

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	11 July 2018
Subject:	Performance Management – Quarter 4 2017/18
Report of:	Councillor Phil Awford, Chair of Overview and Scrutiny Committee
Corporate Lead:	Mike Dawson, Chief Executive
Lead Members:	Lead Member for Organisational Development
Number of Appendices:	Five

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. The tracker is a combined document which also includes a key set of performance indicators. The report also includes the Revenue Budget Summary Statement, the Capital Monitoring Statement and the Reserves Position Summary.

At Overview and Scrutiny Committee on 12 June 2018, consideration was given to the 2017/18 quarter four performance management information. The observations made by the Committee can be found in Appendix 1. The performance management documents presented at Overview and Scrutiny Committee can be found in Appendices 2-5.

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 examines the work of the Executive Committee and holds it to account in order to help the Council achieve its priorities.

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. The tracker is a combined document which also includes a key set of performance indicators. Also reported is financial performance, and this is reported through the Revenue Budget Summary Statement, the Capital Monitoring Statement, and the Reserves Position Summary.
- 1.2** At Overview and Scrutiny Committee on 12 June 2018, consideration was given to the 2017/18 quarter four performance management information. The observations made by the Committee can be found in Appendix 1. The performance management documents presented at Overview and Scrutiny Committee can be found in Appendices 2-5.

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:

- The Council's commercial property portfolio is now worth £31.09m and generates £1.15m worth of net income to support the Council budget in 2018/19.
- The tender specification detail is currently being drafted for the appointment of specialist advisors to support the Council through the project to regenerate Spring Gardens.
- A Growth and Enterprise Manager has been appointed in readiness for the introduction of the growth hub within the Public Service Centre.
- The bid for forward funding from the Housing Infrastructure Fund for an all ways M5 junction 10 has been successful at stage one and is now moving towards further evaluation.
- 233 affordable homes were delivered in 2017/18, above the annual target of 150.
- With 227 homeless prevention cases more households have been assisted to avoid homelessness than ever recorded.
- 89.58% of all 'major' planning applications were determined within 13 weeks exceeding both last years out-turn and this year's target.
- A key aspect of the enviro-crimes action plan is the adoption by Council of the Public Space Protection Order.
- Customer service training is currently taking place for front line staff with over 50 employees scheduled to receive the training.
- The garden waste project is entering its final stages with nearly 16,500 sticker licences sold generating in excess of £742k (against a budget of £697k)



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
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. The project is now being discussed with the Joint Waste Team.
Develop and launch a business growth hub in the Public Services Centre	😞 Original target date of Spring 2018 has been amended to July 2018. The build is in process and workshops have been held with Heads of Service and Operational Managers.
Produce a vision for the J9 area.	😞 amended date of September 2018 to allow for finalisation of the vision.
Develop a regeneration plan for Tewkesbury Town.	😞 Original target date of April 2018 has been amended to September 2018. The Tewkesbury Town Regeneration Partnership has been re-launched and a draft masterplan has been produced.
Deliver a programme with partners to progress Healings Mill and other key sites to support the regeneration of Tewkesbury.	😞 A programme of action is being drawn up and discussions continue to progress with relevant parties to seek to secure development.
Explore with partners - including the Battlefield Society - the potential to increase the heritage offer at the Battlefield site.	😞 A feasibility assessment is in progress and the original target date has been revised to September 2018 to conclude this work.
To let out the top floor of the Public Services Centre.	😞 No tenants have come forward from the market. New agents have been appointed in quarter one of 2018-19.

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 March 2018.

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

 (target not achieved)	 (target achieved)
4	11

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:

↑ (better performance than last year)	↓ (not as good as last year)	↔ (on par with previous year performance)
12	5	3

3.3 Key indicators of interest include:

- KPI 2 – Outstanding sundry debt in excess of 12 months old – A lot of work has been done to clear old debt which has brought the figure down to under £30k.
- KPI 7 – Number of visitors to Tewkesbury Tourist Information Centre (TIC) – Visitor numbers have dropped to 29,034 below target and last year's outturn.
- KPI 9 – Total number of homeless applications presented – The number of households presenting as homeless has fallen and is lower than last year's total.
- KPI 13 – Percentage of 'major' applications determined within 13 weeks or alternative period agreed with the applicant – Both the target and last year's outturn have been exceeded with 89.58% of applications being determined in the agreed timescale.
- KPI 19 – Number of reported enviro-crimes – There has been a significant reduction in enviro-crimes from the previous year.
- KPI 28 – Average number of sick days per full time equivalent – 10.5 sick days have been lost per full time employee for the year to date which exceeds last year's outturn and the 7 day target set for 2017/18.
- KPI 30 & 31 – Residual household waste collected per property in kilograms – Figures are positive with less residual waste being collected than last year and the recycling rate of 54.55% up from the previous year of 53.29%.

4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 In February 2018, the quarter three outturn position was reported to Executive Committee. The report confirmed a surplus of £590,640 for this period which represented a positive variance of 8% on budget.

4.2 The final General Fund revenue outturn position for the full year can now be reported as a £1.5m surplus. This is a significant increase against the quarter three position and can be primarily attributed to strong performance in treasury and commercial activities, additional business rates retention and substantial external grant funding being received. The following paragraphs highlight this position.

4.3 The table below summarises the service performance which has generated the reported deficit. In addition, the table highlights the non-service related activity and other aspects of the overall budget to provide a whole view of the Council's general fund. The table concludes with the budgeted transfer to reserves of £57,383 and the actual transfer totalling £1,555,899.

4.4 General Fund outturn summary

	Full Year Budget £	Outturn Position £	Savings /(deficit) £	Budget Variance %
Employees	8,644,124	8,510,111	134,013	-1.55
Premises	521,412	486,991	34,421	-6.60
Transport	169,250	136,240	33,010	-19.50
Supplies & Services	1,820,664	1,796,943	23,721	-1.30
Payments to Third Parties	4,971,332	4,971,102	230	0.00
Transfer Payments	47,963	87,439	-39,476	82.30
Income	-6,326,381	-7,220,742	894,361	14.14
Service Total	9,848,364	8,768,083	1,080,281	-10.97
Treasury activity	57,085	-133,274	190,359	-333.47
Commercial activity	-1,197,421	-1,392,464	195,043	16.29
Corporate Savings Targets	-60,000	0	-60,000	-100.00
New Homes Bonus	47,300	0	47,300	-100.00
Business Rates Income	-1,724,138	-2,360,653	636,515	36.92
Other adjustments	-7,028,573	-6,437,591	-590,982	-8.41
Council Total	-57,383	-1,555,899	1,498,516	2,611.43

4.5 The outturn position for direct service expenditure shows a positive variance of £1,080,281 and is mainly attributable to the major items outlined below:

- the employees full year budget is underspent largely as a result of staff turnover and vacancies in most service groupings;
- premises is underspent as a result of savings on utilities, particularly electricity, plus savings on business rates paid; and
- savings on transport have been generated across all service areas and result from reduced car allowance scheme costs plus reduced business mileage.

Council income is showing additional income levels of £894,361 over the budgeted provision. The majority of fees and charges budgets, with the exception of planning fees, have been delivered on budget during the year. The large variance is therefore as a result of substantial external grant income being received during the year. The Council has received a number of new burdens grants from the government but has also attracted significant service specific grants particularly in relation to the delivery of the requirements for infrastructure and the Joint Core Strategy. In addition, the Council has taken on accountable body status for the Gloucestershire-wide Places of Safety funding and has therefore received a transfer of funding totalling £449,000.

- 4.6** A full explanation of all variances exceeding £40,000 at a group subjective level is contained at Appendix 3. The appendix also contains an explanation of the variance on the corporate codes with a more detailed explanation within the paragraphs below.
- 4.7** Treasury performance has been strong in 2017-18 with both investment and borrowing decisions contributing towards an overall surplus of £190,359. Of the surplus, circa £165,000 has been generated from investments. Whilst an increase in the portfolio balance, and a slight increase in market rates, has benefited the portfolio, the main reason for the surplus is the investment in the CCLA pooled property fund in May 2017 which is currently generating income returns of 4.67%. Short term borrowing rates have remained low and as a result of maintaining all borrowing requirements on a short term structure the Council has delivered a saving of £24,000 on this particular aspect of treasury activity.
- 4.8** The Council acquired a further three commercial investment properties in the second half of the year which has resulted in increased rental generation against budget of £195,043. The three properties have a combined yield in excess of the targeted yield and were purchased sooner than envisaged. The three new properties, combined with the existing units, will make a significant contribution to the Council's core budget in the coming years.
- 4.9** For the first time in four years, the Council is able to report a positive position on the retained business rates scheme. The Council has seen little impact on its position as a result of successful appeals in year partly as a result of a number of unsuccessful appeals but also because of the provisions it has made against successful appeals. Against this backdrop, additional income has been generated as a result of:
- Underlying growth.
 - The identification of renewable energy installations where the business rates are retained locally.

Payment of additional grant from the government in respect of amendments to the business rate multiplier cap.

- 4.10** The final row in the table picks up all of the remaining items within the base budget to reconcile back to the budgeted transfer to reserves. This row mainly contains the precepts on the tax payer for both the Borough Council and Parish Councils but also contains other items such as the Minimum Revenue Provision. A reduced cost of £278,000 has been posted against the MRP requirement as a result of a change to historic accounting treatments. In addition, the row also contains the required payment of business rates to the Government in relation to adjustments for the 2016-17 year. These payments are made in the 2017-18 financial year and are covered by a cash backed reserve.
- 4.11** Overall, the Council is able, largely as a result of external funding, to transfer to reserves a gross total of £1,555,899.

5.0 CAPITAL BUDGET POSITION

- 5.1** The Council has committed to a substantial capital programme in the last few years and this is highlighted in the level of capital expenditure incurred in 2017/18, totalling £15.93m. The bulk of the expenditure has been on the purchase of further investment properties and the refurbishment of the Public Service Centre (£1.09m).
- 5.2** The capital programme saw over the purchase of three investment property in 2017 totalling £13.64m. This was less than the budgeted amount of £16.78m; hence a reported slippage on the land and buildings programme, but the balance of £3.14m has been added to a further allocation from Council of £12m giving a total of £15.14m to be invested during 2018.
- 5.3** An underspend of £170,113 (86%) is reported against the remaining capital balances from the community grants programme. The variance is outside of the Council's control as the draw-down of awarded capital grants is subject to applicant progressing the agreed scheme.
- 5.4** The summarised capital programme is shown at Appendix 4 together with the sources of finance used. In summary, the Council expended £15.93m on capital projects in 2017/18 utilising £1.70m of capital reserves, £0.51m of capital grants, £0.09m of revenue contributions and £13.64 from borrowing. Following the allocation of capital receipts, primarily from right-to-buy receipts but also including some small asset sales, the balance on capital reserves, both receipts and grants, has reduced to £1.98m as at 31 March 2018 with commitments totalling £23.28m over the next three years. The commercial property investment programme and the regeneration of Tewkesbury Town will require the Council to borrow monies from external sources with the cost of borrowing being financed from new income streams associated with the capital investments. Capital grants are expected to continue to cover the annual cost of the Disabled Facility Grant programme.

6.0 RESERVES POSITION

- 6.1** A breakdown of the reserves of the Council as at 31 March 2018 is shown at Appendix 5. The reserves are grouped under strategic headings so as to provide Members with a better understanding of the actual intended use of the monies set aside. Also included is a breakdown of the previous year's reserves, under the same strategic headings, so as to inform Members about the movement on those reserves in the last two years.
- 6.2** Total revenue reserves of the Council stand at £10.61m as at the end of March 2018 and include earmarked reserves, planning obligations and the general fund working balance. The increase in overall revenue reserves totals £2.56m and is as a result of a number of factors:
- In year surplus within the general fund including external grant funding as highlighted in section 2.
 - Developer contributions, expenditure against contributions already received and expenditure on existing reserves of £1.01m.
- 6.3** Where significant movements have occurred during the year, a note in Appendix 5 has been included, to explain the reason for the movement. Members are asked to approve the balances on the reserves for the new financial year.

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

Contact Officer: Graeme Simpson, Head of Corporate Services (Appendix 1-2)
Tel: 01684 272002 Email: graeme.simpson@tewkesbury.gov.uk
Simon Dix, Head of Finance and Asset Management (Appendix 3-5)
Tel: 01684 272005 Email: simon.dix@tewkesbury.gov.uk

Appendices: Appendix 1 – Overview and Scrutiny Committee review.
Appendix 2 – Council Plan Performance Tracker Qtr 4 2017/18.
Appendix 3 - Revenue Budget.
Appendix 4 - Capital Budget.
Appendix 5 – Reserves.