

EAST HERTS COUNCIL

EXECUTIVE – 10 JULY 2012

MONTHLY CORPORATE HEALTHCHECK – APRIL - MAY 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 for April - May 2012.




<b><u>RECOMMENDATIONS FOR EXECUTIVE:</u> that:</b>	
<b>(A)</b>	<b>the budgetary variances set out in paragraph 2.1 of the report be noted;</b>
<b>(B)</b>	<b>the allocation of £25,000 of earmarked funds by East Herts Local Strategic Partnership as stated at paragraph 2.4 of this report, be noted;</b>
<b>(C)</b>	<b>in accordance with Financial Regulation 4.5.5, the virement of £10,000 from the New Homes Bonus Grant Priority Spend 2012/13 to Revenue Grants, be noted;</b>
<b>(D)</b>	<b>the carry forward requests of £10,100 and £4,000 as outlined in paragraphs 2.17 and 2.18 of the report; be approved; and</b>
<b>(E)</b>	<b>the action taken to mitigate and control strategic risks in paragraph 2.19 of the report, be approved.</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 on the capital programme.  
**Essential Reference Paper 'E'** 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 With just two months into the financial year there is limited information about actual spending.

	Position as at 31.05.12				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) People</b>						
<b>(2) Place</b> Waste contract (various budgets)	17	0	0	0	100	0
<b>(3) Prosperity</b>						
<b>TOTAL:</b>	17	0	17	0	100	0
<b>Net Projected Variance</b>					<b>100</b>	
<b>Supported by supplementary estimates</b>						
<b>Total Supplementary Estimates</b>						

- 2.2 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows the budget is broadly in line with the projected expenditure.

## **FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS**

### **People**

#### **Financial analysis**

- 2.3 The Executive is requested to approve a virement of £10k from the new homes bonus grant priority spend 2012/13 to revenue grants to support jubilee events. Following consultation as required by Financial Regulations 4.5.5 a virement of £10,000 from the New Homes Bonus Grant Priority Spend 2012/13 to Revenue Grants requires reporting to the Executive for noting. The virement is to enable support for Jubilee events.
- 2.4 A sum of £67,375 was rolled forward as an earmarked reserve being the unspent revenue funding awarded as Performance Reward Grant to East Herts Local Strategic Partnership (LSP). At its meeting on 21 May 2012, the LSP Board agreed to award specific partnership activities £25,000 in support of the LSP' priorities. As the accountable body, Members are asked to note this use of LSP allocated funds

#### **Performance analysis**

- 2.5 **NI 181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** Performance was 'Red' for May 2012. Performance for the periods from 11 April 2012 to 14 May 2012 is at 11.41 days. The cumulative position is at 10.81 days.
- 2.6 The following indicator was 'Green', meaning that the target was either met or exceeded for May 2012. It is:
- EHPI 129 – Response time to anti social behaviour (ASB) complaints made to East Herts Council.

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

### **Place**

#### **Financial analysis**

- 2.7 Early indications show that the costs of transition to the new waste contract have to date been lower than expected and an underspend of up to £100k is probable.

### **Performance analysis**

- 2.8 **NI 157a – Processing of planning applications: Major applications.** Performance was 'Red' for May 2012. Two out of five applications were decided within 13 weeks. Three of the decisions released in the month required associated legal agreements. These resulted in a delay beyond the end of the decision target period.
- 2.9 **NI 191 – Residual household waste per household and NI 192 - Percentage of household waste sent for reuse, recycling and composting.** The May performance data for these indicators are not available for inclusion in this report. The latest position will be presented at the meeting.
- 2.10 The following indicator was 'Green', meaning that the target was either met or exceeded for May 2012:
- EHPI 2.4 – Fly-tips: Removal
  - EHPI 2.1d – Planning Enforcement: Initial Site Inspections
  - EHPI 2.1e – Planning Enforcement: Service of formal Notices.
  - EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.
  - NI 157b – Processing of planning applications: Minor applications.
  - NI 157c – Processing of planning applications: Other applications.

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

### **Prosperity**

#### **Financial analysis**

- 2.11 The first two months has shown an adverse £26k of Building Control income. It is too early in the year to predict a projected shortfall. The position is being kept under review and options are being considered in conjunction with updating the Portfolio Holder.

#### **Performance analysis**

- 2.12 **EHPI 12c – Total number of sickness absence days per FTE staff**

**in post.** Performance was 'Amber' for May 2012. Although performance did not meet the monthly target it was only slightly off achieving 0.73 days against a target of 0.70 days Management are actively monitoring for any trends.

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

- 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**

2.14 The table below sets out expenditure to 31 May 2012 against the Capital Programme which reflects the recommendation to Council on 4 July 2012. Executive is invited to consider the overall position. **Essential Reference Paper D** contains details of the 2012/13 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

SUMMARY	2012/13 Original Estimate	2012/13 Revised Estimate	2012/13 Actual Commit to date	2012/13 Projected Spend	Variance Col 4 - Col 2
	£	£	£	£	£
People	3,003,400	2,975,780	1,131,902	2,870,780	(105,000)
Place	824,600	1,017,160	152,501	1,017,460	300
Prosperity	1,000,150	1,835,090	256,366	1,836,020	930
Re-profiling potential Slippage	(250,000)	(250,000)		(250,000)	
<b>TOTAL</b>	<b><u>4,578,150</u></b>	<b><u>5,578,030</u></b>	<b><u>1,540,769</u></b>	<b><u>5,474,260</u></b>	<b><u>(103,770)</u></b>

### **CARRY FORWARD REQUESTS**

2.15 Heads of Service were asked to identify any carry forward requests from unspent 2011/12 budgets along prescribed guidelines. The Section 151 Officer administers the scheme and reports to the Chief Executive. Proposals on any underspends to be carried forward will be made in the context of the Council's overall financial position and reported to the Executive and submitted to Council for approval.

- 2.16 Two areas of underspend have been identified by the Communications and Engagement Manager (C&EM).
- 2.17 The C&EM has requested that £10,100 of the Artsbus budget be carried forward as this was an eighteen month project with a high level Member endorsement with a brief to deliver in October/November 2012.
- 2.18 The C&EM has also requested that £4,000 of the transport budget be carried forward to support the cost of traffic management arrangements for the Olympic torch relay.

### **RISK MONITORING ANALYSIS**

- 2.19 Risk mitigating actions for the period February to April 2012 have been updated. Scoring remains unchanged.

Please refer to **Essential Reference Paper 'E'** for the 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:

2011/12 Estimates and future targets report, Essential Reference Paper B – For complete list of performance indicators that are being monitored for 2012/13

Contact Officer: Simon Chancellor – Head of Finance and Performance, Ext 2050  
[simon.chancellor@eastherts.gov.uk](mailto:simon.chancellor@eastherts.gov.uk)

Report Author: Karl Chui – Performance Monitoring Officer  
Ext 2243  
[karl.chui@eastherts.gov.uk](mailto:karl.chui@eastherts.gov.uk)