

# Executive

## Performance Management Framework 2008/2009 – Second Quarter Progress Report

17 November 2008

### Report of the Chief Executive and Head of Improvement

#### PURPOSE OF REPORT

To report the Council's performance against the Performance Management Framework for the period July – September 2008.

This report is public
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#### Recommendations

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The Executive is recommended:

- 1) To note the progress made in delivering performance against the Corporate Scorecard and the other performance frameworks appended to this report.
- 2) To note the responses to the issues raised in the 1<sup>st</sup> Quarter Report and to seek further information or a further report in the next Quarterly Report as appropriate.
- 3) To agree that in the next Quarterly Report there will be an update on the impact of the economic downturn on:
  - a) The Council's ability to deliver the 2008/09 corporate targets of 400 new homes, including 100 units of social housing, and the creation of 200 net new jobs.
  - b) The income received through building control, planning applications, and land charges and the budget implications of rising costs (fuel costs for example).
  - c) The progress of key development projects such as Banbury Canalside, Bicester Town Centre, and South West Bicester.
- 4) To agree that in the next Quarterly Report there will be an update on the following:
  - a) The time taken to process 'minor and other' planning applications.

- b) Increasing the visitor numbers to Banbury Museum.
- c) Addressing the 2.1% rise in overall crime figures, the failure to meet the target for reducing acquisitive crime and the timetable and process for producing the Anti Social Behaviour Strategy.
- d) Improving the average time taken to process new benefits claims.
- e) Reducing the amount of waste going to landfill (and implementing the Food Waste Pilot).
- f) The progress on delivering Nightsafe Bicester.
- g) The financial impact of the Government's Free Swimming Programme for over 60's and under 16's.

## **Executive Summary**

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### **Introduction**

- 1.1 This is a report of the Council's performance as measured by the Performance Management Framework for the period July - September 2008. It reports the performance against the Corporate Scorecard, which is made up of the measures by which we measure our performance corporately. More detailed supporting information is attached showing performance against the Corporate Plan, the new National Indicators, the retained Best Value Performance Indicators and the delivery of the Corporate Improvement Plan and the Strategic Service Projects.
- 1.2 It should be noted that although this is primarily a report of corporate performance the Performance Management Framework also includes monitoring at service level against service plans. The majority of performance issues are dealt with at service and directorate level. However significant service successes and issues are reported upwards and where appropriate included in the successes and exceptions reported in Appendix 2.
- 1.3 The overall context for this report is the current economic downturn which started with the inflation of commodity prices, particularly oil, and has been followed by the international banking crisis and associated economic downturn. When the Executive agreed the Council's performance targets for 2008/09 it was obviously without the knowledge that these extraordinary events were over the horizon. The impact of this economic turbulence is already apparent. In the last Quarterly Performance Report we reported the impact of rising fuel costs, though this has since receded to some degree. We are already seeing the impact of the economic downturn on the number of housing units being built and a reduction in the number of planning applications, all of which adds up to a loss of income for Planning, Land Charges, and Building Control. The numbers claiming benefits has increased and the Government estimates the numbers of claimants could increase by up to 30%. We could also see a potentially significant number of people seeking our assistance for housing. Whilst there does appear to be a consensus among experts that we are about to enter or are in an economic recession there is no clear agreement about how long this will last or how severe it will be. For this reason we will keep this wider context under review

in future Quarterly Performance Reports and our response to this at service and Council wide levels.

## Proposals

- 1.4 In the report we have asked the Executive to note the significant progress made in delivering our objectives. In particular:
- Housing further reduced the numbers in temporary accommodation, had the lowest rate of homelessness acceptances this year, and the number of families in temporary accommodation is below 100 for the first time.
  - The overall recycling rate is 53% against a target of 49%.
  - We installed twelve recycling units next to bus stops in Kidlington.
  - We completed the major programme of improvements to the Banbury, Bicester, and Kidlington town centre offices.
  - The Drug House Closure Initiative has been recommended as best practice.
  - We won the regional In Bloom award.
  - Value for Money reviews of Street Cleansing and Property Management were completed and reviews of Support Cost Allocations and Fees and Charges are proceeding to schedule and will be reported to the Executive this quarter.
  - Banbury Pedestrianisation. The public inquiry is set for 2 December, and implementation depends on the outcome of this. It is likely that the timing will have to be adjusted so that the works are spread over 2 years, in order to avoid working between the end of September and Christmas.
  - A staff Learning and Development Strategy has been agreed.
- 1.5 The Performance Management Framework allows councillors and officers to monitor the progress made in delivering our objectives and to take action when performance is not satisfactory or new issues arise. The main issues arising which could have a significant impact on the council achieving its corporate objectives or delivering the desired level of performance are:
- The impact of the economic downturn on the Council's ability to deliver 400 new homes (including 100 units of social housing) and 200 net new jobs.
  - The loss of income for Building Control and Development Control as a result of the downturn in housing and development markets and for Land Charges also as a result of this and the move to personal searches.
  - The impact of the economic downturn on the progress of major projects such as Banbury Canalside, Bicester Town Centre, and South West Bicester.
  - Although the performance achieved in processing 'minor and other' planning applications is improving we still do not meet national and local performance targets.
  - The overall number of visitors (though not school visits) to Banbury Museum of 776 is below the target of 889.
  - The declining performance of the average time taken to process new benefits claims, 29.79 days this quarter compared to 26.9 the last quarter against a target of 22 days.
  - The worsening performance in reducing the amount of waste going to landfill (was Amber and is now Red).
  - The 2.1% rise in overall crime figures, the failure to meet the target for reducing acquisitive crime and the delay producing the Anti Social Behaviour Strategy.

- The delay delivering Nightsafe Bicester.
- The delay delivering the food waste recycling pilot scheme.

### **Conclusion**

- 1.6 This report shows the council continues to make significant progress on delivering its strategic priorities and in particular the promises made to the public for this year in the Council Tax Leaflet. In the report we are able to highlight a wide range of achievements and areas where our achievements have received external recognition. Since the last performance report the economic environment has taken a significant downturn. This is highlighted in the report as having a potentially significant impact on our ability to deliver some key objectives, the level of income raised, and the demands made on Council services.

## Background Information

### 2.1 Issues Raised in 1<sup>st</sup> Quarter Performance Report

At the Executive meeting on 4 August 2008 it was agreed that an update be provided on a number of issues as set out below:

#### 1. **The implications of the economic down-turn on the targets for delivering new and affordable homes.**

It is clear that current economic conditions will mean that targets for new and affordable housing development will not be met. At this stage it is impossible to predict how severe and long lasting impacts will be.

Current housing monitoring shows that second quarter completions for 2008/09 are very low, at 107 units. The original projection for the year was 681 dwellings completed, giving a quarterly comparator of 171. To date there are no affordable housing completions for 2008/09. This position mainly reflects lack of progress on Cherwell's major housing sites. There is also a gradual fall off in development activity for smaller sites. The main site contributing to "ready to go" housing land supply is SW Bicester. Reserved matters planning applications have been discussed but a start date cannot be predicted. The Bankside site in Banbury is another major contributor to future land supply. It is expected that the land ownership issues that are holding up completion of the planning agreement and issue of an outline planning permission will be resolved soon. However there is clearly no urgency on the part of the landowners and developers to bring the site forward for development in the immediate future.

In the short term there may be some opportunities for delivery of affordable housing arising as a result of private development completions becoming available for housing association purchase rather than private sale. The Council will liaise with registered social landlords and the Housing Corporation to consider whether there is a need for Council support to exploit suitable opportunities. It must be stressed that the scope to act in this way will be very limited because of the nature of the current development pipeline in the District (as described above).

It should be noted that these figures do not correspond to those provided in the Corporate Scorecard for the provision of affordable homes. This is because the latter includes refurbished properties.

#### 2. **The down-turn in performance in the processing of 'minor' and 'other' planning applications.**

Monitoring shows that processing speed is now beginning to improve. On "minors" the figure for August 2008 is up to 61.7% over the first quarter figure of 55.40 %. For "others" the processing speed is holding steady at 73%. These figures are below national targets and it is important that improvement continues and accelerates.

Comparison of figures for this short period cannot explain the recent circumstances of the service and its ability to improve performance. Progress will need to be judged over a longer period. The Development

Control and Major Developments Service will continue to experience some difficulty in delivering the required speed of performance for the next few months because of:

- Significant staffing changes - including maternity leave, and loss of experienced professional staff.
- Recruitment difficulties and skill shortages leading to dependency on short term contract/agency staff.
- The workload impact of the Upper Heyford Public Inquiry.
- Process changes being implemented, including refinements to methods of recording processing speed.
- Impact of a period of a long period of interim management (new Head of Service now in post).
- Accommodation moves and associated disruption.
- Long term Planning Services Improvement Plan changes - particularly a shift in resources to enforcement.
- National changes in permitted development regime which in short term creates considerable additional work on training and customer explanation.

The recent dramatic change in external economic conditions creates new pressures which need to be carefully managed. A significant reduction in planning application workload is apparent with an overall reduction of 20% year on year comparison (April – Sept. 08/09 as compared with April – Sept. 07/08). This should assist in improving performance on speed. However a significant loss of application fee income will result and this will seriously affect the budget position (there is a 40% reduction in fee income April – Sept. 08/09 as compared with April – Sept. 07/08). This has been magnified by the original budget estimates for 2008/09 that assumed a planning application fee income of £990k. As a result it will be necessary to reduce staffing levels by leaving some vacancies unfilled. In the immediate future this process of adjustment of work load and resources may impact on performance on the speed of processing applications. The aim of management is to achieve a new balance of resources and workload. We want to have the ability to respond effectively to a future pick up of demand, particularly on major application workload as it is this that creates workload peaks and necessitates depth in the professional skill base.

**3. The progress made in delivering the capital spend on Sports Centre Modernisation and other projects.**

A revised capital expenditure profile for Sports Centres Modernisation has been received and reconciled against the investment decisions. The revised spend profile is expected to catch up with the original profile according to the latest construction programme. All other capital projects and spend profiles have been reviewed and updated as part of the 6 month projection report to Executive on 17th November 2008. Although changes have been made to a number of delivery dates there are no problems to report.

**4. The implications of the rise in fuel costs on the Council's operating costs and the budget implications of this.**

The fuel budget for Waste Collection is around £278k and £56k for Street Cleansing, with small budgets in other areas. In total the budget is around £350k. This budget was based on 85p/litre for diesel. At the time the estimates were prepared diesel was around 80p/diesel. In 2008 the rise in the price of diesel was 30% above budget giving a potential overspend of £100k. However the recent decrease in the price of oil means the likely year end overspend will be £70k.

The scope for reducing fuel consumption is limited. Our vehicles generally run fairly fixed routes. There is always scope for optimisation and this is always been looked at. The four day collection week does help to reduce fuel. However these changes are small and are likely to deliver savings of less than 5%.

**5. Ensure there are adequate systems in place to monitor the delivery of the Community Plan.**

A basket of 29 indicators have been adopted to monitor the delivery of the Community Plan, of which 12 are National Indicators.

**6. Growth bid outcomes.**

Monitoring arrangements are in place for all the 21 revenue growth items agreed for 2008/09. Of these 15 are Green, 5 Amber and 1 Red. Although behind schedule all the Ambers are anticipated to deliver the agreed outcomes this year. The Red is the investment in the Food Waste Collection Pilot and this is because of delays in identifying a suitable recycling site.

**7. Contaminated land. The proportion of sites with insufficient information is likely to be in the lowest quartile for district councils.**

We have recently completed a review of how we calculate this measure as our practice was not consistent with that of other district councils. We have now introduced a new measure that brings us into line with standard practice with the result that we are now in the top quartile of performance nationally.

**2.2 Overview of Performance**

Within the Corporate Scorecard there are seven frameworks through which we judge our performance. The eighth framework, Inspection Scores, is for information only. The Council's performance against the scorecard overall is shown in Appendix 1, with the successes, exceptions and issues presented in Appendix 2. A summary of the performance, successes and issues for each framework is given below. Appendix 3 shows the performance against the Corporate Plan.

The detailed performance against the National Indicators is shown in Appendix 4a, and the Best Value Performance Indicators in Appendix 4b. In addition to the Corporate Scorecard we also monitor our performance in delivering key developmental projects in the Corporate Improvement Plan, Appendix 5, and the Strategic Service Projects, Appendix 6. The delivery of outcomes from the revenue growth bids agreed for 2008/09 is shown in Appendix 7. There is a separate report to this meeting which sets out the details of the Council's current financial position.

### 2.3 **Corporate Scorecard – Community Plan**

Progress in delivering the Community Plan is measured against 29 targets. These include a 'top ten' list of priority actions that Cherwell Community Planning Partnership (CCPP) has agreed for the year. They include targets for the Cherwell area and not just those that the District Council is responsible for delivering. Information was only available for 18 of these, of which 15 were Green, 2 Amber and 1 Red. The remainder all depend on information from surveys which have yet to be carried out. Many of the targets replicate those in other frameworks, but the successes and issues below highlight those of particular importance to the Community Plan.

#### **Successes**

- Consultants have been appointed to revise the Sustainable Community Strategy.
- We are continuing to develop the links between the Community Plan and the Local Development Framework (LDF). Cherwell Community Planning Partnership received a presentation on the 'options for growth' for the Core Strategy of the LDF. The public consultation on the LDF commenced on time.
- Work is progressing well on delivering the 'Oxfordshire Offer' to young people. This will contribute to NI 110 – positive activities for young people. CCPP will be discussing this at their next meeting.

#### **Issues**

- Although there have been some initial delays with a cardiovascular disease project in the most deprived wards in Banbury the problems should be resolved shortly.
- The delivery of improved community information to rural locations has not progressed as planned. CCPP has however, been involved in the consultation on the new Rural Strategy.

### 2.4 **Corporate Scorecard – Corporate Plan Promises**

In this section we monitor the 15 targets from the Corporate Plan that were highlighted in the Council Tax leaflet (that was distributed to every household in the district) as our key service promises. 10 are Green, 3 Amber and 2 Red. Full details are in Appendix 1.

#### **Successes**

- The Sports Centre Modernisation programme continues to make progress to schedule.
- The high standard of cleanliness in streets and parks have been maintained.
- The ambitious target for recycling continues to be met.
- We have continued to make progress on providing ten new service access points in rural locations.

#### **Issues**

- The impact of the economic downturn on the Council's ability to deliver 400 new homes (including 100 units of social housing). The provisional figures for the first two quarters reflect the impact that the credit crunch is having on housebuilding rates nationally. It also reflects pre-existing delay on sites such as Bankside and former RAF Upper Heyford.

- Although we are currently on target for the number of net new jobs created this could be difficult to sustain given the current economic climate.
- The target for reducing the amount of waste going to landfill has not been met and this means this promise goes from Amber to Red status. The target of 1500 tonnes for this year was based on the Food Waste Pilot starting. However delays to this and other operational issues mean the outcome for this year is likely to be between 800 and 1000 tonnes.
- The target of reducing acquisitive crime has not been met and this means this promise goes from Green to Amber status.

The progress in delivering against all the targets in the Corporate Plan is in Appendix 3. Of the 54 targets in the Corporate Plan 38 are Green, 12 Amber, 2 Red and 2 where data will be available later in the year following customer consultation. All the areas requiring further consideration are picked up under other frameworks. Successes not picked up elsewhere are:

- The production of a combined finance and performance Annual Report that the Audit commission are proposing to recommend as best practice.
- Achieving a recommended score of 3 (up from 2) for Value for Money in the Use of Resources assessment.

## 2.5 **Corporate Scorecard - National Indicators**

National Indicators have replaced Best Value Performance Indicators as the statutory requirement for reporting the Council's performance. In this quarter we are expected to report against 21 of the 32 indicators the Council is required to report. The remaining 11 will be reported at the end of the year. Nine indicators are Green and 5 Amber and 3 Red. For the remaining 4 we are awaiting for the definition of an indicator and the resolution of data capture issues that are beyond the control of the Council. A full report on the status of the National Indicators is attached at Appendix 4a.

Because the National Indicators are new and many were introduced after the start of the year there is little historical performance information to inform target-setting. This we will address in the coming months through discussions with managers about our performance and in comparison with performance targets being set in other comparable local authorities.

### **Successes**

- We met our target for the number of affordable homes delivered, however this may be difficult to sustain in the future because of current economic circumstances.
- We surpassed our target for reducing avoidable contact by customers.
- We surpassed the target for household waste sent for reuse, recycling and composting and the targets set for general environmental cleanliness.
- We continued to reduce the number of households living in temporary accommodation.

### **Issues**

- Although the performance achieved in processing 'minor and other' planning applications is improving we still do not meet national and local performance targets.

- The worsening performance in reducing the amount of waste going to landfill, this was Amber and is now Red.

## 2.6 **Corporate Scorecard - Best Value Performance Indicators**

We have retained selected Best Value Performance Indicators (BVPIs) as they provide a useful means of comparing delivery with other councils and against our own historical performance levels. We will continue to report results in 2008/09 through the Quarterly PMF report.

Of 35 BVPIs monitored in the second quarter 20 are Green, 8 Amber, and 7 Red. Full details are in Appendix 4b.

### **Successes**

- BV09 Percentage of Council Tax and National Non Domestic rates collected: We have maintained our excellent level of collection despite a continued backlog of work and system problems.
- BV079bii. Housing Benefits Overpayments Recovered. Performance is 40% above target. Surpassed target and by a greater amount than last quarter.
- BV082aii. Tonnes of Household Waste Recycled. A further improvement in performance achieved.
- BV170c. Pupil visits to museums. Achieved 1141 visits against a target of 850.
- BV203. Families in temporary accommodation. Continued improvement in performance

### **Issues**

- BV82a(i): Percentage Household Waste Recycled. The dry recycling tonnages have risen less than we would like to achieve 50%. However, it is anticipated that despite high amounts of garden waste in the first six months, which depresses the dry recycling percentage, the overall recycling target will be achieved.
- BV170a: Visits to/usage of museums and BV170b: Visits to museums in person. Visits down due to many visitors believing the Museum was closed during the recent building works in the TIC. Visitor numbers were 776 against a target of 889.
- BV078a. The declining performance of the average time taken to process new benefits claims, 29.79 days this quarter compared to 26.9 the last quarter against a target of 22 days.

## 2.7 **Corporate Scorecard - Financial Performance**

The projected revenue and capital position at September 2008 are within the Council's budget tolerances. Full details of the revenue and capital position at 30 September 2008 and projections for the 2008/09 year are detailed in the Finance report which is on the agenda of this meeting.

Of the four measures 2 are Green and 3 Amber (two of which were Red in the last quarterly report).

### **Successes**

- Annual accounts unqualified by the Audit Commission and positive comments relating to the improved process set out in the Governance report.

### **Issues**

- The loss of income for Building Control and Development Control as a result of the downturn in housing and development markets and for Land Charges also as a result of this and the move to personal searches.

## **2.8 Corporate Scorecard – Human Resources**

In the last Quarterly report we reported that the late delivery of computer software meant we could not report against the performance in the Corporate Scorecard. This has now been installed and performance information is provided on Staff Turnover, Sickness Absence, and Workforce Capacity. All of these are within target and are rated Green.

### **Successes**

- Continued monitoring of performance and management of sickness absence and welfare provision has kept the outturn below our target.
- There had been concerns that the removal of attendance bonuses in Environmental Services would result in an increase in sickness absence. This has been closely monitored and no significant increase has been reported.

### **Issues**

- None to report.

## **2.9 Corporate Improvement Plan**

Executive 7 July 2008 agreed the 2008/09 Corporate Improvement Plan (Appendix 5). The priorities of the Plan are: embedding the culture of performance management; delivering value for money throughout the organisation; understanding and responding to the diverse needs of the communities that make up the District; developing partnership working; and engaging all our staff in the process of continuous improvement.

### **Successes**

- Place Survey. Joint arrangements agreed with the other Oxfordshire councils.
- Value for Money reviews of Street Cleansing and Property Management completed and reported to the Executive.
- Completed 2007/08 analysis of costs in comparison to our family of similar councils.
- Completed Living in Cherwell, a demographic profile of the district and using this to inform service and financial planning.
- Customer Access. Work completed on the Banbury, Bicester, and Kidlington Town Centre offices.
- New staff Learning and Development strategy agreed.

### **Issues**

- Need continued drive to improve the availability and quality of benchmarking information, particularly on productivity and unit costs.
- Need to complete outstanding tasks on Partnership Action Plan.
- Ensure new service standards are applied by all services.

## **2.10 Strategic Service Projects**

These are 11 key projects that although service-based are of corporate significance because of the resources involved, their impact on the Council's reputation or their contribution to delivering the Council's strategic priorities. Full details are in Appendix 6. Eight of the projects are Green and 3 Amber.

#### **Successes**

- The major changes to Bodicote House are proceeding to schedule.
- The Flood alleviation inquiry is scheduled for December 08 with the works due to start in Spring 2009.
- Discussions will commence in November on the development of the Banbury Cultural Quarter.
- Banbury Pedestrianisation. The public enquiry will be held in December 2008 and if approval is given the work should commence in Spring 2009.

#### **Issues**

- South West Bicester Development. All relevant application procedures have now been completed. However the commencement date is uncertain because of current economic conditions. This will have serious implications for delivery of housing and affordable housing targets and planning agreement benefits.
- The impact of the economic downturn on the progress of other major projects such as Banbury Canalside and Bicester Town Centre.

### **2.11 Delivery of Growth Bids**

Monitoring arrangements are in place for all the 21 revenue growth items agreed for 2008/09. Of these 15 are Green, 5 Amber and 1 Red. Although behind schedule all the Ambers are anticipated to deliver the agreed outcomes this year. Full details are in Appendix 7.

#### **Successes**

- The Planning Enforcement Team is now fully staffed.
- The investment in an additional member of staff to work on the delivery of the Disability Facilities Grant is delivering enhanced performance.
- The Choice Based Lettings system is operational.
- Additional recycling bins purchased and installed.
- Extra £60k funding to the voluntary sector delivered.

#### **Issues**

- The delay delivering Nightsafe Bicester.
- The delay delivering the food waste recycling pilot scheme.

### **Key Issues for Consideration/Reasons for Decision and Options**

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- 3.1 The purpose of the report is to show the Council's performance against the performance measures in the Performance Management Framework. From this information the Executive can make an overall judgement about the progress the Council is making in meeting its objectives and identify the achievements it wishes to celebrate and the areas where action is required to improve performance.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

**Option One** To review current performance levels and consider any actions arising.

**Option Two** To approve or reject the recommendations above.

**Consultations Not Applicable**

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**Implications**

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**Financial:** Financial Effects – The resources required to operate the Performance Management Framework is contained within existing budgets. However the information presented may lead to decisions that have financial implications. These will be viewed in the context of the Medium Term Plan & Financial Strategy and the annual Service & Financial Planning process.

Efficiency Savings – There are none arising directly from this report. The Performance Management Framework is designed to improve financial management, including the avoidance of overspending and underspend, and the achievement of efficiencies. We monitor the progress against the Council's targets for annual efficiency savings and report performance through the Performance Management Framework.

Comments checked by Karen Curtin, Chief Accountant, 01295 221551

**Legal:** Maintaining National Indicators is a legal requirement.

Comments checked by Liz Howlett, Head of Legal and Democratic Services, 01295 221686

**Risk Management:** The Performance Management Framework is designed to assist the Council in managing and monitoring delivery of its strategic objectives and improving customer satisfaction. Services are required to maintain their sections of the risk register, and update their risks no less frequently than quarterly. The service manager should address the risks associated with performance issues. The framework may show that performance is not achieving desired levels. Managers can address this by re-assessing the level of performance required, the priority it should attract, and the level of resource available. A failure to identify and improve key drivers of customer satisfaction through an effective Performance Management Framework is one of the Council's strategic risks.

Comments checked by Rosemary Watts, Risk Management & Insurance Officer , 01295 221566

**Wards Affected**

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All

## Corporate Plan Themes

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**The Performance Management Framework covers all of the Corporate Plan Themes**

## Executive Portfolio

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**Councillor Debbie Pickford - Portfolio Holder for Organisational Development and Improvement**

## Document Information

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Corporate Scorecard 2008/2009
Appendix 2	Successes, Exceptions and Emerging Issues
Appendix 3	Corporate Plan
Appendix 4a	National Indicators
Appendix 4b	Best Value Performance Indicators
Appendix 5	Corporate Improvement Plan
Appendix 6	Strategic Service Projects
Appendix 7	Growth Bids
<b>Background Papers</b>	
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