

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Finance and Staffing Portfolio Holder
Policy and Performance Portfolio Holder
17 August 2010

AUTHOR/S: Chief Executive / Corporate Manager for Community and Customer Services

INTEGRATED BUSINESS MONITORING REPORT: 2010-2011 FIRST QUARTER (1 APRIL – 30 JUNE 2010)

Purpose

1. To receive headline information relating to the Council's performance with regard to its key corporate actions, performance indicators, General Fund, Housing Revenue Account (HRA) and capital programme for 2010-11, identifying relevant links between budget and performance and where there may be opportunities to reallocate resources to reflect ongoing and emerging policy priorities.
2. This is not a key decision; however, it provides the key performance information necessary to assess the authority's performance against its strategic aims and effectiveness of its budgetary control in doing so. It was first published in the April 2010 Forward Plan. Following consideration by EMT at its meeting on 28 July 2010, quarterly integrated business monitoring reports are required to be submitted to the Policy and Performance and Finance and Staffing Portfolio Holders in accordance with the Leader of the Council's Scheme of Delegation of Executive Functions set out in Part 3 of the Constitution. Specific areas of concern will be cascaded to other Portfolio Holders for detailed consideration and action, as required.
3. The Policy and Performance Portfolio Holder has no scheduled meeting during August 2010; however, he has been invited to attend this meeting in order to receive the report and make any representations upon it.

Recommendations and Reasons

4. The Portfolio Holders are recommended to note the projected expenditure and performance position, as set out in paragraphs 5-10 below, identifying any specific areas of concern for detailed further action, as appropriate.

Executive Summary

5. This position statement is reporting on the variance between the original budgets and the projected outturn at the end of June. Below is a summary of June's projections and for comparison purposes the corresponding May's projections.

	June's Projected Outturn		May's Projected Outturn	
	Compared to Original	Compared to Original	Compared to Original	Compared to Original
	Overspend + / Underspend ()			
	£	%	£	%
General Fund	(205,100)	(1.32)	23,300	0.15

Housing Revenue Account (HRA)	(41,600)	(0.19)	700	0.00
Capital (please see paragraph 8n)	922,700	12.42	(8,800)	(0.11)

6. The forecast outturn on the General Fund is a net underspend of £205,100. This net underspend amounts to 1.32% of the Revised Net District Council Expenditure for the financial year ending 2010/11.
7. The HRA predicted underspend of £41,600 equates to 0.19% of gross expenditure.
8. Capital has a predicted overspend of £992,700, which is 12.42% of gross expenditure; however, this issue has been addressed following the Council Resolution on 22 July 2010 to increase the Capital Programme by £1,000,000, in order to fund the re-purchase of equity share properties.
9. The Council is making good progress against the majority of its key corporate actions for 2010-11. The following exceptions are likely to be missed:
 - (a) Action 4b – see paragraph 19 below;
 - (b) Action 10h – see paragraph 30 below;
 - (c) Action 11 – see paragraph 31 below.
10. Performance against key indicators is also strong, although there are areas of underperformance in respect of development control and sickness absence. Given that 2010-11 is at an early stage and given uncertainties over demand and resources for the remainder of the year, EMT did not consider it expedient to recommend any reallocation of resources between services at this stage.

Considerations – Integration of finance and performance information

11. The following sections provide relevant background and context for areas of budget variance and performance including, where appropriate, links between the two elements.
12. EMT, at its meeting on 28 July 2010, was requested to use the information within this report as a basis for identifying circumstances in which it may be appropriate to recommend the reallocation of resources between services to address variances between finance and performance within the organisation. As stated in paragraph 10 above, EMT did not make any specific recommendations in this regard, given the early-year position.

Considerations – Financial position

13. A summary position statement is provided at **Appendix 1**.
14. Highlighted below are the significant items.

Revenue - General Fund

- a. An analysis of the under/over spends for Salary related costs, as compared to the working estimates indicates a net underspend of £112,900, an increased underspend of £128,100 from the May's reported overspend. This is because the May report reduced the projected staff savings by the £178,000 saving

target. This report treats that savings target differently as a separate row in **Appendix 1** instead of being netted off against departmental accounts;

- b. **Street Cleansing** is at the moment predicted to underspend by £20,000. This is a consequence of using Street cleaning staff to cover shortfalls in refuse collection staff caused by sickness and by posts being held vacant pending the outcome of potential TUPE transfer in October 2010. This has had a slight adverse effect on performance levels re clearance of detritus. It is not anticipated that this performance standard will improve until the service changes are made and also clarity concerning the LPSA Reward Grant is known.
- c. **Development Control income** is lower than estimated owing to the continuing slow down in the housing market and consequential effect on income. The current shortfall equates to a predicted overspend of £80,000;
- d. **Concessionary Fares 2009/10**
The County Council has now submitted final invoices for the cost of reimbursing bus operators for 2009/010 and this is £21,600 less than the estimate when finalising the 2009/10 position. This will result in an underspend of this amount in this financial year;
- e. **Planning Policy** is expected to overspend by £25,700 as the income from Cambridge Horizons will be less than that assumed in the estimates;
- f. The **Cost of Collecting National Non Domestic Rate** will underspend by £9,500 because of clearance of provision for losses on costs of collection;
- g. The coalition government as part of central government cutbacks has abolished the **Local Business Authority Growth Incentive** distribution to local authorities; this means a loss of income of £91,900. Housing and Planning Delivery Grant was also abolished for 2010/11 but the income shown in the estimates is the amount being used from previous years. Assuming this grant is not replaced this will leave a shortfall of £1.23m to the end of 2014/15 on current assumption in the MTFS and Capital Programme;
- h. A £500,000 provision was made in the estimates for the cost of **redundancies and early retirements**. However, under accounting standards, a provision had to be made in the 2009/10 accounts for the cost of any restructurings which had been formally approved by 31 March 2010; consequently, £157,000 has been charged to the 2009/10 accounts and this sum will be an underspend in 2010/11;
- i. The total of items f to h is an net underspend of £74,600 and is shown against the 'Other' row in **Appendix 1**;
- j. Work is on going to identify where the balance of the **Savings Target** of £178,000 can be found. Currently £30,000 has still to be found in 2010/11. The details of how this amount is arrived at, is in **Appendix 2**, together with the £60,000 still to be identified for 2011/12 and £37,000 found in excess of the target for 2012/13 onwards;
- k. **Interest on Balances** has an expected surplus of £110,000 because of favourable rates achieved through direct dealing with clearing banks;

Housing Revenue Account (HRA)

- l. The **Building Maintenance Contractor** is predicted to have a surplus of £1,600 because they have won additional work than that budgeted for;
- m. **Supported Housing** is predicted to underspend by £49,000 because of vacancies;

Capital

- n. There is expected to be an outturn of £2,000,000 on the Acquisition of Existing Dwellings; this is £1,000,000 more than estimated when it was assumed these properties would be acquired by housing associations. This issue has been addressed by a Resolution of the Council on 22 July 2010 to increase the 2010/11 Capital Programme by £1,000,000 for the re-purchase of equity share properties, to be funded from either capital receipts or the balance from an increase in the Council's borrowing limits.

Considerations – Performance Management – Corporate Actions 2010-11

- 15. The following section provides brief commentary on each of the Council's eleven key corporate actions for 2010-11:

Action One – We will prepare the Council to achieve Customer Service Excellence accreditation during 2011

- 16. The Council completed a comprehensive self-assessment of all services against the 57 criteria required to achieve accreditation against the government standard, and has received feedback from its assessor which has indicated a greater degree of compliance than the self-assessment anticipated. The self-assessment has formed the basis for each service to perform gap analyses, which have themselves led to work plans being prepared to seek out evidence which may have been overlooked and case studies which, if expanded, could demonstrate full compliance with specific criteria; in addition, the work plans set out new actions to ensure gaps in customer service are filled at corporate and service levels. The project is progressing within agreed timescale and budget; further information is set out within update reports to the Policy and Performance Portfolio Holder and project assurance group during July 2010.

Action Two – We will increase the number of teenagers taking part in positive activities by 500 on the 2009-10 total

- 17. SCDC Children and Young People's Plan 2010-2013 is currently being drafted which will set out how SCDC will help children and young people to become involved and have a say in things that affect them, and to understand how they can influence change. It will also assist in focusing SCDC resources in a way that is more useful and helpful to children and young people living in our district. The draft plan has been the subject of discussion between local school children and members of SCDC Scrutiny Committee.
- 18. A programme of activities has been identified to provide opportunities for increased participation in positive activities. Those which have been held this quarter include the youth games and mini Olympics. Street Football continues to be held each term in five villages. (Sawston, Cambourne, Bar Hill,

Swavesey and Cottenham).

Action Three – We will meet or surpass a 65% recycling and composting rate by 2012

19. The implementation of the blue bin initiative is a crucial project in meeting this objective; the service is on course to be launched in October 2010, in accordance with budget and timescale.

Action Four – We will improve and maintain the appearance of our villages in 2010-11 by:

4(a) Continuing our programme of installing litterbins at a further 10 lay-bys on the major routes in the District.

20. The bin order has been placed with the supplier, and the goods awaited.

4(b) Continuing enhanced street cleansing within 10 of our larger villages past 2010-11

21. The work programme for the first quarter has been completed. However, following the suspension of government Local Public Service Agreement funding, there is uncertainty about the successful completion of the project.

4(c) Undertaking a further 10 community clean-up events

22. The Council has facilitated 12 events, providing support through carrying out joint village audits, co-ordination of National Probation Service in graffiti clearance, litter picking and fly tipping removal, the provision of equipment, and collection and disposal of rubbish. A further 7 events have been provisionally booked.

4(d) Maintaining our street cleansing and envirocrime operations, including the litter picking of the A11 and A14 verges

23. Twice-yearly litter picks of the A11 and A14 verges are scheduled to be carried out, in accordance with the corporate objective.

Action Five - We will achieve a 10% reduction in CO2 emissions from Council's operations and publicise the outcome in order to set an example to other organisations.

24. An action plan is in place and work to meet this target is being overseen by the Internal Sustainability Delivery Group. These steps also aim to address the Level 1 assessment (inadequate) made by the Audit Commission's 2009/10 round of Corporate Area Assessments, in relation to how South Cambridgeshire District Council makes effective use of natural resources. Steps taken this quarter include replacing standalone and less efficient print/copy devices with significantly more efficient 'multifunctional devices' and improvements in IT systems to reduce energy consumption, for example, running a PC auto power-off programme every evening to powerdown PCs that have accidentally been left running.

Action Six - We will work with parish councils to complete at least 6 local projects (or other quantified targets to be developed) supported by LPSA funding to contribute to the county target for the reduction of CO2 emissions

25. The Sustainable Parish Energy Partnership (SPEP) exceeded its initial targets

and now includes 15 parishes. This project is now moving into Phase 2 (community micro-renewables). The Climate Change Working group will consider a detailed report on this second phase on 8th July 2010. Officers are currently supporting a range of projects with parishes, including thermal imaging, car sharing, developing a parish energy booklet, the loan of energy monitors, and modelling CO2 emissions.

Action Seven – We will carry out specific actions to promote the district to new businesses, building links with the Cambridge University to assist start-ups and grown-on companies on the Cambridge Science Park and hosting and enabling at least 12 business development workshops within the district

26. The Step-Up 'Dragons' Den' for six budding entrepreneurs, all pitching to win some £30,000 worth of business support was held on 30 June 2010. The lucky winner was One Stop Baby Guides. Supported by the Cambridge News and sponsored by Regus, Cambridgeshire Chambers of Commerce, Business Link, Streets Chartered Accountants, Taylor Vinters Solicitors and Golley Slater Public Relations, this 'Dragons' Den' style competition provided one year's office accommodation as well as legal, accounting and public relations support for a new business or initiative in South Cambridgeshire.
27. A commercial property database is due to be launched within the next two months. The action to support the staging of at least 12 business development workshops in the district has been exceeded.
28. A marketing plan framework is being worked on with partners e.g. Cambridgeshire County Council and East of England International.

Action Eight – We will support local people to establish community orchards

29. A project plan is being undertaken to deliver at least 6 community orchards during 2010/11. Rob Mungovan, Ecology Officer gave a presentation at the Planning Parish Forum on Monday 14 June 2010. There has been phenomenal interest; landowners have offered land for fruit tree planting. Identified sites are currently being reviewed. The Tree Officer has also attended an orchard-planting course in preparation.

Action Nine – We will implement actions from the Community Transport Strategy 2010-2012 to increase coverage and better publicise existing provision

30. Progress has been made being made on the following actions:
 - Set up delivery group to review publicity for existing services – Q1 2010-11 (April-June 2010) This action is complete. The Delivery Group is meeting quarterly from May 2010.
 - Carry out a survey of residents Q1+2 2010-11 (April-Sept 2010) This action is complete. The Survey was carried out through the Summer edition of *South Cambs* magazine. The results and evaluation will be published in the Autumn edition, and at next the next TAG/Steering Group.
 - Carry out research relating to visual impairment, disability and young people by end Q4 2010-11 (by end March 2011). In progress: Research is currently being undertaken by CamSight for completion by March 2011. Proposals for Disability and Young People's research will be presented to TAG on 16 July 2010.

Action Ten – We will review and restructure the Affordable Homes Service to enable us to continue to provide our tenants with the best possible service within the resources available, and to meet new regulatory standards.

31. The Council has in agreed a number of sub-actions against this overarching corporate action. Table One below demonstrates that the service is making excellent progress towards completing a challenging restructure which has caused some uncertainty for staff and tenants but will result in an excellent service into the future, as confirmed by a recent independent Peer Review of landlord services led by the Improvement and Development Agency.
32. All targets within table one below are on course to be completed within timescale, with the exception of target 10(h) in respect of the tendering for the responsive repairs contract. The initial tendering exercise attracted a total number of submissions below the minimum threshold required for a valid process. Consequently the contract specification has been revised and a re-tender underway. It is envisaged that the contract will be awarded by 1 April 2011, and implemented during Summer 2011.

Table One: Affordable Homes specific actions under Corporate Action (10)

Milestone	Target Month	Q report	Status
(33) Secure SMT agreement for new structures	April 2010	Q1	Complete
(b) Identify and complete any redundancy measures (first phase)	April 2010	Q1	Complete
(34) Complete re alignment of Rent Recovery team	May 2010	Q1	Complete
(35) Consolidation of Sheltered Housing team structure	May 2010	Q1	Complete
(36) Completion of peer review of service	July 2010	Q2	Complete
(f) Complete appointments of new staff	August 2010	Q2	Almost completed
(g) Completion of re alignment of service to TSA standards (first phase)	October 2010	Q3	Almost completed
(h) Complete procurement of responsive repairs contract	April 2011	Q3	Procurement underway.
(37) Complete restructuring associated with award of responsive repairs contract	See (h) above	Q4	
(j) Identify and complete any redundancy measures (second phase)	March 2011	Q4	
(k) Complete new service plan for 2011/12 to incorporate action plan arising from peer review	March 2011	Q4	

Action Eleven – We will sign up to the Member Development Charter to enable Members to develop skills to meet new challenges for local government

33. A report will be submitted to the next meeting of the Environmental Services Portfolio Holder (ESPFH) on 27 July 2010. The ESPFH has responsibility for Member training and development within her portfolio, and will receive an update on progress towards signing up for the Charter and the longer term prospects for achieving it given the resource constraints facing the organisation.

Considerations – Corporate performance by service areas

34. During the current cycle of meetings, Portfolio Holders considered specific finance and performance reports in respect of budget and indicators relevant to each service area (these reports are available to view on the Council's public website, www.scambs.gov.uk).
35. As identified in the Executive Summary above, performance against the Council's strategic aims has been strong over the first quarter; this strong performance is replicated in the majority of performance indicators collected. Most service areas are performing well; however, the following areas of underperformance should be brought to the Portfolio Holders' attention in this report:

a. Planning and New Communities: Development Control performance

[The report to the Planning Portfolio Holder](#) identified missed targets in respect of a number of performance indicators for the Development Control service. The Corporate Manager for Planning and New Communities advises that first quarter performance has been adversely affected by project work associated with the introduction of a new planning IT system and accompanying major restructure. The new IT went live on 26 July; some glitches have emerged that did not show in the testing phase; however, these were being resolved as quickly as possible. The restructure was being implemented incrementally, and would be complete by 31 August. During this phase, additional temporary support has been approved by SMT, following which it is expected that performance will improve during the year.

b. Sickness absence

The average number of sick days per employee was 3.24; rolling this out over a full year provides an estimate of 12.96 days, significantly higher than the target of 9 days. The Portfolio Holder will be aware of this issue through regular update reports to his meetings; the Human Resources Manager advises that analysis of sickness by type has identified high levels of stress-related absence in some areas, which the Council will seek to address through the investigation of a targeted training programme for managers and staff about stress management issues.

Implications

36. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implication for the Medium Term Financial Strategy. It also to demonstrate that it is setting realistic targets and is then achieving these.

37.

Financial	As set out in the main body of the report.
Legal	None specific arising from the recommendations
Staffing	None specific arising from the recommendations
Risk Management	None specific arising from the recommendations
Equal Opportunities	None specific arising from the recommendations
Climate Change	None specific arising from the recommendations

Consultations

38. None specific to this report and recommendations.

Effect on Strategic Aims

39. The effect of any under or overspending on the achievement of corporate aims, service priorities and performance indicators and the linking of budgets with service performance is an ongoing challenge which the Council must continue to meet.

Conclusions / Summary

40. The Council is making good progress towards meeting its key corporate actions for 2010-11; however, there are actions and indicators which are causing concern and will require ongoing managerial attention. The capital programme is showing a significant variance equivalent to over 12% of gross expenditure; however, a separate report has been presented to Council on 22 July 2010 as a means of addressing this overspend.

Background Papers: the following background papers were used in the preparation of this report:

None

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