

**Council – 9 December 2024**

**Report of Cabinet – [6 November 2024](#)**

**Part I – Items Resolved by Cabinet**

**1. Corporate Plan Key Performance Indicators (KPIs)**

**Portfolio – Leader**

**Cabinet Resolution:**

That Cabinet approve the KPI list 2024-2028.

**Cabinet Discussion:**

The Performance and Insight Manager introduced the item and provided a summary of the report. Over the Summer the Executive Management Team (EMT) considered the list of Key Performance Indicators (KPIs), following approval of a suite of performance documents at Cabinet earlier in the year.

EMT gave specific consideration to the baselines and the targets of the KPIs. There were several observations made during this process and, following feedback from the relevant service areas, a final list of KPIs and updated targets were now presented for Cabinet approval.

One of the highlighted issues during this process was the formatting of the KPIs, an example being the consistent presentation of survey results. These formatting issues had since been resolved. Several of the KPI targets, for example tenant satisfaction, Appletree Carline customers and waste and recycling measures, had been updated to reflect the new and challenging target profile.

Furthermore, some measures were changed from snapshot to a cumulative so as to clearly reflect their incremental nature. A non-executive member welcomed the development of the KPIs for 2024-2028 and commented that there must be sufficient balance when it comes to challenge and recognition of areas involving work with strategic partners.

## **Part II – Recommendations to Council**

### **2. Financial Monitoring Report (Based on Performance April to September 2024 inclusive)**

**Portfolio** – Finance and Corporate

#### **Cabinet Resolution:**

That Cabinet:

1. Note the latest budget forecasts of the General Fund, HRA, and Capital; and
2. Approve the £75,000 supplementary budget for the Salisbury Arcade, Totton scheme funded via a corresponding reduction in the councils Revenue Contribution to Capital Outlay (RCCO) and Milford-on-Sea Public Conveniences capital scheme.

#### **Recommended:**

3. That Council approve the £375,000 supplementary budget for the Hardley Depot scheme as a result of abnormal groundworks.

#### **Cabinet Discussion:**

The Assistant Director of Finance introduced the item and provided an overview of the report.

Members were informed that the report was an update on the latest budget forecasts for the General Fund, Housing Revenue Account (HRA) and capital programme for the 2024/2025 year, based on the half year performance from April 2024 to September 2024 inclusive.

It was explained that there was some movement in the individual budget forecasts but that the latest position in the general fund remained unchanged from Quarter one with effectively a balanced budget at Portfolio Holder level.

The HRA account forecast deficit had increased by £78,000 to £200,000 and the capital programme had increased by £300,000 subject to the approval of the recommendations in the report.

The approval of a further £75,000 for the refurbishment of the Salisbury Arcade in Totton would support the regeneration of the area by

enhancing the overall appearance of the area whilst also linking to two of the Council's adjoining assets. This would be funded via the reallocation of resources from another scheme.

The third recommendation, for a £375,000 supplementary budget for the Hardley Depot scheme, was due for abnormal ground works and approval of this would ensure a modern, fit for purpose Council asset.

The pay award for 2024/2025 had now been concluded and members were reassured that sufficient budget exists to meet the increased in-year pay costs.

New variations to the general fund and HRA included pressures on income streams, totalling £350,000, relating to car parking income and planning fees. This was in spite of an overall increase in parking income and the Council's ability to charge more for planning services following the rise in national set planning fees.

Operational pressures of £90,000 regarding agency staffing and vehicle hire costs affected the Street Scene services. This was due to sickness levels and vacancies, resulting in more expensive agency costs. The Council's aging fleet also required more repairs and maintenance.

Necessary ICT cloud storage costs were greater than budget and there had been a spike in insurance costs following a sustained period of lower premiums. These pressures affected both the general fund and HRA with £175,000 increase relating to the General Fund and a £78,000 increase relating to the HRA. The £78,000 increase made up the total movements in adverse variances in the HRA and was uncontrollable by the service.

The Council's fuel costs were 15% lower than budget, resulting in a saving of £30,000 in first half of the year. Furthermore, the Council continued to benefit from holding cash balances in a relatively high interest rate environment, which provided an additional £400,000 of interest earnings.

Further mitigation of the General Fund pressures came from vacancies within the Revenue and Benefits and Support and Planning services, totalling £185,000, resulting in a balanced budget forecast for the General Fund.

The Portfolio Holder for Finance and Corporate commented on the report and highlighted that the £75,000 supplementary budget for the Salisbury Arcade was an excellent, deliverable project and would continue to be improve a capital asset that generated income for the Council whilst enhancing the wider area of Totton.

A briefing on Hardley Depot was provided to all members recently where it was explained that building costs had increased since the start of the project. The Portfolio Holder explained that although the supplementary budget was not desirable it should be considered relative to the overall cost of the project (£7million). The project would deliver a modern, fit for purpose facility and it was acknowledged that the new design would enhance staff safety by preventing the need for large vehicles to reverse on site.

Non-executive members commented on the design of the project and how some of the extra costs were attributed to the gas network. It was explained by the Strategic Director, Corporate Resources, S151 and Transformation that delays from the utility providers (gas and water) had added £110,000 of extra costs to the project.

## **Appendix 1 – Background Report to Cabinet**