

Causeway Coast and Glens Borough Council

To: Audit Committee

For Information

14th October 2015

Performance Improvement Assessment Return 2015/2016

Linkage to Corporate Plan	
Strategic Priority	Performance Improvement
Objective	
Lead Officer	Stephen McMaw
Cost: (If applicable)	N/A

1.0 Background

1.1 In line with the Improvement Duty under the Local Government Act (NI) 2014 (the Act), the Causeway Coast and Glens Borough Council (the Council) is required to have in place a Corporate Strategy from which key improvement objectives are identified and a subsequent Performance Improvement Plan developed.

1.2 The Council is also required each year to agree at least one improvement objective from the prescribed list within the Act and to set appropriate improvement targets within the Council's Performance Improvement Plan. The seven prescribed objectives are as follows:

- Strategic effectiveness
- Service quality
- Service availability
- Fairness
- Sustainability
- Efficiency
- Innovation

2.0 Detail

- 2.1 It was agreed by the Department of the Environment that for year 1 of the new 11 Councils coming into being, the Local Government Auditor (the Auditor) would apply a “light touch” to auditing each Council’s obligations under the Improvement Duty.
- 2.2 The Causeway Coast and Glens Borough Council Corporate Strategy is currently out to Public Consultation and to meet its obligations under the Act, the Council agreed that the key performance improvement objective for 2015/2016 was Efficiency. Targets in relation to efficiency were subsequently agreed by Council as an integral part of the rates setting process.
- 2.3 The Auditor is currently asking each Council for evidence of its approach to meeting the Year 1 Performance Improvement Duty guidance. The guidance was issued in July 2015 and there is some degree of confusion across the 11 Councils with regard to the nature of the evidence required and the interpretation by each Council and that of the Auditor.
- 2.4 It is fair to assume that the Auditor will take the opportunity to clarify interpretation of the guidance as an out turn of the Audit Report/Letter of Assurance, however there currently remains a degree of disparity in interpretation.
- 2.5 In the absence of clarity in relation to Audit, a Performance Improvement Plan has been developed to focus on the agreed Efficiency Performance Improvement Objective. The plan has been submitted to the Auditor as part of a wider submission of information aimed at evidencing the Council’s approach to meeting its obligations under the Improvement Duty. A copy of the Performance Improvement Plan is attached as Appendix 1.

Appendix 1.

Causeway Coast and Glens Borough Council Performance Improvement Plan 2015/2016

Introduction

The Council will produce an Annual Performance Improvement Plan containing key objectives that relate to the Council Strategy. These objectives will have performance targets agreed annually by the Council. The Council will collate information to measure its performance against the targets set and will then publicise the results. In addition to self-imposed performance improvement targets, the Council has a duty, under the Local Government Act (NI) 2014 (the Act), to set improvement targets in at least one of the following areas-

- (a) Strategic effectiveness;**
- (b) Service quality;**
- (c) Service availability;**
- (d) Fairness;**
- (e) Sustainability;**
- (f) Efficiency; and**
- (g) Innovation.**

Each year the Council will undertake a performance review before setting objectives for the next financial year. The Local Government Auditor will also carry out a detailed review of the Performance Improvement Plan and assess the extent to which the Council has met its obligations under the Act.

Improvement Duty

Duty on Local Government

The Local Government Act imposes a duty on Councils to:

- Make arrangements to secure continuous improvement in the exercise of its functions and to set improvement objectives for each financial year (Section 84).
- Establish and make arrangements to achieve improvement objectives for the exercise of its functions (Section 85)
- Frame those objectives in terms of strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation (Section 86) within its Community Plan²
- Consult with ratepayers, service users and other interested parties about its improvement duties (Section 87)
- Have in place appropriate arrangements to achieve the above taking account of any relevant guidance issued (Section 88)
- Make arrangements to exercise its functions in such a way as to meet any targets set by the Department (Section 89)
- Collect information to measure and assess their performance (Section 90)
- Compare its performance over time and with others exercising similar functions (Section 91)
- Publish an **Annual Performance Report** by 30th September each year (Section 92(2))
- Publish an **Annual Improvement Plan** with improvement objectives as required under Section 85 (or contain this as an extract within the Corporate/Community Plan) as soon as is practical after the beginning of the financial year to which the Plan relates (Section 92(4))
- Respond appropriately to Section 95 Audit and Assessment reports from the Local Government Auditor as and when required (Section 96 (2))
- Have regard to any guidance issued by the Department in the relation to its modification of existing or conferring of new powers under Section 101) (Section 101)

Duty on the Local Government Auditor

Performance improvement plans and the arrangements by which performance is delivered will be audited by the Local Government Auditor. The Act requires that the Local Government Auditor should:

- Carry out an annual improvement information and planning audit of all Councils each financial year to determine whether a Council has complied with its duties in relation to the publication of an Annual Performance Report as required under Section 92 and complied with any relevant guidance under that section (i.e. retrospective) (Section 93)
- Carry out an improvement assessment of all Councils each financial year to determine whether a Council is likely to comply with the overall Improvement duty in the year or years ahead (i.e. forward looking) (Section 94)
- Issue an **Audit and Assessment Report** by 30th November each year to those Councils as specified by the Department under Section 95(1) (Section 95(4))
- Issue a **Special Inspection Report** following any special inspection under Section 98, to any Council where the Auditor (in consultation with the Department) is of the opinion that the Council has failed to comply with Part 12 (Sections 98 and 99)
- Issue an **Annual Improvement Report** to the Councils in receipt of an Audit and Assessment Report and/or a Special Inspection Report. (Section 97)
- Make recommendations to the Department on the need to issue a direction to a Council (Section 99(2)(b))

Causeway Coast and Glens Year 2015/2016 approach to Performance Improvement

In line with the Improvement Duty under the Local Government Act (NI) 2014 (The Act), the Causeway Coast and Glens Borough Council agreed the efficiency objective for 2015/2016. The primary target is an in year cost reduction of £1.2m. In addition to this the Council indicated a desire, in the rates setting process to deliver further cost reductions and increased income to lower the operational baseline of the new Council. To this end the Council Directorates are engaged in a process to review their budgets and provide information on further potential cost reductions / income increases in year. The information will be captured in the template set out in Appendix 3. Appendix 1 and Appendix 2 detail current costs and income relating to the new Council. The efficiency objective aims to lower the baseline cost of operating the Council. Some key approaches identified include:

- Doing the same/more with less resources
- Zero based budgeting to identify excess
- Top slicing budgets
- Disinvesting in low priority areas
- Disinvesting to reinvest in priority areas
- Increasing income
- Finding alternative delivery mechanisms/partners

The Council will commence preparations for the 2016/2017 Performance Improvement Plan in October 2015 to align with the rates setting process. Key Council Priorities as identified with the Council Strategy will be integrated into the plan along with a number of objectives prescribed within the Act. The timetable is detailed in Appendix 4.

Council Priorities Linked to the Corporate Strategy

	Strategic Theme	We will Achieve These Outcomes by 2019
1	Leader and Champion	<ul style="list-style-type: none"> • Our Elected Members will provide civic leadership to our citizens, working to promote the Borough as an attractive place to live, work, invest and visit; • We will establish key relationships with Government, agencies and potential strategic partners in Northern Ireland and external to it which helps us to deliver our vision for this Council area.
2	Accelerating Our Economy and Contributing to Prosperity	<ul style="list-style-type: none"> • The Council will work with its partners to maximise business start-up opportunities and encourage existing enterprises to grow and prosper; • The Council will work with partners to maximise investment funding opportunities from external sources including: The Stormont Assembly, the European Union, the Rural Development Programme, and from private sector financing.
3	Innovation and Transformation	<ul style="list-style-type: none"> • The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways; • The Council will embrace new technologies and processes where they can bring about better experiences for citizens and visitors.
4	Resilient, Healthy and Engaged Communities	<ul style="list-style-type: none"> • Council will work to support healthy lifestyle choices for all citizens; • Citizens will have access to Council recreational facilities and protected natural environments which help them to develop their physical, emotional and cognitive health • Council will work to develop and promote stable and cohesive communities across the Borough.

5	Protecting and Enhancing our Environments and Assets	<ul style="list-style-type: none">• All environments in the area will benefit from pro-active decision making which protects the natural features, characteristics and integrity of the Borough;• Our citizens will be given the maximum opportunity to enjoy our natural environments;• Our natural assets will be carefully managed to generate economic and social returns without compromising their sustainability for future generations.
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The priorities detailed above were identified by Elected Members at workshops as part of the Corporate Strategy development process. These strategic priorities will form the basis for performance targets within the 2016/2017 Performance Improvement Plan.

High Level Corporate Performance Improvement Plan 2015/2016

Department/ section	Objective	Target cost/income	Key actions	Person responsible
HR/Finance	cost reduction	800k cost reduction	Application of the severance scheme for employees leaving the organisation based on business cases	HR Lead/ Chief Finance Officer
All Directors	cost reduction based on rates projection	200k cost reduction	Recognise quick win cost reductions from initial converge assessments	3 Corporate Directors
Planning	200k increased income	200k cost reduction	Increased income and cost reductions to deliver 200k reduction in the baseline cost of the Planning section	Chief Planning Officer
All Departments	In year cost reductions in preparation for 2016/2017 budget	1.2m cost reduction target	Budgets to Directors and Heads of Service in converged format by 1 st July 2015 Performance template circulated to Directors for completion by 31 st August 2015 Template returns to SMT on 7 th September Meetings with Directors to discuss and agree cost reduction actions Report to Council in October 2015 in line with commencement of rates process	3 Corporate Directors. Report to Corporate Policy and Resources Committee on additional £1.2m cost reduction target.

Appendix 1

Gross Income

	Income	Net Cost
• Environmental Services	2,012,363	15,386,738
• Leisure & Recreational Services	6,657,598	6,527,392
• DRM & Corporate Management	53,916	2,262,066
• Other Services	1,047,932	488,118
• Planning & Development	2,752,335	2,736,725
• Off Street Car Parking	670,000	(628,000)
• Central/Ground & Build Maint	127,973	9,745,270
• Totals	13,322,117	36,518,309

Appendix 2

Gross Expenditure

	Wages,etc	Other Costs	Total
• Environmental Services	7,639,190	9,759,911	17,399,101
• Leisure & Recreational Services	7,090,728	6,094,263	13,184,991
• DRM & Corporate Management	1,007,235	1,308,747	2,315,982
• Other Services	695,421	840,629	1,536,050
• Planning & Development	2,982,062	2,506,999	5,489,061
• Off Street Car Parking	-	42,000	42,000
• Central/Ground & Build Maint.	7,039,774	2,833,467	9,873,241
• Totals	26,454,410	23,386,016	49,840,426

Appendix 4

Performance Improvement Timetable

Date	Key Actions
31 st August 2015	Return of Departmental Performance Improvement Templates for 2015/2016
7 th September 2015	SMT to review templates and to agree the content or ask for further clarifications and information
5 th October 2015	Staff workshops to commence the process of developing the 2016/2017 Performance Improvement Plan
13 th October	Report presented to Audit Committee on the Performance Management Framework for 2016/2017
20 th October 2015	Report presented to Corporate Policy and Resources Committee on 2015/2016 Performance Improvement Plan
27 th October 2015	Report to Council on Performance Improvement Plan and Performance Improvement Framework
End of October 2015	Workshop with Elected Members to identify key performance priorities for 2016/2017
17 th November 2015	Report on 2016/2017 Performance Improvement Plan to Corporate Policy and Resources Committee
24 th November 2015	Report to Council
25 th November 2015	Public consultation on 2016/2017 Performance Improvement Plan
15 th December 2015	Report to Corporate Policy and Resources Committee aligning the Performance Improvement Plan with the rates process

