

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 19 MARCH 2013

REPORT BY THE LEADER OF THE COUNCIL

8. MONTHLY CORPORATE HEALTHCHECK – OCTOBER 2012 TO JANUARY 2013

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 October 2012 to January 2013.

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| <u>RECOMMENDATIONS FOR CORPORATE BUSINESS SCRUTINY COMMITTEE:</u> that |
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| | |
|-----|--|
| (A) | The budget variances and performance be scrutinised; and |
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| | |
|-----|---|
| (B) | The Executive be informed of any recommendations. |
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1.0 Background

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




1.2 The report contains the following breakdown of information by each corporate priority where remedial action is needed:



- Salary, Capital and Revenue variance.
- An overview of performance, in particular where there have been issues and remedial actions taken during the period. Should members want more detailed information on a specific month, they should refer to that month's Executive Corporate Healthcheck report available on the council website.
- The indicators where data is collected monthly, with performance for January 2013 presented in detail (the most up to date available) with previous months summarised in a trend chart.
- The indicators where data is collected quarterly, with

performance for Quarter 3 presented in detail (the most up to date available) with previous quarters summarised in a trend chart.

- 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 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 **EHPI 3a – Usage: number of swims (under 16).** Performance was 'Red' for quarter three. Quarter three shows that there has been a decline in throughput for this period when comparison for throughput is made (7,715 in quarter 3 2011/12 against 6,805 in quarter 3 2012/13). Although throughput did decrease against the previous 2012/13 quarter in line with seasonal trends. This reduction in junior swims may be due to the prevailing economic climate. The service is monitoring the continuing decline and is actively in discussion with SLM on ways to improve throughput for this age group. The estimated outturn for the year is not expected to meet the target. Future year's targets have been revised to reflect the lower estimated outturn. The Executive considered this revision on 5 March 2013.
- 2.9 **EHPI 4a - Usage: Gym (16 – under 60 year olds).** Performance was 'Red' for quarter three. Performance has not achieved the target for this quarter. Generally leisure centre membership numbers are increasing, although it appears the frequency of attendance of these members has reduced for this quarter. The estimated outturn for the year is expected to be on target.
- 2.10 **EHPI 4b – Usage: Gym (60 + year olds).** Performance was 'Red' for quarter three. Throughput is lower than target or the normal seasonal trend. This may be due to seasonal factors but generally the leisure centre membership has increased but frequency of use seems to have reduced. The estimated outturn for the year is expected to be on target.
- 2.11 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

- 2.12 Due to staffing resources the spend on Street Name Plate renewal is likely to be £9k less than the budget of £14k.
- 2.13 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

- 2.14 **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.

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 5.2a - % of complaints about the Council and its services that are upheld: 1st stage.** Performance was 'Red' for Quarter 3. 5 cases were upheld out of a total of 23. The five cases that were upheld covered various services: Failure to collect bin – 2 cases, Tell us once when notifying the council about an event e.g. a death is not in place, Air condition not working at one of the pools and Planning failed to follow consultation policy in its entirety. This is a return to previous levels over the past year. The estimated outturn for the year is not expected to meet the target, as a result the service has proposed that future annual targets be amended from 25.00% to 30.00%. The Executive considered this revision on 5 March 2013.
- 2.20 **EHPI 12a - No. of short-term sickness absence days per FTE staff in post.** Performance was 'Red' for January 2013. Management are actively monitoring to identify any trends. Short-term absence for the year so far is 3.68 days. The estimated outturn for the year is expected to be on target.
- 2.21 **EHPI 7.35 – Commitment compared to profile.** Performance was 'Amber' for January 2013. Commitment £325,994 against profile £335,000 being 2.7% below profile. The commitment for the month of January 2013 is a little below the anticipated profile regarding Repairs & Maintenance and General Annual Maintenance Agreements. However, it is expected that commitment will come into line with profile over the coming months. The estimated outturn for the year is expected to be on target.
- 2.22 **EHPI 8 - % invoices paid on time.** Performance was 'Amber' for January 2013. Management have taken corrective action to ensure that future invoices are paid on time. The estimated outturn for the year is expected to be on target.
- 2.23 The following indicators were 'Green', meaning that targets were either met or exceeded for January/Quarter 3 2013. They were:
- EHPI 5.1 - % of complaints resolved in 14 days or less.
 - 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 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

2.24 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) |

2.25 Executive were 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.

2.26 Executive were 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.

- 2.27 Executive were 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.
- 2.28 Executive were 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.
- 2.29 Executive were 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.
- 2.30 Executive were 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.

CONCLUSION:

- 2.31 In conclusion Members are asked to:
- Note the performance indicator analysis for the period October 2012 to January 2013 in **Essential Reference Paper 'B'**
 - Agree the recommendation at the start of this report.
- 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'**.
- 3.2 **Essential Reference Papers**
- 3.3 **Essential Reference Paper B** – Performance Indicator set relating to Corporate Business Scrutiny.
- 3.4 **Essential Reference Paper C** – Detailed information on salaries
- 3.5 **Essential Reference Paper D** – Detailed information on capital

3.6 **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.

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