



Subject:	Quarterly Performance Report (Q2 – July to September 2015)
Officer:	Gavin Handford / Bill Pallett
To:	Overview and Scrutiny Committee, 10 December 2015.
Purpose:	To consider the key service performance for the second quarter of the year 2015-16.

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 2.

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
Revenue Budget Monitoring	Annex 2
Capital Budget Monitoring	Annex 3
Risk Management	Annex 4
5-Year Plan Performance (this is a new report)	Annex 5
Internal audit	N/A – no audits completed in Q2

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

<p>Headline Information</p> <p>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.</p>							
<p>Major variances (those off target)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2"> <p>KSI 4 - Percentage of planning applications determined in line with the Government's new development control targets to determine: 60% of major applications in 13 weeks</p> </td> </tr> <tr> <td style="text-align: center;">Target for quarter</td> <td style="text-align: center;">Actual</td> </tr> <tr> <td style="text-align: center;">60%</td> <td style="text-align: center;">41%</td> </tr> </table>		<p>KSI 4 - Percentage of planning applications determined in line with the Government's new development control targets to determine: 60% of major applications in 13 weeks</p>		Target for quarter	Actual	60%	41%
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Target for quarter	Actual						
60%	41%						
<p>Management comments/action</p> <p>Target would have been met if it included extensions of time.</p>							
<p>Major variances (those off target)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2"> <p>KSI 7 - Percentage of Planning appeals allowed by Planning Inspectors (low is good)</p> </td> </tr> <tr> <td style="text-align: center;">Target for quarter</td> <td style="text-align: center;">Actual</td> </tr> <tr> <td style="text-align: center;">30%</td> <td style="text-align: center;">46%</td> </tr> </table>		<p>KSI 7 - Percentage of Planning appeals allowed by Planning Inspectors (low is good)</p>		Target for quarter	Actual	30%	46%
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Target for quarter	Actual						
30%	46%						
<p>Management comments/action</p> <p>13 out of 24 appeals dismissed. Appeal outcomes will be discussed at the Area Forums going forward to consider the Inspectors' decisions made to help inform Officers and Members. This is due to start at the end of November.</p>							
<p>eMembers room information</p> <p>A copy of the full schedule can be found in the eMembers room.</p>							

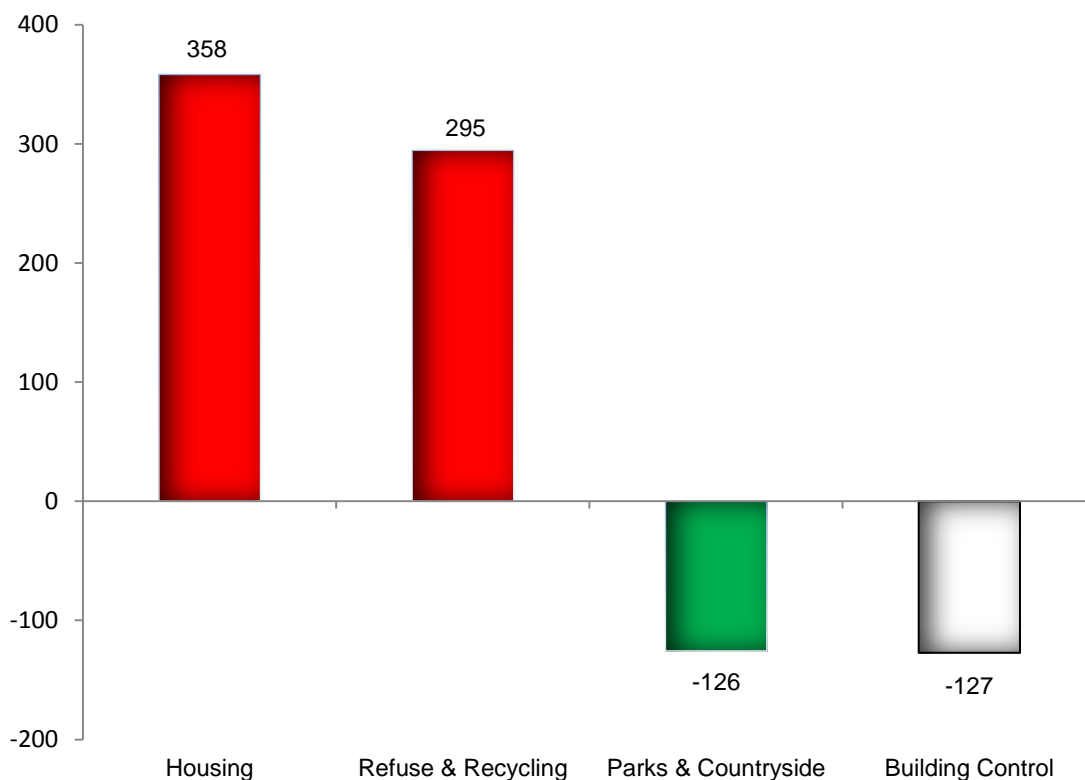
Annex 2

REVENUE BUDGET MONITORING

Headline Information

- Management budget: £16,403,200
- Forecast Year End Outturn: £16,730,000
- Projected under-recovery/overspend: £326,800 (or 2% of the budget)

Table 1: Major Revenue Variances (£000)



Major Variances

- **Housing:** Forecast overspend due to levels of Bed and Breakfast occupancy. The variance is largely accounted for by volume issues. We currently have 25 occupants when the budget is only for 9.
- **Waste & Recycling:** A significant variance is forecast. This is due to both the increased costs of waste disposal and falling prices for Paper and Mixed Recyclables. Low returns on both of these commodities are expected to continue for some time.
- **Parks and Countryside:** Operational changes are already delivering forecast underspends.

- **Building Control** – There are ongoing difficulties with recruitment and vacancies that are proving difficult to fill. This is generating significant salary underspends.

eMembers' Room Information

Further information has been provided in the eMembers room to support the Committee's consideration of the monitoring report as follows:

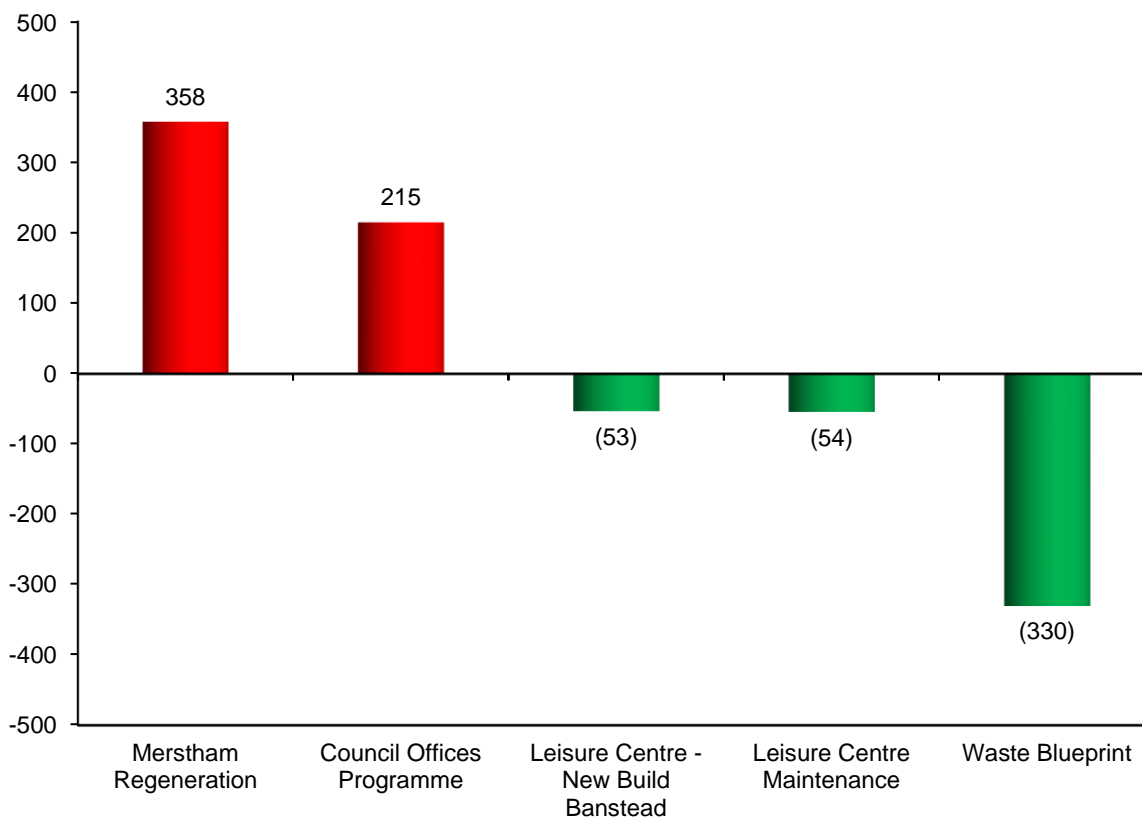
- Reconciliation of Original Budget to Management Budget
- Budget Monitoring Summary
- Analysis of Key Variances
- Impacts on Reserves.

CAPITAL BUDGET MONITORING

Headline Capital Budget information 2015/16

Current Budget:	£ 19,032,000
Forecast Expenditure:	£ 18,939,000
Projected Underspend:	£ 93,000 (or 0.5 % of budget)

Table 1: Major Capital Variances (£000)



Major Variances

Merstham Regeneration: Project acceleration following previous slippage, (caused by the contractor being late on site) has resulted in an overspend of £358,000 in 2015/16. The budget will be reprofiled to reflect this change in operational timing.

Council Offices Programme: South Annex refurbishment expenditure is being offset by underspends on other “property” budgets such as the Leisure Centre maintenance (noted below), Harlequin maintenance, Community Centres maintenance and others shown in Annex 2.

Leisure Centre – New Build Banstead: The Banstead Leisure Centre has been completed within approved budget. The project underspend is £53,000.

Leisure Centre Maintenance: Due to the significant recent investment in all leisure centres there is no anticipated leisure centre maintenance capital expenditure. This underspend is expected to continue to the end of the financial year.

Waste Blueprint: £330,000 of Waste Blueprint budget needs to be deferred to later financial years. This reflects the operational implementation plan of the flats kerbside collection service.

eMembers Room Information

Further information has been provided in the eMembers' room to support the Committee's consideration of the monitoring report as follows:

- Reconciliation of Capital Programme to Approved Budget
- Budget Monitoring Summary

Annex 4

RISK MANAGEMENT

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 Five Year 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 register.

All risks are actively monitored by the Management Team to ensure that appropriate controls are in place.

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.

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.

New Risks

This report highlights two new Operational risks that have been identified in Q2.

Ref no	RISK DESCRIPTION 2015/16
	<p>Earlswood Reservoir</p> <p>The Environment Agency has classified the reservoirs as high risk. There are a number of leaks in the Earlswood reservoir dam. This could lead to a dam failure or an uncontrolled release of water which could endanger human life. Infrastructure affected would include the A2044 which is a main road in the borough and a number of properties opposite the site.</p>
	<p>Joint Enforcement Team (JET)</p> <p>There is a risk of staff departure due to changes in terms and conditions although this is likely to be short term.</p> <p>Recruitment requirements for the team involve processes such as police vetting and Community Safety Accreditation Scheme (CSAS) training which adds time to the process.</p> <p>The priorities of our partners might change, which may have implications for projects such as JET.</p>

Strategic Risks

Ref no	Risk description 2015/16	Risk Rating
SR01	<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>	Amber
SR02	<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</p>	Closed

Ref no	Risk description 2015/16	Risk Rating
	<p>have clearly defined measure of what the success factors are for the pilot are in order to control expectations.</p> <p>[This risk has now closed and a new operational risk has been identified – see New Risks.]</p>	
SR03	<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.</p> <p>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>	Amber
SR05	<p>Development Management Plan</p> <p>The process for the allocation of specific sites for development will be politically sensitive and could result in negative publicity and impact on the Council reputation. Delay to formal allocation of development sites in an adopted plan increase the risk of speculative (particularly greenfield) planning applications.</p>	Amber

Operational Risks (Exception reporting)

This report highlights those risks that have been rated as **RED**. These are the risks where management are focusing their attention and immediate actions have been identified and plans are in place to reduce risk **as a priority**.

Ref no	Risk description 2015/16
OR3	<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 accommodation.</p> <p>Due to a lack of affordable accommodation in the borough, we are forced to use B&B which can result in a budget overspend.</p>

Ref no	Risk description 2015/16
	<p>The forthcoming benefits cap, tax credit reduction, child benefit reduction and the introduction of Universal Credit along with the downturn in new build affordable rented housing that the Housing and Planning Bill will bring, all add extra pressures onto finding and keeping affordable housing in the borough.</p> <p>[Note that the wording of this risk has been updated.]</p>
OR8	<p>Price Fluctuation in the Recycling Market</p> <p>The Council achieves significant income from the sale of material for recycling. The market for recycling feedstock is international with material being shipped to emerging economies (India, China). Price fluctuations are beyond the control of this Authority and can be sudden and involve significant sums of money. On occasion prices may be negative i.e. processors may charge a gate fee.</p>

Annex 5

FIVE YEAR PLAN PERFORMANCE

The Council adopted the Five Year Plan which included defined success measures in December 2014.

Performance against these success measures for the first six months is set out in the attached table and provides an indication of how the council is delivering against the Five Year Plan's priorities and outcomes.

It is important to remember that not all of the success measures are within the direct control of the council. For this reason there are no targets set. The success measure information provides trend analysis which will inform Service and Financial Planning.

Priority	Outcomes	Five Year Plan Success Measure	Owner	Baseline March 2015	April - September 2015 6-month update
We will support residents into employment, particularly those in vulnerable families and young people.	Vulnerable families are supported into employment Residents in priority places, particularly young people, are supported into employment.	Existing Family Support programme performance measures (on target)	MRW/DK	Information to follow	Targets for the Family Support programme have recently been agreed at a local level. The target for 2015-16 is 147 families to join the Family support Programme (based on being fully resourced). 51 families have joined the Family Support programme since 1 April 2015. Although this is below the programme's newly defined target (10 families below target), as a result of the recent clarity, there is an agreed plan in place for this to be remedied in the next six months. Progress is measured against governance success criteria and the scheme is based on a payment by result basis. Future reporting will be against this criteria.
		% residents claiming Job Seekers Allowance	BP	0.90%	Currently 0.73% of residents are claiming Job Seekers Allowance. The direction of travel is good but we have the second highest level of claimants in Surrey. The highest is Spelthorne at 0.81% (county average is 0.59%, SE average is 1.0% and national average is 1.6%).
		Number of work experience and other employment opportunities provided by the Council	MRW/CS	62	We are pleased to have been able to provide work experience to 26 people in this period, and employment opportunities for 30 people.
We will work with and support our partners to provide great services for older people to help them stay independent.	More residents and visitors benefit from our leisure and community centres Older residents enjoy an active lifestyle Improved communication and signposting to services	Existing Community Centre and Leisure Centre contract performance (on target)	TK	New Community Centre Contract approved by Executive 23 April 2015. Contract start date 1 September 2015. Leisure Centre Contract. No current issues. Performance targets on track. Profit share element if applicable applies from financial year 2015/16.	The working relationship with the Leisure Centre provider, GLL is excellent. Performance for the Leisure Centre Contract is monitored during monthly meetings with GLL. In addition, monthly reports are provided by GLL with detailed data on a number of different aspects relating to the management of the centres. Key aspects of the contract such as Customer satisfaction, Health & Safety and increase in leisure centre usage are all on track. Leisure Centre contract prepaid direct debit memberships continue to increase month by month. Horley Leisure Centre and Donyngs have also achieved QUEST accreditation. The Community Centre contract with Staywell is due to commence on 1 February 2016.
		Take up of services and customer feedback on planned/programmed activities in our leisure centres and community centres	TK	Detailed user information supplied by operator GLL on a monthly basis Overall rating of the experience of the leisure centre (90%) Overall activity experience (91%) Service improved or stayed the same (86%) <i>(Annual User Survey 2014)</i>	There has been an increase in use of the facilities and positive customer feedback from the customer satisfaction survey. The survey also identified an increase in customer satisfaction in the following areas: Overall rating of the experience of the leisure centre (94%) Overall activity experience (94%) Service improved or stayed the same (90%) <i>(Annual User Survey 2015)</i>
		Number of new volunteers involved in Council schemes/initiatives	TK	No volunteers are currently used at Leisure Centre sites. Volunteers are used at Harlequin (currently 40) and Community Centres (currently 50 across the three sites)	The Harlequin volunteer numbers have now increased and are currently at 50 which is made up of both younger and older people as well as those who have difficulty finding paid employment, so gain work experience.

Priority	Outcomes	Five Year Plan Success Measure	Owner	Baseline March 2015	April - September 2015 6-month update
		Number of website hits on new webpage and directory of services	TK	Directory of services and webpage still under development	Increased number of hits prior to ageing well week, but overall not a huge increase in general website activity. Directory of services work in progress. Discussions being undertaken around developing the Ageing Well booklet into a directory to avoid duplication.
We will encourage healthy lifestyles, particularly through the use of our Leisure Centres, parks and open spaces.	More residents and visitors benefit from our leisure centres, parks and open spaces	Existing Leisure Centre contract performance (on target)	TK	[See similar indicator above]	The contract is performing on target as stated above.
		Take up of services and customer feedback on planned/programmed activities in our leisure centres and parks and open spaces	TK	Relates specifically to Ageing Well and youth activity implemented by Leisure officers. Data will be available on individual project base.	Holiday activity attendance to date is 160 (45 at Easter, remainder during half term and summer holidays). Activities are 90-100% full, some generating waiting lists. Feedback from both participants and parents is positive. Increased Ageing Well numbers of participants attending local groups and projects. Of 11 projects funded for this year, 8 have started, plus there are 4 ongoing projects.
	Successfully deliver our Health Action Plan	Existing Health Action Plan performance measures and evaluation criteria	TK	Under continual review. Improved metrics being developed in order to measure outputs/outcomes	We are working with Public Health sector to finalise evaluation criteria for Health Action Plan activities. We are also working with Surrey Downs and East Surrey CCGs to develop improved measures for success of ageing well activity in order to inform future activity programme and to ensure best outcomes for end users.
We will improve safety through joint working with Surrey Police and other partners.	Stronger partnership work between the Council and police	% residents that agree the Police and Council are tackling anti-social behaviour	TK	57.10%	Data not available. Will be incorporated into Residents' Survey.
	Residents and visitors feel safer in the borough	% residents that agree the borough is a safe place	TK	2014 - 84%	Residents' survey conducted in May-June 2015: 82%
Encourage existing businesses to thrive and grow within Reigate & Banstead and attract new businesses to the borough.	New jobs created within the borough to benefit local residents	Reduction in % Job Seeker Allowance claimants (total and long term)	LM/SB	Total No: 783(0.90% pop); Long-term (+1 year): 160 (0.2% pop)	September 2015 0.7% 650 (working age population) August 2015 0.8% (working age population) July 2015 0.7% (working age population) June 2015 0.8% (working age population) May 2015 0.8% (working age population) April 2015 0.8% (working age population) These figures show a reduction in % of Job Seeker allowance claimants from the baseline in March 2015. Long term figures are reported on an annual basis.
		Proportion of residents that also work in the borough.	LM/SB	21,049 (29.4%) population (2013)	This is an annual figure from ONS, we should have figures for 2014 in November 2015.
	New/expanded businesses located within the borough.	% vacant commercial and industrial space in the borough	LM/SB	Vacant commercial floor space: 63,938sqm; Vacant industrial floor space: 27,505(10%) <i>Source: Industrial Estates and Commercial Development Monitors March 2015</i>	These are annual monitors. Information will be available in March 2016.
		VAT registered businesses	LM/SB	6,090 enterprises (2014)	Total businesses 2015: 6,570 (up 7.8% since 2014) There has been an increase in the total VAT registered businesses.
	Business 5 year survival rate	LM/SB	2013 data (covering 2008-2013) reports a 43.0% business 5 year survival rate	The next annual update is expected to be released in November 2015.	
		% residents that are satisfied with the borough as a place to live	GH	2014 - 84% Very or fairly satisfied	Resident's survey conducted in May-June 2015: 87% (Very or fairly satisfied)

Priority	Outcomes	Five Year Plan Success Measure	Owner	Baseline March 2015	April - September 2015 6-month update
To ensure our towns and public spaces are clean and attractive to residents, businesses and visitors.	Borough remains a clean and attractive place.	% streets that achieve cleanliness standard	FE	85% at B or above - target which is achieved on an annual basis	300 tranches (street inspections) have been carried to date and this information will not be made available from Keep Britain Tidy until December 2016. The results for 2014-15 will be made available in December 2015.
Establish Development Management Plan (DMP) to deliver affordable and other types of housing, employment space and infrastructure, whilst protecting the borough's pleasant environment.	Planned, sustainable development within the borough Funding secured for infrastructure across the borough.	Development Management Plan adopted	LM	NA	Decision taken to extend timetable to allow for further evidence gathering and to strengthen political consensus. Revised timetable to be taken to Executive in November 2015.
		Community Infrastructure Levy in place	LM	NA	Independent Examination into Council's draft Charging Schedule held. Examiner's Report now awaited. Adoption anticipated in line with published timetable.
We will be financially self-sufficient by 2020, without impacting on resident priorities.	Balanced budget adopted each year, without drawing on reserves.	Net savings delivered (Target for 15/16 is £1.058m)	BP	£958k	We are currently reporting a projected overspend for 2015/16 so the current figure is around £850k.
Communicate and engage with our residents and businesses to inform service delivery	Residents are satisfied with the Council's performance. Residents are aware of the Council's decisions and services.	% residents satisfied with our performance	GH	2014 -58% Very or fairly satisfied	Residents' survey conducted in May-June 2015: 60% (Very or fairly satisfied)
		% residents satisfied with "ability to influence decision making"	GH	No baseline for 2014	Residents' survey conducted in May-June 2015: 27% (in agreement)
		Increase % residents feeling informed	GH	2014 - 54% Totally or slightly agree	Residents' survey conducted in May-June 2015: 55% (Totally or slightly agree)
We will increase the value of, and income derived from the Council's property and assets.	Increased income secured from property and assets.	% Council income from property and assets	BP	8%	This is currently forecast at over 9% of total Council income so it is likely exceed the baseline over the year.
We will maximise the potential of our staff.	Organisational performance increases Staff engagement with the organisation is increased and corporate values and behaviours are demonstrated Organisation is able to recruit and retain appropriately qualified and experienced staff to meet its objectives.	Increase % staff satisfaction via biannual survey	MRW/CS	2014 survey identified an average score of - 13. This is an average score for most employers. We seek to achieve a positive figure.	The bi-annual staff satisfaction survey is due to next be conducted in 2016.
		Values and behaviours are embedded into the performance management system	MRW/CS	The new values and behaviours were developed in 2014-15 and will be embedded within the organisation during 2015/16.	The values and behaviours determined from the visioning workshops in 2014/15 will have been incorporated into the Performance Management System for April 2016, following an extensive staff awareness campaign and manager training in Q4 2015/16. Appraisal ratings attributed to the behaviours will be collated from April 2016 and reported accordingly.
		Internal promotions/secondments	MRW/CS	37	29 for this reporting period.