

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	16 October 2019
Subject:	Performance Management – Quarter 1 2019/20
Report of:	Chair of Overview and Scrutiny Committee
Corporate Lead:	Chief Executive
Lead Members:	Lead Member for Commercial Transformation
Number of Appendices:	Five

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 2). The tracker is a combined document which also includes a key set of performance indicators. The report also includes the Revenue Budget Summary Statement (Appendix 3), the Capital Monitoring Statement (Appendix 4) and the Reserves Position Summary (Appendix 5). 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.

At Overview and Scrutiny Committee on 10 September 2019, consideration was given to the 2019/20 quarter one of 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 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 it 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 2). The tracker is a combined document which also includes a key set of performance indicators. The report also includes the Revenue Budget Summary Statement (Appendix 3), the Capital Monitoring Statement (Appendix 4) and the Reserves Position Summary (Appendix 5). 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** At Overview and Scrutiny Committee on 10 September 2019, consideration was given to the first monitoring report for 2019/20. The observations made by the Committee can be found in Appendix 1. The majority of information within the performance tracker reflects the progress of Council Plan actions as at the time of writing the report. The key performance indicator information is of a statistical nature so represents the position as at the end of June 2019 (Qtr 1). 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 will start in the Autumn 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 first quarter of the final year of the current Plan. Key successful activities to bring to Members' attention since the last performance report include:

- Garden waste renewals continue to perform strongly. The sale of 18,335 stickers has generated £875,780. (£820,000 reported to Committee in July 2019).
- A full review of the bulky waste service has commenced.
- Commercial awareness training has been rolled out to senior management and Members.
- An options report on the regeneration of Spring Gardens was presented at Council on 30 July 2019.
- The ground floor west wing of the Public Services Centre including vacant space has been refurbished and occupied by the County Council, which has signed long term leases for all areas of occupation.
- The Growth Hub has already achieved its target of 1,000 visitors in advance of the annual year end.
- The pre-submission of the Tewkesbury Borough Plan was approved at Council on 30 July 2019.
- Local Enterprise Partnership (LEP) approval obtained for the business case for improvements to the A40 at Longford.
- Appointment of Programme Director for the delivery of the Garden Town project.
- Approval at Executive Committee on 12 June 2019 of a Private Rented Housing Sector Accommodation Fund Pilot.

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.
Develop a programme with partners to progress Healings Mill and other key development opportunity sites to support the regeneration of Tewkesbury.	😞 Date has been amended from September 2019 to March 2020 to allow time to explore options for an acceptable development proposal for the site. A progress report will be presented to this meeting. The date for this action has been amended six times, due to various constraints arising such as; flooding and heritage issues.
Explore with partners- including the Battlefield Society- the potential to increase the heritage offer at the Battlefield site.	😞 Date has been amended from March 2019 to March 2021. The target date has been amended five times previously to reflect the ongoing discussions with land owners and stakeholders. The new date takes into account the work anticipated to develop the heritage offer and concept for the Battlefield as part of the 2021 celebrations.
Develop a programme to work with landlords to ensure residents have a supply of rented properties to meet their needs.	😞 Due to the requirement to transfer responsibility to deliver the private rented scheme, the implementation date slipped and has been amended from June 2019 to September 2019. Target date was previously changed in Q4 2018/19 to factor the private rented housing sector accommodation fund pilot going to Executive Committee.
Implement the One Legal business review and associated case management system replacement.	😞 Testing of the proposed new case system is being carried out but will achieve the target date of April 2020. The target date has been amended twice previously. This was due to the project being on hold whilst the Public Sector Network security compliance was completed.

Introduce the option for paperless billing for Council Tax and business rates.	☹️ Project has been delayed due to GDPR and a software integration issue which has been resolved. This caused the target date to slip from June 2019 to September 2019. The target date has been amended twice 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 June 2019.

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

😊 (on target)	☺️ (below target but confident annual target will be achieved)	☹️ (below target and target unlikely to be achieved)
13	3	1

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)
10	5	4

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 93.3% to 90.91%. This is a result of one major application missing the target timescale. 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 15 minor applications to be determined within the agreed timescale.
14	Percentage of 'other' applications determined within 8 weeks or alternative period agreed with the applicant.	☺️ The Q1 figure, 87.23% did not meet the 2019/20 target of 90%, due to 18 applications being answered outside of the agreed timescale.

27	Average number of sick days per Full Time Equivalent (FTE).	↓ 😞 Both long term (>28 days) and short term sickness has increased during Q1 which has had an impact on the average number of days per FTE, totalling at 3.7days. It is unlikely the KPI will achieve its 2019/20 target of eight days.
29	Residual household waste collected per property in kgs.	😊 The increase to residual waste tonnage is up slightly from both kerbside collections and rejects from the MRF. Steps are to be taken to reduce this.
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 requests not meeting the 20 working day timescale.
32	Percentage of formal complaints answered on time.	↓ The Q1 figure compared to last year's 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. Total of seven complaints were answered late, during this quarter.

Areas where key indicators are performing particularly well, include:

- KPI 7: 358 visitors entered the Growth Hub during this quarter which is on track to meet the 1000 target.
- KPI 12: 90.91% of 'major' planning applications were determined within time which is above the councils target of 85% and considerably above the nation target of 60%.
- 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 (Q4 2018/19 figure) to 10 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

4.0 FINANCIAL SUMMARY - REVENUE POSITION

4.1 The financial budget summary for Q1 shows a £71,190 deficit against the profiled budget. Below is a summary of the expenditure position for the council split out between the main expenditure types.

4.2 Services expenditure	Budget	Budget Q1	Actual Q1	Variance
	£	£	£	£
Employees	9,822,531	2,314,616	2,246,650	67,966
Premises	640,349	298,046	302,496	(4,450)
Transport	157,779	35,535	29,696	5,839
Supplies & Services	1,985,608	388,247	422,243	(33,995)
Payments to Third Parties	5,539,444	1,619,759	1,672,122	(52,363)
Transfer Payments - Benefits Service	13,611,266	4,188,186	4,217,743	(29,557)
Income	(20,478,721)	(2,326,328)	(2,320,647)	(5,681)
	11,278,256	6,518,060	6,570,303	(52,242)

Corporate Codes

Interest costs	255,678	63,920	17,574	46,346
Investment Properties	(2,753,605)	(874,018)	(803,121)	(70,897)
Corporate Savings Targets	(7,500)	0	0	0
RSG and other grant funding	(36,565)	(5,700)	(6,152)	452
New Homes Bonus	(3,273,399)	(818,350)	(818,350)	0
Business rates	(2,497,557)	0	(5,152)	5,152
	2,965,308	4,883,912	4,955,102	(71,190)

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

4.3 Surplus on service expenditure

The budget position in relation to Service expenditure shows an overall budget deficit of £52,242 as at the end of June 2019.

Whilst an overall deficit position is reported, there are two areas that report a surplus. As can be seen from the table the majority of the savings, £67,966, are related to employee cost. These savings are being generated mainly through staff vacancies, across most services, with Community Services generating the most savings at £13,000. Services have managed vacancies during the period by utilising current staff to cover work in the short term and limiting, where possible, use of agency staff.

Initial savings are also being delivered through the car pool pilot. This is encouraging given the council is only three months into the pilot and a full review of the success of the pilot is due to take place after six months.

4.4 Deficit on service expenditure

Deficits reported on supplies and services and to a large extent on payments to third parties are in relation to 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 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.

In terms of other areas contributing to the deficit reported for payments to third parties, Community Services are reporting a first quarter deficit of £12,817. Whilst savings have been accumulated on the disposal of recyclate collected, the Ubico contract sum is showing an increase in resources consumed of circa £24,000 at the first quarter. Additional resources have been deployed on the grounds maintenance rounds to ensure issues with grass cutting are minimised during the growing season and a contingency reserve exists to cover these costs should the contract be in deficit at year end.

In addition, the allocation of depot related costs has been reviewed following changes of use at Swindon Road depot, most pertinently Tewkesbury's increased usage following its delivery review in 2017 which saw the food waste collection service being delivered through separate vehicles. As a result, the cost apportionment to Tewkesbury has increased by £50,000 on an annual basis. Officers have reviewed the cost apportionment basis and agreed it reflects current use of the site. The apportionment basis will now be reviewed annually in the Autumn so that any variations can be incorporated within the budget.

The overspend on transfer payments relates to Housing Benefit claimant payments and recovery of expenditure from the Government. The Q1 monitoring reported that the Housing Benefits team have identified two significant overpayments as a result of claimant error, which go back over several years, 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 loss on the budgeted provision of £29,000. However, the Council is entitled to 100% of the debt if it can be reclaimed from the claimant and therefore in the long run the deficit on the Housing Benefit claim could be eradicated.

Income is showing a small deficit at the end of Q1, although this is the net position for all services. Per the analysis above Democratic services has received an additional £86,000 of grant to cover the cost of the European elections. Also, in Community services the Garden Waste service is £12,000 up on the annual target of income of £842,000. However, this is being offset by a current deficit on planning income of £80,000. The Development team has predicted that it will recover this current deficit and achieve the budgeted level of income by the end of the financial year

- 4.5** Attached at Appendix 3 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.

4.6 Corporate codes

The Corporate codes include the other sources of financing which are needed to balance the budget.

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 current year. Paragraphs 5.2 and 5.3 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 to an extent as treasury management costs have been reduced through reduced borrowing and no minimum revenue provision being made. The net result is a £25,000 deficit.

5.0 CAPITAL BUDGET POSITION

- 5.1** Appendix 4 shows the capital budget position as at Q1. This is currently showing a deficit against the profiled budget of £6.14m.
- 5.2** This deficit is as a result of the Council being unable to secure a commercial investment acquisition in the first few months of the financial year. Although the Council has reviewed several potential acquisitions in the last few months, it has not proceeded to bid on these. Only in the last month of the quarter has a property passed the due diligence tests and the Council entered into negotiations for its purchase. At the time of writing, this acquisition is still being progressed.
- 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 5 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 Q1 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 2016-20 approved by Council 25 April 2018.

Background Papers: None

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Appendices: Appendix 1 –Overview and Scrutiny Committee Review.
Appendix 2- Council Plan Performance Tracker Qtr 1 2019/20.
Appendix 3 - Revenue Budget.
Appendix 4 - Capital Budget.
Appendix 5 – Reserves.