

**REPORT TO:** SHAREHOLDER SUB COMMITTEE

**DATE:** 15 JANUARY 2019

**TITLE:** PERFORMANCE AND BALANCED SCORECARD REPORTS

**LEAD OFFICER:** ANDREW MURRAY, HEAD OF HOUSING  
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**RECOMMENDED that:**

- A** The Sub Committee acknowledges the performance and financial position set out in paragraphs 4 to 10 as follows:
- (i) HTS (Property and Environment) Ltd achieved 100 per cent success rate for October and November 2018 against the suite of major and minor Key Performance Indicators (KPI's) that govern the contract.
  - (ii) An outturn of retained profit totalling £485,000 to 30 November 2018.

**BACKGROUND**

1. This report sets out the operation and financial performance of HTS (Property and Environment) Ltd (HTS) as at 30 November 2018. A performance report for December 2018 will also be tabled at the meeting.
2. HTS's performance is reported to Cabinet quarterly, as part of the wider Joint Financial Performance Report (JFPR) detailing the delivery of corporate priorities.
3. HTS was established to deliver repairs and environmental maintenance services previously carried out by Kier Harlow Ltd. In setting up a Local Authority Trading Company (LATC) the Council has created a business that can generate income for the Council, trade externally and deliver core services to a high standard.

**SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE**

4. The Business Plan and revised Balanced Scorecard targets, outlining priorities for delivery, were approved in July 2018. HTS's Balanced Scorecard

Objectives are outlined in Appendix A, together with a report on Council Directors activity in appendices C to D. A performance summary to November 2018 indicates operational, financial, business growth and culture performance are at 100 per cent with objectives projected to be on target. In addition, there are no underperforming KPI's reported in October and November 2018. Detailed performance information is presented monthly to the Joint Performance Review Meeting (JPRM) and at the individual Portfolio Holder meetings.

5. Notable highlights reported by HTS over the current three month period are:
  - a) Gas Servicing remains at 100 per cent since the contract inception
  - b) Complaints trend continues to reduce
  - c) Compliance with Landscape Maintenance requirements
  - d) Empty full and overflowing litter and dual use bins
  - e) Routine cleaning of streets
  - f) Abandoned calls
  - g) Repairs carried out within 20 days were above target the last three months
  - h) Graffiti/fly posting removal.
6. HTS continues without the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) achieving "0" Accident Incident Rate (AIR) at the end of November 2018.
7. The controllable budgets assigned to HTS are managed within an existing Annual Service Charge (ASC) payment uplifted annually for inflation. The ASC is forecasted to £17,472,000 in 2018/19.
8. In addition, the Services Agreement allows the Council to award Housing Capital Works on a year by year basis annually to this value up to 2021/22. This year's allocation, together with the approved carryovers from 2017/18, total £7,704,152. The current projected outcome reported for 2018/19 amounts to £5,429,371 with a carryover expected of £2,412,368. The Council has invited HTS to submit new Business Cases for potentially three new projects associated with the "Council House Building" Programme.
9. The Committee noted that Cabinet had approved the provision of a loan of up to £1.4 million to support the set up costs of HTS. The loan was to cover

normal business start-up costs and to ensure that state aid rules were not breached. The loan outstanding amounts to £760,000 with interest payments of £3,000 per month being paid to the Council.

10. Current progress and financial forward forecasting for HTS is outlined in the updated Shareholder statement which is outlined in Appendix B. A review of trading indicates a projected retained profit being forecasted for 2018/19 of £824,000.

## **IMPLICATIONS**

### **Place (includes Sustainability)**

None specific.

Author: **Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

### **Finance (Includes ICT)**

As set out in the report.

Author: **Simon Freeman, Head of Finance and Deputy to the Managing Director**

### **Housing**

As outlined in the report.

Author: **Andrew Murray, Head of Housing**

### **Community Wellbeing (includes Equalities and Social Inclusion)**

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

### **Governance (includes HR)**

None specific.

Author: **Simon Hill, Head of Governance**

## **Appendices**

Appendix A - HTS Balanced Scorecard - Objectives

Appendix B – Summary of Management Accounts November 2018

Appendix C – Director Input (Councillor Bob Davies)

Appendix D – Director Input (Councillor Chris Vince)

Appendix E – Director Input (Councillor Simon Carter)

## **Background Papers**

Major KPI's October and November 2018

Balanced ScoreCard

## **Glossary of terms/abbreviations used**

AIR - Accident, Incident Rate

ASC - Annual Service Charge

HTS – HTS (Property and Environment) Ltd

KPI's - Key Performance Indicators

JFPR - Joint Financial Performance Report

JPRM - Joint Performance Review Meeting

LATC - Local Authority Trading Company

RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences  
Regulations