

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Policy and Performance Portfolio Holder
(11.00am)
Finance and Staffing Portfolio Holder
(6.00pm)

16 November 2010

AUTHOR/S: Executive Director (Corporate Services) / Corporate Manager, Community and Customer Services

INTEGRATED BUSINESS MONITORING REPORT: 2010-2011 SECOND QUARTER (1 JULY – 30 SEPTEMBER 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 July 2010 Forward Plan. Following consideration by EMT at its meeting on 27 October 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.

Recommendation

3. The Portfolio Holders are recommended to note the projected expenditure and performance position, as set out in paragraphs 4-8 below, identifying any specific areas of concern for detailed further action, as appropriate.

Executive Summary

4. This position statement is reporting on the variance between the working estimates and the projected outturn at the end of September. Below is a summary of September's projections and for comparison purposes the corresponding August's projections.

	September's Projected Outturn		August's Projected Outturn	
	Compared to Working Estimate		Compared to Working Estimate	
	Overspend + / Underspend ()			
	£	%	£	%
General Fund	12,700	0.08	(119,500)	(0.77)

Housing Revenue Account (HRA)	(36,500)	(0.16)	(24,800)	(0.11)
Capital	(500)	(0.01)	(1,800)	(0.02)

5. This report provides an update to the Financial Position report to SMT on 15 September 2010.
6. The original estimate and working estimate (original estimate plus virements plus rollovers agreed by the Section 151 officer) differ on the General Fund by the £50,000 increase to cash limits agreed by Cabinet for the recruitment/appointment costs of the new Chief Executive and by £1,000,000 on Capital for Council's resolution to fund acquisition of existing dwellings from capital receipts or borrowing.
7. In light of the previous year's underspending the individual budgets identified in **Appendix 1** have been selected on the basis of either the size of the budget, the risk associated with that budget, or on the basis of previous over/under spending.
8. The Council continues to make good progress against the majority of its key corporate actions for 2010-11.

Considerations – Integration of finance and performance information

9. The following sections provide relevant background and context for areas of budget variance and performance including, where appropriate, links between the two elements.
10. EMT, at its meeting on 27 October 2010, considered this report with a view to 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.

Considerations - Financial Position

11. A summary position statement is provided at **Appendix 1**.
12. 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 £73,000 a decrease in the underspend of £46,200 from the August's reported position. This is mainly due to the agreement to extend a fixed term post;
- b. Offsetting the above is a predicted overspend in HR/Payroll of £27,600 relating to the termination of the licence for the time recording system and additional costs of the job evaluation work. This together with the salary related cost underspend give a net £45,400 underspend on departmental accounts;
- c. **Land Charges** is still predicted to overspend by £10,000 because the changes announced by the Coalition Government to the Home Information Packs;

- d. Currently the **Refuse Collection** and **Street Cleansing Services** are underspent by £36,000. However, this is offset by the need to make savings this year of £70,000 because of the withdrawal of the LPSA Reward Grant of £35,000 and unidentified savings on Environmental Health Services of £35,000. Therefore the Environmental Health Portfolio is predicted to breakeven;
- e. **Homelessness** has a predicted underspend of £10,000 on payments for accommodation because of how staff are managing clients' needs;
- f. **Development Control** is predicted to overspend by £20,000 on obtaining external advice on applications;
- g. **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 full year predicted overspend of £200,000;
- h. **The Building Control Service** on fee earning activities is expected to underspend by £106,800 because of increased income and lower allowable costs that can be charged against this account. Non fee earning activities which impact on the General Fund are anticipated to underspend by £15,400;
- i. **Concessionary Fares
2009/10**

The County Council final invoices for the cost of reimbursing bus operators for 2009/10 were £21,600 less than the estimate when finalising the 2009/10 position. This has resulted in an underspend of this amount in this financial year;

2010/11

The latest information from the County Council if pro-rated up to a full year indicates a potential underspend of £50,000. This gives a potential total underspend in this financial year of £71,600;

- j. **Growth Agenda** is expected to overspend by £25,700 as the income from Cambridge Horizons will be less than that assumed in the estimates;
- k. The **Cost of Collecting National Non Domestic Rate** will underspend by £9,500 because of clearance of provision for losses on costs of collection;
- l. The coalition government as part of central government cutbacks has abolished the **Local Authority Business 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 Capital Programme drawn up last year, but this has been reflected in the recently revised MTFs;
- m. 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,

£156,700 has been charged to the 2009/10 accounts and this sum will be an underspend in 2010/11, additionally £32,700 has not yet been used and of the amounts paid £10,000 will be charged to the HRA or Capital. These amounts come to a total underspend of £199,400;

- n. **Democratic Representation** is now expected to overspend by £6,500 because of the cost of the upgrade to the modern.gov system to enable e-petitions to be undertaken;
- o. **Strategic Housing** has underspent by £2,000 as the cost of the Housing Market Assessment was less than originally estimated;
- p. The **Lettings & Advisory Service** is projected to underspend by £20,000 because of additional income and savings on advertising costs;
- q. **Community Strategy** is currently predicted to overspend by £17,200 because of the withdrawal of the LPSA Reward Grant. However, it should be noted that this position is subject to the outcome of discussions regarding the Connection Youth Bus scheme and any developments re the LPSA Reward Grant;
- r. The total of items k to p is a net underspend of £115,300 and is shown against the 'Other' row in **Appendix 1**;
- s. Work is on going to identify where the balance of the **Savings Target** of £178,000 can be found. Currently £109,000 has still to be found in 2010/11. The details of how this amount is arrived at, is in **Appendix 2**, together with the £109,000 still to be identified for 2011/12 and £12,000 to be found for 2012/13 onwards;
- t. **Interest on Balances** has an expected surplus of £70,000 because of favourable rates achieved through direct dealing with clearing banks;

Housing Revenue Account (HRA)

- u. The **Building Maintenance Contractor** is predicted to have a surplus of £3,000 because they have won additional work above the volume budgeted for;
- v. **Supported Housing** is predicted to underspend by £60,000 because of vacancies. These vacancies relate mainly to long-term sickness cases, which have been taken into account in planning current service levels; consequently there has been no impact on performance. It should be noted that this service is anticipated to come under severe pressure following the announcement of recent government cuts, therefore further underspends are unlikely in future years.
- w. **Outdoor Maintenance** is expected to underspend by £10,000 as only essential work is now being undertaken;

Capital

- x. With the withdrawal of the LPSA Reward Grant there is a possible net shortfall of income of £4,100.

Considerations – Performance Management – Corporate Actions 2010-11

13. 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 (Green)

14. The evidence-gathering stage of the project is nearing completion and is on course to be concluded by 30 November 2010, on which date revised self-assessments are due to be submitted to the Project Manager for subsequent consideration and review by the Council's external assessor in accordance with the agreed project timetable. Whilst some services are progressing the evidence-gathering stage quicker, and have engaged with the project to a greater extent, than others, feedback from the assessor and the weight of evidence gathers suggests that the Council remains on course to achieve accreditation during 2011. The project is also beginning to generate positive outcomes in terms of initiatives to improve customer service, including formal procedures for recognising excellent customer service and customer insights surveys of the Cambourne Reception. The project will also be aligned with the wider review of customer access arising from the first stage of the review of the current contract with Cambridgeshire Direct for contact centre services.

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

15. The Council has already exceeded the target to increase the number of children and young people taking part in positive activities by 500 through the successful undertaking of a number of initiatives. These include:
- a range of ArtSmash projects as well as Cambourne Youth Festival, Gamlingay Youth Group & Arts Development, Film making project to engage young people who are disengaged and could potentially display antisocial behaviours, Sawston Cinema, etc.
 - Street football, mini olympics, rural athletics, youth games plus, disabled events, free swimming and Park Life to name but a few.
 - Over 130 children (Year 8s) also took part in the Northstowe School Design Days and there continues to be workshops and visits to the Connections Youth Bus to involve young people (age 11 - 19 yrs) in the development of SCDC's Young People's Plan (approximately 80 children to-date).
 - Positive activities and engagement with children and young people will become further embedded at SCDC through the Young People's Plan, which is due to be presented by young people to Scrutiny in January and New Communities PFH in February 2011, and will also include an Action Plan for participation through 2011 - 2012 and beyond.

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

15. The implementation of the blue bin initiative is a crucial project in meeting this objective; the service has been launched in October 2010, in accordance with budget and timescale; the bulk of initial feedback has been positive.

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 (Green)

16. This initiative is on course to be completed within budget and timescale.

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

17. The village centres programme was suspended between the 1st and 2nd quarters due to the withdrawal of Local Public Service Agreement (LPSA) funding.

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

18. 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. An extended programme involving further community clean-up events is underway.

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

19. The A11/A14 autumn litter pick is to be linked with the cutting of the highway verge by the county council.

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 (amber)

20. A number of initiatives are underway in pursuance of this action:

- a) Mid-term data for business/fleet miles and office heat and power has yet to be collated; however, a reduction is anticipated following virtualisation of servers and as a consequence of lower staff numbers.
- b) A new in-house blue-bin contract should reduce fleet miles significantly for the second half of this year.
- c) Behaviour change publicity is proceeding; however, whilst important, this is unlikely to have any appreciable effect on consumption
- d) capital outline bids have been put forward for PV panels and voltage optimisation kit for South Cambs Hall; however, these are unlikely to be installed/fully commissioned before the end of the year.
- e) Best practice and information on our 10:10 activities will be publicised via the Cambridge Climate Change Charter website.

The target is showing as Amber pending the receipt of the interim power output figures for the building, referred to above.

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 (Green)

21. The Sustainable Parish Partnership continues to grow rapidly - 18 parishes have signed up, with 5 more in the pipeline. It is anticipated that 25% of parishes will be signed up by the end of the year.

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

22. The target to stage 12 business development workshops has been achieved, and surpassed through the provision of further events in partnership with Business Link. An Economic Strategy for the district is due to be launched for Consultation, proposing various actions to support business and meet future Council actions relating to new business support.

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

23. Reasonable progress is being made to meet the target with schemes coming forward for the winter planting season. The Community Orchard initiative has been well-publicised and a training event will take place in December. The scheme is dependant on community ownership and the availability of land. A number of potential schemes are being followed up. The Council has six schemes where planting or other works are expected to take place this year, including sites which are parts of developments and 2 schemes which involve the restorative management of existing orchards. Schemes at Coton and Rampton have been supported with grants.

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

24. Progress has been made being made on the following actions:
- Survey in SC Magazine Spring 2010; all respondents wanting to know more have been written to.
 - Double page article in SC Magazine Summer 2010 publicising available services.
 - Set up a delivery group and forum for providers to attend and share practice / liaise about working closer together.
 - Camsight research commissioned (to start October 2010).
 - Discussions regarding youth research ongoing.
 - Priority areas for expansion / new car schemes agreed with Care Network to increase coverage across the district.
 - Quarterly steering groups meetings held.

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 (green)

25. The following specific actions within this Corporate Action have been completed:
- SMT agreement for new structures
 - First phase redundancy measures identified and completed
 - Rent Recovery team re-aligned

- Sheltered Housing team consolidation complete.
- Peer review of service completed
- New staff appointed in accordance with new structure and timescale.
- Service re-aligned to Tenant Services Authority (TSA) standards

The following actions are underway or planned:

- Complete procurement of responsive repairs contract (Revised project plan target completion March 2011); restructure in light of contract award (2011-12 action)
- Identify and complete phase 2 redundancy measures (target March 2011)
- Service plan for 2011-12 incorporates action plans arising from peer review (plan drafted)

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

26. The Portfolio Holder with responsibility for Member training and development agreed to sign up to the Charter; the formal signing was due to take place at Cabinet on 11 November 2010. The Democratic Services section is taking forward work to identify Members' current and future training needs, and to co-ordinate relevant training opportunities and individual training plans designed to meet those needs.

Performance Management Reporting

27. Updates on the Council's key corporate actions are brought together within the report generated by the Performance Management system and **attached as Appendix 3** to this report. The Portfolio Holders and all Members and officers are reminded that 'at-a-glance' diagrams of progress against key targets are available to download from the Council's Intranet ('In-site) at all times. Please contact Richard May on the number below for further guidance regarding these reports.

Considerations – Corporate performance by service areas

28. During the current cycle of meetings, Portfolio Holders will be considering specific finance and performance reports in respect of budget and indicators relevant to each service area (these reports will be available to view on the Council's public website, www.scambs.gov.uk). Any areas of specific concern regarding performance against key indicators will be reported.
29. EMT requested that the Portfolio Holders attention be drawn to a notable achievement by the Council in respect of its external recognition, following a peer review by Local Government Improvement and Development (formerly the IDeA) as an Achieving Authority for its work to promote equality and diversity in service delivery and as an employer. This achievement represents confirmation of the great progress the Council has made in a short period of time, and is one in which all staff and Members can take great pride before building on the award to secure and maintain excellence in equality work.

Implications

30. 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.

31.	Financial	As set out in the main body of the report.
	Legal	None
	Staffing	None specific arising from this reports and recommendations
	Risk Management	None specific arising from this reports and recommendations
	Equality and Diversity	As set out in paragraph 29 above.
	Equality Impact Assessment completed	No Report is for Information and in itself has no equality impact
	Climate Change	As set out in the main body of the report.

Consultations

32. None specific to this report and recommendations

Effect on Strategic Aims

33. 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

34. The Council continues to make good progress towards meeting its key corporate actions for 2010-11. The forecast outturn on the General Fund is a net overspend of £12,700. This net overspend amounts to just 0.08% of the Revised Net District Council Expenditure for the financial year ending 2010/11, representing strong performance and effective budgetary control. Similarly robust positions have been achieved with respect to expenditure within the Housing Revenue Account (HRA) and Capital Programme.

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

Original Estimates 2010/11,
Financial Management System Reports

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