

EAST HERTS COUNCIL

EXECUTIVE – 1 OCTOBER 2013

MONTHLY CORPORATE HEALTHCHECK – AUGUST 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 August 2013.

<u>RECOMMENDATIONS FOR EXECUTIVE: that:</u>	
(A)	the budgetary variances set out in paragraph 2.1 of the report be noted; and
(B)	the re-profile of £45,000 for the Capital – Energy Efficiency & Carbon Reduction Measures budget to 2014/15, as detailed at paragraph 2.26 of the report, be approved.

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 and quarterly basis.
Essential Reference Paper 'C' shows summarised information on salary costs.
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 2013 to August 2013.

	Position as at 31.08.13				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
Hillcrest Hostel Rent Income	0	15	0	3	0	25
Environmental Action Grants	21	0	0	0	9	0
Land Charge Income	27	0	0	0	20	0
Staff salaries (Essential Reference Paper 'C').	15	0	0	0	0	113
Customer Services security	5	0	0	0	5	0

	Position as at 31.08.13				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						
Community Safety	21	0	0	0	8	0
Green Waste Collection	68	0	0	18	40	0
Maintenance of recycling banks	4	0	0	0	5	0
Clinical Waste income	7	0	2	1	20	0
Street Cleansing	87	0	7	0	25	0
Grounds Maintenance	13	0	0	0	13	0
Kerbside Dry Recyc. Collection	125	0	24	0	0	31
Textiles Bank income	0	15	0	1	0	10
Trade Waste income	28	0	3	0	35	0
Trade Waste Collection contract	0	10	0	0	0	10
Environ Protection Parish Litter	0	1	0	0	0	1
Paper Bank Income	0	10	0	0	0	10

	Position as at 31.08.13				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(3) Prosperity						
Development Management income	458	0	96	0	300	0
Pay and Display Car Park Income	0	0	0	0	0	175
Investment Interest	0	25	0	8	0	100
Car Park Enforcement Contract	135	0	12	0	70	0
Car Park Enforcement - Mobile ANPR Camera Implementation delayed.	29	0	0	0	29	0
Supermarket Reimbursement.	46	0	0	0	46	0
Parking Repairs & Maintenance.	0	16	0	0	0	16
TOTAL:	1,164	92	144	31	700	491
Net Projected Variance - Favourable					209	
Supported by supplementary estimates						
Total Supplementary Estimates						

- 2.2 Subject to all other budgets being equal, this would result in an underspend of £209k.
- 2.3 A summarised salaries monitoring report for the period April to August 2013 is attached to this report in **Essential Reference Paper C**. The Forecast Outturn for 2013/14 is expected to result in an adverse variance of £113k. An update will be provided at Executive.
- 2.4 The Budget Challenge process is underway and Heads of Service are being challenged over their budget needs compared to previous years spends. The purpose being to identify savings that will be brought forward to future Healthcheck meetings and reflected in future budget proposals as appropriate.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.5 The first five months of the financial year has seen an upturn in the number of land charge search enquiries compared to the forecasted activity, this being linked to increased activity in the housing market. The forecast outturn is a favourable variance of £20k. There is insufficient information to date to determine whether the increased activity can be sustained.
- 2.6 Additional DWP support has been received totalling £38k to assist with the ongoing cost of the Welfare Reform arrangements. The additional funding will be spent by the end of the financial year.

Performance analysis

- 2.7 The following indicators were 'Green', meaning that the targets were either met or exceeded for August 2013. They were:
- EHPI 129 – Response time to anti social behaviour (ASB) complaints made to East Herts Council.
 - EHPI 181 – Time taken to process Housing Benefit new claims and change events.
- 2.8 However despite meeting the target for August 2013 the following indicator shows a declining trend when performance is compared to the previous month:

- EHPI 181 – Time taken to process Housing Benefit new claims and change events.

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

Place

Financial analysis

- 2.9 The original 2013/14 budget included a planning contingency sum of £591k which allows for unforeseen events to be funded in-year. Currently there is a balance of £502k which if not required during the year will result in an additional favourable variance from the £209k reported this month.

	£000	Comment
Planning Contingency budget at the start of the financial year	591	
Less	25	New Recycling Initiative
	40	Housing Needs Survey
	24	Human Resources Post
Planning Contingency still to be utilised	502	

- 2.10 Due to an increase in Trade Waste business, income is predicting to be £60k greater than expected. This is partly off set by increased operating costs.
- 2.11 A reduction in paper tonnage collected is likely to result in reduced income of £10k for the year.

Performance analysis

- 2.12 **EHPI 157b – Processing of planning applications: Minor applications.** Performance was 'Red' for August 2013. Target not achieved. Out of a total of 42 decisions, 11 were out of the target timescale. A number of cases on which decisions were made during the month were referred to the committee or were cases which raised complex and contentious issues. These included submissions made

by local Housing Associations for the development of garage and amenity land sites. These cases extended beyond the target for these reasons.

2.13 EHPI 2.1e – Planning Enforcement: Service of formal notices.

There were no notices served in August, so there is no performance data to analyse.

2.14 NI 191 – Residual household waste per household and NI 192 - Percentage of household waste sent for reuse, recycling and composting.

The August 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 at the Executive meeting on 1 October 2013.

2.15 The following indicators were ‘Green’, meaning that the targets were either met or exceeded for August 2013. They were:

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

2.16 However despite meeting the target for August 2013 the following indicator shows a declining trend when performance is compared to the previous month:

- EHPI 2.4 – Fly-tips: Removal.

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

Prosperity

Financial analysis

2.17 With Development Management income of £125k received from the Bishop’s Stortford North Development and the underlying income being maintained, the forecast outturn for income is expected to increase by £300k (revised from £250k in July 2013). Larger fees are

being received for proposed developments in Buntingford and Hertford.

- 2.18 Due to significant volatility in car park use, the 2013/14 income budget for Pay and Display Parking will not be achieved, a shortfall of £160k is anticipated. This includes a shortfall in the income forecast to result from the re-designation of Link and Northgate End car parks.
- 2.19 A contingency in the Enforcement contract is now no longer required resulting in a favourable variance of £50k. The implementation of a mobile enforcement vehicle has been delayed until 2014/15 resulting in a further favourable variance of £29k. These are in addition to the favourable contract variation of £20k reported in the prior period due to the abandonment of vehicle removals.
- 2.20 A realignment of supermarket parking reimbursement fees is forecast to result in a favourable variance of £46k.

Performance analysis

- 2.21 The following indicators were 'Green', meaning that targets were either met or exceeded for August 2013. They were:
- EHPI 6.8 – Turnaround of pre NTO PCN challenges.
 - EHPI 6.9 – Turnaround of NTO Representations.
 - EHPI 8 – % of invoices paid on time.
 - EHPI 12c – Total number of sickness absence days per FTE staff in post.
- 2.22 However despite meeting the target for August 2013 the following indicators show a declining trend when performance is compared to the previous month:
- EHPI 6.8 – Turnaround of pre NTO PCN challenges.
 - EHPI 6.9 – Turnaround of NTO Representations.
 - 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

- 2.23 The table below sets out expenditure to 31 August 2013 against the Capital Programme. Members are invited to consider the overall

position. **Essential Reference paper 'D'** 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	2,641,850	569,511	2,589,300	(52,550)
Place	729,510	3,082,770	304,280	2,995,730	(87,040)
Prosperity	1,647,540	1,668,130	113,787	1,656,360	(11,770)
Re-profiling potential slippage	(250,000)	(250,000)	0	(250,000)	0
Total	4,442,020	7,142,750	987,578	6,991,390	(151,360)

2.24 Since April 2013 CMT has approved the following budget re-profiles to 2014/15:

- Community Capital Grants - £54,900.
- IT – Merging of Licensing and Environmental Health systems – £15,000.

2.25 The Executive on the 4 June 2013 approved in accordance with Financial Regulations 4.5.5 a virement of £21,000 from the under spend within the Discretionary Disabled Facilities Grants budget to finance grants for Buildings at Risk budget.

2.26 Members are asked to support a request to re-profile £45,000 of the Energy Efficiency & Carbon Reduction Measures budget to 2014/15. The work for web based smart metering on various sites and the Solar PV scheme will now commence in early autumn 2014.

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 2013/14

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

Contact Officer:

In terms of performance issues

Ceri Pettit – Corporate Planning and Performance Manager

Ext 2240

ceri.pettit@eastherts.gov.uk

In terms of financial issues

Margaret Donaldson – Principal Accountant

Ext 2054

margaret.donaldson@eastherts.gov.uk

Report Author:

Karl Chui – Performance Monitoring Officer

Ext 2243

karl.chui@eastherts.gov.uk