



**PERFORMANCE & RISK MANAGEMENT FRAMEWORK 2015/16**  
**QUARTER 1 OUTTURN**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE**  
**DIRECTION)**

**WARDS AFFECTED: ALL WARDS**

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1. PURPOSE OF REPORT

- 1.1 To provide the Finance, Audit and Performance Committee with the 1<sup>st</sup> quarter 2015/16 outturn position for :
- Performance Indicators (PIs) including available benchmarking
  - Service Improvement Plans (SIPs)
  - Corporate risks
  - Service area risks

2. RECOMMENDATION

That the Committee:

- 2.1 Note the 1<sup>st</sup> quarter (2015/16) position for items listed at 1.1 above
- 2.2 Recommend any actions that should be taken to improve performance on indicators failing to meet target
- 2.3 Review risks that pose the most significant threat to the Council's objectives and priorities ("red risks")

3. BACKGROUND TO THE REPORT

- 3.1 Hinckley and Bosworth Borough Council provide a wide range of services that are delivered to the community and set strategic aims that help focus on priorities in order to deliver the vision: "**A Borough to be proud of**".

This is achieved by managing performance in the following ways:

- On a daily basis within each section
  - On a monthly basis within each service area
  - On a quarterly basis through the council's decision-making process
  - On an annual basis through the production of the council's "Corporate Plan"
- 3.2 The Council's performance is monitored through Service Improvement Plans and includes performance indicators which are measurable. These are set by the Council to show how well local priorities and objectives are being met.
- 3.3 Inherent in the corporate aims and outcomes are "risks" that create uncertainty. The Council recognises it has a duty to manage these risks in a structured way to help ensure delivery of priorities and to provide value for money services. The Council has a Risk Management Strategy which sets out the framework for the monitoring and management of risks.
- 3.4 Performance and risk management is embedded into all the Council's business activities in a structured and consistent manner. All Service Improvement Plans which

include Performance Indicators and Risks are held and managed on the Council's performance management system: TEN

#### 4. OVERALL SUMMARY – 1<sup>st</sup> quarter 2015/16

4.1 Performance Indicators – for this financial year (2015/16) there are **seventy five** performance indicators that measure and monitor performance across Council services. **Fifteen** indicators are currently not meeting their targets and are detailed in the table below.

Indicator	1 <sup>st</sup> Qtr target	1 <sup>st</sup> Qtr actual	Variance to target	Comments
Street Scene: R & R1a. No of justified missed bins	270	325	17%	Q1 Performance over target at 325 against the target of 270 for first quarter. Variance equates to 0.1% of the 312,000 collections completed for the first quarter.
Cultural Services: CS4. Increase footfall at Hinckley Leisure Centre	157,648	67,911	43%	HBBC working with Places For People to provide accurate and meaningful footfall data. Comparisons against 2014/15 for Q1 show footfall significantly down. However finances for the contractor report a like for like comparison, therefore, some work is required to provide an accurate picture
HR: BV12. Working days lost due to sickness absence	1.4	1.61	14.0%	Sickness levels for 2015/16 are being maintained at 2014/15 outturn level. Work is ongoing to ensure that return to work interviews take place on a timely basis and to identify issues.
Customer services: LCUS3. Appropriate person sees customer within 10 minutes	80.0%	75.8%	5%	Time taken has risen slightly as demand increases for services provided by the team (e.g. services for partners and Universal Credit). It should be noted that customer satisfaction continues to exceed target.
Housing repairs: LHS2. Percentage of Priority 2 works completed on time	100%	98.87%	1%	April to June: 8 works out of 707 did not meet target (1.1%)
Revs & Bens: LRBP1. Council Tax in year collection rate	29.98%	29.70%	1%	The revenues team are continuing their transition into becoming a generic team which includes the recovery of overpaid benefit.
Revs & Bens: LRBP7. Housing Benefit overpayments collection rate	16.32%	15.28%	6%	Progress is slow as the first half of the year always generates significant customer contact due to the large numbers of reminders and summonses being issued. Further structured training will be delivered in September.

Indicator	1 <sup>st</sup> Qtr target	1 <sup>st</sup> Qtr actual	Variance to target	Comments
Revs & Bens: LRBP8. Processing of new claims (days)	19	20.85	9%	Performance has been affected by the need to recruit new staff following the restructure and increased workloads mainly due to Right Time Indicators (RTI). New staff should be in place in August.
Revs & Bens: LRBP9 Processing of change of circumstances (days)	9	9.64	7%	
Revs & Bens: LRBP10. Combined performance processing new claims & change of circumstance (days)	11	11.35	3%	
Planning: LCD61. B.C Full Plans determined & returned within 5 weeks or 2 months	99%	98.11%	1%	52 out of 53 were within the timeframe. This PI is measured to two decimal places so there is no room for any to be out of tolerance.
Planning: NI157b. Processing of Planning apps - minor	80%	78.66%	2%	Some officers have left the authority recently, so new staff appointed and currently recruiting to replace remaining vacant posts. This has resulted in a higher than normal caseload of work for officers, which has led to a small dip in speed of determining planning applications.
Planning: NI157c. Processing of Planning apps - other	85%	83.48%	2%	
Env Health: LHE32b. Hackney Carriage Driver Licenses issued within 60 days	96%	92%	4%	4 applications fell outside of target due to third party background checks, and applicants failing local knowledge test and having to re-sit
Env Health: LI184. Food establishment broadly compliant with food hygiene law	92%	91%	1%	2015/16 performance is being maintained at 2014/15 outturn level. No of establishments has increased from 980 to 987

4.2 Benchmarking indicators - As part of an East Midlands Performance Benchmark group initiative there are currently **four** indicators which can be compared against other district councils. The group is currently working to agree additional indicators to benchmark. The table below shows the latest status (quarter 4 2014/15) of agreed indicators against all (participating) district councils in the UK.

Indicator	No of participating district councils (UK)	UK district average	HBBC performance	HBBC rank	HBBC rank of quartile
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Residual household waste per household	81	121kg	106kg	17	Top quartile
Percentage of household waste sent for reuse, recycling and composting	86	41.4%	44.5%	37	3 <sup>rd</sup> quartile
Average number of working days lost to sickness absence per FTE	99	2.4	2.7	75	3 <sup>rd</sup> quartile
Number of formal complaints received per 10,000 population	103	8.34	1.5	16	Top quartile

4.3 Service Improvements Plans – In total for 2015/16 there are **three hundred and seventy three** SIP actions across all council services.

As agreed, for 2015/16, only those SIP actions with a “corporate impact” (ie not business as usual) will be monitored by the Joint Boards and this Committee. Of the three hundred and seventy three actions, **one hundred and sixty six** have been flagged as corporate for 2015/16 (44.5%).

Of these one hundred and sixty six, **six** service improvement plans are currently highlighted by service managers/lead officers as slipping from their original intended target date/s. These are detailed below along with explanations on progress:

SIP Action	Progress	Target date/s
Implement Information Governance Framework ( <i>Corporate Governance</i> )	Framework has been drafted and policies are being drafted in turn.	August 2015
Implementation of the Virtual Mail Room ( <i>Revs &amp; Bens</i> )	Existing arrangements with CFH were terminated. Discussions with new provider taking place.	June 2015
Implement an electronic register of interests for members and officers ( <i>Corporate Governance</i> )	Unable to complete due to technical difficulties and now no longer an imminent requirement	May 2015
Implement the Member Local Plan Working Group ( <i>Planning</i> )	First meeting aiming to be set up in September 2015 before the commencement of the Site Allocations and Development Management Policies hearing sessions.	July/August 2015
Maintain high levels of recycling through effective collection services and reduce waste going to landfill ( <i>Street Scene</i> )	End of year performance for 2014/15 (un-audited data) shows a reduction in performance due to reductions in dry-recycling, green waste and an increase in residual waste compared to 2013/14.	March 2016

SIP Action	Progress	Target date/s
Implement the Civica budget monitoring module and associated upgrade to web based browser by August 2015. Ensure all budget holders are fully trained in operating new system. (Finance, Customer Services and Compliance)	Meeting has been held with Civica to scope out implementation. Due to year end pressures and changes in team, work will now commence in August and should be completed by September 15	August 2015

4.4 Corporate/Strategic risks – There are a total of **thirty** risks on the corporate risk register as at the end of June 2015. Of these, **fifteen** are high (red) net risk level and are detailed below.

Red risks are those that have been identified as posing the most significant threat and are reviewed on a monthly basis to ensure actions are adopted to reduce the likelihood of the risk happening and/or reduce the level of impact the risk poses:

Risk	Review commentary	Last review
S.06 - Failure to implement the Town Centre Plan	<p>Construction work on the scheme overall is on programme for November 2015 completion. Delays are being experienced with completion of block C and there are some quality issues which need resolving before handover. The project Manager is working with the Assets Manager to address these issues with the Developer and to facilitate handover asap for fit out works to commence on Cineworld. Further tenants have been confirmed including Prezzo and a micro brewery.</p> <p>Public Realm works on Station Road have commenced with traffic management in place and contributions have been agreed from HBBC from S106 agreements.</p> <p>The new Squash facility on Coventry Road is progressing on programme.</p>	July 2015
S.11 - Failure to successfully deliver the Medium Term Financial Strategy	<p>The position for 2016/17 has now become even more uncertain with the change in Administration and the initial direction of reducing debt through early redemption of borrowing, no introduction of green waste recycling charges and limiting Council Tax increases to 2%. This effectively means that the Council will now be facing a deficit in the budget for 2016/17 of around £500K to £600K as the shortfall resulting from LCC decision to remove recycling credits from 2015/16 was funded from general fund balances and reserves for this current year.</p> <p>Although there is a desire to increase income through "invest to earn" projects the revenue benefits will not be seen in 2016/17 and with the time lag resulting from the need for comprehensive business plans is unlikely until 2018/19 at the earliest.</p> <p>This position is of concern and will need further detailed discussions with the new administration</p>	July 2015

Risk	Review commentary	Last review
S.12 - Insufficient Business Continuity Management (incl Disaster recovery) arrangements	COB will continue to monitor SLB has undertaken exercises on emergency planning scenarios	July 2015
S.14 - Dealing with numerous Public Enquiries	Council in July approved a supplementary budget from earmarked reserves for £100k to cover costs of Appeals that are in pipeline this year.	July 2015
S.15 - Failure to successfully adopt & deliver LDF	The Examination has been re programmed by the Government Inspectorate for September 2015 and HBBC Officers will be presenting a robust case.	July 2015
S.22 - Failure of County Council Support/ engagement for the LSP	LCC have still not responded to a request to complete its own benchmarking exercise for Leicestershire Together. However, LCC have recently announced a fundamental review of Leicestershire Together, with a view to reducing resourcing to the Partnership along with questions being raised by LCC Chief Executive over the effectiveness of the Partnership April update: LCC have not yet published outcomes of its review of Leicestershire Together	July 2015
S.25 - Failure to provide a fit for purpose Leisure Centre	<p>Leisure Centre construction is on programme for completion May 2016 and on budget. Topping Out ceremony takes place on 29 July 2015.</p> <p>Issues have arisen over competing facilities but HBBC legal advice confirms the Council are in a robust position against any claims on contract in respect of new gyms in Crescent. Discussions are underway to seek to amicably resolve this issue with PFP and to agree a modification to include a children's soft play facility in lieu of the climbing wall.</p>	July 2015
S.33 - MIRA RGF Fund	Final settlement has been reached with the contractor at £6.35m which is within budget and the scheme has been signed over as complete and to be managed by HE. DCLG have agreed to carry over funds to Sept 2016 for the maintenance period and monitoring will be undertaken via the Project Manager and the RGF Board which will stay in place for the duration of the monitoring period.	July 2015
S.34 - Safeguarding of vulnerable adults, children & young people	<p>Internal Audit will be carrying out a review in Q2/3 (TBC) Scoping meeting to be held 27th July with SS/SJ and auditors.</p> <p>The Ofsted inspection of LSCB is imminent. All DSO's are aware.</p> <p>Embedding the Competency Framework is underway.</p> <p>On average we are receiving 2 or 3 referrals per week</p>	July 2015

Risk	Review commentary	Last review
S.36 - Variances to Housing Repairs Account	Budget continues to be monitored closely and regularly. Spend is always dependent upon customer demand.	April 2015
S.37 - Non delivery of capital projects which are interdependent	<p>The restrictions in funding new capital projects remains. The position has been further exasperated by the direction from the current administration to reduce borrowing in the HRA. This is not only expensive in redemption costs but will threaten the deliverability of the current Housing Business Case. An investment/development strategy is being prepared by the Chief Officer for Housing and Communities which will be presented for consideration to the Executive on 5th August. The Chief Officer for Finance and the Deputy Chief Executive (Corporate Direction) are also seeking external advice on the restructuring of borrowing. This again will be presented to the executive on 5th August.</p> <p>In addition, a comprehensive business plan is being prepared for the operations of the wholly owned company and the Council who will need to provide funding to the company. This plan for the company will however be heavily dependant upon approved borrowing by the Company from the Council with some equity funding. The desire to keep borrowing at pre 2015 election levels may restrict the viability and future of the company. This will be under constant review between now and February 2016 when it is intended to take a comprehensive report to the Council together with the 2016/17 budget and MTFS.</p>	July 2015
S.43 - Leicestershire County Council budget cuts	<p>LCC have given notice of withdrawal of green recycling credits from 2015/16. This impacts HBBC budgets by taking away income of around £320K which has now been planned for in the Council's MTFS and budget for 2015/16.</p> <p>LCC also announced that their financial position has worsened so it is likely that they will also remove dry recycling credits from 2017/18. This could mean a further £250 loss of income.</p> <p>In addition, as LCC position worsens to a budget gap of £130m with some savings not yet identified there is a likelihood that their further decisions on budget reductions will continue to have an on going impact on Leicestershire District councils budgets.</p> <p>Position is under constant review.</p> <p>Recent direction from the Administration not to increase Council Tax by more than 2% and not to introduce charges for Green waste will have an immediate impact on the budget deficit for 2016/17. This position is considered not sustainable and further discussions will be held</p>	July 2015

Risk	Review commentary	Last review
S.45 - Council does not prevent or detect fraudulent activities	Leicestershire Transformation Bid successful. Responsible officer now working with Leicester City (accountable body) and the Leicestershire revenues and Benefits Partnership to set up a counter fraud service. This should be in place by 31 March 2015. Review of Whistle blowing Policy complete. This revealed a lack of understanding of process to follow. Chief Executive has included a clarification note in the Monthly Newsletter. Taken appropriate action to inform members of staff and elected Members	July 2015
S.46 - Construction of Hinckley Leisure Centre	The construction program is on target  Cash flow is being updated to reflect actual spend  Pro-active communication via media and with key stakeholders	April 2015
S.47 - Loss of key contractor	Concern over possibility of dry recycling contractor withdrawing from contract due to low returns on recycle and resultant losses. Alternatively that additional finance is required to maintain existing service. Meeting held with PRL to open discussions 22.5.15	May 2015

- 4.5 As part of the quarterly review of the Strategic Risk Register:
- Two new risks (s.46 and s.47) have been added
  - No existing risks have increased in rating
  - No existing risks have decreased in rating
  - One risk (s.38 relating to land charges fees and litigation) has been closed

- 4.6 Service area risks - There are a total of **ninety six** risks across all service areas which are kept on individual service area risk registers. Of these, **six** have a high net risk level (red risks) and are detailed below:

Risk	Review commentary	Last review
CPS.41 - Staff levels <i>(Corporate Governance)</i>	There are currently capacity problems predominantly within the Legal Team due to workload and turnover - a new structure has been agreed in order to increase resource and to redistribute workload. Interim Manager now in post and recruitment underway for Property Solicitor and Paralegal.	April 2015
PHR.11 - Tenants - heating affordability <i>(Housing Repairs)</i>	To mitigate the effects of black spot mould forming in Council dwellings, a process and procedure document has in collaboration with the Anti-Social Behavior and Tenancy Manager been written. This highlights the required procedure when dealing with a report of black spot mould, a surveyors defects tick sheet to identify or eliminate constructional defects, a risk assessment tick sheet to identify tenants issues and the potential intervention of the Energy Officer from the Private Sector Housing Team to alleviate fuel poverty. Also in an attempt to alleviate fuel poverty the Housing Repairs team in association with the Private Sector Housing team are developing a project to install Photo Voltaic (PV) Cells on suitable Council properties to provide free daytime electricity. (at no cost to the Council or tenants)	Dec 14



Risk	Review commentary	Last review
DLS.42 - Meet the need of Gypsy and Travellers in the borough <i>(Planning)</i>	Recent planning permissions have been granted which helps to boost the supply of gypsy and traveler pitches in the Borough. Additional pitches will be required each year to meet demand. An updated Gypsy and Traveler Accommodation Assessment has been commissioned to ensure compliance with Planning Policy for Travelers. This will tell us how many additional pitches are required for the remainder of the Plan period (up until 2016).	August 2015
DLS.44 - Five year housing land supply <i>(Planning)</i>	A 5.69 Year Housing Land Supply has been reported at the April 2015 monitoring base date. Maintenance of 5 Year Housing Land Supply continues to require positive action:  1. Barwell Section 106 Agreement to be completed by August 2015 so permission can be issued and work on site can begin. 2. Barwell pre-commencement conditions to be discharged promptly. 3. Earl Shilton SUE planning application to be encouraged from developers. 4. Sites within the Site Allocations document are being promoted for early delivery. 5. Member engagement / training in relation to housing developments has taken place. 6. Site Allocations & DM Policies DPD being considered at Examination hearings starting 29 September 2015. 7. Encourage additional SHLAA sites to come forward for development where appropriate. 8. Developer Forums for strategic development sites	August 2015
SS.37 - External funding <i>(Street Scene)</i>	Q1: Discussions with LCC arranged for August 2015 regarding dry recycling credit changes	July 2015
CLS04 – Risk of realizing plans for Hinckley Leisure Centre <i>(Cultural Services)</i>	The project is showing 23 risks  8 are closed 8 low 3 Medium 4 net red risk - high  • LC02 Limited Capital Budget • LC11 Reputational risk to the authority if elements of the projects fail or encounter difficulties • LC21 Financial • LC22 New rival gyms	July 2015

5. FINANCIAL IMPLICATIONS [KP]

None arising directly from this report.

6. LEGAL IMPLICATIONS [MR]

None arising directly from this report

6. CORPORATE PLAN IMPLICATIONS

The report provides an update on the achievement of the Council's vision and revised Corporate Plan 2013 - 2016. The issues covered in this report relate to, and support the achievement of all the Council's Strategic Aims:

- Creating a vibrant place to work and live
- Empowering communities
- Supporting individuals
- Providing value for money and pro-active services

7. CONSULTATION

Each service area has contributed information to the report and the performance outturn information is available on the council's performance and risk management system TEN.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

This report summarizes all risks, strategic and operational (SIP) and therefore considers the risk implications with regards to the Corporate Plan.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Equality and Rural implications are considered as part of the implementation of the Corporate Plan 2013-16.

10. CORPORATE IMPLICATIONS

All

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Background papers: TEN reports

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