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<b>REPORT TO:</b>	<b>FINANCE &amp; MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 6</b>
<b>DATE OF MEETING:</b>	<b>6th DECEMBER 2012</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Head of Corporate Services Kevin Stackhouse (01283 595811) <a href="mailto:Kevin.stackhouse@south-derbys.gov.uk">Kevin.stackhouse@south-derbys.gov.uk</a></b>	<b>DOC:</b> u/ks/performance monitoring/1213/fm performance report Sept 12
<b>SUBJECT:</b>	<b>Corporate Plan 2009 to 2014: Performance Management Report (1<sup>st</sup> April to 30<sup>th</sup> September 2012)</b>	
<b>WARD (S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE: FM 08</b>

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## **1.0 Recommendations**

### **1.1 That the Committee:**

- (a) Note the progress and achievements during the period 1st April to 30 September 2012, in relation to the Council's Corporate Plan 2009/14.
- (b) Review where progress has failed to achieve the specified target (where applicable) and consider the adequacy of the remedial action taken.
- (c) Receive a quarterly overview of the number of accidents as part of the Council's Health & Safety performance management framework.

## **2.0 Purpose of Report**

- 2.1 To report details of progress and achievements during the period 1<sup>st</sup> April to 30<sup>th</sup> September 2012, in relation to the Council's Corporate Plan 2009 –2014.
- 2.2 Details are provided in the respective appendices outlined below, which are attached to this report.
  - ☒ Progress against Corporate Plan 'Key Projects' as attached at Appendix A; and,
  - ☒ Progress against Corporate Plan 'Performance Measures' as attached at Appendix B.
- 2.3 Following a request of the previous meeting of this Committee, to provide an overview of the number of accidents, which have occurred within the Council during the current quarter compared with the previous year. – Appendix C.

### 3.0 Detail

#### Executive Summary

It is important that Members scrutinise the performance of the Council as part of the democratic process. This report reflects the 2nd quarter's performance on the key targets the Council has set and approved.

#### Corporate Plan 2009/14

- 3.1 To provide context the Council's Corporate Plan 2009-14 Action Plan consists of four main 'themes' or 'priorities' (*Sustainable Growth & Opportunity: Safe & Secure: Lifestyle Choices: and Value For Money*)
- 3.2 In March 2012, the Corporate Plan was refreshed along the current themes, with an emphasis being placed on 'how our actions' will make a difference to our residents and stakeholders. In order to focus our actions, performance will be measured against a reduced number of actions or 'key projects' and performance measures
- 3.3 Each 'theme' contains a number of 'Outcomes' that help explain what the 'theme' is about. In order that the Council and its stakeholders are able to tell whether the 'outcomes' are being delivered, a number of 'Key Projects' (with a series of 'tasks/ milestones') and performance measures have been allocated to each 'Outcome' that will be monitored either on a quarterly or annual basis.
- 3.4 This Committee is responsible for the delivery of 4 'outcomes' [*Financial resilience- a sustainable financial base maintained; Cutting costs' not services; Strong leadership and robust governance; and An improved customer experience*] within the '**Value for Money**' theme.

#### **Progress to 30<sup>th</sup> September 2012**

##### **Key Projects**

- 3.5 Table 1 below summarises the progress made against 'key projects.' It shows that 6 (100%) tasks for the quarter have been completed.

**Table 1: Progress against Corporate Plan Projects (as at 30<sup>th</sup> September 2012)**

Theme	'Completed' Tasks	'Failed' Tasks	'Not Applicable'	Total
Value For Money	6 (100.0%)	0	0	6 (100.0%)

##### **Performance Measures**

- 3.6 Table 2 overleaf, provides a summary of performance against targets for both the current quarter and projected out turn for the year. It shows that 6 (85%) quarterly targets have been achieved. It is also forecast that all 7 (100%) of the targets will be met by the year-end.

**Table 2: Performance Measures – performance against targets (as at 30<sup>th</sup> September 2012)**

Theme	Quarter Target 'Achieved'	Quarter Target 'Failed'	Quarter Target 'N/a'	Total	Projected Annual Target 'On Track'	Projected Annual Target 'At Risk'
Value For Money	6 (85%)	0 (0%)	1 (15%)	7 (100.0%)	7 (100.0%)	0

## Managing Risks

- 3.7 The Council has a comprehensive risk register, which details all known service risks, control mechanisms and review dates. Table 3 below outlines the main risks across the Value for Money theme of the Corporate Plan.

**Table 3: Managing Risks**

Risk Description	Degree of Control	Risk Rating	Mitigating Action
Corporate Services consists of small, discrete and specialist teams where detailed knowledge and experience rests with individuals. Consequently, resilience is a risk.	Treat the Risk	Reduced from Medium to Low	<p>The implementation of the generic Corporate Assistant Post ensures greater coverage across legal, democratic and licensing services.</p> <p>The Audit Partnership provides additional resources and coverage. There has been an increase in resources for the Financial Services Unit and it is being reshaped following its transfer back to the Council.</p> <p>Option of Northgate Partnership providing cover and temporary resources where necessary.</p> <p>The likelihood of the risk occurring is now considered relatively low. If the risk materialised, there would be a short-term cost which would be financed from within existing resources.</p>
Reliance on Partnerships to deliver services. Includes partners ceasing to exist or going out of business.	Treat the Risk	Reduced from High to Medium	<p>Continue to monitor closely the performance frameworks, which include early warning signs of deteriorating service delivery.</p> <p>Support Northgate and the Audit Partnership to develop the Regional Business Centre and attract new Clients to protect their service base.</p> <p>Ensure License cover continues for key computer systems used in service delivery.</p> <p>The likelihood of the risk occurring is low due to safeguards in place and the Partnerships are maturing and offer stability.</p> <p>However, the risk will be retained and monitored as the impact of the risk occurring could be greater. Cost, service delivery and reputation could be affected into the medium-term and any financing may need to call on Reserve Balances.</p>

## Corporate Risks

- 3.8 In addition to risks that may impact upon the individual Themes and Priorities in the Corporate Plan, the Council maintains a Corporate Risk Register. This analyses the strategic issues and external factors that potentially impact across all council services. The associated risks are identified as part of the corporate planning process. These risks are regularly reviewed and an update is provided in Table 4, below.

**Table 4: Managing Corporate Risks**

Risk Description	Degree of Control	Risk Rating	Mitigating Action
<b>Further reductions in Government Grant</b> <ul style="list-style-type: none"> <li>Local authorities are expected to face further reductions over and above those currently notified. This includes a reduction in funding to support the new Council Tax Allowance scheme.</li> <li>In addition, uncertainty around how the new NNDR redistribution system will impact upon the Council.</li> </ul>	Treat the Risk	Remains High	<ul style="list-style-type: none"> <li>Medium-term Financial Plan in place covering 5-years. This allows for a reduction in overall resources.</li> <li>Budgets considered prudent with provisions for inflation and growth.</li> <li>Current reserves are healthy and would help to sustain further reductions in the short-term allowing time for more sustainable action.</li> <li>On-going work/transformation programme in place to generate efficiencies and budget savings.</li> <li>As a growth area, overall reduction could be mitigated through the New Homes Bonus and the new national redistribution system.</li> <li>The risk remains high until the financial settlement is known in detail. The MTFP now allows for 13% and 8% reductions in base line funding for 2013/14 and 2014/15 respectively. The Council may need to review spending levels in addition to that already being undertaken</li> </ul>
<b>Continuing effects of the Economic Downturn</b> <ul style="list-style-type: none"> <li>As a growth area, potential income streams from planning and grants are limited, whilst pressure remains on expenditure.</li> <li>In addition, an increase in the number of people claiming benefits and finding difficulty in paying council tax and housing rent.</li> <li>Development &amp; regeneration projects such as the Depot relocation are delayed which hinders service provision and limits the ability to meet identified needs such as affordable housing.</li> </ul>	Tolerate the Risk	Remains Medium	<ul style="list-style-type: none"> <li>Budgets for income streams and specific grant allocations are assumed at current minimum levels; service provision is based on this.</li> <li>Council Tax has been frozen for the last 2 years and included in the MTFP.</li> <li>Measures in place to maximise benefit subsidy and fraud is proactively being pursued with successful prosecutions.</li> <li>The Asset Management Plan has been refocused to ensure our assets are being positioned to react to an economic upturn.</li> <li>On-going dialogue with developers and housing providers to look at alternative options for regeneration.</li> <li>The risk remains Medium, but it is considered that the Council is undertaking as much action as reasonably possible to mitigate these external factors.</li> </ul>
<b>Keeping pace with Technology</b> <ul style="list-style-type: none"> <li>The Council's IT infrastructure is becoming dated and capacity to store and handle data</li> </ul>	Treat the Risk	Remains Medium	<ul style="list-style-type: none"> <li>The IT strategy has identified some key projects that will now be rolled out during 2012/13, with the server infrastructure now upgraded and a separate back-up facility created on-site. E-mail archiving/storage system, desktop virtualisation and Microsoft</li> </ul>

Risk Description	Degree of Control	Risk Rating	Mitigating Action
efficiently is becoming limited compared to more modern day solutions.			upgrade now being planned. <ul style="list-style-type: none"> <li>Disaster recovery solution being implemented off-site.</li> <li>Although the risk remains Medium, current investment and positive actions over the remaining year should lower this risk in the longer-term term.</li> </ul>
<b>Business Continuity and in particular the loss of the main Civic Offices.</b> <ul style="list-style-type: none"> <li>Council services are predominantly managed from one Administrative Building. Currently there is no alternative building to accommodate an IT facility that is crucial to enable many services to operate.</li> </ul>	Treat the Risk	Remains High	<ul style="list-style-type: none"> <li>Back-ups are made and stored off-site.</li> <li>Plans now in place to provide a new back-up facility for IT at the new Oaklands Village. This should be operational by Dec 2012.</li> <li>Maintain relationships with other agencies &amp; partners to secure different accommodation on a reciprocal basis if required.</li> <li>Could take advantage of spare capacity in private sector market although this would depend on timing.</li> <li>Although the likelihood of occurrence is low, the potential impact of this risk is high. However, current investment into the Oakland Village to provide a disaster recovery solution should lower this risk in the longer-term term.</li> </ul>
<b>Capacity and Resilience in Service Provision</b> <ul style="list-style-type: none"> <li>Reducing staff and budget resources could create capacity and resilience within council services.</li> </ul>	Treat the Risk	Remains Medium	<ul style="list-style-type: none"> <li>Training and development programme being reviewed to include change management and “doing more with less.”</li> <li>Current structures becoming mature and bedding in although pressure remains.</li> <li>May need to review service provision depending on financial settlement.</li> </ul>
<b>Partners and Voluntary Sector</b> <ul style="list-style-type: none"> <li>Financial pressures on partners who deliver services with or on behalf of the Council, including voluntary organisations.</li> </ul>	Tolerate the Risk	Remains Medium	<ul style="list-style-type: none"> <li>Current grant funding is being maintained for all supported organisations.</li> <li>Spending can be refocused to meet external funding requirements and is project based rather than on-going.</li> <li>Dedicated officer time to support the voluntary sector and local organisations.</li> <li>The risk remains Medium, but it is considered that the Council is undertaking as much action as reasonably possible to mitigate external factors.</li> </ul>

#### 4.0 **Financial Implications**

- 4.1 There are no specific financial implications relating to this report. The need to continually improve whilst delivering the ambitions of the Corporate Plan will require a sustained efficiency programme, including the shifting of resources to the priority areas.

#### 5.0 **Corporate Implications**

- 5.1 No other specific legal, HR or other resource implications.

#### 6.0 **Community Implications**

- 6.1 The Council aspires to be an “excellent” Council in order to deliver the service expectations of our communities. This performance report evidences an improvement in how we are meeting those demands and expectations.