COTSWOLD
District Council

Council name	**COTSWOLD DISTRICT COUNCIL**
Name and date of Committee	**OVERVIEW AND SCRUTINY COMMITTEE – 7 SEPTEMBER 2026**
Subject	**RES26009 CORPORATE PERFORMANCE REPORT – Q1 2026/27**
Wards affected	All
Accountable member	Councillor Mike Evemy, Leader of the Council Email: mike.evemy@cotswold.gov.uk Councillor Patrick Coleman, Cabinet Member for Finance Email: patrick.coleman@cotswold.gov.uk
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Summary/Purpose	To set out the financial and service performance, and the strategic risk register for Q1 2026/27
Annexes	Annex A – Financial Performance Annex B – Service Performance Annex C – Strategic Risk Register
Recommendation(s)	That Cabinet resolves to: 1. Review and notes the financial position set out in Annex A and Annex A-1 of this report. 2. Approve an increase of £27,000 to the Capital Programme for the installation of pool covers at Bourton on the Water and Chipping Campden Leisure Centres funded from the remaining balance of the Community Municipal Investment, as detailed in Section 4 of Annex A.

	3. Approve the additional transfers to earmarked reserves, (transfer any year-end Planning Fee income (over and above the budgeted level) to the Planning Appeals earmarked reserve, transfer any year end investment income over and above the budgeted level to the Treasury Management earmarked reserve, transfer any remaining year-end surplus to the Capacity Building earmarked reserve). 4. That authority is delegated to the Strategic Head of Housing, Property and Assets, Deputy Chief Executive and Section 151 Officer in consultation with the Cabinet Member for Finance to progress to disposal, as set out in paragraph 4.12 of Annex A-1 5. Note overall progress on the Council priorities and service performance for Q1 2026-27 (April – June 2026), as set out in Annex B. 6. Reviews the Strategic Risk Register and mitigation measures, as set out in Annex C.
Corporate priorities	All
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A

1. EXECUTIVE SUMMARY

1.1 This report sets provides summary commentary on the Council’s Corporate Performance covering Financial Performance, Service Performance, and the Strategic Risk Register.

1.2 The purpose of this report is to notify members of any significant variations to budgets, highlight any key financial issues, and to inform members of options and further action to be taken

2. BACKGROUND

2.1 The Government notified the councils in Gloucestershire of its decision to establish a single unitary council for Gloucestershire, with effect from 01 April 2028. Although residents will continue to receive services as normal during the transition period, the decision marks the start of a significant implementation programme requiring substantial officer time and resources to support service integration, governance, workforce and financial planning, and organisational change. The financial and capacity implications of LGR will continue to be monitored closely through the Council's budget monitoring process.

3. COMBINED SUMMARY

3.1 Overall, the Council has delivered a positive performance in the first quarter of 2026/27, with service delivery remaining strong, the financial position forecasting a favourable year-end surplus, and strategic risks being actively managed. However, a number of interconnected pressures remain, particularly around Local Government Reorganisation (LGR), workforce capacity, Local Plan delivery, Land Charges performance and the financial sustainability of key services.

3.2 From a financial perspective, the Council is forecasting an underspend of £0.122m at year end, supported by strong income performance across several key revenue streams. Planning fee income, car park income, EV charging income, treasury management returns and business rates collection have all exceeded expectations in the first quarter, providing resilience against pressures elsewhere. Net expenditure at Q1 was £3.945m against a profiled budget of £4.327m, demonstrating sound budgetary control.

3.3 The strongest financial performance is closely linked to strong operational delivery. Development Management has benefited from high planning application activity, generating significant additional fee income while simultaneously achieving excellent determination times for major and other planning applications. Business Rates collection exceeded target, benefits processing times remained significantly better than target, customer satisfaction levels were high, and waste collection services maintained low levels of missed bins. Affordable housing delivery also exceeded target, with leisure participation continuing to grow.

3.4 Performance against the Council's Corporate Plan also remains strong, with 42 actions on target, two completed and only one currently off target. Significant progress was made on strategic priorities including the Local Plan, climate action, affordable housing delivery, fleet replacement, digital transformation and community programmes. The completion of the Electric Vehicle Charge Point programme and continued progress on housing and community initiatives demonstrate delivery against long-term corporate objectives.

3.5 Despite this positive picture, several areas require focused management attention. Financially, the most notable pressure is the forecast £0.171m overspend on the Ubico contract, driven by fleet-related vehicle hire costs, fuel prices and agency staffing requirements. Recruitment and retention challenges, particularly within planning services, are contributing to a forecast staffing variance and remain a key risk to sustaining service performance over the medium term. Income shortfalls are also forecast within investment properties, Council offices and Land Charges.

3.6 These operational challenges are reflected in the Council's strategic risk profile. The highest-rated risks remain Local Plan delivery, Cyber Security, Health and Safety Compliance, and Civil Contingency/Major Events, all retaining red risk ratings. Although the risk score for Financial Sustainability has reduced, financial resilience remains a significant consideration given the demands of LGR, future funding uncertainty and the need to maintain sufficient organisational capacity. Several workforce-related risks, including recruitment, retention and staff capacity, continue to be assessed as amber risks and are directly linked to service pressures and the ability to deliver the Corporate Plan.

3.7 The clearest example of the connection between financial, service and risk performance is Land Charges. Performance has deteriorated significantly against target, with only 39.7% of searches completed within ten days and average turnaround times increasing. This has coincided with reduced application volumes and an emerging income shortfall. The service has responded with a strategic recovery plan focused on process redesign, customer access, operational efficiency and future financial sustainability.

3.8 Looking ahead, the Council's overall position remains positive, but success will depend on maintaining delivery momentum while managing the organisational impact of Local Government Reorganisation. Continued strong income performance, delivery of the Corporate Plan, implementation of workforce initiatives and targeted recovery actions in underperforming services will be critical to sustaining both financial resilience and service outcomes during a period of significant change.

4. FINANCIAL PERFORMANCE

4.1 The Quarter 1 monitoring report presents an encouraging financial position for 2026/27, with the Council forecasting a net revenue underspend of £0.294 million by year end. This favourable position provides an opportunity to strengthen financial resilience and support preparation for Local Government Reorganisation (LGR) ahead of the creation of a single Gloucestershire unitary authority on 01 April 2028.

Revenue Budget	2026/27 Latest Net Budget (£'000)	2026/27 Outturn Forecast (£'000)	2026/27 Outturn Variance (£'000)
D01: Governance	3,352	3,327	(25)
D02: Resources	3,327	3,041	(287)
D03: Communities and Place	11,745	11,846	101
D04: Chief Executive	922	953	31
Subtotal Services	**19,346**	**19,167**	**(179)**
Less: Reversal of accounting adjustments	(2,164)	(2,164)	0
Revised Subtotal Services	**17,182**	**17,003**	**(179)**
Corporate Income & Expenditure	1,274	1,442	169
Subtotal Non-Service Expenditure	**18,456**	**18,446**	**(10)**
Net Budget Requirement	**18,456**	**18,446**	**(10)**
Less: Funding from Earmarked Reserves	(1,245)	(1,357)	(112)
Net Revenue Budget to be financed	**17,211**	**17,089**	**(122)**
Funded by:			
Council Tax	(7,420)	(7,420)	0
Retained Business Rates	(1,433)	(1,433)	0
Revenue Support Grant (RSG)	(5,818)	(5,818)	0
Government Funding - Grants	(1,558)	(1,558)	0
Extended Producer Responsibility (EPR)	(1,721)	(1,721)	0
Collection Fund (surplus) / Deficit	740	740	0
TOTAL Funding	**(17,211)**	**(17,211)**	**0**
Budget shortfall/(surplus)	**0**	**(122)**	**(122)**

4.2 **Key revenue message/variations:** The Council's Q1 assessment indicates a forecast underspend of £0.122 million, despite several budget pressures. Positive variances are being driven primarily by strong income performance in a number of services:

- **Development Management fees** are forecast to exceed budget by £0.200 million, reflecting a high volume of major planning applications. Five major applications were determined in Q1 all within agreed timescales. 85% of minor and 90% of other applications were determined within agreed timescales
- **Car parking income** continues to outperform expectations, with a forecast net favourable variance of approximately £0.300 million. 314,277 tickets sold across the district. Average season tickets for quarter 17,170 and average permits at 58. A total of 1699 PCNs were issued in Q1.

- **Licensing income**, particularly taxi licensing, is expected to exceed budget by £0.030 million.
- **Building Control performance** remains strong, with income forecast to be around £0.050 million above budget. Market share averaged 74% over the quarter with 162 applications processed. Of the 5 responses to the satisfaction survey, 3 were completely satisfied and all suggestions for improvement are being considered.
- **Electric Vehicle Charging Point (EVCP) income** is forecast to exceed budget by £0.030 million. The project to expand the network of EVCP has concluded and all units are operational.
- **Treasury Management** performance and loan interest income are also contributing positively to the overall position.

4.3 These favourable variances are partially offset by several pressures:

- A forecast **£0.147 million adverse vacancy factor/staffing variance**, primarily resulting from agency costs and recruitment challenges.
- **Reduced rental income** from the Council's commercial property portfolio and Trinity Road offices, creating a combined adverse variance of approximately £0.067 million.
- Ongoing pressures within the **Ubico environmental services contract**, with an estimated overspend of £0.171 million, driven by fleet costs, fuel prices and agency staffing requirements. However, this pressure can currently be accommodated within existing contingency budgets if necessary.

4.4 **Key capital message/variations**: The approved capital programme totals £11.354 million, with expenditure of £0.547 million incurred by 30 June 2026. The year-end capital forecast shows an overall underspend of £0.381 million. Key forecast variances include:

- Delays to the **Bromford Joint Venture** scheme due to drainage issues, resulting in a forecast underspend of £0.220 million.
- Deferral of expenditure on the **Planning Document and Scanning Solution**, creating a further £0.200 million underspend.
- An overspend of £0.040 million on **Waste and Recycling receptacles** due to housing growth and increased replacement demand.

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4.5 Cabinet are asked to approve an increase the capital programme by £27,000 to install pool covers at Bourton-on-the-Water and Chipping Campden leisure centres, funded from the remaining Community Municipal Investment balance.

5. SERVICE PERFORMANCE

5.1 **Overall performance in Q1 2026/27 was positive**, with strong delivery across most services and continued progress against the Council's Corporate Plan priorities. Of the 45 Corporate Plan actions monitored during the quarter, 42 were on target, two had been completed and one was off target, with corrective action in place.

5.2 **Significant progress was made on key strategic priorities**. The Staff Retention Strategy was approved by Cabinet, the draft Local Plan was published, and digital transformation programmes continued to advance. The Electric Vehicle Charge Point programme was completed, climate change initiatives progressed, and major fleet procurement for waste and recycling services moved forward. Affordable housing partnerships continued to develop, homelessness prevention work remained largely on track, and community engagement initiatives successfully reached a wide range of residents.

5.3 **Financial and operational performance was particularly strong.** Business Rates collection exceeded target, while Council Tax collection was only marginally below expectations. Planning income significantly outperformed budget, reflecting strong development activity and demand for planning services.

5.4 **Customer-facing services continued to deliver excellent outcomes.** Benefits processing times substantially exceeded targets, telephone customer satisfaction reached 97%, and 94% of Freedom of Information requests were answered within statutory timescales. Regulatory services maintained full compliance, achieving 100% completion of both high-risk food inspections and one-day risk assessments.

5.5 **Planning performance remained a key strength.** All major planning applications were determined within agreed timescales, significantly exceeding target, while other applications also surpassed performance expectations. Appeal outcomes remained favourable, indicating robust decision making. Minor application performance was slightly below the new local target but remained within the second quartile of national benchmarking.

5.6 Positive outcomes were also achieved in housing, waste and leisure services. Twenty-seven affordable homes were delivered against a target of 25. Residual household waste levels remained below target, missed bin rates were better than expected, and leisure participation continued to grow, with both memberships and visitor numbers exceeding quarterly targets. Long-term empty properties reduced to 878, including 375 vacant for more than two years.

5.7 A small number of indicators require improvement. Recycling performance reached 57% against a target of 61%, although this was broadly consistent with the previous year. Housing Benefit overpayment levels were above the local target but remained below the national threshold, with improvement expected during the next quarter.

5.8 The most significant performance concern remains Land Charges, where only 39.67% of official searches were completed within ten days against a 90% target. Average turnaround time was 13 days. A comprehensive recovery plan has been implemented, focusing on revised processes, triage arrangements and service redesign, with improvements planned over the coming months. Building Control customer satisfaction was also below target at 76%; however, this result was based on a very small survey sample.

6. STRATEGIC RISK REGISTER

6.1 Robust and mature process in place to review strategic risks (CLT, EMT) with reporting through to Audit & Governance Committee and Cabinet four times a year.

6.2 Q1-Q2 review of risks undertaken (June-August) with revised risk definitions and assessment of further mitigation.

Likelihood		Impact 1	Impact 2	Impact 3	Impact 4	Impact 5
	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5

6.3 Overall position is summarised as below

- 1 risk scored 16 (Red) – Local Plan (No Change)
- 3 risks scored 15 (Red) – Cyber Security, Health and Safety Compliance, Civil Contingency/Major Event (No Change).
- 7 risks scored 9 (Amber) – Financial Sustainability (reduction in risk score from 12), Contractor Failure, Compliance GDPR/Data breach, Staff recruitment and retention, Service Standards (LGR impact), Staff capacity (LGR workload), Fraud & Corruption.
- 3 risks scored 6 (Amber) – Corporate Plan Delivery (reduction in score of 3), Resilience – Democracy (reduction in score of 3), Procurement (no change).
- 1 risk was de-escalated – PCI/DSS compliance

7. CONCLUSIONS

7.1 Overall, the Council has delivered a positive performance in the first quarter of 2026/27, with service delivery remaining strong, the financial position forecasting a favourable year-end surplus, and strategic risks being actively managed.

8. FINANCIAL IMPLICATIONS

8.1 The detailed financial implications arising from the Quarterly Performance reporting are set out in Annexes A, A-1, A-2 and A-3.

9. LEGAL IMPLICATIONS

9.1 Under Part 2 Local Government Act 2003, the Council must, from time to time during the year review the calculations it has used to set its budget. The Council's Chief Financial Officer is required to report to the Council on the robustness of estimates made for the purposes of calculating the annual budget, and on the adequacy of proposed financial reserves. Members must have regard to that report when making decisions about the calculations in connection with which it is made

10. RISK ASSESSMENT

10.1 As set out in each report

11. EQUALITIES IMPACT

11.1 None

12. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

12.1 None

13. BACKGROUND PAPERS

13.1 None

(END)