

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	28 November 2017
Subject:	Performance Management – Quarter 2 2017/18
Report of:	Graeme Simpson, Head of Corporate Services
Corporate Lead:	Mike Dawson, Chief Executive
Lead Members:	Councillor G F Blackwell , Lead Member for Organisational Development
Number of Appendices:	4

Executive Summary:

New Council Plan priorities (2016-20) were approved by Council on 19 April 2016. Supporting the priorities is a set of objectives and actions. Progress in delivering the objectives and actions are reported through a Council Plan Performance Tracker (Appendix 1). The tracker is a combined document which also includes a key set of performance indicators. The report also includes the Revenue Budget Summary Statement (Appendix 2), the Capital Monitoring Statement (Appendix 3) and the Reserves Position Summary (Appendix 4). This performance information is reported to the Overview and Scrutiny Committee on a quarterly basis and the outcome is then reported to the Executive Committee by the Chair of the Overview and Scrutiny Committee.

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 Terms of Reference require 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.

1.0 INTRODUCTION/BACKGROUND

- 1.1** New Council Plan priorities (2016-20) were approved by Council on 19 April 2016. Supporting the priorities is a set of objectives and actions. Progress in delivering the objectives and actions are reported through a Council Plan Performance Tracker (Appendix 1). The tracker is a combined document which also includes a key set of performance indicators. The report also includes the Revenue Budget Summary Statement (Appendix 2), the Capital Monitoring Statement (Appendix 3) and the Reserves Position Summary (Appendix 4). This performance information is reported to the Overview and Scrutiny Committee on a quarterly basis and the outcome is then reported to the Executive Committee by the Chair of the Overview and Scrutiny Committee.
- 1.2** This is the second quarterly monitoring report for 2017/18. The majority of information within the performance tracker reflects the progress of Council Plan actions as at the time of writing the report. The key performance indicator information is of a statistical nature so represents the position as at the end of September 2017 (Qtr 2).

2.0 COUNCIL PLAN PERFORMANCE TRACKER

- 2.1** The Council Plan (2016-20) has four priorities which contribute to the overall Council Plan vision "*Tewkesbury Borough, a place where a good quality of life is open to all*". The priorities are:

- Finance and Resources
- Economic Development
- Housing
- Customer Focused Services

Each of the four 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 monitor delivery of each Council Plan action. The actions are reviewed and where appropriate refreshed on an annual basis.

- 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

Grey – project has not yet commenced

✓ – action complete or annual target achieved

For monitoring of key performance indicators the following symbols are used:

↑ - PI is showing improved performance on previous year

↔ - PI is on par with previous year performance

↓ - PI is showing performance is not as good as previous year

2.3 The majority of actions are progressing well and key activities to bring to Members' attention include:

- Acquired additional two properties to add to the Council's portfolio.
- Refurbishment of top floor is continuing and first phase is in progress for completion for mid-December.
- Completion of the replacement of equipment at the Vineyards play area Tewkesbury.
- Inspector's final report for the JCS received in October.
- The Housing Team achieved 73% in the peer review allowing the Council to make an application for a bronze award.
- Continued decrease in the number of fly-tipping incidents in areas previously targeted.
- Tender awarded for garden waste sticker licenses.
- New missed bin reporting form now live.
- Moving email to Office 365 has improved business continuity for the Council.

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

Action	Status and reason for status
Undertake a discretionary trade waste service review to ensure it is operating on a viable commercial level.	☹️ Final report received from APSE in mid-October. Officers are considering the options presented.
Put in place a plan to regenerate Spring Gardens.	☹️ Capacity issues have caused delay with this project. Management are looking to bring in additional resources to move it forward.
Allocate and deliver employment land through the JCS and Tewkesbury Borough Plan.	☹️ Target date for the Tewkesbury Borough Plan (TBP) was originally winter 2017 this has been amended to spring/summer 2019 where it is estimated the TBP will be adopted.
Deliver a programme with partners to progress Healings Mill and other key sites to support the regeneration of Tewkesbury.	☹️ Site was not sold in the summer discussions are being sought with the developer.
Develop the Tewkesbury Borough Plan.	☹️ Target date for the Tewkesbury Borough Plan (TBP) was originally winter 2017 this has been amended to spring/summer 2019 where it is estimated the TBP will be adopted.
Deliver the Public Services Centre refurbishment project.	☹️ Slight delay to the target date now scheduled for completion end of June 2018.
Look at collaborative options for the planning and environmental health services.	☹️ Options will continue to be explored as part of both the development services and community services review.

3.0 KEY PERFORMANCE INDICATORS (KPIs)

3.1 The set of Key Performance Indicators (KPIs) 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 end of September 2017.

3.2 Of the 15 indicators with targets, their status as at the end of quarter 2 is :

☹️ (achievement of target)	😊 (on target)	☹️ (target likely to be achieved by the end of the
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is unlikely)		year)
1	13	1

In terms of the direction of travel i.e. performance compared to last year, the status for the 15 indicators are:

↑ (better performance than last year)	↓ (not as good as last year)
11	4

3.3 Key indicators of interest include:

- KPI 14 - Percentage of minor applications determined within eight weeks – significantly below target, this is expected to improve significantly following recent recruitment and improvement work being undertaken with Planning Advisory Service (PAS).
- KPI 19 – Substantial decrease in reported enviro-crimes.
- KPI 23 – Average number of days for the Benefits Team to process a change in circumstances has dropped to 3.46 days where the national average is 9 days.
- KPI 28 – There has been an increase in the average number of sick days per full time equivalent. Overall total working days lost has increased by 96.49% for Q1 and Q2.
- KPI 29 – Percentage of waste recycled or composted is above our 52% target.
- KPI 30 – There is a reduction of waste sent to landfill in Q2 of 100 tonnes compared to Q1.

4.0 FINANCIAL SUMMARY - REVENUE POSITION

- ### 4.1
- The financial budget summary for Q2 shows a £315,331 surplus (£225,836 – Q1) against the profiled budget. Below is a summary of the expenditure position for the Council split out between the main expenditure types:

Services expenditure	Full Year Budget £	Budget £	Actual £	Underspend/ (overspend) £
Employees	8,643,704	4,168,148	4,082,341	85,807
Premises	518,412	329,093	320,804	8,290
Transport	169,250	83,615	63,333	20,282
Supplies & Services	1,816,164	1,074,198	1,060,017	14,181
Payments to Third Parties	4,957,932	2,733,984	2,689,068	44,915
Housing Benefits	19,627,180	10,551,573	10,501,573	50,000
Income	(25,884,278)	(2,780,571)	(2,672,560)	(108,011)
Support Services	(17,954)	0	0	0
Capital Charges	992,592	0	0	0
	10,823,002	16,160,039	16,044,575	115,464

Corporate Codes

Treasury Mgt Activity	57,086	28,543	(60,272)	88,815
Investment Properties	(1,179,467)	(600,992)	(554,545)	(46,447)
Corporate Savings Targets	(60,000)	(30,000)	0	(30,000)
New Homes Bonus	47,300	0	0	0
Business rates	0	0	187,500	187,500
	9,687,921	15,557,590	15,429,759	315,331

Note: With regards to savings and deficits, items in brackets and red are overspends

- 4.2** The budget position in relation to the Heads of Service responsibility shows an underspend of £115,464 as at the end of September (£157,537 – Q1). As can be seen there are three main areas of savings - employees of £85,807, payments to contractors of £44,915 and the Housing Benefit service of £50,000.
- 4.3** Employee costs savings are generated mainly through staff vacancies and maternity leave. Services have managed vacancies in the short term with limited use of agency staff and help from current staff to cover work.
- 4.4** The underspend on payments to contractors is generated from small savings across all services, with the most significant saving being on the current MRF recycling contract as a result of a lower than anticipated gate fee per tonne.
- 4.5** The benefits service performance on ensuring that we keep up-to-date on processing claims and changes, as well as targeting overpayments, means that we are recovering more

subsidy on our expenditure that was budgeted.

- 4.6** In terms of overspends being reported at the half year stage, there are two significant overspends. Planning income has been consistently below target during Q2 leading to a deficit of £146,000 against budget. Garden waste is also below budget which appears to be as a result of the changes to the charging structure whereby customers are making pro rata payments for this financial year. This is expected to be a one-off issue relating to the change to a single renewal date for all customers and the introduction of a sticker system for bin collections. Car parking and licencing are performing well so far this financial year which is offsetting the issues reported above.
- 4.7** Attached at Appendix 2 is a summary of the position for each Head of Service, which shows the current variance against their budget. Where the main types of expenditure headings within the Head of Service's responsibility have a variance over £10,000, a short explanation for the reason for the variance has been provided.
- 4.8** Although the Head of Service's position is 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. This has the effect of reducing the underspend on services by £30,000.
- 4.9** Also detailed under corporate budgets is the retained income from the Business Rates Scheme. This is showing a surplus of £187,500. This is a prudent prediction of the year end position although it should be noted that there has been so far very little activity with regards to processing appeals either from past appeal listings or ones against the new 2017 list. The Council has set aside a significant provision to cover additional appeals which is hoped to be sufficient in meeting successful appeals, therefore allowing the Council to benefit from wider increases in business rates income.
- 4.10** The Council also has a target for the acquisition of additional investment property. The Council has bid on properties in Q1 and early Q2 but was unsuccessful on these particular occasions meaning that it is currently £46,447 behind target income for this area of activity. However, in recent weeks, Council has successfully acquired three new commercial properties at a cost of £13.6m. Once the transfers are completed, these properties will generate nearly £820,000 of income per year and will mean that the Council exceeds its budget target for the current year.
- 4.11** We have now also added in the impact of treasury management activity during the year, which previously was only reported at year end. So far this year we are £88,815 ahead of budget. Through access to cheap borrowing rates and the use of more lucrative funds for our cash investments, our treasury management activity is providing a much better return than expected.
- 4.12** Taking into account the positive position on the corporate accounts, the overall position of the Council at the end of Q2 is a surplus of £315,331.

5.0 CAPITAL BUDGET POSITION

- 5.1** Appendix 3 shows the capital budget position as at Q2. This is currently showing a significant underspend against the profiled budget.
- 5.2** The underspend is as a result of certain projects such as the refurbishment of the Council offices not starting in the expected timescales. There is also consistent underspend against

expectations on disabled facilities grants.

6.0 RESERVES POSITION

6.1 Appendix 4 provides a summary of the current usage of available reserves.

6.2 Reserves have been set aside from previous years to fund known future costs and the strategic planning of the authority's operation. The information in the appendix does not take account of reserves which have been committed, but not yet paid.

6.3 Whilst the Q2 position shows that there remains a significant balance on the reserves, the expectation is that the balances will be spent in the future. Finance has asked for updates from all departments about their plans to ensure that earmarked reserves are either used for their intended purpose, or released back to the general fund.

7.0 OTHER OPTIONS CONSIDERED

7.1 None

8.0 CONSULTATION

8.1 None

9.0 RELEVANT COUNCIL POLICIES/STRATEGIES

9.1 Council Plan 2016-20.

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 approved by Council 19 April 2016.

Background Papers: None

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Appendices: Appendix 1 – Council Plan Performance Tracker Qtr 2 2017/18
Appendix 2 - Revenue Budget
Appendix 3 - Capital Budget
Appendix 4 - Reserves