

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 21 AUGUST 2012

REPORT BY THE LEADER OF THE COUNCIL

10. MONTHLY CORPORATE HEALTHCHECK – APRIL TO JUNE 2012

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 April to June 2012.

| | |
|---|--|
| RECOMMENDATIONS FOR DECISION: that | |
| | |
| (A) | The budget variances and performance be scrutinised, and |
| | |
| (B) | The 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 '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.

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 2012 to June 2012.

| | Position as at 30.06.12 | | | | 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) People Turnover | 23 | 0 | 0 | 0 | 0 | 15 |
| (2) Place Waste contract (various budgets) | 25 | 0 | 8 | 0 | 100 | 0 |
| Recycling income | 0 | 100 | 0 | 0 | 0 | 59 |
| Organic Waste Collect | 15 | 0 | 0 | 0 | 50 | 0 |
| Materials Handling | 2 | 0 | 0 | 0 | 7 | 0 |
| (3) Prosperity Building Control income | 0 | 48 | 0 | 0 | 0 | 150 |
| TOTAL: | 65 | 148 | 8 | 0 | 157 | 224 |
| Net Projected Variance | | | | | | 67 |

| | Position as at 30.06.12 | | | | Projected Position year end | |
|---|--------------------------------|-------------------------|---|---|------------------------------------|-------------------------|
| | Favour-able £000 | Adverse £000 | Favour-able Variance since last month £000 | Adverse Variance since last month £000 | Favour-able £000 | Adverse £000 |
| Supported by supplementary estimates | | | | | | |
| Total Supplementary Estimates | | | | | | |

- 2.2 Subject to all other budgets being equal, this would result in an over spend of £67k. However, a positive variance is likely on investment returns with a number of additional fixed term deposits due to be placed which will bring income ahead of the budget. The July report will bring these into account.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected over spend of £15k.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.4 At the Joint Revenues and Benefits Committee on 19 July 2012 it was identified that due to the increased workload and to avoid increasing backlogs of work both council's needed to fund an additional £120k each for agency staff to support the service. As a consequence a Supplementary Revenue estimate from the council of £120k requires approval. The greater than allowed for under spend in 2011/12 permits for this funding to be approved from the general reserve.

Performance analysis

- 2.3 **EHPI 3a – Usage: number of swims (under 16).** Performance was 'Red' for Quarter 1, as throughput has declined when a comparison is made against the same period last year, although performance is slightly higher than the previous quarter's throughput. This may be due to the prevailing economic climate, however the service is monitoring the decline and is in discussion with SLM on ways to improve throughput for this age group.
- 2.4 **EHPI 4b – Usage: Gym (60 + year olds).** Performance was 'Amber' for Quarter 1. Throughput was slightly off target but is following the normal seasonal trend.
- 2.5 **NI 181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** Performance was not available for inclusion in this report, a verbal update will be provided by the Director of Internal Services at this meeting.

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

Place

Financial analysis

- 2.6 An under recovery of £59k of recycling income is expected from the sale of recyclable materials collected at the kerbside believe to be due to the economic downturn and the increasing use of electronic communication (reducing the amount of newspapers and magazines consumed).
- 2.7 There is a likely under spend in the contracted costs of organic waste collection of £50k.
- 2.8 An under spend of £7k is expected in the costs of materials handling at the Service Centre.
- 2.9 The Environment Agency has withdrawn the funding for the land drainage work East Herts carries out on their behalf. This has repercussions for the cost of any similar work that would have been carried out for East Herts under the same terms. In addition the contribution towards the Council's Admin costs would also be lost. A separate report will be forwarded to CMT on the subject in due course.

Performance analysis

- 2.10 **NI 157b – Processing of planning applications: Minor applications.** Performance was 'Red' for June 2012. 13 out of a total of 36 decisions took longer than the target timescale. In six of these cases the requirement for a committee decision lengthened the decision timescale.
- 2.11 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Amber' for June 2012. 16 out of a total of 112 decisions were made outside of the decision making timescale. Reasons for this include referral of cases for committee decisions and the need for further information to be sought before a decision can be reached.

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

Prosperity

Financial analysis

- 2.12 If the current trend continues the indications are a short fall of circa £150k in Building Control income. Processes being considered to rectify the situation are to possibly increase fees and potential other sources of income. The service will be providing an update on the situation to the Portfolio Holder in September 2012.
- 2.13 Investment funds have been and are continuing to be withdrawn from the Fund Manager and are being placed on fixed deposit with U.K. clearing banks to take advantage of the increased rates being offered. (See report to Council July 2012). Expectations are that the 2012/13 estimated Investment income will be exceeded and will be reported in due course.

Performance analysis

- 2.14 **EHPI 5.1 - % of complaints resolved in 14 days or less.** Performance was 'Red' for Quarter 1. 30 cases were dealt with in this period - 21 Stage 1 and 9 Stage 2. The percentage is lower due to the 7 cases dealt with by Development Control which took longer than 10 working days due to large workload and complex issues.
- 2.15 **EHPI 5.2a - % of complaints about the Council and its services that are upheld: 1st stage.** Performance was 'Red' for Quarter 1. Of the 28 cases dealt with in this quarter only 7 were upheld. It appears that in most cases, following investigation, the issues have been dealt with correctly.
- 2.16 **EHPI 7.35 – Commitment compared to profile.** Performance was 'Red' for June 2012. Commitment was £184,835 against Profile £175,000 being 5.6% above profile for the June period. The commitment for the month of June 2012 is a little above the anticipated profile regarding repairs and maintenance and general annual maintenance agreements. However, it is expected that commitment will come into line with profile over the coming months.
- 2.17 The following indicators were 'Green', meaning that targets were either met or exceeded for June 2012. They were:
- EHPI 5.2b - % of complaints about the Council and its services that are upheld: 2nd stage – appeal.
 - EHPI 5.4 - % of complaints to the Local Government

- Ombudsman that are upheld.
- EHPI 8 - % invoices paid on time.
- EHPI 12a - No. of short-term sickness absence days per FTE staff in post.
- EHPI 12b - No. of long-term sickness absence days per FTE staff in post.
- EHPI 12c – Total number of sickness absence days per FTE staff in post.

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

CAPITAL FINANCIAL SUMMARY

2.18 The table below sets out expenditure to 30 June 2012 against the Capital Programme. Members are 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 | 1,169,330 | 2,975,780 | (0) |
| Place | 824,600 | 1,017,160 | 188,213 | 1,017,460 | 300 |
| Prosperity | 1,000,150 | 1,835,090 | 392,285 | 1,819,120 | (15,970) |
| Re-profiling potential Slippage | (250,000) | (250,000) | | (250,000) | |
| TOTAL | <u>4,578,150</u> | <u>5,578,030</u> | <u>1,749,828</u> | <u>5,562,360</u> | <u>(15,670)</u> |

2.19 The Decent Homes Grants and Energy Grants budgets are behind profile at this time by £100k and £5k respectively.

2.20 The capital spend on the Housing Benefits System was approved by Council on 9 December 2009. The scheme had an element of risk and reward payments. Triggers that prompt these payments suggest that £31,300 will be required this year.

2.21 The project for On-Street Pay and Display Charges has been closed and the capital provision of £48,200 is no longer required.

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'**.

4.0 Essential Reference Papers

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

4.2 Essential Reference Paper C – Detailed information on salaries

4.3 Essential Reference Paper D – Detailed information on capital

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

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:

In terms of performance issues

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