

TEWKESBURY BOROUGH COUNCIL

Report to:	Overview and Scrutiny Committee
Date of Meeting:	3 December 2019
Subject:	Performance Management – Quarter 2 2019/20
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Members:	Lead Member for Commercial Transformation
Number of Appendices:	4

Executive Summary:

New Council Plan priorities (2016-20) were approved by Council on 25 April 2018. 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 set of Key Performance Indicators (KPIs). 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 and its 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 25 April 2018. 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 set of Key Performance Indicators (KPIs). 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 monitoring report for 2019/20. The majority of information within the performance tracker reflects the progress of Council Plan actions as at the time of writing the report. The KPI information is of a statistical nature so represents the position as at the end of September 2019 (Qtr 2). The tracker includes actions that have been refreshed to ensure the Council Plan is a 'live' document. The refreshed plan was approved by Council on 16 April 2019. This is the last year of the four year plan and work has started to develop a new plan and priorities.

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
 - Promoting and supporting economic growth
 - Growing and supporting communities
 - 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 This report presents the second quarter of the final year of the current plan. Key successful activities to bring to Members' attention since the last performance report include:

- Council approval for an additional £20m towards commercial property investment.
- The Public Services Centre has been extended to include the letting of a further 1000sq ft (the old print room) to Gloucestershire County Council.
- High Street Heritage Action Zone expression of interest was successful for Tewkesbury Town.
- Growth Hub has seen 1,325 businesses benefitting from support it provides.
- Comments on the draft Local Industrial Strategy have been collated and submitted to the Local Enterprise Partnership.
- An additional neighbourhood area has been designated - Woodmancote Parish - making it 16 in total across 21 parishes.
- Proactive approach to enviro crimes - 12 fixed penalty notices have been issued; six cases referred to One Legal for prosecution; officer attendance at Parish Council meetings; four community events; and, undertaking of 35 patrols.
- Workshop held in partnership with Gloucestershire Clinical Commissioning Group to support development of a local integrated health partnership.

2.4 Due to the complex nature of the actions being delivered, 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
Disposal of the Ministry of Agriculture, Food and Fisheries (MAFF) site.	☹️ Disposal is on hold pending the outcome of the Spring Gardens regeneration project and Parking Strategy review to understand any potential requirements arising from the projects. The target date has been amended twice previously.
Deliver employment land through the Joint Core Strategy (JCS) and Tewkesbury Borough Plan (TBP).	☹️ Target date has been amended from Autumn 2019 to Spring 2020 . This is to allow for a more comprehensive draft plan to be produced for the next public consultation.
Review the tourism resources to maximise the tourist provisions in the borough.	☹️ Date has been amended from October 2019 to March 2020 to consider partnering options for the Old Hat Shop and develop a business case. The date for this action has been amended twice previously.
Work with partners to undertake the required reviews to the JCS.	☹️ Target date has been amended from Autumn 2019 to Spring 2020 . This is to allow for a more comprehensive draft plan to be produced for the next public consultation.
Ensure adequate land is allocated within the JCS and Tewkesbury Borough Plan to meet housing need.	☹️ Target date has been amended from Autumn 2019 to Spring 2020 . This is to allow for a more comprehensive draft plan to be produced for the next public consultation.
Develop a programme to work with landlords to ensure residents have a supply of rented properties to meet their needs.	☹️ Target date has been amended from September 2019 to December 2019. The initial work that commenced in Q1 was paused and due to restart in November. The date for this action has been amended twice previously, to factor the private rented housing sector accommodation fund pilot going to Executive Committee and transfer and responsibility to deliver the private rented scheme.

Introduce the option for paperless billing for council tax and business rates.	☹ There has been a combination of issues relating to this project around General Data Protection Regulation (GDPR), software integration and contract performance. An in-house solution is currently being investigated. The date for this action has been amended three times previously.
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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 2019.

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

Awaiting data	😊 (on target)	☹ (below target but confident annual target will be achieved)	☹ (below target and target unlikely to be achieved)
2	10	3	2

In terms of the direction of travel i.e. performance compared to last year, for all indicators (not all indicators have a target e.g. crime) the status is:

Awaiting data	↑ (better performance than last year)	↓ (not as good as last year)
2	10	7

3.3 KPI's where the direction of travel is down ↓ and/ or KPI is either a ☹ or 😊 are highlighted below:

KPI No.	KPI description	Reason for ☹ or 😊
12	Percentage of 'major' applications determined within 13 weeks or alternative period agreed with the applicant.	↓ Figure is down compared to the outturn of 2018/19, from 90.30% to 85.71%. This is a result of two major application missing the target timescale during Qtr 2. However, the overall target of 85% was achieved.
13	Percentage of 'minor' applications determined within 8 weeks or alternative period agreed with the applicant.	↓ 😊 Due to the complexity of the issues needed to address some of the 'minor' applications, it has taken longer for nine minor applications to be determined within the agreed timescale during Qtr 2.

14	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant.	☹️ The Qtr 2 cumulative figure, 86.71%, is below the 2019/20 target of 90% due to 27 applications being answered outside of the agreed timescale.
18	Number of reported enviro crimes	↓ ☹️ 344 crimes were reported in Qtr 2 making it 625 for the year, compared to a total of 1,089 reported in 2019/20.
26	Number of overall crime incidents	↓ There has been an increase in the number of overall crime incidents of 3.26% during the 12 month period.
27	Average number of sick days per Full Time Equivalent (FTE)	↓ ☹️ Although the number of sick days in Qtr 2 is down from Qtr 1, the target of eight days will not be achieved. At the end of Qtr 2 the outturn is 6.4 days.
31	Percentage of Freedom of information (FOI) requests answered on time.	↓ Whilst the target of 80% has been achieved, the quarterly figure has dropped when compared to the outturn (92%) for 2018/19. This is due to the number of responses not meeting the 20 working day timescale.
32	Percentage of formal complaints answered on time.	↓ ☹️ The Qtr 2 figure compared to last years' outturn has slightly decreased as a result of high number of complaints received during this quarter not being answered within the 20 working day timescale. Ten complaints were answered late during Qtr 2.

Note: Waste and recycling data for quarter two was not available for this report due to a change in process for the disposal of waste.

Areas where key indicators are performing particularly well, include:

- KPI 6: the number of visitors to Winchcombe Tourist Information Centre has been achieved, with 7,954 this year so far.
- KPI 7: 706 visitors entered the Growth Hub during the first two quarters which is on track to meet the 1,000 target.
- KPI 21: with the Benefits team putting in place new ways of working, it has improved the average number of days to process new benefit claims, from 22 days (Qtr 4 2018/19 figure) to 5 days.
- KPI 22: The number of days to process change in circumstances has also improved as a result of new ways of working from five days to three days.
- KPI 23: with an additional 411 dwellings being added to the valuation list the percentage of council tax collected remains on target to meet the 98.3% by the end of the year.

4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 The financial budget summary for Qtr 2 shows a (£18,530) deficit against the profiled budget (Qtr 1 – (£71,190)). Below is a summary of the expenditure position for the Council split out between the main expenditure types.

4.2	Services expenditure	Budget £	Budget Q2 £	Actual Q2 £	Variance £
	Employees	9,864,860	4,433,679	4,322,241	111,439
	Premises	640,349	390,724	404,482	(13,758)
	Transport	157,779	70,975	62,853	8,121
	Supplies & Services	1,985,608	800,428	879,625	(79,197)
	Payments to Third Parties	5,497,115	2,959,183	3,127,462	(168,280)
	Transfer Payments - Benefits Service	13,611,266	7,366,417	7,496,417	(130,000)
	Income	(20,478,721)	(3,382,126)	(3,583,096)	200,970
		11,278,256	12,639,280	12,709,985	(70,705)

Corporate Codes

Interest Received	(394,822)	(197,411)	(251,259)	53,848
Interest Costs	650,500	325,250	226,851	98,399
Investment Properties	(2,753,605)	(1,505,396)	(1,353,173)	(152,223)
Corporate Savings Targets	(7,500)	0	0	0
RSG and other grant funding	(36,565)	(18,290)	(18,740)	450
New Homes Bonus	(3,273,399)	(1,636,700)	(1,636,700)	0
Business rates	(2,497,557)	0	(51,701)	51,701
	2,965,308	9,606,733	9,625,263	(18,530)

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

4.3 Position on Service Expenditure

4.3.1 The budget position in relation to service expenditure shows an overall budget deficit of (£70,705) as at the end of September 2019 (Q1 - (£52,242)).

4.4 Employee Costs – surplus of £111,439

4.4.1 These savings are being generated mainly through staff vacancies, across most services, with Corporate Services generating the most savings at £40,767. Services have managed vacancies during the period by utilising current staff to cover work in the short term and, where possible, limiting use of agency staff.

4.5 Supplies & Services – deficit of (£79,197)

4.5.1 There is a deficit being reported on both Supplies and Services and Payments to Third Parties. This is mostly due to the expenditure incurred on delivering the European Elections. The Council receives grant income to cover the cost of the elections and therefore an income surplus within Democratic Services matches off this expenditure. The Borough Council Election expenditure is also contained within Democratic Services and this is matched off through one-off funding from reserves and New Homes Bonus. Overall, Democratic Services is in a cost neutral position.

4.6 Payments to Third Parties – deficit of (£168,280)

4.6.1 Community Services are reporting deficit of (£114,908), which relates to the delivery of waste and recycling services. Ubico is reporting a half year deficit position of (£99,536), with a projected year end overspend of (£199,072). As reported in Qtr 1 a large proportion of this is as a result of:

- deploying additional resources on grounds maintenance rounds to ensure issues with grass cutting - which are being reviewed by a Working Group - are minimised during the growing season; and
- the additional cost of the depot from the review of use of space, which was agreed after the budget was set

Both these overspends are being covered through one-off reserve use for the current year.

4.6.2 The remaining significant element of the Ubico budget position is due to the hire of additional vehicles. There is the specific hire cost of an additional vehicle whilst the procurement for a new narrow access vehicle continues. There have also been a couple of accidents which has meant additional hire and repair costs whilst these vehicles are out of operation.

4.7 Transfer Payments – deficit of (£130,000)

4.7.1 The deficit on transfer payments relates to housing benefit claimant payments and recovery of expenditure from the government. During the year, several significant overpayments as a result of claimant error, which go back over several years, have been identified one of which is for over £20,000 and included a fraud investigation. The Council only receives government subsidy of 40% where claimant error is identified and, as a result, we are predicting a deficit on the budgeted subsidy recovery of (£80,000).

4.7.2 Notwithstanding this, the Council is entitled to 100% of the debt if it can be reclaimed from the claimant, therefore, in the long run the deficit on the housing benefit claim could be eradicated. Unfortunately recovering significant overpayments can take time and has resulted in an increase in the level of debt held in relation to housing benefit. Given the good work the recovery team has made in previous year, we had assumed as part of setting the budget at the start of the year that the level of debt would fall again in the current year. Given that debt has actually increased we have recognised a (£50,000) deficit on the budget. We will continue to monitor through the second half of the year and the housing benefit team are targeting key individuals to recover debt as quickly as possible.

4.8 Income – surplus of £200,970

4.8.1 Income is showing a surplus position of £200,970, recovering from the deficit position reported in Qtr 1. This is due to

- £148,000 of grant funding for European Elections as discussed above
- £55,000 of grant funding for the revenues and benefits service
- £37,000 gain from the Garden waste service
- £12,000 gain on car parking

4.8.2 This positive position is being offset by a (£70,000) deficit on planning income at the half year point. The expectation is that, by the year end, several large individual planning applications will be received to ensure that the income target is met.

- 4.8.3** There is also a (£58,000) deficit on the amount of recycling credits received. This is due to the actual level of recyclate collected being less than was included in the budget. It has been identified that the budget did not include an allowance for non-recyclable material in the system, and therefore overestimated the recycling credits due. This means that we are receiving less income than predicted. The community team are working with the contractor Suez to manage the level of rejected materials to maximise the income received from recycling credits.
- 4.9** 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 Services' responsibility have a variance over £10,000, a short explanation for the reason for the variance has been provided.
- 4.10** Corporate codes
- 4.10.1** The corporate codes include the other sources of financing which are needed to balance the budget.
- 4.10.2** There is a significant budget deficit being shown on investment properties, which is due to not being able to secure another commercial opportunity as expected at the end of the previous year. Paragraphs 3.2 and 3.3 provide more information on this. This has meant that the income expected to be received in rent has not been achieved; however, this loss has been mitigated by treasury management costs having been lowered through reduced borrowing and no minimum revenue provision being made. The net result is cost neutral on the budget.
- 4.10.3** Business rates is showing a surplus at the half year stage of £51,701 which is helping to reduce the overall deficit position for the Council.
- 4.11** Whilst an improvement against the Qtr 1 position, the reported deficit at the end of the second quarter remains disappointing, and a significant difference from the same position in 2018/19 which was a reported surplus of £572,086. Management Team are confident that the deficit will be eradicated over the next quarter and no corrective action is suggested at this stage. This position will be kept under scrutiny and, should the position deteriorate or the expectations be downgraded, Management Team will need to consider what action it takes to correct the position. Having just benefited from a year of significant surplus, the revenue budget for the current year cannot be allowed to return a deficit and utilise the reserves now set aside for specific projects and future financial sustainability.

5.0 CAPITAL BUDGET POSITION

- 5.1** Appendix 3 shows the capital budget position as at Qtr 2. This is currently showing a deficit against the profiled budget of £68,940. This deficit is due to incurring a higher than predicted expenditure on Disabled Facilities Grants; however, as we have a large grant allocation from central government to pay for these, it is not depleting the Council's capital allocation.
- 5.2** The capital programme still includes a budget of £6.6m to secure a commercial investment acquisition which is now profiled to happen in the next quarter of the financial year. The Council has reviewed a number of opportunities in the current year and made a decision to bid on two specific properties. Unfortunately, it has failed to secure either of these properties as the first one was withdrawn from sale by the vendor and the Council was outbid on the second property.

5.3 The market for investment properties, specifically in the industrial or alternative sector which the Council requires for a balanced portfolio, has become increasingly competitive with less high quality investments coming to the market. The Council continues to work with its advisors to source and secure new property and hopes to conclude a suitable investment within the calendar year.

5.4 Other capital schemes are progressing in line with budgets.

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 Qtr 2 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 25 April 2018.

Background Papers: None

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Appendices: Appendix 1 – Council Plan Performance Tracker Qtr 2 2019/20
Appendix 2 - Revenue Budget
Appendix 3 - Capital Budget
Appendix 4 - Reserves