

ANNUAL PERFORMANCE & PROVISIONAL BUDGET OUTTURN REPORT 2016/17

1. INTRODUCTION

- 1.1 'Our corporate plan' is supported by a Delivery Plan which sets out in more detail the context of the main issues the plan aims to address and key delivery actions which will contribute to the delivery of the plan. This report provides a draft overview of the Council's performance and achievements over the last 12 months and sets out provisional details of the 2016/17 projected financial outturn positions for the General Fund, Housing Revenue Account and Capital Programme. In recognition of some of the challenges moving forward it also sets out further key delivery actions for 2017/18.
- 1.2 The Council's statutory Statement of Accounts will be completed and signed by the Responsible Financial (S151) Officer by 30 June and will be presented to Audit Committee in August following external audit. Should there be any significant variations from the figures presented in this report, they will be highlighted at that Committee. The Outturn now presented is in management format.

2. BACKGROUND

- 2.1 Much of the focus for 2016/17 has been on the achievement of the service reviews and key activities contained within the delivery plan, whilst maintaining frontline service delivery in support of the visions and priorities of the corporate plan.
- 2.2 The Council's financial planning process further supports the delivery of the corporate objectives and the annual budget, and its performance, is an element of the overall corporate plan. The General Fund budget for 2016/17 was set at £17.192 million.
- 2.3 The provisional revenue Outturn (some areas of account still need to be resolved) for the year is an overall saving of £3.084m. The requirement for savings in order to meet the reduced budget for 2017/18 has resulted in significant savings being realised in 2016/17 (net £1.796m) with the majority of these being on-going. A review of the Asset Management Programme also resulted in considerable savings during the year (net £649k) and additional income contributed to the overall position, including Car Parking, Health & Leisure and Planning (£639k).

3. PERFORMANCE

- 3.1 Performance continues to be maintained in spite of the ongoing funding reductions and Appendix 1 illustrates in draft some of the council's achievements and key data for 2016/17.

3.2 The level of central government funding has reduced by £2.665m from 2015/16 to 2017/18, with further reductions forecast in future years. Appendix 2 introduces the key delivery actions for 2017/18 which will contribute to addressing this major issue.

4. PROVISIONAL BUDGET OUTTURN

4.1 The Annual budget is an important element of the delivery of the Council's financial strategy which supports the delivery of core services and provides value for money to local taxpayers. Details of the provisional Budget Outturn position for the General Fund are set out in Appendix 3.

5. ENVIRONMENTAL, CRIME AND DISORDER AND EQUALITY IMPLICATIONS

5.1 There are no environmental, crime and disorder or equality implications arising directly from this report.

6. LEADER'S COMMENTS

6.1 To follow.

7. RECOMMENDATIONS

7.1 It is recommended that the Panel:

- (a) Note the draft performance and achievements as set out in Appendix 1
- (b) Note the key delivery actions for 2017/18 set out in Appendix 2
- (c) Note the provisional General Fund outturn position
- (d) Note the provisional outturn position of the Capital Programme
- (e) Note the provisional outturn position of the Housing Revenue Account.

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Background Papers:

Our corporate plan –
Cabinet 3 February 2016

OUR PERFORMANCE 2016/17



Our vision: To secure a better future for the New Forest

Introduction

In February 2016 we agreed our Corporate Plan that aligned to the priorities of the then new administration. The priorities were set out as:

- Helping local business grow
- More homes for local people
- Good services outcomes for the community
- Protecting the local character of the place
- Living within our means
- Working with others to achieve more

The Corporate Plan is intended to be a working document that sets out our approach to how we can best support the community of the special place which is the wider New Forest district. The plan recognises that the backdrop to delivery over the medium term is managing the significant fiscal challenge.

We set a budget for 2017/18 which at £16.6 million is 10% less than the budget set in 2015/16 only two years earlier of £18.3 million. This has been achieved by:

- Reducing the size of the senior management team
- Reducing overall employee numbers by 70 (approximately 5%)
- Devolving responsibility to service managers with informed financial targets

This annual report looks back at 2016/17 and highlights the level of performance achieved against the priorities set, including “living within its means”.

Barry Rickman
Leader

Bob Jackson
Chief Executive

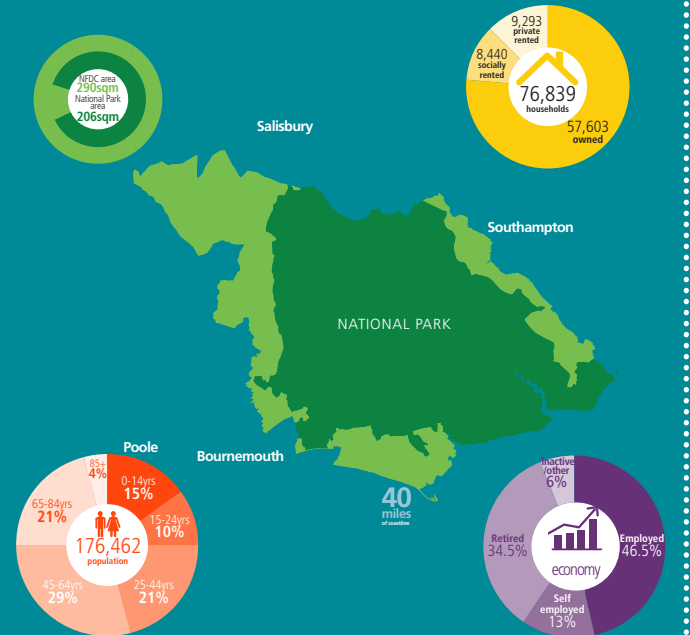
Our corporate plan

2016 - 2020

New Forest District is a unique and special place, to live, work, visit, and enjoy



OUR PLACE



OUR VISION AND PRIORITIES

To secure a better future for the New Forest by:

- Supporting local businesses to prosper for the benefit of the community
- Assisting the wellbeing of those people who live and work within the district
- Protecting the special and unique character of the New Forest

Our priorities:



Underpinned by:



OUR VALUES

We will be **ambitious** in our desire to work for and with our local communities. We are **financially responsible** with the public funds made available to us and we will be **innovative** and **customer focused** in how we improve outcomes for our community. We will be **collaborative** in our working, and are **proud** to work for and with others to represent the best interests of our unique and special place. We will be **open** in our approach and with our plans to deliver our aims and priorities.

You can read how we are delivering these aims in our Delivery Plan newforest.gov.uk



Helping local business grow

- Business Rates (Non-domestic rating income) grew to £67m in 2016/17, an increase of 6% from 2015/16.
- The level of employment of our resident population rose to 82,700; an increase of 4,300 on the previous year, which equates to a 3% increase in real terms.
- Local businesses continued to invest in the area including Exxon Mobil's £28 million investment in new plant contributing to the economic prosperity of the area.
- Hundreds of business people visited the second New Forest Business Expo, where 80 local companies showcased their products and services.
- The benefits to the local community from a thriving local business economy were also recognised this year as the theme for the council's representation at the New Forest Show. At which the opportunity was also taken to showcase New Forest business to the Enterprise M3 Local Enterprise Partnership board
- 21 New Forest businesses celebrated their success at the eleventh annual New Forest Brilliance in Business Awards. Seven businesses won awards.
- Over £90,000 is estimated to have been generated in the district by tv and film activity in the first year of our partnership with Creative England to encourage filming in the area. This also saw 50 more New Forest locations added to a database for film-makers.





More homes for local people

- Public consultation took place on the new Local Plan which is being developed to meet need and will likely include proposals for 10,000 new houses in the district over the next 20 years.
- With 144 households placed in bed and breakfast during the year, homelessness continued to be an issue.
- 299 households from the homesearch register were rehoused in 2016/17. However there are still over 3,000 applicants seeking council housing. We will continue to work hard to address this issue and are working on a revised housing strategy.
- The £5.8 million North Milton new homes project was completed and provided 21 new homes, as well as significant improvements to the whole estate.
- A grant award, based upon the number of second homes in the area, will allow the council to promote and assist the development of community housing schemes in the future.
- Action was taken to improve the management and standards of private sector leasing properties to provide temporary accommodation to those in urgent housing need.

	2015/16	2016/17	+/-
Total number of additional homes built	138	354	+216
Number of affordable homes built (including 21 delivered by NFDC in 2016/17)	31	106	+75





Service outcomes for the community

We continue to deliver the services expected by the community.

- Over 10 million waste and recycling collections were made during the year with only 0.06% reported as missed.
- We made 1,263 planning decisions (1,312 2015/16) with 1,048 applications approved.
- Around 10,300 households were supported with housing benefit or council tax reduction, against 10,500 the previous year.
- 975 (1,075 2015/16) food hygiene inspections were carried out with ratings published allowing people to make informed choices about where they eat.
- Our community alarm service 'Appletree Careline' launched a new wristband service in response to customer suggestions. The service quickly gets help to an individual and around 600 people signed up to the new service.
- We continued to provide 24 hour monitoring of the 56 cameras across the district, responding to 1,075 incidents and assisting the Police in 48 arrests.
- 'RemindMe', a text message reminder service, aimed at improving glass recycling rates was launched. Within the first two weeks over 10,000 residents had registered for the service.
- As more public services move to digital delivery our 'digital champions' have helped over 150 people get online, including helping people find work, doing their business accounts online and claiming universal credit. We also provided training to many community groups on welfare reforms.
- We provided nearly 200 disabled facility grants at a cost of around £1 million to allow people to remain in their own homes.
- As part of our commitment to local services, construction started on two new public conveniences at New Milton and Lymington - continuing the modernisation and renovation of such facilities.

	2015/16	2016/17	+/-
Percentage of household waste sent for reuse, recycling and composting	30%	30%	-
Cost of waste collection per household	£48.94	£49.40	+46p
Health & Leisure centre membership	7,073	7,616	+543





Protecting the local character of our place

- The 'leave nothing but footprints' anti-litter drive was continued with the National Park Authority and the Forestry Commission, and the annual community litter-pick (this year 'The Great British Spring Clean') was supported by 245 volunteers over the course of a weekend.
- In response to an increase in reported fly tipping incidents (990 during the year) we launched the enviro-crime campaign to make our actions more visible to residents. We have also seen an increase in the number of abandoned vehicles with 60 being removed in 2016/17 against 26 the previous year.
- We removed over 10 tonnes of metal from World War II invasion defences at Hordle cliff beach.
- The grounds maintenance team continued to cut 500,000 square metres of grass every week during the grass cutting season - whilst securing a new agreement with the county council to maintain urban grass verges. 27,000 trees were also inspected during the year.
- To protect the local character of our place, planning enforcement served nine enforcement notices in 2016/17 in response to identified harmful breaches of planning control and investigated 650 potential enforcement cases.



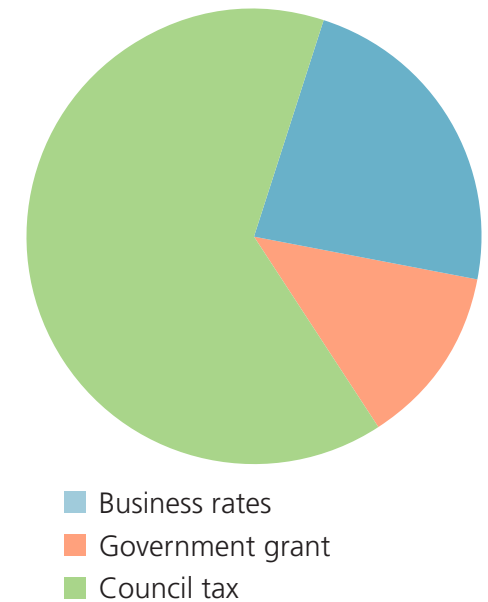


Living within our means

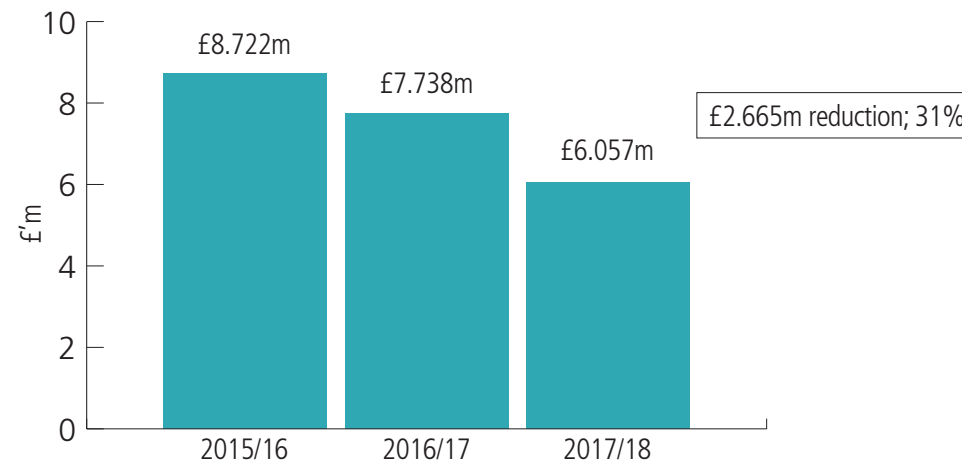
- The undertaking of several service reviews, additional income generation, and a review of our asset maintenance and replacement programme resulted in significant overall savings during the year against the original 2016/17 revenue budget.
- Despite significant reductions in central government support funding, a balanced budget for 2017/18 was set in February 2017, including £2.6m of on-going savings and income generation.
- NFDC Council Tax was set at £163.36 per annum, equivalent to £3.14 per week (average band D property) for the 2017/18 financial year.
- We developed and approved a new regeneration, redevelopment and income generation strategy. Work continues into 2017/18 in order to deliver the strategy objectives.
- There has been a reduction of 70 employees in the past two years, an equivalent of 47 full time posts and 5.6% of the workforce.

	2015/16	2016/17	2017/18
General fund budget - £ million	18.327	17.191	16.587
Reduction	-	-	9.5%

How the council is funded; 2017/18 budget



Government support grant 2015/16 - 2017/18





Working with others to achieve more

- £459,500 in grants was approved for local community and voluntary groups.
- The Chairman's volunteer awards celebrated 12 individuals and organisations who give their time as volunteers.
- Freedom of the district was awarded to 17 Port and Maritime Regiment RLC and a community event was held in Lyndhurst.
- Planning permission for 27 new rural affordable homes was granted as part of our work with the Hampshire Alliance for Rural Affordable Housing.

We continue to work in partnership with other local authorities and public sector partners to deliver a wide range of services, and are committed to the delivery of good public services to secure a better future for the New Forest.



Key Delivery Actions during 2017/18

Review		Success Measure	Portfolio Responsibility	
PLANNING & HOUSING	PH.1	Local Plan <i>Local plan consultation and draft submission for adoption</i>	More homes Economic growth	Planning & Transportation
	PH.2	Housing Strategy <i>Review the Councils policy for the provision of all types of housing in the context of the Local Plan review, the recent Housing White Paper, the Councils role as a social landlord and the needs of all residents of the District.</i>	More homes Economic growth	Housing & Communities
	PH.3	Building Control <i>Service delivery review of the Building Control service.</i>	Lower costs More efficient and effective working	Planning & Transportation
	PH.4	Tax & Benefits <i>Review in light of changes arising from Universal Credit implementation</i>	More efficient and effective working	Finance & Efficiency
	PH.5	Planning Service <i>To review resources taking into account Housing White Paper and the Local Plan.</i>	More efficient and effective working	Planning & Transportation
GOVERNANCE & REGULATION	GR.1	Financial Strategy <i>To develop a strategic financial plan that is sustainable for the long term</i>	Lower costs Income generation Self sufficient	Finance & Efficiency
	GR.2	Income Generation Strategy <i>Delivery of income generation strategy including commercial investment</i>	Income generation Increased Asset Portfolio	Finance & Efficiency
	GR.3	Member Support <i>To review the current democratic process to ensure that the links between the Council and local communities meet the needs of local people</i>	More efficient and effective working	Leader's
OPERATIONS	O.1	Waste & Recycling <i>Determine strategy including outcomes of the county wide Project Integra review</i>	Improved service delivery Lower costs More efficient and effective working	Environment
	O.2	Health & Leisure Centres <i>Service delivery review to challenge existing arrangements and maximise outcomes for the council and the customer in the longer term</i>	Lower costs More efficient and effective working	Health & Leisure
	O.3	Enforcement Activity (Streetscene) <i>Identify opportunities for joining up enforcement activities of visible officers</i>	Lower costs More efficient and effective working	Environment
	O.4	Accommodation Strategy	Optimisation of	Finance &

		<i>Develop an accommodation strategy to include operational sites to meet the future needs of the Council</i>	assets Lower costs	Efficiency
	O.5	Coastal <i>Ongoing identification and review of coastal schemes and funding arrangements</i>	Lower costs More efficient and effective working	Environment
RESOURCES	R.1	Performance Management <i>Review of Performance Management framework</i>	Improved service delivery Lower cost	Leader's
	R.2	Digital Service Delivery <i>Improved service delivery through modernised working</i>	Improved service delivery Lower costs Increased skills	Finance & Efficiency
	R.3	Pay & Reward <i>To determine a fit for purpose pay & reward strategy.</i>	Recruit & retain the right people.	Leader's
	R.4	Building Works <i>Service delivery review to challenge existing model and maximise outcomes for the council and the customer, including optimising revenue potential and ensuring efficiency and effectiveness of the department</i>	Lower costs More efficient and effective working	Finance & Efficiency
	R.5	Customer Strategy <i>To transform the way customers access our services, through the better use of digital service delivery.</i>	Improved service delivery Lower costs More efficient and effective working	Finance & Efficiency
All service reviews will consider opportunities for collaboration and income generation.				

BUDGET OUTTURN POSITION

SUMMARY GENERAL FUND OUTTURN INFORMATION 2016/17 (£'000)			
Original Budget	17,192		
Financial Monitoring	Savings/Income	Requirements	NET TOTAL
August	-731	77	-654
November	-1,061	279	-782
April	-881	430	-451
	-2,673	786	-1,887
Outturn	-1,574	377	-1,197
	-4,247	1,163	-3,084
Rephasings	Into 16/17	Out of 16/17	NET TOTAL
August	2,297		2,297
November		-272	-272
April		-1,103	-1,103
	2,297	-1,375	922
Outturn		-207	-207
	2,297	-1,582	715
Outturn Position	14,823		

Portfolio/Committee Level Outturn Analysis	
Leaders	57
Environment (1)*	-134
General Purposes and Licensing	-30
Planning and Transportation (2)*	-193
Planning Development Control	-48
Health and Leisure (3)*	-320
Housing and Communities	-73
Finance and Efficiency (4)*	-456
	-1,197

Environment	-51
Health and Leisure	-126
Finance and Efficiency	-30
	-207

*** Service Variations >-£25,000**

(1) - Street Scene	-58
(1) - Environmental Health	-34
(1) - Public Conveniences	-25
(2) - Planning Policy	-65
(2) - Environmental Design	-29
(2) - Transportation	-70
(3) - Health & Leisure Centres	-255
(3) - Sports & Comm. Develop.	-46
(4) - Office Accomodation	-47
(4) - ICT Workplan / Contracts	-49

SUMMARY CAPITAL PROGRAMME OUTTURN INFORMATION 2016/17 (£'000)					
	GENERAL FUND		HRA		TOTAL
Original Budget	3,291		17,378		20,669
Financial Monitoring	Savings/Income	Requirements	Savings/Income	Requirements	NET TOTAL
August		1,363			1,363
November		100			100
April	-161	130	-1,694	231	-1,494
	-161	1,593	-1,694	231	-31
Outturn		61		485	546
	-161	1,654	-1,694	716	515
Rephasings	Into 16/17	Out of 16/17	Into 16/17	Out of 16/17	NET TOTAL
August	1,861		300		2,161
November		-1,050		-1,900	-2,950
April		-2,050			-2,050
	1,861	-3,100	300	-1,900	-2,839
Outturn		-183		-8	-191
	1,861	-3,283	300	-1,908	-3,030
Outturn Position	18,154				

Portfolio/Committee Level Outturn Analysis	
Environment - Coast Protection	33
Planning and Transportation	-2
Open Spaces	11
Finance and Efficiency	19
Housing Revenue Account*	485
	546

Environment - Coast Protection	-53
Environment - Other	-115
Planning and Transportation	-7
Open Spaces	3
Leisure	-11
Housing Revenue Account	-8
	-191

*** Project Variations >+/-£25,000**

Stocklands Purchase (land swop)	623
Major Repairs	142
North Milton Estate	-194
Acquisitions	-96

HOUSING REVENUE ACCOUNT OUTTURN INFORMATION 2016/17 (£'000)

	Original Budget	Budget Variations via Financial Monitoring	Latest Budget	Outturn Actuals	Outturn Variation against Latest Budget
INCOME					
Dwelling Rents	-26,317	32	-26,285	-26,288	-3
Non Dwelling Rents	-706	-24	-730	-734	-3
Charges for Services & Facilities	-752	8	-744	-750	-6
Contributions towards Expenditure	-58	-14	-72	-60	12
Interest Receivable	-75	0	-75	-75	0
Sales Administration Recharge	-26	-16	-42	-40	2
Shared Amenities Contribution	-179	0	-179	-178	1
TOTAL INCOME	-28,113	-14	-28,127	-28,126	1
EXPENDITURE					
Repairs & Maintenance					
Cyclical Maintenance	1,472	0	1,472	1,109	-363
Disabled Facilities	509	0	509	551	42
Reactive Maintenance	2,789	0	2,789	2,585	-204
Supervision & Management					
General Management	3,746	-262	3,484	3,493	9
Special Services	1,220	-24	1,195	1,117	-79
Homeless Assistance	62	-1	61	58	-3
Rents, Rates, Taxes and Other Charges	11	11	22	43	21
Provision for Bad Debt	150	0	150	65	-85
Capital Financing Costs	4,488	0	4,488	4,487	-1
RCCO	13,667	-1,994	11,673	10,540	-1,133
TOTAL EXPENDITURE	28,113	-2,270	25,843	24,046	-1,797
HRA OPERATING SURPLUS(-) / DEFICIT	0	-2,284	-2,284	-4,080	-1,796
HRA Total Annual Surplus(-) / Deficit					-4,080
Transfer to ICT Reserve M410 HY001					59
HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT					-4,021