 The forecast outturn position on the Housing Revenue Account as at the end of June 2018, a projected underspend of £0.200m.

2.4 The forecast outturn position on the Capital Programme as at the end of June 2018, a projected underspend of £5.841m.

2.5 The performance achieved against the Corporate Plan success measures as set out in paragraphs 7.2-7.7 below and Appendix 2 attached.

3. POLICY CONTEXT

- 3.1 Council in June 2018 approved Shaping Reading's Future - Our Corporate Plan 2018-21. The Plan reflects the Council's priorities for Reading and provides direction for staff in delivering services to meet the needs of the communities within the Borough whilst working to a budget and Medium Term Financial Strategy (MTFS) agreed at Council in February 2018.

4. Financial Performance

General Fund

- 4.1 The forecast General Fund outturn as at the end of Quarter 1 (Period 3) is a projected overspend of £1.367m; an increase of £0.638m from Period 2. The biggest increase is within the Environment and Neighbourhood Service Directorate (rising from £0.170m to £0.681m overspend). The Children's Education and Early Help forecast overspend has risen from £0.559m to £0.686m (a £0.127m increase). The Directorate of Resources and the Directorate of Adults and Health Care Services are both showing a balanced budget position at this stage in the financial year, although Appendix 1 shows variances within service areas which balance to zero.
- 4.2 Additionally, service areas are reporting potential risks to savings and income targets of £3.096m (£3.535m risk offset by £0.439m opportunities). This has fallen in overall terms by £1.242m from Period 2. Applying a weighting to each risk depending on its likelihood produces a net weighted risk of £2.286m (£2.786m as at Period 2). Should all the weighted risks ultimately materialise, the forecast overspend of £1.367m would increase to £3.653m.
- 4.3 The most significant improvement in the net risk position is within Adults Social Care, falling from £1.570m to £0.699m following a more detailed review of savings delivery.
- 4.4 Total debt as at the end of Quarter 1 was £11.578m consists of £4.534m (39%) less than 30 days old and £7.044m more than 30 days old. Total debt outstanding has fallen by £0.786m from period 2.
- 4.5 Directorate Management Teams (DMTs) have been charged with finding mitigating savings for any overspends or underachievement of savings/income targets identified within their Directorates. Progress is being tracked through regular meetings with the Chief Executive and Director of Resources and will be reported back to this Committee as part of future monitoring reports.

5. Housing Revenue Account

- 5.1 The Housing Revenue Account is forecasting a £0.200m underspend as at the end of quarter one due to rent collection rates being higher than budgeted.

6. Capital Programme

- 6.1 The General Fund Capital Programme is currently forecasting a breakeven position at year-end. As whilst expenditure to date is low, it is anticipated the rate of expenditure will increase towards the latter part of the financial year, which is the usual profile for capital expenditure.

The Housing Revenue Account Capital Programme is currently projected to be underspent by £5.841m by year-end. This is predominantly due to New Builds and Acquisitions slipping from 2018-19 into 2019-20

7. Corporate Plan Performance

- 7.1 Paragraphs 7.2 - 7.7 below provide a summary of performance as at the end of Q1 against the success measures published in the Corporate Plan, to monitor progress

against the Council's six priorities. The tables below highlight where there have been key shifts in performance and / or show significant variation from the target set.

The full suite of twenty nine measures and progress against targets as at the end of June 2018 are set out in Appendix 2 attached.

7.2 Securing the economic success of Reading

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
The percentage of people who are economically active	79.6%	80.1%	79.7%	Exceeding target but below the average of 81.3% for the South East

7.3 Ensuring access to decent housing to meet local needs

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
Numbers of families in bed & breakfast accommodation (shared facilities)	17	19	12	As at the end of q1 we had exceeded target. However, performance has more recently improved and as at 30th August we had 11 families in shared nightly paid accommodation and performance is continuing to improve overall (although will fluctuate week to week).
Total number of homeless or "at risk" households assisted to secure private rented accommodation (PRS)	232	71	280 (Revised Target)	On track to achieve target set. Includes: a) Homeless 'full duty' cases where discharged through a Private Rented Sector (PRS) offer; b) prevention and relief cases where PRS accessed

7.4 Protecting & enhancing the lives of vulnerable adults and children

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
Decrease the permanent new admissions to Residential or Nursing care per 100,000 population for Older People (65+)	560	146	550	Cumulative total. Expected to achieve target
Increase the number of Looked After Children (LAC) in high quality local placements (within 20 miles of Reading)	35% Outside 20 miles	37% Outside 20 miles	25% Outside 20 miles	A 2% increase in July due to small number of complex placements without appropriate local provision. Detailed work plans in development to increase volume of within

				20 miles in foster carers (7 pending approval), Data set prepared for detailed review of all LAC in August to identify beyond 20+ mile cohort with review of options to relocate within 20 miles.
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7.5 Keeping Reading's environment clean, green and safe

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
Percentage of household waste sent for re-use, recycling and composting	30.47%	34%	39%	Performance has improved during the first quarter however it is below the average for our comparator group (46.46%) We now collect a wider range of items in order to increase the amount of waste we recycle

7.6 Promoting great education, leisure and cultural opportunities for people in Reading

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
Reduction in the percentage of young people Not in Education, Employment or Training (NEET)	2.1%	4.6%	2.8%	Currently performance is below target. The contract for providing advice and guidance for NEETs is outsourced and the contract is due for renewal in December 2018. Discussion is taking place for the renewed contract to be outcomes based
Percentage of schools rated good or outstanding	89%	93%	96%	Performance is exceeding the comparator group average of 90%. Recent inspections have been positive with most good or better. However, there are some schools with underperformance and Ofsted grades which will only change at the next stage in the Ofsted cycle.

7.7 Ensuring the Council is fit for the future

Measure	2017/18 Outturn	2018/19 Q1	2018/19 Target	Performance against target
Percentage of	96.6%	28.7%	29.12%	Performance is currently

Council Tax collected (cumulative)				below target. Vacancies and long term absence have impacted collection rates. This is also a reduction on last year's performance of 28.87%, a reduction of 0.17%. A Council Tax backlog recovery plan has been agreed which should improve collection rates. We have also successfully recruited to 2 vacancies
Percentage of Business Rates collected	96.28%	28.55%	27.2%	Target achieved and exceeded by 1.35%, this is also an improvement against last year's performance of 27.46% (an improvement of 1.09%)

7.8 In addition to providing an update on the above measures the Q2 report (position as at the end of September) will provide an update on delivery against the milestones identified for key projects within the Corporate Plan.

8. CONTRIBUTION TO STRATEGIC AIMS

8.1 The Council's Corporate Plan priorities take account of our need to ensure that we are financially sustainable so that we can continue to shape and influence the future of Reading and play our part in protecting the most vulnerable and shaping the Town's future by:

- Securing the economic success of Reading
- Improving access to decent housing to meet local needs
- Protecting and enhancing the lives of vulnerable adults and children
- Keeping Reading's environment clean, green and safe
- Promoting great education, leisure and cultural opportunities for people in Reading
- Ensuring the Council is fit for the future

Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

9. COMMUNITY ENGAGEMENT AND INFORMATION

9.1 Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings.

10. EQUALITY IMPACT ASSESSMENT

10.1 The equality duty is relevant to the development of the Budget and Corporate Plan. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

11. LEGAL IMPLICATIONS

10.1 The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation

arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year and therefore comply with this requirement.

- 10.3 There are no legal requirements to have a Corporate Plan. Nevertheless, considering the size and complexity of the services we provide and have responsibility for, it is sensible to have a strategic document for the organisation which sets out key priorities and activities against a robust and sustainable financial plan.

11. FINANCIAL IMPLICATIONS

- 11.1 The financial implications are set out in the body of the report and Appendix 1 attached.

12. BACKGROUND PAPERS

- 12.1 Shaping Reading's Future - Our Corporate Plan 2018-21