

Cherwell District Council

Executive

5 November 2018

Monthly Performance, Risk and Finance Monitoring Report – September 2018

Report of Assistant Director: Performance and Transformation and Assistant Director: Finance and Procurement

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:

- **Garden waste is starting to recover from the summer dry conditions** – The percentage of waste recycled and composted for September is provisionally reporting only 1.31% short of the YTD target which is a similar position to the same period last year. The amount collected in blue bins is lower due to high levels of contamination (wrong items in blue bins) since we changed contractor. Plans are in place to address this.
- **Mandatory Safeguarding awareness** is being delivered internally and to all new applicants for private hire/Hackney Carriage licenses which is being positively received. The training is constantly being reviewed to ensure is as up to date as possible.

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:

- **'Wellbeing Activity Maps'** will be available online to enable residents a search facility for activities and groups operating locally that they may wish to join. A variety of themes will be available for residents to search and find out more information. The four themes are 'Get Active', 'Get Creative', 'Get Learning' and 'Get connected'. This will be launched in October via our internet and also our quarterly resident magazine 'Cherwell Link'.
- **'Preparing for Winter'** was the latest Connecting Communities theme. Electric blanket testing was available as well as information and resources to help our vulnerable and older residents during the winter months.
- **Safeguarding our vulnerable** residents is to be strengthened through the addition of an Accommodation Officer post. Debt and money advice as well as discretionary housing payment advice is part of the service we are delivering to help those with a shortfall in their rent.

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:

- **Build!** During September marketing of 25 of the 40 shared ownership units at Gardener Close in Bicester continued. By the end of September we had 7 reservations and 14 purchasers proceeding through the assessment process who we expect to also reach reservation stage in October. There has been a great deal of interest in the one bedroom flats and we are doing a second launch on the 15th October for the remaining units on site. We've received really positive feedback regarding the show flat with several people requesting to purchase this fully furnished.
- **Employment and growth advice** has supported the commencement of Phase 2 at Symmetry Park, Bicester. The team have also provided advice around planning applications at Bicester Heritage. 'Cherwell link' contained examples of new commercial investments that is happening across Cherwell. The team are working on the launch of the Cherwell Business Awards which will be held in November, a great opportunity for business and partners to network.

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	September	%	YTD	%
Green	On target	27	85%	29	91%
Amber	Slightly off target	2	6%	3	9%
Red	Off target	3	9%	0	0%

3.11 **Spotlight On: Supporting and delivering change**

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 'Supporting and delivering change'

The Council, particularly in its partnership with South Northamptonshire Council has a long tradition of delivering change and supporting staff through those changes.

Over the past seven years, the Council has delivered a whole scale Transformation Programme which saw all services shared with South Northamptonshire Council. As we reach the end of the partnership and prepare for separation it is appropriate to reflect on how the Councils approach to delivering change has developed and how the learning and skills acquired will be put to good effect on the next stage of our journey.

This is particularly important as the scale of change to be delivered over the next few years is significant as the Council separates from South Northamptonshire, embarks on a new partnership with Oxfordshire County Council, continues its digital transformation programme and embarks on an ambitious place shaping agenda.



Change management is a structured approach to moving an organisation from the current stage to a desired future state. Typically, the change management process involves five stages:



Change is usually implemented through programmes or projects and the Council approach to programme and project management is based on best practice methodologies PRINCE2 and Managing Successful Programmes (MSP).

Sustaining change is the most difficult stage and is only achieved by bringing people with you on the journey so they understand the reasons for change and are committed to delivering the benefits of change. To do this requires strong communication and staff engagement throughout the process.

The Council is committed to the principle of working in partnership with employees and trade unions in managing organisational change and seek to achieve changes through appropriate involvement and consultation. This approach has been a fundamental part of the joint working partnership with South Northamptonshire and has underpinned all joint working business cases and will underpin our approach to separation.



A key part of this approach is ensuring effective engagement with staff and trade unions takes place before a final decision is made. This enables the views of those impacted by any change to be taken into consideration before a final decision is made.

In order to sustain change, communication and engagement with staff must not be confined to formal consultation periods. At Cherwell, this process is sustained through regular e-mails from the Chief Executive, drop-in-sessions on specific themes and updates at all staff briefings.

The Councils HR Service plays a key role in supporting change across the organisation, from supporting staff through the organisational change process through regular on-going support to managers.

The Council has also just launched a new Employee Assistant Programme (EAP) to support staff. The EAP provides access to 24-hour counselling, support and guidance for all employees, whatever problems they are facing. The service is provided independently and offers confidential support for staff and managers.



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, L10, L11, L12		L05	
	3 - Moderate			L01, L02, L14	L03, 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 changes
L02 Statutory functions	9 Low risk	↔	No changes
L03 Lack of management Capacity	12 Medium risk	↔	No changes
L04 CDC & SNC Local Plans	8 Low risk	↔	Mitigating Actions updated for CDC & Controls updated for SNC.
L05 Business Continuity	16 High risk	↔	Comments and Mitigating Actions updated
L06 Partnering	12 Medium risk	↔	Comments updated
L07 Emergency Planning	12 Medium risk	↔	Controls, Mitigating actions and comments updated.
L08 Health & Safety	12 Medium risk	↔	Controls, Control assessment and Risk Manager 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	↔	No change
L12 Financial sustainability of third party third party suppliers	8 Low risk	↔	Mitigating actions updated.
L13a Local Government	15 Medium	↔	No change

Reorganisation (CDC)	risk		
L13b Local Government Reorganisation (SNC)	15 Medium risk	↔	No changes
L14 Corporate Governance	9 Low risk	↔	No Change.

The full Leadership Risk Register update can be found in Appendix 3.

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 risks 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 (Brackets denotes an Underspend)	Budget £000	Forecast £000	Current Period Variances £000	Prior Period Variances £000
Corporate Services	257	257	-	-
CORPORATE SERVICES TOTAL	257	257	-	-
Communities	2,623	2,606	(17)	-
Leisure & Sport	2,674	2,674	-	-
Housing	1,647	1,597	(50)	(91)
WELLBEING TOTAL	6,944	6,877	(67)	(91)
<p>Communities (£17k) consist of (£25k) savings on Management fees payable to Citizens Advice for Community transport and volunteering and a (£25k) reduction in the grant to Banbury Museum Trust; and an additional £33k budget realignment cost.</p> <p>Housing (£50k) income of (£32k) due to new legislation on Houses with Multiple Occupancy "HMO", further vacant posts has resulted in an additional savings of (£18K).</p>				

Planning Policy & Development	1,444	1,723	279	279
Economy & Regeneration	1,482	1,482	-	-
PLACE & GROWTH TOTAL	2,926	3,205	279	279

Planning Policy & Development £279k 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), £75k on Building Controls due to continuous reliance on agency staffs caused by shortage of skilled personnel to fill the vacant roles. Currently under review for potential.

Economy and Regeneration Bicester Regeneration currently funded from reserves and under review to ascertain any potential under spend will be reflected and put back to reserves.

Environmental Services	5,187	5,288	101	102
Environmental Health & Licensing	(49)	(69)	(20)	-
ENVIRONMENT TOTAL	5,138	5,219	81	102

Environmental Services £101k Which is principally made up of £148k due to increase in the price charge per tonne (Gate Fees) for dry goods recycling. Officers are keeping the market under close review. There has also been a cost savings of (£87k) for roles filled part way through the year or yet to be filled.

Environmental Health & Licensing (£20k), Environmental protection underspend cost for reactive maintenance and consultancy cost, and additional savings for an unfilled vacant role (Emergency Planning Officer).

Law & Governance	1,247	1,293	46	-
Finance & Procurement	1,715	1,835	120	120
Property Investment & Contract Management	(3,017)	(2,714)	303	258
FINANCE & GOVERNANCE TOTAL	(55)	414	469	378

Law and Governance £46k consist of £25k decrease in Land charges income due to the current economic climate and use of temporary resources to cover statutory role; and a £21k to allow for the additional cost further to outsourcing the Corporate Fraud Team to OCC.

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 £303k mainly due to the delay in the project completion date of Crown House, hence the expected income from Crown House Property Investment Contract Management will be lower by £289k in 2018/19 and £14k NDR Budget realignment cost.

Customers & IT services	2,722	2,722	-	-
Strategic Marketing & Communications	334	370	36	-
HR, OD & Payroll	716	736	20	-
Performance & Transformation	569	502	(67)	-
CUSTOMERS & IT SERVICES TOTAL	4,341	4,330	(11)	-

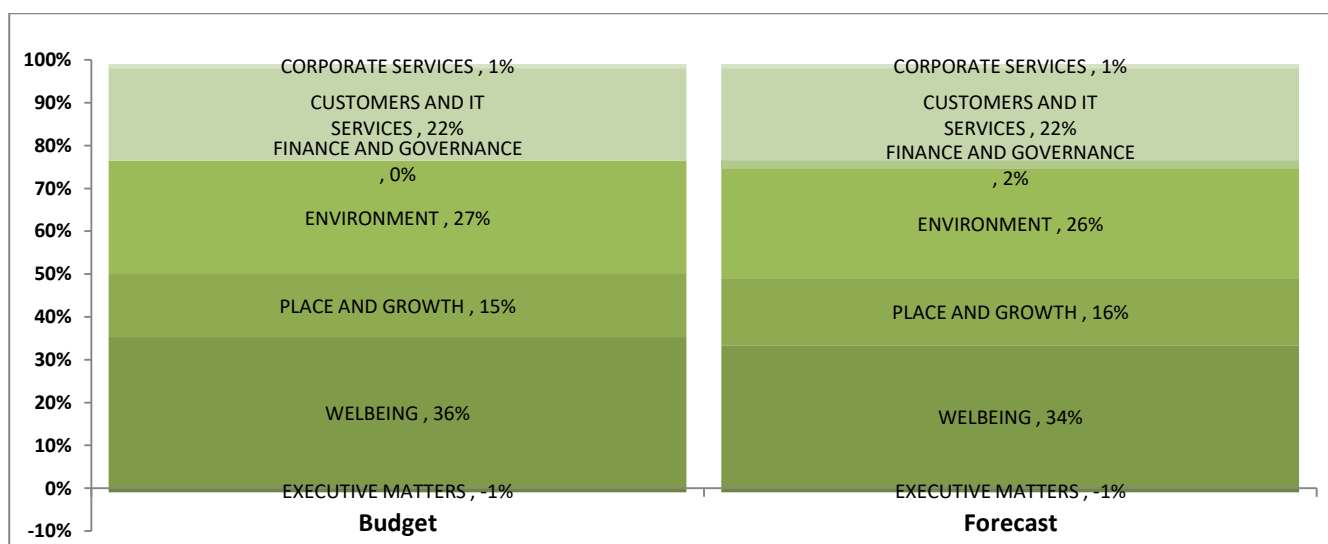
Strategic Marketing and Communications £36k overspend due to use of interim resources, pending opportunities for increased joint working with OCC in this area.

HR, OD and Payroll £20k Additional HR related legal cost.

Performance and Transformation (£68k) Savings due to staff budget realignment cost.

TOTAL DIRECTORATES	19,551	20,302	751	668
Revenue Monitoring	Budget £000	Forecast £000	Current Period Variances £000	Prior Period Variances £000
Use of Reserves	4,418	4,418	-	-
Interest on Investments	2,074	2,074	-	-
Non Distributed Costs	(2,935)	(2,935)	-	-
Pension Costs	257	240	(17)	(17)
Capital Charges	(4,002)	(4,002)	-	-
EXECUTIVE MATTERS TOTAL	(188)	(205)	(17)	(17)
<i>Pension Costs (£17k) reduction in pension cost.</i>				
COST OF SERVICES	19,363	20,097	734	651

Funding <i>(Brackets denotes an Increase in Funding)</i>	Budget £000	Forecast £000	Current Period Variances £000	Prior Period Variances £000
Business Rates Baseline	(3,673)	(3,673)	-	-
Revenue Support Grant	(637)	(637)	-	-
FORMULA GRANT EQUIVALENT	(4,310)	(4,310)	-	-
Transfer to Parish Councils for CTRS	349	349	-	-
New Homes Bonus	(4,009)	(4,009)	-	-
GRANTS AWARDED TOTAL	(3,660)	(3,660)	-	-
BUSINESS RATES GROWTH TOTAL	(4,829)	(5,329)	(500)	(500)
<i>BUSINESS RATES GROWTH (£500k) The increase as resulted from new business growth in the Cherwell District and an increase in the pooling income from growth in new businesses in the Oxfordshire Districts.</i>				
Council Tax	(6,506)	(6,506)	-	-
Collection Fund	(58)	(58)	-	-
COUNCIL TAX INCOME TOTAL	(6,564)	(6,564)	-	-
TOTAL INCOME	(19,363)	(19,863)	(500)	(500)
Reserve management			(170)	(170)
(Surplus)/Deficit	-	234	64	(19)



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	Re-profiled beyond 2019/20 £000	Current Period Variances £000	Prior Period Variances £000
Wellbeing	2,309	1,859	398	0	(52)	-
Place & Growth	2,749	1,589	1,160	0	-	-
Environment	1,830	876	864	0	(90)	-
Finance & Governance	84,522	27,116	42,694	14,667	(45)	(75)
Customers & IT Services	943	943	0	0	-	-
Total	92,353	32,383	45,116	14,667	(187)	(75)

Budget Update:

The Budget change from **£91,873k** (Reported Aug-18) to **£92,353k** (Reporting Sept-18), an increase of **£480k** in Finance & Governance agreed capital budget re-profiled from 2017/18 now coded to the applicable service areas.

Re-Profiled into 2019/20 and Beyond 2019/20:

Wellbeing £398k Comprises **£80k** budget to cover solar PV component replacement at the sports centre which is not expected in 2018/19, **£30k** Spiceball Leisure centre bridge resurfacing works to be determined post completion of the CQ2 new bridge connection in 2018; and **£84k** spending linked to the delivery of "The Hill youth and community centre". It is likely that the new facility won't be completed this financial year. Re-profiled into 2019/20. And a **£65k** work on the Cooper sports Facility Floodlight will not be completed in 2018/19 due to access issue, hence re-profiled to 2019/20 and **£139k** Discretionary Grants Domestic Properties not required in 2018/19 but envisaged to be utilised in 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 £864k made up of **£467k** budget for the replacement of parking equipment, **£50k** planned changes

to the "Public Conveniences", **£322k** deferred due to the useful life of some vehicles longer than estimated, **£15k** Work on the "Urban Centre Electricity Installations", and **£10k** Container Bin Replacement; will not be required in 2018/19, but next budget year, hence re-profiled to 2019/20.

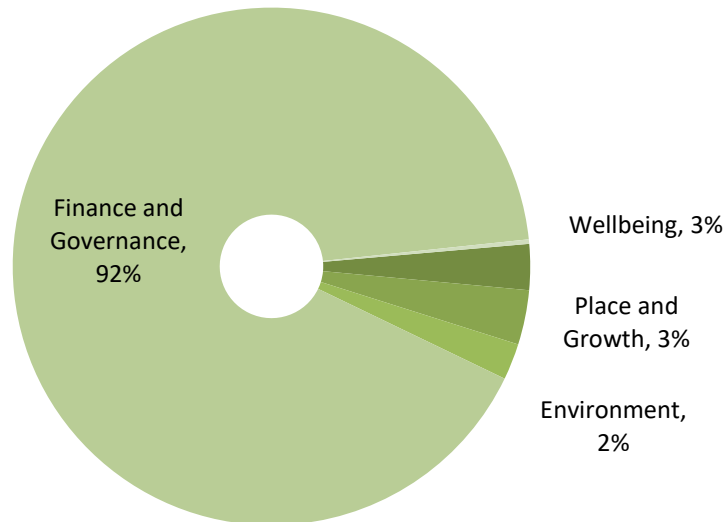
Finance & Governance £57,361k comprises **£50k** for the Spiceball Riverside bridge which is on hold pending the completion of a Castle Quay 2 "CQ2" new bridge as part of the CQ2 development, **£42,644k** work on CQ2 planned for next year. Re-profiled into 2019/20. And an additional cost of **£14,667k** work on CQ2 planned for completion beyond 2019/20 further updates on the specific re-profiling to be advised.

Current Period Variances:

Wellbeing (£52k) Budget no longer required.

Environment (£90k) Budget no longer required.

Finance & Governance (£75k) is made up of, (**£104k**) savings for work completed on the Community Buildings, Bradley Arcade Roof Repairs and the Orchard Way Shopping Arcade Front Service, for less than the original bid value achieving the same goals and an additional **£29k** cost for a second fire exit route to the "Antelope Garage" in Banbury.



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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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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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:

Louise Tustian, Team Leader: Insight Team

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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 Illott – 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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