

2018/2019 Performance Report – Year End Outturn

Report No:	PAS/WS/19/001	
Report to and date:	Performance and Audit Scrutiny Committee	30 May 2019
Cabinet Member:	Appointment of the Cabinet Member to be confirmed at Annual Council on 22 May 2019.	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: This item is not included in the Decisions Plan.

Wards impacted: All wards

Recommendation: It is **RECOMMENDED** that, the Performance and Audit Scrutiny Committee notes the 2018/2019 Revenue and Capital Outturn positions and forward any relevant issues or comments to Cabinet for their consideration.

1. Background / Context

- 1.1 From the 1 April 2019, St Edmundsbury Borough Council and Forest Heath District Council, became West Suffolk Council. As this report covers the period 1 April 2018 to 31 March 2019 it refers to the previous councils and the shared set of priorities for that period. The two council reporting drives the volume of papers attached to this report, however this is the final performance monitoring report relating to the predecessor authorities. Going forward the number of appendices will decrease and become more focussed under a single council.
- 1.2 The performance management framework seeks to enable greater understanding of progress towards the councils' strategic priorities, as well as giving insight on the delivery of the large range of day to day services to the residents of West Suffolk.
- 1.3 The purpose of the evolution and development of the performance management framework is to ensure that management information supplied to the Performance and Audit Scrutiny Committee, Cabinet and Leadership Team clearly shows:
- Progress towards strategic goals;
 - Insight on initiatives that will ensure future progress;
 - Areas that require decisions and actions to keep on track to their goals;
 - Items with a significant level of risk associated with them; and
 - Flexibility in approach allowing the escalation of performance successes and challenges.

2. Proposals

- 2.1 This report shows the final performance and financial outturn position for St Edmundsbury Borough Council and Forest Heath District Council for the year 2018/19. Future reporting from 2019/20 will be in respect of West Suffolk Council only.
- 2.2 The attached appendices detail the performance as follows:

Appendix A: 2018/19 Performance Indicators – Commentary

This appendix shows a high level summary of the councils' budget monitoring outturn position for revenue, capital and reserves, and draws out a number of key performance indicators at strategic priority level.

Appendices B to E: Performance Indicators by Strategic Priority

These appendices support **Appendix A** and include more detail around how the councils are performing against each strategic priority.

Appendix F: West Suffolk Income and Expenditure Report

This appendix shows the current revenue forecast position across West Suffolk, analysed across the different categories of income and expenditure.

Appendices G to P: Financial Performance of each council

These appendices contain the current financial outturn positions for each council in respect of revenue, capital and earmarked reserves.

2.3 Performance Summary

2.3.1 The table below shows the year end performance status for all indicators, grouped by strategic priority and further detailed in **Appendices A to E**.

Key Performance Indicators					
Quarter 4 - 2018/19					
Appendix	Strategic Priority	On or Exceeding Target	Below Target within tolerance	Below Target, outside of tolerance	Data ONLY Indicators
B	Inclusive Growth	1	4	0	1
C	Families & Communities	4	1	1	3
D	Housing	5	0	0	1
E	Day to Day	26	4	2	6
West Suffolk Totals:		36	9	3	11

2.4 Financial Outturn Summary

2.4.1 The year end revenue outturn position shows an **underspend** for both councils: **£157,000 for Forest Heath** and **£10,000 for St Edmundsbury**.

2.4.2 These net underspends, which are comprised of a number of positive and negative variances reflecting those forecasted during the year, will be transferred to the Invest to Save Reserve in order to fund future efficiencies and initiatives, which will help to mitigate any further risks or budget pressures going forward.

2.4.3 Further details of the financial outturn position are included in **Appendices F to P**.

2.5 Flexible Use of Capital Receipts

2.5.1 As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation. Guidance on the use of this flexibility was issued in March 2016 which applies to the financial years 2016/17 through to 2019/20. As part of the final government settlement announced on 6 February 2018 this timeframe for flexible use of capital receipts has been extended for a further three years out to 2022/23.

2.5.2 In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy and to report against that strategy as required.

- 2.5.3 Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

- 2.5.4 West Suffolk Council has identified the move to a single council as qualifying transformational expenditure and estimated this cost at £500,000. The ongoing revenue savings generated by the move to single council amount to £300,000 a year.
- 2.5.5 The cost of moving to a single council spans the financial years 2018/19 and 2019/20. A total of £368,000 of the project costs were incurred during 2018/19 and the remaining budget of £132,000 will be carried forward to 2019/20. The total project cost is still expected to be £500,000.

3. Alternative Options

- 3.1 In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. There are no alternative options.

4. Consultation and engagement

- 4.1 This report and the figures and commentary therein have been compiled by the Finance team in consultation with the relevant budget holders, services and Leadership Team.

5. Risks

- 5.1 Should the council not have sufficient resources, there are risks that it will not be able to meet its priorities, associated with the following areas:
- Significant Budget Variances – mitigated by clear delegation of responsibility for budget monitoring and control. Leadership Team receive monthly reports highlighting major areas of concern in order to enable them to take timely resourcing decisions.
 - Wider economic situation around income levels – the more significant income streams are closely monitored and reported to Leadership Team and budget holders on a monthly basis.

6. Implications arising from the proposal

- 6.1 All implications arising from the proposals are covered within the report and its associated appendices.

7. Appendices

- 7.1 **Appendix A** – Performance Indicators - Commentary
Appendix B – Performance Indicators – Growth
Appendix C – Performance Indicators – Families and Communities
Appendix D – Performance Indicators – Housing
Appendix E – Performance Indicators – Day to Day
Appendix F – West Suffolk Income and Expenditure Report
Appendix G – FHDC Financial Outturn – Revenue, Capital and Reserves
Appendix H – FHDC Revenue Outturn Summary
Appendix I – FHDC Revenue Outturn Details
Appendix J – FHDC Capital Programme
Appendix K – FHDC Earmarked Reserves
Appendix L – SEBC Financial Outturn – Revenue, Capital and Reserves
Appendix M – SEBC Revenue Outturn Summary
Appendix N – SEBC Revenue Outturn Details
Appendix O – SEBC Capital Programme
Appendix P – SEBC Earmarked Reserves

8. Background documents

- 8.1 None