

EAST HERTS COUNCIL

EXECUTIVE – 5 MARCH 2013

MONTHLY CORPORATE HEALTHCHECK – JANUARY 2013

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 January for 2013.

<u>RECOMMENDATIONS FOR EXECUTIVE: that:</u>	
(A)	the budgetary variances set out in paragraph 2.1 of the report be noted;
(B)	£4,700 of the Scotts Grotto Renovation capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.22 of the report submitted;
(C)	£50,000 of the Private Sector Improvement grants capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.23 of the report submitted;
(D)	£4,350 of the Drill Hall capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.24 of the report submitted;
(E)	£19,700 of the Hertford Theatre capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.25 of the report submitted;
(F)	£45,000 of the Energy Efficiency and Carbon Reduction Measures capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.26 of the report submitted; and

(G)	£66,240 of the Bircherley Green multi storey car park capital budget is re-profiled from 2012/13 into 2013/14, as set out at paragraph 2.27 of the report submitted.
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1.0 Background

1.1 This is the monthly finance and performance monitoring report for the council.

1.2 Although this report will be focusing on the January performance.

1.3 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.




1.4 **Essential Reference Paper ‘B’** shows the full set of performance indicators that are reported on a monthly and 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 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 January 2013.

	Position as at 31.01.13				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	157	0	212	0	153	0
Community Planning	0	11	0	0	0	11
Pest Control (wasps)	0	5	0	3	0	10
Animal Control	5	0	0	0	6	0
Revs & Bens	0	21	0	0	0	21
Emergency Planning	7	0	0	0	5	0
Imp Grant repayment	18	0	0	0	18	0
Housing Options Supps & Serv	8	0	1	0	14	0
Housing Options Service	62	0	5	0	45	0
Hillcrest Hostel Rent income	0	0	0	6	0	10
Electoral Registration	0	62	0	0	0	13
Cost of Change Contingency	70	0	40	0	73	0
Summons costs recovered	0	0	0	0	0	14
Housing Benefit Subsidy	79	0	8	0	106	0
New Homes Bonus Grant	0	57	0	6	35	0
Section 106 receipts	63	0	0	0	63	0
Wallfields Rates	36	0	0	0	26	0
Leisure Contract	37	0	4	0	27	0
Wallfields toilets	33	0	0	0	40	0

	Position as at 31.01.13				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)	167	0	17	0	200	0
Dry Recycling income						
Organic Waste Collect	0	53	0	11	0	7
Materials Handling	42	0	4	0	40	0
Bulky Waste Income	7	0	1	0	8	0
Recycling Bank maint.	0	1	0	0	0	2
Clinical Waste income	5	0	0	0	7	0
Kerbside dry collections	8	0	0	0	15	0
Alternative Financial Model	0	32	4	0	0	29
Trade Waste	0	0	0	0	0	60
Paper/Textile Banks	22	0	4	0	16	0
Clinical Waste collec/disposal	0	3	0	1	4	0
Trade Waste bins/disposal	6	0	1	0	10	0
Street Cleansing	32	0	0	78	32	0
Land Drainage	104	0	6	0	104	0
Police C.S O	0	20	0	3	0	33
Hertford Theatre Cafe	0	0	0	0	0	30
Depot electricity	0	10	2	0	0	13
	17	0	0	0	15	0

	Position as at 31.01.13				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Hertford Theatre income	102	0	23	0	60	0
Refuse transport subsidy	16	0	21	0	16	0
Street Name Plate renewal	12	0	12	0	9	0
Refuse Contract	171	0	0	0	15	0
(3) Prosperity						
Building Control income	0	134	0	4	0	195
Pay and Display income	0	30	126	0	120	0
PCN income	0	99	0	1	0	120
Parking Enforce. Contract	132	0	9	0	74	0
Investment Income	342	0	35	0	410	0
External Audit fees	98	0	0	11	72	0
SIAS-Audit Fees	0	45	0	0	0	7
Treasury Mgt Fees	65	0	8	0	34	0
DC Adverts/postage/photo	26	0	4	0	25	0
Local Dev Framework	45	0	0	18	50	0
DC income	110	0	133	0	0	0
Democratic Core	31	0	4	0	22	0
Market Income	0	13	0	2	0	9
DC Pre-Application advice	49	0	3	0	52	0
Engineers Copyright fees	7	0	1	0	8	0

	Position as at 31.01.13				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Public Conveniences	17	0	0	0	20	0
Dev Cont Prof training	17	0	1	0	8	0
Dev Con Appeals costs	0	16	0	18	0	25
Consultants budget	24	0	24	0	31	0
District by-elections	10	0	10	0	10	0
Pay & Display machines	9	0	9	0	10	0
Economic Development	0	36	0	0	124	0
TOTAL:	2,268	648	732	162	2,232	609
Net Projected Variance					1,623	
Supported by supplementary estimates						
Total Supplementary Estimates						

- 2.2 Subject to all other budgets being equal, this would result in an underspend of £1,623k. This compares to the December reported underspend of £1,333k, resulting in a net favourable month on month position of £290k.

The principal favourable movements over £20k are;

- Cost of Change Contingency £43k
- Wallfields toilets £40k
- Street Cleansing £20k
- Local Development Framework £20k
- Consultants budget £31k
- Economic Development £124k

The principal adverse movements are;

- Building Control income £15k
- Alternative Financial Model £19k

- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected underspend of £153k.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.4 After allowing for further shared service preparation costs of £17k the Cost of Change budget is anticipating an underspend of £73k.
- 2.5 A review of the Bad Debt provision required for overpaid Housing Benefit may utilise any underspend that is estimated to be generated.
- 2.6 CMT have requested further costings for the refurbishment of the toilets in Wallfields. Therefore there is likely to be an underspend in 2012/13 of £40k.

Performance analysis

- 2.7 **EHPI 129 – Response time to anti social behaviour (ASB) complaints made to East Herts Council.** Performance was 'Red' for January 2013. There were six reports made to the Anti Social Behaviour officer at East Herts Council, five of which were responded

to within the minimum two working days. The one that was not responded to in time was because the person had made complaints previously and advice from senior staff was required. The estimated outturn is expected to achieve the annual target.

- 2.8 The following indicator was 'Green', meaning that the target was either met or exceeded for January 2013. It is:
- NI 181 – Time taken to process Housing Benefit/Council Tax Benefit new claims and change events

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

Place

Financial analysis

- 2.9 Due to staffing resources the spend on Street Name Plate renewal is likely to be £9k less than the budget of £14k.
- 2.10 There is an expectation of a £15k underspend on the Domestic Refuse contract. This is in addition to any other sums reported above.

Performance analysis

- 2.11 **NI 191 – Residual household waste per household and NI 192 - Percentage of household waste sent for reuse, recycling and composting.** The January 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.
- 2.12 **NI 157a – Processing of planning applications: Major applications.** Performance was 'Red' for January 2013. 6 decisions made with 3 within target timescale. The three which fell outside of the target timescale either had associated legal agreements which involved extensive negotiations or were significant schemes for which extensive local consultation was undertaken. The estimated outturn is expected to be just under the annual target.
- 2.13 **EHPI 2.1e – Planning Enforcement: Service of formal notices.** No notices were served in the January 2013 period.
- 2.14 The following indicators were 'Green', meaning that the targets were either met or exceeded for January 2013. They were:

- EHPI 2.4 – Fly-tips: Removal
- EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.
- EHPI 2.1d – Planning Enforcement: Initial Site Inspections.
- 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

- 2.15 The demand on the corporate consultancy budgets suggests that there will be an underspend of £33k.
- 2.16 The £10k budget in the event of any District by-elections will not be required this year. However there may be pressure on the 2013/14 budget in the event of any by-elections in May.
- 2.17 The maintenance of the car parks pay and display machines are now accommodated within the NSL contract, therefore there will be a saving of £10k.
- 2.18 The use of Priority Spend monies funded from the New Homes Bonus grant was allocated to support the Council's Economic Development Strategy. There is a projected underspend of £124k with the intention of putting this into an earmarked reserve.

Performance analysis

- 2.19 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for January 2013. Management have taken action to ensure future invoices are paid on time.
- 2.20 The following indicators were 'Green', meaning that targets were either met or exceeded for January 2013. 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.

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

CAPITAL FINANCIAL SUMMARY

2.21 The table below sets out expenditure to 31 January 2013 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.

	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	2,116,460	1,770,532	2,057,890	(58,570)
Place	824,600	629,310	425,009	567,520	(61,790)
Prosperity	1,000,150	1,406,210	914,763	1,332,280	(73,930)
Re-profiling potential slippage	(250,000)	0	0	0	0
Total	4,578,150	4,151,980	3,110,304	3,957,690	(194,290)

2.22 Members are being asked to support a request to re-profile £4,700 of the Scotts Grotto Renovation budget from 2012/13 into 2013/14. The work has commenced, but the balance will slip into 2013/14 as the project is weather dependant.

2.23 Members are being asked to support a request to re-profile £50,000 of the Private Sector Improvement grants from 2012/13 into 2013/14. For Disabled Facilities Grants (mandatory) Hertfordshire County Council advise that the demand for Occupational Therapy assessments is increasing. As referrals are received late in the year they will not be completed on site. Therefore a further £50k will slip into 2013/14.

2.24 Members are being asked to support a request to re-profile £4,350 of

the Drill Hall budget from 2012/13 into 2013/14. Retention of £4,639 is anticipated to be paid in July 2013.

- 2.25 Members are being asked to support a request to re-profile £19,700 of the Hertford Theatre budget from 2012/13 into 2013/14. Works may have to be carried out on the fire alarm in August when the Theatre is closed.
- 2.26 Members are being asked to support a request to re-profile £45,000 of the Energy Efficiency and Carbon Reduction Measures budget from 2012/13 into 2013/14. Funding is allocated to two projects. A web based 'smart metering' system for Wallfields to monitor and improve energy use by building zones and deliver energy efficiency savings. The second scheme is investigating rainwater harvesting at Council buildings to address summer drought issues and reduce water costs. This scheme may need planning permission.
- 2.27 Members are being asked to support a request to re-profile £66,240 of the Bircherley Green multi storey car park budget from 2012/13 into 2013/14. Further works are required on the passenger lifts following a detailed consultants report. The works need to be programmed, therefore start on site will not be until April 2013.

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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