

Cherwell District Council

Executive

<p>Monthly Performance, Risk and Finance Monitoring Report – August 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 five appendices to this report:

- Appendix 1 - 2018/19 Business Plan
- Appendix 2 – Monthly Performance Report
- Appendix 3 – Leadership Risk Register
- Appendix 4 – Capital Programme
- Appendix 5 - Leisure Summer Holiday 2018 Infographic

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 continues to impact on composting performance** – The percentage of waste recycled and composted fell again during August, an expected seasonal trend further affected by the extended dry weather experienced over the summer. Performance for August is reporting only 0.38% short of the monthly profiled target and 1.74% short of the YTD target which is a similar position to the same period last year.
- **Tackling environmental crime** is reporting Amber this month due to an increase in Fly Tipping. Following the proactive community warden patrols (talking to businesses, shops, pubs and shoppers, handing out smoking pouches and encouraging all to dispose of cigarette ends and litter lawfully) in Banbury we have seen a number of fixed penalty notices issued for the offences of littering (cigarette ends). This proactive approach will continue as well as team discussions around public campaigns and innovative ideas to educate our premises and residents.
- **The Bicester Air Quality Demonstration Project** will take place over a 3 week period in September/October 2018. It will provide hourly mapping of Nitrogen Dioxide, Particulate Matter and Ozone concentrations across Bicester accessible to the public via a user friendly desktop and mobile App. Continuing to collect air quality monitoring data monthly and to make data available to support air quality management initiatives and plans in reducing our carbon footprint.

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:

- **% of Council Tax collected, increasing Council Tax base** is reporting Amber for August and Amber YTD (third consecutive month of Amber reporting) . This is only 0.58% short of the target for August and 1.49% short of the YTD target. This is due in part to the growth in the Cherwell District and the number of new builds coming on-stream for billing as the Valuation Officer assesses them. This results in back-billing for customers which can skew the usual instalment profiles. However, the incoming work is now being processed in fewer days which will assist with the collection of Council Tax. More active recovery will continue in future months which will also increase collection.

- **FAST (Families Active Sporting Together) programme off to a successful start** with 550 cards being accessed by residents in targeted wards within the Brighter future areas. Our Holiday Hub Programme has been very successful with record numbers, 2943, across both CDC & SNC – see Appendix 5 for infographic.

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:

- **Community led housing proposals in development** - Hook Norton Low Carbon is working with the Council's Strategic Housing Team to work up proposals for a community led development of housing to meet local housing need within the village. A village housing need survey for Hook Norton has now been completed and analysed. The housing needs information will inform the community-led housing proposal.
- **Partial Review of the Local Plan submitted for Examination** to Planning Inspectorate on 5 March 2018. A preliminary hearing will be held on 28 September 2018. The dates for the main public hearings are not yet known, but the process of Examination is on-going. The programme for examination is overseen by the Planning Inspectorate not the Council. This reporting as Amber due to concerns raised at SNC.

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	August	%	YTD	%
Green	On target	27	84%	27	84%
Amber	Slightly off target	5	16%	5	16%
Red	Off target	0	0%	0	0%

3.11 **Spotlight On: Leisure and Sport**

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 Leisure and Sport team.

The Leisure and Sport team play a key role in delivering key objectives and business plan goals within the Thriving Communities and Wellbeing directorate.

Within the CDC area the team heavily supports the “Thriving Communities” aim by promoting and supporting enhanced health and wellbeing to all residents through active lifestyle opportunities, improving community engagement along with enhancing leisure facilities to meet increased need and demand.

Within SNC the team impacts on the “Serve” element of the business plan by delivering and supporting local groups to increase recreation opportunities for all, along with delivering enhanced leisure facilities in local communities.



The Leisure & Sport team delivers increased physical activity opportunities for all and increased provision of leisure facilities to have a positive impact on the health and wellbeing agenda and in turn improve community cohesion, physical and mental health, whilst linking in and impacting on government and national objectives.

What does the Leisure and Sport team deliver to support this impact?

One element of how the team’s delivery impacts on the improvement of health and wellbeing is by delivering a range of physical activity programmes on a district wide whole system approach. We use data to support targeting specific wards and inactive population pockets across all age groups to support positive change.

Programmes such as the ‘Youth Activators’ specifically deliver informal activities for young people to access in schools and in their own community, with ‘Holiday Hubs’ offering positive physical activity opportunities in out of school hours (see Appendix 5).





“I love meeting new people at the hubs. You get to try new experiences, meet new people and play a lot of sport”

The team has been successful with applying for funding and commissioning services to meet shared agendas of partners. Examples of this are ‘FAST’ (Families Active, Sporting Together) family programme that is supported by a £215,000 grant from Sport England to deliver affordable activities in four specific wards in Banbury’s Brighter Future areas. The Diabetes programme which is funded by Clinical Commissioning Group with the Leisure Team being the Physical Activity delivery mechanism. Extensive work is also carried out locally to ensure community club provision and opportunities are available for all.

The team also secures, procures and supports the development of new and existing leisure and sport facilities across Cherwell and South Northamptonshire, to meet the strategic needs of the districts. This is achieved through a combination of Section 106 planning obligations and contributions, capital investment, external funding and influencing strategic community partners.



As well as building new facilities based on insight linking into national and local strategies such as Sport England guidelines and



“My favourite thing about hubs is playing sport, I love when we play football”

capturing local growth, the Leisure Team ensures that the facilities are being maximised. This is done through contract management of leisure facilities and monitoring of standards and performance to ensure high participation and customer satisfaction levels are met.

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	↔	Mitigating actions and comments updated.
L02 Statutory functions	9 Low risk	↔	No changes
L03 Lack of management Capacity	12 Medium risk	↑	Residual score increased from 9 to 12
L04 CDC & SNC Local Plans	8 Low risk	↔	Mitigating Actions updated for CDC & Controls updated for SNC.
L05 Business Continuity	16 High risk	↔	Comments updated
L06 Partnering	12 Medium risk	↔	No changes
L07 Emergency Planning	12 Medium risk	↔	Mitigating actions updated.
L08 Health & Safety	12 Medium risk	↔	Controls, Control assessment, Mitigating Actions and 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	↔	No change
L12 Financial sustainability of third party third party suppliers	8 Low risk	↔	Comments updated
L13a Local Government Reorganisation (CDC)	15 Medium risk	↔	Mitigating Actions and Commentary updated
L13b Local Government Reorganisation (SNC)	15 Medium risk	↔	Commentary updated
L14 Corporate Governance	9 Low risk	↔	No Change

LO3 Lack of management Capacity has increased residual score from 9 to 12. 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 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	257	257	-
CORPORATE SERVICES TOTAL	257	257	-
Communities	2,627	2,627	-
Leisure & Sport	2,654	2,654	-
Housing	1,657	1,566	(91)
WELLBEING TOTAL	6,938	6,847	(91)
<i>Housing (£91k) additional income due to new legislation on Houses with Multiple Occupancy "HMO", however this is currently under detailed analysis to ascertain further risk and the applicable mitigating control, which will be reported in the September report.</i>			
Planning Policy & Development	1,444	1,723	279
Economy & Regeneration	1,482	1,482	-
PLACE & GROWTH TOTAL	2,926	3,205	279
<i>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.</i>			

Environmental Services	5,187	5,289	102
Environmental Health & Licensing	(43)	(43)	-
ENVIRONMENT TOTAL	5,144	5,246	102

Environmental Services £102k is made up of £95k cost for agency staff to cover sickness absence and maternity leave, additional £148k due to an increase in the price charge per tonne (Gate Fees) for dry goods recycling, to mitigate the risk, a one month recurring contract has been agreed, this will continuously be reviewed and a longer term contract will be signed when deemed favourable. A cost savings of (£87k) for vacant posts not being filled and reduction in payroll cost due to a decrease in overtime. Extra incomes of (£53k) from a VAT reclaim relating to car parks, a decrease in the kennel fees and an increase in the number of wasp treatments. In addition, income maximisation is being explored.

Law & Governance	1,247	1,247	-
Finance & Procurement	1,715	1,835	120
Property Investment & Contract Management	(3,017)	(2,759)	258
FINANCE & GOVERNANCE TOTAL	(55)	323	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	2,722	2,722	-
Strategic Marketing & Communications	334	334	-
HR, OD & Payroll	716	716	-
Performance & Transformation	569	569	-
CUSTOMERS & IT SERVICES TOTAL	4,341	4,341	-

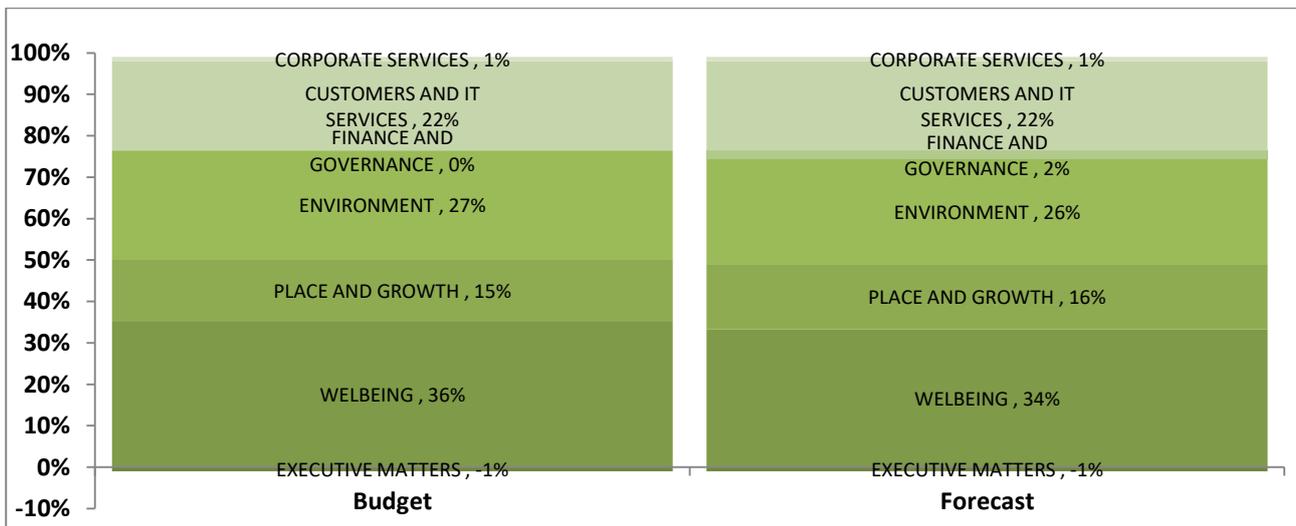
Customers & IT Services, Detailed analysis is being carried out to ascertain further risk and the applicable mitigating control, which will be reported in the September report.

TOTAL DIRECTORATES	19,551	20,219	668
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Revenue Monitoring	Budget £000's	Forecast £000's	Variance (Under) / Over £000's
Use of Reserves	4,419	4,419	-
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	(187)	(204)	(17)

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

COST OF SERVICES	19,364	20,015	651
Reserve management			(170)
Cost of Services			481



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	Variance £000
Wellbeing	2,309	2,115	194	-	-
Place and Growth	2,749	1,589	1,160	-	-
Environment	1,830	976	854	-	-
Finance & Governance	84,042	26,606	42,694	14,667	(75)
Customers & IT Services	943	833	-	-	(110)
Total	91,873	32,119	44,902	14,667	(185)

Budget Update:

The Budget change from **£90,687k (Reported Jul-18)** to **£91,873k (Reporting Aug-18)**, an increase of **£1,186k** made up of **Finance & Governance £1,047k** and **Customer & IT Services £139k** 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 £194k 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.

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.

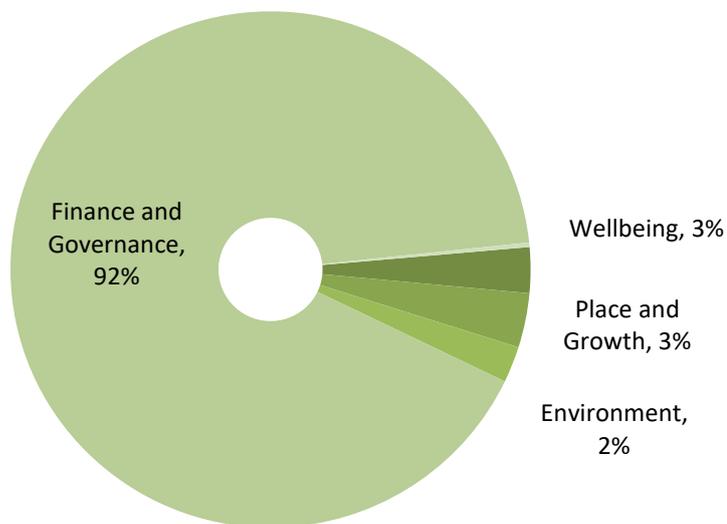
Environment £854k made up of **£467k** budget for the replacement of parking equipment, **£50k** planned changes to the "Public Conveniences", **£322k** deferred due to the useful life of some vehicles longer than estimated, and **£15k** Work on the "Urban Centre Electricity Installations". These are not expected in 2018/19, 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.

Variance:

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.

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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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:

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 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
Appendix 5	Summer Holiday 2018 Infographic
Background Papers	
None	
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