

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Overview and Scrutiny Committee
<b>Date of Meeting:</b>	1 December 2015
<b>Subject:</b>	Performance Management – Quarter 2 2015-16
<b>Report of:</b>	Graeme Simpson, Corporate Services Group Manager
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Members:</b>	Cllrs Mrs E J MacTiernan and D J Waters
<b>Number of Appendices:</b>	5

## **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.

## **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 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 (LPIs). The tracker and LPIs are reported on a quarterly basis to Overview and Scrutiny Committee. The outcomes 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 September 2015 (Quarter 2).

## **2.0 COUNCIL PLAN PERFORMANCE TRACKER**

**2.1** The Council Plan 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 Q1 information, items of interest include:

- Work is progressing to develop a workforce strategy by the end of the financial year. We are working with Gloucestershire Care Services NHS Trust to help us

deliver this.

- An O&S workshop will be held in the early New Year to help develop a new Customer Services Strategy – this follows the success of the customer services review earlier this year.
- An internal project team has now been set up to review how we deal with complaints.
- Two successful business events were held in September with more than 100 attendees. The events focused on flood support, business support and a presentation on the J9 Growth Zone.
- Work to the Riverside Walk has now commenced.
- A programme launch for the LEADER project is being arranged for late November.
- We now have 183 volunteer litter pickers and the annual litter picker event will take place in early December.
- A review of how we collect waste and recycling has commenced and linked to this is the fleet procurement project.
- An internal working group has been set up to develop a strategy for the Council's approach to channel shift (moving more of our customers online).
- The build of the new leisure centre remains ahead of schedule and during the period an open day was held which was attended by over 100 members of the public.
- Roll out of the Place Programme following the pilot in the east of the borough.
- New Community Safety Partnership structure launched in mid-November.

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:

<b>Action</b>	<b>Status and reason for status</b>
Deliver the corporate savings programme - £ saved in accordance with programme target	☹ - slippage because of an increase overpayments in housing benefits – but this is expected to reduce to normal

	levels in the second half of the 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 confirmed
To review the asset portfolio and develop a strategy to maximise potential from the portfolio	☹ - slippage in development of asset strategy from summer 2015 to autumn 2015
Deliver year four of the business grant scheme	☹ - Four grants awarded in this quarter. The scheme is being review as part of the Economic Strategy.
Promote waste minimisation	☹ - increase in tonnage to landfill and reduction in % recycled
Agree approach and programme of work for Community Infrastructure Levy	☹ - impacted by work and timescale of JCS
Support the delivery of projects agreed by the Community Safety Partnership	☹ - refresh of the CSP
Delivery of JCS and Tewkesbury Borough Plan	☹ - slippage in milestones as a result of additional examination phase

### 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 the end of Q2 (September 2015)

3.2 Of the 17 indicators with targets, their status as at the end of Q1 is :

☹ (target will not be achieved)	☹ (below target but likely to achieve target by end of year)	☺ (on course to achieve target)
4	5	8

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)	↔(on par with last year)
9	7	1

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 7 – A significant decrease in the number of homeless applications compared to Q2 last year.

KPI 11 – sickness absence. Average number of days taken has dropped significantly

compared to 2014/15.

KPI 12-14 – planning processing times. All three indicators confirm 2015/16 targets are unlikely to be achieved and processing times are down compared to 2014/15.

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

KPI 30 - 40 new build affordable homes have been delivered this quarter. This is continued improvement in the total number delivered.

#### **4.0 FINANCIAL SUMMARY - REVENUE POSITION**

**4.1** The Financial Budget Summary for Q2 shows a £20,236 saving (AP4 shows a £109,849 saving) against the profiled budget. Overleaf is a summary of the expenditure position for the Council split out between the main expenditure types.

**4.2** Please note

- for budget and actuals figures in (Brackets) represent income, all other figures are expenditure.
- for the savings/deficit figures in (Brackets) represents overspends against budget.

	Full Year Budget	Q2 Budget Position	Q2 Actual Position	Savings / (Deficit)	Budget Variance %
<b>Group budget Summary</b>					
Employees	8,087,297	3,972,043	3,875,724	96,319	2.4
Premises	668,394	368,758	340,712	28,046	7.6
Transport	166,390	81,229	68,111	13,118	16.1
Supplies & Services	2,328,723	1,051,639	1,062,708	(11,068)	(1.1)
Payments to Third Parties	4,229,315	2,308,412	2,300,943	7,469	0.3
Transfer Payments - Benefits Service	19,665,790	10,501,532	10,628,075	(126,543)	(1.2)
Income	(26,140,272)	(12,369,080)	(12,671,409)	302,329	(2.4)
Support Services	0	0	0	0	0.0
Capital Charges	443,878	0	0	0	0.0
Treasury Mg Activity	(188,835)	(94,418)	(77,715)	(16,703)	0.0
	<b>9,260,680</b>	<b>5,820,116</b>	<b>5,527,149</b>	<b>292,967</b>	<b>5.03</b>
<b>Corporate budgets</b>					
Salary & Procurement savings	(203,379)	(101,731)	0	(101,731)	100.0
New Homes Bonus	109,606	0	0	0	0.0
Retained Business Rates income	(250,000)	(250,000)	(79,000)	(171,000)	68.4
	<b>8,916,907</b>	<b>5,468,385</b>	<b>5,448,149</b>	<b>20,236</b>	<b>0.37</b>

**4.3** Looking at the budget position of all the Group Managers there is an underspend of £292k being shown (161k at Q1)

This is being achieved through underspends of :

- i) £96k on Employees. These costs savings have been achieved through vacant

posts, rather than through reduction in staff numbers. Vacancies and staff absences such as maternity leave has continued to increase the underspend through to end of Q2.

- ii) £302k of additional income above budget projection. The income position for the Council started the year with a positive position, with additional income from planning applications contributing significantly to this. This trend is continuing through the first half of the year. Other sources such as garden and trade waste and also from legal services work for third parties has helped achieve the underspend.

The reason for the overspends include

- i) In AP6 we have seen the mid-year estimate of what the full cost of Housing Benefits may be. We have updated the report to take account of the projected loss above what the initial budget for this service.
- ii) Treasury management continues to show an under recovery against budget. This is still impacted by the limited available cash balances as a result of the Virgin Media refund and the cost of the leisure centre.

**4.4** Attached at Appendix 1 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.

**4.5** 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.

**4.6** Also detailed under corporate budgets is the retained income from the Business Rates Scheme. This is showing a deficit of £171k as at Q2 and is as expected as a result of the successful appeal of Virgin Media against their current valuation. The budget projection was that a surplus above the business rates income of £250k would be achieved. Currently this does not look like being achieved which is causing additional strain on the overall budget position for the council.

**4.7** At the half year point the impact of increasing costs on benefits and reduced income from Business Rates is having a significant impact on the Council's budget position. At present this has been offset in year by planning income being significantly higher than expected.

## **5.0 FINANCIAL SUMMARY – CAPITAL POSITION**

**5.1** Appendix 2 shows the capital budget position as at Q2. This is currently showing an overspend against the profiled budget of £91,038.

**5.2** The overspend relates to Housing and Business grants, due to the fact that the grants have been awarded for flood relief but we have not recovered the money back from central government. Expecting grant income to be received to match the expenditure to date before the end of Q3.

**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. 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** Appendix 5 contains a summary of the current usage of available reserves. Reserves have been set aside from previous years to fund known future costs. At present the reserves are beginning to be utilised, and only show actual payments made. The information in the appendix does not take account of reserves which have been committed, but not yet paid. As at the end of the first quarter, £720,964 has been expended against the opening reserves of £10,567,814. Details of significant movements are contained in the notes on the Appendix.

## **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 14 April 2015



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**Background Papers:** None

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