

EAST HERTS COUNCIL

EXECUTIVE – 6 SEPTEMBER 2011

REPORT BY THE LEADER OF THE COUNCIL

MONTHLY CORPORATE HEALTHCHECK – JUNE 2011

WARD(S) AFFECTED: All

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Purpose/Summary of Report:

- **To set out an exception report on the finance and performance monitoring for East Herts Council for June 2011.**

<b>RECOMMENDATIONS FOR EXECUTIVE: that</b>	
<b>(A)</b>	<b>the budgetary variances set out in paragraph 2.1 of the report be noted;</b>
<b>(B)</b>	<b>the Strategic Risks for 2011/12 and the action taken to mitigate during May and June 2011 be noted; and</b>
<b>(C)</b>	<b>the reporting of corporate projects in the July corporate healthcheck report, be noted. (Paragraph 2.28)</b>

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/quarterly 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.  
**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 2011 to June 2011.

	Position as at 30.06.11				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>						
Local Services Support Grant	13	0	5	0	50	0
Concessionary Fares	19	0	0	18	19	0
Taxi Licensing income	0	7	0	0	0	8
<b>(2) Fit for purpose</b>						
Turnover	0	154	0	48	0	587
Print/Desk Top Publishing	0	13	0	4	0	53

	Position as at 30.06.11				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>						
Pay and Display machines	0	0	0	0	0	17
Car Parks legal fees	0	8	1	0	0	10
Car Parks advertising	3	0	2	0	0	15
CCTV Contributions	11	0	0	0	0	13
Recycling Materials Handling	10	0	0	0	40	0
Waste Contract (various bud)	0	0	0	0	125	0
<b>(4) Shaping now, shaping the future</b>						
New Homes Bonus Grant	415	0	0	0	415	0
Discharge of Conditions	7	0	0	0	12	0

	Position as at 30.06.11				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) Leading the way, working together</b>	There is nothing to report for this Priority.					
<b>TOTAL:</b>	478	182	8	70	661	703
<b>Net Projected Variance</b>						42
<b>Supported by supplementary estimates</b>						0
<b>Total Supplementary Estimates</b>						0

- 2.2 Subject to all other budgets being equal, this would result in an over spend of £42k. However as the new homes bonus grant becomes allocated that projected overspend will increase.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected over spend of £587k. 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 general down turn in the economy is reflected in the demand for the Hackney Carriage/Private Hire service. As a consequence licence fees are anticipated to be adverse by £8k.

#### **Performance analysis**

- 2.5 The following indicator was 'Green', meaning that the target was either met or exceeded for June 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.** As reported in the previous month this represents an increase in caseload seen in the period and the need to avoid some planned weekend working to allow ICT to undertake changes required for office moves. A plan to recover this downtime is being implemented.

- 2.8 **EHPI 6.8 - Turnaround of pre NTO PCN challenges.** Performance was 'Red' for June 2011. Performance was off target due to continued high levels of PCN's being issued as well as staff absences.
- 2.9 **EHPI 6.9 – Turnaround of NTO Representations.** Performance was 'Amber' for June 2011. Arrangements have been put in place to improve this situation.
- 2.10 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for June 2011. Management have taken corrective action to ensure future invoices are paid on time.
- 2.11 The following indicator was 'Green', meaning that the target was either met or exceeded for June 2011:
- 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**

- 2.12 The Executive agreed in February 2011 that the subsidy towards the full cost of CCTV cameras in town centres be continued for 2011/12 only and that the issue be considered further as part of the Community Safety Review. The maximum income will be £52k which is £13k short to that stated in the Estimates.
- 2.13 The Recycling Materials Handling project to introduce sorting/bailing equipment has been delayed due to the new contract and this coupled with the volatility of material prices will result in an under spend of £40k.
- 2.14 There is an early warning that within various Waste Contract budgets there will be an under spend of approximately £125k in 2011/12 with a full year effect £136k resulting from implementing shared services with neighbouring authorities through the new waste contractor. A full report will be submitted later in the year.

#### **Performance analysis**

- 2.15 **NI 191 - Residual household waste per household.** Waste

collected increased this month compared to April and is some 3% up on May 2010.

2.16 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Performance improved in May to take cumulative performance just above the annual target. There were increases in both kerbside dry recycling and composting, compared to April, slightly countermanded by an increase in the waste collected.

2.17 The following indicator was 'Green', meaning that the target was either met or exceeded for June 2011:

- EHPI 2.4 – Fly-tips: Removal

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

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

#### **Financial analysis**

2.18 Income from Planning Discharge of Conditions is predicted to be £12k favourable due to a greater level of developer activity than anticipated.

#### **Performance analysis**

2.19 **NI 157a - Processing of planning applications: 'Major' applications.** Performance was 'Red' for June 2011. Seven major application decisions were released - two of which were within the target timescale. The reasons for the delays in relation to the remaining five were varied. It was necessary in one case to refer the matter to the Secretary of State. One of the proposals required the formulation of a legal agreement. One was subject to independent financial viability assessment and, in the case of an application to vary the proposals for the Sainsbury's development at Hartham and Hertford, there were protracted issues in relation to the impact of the proposals on the historic building to be resolved. These varying reasons lead to poor performance in the month overall.

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

- NI 157b - Processing of planning applications: 'Minor' applications.
- NI 157c – Processing of planning applications: Other applications.
- 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**

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

#### **Performance analysis**

2.22 **EHPI 3a - Usage: number of swims (under 16).** Performance was 'Red' for Quarter 1. The service is conducting an investigation in to the apparent reduction of swim throughput with this age category; results will be reported in quarter 2.

2.23 **EHPI 3b - Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 1. The service is conducting an investigation in to the apparent reduction of swim throughput with this age category; results will be reported in quarter 2.

2.24 **EHPI 3c - Usage: number of swims (60 year old +).** The service expected a decline in attendance due to exclusion of government funded free swims for this age group, but throughput remains at a consistent level.

2.25 The following indicators were 'Green', meaning that targets were either being met or exceeded for Quarter 1. They are:

- EHPI 4a - Usage: Gym (16 – under 60 year olds)
- EHPI 4b - Usage: Gym (60 + year olds)

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

### CAPITAL FINANCIAL SUMMARY

2.26 The table below sets out expenditure to 30 June 2011 against the Capital Programme which reflects Council approval of recommendations on 6 July 2011. 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	2,144,940	2,876,060	845,343	2,866,560	(9,500)
Fit for Purpose	1,385,550	2,033,970	577,525	2,033,970	0
Pride in East Herts	2,326,200	1,994,790	145,494	1,944,690	(100)
Shaping now	380,500	512,600	15,506	505,500	(7,100)
Leading the Way	0	0	0	0	0
Re-profiling potential Slippage	(750,000)	(750,000)		(750,000)	0
<b>TOTAL</b>	<b><u>5,487,190</u></b>	<b><u>6,667,420</u></b>	<b><u>1,583,868</u></b>	<b><u>6,650,720</u></b>	<b><u>(16,700)</u></b>

### **Strategic Risk**

2.27 On 17<sup>th</sup> May 2011, Zurich Insurance facilitated a workshop for Directors to identify current risks and assist preparations of the Strategic Risk Register for 2011/12. (The 'risk year' commenced in May to reflect the Audit Committee timetable). The risks were agreed at Corporate Management Team on 28<sup>th</sup> June.

Please refer to **Essential Reference Paper 'G'** for the new Strategic Risk Register, and mitigating actions for May and June 2011.

### **Corporate Projects**

2.28 Due to a number of staff who have been on annual leave corporate projects will be reported in the July corporate healthcheck report.

### **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 Member: Councillor A Jackson, Leader of the Council

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><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>Improving standards of the built neighbourhood and environmental management in our towns and villages.</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>