



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET - 2ND SEPTEMBER 2019
Report Number	AGENDA ITEM (12)
Subject	SUMMARY FINANCE/SERVICE PERFORMANCE REPORT – 2019/20 QUARTER ONE
Wards affected	All
Accountable member	All relevant Cabinet Members
Accountable officer	All Group Managers
Summary/Purpose	To summarise overall service performance for the Council. To provide information on the Council's financial position including revenue outturn and budget variances; and capital expenditure, capital receipts and use of reserves.
Annexes	Annex A - Performance indicator report Annex B - Revenue Summary and Variances Annex C - Summary of gross capital expenditure
Recommendation/s	<i>That Cabinet reviews, and challenges as appropriate, service and financial performance for Quarter 1 of 2019/20.</i>
Corporate priorities	A new Corporate Strategy/Plan is in preparation
Key Decision	No
Exempt	No
Consultees/ Consultation	None

1. BACKGROUND

- 1.1. Each quarter, the Council monitors its progress towards achieving its aim and priorities, service delivery and financial performance. Following the elections in May, the Council's new administration has commenced preparatory work on a new Corporate Strategy for 2019-2023. While the new Strategy is in development, the focus of this report will be on service delivery and financial performance.

2. MAIN POINTS

- 2.1. Overall, services performed well (measured by performance indicators), with over 80% of indicators achieving their targets or achieving their targets 'within tolerance'. In terms of financial performance, there was an under-spend against the budget of £8,697 (see section 2.3).
- 2.2. **Performance against all indicators**
- 2.2.1. Eighty-two per cent of performance indicators achieved their targets or achieved their targets 'within tolerance'.

Table 1 - Summary of Performance - All PIs

	2017/18 Q1		2018/19 Q1		2019/20 Q1	
Status	Total	% ¹	Total	% ¹	Total	% ¹
On target or exceeded	23	82.1	22	81.5	21	75.0
Within tolerance	3	10.7	2	7.4	2	7.1
Below target	2	7.1	3	11.1	5	17.9
Total	28		27		28	
No target/no data	0		1		5	

¹ Figures have been rounded and may not add up to 100%

- 2.2.2. During the quarter, there were some notable performances including:
- (EVS 1) Percentage of household waste sent for reuse, recycling and composting (Actual: 63.54%, Target: 62%).
The District achieved a high combined recycling rate, a similar performance to the previous year, and one of the best Q1 performances since 2009/10. Furthermore, the amount of residual waste per household was relatively low at 90kg per household (Target: 94kg) in comparison to recent years' performances.
 - (RB 6) Speed of processing housing benefit new claims (Actual: 13.6 days; Target: 18 days).
The service continues to deal with the complex cases, for example claimants in emergency accommodation and supported accommodation, or with severe disabilities.

The Department for Work and Pensions' (DWP) recently published statistics shows that the Council's average speed to process a new claim was 16 days in 2018/19, well below the average for all shire districts at 20 days, and all English Councils at 21 days. Furthermore, the service has significantly reduced its average days to process a change of circumstance from 9.4 days in 2018-19 Q1 to 4.3 days in 2019-20 Q1.

- (LLP 1) Percentage of land charge searches received and despatched within 10 working days (Actual: 100%; Target: 90%).

Following the resolution of some technical issues in the previous year, as well as the implementation of some improvements in processes, the service has been able to regain its previous level of service delivery.

2.2.3. Four indicators fell short of their targets - one in each of the following services: Building Control, Customer Services, Leisure and Museums, and Housing Support. The indicators that fell short of their targets were:

- (ERS 7) Percentage of Building Regulation full plans applications vetted within 21 days (Actual: 72.9%; Target: 85%).

The service experienced capacity issues during Q1; attempts to recruit to a vacant post have been repeatedly unsuccessful, and we are now re-advertising the post as a development post. There appears to be a national shortage which has resulted in increased competition with the private sector.

- (LC15) Number of visitors to museums and galleries (Actual: 10,638; Target: 12,965).

Overall, the Museum is still attracting a large number of visitors. In December 2018, work commenced on the refurbishment of the front galleries as part of the Heritage Lottery funded Stone Age to Corinium project. It was anticipated that the building works and closure of some galleries would have an impact on visitor numbers. So far, Phase I of the project - the discovery centre - has been completed and is being used as a temporary reception and shop whilst major structural works take place. The delivery of the project is on schedule for the end of March 2020.

- (RHS 7) Number of households living in Emergency Accommodation for over 28 days (Actual: 2; Target: 0).

One couple and one single person had been in emergency accommodation over 28 days at the end of June 2019. The couple had an unsuccessful match to a property with Bromford, and so alternative arrangements are being sought, including private rented accommodation. The single disabled person is still waiting to be matched to a property; and social services have since been involved in the case. Both cases have specific needs and requirements in order to re-house them.

- (CS 1) Percentage of telephone calls answered within 20 seconds (Actual: 54.05%; Target: 70%).

During Q1, the new Customer Relationship Management software (Salesforce) for Customer Services was implemented. The new platform will underpin all our services and help to deliver more customer focussed solutions.

Some advisors were involved in user acceptance testing, and all advisors received training prior to 'go live' which has taken capacity out of the service. As expected, performance will be affected while the system beds in, and evolves with further enhancements and tweaks.

A second round of training will be required as the service reviews some of the processes that have been amended during the initial stage. As additional functionality is enabled such as the auto integration of phone calls and emails, we should start seeing improvements in performance.

- 2.2.4. The service performance report is attached at **Annex A**.
- 2.2.5. Senior Management Team will continue to ensure that action is taken to improve performance where appropriate.

2.3. **Financial Performance (Revenue)**

- 2.3.1. The Council's approved budget for 2019/20 set a net revenue budget for the year of £13,792,349, with a budgeted use of General Fund of £164,313.
- 2.3.2. The figures in this report represent the position against the profiled budget, as at 30th June 2019, i.e. the end of Q1. A commentary against the major variances is detailed below.
- 2.3.3. At the end of June, the Council had spent £6,649,946 against its profiled net budget of £6,658,644. This equates to a small underspend for the first quarter against profiled budget of £8,697.

Income

- 2.3.4. The Council's chargeable Green Waste service continues to perform well. The majority of income is generated at the start of the year, with the service beginning on 1st April and the fee entitling users a service up until 31st March of the following year. Subscribers to the service have generated £605,000 for the first quarter, against an annual target of £624,000. It is estimated that by the end of Q2 the budget for the income target for the year will have been exceeded due to the popularity of this service.
- 2.3.5. Car Park income is marginally above budget at the end of Q1. Income for the year is at a similar level to 2018/19, achieving £505,000 against a profiled budget of £490,000 for the quarter.
- 2.3.6. Planning application fee income underachieved in 2018/19 by £250,000. Results for the first quarter seem to show a continuation of that pattern, with income of £246,000 against a profiled budget for the quarter of £305,000. While income is difficult to predict, it does form a large income stream to the Council. The position will need to be monitored and reviewed as part of the budget setting process. Pre-application advice continues to perform well.
- 2.3.7. Building Control fee income is currently on budget – generating £82,000 of income in the first quarter of the year.
- 2.3.8. During 2018/19 the Council saw a diversification of its investment portfolio, away from traditional 'cash' deposits. As a result, the Council invested additional resources into a mixture of property funds and income funds. These investments proved successful during 2018/19 and the positive returns have continued into 2019/20. The Council's pooled funds have returned an average of 4% in Q1. Based upon Q1 figures, returns look positive and the Council would hope to generate a small surplus in excess of its budget.

Expenditure

- 2.3.9.** The majority of the Council's staffing resource is supplied under contract from Publica. The Publica contract sum for 2019/20 is £9,153,140. Publica invoice the Council according to its agreed contract sum for the first 11 months of the year, with a reconciliation to the actual cost of the contract at the end of the year, as part of the March 2020 contract sum. Any variations or changes in the service provision required during the year are agreed between Publica and the Council's Chief Finance Officer, in line with decisions taken by the Council.
- 2.3.10.** At the end of Q1, Publica expenditure on Council services exceeded budget by around £30,000. Publica will be addressing this overspend during the year.
- 2.3.11.** The Council's Environmental Services (grounds maintenance, domestic waste collection, recycling collections, etc.) are provided by Ubico Ltd. Ubico invoices the Council 'on-budget' for the first 11 months of the year. These are the costs currently showing within this report; however the Council receives monthly feedback on its contract costs and the forecast outturn position. At the end of Q1, Ubico predicts that costs will be in line with the 2019/20 budget, which includes provision for the additional costs of hire vehicles repairs and maintenance resulting from the age of some of the vehicle fleet which is current being replaced.
- 2.3.12.** The first quarter of the year has seen the Council spend more than its capital allocation for recycling receptacles (of £55,000). An overspend of £72,000 currently sits in the revenue account. Any further purchases (that are not part of the service redesign) will worsen this position. Orders for the receptacles were placed at the end of the last financial year in light of advice from WRAP on risks related to the UK's departure from the EU. Specific government grant paid to the Council for "Brexit" actions will be applied to part-fund these costs and reduce the over-spend in the revenue budget.
- 2.3.13.** In May 2019, the Council opened the newly refurbished 'Croft' (Ashcroft Road) Emergency Accommodation. In getting the property ready for use, the Council has incurred costs of £8,000 for servicing and upgrading the fire alarm and security alarm systems within the building, for which no budget had been set-aside.
- 2.3.14.** The Council sets aside monies each year to establish a reserve to fund the all-out District and Parish/Town Council elections every four years, and any by-elections held. The true position on both the revenue budget and the accumulated reserve will not be known until the election accounts have been finalised. In any event, the annual contribution to the election reserve will be reviewed as part of the budget process for 2020/21.
- 2.3.15.** The Council's Animal and Pest Control Service is delivered in partnership with West Oxfordshire District Council, and delivered by Ubico. As part of the shared service agreement, the Council was due a refund based upon its 2018/19 contract sum. The calculation of the refund was not included in the 2018/19 figures and was only received in Q1 2019/20. The Council has therefore benefitted with a credit of £68,000 in the current year.
- 2.3.16.** A full list of all cost centres and budget variances is attached to this report at **Annex B.**

2.4. Capital Activity

- 2.4.1.** The Council has received 34 referrals for Disabled Facilities Grants [DFGs] during the period April to June 2019. There are currently 60 DFG cases on-going, of which three are for children. Of the 60 on-going cases, three are older than 12 months, but are expected to be completed in Q2. Those cases which involve complex adaptations, such as extensions or major alterations due to medical needs can take time to complete due to the specialist nature of the works. The Council's funding provides essential adaptations for disabled residents to enable them to remain at home and live independently and safely. Common adaptations include the installation of stair lifts, through-floor lifts, ramps, level access showers, wash/dry toilets and ground-floor extensions. The maximum DFG is £30,000 with an additional £20,000 available in exceptional cases.
- 2.4.2.** The Council is taking forward a number of projects aimed at increasing car parking capacity in Cirencester:
- 2.4.3.** A planning application has been submitted for parking for permit holders at the Rugby Club site. A decision is anticipated in Q2. Subject to approval, works to develop the parking facilities will commence shortly thereafter.
- 2.4.4.** A design competition with the short listed three architects providing designs which will be subject to public consultation will take place in July for the new Waterloo decked car park. Intrusive surveys of the Waterloo site are continuing at the request of Historic England. Once a design has been selected, it will be developed and a Planning application can then be submitted. Subject to all the relevant consents, development should start in 2020.
- 2.4.5.** Car park improvement works are planned for Rissington Road car park, Bourton-on-the-Water. These works have been delayed due to drainage issues. The installation of an electric vehicle charging point [EVCP] is also being considered as part of this refurbishment.
- 2.4.6.** Procurement for Electric Vehicle Charging Points [EVCPs] is currently being concluded with the evaluation of tenders. A report will be submitted to Cabinet in October seeking a decision on the funding model for the installation of EVCPs that Members wish to follow. A mini tender can then be conducted for the installation of EVCPs in key locations with funding allocated from this earmarked capital.
- 2.4.7.** There are various projects underway in ICT to keep our network infrastructure secure and up-to-date. The rolling replacement programme of laptops and devices continues, with a number of laptops scheduled to be replaced later in the year. Future planned work includes the replacement of storage infrastructure, network upgrades, firewall replacement and improved internet connectivity.
- 2.4.8.** Demolition works on the site of the Old Memorial Hospital are scheduled to commence during Q2. Works are planned to be completed by Christmas providing no unforeseen issues arise. Demolition of this site will create capacity for additional parking spaces. This site would be considered for more strategic development longer-term within the context of the Cirencester Masterplan.
- 2.4.9.** The delivery of the waste service has been reviewed. Service changes will enhance the existing service provision, recycling performance and reflect the changing demands due to housing growth and changes in quantities of recyclable materials. Procurement work for 16 new recycling vehicles and five food waste vehicles has been completed, and orders placed. Container orders have also been

placed for food caddies and improved cardboard sacks to complement the new service.

2.4.10. The Corinium Museum 'Stone Age to Corinium' project is progressing well. The majority of the more invasive structural work changes are now complete.

2.4.11. Details of the approved capital programme and expenditure is attached at **Annex C**.

2.5. Capital receipts and disposals

2.5.1. During Q1, the Council disposed of a small patch of land at 'The Sherry', Temple Guiting. The land was sold at auction for a price of £45,000 after costs (compared to the auctioneers guide price of £15,000-£20,000).

2.6. Risks

2.6.1. The **Corporate Risk Register** was updated by the risk owners during July and August 2019 and reviewed by the Joint Management Team (comprising the Councils' statutory officers and the Publica Directors) on 13 August 2019. Any risk scoring 15 or above is considered a 'primary' risk.

2.6.2. At the end of Q1, there were three primary risks on the register:

- If the Local Government settlement over the medium term is unfavourable then the Council's savings targets may need to increase – the Medium Term Financial Strategy was approved by Council in February 2019; and includes an estimate of the likely impact of the changes to local government funding from 2020/21 onwards which provides the Council with the context in which to take decisions. The Government has announced that there will be a one year Spending Review for 2020/21, to be completed by the end of September. It is unclear if the Fairer Funding Review and changes to the Retained Business Rate Scheme will be implemented in 2020/21 or delayed.
- If unavoidable budget pressures exceed provision within the MTFS then the Council may need to find additional income or savings, or use its reserves, otherwise there may be pressures on services or tax levels and agreed budget targets will not be achieved – the likelihood was increased from 'probable' to 'almost certain' to reflect the increased risk associated with the change to the waste service. The expected financial impact of the change in waste service has been included in the MTFS. Officers have been working with Ubico to understand the scale of the additional costs of the new service from 2020/21. A report will be presented to Council setting out revised estimates. There are elements such as fleet numbers and tonnages which are based on estimates and may be subject to change which could further increase costs.

In addition, the Council has announced a Climate Emergency and financial resources will be required to enable the Council to take action. The financial impact will be included within the next update of the MTFS and budget proposals for 2020/21. Any in-year expenditure will be funded from earmarked reserves.

- If Ubico is unable to deliver services to the required standard then it could damage the Council's reputation and result in additional costs for the Council – the likelihood was increased from 'possible' to 'probable'. The waste fleet has deteriorated before expected resulting in high levels of breakdown, and as a consequence is impacting on residents and increasing service costs. The fleet is being re-procured as part of a new service.

- 2.6.3.** One new risk was added to the register with a moderate (Amber) risk rating:
- If the Government does not provide adequate funding to the Council to enable the Council to fulfil new expectations of the Council's role in preparations for the UK exit from the EU, there could be negative implications on the Council's reputation or the Council's finances - the Secretary of State has written to the Council setting out his expectations of the role the Council should fulfil in preparations for the UK leaving the EU.
- 2.6.4.** In this connection, the Council received Government funding of some £17,000 in 2018/19 and just under £17,500 recently. A further similar amount is expected shortly.
- 2.6.5. Service Risk Registers** were updated by risk owners to reflect changes to risk ratings. At the end of Q1, there were no primary risks to report.
- 2.7. Publica Contract Variations**
- 2.7.1.** No Publica contract variations were required in the first quarter.
- 2.8. Local Government Ombudsman Annual Review for 2018/19**
- 2.8.1.** The Annual Review Letter 2019 for Cotswold District Council sets out the complaints that were made against the Council in 2018/19, as well as the outcome of those complaints. In total, the LGO received four complaints/enquiries about this Council, three of which related to Planning and Development. In the previous year, we received 13 complaints/enquiries, of which nine related to Planning and Development.
- 2.8.2.** Four decisions were made by the LGO in 2018/19 - two complaints were closed after initial enquiries; one complaint was referred back to the Council for a local resolution; and one complaint, relating to the way the Council handled questions on a planning matter, was investigated in detail. The LGO upheld the latter complaint, concluding that although the Council had responded to the complainant in detail, it had not answered specific questions on a planning matter. The LGO is satisfied that the Council has implemented the recommended remedy to provide a response to the complainant's questions and 'to remind all Council staff of their duties to comply with the Council's constitution, and draw particular attention to their professional responsibilities to respond thoroughly to queries'.

2.9. Health and Safety

- 2.9.1.** In the past, reports on health and safety matters have been considered by the Council's Joint Consultative Committee. With the formation of Publica and the transfer of the majority of Council employees into the company, it is now appropriate that these matters are considered as part of the quarterly performance reports.
- 2.9.2.** The Council's Head of Paid Service is the "responsible person" under the regulatory reform fire safety order (2005).
- 2.9.3.** There were no reportable incidents during the quarter which required the Health and Safety Executive to be notified.
- 2.9.4.** There were two recorded incidents in the quarter.
- A member of staff felt anxious and reported chest pains. A first aider was called and the member of staff was accompanied to hospital by a colleague. It was concluded that the member of staff had suffered a panic attack.
 - A member of staff had an accident in a toilet block in a council owned building resulting in some cuts and swelling to legs but did not require any treatment.
- 2.9.5.** The planned activities of the service include:
- The Council's H&S policies will be updated in July/August 2019;
 - Fire Risk Assessments for all Council-owned buildings in Cirencester are currently being carried out, the results of which will be reported to the responsible person.

2.10. Overview and Scrutiny Committee

- 2.10.1.** This summary performance report will be reviewed by the Overview and Scrutiny Committee at its Meeting on 3rd September 2019; and any comments from that Committee will be reported to the Cabinet.

3. FINANCIAL IMPLICATIONS

- 3.1.** As described in sections 2.3, 2.4 and 2.5 of the report

4. LEGAL IMPLICATIONS

- 4.1.** None

5. RISK ASSESSMENT

As described in section 2.6

6. EQUALITIES IMPACT (IF REQUIRED)

- 6.1.** Not required

7. CLIMATE CHANGE IMPLICATIONS (IF REQUIRED)

- 7.1.** Not required

8. ALTERNATIVE OPTIONS

8.1. None

9. BACKGROUND PAPERS

9.1. None

(END)