

## BABERGH DISTRICT COUNCIL

<b>From: Director of Finance and Joint Strategic Director (Corporate)</b>	<b>Report Number: L103</b>
<b>To: Overview and Scrutiny (Stewardship) Committee</b>	<b>Date of meeting: 15 November 2011</b>

### FINANCE, RISK AND PERFORMANCE MANAGEMENT – QUARTER 2 MONITORING REPORT

#### 1. Purpose of Report

- 1.1 This report provides the Overview and Scrutiny (Stewardship) Committee with an exception-based strategic assessment of the Council's achievements as at the second quarter of 2011/12 across a range of areas including finance, risk management and various aspects of performance linked to the Delivery Plan.

#### 2. Recommendations

- 2.1 That the key points relating to performance exceptions against targets / milestones for the 2011/12 Delivery Plan actions, strategic performance indicators and service standards be noted.
- 2.2 That a report be submitted to the next round of the appropriate Overview and Scrutiny Committee if any significant performance variance issues are identified for further review and analysis.
- 2.3 That the position on managing the Council's significant business risks and the latest position on BMI risks as referred to in paragraphs 8.13 to 8.15 and summarised in Appendices B and C respectively, are noted.

Subject to any matters referred under recommendation 2.2, the Committee is able to resolve these matters.

#### 3. Financial Implications

- 3.1 There are no direct financial implications as a result of the performance and risk information set out in this report. Officers will take any necessary actions within existing budgets and resources allocated.

#### 4. Risk Management

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. 6 – Performance and Cost Management.
- 4.2 Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
2011/12 Delivery Plan actions/outcomes and performance targets are not achieved	Significant	High	Continued rigorous challenge and action in dealing with identified variances.

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
If robust risk management is not in place, this could affect the achievement of the Council's strategic aims and priorities, key projects, the delivery of services and its reputation.	Low	Critical	Risk Management Strategy in place. Further actions continue to be taken as part of the Integration and Management Action Plans. Risks are continually managed and re-assessed.
Consideration not given to changes to the latest risks and opportunities facing the Council.	Low	Critical	Risk refreshes are regularly undertaken and reported to Members.
Budgets and costs are not actively or systematically managed and reduced, and in the worst case, they increase	Significant	High	Close and pro-active monitoring of budgets and key risk areas by Heads of Service and finance staff

## **5. Consultations**

- 5.1 As this is a monitoring report only, no consultations are required with Unison or other outside bodies.

## **6. Equality and Diversity Impact**

- 6.1 There are no equality and diversity implications arising from this monitoring report but where any negative impacts are identified through the equality analysis procedure, these will be considered as part of the risk management arrangements and reported on as necessary.

## **7. Shared Service / Partnership Implications**

- 7.1 Strategic Priorities - Babergh (BDC) and Mid Suffolk District Council (MSDC) are in the process of developing a set of aligned Strategic Priorities for 2012/13. A comparison of the existing Strategic Priorities has been carried out; this confirmed that currently a high degree of similarity between the themes and priorities for the two councils exists.
- 7.2 Once an agreed set of joint priorities is in place for 2012/13, a more substantial project will be undertaken to develop a single Strategic Plan for 2013/14 onwards.

## **8. Key Information**

### **Format of this report**

- 8.1 In order to provide a focussed approach to monitoring, to reduce double-handling and improve the effectiveness of the overview and scrutiny function:

- The Overview and Scrutiny (Stewardship) Committee has agreed to receive quarterly exception-based reports setting out the key financial, risk and delivery plan areas where performance is significantly below the agreed target or delivery of the action has been significantly delayed or won't be completed at all during 2011/12. Only commitments classified as 'Red' are designated as performance exceptions for the quarter. This is based on a comprehensive analysis of all relevant data and information submitted by the lead officers.
- The quarterly report provides details of mitigating actions being undertaken to improve performance in these areas as well as providing a summary of the Council's overall performance during the quarter.
- Any significant issues arising, for example where performance has deteriorated and the mitigating actions are not having the desired effect, can be referred by this committee to the appropriate Overview and Scrutiny Committee for further consideration.
- Financial monitoring and information on the capital programme are set out in Appendices D and E.

### **Summary of performance at Quarter 2 2011/12**

- 8.2 Detailed analysis of the performance exceptions for each of the Strategic Plan themes is set out in Appendix A. This analysis is based on a comprehensive review of achievement against the 2011/12 Delivery Plan actions, strategic performance indicators and service standards as at 30 September 2011. A summary analysis of performance across all of the Council's Strategic Plan priority themes follows.
- 8.3 The overall picture of performance and achievement at the end of Quarter 2 represents significant progress and is particularly encouraging given the impact of staffing and budget reductions – see Table 1. Most Delivery Plan actions, strategic performance indicators and service standard measures across all priority themes are either meeting or exceeding the target or milestone set (green) or very close to it with no concerns about performance at this stage (amber).
- 8.4 In total, approximately 6% of the various commitments (8 from 140) made by the Council in 2011/12 have been classified **red** – performance significantly below target or delivery significantly delayed with concerns about performance. Full details on these including the current position and what action has been taken or is planned to improve performance are set out in paragraphs 8.7 to 8.11 below.
- 8.5 At the time of printing this report, data was not available for 10 measures – strategic indicator NI185, strategic service standards BV78a&b and Delivery Plan actions H19, H30, G14, G22, G23, E11 and C11 (see section 8 of Appendix A for details). Data for some of these measures is not produced on a quarterly basis so this was expected. However, a verbal update on any of these will be provided during the Committee meeting if the information becomes available. There is also one contextual indicator, LPI 42, for which the Committee felt it was not appropriate to set a target or milestone. LPI 42 measures the number of formal homelessness presentations, of which there were 52 compared to 36 during the same period last year.

**Table 1 - Summary of Quarter 2 performance and achievement**

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	14	11	1	1	1	Red = BV 64 No data = NI 185 Contextual = LPI 42
Strategic Service Standards	6	2	1	2	0	Red = former BV212 No data = former BV 78a & b
Key delivery plan actions	72	16	6	7	0	Red = H3, H18, G6, S14, C1, C8 No data = H19, H30, G14, G22, G23, E11, C11
Total	92	29	8	10	1	

8.6 The detailed analysis of performance in Appendix A summarised above has highlighted the following performance exceptions. Exceptions are the 8 Delivery Plan actions, strategic indicators and service standards classified as **red** – below target with concerns about performance – at the end of Quarter 2. This section sets out by theme the current position on each exception and, where applicable, what activity has been undertaken or is planned by officers to improve performance.

8.7 Theme 1 – Quality homes local people can afford

- **Private dwellings returned to occupation (BV 64).** No private dwellings have been returned to occupation so far this year against an annual target of 5. Pro-active work on this indicator has ceased as a result of reduced staffing concentrating on mandatory grants and it is therefore unlikely that the annual target will be met.
- **Service standard (former BV212) – We will re-let vacated council dwellings within 26 days.** As at 30 September 2011 the average time taken to re-let Babergh’s council housing was 36 days, which is worse than the target of 26 days. Performance has declined since 2008 and reached its worst level at the end of June 2010 when the average void period was 42 days. Since then there has been a small improvement though performance has plateaued since June this year. Vacant posts were carried in the Voids Team as a pilot to reduce staff costs. However this did impact on performance and posts have now been filled with internal staff transfers. Officers are preparing a paper for Housing Panel later this month which will set out what actions are being taken to secure further improvements to the void management process.
- **Develop the Core Strategy to the submission stage so it is ready for adoption in Spring 2012 (DP Action H3).** As a result of the change of government and subsequent changes to the production of the Core Strategy and staff vacancies there were substantial delays to the development of the Core Strategy earlier this year meaning that adoption by Spring 2012 is no longer possible. A new timetable has been agreed with Members and stakeholder consultation has now commenced and adoption by the end of the 2012 calendar year should be achievable. The change to this timetable was beyond Babergh’s control and the target should be changed to reflect the new timetable.

- **Adopt 4 new open spaces from planning gain contributions (DP Action H3).** No new open spaces have been adopted from planning gain contributions so far this year against an annual target of 4. It is unlikely this action will now be met during this financial year.

#### 8.8 Theme 2 – A cleaner and greener Babergh

- **Ensure that the Council’s land and open spaces are maintained to a high standard, with 87% of sites achieving an inspection grading of ‘satisfactory’ (DP Action G6).** So far this year, 69% of sites are achieving an inspection grading of ‘satisfactory’ against an annual target of 87%. Seasonal variation and changes in local contract management are the main factors accounting for the variance. Close monitoring will continue with a further update at quarter 3.

#### 8.9 Theme 3 – A safer and healthier Babergh

- **Work with Parish and Town Councils to support the development of a range of individual and clustered community based Emergency Preparedness Plans (DP Action S14).** This commitment has not been delivered due to a refocusing of the available resources on delivering robust emergency planning and business continuity arrangements for both councils. Consideration will now be given to delivering this action through the BMI Community Development workstream though it is now unlikely it will be achieved this year.

#### 8.10 Theme 4 – A strong and sustainable Babergh economy

- No commitments have been identified as exceptions this quarter.

#### 8.11 Theme 5 – Vibrant places and strong communities

- **Use the results of various research projects to identify the main problems faced by Babergh residents living in rural areas and develop an action plan to start to address these (DP Action C1).** Because of the changes to the Core Strategy timetable, the Planning Policy Team does not have the capacity at present to develop an action plan to identify and address the main problems faced by Babergh residents living in rural areas. If this is seen as a priority area by members then consideration will need to be given to temporary resources to take this forward.
- **Support the provision of the Chelmondiston Internet Café by the parish council, in conjunction with SALC (DP Action C8).** It has not been possible to progress plans for an Internet Café at Chelmondiston due to the lack of suitable accommodation in the village. Furthermore, the funding allocated in 2010/11 for this project is no longer available. It is suggested that this action is now deleted from the Delivery Plan.

8.12 Information on the 29 commitments classified as **amber** (slightly below target / behind schedule but no concerns about performance at this stage) can be found in Appendix A. These will be monitored closely by officers to ensure that timescales and performance are brought back on track as soon as possible.

## Summary of Significant Business Risks for Quarter 2 2011/12

- 8.13 The risk ratings, as reported to this Committee on 22<sup>nd</sup> September 2011, remain the same.
- 8.14 Key developments since the last risk review and examples of some of the specific actions that have been taken to manage some of the key risks are summarised in Appendix B.

### BMI Risk Update

- 8.15 Members were last updated on key risks on 15<sup>th</sup> August 2011. Since then there have been various actions undertaken to mitigate the programme risks. Appendix C summarises the key messages and issues that are currently considered to be key to the success of the BMI project.

## 9. Appendices

Title	Location
A Analysis of performance exceptions at Quarter 2	Attached
B Significant business risks at Quarter 2	Attached
C BMI risk update	Attached
D Financial Information at Quarter 2	Attached
E Capital Programme Quarter 2	Attached

## 10. Background Documents

- 10.1 The 2011/12 Delivery Plan – this can be accessed at:  
[http://www.babergh.gov.uk/NR/rdonlyres/544B92AE-298F-4727-A38B-48156275F9B6/0/FINALDELIVERYPLAN201112\\_11Feb2011\\_.pdf](http://www.babergh.gov.uk/NR/rdonlyres/544B92AE-298F-4727-A38B-48156275F9B6/0/FINALDELIVERYPLAN201112_11Feb2011_.pdf)

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## PERFORMANCE ANALYSIS – QUARTER 2 PERFORMANCE

### 1. Introduction

Babergh District Council has made a commitment to deliver the actions included in the 2011/12 Delivery Plan and to meet the targets that have been set for the Council's strategic performance indicators and service standards. This analysis summarises the Council's progress in delivering these commitments. Throughout the report progress has been assessed using the following classification:

<b>Green</b>	On or above target / the action is on track to be completed on time or ahead of time
<b>Amber</b>	Slightly below target / the action will be completed but timescales may have slipped – no concerns about performance
<b>Red</b>	Significantly below target / the action will be significantly delayed or won't be completed at all – concerns about performance

**N.B. Only commitments classified as 'Red' are designated as performance exceptions.** However, information is also provided in this Appendix for those commitments classified 'Amber'. All 'Ambers' will be monitored closely by officers to ensure that timescales and performance are brought back on track as soon as possible.

### 2. Quality homes local people can afford

#### a) Summary of progress

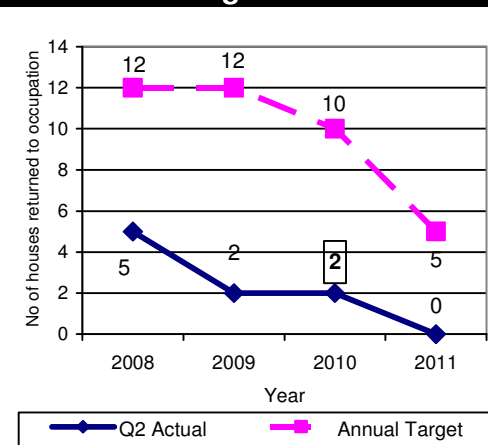
The Council monitors and manages 10 strategic performance indicators, 7 key service standards and 30 key actions to deliver this priority. A summary of progress made during the period 1 April – 30 September 2011 is given below.

	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>No data</b>	<b>Contextual</b>	<b>Comments</b>
Strategic PIs	4	4	1	0	1	Red = BV64 Contextual = LPI42
Strategic Service Standards	4	2	1	0	0	Red = BV212
Key delivery plan actions	21	5	2	2	0	Red = H3, H18 No data = H19, H30

#### b) Performance Indicator exceptions

- **Private dwellings returned to occupation (BV 64).** No private dwellings have been returned to occupation so far this year against an annual target of 5. Pro-active work on this indicator has ceased as a result of reduced staffing concentrating on mandatory grants and it is therefore unlikely that the annual target will be met.

## Private dwellings returned to occupation (BV 64)



### Status: Red

**Trends:** No long term empty private dwellings have been returned to occupation during the first two quarters of this financial year.

Babergh has one of lowest rates of empty properties in the country so relatively speaking this is not a significant problem for the Council. However, whilst the local target has been reduced in recent years to reflect this, performance remains low.

**Lead officer:** John Kilgannon

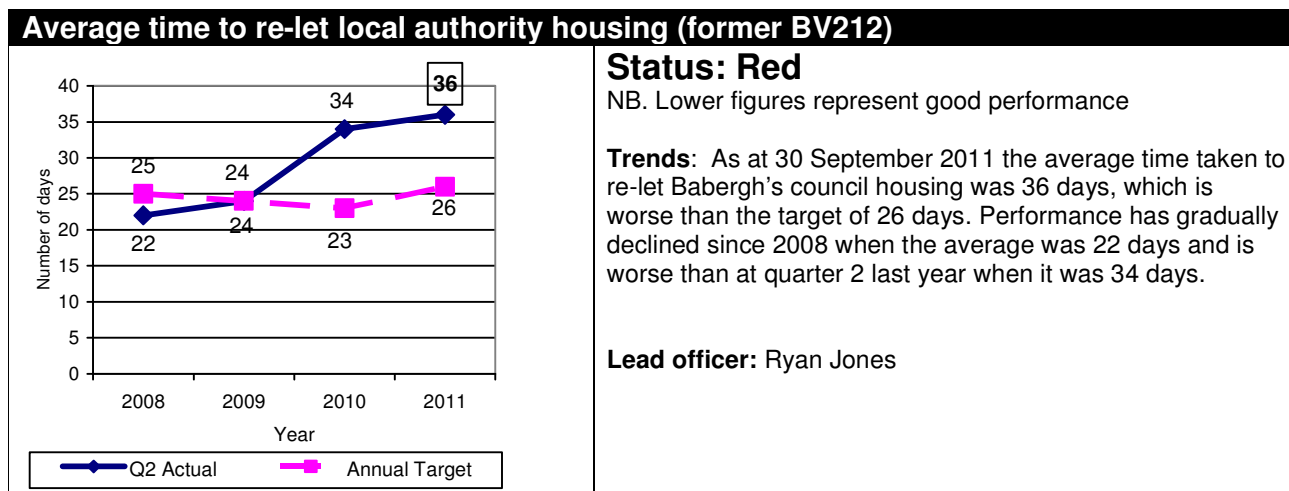
In addition, the following performance indicators have been classified Amber:

- **Percentage of non decent council homes (NI 158).** 2% of council homes are currently non-decent against an annual target of 0%. This equates to just 83 non-decent homes out of a total stock of 3,489. No concerns about performance.
- **Planning appeals allowed against the authority's decision to refuse a planning application (BV 204).** 43% of appeals have been allowed at appeal so far this year against an annual target of 30%. This equates to 9 out of 21 decisions appealed. Only a small number of cases are determined on appeal in any given quarter. It should also be noted that this is an improved outcome compared to Quarter 2 last financial year when 59% of decisions were allowed at appeal and an improvement on the quarter 1 outturn this year. The Development Committee receives a detailed analytical report on planning performance each quarter which provides further information on all appeal decisions.
- **Net additional homes provided (NI 154).** Currently a lower level of development than projected during what is probably the most favourable time of year for house building (April-September). 91 homes have been provided so far this year against an annual target of 225. Whilst lower than projected this still represents an improved outcome compared to Quarter 2 last financial year when 75 additional homes had been provided. Identification of the cause(s) is difficult to achieve with accuracy. This might reflect a number of factors including lack of confidence in the construction industry and restricted lending affecting builders and would-be home buyers, concerns over incomes, household expenditure and unemployment. At the same time it is clear that the Council has limited control or influence over this measure. We also know that the level of land supply available and of planning consents granted are not inadequate and not a root cause.
- **Number of private sector homes improved to meet the decent homes standard (LPI 6).** 6 homes have been improved during Quarter 2 against an annual target of 30. However, this figure excludes 4 subsequent energy efficiency completions. More stringent eligibility criteria from Warm Front Scheme has reduced the number of "top ups" to make homes Decent in relation to adequate heating. Officers are still awaiting Government details on the Green Deal Scheme which is set to replace Warm Front.



### c) Service Standard exceptions

- **We will re-let local authority housing within 26 days (former BV212).** The average time taken to re-let local authority housing is 36 days against a target of 26 days. Vacant posts were carried in the Voids Team as a pilot to reduce staff costs. However this did impact on performance and posts have now been filled with internal staff transfers. Following a recommendation at the last meeting of this committee, officers are preparing a detailed paper for Housing Panel which will set out what actions are being taken to secure improvements to the void management process.



In addition the following service standards have been classified Amber

- **We will process large and small scale major applications within 13 weeks (NI 157a).** 50% of major applications processed within time (11 of 22) as at 30 September which is below the national target of 60%. This breaks down as: Large scale major = 6 out of 9 within time; Small scale major = 5 out of 13 within time.
- **We will process minor applications within 8 weeks (NI 157b).** 61% of minor applications processed within time as at 30 September which is below the national target of 65%.

### d) Delivery Plan exceptions

- As a result of the change of government and subsequent changes to the production of the Core Strategy and staff vacancies there were substantial delays to the production of the Core Strategy earlier this year meaning that adoption by spring 2012 is no longer possible. A new timetable has been agreed with Members and stakeholder consultation has now commenced and adoption by the end of the 2012 calendar year should be achievable. The change to this timetable was beyond Babergh's control and the target should be changed to reflect the new timetable. **(Action H3)**
- No new open spaces have been adopted from planning gain contributions so far this year against an annual target of 4. It is unlikely this action will be met this financial year. **(Action H18)**

In addition the following Delivery Plan actions have been classified Amber:

- Completion of phase 1 of the Poplar Road regeneration scheme to provide 21 homes and 6 new shops by August 2011 has slipped. Phase 1 is now due for completion by December 2011/January 2012. Phase 2 has also commenced. **(Action H15)**
- Havebury Housing Partnership is seeking to withdraw from the Private Sector Leasing Scheme following the decision of St Edmundsbury and Forest Heath to contract with another service provider. The costs of supporting one Council will increase the financial burden on both parties to unacceptable levels. However, the Housing Panel has endorsed the decision to seek new contractual arrangements and these opportunities are now being explored with Mid Suffolk. **(Action H21)**
- The commitment to improve the energy efficiency of Council housing stock by installing 100 energy efficient heating systems in refurbished properties is on track with a contract for 80 properties already in place. However, the commitment to improve the insulation of 320 properties is unlikely to be met as only 100 properties have been insulated as at the end of Quarter 2. **(Action H27)**
- The commitment to improve the energy efficiency of private sector properties by working in partnership with Warm Front to deliver 50 heating measures is on track with 25 completed so far. However, the commitment to deliver 125 insulation measures is unlikely to be met as only 6 measures had been taken by the mid year point. Emphasis will now change to undertaking insulation measures using CERT funding. It is also important to consider this quarter's outturn in the broader context. Over the three years to August 2011, 5419 insulation measures were installed in 4,676 homes across the district. Figures released by the Energy Saving Trust show that Babergh achieved the third highest percentage of homes treated (as a proportion of total stock) out of the 47 Councils in the region. **(Action H28)**
- The commitment to maintain current levels of homelessness performance so that the overall levels of presentations do not exceed 75, and the number of acceptances does not exceed 40, has been classified Amber this quarter. Homelessness levels are on the increase and officers have forecasted a 20% increase in their workload. These trends will be monitored and reported on further at quarter 3. **(Action H31)**

### 3. A greener and cleaner Babergh

#### a) Summary of progress

The Council monitors and manages 8 strategic performance indicators and 18 key actions to deliver this priority. A summary of progress made during the period 1 April – 30 September 2011 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	3	4	0	1	0	No data = NI 185
Key delivery plan actions	9	5	1	3	0	Red = G6 No data = G14, G22, G23

#### b) Performance Indicator exceptions

There are no performance indicator exceptions for the 'Greener and Cleaner' theme this quarter.

However, the following performance indicators have been classed as Amber:

- **Residual household waste per household (NI 191)** 252Kg of waste per household has been sent to landfill so far this year which if pro-rated across the full year would mean the target of keeping waste arising below 486Kg would not be met. However, performance represents an improvement of 10Kg per household less compared to quarter 2 last year.
- **Household waste recycled and composted (NI 192).** 40.2 % recycled or composted against an annual target of 42%. Performance is slightly below target but represents a small improvement on Q2 last year (39.6%).
- **Municipal waste landfilled (NI 193).** 62.6% of waste landfilled so far this year against an annual target of 59.5%. Performance is slightly below target but represents a small improvement on Q2 last year.
- **Percentage of non-recoverable material present by weight (LPI 22).** 3.2% of material has been non-recoverable so far this year against a target of 2.5%. Performance is slightly below target but represents a small improvement on Q2 last year.

### c) Delivery Plan exceptions

- Ensuring that the Council's land and open spaces are maintained to a high standard – 69% of sites are achieving an inspection grading of 'satisfactory' against an annual target of 87%. Seasonal variation and changes in local contract management are the main factors. Monitoring will continue with a further update at quarter 3. **(Action G6)**

In addition, the following Delivery Plan actions have been classed as Amber:

- There have been 7 High Priority planning enforcement cases since April 2011 (5 in the second quarter). Of these five, 4 were dealt with in full within the target time of 21 days. The 5th is likely to be re-prioritised to a Medium case as the breach is not serious. However, there is a risk that current levels of performance may not be maintained throughout the remainder of the year as a consequence of integration. This is due to Babergh planning enforcement staff resources being diverted to assist the Mid Suffolk team in addressing a staff vacancy. **(Action G1)**
- Against a commitment to undertake 25 site surveys of land identified within the Council's Contaminated Land Strategy as 'High' or 'Medium' risk of being potentially contaminated, 9 surveys have been completed so far. There is a risk that the target of 25 may not be met as a staff vacancy in the team means the resource allocated for this is currently being diverted to other priority duties. **(Action G2)**
- The commitment to maintain planning enforcement cases below a total of 220 at the following stages: a) under investigation; b) where a notice has been served; and c) where a planning application has been lodged, is on track. The current caseload is 187 and cases have been kept consistently below 220. However, there is a risk that this commitment may not be maintained throughout the remainder of the year as a consequence of integration. This is due to Babergh planning enforcement staff resources being diverted to assist the Mid Suffolk team in addressing a staff vacancy. **(Action G3)**

- Working in partnership with parishes, 1 new bring site has been established so far this year against a target of 5. Other potential sites have been identified as part of a Suffolk Waste Partnership project. However, further activity to progress this action has been reduced pending decisions on future kerbside collection services. **(Action G19)**
- There are no plans to re-launch 'Sort-It' magazine during 2011/12 to promote environmental issues such as recycling. However, performance in these areas remains generally on track so there is no immediate need to remind residents of their responsibilities through this publication. **(Action G20)**

#### 4. A safer and healthier Babergh

##### a) Summary of progress

The Council monitors and manages 2 strategic performance indicators and 13 key actions to deliver this priority. A summary of progress made during the period 1 April – 30 September 2011 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	2	0	0	0	0	
Key delivery plan actions	9	3	1	0	0	Red = S14

##### b) Performance Indicator exceptions

There are no performance indicator exceptions for the 'Safer and Healthier' theme this quarter.

##### c) Delivery Plan exceptions

- The commitment to work with Town and Parish Councils to support the development of a range of individual and clustered community-based Emergency Preparedness Plans has not been delivered due to a refocusing of available resources on delivering robust emergency planning and business continuity arrangements for both councils. Consideration will now be given to this action through the BMI Community Development workstream though it is now unlikely it will be achieved this year. **(Action S14)**

In addition, the following Delivery Plan actions have been classed as Amber:

- The project to work with 125 pupils at Great Cornard Middle School to promote food safety, home hygiene and avoidance of controlled infectious diseases has not gone ahead yet. The demise of the Government's Healthy Schools Scheme may be a factor in the lack of take-up by the school to date. **(Action S4)**
- The annual update of the local area risk assessment for emergency planning and development of an action plan to address key issues has yet to be completed. **(Action S10)**
- The annual update and testing of Babergh's recovery plan for use following an emergency situation has yet to be completed. This year's update will be informed by the Suffolk-wide recovery exercise to be held in November 2011. **(Action S12)**

## 5. A strong and sustainable Babergh economy

### a) Summary of progress

The Council monitors and manages 21 key actions to deliver this priority. A summary of progress made during the period 1 April – 30 September 2011 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Key delivery plan actions	18	2	0	1	0	No data = E11

### b) Delivery Plan exceptions

There are no Delivery Plan action exceptions for the 'Strong and Sustainable Economy' theme this quarter.

However, the following Delivery Plan actions have been classed as Amber:

- Babergh made a commitment to respond to 10 inward investment enquiries this year. However, the role of inward investment across Suffolk is currently under review following the closure of Choose Suffolk. In the interim SCC is likely to hold this function. Likewise changes at UKTI and the demise of Regional Development Agencies have meant that enquiries from these bodies have not been received. **(Action E3)**
- Hamilton Road Quarter development in Sudbury – Assembling the land required for the Hamilton Road development has now stalled. However the Council has secured funding through the Haven Gateway Partnership to commission a full retail analysis for the area. and as part of this there will be further discussions with land owners. **(Action E19)**

## 6. Vibrant places and strong communities

### a) Summary of progress

The Council monitors and manages 6 strategic performance indicators, 2 strategic service standards and 19 key actions to deliver this priority. A summary of progress made during the period 1 April – 30 June 2011 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	4	2	0	0	0	
Strategic Service Standards	0	0	0	2	0	No data = BV78a and b
Key delivery plan actions	15	1	2	1	0	Red = C1, C8 No data = C11

### b) Performance Indicator exceptions

There are no performance indicator exceptions for the 'Vibrant Places and Strong Communities Theme' this quarter.

However, the following performance indicators have been flagged Amber:

- **Percentage of local authority housing rent collected (BV 66a).** 98% achieved against an annual target of 99%. The Council currently have 8 high end arrears cases awaiting outcome of an application for a debt relief order being granted which if awarded would write off the debt.
- **Number of private sector homes adapted to meet the needs of older people or disabled people (LPI 9).** 13 adaptations completed so far this year. The throughput is currently lower than projected and lower than at the same point last year when 19 adaptations had been completed. However, it is expected that the annual target of 35 will be made up in the next six months though the outcome will depend on the volume of referrals received from Social Services Occupational Therapy Team.

### c) Service Standard exceptions

There are no service standard exceptions for the 'Vibrant Places and Strong Communities Theme' this quarter.

A verbal update on the latest data from SRP on the benefits service standards (BV78 a and b) will be provided at the Committee meeting.

### d) Delivery Plan exceptions

- Because of the changes to the Core Strategy timetable, the Planning Policy Team does not have the capacity at present to research and develop an action plan to identify and address the main problems faced by Babergh residents living in rural areas. If this is seen as a priority area by members then consideration will need to be given to temporary resources to take this forward. **(Action C1)**
- It has not been possible to progress plans for an Internet Café at Chelmondiston due to the lack of suitable accommodation in the village. Furthermore, the funding allocated in 2010/11 for this project is no longer available. It is suggested that this action is now deleted from the Delivery Plan. **(Action C8)**

In addition the following Delivery Plan action has been classified Amber:

- The commitment to fully refurbish or renew one set of playground equipment has not been delivered so far this year. **(Action C5)**

## 7. How we will deliver

### a) Summary of progress

The Council monitors and manages 2 strategic performance indicators and 2 strategic service standards to deliver this priority. A summary of progress made during the period 1 April – 30 September 2011 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	1	1	0	0	0	
Strategic Service Standards	2	0	0	0	0	

## **b) Performance Indicator exceptions**

There are no performance indicator exceptions for the 'How We Will Deliver' theme this quarter.

However, the following performance indicator has been flagged Amber:

- **Percentage of capital expenditure achieved on the Housing Revenue Account (LPI 12a).** 35% expenditure achieved so far against an annual target of 97%. This is a lower level of expenditure achieved compared to quarter 2 last year when 47% had been achieved.

## **c) Service Standard exceptions**

There are no service standard exceptions for the 'How We Will Deliver' theme this quarter.

## **d) Delivery Plan exceptions**

There are no Delivery Plan actions exceptions for the 'How We Will Deliver' theme this quarter.

## **8. Commitments for which there is no Quarter 2 data or information available at the time of publication**

### **a) Performance Indicators**

NI 185 – CO<sub>2</sub> reduction from Local Authority operations

(This indicator can only be reported after the year end. 2010/11 outcome is now available)

### **b) Service Standards**

BV78a – We will make a decision on your entitlement to Housing or Council Tax Benefit within 16 days once we have all the information we need (Awaiting data from the Single Revenues Partnership (SRP))

BV78b – We will process changes to existing cases within 6 days (Awaiting data from the SRP)

### **c) Delivery Plan actions**

H19 – Implement the Open Space Sport and Recreation Strategy by ensuring new developments have adequate recreational and open space

H30 – Determine discretionary housing payments within 24 hours where the outcome may prevent a household becoming homeless (No information available from SRP on this action)

G14 – Recycle 850 tonnes of trade waste

(No data available for Quarter 2 yet. A joint procurement with IBC & MSDC is underway to provide 'dirty MRF' recycling facilities for co-mingled trade waste collections and presentations are due first week of November to select a provider)

G22 – Achieve the following minimum cleanliness levels across the district:

- 96% sites to be acceptable for litter
- 98% sites to be acceptable for graffiti
- 98% sites to be acceptable for fly posting
- 78% sites to be acceptable for detritus

(Based on NI 195 which has been discontinued as a statutory return to government)

G23 – Achieve a 89% customer satisfaction level for street cleanliness as measured by the quarterly SERCO survey (Survey results not yet available)

E11 – Complete Phase 2 of the Pin Mill regeneration project

C11 – Continue to provide funding to ensure that advice is available at Sudbury CAB and a drop in service by kiosk facility at Corks Lane, Hadleigh

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**Significant Business Risks – Key messages/issues since the last risk review**

Risk	Key Messages/Issues
Risk 1 – Political and Managerial Leadership	<ul style="list-style-type: none"> <li>• Continued focus on this as part of the integration plans and other key challenges facing the Council – through PLG, seminars and briefings.</li> <li>• Refer also to Appendix Y - BMI Risk Update under Progress.</li> </ul>
Risk 2 – Efficiencies and Savings (Rolling 3 Year Time Frame)	<ul style="list-style-type: none"> <li>• Budget planning for 2012/13 and beyond is well progressed with engagement through PLG, the SFP Task Group and Member briefings.</li> <li>• The integration/transformation plans will make a significant contribution to the £3.5m savings requirement over the next 3 years.</li> </ul>
Risk 3a – Shared Services – Integration with Mid Suffolk	<ul style="list-style-type: none"> <li>• Project risks with risk rating and mitigation measures have been captured within the BMI Implementation Plan and Risk Register.</li> <li>• Monitoring of these risks is done quarterly by the JMIB.</li> <li>• Refer also to Appendix Y - BMI Risk Update under Progress.</li> </ul>
Risk 3b – Other Shared Services	<ul style="list-style-type: none"> <li>• Through the Strategic &amp; Financial Planning process the Council will continue to consider for 2012/13 any further opportunities for other shared services (i.e. other than Mid Suffolk) on the basis that in all cases a joint approach with Mid Suffolk would be the preferred way forward.</li> </ul>
Risk 4 - Capacity	<ul style="list-style-type: none"> <li>• Refer to Appendix Y - BMI Risk Update under Progress.</li> </ul>
Risk 5 – Partnerships	<ul style="list-style-type: none"> <li>• The Strategy Committee will receive a report in November 2011 informing Members of the changing landscape with regard to Local Strategic Partnerships to enable consideration to be given to Babergh’s future involvement.</li> <li>• The Strategy Committee will receive a report in November 2011 recommending a joint approach to procurement of waste transfer and recycle marketing services for all of the Suffolk Waste Partnership authorities.</li> </ul>

## APPENDIX B

Risk	Key Messages/Issues
Risk 6 – Performance and Cost Management	<ul style="list-style-type: none"><li>• The Strategy Committee have set targets for 2011/12.</li><li>• Performance targets may suffer from 2011/12 onwards as pressure to reduce resources increase. There is a need to continually challenge and action issues around performance and any identified variances.</li><li>• Staffing and other costs continue to be reduced through the joint vacancy arrangements. There is now a need to focus on integration and transformation work with Mid Suffolk.</li><li>• Costs and Value for Money in other key areas will be examined through the Strategic and Financial Planning process.</li></ul>
Risk 7 – Localism and Community Engagement	<ul style="list-style-type: none"><li>• Continued monitoring and interpretation of legislation and guidance on localism and Big Society, including engagement with partners such as Voluntary Community Organisations as appropriate and necessary.</li><li>• Following the launch of the Budget Challenge officers are now analysing the feedback to inform the budget development process.</li></ul>

**BMI Risk Update - Key Messages and Issues**

Key Messages/Issues
<b>New Risks</b>
Failure to migrate pages to a new platform before withdrawal of One-Suffolk platform results in Mid Suffolk having no web site.
Members fail to fulfil community leadership role.
Failure to allocate sufficient resources to implement shared learning resulting in the loss of £120k RIEP Funding.
<b>Progress</b>
Responding to national issues – regular two-way engagement with central government and key external partners.
The Councils are beginning to align priorities and consider how these will be delivered. This will assist with the development of the Council's joint vision.
The Councils have approved a revised business case and an Inter Authority Agreement and delegation arrangements.
An external validation of the integration and transformation process through a peer review is currently being scoped.
The ICT Delivery Stream, along with Socitim Consulting Ltd, are in the process of finalising an options paper on the development of an ICT Strategy.
The HR delivery Stream is continuing to develop a corporate training and development plan for Members and staff that will equip them with the necessary skills to deal with and manage change and transformation.
<b>Concerns</b>
Very high risk – Lack of feedback from other Delivery Streams requesting their views on strategic direction with regard to website development.
Behind target – Input required from other Delivery Streams to identify the best location for their service areas.
<b>General Matters</b>
Lead Officers now need to focus more on transformation and the risks associated with this.
Lead Officers need to have a greater appreciation of the aims, progress and issues of other delivery groups.

**GENERAL FUND QUARTER 2**

**Budget Monitoring**

1. Salary savings for the half year indicate that savings could be exceeded due to reduced staffing costs and vacancy management. The year end position will be dependent upon the timing of voluntary redundancies, natural wastage and vacancy management.
2. Allowances have been made in the budget for a reduction in income and projected savings that were anticipated, e.g car parking income/toilets. Officers are aiming to achieve savings in other areas to balance out the position.
3. The position will be helped by the following:
  - Licensing income and Planning Fee income are both on budget but the additional Building Control Fee income is slightly less than reported in Q1, at £7k extra for the year.
  - Land charges income continues to exceed budget and an additional £20k is expected to be a realistic estimate.
  - Additional income from the waste consortium of £22.5k is anticipated. A reduction in gate fees and tonnage is likely to generate a saving of 48k.
  - Additional income of £10k is indicated for green waste fees as the customer base continues to expand in line with targets.
4. Additional borrowing of £3m was taken in July to take advantage of favourable PWLB rates. Borrowing costs for the year to finance the capital programme are likely to increase by £19k but investment income could exceed budget by £20k, producing a neutral position overall.

**HOUSING REVENUE ACCOUNT QUARTER 2**

**Budget Monitoring**

5. A cost pressure for the HRA was previously identified in the region of £60k and this is expected to be met from reserves.
6. On repairs, the half year position shows a small underspend of approximately £50k but this could reduce if the level of repair requests from tenants increases in the winter months.
7. Void repairs are also showing an underspend of £20k. A paper is being prepared for the Housing Panel which will detail actions to be taken to improve the void management process.
8. Close monitoring of income and expenditure budgets, in particular utility budgets, will continue.

9. The level of expenditure on the capital programme is low for the first half of the year, 35% of the total 2011/12 programme of £2.7m. The Head of Service has no concerns at present and reports that historically expenditure is slower in the first half of the year due to design and tender processes. Notwithstanding the Head of Service comment, it should be noted that there is the potential for underspend.

## CAPITAL PROGRAMME QUARTER 2

### Capital Expenditure

1. The capital programme is likely to see a 30% underspend against a budget of £4.6m (including carry forwards). A total of £1.4m is expected to be carried forward into 2012/13.

### **Contract and Asset Management**

2. **Enhancement of Kingfisher Facilities** – this scheme (budget £549k) commenced at the end of August. The expected completion date is mid February 2012 and the budget is expected to be fully spent.
3. **Hadleigh Community Facilities** (budget £2,031k) is now expected to commence on 14<sup>th</sup> November with completion at the end of September 2012. We estimate that £1.2m of this year's budget will be carried forward to 2012/13.
4. **Green Waste Enhancement** (replacement refuse vehicle, budget £135k) – the vehicle is to be ordered in the near future with likely delivery in Q4.
5. **Carbon Reduction Programme** (budget £118k) – the majority of this budget will be spent on the Kingfisher Leisure Centre and Hadleigh Community Facilities. The budget should all be spent in the current year but some may be carried over into next year.
6. **HRA** – The Head of Service expects this to be fully spent despite low expenditure in the first half of the year. Budgets may be vired to other schemes where higher priority needs emerge.

### **Private Sector Housing**

7. **Private Sector Renewal Grants** (budget £346k) – it is currently anticipated that £56k of this budget will remain unspent due to a lower level of demand from eligible applicants.
8. **Affordable Housing** (budget £293k) – the budget is expected to be spent in full this year and suitable schemes have been identified.

### **ICT / Information Management**

9. The total budget (including carry forwards) for ICT / Information Management for 2011/12 is £335k. Of this £148k (44%) relates to schemes that arise from the integration between Babergh and Mid Suffolk, for example Shared Services Working (£43k) and Broadband Development (£50k).

It is not clear how much of this will be spent during 2011/12 as it is dependant upon the degree to which staff integration progresses and the subsequent demands on ICT service delivery and the resultant changes in application use, hosting, migrations, etc.

The remaining budget of £177k is likely to be fully spent.

**Capital Receipts**

10. Capital receipts budgeted at £2m for the year are unlikely, the latest estimate is £1m.
11. **Right to Buy Sales** (budget £100k net of pooling) – £52k achieved at the end of Q2. Tenants are finding it difficult to obtain mortgages which will affect future sales, although two further properties have been sold in October.
12. **East House** (budget £850k) – the receipt is anticipated at the end of the current financial year.
13. **Ransom Strip, Bures** (budget £50k) – this is dependant on planning permission but it should be received in the current year.
14. **Tesco** (budget £850k) – this will not be received in 2011/12 as the planning application from Tesco was refused in July. At this stage it is not clear what action Tesco will take. The timing of any future capital receipt will depend on Tesco's course of action.
15. **Windfall** (budget £150k) – at this stage seems unlikely to be achieved.