



Subject:	Quarterly Performance Report (Q4 –January to March 2014)
Officer:	Peter Flynn
To:	Overview and Scrutiny Committee, 26 June 2014.
Purpose:	To consider the performance for the fourth quarter of the year 2013-14.

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 4.

The detailed information showing all performance is available for Members to review at the eMembers room.

The headline performance information is set out in the following Annexes:

Key Service Indicators	Annex 1
Internal Audit	Annex 2
Risk Management	Annex 3
Risk Management 2014/15	Annex 3a
Planning obligation section 106 summary	Annex 4

Recommendation

The Committee is requested to review the performance update, consider any advance questions received in relation to strategic issues and make any observations to the Executive.

Annex 1

KEY SERVICE INDICATORS

Headline Information

Of the key service indicators for which information was available, six were on target or within agreed tolerances. Two were off target at the end of the reporting period.

Major variances (those off target)

KSI4: Percentage of Major Planning applications determined within 8 weeks

Target for quarter	Actual
60%	33%

Management comments/action

Of 15 major decisions only 5 made within 13 weeks. Performance in quarter affected by staffing and nature of cases many involving S106 agreements. Performance across year has however meant that target has been met.

KSI7: Percentage of Planning appeals allowed by Planning Inspectors (low is good)

Target for quarter	Actual
30%	43%

Management comments/action

Only 16 decisions received of which 10 dismissed and 6 allowed resulting in slight performance improvement. Householder appeal results across year to be reviewed given impact on figures.

eMembers room information

A copy of the full schedule can be found in the eMembers room.

Annex 2

INTERNAL AUDIT

Background

The Annual audit plan is agreed by the Overview and Scrutiny Committee.

SCORING

RED	Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.
AMBER/ RED	Action needs to be taken to ensure this risk is managed. Taking account of the issues identified, whilst the Authority can take some assurance that the controls upon which the organization relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed
AMBER/ GREEN	Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk organisation.
GREEN	Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

Headline Information

During the last quarter the following internal audits have been completed

Name of Audit	SCORE
Homelessness	AMBER/RED
Housing Register	AMBER/GREEN
Regeneration Partnerships	GREEN
Main Accounting, General Ledger, Bank Reconciliations and Budgetary Control	GREEN

Recommendations with a high priority (Homelessness)

1.1 In order to reduce the current delay in assessment and in turn reduce the costs associated with B&B, the Housing team should investigate what additional resources or change in processes should be adopted to deal with the backlog and increase in application caseload.

Management action

Housing Register staff now act as “Triage Officers” being first point of contact for all housing enquiries. This frees up Options staff to deal with more complex enquiries.

We are in the process of recruiting an Accommodation Sustainment Officer to prevent homelessness wherever possible by negotiation with landlords, Registered Providers and financial institutions.

All permanent vacancies now filled training will take place “in-house” and via selected outside training bodies/courses

Recommendations with a high priority (Homelessness)

3.1 A system of monitoring rent income should be set up using the rent accounts system.

The household should be informed of the amount due and attempts to collect should be made once arrears arise. The monitoring and collection duty can be delegated to staff and collection rates must form part of the officer’s appraisal.

Management action

Plans and staffing in place to develop approved systems to ensure payments are able to be easily made by applicants in B&B and arrears recovered

Recommendations with a high priority (Housing Register)

1.1 Training sessions must be arranged to ensure all assessing officers are aware of allocation policy and how to apply the policy when assessing different criteria of housing needs.

Management action

Desk Aid created. Step by step guide for officers (old and new) on applying the policy to new and existing applicants for social housing.

eMembers room information

Copies of the full report and individual audit reports.

Annex 3

RISK MANAGEMENT

Introduction The report covers the two aspects of risk management

Strategic Risks

Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and the Medium Term Financial Strategy. The Management Team has shared responsibility for the Strategic Risks.

Operational Risks

Operational risks are those short term risks that are encountered in the course of the day to day delivery of services and functions. Individual operational managers will have responsibility for their own operational risks. The Management Team will be responsible for monitoring the operational risk registers.

Risk Rating

Each risk is scored using the potential Impact of the risk and the likelihood of the risk happening. The risk score then determines the level of management action required, see table below.

Risk	Action
Red risk	Where management should focus attention. Should have immediate actions identified and plans in place to reduce risk as a priority .
Amber risk	Where management should ensure that contingency plans are in place. These may require immediate action and will require monitoring for any changes in the risk or controls. These will be a key area of assurance focus
Yellow risk	These should have basic mechanisms in place as part of the normal course of management.
Green risk	Where risk is minimal if does not demand specific attention but should be kept under review.

Strategic Risks

DESCRIPTION	Risk rating
<p>Financial sustainability If we don't reduce our reliance on government grant funding over the medium term, future decreases in grant levels and the impact of welfare reform could lead to unplanned reductions in services / service delivery standards and/or failure to deliver on all our corporate objectives.</p>	Amber
<p>Regeneration If we don't regenerate our key areas then we will not attract inward investment or maximise our income generating abilities and will not provide an environment that sustains our communities or improves the quality of life of our residents.</p>	Green
<p>Young People If we don't work with our public, private and voluntary sector partners to support our young people, particularly with training and employment opportunities, we may face a financial drain on public sector resources and a weaker local economic environment in the longer term</p>	Green
<p>Healthy Living If we don't work with our public, private and voluntary sector partners to promote healthy and active lifestyles, maximising the use of our facilities, we may face a financial drain on public sector resources in the longer term and miss opportunities for resources to be allocated to this area as part of public health reform.</p>	Green
<p>Ageing well If we don't work with our public, private and voluntary sector partners to plan support and provide services for our ageing population, our services may become unfit for purpose and we may miss opportunities to generate income and demonstrate value for money of our services</p>	Green
<p>Economic development/Retention If we don't understand local business needs and aspirations then we will be unable to retain current businesses and will not attract new ones, which will result in a less buoyant economic environment.</p>	Green

Management action

No red risks to report

Operational Risks

Exception reporting

This report highlights those risks that have been rated as **RED**. All risks are actively monitored by the Management Team to ensure that all appropriate controls are in place to ensure that the risk rating does not change over time.

The headline risk information is set out in the following tables:

Red Risk The red risk is as follows

RISK	CONTROL
POLICY AND REGENERATION	
PR.1 - If we fail to adopt the Core Strategy in a timely manner then we will be unable to progress the Community Infrastructure Levy which will affect our availability to collect funds to deliver the appropriate infrastructure.	Ultimately, this risk is dependant on the adoption of the Core Strategy. However, the time period surrounding the approval of the CIL strategy can be managed to ensure that it is ready to progress once the Core Strategy is adopted.

eMembers room information

Full descriptions of these strategic and operational risks and their control are available in the eMembers room.

Annex 3a

Risk Management 2014/15

The following are the new strategic and operational risks for the financial year 2014/15. These will form the bases for the performance reports during 2014/15.

Strategic Risks

RISK DESCRIPTION 2014/5
<p>Financial sustainability</p> <p>As the Government is reducing grant funding over the medium term, the Council needs to be less reliant on this funding. We also need to ensure that income fluctuations are well managed. If we do not then this could lead to unplanned reductions in services / service delivery standards and/or failure to deliver on all our corporate objectives.</p>
<p>Drafting of new Corporate Plan 2015/16</p> <p>We are in the process of drafting a new Corporate Plan covering the period 2015-20. This draft needs to be in place in time to inform the Service and Financial planning process for 2015/16. If it is not in place then we will not be able to produce a budget or service plans that reflect the corporate objectives.</p>
<p>Joint Law enforcement Pilot</p> <p>We are currently implementing a pilot to test the integrated of law enforcement at a borough/district council level. The work will be carried out by a dedicated team drawn from Reigate and Banstead, Spelthorne, Surrey Police and Surrey County Council. As this is a high profile pilot, with a number of partners, there is a risk of reputation damage, if the pilot is seen to fail. We therefore need to have clearly defined measure of what the success factors are for the pilot are in order to control expectations.</p>
<p>Welfare reform</p> <p>The Government are introducing a number of welfare reforms. We need to provide support to any vulnerable residents who are affected by these welfare reforms particularly, changes to benefits. Without this support there is a risk of an increase in homelessness in the borough which would incur further costs to the Council through emergency/temporary accommodation, which would be ongoing if alternative social housing is not available. There is also a likelihood of an increase in local hardship and a greater need to rely on voluntary organisations which could become unsustainable. There is also a reputational risk for the Council if adequate support is not made available.</p>
<p>Property investment</p> <p>Due to the predicted budget gap we will face in future years we need to have a well-defined and resourced Corporate Asset management Plan. This needs to be a programme of investments, developments and acquisitions either by ourselves or in joint working arrangement within and outside the Borough. If not we will not have sufficient funds and we will be unable to fulfil any of our ambitions Corporate objectives.</p>

RISK DESCRIPTION 2014/5
<p>Core strategy</p> <p>If we fail to adopt the Core Strategy in a timely manner then we will be unable to progress the Community Infrastructure Levy which will affect our availability to collect funds to deliver the appropriate infrastructure.</p>

Operational Risks

RISK DESCRIPTION 2014/5
<p>Planning decisions</p> <p>In order for planning decisions to be robust and sustainable they need to be based on sound planning considerations and judgements, free from non-planning related matters. The Council does not want to be exposed to challenge on its decisions as this could result in financial cost and/or loss of reputation.</p>
<p>Disability Grants</p> <p>Due to the current contractual arrangements, to assist with the processing of disability grants, the Council cannot guarantee the timeliness of solution being delivered to vulnerable resident's which could lead to complaints and poor publicity.</p>
<p>Homelessness</p> <p>Currently there is an increase in demand for temporary homelessness accommodation. There is also a reduction in the supply of suitable affordable temporary and permanent accommodation. At the same time we have difficulty recruiting and retaining suitable qualified staff. These factor combine means that we are at risk of failing to fulfil our statutory requirement which could result in a judicial review, a fine and damage our reputation.</p>
<p>Redhill Street Market</p> <p>During the course of the redevelopment of Redhill the Council needs to maintain a suitable site for the street market. Any alternative sites considered needs to be easily assessable to the public to ensure the continued use of the market to help with the long term economic regeneration of the area.</p>
<p>Earlswood Depot</p> <p>Due to the planned redevelopment of the Earlswood site there could be disruption to day to day operations which could result in service failure and complaints from the public which could have a reputational impact.</p>
<p>Regeneration</p> <p>If we don't regenerate our key areas then we will not attract inward investment or maximise our income generating abilities and will not provide an environment that sustains our communities or improves the quality of life of our residents.</p>

Annex 4

Summary of planning obligation receipts – 15 April 2014

Historic Section 106 Obligations			
Category	Spending Authority	Current (£)	Available (£)
Affordable Housing	RSL	2,460,390	1,193,000
Primary Health Care	PCT	173,800	73,800
Horley Master Plan	Multi Agency	1,096,999	0
Leisure	RBBC	19,010	0
Open Space and Parks	RBBC	282,568	0
Transport Initiatives	SCC	379,763	49,586
Trans Init (Specific Projects)	SCC	61,247	34,221
Comm Facility (Watercolour)	RBBC	339,366	0
Env Improve (Park Lane)	RBBC	19,800	19,800
Total (non-PIC obligations)		4,832,943	1,370,407

Planning Infrastructure Contributions			
Category	Spending Authority	Current ¹ (£)	Available (£)
Education (primary)	SCC	4,684	0
Education (secondary)	SCC	2,753	0
Libraries	SCC	210	0
Equipped Play/CYPP ²	RBBC	56,699	36,342
GSPG ³	RBBC	6,139	6,139
Sport & Leisure	RBBC	51,917	38,917
Community Facilities	RBBC	34,746	14,112
Recycling	RBBC	7,704	7,704
Env Improvements	RBBC	861	861
Transport	SCC	76,604	0
Primary Health Care	PCT	41,206	0
Monitoring Fee	RBBC/SCC	335	0
Total (PIC obligations)		283,858	104,075

Total S106 Receipts	
Total (non-PIC obligations)	4,832,943
Total (PIC obligations)	283,858
Total S106 obligation receipts	5,116,801
Total available to spend	1,474,482

1 Invoiced sums including index-linking where applicable

2 Children's and Young People's Play

3 Green Space, Parks, Gardens