



**CABINET**

**4<sup>TH</sup> SEPTEMBER 2014**

**AGENDA ITEM (12)**

**SUMMARY FINANCE/SERVICE PERFORMANCE REPORT - 2014/15 Q1**

<b>Accountable Member</b>	All relevant Cabinet Members
<b>Accountable Officers</b>	Heads of Service

<b>Purpose of Report</b>	<p>To summarise overall performance for the Council, with particular focus on progress towards achieving the Council's top tasks, and efficiency measures.</p> <p>To provide information on the Council's revenue outturn, including budget variances; and capital expenditure, capital receipts and use of reserves.</p>
<b>Recommendations</b>	<b>That service and financial performance for 2014/15 Q1 be noted</b>
<b>Reason for Recommendation</b>	The Council's performance management arrangements provide the Audit and Scrutiny Committee and the Cabinet with the opportunity to consider and comment on both service and financial performance on a quarterly basis.

<b>Ward(s) Affected</b>	None
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	No

<b>Financial Implications</b>	As described in sections 2 and 3 of the report
<b>Legal and Human Rights Implications</b>	Nil
<b>Human Resource Implications</b>	Nil
<b>Environmental and Sustainability Implications</b>	Nil
<b>Human Resource Implications</b>	Nil
<b>Key Risks</b>	As described in section 4 of the report

<b>Equalities Analysis</b>	Not required
<b>Related Decisions</b>	The Council or the Cabinet approve all new capital schemes
<b>Background Documents</b>	Two performance reports are available in the Members' Room: A progress report of key tasks which contribute to Council Priorities, and a Performance Indicator report
<b>Appendices</b>	<b>Appendix 'A'</b> - Progress towards achieving our top tasks <b>Appendix 'B'</b> - Progress on efficiency measures <b>Appendix 'C'</b> - Revenue Variances <b>Appendix 'D'</b> - Summary of gross capital expenditure
<b>Performance Management Follow Up</b>	None
<b>Options for Joint Working</b>	Joint Working progress will be documented under the top task 'Implement the Joint Working Strategy with West Oxfordshire to deliver savings of £600,000 over the next five years (from April 2013)'
<p><b>Background Information</b></p> <p>1. <u>Operational Performance</u></p> <p>1.1 The final update of the Corporate Strategy and Plan 2012-15(2014/15 update) sets out the Council's vision, aim and priorities, and includes a refresh of the top tasks. The Council's service plans demonstrate how each service contributes to the overall achievement of the Council's priorities.</p> <p>1.2 The Medium Term Financial Strategy 2014/15 - 2017/18 includes total savings target of £1,275,000, and a target of £316,000 to be delivered in 2014/15; a number of projects, including some of our nine top tasks will contribute to this achievement.</p> <p>1.3 Each quarter, the Council monitors its progress towards achieving the aim and priorities set out in the Corporate Strategy and Plan as well as service performance, which are reported together with our financial performance as part of this report.</p> <p>1.4 Overall, service performance in Q1 was generally good; the Council has started to deliver some of the planned actions, including one top task, and over 75% of performance indicators achieved their targets or achieved their targets 'within tolerance'. In terms of financial performance, there was an under-spend of £359,290 against the profiled net budget.</p> <p><u>Performance Against Top Tasks</u></p> <p>1.5 Overall, we are on target with the delivery of the Council's nine top tasks; one top task has been completed, and the remaining eight are either on target or ahead of target. A full update is attached at <b>Appendix 'A'</b>.</p> <p>1.6 The following top task has been achieved:</p> <ul style="list-style-type: none"> <li>• Complete a review into the potential for joint working based upon the broader GO Shared Service Partnership of Cotswold, West Oxfordshire, Forest of Dean and Cheltenham Councils.</li> </ul>	

### Performance Against All Tasks

1.7 Our Council priorities are:

- Freeze Council Tax for the next three years (from 2012) whilst protecting front line services that matter to our residents;
- Maintain and protect our environment as one of the best places to live, work and visit;
- Work with local communities to help them help themselves.

1.8 Our Service Delivery Plans demonstrate how each service contributes to the achievement of our priorities. At the end of Q1, three tasks had been completed, and the majority of the other tasks are progressing as expected.

Table 1 Summary of Performance - All Key Tasks

Status	2013/14 Q1		2014/15 Q1	
	Number	% <sup>1</sup>	Number	% <sup>1</sup>
Achieved	0	0	3	7.7
In progress	34	91.9	34	87.2
Overdue	1	2.7	0	0
Not due to start	2	5.4	1	2.6
On hold	0	0	1	2.6
Total	37		39	

### Performance Against All Indicators

1.9 The Council is continuing to deliver a good level of service even though overall service costs have reduced. In Q1, 76% of performance indicators (PIs) achieved their targets or achieved their targets 'within tolerance', not a dissimilar level to the performance achieved a year ago; with a similar number of PIs short of their targets.

Table 2 - Summary of Performance - All PIs

Status	2013/14 Q1		2014/15 Q1	
	Total	% <sup>1</sup>	Total	% <sup>1</sup>
On target or exceeded	18	60.0	20	69.0
Within tolerance	6	20.0	2	6.9
Below target	6	20.0	7	24.1
Total	30		29	
No target/no data	2		1	

<sup>1</sup> All percentages have been rounded

1.10 Performance for minor applications (not measured as key performance indicators) has dipped slightly this quarter. This was due to a peak in workloads and, combined with a number of other factors, has further reduced performance in July. However, the matter is in hand and an agreed set of actions is in place which will start to reverse the trend in Q3. This should be viewed in the context of the excellent improvement in performance for major applications.

### Efficiency Measures

1.11 The Council's aim is 'to be recognised as the most efficient council in the country', and the Corporate Strategy 2012-15 sets out how we will measure our progress using a basket of indicators:

- Overall cost of council services per head of population (Revenue Estimates);
- Rate of increase in Council Tax;
- Time taken to process housing benefit/[council tax benefit] - new claims;
- Percentage of council tax collected;
- Amount of household waste per household (kg);
- Percentage of household waste sent for recycling, composting and reuse;
- Sickness absence rate;
- Unemployment claimant rate (job seekers allowance);
- Overall crime rate per 1,000 population.

1.12 We established baseline rankings (primarily based on 2011/12 data) for each indicator and an overall ranking for the whole basket of indicators which are being used to gauge future improvements. One year on, we completed the second rankings exercise which indicated an overall improvement in our ranking from nine out of 201 Shire District Councils to five (low is good).

1.13 The latest update on how we are performing against each of the indicators is attached at **Appendix 'B'**, and primarily relate to Q1 of 2014/15. As benchmarking data for 2013/14 is released over the next few months, the new ranks for each of the indicators will be calculated.

## 2. Financial Performance

2.1 The Council's budget strategy for 2014/15 assumes a budget surplus and a contribution to the General Fund Reserve of £1,500.

2.2 Overall, at the end of the first quarter, the Council has spent £2,587,021 against its profiled net budget of £2,946,311, resulting in an under-spend of £359,290.

2.3 The Council's Financial Rules require budget variances in excess of £10,000 to be reported to Members. The budget variances by cost centre at the end of Q1 are set out below:

<b>Cost Centre</b>	<b>Positive Variance £000</b>	<b>Negative Variance £000</b>	<b>Comments</b>
Police and Crime Commissioner Elections	25		Payment received relation to election held in previous financial year.
Printing Services	12		Income from printing for external customers higher than expected and employee vacancy saving.
Household Waste		21	Spend against budget for replacement bins and boxes is higher than budget. This will be reviewed for budget 2015/16.
Land Drainage	28		Income from GCC for work on consenting and enforcement work. There is Likely to be increase in employee costs in future periods to deliver outcomes for GCC.
Car Parks	45		Some under-spends in supplies and services budgets but income is £33,000 higher than the profiled budget.
Environmental Protection	14		Under-spends against employee and supplies and services budgets.
Development Control - Applications	169		Income from planning applications is higher than budget reflecting demand for the service.
Development Control - Appeals		11	Cost of legal consultancy to defend planning appeals.
Development Advice	22		Under-spend against employees.
Building Control - Fee Earning Work		20	Income not in line with profiled budget, savings in employees and supplies and services budgets partially offset income losses.

Cost Centre	Positive Variance £000	Negative Variance £000	Comments
Corinium Museum Maintenance	21		Forecast under-spend at year-end.
Bourton Leisure Centre Maintenance	18		Forecast under-spend at year-end.
Homelessness	11		Under-spend against bed and breakfast payments budget.
GO Shared Services		25	Additional resources required in Human Resources team to support – Baseline Security Standard tests required by Cabinet Office, impact of changes to the Local Government Pension Scheme, Pensions auto-enrolment all coinciding with peak workload at the financial year-end. A proportion of the additional costs will be recharged to the GO partner Councils.
IT		23	Significant expenditure in first quarter (annual renewal of software support etc.), not expected to be an on-going problem. Budget profiling for service to be reviewed.
Land Charges	24		Income higher than profiled budget.
Property Services	11		Savings on employees – contribution to overall savings from Legal and Property Services restructure.

2.4 A full set of revenue variances are included at **Appendix 'C'**.

2.5 During the first quarter, Corporate Team approved the allocation of £5,000 from the Council Priorities Fund to support a county-wide initiative on tourism development.

### 3. Capital Expenditure, Capital Receipts and Reserves

A summary is attached at **Appendix 'D'**.

### 4. Risk Management

4.1 Using the Council's approved evaluation criteria and methodology, any risk scoring 12 or above is considered a primary risk.

## 4.2 Corporate Risks

4.2.1 The Corporate Risk Register was reviewed and updated on 4<sup>th</sup> August 2014 by the Risk Management Group, which comprises a Strategic Director and other Senior Managers. In summary, there were no changes to the risk ratings; one new risk was added to the register to acknowledge the Vision 2020 programme.

4.2.2 At the end of Q1, the Register contained two primary risks:

- Legislative changes or government initiatives (New Homes Bonus and Business Rates Retention) - there has been no further update on the future consultation on changes to the New Homes Bonus; the proposed changes could have a serious negative impact on the Council. A new consultation on the Local Government Finance settlement for 2015/16 has recently opened, and we are assessing the details;
- A legal challenge leading to financial or policy implications - the land charges litigation is to be settled shortly, and provisions for the settlement have been made in 2013/14 accounts. The Cotswold Water Park prosecution is expected to conclude in October 2014; the Council will look at recovering the associated costs.

## 4.3 Service Risks

Service Risk Registers were updated by Officers to reflect changes to risk ratings at the end of Q1, and all service risks scoring 12 and above were reviewed by the Risk Management Group. At the end of Q1, the Service Risk Registers contained three primary risks.

## 5. External Reports

### 5.1 Local Government Ombudsman Annual Review for 2013/14

5.1.1 The Local Government Ombudsman (LGO) has reviewed the way it reports complaints and, from April 2013, decisions made by the LGO are classified in terms of whether the complaint is upheld or not upheld. This is similar to how other Ombudsman schemes, and many local authorities, describe their decisions.

5.1.2 The Annual Review Letter 2014 for the Council sets out the complaints that were made against the Council in 2013/14, as well as the outcome of those complaints. In total, the LGO received eleven complaints/enquiries about this Council, a relatively low number compared to other Shire District Councils. Seven complaints related to Planning and Development; this category receives the highest number of complaints made against Shire District Councils.

5.1.3 Four complaints were investigated in detail, and none of the four complaints were upheld. In comparison, the LGO upheld 38% of complaints (investigated in detail) made against Shire District Councils, and 46% of all complaints.

### 5.2 Audit of Section 11 of the Children Act

5.2.1 This Council, together with other authorities and agencies across Gloucestershire, undertook a self-assessment of the degree to which the Council meets its obligations to safeguard the welfare of children and young people as set out under Section 11 of the Children Act for the year. This self-assessment was then subject to peer review by other organisations through the Gloucestershire Safeguarding Children Board.

5.2.2 The Council met all its requirements and was rated at least 'good' in all areas. One specific action for the year ahead is for the Shared Head of Leisure and Communities to ensure that the Council's Leisure Management Contractor, SLM, continues to meet the requirements of the Council's Safeguarding Children strategy.

6. Audit and Scrutiny

This report will be published as part of the Quarterly Digest for the Audit and Scrutiny Committee. It will also be sent by e-mail to Members of that Committee for questions; and we will aim to provide responses prior to the Committee's next Meeting on 16<sup>th</sup> September 2014.

(END)