

Cherwell District Council

Executive

<p>Monthly Performance, Risk and Finance Monitoring Report – July 2018</p>

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 four appendices to this report:
- Appendix 1 - 2018/19 Business Plan
 - Appendix 2 – Monthly Performance Report
 - Appendix 3 – Leadership Risk Register
 - Appendix 4 – Capital Programme

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:

- **Weather and dry conditions impacts on recycling performance** – The percentage of waste recycled and composted fell in July, an expected seasonal trend further affected by the hot and dry weather experienced during the past couple of months. Performance for July is reporting 5.08% short of the monthly profiled target and only 1.24% short of the YTD target.
- **Tackling environmental crime in town centres** has been focussing on educating commercial premises and residents about safely discarding of cigarette ends. The community wardens whilst patrolling have been talking to businesses, shops, pubs and shoppers, handing out smoking pouches and encouraging all to dispose of cigarette ends and litter lawfully, reducing the amount discarded in the streets/drains.

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:

- **The number of households living in Temporary Accommodation** is being closely managed by focussing on prevention and relief of homelessness and as a result we continue to be within target.
- **Leisure facilities promoted and holiday hub programmes launched** during July making the most of the summer weather. Woodgreen Leisure Centre has shown a significant increase of circa 7,000 attendees due to the Outdoor 50m Swimming Pool facility and residents making the most of the weather. 'Holiday Hubs' have seen excellent numbers so far with 2513 participants (with £37,293 income) booked on 5 Holiday Hubs so far. 480 people have booked a FAST card as part of the Fast programme aimed at families living in deprived / brighter futures areas being able to access Woodgreen swimming pool at a heavily reduced price.

The Refugee Holiday provision has seen 12 Syrian children accessing the holiday hubs for FREE in partnership with Housing Services for social inclusion and enabling them to feel part of a community.

The Youth Activators have worked with 524 attendees in first two weeks holding 17 sessions, this included Play:Full a project delivering activities and healthy snacks at sessions in partnership with Sanctuary Housing.

- **Housing benefit performance continues to improve** - The average time taken to process new benefit claims for July 2018 is excellent, reducing to 8.49 days against a local target of 15 days. This is an improvement from May 2018 when the average time taken to process new claims was 9 days. The national target is 22 days.
- **Housing benefit change events processing time** has fallen in July to 14.45 days against a target of 8 days, however is Amber YTD performing at 8.38 days against the target of 8 days. The team are working to an action plan and monitoring this closely.

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:

- **% Major planning applications processed** is reporting as Green, 12 Major Planning Applications were determined during July. 9 of them were determined within the target period or agreed time frame.
- **Supporting our key economic centres** –A successful Job Fair held in Banbury (98 job seekers/career changers, 13 support services and 10 exhibiting employers recruiting for over 150 vacancies. Job seeker satisfaction rating of 91% with exhibitor rating of 3.8 out of 5.0 (reflecting limited labour supply). The economic growth team attended Bicester Business meeting to support the 'See Bicester' campaign and promote services such as the on-line business directory to encourage local purchasing. The team also attended Kidlington Voice business meeting to announce our services and engage with businesses and the MP.
- **The Partial Review of the Local Plan** was submitted to PINs (Planning Inspectorate) for Examination on 5 March 2018. We are still awaiting the dates for the public hearings, but the process of Examination is on-going. A programme of infrastructure projects are progressing to support the delivery of the adopted Cherwell Local Plan in Bicester, Banbury and elsewhere in the District.

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 2.

Business Plan Measures and Key Performance Indicators					
Status	Description	July	%	YTD	%
Green	On target	29	91%	29	91%
Amber	Slightly off target	2	6%	3	9%
Red	Off target	1	3%	0	0%

3.11 Spotlight On: Economic Growth Service

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.

This month we are focusing on the Economic Growth Service.

What is 'economic growth' and why is it important?

The provision of all public services and our whole way of life relies upon a growing economy. A strong local economy provides jobs and supports people's ability to afford housing and general well-being, and for society – through business taxation - to afford health, education and other essential services.

As we saw in the recession ten years ago, the 'economy' is complex and functions at a global level but also brings local impact on jobs and businesses when things go wrong. However, Cherwell and South Northants proved themselves to be 'resilient' in the face of recession – not only because our area was home to excellent businesses but also because the Councils were instrumental in allocating land, supporting business growth and attracting a variety of new businesses in the decades before the crisis.

Economic cycles will again bring challenges that are beyond local control but meanwhile both Councils are enabling growth to provide services that support future resilience.



What does the Economic Growth Team do?

The team contributes directly towards making great places to live, work, visit and invest across both districts. The Service achieves this by:

- **Providing information, advice and guidance**
- **Leading projects to address issues and opportunities**
- **Working in partnership with external organisations and internal services**



The service is guided by research and intelligence collected by:

- **Commissioned work to inform the development of policy and strategy**
- **Collaborative work with partners**
- **Direct daily contact with stakeholders**

The service thereby enables growth - directly and indirectly - by providing capacity for the Councils to respond to client needs whilst also actively contributing to the 'place-shaping' approach.

What are the key areas of work and services provided?

Cherwell's Economic Growth Team has its own economic growth strategy to create a vision based upon four inter-related themes:

- **People** (Skills, recruitment, etc.)
- **Business** (Inward investment, expansion, start-up, etc.)
- **Place** (Infrastructure, town centres, etc.)
- **Tourism** (Development, marketing, information, etc.)

In addition to providing day-to-day services to all our clients and stakeholders, the team is embarking upon a major review of the economic growth strategies for both councils. Things are really moving: the target date for the completion of both strategies is March 2019. So watch this space and get involved: you are welcome to join us on this exciting journey.

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	↔	No Change
L02 Statutory functions	9 Low risk	↔	No Change
L03 Lack of management Capacity	9 Low risk	↔	No Change
L04 CDC & SNC Local Plans	8 Low risk	↔	No change
L05 Business Continuity	16 High risk	↔	Comments updated
L06 Partnering	12 Medium risk	↔	Potential impact, Controls, Comments updated
L07 Emergency Planning	12 Medium risk	↔	Mitigating actions and comments updated.
L08 Health & Safety	12 Medium risk	↔	No change
L09 Cyber Security	15 Medium risk	↔	Mitigating actions & comments updated
L10 Safeguarding the Vulnerable	8 Low risk	↔	No change
L11 Income generation through council owned companies	8 Low risk	↔	No change
L12 Financial sustainability of third party third party suppliers	8 Low risk	↔	No change
L13a Local Government Reorganisation (CDC)	15 Medium risk	↔	Potential impact, Controls, Comments updated
L13b Local Government Reorganisation (SNC)	15 Medium risk	↔	Potential impact, Controls, Comments updated
L14 Corporate Governance	9 Low risk	↔	No change

Finance Update

- 3.15 We are continuing to develop the way we report and the ease of access and understanding of information we provide to ensure Members, and the public, are fully aware of the financial position of the Council.

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 is providing 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.

The risk based monitoring undertaken to date has highlighted areas of risk at this stage. The variances to date are set out below. All services are reviewing their forecasts to identify savings and efficiencies which may mitigate some of the risks being identified. Further risk to this position will be highlighted and detailed in future reports.

3.16 Revenue Position

The Council's forecast financial position is set out in the table below.

Revenue Monitoring <i>(Brackets denotes an Underspend)</i>	Budget £000's	Forecast £000's	Variance (Under) / Over £000's
Corporate Services	249	249	-
CORPORATE SERVICES TOTAL	249	249	-
Communities	2,578	2,578	-
Leisure & Sport	2,654	2,654	-
Housing	1,657	1,566	(91)
WELLBEING TOTAL	6,889	6,798	(91)
<i>Housing (£91k) additional income due to new legislation on Houses with Multiple Occupancy "HMO".</i>			
Planning Policy & Development	1,444	1,648	204
Economy & Regeneration	1,482	1,482	-
PLACE & GROWTH TOTAL	2,926	3,130	204
<i>Planning Policy & Development £204k comprises £170k under recovery of planning income due to the volatility in the number of expected planning applications; however, there is an earmarked reserve to assist with managing this risk. Additional £34k cost for the Interim Executive Director of Place and Growth (Oct-18 to Mar-19).</i>			
Environmental Services	5,187	5,292	105
Environmental Health & Licensing	(43)	(43)	-
ENVIRONMENT TOTAL	5,144	5,249	105
<i>Environmental Services £105k additional cost for agency staff to cover sickness absence and maternity leave. This overspend already incorporates the saving for vacant posts not being filled. In addition, income maximisation is being explored.</i>			

Law & Governance	1,247	1,247	-
Finance & Procurement	1,745	1,865	120
Property Investment & Contract Management	(3,017)	(2,759)	258
FINANCE & GOVERNANCE TOTAL	(25)	353	378

Finance & Procurement £120k forecast overspend arising from interim staff costs required to support the Council in meeting financial reporting deadlines and implementing financial management improvements.

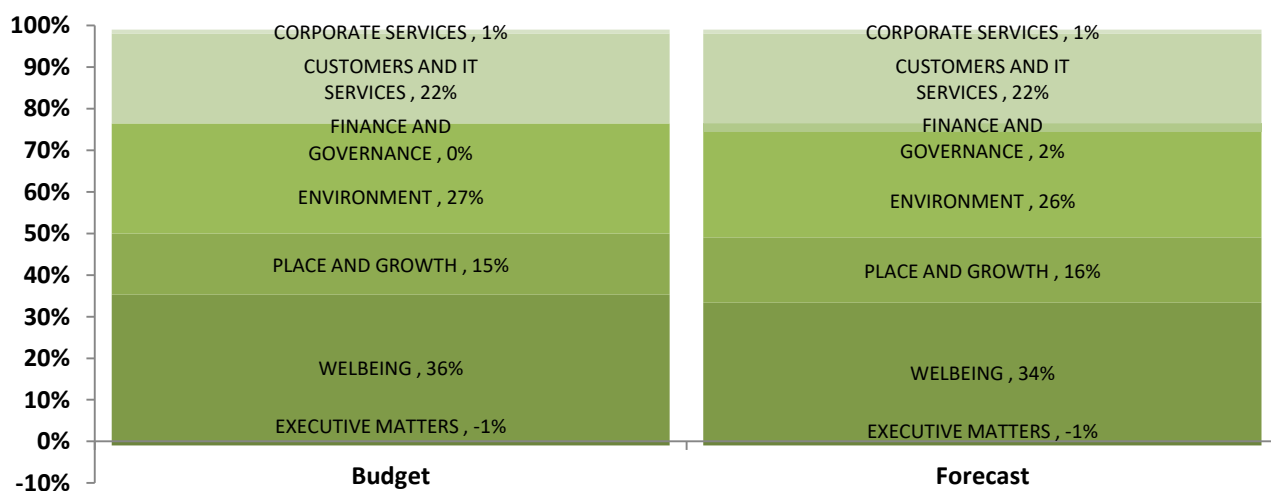
Property Investment Contract Management £258k Crown House income budget will not be realised in 2018/19 due to a delay in the project completion date.

Customers & IT services	2,764	2,764	-
Strategic Marketing & Communications	326	326	-
HR, OD & Payroll	678	678	-
Performance & Transformation	552	552	-
CUSTOMERS & IT SERVICES TOTAL	4,320	4,320	-
TOTAL DIRECTORATES	19,503	20,099	596

Revenue Monitoring	Budget £000's	Forecast £000's	Variance (Under) / Over £000's
Use of Reserves	4,467	4,467	-
Interest on Investments	2,074	2,074	-
Non Distributed Costs	(2,935)	(2,935)	-
Pension Costs	257	240	(17)
Capital Charges	(4,002)	(4,002)	-
EXECUTIVE MATTERS TOTAL	(139)	(156)	(17)

Pension Costs (£17k) reduction in pension cost.

COST OF SERVICES	19,364	19,943	579
Reserve management			(170)
Cost of Services			409



The Council is forecasting some variance with its overall expectations. The graph above shows that the forecast overspends do not significantly impact upon the overall profile of spend for the Council.

3.17 Capital Programme

A summary of the capital programme forecast is set out in the table below. The detailed Capital programme is shown in the appendices to this report.

Directorate	Budget £000	Forecast £000	Re-profiled into 2019/20 £000	Variance £000
Wellbeing	2,309	2,199	110	-
Place and Growth	2,749	1,589	1,160	-
Environment	1,830	1,363	467	-
Finance & Governance	82,995	82,945	50	-
Customers & IT Services	804	694	-	(110)
Total	90,687	88,790	1,787	(110)

Re-Profiled into 2019/20:

Wellbeing £110k Comprises **£80k** budget to cover solar PV component replacement at the sports centre which is not expected in 2018/19, and; **£30k** Spiceball Leisure centre bridge resurfacing works to be determined post completion of the CQ2 new bridge connection in 2018. Re-profiled into 2019/20.

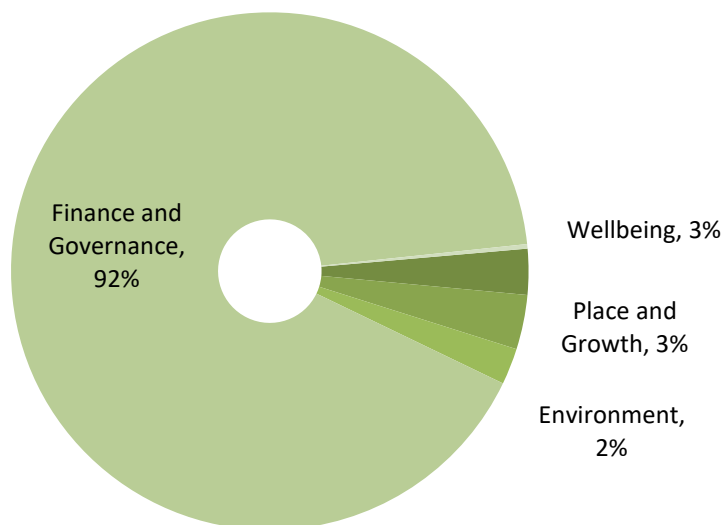
Place & Growth £1,160k for East West Railways where 5 years of scheduled capital contributions to 2019/20 have not yet been requested. Re-profiled to 2019/20.

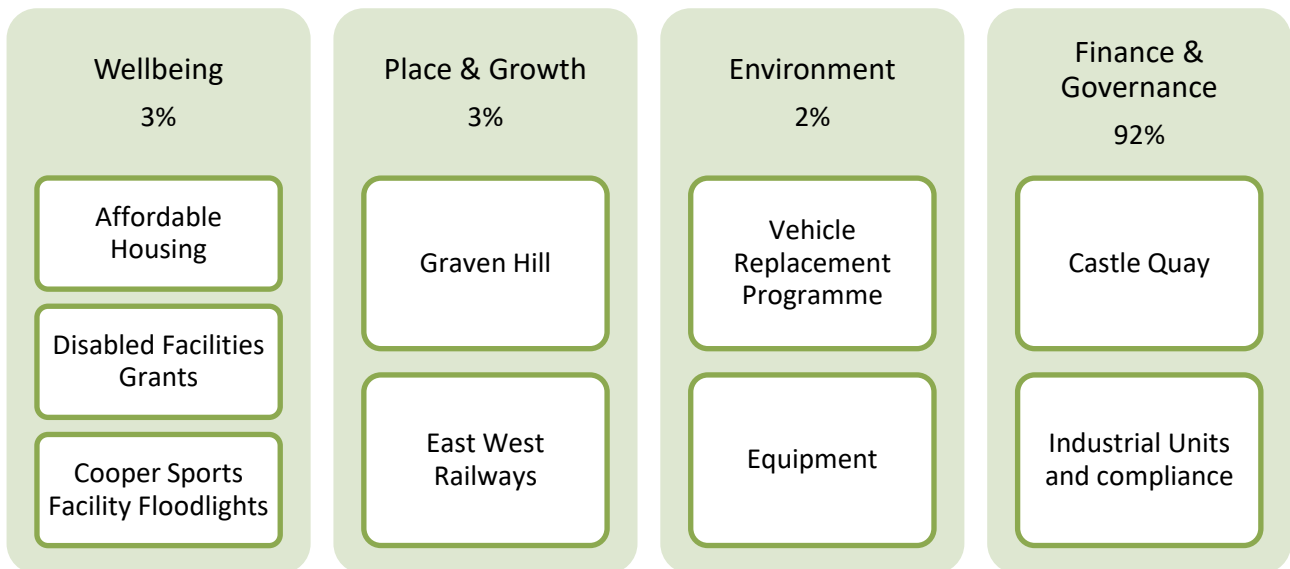
Environment £467k This budget is for replacement parking equipment which is not expected in 2018/19. Re-profiled to 2019/20.

Finance & Governance £50k for the Spiceball Riverside bridge which is on hold pending the completion of a CQ2 new bridge as part of the CQ2 development. Re-profiled into 2019/20.

Variance:

Customer & IT Services (£110k) Microsoft licensing agreement budget no longer required.





Where a capital project spans more than one financial year or there are delays to the project, re-phasing or re-profiling of expenditure may be needed. Re-profiling and phasing updates to capital projects will be identified in future reports.

The overall capital programme is currently expecting to spend to target. This position will be thoroughly reviewed by the Capital Programme Working Group. The next meeting of this group will undertake a line by line review of the capital programme and the output of this meeting will be provided in the next monitoring report.

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)
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0300 003 0103

Legal Implications

7.2 There are no legal implications from this report.

Comments checked by:

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

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	2018/19 Business Plan
Appendix 2	Monthly Performance Report
Appendix 3	Leadership Risk Register
Appendix 4	Capital Programme
Background Papers	
None	
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