

# Scrutiny Committee

25 October 2016

# Cabinet

26 October 2016

## Mid-year Performance Monitoring Report

1 April 2016 – 30 September 2016



**Lead Member:** Councillor Peter Mullineax, Leader of the Council

**Lead Officer:** Denise Johnson, Director of Development, Enterprise and Communities

## Introduction

To ensure the Council's performance is managed effectively regular reports are provided to the Scrutiny Committee and Cabinet as part of our robust performance management framework.

This report outlines the Council's performance from 1 April 2016 to 30 September 2016 against:

- ▶ Corporate plan key actions
- ▶ Budget and financial performance
- ▶ Risk management

The purpose of this report is to allow Members to assess how the Council is performing to ensure it is delivering on the key things that matter to South Ribble and ensure we continue to improve.

It should be noted that the Council's approach to corporate planning is being reviewed to help further develop a SMART (specific, measurable, achievable, realistic and timebound) corporate plan for next year.

As Members' are aware the first six-months of the year has been challenging for the Council. We are aware of these issues and will be working hard with the new Cabinet and Interim Chief Executive to deal with these issues. Whilst these are challenging times, this report outlines how the Council has continued to perform strongly and delivering good quality services to our residents and local communities. It also identifies exceptional areas and things we need to do more to improve our performance where appropriate.

## Performance Summary

1. Council tax frozen for sixth time in seven years
2. Efficiency targets:
  - ▶ Efficiency plan published and sent to Government
  - ▶ £4M efficiencies achieved – over previous 5 years
3. The Preston, South Ribble and Lancashire City Deal is being implemented
  - ▶ Potential of £1bn of investment over the next ten years via deal
    - Major contribution to economic prosperity of Lancashire
    - Cuerden regional strategic employment site masterplan agreed – foundation for creation of 2,500 jobs
    - Re-claimed from City Deal £141,122 (first six-months)
    - Cross-borough linkroad approved as part of residential development in August
    - Bamber Bridge regeneration scheme being implemented
    - Materplan being produced for Penwortham, Leyland and Lostock Hall

- Highways infrastructure work continuing
    - Tank roundabout
    - Dualling of carriageway continues
  - House building has commenced
    - Croston Road / Heatherleigh
    - Lostock Hall Gas Works Site
  
- 4. Waste and recycling service
  - ▶ new partnership with FCC continues to be embedded
  - ▶ generating significant savings
    - £600k per annum
    - £4.2 to £8.4 million over the contract period (7 – 14 years)
  
- 5. Worden Park
  - ▶ 20 years vision plan in place
  - ▶ Green flag retained
  - ▶ Created a new entrance
  - ▶ Other capital improvements include the refurbished fish pond decking and completing the overflow car park
  
- 6. Investment continues to be made in our parks and open spaces
  - ▶ £100,000 investment in parks/open spaces
    - capital projects delivered:
      - Resurfacing of footpaths: St Leonard’s Church, Walton le-Dale
      - Drainage system in Shruggs Wood
    - Worden Park Vision Plan being implemented
    - 26 popular wildflower areas created
    - 11 friends volunteer groups in place
  
  - ▶ Prestigious Green Flags retained again for Worden Park, Longton Brickcroft, Hurst Grange Park
  
  - ▶ Opening of new Central Park/St Catherine’s Park
    - ‘green spine’ to the Borough
    - Masterplan – consultation complete
    - Consultation being assessed for Planning Committee
  
- 7. Proactive approach to environmental enforcement continues
  - ▶ Investment in Neighbourhoods vehicles £130,000
    - Neighbourhood officer vans high profile livery to highlight enforcement.
    - Hot spot Fly tipping areas, increased patrols and signage.
  - ▶ Visits to schools - years 3 and 6
  - ▶ Customer contacts received (via Firmstep)
    - Dog Fouling: 134
    - Littering: 65
    - Fly Tipping: 237
  - ▶ Total of Fixed penalty notices issued is 34 of which
    - 26 Dogs off lead

- 3 Dog fouling
  - 5 Dog exclusion area's
  - 85 caution letters
8. 'My Neighbourhood' approach
- ▶ refreshed My Neighbourhood plans and forum arrangements
  - ▶ residents', parish councils and community groups directly influence local priorities and projects
  - ▶ 50 projects being developed
  - ▶ Successful projects
    - Penwortham Autumn Show
    - Leyland in Bloom
    - Community garden in Bamber Bridge
    - £100K investment in Walmer Bridge
    - Lostock Hall Market continues to be supported
9. Gateway retained the prestigious Customer Service Excellence accreditation for a further year
10. A number of Welfare Reform changes continue to impact on our residents and where appropriate these continue to be implemented, including:
- Under Occupancy
  - The Benefits Cap
  - Disability Living Allowance replacement to Personal Independence Payments (PIP)
  - Social Fund
  - Discretionary Housing Payments
11. Economy and support for businesses
- South Ribble place promotion programme developed
  - partnerships developed further
    - North West Automotive Alliance
    - City Deal construction club
  - 107 businesses supported (specific contacts to the team)
  - Leyland Festival attracted 12,000 visitors
  - Marshlands Employment Regeneration and enterprise project
    - Commissioned business start-up support
    - 5 business completed and benefited to date
12. £4.5M works to improve accessibility at Leyland Railway station have been completed
13. The Planning Core Strategy and Local Plan has been agreed
- ▶ Community infrastructure levy process audited and scored the highest possible rating
  - ▶ Consultation undertaken for Gypsy, Travellers and Travelling Showpeople
  - ▶ Discussions with developers about key sites continue
    - Planning application received for Wesley Street Mill
    - Planning application agreed for Altcar Lane

- Draft Masterplan being developed for Leyland Test Track
14. Our new Housing Framework continues to be implemented
    - ▶ 435 properties empty which equates to 0.89% of the housing stock.
    - ▶ 65 housing completions, of which 16 were affordable
    - ▶ Disabled Facilities Grants on target with 61 cases complete/being progressed
  15. Relationships continue to be built with Lancashire County Council and the Clinical Commissioning Groups through the Chorley, Preston & South Ribble Health and Wellbeing Partnership
  16. Investors in People Gold Standard retained
    - health and wellbeing Investors in People accreditation retained
    - apprentices being appointed
  17. The leisure partnership and Sports Development continue to increase users and performance
    - ▶ Bikeability – 630 children involved (April-July)
      - 21 schools involved
    - ▶ Swimming lessons participation – increased 20%
      - Nearly 3,100 children participating in our weekly swimming lesson programme (20% Growth)
    - ▶ Over 550 children engaged in regular Gymnastics sessions (38% Growth)
    - ▶ Over 5,000 members of our fitness suites
    - ▶ Quest Accreditation maintained at our 4 main Leisure facilities

**Emerging/Exceptional issues:**

18. An external review of the Council's licensing service was carried out during 2015/2016 following concerns. The final report provided assurance that the issues had been dealt with and the service was fit for purpose as agreed at Full Council on 20 July 2016.

The Council commissioned the Scrutiny Committee to look at how the external review was handled and make recommendations. The Scrutiny Committee agreed its report on 20 September 2016.

The Council's external auditors have given a qualified audit opinion and our accounts were not signed off by the Governance Committee due to issues with our annual governance statement.

19. As Members' are aware the Chief Executive resigned from the Council and there has been Senior Management Team capacity issues, with an interim structure being put in place. The new interim Chief Executive will address these issues over the coming months.
20. Due to the resource and capacity required for the Scrutiny Review of Licensing, there had been a slight delay with our equality and diversity

action plan. Whilst we remain legally compliant, steps are being taken to bring this back on track as soon as possible.

21. A county-wide review of waste collections and cost sharing may result in a review of the Lancashire Waste Strategy.
22. An additional significant project that was unable to be included in the Corporate Plan due to the short timescales involved has been South Ribble's commitment to the Syrian Resettlement programme. Early indications are that the programme has been a success, but our support continues and will be evaluated throughout the process.
23. The Council has given an 'in principle' commitment to form a combined authority for Lancashire with discussions continuing at Lancashire Leader and Chief Executive level.

## **Financial Picture**

The approved revenue budget which was set by the Council in February 2016, is £13.551m. As a balanced budget was set no budgeted transfers to or from general reserves were required giving a net budget requirement in 2016/17 of £13.551m.

As reported to Governance Committee in September, the financial performance of the Council, when compared against the revenue budget to the end of July 2016 shows a net overspend of £0.199m.

This position is mainly attributable to the following cost types:-

- ▶ Budgeted efficiency targets still to be achieved as forecasted at the end of July (£326k shortfall).
- ▶ Reduced expenditure on premises costs to-date (£41k), for example, repairs and maintenance to our properties and reduced utility costs
- ▶ Increased income levels (£57k), for example, planning fees and property rentals
- ▶ Reduction in capital charges (£26k)

With regard to the recovery of the budget savings targets, this overspend is currently expected to be recovered by the end of the year on the assumption that budget savings will continue to accumulate with regard to vacant posts. The main impact being on the budget setting process for 2017/18 which will need to address any outstanding issues in relation to achieving these targets on a recurring basis by means of a detailed and robust Medium Term Financial Strategy.

Income levels have improved overall, particularly in relation to: investment interest achieved by Shared Financial Services within the framework of the Treasury Strategy; property rentals and planning applications. With the exception of Building Control, other key income budgets are broadly on target.

Additionally, with regard to the current financial forecasts, this should be considered in the context of the continued budget gap contained within the Council's current Medium Term Financial Strategy to 2018/19 and the uncertainty of future levels of funding including potential changes to New Homes Bonus funding and the Business Rates Retention core funding regime. The current position is being closely monitored with particular regard to volatile budgets that are subject to fluctuation and therefore present a higher risk, with updates being reported during the course of the year.

Financial performance within the Capital Programme is as follows:-

- ▶ the original budget for 2016/17 was £5,420,616, this increased to £6,921,661 as a result of:
  1. re-phasing of schemes from 2015/16 (£681,668);
  2. Additional scheme approvals (£610,000 – this relates to the purchase of the industrial units at Momentum Business Park approved by Council on 30<sup>th</sup> March 2016).
  3. Additional funding received for Disabled Facilities Grants – (£209,377).
  
- ▶ the expenditure (actual plus committed) at the end of July totalled £0.668m
- ▶ this equates to 9.7% of the total budget for the year of £6.922m,
- ▶ the current projected out-turn for 2016/17 is £4.007m which is 58% of the current revised budget.
- ▶ this variance is due to re-phasing of expenditure into future years, less the impact of projected increases in expenditure.

## **Managing Risks**

The Corporate Risk Register is the most important component of the Council's Risk Management Framework and a key element of the overall Performance Framework. It is how the Council aims to identify and address any potential risks to the achievement of its strategic objectives and goals. It complements the Corporate Plan and assists in managing its ongoing delivery.

Appendix 2 summarises the actions taken to implement the Key Actions contained in the Corporate Plan and other corporate level actions that mitigate the key risks and opportunities in the Corporate Risk Register for 2016/7.

All of the actions have a green rating indicating that sufficient progress has been made to implement them to date. The number of green ratings has been influenced by the fact that the majority of the planned key actions within the

Corporate Plan continue to develop and mature; they remain on track to deliver the expected outcomes.

There are no red or amber rated actions.