



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	OVERVIEW AND SCRUTINY COMMITTEE – 1 MARCH 2022
Report Number	AGENDA ITEM 10
Subject	FINANCIAL, COUNCIL PRIORITY AND SERVICE PERFORMANCE REPORT – 2021-22 QUARTER THREE
Wards affected	All
Accountable member	All relevant Cabinet Members
Accountable officer	Robert Weaver, Chief Executive Email: <a href="mailto:robert.weaver@cotswold.gov.uk">robert.weaver@cotswold.gov.uk</a>
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 the Committee reviews overall progress on the Council priorities, service delivery and financial performance for 2021-22 Q3</i>
Corporate priorities	<ul style="list-style-type: none"><li>● Delivering our services to the highest standards</li><li>● Responding to the challenges presented by the climate crisis</li><li>● Providing good quality social rented homes</li><li>● Presenting a Local Plan that's green to the core</li><li>● Helping residents and communities access the support they need for good health and wellbeing</li><li>● Supporting businesses to grow in a green, sustainable manner, and to provide high value jobs</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	None



## 1. BACKGROUND

- 1.1. 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.
- 1.2. 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.
- 1.3. 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 as well as the improvements in operational performance in those services that have experienced particularly high workloads over many months.
- 1.4. He has drawn particular attention to the following:
  - Due to the rapid spread of the Omicron variant in the UK, the Government announced on 8 December 2021 that England would move to Plan B which would include asking people to work from home if they can from 13 December 2021. Publica staff were advised accordingly but it also recognised the importance for some staff to still come into the offices for operational or personal reasons. Options on the future use of the Trinity Road offices in Cirencester have been accelerated by home-working during the Covid-19 pandemic. A report seeking approval to proceed with the implementation and funding for the new office layout will be presented to Cabinet and Full Council in March 2022.
  - The Council is again distributing business grants on behalf of the government, recognising that the rise of the Omicron variant means some businesses are likely to struggle over the coming weeks. Businesses in the hospitality and leisure sectors in England will benefit from one-off grants of up to £6,000. The Council emailed eligible businesses in mid-January 2022, and the window for applications from other businesses followed shortly afterwards. An Additional Restrictions Grant will also be available for eligible businesses.
  - 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% extended retail relief reducing to 66% at the end of June 2021 for the remainder of the financial year. The Council recently received £1.95m of Covid Additional Relief Fund (CARF) to be distributed to those businesses that are not eligible for the extended retail relief but have been affected by Covid-19. Cabinet approved the CARF Policy in February 2022.



- School visits to the Museum have continued to rise through this year with 1303 visits by School Groups during Q3.

Overall, Museum visitors continue to grow with 13055 visits this quarter compared to 8532 visits in Q3 2019/20, an increase of 35%. A new performance benchmark will be set over the course of this year to take into account the impact of the Stone Age to Corinium project, and differences in the types of footfall being captured which will account for some of this uplift.

## 2. COUNCIL PRIORITY REPORT

### 2.1 Progress on actions in the Corporate Plan include:

- The Flood Warden programme has been launched. The Council is working in partnership with Gloucestershire Rural Community Council (GRCC) and Town and Parish councils to recruit local volunteer wardens to help improve local flood preparation and responses. The Council will provide training, PPE, best practice guidance and other support to volunteer flood wardens;
- The parking enforcement function has been brought back in-house to allow for a closer alignment of the function/activities to the Council's priorities including the Climate Change Emergency; as well as facilitating improvements in the car park service through closer alignment of the in-house enforcement service and the car park management team;
- The Council submitted an Expression of Interest to the government for £162,500 of funding for Changing Places Toilets (CPTs) for the Abbey Grounds, Cirencester; Cotswold Farm Park, Guiting Power; Cotswold Country Park and Beach, North Cerney; and Birdland, Bourton-on-the-Water. The toilets are larger and accessible to people who cannot use standard accessible toilets;
- A project team has been set up to launch the Council's Community Investment opportunity for residents to invest in the Council's response to the climate emergency, and the legal elements are being progressed as we move towards the first issue in 2022-23. This Council was one of the first five UK councils to become part of the Green Finance Institute and Abundance Investment's Local Climate Bond campaign. Initially, the Community Investment will finance the roll-out of Electric Vehicle Charging Points in the District and the installation of energy efficiency measures, included in Solar PV, at the Council's Trinity Road offices in Cirencester;
- The £1.2m Public Sector Decarbonisation Scheme is progressing with the installer now under contract with a firm price programme. The installer is on site at Cirencester and Bourton on the Water leisure centres undertaking preparatory works;
- In December 2021, the Cabinet approved the recommendation to dispose of the Cotswold Club, Cirencester on the open market in its current condition, and that the capital receipts from the sale be earmarked for investment in carbon zero affordable housing developments on other sites in the District;
- A planning application for the Stockwells development, Moreton-in-Marsh was approved by the Planning Committee in December 2021. It will be delivered by Bromford



Housing Association with funding support from the Council, and will be the first social rented, Modern Methods of Construction (MMC) net zero homes within the District;

- The Community Wellbeing team was commissioned by Gloucestershire County Council and worked in partnership with the local voluntary and community sector to deliver the 'Holiday Activity and Food programme' (HAF) during the Christmas school holidays after having delivered a successful summer holiday scheme aimed at children in receipt of free school meals;
- Max Associates was selected to undertake the leisure management options appraisal. The Members' Working Group re-convened in November 2021 to finalise the evaluation criteria. The consultants have shortlisted four options and will be undertaking a detailed evaluation of each of these in early 2022;
- In December 2021, the Cabinet approved an early stage Local Plan public consultation. This goes live on Friday 4<sup>th</sup> February and closes Sunday 20<sup>th</sup> March;
- Work is progressing on the Cirencester Town Centre Masterplan project. The Council has completed an assessment of possible changes to uses in the town centre and an updated Cirencester Town Centre Health Check. In December 2021, the Council commissioned a consultant to prepare a Framework Masterplan which will bring the whole project to life, and local communities will be invited to engage and shape the future of their town centre during 2022;
- The Housing Team continues to actively participate in a number of countywide funding bids, including the Rough Sleeper Initiative 2022- 2025 (RSI 2022-25) which was launched November 2021. This funding, typically released on an annual basis, has been released as three year funding in order to provide stability. A Working Group has been set up to discuss how the Adult Homelessness pathway can be shaped over the lifetime of this fund, with the ultimate aim of ending rough sleeping for all.

2.2 The Council Priority report is attached at Annex A.

### 3. SERVICE PERFORMANCE REPORT

- 3.1 Over the last year, some services have been unable to achieve their targets due to high workloads and a shortage of staff. An injection of additional resources, both temporary and permanent, as well as the implementation of improvement plans have had a positive effect on performance in those services such as benefits, planning and land charges in Q3. However, despite the introduction of career graded posts in the planning service, the service is experiencing difficulties in recruiting suitable staff which is being addressed by a bespoke recruitment programme.
- 3.2 Further improvements in benefit processing times are expected in Q4 facilitated by a software fix to restore the automatic upload (of changes of circumstances) function, and the launch of the OpenPortal which allows clients to self-serve, however, at this stage of the year, it will not be possible to totally recover the shortfall in performance.
- 3.3 Some of the performance indicators that are falling short of their targets or showing a downward trend are considered below together with rectifying actions:



- Processing times for all three Benefit indicators showed improvements at the end of Q3, and the backlog of work has been successfully reduced to a more manageable level. The average days to process Council Tax Support new claims improved by three days, while the average days to process Council Tax Support changes improved by over 10 days, and Housing Benefit changes by just under one and a half days. The increase in processing times 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. A partial fix was applied nationally, but still required some cases to be processed manually. A further fix and patch were applied in December and January.

Resolution: With the injection of additional resources during the previous quarter, the service is managing the backlog of work and has successfully reduced it from 5296 benefit cases awaiting action in April 2021 to 471 cases in the lead up to the Christmas break. A recovery plan is in place which should result in further improvements in performance in Q4. There was a soft launch of the OpenPortal in November which provides a facility for clients to self-serve. Between the launch and 1 January 2022, 215 clients opened an account on the OpenPortal which provides access to both council tax and business rates information as well as benefit claims. This facility is expected to reduce the workload in the back office.

- At the end of Q3, planning performance for 'minor' and 'other' (mainly householder) applications has improved but remains short of the targets. This improvement follows a downward trend since summer 2020 when the number of applications (in particular 'other' applications) coming through started to increase in line with the national trend. The increase in demand coincided with a shortage of staff creating a backlog of applications awaiting determination.

Resolution: Despite multiple rounds of recruitment to improve capacity levels (including successfully filling the two additional posts agreed by the Council in August 2021) and the introduction of career graded posts with a wider pay scale band designed to help with staff retention, there are currently four vacant DM posts. Due to a combination of poor quality applications, withdrawals and 'no-shows' on the interview day, a bespoke recruitment programme is being designed before a further external round is commenced later in the year.

There is an improvement programme and roadmap in place and many elements have been completed. During Q3, a new validation team was established across the partnership, both improving validation times and reducing the number of applications awaiting validation.



Given the number of new starters, a new training programme has been created to build the professional capacity of the service and support the new recruits across the partnership to reach their full potential and deliver a great planning service for the Council.

- 3.4** In spite of the challenges this quarter, there have been a number of areas where indicators have improved or are noteworthy:
- The Council's customers are highly satisfied with services delivered by phone, with over 96% of customers responding positively. Surveys for services delivered face to face recommenced in July 2021, and are also yielding high satisfaction rates of over 92%;
  - The average call waiting time improved for the second consecutive quarter from 146 seconds in Q1 to 87 seconds in Q3. The service is continuing to identify 'quick wins' to reduce call waiting time, for example, a message to advise the caller that there was no change to waste collections over the Christmas period was added to the 'waste line' call waiting message;
  - Performance in the Land Charges service has shown significant improvements with over 90% of searches completed within 10 working days. A backlog had built up due to the large number of searches coming through as a result of the 'stamp duty holiday' combined with a shortage of staff. Two new starters in Q1 who are still undergoing training and some temporary resource has helped to restore performance. Although the 'stamp duty holiday' finished at the end of September 2020, the numbers for the current quarter indicate a higher volume than pre-Covid times;
  - The number of missed bins per 100,000 is continuing to improve in spite of a national shortage of HGV drivers and 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.
- 3.5** 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 December 2021 against the Council's budget
- 4.2** At 31 December 2021, the Council had spent £6,658,582 against its net profiled budget of £6,676,564. 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 31 December 2021 was £18,072.
- 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 quarter one 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 eased, income improved to 91% of the quarterly budget. In quarter three income shows signs of being impacted by the rise of the Omicron variant and dipped back to 76% of budget. The position has seen an improvement in January 2022 with income reaching 80% of budget after a dip to 68% in December. The overall variance against budget at 31 December 2021 is £578,593. The impact of this is partially offset by the Government's sales fees and charges compensation grant of £228,000 as detailed at 4.8.
- 4.6** Building control income has slowed during quarter three resulting in income £41,000 below the profiled budget at 31 December 2021. Income from land charges has also continued to perform below budget with income received being £29,000 below budget at the end of quarter three.
- 4.7** Conversely, at the end of the third quarter £156,000 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 continues to achieve more income than budgeted, although this has reduced from £131,000 more income than budgeted at the end of quarter two to £56,000 in the period to 31 December 2021.
- 4.8** The Government will reimburse authorities for 75% of Covid-19 related income losses for the first quarter of 2021/22 (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.
- 4.9** Income from recycling has also exceeded budget, recycling credits at 31 December 2021 were £22k higher than estimated as a result of higher levels of recycling.
- 4.10** The Council has received some New Burdens grant funding from Government in recognition of the additional resources required to pay out the Covid-19 business grants.



£100,000 of this grant is recognised in the revenue account to reflect additional expenditure included in service areas.

### Expenditure

- 4.11 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.
- 4.12 The budget for processing recycling was increased by £80,000 in 2021/22 to reflect the expected increase in the costs of processing recycling. However, these costs have not materialised resulting in a £97,000 saving on expenditure at 31 December 2021.
- 4.13 Repairs and maintenance expenditure in relation to Corinium Museum remained below budget with an expenditure underspend at the end of December 2021 of £23,816. The Trinity Road Office expenditure exceeded budget by £27,000 due to the purchase of a replacement boiler and new furniture. These overspends are funded from underspends on the building maintenance fund in other areas.
- 4.14 There have only been a small number of planning appeals during the first three quarters of the financial year, resulting in an underspend in the appeals costs budget of £35,000.
- 4.15 Discretionary pension payments paid to Gloucestershire LGPS to the 31 December 2021 were £86,000 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 £429,000 in the first three quarters 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 Q3. Despite increase 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 third quarter is positive with a small variance of £18,072.
- 4.18 Annex C provides a high level forecast year-end position for the most significant variances identified at the end of the third quarter. This indicates that additional cost pressures will exceed income. The table below outlines the key movement in the forecast variance to budget expected in the final quarter of 2021/22.



### Movements in Forecast Variance to Budget

	£
<b>Underspend to budget 31 December 2021</b>	<b>(18,072)</b>
Car Park income below budget	103,499
Reduction in planning income and expenditure	46,000
Community Infrastructure Levy administration	15,000
Recycling income	(141,000)
Ubico Covid-19 charges	120,000
Recycling contract and processing costs lower than budgeted	(30,000)
Corinium Museum maintenance	(90,000)
Discretionary pension costs lower than budgeted	(36,015)
Provision for Cost of Living Pay Rises expected to be backdated to 1 April 2021	175,000
Other movements	25,404
Use of Covid-19 contingency included in 21/22 budget	(216,852)
<b>Forecast year end outturn 31 March 2022</b>	<b>(47,036)</b>

### Capital Activity

- 4.19** The Council's capital budget for 2021/22 is £26,060,000. A total of £1,020,175 has been spent against these schemes at the end of Q3 with a further £5,629,391 committed.
- 4.20** The most significant variances include £15.2m (Recovery Investment Strategy – nil expenditure against budget), opportunities and options are being explored by officers, and detailed reports seeking approval will be presented to Cabinet and Council as appropriate. Council approved a loan to a local housing association as part of the Recovery Investment Strategy, this is reflected in Annex D as a commitment of £3.8m
- 4.21** 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.
- 4.22** A variance of £1.2m (£25k expenditure against budget) has been reported in respect of the BEIS decarbonisation project. Project works are well underway with completion scheduled for the end of March 2022. Works include solar panels, the introduction of Air Source Heat Pumps [ASHP], Building Management System [BMS] upgrades, and associated pump and



ventilation improvement works to Cirencester and Bourton Leisure Centres. Heating at the Museum resource centre, Northleach has been replaced with an ASHP system.

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

#### **Capital receipts and disposals**

- 4.24** During Q3 a capital receipt of £24,000 was received for the scrap value of a waste vehicle following its disposal. This will be transferred to the capital receipts reserve.

#### **5. CABINET**

- 5.1** This summary performance report will be reviewed by the Cabinet at its meeting on 7 March; and any comments from this Committee will be reported to the Cabinet.

#### **6. FINANCIAL IMPLICATIONS**

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

#### **6. LEGAL IMPLICATIONS**

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

#### **7. RISK ASSESSMENT**

- 7.1** Contained in this report

#### **8. EQUALITIES IMPACT**

- 8.1** None

#### **9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 9.1** Contained in this report

#### **10. ALTERNATIVE OPTIONS**

- 10.1** None

#### **11. BACKGROUND PAPERS**

- 11.1** None

(END)