

INFORMAL CABINET – TUESDAY 23 NOVEMBER 2021

INTEGRATED PERFORMANCE MANAGEMENT (IPM) REPORT – 2021/22 QUARTER 2

REPORT OF THE CORPORATE DIRECTOR RESOURCE (\$151 OFFICER)

LEAD CABINET MEMBER – COUNCILLOR ROGER LEES, LEADER OF THE COUNCIL

PART A – SUMMARY REPORT

1.0 SUMMARY OF PROPOSALS

- 1.1 This report provides a combined update as of 30 September 2021 (Quarter 2 of 2021/22) on performance, finance, and risk. This includes results against performance targets set to monitor delivery of the (new) Council Plan 2020 – 2024.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Members review and note the Quarter 2 IPM Report.

3.0 SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	It reports progress against Council Plan targets.
	Has an Equality Impact Assessment (EqIA) been completed?	
	No	This report does not impact on equality issues
SCRUTINY POWERS APPLICABLE	Yes - The IPM report is presented to O&S at Quarter 2 and 4.	
KEY DECISION	No	
TARGET DATE	Quarterly	
FINANCIAL IMPACT	Yes	The report details the financial position as at the end of Quarter 2 2021/2022.
LEGAL ISSUES	Yes	Section 151 of the Local Government Act 1972 requires the Council to make arrangements for the proper administration of its financial affairs.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	This report includes all Council strategic risks and a summary position statement on operational risk.
IMPACT ON SPECIFIC WARDS	No	All Wards

4.0 INTEGRATED PERFORMANCE MANAGEMENT - EXECUTIVE SUMMARY

4.1 The table below provides a 'RAG' rated assessment of the Council's Quarter 2 performance against its Council Plan targets and its revenue and capital budgets, as well as a summary of its strategic and operational risks.

	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
Current Position	G	G	A	A	R	R	N/A	N/A
23 Council Plan Targets	13	13	7	6	1	2	2	2
Revenue Budget - Service (Net) Expenditure								
Revenue Budget - Other Expenditure								
Revenue Budget - External Funding								
Overall Revenue Budget - Appropriations to Reserves								
Capital Programme								
Strategic Risks							8	
Operational Risks							66	

RED (R)	Not on target and / or the level of risk (of not meeting target) is high and needs urgent remedial action
AMBER (A)	Not fully on target but not significantly off target and / or the level of risk (of not meeting target) is manageable but requires close monitoring
GREEN (G)	On target and / or the risk (of not meeting target) is low and under control
N/A	Not applicable and / or data unavailable at this time (note: key not relevant to risk)

4.2 The above table shows that the Council is:

- On target for 13 out of 23 Council Plan targets at Quarter 2.
- Not fully on target (not fully achieved but not significantly below) for 6 out of 23 Council Plan targets at Quarter 2.
- Not on target for 2 out of 23 Council Plan targets at Quarter 2. At Quarter 1, one target was flagged red, however, ongoing national issues around waste collection has increased the risk rating for Quarter 2.

- Not reporting against 2 Council Plan targets at Quarter 2 due to the targets being suspended.
- On target for service expenditure budgets.
- On target in terms of other expenditure budgets and external funding.
- On target for planned appropriations to reserves.
- On target in relation to the Capital Programme.

4.3 Reasons for all of the above are summarised below, although it should be noted that some targets are still impacted by Covid-19.

4.4 The above table also shows that there are 8 strategic risks and 66 operational risks currently being managed by the Council.

Performance

4.5 The main headlines from the 21/22 Quarter 2 Performance Scorecard (included in full at Appendix 1) are as follows:

4.6 13 out of 23 Council Plan targets are on target and / or the risk of not meeting the year end target is low and under control.

4.7 2 Council Plan targets at Quarter 2 have a high-risk level of not meeting the end of year target (RAG rated red):

Target No.	RAG Red targets	Q2 Outcome
13	Maintain over a 100% income % of operating costs for our four leisure centres by Q4	<p>Income is growing and income as a % of operating cost is up from 37.26% at Quarter 1, to 50.95% in Quarter 2.</p> <p>Whilst this demonstrates progress in both member numbers and increases in income, the percentage represents a point in time meaning it is possible for it to fluctuate.</p> <p>Impacted by Covid</p>
8	<p>Missed bin collections:</p> <p>a) Limit of 20 justified non-collections per 100,000 collections of blue and grey bins.</p> <p>b) Limit of 3 justified non-collections of green bins per collection day.</p>	<p>Quarter 2 has seen an average of:</p> <p>a) 97.12 non-collections of Domestic & Recycling (blue and grey bins) per 100,000 collections.</p> <p>b) 31.07 Green bin non-collections per day.</p> <p>Impacted by the national driver shortage. We are having regular meetings with Biffa, monitoring this daily with drivers</p>

working overtime and extra weekend shifts to support.

At present (11/11) the service is running as normal (with the exception of occasional vehicle breakdowns which is BAU). Driver numbers have recovered to a point where we can fully staff the service most days, although we have limited contingency should there be e.g. sickness absence. We will be offering additional support to Biffa through marketing the remaining driver vacancies through Council channels. The bulky waste collection service was reinstated on Monday 8 November.

4.8 6 Council Plan targets at Quarter 2 are not fully on target, but not significantly off target and/or the level of risk of not meeting the year-end target is manageable but requires close monitoring (RAG rated amber):

Target No.	RAG Amber targets	Q2 Outcome
1	<p>On target to deliver the Local Plan. By Summer 2021, public consultation in place for:</p> <ul style="list-style-type: none"> • Preferred Options • Updated Infrastructure Delivery Plan • Affordable Housing Delivery Policies 	<p>Consultation has been delayed until 1 November due to the restrictions of Purdah in relation to the By-Elections on Thursday 28 October.</p> <p>Plans are in place to commence consultation formally on 1st November and a consultation strategy has been developed. At this stage it is not anticipated this will have an adverse impact on the plan production timeline</p>
5	<p>No more than 10% of applications overturned through the appeals process (major and non-major development).</p>	<p>27% (3 of 11) of applications were overturned through the appeals process. One of these was an application that the Council deemed not to be Permitted Development (PD) for agricultural buildings, but this was deemed PD on appeal.</p> <p>Important to note that the national reported statistics to the Ministry of Housing, Communities and Local Government (MHCLG) show that over a</p>

		longer period, the team are currently running at 3.7% for major applications and 1% for non-major and therefore, are well within targets.
12	Maintain a base level of 3,500 members across our four leisure facilities by Q4	Membership is growing steadily and now just short of 2,900 members. If current trends persist, the team hope to achieve the 3,500 target by January 2022. Impacted by Covid
15	Improve Business Continuity and Resilience of at least 3 Council systems by April 2022: <ul style="list-style-type: none"> • Customer Contact Management • Online forms • Council's website 	The issue identified during the trial of enabling resilient access to Cloud hosted services used by the Council was not fixed by the supplier and therefore, unsuccessful. An alternative approach has been agreed with the same supplier and a further trial undertaken. Initial testing has been successful with further testing planned during October.
20	Maximum of 6.95 days average sickness absence per employee per year.	Quarter 2 figures show 1.42 FTE (Full Time Equivalent) days were lost per FTE employee. This is against an average quarterly target of 1.35 and therefore marginally over target. Impacted by Covid (figures include Covid related absences including vaccination reaction)
22	Process new Housing Benefit/Council Tax Support claims in an average of 15 days and process changes in circumstances an average of six days.	The average number of days to process new claims in Quarter 2 was 18.6 days. The cumulative average is now 22 days to process new claims. The average number is reducing as the team recover from changing over to a different online claim form in Quarter 1. The team are, however, still seeing a high number of new claims due to the end of furlough. The average number of days to process a change in circumstances is within target.

4.9 Further information and mitigation steps are set out in Appendix 1.

4.10 It should also be noted that two targets are suspended due to Covid-19:

- Increase public WIFI usage in the Council's public spaces by 10,000,000 hours by end of March 2021 (suspended in 20/21):
 - *This target is being reviewed as Covid has and will continue to change the public's use of public spaces.*

- Reduce the volume of emails received from resident by 20% by end of March 2021 (suspended in 20/21):
 - *This target is being reviewed as more appropriate measures will arise from the upcoming implementation of a new digital platform during the next 12 to 18 months.*

5.0 Finance

- 5.1 The main headlines from the Quarter 2 Finance Scorecard (included in full at Appendix 2) are as follows:
- 5.2 Total (net) annual **Service Expenditure** is forecast to be £10.148m against an approved budget of £10.103m. Within the reported position, there is an assumed final claim of £0.255m for lost Sales, Fees and charges following the enforced closure of Leisure Centres during the early months of 2021/22. Overall, this represents an adverse unadjusted variance of £0.045m (before appropriation of earmarked reserves). Following draw downs from earmarked reserves, this becomes an adjusted favourable variance of £0.234m. This will be an addition to the General Fund.
- 5.3 In addition, the ability of the Council to currently borrow at very low interest rates has allowed for a further £0.119m to be projected to be added to the General Fund (net of reversal of savings on depreciation). A higher rate of borrowing to finance the Capital programme had been assumed when the budgets were set.
- 5.4 As the set budget for 2021/22 already assumed a contribution to General Fund reserves of £0.404m, this means an overall contribution to the general fund of £0.757m is currently forecast to be made (This is made up of £0.404m planned + £0.234m service expenditure savings + £0.119m borrowing savings).
- 5.5 Within the reported adjusted position of £0.234m, the only variations which adversely impacted the General Fund are within Planning Services (£0.055m adverse variance), Community Services (£0.034m) and Corporate Services (£0.047m). A significant element of the Community Services variation has arisen due to Leisure income shortfalls following the extended third Covid-19 related lockdown which will be alleviated upon receipt of the final grant claim. Losses over and above the ability of the Council to claim through the Grant can be funded via the Covid-19 Earmarked Reserve.
- 5.6 A (net) **appropriation from earmarked reserves** of £5.937m is forecast. Of this, £5.658m relates to Section 31 grant funding in 2020/21 being applied to Collection Fund deficits. A further reduction of £0.279m in Earmarked Reserves represents planned expenditure against specific one-off projects and where applicable, application of the specific Covid-19 reserve to cover additional expenditure deemed to have been incurred due to the pandemic.

6.0 Risk

6.1 The main headlines from the Quarter 2 Strategic Risk Register (included in full at Appendix 3) are as follows:

6.2 The Council's strategic risks are:

- The focus of our resources is not planned or prioritised effectively;
- Budget pressures, increased income volatility and uncertainty as to the future of local government finance;
- Failure to deliver against the change, transformation, efficiency and savings agenda.
- Cyber security attack;
- Partner volatility;
- Information Governance Failure;
- Planning;
- Our communities do not become more prosperous and vibrant.

6.3 It should be noted that Covid-19 has impacted upon a number of these strategic risks and the Council's mitigations have been adjusted accordingly. All Strategic risks are rated Amber with the exception of 'failure to deliver against digital transformation agenda' which is rated green and Partner Volatility being rated Red due to the impact that Covid-19 has had and is continuing to have on service delivery risk. All Risks have strong mitigation in place.

6.4 The Council's Operational Risk Register also currently includes 66 operational risks. Two of these risks exceed a Net risk score of 15 or above (and rated 'red').

- Non-collection of waste and recycling, and/or delayed collection services due to driver shortages – risk score 20. Mitigated through:
 - Adjusted policy for reporting and responding to non-collections (communicated to residents).
 - Increased driver salaries and increased over time payments by service provider.
 - Provision of overtime and Saturday working to minimise impacts.
 - Acceptance of side waste from affected residents.
 - Stood down bulky waste collections to free up another driver for core services.
 - Prioritisation of waste stream collection by environmental risk.
 - Increased reporting between service provider and council.
 - Tracking residents feedback and managing expectations.
 - Regular senior meetings with service provider to review strategic approach.
 - Comms to residents.
 - Updates to customer services and Members.

- Daily updates and regular contact throughout the day with the service provider.
- Successful cyber security attack - risk score of 15. Mitigated though:
 - Favourable audit report.
 - Training for Members and staff in conjunction with Staffordshire Police as well as phishing exercises to maintain awareness and to identify additional training needs.
 - Up-to-date virus detection software in place and virus alerts are received by ICT and actions taken to minimise spread.
 - Infected machines are removed, analysed and treated via an isolated server.
 - Password protocols are in accordance with PSN recommendations and data is backed-up daily on-site and to an off-site location.
 - Monitoring for unauthorised access and use of mobile devices via review of daily audit logs. The SOPHOS system used to identify and prevent non-compliant phones attempting to access the network.

7.0 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Not applicable

8.0 PREVIOUS MINUTES

Not applicable

9.0 BACKGROUND PAPERS

- Appendix 1 – Quarter 2 Performance Scorecard
- Appendix 2 – Quarter 2 Finance Scorecard
- Appendix 3 – Quarter 2 Strategic Risk Register

Report prepared by

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