

HAVANT BOROUGH COUNCIL

SUBJECT Corporate Performance Report 2019/20 Quarter 2

Report of Chief Finance Officer

FOR: CABINET

Key Decision - No

DATE: 18 December 2019

Summary

This report provides a strategic overview of performance for Quarter 2 (Q2) 2019/20 in relation to the corporate priorities in the Council's Corporate Plan

Officer Recommendations

1. Cabinet is asked to note the revenue and capital forecasts for 2019/20 in the Appendices A and B
2. Cabinet is requested to note the forecasted variance outturn for the period
3. Cabinet notes that the MTFs at Appendix C
4. Cabinet notes the current KPI position at Appendix D
5. Cabinet agree to share the Healthcheck summary position at Appendix E

1. Purpose of Report

- 1.1 This report provides a strategic overview of the Council's financial position for Quarter 2 of the 2019/20 monitoring cycle, focusing on the Budget variance forecasts and activities to deliver the corporate priorities in the Corporate Plan and the supporting actions to be agreed.

2. Overview

- 2.1 The corporate financial monitoring report for Quarter 2 revenue position is attached at **Appendix A** and includes the latest Capital Programme forecast at **Appendix B**.
- 2.2 Appendix A outlines the latest forecast for the year which shows a projected deficit of £39.9k. The forecast at Quarter 1 was £107k meaning an improvement of £67.1k.
- 2.3 The main variances against the approved budget are set out below:
 - Additional CIL fee income of (£53k)
 - Planning Policy salary savings of £78k and reduced professional fees in Development Management

- Additional street furniture costs of £27k
- Wecock BigLocal reduced project costs forecast not in line with lottery income totalling £188.6k
- Net increase of £104k in B&B and homelessness prevention costs and increased costs in Housing Strategy
- Community Safety - reduced contract costs and other recharge adjustments totalling £200k offset by reduced on and off-street parking income of £256k
- Commercial Development - net salary savings and adjustments to income budgets of £10.7k
- Norse contract - additional external legal advice costs of £70k offset by minor saving of £1k. Note that this may be mitigated by future savings, however these still need to be quantified

Table 1 is a snapshot of the Quarter 2 projected outturn for the 6 months ending 30th September 2019, by Directorate, and an estimate for the full year. A summary of all forecast variances is included in Appendix A.

TABLE 1	YTD				FULL YEAR		
Corporate	Current Budget £'000	Actuals + GRN Committed £'000	Variance £'000	Base Budget £'000	Current Budget * £'000	Current Period Forecast £'000	Current Period Variance £'000
Head of Commercial Development	48	79	31	96	96	156	60
Head of Environmental Services	2,099	2,007	(92)	4,198	4,198	4,267	69
Director Commercial	2,147	2,086	(61)	4,294	4,294	4,423	129
Estates	34	(315)	(349)	69	69	158	89
Head of Community Engagement	674	399	(275)	929	1,139	950	(189)
Head of Coastal Partnership	130	(311)	(441)	139	200	200	0
Head of Development	43	82	39	85	86	77	(8)
Head of Housing	654	(300)	(954)	569	938	1,042	104
Head of Neighbourhood Support	(98)	(41)	57	(227)	(159)	(104)	55
Head of Planning	487	(909)	(1,396)	978	978	875	(103)
Head of Property	(683)	(1,396)	(713)	(1,365)	(1,426)	(1,426)	0
Head of Regeneration (South)	33	231	199	65	65	65	0
Director Operations	1,273	(2,560)	(3,833)	1,242	1,889	1,837	(52)
5 Councils Staff and Contract	163	2,135	1,972	804	326	326	0
Head of Communications	99	131	32	198	198	198	0
Head of Customer Services	1,715	620	(1,095)	3,430	3,430	3,419	(11)
Head of Finance	452	375	(77)	426	904	904	0
Head of Legal	170	96	(74)	342	342	342	0
Head of Organisational Development	463	326	(137)	927	927	896	(30)

TABLE 1	YTD				FULL YEAR		
Corporate	Current Budget £'000	Actuals + GRN Committed £'000	Variance £'000	Base Budget £'000	Current Budget * £'000	Current Period Forecast £'000	Current Period Variance £'000
Head of Programmes Redesign	1,539	914	(625)	2,782	2,932	2,936	4
Director Strategy & Governance	4,600	4,596	(4)	8,909	9,058	9,021	(37)
Grand Totals	8,021	4,122	(3,898)	14,445	15,241	15,281	40
MIRS				-1091			
Other Operating I and E				853			
Grand Totals	8,021	4,122	(3,898)	14,207	15,241	15,281	40
* 1. Please note the main variance between Base Budget and Current Budget relates to Carry forwards of £796K less the Movement in Reserves Statement (MIRS) and other Operating I and E entries net £238k 2. Reconciliation of Table 1 to Appendix A 5 Councils includes exchequer services and Head of Customer Services includes Executive Office							

3. Issues & Action Points

- 3.1 There are still issues with the completion of monthly forecasting in terms of engagement. A review is being carried out to ensure that budget holders input their forecasts with a potential increase in the current two-day window to allow access to input on a more reasonable timescale.
- 3.2 In order to assist inputters and reviewers in meeting the deadlines, Capita have been requested to make two changes to the BDM process relating to the order in which forecasts are reviewed, and to allow inputters access to BDM immediately after the previous month's submissions have been made.
- 3.3 The intention is to give Business Partners more time to work with budget holders on their submissions, and to give more time to make any changes.

4. Budgets and Medium Term Financial Strategy

- 4.1 The Medium Term Financial Strategy for Havant Borough Council 2019/20 is attached at **Appendix C** and shows the impending budget pressures and gap for next year's 2020/21 Budget and the challenges that the Council faces in setting a balanced budget. The budget process is currently underway with a peer review taking place to engage Heads of Service fully in the process and challenge those that seek to retain budgets that are no longer required and/or do not fully address the Council's priorities. As part of that process, both income and expenditure will be scrutinised with a full review of Fees and Charges and a review of proposed Business Cases that will generate future potential income streams for the Council in line with the Authority's strategic aims and objectives. The funding gap for next year 2020/21 is currently £1.2m.

5. Impact on the Authority's Borrowing

- 5.1 The Treasury announced an increase of 1% or 100bps in the PWLB rates effective from the 9th October 2019. In a letter to the Chief Finance Officers, the Treasury increased the

interest rate on a PWLB 50 year maturity loan by 1% from 1.81% to 2.82%. Our Local Authorities are among others that recently increased their use of PWLB in recent months as the cost of borrowing had fallen to record lows. However this increase in rates has effectively priced the loan facility at 180 basis points above gilts (1.8%).

- 5.2. HM Treasury has therefore taken the decision to restore interest rates to the levels of that in 2018 by increasing the margin that applies to new loans from the PWLB by 100bps (one percentage point) on top of the usual lending terms. This will impact on Councils with high demand for Housing and Regeneration and will effectively price them out of the PWLB markets and for their borrowing requirements and lenders

6. Corporate Priorities

- 6.1 The Corporate Strategy is currently being reviewed and updated with sessions held with Cabinet during Q2 and further sessions planned in Q3. The Corporate Strategy will be taken through Full Council alongside the 2020-21 budget. Underneath the Corporate Strategy will be a detailed Corporate Plan which will provide the necessary activities to deliver the Corporate Strategy. Key themes based on Cabinet discussions and a review of the evidence and insight have been identified.
- 6.2 2019-20 performance to date is being monitored through the annual business plans and key performance metrics (KPIs). The position of the KPIs at end of Q2 is shown at **Appendix D**. The majority of KPIs are rated as green and on target. A full review of performance monitoring is taking place and a number of KPIs will be reviewed and amended to reflect best practice and to improve performance reporting. New KPIs will be in place to support the new Corporate Strategy and Corporate Plan.
- 6.3 During Q2 there was particular progress on the following:
- Norse South East began delivering East Hampshire District Council's Environmental Services on 30th September. This was a significant piece of work and mobilisation of the service has gone well with over 98.5% of refuse bins collected on schedule. The mobilisation has not impacted on Havant Borough Council's service. A new Delegated User Group has been established and will meet regularly. In addition, as part of the mobilisation new revised performance measures have been agreed. Although not reported this quarter due to the mobilisation, they will be reported in Q3 which will allow for a higher degree of oversight on Norse performance.
 - Along with over 150 Local Authorities we have signed up to the Local Digital Declaration. This is a commitment to collaborate across Councils on digital initiatives on the basis that we share common challenges in designing digital solutions.
 - Full Council has approved a review of the Constitution to be overseen jointly with East Hampshire via a sub-committee. Meetings of the sub-committee have been held and an update on the approach will be provided to Full Council in Q3.
 - The budget setting process has begun for 2020/21 with Heads of Service taking the lead on identifying options for closing the budget deficit as identified in the MTFs. Budget update meetings will take place at Cabinet Briefing during December to review proposals.
 - The Homelessness Review has progressed during the quarter with priorities identified and a draft Homelessness & Rough Sleeping Strategy is due to come to Cabinet for approval in Q3.
 - Officers have been focussed on the potential impacts of Brexit on the Authority. During Q2 business continuity plans were activated in the event of a no-deal Brexit. In addition, a Brexit business survey was conducted looking at the likely impact on local businesses.

Results of the survey have been shared at local and national level and a Brexit Impact Statement has been published on our website which provides an analysis of how the Council is prepared for Brexit.

- No new corporate risks have been identified, however, the Corporate Risk Register has been reviewed and updates provided on risk mitigations for a number of risks (IT provision, contract performance and Medium Term Financial Strategy).

Appendix E contains the Q2 Healthcheck that will be shared with all Councillors.

7. Regeneration/Place Making

7.1 The agreed Regeneration Strategy is currently focused on four initial projects: Civic Plaza car park, Brockhampton West and Hayling Seafront:

- Civic car park: The OJEU procurement process to secure a viable development partner for the Civic Plaza car park has progressed to final submission. Each of the proposals from the final two bidders has been evaluated against the criteria and a decision will be made on next steps based on the evaluation.
- Brockhampton West: The site is being marketed for a sale with a fallback position being considered for income generation as a solar farm or goose mitigation land.
- Hayling Seafront: Detailed work has taken place on the submission of an outline planning application for Nab Street Car Park. In addition MACE consultants are working on proposals for regeneration investment along the seafront with a focus on enhancing the commercial offer at West Beach. The report will come forward during Q3.

APPENDIX A - REVENUE QTR 2 UPDATE				
HAVANT BOROUGH COUNCIL	FULL YEAR BUDGET	QTR 1 Year End Forecast Variance to Budget	AP6 Year End Forecast Variance to Budget	COMMENTS RELATING TO MAIN VARIANCES
SERVICE / DIRECTORATE				
Head of Planning	978.0		(103.3)	Additional CIL Monies of £53K plus additional costs street furniture of £27K less savings in Planning Policy of £78K relating to Salaries and reduced professional fees.
Estates	69.0		89.0	Increased staff costs with vacant posts covered by Interim professionals
Investment & Commercial Prop'y	(1,365.0)			
Head of Regeneration (South)	65.0			
Head of Development	85.0		(8.2)	Building Control salary/recharge savings of (£18k) less reduced income of £10k.
Head of Coastal Partnership	139.0			
Head of Community Engagement	929.0	(56.0)	(188.6)	Wecock Big Local -Lottery income received and reduced costs forecast
Head of Housing	569.0	42.0	104.0	Homelessness - Net anticipated increase in B&B and homelessness prevention costs
Head of Neighbourhood Support	(227.0)	127.0	54.6	Community Safety reduced contract costs and other recharge adjustments totalling £200K offset by a reduction in income on parking of £256K
DIRECTOR OF REGENERATION AND PLACE	1,242.0	113.0	(52.5)	
5 Councils Staff and Contract	326.0			
Head of Commercial Development	96.0		60.0	£37K pressures salaries, £23K missing posts and Salary recharge errors
Head of Communications	198.0			
Head of Customer Services	3,085.0	10.0	(10.7)	Net salary savings and adjustments to income budgets.
Executives Office	345.0			
Head of Finance	426.0			
Capita Services (<i>Exchequer & Accountancy</i>)	478.0			
Head of Legal	342.0			
Head of Organisational Development	927.0		(30.2)	Savings salaries HR
Head of Programmes Redesign	2,782.0	(56.0)	4.3	Land Charges reduced income offset by vacant posts
Head of Environmental Services	4,198.0	40.0	69.0	Norse Contract - £70k for external legal advice less other minor savings of £1k.
DIRECTOR OF CORPORATE SERVICES	13,203.0	(6.0)	92.4	
Movements In Reserves	(1,091.0)			
Other Operating Income and Expenditure	853.0			
TOTAL CORPORATE BUDGETS	(238.0)	0.0	0.0	
TOTAL NET EXPENDITURE	14,207.0	107.0	39.9	
Council Tax & Business Rates Income	(12,620.0)			
General Grants	(1,587.0)			
FUNDING	(14,207.0)	0.0	0.0	
(SURPLUS) / DEFICIT	0.0	107.0	39.9	

APPENDIX B – CAPITAL PROGRAMME PROGRESS UPDATE QUARTER 2

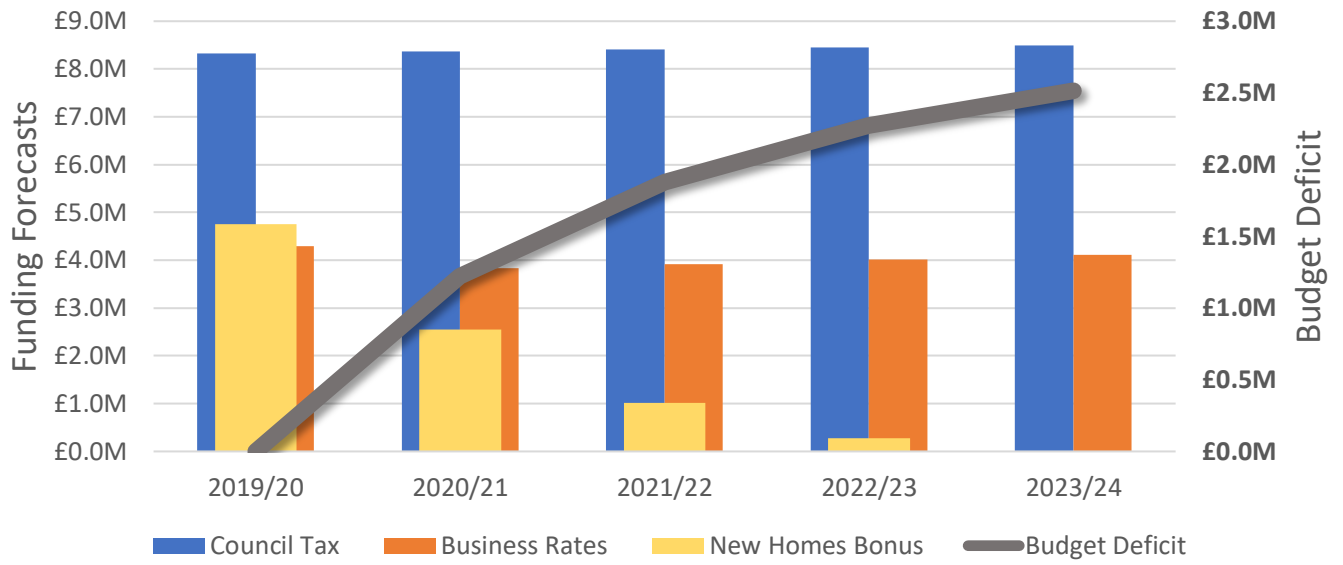
TABLE 2	YTD			5 YEAR CAPITAL PROGRAMME					
Havant Borough Council Capital Programme Summary Project	Revised Budget 2019/20 £'000	Actuals to Qtr 2 £'000	Variance £'000	2019/20 Revised Forecast £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Progress Update
Housing									
Disabled Facilities Grants	1,628	370	1,258	1,628	1,628	1,628	1,628	1,628	In line with expectations
IT Equipment									
Replacement of Noise Monitoring Equipment	11	0	11	11	0	0	0	0	Budget carry forward
Processing and Management System	204	0	204	204	0	0	0	0	Covering various service areas
Asset Maintenance Management System	35	0	35	35	0	0	0	0	
Building Control - Software	32	10	22	32	0	0	0	0	Approved Cabinet
Southern Coastal	20	0	20	0	0	0	0	0	Approval Partnerships 4 Authority
Vehicles and Equipment									
Pest Control Vehicles	30	0	30	30	0	0	0	0	Delay in replacement
Land and Buildings									
HBC Plaza Development Phase 1	3,600	0	3,600	0	0	0	0	0	No spend forecast this year
Barton Green Pavilion - Grant & s106	0	190	-190	190	0	0	0	0	Suggest s106 funded
Redevelopment Front Lawn - Grant & s106	0	0	0	15	0	0	0	0	
Grand Totals	5,560	570	4,990	2,145	1,628	1,628	1,628	1,628	
Projected Capital Financing									
REFCUS (Revenue funded as Capital under Statute)	1,628	370	1,258	1,628	1,628	1,628	1,628	1,628	
External Grants & Contributions	3,620	190	3,430	205	0	0	0	0	
Use of Specific Reserves	136	10	126	271	0	0	0	0	
Use of Capital Receipts	176		176	41	0	0	0	0	
Total Projected Funding	5,560	570	4,990	2,145	1,628	1,628	1,628	1,628	

APPENDIX C - Havant Borough Council

Medium Term Financial Strategy

	2019/20	2020/21	2021/22	2022/23	2023/24
	£M	£M	£M	£M	£M
Director of Regeneration & Place					
Head of Planning	1.088	0.961	0.970	0.980	0.990
Head of Environmental Services	4.266	4.351	4.438	4.527	4.618
Head of Coastal Partnership	0.139	0.142	0.145	0.148	0.150
Director of Operations & Neighbourhoods					
Head of Commercial Development	0.118	0.120	0.123	0.125	0.128
Head of Community Engagement	0.933	0.882	0.900	0.918	0.936
Head of Development	0.092	0.094	0.096	0.098	0.100
Head of Housing	0.537	0.548	0.559	0.570	0.581
Head of Neighbourhood Support	(0.234)	(0.239)	(0.243)	(0.248)	(0.253)
Director of Corporate Services					
5 Councils Staff and Contract	0.326	0.213	0.217	0.221	0.226
Head of Property	(1.292)	(1.318)	(1.344)	(1.371)	(1.399)
Head of Communications	0.199	0.203	0.207	0.211	0.215
Head of Customer Services	3.438	3.507	3.577	3.648	3.721
Head of Finance	0.886	0.904	0.922	0.940	0.959
Head of Legal	0.352	0.359	0.366	0.374	0.381
Head of Organisational Development	0.803	0.819	0.835	0.852	0.869
Head of Programmes Redesign	2.794	2.850	2.907	2.965	3.024
Contribution (Surplus) / Deficit	14.445	14.395	14.674	14.957	15.247
Corporate Pension Costs	0.853	0.853	0.853	0.853	0.853
Movement in Reserves (Capital Charges)	(1.091)	(0.984)	(0.984)	(0.984)	(0.984)
TOTAL NET EXPENDITURE	14.207	14.264	14.543	14.826	15.116
Council Tax	(8.324)	(8.366)	(8.407)	(8.449)	(8.492)
Council Tax Surplus from Prior Year	(0.002)	-	-	-	-
Retained Business Rates	(1.951)	(1.738)	(1.773)	(1.808)	(1.844)
Business Rates Growth	(0.981)	(0.491)	(0.515)	(0.541)	(0.568)
Business Rates Deficit from Prior Year	0.206	-	-	-	-
S31 Grants - Small Business Rate Relief	(1.568)	(1.599)	(1.631)	(1.664)	(1.697)
New Homes Bonus	(1.587)	(0.848)	(0.337)	(0.092)	-
TOTAL FUNDING	(14.207)	(13.041)	(12.663)	(12.554)	(12.601)
BUDGET (SURPLUS)/DEFICIT	0.000	1.223	1.879	2.272	2.515

MTFS FORECASTS



HBC PERFORMANCE INDICATORS

OPERATIONS



Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Housing Services	A	Affordable homes delivered (cumulative) - Social rented, Affordable rented, First buy (shared ownership)	2019/20	38	(22)/60				70	
			2018/19	11	(60)/71	(8)/79	(15)/94	94		
			2017/18	52	(28)/80	(18)/98	(30)/128	128		
			2016/17	57	(87)/144	(51)/195	(57)/252	252		
	B	Homelessness acceptances (cumulative)	2019/20	2	(0)/2				65 (Year end cumulative)	- none needed as very low
			2018/19	4	(2)/6	(0)/6	(1)/7	7		
			2017/18	8	(6)/14	(11)/25	(18)/43	43		
			2016/17	13	(9)/22	(4)/26	(4)/30	30		
	C	Successful homelessness prevention outcomes (cumulative)	2019/20	280	(217)/497				950 (year end cumulative)	total of 217 new cases opened and worked with (34 DHP). Worked with an additional 124 giving general Housing Advice. Over 900 visitors to Housing -
			2018/19	194	(123)/317	(215)/532	(272)/804	804		
			2017/18	311	(265)/576	(313)/889	(377)/1266	1266		
			2016/17	232	(325)/557	(232)/789	(268)/1057	1057		
	D	Number of households in B&B (cumulative)	2019/20	27	(28)/55				65 (year end cumulative)	28 new referrals to B&B. 19 at end of Quarter
			2018/19	23	(20)/43	(19)/62	(16)/78	78		
			2017/18	15	(15)/30	(13)/43	(17)/60	60		
			2016/17	12	(17)/29	(12)/41	(13)/54	54		
	E	Number of weeks in B&B (cumulative round up full weeks)	2019/20	162	(158)/320				Number	
			2018/19	87	(76)/163	(87)/250	(57)/307	307		
			2017/18	41	(63.5)/104.5	(71)/175.5	(53)/228.5	229		
2016/17			51	(82)/133	(40)/173	(41)/214	214			

HBC PERFORMANCE INDICATORS

OPERATIONS



Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Parking Services	A	Income from pay & display machines (cumulative £value)	2019/20	£354459.2	(£414227.56)/£768686.76				£1,115,000 (year end cumulative)	
			2018/19	£428,102	£500,947	£358,998	£367,860	£1,655,907		
			2017/18	£322,591	£343,408	£338,983	£285,340	£1,290,322		
			2016/17	£289,105	£393,308	£249,248	£260,093	£1,191,754		
	B	Income from Penalty Charge Notices (cumulative £value)	2019/20	£58854	(£68160)/£127014				£223,000 (year end cumulative)	
			2018/19	£66,656	£49,450	£66,528	£51,170	£233,804		
			2017/18	£80,404	£51,594	£40,547	£34,910	£207,455		
			2016/17	£84,024	£64,449	£62,958	£65,900	£277,331		
	C	FPN Collection Rate (%)	2019/20	74.47					60%	
			2018/19	59.60	55.10	69.20	54.90	60%		
			2017/18	83.40	71.00	65.70	68.70	72%		
			2016/17	60.77	72.40	57.53	76.47	72.46%		

HBC PERFORMANCE INDICATORS

OPERATIONS



Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Planning Development	A	Major planning apps decided in the quarter (Number)	2019/20	3	2				Number	
			2018/19	4	4	5	3	16		
			2017/18	7	3	8	3	21		
			2016/17		9	5	9			
	B	Major planning apps decided within 13 weeks or agreed extension (%)	2019/20	100	100				60%	
			2018/19	100	100	80	100.00	95%		
			2017/18	100	100	100	100.00	100%		
			2016/17	100	100	100	88.9	97%		
	E	Minor planning apps decided in the quarter (Number)	2019/20	27	33				Number	
			2018/19	27	35	43	40	145		
2017/18			36	45	46	45	172			
2016/17				47	41	29				
F	Minor planning apps decided within 8 weeks or agreed extension (%)	2019/20	92.6	90.91				65%		
		2018/19	77.8	77.1	90.7	82.50	82.0			
		2017/18	97.2	93.3	93.5	86.67	92.7			
		2016/17	97.9	100.0	97.6	93.1	97.2			
I	Other planning apps decided in the quarter (Number)	2019/20	181	115				Number		
		2018/19	128	141	155	115	539			
		2017/18	143	150	124	167	584			
		2016/17		165	125	133				
J	Other planning apps decided within 8 weeks or agreed extension (%)	2019/20	92.27	95.65				80%		
		2018/19	86.72	92.20	94.84	95.65	92.35			
		2017/18	98.60	94.00	95.97	94.12	95.67			
		2016/17	98.80	98.18	100.00	97.74	98.70			
O	Percentage of all applications determined in 26 weeks (actual)	2019/20	99.53	99.33				98%		
		2018/19	100.00	99.44	100.0	100.00	99.86%			
		2017/18	100.00	100.00	99.4	99.40	99.70%			
		2016/17	99.55	98.64	99.42	96.49	99.52			

HBC PERFORMANCE INDICATORS

OPERATIONS

Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
P	Number of discharge of condition apps determined within 8 weeks (%)	2019/20	73.8	58.54				80%	Discharge of conditions post has been vacant for some time - now filled	
		2018/19	59.1	73.5	90.2	82.86	76.4			
		2017/18	96.3	57.0	not supplied	81.7	64.8			
		2016/17	79.4	84.1	79.3	100.0	85.1			
	Q	Number of Major application decisions allowed on appeal (%)	2019/20	0.0	0				Less than 20%	
			2018/19	2.17	2.17	2.13	2.13	2.15		
			2017/18	2.04	2.38	2.08	2.17	2.17		
			2016/17	0	1	0	0	1.0		
	R	Number of Minor and Other application decisions allowed on appeal (%)	2019/20	0.7	0.57				Less than 30%	
			2018/19	0.48	0.41	0.48	0.64	0.50		
			2017/18	0.42	0.49	0.41	0.42	0.44		
			2016/17	0.50	0.47	0.00	0.62	0.40		
Planning Policy	A	CIL Administration and Monitoring fees collected (cumulative)	2019/20	£64791	(£50211)/£115002				£22,000	
			2018/19	£27,544	£20,026	£30,211	£109,810	£187,591		
			2017/18	£18,612	£25,103	£17,439	£30,140	£91,294		
Property Services	C	Property debt: rent arrears over 90 days for all tenanted commercial property (£000s)	2018/19						£50,000	
			2017/18	not supplied	not supplied	not supplied	not supplied			
			2016/17	£10,387.00	£13,494.00	£1,903.00	£503	£503		

HBC PERFORMANCE INDICATORS

COMMERCIAL



Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Building Control	A	Building Regulations – Full Plan applications checked within 15 days (cumulative)	2019/20		92.68				90%	
			2018/19	96.10	92.85	83.75	88.89	90.40		
			2017/18	100.00	93.22	87.95	87.95	92.28		
			2016/17	97.89	96.94	97.35	not supplied	97.39		

Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Legal & Democratic Services	A	Number of FOI requests received	2019/20	136	147				Number	
			2018/19	189	189	159	200	737		
			2017/18	139	159	157	192	647		
			2016/17	121	(138) / 259	(127) / 386	(150) / 536	536		
	B	FOI requests completed in 20 day statutory deadline (%)	2019/20	90%	91.84%				95% (quarter actual)	
			2018/19	89.90	87.30	88.10	80.00	86.33		
			2017/18	97.80	94.30	91.70	85.90	92.43		
			2016/17	93.39	73.91	93.70	91.33	88.08		

Q2

'?' = No response to data requests

(Quarter Actual) / Cumulative

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20	Q2 Commentary/Action Taken
				Q1	Q2	Q3	Q4			
Revenue & Benefits	A	Council tax cash collection rate cumulative (%)	2019/20	29.47	57.08				97.2% (cumulative year end)	
			2018/19	28.9	56.47	84.44	96.82	96.8		
	B	Non domestic rates cash collection rate cumulative (%)	2019/20	27.9	55.22				98.8% (cumulative year end)	
			2018/19	27.59	53.98	83.88	99.2	99.2		
	C	Average processing time – Housing Benefit & Council Tax Benefit Change Events (days) cumulative	2019/20	5.46	5.12				7 days	
			2018/19	13.89	13.57	12.05	9.1	12.2		
	D	Average processing time – Housing Benefit & Council Tax Benefit New Claims (days) cumulative	2019/20	13.95	9.86				13 days	
			2018/19	26.58	23.59	21.18	18.96	22.6		



2019-20 Q2 Healthcheck

Executive Summary

This report covers progress during Q2 2019-20 themed around the Council's mission.

The report is split into sections: our place, our customers, our finances, our staff and governance. It is a highlight report intended to capture the key activities during Q2. The senior management team is provided with detailed reports on progress against key performance metrics and business plan targets throughout the year. This report is shared with all Councillors via the Councillor Newsletter.

Q2 2019-20 key headlines:

- Norse South East began delivering East Hampshire District Council's Environmental Services on 30th September. This was a significant piece of work and mobilisation of the service has gone well with over 98.5% of refuse bins collected on schedule. The mobilisation has not impacted on Havant Borough Council's service.
- Along with over 150 Local Authorities we have signed up to the Local Digital Declaration. This is a commitment to collaborate across Councils on digital initiatives on the basis that we share common challenges in designing digital solutions.
- Full Council has approved a review of the Constitution to be overseen jointly with East Hampshire via a sub-committee. Meetings of the sub-committee have been held and an update on the approach will be provided to Full Council in Q3.
- The Homelessness Review has progressed during the quarter with priorities identified and a draft Homelessness & Rough Sleeping Strategy due to come to Cabinet for approval in Q3.
- Officers have been focused on the potential impacts of Brexit on the Authority. During Q2 business continuity plans were activated in the event of a no-deal Brexit. In addition, a Brexit business survey was conducted looking at the likely impact on local businesses. Results of the survey have been shared at local and national level and a Brexit Impact Statement has been published on our website which provides an analysis of how the Council is prepared for Brexit.

Place

How have we improved our place and what has been the impact of our place work?

- Local Plan: Resource gaps and additional issues (nutrient neutrality) arising in the meantime mean that proposed submission has had to be delayed until Q4 2019-20

Service	ID	Indicator	Year	Performance				Year End Actual	Target 2019/20
				Q1	Q2	Q3	Q4		
Planning Development	B	Major planning apps decided within 13 weeks or agreed extension (%)	2019/20	100	100				60%
			2018/19	100	100	80	100.00	95%	
			2017/18	100	100	100	100.00	100%	
			2016/17	100	100	100	88.9	97%	
	F	Minor planning apps decided within 8 weeks or agreed extension (%)	2019/20	92.6	90.91				65%
			2018/19	77.8	77.1	90.7	82.50	82.0	
			2017/18	97.2	93.3	93.5	86.67	92.7	
			2016/17	97.9	100.0	97.6	93.1	97.2	
	J	Other planning apps decided within 8 weeks or agreed extension (%)	2019/20	92.27	95.65				80%
			2018/19	86.72	92.20	94.84	95.65	92.35	
			2017/18	98.60	94.00	95.97	94.12	95.67	
			2016/17	98.80	98.18	100.00	97.74	98.70	
	O	Percentage of all applications determined in 26 weeks (actual)	2019/20	99.53	99.33				98%
			2018/19	100.00	99.44	100.0	100.00	99.86%	
			2017/18	100.00	100.00	99.4	99.40	99.70%	
			2016/17	99.55	98.64	99.42	96.49	99.52	

REGENERATION

- Civic Plaza: OJEU procurement process for a viable development partner for the Civic Plaza car park site progressed to final two developers stage. The final proposals are being evaluated and a decision made against the evaluation criteria on whether to proceed any further
- MACE Masterplan instructed to develop Hemingway vision for West Beach to Eastoke Corner
- Bid submitted to High Street Fund and support given to Transforming Cities bid
- Draft Lobbying Strategy being developed

PROMOTION OF HAVANT BOROUGH

- Officers attended MIPIM UK, a national property investment conference, in mid-October. Whilst investment is slowing down over wider uncertainties, there is still finance looking for a safe long-term home, some of which will head out of the seemingly saturated London market. This could be an opportunity for the promotion of Havant once we have some certainty over our town centre position.

Customers

In assessing our progress with respect to customers, there are a number of key considerations: are our customers happy with the services they are receiving, are we meeting their needs and are we achieving the desired channel shift?

Helping our vulnerable customers



- The Homelessness Strategy will come forward in Q3 with associated action plan. Councillor briefing sessions will also be held to discuss work ongoing with respect to homelessness alongside the emerging Strategy.

22 affordable homes delivered in Q2 with total of 60 delivered to date against year target of 100

497 homelessness prevention outcomes delivered to date against a target of 950 for the year

Channel Shift & Communications



When compared to the same period from last year (2018), the number of website visits has increased by 4,945 (3%) and the number of pages viewed has increased by 28,224 (6.9%).

- Major focus for Q2 has been on regeneration, which has included the following:
- Promotion of Hampshire Sports Conference
 - Get-up and Go promotional activities
 - Community Lottery
 - Promoting our approach to Nutrient Neutrality
 - Internal communications through staff newsletter (readership at 62%) and Councillor newsletter (readership at 58%)



Total social media following:

Facebook – 3,393 (+248)
 Instagram – 437 408 (+119)
 LinkedIn – 568 543 (+78)
 Twitter – 3,359 (+73)
 YouTube – 10 (+1)

Community

- ▲ PHYSICAL ACTIVITY INITIATIVE WORKING WITH INACTIVE WOMEN AGED 35-54 WITH SESSIONS AT HORIZON LEISURE TRUST IN HAVANT AND WATERLOOVILLE
- ▲ COMMUNITY INFRASTRUCTURE LEVY
REVIEWING BIDS IN RELATION TO PLAY, SPORT AND LEISURE. WILL ASSIST WITH RECOMMENDATION IN OPEN SPACE, SPORT AND RECREATION STRATEGY
- ▲ HEALTH AND WELLBEING
NUMBER OF MEETINGS TAKEN PLACE TO DISCUSS REESTABLISHMENT OF HEALTH AND WELLBEING PARTNERSHIP
- ▲ DEMENTIA
MONTHLY DEMENTIA AWARENESS SESSIONS CONTINUE TO BE HELD AT PLAZA.
- ▲ HAVANT LOTTERY
FURTHER FUNDING CONTINUES TO BE AWARDED TO A NUMBER OF PROJECTS SUPPORTED BY THE HAVANT LOTTERY

Finance

Are we on target for a balanced budget? The following page details financial progress against our budget.

Quarter 2 2019-20

At Quarter 2 there is a forecast deficit of £39,900, without transfers from reserves which would take place at year end. The current deficit is driven primarily by a number of areas as detailed below. This position is an improvement against the Q1 position when the deficit was £107,000.

The budget setting process has begun for 2020-21 with Heads of Service taking the lead on identifying options for closing the budget deficit as identified in the MTFS. Budget update meetings will take place at Cabinet Briefing during December to review proposals.

Forecast variances from budget

Key movements against the approved budget are set out below:

- Additional CIL monies and savings in Planning Policy (vacancies)
- Increase in staffing costs in Estates
- Reduced income in Building Control
- Increase in B&B costs
- Land Charges reduced income
- Increase in legal costs with respect to the new Norse contract
- Salary savings in various services

A detailed review of the current establishment is being undertaken to determine organisational needs going forward and to help inform the review of the Medium Term Financial Strategy and budget setting for 2020-21

Staff

In assessing our progress with respect to our staff, consideration is given to how our staff are performing and whether we have the right staff and skills to deliver our strategy.

Organisational Development Strategy

- A new provider of Occupational Health services, Cordell Health, has been selected for the Council through a procurement process. The service is supported by an online referral system, enabling managers to create and track referrals for employees. In-house HR advice will be provided to manage wellbeing and absence cases.
- An Employee Assistance Programme has been secured for the Council through a procurement process. Health Assured will provide a range of services including telephone and face to face counselling. The EAP and Cordell Health will work in a collaborative way to support the council.
- Procurement of a provider of learning and development services is being finalised. The successful bidder will be providing a comprehensive e-learning suite of courses to ensure the council meets mandatory training obligations, as well as a full Learning Management System which will enable employees to source, book and track learning events. The LMS will also provide the council with data in relation to learning and development to inform future decision-making.
- The corporate induction for new employees has been successfully revised to ensure a session is provided for new employees. The current format will be extended to cover all essential governance matters in the New Year.
- Independent Remuneration Panel for Councillor allowances – the data from the questionnaire sent to all Councillors has been collated and forwarded to the panel to inform their deliberations. The panel will soon be arranging interviews with Councillors to further inform the recommendations of their report, which will be considered by Council in early 2020.
- Capita are now implementing the agreed changes to the payroll in line with the 2019-20 pay award and it is anticipated that this can be applied in November pay and any backdated pay due to staff included.

**SICKNESS HAD DECREASED SLIGHTLY AGAINST THE FIGURE REPORTED IN THE PREVIOUS QUARTER.
TURNOVER HAS RISEN SLIGHTLY (4%). ORGANISATION HAS 15 VACANCIES OUT TO ADVERT AT END OF
REPORTING QUARTER**

SICKNESS HBC Q2: 1.3 DAYS*

SICKNESS PUBLIC: 2.2 DAYS

SICKNESS PRIVATE: 1.8 DAYS

*** Management sickness information provided to teams in order to manage sickness in their areas.
Further work is taking place with Capita in order to improve sickness management reporting in
order to review any potential trends.**

Governance

HEALTH & SAFETY

Mandatory objective added to the Appraisal document for health and safety. Campaign currently being worked on with Communications to remind colleagues that health and safety is everyone's responsibility. Ongoing monitoring of contractors for compliance with the HSAWA.

EMERGENCY PLANNING & BUSINESS CONTINUITY

A recent audit of BC plans identified a number were out of date and work has been progressing to ensure that this issue was addressed. All teams were asked to review their plans and update and this has been progressing well. Each team were also provided with an exercise template to test the content of their plan and to ensure they were robust. Completed exercises are currently being reviewed.

CORPORATE GOVERNANCE BOARD & RISK

The Councils' risk appetite has been set at 15; i.e. the maximum level of residual risk which it is prepared to accept is a risk score of 15.

Significant Corporate Risks

HB6 - MTF5, HB8 – Short term IT provision, HB9 – Long Term IT provision, HB11 – Manpower/Resources, HB13 – Capita Business Model

Summary of Residual Scores for 'Live' Corporate Risks - Q2

Impact	Very High	5					
	High	4			HB2, HB7, HB10	HB6, HB8, HB9, HB11, HB13	
	Medium	3		HB1 (Waste), HB3, HB5	HB12, HB14, HB15, HB17	HB1 (Capita), HB16	
	Low	2		HB4			
	Negligible	1					
			1	2	3	4	5
			Very Rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Colour	Score	Detail
Red	16 and above	This is in excess of the Council's risk appetite. Action is needed to redress, with regular monitoring. In exceptional circumstances residual risk in excess of the risk appetite can be approved if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to Corporate Governance Board.
Amber	5 to 15	Likely to cause the Council some difficulties - six monthly monitoring.
Green	1 to 4	Low risk. Monitor as necessary.

ON/MS	Risk Title	Type	Category	Identification of areas where there are significant risks	Date Added	Risk Owner	Original Assessment			Planned Mitigation Actions	Mitigation Success Factor	Control Assessment			Direction	Financial assessment of potential losses.	Current Service hotspots	Reasons for change since last review
							P	M	C			P	M	C				
HB6	Medium Term Financial Strategy (MTFS)	FINANCIAL	Economic	The ongoing viability of the authority being able to manage a balanced budget. Current MTFS highlights a shortfall of £7.8M over the course of the MTFS	28/11/16	Lydia Morrison	4	5	20	1. MTFS is reviewed each year as part of budget setting exercise. Budget challenge sessions held each year to scrutinise future business plans and income/savings. 2. Full MTFS review to take place in 2019/20 to begin in Q1 in particular to understand forward costs of staffing and major contracts. 3. Identify and manage in-depth service budgets income/expenditure to rebalance budget	The authority has a balanced budget	4	4	16	▶		ALL Services	CIPFA engaged to undertake a benchmarking exercise and the authority is beginning the MTFS work at early stage during 2019-20 for 2020-21 budget setting process
HB8	IT Provision: short term	SERVICE	Technological	Failure by the IT provider (Capita) to provide good IT service to staff which results in a considerable regular downtime of IT leading to slower service provision. We become unable to provide a reliable and timely service to our customers.	10/04/18	Sue Parker	4	5	20	1. Weekly IT Ops Board (every Monday) tracks progress on major issues and monitors progress. Weekly RAG progress score provided on all P1 and P2 calls from IT service centre. 2. Business Solutions continue to work with Capita and the teams to help address any issues identified. 3. Contractual triggers if escalation of incidents. 4. VMWare issue escalated	Reduction in P1 incidents through monitoring of Capita KPIs	4	4	16	▲		All Retained Services	Issues with CVW continue, and show no sign of resolution; exacerbated now with issues about Vmware platform. Therefore likelihood of failure increased since last report
HB9	IT Provision: long term	SERVICE	Technological	Failure by the IT provider (Capita) to deliver on long term digital vision and aspirations of Council as per the contract in particular the strategy for 'digital by default' and contract requirements	10/04/18	Sue Parker	5	5	25	1. Ensure Capita are held to contractual responsibilities regarding digital strategy 2. Progression of a Digital Strategy for the Council with linkages to IT Capita 3. Renegotiation of IT contract in order to deliver required digital vision	Clear vision and links to Council aspiration of 'digital by default' Approval of Council's Digital Strategy - October 2019	4	4	16	▶	Additional costs of providing digital solutions outside of contracted arrangements	All Retained Services	
HB11	Manpower/ Resources	SERVICE	Organisational	Shortage of employees and/or appropriately skilled employees, leading to organisation being unable to deliver key priorities or regular services.	10/04/18	Caroline Tickner	4	5	20	1. Review of quarterly turnover statistics to highlight any potential issues and monitoring of staff performance through PDRs 2. Improve recruitment service including the launching on internal system for specialist recruitment 3. Recruitment and benefits of working for the Council space publicised on website 'Bright Stars campaign' to attract right talent http://www.easthants.gov.uk/jobs-and-careers 4. Use of Indeed as standard advertising tool	Little or no disruption to our service delivery	4	4	16	▲	Cost of replacing key employees usually lead to under £10k recruitment costs.	All Retained Services	Further issues reported with Capita recruitment system - process and visibility. Capacity/resource levels for in-house solution.
HB13	Capita	SERVICE	Economic	Changing business model of Capita not aligned to the current 5-Councils contract resulting: 1) Capita in-ability to deliver contract requirements 2) Quality of service not as expected resulting in increasing costs to rectify 3) Partners not acting/complying with IAA 4) Disputes as to scope of contract 5) Services being removed increasing transition costs	08/07/18	Gill Kneller	5	5	25	1) Robust contract monitoring to ensure Capita delivers including renegotiation of aspects of services where appropriate 2) Measures put in place to deal with quality issues, increased support within Council in particular around IT and HR 3) Regular meetings of s151 and MOs across the Partnership to ensure unified approach 4) Dispute log maintained and legal advice sought where necessary 5) Review of services within contracts and potential options - process agreed with Capita	Agreed way forward with Capita reflecting the requirements of Council and minimal business disruption	4	4	16	▶	Contract savings may not be realised as per the agreed contract	Services within Capita contract	Work programme in place covering all mitigations and being monitored and collated by Head of Strategic Commissioning

Directorate	Action	Outcomes	Q1	Q2	On Target?
Corporate Services	Drive transformational programmes across the council	Delivery of programme milestones for major projects - environmental services, design, system and implementation programme and other corporate initiatives	Building Control Project progressing well in Implementation Phase for the new IT system and related processes. Planned 'Go-Live' September 2019. Planning, Enforcement, Arboriculture and Land Charges Project has moved into Design Phase 2 (detailed design) - 'to-be' processes being developed; using information obtained from Customer Journey Mapping. Environmental Health Project is at the final stage of Design Phase 1 (high level design), where the service's vision and high level objectives from implementing a new system has been captured. Projects around the Local Land and Property Gazetteers and Document Management Systems to follow, informed and impacted by the procurement decisions from the other projects - effective management of these links and dependencies continues.	Building Control - go-live slippage into Qtr 3 due to User Acceptance Testing (UAT) highlighting need for further design to manage data issues. Other service areas such as Planning and Enforcement remain in detailed design phase, which is in line with plan. Programme Manager now also taking into account wider transformational objectives for these and other regulatory services. Quarter 3 will see adjustments on the programme in line with these objectives.	Amber
Corporate Services	Design and delivery of digital customer access strategy including workplan and investment requirements	Viable digital route map enabling transformational initiatives	Draft digital strategy to be considered by EB early July, as part of wider transformation programme which will inform investment plans	Draft digital strategy considered at EB as planned, with direction of travel approved in principle. The proposed strategy and associated delivery plan will be presented to EB early in Qtr 3. Meanwhile, the Council has signed up to the Local Digital Declaration along with over 150+ local authorities. In association with this, a bid has been submitted to undertake a discovery project on the cultural aspects of digital transformation. Outcome of the bid anticipated to be early Qtr 3.	Amber
Corporate Services	Work with IT supplier to ensure IT services are resilient and in line with business needs	Measured through contract KPIs	Weekly IT Ops Board continues, alongside the newly created Service Improvement Group both forums are used to track issues. Priority 1 issues have reduced in recent months, however, project work is often impacted by slow responses by IT provider.	The status of the service remains unchanged since Qtr 1. Weekly IT Ops Board continues. Service Improvement Group meeting held in September. A measure of delivery in Qtr 3 will be the safe deployment of c100 devices as part of Brexit contingencies.	Amber
Corporate Services	Provide project management services to other Councils where capacity allows	Income generation through provision of services to others	2 commissions have been ongoing in Qtr 1. One has now been ended, due to the need to retain capacity in house to deliver against our own transformation plans	Single commission continued throughout Qtr 2, and will progress into Qtr 3. No new opportunities in the pipeline, and this hasn't been a proactive action for the service at this time.	Amber
Corporate Services	With Digital Design, review workstyle definitions for services to inform digital investment and workspace plan	Council use of space is optimised to be tracked via Workspace Plan, once approved	Workstyle review is in planning stage, and will be delivered in Qtr 2 to inform digital investment, digital delivery plans and accommodation needs	Scope of workstyle review defined as People (skills and culture), Process (how we operate in the workspace) and Technology (digital tools required to be effective). Bid submitted to Local Digital Fund to undertake discovery project on digital workforce and mindset shift. Remaining elements will be wrapped around this, should it be successful. Preparations for survey and local staff engagement in planning phase.	Amber
Corporate Services	Progress Legal Services review	Legal services being delivered differently and savings secured	Plans in place to relocate team to one location (Plaza) will be complete early in Q2. Meetings held with respect to lken usage and will ensure use for whole	New JDs being drafted and team structure being realigned. Ensure legal instruction form is used to initiate work. Further work required on legal support to corporate projects. Team	Amber

In addition, Q2 updates were not reported for 6 Business Plans