

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	14 June 2016
Subject:	Performance Management – Quarter 4 2015-16
Report of:	Graeme Simpson, Corporate Services Group Manager
Corporate Lead:	Mike Dawson, Chief Executive
Lead Members:	Councillors Mrs E J MacTiernan and D J Waters
Number of Appendices:	Five

Executive Summary:

Members are asked to consider the Council Plan Performance Tracker (Appendix 1), the Key Performance Indicator set (Appendix 2), the Revenue Budget Summary Statement (Appendix 3), the Capital Monitoring Statement (Appendix 4) and Reserves position summary (Appendix 5). These items form the core of the Council's Performance Management framework. This is the last monitoring report on the Council Plan (2012-16). A new Council Plan (2016-2020) was approved by Council on 19 April 2016.

Recommendation:

To scrutinise the performance management information, and where appropriate require action or response from the Executive Committee.

Reasons for Recommendation:

The Overview and Scrutiny Committee's Terms of Reference requires it to review and scrutinise the decisions and performance of the Council's Committees.

Resource Implications:

None directly associated with this report.

Legal Implications:

None directly associated with this report.

Risk Management Implications:

If delivery of the Council's priorities is not effectively monitored then the council cannot identify where it is performing strongly or where improvement in performance is necessary.

Performance Management Follow-up:

Performance management information is reported to Overview and Scrutiny Committee on a quarterly basis. The outcome of each quarterly review is then reported to Executive Committee.

Environmental Implications:

None directly associated with this report though elements of the Council Plan actions relate to environmental themes, for example, waste and recycling.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Council Plan Performance Tracker was introduced in 2012 and has proven to be an excellent tool to monitor the delivery of actions within the Council Plan. Supporting the tracker is a key set of Local Performance Indicators (LPI). The tracker and LPIs are reported on a quarterly basis to Overview and Scrutiny Committee. The outcome of the review, including any concerns or issues raised, are then reported to Executive Committee.
- 1.2** Members are asked to review and scrutinise the following; Council Plan Performance Tracker (Appendix 1), the Key Performance Indicator set (Appendix 2), the Revenue Budget Summary Statement (Appendix 3), the Capital Monitoring Statement (Appendix 4) and the Reserves position summary (Appendix 5). The majority of information within the performance tracker reflects the progress of council plan actions as at the time of writing the report. The remaining information including local performance indicators is of a financial and statistical type nature so represents the position as at the end of March 2016 (Qtr 4).
- 1.3** This is the last monitoring report relating to the Council Plan (2012-16). A new Council Plan (2016-2020) was approved by Council on 19 April 2016. Monitoring the delivery of the new Plan will continue to be monitored on a quarterly basis by the Overview and Scrutiny Committee.

2.0 COUNCIL PLAN PERFORMANCE TRACKER

- 2.1** The Council Plan (2012-16) has five priorities on which action is focussed to deliver the Council's vision:
- Use resources effectively and efficiently.
 - Promote economic development.
 - Improve recycling and care for the environment.
 - Provide customer focussed community support.
 - Develop housing relevant to local needs.

Each of the five priorities is supported by a number of objectives and actions which will focus activity on delivery of the priorities. The tracker has been developed and contains a set of key performance measures to support delivery of each Council Plan action.

- 2.2** For monitoring the progress of the Council Plan actions the following symbols are used:

☺ – action progressing well.

☹ – the action has some issues or delay by there is no significant slippage in the delivery of the action.

⊗ – significant risk to not achieving the action or there has been significant slippage in the timetable or performance is below target.

White – project has not yet commenced.

✓ – action complete or annual target achieved.

2.3 The majority of actions are progressing well, for example, since reporting the quarter 3 information, items of interest include:

- A Customer Care Strategy including corporate customer care standards has now been formally approved.
- A new complaints framework and policy has been introduced which makes it easier for customers to raise concerns and provides more effective monitoring.
- The Council's first ever Digital Strategy has been approved and this includes the development of a new website.
- A visit to the Borough from a Chinese delegation where a successful business event was held to showcase local engineering firms.
- The formal handover of the new leisure centre to Places for People with opening on 30 May.
- Significant project work agreed for the regeneration of Tewkesbury Town.
- The approval of a Community Infrastructure Levy Draft Charging Schedule at Council on 19 April 2016.
- Advancement in a number of neighbourhood plans.
- 180 groups being supported or signposted to potential funding streams by the Community Funding Officer.

2.4 Due to the complex nature of the actions being delivered then inevitably some may not progress as smoothly or quickly as envisaged. From the information obtained from services actions with either a ☺ or ☹ are highlighted below: -

Action	Status and reason for status
Set Council Tax in line with Medium Term Financial Strategy (MTFS)	☺ - draft budget proposes to increase council tax by £5. Although outside of the strategy, this will help us to meet our increasing deficit.
Deliver the corporate savings programme -£ saved in accordance with programme target	☹ - There has been some difficulty in delivering the overall savings programme – this is largely due to a review of benefits claims, which has highlighted an increased number of claimant errors. The savings programme is therefore expected to be delivered in 2016/17 and not this financial year.
Rationalise office accommodation through new ways of working – generate £235k through additional rental by end of 2015/16	☹- partner to rent top floor not yet found but all avenues being looked at.
Develop a new workforce strategy	☹- the end of year target date has been affected by sickness absence.
Promote waste minimisation	☹ - increase in tonnage to landfill and reduction in % recycled.

Street cleansing - Ensure we are responsive to customer complaints	☹ - new corporate complaints framework will allow for better capturing of data.
Public Services Centre – one stop shop approach to customer service	☹ - improvements to reception is part of the strategic 'jigsaw' for the vision of the PSC.
Place Programme roll out	☹ - the East area pilot has been rolled out but dates have yet to be set for the member meetings in the other two areas.
Delivery of JCS and Tewkesbury Borough Plan	☹ - slippage in milestones as a result of additional examination phase.
Identify an interim housing requirement to monitor five year supply of housing land	☹ - There remains uncertainty over any calculation as the objectively assessed needs are still being established through the JCS examination.

3.0 KEY PERFORMANCE INDICATORS (KPIs)

3.1 The set of Key Performance Indicators (KPIs) can be found in Appendix 2 and are a combination of contextual indicators and target related indicators. The set of KPIs must remain flexible to ensure they meet our needs. The data reported is the position at year end (March 2016).

3.2 Of the 17 indicators with targets, their status as at the end of quarter 4 is :

☹ (target not achieved)	☺ (target achieved)
8	9

And in terms of the direction of travel i.e. performance compared to last year, the status for the 17 indicators are:

↑ (better performance than last year)	↓ (not as good as last year)
12	5

Note: the direction of travel for KPI 4 and 5 - anti-social behaviour and crime incidents. There are no targets for these indicators.

3.3 Key indicators of interest include:

KPI 4 & 5 –The number of anti-social behaviour incidents is continuing to decrease and is an indicator of the proactive work among partner agencies. Overall crime is increasing.

KPI 11 – sickness absence. Average number of days taken in the year was 8.74 days against a target of 7 days and an increase from the 2014/15 outturn of 8.67 days.

KPI 12 – planning processing times (major applications). Processing of major applications has seen significant improvement in Q4. This has led to 87.50% of applications being processed within the agreed time and is also an improvement on the 2014/15 outturn. All three indicators confirm 2015/16 targets are unlikely to be achieved and processing times are down compared to 2014/15.

KPI 13-14 – planning processing times (minor and other applications). Processing times have not met target and performance is not as good as the previous year though performance has steadily improved since Q1.

KPI 15 & 16 – average time to process benefit application and change of circumstances. Processing times are the best ever and show continued improvement.

KPI 17 & 18 – council tax and business rate collection have met target and show improved performance on 2014/15 despite a significantly increased collection base.

KPI 24 – recycling. Performance continues to plateau around 51%.

KPI 26 – enviro crimes. Numbers have increased significantly since 2014/15 (1012 incidents to 1314 incidents).

KPI 30 – 229 affordable homes have been delivered in the year - the largest number delivered since 2007/8.

4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 The Financial Budget Summary for Q4 shows a £916,947 saving (Q3 shows a £276,131 saving) against the profiled budget. Below is a summary of the expenditure position for the Council split out between the main expenditure types.

4.2	Full Year Budget	Q4 Budget Position	Q4 Actual Position	Savings / (Deficit)	Budget Variance %
Group budget Summary					
Employees	8,097,677	8,194,436	8,088,058	106,378	1.3
Premises	666,394	647,142	593,414	53,727	8.3
Transport	166,390	164,391	149,099	15,292	9.3
Supplies & Services	2,328,723	2,312,088	2,061,924	250,164	10.8
Payments to Third Parties	4,243,935	4,281,501	4,474,265	(192,764)	(4.5)
Transfer Payments - Benefits Service	19,665,790	19,665,790	19,838,629	(172,839)	(0.9)
Income	(25,951,437)	(25,243,777)	(26,629,212)	1,385,435	(5.5)
Support Services	0	0	0	0	0.0
Capital Charges	443,878	0	0	0	0.0
Treasury Mg Activity	(188,835)	(164,699)	(118,025)	(46,674)	0.0
	9,472,515	9,856,871	8,458,151	1,398,720	14.19

Corporate budgets

Salary & Procurement savings	(201,379)	(201,379)	0	(201,379)	100.0
New Homes Bonus	84,606	84,606	0	84,606	0.0
Retained Business Rates income	(250,000)	(250,000)	115,000	(365,000)	146.0
	9,105,742	9,490,098	8,573,151	916,947	9.66

4.3 Looking at the budget position of all the Group Managers there is an underspend of £1,399k being shown (£777k at Q3).

This is being achieved through underspends of:

i) £106k on Employees. These costs savings have been achieved through vacant posts, rather than through reduction in staff numbers.

ii) £1,385k of additional income above budget projection, with additional income from planning applications contributing the majority to this. Other sources of income such as garden, trade waste and also from legal services work for third parties has helped achieve the underspend.

4.4 The reason for overspends within Groups include:

i) The year end position on the Housing Benefit Subsidy Claim is £192k below budget. Overpayments have continued to be above budget levels reducing the recovery of subsidy and leading to the budget deficit.

ii) The overspend against payments to Third Parties, is mostly relate to One Legal, although this is due to additional costs being incurred due to additional working being undertaken. The overspend has then been offset against additional income being earned.

iii) Treasury management continues to show an under recovery against budget. This is still impacted by the available of cash balances of the Virgin Media refund and the cost of the leisure centre.

4.5 Attached on Appendix 3 is a summary of the position for each Group Manager, which shows the current variance against their budget. Where the main types of expenditure headings within the Group Manager's responsibility has a variance over £10k, a short explanation for the reason for the variance has been provided.

4.6 The main reasons for the movement between the reported Q3 position and the Q4 position is due to:-

i) Release of new homes bonus not spend during the year (£110k).

ii) One-off gain (£97k) from a release of a provision held to cover the potential cost of a rent review which has not been realised.

iii) Environmental Health income was £100k better than was expected, and have been able to recognise this at year-end. In particular licencing income has been greater than expected.

iv) Income relating to LSIF (large site infrastructure fund) scheme has been recognised as not being spent in year (£290k), but this has to be ring fenced to be spent in 2016/17.

v) £100k of small incremental increases in the quarter over a wide range of cost centres (savings on expenditure lines, and increases in income).

- 4.7 Although the Group Managers' position appears to be significantly underspent, the budget report also recognises the need to achieve savings from the base budget in terms of salaries and procurement savings. These savings targets are currently held on the corporate budget codes on the ledger. No savings are recognised against these plans as they accumulate through the year within service groupings.
- 4.8 Also detailed under corporate budgets is the retained income from the Business Rates Scheme. This is showing a deficit of £365k. The budget projection was that a surplus above the business rates income target which would contribute £250k to the budget. During the year a series of revaluations on various properties within the borough and also write off of several debts which have proven to be unrecoverable has meant that rather than a surplus being realised we are in a deficit position.
- 4.9 The underspend on budget is a positive result from the Council for 2015/16, however it should be noted that £490k is ring-fenced and will be spent in the following financial year (such as the £290k LSIF mentioned above). The remaining balance of £426k has been made available to fund requests for reserves from services to fund specific schemes in future years. Although no decisions have been made in relation to these request, the total requests received is approximately £250k higher than the underspend available to fund them.
- 4.10 The Committee should note that in 2016/17 the finance report will be presented to the Executive Committee as a standalone report. This is to ensure that it receives financial information in line with its responsibilities as laid out in the Constitution and to ensure that it is timely in order to make informed decisions based on the current financial position of the Council.

5.0 FINANCIAL SUMMARY – CAPITAL POSITION

- 5.1 Appendix 4 shows the capital budget position as at Q4. This is currently showing an underspend against the profiled budget of £1,848,372.
- 5.2 This is principally due to the capital asset fund of £1.9m which was expected to be spent in 2015/16 and has not been. Work has been completed on the solar panels on the Council offices which has reduced the fund by £190k, however the remaining balance earmarked for a capital investment purchase has been delayed until 2016/17.
- 5.3 Community grants are underspent which is due to slippages in approved programmes, however monitoring by the Working Group highlights that all schemes are continuing and budgets are expected to be spent.
- 5.4 The larger schemes in relation to the new leisure centre and refurbishment of the Roses theatre are showing differences to the profile spend in the budget, but project management by the Property team is indicating that these schemes are in line to meet the total capital budget allocated to each scheme.
- 5.5 There is some slippage in the spending of the budget on Tewkesbury town and riverside projects as plans continue to be developed on how best to utilise the available budget.

6.0 FINANCIAL SUMMARY – RESERVES POSITION

- 6.1 See Appendix 5 for a summary of the current usage of available reserves.
- 6.2 Reserves have been set aside from previous years to fund known future costs. At present the reserves are being utilised, and show actual payments made. The information in the Appendix does not take account of reserves which have been committed, but not yet paid.

- 6.3** Whilst the Q4 position shows that there remains a significant balance on the reserves, the majority of them have been requested to roll over into the next financial year.
- 7.0 OTHER OPTIONS CONSIDERED**
- 7.1** None.
- 8.0 CONSULTATION**
- 8.1** None.
- 9.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 9.1** The performance information supports delivery of the Council Plan.
- 10.0 RELEVANT GOVERNMENT POLICIES**
- 10.1** None directly.
- 11.0 RESOURCE IMPLICATIONS (Human/Property)**
- 11.1** None directly.
- 12.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 12.1** Linked to individual Council Plan actions.
- 13.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 13.1** Linked to individual Council Plan actions.
- 14.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 14.1** Council Plan 2012-16 (Year 4) approved at Council on 14 April 2015.

Background Papers: None.

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Appendices:

- 1 – Council Plan Performance Tracker Qtr 4 2015/16.
- 2 – Local Performance Indicator Set Qtr 4 2015/16.
- 3 – Financial Budget Summary Statement Qtr 4 2015/16.
- 4 – Capital Monitoring Statement Qtr 4 2015/16.
- 5 - Reserves Position Summary Qtr 4 2015/16.