



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Cabinet: Wednesday 16 March 2022
Report Number	Agenda Item No. 9
Subject	Finance and Service Performance Report 2021-22 Quarter Three
Wards affected	All
Accountable member	Cllr Suzi Coul, Cabinet Member for Finance Email: suzi.coul@westoxon.gov.uk
Accountable officer	Giles Hughes, Chief Executive Tel: (01993) 861658 Email: giles.hughes@westoxon.gov.uk
Summary/Purpose	This report provides details of the Council's financial and operational performance at the end of 2021-22 Quarter Three (Q3)
Annexes	Annex A – Service Dashboards Annex B – Detailed Revenue Budget Comparison Annex C – Capital expenditure in the quarter
Recommendation	That the 2021/22 Q3 finance and service performance be noted
Corporate priorities	Climate Action: Leading the way in protecting and enhancing the environment by taking action locally on climate change and biodiversity Healthy Towns and Villages: Facilitating healthy lifestyles and better wellbeing for everyone A Vibrant District Economy: Securing future economic success through supporting existing local businesses and attracting new businesses to deliver the economic ambitions of the Local Industrial Strategy Strong Local Communities: Supporting and building prosperous and inclusive local communities Meeting the Housing Needs of our Changing Population: Securing the provision of market and affordable housing of a high quality for a wide range of householders making their home in West Oxfordshire Modern Council Services and Sustainable Finance: Delivering excellent modern services whilst ensuring the financial sustainability of the Council
Key Decision	No
Exempt	No

I. BACKGROUND

- I.1. The Council monitors service performance each quarter and a report on progress towards achieving the aim and priorities set out in the Corporate Plan is produced at the end of Q2 and Q4.
- I.2. A high level Commissioning Framework was approved by Cabinet in October 2020 which sets out the relationship between Publica and the Council and their respective responsibilities. Publica must ensure that it provides the necessary information, including a range of performance indicators, to the Council so it can assess whether the commissioned services are being delivered in accordance with the agreed quality and standard. The Council's Chief Executive is responsible for reviewing and approving the information provided in this report prior to its publication.
- I.3. A review of performance indicators was completed in Autumn 2021. Portfolio Holders were involved in discussions with relevant managers about priority areas and identifying suitable metrics to provide assurance on how the Council is performing. A mixture of 'old' and 'new' metrics have been grouped under the following themes: Finance, Revenues and Benefits, Customer Services, Development Management, Housing, and Waste and Environment; and are presented in a new condensed 'dashboard' style report. The aim is to provide a range of related information that can be digested quickly and easily to indicate how the Council is performing in each key area and to provide metrics that give early warning of any developing issues.
- I.4. The Council's Chief Executive has received a report on service performance and has assessed it in line with the high level Commissioning Statement. He has drawn particular attention to the following:
 - i. Due to the rapid spread of the Omicron variant in the UK, the Government announced on 8 December 2021 that England would move to Plan B which would include asking people to work from home if they can from 13 December 2021. Publica staff were advised accordingly but it also recognised the importance for some staff to still come into the offices for operational or personal reasons. The experience gained through the pandemic of hybrid and home working has informed the development of a business case to support agile working in the future.
 - ii. The Council is again distributing business grants on behalf of the government, recognising that the rise of the Omicron variant means some businesses are likely to struggle over the coming weeks. Businesses in the hospitality and leisure sectors in England will benefit from one-off grants of up to £6,000. The Council emailed eligible businesses in mid-January 2022, and the window for applications from other businesses followed shortly afterwards. An Additional Restrictions Grant will also be available for eligible businesses.
 - iii. The Council's business rates collection figure (in year) continues to be affected by the impact of Covid-19 on businesses, as is the case with other councils throughout the country. The Government supported certain businesses with 100% extended retail relief reducing to 66% at the end of June 2021 for the remainder of the financial year. The Council recently received £2.27m of Covid Additional Relief Fund (CARF) to be distributed to those businesses that are not eligible for the extended retail relief but

have been affected by Covid-19. There was a detailed report to Cabinet in February 2022.

- iv. Planning performance is looking more positive this quarter with improvements in determination times. Caseloads appear to be more manageable which has been helped by the two additional posts that the Council approved in Q2, and further improvements are expected once the service returns to full capacity in the next quarter.
- v. The number of fly tips collected has reduced from a previous high level during the first part of the pandemic. Enforcement activity has historically been low, with the removal of fly tips being prioritised, as well as targeted work where necessary. As part of the budget 2022/23, Council agreed to additional resources to increase enforcement activities around fly tipping and improving our response to issues raised.

2. COUNCIL PRIORITIES

2.1. Progress continues to be made towards delivery of the Council Plan, and some Q3 highlights are presented below. A comprehensive update presenting the 2021–22 progress towards delivery of the Council Plan and Covid-19 Recovery Plan will be provided at the end of the financial year.

- Successful bid to Homes England for a 3 year Housing Development and Community Facilitator to enable delivery of Salt Cross Garden Village. The post holder has started their appointment, focussing on projects developing community led housing and self-build housing at the Garden Village.
- Five-year Biodiversity Land Management Plans for twelve Council-owned natural green spaces have been developed, consulted on and subsequently embedded within Ubico's contract renewal 2022 as cost-neutral changes.
- Volunteer and Ubico staff training has been delivered to increase the uptake of, and awareness to, ecological land management principles.
- Launch of Sustainable Tourism Survey to encourage sustainable tourism practices within the visitor economy e.g. encouraging uptake of renewable energy solutions; enhancement of biodiversity.
- Partnership work with Wake Up to Woodstock, the Witney Chamber of Trade and local businesses to market tourism in Witney and Woodstock through: www.cotswolds.com/woodstock and www.cotswolds.com/witney
- Delivery of 80 extra care affordable homes in Chipping Norton in partnership with Oxfordshire County Council, and with the use of Growth Deal Funding.
- In partnership with Cottsway Housing and benefitting from Growth Deal Funding, the redevelopment of units which were no longer fit for purpose at Lavender Place, Bampton to provide 18 units for affordable social rent.
- Working in partnership with Blenheim Estates at their Park View development in Woodstock, 11 affordable homes have been delivered to date this year. These Affordable Rent homes continue the model established at Long Hanborough where residents pay 60% of market rent instead of 80%.

3. SERVICE PERFORMANCE

3.1. During Q3, there were indications of improvement in some key areas such as benefits and planning. The Council has been made aware of the issues caused by a lack of capacity due to both high workloads as a result of both internal (improvement work /new systems) and

external factors (Covid-19 related, economic) and vacant posts in some services. These issues have been addressed by an injection of additional resources, in particular over the last six months to support services to reduce the backlog of work, and services are reporting that workloads have become more manageable.

- 3.2. Concurrently, improvement work and programmes are on-going. The Planning service's improvement programme has already delivered significant improvements in the validation of applications, and the launch of the OpenPortal will in time reduce workloads in the Revenues and Benefits service as well as Customer services, as more residents/clients are able to self-serve.
- 3.3. Some of the performance indicators that are falling short of their targets are considered below together with rectifying actions:

- Overall, benefit processing times showed improvements at the end of Q3, in particular for Council Tax Support changes which improved by 10 days, and Housing Benefit changes improved by almost three and a half days. The increase in processing times was primarily due to high workloads related to the increase in Universal Credit claims since the start of the pandemic (with much of the New Claims time delays beyond our control), the implementation of the new benefits system, Covid-19 related work, and supporting the administration of discretionary housing grants to the most vulnerable residents in the District.

Resolution: With the injection of additional resources during the previous quarter, the service has successfully reduced the number of outstanding benefit cases. The recovery plan should result in further improvements in performance in Q4. There was a soft launch of the OpenPortal in November which provides a facility for clients to self-serve. Between the launch and 1 January 2022, 306 clients opened an account on the OpenPortal which provides access to both council tax and business rates information as well as benefit claims. This facility is expected to reduce the workload in the back office.

- At the end of Q3, the Council had collected 77.1% of business rates due in the year, which was behind target but was a similar position to this time last year, with that shortfall subsequently materially recovered, as some businesses continue to struggle financially due to the cumulative impact of Covid-19. Many businesses have been supported by extended retail relief and a range of mandatory and discretionary grants. Recovery action was paused during 2020-21 and Magistrates courts did not re-open for liability order hearings until Q1 of this financial year. Overall, there are relatively few options available for the recovery of business rates and the process takes quite a long time, as shown by the extended time taken to recover last year's non payment.

Resolution: The service is continuing to support businesses; sending out reminders, phoning and emailing businesses to encourage them to contact the Council and where possible to set up manageable repayment plans. There is a dedicated team in place for the recovery of rates who are up to date on cases so all possible steps have been taken.

- Overall, planning performance has started to improve with the percentage of applications determined within eight weeks or an agreed timescale moving closer to the target. The number of planning applications coming through especially householder applications started to rise in Summer 2020 in line with the national trend, which coincided with a reduction in capacity due to a number of vacant posts. Over many months, there have been multiple rounds of recruitment across the partnership to increase capacity, many of which were

internal, encouraging the retention of a significant number of existing staff. During Q3, one experienced senior planner left, and although that post was recruited to, it was late in the quarter.

Resolution: Capacity has increased in the service with the two additional posts agreed by the Council. Another three posts were offered in the quarter which should bring the service back to full capacity.

There is an improvement programme and roadmap in place and many elements have been completed. During Q3, a new validation team was established across the partnership, both improving validation times and reducing the number of applications awaiting validation.

Given the number of new starters, a new training programme has been created to build the professional capacity of the service and support the new recruits across the partnership to reach their full potential and deliver a great planning service for the Council.

- The number of missed bins per 100,000 scheduled collections has improved this quarter but remains relatively high at 212 misses per 100,000. This was due to a combination of reasons including the continued national shortage of HGV drivers and capacity levels in the crews, relatively high levels of waste, and the unavailability of the narrow access vehicle. In addition, In-Cab technology was implemented on 29 September so there were some changes to working practices.

Resolution: The service reports that the number of missed bins in January is showing improvements. The narrow access vehicle has been fixed, capacity levels have been restored, and the national shortage of HGV drivers is not currently affecting service delivery but remains a risk. The crews are receiving further training on In-Cab to ensure that the benefits are fully realised. The new technology is expected to improve efficiency in service delivery including reducing the number of misses by providing crew members with assistance to find all of the properties on their particular round.

3.4. Some service areas have performed well or are showing improvements including:

- Through the Council's policies and partnership working, 69 affordable homes reached practical completion in Q3; 47 for affordable rent and 22 for shared ownership including 14 in West Witney (Bovis and Persimmon), 12 in East Carterton (Bloor), 11 in Burford Road, Minster Lovell; and nine in Park View, Woodstock East. A total of 222 reached practical completion during the first nine months of the year against a target of 207.
- The Council's customers are highly satisfied with services delivered by phone, with over 99% of customers responding positively. Surveys for services delivered face to face recommenced in July 2021, and are also yielding high satisfaction rates of nearly 96%.
- The average call waiting time improved for the second consecutive quarter. The average call waiting time reduced from 244 seconds in Q1 to 118 seconds in Q3. The service is continuing to identify 'quick wins' to reduce call waiting time, for example, a message to advise the caller that there was no change to waste collections over the Christmas period was added to the 'waste line' call waiting message.

Currently, 60% of staff in this Council's Customer services team are engaged in Council specific work and 40% are shared workers, adding the much needed resilience to a service that has a relatively high turnover of staff. The procurement of common systems and software across the partnership has provided an opportunity to streamline processes

resulting in more efficient services. Further gains in service efficiency and resilience could be delivered by increasing the level of shared working across the partnership.

- The number of fly tips collected appears to be falling reflecting the lifting of restrictions which follows a marked increase during the first part of the pandemic.

3.5. The service dashboards are attached at **Annex A**.

4. FINANCIAL PERFORMANCE – Q3 2021/22

4.1. Significant variances and those of note are explored in the body of this report. A full list of variances by cost centre is included at **Annex B**.

4.2. Q3 results overall are broadly in line with what was reported in Q1 (£219k) and Q2 (£420k).

4.3. £227k of the £543k underspend is attributable to the disparity between the revised garden waste fees and the budget which wasn't updated to reflect them. This has been amended for 22/23.

4.4. Overall Q3 remains encouragingly on track.

WEST OXFORDSHIRE DISTRICT COUNCIL - Budget Monitoring

Revenue Budget Monitoring 2021/22 - Quarter 3, 1st April 2021 to 31st December 2021

Service Area	Quarter 3			
	Original Budget 2021/22	Profiled Budget	Actual Exp	Variance (under) / over spend
	£	£	£	£
Democratic and Committee Services	952,702	735,586	767,320	31,733
Environmental & Regulatory Services	478,583	319,012	245,799	(73,214)
Environmental Services	7,088,145	4,426,038	4,380,681	(45,357)
Finance, Human Resources & Procurement	889,592	696,619	669,723	(26,896)
ICT, Change & Customer Services	1,801,649	1,286,255	1,223,943	(62,312)
Land, Legal & Property	863,453	556,305	425,304	(131,000)
Leisure & Communities	2,057,791	887,874	776,803	(111,071)
Planning & Strategic Housing	712,370	663,632	439,351	(224,282)
Revenues & Housing Support	894,923	922,777	832,429	(90,348)
Investment Property and Retained Services	(1,870,756)	(2,181,245)	(2,097,639)	83,606
Total cost of services	13,868,452	8,312,853	7,663,713	(649,139)
Plus:				
Investment income receipts	(787,778)	(590,834)	(485,038)	105,796
Cost of services before financing:	13,080,674	7,722,019	7,178,676	(543,343)

4.5. Income from car parking penalty charge notices has improved during Q3 to 35% of budget for off street and 42% of budget for on street. Even though this is a modest improvement on

results reported at Q2 it still represents a significant loss of income for the year with the shortfall currently estimated at £140,000.

- 4.6. Legal Services is forecast to be £65,000 underspent at the end of Q4. This is due to the impact of staffing changes at Cotswold District Council and provides a reduction in the Partnership fee payable for the year of £38,000. There is an underspend of £18,000 for external legal advice (barristers) together with other small underspends.
- 4.7. The Revenues Recovery Team have continued their good work throughout Q3, reducing Council Tax and Business Rates arrears relating to 2020/21 that were the direct result of Covid. The outstanding balances represent 1.85% of all Council Tax collectible in 2020/21 and 3.9% of Business Rates.

	20/21 Debt		
	31.03.21	21/22 Recovery	Outstanding
Council Tax	2,654,906	-969,226	1,685,680
Business Rates	1,871,523	-965,052	906,471

- 4.8. The Council entered into a new arrangement with our card transaction service in Q3 which, based on the previous 12 months transactional volume, will deliver a £44,000 cost reduction per annum. This will not eradicate the overspend in this cost centre by the end of Q4 which is forecast to be £95,000 but significant improvement will be seen over the course of the next financial year.
- 4.9. Land Charges income is forecast to be £50,000 below budget at the end of Q4 due to a fall in search requests over the year as a result of a slower moving housing market. Expenditure is being well controlled and is expected to be within budget at the end of Q4.
- 4.10. The costs of recycling have climbed steadily through Q3 compared to the first two quarters of the year. The average monthly contract cost from April to September was £47,000, this rose to between £83,000 and £97,000 a month in Q3 some of which is due to an increased level of recycling over the Christmas period. The recycle market is very volatile both in terms of income earned and gate fees per tonne for processing. The Contracts team are monitoring the fluctuations in both income and expenditure very closely.
- 4.11. Planning Application income in Q3 is consistent with the performance reported in Q1 & Q2 and is currently £184,000 above budget.
- 4.12. The Revenues Team will be administering both the Covid Additional Relief Fund and the £150 Council Tax rebate payments for properties in Bands A – D during Q4 and into Q1 of 2022/23. This is a significant additional workload. The Council has received New Burdens funding to administer multiple additional work streams during 2021/22 some of which may be used to offset the cost of temporary resource for these two schemes.
- 4.13. A more detailed analysis of budget variances can be found at **Annex B**.
- 4.14. Capital expenditure is showing a significant variance to budget, mainly due to timing differences in several major projects and the lack of suitable investments as discussed in the budget papers.
- 4.15. The High Speed Broadband project is complete with invoicing for payment expected imminently but other large expenditure such as the Ubico fleet replacement has been slowed due to the long lead time on vehicles between ordering and delivery.

- 4.16. Requests to roll forward unspent capital budget will be included formally in the Q4 outturn report for member approval.
- 4.17. An overview of the Capital budget showing spent to Q3 is included at **Annex C**.

5. LEGAL IMPLICATIONS

- 5.1. None

6. RISK ASSESSMENT

- 6.1. None

7. ALTERNATIVE OPTIONS

- 7.1. None

8. BACKGROUND PAPERS

- 8.1. None