

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 27 AUGUST 2013

REPORT BY THE DIRECTOR OF FINANCE AND SUPPORT SERVICES

6. MONTHLY CORPORATE HEALTHCHECK – APRIL TO JUNE 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 for the periods April to June/Quarter 1 for 2013.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY COMMITTEE:</u> that	
(A)	Performance be scrutinised and the Executive be advised of any recommendations.

<u>RECOMMENDATIONS FOR THE EXECUTIVE:</u>	
(A)	The £40k virement from the Planning Contingency budget agreed by CMT on 16 July for a Housing Needs Survey be reported to the next Executive in accordance with Financial Regulation 4.5.5. (Paragraph 2.8).
(B)	The £24k virement from the Planning Contingency budget agreed by CMT on 16 July for a Human Resources post be reported to the next Executive in accordance with Financial Regulation 4.5.5. (Paragraph 2.8).
(C)	To be advised that April and May sickness absence data for EHPI 12c – Total number of sickness absence days per FTE has been restated. (Paragraph 2.20).

1.0 Background

1.1 This is the monthly and quarterly finance and performance




monitoring report for the council. Only performance data relevant to the scrutiny committee's remit is contained in this report. In addition Corporate Business Scrutiny (CBS) also receive details on performance indicators that are in the 'Red' and 'Amber' that would be reported to Environment Scrutiny and Community Scrutiny. This is because of CBS's overall responsibility for performance management.



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 and quarterly basis.
Essential Reference Paper 'C' shows detailed information on the capital programme.
Essential Reference Paper 'D' shows explanations of variances on the Revenue Budget reported in previous months.
Essential Reference Paper 'E' shows the council's 2013/14 savings.

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 2013 to June 2013.

	Position as at 30.06.13				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						
New Homes Bonus Grant	20	0	0	0	20	0
Collection Fund Balance	55	0	0	0	55	0
(2) Place						
Community Safety	8	0	0	0	8	0
Green Waste Collection	14	0	0	0	40	0
Maintenance of recycling banks	3	0	0	0	5	0
Clinical Waste income	6	0	0	0	20	0
Street Cleansing	5	0	0	0	25	0
Grounds Maintenance	13	0	0	0	13	0
(3) Prosperity						
Development Control income	469	0	171	0	175	0
Pay and Display car park income	0	51	0	0	0	12
TOTAL:	593	51	171	0	361	12

	Position as at 30.06.13				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Net Projected Variance					349	
Supported by supplementary estimates						
Total Supplementary Estimates						

- 2.2 Subject to all other budgets being equal, this would result in an underspend of £349k.
- 2.3 A new payroll system has been installed and staff are being successfully paid. However, the output from the system has yet to be tested for interfacing into the General Ledger (financial system). As a consequence there is no information on budgetary monitoring for April to June.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.4 There are no new financial issues this month regarding this priority.

Performance analysis

- 2.5 **EHPI 3b - Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 1. Performance was below target, and throughput was down against service expectations. This user group will be monitored by both the Leisure Service Manager and SLM.
- 2.6 **EHPI 5.1 - % of complaints resolved in 14 days or less.** Performance was 'Red' for Quarter 1. 20 complaints were received during quarter one but only 12 were responded to within 10 working days. Two cases just missed the deadline whilst others were more complex or the service had to consult with contractors.
- 2.7 The following indicators were 'Green', meaning that the targets were either met or exceeded for Quarter 1 2013. They were:
- EHPI 5.2a - % of complaints about the Council and its services that are upheld: 1st stage.
 - 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

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

Place

Financial analysis

- 2.8 The original 2013/14 budget included a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. It has been agreed that some of this funding will be used to support further initiatives namely a Housing Needs survey and a Human Resources post. Currently there is a balance of £511k which if not required during the year will result in an additional favourable variance from the £349k reported this month.
- 2.9 CMT agreed on 16 July 2013 to vire £40k of the Planning Contingency budget for a Housing Needs Survey. They also agreed to vire a sum for an additional Human Resources admin post for one year on scale 5. It is assumed that the funding required in 2013/14 will be for eight months at circa £16k. This will result in a cost of circa £8k falling in 2014/15 in respect of the balance of four months. The table below shows a summary of the Planning Contingency budget:

	£000	Comment
Planning Contingency budget at the start of the financial year	600	
Less	25	New Recycling Initiative
	40	Housing Needs Survey
	24	Human Resources Post
Planning Contingency still to be utilised	511	

- 2.10 There has been a CCTV refund of £8k received from Stevenage Council in respect of previous years running costs.
- 2.11 There is a possible underspend on Green Waste collection of £40k (subject to the implementation of the new recycling scheme). This is due to limited opportunities to implement organic waste collection from hard to reach properties and contract design efficiencies.
- 2.12 There is an expected underspend of at least £5k on the maintenance of recycling banks. Recycling banks have been reduced in recent years to collect paper and textiles only. There is a reduction in the

number of sites due to supermarkets making their own arrangements expected. Members chose not to implement cardboard recycling banks as part of the new recycling service.

- 2.13 Business in the first quarter suggests additional income of £20k with Clinical Waste.
- 2.14 There is a possible underspend of £25k in the Street Cleansing service due to contact efficiencies.
- 2.15 There is a net saving of £13k in the Grounds maintenance contract as Hertford Town Council has taken over the maintenance of the Castle grounds under a service level agreement. This was a Non Key decision report made in September 2012.

Performance analysis

- 2.16 **EHPI 157a – Processing of planning applications: Major applications.** Performance was 'Red' for June 2013.
- 2.17 During the period May to June 2013, the target was not achieved. Six decisions were issued in Quarter 1. Three of these were delayed by the completion of legal agreements. Two decisions were delayed by the lack of committee meeting in April 2013.
- 2.18 The priority assigned to caseloads within the Development Management team is being revised to ensure there is sufficient priority for major development proposals.

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

Prosperity

Financial analysis

- 2.19 There has been a £12k loss of income (£5k stolen) due to machines being broken into and then out of action (£7k).

Performance analysis

- 2.20 **EHPI 12c – Total number of sickness absence days per FTE staff in post.** Performance was 'Green' for June 2013. Members are advised that following the discovery of an accounting error on the new HR system (Wealden) there has been an adjustment to the figure for the April and May 2013 period. The table below details the

updated performance data following the adjustment:

Corporate Healthcheck Report	Previously reported	Performance data following adjustment
April	0.97 days	0.36 days
May	0.83 days	0.67 days

- 2.21 Sickness absence data previously reported in April and May did not meet the council absence standard of 0.70 days because of the error, however following the adjustments both April and May absence standards were met.
- 2.22 Going forward the council's performance management system will be updated with the amended figures.
- 2.23 **EHPI 7.35 – Commitment compared to profile (This indicator measures effectiveness of forecasting expenditure. The budget covers areas such as maintenance and repair of all East Herts operational and non operational properties).** Performance was 'Red' for June 2013. June 2013 commitment £165,581 against a cumulative budget profile of £159,320 being 3.9% above profile. As the monthly profile is based on an average of previous year commitments there will always be various in the actual monthly commitments due to monthly changes in the levels in reactive maintenance work. However, with the exception of unforeseen changes in demand we expect to have committed + or - 2% of the budget by the end of year
- 2.24 The following indicators were 'Green', meaning that targets were either met or exceeded for June 2013. They were:
- EHPI 8 - % of invoice 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

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

- 2.25 A new set of performance indicators is being developed to measure ICT performance in consultation with ITSG. A suite of eight measures

have been agreed. Performance is being captured against the following five indicators:

- EHPI 9.1 - Percentage availability of core systems during supported hours.
- EHPI 9.2 - Percentage Resolution of Incidents Within 4 Hours
- EHPI 9.4 - Percentage of Calls Abandoned on ICT Service Desk
- EHPI 9.5 - Percentage of Calls Resolved at First Point of Contact
- EHPI 9.6 - Satisfaction with ICT Services

2.26 ITSG have proposed that performance be measured for a further three months to establish a proper baseline for performance. Targets will then be set for the performance of the service until the year end. Actual performance achieved year to date is set out in **Essential Reference Paper 'B'**.

2.27 A further three measures have been proposed as follows:

- EHPI 9.3 - Percentage Reduction in the Number of Incidents
- EHPI 9.7 - Delivery of Key ICT Projects
- EHPI 9.8 - Delivery of Key Milestones in the ICT Strategy

2.28 The reduction in the number of incidents measure will be reported once a 6 month baseline for performance has been established. The delivery of Key ICT Projects indicator will be reported upon from quarter 3 onwards, once the ICT programme has been reviewed and agreed by ITSG. The key milestones indicator will be reported once the ICT Strategy has been agreed.

CAPITAL FINANCIAL SUMMARY

2.29 The table below sets out expenditure to 30 June 2013 against the Capital Programme. Members are invited to consider the overall position. **Essential Reference Paper 'C'** contains details of the 2013/14 Capital Programme. Comments are provided by the project Control Officers in respect of individual schemes.

	Column 1	Column 2	Column 3	Column 4	Column 5
Summary	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual Commit to date	2013/14 Projected spend	Variance Col 4 – Col 2
	£	£	£	£	£
People	2,314,970	2,356,910	138,083	2,306,920	(49,990)
Place	729,510	2,997,270	156,205	3,019,790	22,520
Prosperity	1,647,540	1,808,300	80,404	1,797,300	(11,000)
Re-profiling potential slippage	(250,000)	(250,000)	0	(250,000)	0
Total	4,442,020	6,912,480	374,692	6,874,010	(38,470)

2.30 There are no re-profiling requests this month.

2012/13 SAVINGS

2.31 The external auditor requires the Council to establish whether the 2013/14 savings offered up by Heads of Service and Managers and agreed by Members to set the 2013/14 Council Tax have actually been achieved. This will be monitored and reported on a quarterly basis. **Essential Reference Paper ‘E’** sets out those savings and using a RAG system of Red, Amber or Green Heads of Service and Managers have indicated the relevant RAG with accompanying narrative as to the savings status.

CONCLUSION

2.32 In conclusion Members are asked to:

- Note the performance indicator analysis for the period April 2013 to June/Quarter 1 2013 in **Essential Reference Paper ‘B’**
- Agree the recommendation at the start of this report.

2.33 **Essential Reference Papers**

- **Essential Reference Paper ‘B’** – Performance Indicator set

relating to Corporate Business Scrutiny.

- **Essential Reference Paper 'C'** – Detailed information on the Capital programme.
- **Essential Reference Paper 'D'** – shows explanations of variances on the Revenue Budget reported in previous months.
- **Essential Reference Paper 'E'** - shows the council's 2013/14 savings.

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:

2012/13 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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