

EAST HERTS COUNCIL

EXECUTIVE – 8 APRIL 2014

REPORT BY THE LEADER OF THE COUNCIL

MONTHLY CORPORATE HEALTHCHECK – FEBRUARY 2014

WARD (S) AFFECTED: All

Purpose/Summary of Report:




- To set out an exception report on finance and performance monitoring for East Herts Council for February 2014.



<u>RECOMMENDATIONS FOR EXECUTIVE:</u> that	
(A)	the budgetary variances set out in paragraph 2.1 of the report be noted; and
(B)	the following capital programme changes identified at paragraph 2.21 be approved.
	<ul style="list-style-type: none">• Hartham Swimming Pool - request that £11,340 for emergency repairs be brought back from the schemes 2014/15 budget.• Hertford Theatre Seating refurbishment now scheduled for August 2014 - Request for scheme slippage of £109,400 to 2014/15.• Pishiobury Park Wetland Habitat – land swap delayed – request for slippage of £12,180 to 2014/15.• Town centre Environmental Enhancements – Slippage in schemes due to enable other projects to progress - £66,250 to 2014/15.• Various ICT works to be slipped to 2014/15 as agreed by ITSG - £252,960.• Bircherley Green MSCP – Major refurbishment – Slippage to 2014/15 pending agreement to transfer car park.

1.0 Background

- 1.1 This is the monthly finance and performance monitoring report for the council.
- 1.2 Each month the report will contain a breakdown of the following information by each corporate priority where remedial action is needed:
- Salary, Capital and Revenue variance.
 - Performance information (based on the performance indicator suite that is reported on a monthly basis and where relevant quarterly data).
- 1.3 **Essential Reference Paper ‘B’** shows the full set of performance indicators that are reported on a monthly basis.
Essential Reference Paper ‘C’ shows summarised information on salary costs.
Essential Reference Paper ‘D’ shows detailed information on the capital programme.
Essential Reference Paper ‘E’ shows explanations of variances on the Revenue Budget reported in previous months.

The codes used in relation to performance indicator monitoring are as follows:

Status	
	This PI is 6% or more off target.
	This PI is 1-5% off target.
	This PI is on target.

Short Term Trends	
	The value of this PI has changed in the short term.
	The value of this PI has not changed in the short term.

2.0 Report – Directorate Position

REVENUE FINANCIAL SUMMARY

- 2.1 The financial aspects of this report are based on budgetary information from April 2013 to February 2014.

	Position as at 28.02.14				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(1) People						
New Homes Bonus Grant	20	0	0	0	20	0
Collection Fund Balance	55	0	0	0	55	0
Hillcrest Hostel Rent Income	0	30	3	0	0	30
Environmental Action Grants	32	0	0	0	22	0
Land Charge Income	63	0	7	0	52	0
Staff salaries (Essential Reference Paper 'C').	0	162	0	57	0	100
Customer Services – security	5	0	0	0	5	0
Revenues and Benefits Services - Recovery Of Summons Costs	0	0	0	0	0	25

(1) People (cont.)						
Revenues and Benefits Service – Prosecution costs	14	0	14	0	0	9
Welfare Reform	58	0	64	0	60	0
(2) Place						
Hertford Theatre - Income	170	0	21	0	56	0
Hertford Theatre - Equipment	0	7	0	7	0	10
Community Safety	12	0	0	2	12	0
Green Waste Collection	42	0	3	0	43	0
Recycling – Contributions from Other Authorities	0	273	35	0	175	0
Domestic Refuse – Contract costs	176	0	10	142	11	0
Maintenance of Recycling Banks	8	0	1	0	8	0
Commercial and Clinical Waste Collection	0	2	61	0	0	3
Clinical Waste income	18	0	34	0	17	0
Street Cleansing	39	0	0	1	30	0
Grounds Maintenance(Net)	0	27	0	18	0	23

2) Place (continued)

Parks and Open Spaces	59	0	59	0	36	0
Grounds Maintenance Income	0	36	0	36	0	23
Playground Inspection	10	0	0	0	14	0
Kerbside Dry Recyc. Collection	0	4	2	0	5	0
Textiles Bank (Net)	0	30	0	34	0	14
Trade Waste income	31	0	151	0	32	0
Trade Waste Collection contract	0	13	2	0	0	12
Environ Protection Parish Litter	0	1	0	0	0	1
Paper Bank Income	0	21	0	4	0	15
Dry Recycling	0	257	0	17	0	73
Animal Services and pest Control	8	0	0	0	9	0
Pest Control Income	0	5	0	3	0	5
Pitch Maintenance	0	1	0	1	3	0
Grounds Maintenance – Churchyards	4	0	4	0	3	0
Leisure Services Income	0	129	0	265	0	19
Development Plans Service – LDF	55	0	5	0	30	0
Upkeep budget not required for 2013/14.						

2) Place (continued)

Repayment of Housing Grant	21	0	12	0	9	0
Prevention of Repossession	9	0	1	0	10	0
Houses in Multiple Occupation	9	0	1	0	10	0
Priority Spend	0	30	0	0	180	0
Neighbourhood Services – increased License fees and income	40	0	40	0	35	0
Environmental Pollution (Net)	29	0	29	0	25	0

(3) Prosperity

Development Management income	556	0	0	11	496	0
Pre Application Advice Income	31	0	2	0	33	0
Development Management Cost of Appeals	0	67	0	10	0	160
Building Control Income	10	0	10	0	8	0
Building Control travel expenses	0	4	0	4	0	4
Pay and Display Car Park Income	0	136	21	0	0	144
Investment Interest	0	65	0	25	0	196
Car Park Enforcement Contract.	210	0	0	3	99	0
Supermarket Reimbursement.	198	0	0	0	46	0

(3) Prosperity (Cont.)

Parking Repairs & Maintenance.	0	17	0	0	0	10
Parking – PCN Income.	0	74	0	10	0	75
Parking - Gascogne Way – car washing.	0	7	0	1	0	8
Parking – Bishop Stortford Season tickets.	26	0	13	0	9	0
Customer Services & Parking	10	0	0	6	0	4
Public Conveniences – Cleaning Contract.	7	0	0	0	5	0
Housing Options – Government Grant	0	0	0	0	50	0
Supplies and Services Base Budget reduction	38	0	0	0	38	0
Shared Audit Service	34	0	0	29	9	0
Corporate Consultancy	24	0	24	0	24	0
Asset Management – Reduction in Non Domestic Rates costs for council assets.	76	0	76	0	76	0
Asset Management – Professional Fees	0	26	0	26	0	36
Markets - Income	0	18	1	0	0	15

TOTAL:	2,294	1,442	553	712	1,860	1,005
Net Projected Variance - Favourable						855
Planning Contingency Projected Underspend						443
Total Favourable Variance						1,298

- 2.2 Subject to all other budgets being equal, this would result in an underspend of £855,000.
- 2.3 A forecast under spend of £200k for the Domestic Refuse Collection contract has not been included in the table at 2.1. In line with the business case for SPARC (Separate paper and Recycling Collections) the identified underspend will be applied to finance the 2013/14 revenue costs of the scheme.
- 2.4 A summarised salaries monitoring report for the period April to February 2014 is attached to this report in **Essential Reference Paper C**. An unfavorable variance of approximately £161,739 has been identified comparing actual salary costs for the reporting period with the profiled budget. The forecast outturn for 2013/14 is expected to result in an adverse variance of £100,860. This is a slight reduction on the prior period forecast outturn (£96,900).

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.5 Welfare Reform budget – the council tax recovery project has been delayed pending the arrangement suitable accommodation for staff dealing with Confidential data. It is likely that the £60,000 budget will slip into 2014/15 to facilitate the project.

Performance analysis

- 2.6 The following indicators were 'Green', meaning that the targets were either met or exceeded for February 2014. They were:
- EHPI 129 – Response time to anti social behaviour (ASB) complaints made to East Herts Council.
 - EHPI 181 – Time taken to process Housing Benefit new claims and change events.

Please refer to **Essential Reference Paper 'B'** for full details.

Place

Financial analysis

- 2.7 The original 2013/14 budget included a planning contingency sum of

£591k, which allows for unforeseen events to be funded in-year. Currently there is a balance of £443k which if not required during the year will result in an additional favourable variance over and above the £855,000 reported for the period. These budgets are for one-off areas of spend. No permanent service growth has been identified for the service costs detailed below for inclusion in the 2014/15 base budget.

	£000	Comment
Planning Contingency budget at the start of the financial year	591	
Less Committed Budget:	25	New Recycling Initiative
	40	Housing Needs Survey. Due to project slippage a request has been received to carry over the budget to 2014/15.
	24	Human Resources Post
	15	Review of Carpark Management Systems
	20	Resources to support the development of the Council's Investment Strategy
	0	Community Safety Partnership team cost of moving to Hertford Police Station. Recruitment process started March 2014. Post built into 2014/15 base budget. Budget no longer required for 2013/14
	12	Corporate ICT training. Agreed 21.01.2014.
	12	Social Enterprise Business Case – consultancy costs.
Planning Contingency still to be utilised	443	

2.8 The following contingency commitments have been identified and

agreed by Executive for the 2014/15 budget:

£000	Comment
30	Carpark Consultation and signage
52	Carpark Pay and Display Policy: Enforcement Contract re evening Enforcement
13	Procurement Team Resources
14	Information Analysis 6 month contract.

- 2.9 SPARC Scheme – Recycling credits for diversion from landfill continues to be a difficult budget to forecast. Current predictions are for an overachievement of income of £158,000.

Performance analysis

- 2.10 **EHPI 157c – Processing of planning applications: Other applications.** Performance was ‘Red’ for February 2014 and shows a downward trend when performance is compared to the previous month. 89 out of 107 applications were determined on time. The 18 applications that were determined outside the timeframe were due to a number of reasons, the main ones being a) the need for amended plans and b) the requirement of further information in order to secure a satisfactory outcome and efficient use of resources. Also six of these applications were also referred to Development Management Committee.
- 2.11 **EHPI 157b – Processing of planning applications: Minor applications.** Performance was ‘Amber’ for February 2014 and shows a downward trend when performance is compared to the previous month. 25 out of 33 minor applications were determined on time. The eight applications that were determined outside the timeframe were due to the cases being referred to Development Management Committee.
- 2.12 **EHPI 191 – Residual household waste per household.** Waste levels for February 2014 are below last years and although the 2013/14 outturn will be above the original expectancy it will still be some 4kgs per household below last year’s position.
- 2.13 **EHPI 192 – Percentage of household waste sent for reuse, recycling and composting.** Although the dry recycling collected

through the comingled service was higher in February 2014 than last there was a greater drop in the amount of material composted. Nonetheless the year to date performance is a percentage point above the same period last year.

2.14 The following indicators were 'Green', meaning that the targets were either met or exceeded for February 2014. They were:

- EHPI 157a – Processing of planning applications: Major applications
- EHPI 2.1d – Planning Enforcement: Initial Site Inspections
- EHPI 2.1e – Planning Enforcement: Service of formal notices
- EHPI 2.2 – Missed waste collections per 100,000 collections of household waste
- EHPI 2.4 – Fly-tips: Removal

2.15 However despite meeting the target for February 2014 the following indicators show a declining trend when performance is compared to the previous month:

- EHPI 157a – Processing of planning applications: Major applications
- EHPI 2.4 – Fly-tips: Removal

Please refer to **Essential Reference Paper 'B'** for full details.

Prosperity

Financial analysis

2.16 There continues to be increased planning activity within the District resulting in forecast additional income taking into account increased appeals activity of £689,000.

2.17 The costs associated with Treasury management advice in relation to the setting up of a Property Fund will be delayed until 2014/15. The estimated cost is £12,000.

Performance analysis

2.18 **EHPI 12c – Total number of sickness absence days per FTE staff in post.** Performance was 'Red' for February 2014 however this is an improved position when performance is compared to the previous month, as the total number of sickness absence days per FTE staff

has declined from 0.93 days to 0.65 days.

2.19 The following indicators were 'Green', meaning that targets were either met or exceeded for February 2014. They were:

- EHPI 6.8 – Turnaround of pre NTO PCN challenges.
- EHPI 6.9 – Turnaround of NTO Representations.
- EHPI 8 – % of invoices paid on time.

Please refer to **Essential Reference Paper 'B'** for full details.

CAPITAL FINANCIAL SUMMARY

2.20 The table below sets out expenditure to 28 February 2014 against the Capital Programme. The Executive are invited to consider the overall position. **Essential Reference paper 'D'** contains details of the 2013/14 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

	Column 1	Column 2	Column 3	Column 4	Column 5
Summary	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual Commit to date	2013/14 Projected spend	Variance Col 4 – Col 2
	£'000	£'000	£'000	£'000	£'000
People	2,315	1,197	942	1,144	(53)
Place	730	2,831	2,569	2,575	(256)
Prosperity	1,648	1,398	616	997	(401)
Re-profiling potential slippage	(250)	0	0	0	0
Total	4,443	5,426	4,127	4,716	(710)

2.21 The Executive is asked to approve:

- Hartham Swimming Pool - request that £11,340 for emergency repairs be brought back from the schemes 2014/15 budget.
- Hertford Theatre – Seating refurbishment now scheduled for August 2014. Request for scheme slippage of £109,400 to

2014/15.

- Pishiobury Park Wetland Habitat – land swap delayed – request for slippage of £12,180 to 2014/15.
- Town centre Environmental Enhancements – Slippage in schemes due to enable other projects to progress - £66,250 to 2014/15.
- Various ICT works to be slipped to 2014/15 as agreed by ITSG - £252,960.
- Bircherley Green MSCP – Major refurbishment – Slippage to 2014/15 pending agreement to transfer car park.

3.0 Implications/Consultation

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers:

2012/13 Estimates and Future Targets Report, Essential Reference Paper B – For complete list of performance indicators that are being monitored for 2013/14.

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=119&MId=1792&Ver=4>

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