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<b>REPORT TO:</b>	<b>FINANCE &amp; MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>20 JUNE 2013</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Director of Finance &amp; 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>
<b>SUBJECT:</b>	<b>Corporate Plan 2009 to 2014: Performance Management Year End Report 2012/13</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 achievements and out turn performance at the 2012/13 year end, 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 an 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 October to 31 December 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 An overview of the number of accidents, which have occurred within the Council during the current year 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 third 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 four '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.

#### **Key Projects**

- 3.5 Table 1 below summarises the progress made during 2012/13 against 'key projects.' It shows that 5 tasks for the year have been achieved. The one failure related to the Access to Services Strategy. This was progressed as planned to the 3<sup>rd</sup> quarter, but was then deferred pending the review of the Council's structure. This will now be reviewed in 2013/14.

**Table 1: Progress against Corporate Plan Projects (as at 31 March 2013)**

Theme	'Completed' Tasks	'Failed' Tasks	'Not Applicable'	Total
Value For Money	5 (83%)	1 (17%)	0	6 (100.0%)

#### **Performance Measures**

- 3.6 Table 2 below, provides a summary of performance against annual targets for 2012/13. It shows that 5 (71.4%) of annual targets were met at the year end.

**Table 2: Performance Measures – performance against annual targets (as at 31 March 2013)**

Theme	Target 'Achieved'	Target 'Failed'	Target 'N/a'	Total
Value For Money	5 (71.4%)	2 (28.6%)	-	7 (100.0%)

3.7 Table 3 below, summarises the annual targets that have 'not been met.' A brief commentary and the remedial action taken is also provided.

**Table 3: Performance Measures - targets not achieved at the year end (31 March 2013)**

Description	Annual Target 2012/13	Year end Actual 2012/13	Commentary
VM 02 - Disposal of assets deemed 'surplus to requirements' to generate income. (£)	£50,000	£0	One piece of land approved for disposal in 2012/13. Proceeds received in May 2013 of £75,000.
VM 07 - Respond to 95% of all official complaints within 10 working days	95%	86.5%	Out of 59 complaints dealt with in the year, 51 were responded to within the target date of 10 working days. The remaining 8 were all dealt with in less than 20 days.

### Managing Risks

3.8 The Council has a comprehensive risk register, which details all known service risks, control mechanisms and review dates. Table 4 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
The Department consists of small, discrete and specialist teams where detailed knowledge and experience rests with individuals. Consequently, resilience is a risk.	Treat the Risk	Continues Low	Transfer and disseminate information across Services. Cover between units established.  Two accountancy staff undertaking professional training.  Keep under review arrangements through the Partnerships who may be able to provide cover and provide temporary resources where necessary.

Risk Description	Degree of Control	Risk Rating	Mitigating Action
Reliance on Partnerships to deliver services. Includes partners ceasing to exist or going out of business.	Treat the Risk	Continues Low	Continue to monitor closely the performance frameworks which include early warning signs of deteriorating service delivery.  Support Northgate and the Central Midlands Audit Partnership to increase number of clients and protect their service base.

### Corporate Risks

3.9 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
<p><b>Further reductions in Government Grant</b></p> <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 Support scheme.</li> <li>In addition, uncertainty around how the new NNDR redistribution system will impact upon the Council.</li> </ul> <p><i>(Main Chief Officer Responsible – Director of Finance and Corporate Services)</i></p>	Treat the Risk	Remains High	<ul style="list-style-type: none"> <li>Updated 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 will 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 requisite budget savings have been made and the impact of CSR 2013 is known. Work is on-going.</li> </ul>
<p><b>Continuing effects of the Economic Downturn</b></p> <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</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>Supporting voluntary and community groups to support people in need, including through the Derbyshire Financial Inclusion Partnership.</li> <li>Measures in place to maximise benefit subsidy and fraud is proactively being pursued with successful prosecutions.</li> </ul>

Risk Description	Degree of Control	Risk Rating	Mitigating Action
<p>finding difficulty in paying council tax and housing rent.</p> <ul style="list-style-type: none"> <li>Development and 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> <p><b>(Main Chief Officers Responsible – Directors of Finance and Community/Planning Services)</b></p>			<ul style="list-style-type: none"> <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>
<p><b>Keeping pace with Technology</b></p> <ul style="list-style-type: none"> <li>The Council's IT infrastructure is becoming dated and capacity to store and handle data efficiently is becoming limited compared to more modern day solutions.</li> <li>Greater use of technology and managing data in electronic form, brings responsibilities to ensure information is stored properly and securely</li> </ul> <p><b>(Main Chief Officer Responsible – Director of Finance and Corporate Services)</b></p>	Treat the Risk	Remains Medium	<ul style="list-style-type: none"> <li>The IT strategy has identified some key projects that are currently being actioned, with the server infrastructure now upgraded.</li> <li>E-mail archiving/storage system, desktop virtualisation and Microsoft upgrade now nearing finalisation.</li> <li>The Council undertakes an annual independent health check to ensure that the Council is compliant with the industry standard (PSN) IT Code of Connection.</li> <li>Annual internal audit system review, tests robustness of systems and infrastructure – actions monitored by the Audit Sub-Committee.</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>
<p><b>Business Continuity and in particular the loss of the main Civic Offices.</b></p> <ul style="list-style-type: none"> <li>Council services are predominantly managed from one Administrative Building. There is no alternative building to accommodate an IT facility which is crucial to enable many services to operate.</li> </ul> <p><b>(Main Chief Officer Responsible – Director of Finance and Corporate Services)</b></p>	Treat the Risk	Remains High	<ul style="list-style-type: none"> <li>Disaster Recovery solution now being implemented off-site.</li> <li>Maintain relationships with other agencies and partners to secure alternative 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 off-site facility to provide a disaster recovery solution should lower this risk in the longer-term.</li> </ul>

<b>Risk Description</b>	<b>Degree of Control</b>	<b>Risk Rating</b>	<b>Mitigating Action</b>
<p><b>Capacity and Resilience in Service Provision</b></p> <ul style="list-style-type: none"> <li>Reducing staff and budget resources could create capacity and resilience within council services.</li> </ul> <p><i>(Main Chief Officer Responsible – Chief Executive Officer)</i></p>	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.” External service provider currently being procured.</li> <li>Current structures becoming mature and bedding in although pressure remains.</li> </ul>
<p><b>Partners and Voluntary Sector</b></p> <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> <p><i>(Main Chief Officer Responsible – Director of Community and Planning Services)</i></p>	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 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