



<b>Subject:</b>	<b>Quarterly Performance Report (Q4– January to March 2017)</b>
<b>Officer:</b>	Gavin Handford
<b>To:</b>	Overview and Scrutiny Committee, 13 June 2017
<b>Purpose:</b>	To consider the key service performance for the fourth 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 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 Performance Indicators	Annex 1
Risk Management	Annex 2
Internal audit	Annex 3
LGA Action Plan	Annex 4

Service performance in 2016-17 has been very good across the council as reflected in the Key Performance Indicators, LGA Action Plan and the separate paper on Five Year Plan Performance.

## Recommendation

The Committee is requested to review the performance update, new strategic risk, and 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 Q4. KPI 4 is a contextual indicator and there is no target.

**eMembers room information**

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

**Annex 2**

**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 registers.

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

**New Risks**

One new strategic risk was identified in Q4. All risks are actively monitored by the Management Team to ensure that appropriate controls are in place.

Ref no	Risk description
SR10	<p><b>Data Protection and General Data Protection Regulations (GDPR)</b></p> <p>We have always been aware of the potential risk of personal information being disclosed in breach of the Data Protection Act 1998 (DPA) and the associate penalty notice and other enforcement actions that would have a negative impact on the Council reputation. On 28 May 2018. The General Data Protection Regulations (GDPR) will replace the DPA and represents the biggest change to data protection law for 20 years. The implications of breaching the GDPR are potentially significant, with some breaches carrying fines of up to 4% of global annual turnover or 20 million Euros.</p>

## Strategic Risks

Ref no	Risk description 2016/17	Risk Rating
SR2	<p><b>Financial sustainability and commercial service development</b></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>	Amber
SR3	<p><b>Housing &amp; Welfare</b></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>	Yellow
SR4	<p><b>Gatwick airport</b></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, either way, will have a long term impact on the local economy and infrastructure.</p>	Green
SR5	<p><b>Development Management Plan</b></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's reputation.</p> <p>Delay to formal allocation of development sites in an adopted plan increases the risk of speculative (particularly greenfield) planning applications.</p>	Amber

Ref no	Risk description 2016/17	Risk Rating
SR6	<p><b>Property Development</b></p> <p>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.</p> <p>Expanding our activities in this area increases our exposure to the property market fluctuations and the normal development risks.</p> <p>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.</p>	Amber
SR7	<p><b>Cyber security</b></p> <p>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.</p>	Amber
SR8	<p><b>The UK's exit from the European Union</b></p> <p>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.</p> <p>The results of this uncertainty are multifaceted and interlinked, but may 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 could result in changes in the rate of inflation, interest rates, property prices and devolution deals.</p>	Red
SR9	<p><b>Partner decisions</b></p> <p>Funding pressures are impacting the whole public sector, not just RBBC. Decisions by other public service providers in our area may impact on our residents, businesses, and directly on RBBC itself. For example, we receive recycling credits from SCC worth circa £1m. SCC are the social care provider, and reductions in funding may impact on the service and support that is provided to our communities, and RBBC may need to increase services or support as a result</p>	Amber
SR10	<p><b>Recycling credits</b></p> <p>There is a risk that Surrey County Council and the Surrey Waste Partnership could withdraw recycling credits which would have a further negative impact on the council's budget</p>	Red

### **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.

There were no risks rated RED in Quarter 4.

#### **eMembers room information**

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

## INTERNAL AUDIT

### Background

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

### SCORING

<b>RED</b>	<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>
<b>AMBER/ RED</b>	<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>
<b>AMBER/ GREEN</b>	<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>
<b>GREEN</b>	<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.</b>

## Headline Information

During the last quarter the following 7 internal audits have been completed:

Name of Audit	score
Asset Management	GREEN
Business Continuity	GREEN
Corporate Planning and Performance Management	GREEN
Creditors	GREEN
Health and Safety Compliance	GREEN
Main Accounting System	GREEN
Risk Management	AMBER GREEN

## Recommendations with a high priority

None

## Management action

n/a

## eMembers room information

Copies of the individual audit reports.



**Annex 4**

**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.

There has been considerable progress made against the Action Plan following its adoption. The resulting activities have either been completed or incorporated into our main workstreams. As such, we will no longer report on the Action Plan as part of 2017-18 performance reporting.

Please see progress for Quarter 4 2016-17 attached at Annex 5

**Annex 5 - LGA Action Plan**

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 31 March 2017
<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	Mar-17	Following the adoption of the budget for 2017/18, the Corporate Business Plan will be updated to reflect the latest savings targets. This will then inform the service and financial planning process for 2018/19 and beyond.
<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	Ongoing	Pathway's CQC registration took longer than anticipated but was achieved in January 2017. Since CQC registration direct sales to individual customers has increased substantially. A revised business plan has been developed relating to direct sales and current leads and prospects.
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	Funding is still under review from both Surrey Downs and East Surrey Clinical Commissioning Groups. Regular project updates are provided at the Local Joint Commissioning Group meetings. Social prescribing is a key strand of both the Surrey Heartlands STP and the East Surrey and Sussex STP within their prevention mandates.  Emphasis is on preventative measures for referred patients into the community and early intervention for repeat presenters at GP practices.
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	Health Partnership meetings are held quarterly with attendance from all major partners. The group has formalised a multi-agency action plan targeting Mental Health 0-19, Ageing Well and Dementia support and Obesity and a placed based target of Redhill West.  The formalised action plan has been agreed and projects are progressing across all priorities.
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	Ongoing - provide quarterly updates	<ul style="list-style-type: none"> <li>Content plan for next Borough News (resident publication) agreed with Leader – Staying Well &amp; Staying Active feature strongly. This was well received across the borough with enquires particularly around Wellbeing Prescription.</li> <li>Ongoing social media support for the Surrey-wide, and national Public Health campaigns.</li> <li>Reigate &amp; Banstead continues to have the highest participation numbers in the Get Active 50+ programme. Ongoing comms support provided to promote each new round of activities. Outcome to date are encouraging for local clubs that have seen a rise in members following participation in Get Active 50+.</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	Ageing Well activity continues to expand through marketing activity.  Staywell have introduced new activity programmes within the centres and are starting a refurbishment programme.  We utilise existing council communications channels and proactively identify individuals that would benefit from our programmes through targeted marketing tools.

**Annex 5 - LGA Action Plan**

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 31 March 2017
<b>Financial planning</b>						
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	Ongoing	The Harlequin came in under budget for 16/17; savings have been offered for 17/18.
<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	The second bid was unsuccessful. However, a facility opened was opened in Horley in March 2017 with 70 desks by Gatwick Diamond Entrepreneurs.  We are currently looking at ways that we can help in promoting this new offer to the local market, with a view to helping it to become viable. Colleagues from Gatwick Diamond Initiative are also looking to offer support.
<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 winter 2017-18 Adoption Nov 2018	On 23 March 2017 the Executive adopted a new Local Development Scheme. This has resulted in milestones being reviewed and updated.  The LDS was revised to allow more time for evidence gathering and to strengthen consensus on the complex issues that the plan needs to cover, and for recent Government policy changes to be taken into account.
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	Ongoing	Following the adoption of a new Local Development scheme an updated communications plan will be produced for the next stage of public consultation.
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	Liaison with Gatwick airport continues.
<b>Recommendation 4: Create a sustainable approach to recurring pressure on homelessness</b>						
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. 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)	Ongoing	The purchase of the temporary B&B accommodation has completed. The facility is expected to be operational in Q3 2017/18. The Housing team has enhanced its focus on prevention; the success of this is evidenced by an increase in positive Housing Options outcomes and a reduction in use of B&B.
<b>Recommendation 5: Continue the strong future workforce planning</b>						
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	Q4-2016-17	Incorporation of behaviours into appraisal process completed. Effectiveness will be evaluated Q1 2017.  Culture change project presented to Organisational Development group, and project plan in place for implementation in 2017/18.
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)	Chris Smith / Steve Bevan	01-Apr-16	Ongoing	Discussions with Team Managers continue, to support succession planning and development opportunities relevant and current.

**Annex 5 - LGA Action Plan**

Suggested actions / considerations	RBBC Response	Activities Resulting	Owner	Timescale	Revised Timescale	Progress up to 31 March 2017
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.	Chris Smith / Steve Bevan	1 April 16	Q4-2016-17	Discussions with Team Managers continue, to support succession planning and development opportunities relevant and current.
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	Mar-17	The internal communications campaign was launched at the end of February and includes various activities, eg. bitesize briefings for staff on commercialism with external speakers, drop in sessions, information on the intranet.  A series of Commercial Awareness courses have been run in February and March with a range of staff attending.
<b>Recommendation 6: Internal and external challenge will ensure you remain a leading council</b>						
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	Ongoing
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	The Council continues to be involved, although a local devolution deal has been suspended until there is clarity on the Government's policy towards further deals.
<b>Recommendation 7: Tell people your story</b>						
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	The Council were delighted to have been Highly Commended as Entrepreneurial Council of the Year at the recent LGC awards.
<b>Recommendations following September 2016 review</b>						
Make clearer to staff how to access further phases of the talent development programme	The Council has developed the 5D development programmes which includes both a group and individual programme.		Chris Smith / Steve Bevan	Ongoing - provide quarterly updates	Ongoing - provide quarterly updates	Both the formal and individual 5D programmes are working well to support personal and professional development. Active and continual encouragement of development opportunities is embedded in the organisational culture, and promoted in recruitment as such.
Reflect on the governance arrangements for the new companies and ensure that the Council is comfortable that the arrangements will allow the companies to be sufficiently agile to operate effectively in the commercial sector.	The emerging model combines flexibility of commercial types and stewardship of the council.	Monitor arrangements and review as necessary.	Gavin Handford	Ongoing	Ongoing	Governance arrangements are in place. The Executive sub committee meets to review performance and agree key documentation. Regular updates will be provided to the Overview & Scrutiny Committee.
Consider how to support earlier engagement of non-Executive councillors (in policy development and decision making)	Assistance to be provided to portfolio holders, so that they can better support councillors.	Briefing notes on upcoming key business will be provided to all councillors. Regular workshops will be held to update Members on the key matters relating to service and financial planning, with an opportunity for questions and discussion.	Gavin Handford	Sep-17	Sep-17	All Member briefings are held for a range of key issues, and recently on the Council's priorities and key business. Regular updates are also emailed to all Councillors.
Review the member development offer to ensure that it makes the most of councillors' existing skills and supports members in their multi-faceted role as community leaders	Work with the Portfolio Holder to identify Member training and development needs and produce a programme of activities	Member Development Programme	Gavin Handford	May-17	May-17	Ongoing