

PERFORMANCE AND RISK REPORT FOR THE 2012/13 FINANCIAL YEAR

Cabinet Member Cllr R L Stanley
Responsible Officer Head of Communities & Governance

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for the 2012/13 financial year as well as providing an update on the key business risks.

RECOMMENDATION(S): That the Policy Development Group notes the Performance Indicators and Risks that are outlined in this report and feedback any areas of concern to the Cabinet

Relationship to Corporate Plan: Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring

Financial Implications: Failure to mitigate key business risks could result in financial loss to the Council

Legal Implications: Failure to mitigate key business risks could result in a number of legal implications for the Council

Risk Assessment: If performance is not monitored we may fail to meet our corporate plan and local service plan targets or take appropriate corrective action where necessary.

1.0 Introduction

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2012/13 financial year.
- 1.2 Appendix 2 shows the Corporate Risk Register.
- 1.3 By effectively managing the risks it identifies, the Council will increase the probability of achieving both strategic and operational service targets. The implementation of an effective Risk Management function, therefore, supports the Council's corporate objectives and demonstrates good Governance practices.
- 1.4 The purpose of this report is to highlight the key business risks that are faced by the Council in order for them to be monitored on a regular basis by the Committee. This will ensure that mitigating actions are addressed in order to reduce the impact and likelihood of the risk.

2.0 Performance – Appendix 1

- 2.1 Delivering **affordable homes** is one aspect of our Corporate Plan priority; “Better homes”. While only 77 **new** affordable homes have been built in 2012/13 over which MDDC has little control, 32 **empty houses** have been brought back into use which means overall we almost reached the joint target of 115 units for 2012/13. Both measures were a massive improvement on 2011/12: New: 77 units (28), Empty: 32 units (6).
- 2.2 The **repairs** service was above target for all its indicators and also exceeded last year’s performance in all areas except **emergency repairs** which was marginally lower.
- 2.3 Current **rent arrears** have been kept at a low level exceeding the target for 3 years running. **Rent collection** is slightly below target and the service will need to keep a close watch on this as the effects of the benefit changes start to be felt in 2013/14.

3.0 Risk register – Appendix 2

- 3.1 The risks for Decent and Affordable Homes for this quarter are:

| | | | | | | |
|--------|---|------------|---|---|---|---|
| Impact | 5 | 1 | | 2 | | |
| | 4 | 2 | | 1 | 1 | |
| | 3 | | 4 | 1 | 1 | 1 |
| | 2 | | | | | |
| | 1 | | | | | |
| | | 1 | 2 | 3 | 4 | 5 |
| | | Likelihood | | | | |

- 3.2 The Corporate risk register has been reviewed by Management Team and updated. Risk reports to all committees will continue to include all strategic risks with a score of 15 or more and all those with an Impact score of 5.
- 3.3 The register now has an additional column for the “target score” which is the tolerance level for each risk as set by Management Team.
- 3.4 We are still going through a risk review exercise with service managers; any risks from service business plans which meet the above criteria for inclusion will be added to the corporate risk register.

4.0 Conclusion and Recommendation

- 4.1 On the whole it can be seen from Appendix 1 that performance is positive. For those areas where performance is below target action is being taken to either address the issues or to make the targets for 2013/14 more realistic.

Contact for more Information: Amy Tregellas, Audit & Performance Improvement Manager ext 4246

Circulation of the Report: Management Team and Ray Stanley

Decent and Affordable Homes Portfolio - Appendix 1

Quarterly report for 2012-2013

No headings

For Decent and Affordable Homes Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

| | | | | | | |
|-------------------------|---------|-------------------|--------------|-----------|--------------|-------------------|
| Performance Indicators: | No Data | Well below target | Below target | On target | Above target | Well above target |
|-------------------------|---------|-------------------|--------------|-----------|--------------|-------------------|

Key to change on same period in previous year:

| | | | | | |
|---|----------------------|---|-------------------|---|-----------|
| ↑ | Improved Performance | ↓ | Worse Performance | ↔ | Unchanged |
|---|----------------------|---|-------------------|---|-----------|

Decent and Affordable Homes Portfolio - Appendix 1

| Performance Indicators | | | | | | | | | |
|---|---|---------------|---------------|----------------|---------|---------|--------|--------|-------------|
| Status | Title | Prev Year End | Annual Target | Current Target | Q1 Act | Q2 Act | Q3 Act | Q4 Act | Improvement |
| Well above target | <u>Deliver 15 affordable homes per year by bringing Empty Houses into use</u> | 6 | 15 | 15 | 5 | 29 | 32 | | ↑ |
| Management Notes: | | | | | | | | | |
| Well below target | <u>Number of affordable homes delivered (gross)</u> | 28 | 100 | 100 | 21 | 21 | 63 | 77 | ↑ |
| Management Notes: (Quarter 1 - 4) | | | | | | | | | |
| The economic climate has meant that the number of new developments has been less than hoped for | | | | | | | | | |
| (NS) | | | | | | | | | |
| Above target | <u>% Emergency Repairs Completed on Time</u> | 99.82% | 99.50% | 99.50% | 100.00% | 100.00% | 99.64% | 99.73% | ↓ |
| Management Notes: | | | | | | | | | |
| Above target | <u>% Urgent Repairs Completed on Time</u> | 98.9% | 98.50% | 98.50% | 99.50% | 99.58% | 99.65% | 99.74% | ↑ |
| Management Notes: | | | | | | | | | |
| Above target | <u>% Routine Repairs Completed on Time</u> | 98.6% | 98.50% | 98.50% | 99.49% | 99.72% | 99.76% | 99.82% | ↑ |
| Management Notes: | | | | | | | | | |
| Above target | <u>% Repairs Completed at First Visit</u> | 97.8% | 98.50% | 98.50% | 98.60% | 99.03% | 99.18% | 99.33% | ↑ |
| Management Notes: | | | | | | | | | |
| Above target | <u>Ratio of expenditure between planned and responsive repairs</u> | 65.35 | 70.30 | 70.30 | 56.44 | 65.35 | 77.23 | 74.26 | ↑ |
| Management Notes: | | | | | | | | | |
| Below target | <u>Rent Collected as a Proportion of Rent Owed</u> | 100.85% | 100.50% | 100.50% | 97.23% | 97.48% | 99.98% | 99.74% | ↓ |
| Management Notes: | | | | | | | | | |
| Above target | <u>Rent Arrears as a Proportion of Annual</u> | 0.85% | 1.00% | 1.00% | 1.66% | 2.00% | 1.13% | 0.86% | ↓ |

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| Decent and Affordable Homes Portfolio - Appendix 1 | | | | | | | | | |
|--|--|---------------|---------------|----------------|-----------|-----------|-----------|-----------|-------------|
| Performance Indicators | | | | | | | | | |
| Status | Title | Prev Year End | Annual Target | Current Target | Q1 Act | Q2 Act | Q3 Act | Q4 Act | Improvement |
| | <u>Rent Debit</u> | | | | | | | | |
| <u>Management Notes:</u> | | | | | | | | | |
| Well below target | <u>% Decent Council Homes</u> | 84.5% | 90.00% | 90.00% | 84.08% | 83.85% | 81.29% | 80.20% | ↓ |
| <u>Management Notes:</u> (March) The first tranche of back log funding was not received until the first quarter of 13/14 which has delayed progress however we are still on target to achieve 100% by 2014/15 (NS) | | | | | | | | | |
| Below target | <u>% Properties With a Valid Gas Safety Certificate</u> | 99.71% | 100.00% | 100.00% | 99.90% | 100.00% | 100.00% | 99.90% | ↑ |
| <u>Management Notes:</u> | | | | | | | | | |
| Above target | <u>Average Days to Re-Let Local Authority Housing</u> | 17.32days | 18.00days | 18.00days | 21.14days | 15.52days | 16.84days | 17.01days | ↑ |
| <u>Management Notes:</u> | | | | | | | | | |

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KEY BUSINESS RISK REGISTER – ACTION PLAN

| Risk | Current Risk Score | Mitigating Actions Required | Lead Officer / Timescale | Target Risk Score |
|--|---------------------------|---|--|-------------------|
| CABINET MEMBER FOR HOUSING – RAY STANLEY | | | | |
| CARE SERVICES <ul style="list-style-type: none"> If funding is withdrawn from Supporting People then the HRA would have to subsidise this non-statutory service | 16 (4x4) | A restructuring of Care Services is currently being undertaken to mitigate the risk of subsidy. A further report will be submitted to the Decent and Affordable Homes PDG for discussion. | Head of Housing & Property Services By end July 2013 | 9 (3x3) |
| HOUSING CONTRACTS <ul style="list-style-type: none"> Failure to adequately procure and monitor contracts for the Housing Service could result in housing stock that fails to meet the Decent Homes Standard | 15 (5x3) | We already have a contract register which is reviewed periodically with the Head of Finance and Cabinet Member for Housing. | Head of Housing & Property Services Ongoing | 8 (4x2) |
| HOMELESSNESS <ul style="list-style-type: none"> Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless | 15 (5x3) | Review and adopt new Homelessness Strategy in compliance with legislation. Staffing resources are adequate to meet demand currently and will be reviewed quarterly by the Head of Service. | Head of Housing & Property Services October 2013 Ongoing | 10 (5x2) |
| AFFORDABLE AND COUNCIL HOUSING DEMAND <ul style="list-style-type: none"> Housing supply does not meet local demand or reflect demographic shifts like increased demand for single occupancy | 15 (3x5) | Review of housing Needs Register is carried out periodically and a review of Devon Home Choice is currently being undertaken. A restructure of the Housing Enabling function will see a much more coordinated approach to the provision of Affordable Housing with better dialogue between Housing Needs, planning, Registered Social landlords, Developers and the Community Council for Devon. | Head of Housing & Property Services Ongoing | 9 (3x3) |
| RIGHT TO BUY Re-investing Receipts in New Affordable Rented Homes <ul style="list-style-type: none"> If we fail to reinvest Right to Buy money in affordable housing then may have to pay back money to DCLG (plus interest) | 5 (5x1) | Development schemes have been identified. | Head of Housing & Property Services Completed | 5 (5x1) |