

EAST HERTS COUNCIL

EXECUTIVE – 24 MAY 2011

MONTHLY CORPORATE HEALTHCHECK – MARCH 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 March/Quarter 4 2011.

<b>RECOMMENDATIONS FOR EXECUTIVE: that:</b>	
(A)	<b>the budgetary variances set out in paragraph 2.2 of the report be noted; and</b>
(B)	<b>in accordance with Financial Regulation 4.7.3 the Executive recommend to Council the carry forward of the capital budgets not spent in 2010/11, as set out in <u>Essential Reference Paper D</u> and summarised at paragraph 2.32 and that these sums be added to the 2010/11 capital estimates.</b>

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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.

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 March 2011.
- 2.2 The table below summarises and updates the known position as at the end of March and projects the year end outturn based on current information.
- 2.3 The closure of the 2010/11 accounts has commenced, but it is in its early stages. The figures presented may alter before final closure in the knowledge of further information becoming available

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(1) Promoting prosperity &amp; well being; providing access &amp; opportunities</b>						
Concessionary Fares	0	0	0	0	14	0
Meals on Wheels	0	67	32	0	0	67
LAA grant	0	0	0	0	0	33
Hertford Theatre	21	0	0	29	21	0
H Benefits Overpayments	442	0	62	0	442	0
H Benefits Admin Subsidy	0	24	0	2	0	24
Partnership Contribution	0	0	0	0	25	0
Area Based Grant	36	0	2	0	37	0
Thele House Maintenance	0	19	0	0	0	19
Critical Ordinary Watercourse	0	12	75	0	0	12
Hostel Rent	48	0	5	0	48	0
Leisure-Utilities	0	0	0	0	0	21
LAA grant	0	0	0	0	72	0
Private Sector Housing	31	0	0	0	31	0
Pest Control	5	0	0	1	5	0
Housing Options	28	0	0	8	28	0
Leisure income/other bodies	0	35	0	35	0	35

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(2) Fit for purpose</b>						
Turnover/Managing vacancies	44	0	0	132	44	0
Investment Income	0	800	0	40	0	800
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	36
Hartham Land sale	0	0	0	0	0	0
IT Licences	69	0	52	0	69	0
Legal Litigation fees	54	0	5	0	54	0
Legal fees recovered	1	0	0	1	1	0
Corporate Training	32	0	1	0	32	0
Internal Services (bal)	0	0	0	0	134	0
Chief Executive Division (bal)	0	0	0	0	25	0
Neighbourhood Services (bal)	0	0	0	0	200	0

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(3) Pride in East Herts</b>						
Car Parks Pay and Display (Sunday/Bank Holiday	0	38	0	3	0	38
Car Parks Pay and Display	0	146	0	13	0	146
Penalty Charge Notices	3	0	15	0	3	0
Car Parks – Advertising	0	4	0	0	0	4
Car Washing-Gascoyne Way	0	10	0	1	0	10
Causeway Car Park Rent	0	0	0	0	0	222
B/S car park season tickets	45	0	0	11	13	0
Car Parks P&D VAT	0	0	0	0	0	19
Un/Locking Bircherley Green	6	0	0	1	6	0
CCTV Running costs	10	0	21	0	10	0
Pay & Display machines	0	0	0	0	0	0
LSP implementation	28	0	28	0	28	0
Arts Council England	6	0	6	0	6	0

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(4)Caring about what's built and where</b>						
Public Conveniences	0	70	0	3	0	70
Recycling Service	0	0	0	0	650	0
Wheeled Bin Delivery Charge	0	50	0	4	0	50
Recycling Publicity	28	0	0	2	28	0
Green Waste collection	88	0	1	0	88	0
Kerbside dry recycling collection	0	45	0	2	0	0
Plastic banks	24	0	3	0	24	0
Kerbside dry recycling income	234	0	175	0	228	0
Recycling/refuse contributions	0	0	0	0	0	84
Depot Material Handling	36	0	3	0	36	0
Refuse Collection Contract	87	0	13	0	0	42
Commercial Waste	19	0	0	40	19	0
Cleansing Contract	35	0	71	0	35	0
Grounds Maint. Contract	34	0	0	21	0	34
Waste contract – specialist support	13	0	0	0	13	0
Banks site maintenance	4	0	1	0	4	0
Clinical Waste income	15	0	1	0	15	0
Glass/Can/Paper Banks	31	0	0	8	31	0
Tree Replacement Prog	9	0	0	1	9	0

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(5) Shaping now, shaping the future</b>						
Housing and Planning						
Delivery Grant	0	0	0	0	0	134
LABGI	0	0	0	0	0	30
Land Charges Income	52	0	9	0	52	0
Development Plans Studies	0	0	0	0	35	0
LDF upkeep/review	64	0	7	0	64	0
Pre- Application advice	16	0	3	0	16	0
HCC DC advice	10	0	1	0	10	0
Development Control income	13	0	0	14	13	0
Building Control income	0	47	13	0	25	0
Personal Search Fee Grant	0	0	0	0	34	0
Habitats Grant	0	0	0	0	17	0
Incubation Feasibility study	0	0	0	0	60	0

	Position as at 31.03.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(6) Leading the way, working Together</b>						
Members Allowances	47	0	4	0	47	0
By-Elections	0	16	0	1	0	16
Audit Fees	49	0	11	0	49	0
Street Naming	0	7	0	0	0	7
<b>TOTAL:</b>	1,817	1,390	620	373	2,964	2,009
<b>Net Projected Variance</b>					955	
<b>Supported by supplementary estimates</b>						
• Investment Income						407
• Housing and Planning Delivery grant						134
• LABGI						50
• Thele House Maintenance						15
• Pay and Display machines						19.6
<b>Total Supplementary Estimates</b>						625.6



- 2.4 Subject to all other budgets being equal, this would result in an under spend of £955k.
- 2.5 Salary budgets have been constantly monitored and **Essential Reference Paper 'C'** shows a projected under spend of £44k on payroll budgets.

## **FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS**

### **Promoting Prosperity and well-being, providing access and opportunities**

#### **Financial analysis**

- 2.6 Hertford Theatre shows a net overall favourable position on income and services of £21k to more than offset the previously reported adverse position.
- 2.7 Recharges recoverable for the Joint Use Pools were £35k less than anticipated. The original estimate was overstated.

#### **Performance analysis**

- 2.8 **EHPI 130 - Number of council endorsed community safety projects that receive positive publicity.** There were no good news stories to report for the March 2011 period.
- 2.9 **EHPI 213 - Preventing Homelessness - number of households where homelessness prevented.** Performance data for this indicator has historically been reported at a later date due to way data is collected for this indicator. The Quarter 4 data for this indicator will be included for the Executive healthcheck report.
- 2.10 The following indicator was 'Green', meaning that the target was either met or exceeded for March 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**

- 2.11 The Hartham Land sale will not be completed in 2010/11. Therefore the expected £50k sum will now be received in 2011/12.
- 2.12 The net under spend on other budget headings within Internal Services sum to £134k. At this point in time there are still some outstanding issues to be resolved on certain budgets, so this figure will alter.
- 2.13 The net under spend on other budget headings within the Chief Executives Division sum to £25k.
- 2.14 The net under spend on other budget headings within Neighbourhood Services amounts to £200k. This figure is still subject to alteration.

### **Performance analysis**

- 2.15 **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 March 2011 for these indicators. The end of year outturn position for these indicators has not met their performance target achieving 22 days against a local target of 14 days (for EHPI 6.8) and 23% against a local target of 75% (for EHPI 7.0).
- 2.16 The following indicator was 'Green', meaning that the target was either met or exceeded for March 2011:
- NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.
  - EHPI 12c - Total number of sickness absence days per FTE staff in post.
  - EHPI 8 – % of invoices paid on time.

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

## **Pride in East Herts**

### **Financial analysis**

- 2.17 Anticipated legal fees have not been incurred as expected with the

CCTV partnership, but will be in 2011/12. Thus making this budget show a favourable £10k out turn against a previously reported adverse position.

- 2.18 The Government has delayed until January 2012 the introduction of new 5p and 10p coinage, therefore £16k will not be spent in 2010/11. However, this sum will be required in the summer of 2011/12 to alter the Pay and Display car park machines.
- 2.19 The Local Strategic Partnership budget is under spent by £28k. A carry forward request will be made.
- 2.20 The Arts Council England budget is under spent. A carry forward request will be made.

### **Performance analysis**

- 2.21 **NI 191 - Residual household waste per household (performance data reported one month in arrears – data is cumulative).** Performance year to date is far better (lower) than expectations.
- 2.22 **NI 192 - Percentage of household waste sent for reuse, recycling and composting (performance data reported one month in arrears).** Year to date performance slightly lower this month with kerbside collections of all materials lower than January, which is the usual pattern, but performance remains above expectations.

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

### **Caring about what's built and where**

#### **Financial analysis**

- 2.23 There is a reduction in funding of £84k from Herts County Council for transporting waste to their disposal points (previously Edmonton and Ugley), reflecting the shorter distance to travel.

#### **Performance analysis**

- 2.24 **EHPI 2.10(3) - Building sites: 3 months re-inspections.** Performance was 'Red' in March 2011. Slight improvement this month compared to the previous month but inspections are currently reactive. However the end of year outturn position has been exceeded achieving 72% against the annual target of 50%.

2.25 The following indicators were 'Green', meaning that targets were either being met or exceeded for March 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.
- EHPI 204 – Planning appeals allowed.

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

### **Shaping now, shaping the future**

#### **Financial analysis**

2.26 The accruals of £60k on the Incubation Feasibility Study are no longer required.

#### **Performance analysis**

2.27 **NI 157b - Processing of planning applications: 'Minor' applications.** Performance was 'Red' in March 2011. 10 decisions out of a total of 37 were made outside of the target timescale. Five of the out of timescale decisions were made by the committee, with the longer lead in times to decision making. There were delays in the other five cases as a result of potential building listing by English Heritage, legal agreement formulation, the requirement for amendment and negotiation with regard to the proposed development and sickness absence. However the end of year outturn position has been exceeded achieving 83.00% against a target of 80.00%.

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

- NI 157a – Processing of planning applications: Major applications.
- NI 157c - Processing of planning applications: Other applications.

### **Leading the way, working together**

#### **Financial analysis**

2.29 There are no new financial issues this month regarding this priority.

## Performance analysis

2.30 **EHPI 3c - Usage: number of swims (60 year old +)**. Performance was 'Red' for Quarter 4 although the end of year outturn position has been exceeded achieving 25,356 against the annual target of 25,114.

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

- EHPI 2 - Net cost/subsidy per visit.
- EHPI 3a - Usage: number of swims (under 16).
- EHPI 3b - Usage: number of swims (16 – under 60 year olds).
- EHPI 4a - Usage: Gym (16 – under 60 year olds).
- EHPI 4b - Usage: Gym (60 + year olds).

## CAPITAL FINANCIAL SUMMARY

2.32 The table below sets out expenditure (including capital creditors) to 31 March 2011 against the Capital Programme. This report seeks approval to add slippage from 2010/11 to the 2011/12 budget. The slippage is summarised in the table below and the details by scheme are set out in Essential Reference Paper D. The expenditure including slippage of £5.9m is within the approved estimate of £6.8m. The proposed carry forward will not add to the Council's previously approved commitment of capital resources and the Council's over all financial position is such that the sums remain affordable.

SUMMARY	2010/11 Original Estimate	2010/11 Revised Estimate	2010/11 Actual	2010/11 Variance Col3 - Col2	Slippage
	£	£		£	£
Promoting prosp.	3,969,400	3,718,430	3,085,896	(632,534)	653,620
Fit for Purpose	1,799,400	1,291,160	787,726	(503,434)	498,420
Pride in East Herts	998,000	1,413,580	1,826,522	412,942	(417,970)
Caring	284,400	230,030	169,900	(60,130)	61,310
Shaping Now	124,300	170,600	38,500	(132,100)	132,100
Leading the Way	0	0	0	0	0
Re-profiling potential					
Slippage	(750,000)	0	0	0	0
<b>TOTAL</b>	<b><u>6,425,500</u></b>	<b><u>6,823,800</u></b>	<b><u>5,908,544</u></b>	<b><u>(915,256)</u></b>	<b><u>913,730</u></b>

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

### 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><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b>  <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b>  <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b>  <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><b>Leading the way, working together</b>  <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>