

TEWKESBURY BOROUGH COUNCIL

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| Report to: | Overview and Scrutiny Committee |
| Date of Meeting: | 23 February 2016 |
| Subject: | Performance Management – Quarter 3 2015/16 |
| Report of: | Graeme Simpson, Corporate Services Group Manager |
| Corporate Lead: | Mike Dawson, Chief Executive |
| Lead Members: | Councillor Mrs E J MacTiernan, Lead Member for Organisational Development Councillor D J Waters, Lead Member for Finance and Asset Management |
| Number of Appendices: | 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'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 (LPIs). 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 LPIs, is of a financial and statistical type nature so represents the position as at the end of December 2015 (Qtr 3).

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 quarter 2 information:

- An Asset Management Strategy was approved by Executive Committee in November –

and an example of our assets being sweated to generate maximum return is the installation of solar panels here at the Public Services Centre, which is set to generate a return on investment of 13.4%.

- A customer care strategy including corporate customer care standards has been developed and is now subject to formal approval.
- Completion of the Planning and Environmental Health service review – the final report is awaited.
- Our inward investment campaign work is being showcased in the current edition of Commercial Property Monthly – a national property magazine.
- Following promotion in Tewkesbury Borough News, our Economic Development Team has received a high level of enquiries for business grants and is currently working with the businesses to develop their applications.
- A new Tewkesbury tourism website – www.visittewkesbury.info – was launched in January using the government’s Flood Support Grant money.
- Following a successful funding bid, the remaining funding for the Heritage Walks and Interpretation project has been achieved.
- The official launch of LEADER took place in December and the programme is now open for applications.
- The waste service review in how we collect our waste has been finalised and will inform stage two, fleet procurement.
- A successful ‘day of action’ took place in Churchdown and involved a range of agencies offering support and information to the local community.
- Following the completion of a flood bund in Tirley, two further flood response projects are being planned for Q4 – in Chaceley (an outfall into the Severn) and a borough-wide scheme to provide property surveys to properties at risk of flooding.
- Training for parish and town flood wardens took place in December.
- Executive Committee approved the borough-wide roll out of the Place Approach following its success in the east area.

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. The annual target for both, procurement savings and salary savings were delivered within the first two quarters in the full 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 although detailed discussions are ongoing. |
| Develop a new workforce strategy | ☹ - the end of year target date may be 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 | ☹ - a number of complaints (100) were received around the Christmas collections. Around 7000 properties were affected. |
| Agree approach and programme of work for Community Infrastructure Levy | ☹ - impacted by work and timescale of JCS |
| 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 the end of Quarter 3 (December 2015)

3.2 Of the 17 indicators with targets, their status as at the end of quarter 3 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 |

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) |
| 11 | 6 | 0 |

NB: 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 increased in this quarter as a result of long term sickness though overall sick days are less than 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 application and change of circumstances. Processing times are the best ever and show continued improvement.
- KPI 26 – The number of enviro-crimes reported continues to increase and is greater than the overall target.
- KPI 30 – It is estimated 205 new affordable homes will be delivered. The largest number delivered since 2007/8.

4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 The Financial Budget Summary for Q3 shows a £276,131 saving (Q2 shows a £20,236 saving) against the profiled budget. Below is a summary of the expenditure position for the council split out between the main expenditure types:

| Full Year Budget | Q3 Budget Position | Q3 Actual Position | Savings / (Deficit) | Budget Variance % |
|------------------|--------------------|--------------------|---------------------|-------------------|
|------------------|--------------------|--------------------|---------------------|-------------------|

Group budget

- 4.2** Looking at the budget position of all Group Managers there is an underspend of £777k being shown (292k at Q2). This is being achieved through underspends of:
- i) £123k 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 Q3;
 - ii) £786k of additional income above budget projection, with additional income from planning applications contributing the majority to this. The total income received by Q3 is already in excess of the target budget for the whole year. Other sources of income such as garden, trade waste and also from legal services work for third parties has helped achieve the underspend.
- 4.3** The reason for overspends within Groups include:
- i) Monthly monitoring of the position of the recovery of subsidy against housing benefit payments continues to show that we are overspent against budget. Overpayments relating to claimant error in claiming benefits going back into previous years continues to keep the recovery of costs below budget target.
 - ii) 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.
- 4.4** Attached at 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 have 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 £350k against the Q3 budget position. 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.
- 4.7** Looking towards the outturn position, whilst the surplus is welcome, several financial pressures such as the additional cost of MRF contract and the JCS has meant that the Council has used current year reserves to meet these costs. This means that the surplus at Q3 is not sufficient to replace the reserves used. A further improvement in the surplus position over the final quarter would be welcome in order to replace the reserves and have further money available to meet other know one off future expenditure items.
- 5.0 FINANCIAL SUMMARY – CAPITAL POSITION**
- 5.1** Appendix 4 shows the capital budget position as at Q3. This is currently showing an underspend against the profiled budget of £1,460,128.
- 5.2** This is principally due to the capital asset fund of £1.9m, which was expected to be spent in Q3, has not been. Although work has started in Q3 on the solar panels on the Council offices they have not been paid for yet, also plans are being drawn up on future asset investment

opportunities.

- 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** A summary of the current usage of available reserves is set out at Appendix 5.
- 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** As at the end of this quarter, £961,981 has been expended against the opening reserves of £10,567,814. Details of significant movements, over £50,000, 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)

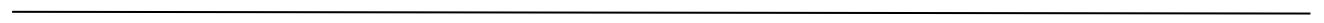
- 12.1** Linked to individual Council Plan actions.

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



Background Papers: None

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