

EAST HERTS COUNCIL

EXECUTIVE – 6 MARCH 2012

MONTHLY CORPORATE HEALTHCHECK – JANUARY 2012

REPORT BY THE LEADER OF THE COUNCIL

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 January 2012.

<b><u>RECOMMENDATION FOR EXECUTIVE: that</u></b>	
<b>(A)</b>	<b>the budgetary variances set out in paragraph 2.1 of the report be noted;</b>
<b>(B)</b>	<b>£317,900 of the Bircherley Green multi storey car park capital budget be re-profiled from 2011/12 into 2012/13;</b>
<b>(C)</b>	<b>£50,000 of the Hertford Theatre Renew Roof Covering capital budget be re-profiled from 2011/12 into 2012/13;</b>
<b>(D)</b>	<b>£92,100 of the Footbridge over the River Stort capital budget be re-profiled from 2011/12 into 2012/13;</b>
<b>(E)</b>	<b>£16,500 of the North Drive (reconstruct road and drainage) capital budget be re-profiled from 2011/12 into 2012/13;</b>
<b>(F)</b>	<b>£45,000 of the Energy Efficiency and Carbon Reduction Measures capital budget be re-profiled from 2011/12 into 2012/13; and</b>
<b>(G)</b>	<b>action taken to control strategic risks during the period October 2011 to January 2012, be noted.</b>




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.  
**Essential Reference Paper 'G'** shows the strategic risk register.

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 January 2012.

	Position as at 31.01.12				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	0	1	0	0	8
Hillcrest Rental income	42	0	4	0	50	0
Environmental Pollution	81	0	24	0	12	0
Housing Grants	0	9	0	0	0	9
Renovation Grants	20	0	0	0	20	0
Emergency Planning	0	20	2	0	0	20
Transport/ Bus Subsidy	14	0	0	0	9	0
Animal Control	6	0	1	0	3	0
Pest Control	7	0	1	0	3	0

	Position as at 31.01.12				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	444	0	54	0	403
Print/Desk Top Publishing	0	44	0	4	0	53
Hartham Land Sale	50	0	0	0	50	0
Office Moves	0	52	0	0	0	55
Investment Income	0	270	0	25	0	325
Insurance	0	0	0	0	80	0
Corporate Training	35	0	2	0	25	0
IT Licences	44	0	29	0	105	0
Legal Fees income	143	0	0	4	134	0

	Position as at 31.01.12				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	188	0	1	0	0	0
Pay and Display machines	0	0	0	0	0	16
Car Parks legal fees	0	3	1	0	0	6
Car Parks advertising	11	0	1	0	0	6
CCTV Contributions	0	36	0	23	0	9
Recycling Materials Handling	33	0	0	0	40	0
Waste Contract (various bud)	0	0	0	0	125	0
Hydro Electric plant	0	8	0	0	0	11
Bulky waste collection income	0	11	0	0	0	15
Waste Contract	200	0	0	0	200	0
Kerbside dry recycling income	0	173	0	13	0	155
Recycling banks maintenance	6	0	1	0	8	0
Textile Banks	0	3	0	1	0	6
Car Park ticket advertising	0	2	0	0	0	2
Elm Road car park income	0	5	0	0	0	5
Trade Waste	44	0	0	19	4	0
Grange Paddocks Security	0	0	0	0	0	1

	Position as at 31.01.12				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	23	0	99	0	28
Trade Waste sacks Income	0	4	0	0	0	5
Leaf Clearance	0	0	0	0	0	23
Street Cleansing	123	0	0	60	17	0
Recycling Misc Income	6	0	0	0	8	0
Dog Waste Bins	5	0	0	0	5	0
Clinical Waste	14	0	3	0	10	0
Domestic Refuse Collection	71	0	0	0	15	0
Refuse Transport subsidy	0	8	0	0	0	8
Penalty Charge Notices	5	0	0	0	10	0
Recycling contributions	0	0	0	0	101	0
Advertising Refuse	3	0	0	0	2	0
Other Recycling Banks	0	21	0	0	0	8

	Position as at 31.01.12				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>(4) Shaping now, shaping the future</b>						
New Homes Bonus Grant	317	0	0	98	317	0
Discharge of Conditions	19	0	0	1	20	0
Development Control income	0	67	0	11	0	80
Dev Cont Pre App advice	20	0	2	0	20	0
Local Dev Framework	110	0	11	0	88	0
Planning Appeals	0	78	13	0	0	81
Building Control income	0	72	0	11	0	50
<b>(5) Leading the way, working Together</b>						
Member's Allowances	54	0	6	0	45	0
Audit Fees	79	0	14	0	25	0
<b>TOTAL:</b>	<b>1,769</b>	<b>1,353</b>	<b>117</b>	<b>423</b>	<b>1,570</b>	<b>1,388</b>

	Position as at 31.01.12				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>Net Projected Variance</b>					182	
<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 underspend of £182k.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected overspend of £403k.

## **FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS**

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

#### **Financial analysis**

- 2.4 The Hostel is usually full therefore generating £50k of extra income.

#### **Performance analysis**

- 2.5 The following indicator was 'Green', meaning that target was either being met or exceeded for January 2012. It is:
- 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**

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

#### **Performance analysis**

- 2.7 **NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** Performance is 'Red' for January 2012. Performance has declined from previous month due to higher number of claims. The cumulative position is at 11.87 days.
- 2.8 **EHPI 12c - Total number of sickness absence days per FTE staff in post.** Performance is 'Red' for January 2012. Sickness absence levels did not meet the target due to an increase in short term sickness absences. The cumulative position for the year is at 4.82

days which is still within the annual target of 7.50 days.

- 2.9 **EHPI 8 – % of invoices paid on time.** Performance was 'Red' for January 2012. Management has taken action to ensure that future invoices are paid on time
- 2.10 The following indicators were 'Green', meaning that target were either being met or exceeded for January 2012. They are:
- EHPI 6.8 - Turnaround of pre NTO PCN challenges.
  - EHPI 6.9 – Turnaround of NTO Representations.

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

## **Pride in East Herts**

### **Financial analysis**

- 2.11 There will be a further £15k underspend on the Domestic Refuse Collection contract in addition to the shared savings detailed previously. This is due in part to fewer paid collections.
- 2.12 The Transport subsidy for the Refuse Collection service will show an adverse £8k variance.
- 2.13 Income from car park penalty charge notices is anticipated to be £10k more than the estimate.
- 2.14 The latest estimate of income from Herts County Council for the Alternative Financial Model and Transport is showing a favourable £101k over the original estimate.
- 2.15 There will be a small underspend on Trade and Domestic Refuse advertising costs of £2k.
- 2.16 Budgets relating to the glass, cans, newspaper and plastic bring scheme banks show a net £8k adverse variance, primarily due to the economic downturn.

### **Performance analysis**

- 2.17 **NI 191 – Residual household waste per household.** Waste collected rose this month due to the usual post Christmas increase. Outturn anticipated at 475kgs, which is above service expectations.

2.18 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** January 2012 performance data is not available during the writing of this report. The data will be made available in the February Executive healthcheck report.

2.19 The following indicator was 'Green', meaning that the target was either met or exceeded for January 2012:

- EHPI 2.4 – Fly-tips: Removal

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

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

#### **Financial analysis**

2.20 No payments against the proportion of the New Homes Bonus Grant allocated for spending against Council Priorities are anticipated before 31 March 2012. Allowing for the payments now made to Parish and Town Councils a favourable variance of £317k is projected for the year.

2.21 Development Control income is expected to be £80k adverse as the number of applications continues to be lower than expected.

2.22 Building Control income is expected to be £50k less than forecast as the number of applications has fallen in December and January.

#### **Performance analysis**

2.23 **NI 157a - Processing of planning applications: Major applications.** Performance was 'Red' for January 2012. Target not achieved, one major application decision was made in the month. This application required the completion of a legal agreement. Negotiations on the agreement extended beyond the decision timescale.

2.24 **NI 157b - Processing of planning applications: Minor applications.** Performance was 'Red' for January 2012. Target not achieved, 9 out of a total of 30 decisions were made beyond the target timescale. Five of these were as a result of the requirement for committee decisions which extended the timescale. A further decision was made by the committee following the referral of the matter at

Member request. One decision was the subject of a legal agreement with protracted negotiations. Delays in the two remaining cases arose as a result of (in one) consideration by English Heritage of the listing of the property and (in the second) by the incorrect identification of the application site by the applicant.

2.25 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Amber' for January 2012. Target was not achieved, a total of 115 decisions were made, 103 of which were within the target timescale. Of the 12 that were beyond the target timescale 6 required a committee decision to be made.

2.26 The following indicator was 'Green', meaning that target was either being met or exceeded for January 2012. 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**

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

#### **Performance analysis**

2.28 There are no performance indicators monitored on a monthly basis for this priority.

### **CAPITAL FINANCIAL SUMMARY**

2.29 The table below sets out expenditure to 31 January 2012 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	2,816,060	1,769,828	2,739,410	(76,650)
Fit for Purpose	1,385,550	2,165,170	1,899,723	2,192,500	27,330
Pride in East Herts	2,326,200	1,732,640	794,436	1,142,360	(590,280)
Shaping now	380,500	347,600	36,945	239,000	(108,600)
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>6,311,470</u></b>	<b><u>4,500,932</u></b>	<b><u>6,313,270</u></b>	<b><u>1,800</u></b>

2.30 Executive are asked to support a request to re-profile £317,900 of the Bircherley Green multi storey car park budget from 2011/12 into 2012/13. Work commenced 23.1.12 and is due to be completed by the end of June 2012.

2.31 Executive are asked to support a request to re-profile £50,000 of the Hertford Theatre Renew Roof Covering budget from 2011/12 into 2012/13. Work is not due to start until mid March at the earliest depending on the weather.

2.32 Executive are asked to support a request to re-profile £92,100 of the Footbridge over the River Stort budget from 2011/12 into 2012/13. The sum needed to complete the construction phase could be from £40k to £100k depending on the outcome of contractual disputes with Birse. Works around the bridge site are to be undertaken this financial year. With any major works to be completed in 2012/13.

2.33 Executive are asked to support a request to re-profile £16,500 of the North Drive (reconstruct road and drainage) from 2011/12 into 2012/13. Work on pot holes are to be completed this financial year with the remaining works to be completed in 2012/13.

2.34 Executive are asked to support a request to re-profile £45k of the Energy Efficiency and Carbon Reduction Measures from 2011/12 into 2012/13. This project relates to a number of projects to introduce energy efficiency measures to EHDC buildings including 'smart metering' with the objective of reducing the revenue costs of energy and carbon footprint. Work is being carried in consultation with Facilities Services and has been delayed due to other work priorities

associated with C3W.

- 2.35 Two Future Social Housing Schemes, Windsor Drive and Thieves Lane are likely to be completed this year instead of early next year. Therefore, it is anticipated that funding of £380k from next years budget of £700k will be requested to be brought forward.

### **Strategic Risk**

- 2.36 Risk mitigating actions for the period October 2011 to January 2012 have been updated. Scoring remains unchanged.

Please refer to **Essential Reference Paper 'G'** for Strategic Risk Register.

### 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

Karl Chui, Performance Monitoring Officer – ext 2243

##### 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.