

Cherwell District Council

Executive

2 July 2018

<p>Monthly Performance, Risk and Finance Monitoring Report – May 2018</p>
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Report of Assistant Director: Performance and Transformation and Assistant Director: Finance and Governance

This report is public

Purpose of report

This report summarises the Council's Performance, Risk and Finance monitoring position as at the end of each month.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the monthly Performance, Risk and Finance Monitoring Report.

2.0 Introduction

- 2.1 The Council is committed to performance, risk and budget management and reviews progress against its corporate priorities on a monthly basis.
- 2.2 This report provides an update on progress made so far in 2018-19 to deliver the Council's priorities through reporting on performance, the Leadership Risk Register and providing an update on the financial position.
- 2.3 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2018-19 business plan and the priorities of the Council. These measures and key performance indicators are reported on a monthly basis to highlight progress, identify areas of good performance and actions that have been taken to address underperformance or delays.
- 2.4 The Council maintains a Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 2.5 The Report details section is split into three parts:
 - Performance Update
 - Leadership Risk Register Update

- Finance Update

2.6 There are three appendices to this report:

- Appendix 1 - Monthly Performance Report
- Appendix 2 – Leadership Risk Register
- Appendix 3 – 2018/19 Business Plan

Additional detailed appendices relating to finance will be presented from July 2018 onwards covering the year to date position.

3.0 Report Details




Performance Update

3.1 The Council's performance management framework sets out the key actions, projects and programmes of work that contribute to the delivery of the 2018-19 business plan (see Appendix 1) and the priorities of the Council.

3.2 The 2018-19 business plan set out three strategic priorities:

- Protected, Green and Clean;
- Thriving Communities and Wellbeing;
- District of Opportunity and Growth.

3.3 This report provides a summary of the Council's performance in delivering against each strategic priority. To measure performance a 'traffic light' system is used. Where performance is on or ahead of target it is rated green, where performance is slightly behind the target it is rated amber. A red rating indicated performance is off target.

Colour	Symbol	Meaning for Joint Business Plan Measures	Meaning for Joint Key Performance Measures (KPIs)
Red		Significantly behind schedule	Worse than target by more than 10%.
Amber		Slightly behind schedule	Worse than target by up to 10%.
Green		Delivering to plan	Delivering to target or ahead of it.

Priority: Protected, Green and Clean

3.4 The Council is committed to protecting the natural environment and ensuring the character of the district is preserved and enhanced. Our commitment included working to ensure the district has high standards of environmental cleanliness and greater waste and recycling services. Maintaining the district as a low crime area is another key part of this priority and the Council is committed to working in partnership to deliver against this objective.

3.5 Overview of our performance against this strategic priority:

- **Recycling rates improve in May – 61.43%** of waste was recycled and composted this month. This was an improvement on the previous month and above the target for May and an increase of 5% (56.6%) compared to this time last year (2017). Performance for the year to date is strong at 59.04% an increase of 1% compared to the YTD position this time last year (2017).
Maintaining high quality waste and recycling services is a key part of our commitment to keeping the district green and clean. This month saw a number of successful free compost giveaway events. The events allow residents to take home a share of compost made from their own brown bin contents, while providing an opportunity for the Council to promote our recycling and waste services.
- **Strong commitment to reducing our carbon footprint and protecting the natural environment** – A Natural Environment and Community Nature Plan is being developed and will be presented to Executive in July. The Air Quality Action Plan has been updated and a review of the biodiversity action plan has taken place.
- **Maintaining the district as a low crime area** – Nationally crime figures have increased over the past few years. The Council is working with partners through the Community Safety Partnership to understand the picture across the County and the district and to identify where the focus of our work should be.
- **Conservation area reviews continue** – Research work has started on this year's conservation area appraisals and reviews. These document the character and importance of the area, including a management plan to help preserve and/or enhance the conservation area. All appraisals undergo public consultation so we can incorporate the views of people living and working in these areas; the appraisals are an important part of the planning process. We anticipate that two Conservation Reviews will be undertaken in September 2018, reports are expected to be submitted by November 2018. This is part of the Council's commitment to protecting the built heritage of the district.

Priority: Thriving Communities and Wellbeing

3.6 The Council is committed to supporting our communities to thrive and to promoting the wellbeing of our residents. This priority includes supporting health and wellbeing, improving leisure facilities and delivering leisure activities and working in partnership with voluntary organisations to deliver services in a manner that safeguards children, young people and vulnerable adults. Another key aspect of this priority is preventing homelessness, the delivery of affordable housing and improving the condition of residential properties.

3.7 Overview of our performance against this strategic priority:

- **Building on the success of our 'Healthy Placemaking' approach in Bicester** – This approach puts health and wellbeing at the centre of everything we do and has been in place as part of the Bicester Health New Town programme. The Council is committed to building on this best practice and incorporating this approach into our business planning process. This month we have also consulted with partners on the Health and Wellbeing action plan for 2018-19, looking at how we can enhance health and wellbeing within our communities through a wide range of prevention activities and interventions. The action plan

includes closer working with clinical commissioning groups, public health and primary care authorities engaging in a wide range of work to support improved outcomes for residents and businesses.

- **Supporting thriving communities** - the Countywide co-commissioned Domestic Abuse services contract has begun in Oxfordshire supporting the vulnerable in our district. Safeguarding training is being rolled out to all staff and Members ensuring levels of compliance across the organisation.
- **Housing benefit performance continues to improve** - The average time taken to process new benefit claims in CDC for May 2018 is excellent, reducing to 11.31 days against a target of 15 days. This is an improvement from April 2018 when the average time taken to process new claims was 17.43 days.

Priority: District of Opportunity and Growth

3.8 The Council is committed to developing the local economy, promoting inward investment and delivering sustainable growth. This priority also contributes towards making great places to live, work, visit and invest through economic development and working in partnership to deliver strategic transport infrastructure projects.

3.9 Overview of our performance against this strategic priority:

- **Working with local organisations to promote the district and increase tourism** – The Economic Growth Team work closely with local visitor attractions, accommodation, retailers and other organisations involved in promoting visitor economy in Cherwell. This month the Council has been promoting the first ever 'Bicester Festival' and the Town Centre Discovery Walks. To mark the 70th birthday of the National Health Service, Healthy Bicester is launching two new short Discovery Walks in the town centre. The Discovery Walks are designed to be accessible for all but it is hoped they will be used in particular by people who struggle to get the 10-30 minutes of exercise a day needed to keep healthy. New maps and market signs for Banbury are in development to enhance the market place in Banbury town centre.
- **Supporting improvements to private rented housing sector** - two landlord home improvement grants were concluded in May, with associated nomination rights for the Council.
- **Unemployment rate increases, but remains significantly below regional and national figures** – unemployment rose by 0.1% from April 2018 to 0.9%.
- **Council sponsors Cherwell Business Awards** – over 256 local business representatives attended the award ceremony to celebrate local success, share best practice and encourage innovation and growth.
- **£500k invested in superfast broadband** - 96.35% of residential and businesses premises now have access to superfast broadband following significant investment from the Council over the last two years.
- **The Partial Review of the Local Plan** was submitted to the Planning Inspectorate (Pins) for Examination on 5th March 2018. We are still awaiting the

dates for the public hearing, but the process of Examination has now formally commenced.

Summary of Performance

- 3.10 The Council reports on performance against 20 joint business plan measures and 12 key performance indicators on a monthly basis. Performance for this month is summarised in the table below. The full details, including commentary against each measure and key performance indicator can be found in Appendix 1.

Business Plan Measures and Key Performance Indicators					
Status	Description	May	%	YTD	%
Green	On target	31	97%	30	94%
Amber	Slightly off target	1	3%	2	6%
Red	Off target	0	0%	0	0%

3.11 **Spotlight On: Financial sustainability**

Each month this report will focus on a theme or service provided by the Council, highlighting how this contributes to the delivery of the strategic priorities and the key achievements delivered to date.

As a Council, we recognise the importance of considering our financial sustainability going forwards. Our central government funding continues to reduce so it is important that we look at ways to both maximise the income that we have coming into the council through our fees, charges, council tax and business rates as well as look to find other innovative ways in which to raise potential other sources of income whilst acknowledging and balancing the risks of doing different things. Financial sustainability is a key theme that we need to consider when setting our future years budgets and this snapshot gives an initial view on our current performance as well as areas we are exploring to improve our sustainability moving forwards.

Council Tax

In 2017-2018, 97.87% of Council Tax was collected against a target of 98.25%. Although this is slightly below the target, it is a fantastic achievement given the challenges faced by the service area during the past 12 months. Performance for May 2018 is strong at 20.44% against a target of 20.50%

Business Rates Collection

In addition to Council Tax, we are also the billing authority responsible for Business rates collection and our performance in this area for 2017-2018 and following a very challenging 12 months was 92.31% against a target of 98.5%. Collection rates for May 2018 are excellent at 21.74% against a target of 21.25%.

Generating additional income

Alongside our consideration of how we maximise our income collection through Council tax, Business rates and other fees and charges, we are considering new ways of generating income. One of the most important aspects of this is to consider our investments. Alongside managing our cashflows, balancing our borrowing and

our financial investments, we are also considering spreading how and what we invest our money in. An investment strategy working group which considers opportunity to invest in property for commercial purposes (and subject to criteria already agreed at Council) will be meeting throughout 2018/19 to consider opportunities that arise. All of these would be subject to full due diligence to understand the balance between the opportunity and risks for each individual investment.

We have already made some significant investments with the purchase of Castle Quay 1 (a shopping centre at the heart of Banbury) and the plans around Castle Quay 2 (a new development with a mix of retail, leisure and food outlets) that complement what already exists in Castle Quay 1. The purchase of the site was principally as an investment although this also means that the Council can provide strong leadership in ensuring that this exciting development delivers improvements in the area. A full financial appraisal was undertaken but the investment of circa £60m will generate significant revenues in excess of £5m pa that will fund the costs of development as well as contribute to the wider costs of our services for all of our residents, businesses and visitors. This means that an investment of this type satisfies both our need to consider our financial sustainability going forward as well as contributes to our overall corporate priorities too.

Risk Update

- 3.12 The Council maintains a Joint Leadership Risk Register that is reviewed on a monthly basis. The latest available version of the risk register at the date this report is published is included in this report.
- 3.13 The heat map below shows the overall position of all risks contained within the Leadership Risk Register.

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major		L04, L11		L05	
	3 - Moderate			L01, L02, L03 L10, L12, L14	L06, L07, L08	L09, L13a, L13b
	2 - Minor					
	1 - Insignificant					

- 3.14 The table below provides an overview of changes made to the Leadership Risk Register during the past month. Any significant changes since the publication of the report will be reported verbally at the meeting.

Leadership Risk	Score	Direction	Latest Update
L01 Financial Resilience	9 Low risk	↔	Mitigation actions updated
L02 Statutory functions	9 Low risk	↔	Comments updated
L03 Lack of management Capacity	9 Low risk	↔	Comments updated
L04 CDC & SNC Local Plans	8 Low risk	↔	No change
L05 Business Continuity	16 High risk	↔	Comments updated
L06 Partnering	12 Medium risk	↔	Comments updated

L07 Emergency Planning	12 Medium risk	↓	Residual risk score reduced from 16, controls and mitigation actions updated.
L08 Health & Safety	12 Medium risk	↔	Mitigating Actions & Comments updated
L09 Cyber Security	15 Medium risk	↔	Mitigating Actions Updated
L10 Safeguarding the Vulnerable	8 Low risk	↔	No change
L11 Income generation through council owned companies	8 Low risk	↔	Mitigating actions updated
L12 Financial sustainability of third party third party suppliers	8 Low risk	↔	No change
L13a Local Government Reorganisation (CDC)	15 Medium risk	↔	Comments updated
L13b Local Government Reorganisation (SNC)	15 Medium risk	↔	Comments updated
L14 Corporate Governance	9 Low risk	↔	No change

L07 Emergency Planning – The Residual risk score has been reduced from 16 (High Risk) to 12 (Medium Risk). Both authorities have active plans in place to ensure they are prepared for an emergency. These have recently been activated successfully. Further improvements are being made as a result of a review of these plans.

Finance Update

- 3.15 In previous years financial reporting has been on a quarterly basis. This frequency of information is being improved during 2018/19. We have introduced monthly monitoring and reporting across the organisation. This improvement in reporting regularity will provide budget managers, senior leadership and members with more up to date information regarding the financial position and outlook for the Council.

The finance team has aligned itself with the business areas to provide better support and consistency and continuity of advice moving forward across both revenue and capital budget areas in addition to monitoring any over funding levels.

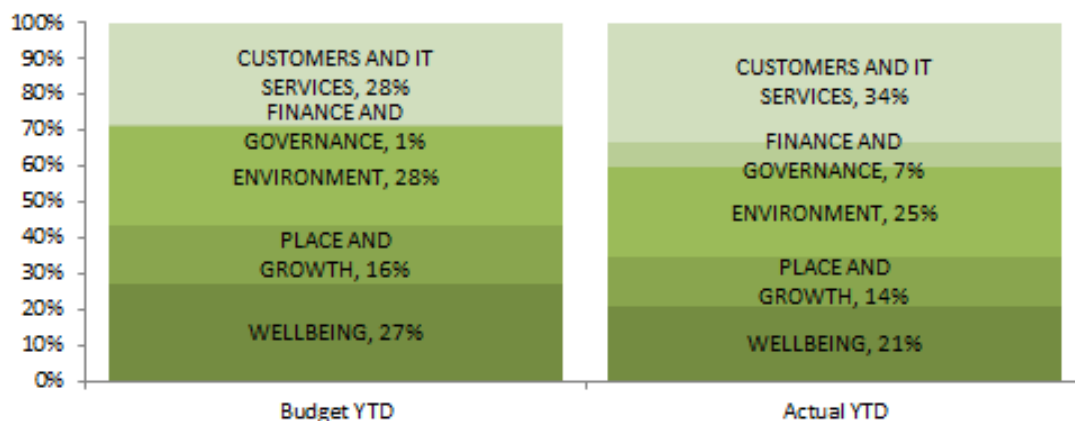
It should be noted that due to the early position in the financial year limited financial reporting takes place at many organisations and the focus is on risk areas for budget monitoring. This is due to the relatively small amount of actual data available against planned budgets. From June onwards we will have more detailed monitoring at service level once a greater amount of actual data is available.

3.16 **Revenue Position**

The 2018/19 revenue budget was approved in February 2018. The detailed financial monitoring information will be provided in future reports and will identify key variances across the organisation and highlight areas of financial risk and opportunity.

The risk based monitoring undertaken to date has not highlighted any areas of risk at this stage. The Council is currently forecasting to manage within its existing resources. Any variance and risk to this position will be highlighted and detailed in future reports.

The graph below sets out how the Council planned to spend during Apr and May compared to how it did spend during the first two months of the year. There is some variance regarding profile of spend compared to budget but this is not unusual. The main variances relates to Finance and Governance and Wellbeing. These are largely due to the Business Rates bill for Council offices being paid in one amount but the budget has been profiled across the whole year and for Wellbeing grants being received in advance of spend and therefore expenditure is lower at present.



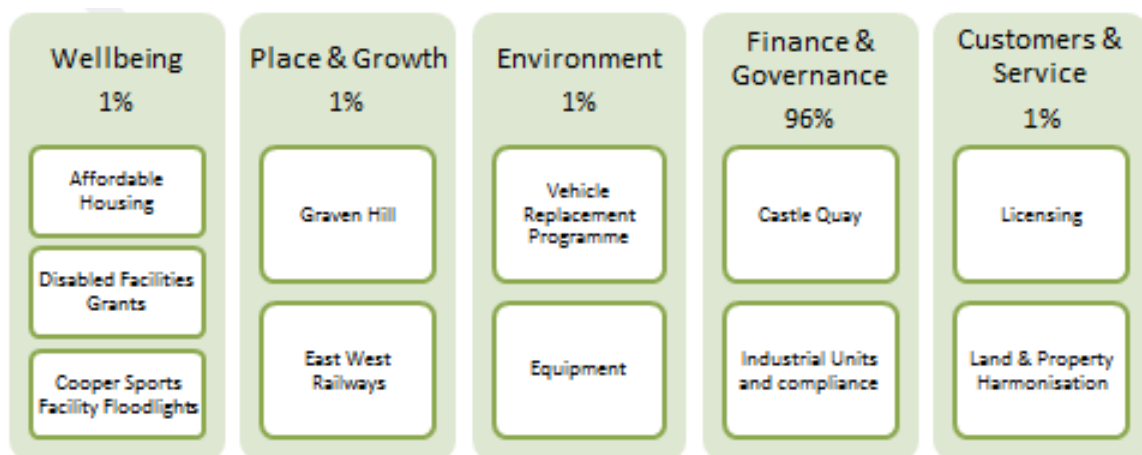
3.17 Capital Programme

The 2018/19 capital programme was approved in February 2018. The capital programme monitoring information will be provided in future reports and will identify key variances across the organisation and highlight areas of financial risk and opportunity.

A capital programme working group has been set up to improve the governance surrounding the capital programme. This group has already met once with future meetings arranged to develop the oversight this group can provide. This group is made up of officers from across the organisation and the remit is to more closely monitor the projects within the capital programme, provide consistency of approach and better understanding of the whole programme. The output of this group will be reported via these monthly reports and will identify all areas of risk.

The group closely links to other boards and groups to ensure the financial risks and issues associated with all capital spend is consistently reported.

The graph below sets out how the Council plans to spend capital during the year and the major items of expenditure. Variances to this budget will be detailed in future reports.



4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that the contents of this report are noted.

5.0 Consultation

5.1 This report sets out performance, risk and budgetary information from the previous month and as such no formal consultation on the content or recommendations is required.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: This report illustrates the Council's performance against the 2018-19 business plan. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

7.1 The financial implications are detailed within section 3.15 of this report.

Comments checked by:

Adele Taylor, Executive Director: Finance and Governance (Interim), 0300 003 0103, Adele.taylor@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications from this report.

Comments checked by:

James Doble, Assistant Director: Law and Governance, 0300 003 0207
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Risk management

7.3 This report contains a full update with regards to the Council's risk position at the end of the previous month. A risk management strategy is in place and the risk register has been fully reviewed.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillors –

Councillor Richard Mould – Lead member for Performance Management
Councillor Tony Ilott – Lead member for Finance and Governance

Document Information

Appendix No	Title
Appendix 1	Monthly Performance Report
Appendix 2	Leadership Risk Register
Appendix 3	2018/19 Business Plan
Background Papers	
None	
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