



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

# **Resources, Commissioning and Governance**

Portfolio Performance  
and Resources  
Annual Report 2019/20



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Date:	1 June 2020	Version	1.0	Approved by	TMcG
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# RESOURCES, COMMISSIONING & GOVERNANCE - PORTFOLIO OVERVIEW



## Portfolio Summary

The Annual Portfolio reports normally concentrate on the overall performance against portfolio priorities that had been set at the start of the municipal year – from July 2019 in this instance. Given everything, I'm pleased that we have broadly met our targets.



However, the sudden and dramatic impact of the Covid-19 pandemic, whilst in theory only affecting the last few weeks of the financial year, did marginally affect some performance and reaching targets. The pandemic continues to have a major impact on the Council, its activities and resources both in the way that we are now planning for recovery for our borough but also in producing relevant and up to date full year data for the previous financial year.

As you will see from the report, many of our actual performance levels are broadly similar to the previous year and for the most part we are in control of our targets and achievements. Where we are reliant on external partners (eg RCG 1.3 & 1.4) we are to some degree reliant on their performance.

The portfolio financial position was beginning to face pressures towards the end of the financial year as a result of the wider economic impact particularly on the retail sector and this will only be exacerbated in this year.

We have made diligent use of earmarked reserves where appropriate and almost achieved the full portfolio savings proposals of £2.65M. Whilst there has been some slippage of the capital programme from 2019/20 into this financial year 2020/21 (partly through projects being temporarily halted or starts being delayed) I'm pleased that, for example, the schools capital programme is in the process of restarting as there are schemes within it (now approved) to provide much needed accommodation or improvements.

There are still, as indicated in the report, some - eg leisure based and other schemes - that need to be re-phased and started as soon as is practicable depending on the Government's guidance.

**Cllr Tom McGee,**  
**Deputy Leader and Cabinet Member for Resources, Commissioning and Governance**

### Revenue Budget (Outturn)

	£000
Cash Limit	23,123
Outturn	23,123
(Surplus)/Deficit	0

#### Reserves

Use of reserves in the outturn above is £4.447m, with £3.990m included in this Portfolio.

### Capital Programme

	£000
2019/20 Capital Budget	10,988
2020/21 Capital Budget	76,316
2021/22 Capital Budget	19,997

# RESOURCES, COMMISSIONING & GOVERNANCE

## 1. DELIVERING OUR PRIORITIES



This report is based on the **2019/20 Portfolio Agreement**, approved by Cabinet on 23 July 2019. The link to the Agreement can be [found here](#)







Due to the current situation and unprecedented levels of demand, this report focuses on out-turn performance and financial data for 2019/20, rather than the usual, more comprehensive round-up of progress against portfolio priorities.

Highlight and exception commentary is provided for specific areas of performance, and this is linked where possible to specific projects, programmes and activities.

Some data has not been collected, whilst there are some measures for which out-turn data is not yet available, particularly where this comes from external sources. In these cases, the latest data is shown in italics along with the period it relates to, in order to provide a complete picture of performance across the portfolio, based on the latest available data.

Consideration is currently being given to the future reporting framework in the light of the Council's response to COVID19, reflecting the impact of the pandemic and associated measures on key areas of performance in addition to recovery plans for 2020/21 going forward.

### Key to symbols used in tables











	Red; Indicator is performing significantly below target		Getting worse; This indicator has worsened when compared to previous period
	Amber; Indicator is performing below target		Stable; Indicator value has changed by less than 1% when compared to previous period
	Green; Indicator is on track or performing above target		Getting better; This indicator has improved when compared to previous period
<b>Bold measures</b> are included in the Greater Manchester Strategy outcomes framework and/or suite of 'headline' measures included in Corporate Report <i>Data in italics is provisional / forecast</i>			

**Priority 1: Building financial resilience and sustainability**

*We will rise to the challenge of new funding arrangements by ensuring the Council is financially self-reliant, investing in and making best use of our existing assets and ability to generate more of our own income in order to protect the vital services our residents rely on.*







*We will continue to look at creative solutions to reform and protect our services, whilst delivering the savings required. Investing in our assets and planning for the future has allowed a below inflation Council Tax rise 2019/20 despite the continued impact of austerity.*

**Measuring Performance and Reporting Progress**

PI Code	Short Name	Good Performance	2017/18	2018/19	2019/20			
			Actual	Actual	Actual	Target	Status	Trend
<b>RCG.1.1 BV.09</b>	<b>In-year Council Tax collection rate</b>	<b>High</b>	<b>96.99%</b>	<b>97.25%</b>	<b>97.14%</b>	<b>97.25%</b>		
The year started with a 2.75% Council Tax increase to collect. As a result of new properties being built within the borough, the property charge base grew by a further 0.58% throughout the year, meaning that there was an additional £11,025,587 to collect compared to the previous year. Of this, an extra £10,515,829 was collected during 2019/20. The plan was to have all staff debt chasing towards the latter end of March but unfortunately this work had to be abandoned at the start of the pandemic. The final out-turn was just 0.1% behind 2018/19. Ordinarily, this would have been a disappointing return, however in light of the circumstances, this represents a good result.								
<b>RCG.1.2 BV10</b>	<b>In-year Business Rates collection</b>	<b>High</b>	<b>97.50%</b>	<b>97.52%</b>	<b>97.45%</b>	<b>97.54%</b>		
The property charge total for 2019/20 fell by £1.2m compared to the previous year as a result of deletions, appeals and transitional relief. Performance was very close to equalling the rate for 2018/19 (0.07%), which in cash terms was £247k. The impact of COVID19 prevented the team from that last push on collection and so an excellent final out-turn of 97.45% compared to 97.52% for 2018/19.								
RCG.1.3 NEW	Average time taken in calendar days to process Housing Benefit (HB) new claims and change events	Low	9.18	8.47	7.40	10.0		
RCG.1.4 NEW	Average time taken in calendar days to process Council Tax Support (CTS) new claims and change events	Low	13.03	12.59	19.10	20.0		
Performance against this measure is very dependent on DWP performance in processing Universal Credit applications.								
RCG 1.5 BV8(i)	% of invoices paid within 30 days	High	92.9%	95.6%	95.6%	95.0%		



During the final quarter, a total of 11,661 invoices were paid and 94.1% were paid within 30 days. Whilst this is below the target of 95%, performance for the year is 95.6%. The average number of days to pay invoices during the period was 18.32 days. The impact of COVID-19 has caused some minor disruption as the Central Invoicing Team transitioned to working from home and the team continue to process invoices as quickly as possible, prioritising local and critical suppliers.

<b>RCG.1.6 BSDR 27.01</b>	<b>Total property costs</b> (occupancy, operational and m'gement) per m <sup>2</sup>	<b>Low</b>	<b>£40.02</b>	<b>£42.25</b>	<b>£33.32</b>	<b>Aim to minimise</b>		
<b>RCG.1.7 BSDR 27.04</b>	<b>Total property occupancy</b> / ownership costs (revenue) per m <sup>2</sup>	<b>Low</b>	<b>£13.67</b>	<b>£14.85</b>	<b>£14.40</b>	<b>Aim to minimise</b>		
<b>RCG.1.8 BSDR 27.15</b>	<b>Total Annual Energy</b> Consumption (KW/h) per m <sup>2</sup>	<b>Low</b>	<b>100.47</b>	<b>93.69</b>	<b>75.68</b>	<b>Aim to minimise</b>		

## Priority 2: Joining up our public services at a local level

*We will transform our public services, reflecting wider place-based reforms across GM, with a focus on services that meet the needs of our communities. Our neighbourhood commissioning approach will shape this vision alongside our 'Stockport Local' model for working with communities. This will be embedded across core partnership delivery programmes and our new Borough Plan.*

*Working closely with the Inclusive Neighbourhoods portfolio, we will build on Poverty Insight and Work and Skills Commission findings, enabling all our residents to benefit from Stockport's huge potential.*



## Measuring Performance and Reporting Progress

*No performance measures for this priority.*



**Priority 3: Corporate and support services that are fit for the future**

*We will ensure our workforce, systems and processes are equipped to meet the challenges of new ways of working across service, organisational and geographical boundaries to deliver the services our residents need and deserve. We will explore potential solutions, looking for creative ways to deliver savings and protect essential services.*



**Measuring Performance and Reporting Progress**

PI Code	Short Name	Good Performance	2017/18	2018/19	2019/20			
			Actual	Actual	Actual	Target	Status	Trend
<b>RCG.3.1</b> <b>BV12 (ii)</b>	<b>The average number of working days lost due to sickness absence per employee</b>	<b>Low</b>	<b>9.80</b>	<b>9.85</b>	<b>9.56</b>	<b>9.50</b>		

An average of 9.56 FTE days per employee were lost due to sickness absence in the rolling 12 month period up to 31 March 2020. This figure has been consistently under 10 days in every month, with no significant wild variations/fluctuations and continues to demonstrate an effective council-wide approach to the management of sickness absence including the wellbeing of employees.

<b>RCG.3.2</b>	Percentage of Council Plan measures improving or maintaining high performance	High	71.4%	58.4%	67.3%	Aim to maximise		
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Provisional out-turn data, based on the 101 measures available to report in the 'Corporate Suite', shows that over two thirds of measures were improving (49.5%) or stable (17.8%). Whilst the overall figure represents a significant improvement on 58.4% in 2018/19, this is largely due to the adoption of a 1% 'tolerance range', so includes a number of 'stable' measures which may have previously been shown as improving or deteriorating where there has been only a marginal change in performance. There remain around half of measures improving, which would have been slightly higher if some of the 'stable' measures were included, and measures 'getting worse' have reduced from 41.6% to 32.7%, but with the same caveat.

<b>RCG.3.3</b>	Percentage of targeted Council Plan measures on or ahead of target	High	58.4%	53.2%	42.6%	Aim to maximise		
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The figure for 'Green' measures on or ahead of target has reduced from 53.2% to 42.6%, although there was a higher proportion of measures ranked as 'Amber' (46.5% compared to 39%) for 2019/20 where performance is deemed to be within an acceptable range. The number and percentage of 'Red' measures significantly off target has increased however from 7.8% (6) to 10.9% (11), and exception commentary on these is included in Portfolio Reports. More detailed analysis of these trends – and finalised data where available – will be included in the Annual Corporate Report.

# RESOURCES, COMMISSIONING & GOVERNANCE

## 2. FINANCIAL RESOURCES & MONITORING



### 2.1 Revenue – Cash limit

	Third Quarter £000	Change £000	Current £000
Cash Limit	22,721	402	23,123

#### Budget changes from previous quarter

The cash limit budget has increased by £0.402m following the temporary addition of £0.282m to fund redundancy costs; in addition, £0.120m for increasing the provision of personal assistant / business support, to a wider group of senior officers across the Council.

#### Outturn Position

Net Cash Limit £000	Net Expenditure £000	Appropriations £000	(Surplus) / Deficit £000
23,123	27,570	(4,447)	0

The financial strategy of the portfolio has been to deliver a break-even position at year-end. In achieving this £4.447m of earmarked reserves have been applied, of which £3.990m is detailed below. A further £0.457m was used from reserve commitments reported elsewhere, mainly from Adult Care & Health with the development of the new care package system.

Most of the service expenditure went as expected however the Investment and Development Account (I&D) faced pressures in the last quarter of 2019/20. The account faced pressures in the last quarter due to an increase in costs and loss of income as a result of tenant changes in the Merseyway Shopping Centre. The account is ringfenced and backed up by support from the capital investment reserve, significant further work is underway to address the challenges that will impact upon assets such as Merseyway as a result of the pandemic.

### 2.2 Earmarked Reserves

Reserve Category	Reserve Narration	To be used for	Approved £000	Appropriations 2019/20 £000	Closing Balance £000
Linked To Budget	Transformation – Double Running	CSS Double Running commitments	1,352	580	772

Linked To Budget	Transformation – Invest To Save	Care-Case Management System	600	398	202
Linked To Budget	Transformation – Invest To Save	Business Intelligence – Predictive Modelling	104	23	81
Strategic Priority	Digital By Design	DBD Development	2,342	1,232	1,110
Strategic Priority	Capital Programme Investment	Investment and Development Account	1,627	1,627	0
Strategic Priority	Equipment Refresh	CivicaPay – Cash Management (Capital)	66	0	66
Strategic Priority	Equipment Refresh	Contact Centre Call Management Solution (capital)	80	80	0
Corporate	Legislative and Statutory	Elections	118	118	0
Corporate	Revenue Grant Reserve	Local Digital Fund Grant	12	12	0
Directorate	Directorate Flexibility	Finance Apprenticeships	40	0	40
			<b>6,341</b>	<b>4,070</b>	<b>2,271</b>

*The table above shows that £4.070m of reserves were used in 2019/20, including £3.990m to fund revenue expenditure and £0.080m to fund capital expenditure.*

## 2.3 Portfolio Savings Programme

Proposal	Risk Rating	Value £000	Value Achieved £000	Additional Information
Value for Money Procurement	GREEN	950	950	
Support & Governance	GREEN	310	310	Restructures implemented.
Improving Citizen Experience – Balancing the Cost of Services	GREEN	100	100	Corporate Support Services' SLAs with schools.
Improving Citizen Experience – Modernising Citizen Journeys	GREEN	650	650	£0.650m savings identified by the Digital by Design programme of which



				£0.195m realised in 2019/20.
Place and Property Strand	AMBER	645	580	Slippage.
<b>Total</b>		<b>2,655</b>	<b>2,590</b>	

#### Risk rating

**Green** – good confidence (90% plus) the saving is/will be delivered or minor variances (<£0.050m) that will be contained within the portfolio.

**Amber** – progressing at a reasonable pace, action plan being pursued may be some slippage across years and/or the final position may also be a little unclear.

**Red** – Significant issues arising, or further detailed consultation required which may be complex/contentious.

## 2.4 Capital Programme

Expenditure as at 31 Mar 2020 £000	Scheme	2019/20 Programme £000	2020/21 Programme £000	2021/22 Programme £000
	<b>Non Education Capital Schemes</b>			
2,642	Asset Management Plan	2,642	11,662	1,100
57	Reprovision of Dialstone Facility	57	3,038	0
19	Borough Care	19	8,481	18,897
0	Telephony system	0	0	0
78	Contact Centre - IT System	78	0	0
90	Disposal of Assets	90	9	0
1,870	Manchester Airport - equity investment	1,870	3,740	0
0	TLC Fleet Vehicle Loan Facility	0	1,000	0
<b>4,756</b>	<b>Sub-total</b>	<b>4,756</b>	<b>27,930</b>	<b>19,997</b>
	<b>Education - Schools Capital Programme</b>			
0	Early Years	0	13	0
3,359	Primary Sector	3,359	6,336	0
761	Secondary Sector	761	1,724	0
657	Special Sector	657	14,252	0
0	Funding to be allocated	0	25,907	0
1,455	Individual School Schemes	1,455	154	0
<b>6,232</b>	<b>Sub-total</b>	<b>6,232</b>	<b>48,386</b>	<b>0</b>
<b>10,988</b>	<b>TOTAL</b>	<b>10,988</b>	<b>76,316</b>	<b>19,997</b>

**Resources**

Resources	2019/20 £000	2020/21 £000	2021/22 £000
Capital Grants	5,346	16,575	0
Directly Funded Borrowing	2,017	13,463	18,004
Unsupported Borrowing	2,635	42,221	1,100
Capital Receipts	147	3,047	893
External Contributions	628	1,010	0
Revenue Contributions (RCCO)	215	0	0
<b>TOTAL</b>	<b>10,988</b>	<b>76,316</b>	<b>19,997</b>

**Programme Amendments – Re-phasing**

Scheme	2019/20 £000	2020/21 £000	2021/22 £000	Funding Source	Reason
<u>Non education</u>					
AMP	0	420	0	USB	Scheme additions
AMP	(228)	228	0	USB	Scheme Rephasing
Re-provision of Dialstone Facility	(43)	43	0	Cap Receipts	Rephased to 2020/21
Borough Care	19	(19)	0	DFB	Rephased to 2019/20
Telephony System	(7)	0	0	RCCO	Scheme Finished
Contact Centre - IT System	(2)	0	0	RCCO	Scheme Finished
Disposals	(9)	9	0	Cap Receipts	Rephased to 2020/21
Manchester Airport - equity investment	(3,730)	3,730	0	DFB	Rephased to 2020/21
Manchester Airport - equity investment	0	10	0	DFB	Scheme additions
TLC Fleet Vehicle Loan Facility	(1,000)	1,000	0	DFB	Rephased to 2020/21
<u>Education Schemes</u>					
Individual School Schemes	137	0	0	RCCO	School 19/20 RCCO
All sectors rephasing	(543)	543	0	Grant	Rephasing
All sectors rephasing	(35)	35	0	DFB	Rephasing
All sectors rephasing	(266)	266	0	Ext Contributions	Rephasing
<b>TOTAL</b>	<b>(5,707)</b>	<b>6,265</b>	<b>0</b>		

Commentary

- **Asset Management Plan** - The spend for 2019/20 is £2.642m against a revised anticipated spend of £2.870m for the full year, with £1.454m having been deferred to quarters 1 and 2 of 2020/21 in the quarter 3 report of 2019/20.

Much of this deferred balance was related to projects on the leisure estate, which were programmed to start on site in Quarter 4 of 2019/20 and due to complete during the Quarters 1 and 2 of 2020/21. These major planned works include:

- Re-Roofing works at Priestnall Life Leisure and Romiley Life Leisure, which completed in Quarter 4 of 2019/20 at a cost of £0.510m;
- Replacement lift at Avondale Life Leisure, which will be completed during Quarter 1 of 2020/21 at a cost of £0.090m;
- Comprehensive changing room refurbishments at Avondale and Romiley, which will commence on site in April 2020 and complete by the end of September 2020 at a cost of £1.300m;
- Replacement of the windows to the pool hall at Cheadle with an estimated cost of £0.100m;
- Car Park refurbishment works, including resurfacing and new lighting at Romiley and Hazel Grove at an estimated cost of £0.800m;
- A raft of smaller conditions projects is also planned across the leisure estate;
- In addition, a specialist engineering company has been engaged to undertake a detail review of the pool plant equipment at each site where a swimming pool is located to inform an investment strategy to replace all life expired pool plant, and ensure the operation of the swimming pool estate is more robust and reduces pool downtime.

However, due to the COVID-19 outbreak this proposed program of work for quarters 1 and 2 has currently been suspended from contract award and is therefore pending a further rephasing exercise once further guidance is issued.

- **Reprovision of Dialstone Facility** – This scheme includes the creation of a new children's playground on Blackstone Road and the creation of new formal open space on the site of the former Dial Park School.

At the beginning of this financial year the children's play area works were completed at Blackstone Road to a value of £0.180m (the majority of these costs were incurred in 2018/19).

£0.002m was spent on additional soft landscaping works which were completed during Quarter 3.

At the beginning of this financial year works were completed to a value of £0.290m on the new open greenspace at Dial Park, with further spend of £0.016m in Quarter 1 of this year taking the total spend on this project to £0.306m, with £0.052m taking place during 2019/20.

Remaining allocations have been rephased to 2020/21.

- **Borough Care** - The review process for this scheme is ongoing with viability assessments being progressed at pace to create the potential for an opportunity that is fit for the future, being mindful of the current situation the Council faces itself in with the Covid-19 response and the impact on Council services in particular for Adult Social Care.
- **Telephony System** – This scheme is now complete.
- **Contact Centre - IT System** – The project has now completed at a cost of £0.078m.

- **Disposals** – The sale of Torkington Lodge remains ongoing. Final expenditure is anticipated to be within current budget allocations, barring any abnormal costs.
- **Manchester Airport Equity Investment** - The Airport Car Park Investment has been agreed to be paid in three tranches of £1.870m on the following payment dates:
  - First payment was made on the 20<sup>th</sup> March
  - Second payment was made on the 6<sup>th</sup> April
  - Final payment was made on the 30<sup>th</sup> April.

The delay to the second and third payments was due to the finalisation and agreement of the legal and financial aspects of the equity investment by each of the Local Authority shareholders. As a result these payments were rephased to 2020/21 and paid in April 2020.

- **TLC Fleet Vehicle Loan Facility** – In November 2018 the Council approved a loan facility to Totally Local Company to support the implementation of its Fleet Management Replacement Strategy. The loan facility is to replace the existing fleet with a mixture of wholly owned, purchased, specialist/large vehicles, plus a range of lighter more standard vehicles on contract lease and the purchase of good quality second-hand vehicles. The total loan facility is £10.800m on a rolling basis over a period of up to six years.

£1.000m of borrowing was included in the 2019/20 programme for the first tranche of vehicles. Delivery of the vehicles has been delayed, with the first six vehicles arriving at the end of February and early March. Payment for these vehicles is not required until early in the new financial year so funds have been rephased to 2020/21 accordingly. There is a long lead time from placing an order to delivery of the vehicles and funding will be added to the programme as future orders and delivery details are firmed up.

- **Education** – The c. £6m spend across the sectors this year relates to a number of individual school schemes. A re-phasing of a number of school projects to 2020/21 relates to large schemes requiring works to tie in with the school holiday period.

Significant projects to commence/take place in 2020/21 include Ludworth primary school expansion, Stockport secondary school roof and re-wire project and rebuild/re-location of Lisburne special school.