

Subject:	Quarterly Performance Report (Q4 – January to March 2015)
Officer:	Gavin Handford / Bill Pallett
To:	Overview and Scrutiny Committee, 17 June 2015.
Purpose:	To consider the performance for the fourth quarter of the year 2014-15.

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

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.

KEY SERVICE INDICATORS

Headline Information
Of the key service indicators for which information was available, all were on target or within agreed tolerances.
eMembers room information
A copy of the full schedule can be found in the eMembers room.

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 materialising.
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
Revenues	GREEN
Capital Accounting and Fixed Assets	GREEN
Main Accounting, General Ledger and Reconciliations	GREEN
Corporate Governance and Risk Management	GREEN

Recommendations with a high priority None.
Management action N/A
eMembers room information Copies of the full report and individual audit reports.

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>Drafting of new Corporate Plan 2015/16 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>Closed</p>
<p>Joint Law enforcement Pilot We are currently implementing a pilot to test the integration 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 a clearly defined measure of what the success factors are for the pilot in order to control expectations.</p>	<p>Amber</p>
<p>Welfare reform 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>Amber</p>
<p>Property investment 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 ambitious Corporate objectives.</p>	<p>Amber [Risk now moved to operational risk register]</p>
<p>Core strategy 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>	<p>Closed</p>
<p>Management action No red risks to report</p>	

<p>Operational Risks</p> <p>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.</p>

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

Red Risks

There were no red risks this quarter.

eMembers room information

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

