

EAST HERTS COUNCIL

EXECUTIVE – 6 DECEMBER 2011

REPORT BY THE LEADER

MONTHLY CORPORATE HEALTHCHECK – OCTOBER 2011

WARD (S) AFFECTED: All

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Purpose/Summary of Report:

- To set out an exception report on the finance and performance monitoring for East Herts Council for October 2011.

<b>RECOMMENDATIONS FOR EXECUTIVE: that</b>	
(A)	<b>the budgetary variances set out in paragraph 2.1 of the report be noted;</b>
(B)	<b>£12,800 of the Automated Telling Machines capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.28 of the report submitted;</b>
(C)	<b>£30k of the Hertford Theatre roof covering capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.30 of the report submitted;</b>
(D)	<b>£57,800 be vired from the Disabled Facilities Grants Discretionary and £71,700 of the Decent Homes Grants capital budget to the Disabled Facilities Grants budget, in accordance with Financial Regulations 4.5.6, as detailed at paragraph 2.31 of the report submitted;</b>
(E)	<b>£40k of the Bourne Play Area Development capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.32 of the report submitted;</b>
(F)	<b>£53,050 of the Apton Road Car Park resurfacing and lining capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.33 of the report submitted;</b>

(G)	£36k of the Grange Paddocks pay and display machine and £3k of the Grange Paddocks tariff board/signs capital budgets be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.34 of the report submitted;
(H)	£165k of the Hertford Theatre Micro Hydro Scheme capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.35 of the report submitted;
<b>RECOMMENDATIONS FOR COUNCIL:</b>	
(I)	a supplementary capital estimate of £38,900 for the Voice Recognition telephony system be approved, in accordance with Financial Regulations 4.62(c), as detailed at paragraph 2.26 of the report submitted;
(J)	a supplementary capital estimate of £44,100 for professional fees associated with the Wallfields refurbishment be approved, in accordance with Financial Regulations 4.62(c) as detailed at paragraph 2.27 of the report submitted; and
(K)	a supplementary capital estimate of £15,000 to replace the dosing equipment at Fanshawe Pool be approved, in accordance with Financial Regulations 4.62(c) as detailed at paragraph 2.29 of the report submitted.

## 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 also the Directorate's position in respect to payment of invoices and sickness absence.

1.3 **Essential Reference Paper 'B'** shows the full set of performance indicators that are reported on a monthly/quarterly basis.  
**Essential Reference Paper 'C'** shows detailed information on




salaries.



**Essential Reference Paper 'D'** shows detailed information capital programme.

**Essential Reference Paper 'E'** shows explanations of variances on the Revenue Budget reported in previous months.

**Essential Reference Paper 'F'** shows a Summary of Executive actions made within the financial year.

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 October 2011.

	Position as at 31.10.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(1) Promoting prosperity &amp; well being; providing access &amp; opportunities</b>						
Concessionary Fares	19	0	0	0	19	0
Taxi Licensing income	0	3	4	0	0	8
Hillcrest Rental income	24	0	9	0	40	0
Environmental Pollution	17	0	0	0	10	0
Housing Grants	0	13	0	0	0	9
Renovation Grants	16	0	0	0	20	0
Emergency Planning	0	27	0	0	0	20

	Position as at 31.10.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(2) Fit for purpose</b>						
Turnover	0	342	0	51	0	468
Print/Desk Top Publishing	0	31	0	4	0	53
Hartham Land Sale	50	0	0	0	50	0
Office Moves	0	38	0	9	0	55
Investment Income	0	190	0	90	0	325
Insurance	0	0	0	0	80	0
Corporate Training	25	0	3	0	25	0
IT Licences	0	57	9	0	105	0
Legal Fees income	0	0	0	0	100	0

	Position as at 31.10.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(3) Pride in East Herts</b>						
Parking Enforcement Cont	98	0	4	0	30	0
Pay and Display machines	0	0	0	0	0	17
Car Parks legal fees	0	6	0	0	0	10
Car Parks advertising	7	0	1	0	0	15
CCTV Contributions	4	0	0	6	0	13
Recycling Materials Handling	23	0	0	0	40	0
Waste Contract (various bud)	0	0	0	0	125	0
Hydro Electric plant	1	0	0	5	0	11
Bulky waste collection income	0	9	0	2	0	11
Waste Contract	150	0	50	0	150	0
Kerbside dry recycling income	0	154	5	0	0	155
Recycling banks maintenance	3	0	5	0	8	0
Textile Banks	0	6	0	0	0	7
Car Park ticket advertising	0	1	0	0	0	2
Elm Road car park income	0	5	0	1	0	5
Trade Waste	4	0	0	10	0	1
Grange Paddocks Security	0	0	0	0	0	1

	Position as at 31.10.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Kerbside Dry Recycling Exp	0	19	0	99	0	28
Trade Waste sacks Income	0	3	0	1	0	2
Leaf Clearance	0	0	0	0	0	23
Street Cleansing	99	0	0	0	13	0
<b>(4) Shaping now, shaping the future</b>						
New Homes Bonus Grant	207	0	0	86	207	0
Discharge of Conditions	17	0	0	0	17	0
Development Control income	0	59	0	0	0	75
Dev Cont Pre App advice	15	0	0	0	8	0
Local Dev Framework	45	0	0	0	28	0
Planning Appeals	0	36	0	0	0	81

	Position as at 31.10.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(5) Leading the way, working Together</b>						
Member's Allowances	32	0	5	0	47	0
Audit Fees	75	0	0	0	25	0
<b>TOTAL:</b>	931	999	95	364	1,147	1,395
<b>Net Projected Variance</b>						248
<b>Supported by supplementary estimates</b>						
Car Park Pay and Display Machines						17
<b>Total Supplementary Estimates</b>						17



- 2.2 Subject to all other budgets being equal, this would result in an overspend of £248k.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected overspend of £468k.

## **FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS**

### **Promoting Prosperity and well-being, providing access and opportunities**

#### **Financial analysis**

- 2.4 Various savings totalling £10k have been identified across supplies and services due to changing circumstances within the Environmental Pollution cost centre.
- 2.5 The Housing Grants budget will overspend by £9k as only half a year's funding was provided in the original budget.
- 2.6 Windfall sums of £20k have been received as a consequence of repayments of Renovation Grants previously awarded.
- 2.7 Costs associated with dealing with Travellers such as Bailiffs and Hertfordshire Constabulary fees are expected to over spend the Emergency Planning budget by £20k.

#### **Performance analysis**

- 2.6 There are no new performance issues this month regarding this priority.
- 2.7 The following indicator was 'Green', meaning that the target was either met or exceeded for October 2011:
- EHPI129 - Response time to anti social behaviour (ASB) complaints made to East Herts Council.

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

### **Fit for purpose**

#### **Financial analysis**

2.8 There are no new financial issues this month regarding this priority.

### **Performance analysis**

2.9 **NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** Performance was 'Red' for October 2011. Performance slipped this month due to higher case loads, cumulative position for the year is 12.12 days.

2.10 The following indicators were 'Green', meaning that the targets were either met or exceeded for October 2011:

- EHPI 12c - Total number of sickness absence days per FTE staff in post.
- 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.

### **Pride in East Herts**

#### **Financial analysis**

2.11 There is currently an under spend on Street Cleansing due to shared services savings and lower costs of transition. However, there is also a possible under spend of £13k due to less ad-hoc work needed this year. This subject to weather conditions for the remainder of the year.

#### **Performance analysis**

2.12 **NI 191 – Residual household waste per household.** Although waste arisings were slightly above the average so far this year, the expectations for the year should be achieved.

2.13 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Not all performance data is available. The figure is a conservative estimate.

2.14 The following indicator was 'Green', meaning that the target was either met or exceeded for October 2011:

- EHPI 2.4 – Fly-tips: Removal

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

## **Shaping now, shaping the future**

### **Financial analysis**

- 2.15 Development Control income is falling and a shortfall of £75k is anticipated. The volume of work is being maintained, but only low value activity.
- 2.16 Applicants are seeking advice for planning in greater numbers and as a consequence will generate an additional £8k of pre application income.
- 2.17 There will be an under spend on the Local Development Framework budget of £60k as the next major stage in the LDF preparation process will be in 2012/13. This sum will slip and be added to Reserves. Therefore, there will be a neutral effect on the outturn at year end.
- 2.18 Additional costs associated with the Bishop's Stortford schools planning appeal coupled with further Planning issues will add a further £81k to the expected expenditure.

### **Performance analysis**

- 2.19 **NI 157a - Processing of planning applications: Major applications.** Performance was 'Red' for October 2011. Target not achieved, 2 out of 5 decisions were over the performance timescale. One of these was as a result of a legal agreement following from a committee decision of May 2011. The other followed the deferral of a matter from an earlier meeting of the committee.
- 2.20 **NI 157b - Processing of planning applications: Minor applications.** Performance was 'Red' for October 2011. Target not achieved. Of the decisions outside of the performance timescale (total six) three were matters that were referred to the committee. In an eight week timescale this will almost always automatically ensure that the target is difficult to achieve (because of the committee timetable and report lead in times). The three remaining fell outside of the performance timescale because of discussions with applicants to seek further information or improvements to schemes.
- 2.21 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Amber' for October 2011. 85 out of

95 applications were determined on time.

2.22 The following indicator was 'Green', meaning that target was either being met or exceeded for October 2011. It is:

- EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.

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

### Leading the way, working together

#### Financial analysis

2.23 External Audit fees are likely to be £25k less due to no longer having to pay the Audit Commission coupled with a rebate from them. Plus the standard audit fee from Grant Thornton is less than budgeted for.

#### Performance analysis

2.24 There are no performance indicators that are being monitored on a monthly basis for this priority.

### CAPITAL FINANCIAL SUMMARY

2.25 The table below sets out expenditure to 31 October 2011 against the Capital Programme. CMT 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	1,483,701	2,907,960	1,900
Fit for Purpose	1,385,550	2,054,970	1,667,155	2,084,610	29,640
Pride in East Herts	2,326,200	1,994,790	460,649	1,711,640	(283,150)
Shaping now	380,500	512,600	24,868	340,500	(172,100)
Leading the Way	0	0	0	0	0
Re-profiling potential Slippage	(750,000)	(750,000)			750,000
<b>TOTAL</b>	<b><u>5,487,190</u></b>	<b><u>6,718,420</u></b>	<b><u>3,636,373</u></b>	<b><u>7,044,710</u></b>	<b><u>326,290</u></b>

- 2.26 The Executive is asked to support a request to Council to request a supplementary capital estimate of £38,900 for the Voice Recognition telephony project.
- 2.27 The Executive is asked to support a request to Council for a supplementary estimate of £44,100 for fees associated with the Wallfields refurbishment.
- 2.28 The Executive is asked to support a request to re-profile £12,800 of the Automated Telling Machines budget from 2011/12 into 2012/13 due to insufficient IT resources.
- 2.29 The dosing equipment at Fanshawe Pool has broken down and has to be carried out by hand and a PID is being produced by Facilities Management and is expected to cost £15k.
- 2.30 The Executive is asked to support a request to re-profile £30k of the Hertford Theatre renew roof covering budget from 2011/12 into 2012/13 as works will not start until after the pantomime season.
- 2.31 Executive approval is sought to vire £57,800 of the Disabled Facilities Grants Discretionary budget and £71,700 of the Decent Homes Grants to the Disabled Facilities Grants budget to help meet the high demand for mandatory DFG.
- 2.32 The Executive is asked to support a request to re-profile £40k of the Bourne Play Area Development Programme budget from 2011/12 into 2012/13 to allow utilisation of external funding.
- 2.33 The Executive is requested to support a request to re-profile £53,050 of the Apton Road car park resurfacing and lining budget from 2011/12 into 2012/13 due to unforeseen knotweed problems. Work is due to start after Christmas and is weather dependent.
- 2.34 The Executive is asked to support a request to re-profile £36K of the Grange Paddocks pay and display machine budget and £3k of the Grange Paddocks tariff board/signs budget from 2011/12 into 2012/13. This budget had been brought forward from 2012/13 to enable the purchase of machines in late 2011, with the introduction of charges from April 2012. However, as at October 2011 a Member decision was taken not to implement until the summer of 2012.
- 2.35 The Executive is asked to support a request to re-profile £165k of the

Hertford Theatre Micro Hydro Scheme budget from 2011/12 into 2012/13 as the project is subject to ongoing negotiations with the Environment Agency who advise the project may not proceed until summer 2012. A review of the business case is being prepared for 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:

2010/11 Estimates and future targets report, Essential Reference Paper B –  
For complete list of performance indicators that are being monitored for 2011/12

#### Contact Officer:

##### In terms of performance issues

Lorna Georgiou, Performance and improvement Coordinator – ext 2244

##### In terms of financial issues

Mick O'Connor, Principal Accountant – ext 2054

##### In terms of risk issues

Graham Mully, Insurance Officer – ext 2166

## ESSENTIAL REFERENCE PAPER 'A'

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