

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Overview and Scrutiny Committee
<b>Date of Meeting:</b>	20 March 2018
<b>Subject:</b>	Performance Management – Quarter 3 2017/18
<b>Report of:</b>	Graeme Simpson, Head of Corporate Services
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Members:</b>	Councillor G F Blackwell , Lead Member for Organisational Development
<b>Number of Appendices:</b>	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 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'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 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 third 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 KPI information is of a statistical nature so represents the position as at the end of December 2017 (Qtr 3).

## 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 since the last performance report include:

- Although 'routine' business, significant work has been undertaken in preparing and approving the annual budget and Medium Term Financial Strategy.
- A further £12 million approved by Council for commercial property investment.
- Second floor refurbishment of the Public Service Centre is complete and a new tenant now occupying one third of the top floor. The refurbishment of the rest of the building is now well underway.
- JCS has been adopted.
- Significant support continues to be given to Parishes in developing Neighbourhood Plans. A further Plan has been designated making it 14 across 16 Parishes.
- First year of the Housing and Homeless Strategy action plan is complete.
- 150 affordable homes have been delivered to date, thereby achieving the annual target ahead of time.
- Revenues and Benefits restructure is fundamentally complete.
- The garden waste project is concluding with the annual renewal of over 15,000 customers taking place.
- Over 500 responses received in relation to consultation on Public Space Protection Order with results supporting the introduction of such an order.
- Over £500,000 of LEADER funding approved.

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 now received and findings of the report are being considered. A separate marketing project has recently commenced.
Put in place a plan to regenerate Spring Gardens.	😞 Original target date of December 2017 has been amended to September 2018. Bruton Knowles appointed to review existing position and advise on current market conditions and opportunities.
Produce a vision for the J9 area.	😞 Delay to the target date from March 2018 to June 2018 to allow work to be completed by Building Design Partnership (BDP).
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 a number of agencies to secure development.
Explore with partners - including the Battlefield Society - the potential to increase the heritage offer at the Battlefield site.	😞 A delay in completing the feasibility assessment has caused the target date to change from December 2017 to April 2018.
Deliver the Public Services Centre refurbishment project.	😞 Slight delay to the target date now scheduled for completion August 2018.
Look at collaborative options for the environmental health service.	😞 Delay to the target date from April 2018 to July 2018 for Environmental Health to look at the feasibility of shared posts for contaminated land.

### 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 December 2017.

3.2 Of the 15 indicators with targets, their status as at the end of quarter 3 is :

 (achievement of target is unlikely)	 (on target)	 (target likely to be achieved by the end of the year)
2	13	0

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)	↔ (on par with previous year performance)
11	3	1

3.3 Key indicators of interest include:

- KPI 13 - Percentage of 'major' applications determined - is above both the target and last year's out-turn being exceeded.
- KPI 14 - Percentage of 'minor' applications determined - is an improvement on last years out turn figure but will not meet the target of 90%.
- KPI 15 – percentage of 'other' applications determined – performance is both exceeding target of 90% and previous year's performance of 88.66%.
- KPI 19 – there is a significant reduction in the number of reported enviro crimes. 710 to date compared with 1359 reported for the full year in 2016/17.
- KPI 22 - Average number of days to process new benefit claims has reduced to 14 days where the national average is 21 days.
- KPI 28 - Average of 7.2 sick days have been lost per full time employee for the year to date meaning the 7 day target has not been achieved.
- KPI 29 - Percentage of waste recycled or composted continues to perform strongly at nearly 56%.

## 4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 The financial budget summary for Q3 shows a £590,640 surplus (£315,331 – Q2) 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	8,644,124	6,299,959	6,214,358	85,601
Premises	521,412	404,908	388,593	16,316
Transport	169,250	125,228	100,833	24,395
Supplies & Services	1,819,164	1,406,805	1,342,324	64,481
Payments to Third Parties	4,957,832	3,853,638	3,769,577	84,061
Transfer Payments - Benefits	19,627,180	0	(86,981)	86,981
Income	(25,890,598)	(3,772,545)	(3,590,462)	(182,083)
Support Services	(17,954)	0	0	0
Capital Charges	992,592	0	0	0
	<b>10,823,002</b>	<b>8,317,993</b>	<b>8,138,241</b>	<b>179,753</b>
<b>Corporate Codes</b>				
Interest costs	57,086	42,815	(74,153)	116,968
Investment Properties	(1,179,467)	(926,317)	(1,025,237)	98,920
Corporate Savings Targets	(60,000)	(45,000)	0	(45,000)
New Homes Bonus	47,300	0	0	0
Business rates income	0	0	(240,000)	240,000
				<b>590,640</b>
	<b>9,687,921</b>	<b>7,389,491</b>	<b>6,798,851</b>	

**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 £179,753 as at the end of December (£115,464 – Q2). As can be seen there are three main areas of savings - employees of £85,601, payments to contractors of £84,061 and the Housing Benefit service of £86,981.

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. The benefits service performance in ensuring that the Council keep up-to-date on processing claims and changes, as well as targeting overpayments, means that the Council is recovering more subsidy on its expenditure than was budgeted.

4.5 In terms of overspends being reported at the half year point, there are two significant overspends which need to be reported to Members at this stage. Planning income has been consistently below target during Q3 leading to a deficit of £255,662 against budget on the development service. Garden waste is also below budget as a result of the changes to the charging structure whereby customers are making pro rata payments for this financial year. This was expected and is 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.

- 4.6** 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.
- 4.7** Although the Head of Services' 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 £45,000.
- 4.8** Also detailed under corporate budgets is the retained income from the Business Rates Scheme. This is showing a surplus of £240,000. This is a 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 against the new 2017 list. A number of outstanding appeals against the 2017 list have been processed or withdrawn. The Council has set aside a significant provision to cover appeals which is hoped to be sufficient in meeting successful appeals, therefore allowing the Council to benefit from wider increases in business rates income.
- 4.9** The Council also has a target for the acquisition of additional investment property. The Council has bid on properties in 2017 and has completed the purchase of three additional properties at a cost of £13.6m. These new properties will generate nearly £820,000 of gross income per year and, given the low interest rates currently being enjoyed, it is envisaged that they will make a contribution of £291,000 in excess of budget in the current year. It is suggested within the Commercial Investment Strategy that these monies are set aside to pump prime a sinking fund for the management of void costs.
- 4.10** Treasury management activity has produced a positive variance of £116,968 against budget. Access to low borrowing rates and the use of more lucrative funds for our cash investments has resulted in our treasury management activity providing a much better return than expected.
- 4.11** Taking into account the positive position on the corporate accounts, the overall position of the council at the end of Q3 is a surplus of £590,640.
- 4.12** The Council has successfully bid for £4.53 million from the growth deal fund via the Local Enterprise Partnership (LEP) to improve the existing Longford roundabout and to add a new roundabout east along the A40 to access the new development site at Innsworth. In order to access the funds, a business case needs to be put forward to the LEP Board for approval. The business case will need to include modelling, designs, financial justification, and risks etc. all of which are revenue activities. This work will be contracted to transport consultants to undertake with a delivery timescale of Autumn 2018. The LEP Board will be presented with the business case in early 2019 which upon acceptance will allow the drawdown of the grant monies.
- 4.13** It is anticipated that it will cost £100,000 to produce the business case with the work commencing in February 2018. The LEP Board will not finance the development of the business case but the money invested can be recovered from the overall grant once awarded. It is therefore necessary for the Council to forward fund the development of the business case with a 'loan' of £100,000 available from accumulates in-year surpluses.

## **5.0 CAPITAL BUDGET POSITION**

**5.1** Appendix 3 shows the capital budget position as at Q3. This is currently showing a significant underspend against the profiled budget.

**5.2** The underspend is as a result of not utilising all of the agreed funding on the purchase of commercial investment properties. There is also slippage in timescales on certain projects such as the refurbishment of the Council offices and also consistent underspends 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 decisions on the authority's future operation. The information in the Appendix does not take account of reserves which have been committed, but not yet paid.

**6.3** Whilst the Q3 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.

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**Background Papers:** None

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