

PERFORMANCE AND RISK REPORT

Cabinet Member Cllr Bob Deed, the Leader of the Council.
Responsible Officers Dr Stephen Carr, Corporate Performance and Improvement Manager.
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 quarter 2 (2022/23), as well as providing an update on strategic risks.

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

Relationship to Corporate Plan: Corporate Plan priorities and targets are managed and scrutinised on a regular basis using appropriate performance indicators.

Financial Implications: There are no direct financial implications arising from this report. However, if performance is not at the expected or desired level then resources may need to be reviewed or redirected to improve performance.

Budget and Policy Framework: Produced in accordance with the Risk Management Policy 2022/23.

Legal Implications: There are no direct legal implications arising from this report. However, if the performance of some indicators is not at required levels, there is a risk of legal challenge.

Risk Assessment: If performance is not managed we may not meet our corporate and local service plan targets or take appropriate corrective action. If strategic risks are not identified and managed they cannot be mitigated effectively.

Equality Impact Assessment: Customer feedback can help the council identify any groups of people who may potentially be experiencing a less satisfactory level of service. When reviewing performance and making recommendations on priorities, the Council should be mindful to consider how services might impact on different sections of the community.

Impact on Climate Change: Several performance indicators are related to our corporate ambition to reduce carbon emissions. Managing the performance of these can help evaluate the impact of Council interventions as well as guide future decisions on spend and investment.

1.0 Introduction

1.1 Appendices 1-5 provide Members with details of performance against the Corporate Plan and local service targets for quarter 2, financial year 2022/23.

- 1.2 Appendix 6 details the Corporate Risk Register. These are the Council's strategic risks with a current risk rating of 10 or more.
- 1.3 The appendices are produced from the Corporate "Service Performance and Risk" Management system (SPAR).

2.0 Performance Analysis

Environment Appendix 1A

- 2.1 Levels of residual waste collected per household is performing ahead of target for the year to date (Figure 1). The reduction in residual waste may indicate that residents have followed Council advice to reduce non-recyclable waste after receiving their new black bin.

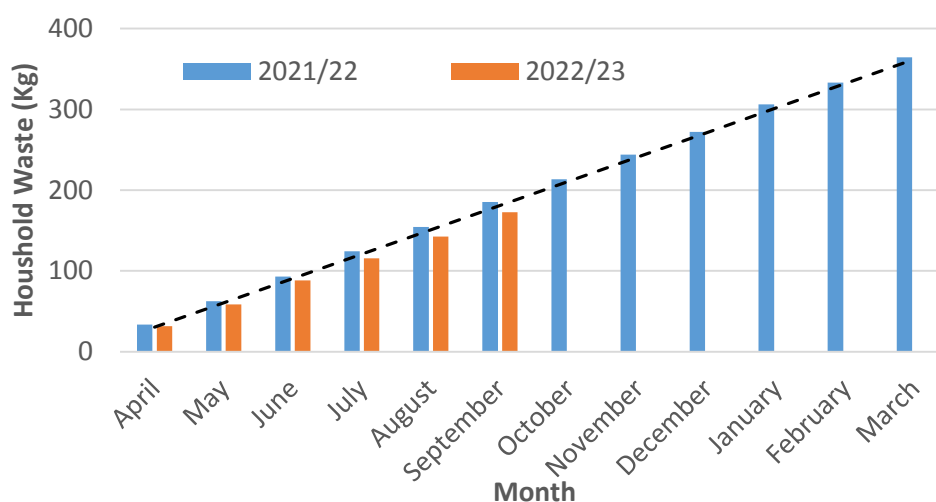


Figure 1: Residual Waste per Household (Kg), 2021/22 to present.

- 2.2 Household waste recycled is 53.7% (April to September 2022), this is below target (54.5%). This underperformance can be related to less garden and food waste collected, most likely due to the hot and dry summer.
- 2.3 Households opted into chargeable Garden Waste collections is 12,018 (September 2022) compared to 11,879 last year (September 2021).
- 2.4 Levels of missed bin collections remain low (0.02%), performing ahead of target (0.03%).
- 2.5 The Council has introduced the Bin-It 123 collection cycle which should improve recycling rates, decrease the amount of waste collected and in turn reduce the carbon impact, and decrease emissions from our collection vehicles. It will also help the Council to meet Government guidelines to recycle 65% of household waste by 2035 and Devon's proposed 60% target rate by 2025.
- 2.6 Six fixed penalty notices (Environment) have been issued (April to September 2022). One of the objectives for the Environment and Enforcement service is to educate the public and ensure a balanced and proportionate approach to enforcement activity. This will enable the service to build public confidence in our enforcement practice.

Climate Change Appendix 1B

- 2.7 To date, the Council has installed three electric vehicle charger units, each with two charging points. A further five charger units are due to be installed by the end of the financial year, taking the total to eight (16 charging points). The number of charging point uses continues to increase, Figure 2.

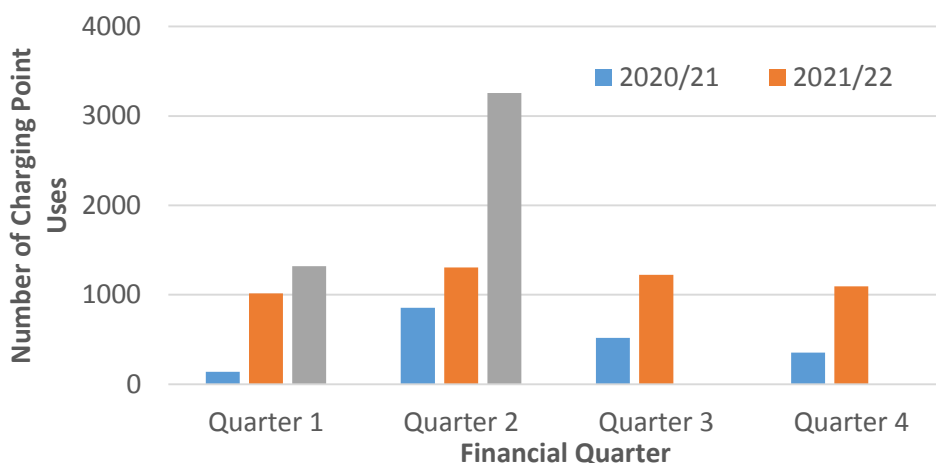


Figure 2: Electric Vehicle Charge Point uses per quarter, 2020/21 to present

- 2.8 Decarbonisation works have commenced at Exe Valley and Lords Meadow leisure centres with the installation of ground and air source heat pumps. To undertake this work, the Council secured £2.8 million of funding from the Department for Business, Energy and Industrial Strategy (BEIS) as part of its Public Sector Decarbonisation Scheme, delivered by Salix.

Homes Portfolio - Appendix 2

- 2.9 The number of empty houses brought back into use for the year to date is 12 (April to September 2022). A new Housing Initiatives Officer has been appointed and this post will focus on empty houses, as well as other projects. It is expected that more homes will be brought back into use later in 2022/23.
- 2.10 The number of households who considered themselves as homeless that approached the Council's housing advice service for Quarter 2 was 243 (443 households year to date), Figure 3.

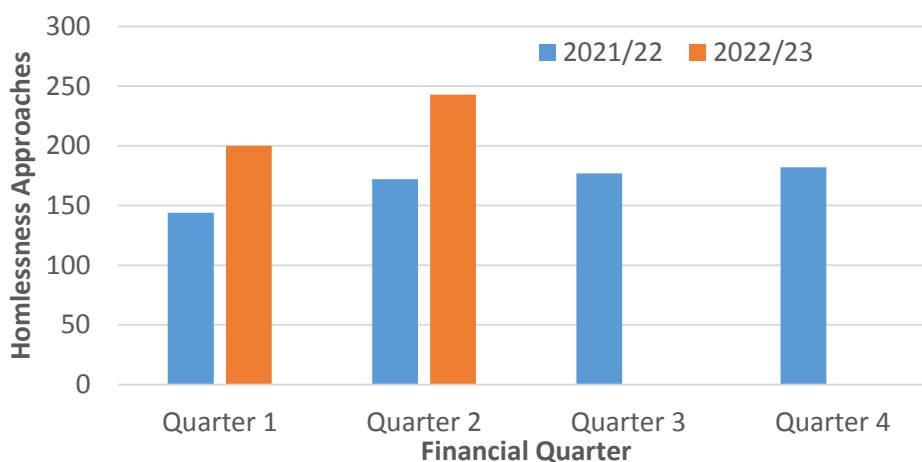


Figure 3: Homelessness approaches per quarter, 2021/22 to present.

- 2.11 The data for Council Housing shows good performance for Quarter 2, 2022/23 (July to September), Table 1.

Table 1: Council housing performance indicators, July to September 2022.

Indicator	July	August	Sept.
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	99%	99%	99%
Routine repairs completed on time	99%	97%	98%
Properties with a valid gas safety certificate	99%	99%	99%
Housing complaints responded to on time	100%	100%	100%

Economy Portfolio - Appendix 3

- 2.12 The number of empty business properties is measured by the number of national non-domestic rates (NDR) accounts receiving empty property relief. There were 245 empty business properties in September 2022, Figure 4.

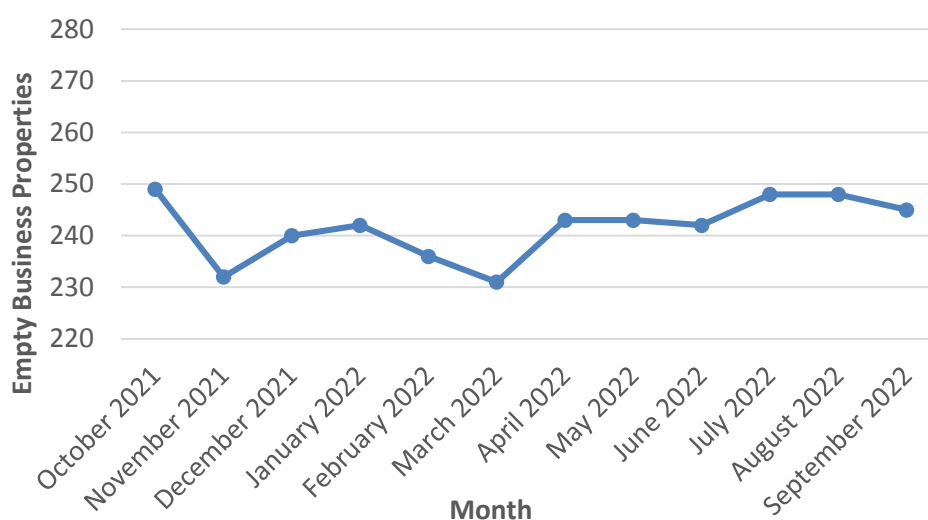


Figure 4: Number of empty business properties, last 12 months.

- 2.13 The number of regular traders at the Pannier market is 86% for Quarter 2, ahead of a target of 85%. This represents a steady increase, Table 2.

Table 2: Regular Traders at the Tiverton Pannier market, 2021/22 to present

Financial Year	Quarter	Regular Traders
2021/22	1	75%
2021/22	2	80%
2021/22	3	82%
2021/22	4	82%
2022/23	1	85%
2022/23	2	86%

Community Portfolio - Appendix 4

- 2.14 There have been 201 complaints this financial year (April to Sept). The performance of resolving complaints within the target timescale is detailed at Figure 5. The Annual Report of Complaints and Compliments was reported to Scrutiny committee on 17 October 2022.

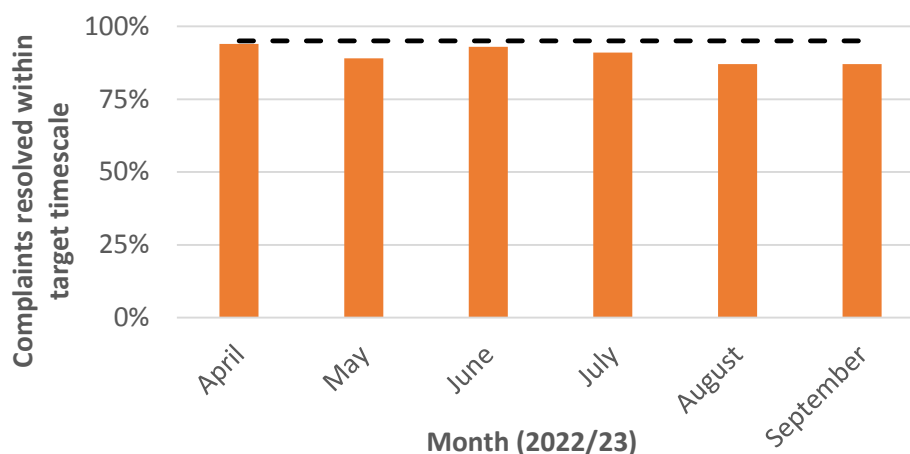


Figure 5: Complaints resolved within the target timescale (10 days – 12 weeks), 2022/23.

- 2.15 Health Referral Initiative starters is 65 for the year to date (April to September 2022), higher than at the same point in 2021/22 (48). The number of Health Referral Initiative Completers is currently 44 (September 2022) and the number of Health Referral Initiative Conversions is 20.

Corporate - Appendix 5

- 2.16 Council Tax collected on a monthly basis is currently at 55.6% (Quarter 2, 2022/23), and the National Non Domestic Rate (NDR) collected on a monthly basis is 62.6% (Quarter 2, 2022/23).
- 2.17 The number of working days/ shifts lost due to staff sickness absence per full time equivalent employee is 3.11% for the financial year to date (September 2022). This is higher than at the same point last year, 2.45% (September 2021).
- 2.18 Staff turnover at the Council for the year to date is 12.05% (September 2022), Figure 6.

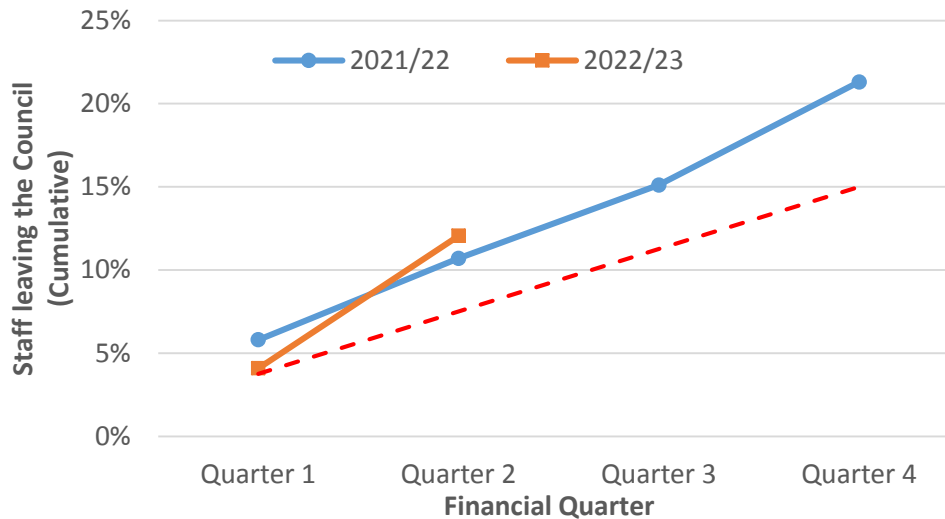


Figure 6: Staff Turnover per financial quarter (Cumulative year to date), 2021/22 to present.

3.0 Risk Management

- 3.1 The Corporate Risk Register is regularly reviewed by Corporate Managers and the Leadership Team and updated as required.
- 3.2 The risks reported to committee are the Council's strategic risks with a current score of 10 or more (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.
- 3.4 The Corporate Management Team (CMT) are currently reviewing the risk landscape drawing on the European Confederation of Institutes of Internal Auditing "[Risk in Focus 2023](#)" Report. This report suggests there is a "perfect storm" of six high-impact interlocking risks which organisations need to be mindful of when delivering services and managing risk. The six risks are:
- 1) Geopolitical tensions
 - 2) Supply chain transparency
 - 3) Cyber security
 - 4) Transport/ Distribution bottlenecks
 - 5) Raw materials shortages
 - 6) Financial liquidity – inflation, cost of living, strikes etc.
- 3.5 CMT are undertaking work to consider how the Council is affected by each of these risks, how this is mitigated, managed, and reported upon.

4.0 Summary of Key Business Risks

- 4.1 Strategic risks detailed are extracted from SPAR, the Corporate Service Performance and Risk Management system, and have a current risk rating of Medium or High. Risk ratings are calculated by multiplying the risk severity by the risk likelihood. Further details on each of these risks can be found at Appendix 6.

4.2 Risk: Culm Garden Village
Current Risk Rating: Medium (12)

Description: Possible discontinuance of Government funding support

Mitigation: 2022/23 funding secured, however other sources of funding needed to advance the project. Mitigation is focused on lobbying for future rounds of funding and developing bids to secure external funding.

4.2 Risk: Cyber Security
Current Risk Rating: High (20)

Description: 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.

Mitigation: As reported to Audit committee (27th September 2022), an internal audit on cyber security is nearing completion. Implementing the action plan will form a significant part of the continuing mitigation of this risk.

4.3 Risk: Homes for Ukraine Scheme
Current Risk Rating: High (20)

Description: There is a risk of the 'Homes for Ukraine' scheme failing should the host relationship breakdown and re-matching is not an option. Where refugees cannot afford to pay for private accommodation the Council has a Homelessness Duty.

Mitigation: The Council continue to work closely with network organisations on the delivery of the scheme. Funding arrangements are in place for the scheme. Re-matching demand has been low but some cases related to access to employment or services. Petroc have offered a programme of activities across the summer. A "Team Devon" Strategy is in place to prevent homelessness presentations and temporary accommodation costs.

4.4 Risk: Information Security
Current Risk Rating: Medium (12)

Description: Inadequate data protection could lead to breaches of confidential information and ultimately enforcement action by the Information Commissioner's Officer (ICO).

Mitigation: Appointment of Data Protection officer. This has highlighted areas for improvement and frameworks in place to improve data quality, compliance and data protection. Framework is being built and will be embedded at all levels with training provided.

4.5 Risk: National shortage of chlorine and other chemicals
Current Risk Rating: High (15)

Description: A countrywide shortage of chlorine due to production issues in China and the war in Ukraine means some councils plan to close their swimming pool facilities and amend timetables.

Mitigation: Chlorine availability remains a national/ global challenge, however the supply chain has consistently delivered the requested volumes on time since August 2022. Costs are continuing to increase and resources remain vulnerable to the events in Ukraine. Alternatives could be considered, however this would require a feasibility assessment and a cost-benefit analysis.

4.6 Risk: Overall Funding Availability
Current Risk Rating: High (20)

Description: Changes to Revenue Support Grant, Business Rates, New Homes Bonus and other funding streams in order to finance ongoing expenditure needs.

Mitigation: Clarity on levels of future grant funding is awaited. The cost of living crisis places significant financial pressure on local authorities. The Autumn Statement will now be announced on 17 November 2022. This places a risk that the Local Government Settlement may be announced later than normal (placing an extra potential pressure on budget setting). The Medium Term Financial Plan report was presented to Cabinet on 1 November 2022 and savings options and potential increases in Fees and Charges will be presented to Policy Development Groups for discussion, prior to approval being sought on 29 November 2022.

4.7 Risk: Reduced Funding – Budget Cuts
Current Risk Rating: High (20)

Description: We are subject to continuing budget reductions. If we concentrate on short term cost savings, it may increase the longer term impact of decisions.

Mitigation: The Medium Term Financial Plan report was presented to Cabinet on 1 November 2022 and savings options and potential increases in Fees and Charges will be presented to Policy Development Groups for discussion, prior to approval being sought on 29 November 2022.

4.8 Risk: SPV 3 Rivers Developments Ltd – Failure of the Company
Current Risk Rating: High (16)

Description: 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.

Mitigation: Regular meetings with the Council's Shareholder Representative continue. All of the 33 recommendations to improve financial and governance arrangements have been embedded and the company has appointed an

external auditor. Quarterly financial updates are considered by the Cabinet which also receives the annual Business Plan and Outturn Summary reports. The Council ensures all intercompany transactions are charged at a commercial rate in order to maintain its “arm’s length” independent status.

4.9 Risk: Resourcing Risk

Current Risk Rating: Medium (9). As the risk rating is now less than 10, it is no longer required to be presented to committee. It is included in this report to provide an update to Members.

Description: If the Council fails to recruit and/or retain sufficient, suitable staff it may not be able to maintain essential and/or statutory services.

Mitigation: Staff turnover is high at the Council. Mitigation work is focused on staff retention with a staff survey on benefits currently being analysed. The pay award for 2022/23 has just been agreed and will see an uplift of £1,925 for all staff and apprentices being paid in November 2022. A report on the staffing establishment is presented to Scrutiny every six months and was last considered in September.

5.0 **Conclusion and Recommendation**

- 5.1 That the Committee reviews the Performance Indicators and Risks detailed in this report and feeds back any areas of concern.

Contact for more Information: Matthew Page, Corporate Manager for People, Performance & Waste mpage@middevon.gov.uk; Dr Stephen Carr, Corporate Performance & Improvement Manager scarr@middevon.gov.uk

Circulation of the Report: Leadership Team and Cabinet Member