

Essential Reference Paper C-1

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 29 MAY 2012

MONTHLY CORPORATE HEALTHCHECK – FEBRUARY - MARCH 2012

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 that covers the period February to March 2012.

RECOMMENDATION FOR SCRUTINY:	
(A)	That the budget variances and performance are scrutinised, and Executive be informed of any recommendations.

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 'C-2'** shows the full set of performance indicators that are reported on a monthly/quarterly basis.

Essential Reference Paper 'C-3' shows detailed information on salaries.




Essential Reference Paper 'C-4' shows detailed information capital programme.



Essential Reference Paper 'C-5' and 'C-6' shows explanations of

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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 March 2012.

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	Position as at 31.03.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(1) Promoting prosperity and well being; providing access and opportunities						
Concessionary Fares	19	0	0	0	19	0
Taxi Licensing income	0	2	0	2	0	2
Hillcrest Rental income	49	0	4	0	49	0
Environmental Pollution	30	0	0	56	30	0
Housing Grants	0	9	0	0	0	9
Renovation Grants	20	0	0	0	20	0
Emergency Planning	0	16	2	0	0	16
Transport/ Bus Subsidy	14	0	0	0	14	0
Animal Control	6	0	0	0	6	0
Pest Control	7	0	0	0	7	0
Leisure Contract	0	5	108	0	0	5

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	Position as at 31.03.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(2) Fit for purpose						
Turnover	0	369	0	47	0	369
Print/Desk Top Publishing	0	53	0	4	0	53
Hartham Land Sale	50	0	0	0	50	0
Office Moves	0	57	0	2	0	57
Investment Income	0	325	0	27	0	325
Insurance	80	0	0	0	80	0
Corporate Training	32	0	0	6	32	0
IT Licences	107	0	80	0	107	0
Legal Fees income	138	0	0	2	138	0
Cost of Change	0	29	0	0	0	29
Copyright Fees	17	0	0	0	17	0
Other Expenses- Consultancy	20	0	0	0	20	0
Admin Buildings etc	44	0	0	0	44	0
BPI contribution	50	0	0	0	50	0

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	Position as at 31.03.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(3) Pride in East Herts						
Parking Enforcement Cont	55	0	0	135	55	0
Pay and Display machines	0	16	0	0	0	16
Car Parks legal fees	0	2	1	0	0	2
Car Parks advertising	9	0	0	2	9	0
CCTV Contributions	0	2	31	0	0	2
Recycling Materials Handling	40	0	4	0	40	0
Waste Contract (various bud)	125	0	0	0	125	0
Hydro Electric plant	0	11	0	3	0	11
Bulky waste collection income	0	16	0	2	0	16
Waste Contract	200	0	0	0	200	0
Kerbside dry recycling income	0	155	84	0	0	155
Recycling banks maintenance	8	0	1	0	8	0
Textile Banks	0	3	3	0	0	3
Car Park ticket advertising	0	2	0	0	0	2
Elm Road car park income	0	6	0	1	0	6
Trade Waste	14	0	0	28	14	0
Grange Paddocks Security	0	1	0	0	0	1

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	Position as at 31.03.12				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	31	0	11	0	31
Trade Waste sacks Income	0	5	0	1	0	5
Leaf Clearance	0	23	0	0	0	23
Street Cleansing	22	0	0	95	22	0
Recycling Misc Income	7	0	1	0	7	0
Dog Waste Bins	4	0	0	3	4	0
Clinical Waste	14	0	0	2	14	0
Domestic Refuse Collection	20	0	0	76	20	0
Refuse Transport subsidy	0	3	5	0	0	3
Penalty Charge Notices	20	0	35	0	20	0
Recycling contributions	104	0	0	0	104	0
Advertising Refuse	1	0	0	2	1	0
Other Recycling Banks	0	14	14	0	0	14

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	Position as at 31.03.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(4) Shaping now, shaping the future						
New Homes Bonus Grant	385	0	68	0	385	0
Discharge of Conditions	21	0	1	0	21	0
Development Control income	0	114	0	27	0	114
Dev Cont Pre App advice	22	0	1	0	22	0
Local Dev Framework	124	0	3	0	124	0
Planning Appeals	0	96	0	24	0	96
Building Control income	0	70	10	0	0	70
Dev Con advertising	29	0	0	0	29	0
Land Charges income	16	0	0	0	16	0

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	Position as at 31.03.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(5) Leading the way, working Together						
Member's Allowances	63	0	4	0	63	0
Audit Fees	42	0	0	52	42	0
Democratic Representation	22	0	0	0	22	0
Treasury Mgt Fees	13	0	0	0	13	0
TOTAL:	2,063	1,435	460	610	2,063	1,435
Net Projected Variance					628	
Supported by supplementary estimates						
Car Park Pay and Display Machines						17
Total Supplementary Estimates						17

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- 2.2 Subject to all other budgets being equal, this would result in an under spend of £628k. This compares with a forecast net underspend of £213k when the 2012/13 budget was set in February. The additional underspending permits early consideration of commitments to apply additional funding in 2012/13 as set out in this report.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C-3'** shows a projected overspend of £369k.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

Promoting Prosperity and well-being, providing access and opportunities

Financial analysis

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

Performance analysis

- 2.5 The following indicator was 'Green', meaning that the target was either met or exceeded for March 2012. It is:
- EHPI129 - Response time to anti social behaviour (ASB) complaints made to East Herts Council.

Please refer to **Essential Reference Paper 'C-2'** for full details.

Fit for purpose

Financial analysis

- 2.6 The Cost of Change budget is over spent by £29k as a result of additional restructuring costs.
- 2.7 Copyright fees paid to the Ordnance Survey (OS) for maps shows an under spend of £17k as the Government now funds OS totally.
- 2.8 There has been less demand on the Corporate Consultancy budget this year, thus saving £20k.
- 2.9 The total Property Maintenance Budget across services of £406k shows an under spend of £23k. In addition the Administrative buildings budgets (excluding Property Maintenance) show a net £21k

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under spend. It is proposed that the £44k underspend be applied to refurbish toilets in Wallfields as was recommended when the budget for the upgrade was agreed to the building.

- 2.10 £50k has been received from Improvement East as a contribution towards BPI. It is proposed that £9k be carried forward to 2012/13 to be applied to 3 business improvement projects (Self service, voice recognition and freedom of information).
- 2.11 In order to increase the resilience of the ICT network and systems plus the roll out of the new telephone system, it is proposed to use £50k of the underspend on ICT licences to supplement ICT resources in the first part of 2012/13.

Performance analysis

- 2.12 **EHPI 6.8 - Turnaround of pre NTO PCN challenges.** Performance was 'Red' for March 2012. The introduction of the Council's largest residents' permit parking scheme has resulted in high call volumes and additional administrative work. The new parking IT system has also taken a short time to settle down. As a result, team productivity was reduced but is now returning to previous levels of performance. The service has continued to meet statutory deadlines on formal representations. Performance in March 2012 is in line with the estimated performance for the end of the year. Going forward the target remains the same as performance is expected to return to previous levels.
- 2.13 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for March 2012. Management have taken action to ensure that future invoices are paid on time.
- 2.14 The following indicators were 'Green', meaning that targets were either met or exceeded for March 2012. They are:
- EHPI 6.9 – Turnaround of NTO Representations.
 - EHPI 12c - Total number of sickness absence days per FTE staff in post. The performance with regard to sickness absence will be considered by the HR Committee. However, at 5.5 days per FTE, this is a welcome improvement on prior years.
 - NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.

Please refer to **Essential Reference Paper 'C-2'** for full details.

Pride in East Herts

Financial analysis

2.15 There are no new financial issues arising for this period.

Performance analysis

2.16 **NI 191 – Residual household waste per household.** Waste arisings in March 2012, a 5 week month, were the highest monthly amount this year.

2.17 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Performance dipped slightly in March, primarily due to the highest monthly level of waste disposed of this year.

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

- EHPI 2.4 – Fly-tips: Removal

Please refer to Essential Reference Paper 'C-2' for full details.

Shaping now, shaping the future

Financial analysis

2.19 Spend on advertising in Development Control shows a £29k saving due to less demand, as reflected in the income streams.

2.20 Land Charges income is £16k better than budgeted for.

Performance analysis

2.21 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Amber' for March 2012. Target not achieved, although performance had improved compared to February 2012 when it was 'Red'. In March 2012, 15 decisions were made beyond the target timescale, but of these 7 were reported to the Development Control committee either because of referral requests or because they were proposals that were contrary to policy. Of the remaining 8 decisions the reasons for delay were varying, but included the need for amended proposals to be supplied and be consulted upon and, in two cases, for legal advice to be sought. Estimated performance for the end of the year indicates that the

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annual target will be met, exceeding the national target. Going forward the target has been reduced slightly but still remains above the national target.

2.22 The following indicators were 'Green', meaning that targets were either met or exceeded for March 2012. They are:

- NI 157a - Processing of planning applications: Major applications.
- NI 157b - Processing of planning applications: Minor applications.
- EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.

Please refer to **Essential Reference Paper 'C-2'** for full details.

Leading the way, working together

Financial analysis

- 2.23 There is an under spend of £22k on a number of Democratic Representation budgets.
- 2.24 As a consequence of invest funds being brought back in house the Treasury Management budget is under spent by £13k.
- 2.25 Part of the 2012/13 New Homes Bonus Grant, £68k, has been received in 2011/12 and has to be accounted for in 2011/12. This part of the 2012/13 Grant will be incorporated into the sums passed to Town and Parish Councils in 2012/13.

Performance analysis

- 2.26 **EHPI 3a - Usage: number of swims (under 16)** Performance was 'Red' for March 2012. Figures for 2011/12 Quarter 4 shows that there has been a decline in throughput for the same period last year. This may be due to the prevailing economic climate; The estimate performance for the end of the year indicates the annual target will not be met, the service will be monitoring any further declines that may suggest an emerging trend.
- 2.27 The following indicators were 'Green', meaning that targets were either met or exceeded for March 2012. They are:
- EHPI 3b – Usage: number of swims (16 – under 60 year olds)
 - EHPI 3c – Usage: number of swims (60 year old +)

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- EHPI 4a – Usage: Gym (16 – under 60 year olds)
- EHPI 4b – Usage: Gym (60 + year olds)

Please refer to Essential Reference Paper ‘C-2’ for full details.

CAPITAL FINANCIAL SUMMARY

2.28 The table below sets out expenditure (including capital creditors) to 31 March 2012 against the Capital Programme. Expenditure is £747k less than the approved budget for 2011/12 of which it is proposed to carry forward as slippage £523k leaving a net saving of £224k. This report seeks approval to add slippage from the 2011/12 to the 2012/13 budget. The slippage is summarised in the table below and the details by scheme are set out in Essential Reference Paper ‘D’. The saving of £224k will reduce the Council’s previously approved commitment of capital resources.

SUMMARY	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual Commit to date	Variance Col 4 - Col 2	Slippage
	£	£	£	£	£
Promoting Prosperity	2,091,340	2,704,360	2,442,811	(261,549)	59,130
Fit for Purpose	1,385,550	2,124,610	2,058,262	(66,348)	78,570
Pride in East Herts	2,379,800	1,213,240	964,388	(248,852)	(215,340)
Shaping now	380,500	231,900	61,271	(170,629)	170,390
Re-profiling potential Slippage	(750,000)				
TOTAL	<u>5,487,190</u>	<u>6,274,110</u>	<u>5,526,732</u>	<u>(747,378)</u>	<u>523,380</u>

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

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In terms of financial issues

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Essential Reference Papers

Essential Reference Paper C-2 – Performance Indicator set relating to Executive.

Essential Reference Paper C-3 – Detailed information on salaries

Essential Reference Paper C-4 – Detailed information on capital

Essential Reference Paper C-5 and C-6 – Explanations of variances on the Revenue Budget reported in previous months.