

# READING BOROUGH COUNCIL

## REPORT BY EXECUTIVE DIRECTOR OF RESOURCES

<b>TO:</b>	<b>POLICY COMMITTEE</b>		
<b>DATE:</b>	<b>16 DECEMBER 2019</b>		
<b>TITLE:</b>	<b>2019-20 QUARTER 2 PERFORMANCE MONITORING REPORT</b>		
<b>LEAD COUNCILLOR:</b>	<b>CLLR EMBERSON</b>	<b>PORTFOLIO:</b>	<b>CORPORATE &amp; CONSUMER SERVICES</b>
<b>SERVICE:</b>	<b>FINANCE AND CUSTOMER SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
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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 2019/20 for both the General Fund and the Housing Revenue Accounts as at the end of September 2019 (Quarter 2).
- 1.2 The report also sets out performance for the second quarter against measures of success published in the Council's Corporate Plan.

The Corporate Plan sets out:

- The Council's vision and priorities which provide the context for service delivery;
- How the Council works together with partners and our 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 Term Financial Strategy and budget setting process.

- 1.3 The detail supporting this report are included in two appendices:
  - Appendix 1 - Financial Monitoring for Quarter 1, and
  - Appendix 2 - Performance Monitoring for Quarter 2
- 1.4 Appendix 2 uses a more graphical approach and presents an overview for the Corporate Plan and each Priority. It is proposed to adopt this format in the short term. From January 2020 summary reporting will be built into the new performance software (InPhase) at a corporate, Corporate Plan priority and Directorate level.

## 2. RECOMMENDED ACTION

That the Policy Committee notes that:

- 2.1 The forecast General Fund revenue outturn position as at the end of September 2019 is a net underspend of £2.767m with weighted risks of £0.791m;
- 2.2 The forecast outturn position on the Housing Revenue Account as at the end of September 2019 is a projected underspend of £6.890m which will be contribute to HRA reserves.
- 2.3 That the forecast outturn on the Capital Programme as at the 30<sup>th</sup> September 2019 is a projected in year underspend of £139.438m on the General Fund and a projected in year underspend of £3.713m for the Housing Revenue Account, and
- 2.4 The performance achieved against the Corporate Plan success measures as set out in paragraphs 7.2-7.7 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 2019. An annual refresh of the Plan was published at Council in June 2019.

## 4. Financial Performance

### General Fund

- 4.1 The forecast outturn shows a projected underspend on General Fund Budgets as at the end of September (quarter 2) of (£2.767m). There are also weighted risks of £0.791m. Should all the weighted risks and opportunities materialise then the current projected underspend would decrease to £1.976m. There is further detail set out below.
- 4.2 Economic Growth and Neighbourhood Services (DEGNS) are projecting a net overspend of £0.643m against a budget of £18.171m principally as the result of suitable investment properties coming to the market which meet the Council's investment criteria.
- 4.3 Brighter Futures for Children (BFfC) are forecasting an overspend of £1.651m against a budget of £47.899m - principally the result of agency staff costs and higher than anticipated Looked After Children placements and costs.

## 5. Housing Revenue Account

- 5.1 The Housing Revenue Account is forecasting an underspend of £6.890m as at the end of September 2019 due to underspends and delays on major works,

additional income and reduced capital financing costs. The under-spend will be transferred to reserves at year end.

## **6. Capital Programme**

- 6.1 Policy Committee approved the roll forward (and back) of 2018/19 capital underspends on 15th July. They are incorporated into this report. As a consequence General Fund capital expenditure budgets have increased by £10.381m and HRA capital expenditure budgets by £3.677m.
- 6.2 The General Fund capital budget is currently forecasting a £139m underspend this is in large part due to suitable investment properties not coming to the market which meet the Council's investment criteria (£114.7m).. Additionally, the Homes for Reading business model also changed at the start of the year and as such the earmarked investment and loan financing of £25m is also not forecast to be spent in the current year.
- 6.3 The remainder of the General Fund Capital Programme is forecasting an overspend of £4m in the current year - predominantly the result of additional financing being made available to Reading Transport Ltd offset by a re-profiling of the Council's vehicle replacement programme.
- 6.4 The Housing Revenue Account Capital Programme is forecasting a £4m underspend. This is primarily due to delays in delivery of the New Build and Acquisitions programme.

## **7. Corporate Plan Performance**

- 7.1 Paragraphs 7.2 - 7.7 provide a summary of performance of the areas where we are performing well and the areas for improvement, as at the end of the second quarter, against the success measures to monitor progress against the Council's six priorities published in the Corporate Plan.

The full suite of thirty nine<sup>1</sup> measures and progress against targets as at the end of September 2019 are set out in Appendix 2 attached.

The overall RAG Status of these indicators is as follows:

- 19 measures are Green;
- 7 Measures are Amber;
- 11 measures are Red

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<sup>1</sup> 2 survey measures, which take place every two years, have no trend information so no status assigned

## 7.2 Securing the economic success of Reading

Measure	2018/ 19 Q2	2018/ 19 Result	2019/ 20 Q1	2019/ 20 Q2	2019/ 20 Target	Performance against target
<b>Areas performing well or improving</b>						
Percentage of people aged 18 -64 who are economically active	80.1%	80.70%	<b>80.80%</b>	82.10%	80.90%	Economically active people in Reading have increased over the past 3 months. Reading is now above the average for the South East region. Latest data covers the period to July 2018 - June 2019
<b>Areas for Improvement</b>						
Superfast Broadband coverage	98%	99.01%	On Track	Delayed	100%	BT Openreach have further slippage against their remedial plan which extends the project through to expected completion June 2020

## 7.3 Ensuring access to decent housing to meet local needs

Measure	2018/ 19 Q2	2018/ 19 Result	2019/ 20 Q1	2019/ 20 Q2	2019/ 20 Target	Performance against target
<b>Areas performing well or improving</b>						
Percentage of Houses of Multiple Occupation (HMO's) licensed under mandatory licensing schemes	New Measure	30%	<b>32%</b>	37%	32%	Continued work with HMO owners to secure new licence applications has achieved the target set for this year

## 7.4 Protecting & enhancing the lives of vulnerable adults and children

Measure	2018/19 Q2	2018/ 19 Result	2019/ 20 Q1	2019/ 20 Q2	2019/ 20 Target	Performance against target
<b>Areas performing well or improving</b>						
Decrease the permanent new admissions to Residential or Nursing care per 100,000 population for Older People (65+)	146	432	<b>73.89</b>	192.12	550 per year per 100,000	Progress against this target remains good and supports our Adult Social Care ethos of helping people to return home with the right support, equipment and technology to allow them to live independently. This is achieved through the use of enablement and extra care housing to enhance independence and wellbeing.
Decrease the permanent new admissions to Residential or Nursing care per	5.58	13	<b>0.92</b>	5.55	13	Progress against this measure continues to be strong and younger people with disabilities are enabled to remain

100,000 population for Older People (65+)						independent in their own homes with the right care and support.
<b>Areas for Improvement</b>						
Increase the number of service users (Adults) receiving direct payments	16%	17.87%	17.43%	<b>18.96%</b>	22%	The percentage of people with a Direct Payment has increased slightly with 12 new people getting a DP during this period. There is greater work being carried out to increase this number, including formation of a dedicated DP advisor to work with teams and residents to drive forward the benefits of a Direct Payment. The success of this post will be tracked and performance managed through the following 6 months.

## 7.5 Keeping Reading's environment clean, green and safe

Measure	2018/19 Q2	2018/19 Result	2019/20 Q1	2019/20 Q2	2019/20 Target	Performance against target
<b>Areas performing well or improving</b>						
Increased Percentage of household waste sent for re-use, recycling and composting	34%	32.00%	36%	<b>37%</b>	35%	Improved this quarter and in particular related to the increase of wood recycling at Household Waste Recycling Centres (HWRCs) since the new contract has been put in place. Projected to increase further with the introduction of food waste collections and a smaller bin for waste sent to landfill
<b>Areas for Improvement</b>						
Reduction in total recorded crime rates (per 1,000 population)	New Measure	7.126	8.75	<b>9.46</b>	7.236	Current year on year would suggest a slight decrease in overall crime although are still about average within our comparator average for the same period. The trend is upward so we need to continue to work to address this.

## 7.6 Promoting health, education, culture and wellbeing

Measure	2018/19 Q2	2018/19 Result	2019/20 Q1	2019/20 Q2	2019/20 Target	Performance against target
<b>Areas performing well or improving</b>						
Percentage of adults (aged 18+) classified as overweight or obese		27.0% (2018)	27.0% (2018)	28.3% (2019)	26.5% (2019)	“Eat for Health” adult weight management course have commenced in Reading for the 2019-20 year. This is running successfully and we continue to work with the provider to ensure the course is as effective as possible. Wider review of obesity in Berkshire West due to be finalised Nov 19 which will inform future action.
<b>Areas for Improvement</b>						
Smoking prevalence in adults in routine and manual occupations (18-64) - current smokers		27.0% (2018)	27.0% (2018)	28.3% (2019)	26.5% (2019)	Whilst there is an ongoing decrease in smoking prevalence which reflects the success of the local service supporting people to quit, prevalence in this sub-group has increased marginally. Work continues to ensure that the service is targeted in areas of greatest need.
Increased participation at Council Cultural Venues		326,200	82,308	50,272	334,500	The Hexagon and South Street closed over the August period for maintenance.

## 7.7 Ensuring the Council is fit for the future

Measure	2018/19 Q2	2018/19 Result	2019/20 Q1	2019/20 Q2	2019/20 Target	Performance against target
<b>Areas performing well or improving</b>						
Increase in take up of online services - number of people signed up for an online account	52,286	80,477	80,477	85,221	80,425	Online account users continues to increase and has exceeded the target set for 19/20
<b>Areas for Improvement</b>						
Measure	2018/19	2018/19	2019/20	2019/20	2019/20	Performance against

	Q2	Result	Q1	Q2	Target	target
Percentage of Council Tax collected	55.37%	96.41%	28.65%	55.62%	97.1% (56.37% Sept)	Collection is 0.75% behind target set, however the result is an improvement on last year (55.37%) by 0.25%. We have seen the overall debit increase by £1.76m as a result of student exemptions expiring and awaiting information of new student occupants, the debit will normalise shortly. In comparison to last year, the debit increase was only £1.1m last year, therefore we expect as the debit falls to improve our overall collection further.
Percentage of Business Rates collected	53.98%	97.89%	28.07%	53.20%	97.25% (54.00% Sept)	Collection is behind target by 0.80%. Behind in comparison to last year (53.98%) by 0.78% we have one company that were issued a reminder for in excess of £1m, this alone is equivalent to approx. 0.70%. The company have since paid £400k and have an arrangement to clear the balance within the financial year. We are also reviewing a number of high value reminders from September to determine whether payments are held in suspense waiting manual processing.

## 8. CONTRIBUTION TO STRATEGIC AIMS

8.1 Our vision as Reading Borough Council is: to ensure that Reading realises its potential - and to ensure that everyone who lives and works here can share the benefits of its success. We have six priorities which contribute to delivering this vision. The priorities are set out below:

- 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 health, education, culture and wellbeing; and
- 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 strategy.

## **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, Annual refresh - spring 2019
- 12.2 2019/20 Budget and Medium Term Financial Strategy