

**Public
Key Decision – No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Integrated Performance Report 2019/20, Quarter 4

Meeting/Date: Cabinet – 16th July 2020

Executive Portfolio: Executive Councillor for Resources, Councillor Jonathan Gray and Executive Councillor for Strategic Planning, Councillor Jon Neish

Report by: Performance & Data Analyst and Finance Manager

Wards affected: All

Executive Summary:

The purpose of this report is to brief Members on results at the end of the 2019/20 financial year for the Key Actions and Corporate Indicators listed in the Council's Corporate Plan 2018/22 and progress on current projects being undertaken.

Key Actions, Corporate Indicators and targets are as included in the Corporate Plan Refresh 2019/20, as approved by Council on 24 July 2019.

The report also incorporates Financial Performance Monitoring Suite information setting out the financial position at 31 March 2020. It provides outturn figures for revenue and the capital programme. Headlines are:

Revenue – the forecast outturn shows underspend of £0.265m

Capital programme – the forecast outturn shows a net underspend of £2.814m

An update on the Commercial Investment Strategy includes details of investments to date and the level of returns these are expected to generate, with information on potential investment opportunities reviewed in Quarter 4 attached at Appendix E.

Recommendations:

The Cabinet is invited to consider and comment on progress made against the Key Actions and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.

The Cabinet is also invited to consider and comment on financial performance at the end of March, as detailed in Appendices D, and the register of reviews of Commercial Investment Strategy propositions at Appendix E.

1. PURPOSE

- 1.1 The purpose of this report is to present details of delivery of the Corporate Plan 2018/22, and project delivery, in the context of the Council's financial performance.

2. BACKGROUND

- 2.1 The Council's Corporate Plan is currently being refreshed and once adopted will set out what the Council aims to achieve in addition to its core statutory services. The information in the summary at **Appendix A** relates to Key Actions and Corporate Indicators and the performance report at **Appendix B** details the year end results.
- 2.2 As recommended by the Project Management Select Committee, updates for projects based on latest approved end dates are included at **Appendix C**. Across all programmes there are currently 16 projects which are open, pending approval or pending closure.
- 2.3 This report also incorporates financial performance to the end of March. This performance was as shown in sections 4-6 below, with further details listed in **Appendix D**. Commercial investment propositions reviewed are at **Appendix E**.

3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny (Performance and Growth) Panel have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview. Their comments on performance in Quarter 4 will be published following their meeting on 8 July 2020.
- 3.2 Progress against Corporate Plan objectives is reported quarterly. The report at **Appendix B** includes details of all Key Actions and Corporate Indicators at the end of Quarter 4. **Appendix C** provides information about projects, including the purpose of the project and comments from the Programme Office as to the current status of each project's SharePoint site as part of the new governance arrangements.
- 3.3 Performance Indicator data has been collected in accordance with standardised procedures.
- 3.4 The following table summarises final outturn progress in delivering Key Actions for 2019/20:

Status of Key Actions	Number	Percentage
Green (on track)	23	77%
Amber (within acceptable variance)	7	23%
Red (behind schedule)	0	0%
Awaiting progress update	0	0%
Not applicable	0	

Just over three quarters of key actions were on track at the year end, the remaining 23% were within acceptable variance and none were significantly behind schedule. Achievements seen this year include:

- KA 8. Implementation of ‘on the go’ recycling bin trials in St Neots and Huntingdon town centres in a bid to support ongoing environmental project goals and the council’s green agenda commitments. Further trials are planned in 2020/2021 to take place in St Ives and Ramsey.
- KA 18. Adoption of the ‘Prospectuses for Growth’ for St Ives, Huntingdon and Ramsey by the Cambridgeshire and Peterborough Combined Authority (CPCA) which was subsequently endorsed by Cabinet in March 2020. Work in St Neots shifted focus to the Future High Street Funding bid as a Government Grant was received to develop a business case for the town.
- KA 19. In February, the East-West Rail Company announced the decision for the proposed route of the brand-new investment in Oxford to Cambridge public transport, choosing Route E, out of the five routes shortlisted in prospective plans. The chosen route, which was collectively championed as the best option by Huntingdonshire District Council, Bedford Borough Council, South Cambridgeshire District Council, and Cambridge City Council, includes the building of infrastructure and a new station just south of St Neots.
- KA 21. A collaboration with Training Shed saw the opening of the new training facility at the One Leisure Outdoor Centre in St Ives in February 2020. Other successful improvements related to the Ramsey Swimming Pool and the replacement of equipment at our Impressions Fitness Studio’s in St Neots, St Ives and Ramsey. The One Leisure Sawtry provision was also transferred and secured for two years.

Key Actions with an Amber status include the development of our Customer Portal to improve online and out of hours access to services (KA 29). Despite the delay in the integration of more services, Operations streetscene service requests will feature from May 2020 and we have been successful in obtaining funding from a Local Government Association grant to support use of voice bot technology to improve customer access to information. At least three other Amber Key Actions had delays which have been at least partly attributed to the impact of Covid-19.

3.5 Final outturn results for 2019/20 Corporate Indicators are shown in the following table:

Corporate Indicator results	Number	Percentage
Green (achieved)	29	67%
Amber (within acceptable variance)	7	16%
Red (below acceptable variance)	7	16%
Awaiting progress update	0	0%
Not applicable (annual/data unavailable)	0	

This shows the Council achieved the majority of its targets in 2019/20, while seven were recorded with a status of Red as performance was below an acceptable variance. Overall, the performance of our indicators declined compared to overall results in 2018/19 as more received a rating below the acceptable variance levels in 2019/20.

The Red indicators reported for 2019/20 related to a range of services. A brief summary is listed below with more detail in Appendix B.

- PI 5. A decline in the number of individual One Card holders using One Leisure Facilities services (cumulative over the last 12 months) meant performance fell slightly below target, which was as expected in Quarter 3 due to closures of the fitness studios for equipment refurbishments. This refresh was expected to increase members through Quarter 4 however the impact of Covid-19 in the closing weeks of March affected this recovery.
- PI 28. A cost award against the Council in Quarter 3 followed a successful appeal against a Development Management Committee refusal contrary to officer recommendation (the target was zero cost awards against us in these circumstances).
- PI 29. As at Quarter 3, energy use was 3.4% higher than at the same point last year and the year-end forecast was a 10% increase on total use last year (the target was a 5% decrease). A system software failure (which is under investigation) meant like for like comparison and analysis for end of year performance is not yet available.
- PI 34D. A Staff Survey Action Plan has now been drafted, with 55% of the actions on track at year end. Some measures are ongoing actions and some are expected to be completed after the Quarter 4 reporting period.
- PI 38. Avoidable contact has increased compared to last year. A delay in integrating forms for Operations services has affected performance however the implementation of streetscene service requests will feature from May 2020.
- PI 40. In total, 280 Stage 1 complaints were received in 2019/20 and 37 of those received late responses. Operations replied to 87% of Stage 1 complaints on time and Development completed 77% within the agreed timescale. 70% of the late responses from Development happened within Quarter 3 when the service was going through significant structural change.
- PI 41. There have been four late responses to Stage 2 complaints. Low numbers of Stage 2 complaints mean this indicator was not expected to recover by the year end.

The Green indicators reported for 2019/20 related to a range of services. A brief summary of indicators where services have performed better than their target is listed below, with more detail in Appendix B.

- PI 1. The annual target for volunteering days was achieved with support from Countryside Services and One Leisure Active Lifestyles.
- PI 2. The average number of days to process new claims for Housing Benefit and Council Tax Support improved from 23 days in 2018/19 to 22.5 days in 2019/20.
- PI 3. Similarly to PI 2, the average number of days to process changes of circumstances for Housing Benefit and Council Tax Support improved from 4 days

in 2018/19 to 3.4 days in 2019/20.

- PI 4. The Council recorded 521 homelessness preventions during 2019/20 which means that fewer people needed to be housed in temporary accommodation. This was due to a range of earlier interventions being implemented.
- PI 7. The number of sessions delivered at and by One Leisure Facilities was above the target set for the year. One factor related to an increase in the number of activity sessions being delivered for young people in Quarter 3.
- PI 8. The Council was also ahead of the target in the number of sessions delivered by One Leisure Active Lifestyles where most areas of this service provided more opportunities for people to be more active.
- PI 17. The proportion of household waste recycled/reused/composted was better than performance in the previous year and achieved a year end result of 60% against a target of 59%. There was significant effort made in work undertaken during the year to bring the contamination rate down.
- PI 25. 440 new affordable homes were completed in 2019/2020 across the district. This is the highest number of completions in a single year for more than a decade.
- PI 33. Staff sickness levels for 2019/20 were significantly lower than recorded in 2018/19.
- PI 35 and PI 36. Call Centre and Customer Service Centre satisfaction rates completed the year at high levels (89% and 95% respectively), reflecting positive feedback from individuals. However, surveys were not undertaken in Quarter 4 due to concerns and preparation for Covid-19.

3.6 The status of corporate projects at the end of March is shown in the following table:

Corporate project status	Number	Percentage
Green (progress on track)	7	44%
Amber (progress behind schedule, project may be recoverable)	4	25%
Red (significantly behind schedule, serious risks/issues)	3	19%
Pending closure	2	13%
Closed (completed)	0	

There are four projects showing as Amber, usually as a result of slippage in the project, even when reported against revised dates, with two delays relating to Covid-19. Of the projects currently in the delivery stage, three were Red at the end of Quarter 4; two of which were shared service projects.

Analysis of projects has identified that unrealistic timeframes have been a common theme for amber/red flags, as well as a lack of up to date governance documentation. The reasons for not meeting original target dates for projects have been discussed with all project managers, with particular focus on Project Initiation Documents (PID)

and Business Cases where initial dates are set. Lessons learned continue to be shared. Details of all projects can be found in **Appendix C**.

4. FINANCIAL PERFORMANCE

4.1 Financial Performance Headlines

The Management Accounts include the provisional outturn position for the current financial year and the impact of variations will be incorporated within the MTFS. Revenue statements show gross expenditure by service and where some costs are funded by reserves this is shown to provide the net position.

Revenue The approved Budget is £17.157m with the outturn being £16.892m which is an underspend of £0.265m. The main reasons are shown on the next page.

MTFS The MTFS was updated as part of the 2019/20 Budget setting process and will again be updated as part of the 2020/21 Budget setting process. The revision of the MTFS will include 2018/19 outturn variations and others occurring or foreseen in 2019/20 that have an impact on future years.

Capital The approved Budget is £7.7m plus the re-phasing of £2.1m giving a revised total Capital Programme of £9.8m. The net outturn is £4.1m giving an underspend of £2.8m. The reasons for these variances are detailed in paragraph 5.6.

The Financial Dashboard at **Appendix D, Annex E** presents information on take-up of Council Tax Support, NDR and Council Tax collection, miscellaneous debt and New Homes Bonus funding.

4.2 Summary Revenue Forecast Variances by Service

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

	Budget	Outturn gross	Transfers to / (from) reserves	Outturn net	(underspend) / overspend	Main reasons for variance
	£000	£000	£000	£000	£000	
Chief Operating Officer	4,260	3,699	107	3,806	(454)	<ul style="list-style-type: none"> Salary savings; increased income on fees and charges from planning applications, building control, licencing; reduced costs on homeless
3C's ICT	2,145	2,206	(50)	2,156	11	
Planning Policy Manager	908	822	(159)	663	(245)	<ul style="list-style-type: none"> Salary savings; additional CIL and Grant funding
Housing Manager	154	139	(27)	112	(42)	<ul style="list-style-type: none"> Salary savings
Programme Delivery Manager	0	19	0	19	19	
Head of Leisure & Health	(20)	267	(15)	252	272	<ul style="list-style-type: none"> Loss of income from Covid 19 lockdown; transfer of Sawtry Leisure Facility
Head of Operations	3,852	4,365	(7)	4,358	506	<ul style="list-style-type: none"> Loss of income from Covid 19 lockdown (carparks and market traders); additional salary costs for CCTV & Environmental Management; 3rd floor of PFH not rented during the year
AD Corporate Services	5,144	4,470	185	4,655	(489)	<ul style="list-style-type: none"> Increase commercial rental income; additional staff costs due to implementation of Resources restructure
Corporate Leadership Team	752	808	0	808	56	<ul style="list-style-type: none"> Expected savings from share service not achieved
Transformation	(38)	380	(317)	63	101	<ul style="list-style-type: none"> Expected savings of SLT restructure not achieved
Total	17,157	17,175	(283)	16,892	(265)	

4.3 Further analysis of the revenue variance and service commentary are at **Appendix D**. This provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

4.4 **Medium Term Financial Strategy**

The actual outturn for 2018/19 showed an underspend of £0.248m which will have some impact on the MTFS. The new MTFS for the period 2020/21 to 2023/24 which will be compiled during the current budget setting process, will be updated where the 2018/19 outturn has an impact.

5. **CAPITAL PROGRAMME**

5.1 The approved gross Capital Programme 2019/20 is £7.7m plus the re-phasing of £2.1m giving a revised total Capital Programme for 2019/20 of £9.8m.

5.2 The provisional net expenditure outturn is £4.11m, an underspend of £2.8m. The gross expenditure to 31 March 2020 was £6.3m.

Scheme Details	Slippage £'000	Overspend £'000	Savings £'000	Growth £'000	Total Variance £'000	Comments
Chief Operating Officer						
Scanner	(16)	0	0	0	(16)	Whole scheme delayed to 2020/21.
Environmental Health Software	(40)	0	0	0	(40)	Whole scheme delayed to 2020/21.
Traveller Security Improvements	(25)	0	0	50	25	Members approved the scheme to limit traveller incursions. Difficulties resourcing materials has delayed completion.
Disabled Facilities Grants	(282)	0	0	0	(282)	£260k additional grant received.
Planning Policy Manager						
A14 Upgrade	(200)	0	0	0	(200)	Whole scheme delayed to 2020/21.
CIL Infrastructure Projects	0	0	0	93	93	Payments to external infrastructure projects are funded from CIL receipts and so there is no impact on HDC.
Housing Manager						

Housing Company	(206)	0	0	0	(206)	Whole scheme delayed to 2020/21.
Leisure and Health						
One Leisure Improvements	(5)	(52)	0	0	(57)	M&E installations and modernising changing facilities work at OLSI outdoor centre was included in the original project scope, but the cost of the work has been included under that project.
One Leisure St Ives Outdoor New Fitness Offering	0	52	0	250	302	Members approved additional £250k expenditure, with £50k being funded from CIL receipts, to cover increased spend on asbestos removal and additional structural works. The scheme costs include work on modernisation of changing facilities and M&E installations which was budgeted for elsewhere.
One Leisure Ramsey 3G	(294)	0	0	0	(294)	Works delayed - to be carried out in 20/21.
One Leisure St Ives Swimming Changing Rooms	(250)	0	0	0	(250)	Works delayed - to be carried out in 20/21.
One Leisure Impressions Fitness Equipment	0	34	0	0	34	Overspend is due to remedial works on the flooring at St Ives (agreed by SLT) to strengthen a previously under designed space.
One Leisure St Neots Pool	0	0	(7)	0	(7)	Project complete - All costs entered in 19/20, so there will be no further costs in 20/21.
One leisure St Neots Synthetic Pitch	0	4	0	0	4	Project complete - All costs entered in 19/20, so there will be no further costs in 20/21.
Resources						
Income Management	0	0	(62)	0	(62)	Project not currently required.

Software						
Alms Close Development	(429)	0	0	0	(429)	Scheme started later than expected so more expenditure in 2020/21.
Oak Tree Remedial Work	(912)	0	0	0	(912)	Scheme started later than expected because of links to the potential development project so more expenditure in 2020/21.
Oak Tree Centre Development	0	21	0	0	21	Consultants costs higher than anticipated.
Health and Safety Works at Commercial Properties	(15)	0	0	0	(15)	Scheme started later than expected so more expenditure in 2020/21.
Energy Efficiency Works at Commercial Properties	(44)	0	0	0	(44)	Whole scheme delayed to 2020/22.
Commercial Property Roofs	0	9	0	0	9	Final expenditure on previous year scheme
VAT Partial Exemption	0	0	(127)	0	(127)	2018/19 refund created a saving in 2019/20
Cash Receipting	0	22	0	0	22	Off-set by saving on Income Management Software Scheme.
FMS Archive	0	5	0	0	5	Off-set by saving on Income Management Software Scheme
Land Swap with Town Council	0	0	(38)	0	(38)	Prior year adjustment re stamp duty.
Investment in Company	(100)	0	0	0	(100)	Company still dormant so our investment has been delayed.
3C ICT						
Robotics	(50)	0	0	0	(50)	Works not started in 19/20 therefore budget needs to be moved to 20/21.
Operations						
Fencing	0	3	0	0	3	Small overspend on the project.
Building Efficiencies (Salix)	(6)	0	0	0	(6)	Minor delay to the scheme.
Wheeled Bins	0	0	(137)	0	(137)	Developer income higher than expected and house completions

						lower than expected.
Vehicle Fleet Replacement	(56)	0	0	0	(56)	Some delays in replacing vehicles, budget will be needed next year.
Play Equipment	0	0	(3)	80	77	Additional £80k expenditure is funded from S106 receipts.
Re-fit Building	(228)	0	0	0	(228)	Scheme not completed in 2019/20 so remaining works costs and retention costs will now be paid in 2020/21.
Parking Strategy	(90)	0	0	0	(90)	Scheme start has been delayed, budget needs to be moved to 2020/21.
Bridge Place Car Park	(378)	0	0	0	(378)	Scheme start has been delayed, budget needs to be moved to 2020/21.
Operations Back Office	(43)	0	0	0	(43)	Project has started but some expenditure will now be incurred in 2020/21.
CCTV Camera Replacements & Wi-Fi	0	4	0	0	4	Minor overspend - a number of variation orders had to be approved to ensure control room capacity and camera networking issues were resolved.
CCTV Pathfinder House Resilience	0	0	(20)	0	(20)	Revenue maintenance work has reduced the need for capital expenditure.
Lone Worker Software	(20)	0	0	0	(20)	Works not started in 19/20 therefore budget needs to be moved to 20/21.
Transformation						
Customer Relationship	(63)	0	0	0	(63)	Expenditure has been delayed whilst responses on a number

Management						of issues is sought from suppliers.
Corporate Financing						
Loan Repayments	0	127	0	0	127	Timing of loan affected the timing of the first repayments due. This overspend will be offset by additional income in the last year of the loan.
Housing Clawback Receipts	0	246	0	0	246	Number of sales made by Chorus lower than expected.
Bridge Place Sale	384	0	0	0	384	Sale not achieved in 2019/20.
Total Variance	(3,368)	475	(394)	473	(2,814)	

5.3 The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP).

5.4 Appendix D, Annexes C and D provide the following information:

Annex C provides details by scheme with proposed rephasing, expenditure to date and provisional outturn.

Annex D details the financing of the Capital Programme showing the funding from grants and contributions, capital receipts, use of earmarked and capital reserves and internal borrowing.

6. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

6.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget, by 2023/24 it will have in part contributed in reducing this to £1.2m.

6.2 At the end of Quarter 4, the financial projections for the CIS are:

CIS Investments	Budget (£'000)	Outturn (£'000)	Variance (£'000)
Cash Investments			
CCLA Property Fund	(162)	(169)	(7)

Total Cash Investments	(162)	(169)	(7)
Property Rental Income	(5,580)	(4,767)	813
MRP	1,997	586	(1,411)
Net Direct Property Income	(3,583)	(4,181)	(598)
Management Charge	144	0	144
Total Property Investments	(3,439)	(4,181)	(742)
TOTAL	(3,601)	(4,350)	(749)

6.3 Investments

Between January and the end of March 2020, 28 properties have been investigated as potential CIS investment opportunities, with two being considered beyond stage 1. One was a High Street retail property in Huntingdon. The total number investigated in 2019/20 was 210 properties. During the year, the purchase of Tri-Link 140 (Unit 4 Freeway Drive, Castleford), completed and generates an annual gross income of £819k and net income of £500k p.a. A summary of opportunities investigated is included in **Appendix E**.

Returns from the CCLA property fund have remained at the 2016/17 level (circa 4.5%). Other investment vehicles such as bank deposits and money market funds interest rates increased when the Bank of England raised the base rate to 0.75% have now become stable.

To date the majority of the Council's investments have been funded from earmarked reserves or cash balances. Recent acquisition such as Fareham, Rowley Centre and Tri-Link have required loans from PWLB to fund their purchases; part of the purchase price and acquisition costs were met from earmarked reserves.

7. COMMENTS OF OVERVIEW & SCRUTINY PANELS

7.1 Comments will be published following the Panel meeting on 8 July 2020.

8. RECOMMENDATIONS

8.1 The Cabinet is invited to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in **Appendix A** and detailed in **Appendices B and C**.

8.2 The Cabinet is also invited to consider and comment on financial performance at the end of March, as detailed in section 4 and in **Appendix D**, and the register of reviews of Commercial Investment Strategy propositions at **Appendix E**.

9. LIST OF APPENDICES INCLUDED

Appendix A – Performance Summary, Quarter 4, 2019/20

Appendix B – Corporate Plan Performance Report, Quarter 4, 2019/20

Appendix C – Project Performance, March 2020

Appendix D – Financial Performance Monitoring Suite (FPMS) including:

Annex A – Revenue Provisional Outturn and Service Commentary, March 2020

Annex B – Capital Programme Provisional Outturn, March 2020

Annex C – Capital Programme Funding 2019/20

Annex D – Financial Dashboard, March 2020

Appendix E – Register of reviews of CIS investment propositions, Quarter 4, 2019/20

CONTACT OFFICERS

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Financial Performance (Appendices D and E)

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