

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**REPORT TO:** Leader and Cabinet

2 July 2009

**AUTHOR/S:** Chief Executive / Interim Corporate Manager for Community & Customer Services

### END OF YEAR INTEGRATED BUSINESS MONITORING REPORT FOR APRIL 2008 TO MARCH 2009

#### Purpose

1. To provide Cabinet with the 2008/09 end-of-year monitoring report for the Corporate Plan performance measures and budgets.

#### Executive Summary

2. This integrated report brings together two key performance management elements of:
  - Finance (**Appendix 1**)
  - Corporate Plan Performance (**Appendix 2**)

#### Financial Performance

3. The information in this report indicates the following provisional outturn (under)/overspends for 2008/09 as compared to the working estimates. The working estimates are the revised estimates as approved by Council on 26<sup>th</sup> February 2009 adjusted for approved virements since that date. Below is a summary of March's projections and for comparative purposes the previously reported March's projections and last year's figures.

|                               | Current March's Projected Outturn |        | Previous March's Projected Outturn |        | 2007/08 March's Outturn |
|-------------------------------|-----------------------------------|--------|------------------------------------|--------|-------------------------|
|                               | Compared to Revised*              |        | Compared to Revised*               |        |                         |
|                               | £                                 | %      | £                                  | %      | %                       |
| General Fund                  | (189,000)                         | (1.36) | (23,700)                           | (0.17) | (3.97)                  |
| Housing Revenue Account (HRA) | (112,700)                         | (0.52) | (234,600)                          | (1.07) | (1.02)                  |
| Capital                       | (295,000)                         | (2.54) | (183,900)                          | (1.58) | (2.54)                  |

\* As there are no virements between General Fund, Housing Revenue Account and Capital, the working and revised estimates are the same.

#### Corporate Plan Performance

4. The 2008/09 Corporate Plan identified 54 corporately important measures to monitor progress on achieving the Council's priorities. Officers have reported that 30 (56%) of these measures were achieved. A further 14 measures (26%) were not achieved exactly as originally set out but were or will be achieved so that the desired outcome will be achieved. The Council has therefore achieved, fully or substantially, 82% of

the aims set out in the 2008/09 Corporate Plan, which has resulted in significant service improvements.

5. Targets for 9 (17%) of the Corporate Plan measures were not achieved and these missed targets are considered to be strategically important.
6. The Performance Management Portal was launched in June 2009. This is the culmination of a great deal of partnership development work since the application was purchased in March 2008. Cabinet has been receiving CorVu generated performance reports since September 2008. Development work has included arrangements for data inputting by over 100 officers across the Council and the creation of the performance management Portal. The 2009/10 Service Plans are now loaded into CorVu, which will result in Members being able to view progress electronically from home via InSite. The Portal was launched to Members at a workshop on June 19<sup>th</sup>. Further Staff and Member workshops will be arranged in July and August.
7. EMT agreed to set up the new Performance Improvement Group (PIG), which will develop the new Performance Management Strategy and act as a forum for promoting performance improvement across the authority.

### **Financial Position**

8. This report provides an update to the previous provisional outturn-report but is subject to finalisation and approval by the External Auditors of the Final Accounts.
9. In light of the previous year's underspending the methodology for selecting the areas to be individually reported has been reviewed. 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.
10. This report does not, therefore, itemise all under/overspendings that have occurred in 2008/09 but all under/overspendings are included in the summary figures in paragraph 1 above.

### **Considerations**

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

### **Revenue**

#### **General Fund**

- a. The under/over spends for Salary related costs, as compared to the working estimates, indicates a net overspend of £10,200;
- b. Departmental Travel underspends are £31,700;
- c. Other non-salary related expenditure has underspent by £91,400. The main reason for this has been the award by the Courts, in March, of our legal fees in respect a health and safety prosecution for the sum of £78,200;
- d. **Land Charges** income was exceptionally high in March giving rise to an underspend of £16,300;

- e. **Refuse Collection, Street Cleansing and Kerbside Recycling** have underspent by a combined £84,500 due to higher than anticipated stock levels of refuse bins/boxes. This is due to the slowdown in the property market meaning that the bins/boxes purchased have been stockpiled, thus reducing expenditure;
- f. **Homelessness** have underspent by £19,200 as the demand for accommodation has been less than expected even in light of the economic climate;
- g. **Housing Futures** allocations between General Fund and HRA have been revised as a result of a different spending profile and more detailed examination of staff time allocations and analysis of expenditure, meaning that there is an underspend of £19,300 because of recharging to other Housing activities. Previously this was an anticipated overspend of £40,000;
- h. **Other Net HRA Recharges** are underspent by £74,400 and the HRA is correspondingly overspent by the same amount. This occurs when services over/underspend and a proportion of that expenditure is recharged either to or from the HRA. The £74,400 is mainly due to:-
  - i) **Corporate Management (GF)** has incurred additional expenditure totalling £80,700 of which £46,400 has been recharged to the HRA;
  - ii) **Outdoor Maintenance (HRA)** underspending by £32,400 of which £17,000 proportionally falls as an underspend on the General Fund; and
  - iii) **Sheltered Housing (HRA)** underspending by £140,500 of which £15,000 proportionally falls as an underspend on the General Fund;
- i. **Development Control income** is lower than estimated owing to the slow down in the housing market and consequential effect on income. The current shortfall is an overspend of £86,500;
- j. **Building Control** fee income is less than estimated. The shortfall is £32,900. However, this has been offset by a transfer from reserves to give a net underspend position of £2,200;
- k. **Concessionary Fares** budget is underspent by £6,500 based on projections for the full year; final data from the bus operators and the County Council has not yet been received for the second half of 2008/09;
- l. **Planning Policy** is predicted to overspend by £6,400 which is due to information from the planning inspectors altering the expected spending in this financial year;
- m. **Economic Development** Strategy & Business Forum expenditure is not now expected to be fully utilised in this year as the tender has only just gone out. It is expected that £24,500 will be requested to be rolled over into 2009/10;
- n. **Community Development** is expected to underspend by £10,000 as the Community Facilities Audit will not be completed in this year but will be requested to be rolled over into 2009/10;
- o. The employment of consultants for the **Waste Management** procurement options has not gone ahead as planned leading to an underspend of £9,000;
- p. **Awarded Watercourses** costs of £5,000 for putting the contract out to tender have not been spent;

- q. **Benefits** has received £28,000 more in subsidy from Central Government than we had anticipated following audit of our 2007/08 claim and an estimated £65,300 less than the budgeted figure for 2008/09 due to a recalculation of the figure after a software upgrade. This gives a net overspend of £37,300;
- r. The balance of the **Efficiency Savings** totalling £100,000 have not been identified leading to a consequential overspend;

#### **Housing Revenue Account (HRA)**

- s. **Housing Repairs Revenue** has incurred more expenditure than anticipated mainly due to work completed by the in-house **Building Maintenance Contractor** and there has also been a movement from capital to revenue repairs to comply with Accounting regulations;
- t. **Supported Housing** is underspent by £140,500 due to vacancies, delays in obtaining CRB checks, additional income and unanticipated slippage of building maintenance expenditure into 2009/10;
- u. **General Administration** will underspend by £81,400 mainly on payments to tenants re management moves which have slipped into 2009/10 and thus will be requested to be rolled over;
- v. **Outdoor Maintenance** is underspent by a net £15,400 (after the recharge to the General Fund) because of slippage of anticipated expenditure into 2009/10;
- w. **Rent Income** is slightly higher than anticipated by £43,100 which equates to 0.2% of the expected income;

#### **Capital**

- x. **Housing Repairs Capital:** large ongoing contracts have progressed faster than expected, possibly due to the availability of contractors in the economic slowdown and favourable weather conditions. The resultant overspend has been accommodated within the Housing Capital Programme as a whole;
- y. **The acquisition of existing dwellings** is £235,200 less than the working estimate of £1,705,000;
- z. **ICT Development** programme has slipped to the value of £64,100 into 2009/10;
- aa. **Improvement Grants/Loans** has underspend by £77,800 but this will be requested to be rolled over into 2009/10;
- bb. **Other General Fund Capital & Grants** have a net underspend of £98,800. These items need to be considered together because expenditure that was offset by matching grants will now be part of the 2009/10 expenditure;
- cc. **Right to Buy & Equity Share Sales** net of the transfer to the DCLG, are now predicted to be £29,900 more than the revised estimate.

| <b>Housing Repairs (Revenue and Capital)</b> |  |            |             |
|--|--|------------|-------------|
| The overall situation on Housing repairs is: |  |            |             |
| Original Estimate                            |  |            | £9,549,800  |
| Revised Estimate                             |  | £9,884,800 |             |
| Approved Virements                           |  | £440,000   |             |
| Working Estimate                             |  |            | £10,324,800 |
| Provisional Outturn                          |  |            | £10,610,474 |
| Overspend on Working Estimate                |  |            | £285,674    |

### **Corporate Plan Performance**

13. This part of the integrated performance report focuses on the achievement of the 2008/09 Corporate Plan, which is seen as the Council's priority. Performance on other measures can be viewed in the new performance management system (PIMMS). **Appendix 2**, which is an automated CorVu report, identifies the 2008/09 end-of-year performance. Traffic light colours are used to identify our performance as follows:

| <b>Traffic Light Colour</b> | <b>Definition of Category</b>  |
|-----------------------------|--|
| Green – G                   | Performance target achieved  |
| Amber – A                   | Performance target not achieved but, in the circumstances around that particular measure, missing the target is considered acceptable as the desired outcome will be achieved. |
| Red - R                     | A strategic and important performance target, which was not achieved.  |
| Grey – N/A                  | Grey is used to identify a measure for which the annual performance figure is not yet known.   |

14. Overall, as set out in the following table, 56% (30) of the corporately important measures were achieved (i.e. Green). A further 14 measures (26%) were Amber. Therefore 82% of the targets, which were set out in the 2008/09 Corporate Plan were achieved, fully or substantially.

| <b>RAG Colour</b> | <b>Number of Measures</b> | <b>Percentage</b> | <b>Summary</b> |
|-------------------|---------------------------|-------------------|----------------|
| Green – G         | 30                        | 56 %              | 82 %           |
| Amber – A         | 14                        | 26 %              |                |
| Red – R           | 9                         | 17 %              |                |
| Grey – N/A        | 1                         | 2 %               |                |
| Totals            | 54                        | 100 %             |                |

15. Targets for 9 measures (17 %) were not achieved, which are categorised under three sub-headings:

#### **Growth Area Measures**

- Agreement on outline Northstowe Heads of Terms S.106 by March 09
- Receive the revised Northstowe planning submission from Gallaghers and partners by January 2009

- Complete the Business Plan for the Northstowe Development Trust by February 2009
- Work with key partners to ensure the Northstowe development incorporates a robust approach to achieving exemplary standards in terms of low carbon living and climate change adaptation by March 09
- Trumpington Meadows: Achieve exemplar level of Code for Sustainable homes and renewable energy provision by October 08
- Upper Cambourne: Achieve higher standards and appropriate community model for wind turbine option by March 09.

### **Street Cleanliness**

- NI195d - Improved street and environmental cleanliness – levels of fly-posting

### **Customer Relationships**

- Arrange customer services workshops for all staff by December 08
- Establish a Business Stakeholder Forum by September 08

16. The implications of not achieving these 9 measures is set out in the appropriate sections of this report.
17. The performance of the one measure ((NI196 – Fly-Tipping) will not be known for some months, as it is supplied to us by Defra. This measure is marked as N/A in **Appendix 2**.
18. The report will now set out the authority's performance against each of the 2008/09 priorities.

### **Priority 1 – Delivering and managing Growth**

19. Delivery of the growth area measures has been very difficult, due to the international economic situation.
20. The Northstowe application was received later than expected. The promoters did send in some initial informal information regarding the possible amendments in late September 2008. A formal initial response was submitted to the promoters in December 2008, providing the promoters with an idea of the initial thoughts of officers. The application formal amendments were not submitted in June 2009 and so are now having to work to a target decision date in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2010. However, it has to be noted that until the amendments are received it is difficult to confirm things further. Further delays will clearly impact on decision dates, as there is a statutory process to be followed.
21. Following the completion of the 1st Draft head of terms for the Northstowe S106, the development partners have not been in a position to deposit the revised application. The developers are currently not in a position to engage in detailed discussions regarding the S106; hence it is not possible to satisfy the planned timescale.
22. Despite the difficulties associated with the prevailing economic conditions, there have been significant successes in the delivery and management of growth; notably the amount of funding attracted into the South Cambs areas for the delivery of projects supporting the delivery of growth in the district. Projects supported have included:
  - the delivery of new church/community facilities in Cambourne,
  - improved footpaths in and around the proposed new town of Northstowe,

- improvements to the River Cam associated with the Trumpington meadows development,
  - funding to support the bringing forward of facilities early at Northstowe to ensure that the development is able to address the needs of its new population once development commences.
23. The Council had a 2008/09 revised budget of £1.038m for the growth agenda (page H1), of which it was able to claim £583,164 from Cambridgeshire Horizons, and was instrumental in a further £2.6m being allocated to projects in the South Cambs area.
24. We are therefore in a good position to proceed when the economic situation improves.

#### Priority 2 – Securing a sustainable future for council housing

25. The 2008/09 phase of the project was well managed and all timetables were achieved. Extensive consultations took place with tenants, which included personal visits to every household. Tenants were provided with a balanced set of evidence to enable them to come to an informed decision.

#### Priority 3 – Waste and Recycling

26. From October 2008, recycling was extended to include plastics. This had been identified as a priority by residents' and this additional service was very well received as was set out in an evaluation report, which was presented to the Scrutiny & Overview Committee.
27. Three surveys took place to identify the level of street cleanliness and the overall results were very encouraging. This national measure (NI195a-d and NI196) replaced BV199 but the required collection methodology changed, making it problematical to compare one year with the other. However, we achieved three of our five targets and one result is awaited from Defra (NI196).
28. Performance of the remaining measure (NI195d – fly-posting) was disappointing as it resulted in the lowest possible score for this element of the NI. However, this position highlights the discrepancies in the previous BV199 indicator top quartile performance figures, upon which the 2008/09 targets were based, with the new NI 195 regime.
29. However, the final quarter result for fly posting will still result in a 'Good' Overall Quality Standard Level, as defined separately by DEFRA, being achieved across the district, exceeding the current nationwide target indices in relation to fly posting.

#### Priority 4 – Tackling Climate Change

30. The capital funding grant request for £250k Reward Grant was approved, at £200k, by the County Cabinet in October 2008. This was an excellent achievement and was the result of significant work by all those concerned.
31. The wind turbine was erected at Arbury (now Orchard) Park and also a personalised travel plan was achieved. New sustainable Contract Regulations and a new sustainable procurement Policy were approved as set out in the Corporate Plan.
32. The other three growth area measures were not achieved:
- The Northstowe development process has slowed considerably and amendments to the outline are not now expected until late summer/early autumn 2009. The key to a robust low carbon living infrastructure will be the ability to bring forward a

comprehensive site-wide renewable energy solution. This is being taken forward in parallel to the existing outline application. SCDC and partners (Horizons principal agent) are pushing ahead with viability and drafting a Memorandum of Understanding to formalise the partnership approach and commitment.

- The exemplar levels, for Trumpington Meadows, are largely tied to the S106 Agreement and the delay is due to the economic climate issues and do not directly relate to CfSH or renewable energy provision.
- The amendments to the Upper Cambourne wind turbine standards were due by March 2009 but it is now unclear when they will be received. However, there is unlikely to be a commitment to a wind turbine in the outline application. If pursued it would be via a separate planning application and the developer has yet to offer us any details on this matter.

#### Additional Priority – Affordable Housing

33. Affordable housing targets were all met, 274 affordable homes were provided against a target of 239, which is a highly commendable position to be in. Within this total there are an additional 30 affordable homes, which were provided with funding from the Housing Corporation.
34. The average re-let time for council houses was 16.64 days, against the challenging target of 15 days, which made this measure Amber. This is a commendable performance in that it compares very favourably with 2007/08 when the average re-let time was 36 days, which was in the bottom quartile nationally. 15 days would have put our performance in the top quartile in 2007/08.

#### Priority 5 – Improve service delivery

35. The 2008/09 service review programme was delayed due to a staff vacancy. Of the two planned service reviews (i.e. ICT and HR), the ICT review will be completed in July 2009, which is expected to make significant improvements to the ICT service. No progress has yet been made on the HR review.

#### Priority 6 – Improved Customer satisfaction

36. Complaint handling training was arranged for managers, by the Local Government Ombudsman in September 2008. This training was well attended by managers from across the authority and partners and the training was very well received.
37. The Service First team decided not to proceed with the planned service workshops in 2008/09 because it was decided that a needs assessment should be carried out first. The needs assessment will inform the updated Customer Service Strategy, which will be completed for September 2009.
38. Business surgeries are now established for Food Businesses. A Business Breakfast event was held during November 2008 but there was a low take up from businesses, which suggested that a different format or time of day would be needed. Work is progressing with the "New communities Team" on the 2009/10 council action to set up a Business Forum.
39. The introduction of mystery shopping was investigated but it was decided that using an exit survey of actual visitors would be more meaningful. Exit surveys at Cambourne reception began in 2008/09 and are taking place quarterly. Mystery shopping will be revisited as part of the new Customer Service Strategy.



40. The Contact Centre Partnership agreement has been revised.

Priority 7 – Develop equalities practice

41. Initially there were significant delays in delivering these measures because of the untimely death of the Equality and Diversity Officer. However, the position has now improved through the appointment of a new Equality and Diversity Officer. This improvement has been evidenced by the recent Peer review.
42. It was identified that level 2 of the Equality Standard had been achieved, through Peer Review in June 2009.
43. The gender Equality Scheme (initial draft) has been agreed but this now needs to meet the statutory consultation period of 12 weeks. It is expected that the scheme will be adopted by September 2009.
44. The original programme of equality impact assessments was to complete 6 in 2008/09. In the event a total of 17 were completed in the year, which was a very good result. Where necessary these assessments have resulted in action plans being developed.

Priority 8 – Enhance citizen engagement

45. The single measure is on Amber because there has been a delay in the Community Engagement Strategy being submitted to Cabinet for approval. This delay is due to the need to put the strategy out to a statutory period of 12 weeks for consultation.

Priority 9 – Develop the role of Scrutiny

46. The Scrutiny Committee and its scrutiny monitors' are growing in confidence, and the relationship with the Cabinet is improving.
47. The work of the Task and Finish group to identify the strengths and weaknesses of the Orchard Park development resulted in a valuable report. The findings of that report are being used to assist with planning for other growth area developments. That report has subsequently been awarded a Good Scrutiny Award 2009 (i.e. The 'Best Use of Scrutiny Resources Award 2009') by the Centre for Public Scrutiny.

Priority 10 – Promote Economic Development

48. A programme of Member and Stakeholder events has been identified and are being implemented.
49. The Initial State of the Economy baseline report and the Economic Development Strategy papers were slightly delayed. Both are being well managed and will be completed.

**Other Performance Management Issues**

50. The official launch of the Performance Management Portal was delayed from April to June 2009 but staff have been inputting to the system as required and no momentum has been lost. The official launch took place at two member workshops on the 19<sup>th</sup> and 22<sup>nd</sup> June. All Members and officers are now able to view current and past performance via a permanent link on the front page of InSite.

51. Further enhancements will be developed in 2009/10, which will ensure best use is made of the technology. These steps will enable us to realise the ambition of creating a single source of performance management information over the next two years.
52. EMT agreed to set up the new Performance Improvement Group (PIG), which will develop the new Performance Improvement Strategy and act as a forum for promoting performance improvement issues across the authority. This group will be flexible in its approach and will encourage officers who are experiencing performance management problems to seek advice, with a view to helping them move forward and will build on the Council Values.
53. PIG will produce an annual report to EMT, which will set out achievements and identify best practice performance improvement examples from across the authority.

### Implications

54. The Council needs to ensure that it spends within its budgets, because of the impact on the level of balances and the implications for the Medium Term Financial Strategy and the Housing Business Plan.

|                     |                            |
|---------------------|----------------------------|
| 55. Financial       | As detailed in the report. |
| Legal               | None.                      |
| Staffing            | No immediate impact.       |
| Risk Management     | As Above.                  |
| Equal Opportunities | None.                      |

|   |  |
|---|--|
| 56. Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future    | The effect of any under or overspending on the achievement of corporate objectives, service priorities and performance indicators and the linking of budgets with service performance is an outstanding issue which needs to be addressed. |
| Deliver high quality services that represent best value and are accessible to all our community               |  |
| Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work |  |

### Conclusions/Summary

#### Finance

57. The underspend on the General Fund as compared to the revised estimates adjusted for approved virements is a net underspend of £189,000 which amounts to 1.36% of Net District Council Expenditure for the financial year ending 2008/09.
58. The HRA underspend of £112,700 equates to 0.52% of gross expenditure.
59. The underspending on gross capital expenditure is 12.2% and 5.2% compared to the original and revised estimates. Capital income has also fallen such that the net underspend is £295,000, being 2.54% of gross expenditure.

#### Performance Overview

60. The majority of the 54 measures (i.e. 82%) were either achieved or missed by an acceptable because the desired outcome will still be achieved. Particular areas of success are:

- Additional funding brought into the district e.g. growth areas and LPSA Reward Grant
- Housing Transfer project management and tenant participation
- Plastics recycling
- Street and environmental cleanliness
- Affordable Housing completions
- Equalities and Diversity e.g. equality impact assessments
- Scrutiny & Overview Committee activity e.g. Award for Orchard Park Task and Finish Group work

61. However, nine strategically important measures (17%) were not achieved. Of the nine measures that were not achieved, 6 were Growth Area measures, which were severely affected by the general economic downturn.
62. The launch of the Performance Management Portal was subject to a slight delay from April to June 2009 but this was of minimal strategic importance as staff were continuing to input data etc.
63. The formation of the new Performance Improvement Group (PIG) has established a valuable aid to ensuring effective performance improvement into the future.

### **Recommendations**

64. Cabinet is requested to:
- (a) Note the contents of the report and that the levels of underspendings are all within the target range of +/- 3%,
  - (b) Note that overall the authority succeeded in achieving most objectives that it set out to do, and
  - (c) Note that the Performance Management Portal was launched in June 2009.

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

Estimate Book 2008/09  
 Financial Management System Reports  
 Corporate Plan 2008/09

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