

## **Overview and Scrutiny Committee – 15 June 2023**

### **Draft Minute 6 - Quarter 4 2022/23 performance report**

The Executive Member for Finance, Governance, and Organisation, Councillor Lewanski, presented the Quarter 4 Performance Report 2022/23 covering the period January to March 2023. The reports gave an overview of the Council's performance for Quarter 4 2022/23, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring. The reports are due to be presented to Executive on 22 June.

### **Key Performance Indicators**

Of the 11 KPIs reported on, 10 were on target or within the agreed tolerance. KPI 3 – Staff Turnover was off target and outside of its tolerance and therefore red rated. Although this performance indicator continues to remain outside of target and tolerance, there are no new causes of concern arising.

An advance question on this item had been submitted prior to the meeting. The advance question on KPI 8 Environmental Quality Surveys and its response can be viewed here:

[Document Advance Questions and Answers OS 15 June 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](https://moderngov.co.uk/document/advance-questions-and-answers-os-15-june-2023-reigate-and-banstead-borough-council)

The Executive Member for Finance, Governance, and Organisation, Councillor Lewanski invited Members to ask questions on the Quarter 4 2022/23 Performance Report provided in the agenda pack. In response, the following clarifications were provided:

#### KPI 9 - Number of missed bins per 1,000 collected

There was very little public data made available by local authorities regarding reliability of their waste collection services so there is no data set to make a meaningful comparison. The Council's target is set by the service at a level that is assumed to indicate a reliable service; for every 1,000 bins collected no more than 10 should be missed.

In-cab technology allows for data to be reported to the Council which is then analysed at service level. The in-cab technology also allows communication to cabs enabling missed bins to be reported and collected as soon as possible.

Members noted and commended the low rate of missed bin collections.

#### KPI 3 – Staff turnover

The Council's staff turnover was compared to that of other local authorities, especially neighbouring authorities and at 19% was not an outlier. Private sector staff turnover is around 25%. Early assessment of Period 1 of 2023/24 also appears to be indicating a decrease in staff turnover. The employment market continues to be buoyant, and the Council conducts exit interviews. Staff turnover also provides an opportunity to attract new people, skills, and ideas.

Gaps left by employees leaving the Council may be filled by temporary resource, as well as being used to provide opportunities for current staff development; officers may be seconded from either within the team or elsewhere in the Council. The solution would depend upon the vacancy. A thorough vacancy approval process is in place as part of the Financial Sustainability Plan whereby all vacancies are scrutinised to

determine whether they are needed, and at which level. Opportunities to share services with other local authorities, particularly in the east of the borough, were also identified. No significant impact on delivery of services has been experienced.

The number of applications for vacant roles varied. Some posts attracted a high number of high-quality applications, whereas some more specialised, skilled posts were more difficult to recruit to, due to market competition and number of available candidates. Social media, such as LinkedIn is used for advertising vacancies. The Council also develops staff internally, as well as offering a wide offer of apprenticeships up to level 7.

It was confirmed that the Council has strong links with local colleges to encourage students to apply to for Council vacancies and apprenticeships.

#### KPI 10 – Percentage of household waste that is recycled and composted

Bring sites were in operation for those areas which do not receive a full doorstep service. Some bring sites had been subject to significant fly-tipping and work had been underway to ascertain which bring sites would be advantageous to retain and which were no longer a good use of public resource, as well as understanding other forms of waste collection that might be needed; this work had now been paused pending the new Government Waste and Resources Strategy. It was confirmed that public consultation over any bring sites identified for possible closure would take place.

Members asked what effect the completion of rollout of services to flats would have on the percentage of household waste that is recycled and composted. A written answer would be provided following the meeting.

Members asked whether statistics were available for fines issued to residents or information on repeat offenders for contamination of recycling collections. A written answer would be provided following the meeting.

#### KPI 1 – The percentage of Council Tax collected

The in-year collection rates in KPI 1 related to amounts collected against that billed in the current year; the Council continues to collect amounts still owed in subsequent years. Arrears are monitored year by year. A written response would be provided following the meeting with regards to a year-by-year breakdown of previous years' Council Tax debts.

#### KPI 6 – Net housing completions and KPI 7 – Net affordable housing completions

It was noted that the target of net housing completions in the report should read 460, rather than 345.

The Managing Director confirmed that the Council strives to secure affordable housing with developers, but that creating viable business cases was challenging. Other solutions were in place, such as co-funding schemes with Raven Housing Trust.

#### KPI 5 – The percentage of positive homelessness prevention and relief outcomes

The Council is legislated to provide assistance to people in priority need and works with all homeless residents for a period of time to provide assistance. Resources are limited and need to be allocated to those with the highest need. Those with lower levels of need are directed to the private rental sector and offered assistance.

Emergency accommodation in the borough is available at Massetts Road in Horley which has been extremely successful, limiting costs in terms of homelessness and providing better outcomes for people as they can stay connected within their community. A small amount of “out of borough” emergency accommodation is also necessary; this is usually in South London, particularly Croydon and Thornton Heath.

There is a significant refugee cohort in the borough, compared to neighbouring boroughs, which provides challenge; the Council works with partners to provide support for refugees.

#### KPI 11 – Reduction in the Council's carbon footprint

The Council was striving to achieve the carbon footprint target by 2030. An audit had been carried out on the Council's estate with regards to how the carbon footprint can be reduced and would be presented to the Executive. However, there may be a need to offset the Council's carbon footprint by other means, such as installing Electric Vehicle charging points and tree planting. Some of the larger vehicles in the refuse fleet are not available in electric models but may come on stream before 2030.

It was difficult to compare the performance of the Council with other authorities, as differences in contributors to their carbon emissions exist. The Head of Corporate Policy, Projects and Business Assurance would circulate the latest report from Surrey County Council, following the meeting.

#### Contextual Performance Indicator 4 – Corporate complaints

The Chair requested a breakdown of the Corporate complaints resolved at stage 1. This would be provided following the meeting.

## **Finance**

The Executive Member for Finance, Governance and Organisation, Councillor Lewanski, gave an overview of the Council's provisional budget outturn for revenue and capital expenditure.

### **Revenue Budget**

The full year outturn for Service Budgets was £17.8 million against the management budget of £18 million, resulting in an underspend of £0.2 million.

For Central Budgets, the outturn was £0.5 million against the management budget of £2.1 million, resulting in an underspend of £1.6 million. This underspend is mainly as a result of lower Treasury Management costs driven by favourable interest rates and a lower borrowing requirement than originally forecast.

2022/23 has been another challenging year from a financial perspective, but the continued focus on cost control and income generation ending the year with a net underspend on the Service and Central Budgets and healthy reserves is evidence of the fact that every possible source of funding has been pursued.

2023/24 therefore started from a position of strength as the Council continues to focus on addressing medium term risks through the Financial Sustainability Plan.

### **Capital Programme**

The outturn position is £21.2 million which is £55.8 million below the approved programme for the year. The variance is as result of £55.7 million slippage plus a net underspend on various schemes of £0.1 million.

Members were invited to ask questions on the Quarter 4 2022/23 Budget Outturn Report provided in the agenda pack. In response, the following clarifications were provided:

#### Revenue Budget

The most significant variances in Service Budgets were confirmed to be energy cost pressures, housing benefit subsidy shortfall, increase in garden waste income and parking income. It was confirmed that these items had been taken into account in setting the budget for 2023-24, or would help inform future budget setting.

Variances in the Central Budgets were largely due to an underspend against previously-approved housing allocations. Those schemes have not yet come forward and in future would be reported as a potential allocation pending approval of business cases (instead of being included within the approved Capital Programme). This will remove the main cause of Capital Programme slippage going forward and also means that borrowing will not need to be provided for in the revenue budget until specific schemes are approved.

#### Budget Monitoring Summary

Members asked for confirmation of the reasons for the Communications budget variance. A written response would be provided following the meeting.

Members asked what will happen to the forecast net £1.7 million contribution to the General Fund Reserve; it was confirmed that this will be reallocated at the end of the year to other Reserves to help manage specific budget risks while the General Fund Balance will be maintained at £3.5 million to retain prudent cover for general risks. Reserve balances will be reviewed by the Executive when the Medium-Term Financial Plan is updated in July 2023 and again in November 2023 and January 2024, as well as being subject to scrutiny by the Budget Scrutiny Panel in November 2023.

#### Capital Budget

It was explained that the unspent capital allocation of £100,000 for investment in Vibrant Towns and Villages would not be carried as no specific uses for the budget had been identified and alternative funding is available in a Revenue Reserve. It was suggested that this allocation be retained and Members canvassed for ideas on how to invest to make the town centres more vibrant, which the Executive Member accepted.

The Chair pointed out that at its December 2022 meeting, the Committee had asked for details of the capital budget outturn on three completed projects – Camelia Close/ Pitwood Park, Lee Street Horley and Wheatley Court/ Cromwell Road. The Committee had also requested a “lessons learnt” report following completion of the projects at Cromwell Road and Pitwood Park. He asked that these delayed reports now be provided to the Committee, using estimates to complete for outstanding costs should the final outcome not be known.

#### 2022-23 Outturn Capital Programme Monitoring

Members asked for a written response on the budget forecast for The Rise development at Marketfield Way.

Members asked for confirmation where the costs for installation of electric vehicle charging points appeared in the budget monitoring report. A written response would be provided following the meeting.

Members also asked for a progress update on the CCTV project. A written response would be provided following the meeting.

#### Reconciliation of Capital Programme to Approved Budgets 2022-23

Members asked for clarification of the “other charges” amounting to £4.8million on page 57. It was confirmed that these were schemes that had been approved since the original Capital Programme was approved in February 2022; the details were set out at page 22.

#### Financial Sustainability Programme

The Service and Financial Planning process had begun, preparing the 2024/25 budget proposals. Executive Members and officers were currently considering options in terms of opportunities to achieve efficiencies and savings, or generate income, as well as looking at budget risks and pressures that will feed into the Medium-Term Financial Plan and the November draft budget report. The Financial Sustainability Programme also captures activities that would not feed into 2024/25 as they might take 18 months or two years to come to full fruition; so it takes a longer-term view as well.

#### Housing Allocation

Members asked for clarification on the definition of criteria for a “suitable project” for the £30 million housing budget allocation. A written response would be provided following the meeting.

**RESOLVED** that the Overview & Scrutiny Committee:

- (i) Noted the Key Performance Indicators performance for Q4 2022/23 as detailed in the report and in Annex 1 and made observations to the Executive;
- (ii) Noted the Revenue budget outturn for 2022/23 and recommended budget-carry-forwards as detailed in the report and at Annex 2 and made observations to the Executive;
- (iii) Noted the Capital Programme outturn for 2022/23 as detailed in the report and at Annex 3 and made observations to the Executive.