

Quarterly Performance Report – Second Quarter

Agenda Item 6a

Portfolio Area: Efficiency and Resources
Report Presented by: Councillor M. Lager

Background Papers: Full Quarterly Performance Report
Corporate Implications: Please refer to table at end of report
Options: N/A
Risks:

1. Projects – non delivery of key projects to support the Corporate Strategy
2. Performance – 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 second quarter of the financial year (July to September 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. Alternatively, you can download the full report from our website at:
www.braintree.gov.uk/Braintree/councildemocracy/performance/QuarterlyMonitoringReports.htm





2.0 Summary regarding Delivering our Corporate Strategy

2.1 Projects and Actions

There are 99 projects for 2009/10 and the remaining 83 projects due for completion as at the 2nd quarter, are summarised below.

Corporate Priorities	Status of projects and actions			
				
The Environment is Clean and Green	5	7	1	0
Business is Encouraged and the Local Economy Prospers	2	3	4	0
Everyone can Enjoy a Healthy Lifestyle	1	11	3	2
Housing and Transport meet Local Needs	1	7	0	0
People take Pride in their Local Areas	2	8	0	0
We deliver Excellent, Cost-Effective and Valued Services	3	15	8	0
TOTAL	14	51	16	2




KEY:

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




The above table shows that some 78% of the projects and actions set at the beginning of the year are on track for completion. An explanation of the position of the other projects is set out in the full performance report. The majority of the projects propose an amendment to the completion date.

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	4
Business is Encouraged and the Local Economy Prospers	-	-	-
Everyone can Enjoy a Healthy Lifestyle	5	0	0
Housing and Transport meet Local Needs	3	1	0
People take Pride in their Local Areas	-	-	-
We deliver Excellent, Cost-Effective and Valued Services	15	1	6
TOTAL	32	4	10

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

The above table showing performance indicator status demonstrates that 72% of indicators are on track to achieve the planned contribution to the corporate priorities. Other indicators off target are being reviewed to develop rectification action, where appropriate, to bring these back on track during the second half of the year.

2.3 Trends

Trend compared with last year		Status of indicators			
					TOTAL
	Performance has improved	19	0	2	21
	Performance has deteriorated	5	4	8	17
	Performance is the same	8	0	0	8
TOTAL		32	4	10	46

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 first quarter:

- **21 are predicted to be in top quartile**
- **9 are predicted to be in second quartile**
- **6 are predicted to be in third quartile**
- **1 is predicted to be in bottom quartile**

Although the economic climate is continuing to have a detrimental impact on certain areas of the business, the tables show the overall position is good with over 75% of projects either completed or on target to be completed and 70% of performance indicators achieving or exceeding target. However, we need to continue to focus on areas of the business that are under-performing whilst directing our resources to deliver and achieve our corporate objectives.

3.0 Managing the Organisation

The organisation is facing some challenging times as a result of the Council's financial position. This in turn has an impact on the overall performance of the organisation. The loss of Greenfields grounds maintenance contract, will result in the TUPE transfer of seven staff in the last quarter of the year and the changes and cessation of the SLAs with Greenfields has involved a further six TUPE transfers from Customer Services.

3.1 Our People

People: Indicators of Performance	Q1	Q2	Q3	Q4	Change on previous period	Target
Total headcount	572	561			- 11	N/A
Number of temporary staff	43	45			+ 2	N/A
Total staff FTE	512.91	504.97			- 7.94	N/A
Permanent staff FTE	480.27	469.97			- 10.3	N/A
Temporary staff FTE	32.64	35			+ 2.36	N/A
Level of employee turnover	2.80%	3.20%			+ 0.4%	N/A
Number of vacancies	27	26			- 1	N/A
Working days lost to sickness per employee	2.25 days	1.96 days			- 0.29	8.0
Number of learning days	811	696			- 115	N/A

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

As can be seen from the table above, in overall terms, as a result of both natural wastage and the Customer Services TUPE transfers, the permanent staffing of the Council is decreasing.

A very positive outcome over the quarter has been the number of staff who have achieved qualification success. Over the last six months, a total of 35 staff have gained a qualification with one of the highlights being Abi St Aubyn, our Senior Tree and Landscape Officer, who scored the highest marks across the country in her Professional Diploma in Arboriculture. This achievement saw her scoop the Royal Forestry Society/Lockhart Garratt Trophy.

A new management development programme has been created with both external and internal strands. The former is a programme accredited by the Institute of Leadership and Management with all Essex Authorities working in partnership. Five of our staff are already involved and seven more are scheduled to take part in the first part of 2010. The launch of the internal strand will take place at the Managers' Conference in January.

A business model for talent management and succession planning has been piloted in one Directorate and will be rolled out to the rest of the organisation by April next year. This tool, Talent Book, will support workforce planning and ensure that we are developing the skills sets to meet future business needs,

A full audit of sickness absence management has been conducted during July and August. Implementation of the resulting recommendations for improvement has already begun.

Two new Health and Well-being externally funded pilots are underway in partnership with Sport Essex and Mid-Essex NHS (Fit for Business) and one private sector organisation. The Health and Well-being Programme supports the drive to reduce the Council's sickness absence levels.

3.2 Health and Safety

There have been no major incidents or occurrences over the quarter concerning health and safety.

Health & Safety: Indicators of Performance	2009/10				Notes
	Q1	Q2	Q3	Q4	
Percentage of reported accidents/incidents to employees	1.25%	2.32%			
Number of reported accidents/incidents to non-employees	0	10			
Top category of cause of accident	Slip/Trip /Fall	Wasp Stings			
Number of health and safety inspections/tours/fire risk assessments/audits carried out	9	4			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			Enforcement notice under RRFO Silver Hall End
Time lost in days due to employee accidents/incidents	9	0			

An Enforcement Notice under the Regulatory Reform Fire Order at Silver End Hall has been successfully addressed by the Health & Safety Team working with Essex Fire and Rescue Service, Community Halls staff and tenants at Silver End Community Hall. Fire safety training has been given to the tenants by the Health & Safety team.

Health & Safety inspectors visited the Authority in September to discuss an inspection programme they will be undertaking between October 2009 and April 2010 in Waste Management. The Health & Safety inspectors will be meeting the Chief Executive and Members on 11th December to discuss the health and safety leadership within the Authority. They will then meet with Heads of Service to discuss their role within the BDC health and safety culture.

4.0 Financial Performance

The projected outturn on General Fund services at the second quarter review is a net spend of £18.894million, compared with a budget of £18.646 million, giving an adverse variance of £0.248million.

The projection for the Housing Revenue Account is a deficit of £177,130 compared with the original estimate for the year of a surplus of £114,820, also providing an adverse variance, of £291,950.

4.1 General Fund Commentary:

The projected adverse variance for the General Fund is £0.248million or 1% against budget. A number of the key reasons for the projected variance were highlighted to the Cabinet in the 'Financial Outturn Report for 2008/09 and 2009/10 Update' report at its meeting on 8th June 2009 and the 'Medium Term Financial Strategy Update' reported to Cabinet on 12th October 2009.

4.2 Key Issues:

Key service issues that are contained within the projections are:

Issues that have direct impact on variances

- The economic climate is continuing to have a detrimental impact on income from areas such as Building Control (£138,520) Car Parking (£146,000), Local Land Charges (£109,880), and now evidence of a downturn is being seen in Development Control (£48,910). Whilst in some areas the predicted shortfall is not as great as that anticipated at the first quarter review (i.e. building control and local land charges), the downturn in car parking income has deteriorated by a further £78,200 from that previously projected. 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. For Development Control, a reduction in revenue costs could only be achieved by reducing performance targets or by reducing enforcement capability.
- Under the service level agreements (SLAs) with Greenfields CH it is projected that a net £141,250 of additional income will be received - mainly linked to the extended period of occupation of Causeway House, Millennium Towers, and Cordons Farm, together with inflationary increases across all SLAs and continued demand for work via the Council's graphic design and printing service. This is however a reduction of £33,400 on the projection at the first quarter, mainly due to the anticipated cessation of the Greenfields CH contribution towards the housing nomination service following the introduction of Choice Based Lettings. In addition a shortfall of income of £203,000 is projected on arrangements for occupation of Causeway House by Essex County Council and also no rental income being received for Millennium Tower for the remainder of the year after Greenfields CH vacate in October. Options for future depot arrangements are currently being explored.
- The predicted year-end position, service by service, is for an adverse budget position of £279,000, mainly due to a shortfall in income of £413,000. Service expenditure is projected to be £134,000 under budget, effectively achieving the corporate efficiency target for the first six months of the year. A further saving is made on the net impact of the 2008 and 2009 pay award settlement. – see below for further information.
- The original budget assumed a pay award from April 2009 of 2.5%, which has now been agreed 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 settled, with the actual agreement being higher than the budgeted allowance by 0.3%. The net impact of these factors is a reduction in pay costs of £190,060 in the year.

Issues that do not impact on variances in 2009/10

- Treasury management interest and investment income – it is currently projected that there will be a shortfall of £248,000 on investment income due to the continuing low level of interest rates and tightening of lending policy to the highest rated banks and institutions that have access to Government guaranteed funding. The latest projection is an improvement from that reported at the first quarter by £71,000, due to higher cash balances available for investment. The interest is attributed to the General Fund, Housing Revenue Account, and Section 106 monies held pending their use. The proportion of the shortfall on the General Fund is £61,040 (compared to £143,750 at Quarter 1) – for the purposes of the financial projections it has been assumed that this amount is offset from the Treasury Management reserve and therefore has no impact in the year on the General Fund balance.

The Council is receiving an additional allocation of housing benefit administration subsidy of £140,800, to assist in meeting an increasing number of applications. 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 the Department for Work and Pensions.

5.0 Decision

5.1 Projects

- 5.1.1 That the Cabinet notes the position regarding the delivery of projects towards the Corporate Strategy.
- 5.1.2 That the Cabinet agrees the revised completion dates as set out in pages 19-21 of the full quarterly report for those projects in delay.
- 5.1.4 That projects C&G13 and HL9 on page 22 of the full quarterly report be aborted.

5.2 Performance

- 5.2.1 That the Cabinet notes the position regarding the national and local performance indicators.
- 5.2.2 That rectification plans be agreed with the appropriate Cabinet Member for each performance indicator, which is outside the quarterly target (both red and amber).

5.3 Finance

- 5.3.1 That the Cabinet notes the income shortfalls on planning, building control and car parking.
- 5.3.2 That any shortfall in income for 2009/10 be met from balances at year end. Appropriate Cabinet Members review and monitor closely the income position and agree any appropriate rectification action with the accountable Head.
- 5.3.3 That the Chief Executive reviews expenditure and minimise the net budget deficit, where practical, without significant impact upon service levels during 2009/10, in consultation with the Leader of the Council.
- 5.3.4 That the Capital Programme position be noted and the Programme Boards be requested to review project progress against milestones from a performance and financial spend position.

Corporate Implications				
Financial:	No financial impact			
Legal:	Nil			
Equalities & Diversity:	Nil			
Customer Impact:	Nil			
Environment & Climate Change:	Nil			
Consultation/Community Engagement:	Local Committees		Partners	
	Public	✓	Staff	
Key Decision:	No			
Public/Private Report:	Public			
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