

Meeting Executive
Portfolio Area All
Date December 2022



CORPORATE PERFORMANCE QUARTER TWO 2022/23

KEY DECISION

Authors Ben Threadgold
Sally Norman
Charlie Smith
Suzanne Brightwell

Contributor Strategic Leadership Team

Lead Officer Matt Partridge | 2456

Contact Officer Richard Protheroe | 2938

1 PURPOSE

- 1.1 To highlight the Council's performance across key priorities and themes for quarter two 2022/23 and provide an update on the current strategic risks.
- 1.2 For Members information, a presentation will be provided at the Executive meeting which will cover updates in relation to delivery against FTFC Cooperative Corporate Plan Priorities and the key themes emerging from the quarter two performance data.

2 RECOMMENDATIONS

- 2.1 That the delivery of priorities which form the Future Town Future Council Programme (Appendix A) and service performance across the key themes for quarter two 2022/23 (Appendix B), be noted.
- 2.2 That the strategic risk updates be noted.

- 2.3 That the performance challenges in relation to housing voids, customer services and human resources are noted, and the planned measures to improve performance are endorsed.
- 2.4 That the Executive Action Tracker at Appendix D be noted.

3 INTRODUCTION

- 3.1 This report covers progress in quarter two against the Corporate Performance Suite that was agreed by the Executive in July 2022.
- 3.2 Many of the programmes and key performance measures are a continuation from previous years. As such, we continue to build on a strong programme of Future Town Future Council (FTFC) activity, and a predominantly positive performance base. For more information, please refer to the Quarter 4 Performance Report and the Annual Report (21/22) presented to the Executive in July 2022.
- 3.3 There are some areas where performance is not yet at the desired levels, specifically housing voids, customer service and human resources. Improvement Plans, which set out how officers are seeking to address the performance concerns, are in place and are regularly monitored. The plans are owned by the relevant service and overseen by the responsible Portfolio Holder. Performance Clinic sessions are also held on a quarterly basis at which progress against Improvement Plan is monitored, and further potential improvement activity is considered.
- 3.4 The Council continues to deliver a wide range of services in an increasingly challenging environment. The Russian invasion of Ukraine, the significant reductions in funding from central Government, the consequences of the Covid-19 pandemic, and the cost-of-living crisis have all put additional pressure on resident and Council budgets.
- 3.5 The increases in inflation, utility, materials and fuel costs have had an impact on service delivery. Industry and media reports indicate that this situation is likely to continue for some time. In response, work is being undertaken by the Council through the Stevenage Together Partnership and the Cost-of-Living Executive Member Working Group to formulate a clear plan for the Town and for the Council that seeks to mitigate the impact on residents, businesses, council services and council employees.
- 3.6 The Council is committed to the delivery of its priorities and its local services, to the benefit of local residents and businesses. This is challenging in a very competitive, employee-driven market and there is a risk that not being able to retain, attract and recruit the right people and skills at all levels could continue to impact on the Council's capacity to deliver all of its priorities as well as provide core services and implement new government legislation. The Council is continually reviewing its recruitment and retention approaches to strive to ensure it maintains the right capacity, skills, values and experience amongst staff at all levels.
- 3.7 In this context, the report that follows highlights some impacts on performance caused by the cumulative effect of these multiple challenges. However, it also demonstrates the continuing commitment of this Council to implementing clear action plans to address and improve performance where necessary.
- 3.8 As part of its corporate governance responsibilities, the Council will also undertake a review of its performance suite for 2023/24 to ensure ongoing data

assurance and robust performance management arrangements. This review is being overseen by the Portfolio Holder for Environment and Climate Change.

4 QUARTER TWO CORPORATE PERFORMANCE

- 4.1 A summary of progress against the FTFC Programme is attached at Appendix A. Key highlights are also summarised in sections 5-7 of this report under the key themes of Transformation and Support, Place and Customer. For further information on the aims and objectives of the FTFC programme in 2022/23 please refer to Appendix B of the Quarter One Corporate Performance Executive report: [Future Town Future Council Summary \(stevenage.gov.uk\)](https://www.stevenage.gov.uk)
- 4.2 In addition to tracking progress against the delivery of the FTFC Programme, performance across all Council services is monitored throughout the year to highlight achievements and identify areas for improvement.
- 4.3 Service performance is understood in the context of the Customer, Place and Transformation and Support themes. The Council’s Business Units are aligned with a theme, and each is focused on delivering the right services, to the right standards, at the right time for the town’s residents and businesses, using the most cost/resource effective delivery models.
- 4.4 The total number of measures by Red, Amber & Green (RAG) rating is shown in Figure 1 below. For the purposes of this report only commentary for Red Status measures is provided. The full set of current corporate performance measures results are attached at Appendix B.

Total number of measures reported	Meeting or exceeding target	Amber Status (Within a manageable tolerance)	Red Status (Urgent improvement action required)	Unavailable Data
63	34	7	14	8

Fig 1.

- 4.5 At the time of writing, there were eight indicators where performance could not be reported. Four indicators relate to housing voids and an explanation of the reasons why this data cannot be provided is in paragraph 7.4 below.
- 4.6 The other four indicators are reported in arrears via an external source. These relate to household waste collections (2) and community safety measures (2). As these measures are reported in arrears they won’t be presented as part of the report until the next quarter. This means that the measures for quarter 1 are included in the compendium for quarter 2 (Appendix B), and quarter 2 will be reported within quarter 3.

5 TRANSFORMATION AND SUPPORT THEME

Number of Measures Reported	Meeting or exceeding target	Amber Status (Within a manageable tolerance)	Red Status (Urgent improvement action required)	Unavailable Data
20	10	1	9	0

Fig 2.

5.1 The Transformation and Support Theme incorporates the following Business Units and Future Town Future Council Programmes:

- Corporate Services
- Digital and Transformation
- Finance and Estates
- Making Your Money Count FTFC Programme

5.2 Further information on the measures included in this theme can be found in Appendix B. Further detail on projects for Making Your Money Count can be found in Appendix A.

5.3 Highlights

5.3.1 Key Future Town Future Council (FTFC) highlights for Quarter Two include:

- Following the introduction of the Council’s commercial filming strategy in quarter one, a further three filming opportunities were secured generating £10,100 of income for the Council. Enquiries continue to be made and opportunities explored by the Council’s contractor Fame.
- The Council’s 21/22 financial outturn is still subject to audit and work is now underway focusing on the 2022/23 monitoring as well as the development of the 2023/24 budgets. An informal Executive session on the Medium-Term Financial Strategy (MTFS) took place which outlined potential areas for savings and increases to fees and charges. A report was presented to the September Executive meeting and work took place to inform the proposed saving options for quarter three.
- In line with plans agreed as part of the 2022/23 budget setting process, the transformation programme Phase 1 (Customer Services) is being progressed. Key changes will be introduced this financial year with the goal of improving the customer experience and delivering a budget saving. Highlights include:
 - the new Digital First phone messaging option went live this quarter
 - technical work has progressed on digital complaints and garage
- Further digital services are also due to launch in the second half of the year, this includes the “MyStevenage” online account; an online routine repairs reporting service; and the launch of digital lockers for key returns and pick-ups.
- Detailed analysis work is underway to support the design of a phase 2 of the Transformation programme which is due for implementation in 2023/24. The service delivery programme will focus on the creation of a “Customer Hub” focusing on Localities, Advice and Support, Income & Debt, and Lettings & Bookings.

5.3.2 Key service performance highlights for Quarter Two include:

- The percentage of customer satisfaction with the Customer Service Centre continued to improve from 85% in quarter one to 88% in quarter two.
- The number of apprentices in post showed a sustained improvement on last quarter and the Learning and Development team continue to have conversations with service managers to identify new apprentice opportunities

5.4 Areas for Service Improvement

TRANSFORMATION & SUPPORT		Actual - Quarter 2 2021/22 YTD	Actual - Quarter 3 2021/22 YTD	Actual - Quarter 4 2021/22 YTD	Actual - Quarter 1 2022/23 YTD	Actual - Quarter 2 2022/23 YTD	Target - Quarter 2 2022/23 (YTD)	Direction of travel since last quarter
CompHRA1: % of housing service customer complaints responded to within deadline	Customer Focus	Not collected			57.93%	69.91%	78.00%	
CSC12: Percentage of calls abandoned in the customer service centre	Customer Service Centre	35.10	33.80	35.50	39.80	32.10	15.00	
Dig1: % of digital customer transactions	Digital	20	19	23	24	25	30	
BV9: % of Council Tax collected	Finance & Estates	59.3	86.1	94.5	32.4	59.3	61	
EoCrec: Time to recruit (days)	Human Resources	47.60	40	41	45	60	45	
Pe2: % of Agency Work assignments exceeding 12 weeks	Human Resources	61.22	49.20	54.00	63.00	74.70	50.00	
Pe4a: Sickness Absence Rate for the Current Workforce (FTE)	Human Resources	7.03	9.17	10.63	11.07	10.54	8.00	

Fig. 3

CompHRA1: % of housing service customer complaints responded to within deadline

- 5.4.1 This measure narrowly remains red in quarter2 although performance improved by 11% compared to Quarter 1. Ongoing resourcing challenges and increased levels of complaints have contributed to performance falling below target, particularly in the area of Property Repairs. Weather related damage to fencing, guttering and roofing meant waiting times for these repairs has been longer than usual resulting in an increase in complaints for these trades.
- 5.4.2 An additional Complaints Officer is being recruited and will join the current Housing Strategic Complaints Management Team. The increased capacity will enable the team to work in collaboration with service areas to better understand complaints activity, including the identification of root causes to inform the Council's understanding of gaps in service and complaint trends.
- 5.4.3 Alongside recruitment activities, work is underway to reduce the volume of complaints received by the repairs service. This includes the mobilisation of new fencing and guttering programmes, and the embedding of new Repairs Supervisors who are responsible for ensuring repairs are undertaken in an efficient, timely and effective way. The launch of a new online reporting repairs service in early 2023 will also help to reduce the level of complaints received as Customers will be able to select their own repair appointment times in future. This programme of work is being monitored on a weekly basis by the Assistant Director (SDS) and Operations Director (Housing and Communities).

CSC12: Percentage of calls abandoned in the customer service centre

- 5.4.4 The call abandonment rate has improved by 7.70% in comparison to quarter one of this year. The key challenge for Customer Services remains the high turnover of advisors and the lack of suitable candidates for the roles, which has led to a resource gap and reduced skills / experience within the team. The related impact of this ongoing challenge is longer waiting times and a higher than acceptable level of abandoned calls.
- 5.4.5 Recruitment processes continue to evolve and the service conducts regular ongoing advertising to encourage candidates to express interest in vacancies. The pay scales for Customer Service Advisers have also been reviewed and it is hoped the increase to the starting salary will assist broader efforts to recruit and retain staff.
- 5.4.6 Advisors also continue to report that at times, calls can be particularly lengthy due to complex and multi-service enquiries. To help address this matter and ensure advisors can easily access service information, the Council are exploring the development and implementation of an online knowledge base for staff. This will complement the existing activity to develop an improved training and development approach for Customer Services. This is an ongoing piece of work which includes working with Service Managers across the organisation.

5.4.7 Dig1: % of digital / online customer transactions

Customer use of digital services has continued to increase in quarter 2, although not at the expected rate. Uptake reached a new peak of 29% in July but has subsequently declined following the end of Government Covid schemes, which required online applications to be completed. It is anticipated that uptake will

increase again with the rollout of the new online 'Digital First' services. This will give residents the option to report waste & recycling and environmental nuisances make complaints online, apply for a garage letting and request assisted waste collections. Moreover, in quarter 4 customers will be able to report and book routine repairs which should result in a further increase in digital activity.

BV9: % of Council Tax collected

5.4.8 Feedback received from the Shared Revenue and Benefits service indicates that the cost-of-living crisis is leading to an increase in payments being missed and requests for alternative payment arrangements. Customers are also moving from 10-month Direct Debits to 12 month Direct Debits to try and spread payments and lessen the impact.

EoCrec: Time to recruit (days)

5.4.9 The time to recruit new staff has taken longer this quarter for several reasons including having two internal candidates for one role where a later start date has been agreed and two external candidates with long notice periods. The Human Resources Team has also experienced delays in receiving responses to reference requests during August, which is a peak leave period. Nationally recruitment remains challenging for the public sector which has also impacted the Council's reliance on agency recruitment (para 5.4.10). The Human Resources team continue to try and get successful candidates into post in a timely manner to ensure effective service delivery.

Pe2: % of Agency Work assignments exceeding 12 weeks

5.4.10 74% of the agency workers in post have been in position longer than 12 weeks. The levels of agency use continues to reflect of the very challenging recruitment market nationally, with the UK having its highest levels of employment in 50 years. Agency workers are recruited to help maintain operational efficiency and fulfil roles where there are skills gap. The Senior Leadership Team continue to monitor recruitment activity and undertake analysis of hard to recruit to posts. There is also permanent recruitment activity underway for some key posts in order to seek to reduce extended agency usage. A breakdown of hard to recruit to posts by service area can be seen in Appendix C.

Pe4a: Sickness Absence Rate for the Current Workforce (FTE)

5.4.11 Sickness has reduced by 0.53 days compared with quarter one. However, the sickness absence rate is 2.43 days longer than it was 12 months ago. Absences are split 49% short term and 51% long term.

5.4.12 Covid absence accounted 252 days of the total during quarter two, with July recording the second highest level during the year. With Covid related sickness removed, the sickness rate would be 9.3 days per FTE the quarter. The increase in sickness absence levels during 2022 is also being experienced across other Hertfordshire local authorities.

5.4.13 The Council's HR Business Partners continue to work with Assistant Directors to support their teams. This includes the use of the Council's Employee Assistance Programme (EAP) and signposting to relevant agencies where

appropriate. Seasonal flu and Covid booster programmes are also widely promoted to staff and they are encouraged to take these up if they are eligible.

6 PLACE THEME

Number of Measures Reported	Meeting or exceeding target	Amber Status (Within a manageable tolerance)	Red Status (Urgent improvement action required)	Unavailable Data
28	19	3	4	2

Fig.4

6.1 The Place Theme incorporates the following Business Units and Future Town Future Council Programmes:

- Planning and Regulation
- Stevenage Direct Services
- Transforming Our Town FTFC Programme (Regeneration)
- More Social and Affordable Homes FTFC Programme (Housing Development)

6.2 Further information on measures included in this theme can be found in Appendix B and more detail on the projects for Transforming Our Town and More Social and Affordable Homes Programmes can be found in Appendix A.

6.3 Highlights

6.3.1 Key FTFC highlights for quarter two include:

- The Council is working closely with its partner Mace to seek to progress the development of Plot K (Former Police Station and Towers Garages) and Plot A (Swingate House) sites following their demolition. UK Power Network (UKPN) are currently undertaking works on Plot A relating to a substation diversion and these are due to be completed in quarter 3.
- The final stages of the hardscape and landscaping works have now been completed at the former bus station site. A soft launch event was held on 21 October followed by the official public launch on 28 October.
- The five new affordable homes on Stirling Close are due for handover shortly with internal works now completed.
- The Oaks Cross housing scheme is now completed. The 11 new one-bedroom bungalows represent a low carbon development and have minimal running costs for residents.

6.3.2 Key service performance highlights for quarter two include:

- 100% of communal areas within the Council's housing stock have a valid electrical certificate.
- Offers for garage lettings has continued to improve due to an eight percent increase in the number of void acceptances compared to quarter 1. This increase in acceptances is due to the focus on the maximisation of lettings following the recruitment of a new Garage Lettings Officer and weekly chasing of non-respondents.

6.4 Areas for Improvement

PLACE		Actual - Quarter 2 2021/22 YTD	Actual - Quarter 3 2021/22 YTD	Actual - Quarter 4 2021/22 YTD	Actual - Quarter 1 2022/23 YTD	Actual - Quarter 2 2022/23 YTD	Target - Quarter 2 2022/23 (YTD)	Direction of travel since last quarter
HDD1e: Number of affordable homes delivered by the Council (current quarter)	Housing Development	6.00	3.00	5.00	7.00	37.00	50.00	
VED1: Percentage of dwellings with a valid EICR Electrical Certificate	Investment	40.84%	48.54%	62.95%	87.85%	92.09%	100.00%	
BTC1a: New jobs created through Business Technology Centre	Planning & Regulation	16.00	20.00	35.00	6.00	7.00	36.00	
BTC1b: New business start-up in Business Technology Centre	Planning & Regulation	15.00	19.00	30.00	4.00	5.00	14.00	

Fig. 5

HDD1e: Number of affordable homes delivered by the Council (current quarter)

6.4.1 In quarter one and quarter two, 37 new affordable homes were delivered by the Council. Due to construction industry related delays, some development schemes have been impacted including the Symonds Green Helston House scheme, which will provide 29 units of affordable accommodation. This scheme is now forecast to be completed in 2023.

BTC1a New jobs created through Business Technology Centre and BTC1b: New business start-up in Business Technology Centre

6.4.2 The Business and Technology Centre (BTC) has again seen a high turnover in businesses during the last quarter, with existing business clients moving around the centre and some businesses moving out for financial reasons. The cost-of-living crisis is having an impact locally with some businesses choosing to make savings by switching to virtual working spaces instead.

6.4.3 Wenta, which manages and promotes the BTC, continues to work with local businesses and start-ups to assist them to access information and guidance on savings, skills and training programmes, accommodation, and business support. To help promote this service Wenta have increased their social media presence and updated their posts to reflect selling benefits to clients rather than just space. Wenta is also targeting brokers to help fill empty units, diversifying space and length of tenancy, and reviewing pricing incentives to encourage take up.

VED1: Percentage of dwellings with a valid EICR Electrical Certificate

6.4.4 Work continues at pace on domestic electrical inspections across the Council’s housing stock; with an improved position of over 92% compliance now secured. Officers are working with contractors and other internal teams to arrange access for some of the harder to access properties, which is delaying the completion of these tests. Subject to gaining access to the remaining properties, it is anticipated that all tests will be completed by the end of quarter three.

7 CUSTOMER THEME

Number of Measures Reported	Meeting or exceeding target	Amber Status (Within a manageable tolerance)	Red Status (urgent improvement action required)	Unavailable Data
15	5	3	1	6

Fig. 6

7.1 The Customer Theme incorporates the following Business Units and Future Town Future Council Programmes:

- Communities and Neighbourhoods
- Housing and Investment
- Co-operative Neighbourhoods FTFC Programme
- A Clean, Green, Safe and Thriving Town FTFC Programme

7.2 Further information on measures included in this theme can be found in Appendix B. Further detail on projects for Co-operative Neighbourhoods and

Clean, Green, Safe and Thriving Town Programmes can be found in Appendix A.

7.3 Highlights

7.3.1 Key FTFC highlights for quarter two include:

- Following a successful funding application to the Department for Levelling Up, Housing and Communities (DLUHC) Proptech Engagement Fund, officers have been engaging with residents on what areas they would like to see focussed on in their Neighbourhoods throughout quarter two. Visioning workshops with Members will begin in the new year to help identify tangible outcomes of the engagement work. This builds on previous engagement activities carried out in the last financial year as part of the Co-operative Neighbourhoods programme which helped identify residents' priorities in their local areas. This initial tranche of approximately 1,300 results is currently being analysed, and the consultation period has been extended into quarter three to capture more views
- The Stevenage Equalities Commission (SEC) has now concluded its themed meetings and the final report is being produced. This is anticipated to be presented to the Executive in quarter four
- Five Green Flag Awards were awarded and retained this quarter for Fairlands Valley Park (14 years), Town Centre Gardens (12 years), Hampson Park (8 years), Shephalbury Park (4 years) and Weston Road Cemetery (2 years)
- Since the Nightlight Crisis Café launched in quarter one, 264 visits have been recorded with a range of mental health outcomes, gathered following one to one (face to face) support intervention. The service continues to provide advice, emotional and practical support and to signpost or refer to other local sources of therapy or advice
- The Local Investment Plan (LIP) for the UK Shared Prosperity Fund (UKSPF) was submitted to Central Government. Upon approval this plan will provide for the continuation of European Social Fund local business and skills investment through to 2024/25
- £10k from the Environment Agency is being used to support daylighting works to Stevenage Brook. It is envisaged this work will open up the area and restore it to a more natural condition encouraging ecological vegetation and wildlife

7.3.2 Key service performance highlights for quarter two include:

- The number of households in temporary/emergency accommodation continued to reduce from 174 in quarter one to 163 in quarter two. Officers have been working hard to ensure that the supply of accommodation meets demand including taking swift action for serious breaches and non-occupation which led to a number of license terminations.
- Income officers are working closely with tenants to ensure they gain access to Central Government financial support where applicable. This enables tenants to continue to pay their rent and this has been evident this quarter with the rent collection rate achieving target.

7.4 Areas for improvement

CUSTOMERS		Actual - Quarter 2 2021/22 YTD	Actual - Quarter 3 2021/22 YTD	Actual - Quarter 4 2021/22 YTD	Actual - Quarter 1 2022/23 YTD	Actual - Quarter 2 2022/23 YTD	Target - Quarter 2 2022/23 (YTD)	Direction of travel since last quarter
Void Loss 1: Void loss in year (£)	Voids and Housing & Investment	£279,964	£419,701	£532,510	£174,371	£353,269	£194,520	
Void re-let measures (Various – See Appendix B)	Voids and Housing & Investment	Quarter 2 data not available (see para. 7.4.3)						

Fig. 10

Void Loss 1: Void loss in year (£) and Void Re-let Measures

7.4.1 The void loss target for quarter 2 has not been met. In response, and to ensure that void performance is tackled as a priority, the Council has established a Housing Improvement Board which meets on a fortnightly basis to review the factors contributing to void loss, and the wider void performance challenges. This includes:

- economic impacts on the increasing cost of goods and services required to bring void properties up to an acceptable letting standard
- shortfall of operatives to repair voids, and the recruitment and retention of specialist trades within the voids service
- the increasing number of void properties returned by tenants which require extensive repairs (Major Works).

7.4.2 To ensure the Housing Improvements Board has a clear understanding of issues, the Council is undertaking a review of the Voids end to end process with a specialist housing contractor. The review will seek to identify an optimised voids pathway from when a tenancy ends to when a tenancy starts. This work, which will complement the review being undertaken by the Community Select Committee, will include:

- reviewing the Lettable Standard,
- benchmarking with comparable housing stock providers to understand relative performance and identify examples of good practice,
- identifying reasons for refusals,
- providing early opportunities for applicants to view a property once it has been made safe,
- reviewing the programme of tenancy audits and pre-void inspections,
- ensuring robust arrangements for recharging unauthorised works in properties,
- minimising void repairs times

7.4.3 Integral to the forthcoming recommendations will be the work the Council is currently undertaking to map data input into Northgate as part of the voids pathway. To ensure reporting mechanisms and performance trends are reported accurately, and that the parameters for measuring performance are consistently applied, it will be necessary to pause the reporting of the four measures below until the void pathway work is complete:

- Voids Sheltered Major Works: The time taken to re-let major works sheltered voids
- Voids Sheltered: The time taken to re-let standard general needs voids
- Voids Sheltered General Needs: The time taken to re-let standard general needs voids
- Voids General Needs Major Works: The time taken to re-let major works general needs voids

7.4.4 To ensure that performance reporting of the four void measures is resumed as quickly as is possible, the Housing Improvement Board will implement void pathway recommendations as they are identified. Regular updates on progress of the work and service improvements will be provided to the Portfolio Holder through Improvement Plan reporting arrangements. Updates on progress of the work will also be provided as part of quarterly performance reporting to the Executive. The services will also continue to work closely with the Community Select Committee as part of the committees focus on the voids process for the municipal year 2022/23.

7.4.5 Underpinning the improvement activities mentioned will be the recruitment of an Empty Homes Co-ordinator who will oversee the end-to-end void process. The Co-ordinator will help drive performance by managing the complete voids pathway as the property moves between service areas and will work closely with suppliers to seek to provide good availability on product lines and stock.

8 STRATEGIC RISK

8.1 The risks as outlined in Table 1 below reflect the current strategic risks facing the Council. The risks were considered by Corporate Risk Group on 13 October 2022, agreed by the Senior Leadership Team on 19 October and noted by Audit Committee at its meeting on 9 November 2022.

8.2 A risk is a future event which has the potential to impact on the Council's ability to deliver services, projects and achieve its ambitions. Conversely an opportunity will enhance the Council's ability to achieve and effectively deliver, however, there are often risks inherent in pursuing opportunities. By being alert to and putting in place mechanisms to manage both the risks and opportunities effectively, the Council is in a better position to continue to deliver services, remain viable, continue to innovate and use resources more efficiently. Some risks will always exist and will never be eliminated.

8.3 Each risk is measured in terms of a combination of the likelihood of a perceived threat or the opportunity occurring and the magnitude of its impact on the Council's objectives. The table below outlines both the inherent and residual risk scores. Inherent risk is the risk present in any scenario where no attempts at mitigation have been made and no controls or other measures have been applied to reduce the risk from initial levels to levels more acceptable to the Council. Residual risk is the risk remaining after efforts have been made to reduce the inherent risk. The risks below all have mitigating actions which are being worked through and risks scores are reviewed quarterly to assess whether completion of actions has reduced the level of risk.

Table 1: Strategic Risks, Scores and Direction of Travel Risk	Inherent Risk Score	Residual Risk Score Q1	Residual Risk Score Q2	Direction of Travel since last quarter
General Fund Asset Management: If sufficient capital funding from land/asset sales is not received, there is a risk that there will be insufficient funding available to invest in the Council's non-housing property portfolio to ensure Council properties remain sustainable and fit for the future	20 Very High	12 High	12 High	
Building Management: In the event of failure to proactively maintain the Council's non-housing property portfolio there is a risk that required remedial work is not carried out in a timely way. This could lead to an increased health and safety risk for service users, buildings having to be taken out of use and increased repair costs	20 Very High	12 High	12 High	
Building Safety/Fire Safety Act: In the event of failure to meet the new requirements of the Building Safety/Fire Safety Act, there is a risk of enforcement action or fines	12 High		12 High	NEW FOR Q2
Capacity: The Council is committed to delivery of its priorities and its local services. If the Council fails to retain, attract and recruit the right people and right skills at all levels, there could be an impact on its capacity to deliver all of its priorities as well as provide core services and implement new government legislation	12 High	9 Medium	9 Medium	
Commercialisation: If the Council fails to achieve its commercial ambitions within desired timescales or at the scale hoped for, it will be unable to support the Council's financial security objectives	16 Very High	12 High	12 High	
Contract Management: A failure to ensure resilience, quality and best value are being provided by suppliers and contractors could have a negative impact on the performance of Council's services and achievement of priorities	16 Very High	9 Medium	9 Medium	

Table 1 continued: Strategic Risks, Scores and Direction of Travel Risk	Inherent Risk Score	Residual Risk Score Q1	Residual Risk Score Q2	Direction of Travel since last quarter
Council Housebuilding and Acquisitions Programme: The Council's housing programmes are now well established, providing benefits such as homes for social and affordable rent as well as private sale homes. The delivery of each scheme, and the delivery of homes through the Wholly Owned Company, creates a financial risk surrounding estimated build costs and projected sales income materialising as forecast, as well as risks in relation to the servicing of debt. This may create revenue pressures on the General Fund to meet the loan repayments to the Public Works Loan Board	20 Very High	12 High	12 High	
Covid-19/Flu/Pandemic: If COVID-19/flu or other illnesses this winter are significant and protracted, the Council's ability to maintain delivery of essential services and support the community could be severely impacted. There could also be an impact on the Council's finances due to loss of income and increased reliance on services.	20 Very High	12 High	12 High	
Fraud: As a result of the scale and scope of services delivered by and through the Council, there is a risk of fraud which could lead to service disruption, financial and reputational loss.	16 Very High	6 Medium	9 Medium	
IT Resilience and Cyber Security: Failure of ICT services as a result of a cyber-attack or IT resilience issues could cause significant service disruption, possible data loss and financial implications for the Council	25 Very High	12 High	12 High	
Health and Safety: In the event of failure to maintain adequate and effective safety management arrangements there is a risk of injury, illness and death to both service users and employees.	20 Very High	15 High	15 High	
Housing Revenue Account Business Plan: There is a risk that changes to legislation and new local authority responsibilities could negatively affect the medium to long term viability of the Housing Revenue Account Business Plan	20 Very High	12 High	12 High	
Information Governance: There is a risk that the loss, inappropriate acquisition or disclosure of sensitive personal or commercial data and/or breach of data subject rights (contrary to the requirements of the Data Protection Act 2018 and the General Data Protection Regulation) could negatively impact on the individual(s) affected and lead to significant financial implications for the Council	16 Very High	9 Medium	9 Medium	
Leisure Provision: There is a risk that external factors (including cost of living, Covid-19 pandemic, war in Ukraine etc) could impact the viability of leisure provision in Stevenage	16 Very High	12 High	12 High	

Table 1 continued: Strategic Risks, Scores and Direction of Travel Risk	Inherent Risk Score	Residual Risk Score Q1	Residual Risk Score Q2	Direction of Travel since last quarter
Making your Money Count: Due to the ongoing financial impact of Covid-19 and following years of funding reductions from central government, there is a risk that the Council does not have sufficient resources to fund its medium- and long-term service plans	20 Very High	16 Very High	16 Very High	
Regeneration Risk – Capital Funding Risk: In the event of insufficient capital funding, the Council would not be able to fulfil its obligations for the SG1 Regeneration Scheme and will also not be able to match fund the money received from the Towns Bid meaning priority improvements could not be delivered	12 High	8 Medium	8 Medium	
Regeneration Risk – Delay: As a result of delays due to possible shortages of construction materials, labour and other factors beyond the Council's control, there is a risk of construction projects associated with the regeneration programme taking longer to complete than anticipated which would affect the delivery of the overall Regeneration Programme	12 High	8 Medium	8 Medium	
Repairs and Maintenance: Due to current recruitment pressures, the backlog of repairs due to Covid-19, storms and the availability of materials as a result of the war in Ukraine, there is a risk that the repairs service will not be able to carry out repairs in a timely manner	16 Very High	12 High	12 High	
Social Housing Regulation Bill: In the event of failure to meet the new requirements of the Social Housing Regulation Bill, there is a risk of enforcement action or fines	12 High		12 High	NEW FOR Q2
Socio-Economic Impacts: As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, an economic downturn and a cost-of-living crisis, it is likely there will be a significant adverse effect within the community. This will cause increased complexity of needs which will increase demand on Council services which could lead to capacity issues in some areas, as well as reduced income for the Council and increased arrears.	20 Very High	12 High	12 High	
Transformation Programme: The Council is operating in a rapidly changing environment with increasing financial challenges which are expected to become more demanding in future years. There is a risk that due to capacity and other priorities, the Transformation Programme the Council is implementing may not meet its aims and ambitions to improve customer experience, increase workforce productivity and organisational resilience, whilst also meeting financial security targets	16 Very High	8 Medium	8 Medium	

8.4 The Social Housing Regulation Bill and Building Safety Act risk is a new risk which was approved in Quarter 1. It reflects the risk that failure to meet the new

requirements could lead to enforcement action and the potential for unlimited fines.

8.4.1 When scoping this risk, it was suggested that this risk should be split into two separate risks as they have different timescales, scope, action plans and regulators. This was agreed by Corporate Risk Group and SLT. It was also agreed that the new Fire Safety Act should also be added to the Building Safety Act risk. Two new risks have therefore been added to the SRR this quarter, as follows:

- **Building Safety Act and Fire Safety Act** – In the event of failure to comply with the new requirements of both the Building Safety Act and Fire Safety Act, there is a risk of enforcement action against Stevenage Borough Council or fines for non-compliance.
- **Social Housing Regulation Bill** – In the event of failure to meet the new requirements of the Social Housing Regulation Bill, there is a risk of enforcement action against Stevenage Borough Council or fines for non-compliance.

8.4.2 Both of these risks have been scored as high risks.

8.4.3 Mitigation has already begun for these two risks. There is a Building and Fire Safety Action Plan which is currently being implemented and is on track. There is also an action plan to meet the requirements of the Social Housing Regulation Bill.

Capacity Risk

8.5 As previously noted and reported there are currently a significant number of vacancies across a range of services, which is impacting on service delivery. The local position reflects the national trend of recruitment and retention challenges, with unemployment currently at an all-time low. Despite ongoing attempts to recruit using a multitude of approaches, there are challenges in recruiting to some key posts. Key areas to highlight are as follows:

- Vacancies in Asset Management and Estates which are being supported by agency staff where they can be sourced.
- Vacancies within Finance and IT which are affecting performance in these areas. Agency staff support is being sought where appropriate.
- There are significant challenges in recruiting to Repairs Operatives and Customer Services. Again, agency staff are being engaged to support where suitably experienced and qualified cover is available.
- Vacancies in the Customer Services Centre continue to affect performance

8.5.1 As highlighted above agency staff are being sought / engaged to help cover vacancies however it should be noted that the availability of agency staff is also an issue in some areas of the Council's operations.

8.5.2 The Human Resources team are working with a recruitment marketing expert to provide ongoing support to review adverts and the approach taken to fill some of the more difficult to recruit to posts. Human Resources are also continuing to work with managers to support them to agree the best way to advertise their

roles. SLT are monitoring recruitment activity and undertaking analysis of hard to recruit posts and reviewing the proposed approaches.

- 8.5.3 Corporate Risk Group and SLT will review whether the above activity has helped to improve the situation next quarter. This risk may need to be escalated to a High risk for Quarter Three if the current situation continues.

Covid-19/Flu/Pandemic Risk

- 8.6 At Corporate Risk Group, it was suggested that the Covid-19 risk could be widened to include other illnesses, due to the increased levels of Covid and flu expected this winter and the impact this could have on the Council's capacity to deliver services. The Senior Leadership Team agreed for the title and focus of this risk to be amended to reflect this.

Fraud Risk

- 8.7 It was agreed by the Senior Leadership Team that the likelihood score for the Fraud risk be increased from 2 to 3 this quarter due to the increased likelihood of fraud as a result of the cost-of-living crisis. This however does not change the overall risk level which remains at Medium.

Building Management Risk

- 8.8 The Corporate Landlord function remains of particular interest to Corporate Risk Group, and a separate meeting is being held to fully understand the steps to implement the new Corporate Landlord operating model. This includes a specific focus on how it will help to meet compliance requirements such as fire risk assessments across the estate.

Strategic Risk Register

- 8.9 For further information regarding action being taken in relation to the Council's current risks please see the Quarter Two Strategic Risk Register which as a Part II item can be provided as a Background Document upon request.

9 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 9.1 The information presented in this report is collated from the information provided to monitor delivery of the Future Town, Future Council Programme and corporate performance for the quarter. It aims to give Executive an overview of the achievements the Council has made for the year to date, with a focus on the previous quarter and identifies plans for continued improvements in some areas to ensure the Council is fit for the future.
- 9.2 The Senior Leadership Team and Service Managers have been consulted to determine the appropriate content and to identify the key achievements.

10 IMPLICATIONS

10.1 Financial Implications

- 10.1.1 There are no direct financial implications from the recommendations contained in this report. However, officers responsible for delivering the

priorities over the coming year and implementing any improvement activity set out within this report will need to identify and consider any resulting financial implications.

10.2 Legal Implications

10.2.1 There are no direct legal implications from the recommendations contained in this report. However, officers responsible for delivering the priorities over the coming year and implementing any improvement activity set out within this report will need to identify and consider any resulting legal implications.

10.3 Equalities and Diversity Implications

10.3.1 There are no direct equality, diversity and inclusion implications arising from this report, although examples are given in the Annual Report 2021/22 where positive action has been taken to advance equality, diversity and inclusion across our workforce and the community. Where necessary, Equality Impact Assessments will be completed for programmes, projects, service changes and improvement activity identified.

10.4 Risk Implications

10.4.1 There are no direct significant risks to the Council in agreeing the recommendation(s). However, officers responsible for delivering the priorities over the coming year and implementing any improvement activity set out within this report will need to consider any risk implications that arise.

10.4.2 The Council has an embedded approach to risk management that mitigates any adverse effect on delivery of the Council's objectives and internal control processes and also provides good governance assurance.

10.5 Other Corporate implications

10.5.1 Implementing the priorities and improvement activity outlined in this report may impact on the development of future policy or procedure.

11 BACKGROUND DOCUMENTS

- [Strategic Risk Register \(Part II\)](#)
- [FTFC Plan on a Page](#)
- [FTFC Programme Performance for Quarter 1 22/23](#)

12 APPENDICES

- Appendix A: FTFC Programme Performance for Quarter Two 22/23
- Appendix B: Compendium of Performance Results Quarter Two 22/23
- Appendix C: Hard to Recruit Posts by Service Area
- Appendix D: Executive Action Tracker