

**BRIDGEND COUNTY BOROUGH COUNCIL**

**REPORT TO CORPORATE RESOURCES AND IMPROVEMENT OVERVIEW AND  
SCRUTINY COMMITTEE**

**10 DECEMBER 2015**

**REPORT OF THE CHIEF EXECUTIVE**

**COUNCIL PERFORMANCE AGAINST ITS COMMITMENTS AND A SUMMARY OF ITS  
FINANCIAL POSITION AT QUARTER 2 OF 2015-16**

**1. PURPOSE OF REPORT**

- 1.1 This report provides the Committee with an overview of the Council's performance in 2015-16. It compares this performance with the commitments to delivering the improvement priorities in the Corporate Plan for 2013-17.
- 1.2 This report also provides the Committee with an update on the financial position as at 30<sup>th</sup> September 2015.

**2. CONNECTION TO CORPORATE IMPROVEMENT PLAN / OTHER PRIORITIES**

- 2.1 The information in this report relates directly to the Council's Corporate Plan 2013-17, which sets out the Council's improvement priorities and identifies actions to realise those priorities and its Medium Term Financial Strategy 2015-16 to 2019-20.

**3. BACKGROUND**

- 3.1 In March 2015, the Council published its revised Corporate Plan for 2015-16. The Plan defined 58 commitments to deliver the six Improvement Priorities and set out 76 outcome-focused indicators to measure the progress for the financial year.
- 3.2 At the same time the Council reviewed and published its Medium Term Financial Strategy (MTFS), setting out how it would use its reduced resources to support the improvement priorities. Council approved a net revenue budget of £252.201 million for 2015-16 along with a capital programme for the year of £36.441 million, which was revised in October 2015 to £40.223 million. The MTFS was updated in a report to Cabinet in July 2015 to include the 2019-20 financial year. This identified the need to develop recurrent budget reduction proposals amounting to around £49.6 million over the next four years.
- 3.3 Directorate Business Plans were developed to define service actions to carry out 58 corporate commitments. Those plans also identified performance indicators for the year. In all, 161 indicators have been nominated by directorates to report to the CPA Panel. Of those 161 indicators, 150 are directly related to the six improvement priorities (the rest are either national indicators or local KPIs).
- 3.4 As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. Performance against the commitments and performance indicators in the Corporate Plan is monitored regularly by Directorate Management Teams and quarterly by the Council's Corporate

Performance Assessment Panel consisting of Cabinet, Corporate Management Board and Heads of Service.

- 3.5 The Corporate Resources and Improvement Overview and Scrutiny Committee has a role in monitoring and scrutinising both the financial performance of the authority against budget and the progress of the delivery of improvement objectives to deliver efficient services.

#### **4. CURRENT SITUATION / PROPOSAL**

##### **4.1 Summary of Performance in delivering Corporate Plan commitments**

###### **4.1.1 Commitments**

- 4.1.1.1 Data collected for the half-year returns suggests that the Council is on track to deliver (78%) 45 of its commitments to its Improvement Priorities (green). The other (22%) 13 are missing some of their milestones (amber). None of the commitments are falling significantly behind schedule.

###### **4.1.2 Indicators**

- 4.1.2.1 Data were submitted for 83 of the 161 indicators, of which (71%) 59 are on target (green), (13%) 11 are off target by less than 10% (amber) and (16%) 13 missed the target by more than 10% (red).

- 4.1.2.2 Comparable data against the same period (Q2) of last year is available for 68 of the 83 quarterly PIs. Of these, (60%) 41 have shown an improvement; performance has stayed the same for (9%) 6; and performance dropped since last year for (31%) 21. At quarter two last year, however, 71% of the collected PIs showed improvement compared with the same period of the year before, 3% stayed the same and 26% showed a downturn. Overview information about commitments and indicators is set out in Part A of the *Annex*, with Directorate dashboards Appendix 1 to 5 providing more detailed analysis.

###### **4.1.3 Sickness Absence**

- 4.1.3.1 The half-yearly data suggests that the Council as a whole is likely to miss its target of 8.5 days FTE. As of quarter two, cumulative days lost per FTE were 4.99 days (compared with 4.62 days the same quarter of last year). It should be noted that 76% of the Council's sickness absence is long-term, compared with 74% at the same quarter last year.

- 4.1.3.2 Earlier in the year, two local indicators were developed to measure sickness in relation to industrial injury. The half year data shows that the number of absences due to industrial injury was 31, exceeding the half yearly target of 26. The number of days lost per FTE due to industrial injury also exceeded its target of 0.05 days per FTE at 0.12 days. Detailed information is included in Part B of the *Annex*.

- 4.1.3.3 In response to the Committee's recommendation at its meeting on 6 November 2014, on the financial costs of backfilling essential frontline posts due to sickness absence, data capture and estimation of costs has been undertaken for the first half of the year. In total there were 558 posts backfilled for the half year at a total cost of £199,180. A detailed breakdown by Directorate is set out in Part C of the *Annex*.

## 4.2 Summary of Financial Position at 30<sup>th</sup> September 2015

### 4.2.1 Revenue Budget

4.2.1.1 The overall projected position as at 30<sup>th</sup> September 2015 is an under spend of £1.346 million on the Council's net revenue budget, comprising £571,000 net under spend on directorates and £775,000 under spend on corporate budgets.

#### 4.2.1.2 Directorate Budgets

The main contributors are projected under spends on the Education and Transformation, Resources and Legal and Regulatory Services directorates and a projected over spend on the Communities directorate. In addition there is a projected under spend on the Council Tax Reduction Scheme (CTRS) and other corporate budgets. An overview of the position is set out in Part C of the Annex, with a detailed analysis of the more significant projected Directorate under and over spends set out in each of the Directorate dashboards, Appendix 1 to 5.

#### 4.2.1.3 Corporate Budgets

The corporate budget total is £38.834 million and the projected outturn is £38.059 million, resulting in a projected under spend of £775,000. The main variances are detailed below:

| <b>CORPORATE BUDGETS</b>     | <b>Net Budget</b> | <b>Outturn</b> | <b>Variance Over/<br/>(under) budget</b> | <b>% Variance</b> |
|------------------------------|-------------------|----------------|--|-------------------|
|                              | <b>£'000</b>      | <b>£'000</b>   | <b>£'000</b>                             |                   |
| Council Tax Reduction Scheme | 14,254            | 13,869         | (385)                                    | -2.7%             |
| Other Corporate Budgets      | 4,615             | 4,225          | (390)                                    | -8.5%             |

#### Council Tax Reduction Scheme

- The under spend of £385,000 is a result of lower demand than forecast for the Council Tax Reduction Scheme. This is a demand led budget which is based on full take up, but actual take up is not known until year end.

#### Other Corporate Budgets

- The under spend of £390,000 is a combination of:
  - Less demand from Directorates to meet in year pay pressures, including superannuation and National Insurance increases, as staff numbers reduce.
  - Lower than expected in-year cost of implementing auto enrolment for new entrants. This cost is due to increase incrementally as the Council works towards September 2017 by which time all eligible employees must be enrolled in the Local Government Pension Scheme.

4.2.1.4 It should be noted that this projection could change significantly during the financial year, depending on the total cost of redundancies incurred during the financial year, the extent of inclement weather, inflationary changes, and demands on the Council Tax Reduction Scheme.

4.2.1.5 These budgets have been reviewed as part of the MTFS 2016-17 to 2019-20 and will be subject to significant reductions over the life of the MTFS.

4.2.1.6 The budget was set on the assumption of full implementation of the current year budget reduction requirements across the Council's budget which amount to £11.225 million. However, where proposals to meet this requirement have been delayed or are not achievable directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals. Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year.

#### **4.2.2 Budget Reduction Proposal Delivery**

4.2.2.1 The budget approved for 2015-16 included savings of £11.225 million (compared with the savings total of £11.274 million for 2014-15). At quarter two, £9.301 million (82.9%) of the savings proposals are expected to be achieved (green) and £1,924 million (17%) are either amber or red, which is an improvement on the position at the same point last year.

4.2.2.2 Eight of the proposals are currently RED, totalling £1,030,000. Five are in the Communities Directorate, totalling £625,000. The other three proposals are in the Social Services and Wellbeing Directorate, totalling £405,000. There are also five savings proposals which are AMBER, totalling £894,000. Detailed information on these is included in each of the Directorate dashboards, Appendix 1 to 5.

#### **4.3 Capital programme monitoring**

4.3.1 The original capital programme budget approved by Council on 25<sup>th</sup> February 2015 was revised and approved by Council in July, and again in October to incorporate budgets carried forward from 2014-15 and any new schemes and grant approvals. The revised programme totalled £40.223 million. The current capital programme budget for 2015-16 totals £40.252 million of which £23.967 million is BCBC resources with the remaining £16.285 million coming from external grants. The main reasons for the difference between the October programme and the current programme are:

- £30,000 Transfer of minor works scheme from capital programme to revenue, which is reported outside the capital programme.
- £59,000 Additional Welsh Government funding for Coity By-Pass Land compensation scheme.

4.3.2 Details of the larger schemes within the capital programme, showing the budget available in 2015-16 compared to the projected spend shows there is a projected under spend of £70,000 against budget. There is slippage against the revised budget of £1.659 million which will be carried forward into 2016-17. The detailed variances are shown with commentary in each of the Directorate Dashboards, Appendix 1 to 5.

4.3.3 At this point in the financial year and following discussions with directorates, it is assumed that all other projects will be in line with the revised budget. However, this will depend upon any inclement weather experienced during the last two quarters, which may place additional pressure on project timescales.

#### **4.4 Review of earmarked reserves**

- 4.4.1 The Council is required to maintain adequate financial reserves to meet the needs of the organisation. The MTFs includes the Council's Reserves and Balances Protocol which sets out how the Council will determine and review the level of its Council Fund balance and Earmarked Reserves. A quarter 2 review of the particular pressures that were to be covered by earmarked reserves was undertaken, but earmarked reserves were not drawn down if the Directorate could absorb these pressures from forecast under spends elsewhere within their budgets. This will again be reviewed at quarter 3 as per the Protocol.
- 4.4.2 During the first half of 2015-16, Directorates drew down £236,000 of funding from their Directorate specific earmarked reserves that were created as part of the 2014-15 year-end process and £1.793 million from Corporate Reserves. These are detailed in each of the Directorate dashboards, Appendix 1 – 5.
- 4.4.3 A full breakdown of total movement on earmarked reserves at 30 September is set out below.

| Opening Balance 1 April 2015 | Reserve                           | Movement as at Quarter 2 (£'000) | Closing Balance 30 September 2015 (£'000) |
|------------------------------|-----------------------------------|----------------------------------|---|
| 10,531                       | Major Claims Reserve              | (51)                             | 10,480                                    |
| 3,177                        | Insurance Reserve                 | -                                | 3,177                                     |
| 210                          | Waste Management Contract         | -                                | 210                                       |
| 1,044                        | Treasury Management Reserve       | (1,044)                          | -   |
| 300                          | Welfare Reform Bill               | -                                | 300                                       |
| 702                          | Asset Management Plan             | -                                | 702                                       |
| 300                          | Building Maintenance Reserve      | -                                | 300                                       |
| 627                          | Capital feasibility fund          | (29)                             | 598                                       |
| 115                          | DDA Emergency Works               | -                                | 115                                       |
| 6,434                        | Capital Programme Contribution    | (51)                             | 6,383                                     |
| 4,749                        | Service Reconfiguration           | (223)                            | 4,526                                     |
| 2,398                        | Change Management                 | (262)                            | 2,136                                     |
| 861                          | ICT & Finance Systems             | -                                | 861                                       |
| 261                          | Invest to save / Joint projects   | (133)                            | 128                                       |
| <b>31,709</b>                | <b>Total Corporate Reserves</b>   | <b>(1,793)</b>                   | <b>29,916</b>                             |
| 555                          | Car Parking Strategy              | -                                | 555                                       |
| 600                          | Wellbeing Projects                | (67)                             | 533                                       |
| 31                           | Connecting Families               | -                                | 31  |
| 1,490                        | Directorate Issues                | (169)                            | 1,321                                     |
| 824                          | Looked After Children             | -                                | 824                                       |
| 125                          | Porthcawl regeneration            | -                                | 125                                       |
| <b>3,625</b>                 | <b>Total Directorate Reserves</b> | <b>(236)</b>                     | <b>3,389</b>                              |
|                              |                                   |                                  |   |
| <b>35,334</b>                | <b>Total Usable Reserves</b>      | <b>(2,029)</b>                   | <b>33,305</b>                             |

## **5. EFFECT UPON POLICY FRAMEWORK & PROCEDURE RULES**

- 5.1 Monitoring the Council's performance against its Corporate Plan forms part of the Council's Performance Management Framework.
- 5.2 As required by section 3 (budgetary control) of the Financial Procedure Rules; Chief Officers in consultation with the appropriate cabinet Member are expected to manage their services within the approved cash limited budget and to provide the Chief Finance Officer with such information as is required to facilitate and monitor budgetary.

## **6. EQUALITY IMPACT ASSESSMENT**

- 6.1 There are no implications in this report.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 These are reflected in the body of the report.

## **8. RECOMMENDATION**

- 8.1 The Committee is requested to consider the half year performance against the Corporate Plan and note the projected financial position for 2015-16.

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**Chief Executive**

**Ness Young**  
**Corporate Director Resources**

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### **Background Papers**

Individual Directorate Monitoring Reports  
Report to Council 15 July 2015  
Report to Council 7 October 2015

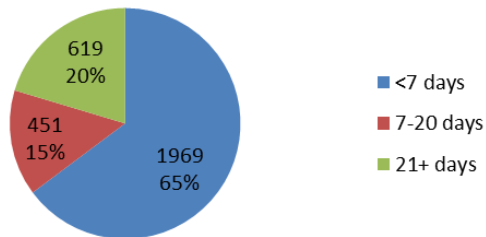
**Part (A) – Performance Summary**

| Improvement Priorities  | Commitments |          |           | Indicators (Q2) |           |           |           |           |
|---|-------------|----------|-----------|-----------------|-----------|-----------|-----------|-----------|
|   | TOTAL       | R        | A         | G               | TOTAL     | R         | A         | G         |
| <b>Priority One:</b> Working together to develop the local economy                              | <b>9</b>    |          | <b>1</b>  | <b>8</b>        | <b>3</b>  |           | <b>1</b>  | <b>2</b>  |
|   |             | 0%       | 0%        | 100%            |           | 0%        | 33%       | 67%       |
| <b>Priority Two:</b> Raising Aspirations and driving up educational achievement                 | <b>11</b>   |          | <b>2</b>  | <b>9</b>        | <b>12</b> | <b>3</b>  | <b>4</b>  | <b>5</b>  |
|   |             | 0%       | 18%       | 82%             |           | 25%       | 33%       | 42%       |
| <b>Priority Three:</b> Working with children and families to tackle problems early              | <b>4</b>    |          | <b>1</b>  | <b>3</b>        | <b>13</b> | <b>1</b>  | <b>1</b>  | <b>11</b> |
|   |             | 0%       | 25%       | 75%             |           | 8%        | 8%        | 85%       |
| <b>Priority Four:</b> Working together to help vulnerable and older people to stay independent  | <b>9</b>    |          | <b>5</b>  | <b>4</b>        | <b>26</b> | <b>3</b>  | <b>2</b>  | <b>21</b> |
|   |             | 0%       | 56%       | 44%             |           | 12%       | 8%        | 81%       |
| <b>Priority Five:</b> Working together to tackle health issues and encourage healthy lifestyles | <b>13</b>   |          | <b>1</b>  | <b>12</b>       | <b>12</b> | <b>2</b>  | <b>0</b>  | <b>10</b> |
|   |             | 0%       | 8%        | 92%             |           | 17%       | 0%        | 83%       |
| <b>Priority Six:</b> Working together to make the best use of our resources                     | <b>12</b>   |          | <b>3</b>  | <b>9</b>        | <b>9</b>  | <b>3</b>  | <b>0</b>  | <b>6</b>  |
|   |             | 0%       | 25%       | 75%             |           | 33%       | 0%        | 67%       |
| <b>Total for all Improvement Priorities</b>   | <b>58</b>   | <b>0</b> | <b>13</b> | <b>45</b>       | <b>75</b> | <b>12</b> | <b>8</b>  | <b>55</b> |
|   |             | 0%       | 22%       | 78%             |           | 16%       | 11%       | 73%       |
| Other Directorate Priorities  |             |          |           |                 | <b>8</b>  | <b>1</b>  | <b>3</b>  | <b>4</b>  |
| <b>Total</b>  |             |          |           |                 | <b>83</b> | <b>13</b> | <b>11</b> | <b>59</b> |
| No data available   |             |          |           |                 | <b>6</b>  |           |           |           |
| <b>Grand Total</b>  |             |          |           |                 | <b>89</b> |           |           |           |

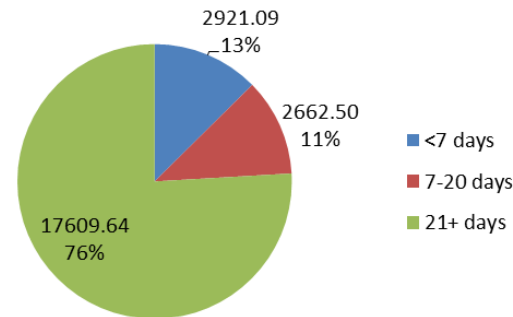
Part (B) Sickness Absence

| CHROO2 (PAM)- SICKNESS –<br>Number of working days/shift per<br>FTE lost due to sickness absence | Annual<br>Target<br>15-16 | Q2<br>Cumulative<br>Target 15-16 | Q2 15-16 End<br>Cumulative Actual<br>& RAG v Target | Trend v Q2<br>Cumulative 15-16 | 2014-15 Actual<br>(NSA/PAM only) | Wales<br>Average<br>14-15 | Rank 14 – 15 |
|--|---------------------------|----------------------------------|---|--------------------------------|----------------------------------|---------------------------|--------------|
|  | 8.5                       | 4.25                             | 4.99  | ↓                              | 10.83                            | 9.85                      | 17           |
| (CORPDRE5.3.13) Number of<br>working days lost per FTE due to<br>industrial injury               | 0.10                      | 0.05                             | 0.12  | n/a                            | n/a                              | n/a                       | n/a          |
| (CORPDRE 5.3.13ii) Total number of<br>individual injury incidences                               | 52                        | 26                               | 31  | n/a                            | n/a                              | n/a                       | n/a          |

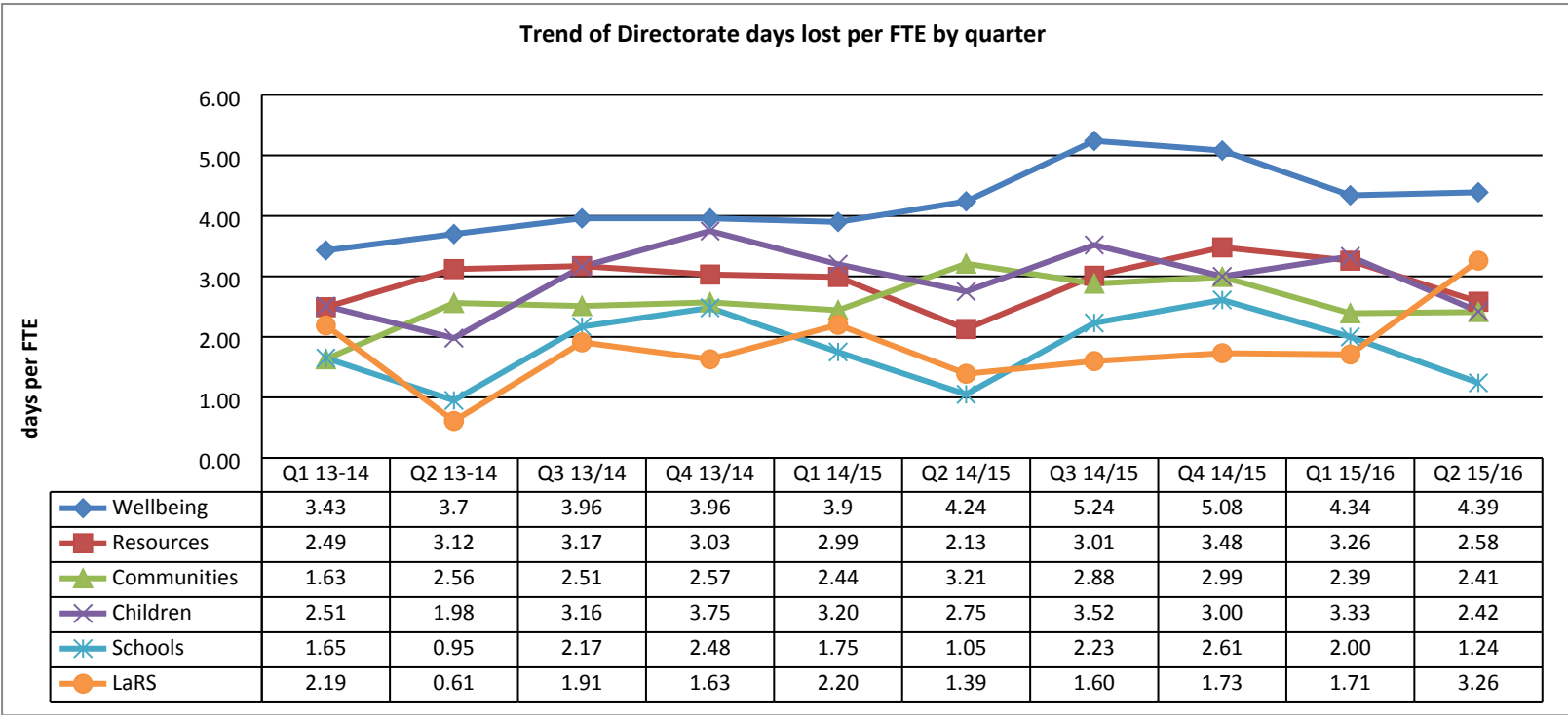
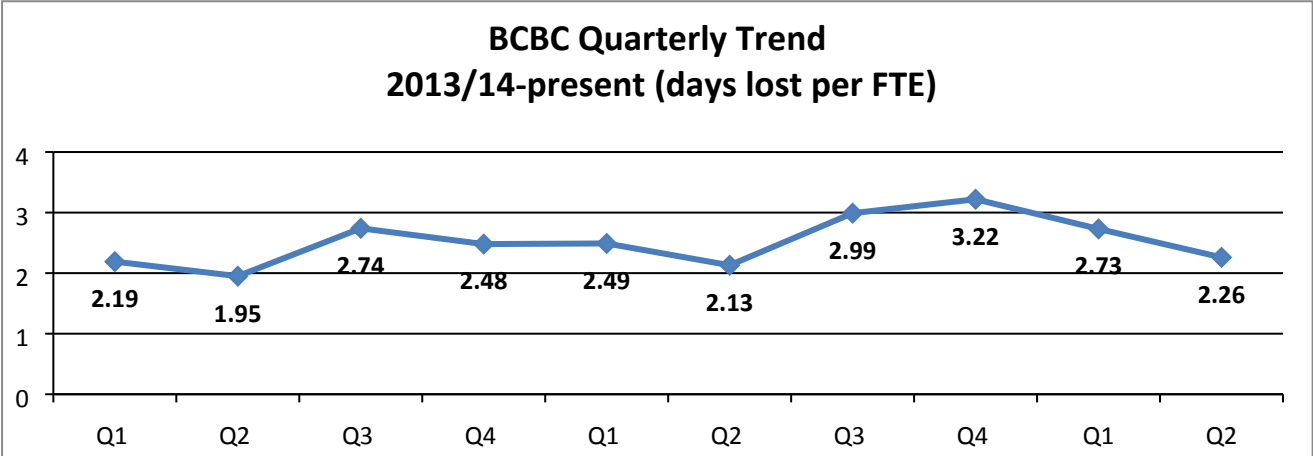
**No of Absences- Year to Date  
Absence Length Summary**



**FTE Days Lost - Year to Date  
Absence Length Summary**







**Part (C) – Estimated cost of backfilling posts in relation to sickness absence**

| <b>Directorates</b>          | <b>Backfill Instances</b>       | <b>Backfill Cost cumulative Q2</b> |
|------------------------------|---------------------------------|------------------------------------|
| Communities                  | 18                              | £4,621                             |
| Education and Transformation | 209                             | £35,204                            |
| Legal & Regulatory Services  | 13                              | £14,379                            |
| Resources                    | 0                               | £0                                 |
| Schools                      | <b>Not included in exercise</b> |                                    |
| Wellbeing                    | 258                             | £144,975                           |
| <b>BCBC TOTAL</b>            | <b>558</b>                      | <b>£199,180</b>                    |

## Part (D) – Revenue Budget 2015-16

| Directorate                       | Revised Budget<br>15-16 £'000 | Projected Outturn<br>15-16 £'000 | Projected over/( under)<br>spend Q2 15-16 £'000 | Projected over/ (under)<br>spend Q1 £'000 |
|-----------------------------------|-------------------------------|----------------------------------|---|---|
| Education and Transformation      | 105,860                       | 105,639                          | (221)   | 7   |
| Social Services and Wellbeing     | 61,944                        | 61,937                           | (7)   | 60  |
| Communities                       | 24,988                        | 25,092                           | 104   | 145                                       |
| Resources                         | 14,510                        | 14,177                           | (333)   | (79)                                      |
| Legal and Regulatory Services     | 6,065                         | 5,951                            | (114)   | (140)                                     |
| <b>Total Directorate Budgets</b>  | <b>213,367</b>                | <b>212,796</b>                   | <b>(571)</b>                                    | <b>(7)</b>                                |
| <b>Council-wide Budgets</b>       |                               |                                  |   |   |
| Capital Financing                 | 10,315                        | 10,315                           | 0   | 0   |
| Precepts and Levies               | 6,913                         | 6,913                            | 0   | 0   |
| Repairs and Maintenance           | 1,100                         | 1,100                            | 0   | (100)                                     |
| Council Tax Reduction Scheme      | 14,254                        | 13,869                           | (385)   | 0   |
| Insurance Costs                   | 1,637                         | 1,637                            | 0   | 0   |
| Corporate Budgets                 | 4,615                         | 4,225                            | (390)   | 0   |
| <b>Total Council Wide Budgets</b> | <b>252,201</b>                | <b>250,855</b>                   | <b>(1,346)</b>                                  | <b>(107)</b>                              |
|                                   |                               |                                  |   |   |
| <b>Total</b>                      | <b>252,201</b>                | <b>250,855</b>                   | <b>(1,346)</b>                                  | <b>(107)</b>                              |