

REPORT

Councillor K. Wren : Leader of the Council

PERFORMANCE MONITORING

Executive Summary

During the last couple of years the Council has been developing and strengthening its approach to performance management. This report represents the latest development. Its aim 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. It will become a key element of monitoring performance with this type of report accompanying key performance indicators/budget performance on a quarterly basis.

1. Matters for Consideration:

Cabinet is requested to note the areas of concern and improvement identified as a result of quarterly monitoring and approve the actions as recommended.

2. Introduction and Background:

This is the first report which analyses monitoring information from budgets, performance indicators, progress reports against the Corporate Plan, Risk Registers and miscellaneous reports for the first quarter period of this financial year. All detailed monitoring reports are available as background papers collated by portfolios in the Members' Room or on request from Democratic Services Unit.

This summary is designed as a 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 Register.

3. Current Risks:

3.1. Financial

Underspends/increased income – There are a number of areas where either the costs of the service are currently predicted to be lower than budgeted (Abandoned Vehicles and Disabled Facilities Grants) or where income is predicted to exceed targets (City Hall,

Crematorium, Development Control and Car Parks). Failure to adjust budget targets where sustainable changes have occurred puts pressure on available funds to meet the Medium Term Financial Strategy.

Action – Head of Financial Services and relevant Service Unit Head to review budget areas and make recommendations to Cabinet within the next performance monitoring report on any appropriate budget adjustments; Head of Housing Management to commission an objective review of Disabled Facilities Grants under the Invest to Improve Fund and bring forward an improvement plan to be approved by Management Team by December 2004.

Land Charges – There has been a trend of reduced volume of Land Searches' requests leading to pressure on income targets. Although the financial risk has been alleviated by adjusting the Council's pricing strategy, a re-adjustment of expenditure levels to reflect reduced demand is required.

Action – Head of Legal and Property Services to undertake an urgent review by November 2004 of staffing levels to bring costs in line with current and expected demand.

Housing Benefits – Last year there was an overspend on Housing Benefits of £232,000. This relates to how the budget is derived and, more specifically, how the systems involved in housing benefits inter-relate. As reported to Cabinet in February 2004 (agenda item 9 paragraph 8.7) it had been identified that work was needed on reviewing and reconciling the three systems involved in Housing Benefits (namely the Housing Benefit system, the Housing Rents system and the main ledger). The outcome of this work should be more accurate budgeting enabling closer monitoring of expenditure and the associated subsidy income. In addition to this work, it has been noted that it is possible to increase the amount of subsidy earned by improving aspects of performance.

Action – Head of Revenue and Benefits to put forward proposals under the Invest to Save Programme to maximise the subsidy received by the Council and to bring the systems review to a conclusion by end of November 2004.

Control Centre – This service was overspent by £83,000 last year and although an increase in fees will reduce the impact slightly, further action is still required. The Council is currently investigating the feasibility of co-location of the Control Centre with C.C.T.V. with a view to making significant savings.

Action – Head of Strategic Housing Services and Head of Forward Planning and Transportation to present an options paper to the Cabinet on how expenditure levels can be brought in line with budget by December 2004.

Recruitment and Retention Costs – Current trends indicate an overspend in the region of £80,000 in the current financial year. This may be caused by the volume of turnover or by increased cost pressures in recruitment and retention.

Action – Heads of Financial Services and Personnel and Training Services to complete the review of recruitment activity and present actions to the Cabinet within the next quarterly performance report in November.

Print Unit – During the first quarter of 2004/05 a number of publications were printed externally which could have been printed by the internal Print Unit. Failure to correct this leakage will be costly for the Council as work undertaken externally is more expensive than using the in-house facility where the only "external" cost for each job is for the raw materials

used e.g. paper – leakage also means less income is generated for the in-house facility and as internal recharge levels are set on an assumption that all work will be undertaken internally, this could lead to a significant financial shortfall for the Print Unit. A significant proportion of the externally printed material related to the Five Rivers Leisure Centre which was given special dispensation due to the time pressures involved in bringing control of this facility back within the Council. All printed material from sports and leisure facilities is now being submitted to the internal Print Unit for printing.

Action – *Heads of Democratic Services and Marketing, Economic Development & Tourism in conjunction with all Service Unit Heads to ensure future versions of identified publications are undertaken within the Print Unit, subject to meeting the policy criteria.*

3.2. Reputation

Land Charges – In the first quarter of this year a total of 18% of Local Searches were completed within ten working days. Current turnaround times are approximately fourteen days which is not causing significant difficulties for house buyers or solicitors, but is well short of our promised service standards introduced with significant price increases in April 2003.

Action – *Head of Legal & Property Services to commission an urgent and objective review of the services under the Invest to Improve Programme and present an improvement plan to Management Team by November 2004.*

Park & Ride Journeys – Current usage figures for the Beehive Park & Ride has dropped significantly since the start of 2004. This may be due to short term fluctuations in usage due to pricing changes within the city.

Action – *Head of Forward Planning & Transportation to review usage trends and report recommendations within the next quarterly performance report to Cabinet in November.*

Development Control – Members are aware of the improvement plan approved to get turnaround times for planning applications in line with government targets. Two out of three targets are currently achieving government standards. The third target for determining minor applications within eight weeks was at 53% in the first quarter of 2004/5 and is below our internal target of 59% and significantly below the government target of 65%. (August figures for this performance indicator show an improvement with performance at Government target level.)

Action – *Head of Development Services continue to implement actions within the improvement plan and review their impact on meeting government targets.*

Other – There are a number of other performance indicators that currently do not match their targets. However when compared to previous years these are broadly in line with expected profiles and do not cause serious concern at this stage.

Action – *Management Team to monitor these services and include any recommended actions within the next performance report to Cabinet in November.*

3.3. Capacity

IT Services – Many of the actions and projects contained within the Integrated Change Programme are dependent upon corporate information and IT systems. Some delays are

being experienced due to capacity issues within the Unit to deliver the challenging change agenda.

Action – Head of I.T. Services to review the service and make recommendations with a draft improvement plan to Management Team in September 2004.

Development Control – Recruitment and retention remains a concern in Development Services where an action plan funded by the Planning Delivery Grant has been developed. Management Team will continue to monitor the impact of the action plan.

Corporate – The current Risk Register identifies concerns with regard to business continuity plans and I.T. disaster recovery plans. The Council has sought external advice to access the levels of risk but has been unsuccessful in finding a suitable value for money option. A report will therefore not be available for consideration until the end of the year.

Resistance to change was also identified as a corporate risk affecting our capacity to deliver the improvements outlined within the Corporate Plan. As a result of follow up focus groups on the staff survey an action plan to reduce resistance has been agreed and will be implemented. The impact of the actions will be reviewed when the next staff survey is undertaken in June 2005.

Average sickness absence levels have dropped to below the upper quartile target for local authorities. However, concerns still exist on the effectiveness and consistency of application of the new Sickness Absence Policy. This is currently being reviewed by Management Team and Service Units Heads.

3.4. Environment

Flooding – Members had previously identified concerns that the risk of flooding and the impact that that might have on small local communities. The Cabinet has recently agreed funding for works to be completed on priority locations to alleviate this risk.

4. Revised Risk Register:

Set out in Appendix I is a revised corporate Risk Register which reflects the issues within this report and actions to be agreed. The Risk Register has also been amended to remove risks no longer relevant and reflect any changes to the status of existing risks. The following risks are causing some concern and will need to be addressed within the Corporate Plan and the budget cycle and for later this year. These are as follows:-

- Increase in pension contributions.
- Changes to Government grant allocations.

5. Improving Performance:

The results for the first quarter show that approximately 28% of Best Value Performance Indicators are improving on last year's performance.

Some of the success stories are:

- The volume of household waste collected down by 14%
- Refuse collections missed down by 53%
- Average housing re-let times down by nearly 20%

- Households in Bed and Breakfast reduced to zero
- E-enabled services up 22%
- Sickness absence reduced by nearly 17%
- Planning application determinations improved overall by 14%

Overall 7 out of 16 of our top 20 Best Value Performance Indicators are in the top 25% of District Councils.

6. Background Papers:

June 2004 Quarterly Performance Indicators
 June 2004 Quarterly Budget Monitoring
 Progress reports on the Integrated Change Programme
 Corporate Risk Register
 Portfolio Risk Registers
 Print Unit Exception Report

7. Implications:

- **Financial** : Contained within report
- **Legal** : None within this report
- **Human Rights** : None contained within this report
- **Personnel** : Contained within report
- **Community Safety** : None
- **Environmental** : Contained within report
- **Ward(s) Affected** : None
- **Consultation Undertaken:** Service Unit Heads

Community and Housing Risk Register

Date Last Updated: August 04

Title of Risk	Impact	Probab.	Category	Risk Source	Owner	Risk Action	Action	Residual Status	Updated
Leisure Trust - not happen	Medium	Low	Financial	Portfolio Plan	CI/FS	Tolerate	Pay for abortive set up costs from Reserves	OK	01.08.04
Leisure Trust - happen	Medium	High	Financial	Portfolio Plan	CI/FS	Tolerate	Build in one -off costs from savings	OK	01.08.04
Guildhall future	Medium	High	Financial	Portfolio Plan	L&PS	Treat	Include financial guidelines in property brief	OK	01.08.04
Stock option appraisal outcome - Transfer	High	Low	Financial	Portfolio Plan	FS/HM	Tolerate	Make provision in Reserves to meet any costs	OK	01.08.04
Stock option appraisal outcome - In house	High	Medium	Financial	Portfolio Plan	FS/HM	Tolerate	Incorporate into Medium Term Financial Strategy	OK	01.08.04
Benefits subsidy	High	Medium	Financial	Portfolio Plan	FS/R&B	Treat	Ensure all returns are accurate and timely	Concerned	01.08.04
							Training of Benefits Staff in liaison with Financial Services	Concerned	01.08.04
Supporting people	Medium	High	Financial	Portfolio Plan	HS	Tolerate/ Treat	We are both monitoring the national changes and outcomes of service reviews whilst also continuing to evaluate how we minimise any reduction in services and ensure a positive review	OK	01.08.04
Bed and breakfast	Medium	Low	Financial	Portfolio Plan	HS	Treat	Extensive action has been taken to reduce the use and reliance of B&B. Weekly monitoring has been introduced to analyse impact	OK	01.08.04
Housing finance regime	High	High	Financial	Portfolio Plan	FS	Tolerate	Linked with Stock Option Appraisal - Engage Consultants (Sector - Ongoing)	Concerned	01.08.04
Community / Arts grants	Medium	High	Political	Portfolio Plan	CI	Tolerate	Monitor	OK	01.08.04
Leisure Trust	Medium	High	Political	Portfolio Plan	CI	Tolerate	Further analysis in February report	OK	01.08.04
Stock options	High	High	Political	Portfolio Plan	HM	Tolerate	Appraisal to be completed in Spring 2004	OK	01.08.04
Supporting people	Low	Medium	Political	Portfolio Plan	HS	Tolerate	None	OK	01.08.04
Stability of voluntary sector	Low	Medium	Community	Portfolio Plan	CI	Tolerate	Monitor	OK	01.08.04
Inadequate Supply of Affordable housing	High	High	Community	Portfolio Plan	HS	Tolerate/ Treat	Work continues following scrutiny review to evaluate alternative means of delivering affordable housing whilst also the Best Value Review of Balanced Housing Markets and revised capital programme will contribute to a revised strategy in 2004	OK	01.08.04

Transport and Environment Risk Register

Date Last Updated: August 04

Title of Risk	Impact	Probab.	Category	Risk Source	Owner	Risk Action	Action	Residual Status	Updated
Maintenance of vehicle operators licence	High	Low	Financial	Portfolio	EHS	Tolerate	None	OK	01.08.04
Tree management	Medium	Low	Financial	Portfolio	EHS	Treat	Provide funding for a tree survey	OK	01.08.04
Alcohol licensing	Medium	High	Financial	Portfolio	EHS	Tolerate	Review budgets in light of experience	OK	01.08.04
Meeting recycling targets	High	Medium	Reputation	Portfolio	EHS	Treat	Consider funding for recycling service improvements	OK	01.08.04
New nuisance / noise / ASB legislation	Medium	High	Reputation	Portfolio	EHS	Tolerate	Review in light of experience	OK	01.08.04
Car parking income shortfall	High	Low	Financial	Portfolio	FP&T	Treat	Monthly monitoring against car parking financial model	OK	01.08.04

Salisbury District Council Risk Register

Date Last Updated: August 2004

Title of Risk	Impact	Probab.	Category	Risk Source	Owner	Risk Action	Action	Residual Status	Updated
Sickness Absence	Medium	High	Capacity	Cabinet	PP&T	Treat	Monitor effect of policy and take consequent action	OK	01.08.04
Industrial Relations	Medium	Medium	Capacity	Cabinet	PP&T	Tolerate	None	OK	01.08.04
Resistance to Change	High	Medium	Capacity	Cabinet	MT	Treat	Implement actions arising from staff survey	Concerned	01.08.04
Poor "management"	Medium	Low	Capacity	Cabinet	MT	Tolerate	None	OK	01.08.04
Skills shortage	Medium	Low	Capacity	Cabinet	PP&T	Tolerate	None	OK	01.08.04
I.T. Failure	High	Low	Capacity	Cabinet	ITS	Treat	IT Strategy Group to report options to Cabinet	Concerned	01.08.04
Lack of Business Continuity Plans	High	Medium	Capacity	EMT	MT	Treat	Report to Cabinet on issues and options	Concerned	01.08.04
M.O.D. transfer/removal	Medium	Low	Economic	Cabinet	MED&T	Tolerate	None	OK	01.08.04
Major employers exit	Medium	Low	Economic	Cabinet	MED&T	Tolerate	None	OK	01.08.04
Economic downturn	Medium	Low	Economic	Cabinet	MED&T	Tolerate	None	OK	01.08.04
Agricultural disaster (Foot & Mouth/B.S.E.)	Medium	Low	Environment	Cabinet	MED&T	Tolerate	None	OK	01.08.04
Terrorism/major disaster	Medium	Low	Environment	Cabinet	Sthorne	Tolerate	Emergency Major Incident Plan adopted and to be updated. Ongoing periodic training by LAIOs	OK	01.08.04
Flooding	Medium	Medium	Environment	Cabinet	EHS	Treat	Cabinet to consider working group proposals	OK	01.08.04
No transport provider	Medium	Low	Environment	Cabinet	FP&T	Tolerate	None	OK	01.08.04
Crime Increase	Medium	Low	Environment	Cabinet	CI	Tolerate	None	OK	01.08.04
Cessation of public services	High	Low	Environment	Cabinet	MT		None		01.08.04
Increase in pension contributions	High	High	Financial	Cabinet	Fin Serv	Tolerate	Liaise with Wilts C C - Update Medium Term Financial Strategy	Concerned	01.08.04
Changes in Government General Formula Grant	Medium	High	Financial	Cabinet	Fin Serv	Tolerate	Reflect in Medium Term Financial Strategy	Concerned	01.08.04
Outcome of stock option	High	Medium	Financial	Cabinet	HM	Tolerate	Appraisal to be completed by Spring 2004	OK	01.08.04
Failure of Leisure Trust	Medium	Medium	Financial	Cabinet	CI/Fin Serv	Tolerate	Council needs to set model fairly and put monitoring in place once operating	OK	01.08.04
Raising capital for major projects e.g. office project	High	Low	Financial	Cabinet	Fin Serv/MT	Tolerate	Prepare specific funding reports for major projects	OK	01.08.04
Cost of concessionary fares	Low	Medium	Financial	Cabinet	FP&T	Tolerate	Review as part of budget monitoring	OK	01.08.04
Stonehenge Project - Legal Challenge	High	Medium	Financial	Cabinet	DS/L&PS	Treat	Make provision in Reserves to meet any costs	OK	01.08.04
Legal challenge – local development framework	Low	High	Financial	Cabinet	FP&T	Tolerate	Make provision in Reserves to meet any costs	OK	01.08.04
Insurance premiums above inflation	Low	High	Financial	Cabinet	Fin Serv	Tolerate	Monitor Claims Handling - reflect in MTFS	OK	01.08.04
Industrial Tribunals	Medium	Low	Financial	Cabinet	Fin Serv	Tolerate	Make provision in Reserves to meet any costs	OK	01.08.04
Disability Discrimination Act implications	High	High	Financial	Cabinet	Fin Serv	Treat	Ensure new office proposals meet DDA requirements	OK	01.08.04

Unrest amongst pensioners about paying Council Tax	Medium	Medium	Political	Cabinet	MED&T	Treat	PR activity to put any rise in Council Tax in perspective	OK	01.08.04
Public perception of Office Project	High	Medium	Political	Cabinet	MED&T	Treat	Marketing and PR campaign to assist public in better understanding the need for project	OK	01.08.04
Organisational corruption/fraud	High	Low	Reputation	Cabinet	ST/DM	Tolerate	Proactive PR in damage limitation	OK	01.08.04
Irresponsible spending	High	Low	Reputation	Cabinet	Fin Serv	Tolerate	Proactive PR in damage limitation	OK	01.08.04
Staff Tribunals – “Bullying”	High	Medium	Reputation	Cabinet	PP&T	Treat	Develop PR strategy for each caes	OK	01.08.04
Consistent bad press	Medium	Low	Reputation	Cabinet	MED&T	Tolerate	Maintain Press Relations	OK	01.08.04
Street cleaning	Low	Medium	Reputation	Cabinet	EHS	Tolerate	Proactive PR in damage limitation	OK	01.08.04
Housing Stock transfer	High	Low	Reputation	Cabinet	HM	Treat	Develop PR strategy for project	OK	01.08.04
Office Project	High	Low	Reputation	Cabinet	L&PS	Transfer	Develop PR strategy for project	OK	01.08.04
Standards/Ethics	High	Low	Reputation	Cabinet	L&PS	Treat	Members: Part of induction, monitoring by Monitoring Officer/Standards Committee	OK	01.08.04
							Officers: Introduction of Code of Conduct, awareness sessions on Code, part of induction, monitoring by	OK	01.08.04
Disaster / Emergency support	High	Low	Reputation	Portfolio Plan	S Thorne	Tolerate	Emergency Major and Local Incident Plan adopted. Ongoing periodic training by LAIOs	OK	01.08.04

Planning and Economic Development Risk Register

Date Last Updated: August 04

Title of Risk	Impact	Probab.	Category	Risk Source	Owner	Risk Action	Action	Status	Updated
Stonehenge A303 / visitors centre - Legal Challenge / Public Inquiry	High	High	Financial	Portfolio Plan	DS	Treat	Use reserves to meet needs if arise	OK	01.08.04
Failiure to secure PDG funding	High	Low	Financial	Portfolio Plan	DS	Tolerate	Review approach if 2005/6 funding is not approved	OK	01.08.04
Planning and CP Bill	Medium	High	Financial	Portfolio Plan	FP&T	Tolerate	Review through budgetary control reports	OK	01.08.04
Legal challenge to ASDLP and subsequent plans	Medium	Medium	Financial	Portfolio Plan	FP&T	Treat	Use reserves to meet needs if arise	OK	01.08.04
Magna Carta Centre	Low	High	Financial	Portfolio Plan	DS	Tolerate	Ongoing pre-application discussions	OK	01.08.04
Recruitment/retention costs	High	High	Financial	Portfolio Plan	DS/FP&T	Treat	Offset by prudent use of PDG	OK	01.08.04
Planning and CP Bill	Medium	High	Reputation	Portfolio Plan	FP&T	Tolerate	Watching brief adapt as necessary	OK	01.08.04
Not meeting government targets	Medium	Medium	Reputation	Portfolio Plan	DS	Treat	Implement Improvement Plan	Concerned	01.08.04
Not Meeting Affordable Housing Targets	High	Medium	Reputation	Portfolio Plan	FP&T/DS	Tolerate	Active involvement in revised strategy for 2004	OK	01.08.04
Tourism downturn	High	Low	Economic	Portfolio Plan	MED&T	Treat	Investigate new markets and switch marketing tactics if possible	OK	01.08.04
Inability to recruit / retain staff	High	High	Capacity	Portfolio Plan	DS/FP&T	Treat	Agree recruitment and retention package	Concerned	01.08.04
Inability to recruit / retain staff	High	High	Reputation	Portfolio Plan	DS/FP&T	Treat	Agree recruitment and retention package	Concerned	01.08.04
Pressure on staff to cover high turnover	Medium	High	People	Portfolio Plan	DS/FP&T	Treat	Utilise existing employment policies and proceedures	Concerned	01.08.04

Resources Risk Register

Date Last Updated: August 04

Title of Risk	Impact	Probab.	Category	Risk Source	Owner	Risk Action	Action	Residual Status	Updated
Budget control across Council Budgets	High	Medium	Financial	EMT	FS	Treat	Monthly monitoring by Financial Services and quarterly reporting to Cabinet	OK	01.08.04
Legal challenges	High	Medium	Financial	EMT	L&PS	Treat	Make provision in Reserves to meet any costs	OK	01.08.04
Failiure to sell Redworth House	High	Low	Financial	EMT	L&PS	Tolerate	Prudent approach to Capital Strategy until sale is secured	OK	01.08.04
Legal challenge	Medium	Low	Reputation	EMT	L&PS	Tolerate	Proactive PR in damage limitation	OK	01.08.04
High Increases in Council Tax	Medium	Medium	Political	EMT	FS	Tolerate	Proactive PR in damage limitation	OK	01.08.04
Health and Safety – wellbeing of people	Medium	Low	People	EMT	PP&T	Tolerate	Utilise existing employment policies and proceeedures	OK	01.08.04
Impact of Leisure Trsust Transfer on Corporate Services	Medium	High	People	EMT	PP&T	Tolerate	Utilise existing employment policies and proceeedures	OK	01.08.04
Land Charges Performance	Medium	High	Reputation	MT	LPS	Treat	Develop improvement plan	Concerned	01.08.04
Reduced Land Charges Demand	Medium	High	Financial	MT	LPS	Treat	Review structure and staffing resources	Concerned	01.08.04