



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 6 DECEMBER 2021
Report Number	AGENDA ITEM 07
Subject	FINANCIAL, COUNCIL PRIORITY AND SERVICE PERFORMANCE REPORT – 2021-22 QUARTER TWO
Wards affected	All
Accountable member	All relevant Cabinet Members
Accountable officer	Robert Weaver, Chief Executive Email: robert.weaver@cotswold.gov.uk
Summary/Purpose	To provide an update on progress on the Council's priorities and service performance To provide information on the Council's financial position
Annexes	Annex A - Council Priorities report Annex B - Performance indicator report Annex C - Revenue Summary and Variances Annex D - Summary of gross capital expenditure
Recommendation(s)	<i>That Cabinet reviews overall progress on the Council priorities, service delivery and financial performance for 2021-22 Q2</i>
Corporate priorities	<ul style="list-style-type: none"> ● Delivering our services to the highest standards ● Responding to the challenges presented by the climate crisis ● Providing good quality social rented homes ● Presenting a Local Plan that's green to the core ● Helping residents and communities access the support they need for good health and wellbeing ● Supporting businesses to grow in a green, sustainable manner, and to provide high value jobs
Key Decision	NO
Exempt	NO
Consultees/ Consultation	None

I. BACKGROUND

- I.1. The Corporate Plan 2020-24 was adopted by the Council in September 2020, and includes recovery work in response to the impact of Covid-19.
- I.2. A high level commissioning statement was approved by Cabinet in January 2020 which sets out the relationship between Publica and the Council and their respective responsibilities. Publica must ensure that it provides the necessary information to the Council so it can assess whether the commissioned services are being delivered in accordance with the agreed quality and standard. The Council's Chief Executive is responsible for reviewing and approving the information provided in this report prior to its publication.
- I.3. The Council's Chief Executive has received a report on progress towards achieving the Council's priorities and service performance. He has assessed performance in line with the high level commissioning statement. He has noted the progress that has been made to deliver the actions in the Corporate Plan; and where a reduced level of operational performance has been identified, the actions that are being taken to improve performance. He has drawn particular attention to the following:
 - 19 July marked the lifting of all Covid-19 restrictions, and some staff have returned to the office but most are working in a hybrid style or mainly from home in line with Publica's Agile Working Strategy 2020. Whilst we need to ensure that staff are available to deliver services whether in the office or not, the change to more flexible working practices has presented an opportunity to review office space requirements and identify any space that can be repurposed. Draft office layouts have been developed for Trinity Road with proposals for desk layouts, meeting rooms, breakout areas and new tenanted areas. The Chief Executive will be consulting with Members on the proposals shortly;
 - It is encouraging to see that leisure visits and gym memberships are operating at around 80% of previous levels, and that marketing plans are in place to increase throughput and membership to pre-Covid levels. Furthermore, the Museum welcomed over 18,000 visitors including 169 pupils visiting since the start of the school term;
 - The Council's business rates collection figure (in year) continues to be affected by the impact of Covid-19 on businesses, as is the case with other councils throughout the country. The Government supported certain businesses with 100% business rate relief last year, but there are still businesses which are struggling financially. At the end of June 2021, the relief was reduced to 66% which will run until the end of the financial year;
 - Customer satisfaction ratings for services delivered by phone have continued to remain high throughout the Covid-19 pandemic. Face to face surveys which only restarted in

July are also indicating that satisfaction is high with this channel, although the number surveyed was low due to low footfall;

- The website satisfaction indicator has been suspended while the service explores other methods for assessing the effectiveness of this communication channel. The Council recognises that it needs to focus on the ability to provide more options for accessing the Council's services including the potential for channel shift to quicker and more cost effective methods of communication where possible, such as the website. The Channel Choice project has commenced, and processes are beginning to be reviewed in those service areas that receive high volumes of calls;
- At its meeting in September 2021, Cabinet agreed to the formation of a Task and Finish Group which would focus on performance management and reporting. At a recent meeting of the Overview and Scrutiny Committee, it had been recognised that the performance across all areas of the Council should be displayed clearly and be easily understandable. The work of the proposed Task and Finish Group would seek to identify any performance trends, both positive and negative.

2. COUNCIL PRIORITY REPORT

2.1 Progress on actions in the Corporate Plan include:

- In July 2021, Cabinet agreed to pledge to issue a Local Climate Bond using the Community Municipal Investment (CMI) model; and was one of the first five UK councils to become part of the Green Finance Institute and Abundance Investment's Local Climate Bond campaign. The CMI model is a way for local communities to invest in climate change projects to support the Council to meet its climate change targets. Progress is being made with Abundance on the legal elements of the bond as we move towards an issuance next year;
- Gloucestershire's district authorities have been awarded grant funding for a collaborative project to build capability in delivering support to able-to-pay owner-occupiers, supporting them to invest in energy efficiency and decarbonisation works in their own homes. The Council is leading the workstream on market analysis and business planning;



- The Council's new approach to community grants, Crowdfund Cotswold has proven to be one of the most successful schemes in the country facilitated by Spacehive. The first funding round ended in June 2021, and 15 out of 16 projects that launched on the platform achieved their targets. In total £271,043 was pledged by 1110 backers. The Council invested £72,054 into the projects, in addition to Gloucestershire County Council grant funding of £22,456, totalling £94,510;
- The Community Wellbeing team worked in partnership with the local voluntary and community sector to deliver the 'Holiday Activity and Food programme' (HAF) during the summer school holidays aimed at children in receipt of free school meals. The programme's purpose was to make sure children were entertained, active, educated, safe, and fed between Monday 2 August and Friday 27 August 2021. The team is planning the HAF provision for the Christmas holidays in partnership with the County Council, and will incorporate learning from the Easter and Summer schemes;
- The Council has been allocated a further £81,144 from the 'Welcome Back Fund', which is an extension of the Reopening High Streets Safely Fund which runs until the end of March 2022. Cabinet has approved indicative allocations of £50,000 for physical works to town centres and £30,000 to create a 'virtual high street' to assist town centres to be more digitally resilient. A range of town centre projects submitted by Town and Parish Councils have already been approved;
- Town and Parish Councils were invited to attend forums in October, one at Trinity Road, and the other at Moreton. Twenty-eight participants attended the event at Trinity Road, and 21 at Moreton. The focus was on improving relationships, working together and supporting each other as well as other topics such as planning and the budget. Looking ahead, a schedule of engagement events has been drafted which includes both forums for discussing topics such as 'Clean and Green', and community projects as well as the provision of training on items such as planning. The next forum is scheduled for January/ February 2022.

2.2 The Council Priority report is attached at Annex A.

3. SERVICE PERFORMANCE REPORT

- 3.1** Performance continues to be mixed for a third consecutive quarter. The main issue has been lack of capacity due to both high workloads as a result of both internal (improvement work /new systems) and external factors (Covid-19 related, economic, 'stamp duty holiday') and vacant posts in some services.



3.2 Additional resources have been secured in particular over the last quarter to support services to reduce the backlog of work, and services are reporting that workloads have become more manageable, although it will take time for performance to improve. In the planning service we have had a successful recruitment campaign with a total of 20 appointments made across the partnership many of which were internal, encouraging the retention of a significant number of existing staff. A second round of recruitment has now commenced to complete the consequential vacancies created from the first round and bring the teams up to the new increased resource levels.

3.3 Concurrently, improvement work and programmes are on-going. The Planning service has an improvement programme in place which has already delivered significant improvements in the validation of applications, and a service re-designer has commenced work to improve processes in Land Charges. Although it is difficult to resolve the resilience issues in Customer Services, the switch in focus to improving digital take up is expected to reduce call volumes.

3.4 Some of the performance indicators that are falling short of their targets or showing a downward trend are considered below together with rectifying actions:

- There was an improvement in the average call wait time in Q2; the average reduced from around two and a half minutes to two minutes which is comfortably within the three minute standard considered good for local authorities (GovMetric). Staff in this service are more likely to apply for internal promotions which results in a temporary reduction in capacity.

Resolution: The Customer Service team is continuing to recruit to ensure that there is sufficient capacity to deliver the service, however, we need to be mindful that it takes up to six months to train new staff. In tandem, a framework is being developed to measure digital take-up so that a better understanding of the impact of digitisation on demand for customer services can be gained. The Channel Choice project has commenced, and the processes in services with high call volumes will start to be reviewed to reduce the need for customer contact and to reduce call length time.

The service is also identifying 'quick wins' to reduce call waiting time, for example, improvements to call waiting messages were implemented in Q2. Callers now receive a tailored message for the service they are calling about that signposts to easier ways to complete the transaction, which will be digital/online in most cases.

- The average days to process Council Tax Support new claims has reduced slightly since the end of the last quarter but remains high at just over 45 days; (against target of 20 days) while the average for Council Tax Support changes has increased over the last six months from 6.78 days to nearly 41 days. The reduced performance was primarily due



to high workloads related to the increase in Universal Credit claims since the start of the pandemic (with much of the New Claims time delays beyond our control), the implementation of the new benefits system, Covid-19 related work, and supporting the administration of discretionary housing grants to the most vulnerable residents in the District. The backlog of work that was created following the implementation of the new benefits system was exacerbated by a software failure that prevented the automatic upload of changes of circumstances. Although a partial fix was applied nationally, all councils are awaiting a further fix which is expected to be released in November. In the interim, some cases are being processed manually.

Similarly, the average days to process Housing Benefit changes of circumstances also increased further over the last quarter, from 16.95 days to 22.2 days.

Resolution: With the injection of additional resources during the quarter, the backlog of work is being managed and reduced. In addition, three experienced temporary staff have either taken up their positions or will do shortly. A recovery plan is in place which should result in an improvement in performance although this will not be notable this year, aided by the software release as well as the soft launch of the open portal in November. The open portal provides a facility for clients to self-serve, which will reduce the burden in the back office.

- The percentage of planning applications determined within timescales has been falling since summer 2020 when the number of applications (in particular 'Other' applications which include householder applications) coming through started to increase in line with the national trend. The increase in demand coincided with reduced capacity due to vacant posts creating a backlog of applications awaiting determination.

Resolution: Given the anticipated ongoing nature of increased workloads, the Council agreed two additional posts to support the team and provided an improved career structure to support the recruitment and retention of planning staff. The recent restructure of the planning service provided a much needed opportunity to review service needs to ensure that it is fit both now and for the future. Two additional principal posts have been filled internally, which alongside the two additional posts and some internal promotions has created further vacancies, the majority of which have also now been filled. A recruitment exercise to seek to mop up the remaining unfilled or recently created vacancies commenced mid-November. The increased capacity over the next few weeks will help to restore performance to previous levels, however, new staff will need to undergo training and the backlog of applications will need to be cleared before this can happen. We expect to see an improvement in performance in Q4. The planning improvement programme is underway, and improvements have been made to the validation process which has resulted in reduced backlogs.



- The number of land charge searches increased by 45% during the 'stamp duty holiday' compared to the five quarters prior to the 'stamp duty holiday'. In spite of the increase in searches, in addition to responding to customer queries, performance targets were achieved until Q4 when there was a significant reduction in capacity in the service. An injection of additional resources to support the service and the recruitment of two new posts in Q1 resulted in improved performance in July which the service was unable to sustain as some aspects of the role are more complex and are dealt with by experienced staff.

Resolution: The new starters in the service will undergo further training in October on the more complex processes which will reduce delay; and the additional resources brought in to support the service in Q1 will remain in place as a temporary measure. Furthermore, a service re-designer has started to review the land charge search process to identify where improvements can be made especially around the way customers communicate with us.

3.5 In spite of the challenges this quarter, there have been a number of areas where indicators have improved or are noteworthy:

- The council tax collection rate appears to have rebounded. The service collected 59.14% of the council tax due in the year compared to 57.62% a year ago;
- The Council's customers are highly satisfied with services delivered by phone, with nearly 95% of customers responding positively. Once again, the Council made it into the top 10 councils on the GovMetric Telephone Channel Satisfaction Index for August 2021;
- The Food Safety team is prioritising inspections for high risk premises and new businesses in line with the Food Standards Agency's recovery plan. The small backlog of high risk premises inspections that built up during the Covid-19 lock downs has been cleared and all new ones are being completed within the 28 day timescale;
- The number of missed bins per 100,000 is showing improvement in spite of a national shortage of HGV drivers, and high staff turnover in the service as staff choose to take up roles closer to home in a buoyant job market. Typically, missed bins rise when new crew members /agency staff are utilised due to their lack of local knowledge. The implementation of In-Cab technology in April 2021 appears to be having positive benefits on waste and recycling collection rounds. The technology provides drivers with the information they need to work efficiently and provides the waste depot with real-time issues and performance information.

3.6 A full report is attached at Annex B.



4. FINANCIAL PERFORMANCE

Financial Performance (Revenue)

- 4.1** This report sets out the profiled income and expenditure variances for the period April to September 2021 against the Council's budget.
- 4.2** At 30 September 2021, the Council had spent £6,493,102 against its net profiled budget of £6,786,170. After taking account of lower than expected income from Government grants of £127,744 which is related to the sales, fees and charges income compensation scheme, the overall underspend against the budget at the 30 September 2021 was £165,324.
- 4.3** The continuing impact of the pandemic has meant that demand has continued to be lower for some of the Council's income generating services, especially car parking and the leisure management fee whilst planning and garden waste demand has improved. In addition, the Council has continued to face pressures on its expenditure budgets. In particular, continuing to provide emergency accommodation for individuals and families facing homelessness, collecting additional waste and recycling materials and until July 2021 providing financial support to the Council's leisure contractor to enable the District's Leisure Centre and Corinium Museum to open to the public whilst complying with social distancing restrictions.
- 4.4** A full list of all cost centres and budget variances is attached to this report at Annex C and includes commentary against the most significant variances. This report highlights a number of budget variances across a range of service areas; excluding those where the income and expenditure variance are comparable and offset each other (net nil variance).

Income

- 4.5** Income from car park fees, fines and permits was significantly impacted by Covid-19 with the 2020/21 outturn position being only 38% of original budget for the year. In Q1 this trend continued with performance to budget sitting at 58%, £315,000 less than budget. In the second quarter of 2021/22, as lockdown restrictions have eased, income has improved to 91% of the quarterly budget although dipped back to 81% of budget in October 2021. The impact of this is partially offset by the Government's sales fees and charges compensation grant as detailed at 4.7.
- 4.6** Conversely, at the end of the second quarter £155,000 more income has been received in respect of garden waste annual subscriptions in comparison to the full year budget as a result of higher take up than anticipated. Planning income has also performed well with £131,000



more income than budgeted received in the period to 30 September 2020.

- 4.7** The Government will reimburse authorities for 75% of Covid-19 related income losses for the first quarter of 2020/21 (after the first 5% of losses is absorbed by local authorities) only. To qualify, income losses must be related to the delivery of services. The compensation scheme excludes commercial and rental income. The Council submitted a claim to the Government in October 2021 and expects to receive £228,000, reducing the impact of Covid-19. This is £127,744 less than estimated due to income losses being lower overall than anticipated when the 2021/22 budget was set.
- 4.8** Income from recycling has also exceeded budget, recycling credits at 30 September 2021 were £26k higher than estimated. Income from the sale of recycled material is £24k higher than budgeted due to an increase in the commodity price for paper and cardboard.

Expenditure

- 4.9** Repairs and maintenance expenditure in relation to Corinium Museum remained below budget with an expenditure underspend at the end of September 2021 of £17,740. The Moreton in Marsh Office repairs and maintenance expenditure exceeded budget by £14,445 due to reception and atrium lighting upgrade work.
- 4.10** Homeless expenditure has continued to exceed budget but is matched by an increase in grant funding which is expected to be utilised during the financial year.
- 4.11** There were no significant planning appeals during the first half of the financial year, resulting in an underspend in the appeals costs budget of £42,000.
- 4.12** The budget for processing recycling was increased by £80,000 in 2021/22 to reflect the expected increase in processing recycling. However, these costs have not materialised resulting in a £40,000 saving on expenditure at 30 September 2021.
- 4.13** The Council has continued to work with SLM, its leisure centre and museum contractor, to manage the financial impact of Covid-19. Council approved a further financial support package for SLM for the period April to July 2021 at a total capped cost of £280,403. This has been paid on an open book basis and has resulted in expenditure of £178,000 for the period to 30 September 2021. This is to be funded from the 2020/21 underspend on support for SLM and grant funding of £104,000 received from the National Leisure Recovery Fund.



- 4.14** The management fee payable by SLM was also waived as part of the financial support package for SLM agreed for the period April – July 2021. 71% of this fee is recoverable via the Government sales, fees and charges income compensation scheme with the remainder funded through the 2020/21 underspend on support for SLM and grant funding. At the end of Q2, this results in an underachievement of income against budget of £52,000.
- 4.15** Discretionary pension payments paid to Gloucestershire LGPS to the 30 June 2021 were £50,000 less than budgeted.
- 4.16** The 2021/22 budget includes contingency funding for expenditure related directly to the impact of Covid-19 and reduced income from fees and charges. The contingency budget is funded from Government Covid-19 grants. The largest expenditure impact is from the Council's contract for environmental service provision with Ubico Ltd. As Ubico Ltd is a wholly local authority owned company, the Council pays for the actual cost of service delivery. Due to a combination of additional waste being presented by households for collection and Ubico Ltd needing to protect its own employees in response to Covid-19 health and safety requirements, Ubico Ltd incurred unavoidable additional costs. These costs including agency staff, hire vehicles and personal protective equipment have amounted to £303,000 in the first half of the financial year.

Forecast

- 4.17** We are expecting the financial outturn to be broadly in line with the position reported at the end of Q2. Despite increases in expenditure due to Ubico costs associated with Covid-19 which continue to exceed budgetary provision and car park income continuing to perform below budget, overall the position at the end of the second quarter is positive with a variance of £165,234
- 4.18** This provides the Council with some contingency following the end of the government sales, fees and charges compensation grant scheme.
- 4.19** **Annex C** provides a high level forecast year-end position for the most significant variances identified at the end of the second quarter. This indicates that additional cost pressures will exceed income. The table below outlines the key movements in the forecast variance to budget expected in the second half of 2021/22.



Movements in Forecast Variance to Budget

	£
Underspend to budget 30 September 2021	(165,234)
Car Park income below budget	298,980
Licensing income in excess of budget	(11,179)
Planning income in excess of budget	(83,000)
Recycling credit income and income from sale of recycling materials	(50,000)
Ubico Covid-19 charges	240,000
Recycling contract and processing costs lower than budgeted	(81,000)
Discretionary pension costs lower than budgeted	(49,000)
Provision for Cost of Living Pay Rises expected to backdated to 1 April 2021	175,000
	274,567
Use of Covid Contingency included in 21/22 budget	(447,748)
Forecast year end Outturn 31 March 2022	(173,181)

Capital Activity

- 4.20** The Council's capital budget for 2021/22 is £26,060,000. A total of £530,128 has been spent against these schemes at the end of Q2 with a further £1,468,491 committed.
- 4.21** The most significant variances include £15.2m (Recovery Investment Strategy – nil expenditure again budget), opportunities and options are being explored by officers, and detailed reports seeking approval will be presented to Cabinet and Council as appropriate.
- 4.22** A further variance of £4.3m (nil expenditure against budget) is reported in relation to the 'Investment in Strategic Property Acquisition'. Discussions with the landowner are on-going.
- 4.23** A variance of £1.2m (£15k expenditure against budget) has been reported in respect of the BEIS decarbonisation project. A contractor has now been appointed and detailed costs agreed. Orders for specialist equipment commenced in October with installation expected to commence in Q4.



- 4.24** A full list of expenditure and explanation for variances against budget is attached to this report at Annex 'D'.

Capital receipts and disposals

- 4.25** During Q2 a capital receipt of £23,000 was received for the scrap value of a road sweeper vehicle following its disposal. This will be transferred to the capital receipts reserve.

5. OVERVIEW AND SCRUTINY COMMITTEE

- 5.1** This summary performance report was reviewed by the Overview and Scrutiny Committee at its meeting on 30 November; and any comments from the Committee will be reported to the Cabinet

6. FINANCIAL IMPLICATIONS

- 6.1** As described in Section 4 of the report

7. LEGAL IMPLICATIONS

- 7.1** There are no legal implications arising directly from this report

8. RISK ASSESSMENT

- 8.1** Contained in this report

9. EQUALITIES IMPACT

- 9.1** None



10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 Contained in this report

11. ALTERNATIVE OPTIONS

11.1 None

12. BACKGROUND PAPERS

12.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

These documents will be available for inspection at the Council Offices at Trinity Road, Cirencester, GL7 1PX during normal office hours for a period of up to 4 years from the date of the meeting. Please contact democratic services via democratic@cotswold.gov.uk

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