

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**REPORT TO:** PFH – Finance and Staffing  
PFH – Policy and Performance

17 February 2010

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**AUTHOR/S:** EMT  
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### INTEGRATED BUSINESS MONITORING REPORT FIRST 9 MONTHS (APRIL 2009 TO DECEMBER 2009)

#### Purpose

1. To enable appropriate Portfolio Holders (PFHs) to consider the current financial position (General Fund, HRA and Capital Expenditure) alongside the current performance of measures in the 2009/10 Corporate Plan.

#### Quarterly Integrated reporting 2009/10

2. From this quarter, the quarterly Integrated Business Monitoring report will not go to Cabinet but will instead be considered by the PFH for Finance and Staffing and the PFH for Policy and Performance. Copies will also be forwarded to other PFHs, where there are performance issues that need to be brought to their attention. Cabinet has requested that it now only receives the end-of-year report.
3. Recipients of this report have access to CorVu and can view the relevant live performance information. There is therefore no hard copy CorVu Performance Report appendix to this report. The report does provide a short commentary on any measures, which are causing concern.
4. In light of the previous years' underspendings 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.

#### Executive Summary

##### Financial Position – April to December 2009 and Projected Outturn

5. This position statement is reporting on the variance between the revised budgets to be approved by Council and the working budgets. These are the original estimates as approved by Council on 26 February 2009 adjusted for approved virements, roll-overs and additions to cash limits.

	December's Projected Outturn		November's Projected Outturn	
	£	%	£	%
General Fund	361,500	2.33	403,000	2.60
Housing Revenue Account (HRA)	(208,600)	(0.90)	(100,800)	(0.44)
Capital	(1,228,200)	(11.54)	(308,700)	(2.92)

## Performance

6. All measures that could be updated in CorVu had been by the 21<sup>st</sup> January. However the deadline for updates is the 15<sup>th</sup> of each month. There is therefore an issue about officers not updating CorVu in a timely manner.
7. Officers are predicting that 83% of all Corporate Plan end-of-year targets will be achieved.
8. Only 2 measures are projected to be on RED traffic lights at the year-end.

## Considerations

### Financial Position

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

### 11. Revenue

#### General Fund

- a. An analysis of the under/over spends for Salary related costs, as compared to the revised estimates as reported to SMT on 9<sup>th</sup> December, indicates a net underspend of £17,900;
- b. Additionally, as indicated in the report to SMT, the departmental and overhead accounts are £74,000 less than the adjusted original estimates;
- c. **Land Charges** income is greater than expected and this is predicted to be £43,700 more than the estimate;
- d. **Refuse Collection** is predicted to overspend due to a shortfall of income, as reported to the Environmental Health Portfolio Holder. It is anticipated that proactive management of budgets will mean that other areas within the Environmental Health Portfolio will underspend thus balancing this potential overspend;
- e. **Development Control Expenditure** is predicted to overspend by £25,000 because of £20,000 additional expenditure on the Wadlow Wind Farm appeal and £5,000 on judicial review costs;
- f. **Development Control income** is lower than estimated owing to the slow down in the housing market and the consequential effect on income. The current shortfall equates to a predicted overspend of £241,600.

This projection assumes some upturn towards the end of the financial year but not as great as that assumed when the estimates were set back in January 2009. It has also been assumed that there will be £5,000 income this year from pre-application fees due to come in to effect on 1st October compared to an estimate of £20,500.

Having now received notification of the provisional Housing & Planning Delivery Grant for 2009/10 there is expected to be a balance on that Reserve of £1,679,000 at the end of March 2010 and this could be used to partly offset the above projected overspend. However, this has been earmarked to fund current established posts in Planning and other services in later years.

- g. **Building Control** fee income is less than estimated. The current shortfall equates to a predicted overspend of £170,000. However, this will be offset at the end of the financial year by a transfer from reserves amounting to £177,000 giving an net underspend of £7,000;
- h. **Concessionary Fares.** A major operator has increased fares for 2009/10 by between 8% and 10% and this will increase the cost of reimbursement for 2009/10. The budget for 2009/10 was set at £588,000 in comparison to £433,000 in 2008/09 to allow for increased passenger journeys resulting from the new park and ride at Milton and the introduction of the guided bus way, plus other potential variations such as fare increases. On the basis of information received from the County Council it is estimated that the overspend will be £99,100;
- i. **Planning Policy** has made savings in the costs of the Local Development Framework and other programmes of £43,600;
- j. We have received £91,900 **Local Authority Business Growth Incentive** grant which has been assumed to offset current planned expenditure and thus will be a corresponding underspend;
- k. **Corporate Management** will overspend by £35,000 because of increased external audit fees due to advice and additional work in the closure of the Statutory Accounts;
- l. The revised estimates that will be submitted for approval by Council are a net £63,200 more in all the other services areas not identified separately above. The increase is mainly due to a lower net percentage of subsidy on **Rent Allowances**, caused by much higher claimant error/fraud overpayments (although local authority error overpayments have decreased). Such overpayments only attract 40% subsidy.
- m. Savings of £481,000 have been identified which exceeds the **Savings Target** of £325,000, as reported previously to SMT. This additional saving of £156,000 has been incorporated into this position statement;
- n. **Interest on Balances** has an expected shortfall of £380,000 of which £14,700 will be a reduction in interest attributable to the HRA balances. This is due to the rates being lower than those predicted when the budget was set;

12. **Housing Revenue Account (HRA)**

- o. **Supported Housing** is predicted to underspent by £90,000 due to vacancies;
- p. **Outdoor Maintenance** is expected to underspend by £36,300 due to a reduction in the number of grass cuts and only doing essential other works;
- q. **Rent Income** is, on the basis of the current rent collection figures, expected to be £100,000 more than previously estimated. This is because of improved collection rates and properties moving from reduced to full rent payable;

13. **Capital**

- r. **Acquisition of Existing Dwellings** is lower than expected and is predicted to be £1,000,000 less than planned. It is not possible to estimate accurately how much will need to be spent on the repurchase of equity share properties in any one year, as expenditure is demand led and there is no consistent pattern of expenditure from one year to the next. It takes several weeks for a valuation to be agreed and a completion to take place therefore requests for a repurchase received after the middle of January will

not result in a completion before the end of March. It is therefore only at this late stage in the financial year that any confidence can be placed in expenditure predictions.

At the end of November, when actual expenditure was first over £1m the projection was reduced by a modest amount of £200,000. The revised estimates provides for all the purchases that have already taken place together with all those outstanding at the moment which results in the £1,000,000 shortfall.

It is anticipated that part way through 2010/11, these acquisitions will be made by Housing Associations and, therefore, forecasting this expenditure will no longer be an issue;

- s. Similarly **Equity Share Sales** receipts are expected to be lower by £1,000,000;
- t. **ICT Development** as reported to SMT in the revised capital programme has been rephased by £376,000 into 2010/11 thus reducing expenditure in this year but increasing planned expenditure in 2010/11. There has also been a saving of £45,000 on the original programme thus giving a total underspend in 2009/10 of £421,000;
- u. **Other General Fund Capital** has reduced by £59,500 mostly because the cost of the new Planning System has a lower capital cost than estimated and the rephasing of £22,000 of expenditure into 2010/11: and
- v. The **Right to Buy Sales** projection has now been re-assessed to a shortfall of £200,000. This and the **Equity Share Sales** shortfall position means there is a reduction in the **pooling payment to the Government**. The net position is a reduction of £250,000.

#### **Performance Management – Corporate Plan 2009/10**

14. The performance of the Corporate Plan 2009/10 measures is as follows:

<b>9-month Performance (As at December 2009)</b>			<b>2009/10 Projected Performance (i.e. Estimate for March 31<sup>st</sup> 2010)</b>		
<b>RAG</b>	<b>Number</b>	<b>%</b>	<b>RAG</b>	<b>Number</b>	<b>%</b>
<b>Green</b>	72	74 %	<b>Green</b>	81	83 %
<b>Amber</b>	19	19 %	<b>Amber</b>	12	12 %
<b>Red</b>	6	6 %	<b>Red</b>	4	4 %
<b>Grey</b>	1	1 %	<b>Grey</b>	1	1 %
<b>Total</b>	98	100 %	<b>Total</b>	98	100 %
<b>Key, to 2009/10 Projected Performance (i.e. Estimate for March 31<sup>st</sup> 2010)</b>					
a) GREEN – On target					
b) AMBER – May still be able to achieve the target but it could be slightly missed.					
c) RED – The target will be missed, unless unforeseen circumstances intervene.					
d) GREY – CorVu not been updated in time for this report.					

15. By the 15<sup>th</sup> January, which was the deadline for updating CorVu, many Corporate Plan measures had not been updated. Significant hastening activity resulted in an improved picture by the 21<sup>st</sup> January, which was the EMT deadline for this report.
16. Of all the Corporate Plan measures, 74% achieved their 9-month target and 83% are forecast to achieve their end-of-year target.

### 9-Month (Current) Performance Position

17. CorVu indicated that, at the 9-month point, there were 6 measures on RED, which are:
- a. **NI123** - 16+ current smoking rate prevalence
  - b. **ACTION 22** - Introduce our own Best Kept Village Competition by December 2009
  - c. **NI195b** - Improved street and environmental cleanliness - levels of detritus
  - d. **NI195d** - Improved street and environmental cleanliness - levels of fly-posting
  - e. **NI188** - Adapting to climate change
  - f. **NI182** - Satisfaction of businesses with local authority regulation services - Standardised score.
18. However this paints an incorrect performance picture because of the nature of 3 of the measures, which are as follows:
- a. **NI123 & NI188** – These are annual measures and so CorVu can only report performance as at March 31<sup>st</sup> 2009 (i.e. the 08/09 result). Annual measures are not appropriate for inclusion in future Corporate Plans. It will be more appropriate to use proxy measures (i.e. sub-measures that will help to improve the performance of the annual measure). Such proxy measures could then be monitored monthly or quarterly.
  - b. **NI182** – This is a monthly measure but there is a 6-week time lag between the survey and the publication of the results. The most recent MR UK monthly survey results are for October 2009 and these show that we are on target to achieve the annual target of 80% satisfaction.
19. Thus only three measures were considered to be a true RED traffic light at the 9-month point. These three measures, listed below, will be commented on later in the report.
- a. **ACTION 22** - Introduce our own Best Kept Village Competition by December 2009
  - b. **NI195b** - Improved street and environmental cleanliness - levels of detritus
  - c. **NI195d** - Improved street and environmental cleanliness - levels of fly-posting

### End of Year (Estimate) Performance Position

20. Officers are indicating, using CorVu end-of-year estimates, that four measures are projected to be RED, which are:
- a. **NI123** - 16+ current smoking rate prevalence
  - b. **ACTION 22** - Introduce our own Best Kept Village Competition by December 2009
  - c. **NI195b** - Improved street and environmental cleanliness - levels of detritus
  - d. **NI188** - Adapting to climate change
21. However, as explained in paragraph 18a, NI123 and NI188 are not true RED traffic lights. Thus only 2 measures are projected to be on RED at the year-end, which are:
- a. **ACTION 22** - Introduce our own Best Kept Village Competition by December 2009
  - b. **NI195b** - Improved street and environmental cleanliness - levels of detritus
22. Further information on those two measures will be included in the following section. Using each Council AIM as a header, reference will now be made to all measures that are causing concern.

**Aim A - We are committed to being a listening council, providing first class services accessible to all.**

23. No measures are on RED (at 9-months or the year-end) and no AMBER measures are causing any significant concern.

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**Aim B - We are committed to ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family.**

- NI123 - 16+ Current smoking rate prevalence (i.e. number giving up smoking)

**YEARLY - March 2009 Target = 3,498 – March 2009 Actual = 3,049 (RED)**

24. The above measure is on RED but as indicated at para: 18a, this is an annual countywide measure and the most recent results are as at March 2009. An SCDC 09/10 action-plan is being implemented to try to improve the 09/10 end-of-year performance.

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**Aim C – We are committed to making South Cambridgeshire a place in which residents can feel proud to live.**

25. There are four measures on RED at the 9-month point and 3 of these are projected to be on RED at the year-end, as follows:

- ACTION 22 - Introduce our own Best Kept Village Competition by December 2009

**QUARTERLY - Target = December 2009 - End-of-Year Estimate = Not actioned (RED)**

26. No further progress has been achieved since the six-months position, as the service has had to focus on the Refuse and recycling service review and other work priorities. Work is currently being carried out by Members to launch this initiative by the end of March 2010. It is possible therefore that the target will be met, although the end of year estimate will be kept at RED until progress can be assessed.

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- NI195b - Improved street and environmental cleanliness - levels of detritus

**QUARTERLY – March 2010 Target = 30 - End-of-Year Estimate = 32 (RED)**

27. The end of year estimate is based on the results of the 1st and 2nd of three 2009/10 surveys. The 2nd survey result was 34%, which was affected by a poor result in Milton. The reasons for this are being investigated to see if there are any district wide implications. The 3rd survey results are due in March 2010. The overall detritus results once again show the vulnerability of this indicator to localised issues.

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

**QUARTERLY – March 2010 Target = 2 - End-of-Year Estimate = 3 (AMBER)**

28. The end-of-year estimate is based on the combined results of the 1st and 2nd of three 2009/10 surveys. The performance in the 2nd survey was 4%, which resulted in a RED traffic light. The fly-posting result was affected by flyers for a local circus and once again highlights the susceptibility of this suite of indicators to localised events. The 3rd survey

results are due in March 2010 and the service is projecting that the performance will have improved enough to produce an AMBER traffic light.

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- NI155 - Number of affordable homes delivered (gross)

**QUARTERLY – March 2010 Target = 296    March 2010 Estimate = 280 (AMBER)**

29. The above measure is on AMBER but because of its strategic importance is reported here. The annual target is likely to be missed but not by very much. Given the current economic circumstances 'just missing the challenging target' could be seen as a good result.

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**Aim D - We are committed to assisting provision of local jobs for you and your family**

30. There is one measure on RED, at the 9-month point, but this false picture of NI182 has been explained in para: 18b above. Performance is expected to be on GREEN at the year-end. The service could consider publishing the data 2-months later, as this would then show the most recent 'current' information (i.e. publish October data in December).

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**Aim E - We are committed to providing a voice for rural life**

31. There are no RED measures. However there are a few measures, which are worthy of note.
- ACTION 34 - Exploring innovative ways of working with developers

**QUARTERLY – March 2010 Target = 100%                    March 2010 Estimate = 100% (GREEN)**

32. The 9-month position is shown as AMBER although the indications are that RED was only just avoided. There is clearly some uncertainty as to what this ACTION was looking to achieve. However the end-of-year estimate is GREEN, which is based on the fact that there are 2-monthly Agents Panel meetings and the results of agent consultations are also being analysed to see if improvements in current practices can be identified.

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- CP09 - Revise Member and Officer Codes of Conduct

**QUARTERLY – March 2010 Target = 100%                    March 2010 Estimate = 95% (AMBER)**

33. We are still waiting for the Government to issue a revised Code of Conduct. This is now promised "before the new 2010 Financial Year" but government timescales have been slipping each month. Once received it will need to be adopted and it may still be possible to achieve this before May 2010.

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- CP11 - Deliver a programme to deliver the Council's commitment to eliminate discrimination and prejudice, and develop a culture, which values differences.

**QUARTERLY – March 2010 Target = 100%                    March 2010 Estimate = 95% (AMBER)**

34. A significant programme of work has taken place throughout the year and we have clearly made great progress. However in December 2009, the Equalities Human Rights Commission indicated that we needed to revise our Gender equality scheme. The process takes at least 3 months and it may not be possible to complete this before the end of March 2010. However work is in hand to try to achieve this tight timescale.

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- CP18 - Carry out the Job Evaluation scheme with a view to the implementation of a revised pay and grading structure by 1st April 2010

**QUARTERLY – March 2010 Target = 100%      March 2010 Estimate = 95% (AMBER)**

35. The Job Evaluation scheme is being developed and will be ready on time. However final implementation will be subject to agreement by the National Trade Union, which could result in a delay.

**Performance Management – Other Considerations**

36. Some officers are not inputting a significant number of monthly/quarterly measures into CorVu in time for the 15<sup>th</sup> of each month. Attached at Appendix 2 is a screen shot from the Portal, which gives a pictorial indication of how much data has been input by the 22<sup>nd</sup> January to the PFH dials. Given that it is known that performance is generally good, these dials should all be sitting close to the AMBER/GREEN divide line.
37. Members of EMT are reminding their managers of the need to input promptly to CorVu. This is particularly important for the quarterly reports, when data is required in July, October, January and April.

**Implications**

38. 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 be able to demonstrate that it is setting realistic targets and that it is then achieving these.

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

**Consultations**

40. None.

Effect on Strategic Aims

41.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	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 outstanding issue which needs to be addressed.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	See above
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>

See above
<b>Commitment to assisting provision for local jobs for all.</b>
See above
<b>Commitment to providing a voice for rural life.</b>
See above

### Conclusions/Summary

42. The forecast outturn on the General Fund as compared to the working estimates adjusted for approved virements and cash limit increase is a net overspend of £538,500. Using the balance on the Building Control Reserve will reduce this by £177,000 to give a net overspend of £361,500. This net overspend amounts to 2.33% of Net District Council Expenditure for the financial year ending 2009/10.
43. The HRA predicted underspend of £208,600 equates to 0.90% of gross expenditure.
44. Capital has a predicted underspend of £1,228,200, which is 11.54% of gross expenditure. However, when the programme items that have been reprogrammed into 2010/11 are excluded, this underspend is reduced to £830,200 7.80% of gross expenditure
45. Performance, against the measures in the Corporate Plan 2009/10, is predicted to result in 83 % being achieved. A further 12% are currently AMBER but some of these could yet be achieved. Such a performance result would be excellent.
46. Only 2 measures are forecast to fail to achieve their targets and to be on RED at the year-end.
47. Officers are not inputting data as timely as they should and this needs to improve.

### Recommendations

48. The PFH's are recommended to:
  - a. Note the projected expenditure position and the Finance & Staffing PFH to give it more detailed consideration.
  - b. Note the performance position and use CorVu to more closely monitor performance issues across the authority and especially those that are currently forecast to fail to achieve their targets.
  - c. Note that managers are being reminded to input performance data into CorVu in a more timely manner.

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

Original Estimates 2009/10, Financial Management System Reports. CorVu

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