



## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **CABINET**

**24<sup>th</sup> NOVEMBER 2016**

#### **COUNCIL PERFORMANCE REPORT – 30<sup>th</sup> September 2016 (QUARTER 2)**

#### **REPORT OF THE GROUP DIRECTOR CORPORATE AND FRONTLINE SERVICES IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR M NORRIS**

**AUTHOR:** Barrie Davies, Director of Financial Services (01443) 680559

#### **1.0 PURPOSE OF REPORT**

- 1.1 This report provides Members with an overview of the Council's performance, both from a financial and operational perspective, based on the first six months of this financial year (to the 30<sup>th</sup> September 2016).

#### **2.0 RECOMMENDATIONS**

It is recommended that Members:

##### **Revenue**

- 2.1 Note the General Fund revenue position of the Council as at the 30<sup>th</sup> September 2016 (Section 2 of the Executive Summary).
- 2.2 Request that Cabinet approve the virements listed in Sections 2a – d of the Executive Summary that exceed the £0.100M threshold as per the Council's Financial Procedure Rules.

##### **Capital**

- 2.3 Note the updated capital budget for the financial year 2016/17 and changes in the total cost of projects over the 3-year programme (Sections 3a – f of the Executive Summary).
- 2.4 Note the details of the Treasury Management Prudential Indicators as at the 30<sup>th</sup> September 2016 (Section 3g of the Executive Summary).

##### **Corporate Plan Priorities**

- 2.5 Note the current position regarding progress made against the agreed Corporate Plan priorities and confirm whether they are satisfied with the progress being made (Sections 5 a – c of the Executive Summary).



## **General**

- 2.6 Consider whether they wish to receive further information or explanations from service managers, where Members have any serious concerns about performance or progress.

## **3.0 REASONS FOR RECOMMENDATIONS**

- 3.1 To agree the Council's financial and operational performance position as at 30<sup>th</sup> September 2016, in line with the requirements set out in its Constitution, and in doing so enable elected Members and other stakeholders to scrutinise the performance of the Council.

## **4.0 BACKGROUND**

- 4.1 This report provides Members with a second update of the Council's financial and operational performance position for the financial year ending the 31<sup>st</sup> March 2017.
- 4.2 The aim of the report is to bring together the Council's performance into an Executive Summary and also make available more detailed information to the reader through electronic links. Information contained in the Executive Summary includes financial data and progress against our Corporate Plan priorities, and exceptions are highlighted within the detailed sections to ensure that elected Members and other readers are able to quickly identify the key issues.
- 4.3 Members will be aware of the revised basket of measures for the current financial year (2016/17) and that for a number of these performance will be reported on an annual basis. In addition, there are a number of measures where this year represents a 'baseline year' and as a result no target has been set. In this regard, the following table summarises the measures across each priority area and shows when performance updates will be reported against them.

Priority Area	No. of Measures in Priority <sup>1</sup>	No. of measures reported / with a target			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Economy	49	7 / 2	18 / 13	28 / 23	49 / 33
People	21	19 / 15	20 / 16	20 / 16	21 / 17
Place	14	5 / 3	5 / 3	7 / 5	14 / 5
<b>Total</b>	<b>84</b>	<b>31 / 20</b>	<b>43 / 32</b>	<b>55 / 44</b>	<b>84 / 55</b>

## **5.0 QUARTER 2 REPORT**

- 5.1 The Quarter 2 report is now attached. There is one issue of significance which is hereby brought to member's attention.
- 5.2 Council on the 23<sup>rd</sup> March 2016 agreed to an amended Minimum Revenue Provision (MRP) Policy which would have the effect of charging to revenue, as MRP, the costs of

<sup>1</sup> The number of measures scheduled to be reported in Quarters 2 and 3 have been revised, compared to that reported within the Quarter 1 Performance Report, to take account of up dated timescales around the availability of information.



our capital investments on a straight line basis over 40 years, broadly equivalent with the life of our assets. This would require a re-profiling of expenditure which would result, initially, in a reduced level of charge. The consequential savings were included in the Council report.

- 5.3 The amended policy was applicable from the 2015/16 financial year, albeit the savings made were not released immediately but held in our Treasury Management Reserve pending the completion of the external audit process. The amended policy was approved after the agreement of the revenue budget and therefore the savings were not built into the base revenue budget for 2016/17.
- 5.4 Council on the 28<sup>th</sup> September 2016, received the audited statement of accounts for financial year 2015/16 with no issue raised with regard to the amended MRP policy. Accordingly, it is now possible to consider the release (from the Treasury Management Reserve) of the savings made for 2015/16 (£3.974M) and the 2016/17 underspend (£3.550M), amounting to £7.524M in total. This is dealt with further by means of a separate report on the same agenda.
- 5.5 The revenue position reflected in the Quarter 2 report does not include these savings for 2016/17. However, the on going base budget saving has been taken into account in arriving at the remaining budget gap for 2017/18 financial year (£2.819M) as reported to Cabinet (25<sup>th</sup> October) and Council (26<sup>th</sup> October).

## **6.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 The Council's Performance Report provides a quarterly up date on financial and operational performance in line with its Constitution, statutory duties and locally determined arrangements that have previously been formally approved, where required. As a result, no Equality Impact Assessment screening form is deemed required for the purposes of this report.

## **7.0 CONSULTATION**

- 7.1 There are no consultation requirements emanating from the recommendations set out in the report.

## **8.0 FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

## **9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 There are no legal implications as a result of the recommendations set out in the report.



## **10.0 LINKS TO THE COUNCIL'S CORPORATE PLAN / OTHER CORPORATE PRIORITIES / SINGLE INTEGRATED PLAN**

- 10.1 The operational performance information included within the report has been aligned to the Council's Corporate Plan and / or Single Integrated Plan and aims to demonstrate the extent of progress Council services are making toward the delivery of these priorities.

## **11.0 CONCLUSION**

- 11.1 This report sets out the overall performance of the Council as at the 30<sup>th</sup> September 2016, that is Quarter 2.
- 11.2 The report reflects a more concise format compared to previous years and is one which we can consider and refine as we progress through 2016/17.



## COUNCIL PERFORMANCE REPORT QUARTER 2 2016/17 EXECUTIVE SUMMARY

### Contents

#### Section 1 – INTRODUCTION

#### Section 2 – REVENUE BUDGET

**Revenue Budget Performance** – more detailed breakdowns are included in the following sections:

- 2a Education and Lifelong Learning Services;
- 2b Community and Children's Services;
- 2c Corporate and Frontline Services;
- 2c Chief Executive's Division; and
- 2d Authority Wide Budgets.

**Earmark reserve update** – Section 2e provides a breakdown of committed expenditure against service areas.

#### Section 3 – CAPITAL PROGRAMME

**Capital programme budget** – more detailed breakdowns are included in the following sections:

- 3a Chief Executive;
- 3b Corporate and Frontline Services;
- 3c Corporate Initiatives;
- 3d Education and Lifelong Learning;
- 3e Community and Children's Services; and
- 3f Capital Programme Funding.

**Prudential Indicators** – a detailed breakdown is included in Section 3g.

#### Section 4 – ORGANISATIONAL HEALTH

- Turnover;
- Sickness Absence;
- Organisation Health related investment areas; and
- Council Strategic Risks.

#### Section 5 – CORPORATE PLAN

Corporate Plan progress updates – detailed progress updates are included in the following sections:

- 5a – Economy;
- 5b – People;



- 5c – Place; and
- Overall summary of Corporate Plan performance indicators.

## **Section 1 – INTRODUCTION**

The Executive Summary aims to bring together and summarise the Council's financial and operational performance position as at 30<sup>th</sup> September 2016.

Throughout the Summary, electronic links have been included that enable the reader to access more detailed information, as required.

## **Section 2 – REVENUE BUDGET**

### **Revenue Budget Performance**

Service Area	2016/17 – as at 30 <sup>th</sup> September 2016		
	Full Year Budget £M	Projected Expenditure as at Quarter 2 £M	Projected Variance Over / (Under) £M
<a href="#"><u>Education &amp; Lifelong Learning Services (2a)</u></a>	175.367	175.389	0.022
<a href="#"><u>Community &amp; Children's Services (2b)</u></a>	133.299	133.484	0.185
<a href="#"><u>Corporate and Frontline Services (2c)</u></a>	59.597	59.433	(0.164)
<a href="#"><u>Chief Executive's Division (2c)</u></a>	11.492	11.423	(0.069)
<b>Sub Total</b>	<b>379.755</b>	<b>379.729</b>	<b>(0.026)</b>
<a href="#"><u>Authority Wide Budgets (2d)</u></a>	75.080	74.875	(0.205)
<b>Grand Total</b>	<b>454.835</b>	<b>454.604</b>	<b>(0.231)</b>

### **Key Revenue Projected Variances at Quarter 2**

- Community and Children's Services
  - Commissioned Services (£0.644M overspend);
  - Provider Services (£0.449M overspend);
  - Short Term Intervention Services (£0.445M underspend);
  - Safeguarding and Support including Children Looked After (£0.317M underspend)
  - Long Term Care and Support (£0.0276M overspend);
  - Management, Safeguarding and Support Services – Adults (£0.250M underspend);
  - Management and Support Services – Children's Services (£0.125M underspend);
  - Early Intervention – Children's Services (£0.113M underspend);
  - Environmental Health, Trading Standards and Community Safety (£0.095M underspend); and
  - Leisure, Parks and Countryside and Community Facilities (£0.083M overspend)

- Authority Wide

- Council Tax Reduction Scheme (£0.355M underspend);
- Miscellaneous (£0.147M overspend); and
- The effect and savings consequential to the amended MRP Policy Statement (£3.550M for 2016/17) are excluded from the above position (dealt with by means of a standalone report to Cabinet).

### Earmark Reserve Up Date

- A breakdown of expenditure committed against approved earmark reserves for Service Areas can be viewed at Section 2e by clicking [here](#).

## Section 3 – CAPITAL PROGRAMME

### Capital Programme Budget

Service Area	2016/17 - as at 30 <sup>th</sup> September 2016	
	Capital Budget £M	Actual Expenditure £M
<a href="#">Chief Executive (3a)</a>	12.749	0.872
<a href="#">Corporate and Frontline Services (3b)</a>	32.301	7.373
<a href="#">Corporate Initiatives (3c)</a>	2.864	0.424
<a href="#">Education &amp; Lifelong Learning Services (3d)</a>	55.685	16.289
<a href="#">Community &amp; Children's Services (3e)</a>	12.565	3.973
<b>Total</b>	<b>116.164</b>	<b>28.931</b>

### **Key Capital Variances at Quarter 2**

- Community and Children's Services - introduction of funding (£0.500M) to deliver Affordable Housing;
- New grant approvals introduced into the Capital Programme: Community Safety Initiatives (Welsh Government Substance Misuse Action Fund £0.167M) and Drainage Improvements (Welsh Government Drainage Improvement Grant Feasibility £0.089M); and
- Re-profiling of a number of projects to reflect changes in the total cost of schemes.

For information on how the Capital Programme is funded see section 3f by clicking [here](#).

### Prudential Indicators



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For a detailed breakdown of Prudential Indicators, see section 3g by clicking [here](#).



## Section 4 – ORGANISATIONAL HEALTH

- Turnover

Service Area	2016/17		2015/16		
	As at 30 <sup>th</sup> Sep 16		As at 30 <sup>th</sup> Sep 15		As at 31 <sup>st</sup> Mar 16
	Staff Nos.	% Turnover	Staff Nos.	% Turnover	Staff Nos.
Turnover – Council Wide	10,962	7.82	11,349	8.56	11,245
Community & Children's Services	2,806	6.41	3,012	5.54	2,873
Corporate & Frontline Services	1,205	3.98	1,250	6.56	1,207
Education & Lifelong Learning (inc Schools)	6,656	9.21	6,779	10.24	6,865
Chief Executive	295	5.42	308	9.09	300
					16.67

- Sickness Absence

Service Area	2016/17		2015/16	
	As at 30 <sup>th</sup> Sep 16	%	As at 30 <sup>th</sup> Sep 15	As at 31 <sup>st</sup> Mar 16
% days lost to sickness absence – Council Wide	4.23		4.41	4.68
Community & Children's Services	6.82		7.05	7.40
Corporate & Frontline Services	3.91		3.83	4.26
Education & Lifelong Learning (inc Schools)	3.29		3.42	3.68
Chief Executive	1.85		2.72	3.06

For a more detailed breakdown of 2016/17 sickness absence information, click [here](#).



- Organisation Health related investment areas

Progress in our Investment Priorities – Organisational Health		
Investment Area	Investment Value £M	Quarter 2 Update
IT Infrastructure	0.500	Specific projects are progressing to further exploit information technology and further improve the information technology infrastructure. This includes providing officers and Members with the ability to securely access work emails remotely on mobile devices and smartphones as well as further improving the resilience and continuity of the Council's email environment. Work has also continued to support the implementation of the paperless Cabinet pilot with Cabinet Members and Chief Officers
Council Wide Energy Efficiency	1.050	Of 51 projects within the overall programme, 35 projects are in the process of being installed e.g. installing lighting up grades, photovoltaic systems and heating system improvements within primary and secondary schools, Leisure Centres, Home for the Elderly establishments and offices. Preparatory work is being undertaken on the remaining 16
<b>Total</b>		<b>1.550</b>

- Council Strategic Risks

The Strategic Risk Register can be viewed by clicking [here](#). Since quarter 1, the risk ratings for three strategic risks have been revised, with reasons set out below.

- In light of the Welsh Government's announcement on 11<sup>th</sup> October 2016 that the Communities First programme will be phased out while establishing a new approach at lower cost to meet the challenges of the future. This announcement affects the following strategic risks:
  - Strategic Risk Reference 5 - **ECONOMY** - Building a strong economy. Risk Description – If the Council does not enable individuals and communities to become more resilient and self sustaining we will not manage the impacts of the Welfare Reform changes on its citizens there may be an unforeseen (and significant) increase in demand for support; and
  - Strategic Risk Reference 13 - **PEOPLE** - Promoting independence and positive lives for everyone. Risk Description - If there are reductions in grant funding used to deliver anti-poverty programmes then the continued delivery of projects could be compromised.
- As a result of further certainty gained through the 21<sup>st</sup> Century School Investment Programme tender processes, this has been reflected within Strategic Risk Reference 4 - **ECONOMY** - Building a strong economy. Risk Description - If projects are not delivered



on time and/or budget then this could impede the delivery and intended (positive) impact of the 21st Century Schools Programme within the Council.

## **Section 5 – CORPORATE PLAN**

### **Corporate Plan progress updates**

- **ECONOMY** (Section 5a)

#### **Summary of progress to 30<sup>th</sup> September 2016**

Good progress has been made in improving educational outcomes in the Foundation Phase and Key Stages 2 and 3, with the rate of improvement faster than the Welsh average for all three key stages. It is particularly pleasing to see the reduction in the gap between those pupils eligible for free school meals and those not eligible for both the Foundation Phase and Key Stage 2. Further work is required in Key Stage 3 where the free school meal gap is still too wide at 25%. The attendance and the exclusions data is mixed with good progress made in the secondary school sector, but the rise in exclusions in the primary sector is of concern. This will be a focus for improvement in the new academic year.

Large physical developments such as the 21<sup>st</sup> Century Schools Programme, the development at Taff Vale and other town centre regeneration projects are progressing to plan.

In this financial year we should see the ten south east Wales local authorities financially commit to a £1.2bn City Deal. The councils are currently establishing the necessary governance and assurance frameworks as required by the UK and Welsh Governments before the City Deal can be approved by all three parties.

Full action plan can be viewed by clicking [here](#).

#### **Progress in our KEY PERFORMANCE INDICATORS as at 30<sup>th</sup> September 2016**

Total no. of PIs in the Priority	Total no. of PIs reported this qtr	No. of PIs reported this Qtr with Target	On Target		Not on Target		Within 5% Target	
			No.	%	No.	%	No.	%
49	18	13	4	31	4	31	5	38



### Progress in our Investment Priorities – Economy

Investment Area	Investment Value £M	Quarter 2 Update
Empty Property Grant	1.500	A total of 45 application forms have been issued and 10 surveys undertaken to date
Graduate Officers	0.200	11 Graduate officers have been appointed and commenced employment in September 2016
Schools	2.000	Programme of works agreed and works have commenced e.g. toilet refurbishment at Abernant Primary, classroom up grades at Ferndale Community School and roof / fascia repairs and improved DDA access at Gwauncelyn Primary School
Town Centres and Village Centres	0.300	Works underway that cover resurfacing / re-lining roads, painting fencing/barriers, signage and benches in town centres
Transport Infrastructure	1.000	A programme of projects are underway that include highway lane widening and improvements to junction layouts and traffic signal arrangements (as reported to Cabinet on 19 <sup>th</sup> April 2016)
<b>Total</b>	<b>5.000</b>	

- **PEOPLE** (Section 5b)

#### Summary of progress to 30<sup>th</sup> September 2016

Quarter 2 performance against the agreed priorities and targets has remained generally good across all services within the group and good progress continues to be made in delivering our agreed modernisation agenda (focussing on supporting independence and control) and the requirements of the Social Services and Wellbeing Act. Our continued investment in wellbeing services (e.g. community based Leisure facilities) and new service models (e.g. Ty Heulog Extra care facility at Talbot Green) is delivering improved outcomes for people and our communities across all services.

The group continues to focus on the areas that now need to be prioritised for improvement e.g. numbers of children looked after and alternatives to traditional models of provision, and is working with a range of partners to deliver a joined up, multi agency response to these.

Full action plan can be viewed by clicking [here](#).

#### Progress in our KEY PERFORMANCE INDICATORS as at 30<sup>th</sup> September 2016



Total no. of PIs in the Priority	Total no. of PIs reported this qtr	No. of PIs reported this Qtr with Target	On Target		Not on Target		Within 5% Target	
			No.	%	No.	%	No.	%
21	20	16	12	75	4	25	0	0



- **PLACE** (Section 5c)

### **Summary of progress to 30<sup>th</sup> September 2016**

Overall, positive progress has continued to be made during quarter 2, building on the work started in the first quarter.

There has been an on-going focus on community safety and cohesion through the roll out of the Divert Project (that aims to prevent offending / re-offending by people aged 18 – 25), with the first outcomes scheduled to be reported in quarter 3; Trading Standards officers targeting rogue traders and counterfeit goods, with the service's work recently being recognised through an award from the National Marketing Group; and the roll out of a training programme in schools to assist in identifying young people at risk of radicalisation.

Investment in parks and green spaces has made good progress during the period with one new 3G all weather sports pitch coming into use in September (at Sardis Road Rugby Club) with a further two due to be completed by the end of November (at Mountain Ash and Pentre). In addition, a further proposal is currently subject to the outcome of a funding application that is being considered by external funding sources.

Working in partnership with local groups has continued to be a central principle, with the approach supporting positive outcomes: the resettlement of 5 Syrian families (29 individuals); the re-opening of the Cynon Valley Museum by the Cynon Valley Museum Trust in September; and on-going work with local library 'Friends Groups' and the Muni Arts Centre.

The programme of highways investment has made good progress in quarter 2 with works completed on Rhigos mountain and bridgeworks at Mountain Ash and Cwmaman, and bridgeworks on-going at Aberaman and Fiddler's Elbow.

Recycling performance continued to improve (66.96% in quarter 1 and 67.16% in quarter 2, compared to a target of 62%), this improving trend being supported by pro-active marketing and guidance provided by the Service and positive resident participation.

Full action plan can be viewed by clicking [here](#).

### **Progress in our KEY PERFORMANCE INDICATORS as at 30<sup>th</sup> September 2016**

Total no. of PIs in the Priority	Total no. of PIs reported this qtr	No. of PIs reported this Qtr with Target	On Target		Not on Target		Within 5% Target	
			No.	%	No.	%	No.	%
14	5	3	3	100	0	0	0	0



Progress in our Investment Priorities – PLACE		
Investment Area	Investment Value £M	Quarter 2 Update
Flood Alleviation	0.300	A number of schemes have been completed including Lletty Turner Bends (Abercynon), Dinas Road (Porth) and Pendre Crescent (Llanharan), and a number of schemes are in the process of being progressed, for example, Bwlch Mountain Road, Treorchy
Green Teams	0.100	Additional operatives have been appointed and have commenced roles
Highways Infrastructure Repairs	3.500	A programme of work is in the process of being undertaken to resurface and strengthen highways (as reported to Cabinet on 19 <sup>th</sup> April 2016)
Outdoor Leisure Facilities	0.500	Three new all weather 3G pitches are being supported: one pitch has come into use in September (Sardis Road Rugby Club) and tenders have been received for two other sites i.e. Caedrawnant (Mountain Ash) and Pentre. A decision on a fourth site (Maritime, Pontypridd) is awaiting confirmation of funding from external funding sources
Play Areas	0.200	Of 37 schemes being delivered, 14 have been completed e.g. King George (Tonypandy), Welfare Park (Hirwaun) and Trenos Place (Brynna)
Waste Recycling Centre - Dinas	0.150	Preparatory work underway to support the progression of the project
<b>Total</b>	<b>4.750</b>	

- OVERALL SUMMARY OF CORPORATE PLAN PERFORMANCE INDICATORS

Progress in our KEY PERFORMANCE INDICATORS as at 30 <sup>th</sup> September 2016								
Total no. of PIs	Total no. reported this Qtr	No. of PIs reported this Qtr with Target	On Target		Not on Target		Within 5% Target	
			No.	%	No.	%	No.	%
84	43	32	19	59	8	25	5	16

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