

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet

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INTEGRATED BUSINESS MONITORING REPORT END OF YEAR (APRIL 2007 TO MARCH 2008)

Purpose

1. To provide Cabinet with an overview of performance against budgets and performance targets in 2007/08 and identify the main areas to be addressed in 2008/09.

Outturn Financial Position

2. A report, with provisional outturn figures, was presented to Cabinet on 8 May 2008 and for completeness a link to that report is provided at the end of this report. That report's two supporting appendices are at **Appendix 1** and **Appendix 2**.
3. **General Fund.** The overall end of year position is an underspend of £515,300, with proposed rollovers of £225,700. This represents a variation of 3.97% from the revised budget or 1.82% after the rollovers have been taken into account.
4. Underspends can be the result of a range of different factors – some from genuine efficiency savings or effective negotiations; some from cost fluctuations; some from changes in priorities; and some from shortcomings in financial or project management.
5. Under/overspends can have an impact on performance (and vice versa) - eg
 - a. **Salary related costs - net underspend of £62,200.** Where posts are unfilled during the recruitment process, this will often have an adverse impact on performance - eg
 - i) The Customer Service Project Officer post was vacant between October and December 2007, which had an adverse impact on complaints monitoring.
 - ii) Conservation vacancies have resulted in the team not having the capacity to confirm the completion of landscape schemes.

Some level of vacant posts while replacements are recruited is inevitable and indeed the Council's finances assume a 2% saving through vacancies. The Council will continue to address recruitment and retention issues to minimise prolonged vacancies and needs to maximise the use of available resources to maintain performance when posts are vacant.

- b. **ICT non-salary related expenditure - underspent by £57,900.** This is partly due to the Contact Centre budget being £15,900 underspent as a result of a number of vacancies during the year. This had an impact on the number of Contact Centre calls abandoned (Local PI SF731) which has been addressed in the later part of the year.
 - c. **Central Overheads - underspent by £71,900.** The major element of this underspend (£34,800) was on the centrally held training budget, where vacancies in Human Resources resulted in the anticipated training programme not being completed.
 - d. **Recycling Credits – additional income of £15,000.** This is partly due to the wholesale price of exported materials remaining high but is clearly also because of strong performance, where our combined recycling targets have been exceeded.
 - e. **Homeless payments - underspent by £30,000.** This underspend highlights the team's continued success in preventative strategies to reduce the number of homelessness persons i.e. there were no families in B&B in the financial year (National PI BV 183a refers).
6. **Housing Revenue Account.** The end of year position is an underspend of £200,700, to be significantly reduced by rollovers of £188,200. The main underspends are in the areas of Housing Repairs, Tenant Participation, General Administration and Miscellaneous Income.
7. **Capital.** The end of year position is an underspending of £326,800 with rollovers of £39,000. Slippage of Improvement Grants payments, because invoices from contractors have not been received, has led to an increased underspend of £169,300. A rollover of approximately £40,000 will be required to cover committed expenditure. The balance of slippage will not be required as this situation is expected to occur again next year and therefore these sums can be met from existing resources.
8. Overall, many managers already manage their budgets well using virement arrangements to channel resources to meet service needs in many cases. However, this is an area where corporate and service arrangements need to be improved through clearer prioritisation and management of resources. This will continue to be addressed in 2008/09 and is a key aspect of improving our Use of Resources score.

Performance Plan 2007 milestones and performance indicator (PI) targets

9. Following the original CGI inspection, the Council allocated a budget of £425,000 to complete the planned management restructuring and provide capacity highlighted as needed by the CGI (for example in areas such as Scrutiny, Equalities, HR and Communications). This additional capacity has had some impact in support of priorities, but this will be more evident in 2008/09 as the new staff and procedures become more embedded.
10. Of the PIs in these three corporate areas, 80% improved their performance when compared to the 06/07 performance.

Priority 1 – To Improve Customer Service (**Appendix 3 and 4** refer)

11. All milestone timescales have been achieved or remain on target to be achieved, leading to significant improvements in –
- Improving the involvement of customers - for example through the Agents Forum and the Building Control customer focus group. Consultations are being undertaken to establish a Business Stakeholders Forum on regulatory matters covering Environmental Health` issues.
 - Improving public access to decision making – eg through the meetings of the Scrutiny and Overview Committee and public speaking at Planning Committee
 - The monitoring of customer satisfaction - now being actively monitored in more service areas (e.g. in Development Control). Satisfaction levels are generally high (e.g. Housing repair rating of 9 out of 10).
 - the Service First project which is now well established with services being aware of and trying to improve performance against the standards.
12. Good progress has been made on the performance indicators under this heading. Of the fifteen PI targets, ten were achieved (e.g. 67%).
13. The main areas of concern are:-
- **The Contact Centre.** During the year performance declined as a result of staff vacancies and other factors. A joint improvement team was established to develop and implement an action plan, which achieved an improved performance in the final quarter (Jan to March 08). However the below standard performance in the previous nine months meant that the annual SLA targets were not achieved. Pressure will need to be maintained throughout 2008/09 to ensure the improvements are sustained and the SLA targets achieved
 - **Land Charge Searches.** There has been no improvement on the time taken to respond to Planning standard searches, which were received electronically (i.e. Local PIs SX25 and 26). The required ICT improvements, using Northgate systems, have not yet been implemented and applications received electronically are still being processed manually.
14. The processing of complaints has been more actively monitored and managed leading to significant improvements in the time taken to respond to them. Services are addressing this issue and, for example, Development Control is introducing a new system to ensure that complaints will be handled in accordance with the complaints procedure. Monthly performance monitoring now includes compliments statistics and it is hoped this will encourage staff to ensure that the compliments they receive are shared with their line manager.

Priority 2 – To achieve successful sustainable communities for Northstowe and other Growth Areas (**Appendix 3 Tables 1 and 2** refer)

15. The appointment of the Growth Areas Project Manager and the focussing of the Corporate Projects Officer on this area of work has provided additional capacity and a more co-ordinated approach to the growth area work and is

also successfully identifying significant external funding. Council objectives and performance indicators for this priority area have now been developed, which will give improved focus and provide the basis of more effective monitoring and management of this priority area.

16. Milestones have been achieved giving progress in the following areas –
 - The establishment of the Northstowe Trust
 - Section 106 agreements
 - Development of joint work and joint planning arrangements with Cambridgeshire Horizons and other partners
17. There are some slippages in milestone completion dates for the review of parish boundaries. However this is due to the requirements of the 2007 Act that contains new principles on Parish Boundary requirements, which have not yet commenced.

Priority 3 – The supply of Affordable Housing (**Appendix 3 and 4** refer).

18. The very challenging target for affordable home completions was not achieved (398 units against the target of 565 units). Many factors outside the Council's control affect the achievement of this target. Within the sub region of seven local authorities, we led the way by completing one third of the total 1,219 completions, which is highly commendable in current conditions.
19. There have been delays in meeting some planned timescales but these delays are largely out of our control e.g. the LDF and housing SPD processes. A preferred RSL partnership has been selected for the affordable housing at Northstowe and the other growth areas.
20. £9.7 million towards affordable housing for the next 3 years has been identified and it is expected that further bids will be supported as and when schemes are ready. This is an extremely positive result for South Cambridgeshire and continues the high level of success that was achieved in the last bid round.
21. One affordable housing PI (SH320 - % affordable housing planning permissions as % of all permissions), which is more under our control in terms of achievement, continues to be problematical in terms of data collection. Currently the information is supplied by the County Council but it has not been provided in time for this report. A working group is being set up to identify a way of providing the information without recourse to the County Council.

Other Important Performance Indicators (Appendix 3 and 5 refer)

22. The Performance Plan 2007 identifies other performance indicators of importance to the Council under a range of headings - e.g. Quality of service, Cleaner Villages and Environmental Quality. 77 PIs (National and Local) are used to monitor progress on these other important areas and these are listed at **Appendix 5**.
23. Officers have reported that 46 (i.e. **60 %**) were on target (**Appendix 3 Table 3** and **Appendix 5** refer).

24. 54 (i.e. **70%**) of the 77 PIs improved on their 06/07 performance or stayed the same (i.e. some PIs were at 100% in both years). Some areas to highlight, which provides a picture of good and less good performance follow.
25. Lower than hoped for performance in the following areas has been due to:
- | | | |
|--------------------|------------------------|-----------------------|
| Waste | SE201 | Staff sickness issues |
| Conservation | BV219b, SP904/5, SP931 | Staff vacancy issues |
| Community Services | SX16 | Staff vacancy issues |
26. We had not completed all staff appraisals by 30th April (SX20). This is partly because of delays in the completion of service plans and other competing priorities at this time of the year. The authority is looking to achieve IIP accreditation in 2009 and completion of appraisals and their links with other aspects of the performance management process will be a key aspect of successfully achieving that accreditation.
27. Housing benefit overpayments (BV79biii) are a particularly difficult debt to collect as the liable person has a very low income, and may often be reliant on benefits for their income. Our success in recent years in detecting fraudulent claims for benefits has increased the number of large 'difficult to recover' overpayments.
28. The time taken to re-let council houses (BV212 – 41 days) is disappointing, when compared to our own target (36 days) and against national comparisons where we have consistently been in the bottom quartile. The 2006/07 all England District Councils bottom quartile was 25 days and our 2007/08 performance of 41 days is still well below that. Significant work has gone into trying to improve the performance and the new voids processes kicked in alongside the implementation of CBL in February. This has produced an immediate reduction in void times down to around 17 days and falling. This significant improvement came too late to effect the average for the year but is worth noting as a tremendous exit velocity.
29. The Member training target (SF715) was not achieved but it is hoped that the new Member Development Strategy will help to remedy this situation in 2008/09.
30. Some of the areas where targets have not been met in fact hide significant successes, which need to be highlighted as follows:
- a) Recycling - The authority continues to lead the way on recycling but the overall excellent performance is clouded by two PIs (BV82ai and BV82aaii) where our own challenging targets were not met. The total tonnage of waste collected per head (BV84a) has gone down, which is a very positive development. The waste sent for composting or treatment by anaerobic digestion (BV82bi and BV82bii) exceeded the annual targets and it also worth noting that the % recycled in 06/07 was 18.24% but in 2007/08 it was 18.63%. The whole recycling team is to be commended for this effort.
 - b) B&B (BV183a) - The method of collating this information involves our having to include cases that go back 3 to 4 years. Therefore this is

historic information about B&B use and does not reflect the current picture. Bed & Breakfast was not used at all in 2007/08, which is an excellent result both in terms of cost saving and in an improvement in the service to the teams customers. The team is to be commended for this effort.

Performance Issues for 2008/09

31. There are a number of major performance challenges facing the Council in 2008/09:-
- The Council has purchased a new computerised performance management system to replace PIMMS. The new system is called Corvu and will provide the Council with much enhanced functions to collect and use performance management data. A programme of training and workshops is due to be held in June onwards to enable Members and officers to use the system effectively to manage and improve performance. The system alone will not improve performance. The system will need to be used effectively within a culture which regards improved performance as a key value.
 - The existing national performance indicators (BVPIs) have been replaced by a new set of national indicators (NIs) from April 2008. These new indicators focus on outcome measures (ie how the lives of residents are improved) more than output measures relating specifically to District Council services. A high degree of partnership work will be required to deliver good performance against many of the new indicators. We will need to balance improving performance on our key directly provided services such as processing planning applications, benefits applications and improving waste collection & street cleaning with addressing the relevant new national performance indicators through partnership work.
 - The new LAA with about 35 indicators will be approved in June. This and the new inspection regime (the CAA) will also present new challenges of achieving performance management within a partnership context.

Effect on Annual Priorities and Corporate Objectives

Managing the growth agenda	Under or overspending, can impact on our ability to achieve our corporate objectives, service priorities and performance indicator targets. Effective monitoring of our targets and milestones will ensure we achieve all that can be achieved within the available resources.
High quality services	
Quality of Life	

Conclusions/Summary

32. 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.
33. The forecast underspend on the General Fund is now predicted to be £515,300, an increased underspend of £330,300. This predicted underspend

represents 3.97% of the revised budget. Of this underspend £289,600 will be requested to be rolled-over into 2008/09 because of slippage. Therefore the true underspending is £225,700, which represents 1.82% of the revised budget.

34. Performance in the two priority areas of Customer Service and Successful Communities at Northstowe and the other Growth areas has been very good with almost all objectives achieved. There have been concerns over the performance of the Contact Centre and this will need to be monitored closely in 2008/09.
35. Performance in the priority area of Affordable Housing is affected by a range of external factors. While the high 2007/08 target for affordable home completions was missed, the authority did exceptionally well when compared to our partners in the sub region.
36. Of 95 PIs which were monitored in 07/08, **60%** achieved their target and **72%** improved on the 06/07 performance.
37. There are major new performance challenges for 2008/09.
38. There have been some slippages in some areas and staff shortages would appear to account for some of these issues (e.g. Conservation). Annual appraisals have not been completed on time and this will need to be addressed if we are to achieve IIP in 2009.

Recommendations

39. Cabinet is recommended to:
- a) Note the levels of underspend and to request managers to put in place improved arrangements in 2008/09 for the effective management of financial resources to maintain and improve performance.
 - b) Note overall creditable performance statistics.
 - c) Request the performance of the Contact Centre to be actively monitored to achieve further improvements, to meet agreed SLA standards.
 - d) Note the performance targets not achieved in 2007/08 and request Corporate Managers to take appropriate action to ensure 2008/09 targets are met
 - e) Note the performance management challenges for 2008/09 and support the Portfolio Holder and Managers in addressing them.

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

The Performance Plan 2007, Estimate Book 2007/08, Revised Departmental/Overhead Accounts 2007/08, Financial Management System Reports. Cabinet report 8 May 2008 – [Click here for report](#)

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