

PERFORMANCE REPORT – OCTOBER TO DECEMBER 2019

To: Commercial and Investments Committee

Meeting Date: 20th March 2020

From: Director of Business Improvement and Development

Electoral division(s): All

Forward Plan ref: N/a **Key decision:** No

Purpose: To provide Commercial and Investments Committee with the Key Performance Indicators and the Risk Register associated with the delivery of the Commercial Strategy 2019-2021

Recommendation: To note and comment on the performance information and risk register.

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Daniel Sage	Name:	Cllr Joshua Schumann
Post:	Commercial Transformation Manager	Post:	Chair
Email:	Daniel.Sage@Cambridgeshire.gov.uk	Email:	Joshua.Schumann@Cambridgeshire.gov.uk
Tel:	01223 703565	Tel:	01223 706398

1. OVERVIEW

- 1.1. This paper provides the Key Performance Indicators (KPIs) for October to December 2019, which are linked to the activity and ambitions outlined in the Commercial Strategy.
- 1.2. In addition, in October 2019, this Committee agreed that a Risk Register would be produced highlighting the associated risks of delivering the Commercial Strategy.

2. KEY PERFORMANCE INDICATORS

- 2.1. The KPI dashboard has been updated to reflect the workshop undertaken with Members in January.
- 2.2. The dashboard (**Appendix 1**) being used to report these KPIs has been agreed by the General Purposes Committee (GPC) and is the template being used by all Committees across the organisation.
- 2.3. The following RAG statuses are being used:
 - Red – current performance is 10% or more from target
 - Amber – current performance is off target by less than 10%
 - Green – current performance is on target or better by up to 5%
 - Blue – current performance is better than target by 5% or more
- 2.4. A new KPI has been developed to allow for comparison of our range of commercial investments. This will help to inform decisions on the future asset classes we may wish to invest in, or which we may wish to reduce our exposure to.
- 2.5. The 6% target for our investments is currently not being met. Whilst we are seeking to achieve maximum return from our investments, this is balanced with a responsible approach to risk and a diversified investment portfolio.
- 2.6. Brunswick House is currently underperforming against expected income levels. However, this has primarily been due to a new competitor entering the market with an aggressive pricing strategy. Early indications suggest this will not have an impact on revenues next year. Officers met with the housing agent and plans are being considered to how the risk of such variations can be reduced in the future. That said, the investment is still performing favourably (4.5% against a 4.8% expected return).
- 2.7. Whilst not affecting income, a unit at Cromwell Business Park remains vacant. Officers are looking into opportunities to fill this space either commercially or through a social value led venture and commercial marketing is currently taking place with interested parties.

3. RISK REGISTER

- 3.1. The role of this Committee is to monitor and challenge the adequacy of the Council's risk management framework and the associated control environment.
- 3.2. A Risk Register has been produced (**Appendix 2**) identifying the risk, triggers and controls in place for the activities relating to the delivery of the Commercial Strategy.

- 3.3. The Risk Register identifies two key risks in failing to deliver the Commercial Strategy:
- Failure to deliver the financial income anticipated within the budget and business plan
 - Due to reputational damage, our stakeholders no longer want to engage or do business with us
- 3.4. These risks have scored nine (amber) and four (green) for finance and reputation respectively.
- 3.5. There are adequate controls in place to manage these risks, however these risks cannot be completely mitigated and the risk of delivering the financial returns anticipated are subject to some factors that are outside of our control (such as a slowdown in the economy or changes to legislation that affect the way local authorities can invest).
- 3.6. Similarly, some risk relating to reputational damage cannot be completely controlled as it is not possible to have complete confidence on a business's ability to operate in a responsible and ethical way.
- 3.7. Officers will be producing an Investment Management Plan that profiles the risks, market influences and forthcoming opportunities. This will allow for more informed investment planning and decision making, and will help to identify and put in place measures to reduce risks.
- 3.8. It is intended these risks will be presented to this Committee quarterly along with the report outlining the KPIs.

4. ALIGNMENT WITH CORPORATE PRIORITIES

- 4.1. The KPIs have been developed to inform the performance of activity against the objectives of the Commercial Strategy, which includes creating commercial returns to support the delivery of crucial frontline services, which drives positive impacts on all three Corporate Priorities.
- A good quality of life for everyone
 - Thriving places for people to live
 - The best start for Cambridgeshire's children

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The data that informs the KPIs are provided by Officers from finance, commercial, procurement and property. The report is generated by Business Intelligence. It is not anticipated that there will be any significant resource implications with providing these KPIs.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

5.4 Equality and Diversity Implications

There are no significant implications within this category.

5.5 Engagement and Communications Implications

There are no significant implications within this category

5.6 Localism and Local Member Involvement

Members of the C&I Committee will be involved in reviewing the KPIs, setting targets and managing the Risk Register.

It is not envisaged that reporting the KPIs or Risk Register will have any direct impact in a particular locality. However, the delivery of the strategy may have a direct impact, and where this is reflected and noted within the KPIs or Risk Register, Local Members will be notified.

5.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	N/A
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	N/A
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	N/A
Have the equality and diversity implications been cleared?	N/A
Have any engagement and communication implications been cleared by Communications?	N/A
Have any localism and Local Member involvement issues been cleared?	N/A
Have any Public Health implications been cleared by Public Health?	N/A

Source Documents	Location