

EAST HERTS COUNCIL

EXECUTIVE – 4 DECEMBER 2012

MONTHLY CORPORATE HEALTHCHECK – OCTOBER 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 October 2012.

<u>RECOMMENDATIONS FOR EXECUTIVE: that:</u>	
(A)	the budgetary variances set out in paragraph 2.1 of the report submitted, be noted; and
(B)	£1,139,080 of capital budgets are re-profiled from 2012/13 into 2013/14 for various schemes as outlined in Paragraphs 2.27 to 2.43 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 where relevant quarterly data) 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 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 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 October 2012.

	Position as at 31.10.12				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	0	56	16	0	97	0
Community Planning	0	11	0	0	0	11
Pest Control (wasps)	1	0	0	2	0	7
Animal Control	4	0	1	0	6	0
Revs & Bens	0	27	0	0	0	21
Emergency Planning	5	0	0	0	5	0
Imp Grant repayment	7	0	0	0	8	0
Housing Options Supps & Serv	6	0	0	0	13	0
Housing Options Service	45	0	0	0	36	0
Hillcrest Hostel Rent income	10	0	0	0	5	0
Electoral Registration	0	52	0	0	0	12
Summons costs recovered	0	0	0	0	0	14
Housing Benefit Subsidy	62	0	0	0	106	0
New Homes Bonus Grant	0	2	0	0	35	0
Section 106 receipts	63	0	0	0	63	0

	Position as at 31.10.12				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) Place						
Waste contract (various budgets)	117	0	17	0	200	0
Recycling income	0	60	19	0	0	16
Organic Waste Collect	32	0	5	0	45	0
Materials Handling	5	0	1	0	8	0
Bulky Waste Income	0	1	0	0	0	3
Recycling Bank maint	5	0	0	0	6	0
Clinical Waste income	3	0	3	0	4	0
Kerbside dry collections	0	18	0	4	0	34
Alternative Financial Model	0	0	0	0	0	16
Trade Waste	21	0	7	0	11	0
Paper/Textile Banks	1	0	3	0	1	0
Clinical Waste collec/disposal	8	0	1	0	8	0
Trade Waste bins/disposal	110	0	8	0	30	0
Street Cleansing	78	0	14	0	54	0
Land Drainage	0	11	0	4	0	33
Police C.S O	0	0	0	7	0	30
Hertford Theatre Cafe	0	5	0	0	0	8

	Position as at 31.10.12				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) Prosperity						
Building Control income	0	91	0	9	0	150
Pay and Display income	0	49	0	26	90	0
PCN income	0	89	2	0	0	150
Parking Enforce. Contract	136	0	52	0	89	0
Investment Income	204	0	29	0	350	0
External Audit fees	109	0	4	0	72	0
SIAS-Audit Fees	0	18	10	0	0	7
Treasury Mgt Fees	53	0	8	0	34	0
DC Adverts/postage/photo	17	0	0	2	21	0
Local Dev Framework	63	0	4	0	10	0
DC income	0	41	20	0	0	80
Democratic Core	0	5	0	0	22	0
Market Income	0	7	0	0	0	8
DC Pre-Application advice	32	0	0	0	35	0
DC Copyright fees	7	0	0	0	8	0
TOTAL:	1,204	543	224	54	1,472	600

	Position as at 31.10.12				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Net Projected Variance					872	
Supported by supplementary estimates						
Total Supplementary Estimates						

- 2.2 Subject to all other budgets being equal, this would result in an under spend of £872k.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected small under spend of £97k.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.4 There is a net of £21k as a consequence of finalising the 2011/12 outturn position regarding the Revenues and Benefits Shared Service with Stevenage Borough Council.
- 2.5 The £5k budget for Emergency Planning equipment will not be required this year.
- 2.6 Predicted windfall sums totalling £8k are expected as recipients of Improvement Grants repay them according to the terms and conditions on which they were awarded.
- 2.7 The Housing Options Team's Supplies and Services budget is expecting to under spend by £13k.
- 2.8 It is expected that not all the budgeted expenditure within the Housing Options Service will be required totalling £36K.
- 2.9 The rent income derived from Hillcrest Hostel should exceed the budget by £5k.
- 2.10 The Electoral Registration budget is estimating an over spend of £12k.
- 2.11 Summons Costs recovered due to non payment of Council Tax and National Non Domestic Rates is estimating to be £14k adverse from the original estimate.
- 2.12 The net overall position on the Housing Benefits Service is a favourable £106k. This is based on subsidy being greater than that estimated and in line with the 2011/12 actual position.
- 2.13 Income from the New Homes Bonus Grant is anticipated to be £35k greater than that estimated in part due to timings in payments made

to East Herts Council.

- 2.14 Following a review of Section 106 receipts held by the Council CMT recommended on the 25 September 2012 a sum of £62,634.64 be added to the General Reserve as the Council's obligations are deemed to have been met.

Performance analysis

- 2.15 **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, however October performance data will be verbally reported by the Chief Executive and Director of Customer and Community Services.
- 2.16 The following indicator was 'Green', meaning that the target was either met or exceeded for October. It was:
- 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

- 2.17 There is a predicted £8k overspend on the Hertford Café Supplies budget.

Performance analysis

- 2.18 **NI 191 – Residual household waste per household.** Performance for October 2012 shows the level of residual waste disposed of this month maintains the belief that this will be under expectation at year end.
- 2.19 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** The October performance data for these indicators were not available for inclusion in this report; however the data for this period will be verbally reported by the Chief Executive and Director of Customer and Community Services.
- 2.20 The following indicators were 'Green', meaning that the targets were either met or exceeded for October 2012. They were:

- EHPI 2.4 – Fly-tips: Removal
- EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.
- EHPI 2d - Planning Enforcement: Initial Site Inspections.
- EHPI 2.1e – Planning Enforcement: Service of formal Notices.
- NI 157a – Processing of planning applications: Major applications
- 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

- 2.21 Expenditure relating to the Democratic Core projects an under spend of £22k. Primarily due to savings on Members Expenses (£17K) and Allowances (£5K).
- 2.22 The Traffic Regulation Order on North Street Bishop’s Stortford is not being renewed which will have an on going £8k adverse effect on income
- 2.23 There is considerable public interest in receiving pre-planning advice which is generating an additional £35k of income.
- 2.24 The budget for Planning copyright fees of £8k will not be required this year.

Performance analysis

- 2.25 The following indicators were ‘Green’, meaning that targets were either met or exceeded for October 2012. They were:
- 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.

CAPITAL FINANCIAL SUMMARY

2.26 The table below sets out expenditure to 31 October 2012 against the Capital Programme. Executive 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.

	Column 1	Column 2	Column 3	Column 4	
Summary	2012/13 Original Estimate	2012/13 Revised Estimate	2013/13 Actual Commit to date	2012/13 Projected spend	Variance Col 4 – Col 2
	£	£	£	£	£
People	3,003,400	2,975,780	1,584,377	2,128,390	(847,390)
Place	824,600	962,160	310,896	629,310	(332,850)
Prosperity	1,000,150	1,679,090	750,611	1,464,710	(214,380)
Re-profiling potential slippage	(250,000)	(250,000)			250,000
Total	4,578,150	5,367,030	2,645,884	4,222,410	(1,144,620)

2.27 Executive to approve a request to re-profile £20,000 of the Hartham Pool replacement of fire exit doors and frames budget from 2012/13 into 2013/14 as this work is planned for the summer months.

2.28 Executive to approve a request to re-profile £87,000 of the Grange Paddocks Pool budget from 2012/13 into 2013/14 as £12,000 of the work needs to be undertaken to the football pavilion once the season has ended and £75,000 in the summer months to renew the roof covering to the Pool Hall.

2.29 Executive to approve a request to re-profile £150,000 of various Private Sector Improvements Grants budget from 2012/13 into 2013/14. £100,000 relates to unpaid but approved Mandatory Disabled Facilities Grants. £50,000 relates to Discretionary Disabled Facilities Grants which are often needed to meet demand for Mandatory DFG which are expected to increase.

- 2.30 Executive to approve a request to re-profile £318,000 of Social Housing Schemes budget from 2012/13 into 2013/14 as Council support has not been required by Registered Providers as they have secured funding via the New Affordable Homes Programme of the Homes and Community Agency. The Housing Team are developing a strategic plan for future spend on affordable housing priorities.
- 2.31 Executive to approve a request to re-profile £9,400 of the Pavilion Replacement at Presdales budget from 2012/13 into 2013/14. The scheme is now complete. However, the remaining budget is required to be spent on further works on the pavilion and the car park.
- 2.32 Executive to approve a request to re-profile £47,670 of the Local Strategic Partnership Grants budget from 2012/ 13 into 2013/14 as the LSP determines its priorities for spend.
- 2.33 Executive to approve a request to re-profile £45,300 of the Heart of Bishop Stortford Market Improvement scheme budget from 2012/13 into 2013/14. The current Traffic Regulation Order will be allowed to lapse to enable talks with partners and relevant organisations to develop other plans for the market whilst seeking advice from the National Association of British Market Authorities.
- 2.34 Executive to approve a request to re-profile £5,000 of the Arts in Park Project budget from 2012/13 into 2013/14 as Officers are still seeking a suitable project.
- 2.35 Executive to approve a request to re-profile £210,210 of the Castle Weir Micro Hydro scheme budget from 2012/13 into 2013/14. The scheme is currently subject to Planning Approval. There are further delays due to Environment Agency requirements.
- 2.36 Executive to approve a request to re-profile £85,300 of the Town Centre Environmental Enhancements budget from 2012/13 into 2013/14 due to a combination of the Town Council's giving an update on their spend and the EHDC being in the process of lapsing the Traffic Regulation Order in North Street Bishop's Stortford, which should be completed by the end of November.
- 2.37 Executive to approve a request to re-profile £2,000 of the IT Geographical Information System budget from 2012/13 into 2013/14 as an invoice is due from Herts County Council for Aerial Mapping.
- 2.38 Executive to approve a request to re-profile £11,000 of the IT Electronic Document Management System budget from 2012/13 into

2013/14.

- 2.39 Executive to approve a request to re-profile £10,000 of the IT LOCATA Housing System budget from 2012/13 into 2013/14. The installation of the LOCATA housing register is likely to be delayed until after April 2013 following the implementation of a new Housing Register and Allocations Policy.
- 2.40 Executive to approve a request to re-profile £10,000 of the IT Mayrise Upgrade System budget from 2012/13 into 2013/14. This sum will be spent on hardware and software for the Mayrise mobile working system.
- 2.41 Executive to approve a request to re-profile £7,200 of the Replace Footbridge Library Car Park Ware budget from 2012/13 into 2013/14. The scheme is 90% complete with retention and fees to be paid in 2013/14.
- 2.42 Executive to approve a request to re-profile £75,000 of the Cricketfield Lane Bishop's Stortford Resurface Footpath and Retainment works budget from 2012/13 into 2013/14. As these works may now be included in the proposed health centre development. If not then the works will be carried out in the summer months.
- 2.43 Executive to approve a request to re-profile £46,000 of the Footbridge over the River Stort budget from 2012/13 into 2013/14. As there is an outstanding dispute with the contractor still unresolved.

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

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=119&MId=1792&Ver=4>

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