

EAST HERTS COUNCIL

EXECUTIVE – 5 JULY 2011

MONTHLY CORPORATE HEALTHCHECK – APRIL 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 April 2011.




RECOMMENDATIONS FOR EXECUTIVE: that	
(A)	the budgetary variances set out in paragraph 2.1 of the report be noted;
(B)	a supplementary estimate of £16,500 to modify car park pay and display machines to accept new 5p and 10p coins that come into circulation in 2011/12, be approved;
(C)	the action taken to mitigate and control strategic risks during the period January to April 2011 be noted, or amended if necessary. (Paragraph 2.29 to 2.30)
RECOMMENDATION FOR COUNCIL: that	
(D)	the carry forward requests of £9,270, £4,750, £7,000, £4,100 £4,195, £9,530 as outlined in paragraph 2.25 to 2.28 be recommended to Council in accordance with Financial Regulation 4.7.3 and met by a call on the general reserve.



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.
 - Strategic risk monitoring covering periods for January 2011 to April 2011.
- 1.3 **Essential Reference Paper 'B'** Shows the full set of performance indicators that are reported on a monthly basis.
Essential Reference Paper 'C' Shows detailed information on salaries.
Essential Reference Paper 'D' Shows detailed information capital programme.
Essential Reference Paper 'E' Shows a Summary of Executive actions made within the financial year.
Essential Reference Paper 'F' 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 year has only just commenced so there is only limited information about actual spending. However, there are some adverse and favourable areas to highlight.

	Position as at 30.04.11				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 Local Services Support Grant	4	0	0	0	50	0
(2) Fit for purpose Turnover	0	54	0	0	0	607
Print/Desk Top Publishing	0	4	0	0	0	53
(3) Pride in East Herts Pay and Display machines	0	0	0	0	0	17

	Position as at 30.04.11				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) Shaping now, shaping the future New Homes Bonus Grant	415	0	0	0	415	0
(5) Leading the way, working together	There is nothing to report for this Priority.					
TOTAL:	419	58	0	0	465	677
Net Projected Variance						212
Supported by supplementary estimates						0
Total Supplementary Estimates						0

- 2.2 Subject to all other budgets being equal, this would result in an over spend of £212k. However, it is likely that some of the £415k New Homes Bonus will be used prior to 31 March and thus reduce the currently reported favourable variance. The forecast will be revised once Council has approved a policy on the use of this funding (see paragraph 2.14 below).
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected over spend of £607k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

Promoting Prosperity and well-being, providing access and opportunities

Financial analysis

- 2.4 The Department for Communities and Local Government announced on 22 March 2011 that East Herts Council is being awarded a Local Services Support Grant of £50k.

Performance analysis

- 2.5 **EHPI - 129 - Response time to anti social behaviour (ASB) complaints made to East Herts Council.** Performance was 'Red' for April 2011. This was due to 11 ASB complaints being made directly to the ASB Officer at East Herts Council for the month of April 2011. 9 of these were dealt with within the minimum standards of two working days. The two that were not dealt with were online ASB forms submitted over the Easter break.

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

Fit for purpose

Financial analysis

- 2.6 Efficiency savings planned to be made in 2011/12 within the Printing and Desk Top Publishing services have yet to be resolved and total £53k.

Performance analysis

- 2.7 **EHPI 6.8 - Turnaround of pre NTO PCN challenges and EHPI 6.9 - Turnaround of NTO Representations.** Performance was 'Red' for April 2011 for these indicators. Performance was off target for these indicators due to high levels of PCNs being issued and staff absences.
- 2.8 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for April 2011. Management has taken steps to ensure future invoices are paid on time.
- 2.9 The following indicators were 'Green', meaning that the targets were either met or exceeded for April 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.

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

Pride in East Herts

Financial analysis

- 2.10 A supplementary estimate was approved in 2010/11 to enable the car park pay and display machines to be altered to allow for a change in coinage. The Government delayed the introduction of new coinage until 2011/12. Therefore the Executive is being asked to support a request for a supplementary sum of £17k in 2011/12.

Performance analysis

- 2.11 CMT agreed on 29 March 2011 that the following household waste indicators will not have monthly targets for 2011/12 as data is too volatile for meaningful targets to be set. It was agreed that more monthly data is needed before seasonal targets can be agreed. However for information performance for April 2011 is as follows:
- 2.12 **NI 191 - Residual household waste per household.** Performance for April 2011 shows that waste arisings were higher this month, in common for this period in the year. Performance is still much better (lower) than services expectations.

- 2.13 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Performance for April 2011 indicates an improvement this month compared to January & February but composting levels were lower than expected due to dry spring.

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

Shaping now, shaping the future

Financial analysis

- 2.14 The DCLG announced the New Homes Bonus scheme. A sum of £415k has been awarded to East Herts Council. As yet, the MTFP makes no provision either for income from this source or how that income might be applied. The Local Development Panel will make proposals on the application of this funding for consideration by the Executive with recommendations to Council at its meeting on 26 September 2011.

Performance analysis

- 2.15 **NI 157a – Processing of planning applications: Major applications.** Performance is currently in 'Red' for April 2011. The target was not achieved. Two major decisions were made in the month. One required the completion of a legal agreement and lengthy negotiations took the decision outside of the timescale target.
- 2.16 The following indicators were 'Green', meaning that targets were either being met or exceeded for April 2011. They are:
- NI 157b - Processing of planning applications: 'Minor' applications.
 - NI 157c – Processing of planning applications: Other applications.
 - EHPI 2.1b - Enforcement actions: planning b) formal actions.
 - EHPI 2.1c - Enforcement actions: planning.
 - 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.

Leading the way, working together

Financial analysis

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

Performance analysis

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

CAPITAL FINANCIAL SUMMARY

2.19 The table below sets out expenditure to 30 April 2011 against the Capital Programme including slippage. Members are invited to consider the overall position. **Essential Reference paper D** contains details of the 2011/12 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

SUMMARY	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual Commit to date	2011/12 Projected spend	Variance Col 4 - Col 2
	£	£	£	£	£
Promoting Prosperity	2,091,340	2,744,960	40,714	2,735,460	(9,500)
Fit for Purpose	1,439,150	1,937,570	311,346	1,937,570	0
Pride in East Herts	2,276,200	1,905,790	76,218	1,905,570	0
Shaping now	430,500	562,600	3,766	562,600	0
Leading the Way	0	0	0	0	0
Re-profiling potential Slippage	(750,000)	(750,000)		(750,000)	0
TOTAL	<u>5,487,190</u>	<u>6,400,920</u>	<u>432,044</u>	<u>6,391,420</u>	<u>(9,500)</u>

CARRY FORWARD REQUESTS

2.24 Six areas of underspend have been identified. Financial Regulation 4.7 provides for unspent budgets to be carried forward from one year to the next. There are 6 proposals to bring forward sums from 2010/11 to 2011/12 in accordance with this Regulation.

2.25 The Head of Environmental Services has requested that £9,270 of the Tree Scheme budget be carried forward as expenditure has been delayed on the replacement of diseased trees in a high profile area of Waytemore Gardens until the autumn of 2011.

2.26 The Head of Community and Cultural Services has requested that £4,750 of the Arts Award budget be carried forward. The annual arts

award was allocated to Rhodes and to Hertford Theatre for innovative and collaborative arts development. The collaborative nature of the project requires working over two financial years. Rhodes was allocated the grant in 2010/11.

- 2.27 The Head of Planning and Building Control has requested that £7,000 of the Planning Conservation Consultancy budget is carried forward to assist in Conservation Area Assessments. The preparation of assessments was identified in the service plan. Outside assistance in early 2011 has enabled three assessments to be completed in draft form. The current engagement represents a very cost effective solution to this work with professional assistance at a very low rate.
- 2.28 The Head of Licensing and Community Safety has requested that £4,100 of the Taxi Rank Signage and Marking budget is carried forward to enable taxi ranks to be moved in Hertford and following town centre redevelopment in Bishop's Stortford. The budget needs to be in place when Parking Services are in a position to initiate the works. A second request that £4,195 of the CCTV income that was generated by a windfall refund in 2010/11 be carried forward to assist with the approved decrease in the recovery charges budgeted for in 2011/12. A third request to carry forward £9,530 of the CCTV running costs budget to support the shortfall in the overall 2011/12 budget.

Strategic Risk

- 2.29 SR1, Pathfinder, will be deleted after this report as the agreement has been terminated. All other risk ratings remain the same.
- 2.30 On 17th May 2011, Zurich Municipal facilitated a workshop to identify current risks and assist preparations of the Strategic Risk Register for 2011/12. The proposed risk register and accompanying report will be submitted to a future meeting.

Please refer to **Essential Reference Paper 'F'** 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:

2010/11 Estimates and future targets report, Essential Reference Paper B – For complete list of performance indicators that are being monitored for 2011/12

Contact Officer:

In terms of performance issues

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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'

Contribution to the Council's Corporate Priorities/ Objectives:	<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>Improving standards of the built neighbourhood and environmental management in our towns and villages.</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>
Consultation:	Performance monitoring discussions have taken place between, Chief Executive, Directors and Heads of Service.
Legal:	There are no legal implications.
Financial:	There are no financial implications.
Human Resource:	There are no Human Resource implications.
Risk Management:	There are no Risk implications.