
**Meeting of the Executive Member for
Neighbourhood Services and Advisory Panel**

7th December 2006

Report of the Director of Neighbourhood Services

2006/07 SECOND MONITORING REPORT – FINANCE & PERFORMANCE

Summary

- 1 This report represents two sets of data:
 - a) the latest projections for revenue and capital expenditure by the Neighbourhoods portfolio and traded accounts.
 - b) First six months (06/07) performance against target for a number of key indicators that are made up of:-
 - Best Value Performance Indicators
 - Customer First Targets (letter and telephone answering)
 - Staff Management Targets (sickness absence)

Background

- 2 Service provision is as important as financial performance. This report combines financial and service performance information and is reported as part of the Council plan each year.
- 3 The financial target surplus for the traded accounts reflect the move to Best Value accounting principles where internal business is operating as near to break-even as possible. The surplus being achieved from external business such as Commercial Waste, Building Repairs, Drainage and Civil Engineering.
- 4 For the 2006/07 financial year, all Members will receive 2 monitoring reports - in September and December - as well as a final out-turn report. This is therefore the final monitoring report for the year.

Management Summary

Financial Overview

- 5 The budget for the non-trading Neighbourhood Services Portfolio was set at £13.9M Since then a number of budget adjustments have been made which has resulted in a current budget of £13.5M.

- 6 The budget surplus for the traded Neighbourhood Services Portfolio was set as the former Commercial Services structure and the agreed target surplus is £179k after the FRS 17 pension adjustment.
- 7 Current projections are that Neighbourhood Services may overspend by £57k, or 0.4% of the net expenditure budget. There a number of income and expenditure pressures which are currently being controlled within the current budget, or steps being taken to review the contingencies which are as follows:
- A request will need to be made to release the contingency held over from last year to balance this budget to overcome the shortfall in the crematorium income
 - The purchase of replacement bins is being closely monitored, with options to purchase through the capital scheme if necessary.
 - The overspend of the Toilet Cleaning contract has been addressed and agreed changes to the service are being implemented. The full affect of these changes will occur for the next financial year.
- 8 The overspend on Waste Management is as a result of additional security needed on all three of our Household Waste Recycling Centres.
- 9 The financial position for each service area is dealt with separately in the following sections. The overall position can be summarised as follows:

	Expend Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Var'n £000	%
Environmental Regulation	457.3	282.2	175.1	175.1	0.0	0.0
Env Health & Trading Standards	2,319.7	383.1	1,936.6	1,936.6	0.0	0.0
Licensing, Regulatory & Bereavement Services	1,043.0	1,777.7	-734.7	-680.7	+54.0	+7.3
Street Environment	784.4	1.0	783.4	785.4	+2.0	+0.2
Neighbourhood Management	999.2	348.7	650.5	641.5	-9.0	-1.3
Ward Committees (Local Assemblies)	941.1	60.4	880.7	880.7	0.0	0.0
Waste Management	7,311.5	1,919.4	5,392.1	5,403.1	+11.0	+0.2
Refuse Collection, Cleansing & Toilets	4,829.8	394.4	4,435.4	4,494.4	+59.0	+1.3
Drainage & Foss Navigation	0.0	0.0	0.0	0.0	0.0	0.0
Traded Accounts (The detail is held under the confidential annex 2)	24,461.0	24,640.1	-179.1	-239.1	-60.0	-33.5
PORTFOLIO TOTAL	43,147.0	29,807.0	13,340.0	13,397.0	+57.0	+0.4

Note: '+' indicates an increase in expenditure or shortfall in income

'-' indicates a reduction in expenditure or increase in income

Performance Overview

- 10 There are currently 55 quarterly or monthly performance indicators measured and monitored by Neighbourhood Services. In September, 38 PI's were showing a stable or improving position, with 17 showing a reduction against previous performance. There are only three which are showing a significant variance:
- COLI 77b – The average time taken to remove 'non-obscene' graffiti. This has moved out from an average 2 days over the previous five months to 3.98 days in September. There has been an increase in the number of reported incidents affecting private property with delays in gaining approval to do the work and the number of bridges affected where managed access is necessary.
 - The days lost due to sickness in the Building Maintenance department has moved out from an average of 0.6 over the last five months to 1.49 in September. Managers are monitoring the ongoing performance and ensuring return to work interviews are completed.
 - VH5(a) – The average time taken to remove flytips (global figure) has reduced from an average of just over 2 days down to 1.48 days in September.
- 11 A further key area where the directorate is focusing on performance improvement is:
- BV 84a – Number of kg of household waste collected per head of population. This is beginning to show evidence of increasing, however at the same time, the number of tonnes recycled is increasing. Suggesting that additional materials are entering the waste stream, but are being recycled.
- 12 Set out below is more detailed information on performance in each service plan area.

Non-Trading Accounts

Environmental Health and Trading Standards (EHTS)

Financial Overview

- 13 Current projections are that the budgets for this service plan will be within budget, or 0.0% of the net expenditure budget. However, there are a number of projected variances. There is an anticipated shortfall in income from EPA licences and capital recharges (£+33.0k). There is an under spend on employees which will off set the under recovery of income. The under spend is due to an unfilled post within the Environmental Health Unit.

Performance Overview

- 14 Performance indicators reported to members are attached as Annex 3.
- 15 The Customer First figures show that so far for EHTS 97.5% (representing 78 out of 80) of all letters received are answered within the 10 days Council standard. This exceeds the corporate target set of 95% for prompt replies to correspondence. However, the time to answer calls is slightly under target for the last quarter.
- 16 Sickness absence for EHTS is at 2.7 days per FTE for the Second quarter. This level of performance is better than the corporate Quarter 2 average of 2.81 days though performing below the corporate target of 2.62 days per FTE.

Licensing Regulatory and Bereavement Services

Financial Overview

- 17 Current projections are that the budgets for this service plan currently over spending by £+54.0k, which is 7.3% of the net budget. An estimated overspend is anticipated at the Crematorium relating to temporary management cover £+19k. In addition, there have been additional one off costs relating to repairs of the cremators started in March 2006 which was not completed at 31 March 2006 £+10k although this has been offset by energy savings £-10k at the Crematorium. Income from cremation fees has is currently expected to under recover by £+31k to the year end. At the end of quarter 2 the number of cremations was 58 below expectation. The overall shortfall short-fall can be funded from the funds already set aside in contingency. It is recommended that the Executive Member be asked to request the release of these funds, which will bring the account into balance.

Performance Overview

- 18 Performance indicators reported to members are attached as Annex 3.
- 19 The Customer First figures show that so far for Licensing 95.55% (representing 21 out of 22) of all letters received are answered within the 10 days Council standard. This exceeds the corporate target set of 95% for prompt replies to correspondence. However, the level of calls received in the department is causing difficulties in achieving the target answered calls.
- 20 Sickness Absence for Licensing and Regulatory Services is at 0.21 days per FTE for the second 3 months of the year. This level of performance is better than the corporate Quarter 1 average of 2.81 days as well as the department target of 1.25 days per FTE.

Street Environment

Financial Overview

- 21 Current projections are that the budgets for this service plan will be £2.0k over spent at the year end, or 0.2% of the net expenditure budget. This is due to an additional cost for maternity cover.

Performance Overview

- 22 These indicators are a key part of the Street Scene review and will continue to be monitored in detail.

PI Description	05/06 outturn	Q1 05/06	06/07 target	July	Aug	Sept	Trend vs. Performance	Performance vs. Target
BVPI 218a - % of new reports of abandoned vehicles investigated within 24 hours of notification	95.79%	86.13%	95%	100%	100%	100%	✓	✓
BVPI 218b - % of abandoned vehicles 24 hours from the point at which the authority is legally entitled to remove the vehicle	89.93%	96.1%	95%	100%	85.71%	100%	✓	✓
COLI 77a – Average time taken to remove 'obscene' graffiti	1.98 days	1.88 days	2 days	0.5 days	1.66 days	1.5 days	✓	✓
COLI 77b – Average time taken to remove 'non-obscene' graffiti	4.94 days	3.33 days	4 days	2.66 day	1.2 days	3.98 days	✓	✗
COLI 3 – Number of missed bin collections per 100,000 of household waste	97.5	54	66	112	81	85	✗	✗
VH5a – Average time taken to remove fly-tips (global figure)	1.53 days	1.51 days	2 days	2.25			✗	✗
VH5b – Average time taken to remove fly-tips (NS figure)	1.04 days	1 day	1 day	0.69			✓	✓
VW19 – Missed household waste collections put right by end of the next working day	60.76%	84.64%	95%	11.83% See (para 23 below)	83.05%	78.45%	✓	✗

- 23 VW19 - Missed household waste collections put right by end of the next working day, the figure for July of 11.83% is not a true reflection of the performance due to administrative procedures undertaken by temporary staff. A dedicated admin clerk in the waste department has been assigned to the responsibility for the accuracy of the data.
- 24 COLI 77a (The average time taken to remove obscene graffiti) continues to exceed the target of 2 days. COLI 77b (The average time taken to remove 'non-obscene' graffiti) is still below the target of 4 days but the trend is not improving. This is as a result of delays in access to some areas and the specialist management of cleaning of some of the bridges. Generally, performance has improved for both indicators compared to the same period in 2005/06.
- 25 COLI 3 (The number of missed collections per 100,000 of household waste) for the second quarter is outside the set target of 66. Wo9rk is ongoing to manage this shortfall and investigate the reasons why. It is expected that this figure should now start to improve.
- 26 VH5a (the average time taken to remove flytips) is performing slightly better than target for second quarter 2006/07.
- 27 VH5b (The average time taken to remove fly-tips (CSO figure)) is currently performing within the target of 1 day for second quarter of 2006/07 and is also performing below 2005/06 data for the comparative period.
- 28 Sickness absence for the Street Environment section is not reportable at present until the Neighbourhood Services restructure is complete and relevant staff are transferred within the personnel Delphi system. They will be picked up as an individual section rather than a CEX subsection (it is currently not possible to separate).

Neighbourhood Management

Financial Overview

- 29 Current projections are that there will be an underspend of £-0k, or 0.0% of the net expenditure budget within this service plan.

Performance Overview

- 30 Much of the data presented in annex 3 is the Chief Executives overall performance. Work is on going to separate the staff in the unit to ensure they are recorded as part of Neighbourhood Services.

Ward Committees (Local Assemblies)

Financial Overview

- 31 Current projections are that there will be an underspend of £-0k, or 0.0% of the net expenditure budget within this service plan.

Waste Management

Financial Overview

- 32 Current projections are that there will be an overspend of £11k, or 0.2% of the net expenditure budget within this service plan.
- 33 Reasons for the overspend include additional staffing costs to cover maternity leave £+12k, storage costs for containers £+5k, Water and Sewerage charges at Sim Hills former landfill site £+5k and additional cost of providing increased security at HWRC's due to break ins and threatening behaviour towards site staff in the first quarter totalling £+45k. The improved participation in the recycling service following the introduction of plastic and cardboard from kerbside has reduced the amount of waste going to landfill. The savings in Landfill Tax is offsetting much of the overspend.

Performance Overview

- 34 Performance indicators for Waste services is shown in Annex 3. Key performance indicators are reported on an exception basis below.

PI Description	05/06 outturn	Q1 05/06	06/07 target	Q1 06/07	Q2 06/07	Trend vs. Perform ance	Performa nce vs. Target
BV82ai - % of household waste arisings which have been sent by the authority for recycling.	16.5%	14.75 %	22.25 %	22.65 %	23.02 %	✓	✓
BV82a(ii) Tonnage of households waste arisings which have been sent by the authority for recycling	16,100	15,170	22,14 0	22,66 0	23,200	✓	✓
BV 82b(i) - % of households waste sent by the authority for composting or treatment by anaerobic digestion	7.58%	9.01%	13.68 %	13.96 %	14.32 %	✓	✓
BV 82b(ii) Total tonnage of households waste sent by the authority for composting or treatment by anaerobic digestion	7,390	9,270	13,60 0	13,97 0	14,430	✓	✓
BV82d(i): Percentage of household waste that was landfilled	75.92%	76.24 %	64.08 %	63.39 %	62.66 %	✓	✓
BV 84a – Number of kg of household waste collected per head of population	526.78 kg	555.4 kg	534.4 3kg	537.3 8kg	541.19 kg	✓	✗

- 35 BV82a(i) (The percentage of household waste arisings sent by the authority for recycling) is at an all time high with a year end forecasted position of 23.023%. This is a large improvement on the last years out-turn of 16.503% and exceeds the 2006/07 target of 22.25%.
- 36 Similarly for indicators BV82a(ii), BV82d(i) and BV82d(ii) forecasted performance is better than at any time in the past and each indicator is achieving or exceeding the 2006/07 target.
- 37 BV84a is marginally off target by only 5kgs. This equates to <1% of the target.
- 38 Sickness absence for Waste is running at 0.8 days per FTE for the first 3 months of the year. This is an exceptional level of performance and is significantly better than the corporate Quarter 1 average of 2.81 days and the corporate target of 2.62 days per FTE.

Toilets Cleaning

Financial Overview

- 39 Current projections are that there will be an overspend of £49k, or 1.2% of the net expenditure budget for this service plan. Additional costs are being incurred following the letting of a new toilet cleansing contract £+49k of which £35k is recurring. The overspend relates to increased contract prices £+26k, service contracts with punitive cancellation penalties £+19k and other service contract costs £+4k. In addition, it is anticipated that there will be a shortfall of income from toilets £+6k. These losses are currently being covered by savings elsewhere in the account and the approved changes to the service to address the additional costs are being put in place.

Performance Overview

- 40 There have been on going client monitoring and regular meetings with the Contractor. The service performance indicators are an outstanding issue that have been discussed at the recent Client/Contractor meetings. It is intended that performance data will be available for the next round of performance meetings.

Drainage & Foss Navigation

Financial Overview

- 41 This budget has now been transferred to City Strategy.

Traded Accounts

Building Maintenance

Financial Overview

- 42 Income is slightly behind budget, but this is off-set by a similar reduction in expenditure. Overhead recovery is slightly behind as a result of lower than expected income which has contributed to the department being slightly behind its target surplus.

Performance Overview

- 43 The details are available in annex 4(Building Section). The level of complaints for the service is minimal with only one reported in the last 12 months. For the last quarter, sickness levels remain within budget, but there has been an increase during September. Managers are monitoring the situation closely and carrying out return to work interviews. The number of long term sick in the department increased from 1 to 3 in the period.

Civil Engineering

Financial Overview

- 44 Income is slightly behind budget for the first half of the year. However, the expenditure is significantly better than expected resulting in a better than expected surplus to date.

Performance Overview

- 45 The details of the performance measures are set out in Annex 4(Civils Section). COLI77a and Coli 77b, removal of graffiti, are well within the agreed targets except the COLI 77b for September. Days lost due to sickness remains high in the section at 5.62 days per FTE, against the target of 2.87. A factor in this is that there were 4 members of staff off on long term sick.

Waste Services

Financial Overview

- 46 Commercial waste and the University Waste Management Contract are both performing well. There is currently expenditure pressures as a result of the high fuel prices. The achievements of the external business has contributed to better than expected surplus for the half year.

Performance Overview

- 50 (Members should note Annex 4 for the detail). The amount of waste sent to landfill is below the target which is good. The set out rates for recycling is exceeding the 65% stretched target, with most areas on cardboard collection

making a considerable contribution to the performance figures. Sick levels remain high in this section at 4.37 for the last quarter, however this is down on the previous quarter when it was at 5.57 days per FTE. Managers are assessing the return to work data in order to identify common factors what may require a management intervention.

Building Cleaning

Financial Overview

- 51 The prime business of this service is, school cleaning, council office cleaning and empty property (void) cleaning for housing. Work is on-going with schools to establish individual service level agreements to ensure the service matches the resources available. This work should be completed during the current financial year which should bring the school cleaning section into a break-even position. Void cleaning is performing well and there are no financial pressures in the section. It is the office cleaning section that is facing financial pressure and work with the client officers as yet to start.

Performance Overview

- 52 There have been no reported complaints for either the School Cleaning or Building Cleaning services in the last 7 months. The number of days lost due to sickness remains very high at 6.22 lost days per FTE. The majority of the long term sick are now restricted to Building Cleaning.

Street Scene

Financial Overview

- 53 This account is operating close to budget. Currently there are no financial pressures on this account.

Performance Overview

- 54 The details of the performance measures as set out in annex 4. There are no significant issues on this section. The days lost through sickness has increased during the last quarter and managers are monitoring closely.

Motor Fitters

Financial Overview

- 55 The income is achieved by the motor fitters carrying out work on the vehicle fleet. The establishment is currently carrying one vacancy and as a result income is down. Direct costs are down by a similar amount, but the lack over overhead recovery is causing a slight loss. This business is in the process of being outsourced.

Performance Overview

- 56 Performance is not currently measured as it is an internal service. It is in the process of being outsourced, with a number of control performance indicators written into the contract. This will be reported to members when the partnership is established.

Capital Programme

- 57 The Neighbourhood Services capital programme includes schemes within Neighbourhood Pride Unit, Environmental Protection Unit and Waste Management. All schemes are currently anticipated to be completed on programme within the year. Brief details of the current budgets are set out below:

	<u>Qtr 1</u>	<u>Qtr 2</u>
	<u>Budget</u>	<u>Budget</u>
	<u>£000s</u>	<u>£000s</u>
Ward Committees (Note 1)	358	307
Foxwood Community Centre	108	108
Hazel Court Household Waste Site	70	70
Defra Waste Performance Efficiency Grant	100	100
Air Quality Management	61	61
Contaminated Land Investigation (Note 2)	0	33
Total	697	679

Note 1 – The Ward Committee allocation has been reduced by £51k, which has been switched into revenue via the venture fund on a one off basis to release additional revenue in 2006/7. This will be utilised to provide £25.4k for carry forward schemes with some ward committees and £25.3k for assisting the five pilot Neighbourhood Policing wards with the funding of Police Community Support Officers.

Note 2 – Defra have amended a capital grant to support some detailed contaminated land investigations at three sites in accordance with obligations placed on the council by Part 11A of the Environmental Protection Act 1990. This was reported and agreed at EMAP 18th October 2006.

Conclusions

- 58 Overall, the Neighbourhoods Portfolio is projected to overspend by £57k (0.4% of the net portfolio revenue budget).
- 59 This will be virtually cleared if the release from contingency is agreed.
- 60 Performance on key Best Value Indicators, especially on the waste service plan, are improving and reaching levels higher than in previous years. Levels of sickness absence is challenging with some service area below the council average. Customer First statistics in each area are performing above the corporate target.

Consultation

- 61 The report is primarily an information report for Members and therefore no consultation has been undertaken regarding the contents of the report.

Options and analysis

- 62 The report is primarily an information report for Members and therefore no specific options or analysis are provided to Members regarding the contents of the report.

Implications

Financial

- 63 The report provides details of the portfolio revenue and capital outturn and therefore implications are contained within the report

Human Resources

- 64 There are no significant human resources implications within the report

Equalities

- 65 There are no significant equalities implications within the report.

Legal

- 66 There are no significant legal implications within the report

Crime and Disorder

- 67 There are no significant crime and disorder implications within the report

Information Technology

- 68 There are no significant Information Technology implications within the report.

Property

- 69 There are no significant Property implications within the report.

Risk Management

- 70 The report is primarily a look back at finance and service performance and therefore there are no significant risks in the content of the report.

Recommendations

- 71 That the Advisory Panel advise the Executive Member to approve the financial and performance position of the portfolio.

- 72 That the Advisory Panel advise the Executive Member to give approval for an application to the Executive for the release of £55k from contingency for the short fall in the Crematorium income previously set aside.

Reason – In accordance with budgetary and performance monitoring procedures.

Contact Details

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Report Approved

Date

17/11/2006

Specialist Implications Officer(s)

Implication ie Financial
Name
Title **None**
Tel No.

List information for all
Implication ie Legal
Name
Title **None**
Tel No.

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers – 2006/07 Budget Monitoring papers held at
Neighbourhood Services

Attached Annexes

- Annex 1 Expenditure by Service Plan for non-traded services
- Annex 2 (Confidential) Income and expenditure for the traded accounts
- Annex 3 Environment, Trading Standards Licensing and Waste performance (non-traded services)
- Annex 4 Traded services performance