

Agenda Item 22

Policy Director, Management Team
Salisbury District Council, Bourne Hill
Salisbury, Wiltshire SP1 3UZ

direct line: 01722 434260

email: ddixon@salisbury.gov.uk

direct line: 01722 434393

email: aosborne@salisbury.gov.uk

web: www.salisbury.gov.uk

Report

Subject: : Performance Monitoring – Review of the Fourth Quarter and Annual Review

Report to : The Cabinet

Date : 7th June, 2006

Authors : Debbie Dixon and Alan Osborne

Leader of the Council : Councillor R. Britton

Executive Summary

The aim of this report is to provide Cabinet with a high level view of where services need to improve and what actions are proposed to reduce risks to the Council.

It has been produced following an analysis of budget monitoring information, performance indicator information and progress reports on key themes in the Corporate Plan.

1. Matters for Consideration:

Cabinet is requested to:

- (i) receive updates on areas of concern identified in the third quarter (October-December 2005);
- (ii) note new areas of concern and improvement from the final quarter (January-March 2006);
- (iii) receive an annual review of performance for the year;
- (iv) invite Scrutiny to consider any issues of particular concern.

2. Introduction and Background:

This report analyses monitoring information from budgets, performance indicators, progress reports against the Corporate Plan, Risk Registers and miscellaneous reports for the final quarter period of the last financial year and reflects on the year as a whole. All detailed monitoring reports are available as background papers on request from the Democratic Services Unit.

This summary is designed as an exception report identifying for all Councillors areas of concern where services need to improve and what actions are required to reduce risks to the Council. The issues and actions have been categorised by risk type and added to the Corporate and Portfolio Risk Registers.

3. Progress on Risks identified during the Third Quarter (October-December 2005):

3.1 Appendix 1 provides an update on progress.

4. Current risks Identified during the Final Quarter (January-March 2006):

4.1. Financial

4.1.1. A separate report on the 2005/06 revenue and capital out-turn is contained elsewhere on this agenda.

4.2. No other major risks were identified this quarter.

5. Improving Performance – April 2005-March 2006:

5.1. At the conclusion of the local government year it is appropriate to highlight the major successes and continuing areas of concern.

5.2. The year proved to be our strongest to date. Overall the Council's journey towards excellence has been supported this year with 88.9% of our strategic suite of indicators reaching upper quartile status compared to 69% last year and 44% in 2003/04. Meanwhile, 52% of these indicators are demonstrating improvement on the results of last year.

5.3. Authority-wide, 50% of all indicators (both strategic, national and local) are reaching upper quartile status and 44.9% demonstrating improvement on the previous year, with a further 21% maintaining performance. 62% of all indicators are meeting their targets, of which 75% are exceeding them.

5.4. Such steady progress is to be welcomed. Particularly in the light of the many changes made to indicators nationally and the addition of a number of local indicators.

5.5. One service unit – Development Services is particularly worthy of special mention. The unit has had another very strong year with all three development control targets for planning application processing ahead of the national upper quartile. This hugely improved performance has appropriately been recognised by the highest district planning delivery grant.

5.6. Three other units deserve special mention for their year end results; Housing Management for achieving solid performance across a number of indicators, Revenues and Benefits for processing new benefit claims promptly and 100% accuracy for calculation of benefits due and Customer Services for consistently resolving more than 80% of enquiries at first point of contact.

5.7. This time last year concern was being expressed about the number of days lost due to sickness absence and our progress on equalities issues.

5.8. Progress during 2005/06 in both areas has been positive. The proportion of working days lost to sickness absence has dropped to 7.8 days for the last year, down from 9.59 days the previous year. This places us firmly in the upper quartile.

Recognition for this needs to go the Personnel and Training Services Unit who have led the introduction of an enhanced approach to managing sickness absence and to line managers who have actively worked to reduce unacceptable sickness.

5.9. In terms of equality it is also pleasing to note that we reached the Equality Standard for Local Government, Level 2 during the year. Thanks are due to the Diversity Working Group for leading this area of work. The Resources Scrutiny Panel in their review of recruitment and retention rightly flagged up the need to ensure that work in this area is progressed by the Council as the numbers of women in senior positions and numbers of people with disabilities are both low.

5.10. The year end also saw a very positive achievement on our local indicator of amount of annual efficiencies achieved. Although subject to external audit, it is likely that we will have doubled our target of £432k. The precise figure will be outlined in the next quarterly report.

5.11. From a service unit and portfolio perspective areas for improvement are:

5.11.1. Transport and Environment Portfolio

- 64% (11 of 17) indicators meeting and 9 exceeding targets.
- 58% demonstrating improvement.
- Areas for concern – removal of abandoned cars was below target, although a new contract for this year should improve this and waste collection costs rose just above target.

5.11.2. Economic Development and Planning Portfolio

- 81% (13 of 16) indicators meeting and 10 exceeding targets.
- 65% demonstrating improvement / maintaining performance.
- Areas for concern – None.

5.11.3. Resources Portfolio (although predominantly corporate targets)

- 52% of indicators meeting and 18 exceeding targets.
- 50% demonstrating improvement.
- Areas for concern – None.

5.11.4. Community and Housing Portfolio

- 63% (29 of 46) of indicators meeting and 19 exceeding targets.
- 30% (14 of 46) demonstrating improvement.
- Areas for concern – Strategic Housing – the average length of stay in B&B during Quarter 4 rose to 5.6 weeks, although it is still within our target of 6 weeks and the result for the year was much lower at just over 3 weeks. Our annual target for affordable homes was not met as two very large developments were delayed due to legalities surrounding approval of Section 106 Agreements. It is hoped that both these developments will begin construction during 2006/07.

6. Developing our Approach to Managing Performance:

During the year we have introduced a new computerised system to assist in managing performance and performance data (P.A.C.E.). It has been developed to include monitoring the capital programme and efficiency gains. We aim to continue development around the inclusion of risks, audit recommendations and project management.

7. Revised Risk Register:

Set out in Appendix 2 is the revised Corporate Risk Register which reflects the issues within this report and actions to be agreed. The Register has also been amended to remove risks no longer relevant and reflect any changes to the status of existing risks.

8. Recommendations:

Cabinet is asked to:

- (i) Note the updates on areas of concern identified in October-December 2005.
- (ii) Note the significant improvements made in 2005/06.

9. Background Papers:

Progress reports on the Integrated Change Programme.
Corporate Risk Register.
Portfolio Risk Registers.
C.P.A. Improvement Plan.

10. Implications:

- **Financial:** A detailed analysis of financial outturn is elsewhere on the June Cabinet agenda as part of the process for approving the statement of accounts.
- **Legal:** None within this report.
- **Human Rights:** None.
- **Personnel:** None.
- **I.C.T.:** None.
- **Community Safety:** Contained within performance indicators.
- **Environmental Implications:** Contained within performance indicators.
- **Ward(s) Affected:** All.
- **Consultation Undertaken:** Service Unit Heads.

Progress on Risks Identified during Third Quarter (October–December 2005)

Risk Category	Service / Nature of Risk	Explanation / Action Taken
1. FINANCIAL	Environmental Impact Assessment, Office Project.	The Improving Customer Services Board has recommended to Cabinet that the £166k cost of this should be contained within the overall capital programme through adjusting the original allocation made to City Hall for improvements until the required works can be measured following the decanting process.
	Churchfields Depot refurbishment.	The final account with the contractor is still to be settled. It is unlikely that this will lead to a material overspend on the project.
	Capital Programme re-proofing.	See the capital out-turn report elsewhere on this agenda.
2. REPUTATION	Previously identified risks effectively managed.	
3. CAPACITY	As above.	

Salisbury District Council Risk Register

Date Last Updated: 01/06/06

Type of Risk	Impact	Probab.	Category	Risk Source	Owner	Response	Action	Residual Status	Updated
Medium Term Financial Strategy in process of implementation and a monitoring system has been established	H	H	Financial, reputational, political	Cabinet	Cabinet / MT	Treat	Medium Term Financial Strategy adopted at Jan Cabinet meeting. Revenue budgets for 2006/07 to 2008/09 secure if set in line with principles of MTFS.	M/L	7-Jun-06
Analysis of capacity requirements in place. Short term funding to support major projects included in MTFS and in process of implementation	H	H	Political, reputational	Cabinet	Cabinet / MT	Treat	Improve analysis of demands on capacity. Increase capacity by better management (eg sickness absence). Match capacity of organisation to demands arising from Council ambitions	M/L	
Consultation with tenants being organised, leading to a decision on whether to proceed to ballot in Oct/Dec	H	H	Financial, reputational, people	Cabinet	HM	Treat	Explore possibility of a stock transfer, ensure adequate financial, human and PR resources available	M/L	
Funding for programme secured from government grant and council's Capital Budget	M	M	Reputational political people	Cabinet	SHS	Tolerate	Monitor outcomes of policies to secure affordable housing	L/L	
Negotiations under way with Wiltshire Waste Partnership to agree change to alternate weekly collection arrangements beginning Apr 2007	H	H	Reputational, political	Cabinet	HES	Treat	Jan Cabinet meeting agreed increased investment to ensure that we meet targets.	M/L	
Opening of London Road site scheduled for July. Impact on car parking account will be monitored	M	L	Reputational, political, people & Financial	Cabinet	HFPT	Tolerate	The financial model for parking income has been reviewed. Projected figures indicate that enough resources are available for at least 2006/07 + 2007/08.	M/M	
Planning permission granted. Revised Business Case presented to June Cabinet	M	M	Financial, reputational	Cabinet	MT	Treat	Strong project management and rigorous monitoring in place.	M/L	
Discussions with Police on new neighbourhood based policing arrangements	M	L	Reputational, political, people	Cabinet	HCI	Tolerate	Policies in place to improve community perception of safety. Impact of new alcohol licensing arrangements need to be watched	L/L	
Quarterly and annual analysis shows continuous improvement	H	L	Reputational, political, people	Cabinet	MT	Treat	New monitoring system in process of introduction which will significantly improve our ability to monitor performance.	L/L	
Failure to engage with partner and community in process of identifying investment priorities	H	L	Reputational, financial, people	Cabinet	MT	Treat	Framework for partnership and community engagement in place and improving	L/L	
Use of resources interim CPA review received score of 3 from possible 4. CPA working group reinstated	M	L	Reputational, political, people	Cabinet	MT	Treat	Arrangements in train to identify suitable external accreditation arrangements and to meet the challenge posed by CPA.	L/L	

RESPONSE TO RISK

Once risk have been identified as High, Medium or Low for both Impact and Likelihood, a risk management response needs to be planned. The level and type of response will be determined by:

- ~ the risk level
- ~ the ease and cost of mitigation strategies, and
- ~ the nature of the risk

The following table is based upon the Council's "appetite for risk"

Impact	Likelihood	Risk Management Response
HIGH	HIGH	Terminate, Transfer or Treat
HIGH	MEDIUM	
MEDIUM	HIGH	
HIGH	LOW	
MEDIUM	MEDIUM	Terminate, Transfer, Treat or Tolerate
MEDIUM	LOW	
LOW	HIGH	Tolerate
LOW	MEDIUM	
LOW	LOW	

Definitions of Risk Management Response

Tolerate

The Council may decide to accept and monitor the risk at the present time. This may be necessary for some risks that arise from external events.

Transfer

The Council may decide to pass the risk on to another party. For example contractual terms may be agreed to ensure that the risk is not borne by the Council or insurance may be appropriate for protection against financial loss.

Terminate

The risk may be such that the Council could decide to end the activity or to modify it in such a way as to end the risk.

Treat

The Council may take actions or employ strategies to reduce the risk to the Council.