

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Policy and Performance Portfolio Holder (11am) 15 February 2011
Finance and Staffing Portfolio Holder (6pm)

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

INTEGRATED BUSINESS MONITORING REPORT: 2010-2011 THIRD QUARTER (1 OCTOBER – 31 DECEMBER 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 October 2010 Forward Plan. Following consideration by EMT at its meeting on 26 January 2011, 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.

Recommendations

3. The Portfolio Holders are recommended to note the projected expenditure and performance position, as set out in paragraphs 4-7 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 revised budgets to be approved by Council and the working. Below is a summary of December's projections and for comparison purposes the corresponding November projections. The key movement since the last report relates to the significant savings identified with respect to the recycling service (£153k), an explanation for which is given in paragraph 12(d) below.

	December's Projected Outturn		November's Projected Outturn		Movement
	Compared to Working Estimate		Compared to Working Estimate		Appendix 1
	Overspend + / Underspend ()				
	£	%	£	%	£
General Fund	(450,000)	(2.88)	(280,300)	(1.80)	(169,700)
Housing Revenue Account (HRA)	589,600	2.64	(90,600)	(0.41)	680,200
Capital	79,100	0.88	79,700	0.89	(600)

5. 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.
6. 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.
7. The Council continues to make good progress against the vast majority of its key corporate actions for 2010-11. There is concern in respect of Action 5 (reduction in the Council's carbon emissions), in response to which management actions have been identified and careful monitoring will be undertaken. Progress against each action is shown in the report at **Appendix 2** attached.

Considerations – Integration of finance and performance information

8. The following sections provide relevant background and context for areas of budget variance and performance including, where appropriate, links between the two elements.
9. EMT, at its meeting on 26 January 2011, 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. EMT made no specific recommendations in this regard.

Considerations – Financial Position

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

Revenue

General Fund

- a. An analysis of the revised **Departmental budgets** for 2010/11 as compared to the working estimates indicates a net underspend of £39,000, an increase in the underspend of £21,300 from November's reported position;
- b. Additionally the revised departmental and overhead accounts are £170,900 less than the original estimates;

- c. **Land Charges** is still predicted to overspend by £10,000 because the of the abolition announced by the Coalition Government of the Home Information Packs;
- d. **Recycling** is predicted to underspend by £152,400 as a consequence of the success of the new blue bin recycling service, through which a higher recycling rate has generated increased recycling credits;
- e. **Homelessness** has a predicted underspend of £42,200 on payments for accommodation due to the effective management of clients' needs;
- f. **Development Control** is predicted to overspend by £41,000 on obtaining external advice on applications because of the volume of small applications received was beyond the capacity of the staff employed pending the re-organisation of the service to determine within targets. Posts in the re-organised department are now fully staffed;
- g. **Development Control income** is lower than estimated owing to the continuing slow down in the housing market and consequential effect on income received re: large scale developments. The current shortfall equates to a full year predicted overspend of £149,100. This has been offset by being awarded costs of £75,000 on the outcome of the Linton Wind Farm Appeal, giving a net overspend of £74,100;
- 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 overspend by £13,200;
- 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 £66,400, and together with a reduction in Government grant gives a potential total underspend in this financial year of £68,300;
- j. **Growth Agenda** is expected to overspend by £28,700 as the income from Cambridge Horizons will be less than that assumed in the estimates;
- k. **Planning Policy** is anticipated to underspend by £20,000;
- l. The **Cost of Collecting National Non Domestic Rate** will underspend by £9,500 because of clearance of provision for losses on costs of collection;
- m. 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 assumptions in the Capital Programme drawn up last year, but this has been reflected in the recently revised MTFs;

- n. 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 £18,700 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 £185,400;
- 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 £12,700 because of additional income and savings on advertising costs;
- q. The total of items l to p is a net underspend of £125,000 and is shown against the Other row in **Appendix 1**;
- r. Work is on going to identify where the balance of the **Savings Target** of £178,000 can be found. Currently £144,000 has still to be found in 2010/11;
- s. **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)

- t. **Housing Repairs** is expected to underspend by £51,100 on the original estimates;
- u. The **Building Maintenance Contractor** is predicted to have a surplus of £9,500 because they have won additional work than that budgeted for;
- v. **Supported Housing** is predicted to underspend by £152,900 because of vacancies and additional income;
- w. **General Administration** The revised estimate is £47,200 less than the original estimate mainly because tenants handbook expenditure will not now be incurred and fees and charges are £30,000 more than originally planned;
- x. **Outdoor Maintenance** is expected to underspend by £2,000 as only essential work is now being undertaken;
- y. **Tenant Participation** is expected to underspend by £17,200 on newsletters and consultation because expenditure is less than originally planned;
- z. The cost of payments to agents for running **Hostels** is expected to underspend by £7,500 due to increased occupancy;
- aa. The HRA is making additional **contributions** of £223,000 to fund additional capital expenditure on disabled adaptations and heating replacements. An additional £650,700 is being contributed to fund repurchases of properties giving a total of £873,700;
- bb. The **Provision for Redundancies** was estimated at £150,000 but £69,300 was not required;

Capital

- cc. **Communal Facilities** Upgrades have slipped from 2010/11 into 2011/12 leading to an underspend of £29,600;
- dd. **ICT Development** The revised estimate is greater than the original by £34,000 mainly because of expenditure incurred on the perpetual licence for the income management system, funded from precautionary items;
- ee. **Improvement Grants** are expected to underspend by £5,000 on discretionary disabled facilities grants;
- ff. **Right to Buy Sales** have been lower than previously anticipated. The current shortfall is £300,000 but this is offset by a reduction in the amount to be transferred to the DCLG re pooling of capital receipts of £225,000 to give a net overspend of £75,000; and
- gg. With the withdrawal of the LPSA Reward Grant there is a possible net shortfall of income of £4,100.

Considerations – Corporate Actions

- 12. 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)

- 13. The Council underwent pre-assessment in December 2010, feedback from which suggests that, subject to the completion of outstanding actions to address development areas and EMT/Portfolio Holder endorsement, it is on course to undergo full assessment in June 2011. Further details are contained within a report on the project, to be considered by the Policy and Performance Portfolio Holder at his meeting.

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

- 14. 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, details of which are set out in the previous monitoring report considered by EMT in October 2010. Positive activities and engagement with children and young people will become further embedded at SCDC through the Young People's Plan, which was presented by young people to, and endorsed by, the Scrutiny and Overview Committee in January and was then submitted to the New Communities Portfolio Holder for approval on Tuesday 25 January.

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

- 15. Following the successful launch of the blue bin service in October 2010, this action remains on target to be achieved within 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 (Green)

16. This initiative remains 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 following the withdrawal of Local Public Service Agreement (LPSA) funding; however, street cleansing continue to be undertaken on an *ad hoc* basis, subject to resources being identified from within existing budgets.

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

18. The Council has facilitated considerably more than the 10 events targeted, 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.

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. Due to the exceptionally mild autumn, closely followed by a cold December, the autumn cutting has been delayed; it has since been ordered, and should be undertaken shortly.

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. Emission data for quarter three has yet to be finalised; however, final results from quarter two, and early indications suggest that the Council's target will not be met. Primary factors contributing to this are lower than anticipated reductions in fleet mileage and electricity use; the virtualisation of servers has been offset by the installation of new servers to support other key ICT infrastructure.

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 has grown rapidly and the annual target already exceeded; however, momentum is anticipated to slow down whilst the specialist officer post is vacant.

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 (Green)

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 has been 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. This action is on target with schemes coming forward for the winter planting season, subject to schemes being dependent on community ownership and the availability of land. A number of potential schemes are being followed up. The Council has eight 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, Landbeach Emmaus 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:
- Camsight research has been carried out, and the results expected in Spring 2011;
 - Young people's research has been commissioned to begin in Spring 2011;
 - Community Transport has been publicised via Camsight Rural Support Groups and Cambs Celebrates Age events, including at Sheltered Housing schemes.
 - Made representations regarding the importance of Community Transport provision in the district, as part of the development of the County Local Transport Plan.
 - The Care Network has been tasked with setting up or expanding car schemes into areas of need.

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. All specific actions falling under this Corporate Action are on target.

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 Leaders of the Council and Major Opposition Groups formally signed the Charter following the Cabinet meeting on 11 November 2010. A number of initiatives are underway in pursuance of the charter; further details are available in an [update report to the last meeting of the Environmental Services Portfolio Holder](#).

Considerations – Corporate performance by service areas

28. During the current cycle of meetings, Portfolio Holders are 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.scams.gov.uk). Any areas of specific concern regarding performance against key indicators will be reported.

Implications

27. 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 needs to demonstrate that it sets realistic targets and then achieves these.

28.	Financial	As detailed in the report.
	Legal	None specific arising from this report and recommendations.
	Staffing	None specific arising from this report and recommendations.
	Risk Management	None specific arising from this report and recommendations.
	Equality and Diversity	None specific arising from this report and recommendations.
	Equality Impact Assessment completed	No. Report is for information and in itself has no equality impact
	Climate Change	As set out in paragraph 20 above.

Consultations

29. None specific to this report.

Effect on Strategic Aims

30. The report provides an overview of progress towards the achievement of corporate actions which will contribute to the successful attainment of the Council's strategic aims. It enables the effects of any under or overspending on the achievement of corporate aims, service priorities and performance indicators to be identified through the linking of budgets with service performance.

Conclusions / Summary

31. The forecast outturn on the General Fund is a net underspend of £450,000. This net underspend amounts to 2.88% of the Revised Net District Council Expenditure for the financial year ending 2010/11.
32. The HRA predicted overspend of £589,600 equates to 2.64% of gross expenditure. Capital has a predicted overspend of £79,100, which is 0.88% of gross expenditure.
33. The Council continues to make good progress towards the achievements of its strategic aims.

Background Papers: the following background papers were used in the preparation of this report: Original Estimates 2010/11

Financial Management System Reports

CorVu Corporate Plan 2010/11 Performance Report

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