



Cabinet

AGENDA ITEM (12)

SUMMARY FINANCE/SERVICE PERFORMANCE REPORT - 2014/15 Q3

Accountable Member	All relevant Cabinet Members
Accountable Officers	Heads of Service

Purpose of Report	<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 financial position including revenue outturn and budget variances; and capital expenditure, capital receipts and use of reserves.</p>
Recommendations	That service and financial performance for 2014/15 Q3 be noted
Reason for Recommendation	The Council's performance management arrangements provide the Audit and Scrutiny committee and Cabinet with the opportunity to consider and comment on both service and financial performance on a quarterly basis.

Ward(s) Affected	None
Key Decision	No
Recommendation to Council	No

Financial Implications	As described in sections 2 and 3 of the report
Legal and Human Rights Implications	Nil
Human Resource Implications	Nil
Environmental and Sustainability Implications	Nil
Human Resource Implications	Nil
Key Risks	As described in section 4 of the report
Equalities Analysis	Not required

Related Decisions	The Council or the Cabinet approve all new capital schemes
Background Documents	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
Appendices	Appendix 'A' - Progress towards achieving our top tasks Appendix 'B' – Efficiency Measures - summary Appendix 'C' - Progress on efficiency measures Appendix 'D' – Revenue Variances Appendix 'E' - Summary of gross capital expenditure

Performance Management Follow Up	None
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Options for Joint Working	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)'
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Background Information

1. Operational Performance

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.

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.

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.

1.4 The Council is making progress towards delivering its Top Tasks, and other planned actions contributing to the delivery of the Council's priorities. In performance indicator terms, the Council is not performing quite as well as previous years with 71% of performance indicators on target or close to target, a similar level of service delivery to Q2. In terms of financial performance, spending continues to be well controlled, and at the end of Q3 there was an under-spend of £838,797 against the profiled net budget.

Performance Against Top Tasks

1.5 Overall, we are on target with the delivery of the Council's nine top tasks; so far, three top tasks have been completed, and the remaining six are broadly on target. A full update is attached at **Appendix 'A'**.

1.6 The following top tasks have been achieved:

- 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 by the end of July 2014;
- Produce a robust, evidenced Draft Local Plan for public consultation by 31st December 2014

(and subsequent submission for independent examination which meets the requirement of the National Planning Policy Framework in full);

- Deliver 400 affordable homes between 2012 and 2016.

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; and
- 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 Q3, twelve 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 Q3		2014/15 Q3	
	Number	% ¹	Number	% ¹
Achieved	8	21.6	12	30.8
In progress	25	67.6	20	51.3
Overdue	1	2.7	3	7.7
Superseded	3	8.1	2	5.1
On hold	0	0.0	2	5.1
Total	37		39	

Performance Against All Indicators

1.9 Overall, 71% of performance indicators achieved their targets or achieved their targets 'within tolerance'; a similar level of performance to the previous quarter when capacity issues in some services were identified. Senior Management Team is continuing to ensure that the necessary actions are taken to resolve these issues where appropriate.

Table 2 - Summary of Performance - All PIs

Status	2013/14 Q3		2014/15 Q1		2014/15 Q2		2014/15 Q3	
	Total	% ¹	Total	% ¹	Total	% ¹	Total	% ¹
On target or exceeded	21	75.0	20	69.0	16	53.3	17	60.7
Within tolerance	3	10.7	2	6.9	5	16.7	3	10.7
Below target	4	14.3	7	24.1	9	30.0	8	28.6
Total	28		29		30		28	
No target/no data	3		1		1		2	

¹ All percentages have been rounded

1.10 Performance for minor applications and other applications (not measured as key performance indicators) has stabilised following a dip in performance over the last few quarters which was due to a peak in workloads, and a combination of other factors, including turnover of staff. Although an agreed set of actions is in place, including enhancements to the remuneration package, there are unfilled posts in the service. On the other hand, performance for major applications is consistently good with over 90% of applications determined within the agreed.

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 For each indicator, we rank our performance against the performance of all 201 shire district councils; the council with the best performance is ranked 1, and the worst performance is ranked 201. The rankings for the individual indicators are aggregated to produce an overall ranking for each council. The council with the lowest score is the best performing or 'most efficient council'.

1.13 We established baseline rankings for all the indicators and an overall ranking (primarily based on 2011/12 data) for the whole basket of indicators which we are using to gauge future improvements.

1.14 Each year, we complete an assessment of how we compare, once all the benchmarking data has been made available. We recently completed the third ranking exercise which places the Council in 4th position; an improvement of one place on the previous year, and five places on the baseline year (low is good).

1.15 A summary of how the Council compares is attached at **Appendix 'B'**.

1.16 The Council has improved its overall ranking between the baseline and 2013/14. In terms of the individual rankings, there has been good consistency over the three year period, with five or six of the indicators in the top 10% or better. Furthermore, the overall cost of service has reduced from £109.81 in the baseline year to £104.70 in this financial year. Although there was no corresponding improvement in ranking, our costs compare well taking into account the high level of service delivery that has been sustained [in terms of the basket of indicators].

1.17 There were some areas of improvement; in particular the Council's sickness absence rate improved significantly between the baseline and 2013/14 both in terms of performance (8.5 days to 5.9 days per full-time equivalent), and ranking position (from 142 to 25). Other areas of improvement were the rate of council tax increase and time taken to process housing benefit new claims.

1.18 It should be noted that the rankings are affected as much by other Council's performance as our own, and sometimes there will be a lower level of performance without a corresponding reduction in the ranking due to a general shift (e.g. recycling and composting rates) and vice versa.

1.19 The latest update on how we are performing against each of the indicators is attached at **Appendix 'C'**, and primarily relate to Q3 of 2014/15.

2. Financial Performance

2.1 The Council's budget strategy for 2014/15 assumes a budget surplus and contribution to the General Fund Reserve of £1,500. It is expected that this position will be achieved and exceeded with an additional contribution to revenue balances.

2.2 At the end of Q3, the Council has spent £8,018,451 against its profiled net budget of £8,857,247, resulting in a current under-spend against budget of £838,797.

2.3 Some of these budget variances reflect sustainable, on-going budget savings and £355,000 of savings have therefore been reflected in the budget proposals for 2015/16. Other variances reflect higher levels of demand for services (e.g. planning and land charges). This higher level of demand for services needs to be considered together with the level of performance against service standards. The Council needs to ensure that the service areas are adequately resourced to deliver against this increased demand for services. The Council's Corporate Team have put in place measures to support the planning team. This will mean that there will be additional expenditure incurred during the last quarter of 2014/15 which will offset some of the overall budget variance.

2.4 Employee budgets across the Council are currently on-budget as at 31st December 2014 (including the budgeted vacancy factor for the year). This figure includes the cost of agency staff used to cover short-term vacancies.

2.5 A full list of all budget variances is attached to this report at **Appendix 'D'**. Those significant variances or variances that require particular note are outlined below:

Cost Centre	Positive Variance £000	Negative Variance £000	Comments
Green Waste	57		The Green Waste service has over-achieved its income target by £32,000. Underspends in employees and other supplies and services budgets account for a further positive variance of £23,000.
Development Control - Applications	394		Income from planning applications is higher than budget, reflecting an increased demand for the service. The service is expected to maintain a positive variance at year-end.
Car Parking	76		The parking service is currently overachieving against its income budget by approximately £62,000. However, this figure is expected to reduce by year end following the promotion of the 'free' parking on Monday and Tuesday afternoons in January/February. It is estimated the initiative will reduce income by approx. £25,000.

Cost Centre	Positive Variance £000	Negative Variance £000	Comments
Building Control		30	Income from Building Control inspections are under budget. While this is partly offset by reduced staff costs, the service still shows a net deficit at the end of Quarter 3.
Land Charges	39		The service has over-achieved its income target for the first 9-months of the year due to increased levels of demand for the service.
Property Maintenance – Leisure and Cultural Services	124		The planned and reactive maintenance budgets for Bourton and Cirencester Leisure Centres and the Corinium Museum combined are under budget. Although some works are planned for the final quarter of the year (£20k), the budget will be underspent at the end of the year. At the end of the 14/15 it would be prudent to carry-forward the budget underspends as approximately £100k of maintenance works are already scheduled for 15/16.
Rent allowances		184	The Council receives subsidy from Government in respect of Housing Benefit payments. Mid-year estimates indicate that government subsidy will be significantly lower than anticipated. This variance will be reviewed in detail at the end of the financial year.

3. Capital Expenditure, Capital Receipts and Reserves

3.1 A summary is attached at **Appendix 'E'**.

3.2 Capital activity

3.2.1 In ICT work is currently being undertaken by Property Services to address the server room power issue and the order for the new batteries has been placed and should be installed before the end of the current financial year. A large number of PCs and laptops have been purchased this year to support the Revenue and Benefits upgrade. Other major schemes have included the XP replacement plan, LEAPS project and the additional call centre licences.

3.2.2 Expenditure on Disabled Facilities Grants is lower than in previous years. A number of grant applications are still awaiting approval.

3.2.3 Flood alleviation work is scheduled as follows:

Moreton-in-Marsh twenty properties in need of Property Level Protection have been surveyed and installation work should be completed in February 2015. Work has been confirmed on the Moreton Flood Relief Channel Flow Control, London Road and at the Old Sub Station and Matcon areas. Work commenced in late January and is being jointly funded by Cotswold and GCC Highways.

Lechlade - Flood alleviation works at Lechlade are underway. Additional flow diversion and flow control works are currently being undertaken. The main flood relief culvert at Downington roundabout will be laid by the end of this financial year. It has also been identified that a new flood culvert is required in Priory Park (on the East side of Lechlade) which will be laid by the end of February.

Bourton on the Water - extensive ditch clearance work has been completed. The work was carried out in partnership with the Council, Ubico and riparian owners. Following consent from the Environment Agency, work on the flood defence wall at the Ford commenced in January 2015. There will also be Property Level Protection (PLP) and drainage improvements to two houses in Mousetrap Lane which were flooded last summer; this will be funded by Gloucestershire County Council.

In Naunton works were completed during October/November on watercourse clearance, river embankment repairs and reinstatement of two sections of open channel.

South Cerney - During October work was carried out to clear obstructed culverts at Upper Up crossroads.

In Somerford Keynes discussions are in progress with local landowners regarding the potential construction of flood relief culverts on Spratsgate Lane and Spine Road.

3.2.4 The Council procures the vehicle fleet which enables Ubico Limited to deliver environmental services on its behalf. Vehicles are replaced as part of a planned programme. One replacement vehicle has been purchased this year to date. The procurement process of three more replacement vehicles is currently underway and it is intended that the purchase of these vehicles will be complete by the end of this financial year.

3.2.5 Improvements to the Forum Car Park in Cirencester are scheduled to begin in February. The work will involve resurfacing and an improvement to the design of the car park.

3.3 Capital receipts and disposals

3.3.1 There were two sales of assets completed during Q3. The Site at Chesterton Lane, Cirencester on 21st October 2014 for £500,000 and The Lorry Park, Cirencester on 14th November 2014 for £1,650,000.

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 26th January 2015 by the Risk Management Group, which comprises a Strategic Director and other Senior Managers.

4.2.2 At the end of Q3, the register contained four primary risks; three related to organisational learning, staffing and development:

- Two related risks - the lack of capacity to maintain service delivery leading to reduced service delivery performance and the inability to recruit suitable staff in some key service areas – reflects vacant posts in Development Management, and increased competitiveness in recruiting to planning posts. An action plan has been put in place to enable recruitment and retention within the service and reverse the capacity issues;
- Reduced capacity to respond to an emergency leading to inability to deal effectively during emergencies, and reputational damage – the likelihood was increased from 'possible' to 'probable' to acknowledge that the changes in Corporate Team structure as a result of 2020

Vision interim management appointments, and the departure of a Strategic Director in April will reduce senior officer resilience at higher levels of the emergency planning response structure team. In the short term, a review of emergency planning response is being carried out at Cotswold and West Oxfordshire. There is also a corresponding risk in the 2020 Vision Programme that will be mitigated by a cross cutting piece of work looking at emergency planning and response across the four Councils which will be completed in the longer term.

- The impact of the outcome of the General Election on initiatives, programmes and funding was added to the register to acknowledge the forthcoming General Election, although the impact of any change in government is unlikely to be felt until 2016/17 at the earliest.

4.3 Service Risks

Service Risk Registers were updated by Officers to reflect changes to risk ratings at the end of Q3. At the end of Q3, there were no service risks identified as primary to report.

5. Audit and Scrutiny

This report will be reviewed by Audit and Scrutiny at its meeting on 17th March 2015.

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