



Subject:	Quarterly Performance Report (Q3 –October to December 2015)
Officer:	Gavin Handford / Bill Pallett
To:	Overview and Scrutiny Committee, 17 March 2016.
Purpose:	To consider the: (i) Key service performance for the third quarter of the year 2015-16 (ii) Key Performance Indicators and Strategic Risks for 2016-17

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 3.

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
Internal audit	Annex 4
Proposed Key Performance Indicators	Annex 5
Economic Indicators and Five Year Plan Success Measures	Annex 6
New Strategic Risks for 2016-17	Annex 7

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.

In addition, the Committee is requested to consider the new Key Performance Indicators for 2016-17 and new Strategic Risks for 2016-17, and make any observations to the Executive.

KEY SERVICE INDICATORS

Headline Information

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

Areas of success

- KSI 5: 65% of minor applications in 8 weeks, actual of 72% well above target.
- KSI 6: 80% of other applications in 8 weeks. Actual of 86% is well above target.

Major variances (those off target)

KSI 4	
Target for quarter	Actual
60%	44%

Management comments/action

Target would have been met if extensions of time permitted.

Major variances (those off target)

KSI 7	
Target for quarter	Actual
30%	40%

Management comments/action

Improvement on previous quarters, and no significant concerns.

eMembers room information

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

Recession Indicators (documents available in the eMembers room)

Performance to highlight:

Internal indicators

Leisure Centre usage is steadily increasing compared to previous years with an increase of 61,077 (visits) compared to same quarter last year.

Car Parking Pay and Display Income. Q3 figures shows an increase of £42,058 compared to previous quarter as well as increase of £34,163 compared to same quarter last year; the Q3 figure is highest figure since collection of figures started in 2011.

External Indicators

Number of unemployed job seekers allowance is currently on a steady downwards trend with a decrease of 25 since Q2 and a decrease of 129 since the same quarter last year.

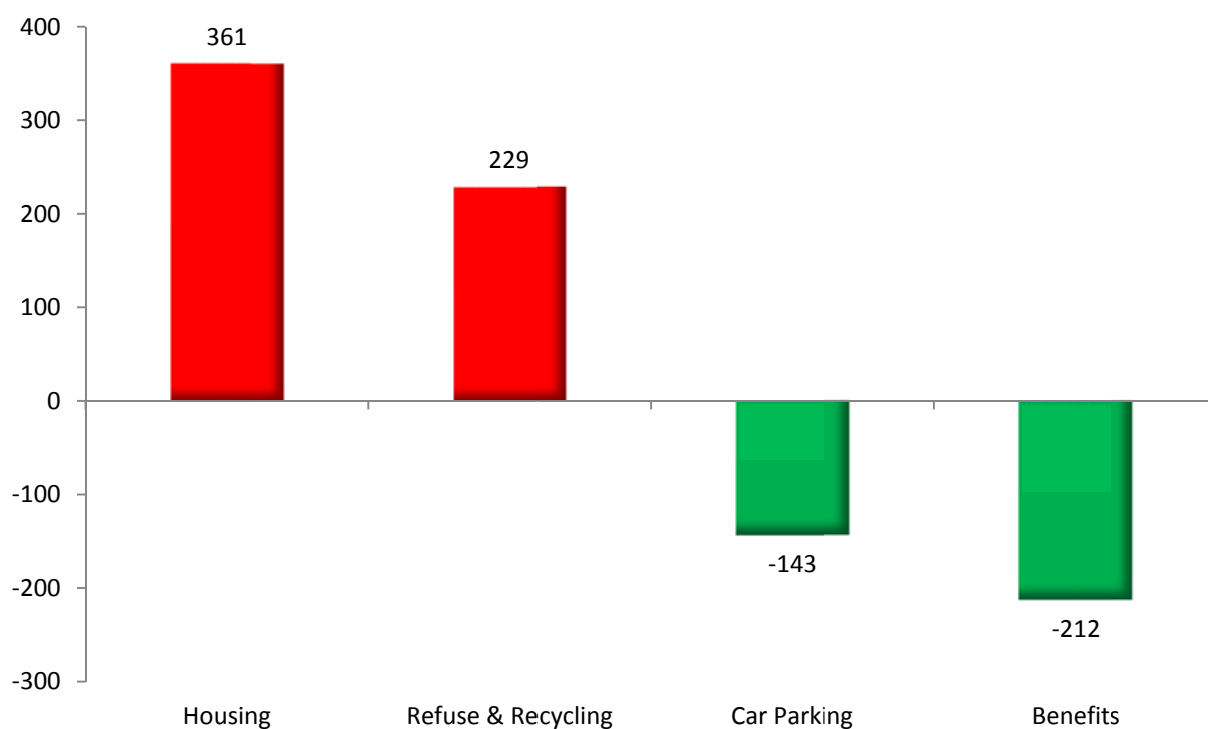
Gross number of housing units completed, increase of 55 on Q2 figure of 100 as well as increase of 67 (total 155) compared to same quarter last year of just 88.

REVENUE BUDGET MONITORING

Headline Information

■ Management budget:	£16,481,000
■ Forecast Year End Outturn:	£16,415,200
■ Projected under-recovery/overspend:	-£65,800 (or -0.4% 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.
- **Refuse & 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.
- **Car Parking:** Underspend resulting from higher than anticipated income levels and lower salary spend due to vacancies.

- **Benefits** – Better than anticipated recovery of overpayments.

eMembers' Room Information

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

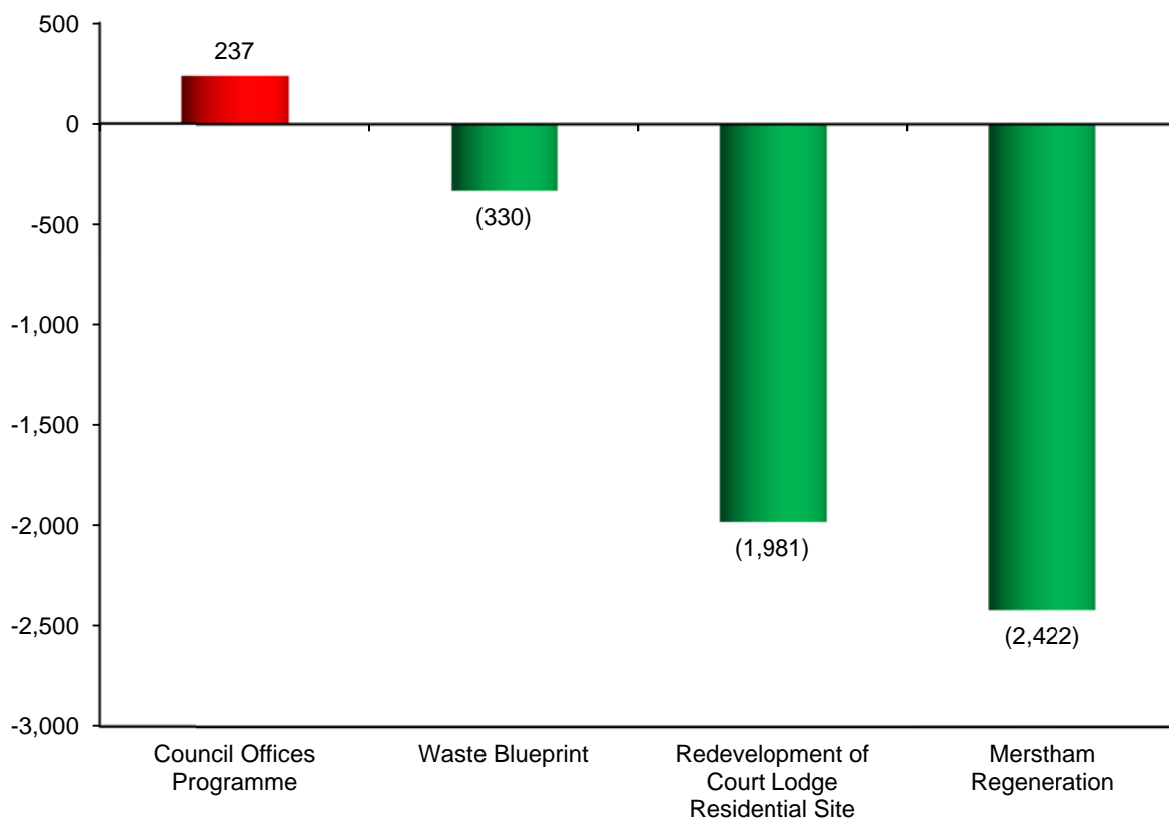
- Reconciliation of Original Budget to Management Budget
- Budget Monitoring Summary
- Analysis of Key Variances
- Impacts on Reserves.

CAPITAL BUDGET MONITORING

Headline Capital Budget information 2015/16

Current Budget:	£ 21,323,000
Forecast Expenditure:	£ 16,467,000
Projected Underspend:	£ 4,856,000 (or 22.8 % of budget)

Table 1: Major Capital Variances (£000)



Major Variances

Council Offices Programme: As previously reported, South Annex refurbishment expenditure is being funded from underspends on other “property” budgets such as the Leisure Centre maintenance, Harlequin maintenance, Community Centres maintenance and others shown in Annex 2.

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

Redevelopment of Court Lodge Residential Site: Due to the contractor starting on site later than anticipated this budget will be significantly underspent this year. The budget will be reprofiled to reflect the rephrasing of the project.

Merstham Regeneration: Due to contractor delays this project is also running behind profile resulting in a significant projected underspend. This budget will need to be reprofiled to reflect the revised timescales.

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

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
Management of grant applications and payments for disabled facilities grants.	GREEN
Main accounting system and general ledger.	GREEN
Name of Audit	SCORE
Fleet Management	AMBER/GREEN

Recommendations with a high priority:

None.

Management action for recommendations with a high priority:

N/a.

eMembers room information:

Copies of individual audit reports.

Annex 5

PROPOSED KEY PERFORMANCE INDICATORS

Indicators <i>(reported quarterly)</i>
Increase in web transactions in comparison to phone calls
Total number of residential completions (target 460 pa).
Number of affordable homes included in above figure.
Homeless preventions: <ul style="list-style-type: none">• Number of positive outcomes• Number of households contacting the service about potential homelessness• Number of homeless acceptances
Number of households in B&B accommodation
Business income as a percentage of gross budget
Percentage of Council Tax collected by the Council in the year
Trade waste – number of customers and income
Green waste – number of customers and income
Total percentage of household waste that is recycled and composted.

ECONOMIC INDICATORS AND FIVE YEAR PLAN SUCCESS MEASURES

In addition to the Key Performance Indicators, the following Economic Indicators and Five Year Plan measures, previously approved, will also be reported on as part of the Performance Framework.

Economic Indicators

Indicators <i>(reported quarterly)</i>
No of Planning applications received
No of Building Control applications (full plans and building notices)
Private Hire Driver Applications
Benefits average caseload
No of new Housing and Council Tax benefits applications
No of changes to Housing and Council Tax benefit applications
Postal/dx/electronic land charges searches
Personal Land Charges searches
Average house price
Acquisitive crime statistics

Five Year Plan Success Measures

Priority	Success Measures <i>(reported biannually)</i>
We will support residents into employment, particularly those in vulnerable families and young people.	Existing Family Support Plan
	% residents claiming Job Seekers Allowance
	No of work experience and other employment opportunities provided by the Council
We will work with and support our partners to provide great services to older people to help them stay independent.	Existing Community Centre and Leisure Centre contract performance (on target)
	Take up of services and customer feedback on planned/programmed activities in our leisure centres and community centres
	Number of new volunteers involved in Council schemes/initiatives
	Number of website hits on new webpage and directory of services
We will encourage health lifestyles, particularly through the use of our Leisure Centres, parks and open spaces.	Existing Leisure Centre contract performance (on target)
	Take up of services and customer feedback on planned/programmed activities in our leisure centres and parks and open spaces.
	Existing Health Action Plan performance measures and evaluation criteria
We will improve safety through joint working with Surrey Police and other partners.	% residents that agree the Police and Council are tackling anti-social behaviour
	% residents that agree the borough is a safe place

Priority	Success Measures <i>(reported biannually)</i>
Encourage existing businesses to thrive and grow within Reigate & Banstead and attract new businesses to the borough.	Reduction in % Job Seeker Allowance claimants (total and long term)
	Proportion of residents that also work in the borough.
	% vacant commercial and industrial space in the borough
	VAT registered businesses Business 5 year survival rate
To ensure our towns and public spaces are clean and attractive to residents, businesses and visitors.	% residents that are satisfied with the borough as a place to live
	% streets that achieve cleanliness standard
Establish Development Management Plans (DMPs) to deliver affordable and other types of housing, employment space and infrastructure, whilst protecting the borough's pleasant environment.	Development Management Plan adopted
	Community Infrastructure Levy in place
We will be financially self sufficient by 2020, without impacting on resident priorities.	Net savings delivered (Target for 15/16 is £1.058m)
Communicate and engage with our residents and businesses to inform service delivery.	% residents satisfied with our performance
	% residents satisfied with "ability to influence decision making"
	Increase % residents feeling informed
Increase the value of and income derived from the Council's property and assets.	% Council income from property and assets
We will maximise the potential of our staff.	Increase % staff satisfaction via biannual survey
	Values and behaviours are embedded into the performance management system
	Internal promotions/secondments

NEW RISKS FOR 2016-17

Strategic risks

The table below details the strategic risks that have been identified by Management Team for 2016-17.

Risk Description 2016-17
<p>Devolution / Changing governance environment</p> <p>Following the Government's invitation to local areas to submit proposals for devolution of budgets and services, a submission has been made by Surrey, East Sussex and West Sussex.</p> <p>The Secretary of State has the power to transfer responsibilities, assets and budgets from the Council to a new combined authority under a devolution deal; this could then have an impact to the Council's service and financial plans.</p>
<p>Financial sustainability and commercial service development</p> <p>It has been confirmed by Government, that the Council will no longer receive a revenue support grant as of April 2017.</p> <p>The Council, therefore, needs to fund services from other income streams. This will increasingly require the Council to identify and take advantage of commercial opportunities, where services can deliver new income streams.</p> <p>This will involve new areas of work which will require new skills and expertise, as well as a reasonable level of risk taking.</p> <p>If we do not generate new income streams in this way, it could lead to reductions in services and standards or service delivery failure.</p>
<p>Housing & welfare</p> <p>An increasing number of residents are being affected by a combination of welfare reforms and increasing housing costs. This increases the risk of residents becoming homeless, leading to their health and wellbeing being affected, which would subsequently increase the cost pressures on the Council.</p> <p>A lack of affordable accommodation increases the Councils reliance on expensive bed and breakfast.</p> <p>The increasing reliance on local charities and voluntary sector support may also impact on their sustainability</p>
<p>Gatwick airport</p> <p>The Government are considering options for the development of additional runway capacity in the south east. Gatwick airport has submitted a proposal for a second runway, but this was not recommended by the Independent Commission.</p> <p>The Government is expected to make a final decision in summer 2016.</p> <p>As a key employer the decision will have a long term impact on the local economy and infrastructure.</p>

Risk Description 2016-17

Development Management Plan

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's reputation. Delay to formal allocation of development sites in an adopted plan increases the risk of speculative (particularly greenfield) planning applications.

Property Development

In order to support the Council's financial sustainability, we will need to invest further in property to generate revenue income. The Council will need a well-defined and resourced Asset Management Plan to support this activity, with a programme of investments, developments and acquisitions. This may be carried out by the Council or as part of joint working arrangements within and outside the Borough.

Expanding our activities in this area increases our exposure to the property market fluctuations and the normal development risks.

Failure to invest in property will result in the Council not delivering the required savings and income to deliver services and to fulfil our corporate objectives.

Operational risks

New Operational Risks for 2016-17 will be identified and managed by the Management Team.