

EAST HERTS COUNCIL

EXECUTIVE – 5 JULY 2011

MONTHLY CORPORATE HEALTHCHECK – MAY 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 May 2011.

RECOMMENDATION FOR EXECUTIVE: that	
(A)	the budgetary variances set out in paragraph 2.1 be noted;
(B)	£36k of the Grange Paddocks Pay and Display machines capital budget and £3k of the Grange Paddocks tariff board/signage capital budget be re-profiled from 2012/13 into 2011/12;
(C)	£150k of the New Telephone System capital budget be re-profiled from 2012/13 into 2011/12; and
RECOMMENDATION FOR COUNCIL: that	
(D)	a supplementary Capital estimate of £77.5k against the Council's Leisure Development Capital project, 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 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 basis.




Essential Reference Paper 'C' shows detailed information on salaries.



Essential Reference Paper 'D' shows detailed information capital programme.

Essential Reference Paper 'E' 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 With just two months into the financial year areas are being identified where there are variances against budgets.

	Position as at 31.05.11				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	8	0	4	0	50	0
Concessionary Fares	37	0	0	0	19	0
(2) Fit for purpose						
Turnover	0	106	0	52	0	612
Print/Desk Top Publishing	0	9	0	5	0	53
(3) Pride in East Herts						
Pay and Display machines	0	0	0	0	0	17
Car Parks legal fees	0	9	0	0	0	10
Car Parks advertising	1	0	0	0	0	15

	Position as at 31.05.11				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:	461	124	4	57	484	707
Net Projected Variance						223
Supported by supplementary estimates						0
Total Supplementary Estimates						0

- 2.2 Subject to all other budgets being equal, this would result in an overspend of £223k.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected overspend of £612k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered. However, any redundancy and new strain costs have not been accounted for here, as there is a specific reserve set up for these costs in the MTFP.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

Promoting Prosperity and well-being, providing access and opportunities

Financial analysis

- 2.4 The costs associated with Concessionary Fares for 2010/11 are lower by £19K than anticipated when the accounts were closed and this will result in a favorable position in 2011/12.

Performance analysis

- 2.5 The following indicator was 'Green', meaning that the target was either met or exceeded for May 2011:
- EHPI - 129 - Response time to anti social behaviour (ASB) complaints made to East Herts Council.

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

Fit for purpose

Financial analysis

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

Performance analysis

- 2.7 **NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** Performance was 'Red' for May 2011. Performance was off target. This represents an increase in the caseload seen during the period and the need to avoid some planned weekend working to allow ICT to undertake needed changes

required for office moves. A plan to recover this downtime has been agreed by the Director of Internal Services.

- 2.8 **EHPI 6.8 - Turnaround of pre NTO PCN challenges.** Performance was 'Red' for May 2011. Performance was off target due to continued high levels of PCN's being issued as well as staff absences.
- 2.9 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for May 2011. Management has taken action to ensure future invoices are paid on time.
- 2.10 The following indicators were 'Green', meaning that the targets were either met or exceeded for May 2011:
- 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.

Pride in East Herts

Financial analysis

- 2.11 The Car Park's Court and Legal fees budgets will overspend by £10k due a last minute 40% increase in debt registration fees imposed by the County Court.
- 2.12 The Car Park's advertising budget is anticipated to over spend by £15k due to the requirement to advertise new On-street Traffic Regulation Order for East Herts which is being prepared by Herts County Council. This was not advised at the point of preparing the 2011/12 budgets.

Performance analysis

- 2.13 **NI 191 - Residual household waste per household.** The waste level would meet service expectations if sustained throughout year, but there is a national trend towards increasing waste levels, which showed itself here in the last quarter of 2009/10.
- 2.14 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Performance this month is marginally below service expectations. Kerbside collection of glass and compostable material is just above last April's figure but paper is some 80 tonnes

(19%) below last April's level. Nationally paper recovery levels are lower than they were.

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

Shaping now, shaping the future

Financial analysis

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

Performance analysis

2.19 **EHPI 2.2(45) – Number of collections missed per 100,000 collections of household waste.** Performance was 'Red' for May 2011. Performance fell this month due to the new contract start up; there were some difficulties with the new rounds which now provide all three collection services to difficult access properties. Issues have now been resolved and levels are improving. Year to date performance is still better than annual target.

2.20 **NI 157b - Processing of planning applications: 'Minor' applications.** Performance was 'Amber' for May 2011. 6 decisions out of a total of 26 were made outside of the target timescale. Five of these delayed decisions were made by the committee as a result of referrals, legal agreements, or because they related to matters previously determined by the committee.

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

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

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

Leading the way, working together

Financial analysis

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

Performance analysis

2.23 There are no performance indicators monitored on a monthly basis for

this priority.

CAPITAL FINANCIAL SUMMARY

2.24 The table below sets out expenditure to 31 May 2011 against the Capital Programme which reflects the recommendation to Council on 6 July 2011. **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	2,144,940	2,798,560	747,960	2,789,060	(9,500)
Fit for Purpose	1,385,550	1,883,970	513,425	2,033,970	150,000
Pride in East Herts	2,276,200	1,905,790	97,417	1,944,690	38,900
Shaping now	430,500	562,600	6,567	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>1,365,369</u>	<u>6,580,320</u>	<u>179,400</u>

2.25 A sum of £77.5k remains to be paid in respect of the Council's recent enhancement of the Leisure facilities. This overspend (against a total project cost of £3.58m) arose out of a requirement by the electrical contractor to install a new substation, as previously reported to Members. A supplementary estimate will be required to meet this sum.

2.26 Members are being asked to support a request to re-profile £36k of the Grange Paddocks Pay and Display machines project from 2012/13 into 2011/12 to enable the purchase of machines in late 2011 in preparation for 2012/13. And similarly to support a request to re-profile £3k of the Grange Paddocks Tariff board/signs project from 2012/13 into 2011/12.

2.27 Members are being asked to support a request to re-profile £150k of the New Telephone System from 2012/13 into 2011/12 to enable the purchase of a new system with an earlier installation date set for July/August.

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

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>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>
<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>