

**CORPORATE PERFORMANCE AND FINANCIAL PLAN
 QUARTER 3 – 2009/2010**

Agenda Item 9c

Portfolio Area: Efficiency and resources
Report Presented by: Councillor M Lager

Background Papers: Full Quarterly Performance Report
Corporate Implications: None
Options: N/A
Risks:

1. Projects – non delivery of key projects to support the Corporate Strategy
2. Performance Indicators – reduction in performance due to failure to rectify
3. Finance – potential under achievement of income and a consequential overspend in the net revenue budget

1.0 Purpose of the Report





The purpose of the report is to summarise the performance of the Council for the third quarter of the year (October to December 2009). The report provides updates on the status of remaining projects and the Council's performance against local and National Indicators. A further summary is given in relation to the financial performance of the organisation.

A detailed report providing information on all projects and performance indicators is available upon request and can be found on the Council's website at www.braintree.gov.uk.





2.0 Summary regarding Delivering our Corporate Strategy

2.1 Projects and Actions

There are 99 projects for 2009/10 and the remaining projects due for completion are summarised below

Corporate Priorities	Status of projects and actions			
				
The Environment is Clean and Green	2	3	2	0
Business is Encouraged and the Local Economy Prospers	0	3	3	0
Everyone can Enjoy a Healthy Lifestyle	4	10	1	0
Housing and Transport meet Local Needs	2	3	1	1
People take Pride in their Local Areas	4	2	1	0
We deliver Excellent, Cost-Effective and Valued Services	9	5	7	2
TOTAL	21	26	15	3




KEY:

-  Project completed
-  Project on target
-  Project scope/target date requires amendment
-  Project aborted or closed




There are over 70% of projects either completed or on target. With regard to the 15 amber projects, better recognition of issues and more thorough reporting of changes in projects to Programme Boards have enhanced the accuracy in reporting project status. This improved reporting and monitoring helps ensure that projects can be re-prioritised or re-scoped as necessary to accommodate new and competing demands on the Council.

2.2 Performance Indicators







The following tables show the overall performance in relation to the quarterly reported Performance Indicators within the Annual Plan against the Corporate Priorities and how the performance compares with this time last year.

Corporate Priorities	Status of indicators		
			
The Environment is Clean and Green	9	2	3
Business is Encouraged and the Local Economy Prospers	-	-	-
Everyone can Enjoy a Healthy Lifestyle	6	0	0
Housing and Transport meet Local Needs	4	0	0
People take Pride in their Local Areas	-	-	-
We deliver Excellent, Cost-Effective and Valued Services	17	1	3
TOTAL	36	3	6

KEY:

-  Performance Indicator has achieved target for the quarter
-  Performance Indicator is up to 5% below target for the quarter
-  Performance Indicator is 5% or more off target for the quarter

2.3 Trends

Trend compared with last year		Status of indicators			
					TOTAL
	Performance has improved	17	1	1	19
	Performance has deteriorated	9	2	5	16
	Performance is the same	10	0	0	10
TOTAL		36	3	6	45

The performance in the third quarter report shows that the Council continues to perform well. In respect of the performance indicators, 80% are achieving or exceeding target. Although targets are being accomplished, the direction of travel on a number of indicators is down from last year and we will continue to focus on areas of the business that are under-performing whilst directing our resources to deliver and achieve our corporate objectives.

2.4 National Quartile Comparisons

37 of our quarterly reported Performance Indicators can be placed into national quartiles (i.e. they can be compared with the performance of other District Councils nationally). Based on the performance at the end of the third quarter:

- 21 are predicted to be in top quartile**
- 12 are predicted to be in second quartile**
- 3 are predicted to be in third quartile**
- 1 is predicted to be in bottom quartile**

In a recent Audit Commission publication on current performance, the Council was in the top twenty of all District Councils for its performance on national indicators. This was unaudited data, so has to be treated with some caution; however, it demonstrates the Council is performing well.

3.0 Managing the Organisation

3.1 Our People

People: Indicators of Performance	Q1	Q2	Q3	Q4	Change on previous period	Target
Total headcount	572	561	551		-10	N/A
Number of temporary staff	43	45	45		0	N/A
Total staff FTE	512.91	504.97	496.50		-8.71	N/A
Permanent staff FTE	480.27	469.97	461.15		-15.71	N/A
Temporary staff FTE	32.64	35	35.35		+7.24	N/A
Level of employee turnover	2.80%	3.20%	3.27%		+0.07	N/A
Number of vacancies	27	26	18		-8	N/A
Working days lost to sickness per employee	2.25 days	1.96 days	2.95 days		+0.99	8.0
Number of learning days	811	696	638		-58	N/A

Year on Year Headcount Analysis	2006-2007	2007-2008	2008-2009
	772	586	567

3.2 Health and Safety

Health & Safety: Indicators of Performance	2009/10					
	Q1	Q2	Q3	Q4	Target	Notes
Percentage of reported accidents/incidents to employees	1.25%	2.32%	2.18%		N/A	
Number of reported accidents/incidents to non-employees	0	10	6		N/A	
Top category of cause of accident	Slip/Trip/Fall	Wasp Stings	Bruises to Body Parts		N/A	
Number of health and safety inspections/tours/fire risk assessments/audits carried out	9	4	9		N/A	8 health and safety inspections and 12 fire risk assessments to be carried out each year
Number of non-conformances with legal or corporate standards in safety	0	1	0		N/A	Enforcement notice under RRFO Silver Hall End
Time lost in days due to employee accidents/incidents	9	0	10		N/A	

The above indicators demonstrate there are no major areas of concern.

4.0 Financial Performance

The projected outturn on General Fund services at the third quarter review is a net spend of £18.928million, compared with a budget of £18.646 million, giving an adverse variance of £282,660.

The projection for the Housing Revenue Account is a deficit of £148,249 compared with the original estimate for the year of a surplus of £114,820, also providing an adverse variance, of £263,069.

4.1 General Fund Commentary:

The projected adverse variance for the General Fund is £282,660 or 1.5% against budget. A number of the key reasons for the projected variance have been highlighted in reports to Cabinet and where appropriate have been taken into account in the proposed Budget for 2010/11 and updated Medium Term Financial Strategy.

Following the Quarter 2 review, which projected a budget variance of £248,520, all managers were requested to consider every item of expenditure and whether it is essential or can be delayed or cancelled over the remainder of the year without significant impact on the service. Where identified, proposals have been reflected in the latest projections, which also take into account the full year value of the corporate efficiency target. As can be seen from the budget summary, the reason for the budget variance is the under recovery of income; the expenditure budgets show an under spend position.

4.2 Key Issues:

Key service issues that are contained within the projections are:

Issues that have direct impact on variances

- Income budgets – across a range of service areas the economic down turn has had a detrimental impact on achievement of income. Service areas particularly affected are: building control (£158,520), car parking (£122,800), local land charges (£108,480), and development control (£69,700). Both building control and development control have deteriorated from previous projections by around £20,000 each; however, car parking income has improved slightly with a reduction in the projected shortfall of £20,000. Part of the shortfall on building control is to be met by a drawdown from the Fee Earning Account reserve (£49,000), along with some savings on staffing and use of specialist consultants.
- The net effect of service level agreements (SLAs) with Greenfields CH during the year is a net £147,820 of additional income. This reflects the extended occupation by Greenfield of Causeway House, Millennium Towers, and Cordons Farm, together with inflationary increases across all Slaps and work requested from the Council's graphic design and printing service, and other services. There is a shortfall of rental income of £203,000 from Causeway House and Millennium Towers which had originally been planned to be received from a third party following Greenfields vacating; however, these arrangements have now been superseded by the current reviews of accommodation and depot facilities. Mitigating this shortfall in income is a forecast reduction in utilities and business rates of £79,000 as office and depot space remains vacant and unused.
- Following audit of the final 2008/09 housing benefit subsidy claim an adjustment to the amount receivable by the Council has been made leading to a one-off reduction in income of £53,790 – this is against a total amount of subsidy claimed for the year of £37.7million. The amount is offset by an expectation of receiving more subsidy in the current year than budgeted.
- The original budget assumed a pay award from April 2009 of 2.5%, which was settled at 1% for most pay points (along with some adjustments to annual leave and a slightly higher percentage increase for the lower grades). The 2009/10 budget was set prior to the April 2008 award being finalised, which was slightly higher by 0.3%. The net impact of these factors has been a reduction in pay costs of £190,060 in the year.
- The predicted year-end position, service by service, is for an adverse budget position of £183,000, mainly due to a shortfall in income of £437,000. Service expenditure is

projected to be £254,000 under budget. This is an improvement over the position reported at the second quarter (before taking into account the efficiency target). The expenditure variance effectively achieves the full-year corporate efficiency target. Most service areas have seen improvements in their overall financial position, although within Operations additional costs have been incurred above budget in refuse/ recycling due to the roll-out of new recycling routes and for dealing with the back log of collections due to the adverse weather conditions around Christmas and New-year.

Issues that do not impact on variances in 2009/10

- Investment income continues to remain under pressure due to the on-going low interest rate environment and tighter lending policy restricting investments to a small number of counterparties. The overall reduction in income is in line with that previously reported (£248,000), although the allocation between funds has changed marginally with the reduction borne by the General Fund revenue account being £64,120 (compared to £61,040 at the last quarter). This amount will be offset by drawing down from the treasury management reserve.

It has previously been reported that the Council received an additional allocation of housing benefit administration subsidy of £140,800, to assist in meeting an increasing number of applications during the current economic climate. The grant is ring fenced and is being used to fund: 2 additional benefit officers and a scanning assistant on fixed term contracts; and future system enhancements e.g. on-line application forms and interfacing with systems of the Department for Work and Pensions.

Decision

(1) That the Cabinet endorses the Quarterly Performance Report.

Corporate Implications				
Financial:	None			
Legal:	None			
Equalities & Diversity:	None			
Customer Impact:	None			
Environment & Climate Change:	None			
Consultation/Community Engagement:	Local Committees	-	Partners	-
	Public	-	Staff	y
Key Decision:	No			
Public/Private Report:	Public			
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