

EAST HERTS COUNCIL

EXECUTIVE – 8 MARCH 2011

MONTHLY CORPORATE HEALTHCHECK – JANUARY 2011

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 2011.

RECOMMENDATIONS FOR EXECUTIVE: that:	
(A)	the budgetary variances set out in paragraph 2.2 of the report be noted;
(B)	monthly outturn data only being reported for the crime performance indicators as comparative data is no longer available, be noted; (Paragraph 2.7)
(C)	£18,000 of the River and Watercourses capital budget be re-profiled from 2010/11 into 2011/12; (paragraph 2.31)
(D)	£18,300 of the Wheeled Bin and Recycling capital budget be re-profiled from 2011/12 into 2010/11; and (paragraph 2.32)
(E)	the Strategic Risks in <u>Essential Reference Paper G</u>, be noted. (Paragraph 2.34)

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 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 salaries.
Essential Reference Paper 'D' shows detailed information capital.
Essential Reference Paper 'E1 and E2' shows explanations of variances on the Revenue Budget reported in previous months.
Essential Reference Paper 'F' shows a summary of Executive actions made within the financial year.
Essential Reference Paper 'G' shows the Strategic Risk register.

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 2010 to January 2010.
- 2.2 The table below summarises the known position as at the end of January.

	Position as at 31.01.11				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) Promoting prosperity & well being; providing access & opportunities						
Concessionary Fares	0	0	0	0	12	0
Meals on Wheels	0	99	0	0	0	67
LAA grant	0	0	0	0	0	33
Hertford Theatre	0	15	38	0	0	49
H Benefits Overpayments	321	0	0	3	350	0
H Benefits Admin Subsidy	0	20	0	2	0	24
Partnership Contribution	0	0	0	0	25	0
Area Based Grant	31	0	4	0	36	0
Thele House Maintenance	0	19	1	0	0	20
Critical Ordinary Watercourse	0	39	4	0	0	16
Hostel Rent	38	0	6	0	45	0
Leisure-Utilities	0	0	0	0	0	21
Leisure-contributions	0	0	0	0	0	0
LAA grant	0	0	0	0	51	0
Private Sector Housing	26	0	0	0	13	0

	Position as at 31.01.11				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) Fit for purpose						
Turnover/Managing vacancies	154	0	27	0	81	0
Investment Income	0	710	0	50	0	820
Place Survey	0	0	0	0	14	0
Print/Document handling	0	0	0	0	0	56
Office Moves ('Churn') Costs	0	0	0	0	0	15
Hartham Land sale	0	0	0	0	50	0
IT Licences	31	0	0	11	34	0
Legal Litigation fees	45	0	45	0	28	0
Legal fees recovered	15	0	15	0	12	0

	Position as at 31.01.11				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) Pride in East Herts						
Car Parks Pay and Display (Sunday/Bank Holiday	0	32	0	4	0	38
Car Parks Pay and Display	0	121	0	24	0	139
Penalty Charge Notices	0	20	0	4	0	10
Car Parks – Advertising	0	3	0	0	0	4
Car Washing-Gascoyne Way	0	8	0	0	0	10
Causeway Car Park Rent	0	0	0	0	0	222
B/S car park season tickets	15	0	0	0	12	0
Car Parks P&D VAT	0	0	0	0	0	19
Un/Locking Bircherley Green	7	0	0	0	5	0
CCTV Running costs	0	9	0	9	0	6
Pay & Display machines	0	0	0	0	0	16

	Position as at 31.01.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(4)Caring about what's built and where						
Public Conveniences	0	63	0	8	0	68
Recycling Service	0	0	0	0	640	0
Wheeled Bin Delivery Charge	0	42	0	5	0	50
Recycling Publicity	26	0	0	3	21	0
Green Waste collection	82	0	8	0	94	0
Kerbside dry recycling collection	0	39	0	4	0	0
Plastic banks	18	0	2	0	20	0
Kerbside dry recycling income	65	0	127	0	232	0
Recycling contributions	0	0	0	0	26	0
Depot Material Handling	30	0	3	0	36	0
Refuse Collection Contract	52	0	11	0	55	0
Commercial Waste	99	0	42	0	25	0
Cleansing Contract	0	50	16	0	18	0
Grounds Maint. Contract	65	0	0	11	0	35
Waste contract – specialist support	13	0	0	0	5	0
Banks site maintenance	4	0	4	0	4	0

	Position as at 31.01.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(5) Shaping now, shaping the future						
Housing and Planning Delivery Grant	0	0	0	0	0	134
LABGI	0	0	0	0	0	30
Land Charges Income	38	0	0	0	38	0
Development Plans Studies	0	0	0	0	20	0
LDF upkeep/review	50	0	6	0	50	0
Pre- Application advice	15	0	1	0	10	0
HCC DC advice	8	0	1	0	10	0
Development Control income	34	0	34	0	30	0

	Position as at 31.01.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(6) Leading the way, working Together						
Members Allowances	39	0	4	0	48	0
By-Elections	0	16	0	13	0	20
Audit Fees	37	0	17	0	48	0
Street Naming	0	6	0	6	0	8
TOTAL:	1,358	1,311	416	157	2,198	1,930
Net Projected Variance					268	
Supported by supplementary estimates						
• Investment Income						407
• Housing and Planning Delivery grant						134
• LABGI						50
• Thele House Maintenance						15
• Pay and Display machines						19.6
Total Supplementary Estimates						625.6

- 2.3 Subject to all other budgets being equal, this would result in an under spend of £268k.
- 2.4 Salary budgets have been constantly monitored and **Essential Reference Paper 'C'** shows a projected under spend of £81k on payroll budgets.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

Promoting Prosperity and well-being, providing access and opportunities

Financial analysis

- 2.5 As a result of increased occupancy rates at Hillcrest Hostel additional rental income of £45k is now predicted.

Performance analysis

- 2.6 Comparative data for the following crime performance indicators use to be obtained from the Iquanta database. However since the database has been modified the comparative data for these indicators can no longer be supplied:
- NI 15 – Serious violent crime rate.
 - NI 16 – Serious acquisitive crime rate.
 - NI 20 – Assault with injury crime rate.
- 2.7 Members are to note that the crime indicators listed above will report monthly outturn data only without any comparative data until the end of 2010/11. These indicators will then be removed from monitoring from 2011/12 onwards.
- 2.8 **EHPI 130 - Number of council endorsed community safety projects that receive positive publicity.** East Herts funded the Westminster Drugs Project peer led art project.
- 2.9 The following indicator was 'Green', meaning that the target was either met or exceeded for January 2011:
- EHPI - 129 - Response time to anti social behaviour complaints made to East Herts Council.

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

Fit for purpose

Financial analysis

- 2.10 There is a projected under spend of £28k on legal litigation budgets as a result of lower demand on these sums.
- 2.11 The successful recovery of legal fees should generate an additional £12k of revenue.

Performance analysis

- 2.12 **EHPI 6.8 - Turnaround of pre NTO PCN challenges and EHPI 7.0 - % pre NTO PCN challenges responded to within 10 days.** Performance was 'Red' for January 2011 for these indicators. Performance has got worse when compared to the previous month from 16 days to 21 days (for EHPI 6.8) and 36% to 21% (for EHPI 7.0). The decline in performance is due to the printing of statutory notices being delayed for nearly 3 weeks because of the holiday period, this in turn has resulted in greater numbers of correspondence being received throughout January.
- 2.13 **EHPI 12c - Total number of sickness absence days per FTE staff in post.** Performance was 'Amber' for January 2011. Total absences did not meet the council standard for absences this month due to an increase in short-term absences. Total absence for the year so far is 5.65 days against the target of 7.08 days. Based on the 2010/11 estimates the annual target of 7.50 days is expected to be met with an estimated end of year 2010/11 outturn of 6.52 days.
- 2.14 The following indicator was 'Green', meaning that the target was either met or exceeded for January 2011:
- EHPI 8 – % of invoices paid on time.
 - 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.

Pride in East Herts

Financial analysis

- 2.15 £16k is now needed, not the £20k reported last month, to modify the pay and display car park machines to accept new 5p and 10p coins which come into circulation in April 2011.

Performance analysis

- 2.16 **NI 191 - Residual household waste per household (performance data reported one month in arrears – data is cumulative).** Performance in January 2011 showed that waste levels continue to be better (lower) than the Hertfordshire Waste Partnership target due not only to increased recycling and composting but also to an overall reduction in the level of waste. Based on the 2010/11 estimates the annual target of 595 is expected to be met with an estimated end of year 2010/11 outturn of 470.
- 2.17 **NI 192 - Percentage of household waste sent for reuse, recycling and composting (performance data reported one month in arrears).** In January 2011 Performance continued to be above expectations; however there was a slight decline from the previous month due to a combination of the season, bad weather and disruption to collection schedules it is still above target for the year. Based on the 2010/11 estimates the annual target of 48.00% is expected to be met with an estimated end of year 2010/11 outturn of 49.30%.

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

Caring about what's built and where

Financial analysis

- 2.18 There is an expectation to under spend £4k on Banks Site Maintenance as there is less maintenance than expected.
- 2.19 Kerbside Dry Recycling income remains favourable with a predicted level of additional income of £232k. This slightly less than last month's estimate of £258k. There have been higher levels of participation with ARC resulting in higher levels of income from material sales and credits. Consideration is being given to establish a Recycling Reserve to offset future variations arising from the

volatile commodities market.

Performance analysis

2.20 EHPI 2.10(3) - Building sites: 3 months re-inspections.

Performance was 'Red' in January 2011. Performance reflects recent prioritisation given to application processing to clear the backlog at the end of the year.

2.21 EHPI 204 – Planning appeals allowed. Performance was 'Red' in January 2011. Six appeal decisions were made and four were allowed. A review has been undertaken of those allowed. One of these was a committee decision relating to the opening hours of business premises; a decision was made attempting to balance the requirements of the business and neighbouring residential amenity. The three delegated decisions included residential extensions considered to be excessive. The decisions of the Council were supported in relation to the refusal to allow the change of use of a premise in Bishop's Stortford from retail to hot food takeaway and the construction of residential outbuildings considered to impact harmfully on listed buildings and the green belt.

2.22 The following indicators were 'Green', meaning that targets were either being met or exceeded for January 2011. They are:

- EHPI 2.1b - Enforcement actions: planning b) formal actions.
- EHPI 2.1c - Enforcement actions: planning c) prosecutions.
- EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.

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

Shaping now, shaping the future

Financial analysis

2.23 Receipts from Development Control are anticipated to be £30k more than the original estimate.

Performance analysis

2.24 NI 157a – Processing of planning applications: Major applications. Performance was 'Red' in January 2011. Two applications were determined in the month. One was subject to deferral by the Development Control Committee from the previous

meeting which resulted in the target timescale being exceeded. Based on the 2010/11 estimates the annual target of 69.00% is not expected to be met with an estimated end of year 2010/11 outturn of 67.00%.

2.25 **NI 157c - Processing of planning applications: Other applications.** Performance was 'Red' in January 2011. Target not achieved this month with 102 decisions made within the target timescale out of a total of 119. Performance is remaining under review to determine whether this is a short term reduction or influenced by longer term factors. Based on the 2010/11 estimates the annual target of 92.00% is expected to be met with an estimated end of year 2010/11 outturn of 94.00%.

2.26 The following indicator was 'Green', meaning that the target was either met or exceeded for January 2011. It was:

- NI 157b - Processing of planning applications: 'Minor' applications.

Leading the way, working together

Financial analysis

2.27 There is a steady decline in receipts from the Street Naming and Numbering service resulting in an estimated shortfall of £8k.

Performance analysis

2.28 There are no performance indicators monitored on a monthly basis for this priority.

CAPITAL FINANCIAL SUMMARY

2.29 The table below sets out expenditure to 31 January 2010 against the Capital Programme. Members are invited to consider the overall position.

SUMMARY	2010/11 Original Estimate	2010/11 Revised Estimate	2010/11 Actual/ commit to date	2010/11 Projected spend	Variance Col 4 - Col 2
	£	£		£	£
Promoting Prosperity	3,969,400	3,663,330	2,363,965	3,744,980	81,650
Fit for Purpose	1,799,400	1,344,760	461,481	1,348,680	3,920
Pride in East Herts	998,000	1,371,080	994,176	1,371,080	0

Caring about what's built	284,400	307,530	163,116	216,880	(90,650)
Shaping now	124,300	188,600	26,900	170,600	(18,000)
Leading the Way	0	0	0	0	0
Re-profiling potential					
Slippage	(750,000)	0	0	0	0
TOTAL	<u>6,425,500</u>	<u>6,875,300</u>	<u>4,009,638</u>	<u>6,852,220</u>	<u>(23,080)</u>

2.30 **Essential Reference Paper 'D'** contains details of the 2010/11 Capital Programme. Comments are provided by Project Control Officers in respect of individual schemes.

2.31 Members are being asked to support a request to re-profile £18k from 2010/11 into 2011/12 of the River and Watercourse Structures budget as a result of continued discussions on planning permission issues on the replacement scheme for the Castle Gardens Hertford which are unlikely to be resolved before year end.

2.32 Members are being asked to support a request to re-profile £18,300 of the Wheeled Bin and Recycling budget from 2011/12 into 2010/11. Demand has increased following Members decision to suspend charging for bins.

2.33 The Commercial Waste budget will under spend in 2010/11 by £12,500 as there is less need for new containers.

Strategic Risks

2.34 All ratings remain unchanged.

2.35 Please refer to **Essential Reference Paper 'G'** for Strategic Risk register.

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:

April 2010 Corporate Healthcheck, Essential Reference Paper C – For complete list of CMT performance indicators that are being monitored for 2010/11

Contact Officer:

In terms of performance issues

Ceri Pettit, Head of Strategic Direction (Shared) and Performance Manager
– ext 2240

Lorna Georgiou, Performance and improvement Coordinator – ext 2244

Karl Chui, Performance Officer – ext 2243

In terms of financial issues

Mick O'Connor, Principal Accountant – ext 2054

In terms of risk issues

Graham Mully, Insurance Officer – ext 2166

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Pride in East Herts <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p>Caring about what's built and where <i>Care for and improve our natural and built environment.</i></p> <p>Shaping now, shaping the future <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>Performance monitoring discussions have taken place between, Chief Executive, Directors and Heads of Service.</p>
<p>Legal:</p>	<p>There are no legal implications.</p>
<p>Financial:</p>	<p>There are no financial implications.</p>
<p>Human Resource:</p>	<p>There are no Human Resource implications.</p>
<p>Risk Management:</p>	<p>There are no Risk implications.</p>