



<b>Subject:</b>	<b>Quarterly Performance Report (Q1 – April to June 2016)</b>
<b>Officer:</b>	Gavin Handford / Bill Pallett
<b>To:</b>	Overview and Scrutiny Committee, 8 September 2016.
<b>Purpose:</b>	To consider the key service performance for the first quarter of the year 2016-17.

## Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 1.

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 Performance Indicators	Annex 1
Revenue Budget Monitoring	Annex 2
Capital Budget Monitoring	Annex 3
Risk Management	Annex 4
Internal audit	Annex 5
LGA Action Plan	Annex 6

## 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 PERFORMANCE INDICATORS**

**Headline Information**

All Key Performance Indicators were either on target or within agreed tolerance for Quarter 1.

**eMembers room information**

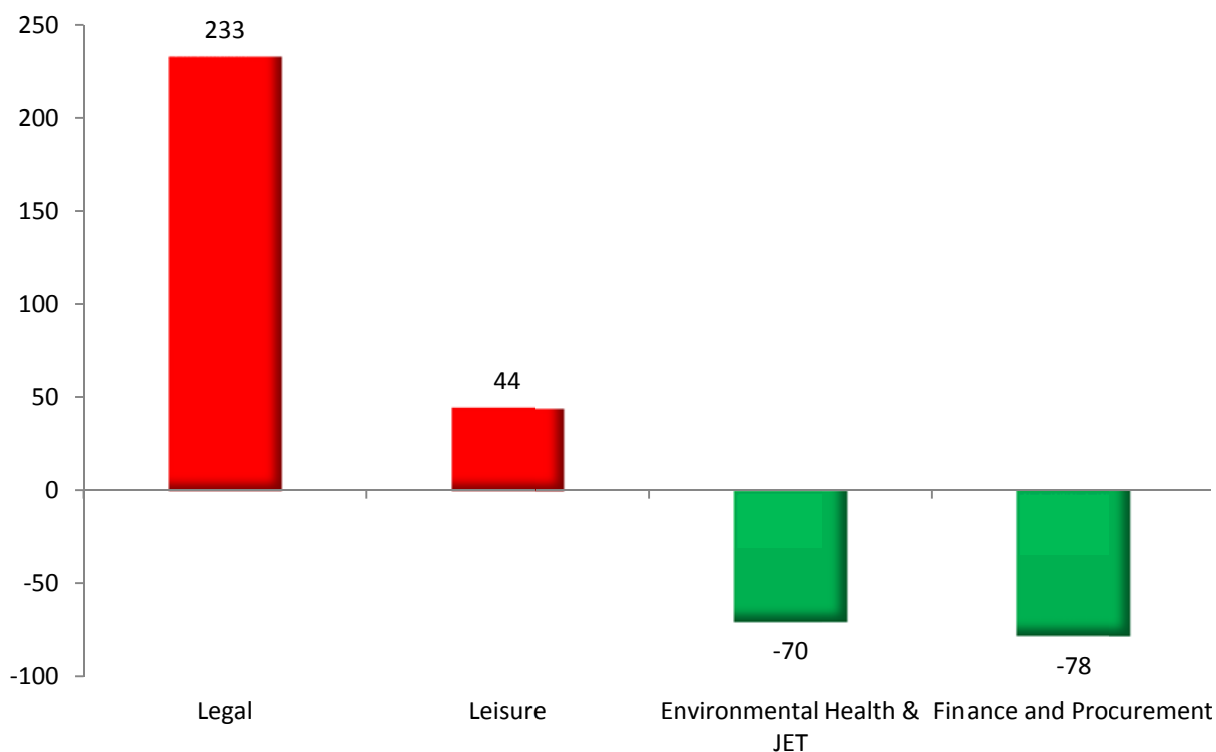
A copy of the full schedule can be found in the eMembers room.

## REVENUE BUDGET MONITORING

### Headline Information

■ Management budget	£15,084,300
■ Forecast Year End Outturn	£15,083,200
■ Projected Underspend/Over-recovery:	-£1,100 (or 0% of the budget)

**Table 1: Major Revenue Variances (£000)**



### Major Variances

- **Legal:** A number of staff on locum contracts and a shortfall of Land Charges income against budget.
- **Leisure:** Majority of projected overspend is due to anticipated unbudgeted spend on WW1 activity.
- **Environmental Health & JET:** Variance is the result of a number of factors, with salary underspends from vacancies which will be filled later in the year being a major

contributor.

- **Finance and Procurement:** Largely due to salary underspends from vacancies which will be filled later in the year.

#### **eMembers' Room Information**

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

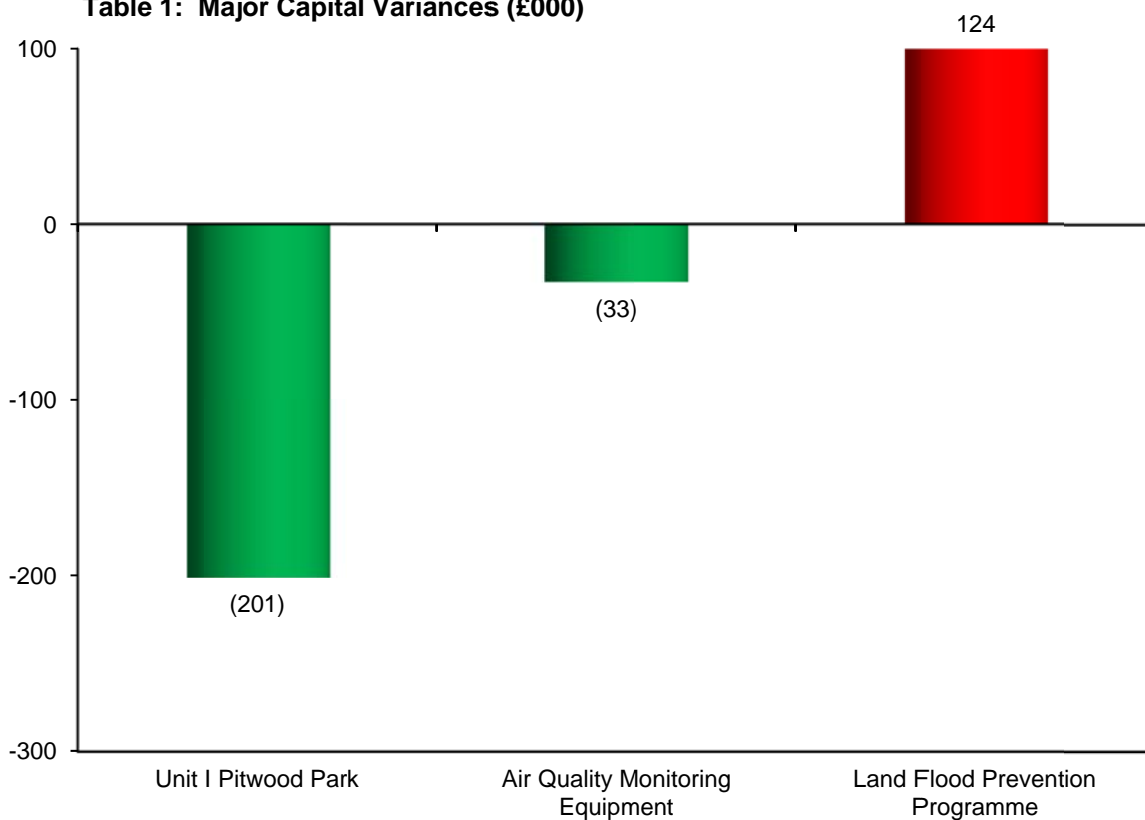
- Reconciliation of Original Budget to Management Budget
- Budget Monitoring Summary
- Analysis of Key Variances
- Impacts on Reserves.

## CAPITAL BUDGET MONITORING

### Headline information 2016/17

Current Budget:	£17,302,000
Forecast Expenditure:	£17,231,000
Projected Underspend:	£71,000 (or 0.4 % of budget)

**Table 1: Major Capital Variances (£000)**



### Major Variances

**Unit 1 Pitwood Park:** As the Council is not expected to directly incur any further expenditure associated with Unit 1 Pitwood Park, the budget will be adjusted accordingly.

**Air Quality Monitoring Equipment:** Expenditure on Air Quality Monitoring stations is expected to be lower than budget. The budget will be rightsized to suit operational requirements.

**Land Flood Prevention Programme:** Due to emergency dam repair work an overspend is forecast. Approval for additional budget has been sought.

### **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**

This report highlights two new strategic risks that have been identified in Q1. All risks are actively monitored by the Management Team to ensure that appropriate controls are in place.

Ref no	Risk description
SR7	Computer Viruses including new Trojans such as Ransomware are being released onto the Internet at an ever increasing rate. More sophisticated approaches and new variants suggest that on occasions it is possible that viruses will get through corporate defences and could be activated by unsuspecting ICT consumers. The effects of activating a virus are varied but at their worst the results can be destructive, service affecting or can leave the organisation with data protection issues.
SR8	The 'leave' result of the referendum on the United Kingdom's continued membership of the European Union has created a significant degree of uncertainty for the economy and the governance of the country.  The results of this uncertainty are multifaceted and interlinked, but include a generally weakened economy, a weakened currency, reduced consumer confidence and delays in investment decisions. The Government and the Bank of England are likely to adjust fiscal and monetary policies in response which could, in turn, have further impacts on markets and the economy. This is likely to result in changes in the rate of inflation, interest rates, property prices and devolution deals.

**INTERNAL AUDIT**

**Background**

The annual Audit Plan is agreed by the Overview and Scrutiny Committee.

**SCORING**

<b>RED</b>	Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organization relies to manage this risk are suitably designed, consistently applied or effective.
<b>AMBER/ RED</b>	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
<b>AMBER/ GREEN</b>	Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organization 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 organization.
<b>GREEN</b>	Taking account of the issues identified, the Authority can take reasonable assurance that the controls upon which the organization relies to manage this risk are suitably designed, consistently applied and effective.

**Headline Information**

During the last quarter there were no internal audits completed.

**Recommendations with a high priority**

None

**Management action**

n/a

**eMembers room information**

None.



**Annex 6**

**LGA ACTION PLAN PROGRESS**

The Local Government Association (LGA) Action Plan was adopted by the Council in January 2016 to address the recommendations identified as part of the Corporate Peer Challenge.

It was agreed that progress against the action plan would be monitored as part of the existing Quarterly Performance reporting process.

Please see progress for Quarter 1 2016/16 attached at Appendix 1.

LGA Action Plan

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 30 June 2016
<b>Recommendation 1: Articulate your innovative approach to financial sustainability at a corporate level</b>						
Produce a corporate document providing a narrative description of the Council's future operating model to achieve a sustainable future (what, how, why), providing a link between the MTFP and 5-Year Plan. This should articulate: - how we will grow the business - how we will get capital returns - what a commercial approach to services means and what will change - what the principles for investment and disinvestment are	We recognise the need to provide a clear and strong narrative to deliver our priorities and financial sustainability.	Identify best practice examples from other Councils (e.g. Wychavon DC) and clarify audience and purpose.	Gavin Handford	Complete best practice review by January. Produce RBBC version by March if required	Summer 2016	The draft Corporate Business Plan was approved by the Executive on the 14 July. This will be reviewed annually as part of the service and financial planning process.
Create a well-defined and resourced Asset Management Plan	Work is already underway to produce a new Asset Management Plan	Seek out Asset Management Plan best practice examples	John Reed	Mar-16	Jun-16	The Asset plan approved by the Executive on the 30 June.
<b>Recommendation 2: Allocate funding to priorities</b>						
<b>Health &amp; wellbeing</b>						
Consider how the Council will continue to fund health, wellbeing and ageing well - either through dedicated reserves, or by creating headroom in the revenue budget	Health, wellbeing and ageing well are priorities within the Council's 5 Year Plan. Activities will be funded through base revenue and Corporate Plan Delivery Funds. This will be reviewed regularly as part of service & financial planning	Review funding for 5 Year Plan priorities around health, wellbeing and ageing well through annual service & financial planning Explore partner funding streams to support 5 Year Plan wherever possible	Tom Kealey	Initial scope by Feb 2016	Service & financial planning review by July 2016	The Council has established a Health & wellbeing company to support residents and also generate financial returns. Profit will be used to fund Health & Wellbeing activities for those most vulnerable, with provision incorporated into the base revenue budget.
Prioritise Health & Wellbeing activities where we can make the most impact, working more with partners to demonstrate measurable outcomes and impact of activities	We recognise the need to demonstrate outcomes, including impact on residents, and prioritise resources where they are most effective.	Work with partners to review and strengthen offer and how these are contributing to the 5 Year Plan (e.g., Furnistore, Staywell, GLL, Taxi vouchers) and the level of Return on Investment.	Tom Kealey	Jun 16 - ongoing	Jun 16 - ongoing	Additional funding secured from East Surrey Clinical Commission Group (CCG) to extend social prescribing project across RBBC & Tandridge District Council. Currently there are three Health & Wellbeing Advisors and this will rise to eight in 2017-18 which will be funded by the CCG.
Continue to undertake a leadership and coordination role and provide a universal offer, particularly around lifestyle choices. Strengthen our role as enabler, broker and marketer of independent networks as opposed to delivering ourselves	We will continue our work in this area.	Continue our work in this area, including the Health Partnership Group Use our influence to better identify the requirements of the 3rd sector, in order to understand how we can assist in enabling them to achieve their desired results.	Tom Kealey	Ongoing - provide quarterly updates	Ongoing - provide quarterly updates	We continue to host health partnership meetings. We also continue to engage with all key strategic health care partners to include both acute local hospitals.
Continue to raise awareness of the impact of many council services on health & wellbeing e.g. planning and housing – healthy environment and homes	Agreed	Review and deliver communications and engagement plan in support of 5 year plan health priority	Tom Kealey	Develop campaign by April 2016, and then provide quarterly updates	Sep-16	<ul style="list-style-type: none"> <li>An 'Achieving the Maximum Impact from Social Marketing in Public Health' behaviour change seminar has been attended and notes from it circulated to relevant RBBC teams. One key learning will be seeking to involve end users in the development of future campaigns, to maximise the potential for greatest impact.</li> <li>A Communications Business Partner to manage communications and marketing campaigns for the council has been appointed and is due to join the organisation in July.</li> </ul> <p>Update from 1 July 2016</p> <ul style="list-style-type: none"> <li>The Communications Business Partner joined the organisation and is in the process of gathering data and crafting a detailed targeted campaign to encourage inactive over 50s to take part in a bespoke series of activities. The campaign will have an initial roll out during August/September and a more detail campaign will then be further deployed in support of future courses.</li> </ul>
Consider how to market the health & wellbeing offer and highlight community assets given change to website	We work well with our partners to promote our health and wellbeing offer (e.g. Ageing Well week publicity, which included very successful customer insight marketing)	Continue existing activities	Tom Kealey	N/A	N/A	<p>Range of promotional activities continue to include information regarding 2016's Ageing Well week which is delivered in conjunction with a range of health and social care partners.</p> <p>Staywell continue to promote activities across all three centres via their website and monthly information booklet.</p>
<b>Financial planning</b>						

LGA Action Plan

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 30 June 2016
Consider longer term planning of the recyclates market	Our financial plans recognise that the Council relies on significant income from the recyclates market, which due to global factors can fluctuate. We review this regularly as part of service and financial planning.	Minimise the financial risk from recyclate market through strong financial planning, joint work within Surrey Waste Partnership (such as joint tendering for recyclates) and creating a stabilisation reserve. Continue to review through service and financial planning and adjust funding as necessary	Frank Etheridge	Contract tender complete by April 2016. Service & financial planning review by July 2016	Service & financial planning review July 2016	The dry mixed recycling contract is expected to commence on the 19 September. There has been a strong response from the market and by entering into a contract the Council will secure a price for recyclates, thereby reducing the risk of market fluctuations.
Continue to be aware of existing and emerging risks e.g. The Harlequin, and consider reducing the revenue subsidy	Agreed. Maintenance of assets, links to the asset management plan e.g. leisure centres, day centres etc. We review this regularly as part of service and financial planning.	Continue to manage reduction of revenue subsidy and other budget mechanisms e.g. sink funds, capital budget. Continue to review through service and financial planning and adjust funding as necessary	Tom Kealey / Bill Pallett	Service & financial planning review by July 2016	Service & financial planning review by July 2016	We remain on track to deliver the target of £30k. The Head of Service aspiration remains for the Harlequin to be self funded by 2020.
<b>Economic Development</b>						
Consider managed workspace for micro businesses	Ongoing. Council already working on Economic Development Framework.	Proposal/update to be provided to Management Team.	Luci Mould / Simon Bland	01-Jun-16	Tbc	A growth fund bid has been submitted to Coast to Capital (LEP) to help the affordability gap, bringing forward shared workspace and business incubator units along with the Gatwick Diamond partners. The outcome of the bid is expected in September.
Provide / encourage work placements in a wider range of service areas (e.g. clerical work/admin roles), other sectors (e.g. encourage private sector) and for a wider range of people (e.g. older people)	Agreed. We would like to provide wider placements as recommended, however, demand is now lower than previously experienced.	Continue to review scheme and the needs of groups. Consider opportunities for wider groups (e.g. disabilities engagement through Surrey Choices)	Chris Smith / Steve Bevan	Review complete by June 2016	Service & financial planning review July 2016	Worker Scheme and work experience opportunities continue throughout the year.  Team Managers have been consulted about potential new apprentices. It is anticipated that the numbers of apprenticeships in 2016-17 will rise to seven. In 2017-18 it is anticipated that we will have ten new apprenticeships as a minimum.
Engage with contractors to offer work placements and apprenticeships (utilising Social Value Act)	Supported in principle, however, there is concern that this may lead to higher procurement costs	Consideration to be given through Contract Procedure Rules and options identified	Bill Pallett / Michael Graham	01-Apr-16	Apr-16	The council actively considers all social value apprentices as part of Contract Procurement procedures. We are actively considering apprenticeship opportunities in our development portfolio alongside our partners.
<b>Recommendation 3: Deliver the DMP and a parallel marketing strategy</b>						
Continue focus on delivering the Development Management Plan (DMP): - deliver affordable housing - deliver employment sites	Agreed	Continue to develop our DMP in accordance with our adopted Local Development Scheme	Luci Mould	Consultation summer 2016 and spring 2017 Adoption Feb 2018	Consultation summer 2016 and spring 2017 Adoption Feb 2018	On schedule. DMP Reg 18 scheduled for 14 July Executive to obtain approval for consultation.
Support the development and delivery of a DMP with a strong marketing plan, underlining the importance of effective planning for growth and the difficult decisions that come with this need.	ROSIE communication plan already exists. Market research being commissioned.	Potentially better articulate the message from business	Luci Mould	Summer 2016	Summer 2016	Communications plans being deployed.
Keep Gatwick at the top of our Agenda - the Council's position on Gatwick expansion is critical	We agree that the future of Gatwick airport is a key issue for our local economy and local planning. However, we do not believe our position is critical to the Government's decision regarding airport expansion.	Continue to monitor and engage in discussions regarding future airport provision	Luci Mould	Ongoing - provide quarterly updates	Ongoing - provide quarterly updates	We are currently awaiting on the new Prime Minister's position. The government timetable indicates that decision will not be earlier than October.
Finalise Community Infrastructure Levy	Agreed. Work is already underway and the Planning Inspector has completed an Examination in Public.	Finalise CIL for implementation on 1 April 2016	Luci Mould	01-Apr-16	01-Apr-16	In place as of the 1 April.
<b>Recommendation 4: Create a sustainable approach to recurring pressure on homelessness</b>						

LGA Action Plan

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 30 June 2016
Continue to improve the relationship with Raven Housing Trust (RHT) as a strategic partner, developing stronger trust and appreciation of each other's independence, in order to address current and future pressures: - impact of welfare reforms - improving health and employment - reducing homelessness	We recognise the challenges facing the Council in relation to welfare reform and homelessness, and the need to work with partners to create a sustainable approach. We are making significant service and financial changes to respond to this.	Establish an internal cross-organisational think tank to understand process and interventions necessary to help prevent homelessness. Continue to liaise with Raven HT as appropriate. Look at buying Raven. Work with other partners - other neighbours with housing stock and other RPs. Continue to review through service and financial planning and adjust funding as necessary.	Bill Pallett / Mari Roberts-Wood	01/04/2016 (Housing Review)	Jul-16	Monthly meetings with Raven are now underway where the challenges facing both organisations are being explored. Raven are looking to offer new products as part of their revised business plan and the Council will be working with them over the coming months to pilot a number of these products.  We are engaging with Raven HT to develop and agree a contract for working together to better tackle homelessness. The council are working with other partners and Registered Partners.  The budget for 2016-17 was increased to avoid overspend from previous year. We are going to use Corporate Plan Delivery Fund to test different approaches in preventing homelessness, in order to identify what will make a difference including further investment in our NextStep scheme which starts in August. We are also in the process of purchasing our own B&B accommodation within the borough to reduce spend and to avoid sending families out of the borough.
<b>Recommendation 5: Continue the strong future workforce planning</b>						
Promote value of flexible working, including among Members and championed by the Executive	We recognise that in order to continue being a high performing Council we will need to enable more flexible working utilising best practice from the public and private sector.	Develop and deliver business change activities, including greater flexible and agile working. Provide regular updates on the benefits of this approach.	Gavin Handford / Fiona Cullen	01-Jul-16	Ongoing	Work is ongoing to improve the remote access system. This has the benefit of supporting greater flexible working and increasing our resilience in the event of a business continuity issue. Guidance on staff working flexibly is being prepared by the Organisational Development group.
Appraise staff performance through a streamlined process based on behaviours and what they deliver as opposed to visibility in office (whilst using mobile technology to maintain virtual presence) which requires a shift in culture and expectations	Agreed. Work is already underway to amend the staff appraisal approach	Amend staff appraisal process to focus on performance and behaviours Review working hours and clocking arrangements to encourage flexibility among staff	Chris Smith	01-Apr-16	Q2 -2016/17	Team Managers have provided positive feedback about the discussions of behaviours in their teams.  The survey has been conducted and will be analysed with recommendations to the Organisational Development Group in August.
Extend high quality accommodation across all Council sites	Agreed. Executive approved funding to support accommodation changes at Earlswood Depot	Complete Earlswood Depot accommodation review	Frank Etheridge	Work commences August 16, for completion December 16	Work commences August 16, for completion December 16	A contractor has been identified. It is expected that works will commence in September.
Keep abreast of succession planning in key business areas (including Development Management & Property)	Agreed. Succession planning is formally and consciously considered for both Management Team and key risk roles.	Review succession planning approach as part of wider talent management review (incorporating 9 box grid assessments)	Christine Smith / Steve Bevan	01-Apr-16	Ongoing	Succession Planning has been discussed with Team Managers. A range of good practice has been identified.  This will help managers to identify methods to upskill individuals and teams to cover key posts at all levels and tasks with more responsibility. Tools and resources will be made available to assist managers for mid-term appraisals
Invest in talent management, organisational culture and purpose	Talent Management is a key priority for the Council	Continue/review formal programmes and how to support everyone's Personal Development plans. Continue to promote our development plans in recruitment.	Christine Smith / Steve Bevan	1 April 16	01-Apr-16	New talent development options from 2017-18 are under review and will be considered for review by the Organisational Development Group in August.
Work with private sector partners or neighbouring colleagues to address skills gap, giving particular consideration to key skills sets around commercialisation	Agreed. We need to determine what we mean by commercialisation.	Scope what we mean by commercialisation, Share learning of our commercial activities, learning and partners knowledge. Consider formal training.	Gavin Handford	01-Jun-16	Jun-16	A number of visits to other Councils have been held to inform our understanding of council commercial activities.  A Commercial Group has been established to develop our commercial approach. This will include staff engagement, training and development to promote commercial activities across the organisation.
<b>Recommendation 6: Internal and external challenge will ensure you remain a leading council</b>						

LGA Action Plan

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 30 June 2016
Continue to identify opportunities for internal and external challenge	Agreed. We will continue to seek out and share best practice using internal and external challenge to support this	Arrange further external challenge opportunities (e.g. organisational raids) Arrange follow up visit by LGA Peer Review team Develop political challenge through Member development Continue to undertake staff surveys, internal audit and scrutiny activities to provide internal challenge	Gavin Handford	Ongoing, with quarterly updates Follow up visit Sept 2016	Ongoing, with quarterly updates Follow up visit Sept 2016	A number of visits to other Councils have been held to inform our understanding of council commercial activities.
Balance the need for a professional approach with genuine debate in Committee meetings (particularly where webcast)	Our approach is to ensure efficient and effective decision making, providing a range of opportunities to input to decisions making (Member workshops, Executive meetings, Overview & Scrutiny)	Maintain existing arrangements	N/A	N/A	N/A	
Play a key role in the Surrey debate on devolution, using your position at heart of Gatwick Diamond (a key sub-regional economic growth point) to play a lead role in shaping a possible devolution bid	We are actively engaged with the devolution discussions across 3SC	Continue to engage in devolution discussions, with regular reports to Executive	John Jory	01-Apr-16	Ongoing	Further meetings have been held involving Leaders and Chief Executives from all 26 authorities within the 3SC area.  Discussions have been held with a variety of government departments in order to prepare for an anticipated ministerial meeting in the autumn.
<b>Recommendation 7: Tell people your story</b>						
Communicate the purpose and usability of the new Website more widely and signpost to other sites such as twitter, Facebook and streetlife for communities discussing local issues	Work is already underway to develop a channel shift strategy and promoting the new website capabilities. The Council actively engages with community discussions on a range of social media sites.	Continue to communicate and engage with residents through social media, as well as other channels. Finalise and deliver channel shift strategy	Fiona Cullen	Strategy developed by April 16, followed by quarterly updates	Jul-16	The Channel Shift strategy will be presented to Management Team in September.
Tell people your story	We welcome the positive feedback from the LGA Peer Challenge and the encouragement to do more to promote the excellent work of the Council.	Develop submissions for sector awards in order to raise the Councils profile and reputation Continue to provide regular updates to all Councillors to enable them to promote the Councils achievements in their local communities Work with the LGA to support local government conferences and events, promoting the achievements at Reigate & Banstead	Gavin Handford	Ongoing, with quarterly updates	Ongoing, with quarterly updates	RBBC was shortlisted for Local Authority of the Year of the 2016 MJ Awards. We were the only district council among six shortlisted councils. Consideration is being given to future award submissions.  We continue to provide regular Member updates (approximately every fortnight) to ensure Councillors are well placed to champion the work of the Council within their communities.  RBBC invited to discuss work being carried out on health and wellbeing as part of the Prevention Matters programme being run by the LGA.