

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Bob Deed, the Leader of the Council
Responsible Officer Matthew Page, Corporate Manager for People, Performance & Waste.

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2021-22 as well as providing an update on the key business risks.

RECOMMENDATION: That the Committee reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern.

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

Financial Implications: None identified

Budget and Policy Framework: Produced in accordance with the Risk Management Strategy.

Legal Implications: None

Risk Assessment: If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for the 2021-22 financial year.
- 1.2 Appendix 6 shows the higher impact risks from the Corporate Risk Register. See 3.0 below.
- 1.3 All appendices are produced from the Corporate Service Performance and Risk Management system (SPAR).
- 1.4 When benchmarking information is available it is included.

2.0 Performance

Please note that for some areas of the Council performance remains adversely impacted to some degree by the effects of the Covid 19 pandemic. There are specific comments in this report and the attached appendices reflecting this.

Environment Appendix 1A

- 2.1 Regarding the Corporate Plan Aim: To increase recycling and reduce the amount of waste.

Both the recycling rate and residual waste rate are still slightly below target. The number of missed collections for recycling is on target for this year, the numbers remain low.

The number of households with chargeable garden waste collections remains above target with an additional 376 customers compared to January 2021.

The Council carried out a trial between July and October 2021 to measure the effect of residual waste being collected at three weekly intervals with the reduction in residual waste and an increase in recycling. The trial was piloted in both a rural and urban area to assess the impact of such a change being introduced in the district.

During the trial the percentage of residual waste reduced and the percentage of wet recycling (food) increased. Having wheeled bins in the trial areas improved the street scene and reduced the amount of residual waste. The Council approved the move to a three weekly waste collection, with food collected every week and recycling and payable garden waste will be collected every two weeks and residual waste (black bags) being collected every third week. An implementation plan will be discussed with members before the roll out begins later in the year.

Climate Change Appendix 1B

- 2.2 The electric car charger usage is well above the target, the installation and operation contract has now been procured by Devon County Council as the lead partner and 10 new charge point installations are expected to commence in May 2022 with the aim of completion by the end of 2022. Funding is through the joint EU funded Deletti partnership.
- 2.3 The corporate tree planting scheme has enabled 650 native British trees to be planted during 2021/2022. Volunteers have planted the trees, and restocked an ancient woodland and a community orchard. Click [here](#) for further information available on the Climate & Sustainability website
- 2.4 A technical design for the Post Hill development in Tiverton is being designed with the aim to make all of the social and affordable housing zero carbon.

Homes Portfolio - Appendix 2

2.5 Regarding the Corporate Plan Aim: Deliver Housing

Housing delivery against the Local Plan is monitored annually as part of the Annual Monitoring report published by Forward Planning and on the Government's DELTA system.

2.6 Regarding the Corporate Plan Aim: Private Sector Housing

In the last 12 months the team has carried vacancies and has been delivering a national pilot project relating to the enforcement of the Minimum Energy Efficiency Standards in the private rented sector. As a service we've clearly also been tasked with supporting our core Public Health role regards the Covid pandemic which has diverted resources across the team, especially in the last 12-months. This has meant that the focus of the team has not been on empty homes.

This decision to prioritise of statutory, high-risk duties versus lower risk and largely non-statutory work was taken at a corporate level in consultation with the relevant portfolio holders and was wholly consistent with regulatory guidance provided by Ministry of Housing, Communities & Local Government now known as the Department for Levelling Up, Housing & Communities at the time.

Despite this we have continued to monitor properties and intervene where there has been a serious impact on neighbours. 2 properties that have caused problems have been listed for sale through our property auction partner this year. Going forward we are introducing a new role that will have a greater focus on empty homes work and we have a clear commitment to tackling empty homes from 2022/23 under the new Housing Strategy.

2.7 Regarding the Corporate Plan Aim: Council Housing

Repairs performance KPIs all remain at or above target. In terms of gas servicing compliance we continue just below target at 99.6%.

2.8 Regarding the Corporate Plan Aim: Support and grow active tenancy engagement as reported to the last committee the new Tenant Involvement and Empowerment Policy was approved at the Homes PDG committee on 18 January 2022.

Economy Portfolio - Appendix 3

2.9 Regarding the Corporate Plan Aim: Improve and regenerate our town centres

This includes a continued focus on Town Centre Regeneration, Empty shops; Mid Devon District Council continues to enjoy 100% occupancy in its own units.

The number of business rates accounts and business rates rateable value continue to increase and the number of empty business properties remains stable, this is encouraging in the light of the impact of the pandemic upon local businesses.

Community Portfolio - Appendix 4

- 2.10 The KPIs identified are mostly new PIs and performance on most have been affected by Covid 19. It is unlikely that much progress will be seen over the next few months. Several of the corporate plan aims will require partnership working with Devon County Council, the NHS and Town and Parish Councils and lobbying activity. Targets for these remain to be developed.
- 2.11 Referrals under the various schemes at the leisure centres remain well above target after suffering badly during the various lockdowns when the leisure centres were required to close or operate at reduced capacity. This is very encouraging.

Corporate - Appendix 5

- 2.12 The workforce statistics all remain favourable with the exception of staff turnover which is at 15.1%; an increase in workforce mobility (churn) post lockdown was widely predicted last year after recruitment stalled during lockdown. Recruitment remains challenging.
- 2.13 The Response to FOI requests have been 100% on time since April 2019. The additional requested FOI statistics have been added as a note against the KPI.
- 2.14 Council Tax percentage rate collected on a monthly basis is currently at 96.09%, the National Non Domestic Rate (NNDR) is collected on a monthly basis at 95.65% and both will be above target at the end of the financial year.

3.0 Risk

Some risk scores have increased due to the Covid 19 pandemic especially as regards financing, homelessness and the economic outlook.

- 3.1 The Corporate risk register is regularly reviewed by Corporate Managers and Leadership Team and updated as required.
- 3.2 Risk reports to committees include strategic risks with a current score of 10 or more in accordance with the Risk and Opportunity Management Strategy. (Appendix 6)
- 3.3 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Group biannually with escalation to committees where serious concerns are raised.

4.0 Summary of current high risk status from SPAR

- 4.1 The risks below are extracted from the SPAR, the Corporate Service Performance and Risk Management system however the mitigation for each of these high risks can be found in the attached appendices.

4.2 Risk: Climate Change Declaration

The implications to the Council's strategic, budget and medium term financial plans are not yet fully explored and understood. This introduces an increased level of uncertainty. In recognition of that the Climate and Sustainability Specialist is prioritising work streams for future consideration. A report on budget options for climate investment went to Environment PDG on 11 January 2022. Impact of climate change on the financial viability of the Council.

The pending State of the District Debate seeks to highlight actions which individuals and businesses across our district can take to support relevant actions on a day to day basis at home, work and in leisure, recognising that local authorities cannot finance all steps which are appropriate. It is hoped that this can feed into future policy development.

- 4.2 Risk: Coronavirus Pandemic in particular the risk to MDDC's ability to conduct business as usual.

Staff absence rates are at present the highest they have been during the entire pandemic, although all services have been maintained. Business Continuity Plans have been reviewed in case they need to be invoked over the next few months.

4.3 Risk: Cyber Security

Inadequate Cyber Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service if the Council fails to have an effective ICT security strategy in place, there is a significant risk of monetary penalties and fines, and legal action by affected parties.

In order to reduce the risk, ICT are in the process of replacing the firewall and upgrading anti-malware software and have just secured a £75k Government grant to improve our Cyber-attack mitigation measures and controls.

4.4 Risk: Economic Development Service

The macro-economic position might necessitate a reactive response, impacting on the Council's resourcing and reducing its ability to deploy resources as planned. The pandemic has had a critical impact on the local, national and global economy; distribution of grant assistance is again being required following the impacts of the Omicron variant. The development of a longer term approach to recovery is currently being considered by the Economy PDG.

4.5 Risk: Economic Strategy Failure to deliver projects/outcomes in Economic Strategy.

Work is underway with regard to Economic Strategy actions with a number of projects being progressed; however many other actions will be reviewed as part of the longer term recovery plan work and the need for revised prioritisation.

4.6 Risk: Funding Insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.

Given ongoing constraints on resource and the scale of the challenges to the Growth, Economy and Development team at this time there has been need to carefully prioritise project delivery. Funding opportunities are actively being pursued.

4.7 Risk: Homelessness

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.

The position has essentially remained unchanged from the previous review. The number of approaches continues to increase as a result of the economic instability and could rise from April 2022 with the current significant rising cost of living, fuel and energy prices as well as the more routine changes to National Insurance contributions

The temporary accommodation and homelessness strategy are being reviewed alongside wider housing policies to take account of the growing need for temporary accommodation of varying types to reduce the cost of using bed and breakfasts. Members are referred to the Affordable Housing risk for a wider update.

4.8 Risk: Infrastructure delivery inability to deliver, or delay in delivering, key transport infrastructure to unlock planned growth.

The Council is working closely with Homes England on both HIF schemes and looking to mitigate project risks as and when they occur. Update reports on progress on the Cullompton Relief Road project and funding have been reported to Cabinet and pending for the April Economy PDG.

Work on re-opening Cullompton Railway Station is progressing well, a report went before the Cabinet on 8 March 2022, discussion led to a shared view that some revisions to the current governance arrangements would be desirable and to transfer the project 'lead' to Network Rail given the intricate level of rail specific knowledge and expertise required to secure timely approvals and decisions in order to meet DfT requirements and key gateways. First passengers could be on board towards the end of May 2025.

4.9 Risk: Overall Funding Availability

This risk concerns changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

The 2022/23 Finance Settlement was better than forecast, but failed to provide any information about the future funding for Local Government. A budget deficit is still forecast in future years that must be addressed. The 2023/24 progress will need to begin promptly and thoroughly review all aspect of the budget. All options identified will be considered by Cabinet and Policy Development Groups in the autumn 2022.

4.10 Risk: Reduced Funding

Budget Cuts we are subject to continuing budget reductions. If the Council concentrates on short term cost savings, the adverse long term impact of decisions may well be increased. The need for the Council to identify, consider and address future budget deficits as outlined in the preceding paragraph is also relevant to this risk.

4.11 Risk: SPV 3 Rivers Developments Ltd

Failure of the company is a potential risk, dependent upon economic factors and the company's success in the marketplace commercially. For MDDC the impacts would be an inability of the company to service and repay the loan from the Council; the Council not receiving the forecast additional income; and the company not supporting the corporate objectives which underlie its existence.

The Council's accounts (which includes the company within the Group Accounts) was audited and no issues were identified. The company's latest business plan was recently approved by Cabinet and continues in line with that plan.

4.12 Risk: SPV 3 Rivers Developments Ltd - Reputational Impact

With regular updates at cabinet continuing, alongside auditing, members have structurally embedded a range of mechanisms to give confidence in the governance, oversight and assurance process. The reputational risk from members bringing the company into disrepute is therefore very much in individual members' hands.

5.0 Conclusion and Recommendation

- 5.1 That the Committee reviews the performance indicators and risks that are outlined in this report and feeds back any areas of concern.

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Circulation of the Report: Leadership Team and Cabinet Member