

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 29 NOVEMBER 2011

CORPORATE HEALTHCHECK – SEPTEMBER 2011

REPORT BY THE LEADER OF THE COUNCIL

WARD (S) AFFECTED: All

Purpose/Summary of Report:

To set out an exception report on the finance and performance monitoring for East Herts Council for September/Quarter 2 2011.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY COMMITTEE that:</u>	
	the budget variances and performance are scrutinised, and Executive be informed of any recommendations.

1.0 Background

1.1 This is a performance report relevant to the Corporate Business Scrutiny Committee terms of reference covering the period for September/Quarter 2 2011.

1.2 The report contains a breakdown of the following information by each Corporate Priority:




- An overview of performance, in particular where there have been issues and remedial actions taken during the period. Should members want more detailed information on a specific month, they should refer to that month's Executive Corporate Healthcheck report available on the Council website.
- The indicators where data is collected monthly, with performance for September 2011 presented in detail (the most up to date available) with previous months summarised in a trend chart.
- The indicators where data is collected quarterly, with performance for Quarter 2 presented in detail (the most up to date available) with previous quarters summarised in a trend chart.



- Salary, Capital and Revenue variance.

1.3 All Councillors have access to Covalent (the Councils performance management system), should they wish to interrogate the full range of performance indicators. The Performance Team is able to provide support and training on using the Covalent system if required.

1.4 **Essential Reference Paper ‘B’** shows the full set of performance indicators that are reported on a monthly and quarterly basis.
Essential Reference Paper ‘C’ shows detailed information on salaries.
Essential Reference Paper ‘D’ shows detailed information capital.
Essential Reference Paper ‘E1 – E2’ 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 2011 to September 2011.

	Position as at 30.09.11				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) Promoting prosperity & well being; providing access & opportunities						
Concessionary Fares	19	0	0	0	19	0
Taxi Licensing income	0	7	1	0	0	8
Hillcrest Rental income	15	0	0	0	40	0

	Position as at 30.09.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(2) Fit for purpose						
Turnover	0	291	0	35	0	542
Print/Desk Top Publishing	0	27	0	5	0	53
Hartham Land Sale	50	0	0	0	50	0
Office Moves	0	29	0	8	0	29
Investment Income	0	100	0	35	0	200
Insurance	0	0	0	0	80	0
Corporate Training	22	0	0	0	25	0
IT Licences	0	66	0	0	105	0
Legal Fees income	0	0	0	0	100	0

	Position as at 30.09.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(3) Pride in East Herts						
Parking Enforcement Cont	94	0	0	0	30	0
Pay and Display machines	0	0	0	0	0	17
Car Parks legal fees	0	6	1	0	0	10
Car Parks advertising	6	0	1	0	0	15
CCTV Contributions	10	0	3	0	0	13
Recycling Materials Handling	23	0	7	0	40	0
Waste Contract (various bud)	0	0	0	0	125	0
Hydro Electric plant	6	0	3	0	0	11
Bulky waste collection income	0	7	0	1	0	11
Waste Contract	100	0	0	0	100	0
Kerbside dry recycling income	0	159	0	5	0	140
Recycling banks maintenance	0	2	0	1	8	0
Textile Banks	0	6	0	0	0	6
Car Park ticket advertising	0	1	0	0	0	2
Elm Road car park income	0	4	0	1	0	5
Trade Waste	14	0	15	0	5	0
Grange Paddocks Security	0	0	0	0	0	1
Kerbside Dry Recycling Exp	80	0	0	0	0	15
Trade Waste sacks income	0	2	0	0	0	3
Leaf Clearance	0	0	0	0	0	23

	Position as at 30.09.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(4) Shaping now, shaping the future						
New Homes Bonus Grant	293	0	0	122	293	0
Discharge of Conditions	17	0	0	0	12	0
(5) Leading the way, working Together						
Member's Allowances	27	0	0	3	47	0
TOTAL:	776	707	31	216	1,079	1,104
Net Projected Variance						25
Supported by supplementary estimates						
Car Park Pay and Display Machines						17
Total Supplementary Estimates						17

- 2.2 Subject to all other budgets being equal, this would result in an overspend of £25k.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected over spend of £542k.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

Promoting Prosperity and well-being, providing access and opportunities

Financial analysis

- 2.4 The Local Services Support grant of £50k was identified in April as a windfall sum. In fact this had been budgeted under a different income shown as a contribution towards rent deposits to alleviate homelessness.
- 2.5 The occupancy rate at Hillcrest Hostel is now consistently higher generating circa £40k more rental income.

Performance analysis

- 2.6 There are no performance indicators in this priority that are off target for this Scrutiny committee.

Fit for purpose

Financial analysis

- 2.7 The re-tendering of the Insurance contract has resulted in a saving of £80k.
- 2.8 There will be a saving of £25k on the Corporate Training budget.
- 2.9 A review of the IT Licences budget has identified savings of £105k.
- 2.10 The Council is due circa £100k as a result of illegal asset recovery action regarding airport car parking.

Performance analysis

- 2.11 **EHPI 5.1 - % of complaints resolved in 14 days or less.** Performance was 'Red' for the second quarter of 2011/12. 21 complaints were resolved during this quarter with 14 responded to within 10 working days. There were 14 complaints dealt with at Stage one; 10 within ten working days. 7 Stage two complaints were dealt with; 4 within ten working days.
- 2.12 **EHPI 5.2b - % of complaints about the Council and its services that are upheld: 2nd stage – appeal.** Performance was 'Red' for the second quarter of 2011/12. 7 complaints were dealt with in this quarter with only two being upheld.
- 2.13 **EHPI 12b - No. of long-term sickness absence days per FTE staff in post.** Performance was 'Red' for September 2011. Long-term absences did not meet the Council standard for absences this month, management has reviewed all cases.
- 2.14 The following indicators were 'Green', meaning that the target was either met or exceeded for September/Quarter 2 2011:
- EHPI 12a - No. of short-term sickness absence days per FTE staff in post.
 - EHPI 12c - Total number of sickness absence days per FTE staff in post.
 - EHPI 5.2a - % of complaints about the Council and its services that are upheld: 1st stage.
 - EHPI 5.4 - % of complaints to the Local Government Ombudsman that are upheld.
 - EHPI 7.35 – Commitment compared to profile (This indicator measures effectiveness of forecasting expenditure. The budget covers areas such as maintenance and repair of all East Herts operational and non operational properties).
 - EHPI 8 - % of invoices paid on time.
 - NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.

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

Pride in East Herts

Financial analysis

- 2.15 There will be a saving of circa £30k on the Parking Enforcement contract as a result of a re-tendering process.
- 2.16 The Kerbside Dry Recycling expenditure budget is anticipated to overspend by £15k due to increased transport costs for mixed cans and plastics.
- 2.17 Income from the sale of Trade Waste sacks is expected to be £3k less due to reduced business.
- 2.18 The Medium Term Financial Plan put to Council in February made no provision for the autumn leaf clearance programme from 2011/12. This work is undertaken as part of the Waste Collection contract. At the Council meeting in February which amended the MTFP there was a discrepancy between the cash sum requested and approved (£14k) to continue with leaf clearance for this year only and the level of work which many Members appear to have anticipated could be undertaken within this sum. To maintain leaf clearance at the same level as for 2010/11 which it is understood was Members expectations requires an additional £23,300 which is shown in the health check as an adverse variance.

Performance analysis

- 2.19 There are no performance indicators in this priority that are off target for this Scrutiny committee.

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

Shaping now, shaping the future

Financial analysis

- 2.20 There are no new financial issues this month regarding this priority.

Performance analysis

- 2.21 **NI 157b - Processing of planning applications: Minor applications.** Performance was 'Amber' for September 2011. 6 decisions out of 30 were made outside of the timescale. Although

performance is slightly below the monthly target the indicator is still on track to achieve the annual target with the cumulative position at 82%.

- 2.22 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Amber' for September 2011. 12 decisions out of 132 were made outside of the timescale. Although performance is slightly below the monthly target the indicator is still on track to achieve the annual target with the cumulative position at 93%.

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

Leading the way, working together

Financial analysis

- 2.23 There are no new financial issues in June regarding this priority.

Performance analysis

- 2.24 **EHPI 3b - Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 2. Quarter 2 shows normal seasonal increase on from the previous Quarter, although down against target. Leisure Services and Everyone Active are investigating what appears to be inconsistent 2010/11 Quarter 1 and Quarter 2 throughput figures.
- 2.25 **EHPI 3c - Usage: number of swims (60 year old +).** Performance was 'Red' for Quarter 2. Quarter 2 throughput shows normal seasonal increase on from the previous Quarter. The trend shows an increase on 2009/10 Quarter 2 and only slight decrease on 2010/11 Quarter 2 figures. The service expected a short fall against target as target is affected by throughput figures relating to previous government funded free swims for this age group.

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

CAPITAL FINANCIAL SUMMARY

2.26 The table below sets out expenditure to 30 September 2011 against the Capital Programme. Members are invited to consider the overall position. **Essential Reference paper D** contains details of the 2011/12 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

SUMMARY	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual Commit to date	2011/12 Projected spend	Variance Col 4 - Col 2
	£	£	£	£	£
Promoting Prosperity	2,144,940	2,906,060	1,178,514	2,856,560	(49,500)
Fit for Purpose	1,385,550	2,083,970	1,596,849	2,101,570	17,600
Pride in East Herts	2,326,200	1,994,790	291,570	1,964,460	(30,330)
Shaping now	380,500	512,600	22,398	340,500	(172,100)
Leading the Way	0	0	0	0	0
Re-profiling potential Slippage	(750,000)	(750,000)		(750,000)	0
TOTAL	<u>5,487,190</u>	<u>6,747,420</u>	<u>3,089,331</u>	<u>6,513,090</u>	<u>(234,330)</u>

2.27 The Executive is asked to support a request to re-profile £40k of The Bourne, Ware Play Area Development Programme capital budget from 2011/12 into 2012/13 as this will be subject to a Non-Key Decision to be considered in early November which will consider a revised project. If successful this project will slip to allow utilisation of external funding.

2.28 The Executive is asked to support a request to re-profile £165k of the Castle Weir Micro Hydro Scheme from 2011/12 into 2012/13. Subject to ongoing negotiations with the Environment Agency who have advised that the project may not proceed until the summer of 2012. A review of the business case is being prepared for the Executive.

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:

Corporate Healthcheck content for 2010/11 and update on the national indicator set, Essential Reference Paper C – For complete list performance indicators that are being monitored for 2010/11.

Contact Member: Councillor Michael Tindale – Executive member of Resources and Internal Support

Contact Officer:

In terms of performance issues

Lorna Georgiou, Performance and improvement Coordinator – ext 2244

Karl Chui, Performance Officer – ext 2243

In terms of financial issues

Mick O'Connor, Principal Accountant – ext 2054

Essential Reference Papers

Essential Reference Paper B – Performance Indicator set relating to Corporate Business Scrutiny.

Essential Reference Paper C – Detailed information on Salaries

Essential Reference Paper D - Detailed information on capital.

Essential Reference Paper E-1 –E-2 - Explanations of variances on the Revenue Budget reported in previous months.

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improving standards of the built neighbourhood and environmental management in our towns and villages.</i></p> <p>Shaping now, shaping the future <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>Performance monitoring discussions have taken place between, Chief Executive, Directors and Heads of Service.</p>
<p>Legal:</p>	<p>There are no legal implications.</p>
<p>Financial:</p>	<p>There are no financial implications.</p>
<p>Human Resource:</p>	<p>There are no Human Resource implications.</p>
<p>Risk Management:</p>	<p>There are no Risk implications.</p>