

Cornwall Council

Report to: **Cabinet**

Date: **14 September 2016**

Title: **Integrated Performance Management Report
– Quarter 1 Review**

Portfolio Area: **Reputation and Performance**

Divisions Affected: **All**

Relevant Scrutiny Committee: **Scrutiny Management Committee**

Key Decision: **N** Approval and clearance obtained: **Y**

Urgent Decision: **N** Date next steps can be taken:
(e.g. referral on of recommendation or implementation of substantive decision)

Appropriate pre-decision notification given where an executive Decision? **Yes**

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Recommendations:

1. That the Integrated Performance Management Report (IPMR) for Quarter 1 (June 2016) including service performance, financial performance, strategic risks and strategic projects, and the actions being taken to address them be noted.
2. Subject to Council approving the overall increase in the capital programme, the amendments to the capital programme as detailed in appendix 2 are approved including the following:
 - (i) Increase to the Affordable Housing programme (£3.240m);
 - (ii) Addition of sustainable transport measures in Saltash (£0.044m);
 - (iii) Addition of Department for Transport grant funding in respect of the Pothole Action Fund (£1.267m);
 - (iv) Additional s106 and Flood Defence Grant in Aid external funding to support the Environment Asset Enhancement

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Programme (£3.456m);

- (v) Addition of Cornwall Fire & Rescue Service 15-year vehicle & equipment replacement programme (£26.567m); and
- (vi) Addition of a new loan facility for the Leisure Trust to support the Sport England bid for funding to refurbish the swimming pool at Carn Brea Leisure Centre (£0.500m)

1. Executive summary

This report provides an overview of the Council's performance for Quarter 1 2016-17 (June 2016) as part of the regular reporting and monitoring requirement. This Integrated Performance Management Report (IPMR) consists of four components: service performance, financial performance, strategic risks and strategic projects, all of which are reported to Cabinet on a quarterly basis and are attached as appendices.

The Corporate Leadership Team (CLT) uses the report to fulfil its responsibility for managing performance, which includes engaging to address identified issues/problems, as appropriate.

In turn, Cabinet use the report to monitor performance and related business/exposures.

The report is also used to bring forward specific items as required by Cabinet under the constitution / financial regulations.

2. Background

The performance reporting framework for the Council was approved by Cabinet in July 2016. The framework recognises that performance and risk are managed at different levels throughout the Council, with each level having a clear link to the Strategy and Business Plan, and outlines roles and responsibilities for managing performance.

Cabinet also approved strategic (central to Council Strategy) and critical (critical to the quality of service or contribution to an outcome) performance measures and targets that are incorporated within the performance framework.

Performance information is reported to Cabinet, Reputation & Performance Portfolio Advisory Committee and CLT on a quarterly basis in the IPMR. In addition a summary report of the measures contained in our summary business plan (Our aims for 2016) is published annually.

The IPMR is made up of the following components:-

- Service performance report (appendix 1) – This report contains the strategic and critical performance and finance measures and targets.

Overall performance and the outcomes of CLT and Portfolio Holder discussions are summarised on page 1, followed by a 'scorecard' for each service that comprises of an overview of all service

performance, drawing attention to key performance areas, followed by summary information on the performance and financial targets.

- Financial performance report (appendix 2) – This report contains an overview of the Council’s overall financial performance and detailed organisational financial information, including corporate items; reserves; capital; housing revenue account and treasury management.
- Strategic risks (appendix 3) – This report contains cross-cutting strategic risks; which are defined as high value exposures (both financial and other) to the Council as a whole that have a high probability of occurring without continued preventative action.

The outcomes of CLT and Portfolio Holder discussions are summarised on page 1, followed by an assessment of each risk.

- Strategic projects (appendix 4) – The strategic projects report updates on the current status and progress of each strategic project. The outcomes of CLT and Portfolio Holder discussions are summarised on page 1

3. Outcomes/outputs

Council Wide Overview

This is the first quarter report for 2016/17, and highlights areas of service performance, including financial performance, that need addressing to ensure performance is within defined targets, as well as highlighting areas where performance is being exceeded.

The Quarter 1 position still gives sufficient time for services to address any areas to enable improvement before the year end.

As at the end of June 2016 of the 71 strategic and critical performance and financial indicators being reported 53% are achieving or exceeding their target (Green); however, 35% are significantly off target.

These off-target indicators total 25, as summarised on page 2 and 3 of appendix 1, followed by Head of Service commentaries. Budget action plans are either in place or being finalised for the 10 of those indicators that are financial (and as such linked to the Medium Term Financial Plan). Action plans are also in place for the remaining 15 (performance) indicators, and CLT will be reviewing a more detailed analysis of those plans at its next meeting on 15 September.

With regards to strategic risks, the likelihood has increased in 3 of the 14 risks since the previous assessment. Mitigating actions have been put in place and no additional actions were recommended at this time.

Although 10 of the 15 strategic projects being reported are amber (out of tolerance and with a plan in place) the number of greens and ambers are not significantly out of line with a normal / expected distribution of the ratings and no additional actions are recommended at this time.

Section 151 Commentary on Councils Financial Position

The forecast revenue outturn based on projections at month 3 (June) shows a net forecast overspend of £8.107m against a net budget of £494.620m (1.64%).

Service budgets (excluding Corporate Items) are projected to be £11.886m overspent against a budget of £432.546m (2.75%).

The most significant service overspend is Adult Care Services, forecasting an underlying gross overspend of £16.161m which, after utilising one off funding of £5.593m, brings down the net forecast position to £10.568m.

A budget action plan has been developed to mitigate the overspend for this service, together with Customer & Communities where an overspend of £1.406m is forecast at the quarter 1 stage, so that the Council can return a balanced budget by year end.

For services flagging red indicators on financial performance individual commentaries have been put in exception reporting table in appendix 1.

The Council's bottom line, when taking into consideration other mitigating actions and favourable budget variances, have reduced the net budget overspend to £8.107m. Services will need to ensure that they continue to actively mitigate overspends in the remainder of 2016-17 through prudent budget management.

Latest capital programme spend in 2016-17 is forecast to be £269.133m. Capital spend to date is £26.742m (10% of forecast spend) which is below the profiled target of £47.098m (17.5%) at the end of June to deliver the forecast programme. As some larger schemes are yet to commence, it is anticipated that spend will accelerate during the remainder of the year. However, there is a risk that capital spend will be less than is currently forecast.

4. Options available and consideration of risk

This report itself goes towards mitigating the risk that the Council fails to manage its performance and resources effectively. By receiving regular, up-to-date information on performance, the Cabinet can both hold CLT to account for the performance of the organisation and place itself to engage, should they identify issues or problems that necessitate action. The report is therefore central to the management of the Council's reputation and long-term health.

This report has links to all the medium term priorities listed in the Business Plan, as it helps the strategic leaders of the Council to plot the organisation's achievement against those priorities. However, in particular, it helps the organisation to "Manage public resources well and always look to improve."

5. Proposed Way Forward

The decision that is sought is that the IPMR for Quarter 1 2016-17 (June 2016) including, service performance, financial performance, strategic risks and strategic projects, be reviewed and appraised and that the

financial recommendations relating to additions to the Councils Capital Programme be approved.

6. Implications

Implications	Relevant to proposals	Details and proposed measures to address
Legal/Governance	N	None arising directly from this report. However, the Council needs to be mindful of the need to operate within budget, that it cannot set a negative budget (budget to overspend) and that it has a fiduciary to the tax payer with which it must comply. Regard also needs to be had to the exposure to risk of challenge for the Council if service cuts are unlawfully made as a result additional savings that have to be made. Service cuts alone do not present a risk of challenge. It is when those service cuts do not comply with the legal rules within which the Council must operate, and so are unlawful, that the Council is exposed to increased risk.
Financial	N	This regular performance update has no material cost implications in and of itself, although, clearly, the performance and financial information contained within it should help the Council to manage its costs more effectively.
Risk	N	This report itself goes towards mitigating the risk that the Council fails to manage its performance and resources effectively. By providing regular, up- to-date information on the Council's performance, this report will, therefore, largely cover the risks to Council performance and the mitigations associated with those risks.
Comprehensive Impact Assessment Implications N		
Equality and Diversity	N	A separate equality impact assessment is not required to accompany this report, as it is expected that consideration to any potential impacts during the delivery of key activities and projects will be undertaken at service level. Where any negative equality impacts have been identified it is the responsibility of the relevant service area to consider mitigating actions and monitor any ongoing risks.
Safeguarding	N	There are no Safeguarding implications associated with this report.
Information	N	There are no Information Management

Management		implications associated with this report.
Community Safety, Crime and Disorder	N	This report has no impact upon crime and disorder reduction.
Health, Safety and Wellbeing	N	There are no Health, Safety and Wellbeing implications associated with this report.
Other implications	N	None.

Supporting Information

Appendices:

Appendix 1	Service Performance
Appendix 2	Financial Performance
Appendix 3	Strategic Risks
Appendix 4	Strategic Projects

Background Papers:

None

Approval and clearance of report

Final report sign offs	This report has been cleared by OR not significant/not required	Date
Legal (if significant/required)	Simon Mansell	02:09:16
Finance Required for all reports	Andy Brown	6 Sept 2016
Equality and Diversity	Not required	

Cabinet/individual decision reports:

Final report sign offs	This report has been cleared by	Date
Head of Service	Andy Brown	6 Sept 2016
Corporate Director	Cath Robinson	6 Sept 2016