



**PERFORMANCE & RISK MANAGEMENT FRAMEWORK 2015/16
QUARTER 2 OUTTURN
REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE
DIRECTION)**

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To provide the Joint Boards with the 2nd 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 2nd quarter (2015/16) position for items listed at 1.1 above
- 2.2 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 – 2nd quarter 2015/16

4.1 Performance Indicators – for this financial year (2015/16). There are **seventy four** performance indicators that measure and monitor performance across Council services.

Twelve indicators are currently not meeting their targets and are detailed in the table below

Indicator	2 nd Qtr target	2 nd Qtr actual	Variance to target	Comments
Cultural Services: CS4. Increase footfall at Hinckley Leisure Centre	316,262	120,027	38%	HBBC continue to work with PFP in the provision of accurate and meaningful footfall data. Q2 comparisons against 2014/15 still shows that footfall is down, although monthly comparisons are now starting to bring in line to previous year and reporting is becoming more meaningful. Income continues to show like for like comparison and PFP are not overly concerned over the footfall differences.
Corporate Governance: BV016a - % Employees with a Disability	4%	2.66%	50%	Reduced establishment and employee turnover now 11 employees out of 412 with a disability
Customer services: LCUS3. Appropriate person sees customer within 10 minutes	80.0%	77%	4%	Slight variance to target caused by approximately 230 out of 7,923 customers seen. Satisfaction results continue to support customers are happy to wait for the service provided.
Housing repairs: LHS2. Percentage of Priority 2 works completed on time	100%	98.14%	2%	Slight variance to target caused by 28 of 1506 jobs completed outside of their target. All were individually investigated and addressed.
Street Scene: NI192 - Household waste sent for reuse, recycling & composting	54%	51.9%	4%	Q2 Data validated for quarter 1 (but non-audited) indicates a continued reduction in recycling tonnage with the largest reduction relating to compostable waste. Whilst residual waste remains the same the net effect is a 2% reduction in the amount of waste recycled compared to the same quarter in 2014/15.

Indicator	2 nd Qtr target	2 nd Qtr actual	Variance to target	Comments
Revs & Bens: LRBP8. Processing of new claims (days)	19	19.17	1%	Benefits performance has been affected by the need to recruit new staff and increased workloads mainly due to RTI. New staff should be in place in August and we anticipate performance should improve for Q3.
Revs & Bens: LRBP9 Processing of change of circumstances (days)	9	9.54	6%	Benefits performance has been affected by the need to recruit new staff and increased workloads mainly due to RTI. New staff should be in place in August and we anticipate performance should improve for Q3
Revs & Bens: LRBP7. Housing Benefit overpayments collection rate	26.0%	24.72%	6%	We will always seek to identify and recover overpaid housing benefits but it is often the case that the person we are recovering from may not have the ability to re-pay as quickly as we would like which can have a negative impact on our collection rates
Street Scene: LI195 Assessment of street cleaning surveys	270	295	9%	Decrease in standards within some sites across Hinckley. Sites are monitored within first week of the quarter and last week. Drop in standards mainly due to reduced numbers of staff working in Hinckley. This quarter team leader has been on long term sick and another member was dismissed. Both issues rectified and cleansing standards have improved.
Planning: NI157b. Processing of Planning apps - minor	80%	77.12%	4%	Apps processed April - September 118/153. A very small no of apps (4) have caused the PI to fall slightly short of the target
Env Health: LHE32b. Hackney Carriage Driver Licenses issued within 60 days	96%	94%	2%	86 licences issued between 1st April and 30th September 2015. 5 licences outside of P.I. - third party checks (DBS & Medicals) and applicants failing local knowledge test
Housing: LHS213. Housing advice, preventing homelessness	350	314	11%	We operate intensive case management approach and don't close a case until a positive outcome or the applicant cv loses contact or refuses assistance. Previously advice would be given and the case closed so we got a lot of repeat presentations. Although the numbers have reduced, the no of contacts with each applicant (or with people on their behalf) have increased.

4.1.1 At the time of writing this report, two indicators were outstanding for the latest reporting period:

- NI154 Net additional homes provided (not available till Dec due to monitoring process)
- NI155 Affordable homes delivered (not available till Dec due to monitoring process)

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 1 2015/16) 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
Residual household waste per household	77	121kg	107kg	17	Top quartile
Percentage of household waste sent for reuse, recycling and composting	81	47.83%	52.50%	27	3 rd quartile
Average number of working days lost to sickness absence per FTE	112	2.1	1.6	31	2nd quartile
Number of formal complaints received per 10,000 population	99	6.97	2.88	32	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 with Joint Boards, for 2015/16, only those SIP actions with a “corporate impact” (i.e not business as usual) will be monitored by the Joint Boards. Of the three hundred and seventy three actions, **one hundred and sixty six** have been flagged as having a corporate impact.

Of these one hundred and sixty six, **twelve** 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 & Bens</i>)	[Sept] Awaiting clarification from Crown Commercial services who operate the framework on a number of points. Approval will then be sought from Management Board to award contract .	June 2015
SIP Action	Progress	Target date/s
Implement Civica budget monitoring module & associated upgrade to web based browser by August	Meeting has been held with Civica. Works have commenced in September. Testing taking place in November. Project Completion December	August 2015

2015. Ensure all budget holders fully trained on new system. (<i>Finance & Compliance</i>)		
Develop continuous market engagement with HCA regarding the PSL scheme (<i>Housing</i>)	Met with the HCA who are keen to work further with the PSH on empty properties. Consideration being given to capacity requirements needed to undertake more work through this funding.	September 2017
Maintain high levels of recycling through effective collection services and reduce waste going to landfill (<i>Street Scene</i>)	Q2 Data validated for quarter 1 (but non-audited) indicates a continued reduction in recycling tonnage with the largest reduction relating to compostable waste. Whilst residual waste remains the same the net effect is a 2% reduction in the amount of waste recycled compared to the same quarter in 2014/15.	March 2016
Conduct a review of TOIL and flexi time policy (<i>Corporate Governance</i>)	TOIL policy now drafted. Managers consulted and Unison to be advised of draft policy at next Unison meeting 14 October. Query in regard to reimbursement rate of TOIL.	August 2015
Consider the requirements for set up of a dedicated counter fraud team or sharing resourced with Leicester City Council (<i>Finance & Compliance</i>)	Further work has been undertaken to understand the product that Leicester City Council are offering, alongside establishing the impact on the Council of SFIS. The LCC product was originally meant to go live in August 2015 but this has slipped. HBBC are due to meet with DWP in October to obtain further detail of the transfer of responsibilities. Following this, options for delivery of a counter fraud team will be investigated.	September 2015
Implement legal structure and scrutiny of formally merged Community Safety Partnership (<i>Corporate Governance</i>)	Delay across partnership in moving forward. Training session, report to Council re formal merger, and first meeting of joint scrutiny to be rescheduled	December 2015
Update Attendance Management Framework (<i>Corporate Governance</i>)	Consultation with Unison now complete. Revised policy to be presented to COB/SLB.	October 2015
Work with colleagues across the Council to roll out Channel Shift Strategy (Accountancy). The key action for finance will cover procurement of a suitable payment portal. (<i>Finance & Compliance</i>)	Work will be carried out in line with wider Channel Shift Strategy. Capita element of the system has been upgraded. Testing on new portal to commence in December 2015	August 2015

SIP Action	Progress	Target date/s
Comprehensive condition survey and stonework repairs for cemetery chapel (<i>Estates & Assets</i>)	Condition Survey Complete. Obtaining quotes for identified works, target date for completion works end Sept 2015 . Work on chapels commenced October with planned completion Jan 2016. Green space consulted to avoid burial bookings.	June 2015
Review pre-application processes (<i>Planning</i>)	This ties in with new charging schedule. Procedure needs to be in place to ensure collection of income and to to make sure service properly resourced to deliver pre-application service. Sept 15 - This has now been put back to later in the year/early 2016 due to work pressures in respect of the management of the team.	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, **seventeen** 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.01 - Failure to focus on priorities and initiatives	Work on the two major projects still progressing on time and budget. Detailed discussions on Budget for 2016/17 have identified a 'gap' of c£500k. A budget Strategy has been considered and supported by Finance, Audit and Performance Committee and will be considered by the Executive on 4 November. Consultation on two options for closing the gap for 2016/17 (referendum on increase in Council Tax – 16%; or Charge for collection of Green Waste) is ongoing. Revised MTFS will now be considered by Council in February 2016.	Sep 2015
S.06 - Failure to implement the Town Centre Plan	Sainsbury's have confirmed opening for 4 November and Cineworld for 14 December. There will possibly be some delays in completion of all works within the scheme by November 2015 but Contractor is currently looking to accelerate programme. Further updates will be provided at the next Crescent Board. A marketing group has been established lead by the Council's Communications Manager linked to the phased opening of the scheme which will see the full opening in Spring 2016. Good progress is being made on signing up occupiers. Station Road Public Realm scheme is scheduled to be complete by end of November 2015 having experienced some delays due to Section 278 works adjacent to the Crescent.	Sep 2015

Risk	Review commentary	Last review
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>	Aug 2015
S.12 - Insufficient Business Continuity Management (incl Disaster recovery) arrangements	COB will continue to monitor SLB has undertaken exercises on emergency planning scenarios	Sep 2015
S.14 - Dealing with numerous Public Enquiries	A recent appeal decision linked to a residential development proposal at Markfield has reinforced the Council's Five Year land position as well as its delivery programme.	Sep 2015
S.15 - Failure to successfully adopt & deliver LDF	The Examination on the Allocations DPD was convened in October 2015 and there are likely to be some major modifications recommended by the Inspector linked to reflecting adopted NDP for Market Bosworth and potentially some further housing allocations.	Sep 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	Sep 2015
S.25 - Failure to provide a fit for purpose Leisure Centre	Good progress is being made on delivery of the new Leisure Centre which is currently on time and on budget. Outcomes of legal advice regarding private gym competition in the Crescent has been provided to PFP and their formal response is awaited. This advice positions the Council in a good position on the informal challenge raised by PFP.	Sep 2015

Risk	Review commentary	Last review
S.30 - Review by the Equalities Commission for Human Rights of disability issues	Two cases currently causing concern and being addressed corporately, coordinated by Chief Executive	Sep 2015
S.33 - MIRA RGF Fund	The snagging works are still underway and HE expected to be taking handover of scheme imminently and outstanding works are being tightly monitored by the Council's Project Manager.	Sep 2015
S.34 - Safeguarding of vulnerable adults, children & young people	Due to the high number and challenging nature of the referrals received this risk remains red. There is effective communication with LCC and the DSO's are working well to manage the referrals. Risks remain high.	Sep 2015
S.36 - Variances to Housing Repairs Account	Budget continues to be monitored closely and regularly. Spend is always dependent upon customer demand.	Sep 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 dependent 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>	Sep 2015

Risk	Review commentary	Last review
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 ongoing impact on Leicestershire District council's 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 are needed with members of the administration.</p>	Sep 2015
S.45 - Council does not prevent or detect fraudulent activities	<p>Leicestershire Transformation Bid successful. Kat Plummer 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</p>	Sep 2015
S.46 - Construction of Hinckley Leisure Centre	<p>Although the net risk is high, assurance can be provided that the scheme is being well managed, is within budget and is on programme.</p> <p>The risks remain high as this is a significant HBBC led construction project which is very visible to the public.</p> <p>Details Project Risk register is held on file via Project Manager.</p>	Sep 2015
S.47 - Loss of key contractor	<p>New signed contract awaited from Contractor. Budget provision for 2015-16. Future budgets to reflect new rates. Noted other LA contracts with Contractor also being renegotiated</p>	Sep 2015

4.4.1 As part of the quarterly review of the Strategic Risk Register:

- No new risks have been added
- Two (S.01 & S.30) existing risks have increased (got worse) in rating
- No existing risks have decreased in rating
- No risks have been closed

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

Risk	Review commentary	Last review
CLS.04 - Risk of realising plans for	<p>Good progress is being made. M&S now have Site Manager allowing for enhanced</p>	September 2015

Hinckley Leisure Centre (Cultural Services)	communications Station Road works are being coordinated 4 net red risks remain On budget and on programme.	
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>)	Q2: LCC have engaged consultants to look at options to reduce their expenditure on recycling credits. Opinions sought from districts. HBBC responded 6/10/12. All options reduce HBBC funding. LCC expected to conclude consultation and announce new payment system in December 2015.	September 2015
HCS.84 - Ending of funding for the DA Children's worker	Options paper being written to consider how the service could continue. Work with partners to influence commissioning decisions around this work.	October 2015

Risk	Review commentary	Last review
HCS.85 - Reduction in supported accommodation/hostel spaces due to county council commissioning	Closely monitor use of temporary accommodation. Review of council hostel accommodation and work with partners to identify accommodation	October 2015
HCS.86 - Private rented sector becoming more expensive resulting in increased demand for housing options/council accommodation	Consider alternative provision, including private sector leasing and the establishment of a social lettings agency.	October 2015
HCS.87 - PCC Commissioning uncertainties	Robust response to current consultation. Work closely with the PCC's office and partners to ensure effective commissioning decisions	October 2015
HCS.88 - Impact of police changes resulting in increase demand for ASB services	Continual effective partnership working to ensure assistance from partners. Consideration of not dealing with particular lower level issues	October 2015
HCS.89 - Impact of changes in legislation/new responsibilities	flag up impacts and capacity issues at earliest opportunity. Ensure officers are appropriately trained	October 2015
HCS.90 - Impact of agencies reducing their services	Ensure flag up impacts and capacity issues at earliest opportunity. Work with partner agencies to reduce impact where possible through joint working.	October 2015
HCS.91 - Central government housing proposals, including the 1% rent reduction	Refresh of the HRA Investment Strategy taking place to identify impacts and consider options	October 2015

4.5.1 As part of the quarterly review of the service risk registers:

- Nine new risks have been added to the Housing & Community Safety register
- No existing risk has increased in rating
- Two existing risks have decreased (improved) in rating
- No risks have been closed

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

Background papers: TEN reports

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