

REPORT OF THE SENIOR MANAGEMENT TEAM  
TO THE EXECUTIVE  
7 DECEMBER 2007

**Corporate Governance Report: Second Quarter 2007/08 (to 30 September 2007)**

**1.0 Introduction and Report Summary**

1.1 The Corporate Governance Report looks at the key areas of:

- Corporate Priorities
- Best Value Performance Indicators
- Progress against Service Prioritisation Plans
- Key staffing data (sickness levels and turnover)
- Financial commentary

At its meeting on 19<sup>th</sup> November the Senior Management Team (SMT) considered the second quarter 2007/08 Business Performance Report. This is an exception report which covers all of the aspects of corporate governance contained within this report. SMT agreed the exceptions (where performance / actions are not on target) to be reported to the Executive and agreed the comments / actions which have been included in this report. The full versions of the individual reports will be still available on the Council's website. They can be accessed through the performance section of the Council and Democracy area of the website.

1.2 The contact officer for this report is Tim Sadler, Strategic Director, telephone (01235 540360). **Email address: [tim.sadler@whitehorsedc.gov.uk](mailto:tim.sadler@whitehorsedc.gov.uk)**

**2.0 Recommendation**

*That the Senior Management Team's Corporate Governance exception report and proposals be noted.*

**3.0 Relationship with the Council's Vision, Strategies and Policies**

This report relates to the Council's Vision in that it supports all of its objectives and does not conflict with any Council Strategies. It supports all of the strands of the Vale Community Strategy.

**4.0 Exception Reports**

**4.1 Corporate Priorities Report.**

SMT decided that 8 actions needed to be highlighted from this report. Full details of these actions for improvement and progress against the milestones are included in Appendix A.

**4.2 Best Value Performance Indicator (BVPI) Report.**

SMT agreed that there are 11 BVPIs which should be reported to the Executive as exceptions. These are:

- Benefits: BVPIs 78a, 76d, 78b, 79a, 79bi & bii
- Waste and recycling: BVPIs 82ai & aii, 84a & b
- % invoices paid on time: BVPI 8

Full details of the performance of these indicators during the second quarter and the appropriate comments are included in Appendix B.

#### 4.3 **Service Prioritisation Plan (SPP) Progress Report**

This enables SMT to track progress against all of the 24 SPPs included in the 2007/8 budget. Work on all of the SPPs was either ontrack or complete. There are no specific issues which need to be considered by the Executive. Worked up saving targets for the longer term SPPs included in the 2007/8 Budget will be included in the 2008/9 Budget in February 2008.

#### 4.4 **Summary of Sickness and Turnover Report**

**Sickness:** Sickness is down this quarter compared to the same quarter last year and also down on the first quarter of this year.

**Turnover:** Turnover is lower this quarter compared to the same quarter last year and also lower than the first quarter of this year.

#### 4.5 **Financial Commentary to the end of September 2007**

The budget monitoring table attached (Appendix C) supports the reported position to Executive on 5<sup>th</sup> October that the budget is close to target with a few budget pressures which have arisen during the first six months. In the first instance, officers will be looking to see if the small over spend identified can be offset by budget virements. Where appropriate all variations to the budget have informed the budget setting process for 2008/09.

#### **Commercial Services – projected net over spend £88,163**

The apparently high projected outturn overspend in the Commercial Services budgets reflects the transfer of a current projected surplus of £63,000 from the Building Regulations Trading service to the balance sheet. Proposals have been put forward to increase the establishment and spend on projects within the Building Regulations service to reduce the surplus in future budgets.

Another key pressure area is the Mobile Homes Park. This is as a consequence of the income from the commission earned on the sale of mobile homes being significantly below target. Low numbers of mobile homes sold in the year to date has resulted in a projected underachievement of income of £60,000 in 2007/08. Under spends elsewhere in the budget have resulted in a net budget pressure of £20,000 in the current year.

A further budget pressure of £24,000 has resulted from flooding costs which fall outside the Bellwyn funding scheme.

#### **Contracts and Procurement – projected net over spend £33,466**

The projected over spend is comprised of a number of budget over and under spends.

	£'000
Guildhall - loss of income as reduced use of meeting rooms by the Council not replaced from other sources.	25
Recycling – less than anticipated income from brown bins	35
Abandoned vehicles - reduced numbers resulting in a net saving	(15)
Bulky items - reduced collections resulting in a net saving	(21)
Horticultural services - savings from yellow pages have been re-profiled into 2008/09 budget.	16
Other over and under spends	(7)

The majority of budgets in this service are targeted to breakeven at year end.

#### **Democratic Services – projected under spend (£24,562)**

The projected year end under spend is as a consequence of small under spends in salaries on committee management and electoral registration and the members' services and allowances budgets.

#### **Environmental Services – projected over spend £5,000**

A small over spend against salaries in the licensing service has been offset by an increase in income. A small overspend in the Air Environment service of £5,000 has arisen as a consequence of a reduction in budgeted income following a reduction in fees implemented by DEFRA.

The Pest Control Service has been required to break even and is likely to make a small surplus in 2007/08. Because of the variability of demand for this service, it is currently seeking to break even over a three year period and consequently the surplus it makes in the current year is to be transferred to a balance sheet reserve to provide for the impact of reduced demand in future years.

#### **Housing and Community Safety – projected over spend £20,892**

The service is currently reporting a likely overspend of £21,000. This is all in the CCTV service. This is as a consequence of an under-recovery of income since a share of the under spend in 2006/07 is being refunded to South Oxfordshire in 2007/08.

#### **Organisational Development and Support – projected over spend £7,890**

This service is currently reporting a projected over spend against Payroll and Health & Safety budgets. Payroll salaries budget has been under pressure as a consequence of staff sickness and agency cover required. Health and Safety have made some purchases of essential equipment. No compensating under spends are currently forecast.

#### **Planning and Community Services – projected under spend (£53,136)**

The Car Parks are forecasting an over spend of £111,000 as a consequence of a reduction in income from the continuing decline in car park customer numbers at Abingdon, Wantage and Faringdon. In contrast, Development Control are forecasting an over-recovery of fee income of £145,000 as a consequence of increased activity. The increased costs associated with this activity are currently funded from grant.

#### **Ridgeway Financial Services – projected over spend £11,000**

Most of the current budgets are now contract payments. There is a slight over spend forecast on Revenues and Benefits client budgets as a consequence of the staffing being at full establishment for the whole year. With regard to the Benefits payments to clients and income from Government it is unreliable to predict the remaining six months of the year on the spend data for the first six months. Information is currently being sought from Capita to provide the most up-to-date client information on which an estimate of outturn can be made.

**Strategy – projected under spend (£14,690)**

An under spend of £34,000 has arisen as a consequence of a long term vacancy in the post of support to the Chair of the Council.

Other budget pressures have arisen as a consequence of the transfer of staff to Capita with retained pension costs. The additional currently unfunded sum required for 2007/08 is £19,000.

**Conclusion**

Across all service budgets against net estimate outturn expenditure of £17.5m, the current year end variation is estimated at £53.5k. Officers will be looking to see where virements can be used to fund areas of overspending. If it appears that a year end overspend is unavoidable, the Executive will be asked to approve a supplementary estimate.

TIM SADLER  
STRATEGIC DIRECTOR

Background Papers:

All of the background reports detailed below can be viewed on the council's website as explained in section 1.1 of the report:

- Corporate Priorities Report
- Best Value Performance Indicator Report
- Service Prioritisation Plan Progress Report
- Summary of Sickness and Turnover Report
- Financial Commentary

## Appendix A - Senior Management Team Exceptions Report

### Corporate Priorities Report

#### 2. Creating a cleaner, greener, safer and healthier community and environment

	Action for Improvement	Milestones	Timescale	Comments / Progress	Officer
2.5	GREENER Lead by example and ensure that all computers and all such non-essential electrical equipment is switched off when not in use	Initial floor assessment of all Council computers to ascertain extent of the problem  Council wide campaign by ICT and Energy Team. Aim to eliminate all non essential energy use by monitors and computers	July 2007  September 2007	Completed  Campaign delayed to coincide with the launch of the Climate Change Strategy in January 2008	Mark Saunders
	HEALTHIER				
2.15	Implement an Air Quality Action plan for central Abingdon and any other parts of the Vale needing special measures to secure good air quality	Further Assessment Report (incl. source apportionment) for Abingdon  Consultation on draft Air Quality Action plan (AQAP) for Abingdon  Finalise AQAP for Abingdon	Summer 2007  Autumn 2007  March 2008	Delayed until December 2007 due to the need to take account of County traffic data and Vale air monitoring Data post Abingdon Integrated Transport Strategy  Ditto. Now expected to commence January  Ditto. Now expected July 2008	David Stevens

#### Local Performance Indicators relevant to these priority areas

Indicator	Target 2007/08	Q1	Q2	Q3	Q4	Comments / Progress
SAFER						
LPI EH7 % of Health Act service requests responded to in 48 hours	99%	100%	95%			Results are based on a small number (less than 10) of service request a quarter

### 3. Improving and modernising access to our services

	<b>Action for Improvement</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Comments / Progress</b>	<b>Officer</b>
3.1	<p>Continue to reduce customer contact costs in accordance with Customer Contact Strategy (Source: Budget 2007/08 SPP No 20)</p> <p>Provide modern, reliable and relevant access to information and services</p> <p>Provide more local points and varied points of access through the use of technology and premises not run by the Council</p>	<p>e. Conduct a Customer Survey in Abingdon and Wantage Local Service points to establish the challenges to be overcome in successfully transferring customers, to least cost access channels.</p> <p>f. Examine future role for Faringdon Area Office and alternative methods of community access.</p> <p>g. Review success of business case for Customer Contact Strategy</p>	<p>30.07.07</p> <p>30.09.07</p> <p>30.10.07</p> <p>30.10.07</p>	<p>Survey completed</p> <p>Data has been evaluated and will be fed into the Service Standards Review being undertaken by Organisational Change Manager</p> <p>Draft Payment strategy written and to go to the Executive on 7<sup>th</sup> December 2007.</p> <p>The take up of customers onto other access channels is recorded and monitored monthly. The findings of the face-to-face survey above will form part of this review. Formal review not yet undertaken, but scheduled for April post the Accountancy review.</p>	Helen Bishop
3.2	<p>Provide better alternatives for customer payments</p> <p>Provide more local points and varied points of access through the use of technology and premises not run by the Council</p>	<p>a) Draft and get approval for Vale Payment Strategy.</p>	<p>From April 2007 until Executive 05.10.07</p>	<p>Payments Strategy written in draft and presently subject to officer consultation. To go to the Executive on 7<sup>th</sup> December 2007.</p>	Helen Bishop

## Local Performance Indicators

Indicator	Target 2007/8	Q1	Q2	Q3	Q4	Comments / Progress
<p>CS2            Number of enquiries at the Local Services Point Abingdon:            Face to Face 35,000            Contact centre 17,000            Visitors 4,600            Web / self serve 2,200 payments made on the web            Electronic Payments 4,500 taken by Contact Centre</p>	63,300	13242  8255 3527 1450 268 952	29126  17812 8814 2500 490 2406			<p>Less enquiries in 07/08 1st Q for Assisted Travel than in 06/07 when free bus passes introduced. In 07/08 Q2 there should be a similar peak as a result of the national bus pass scheme being introduced in 08/09 i.e. should even out</p> <p>Contact Centre showing an increase in enquiries of 38%. Since July the Contact Centre has been capturing more data for Waste Management.</p>
<p>CS11            % of calls to be answered within 20 seconds</p>	90%	82%	81%			<p>Staff shortage due to sickness &amp; holiday coupled with server problems have affected Contact Centre response</p> <p>Call Volume considerably increased during July &amp; August (44303 calls compared with 36271 during the same period in 2006 representing a 22% increase), this in part is due to the flooding impact and coincided with a period of high annual leave and long term sickness.</p>
<p>CS12            % of calls unanswered</p>	2%	3%	3%			<p>Staff shortage due to sickness &amp; holiday coupled with server problems have affected Contact Centre statistics</p> <p>Call Volume considerably increased during July &amp; August (44303 calls compared with 36271 during the same period in 2006 representing a 22% increase), this in part is due to the flooding impact and coincided with a period of high annual leave and long term sickness.</p>

#### 4. Building our capacity through managerial & organisational development

	<b>Action for Improvement</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Comments / Progress</b>	<b>Officer</b>
4.2	Transform HR Service into Strategic Business Partner	Review People Strategy, develop and implement action plan	August 2007	In view of the actions to develop the Strategic Partner role of HR, agreement to be obtained to review the People Strategy by 31.03.08	Tim Barnett
4.5	Administration Review	Raise corporate awareness of Central Administration and Processing Unit, particularly the position regarding filling new / vacant administration posts	August 2007	We are consolidating the operation of the new team including setting service and performance standards in consultation with service users. This is in preparation for the next stage of the administration review. All identified savings have been made.	Nikki Malin

#### *Actions 4.6 to 4.10 have been incorporated from the CPA Improvement Plan*

	<b>Action for Improvement</b>	<b>Milestones</b>	<b>Timescale</b>	<b>Comment / Progress</b>	<b>Responsible Officer</b>
4.9	Approach to Value for Money	Review Housing Value For Money Best Value Review and apply lessons learnt to other service users	Summer 2007	The review has been used to develop an approach to delivering and demonstrating VFM. This is now being rolled out to other service areas. It includes the use of facilitated workshops which work through a checklist to identify evidence of VFM and identify where further work and information is required.	Robert Woodside
4.10		Review in detail Economic Development and Leisure Service Areas	October 2007	Facilitated service area workshops on VFM (see 4.9) have taken place for Housing Services, Environmental Health and Economic Development. Senior Management Team will review the further roll out of VFM workshops and the Council's approach to VFM in December.	Toby Warren/ Mike Mackay



## Appendix B - Best Value Performance Indicators (see section 4.2)

**Key:** N/a = Not Applicable

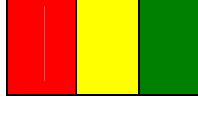
Top and Bottom quartile data is against all England Authorities

Trend arrows: compares first quarter performance 2007-8 with the second quarter (not possible for all BVPIs)

Quartile 06/07 column: actual 06/07

against 05/06 quartile performance data

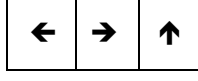
T = top; B = bottom; M = middle quartile



Red - worse than target

Yellow - on target

Green - better than target



BVPI	Indicator Description	Tgt / Ind	TQ 05/06	BQ 05/06	Actual 06/07	Quartile 06/07	Target 07/08	Actual Q1	Actual Q2	Q3	Q4	on/off Tgt	Comments	Trend
<b>Affordable Housing Priority</b>														
78a	Average time for processing new claims	T	26.4	39.1	29.77	M	28	43.26	38.74	0	0		The "annual" target will not be achieved. Capita has issued a plan showing expected rate of improvement and "in month" performance should be at top quartile by January 08.	↑
<b>Cleaner, Greener, Healthier and Safer Priority</b>														
82ai	% of household waste recycled	T	20.87	14.22	22.81	T	25.00	22.47	22.55	0	0		This needs to be read in conjunction with 82bii as the County Local Area Agreement target is the total of both, which puts us into green. Target for 2008/09 will be combined	↑
82aii	Total tonnage of waste recycled	T	15126	6086	9689	M	10750	2494	4935	0	0		Slightly below target due to 8% unexplained reduction in Sept	↓
82bi	% of household waste composted	T	13.05	3.54	6.3	M	6.00	10.17	10.44	0	0		Continued expansion of Brown Bin service has produced higher tonnages. Combined with a reduction in waste arising this has also produced a higher percentage composted.	↑

BVPI	Indicator Description	Tgt / Ind	TQ 05/06	BQ 05/06	Actual 06/07	Quarter 06/07	Target 07/08	Actual Q1	Actual Q2	Q3	Q4	on/off Tgt	Comments	Trend
82bii	Total tonnage of waste composted	T	8770	1802	2665	M	3750	1128	2285	0	0		See 82bi	↑
84a	Household waste collected (Kg per head of population)	I	393	478	366	T	369	94.9	187	0	0		Worse than target due to high growth in green waste. Unlikely to achieve target but still low in comparison with other Oxon authorities	↑
84b	% change (from previous year) in the waste collected (KG per head per annum)	T	-3.74	1.31	4.2	B	1.20	3.04	1.47	0	0		See 84a	↑
General - Non Priority														
8	% Invoices paid on time	T	96.71	89.24	94.76	M	95.94	84.08	68.08	0	0		Poor performance is linked to the Agresso implementation. The Council and Capita are working to resolve the problems but the annual target will not be achieved. Current outturn prediction is 80%.	↓
76d	Benefit security - no of prosecutions per 1000 cases	T	0	0	11		12	2.42	4.53	0	0		Currently below target. However, as there are a number of sanctions and prosecutions pending it is felt the year end target (12) will still be achieved.	↓
78b	Average time for processing changes of circumstances	T	9.1	18.8	6.45	T	6.8	21.32	18.23	0	0		The "annual" target will not be achieved. Capita has issued a plan showing expected rate of improvement and "in month" performance should be at top quartile by February 08.	↑

BVPI	Indicator Description	Tgt / Ind	TQ 05/06	BQ 05/06	Actual 06/07	Quarterle 06/07	Target 07/08	Actual Q1	Actual Q2	Q3	Q4	on/off Tgt	Comments	Trend
79a	% of cases where calculation was correct	T	99	96.6	88	B	99	91	91.1	0	0		Whilst accuracy remains a key focus and, Capita has appointed a supervisor to identify key trends for improvement, the annual target will not be achieved. Current outturn prediction is 92%.	↑
79b(i)	% of overpayments recovered as a % of Housing Benefit deemed recoverable	T	79.39	58.98	81.2	T	87	94.92	56.03	0	0		It is unlikely that the target will be achieved. Capita's working practices for recovering overpayments is going through change and an outturn prediction will be given in the Q3 report.	↑
79b(ii)	% overpayments recovered during the period including overpayments identified during the period	I	39.69	27.35	37.63	M	42	9.75	18.25	0	0		Performance to date is 18.25% and it is unlikely that the target will be achieved. Capita's working practices for recovering overpayments is going through change and an outturn prediction will be given in the Q3 report.	↑

## Revenue Budget Monitoring 2007/08 - September 2007

## Appendix C

	1	2	3	4	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08	2007/08
	Original Budget	OB Full Year (inc Budget Changes)	Working Budget Full Year	Profiled Working Budget to Month 6	Actuals to Month 6	Commitments	Variance £ From Profiled Working Budget	Estimated Outturn	Outturn Variance from Working Budget			
<b>Service Costs</b>												
Commercial Services	1,044,520	1,048,940	934,830	418,003	313,778	97,246	(6,979)	1,022,993	88,163			
Contracts & Procurement	6,631,070	6,497,120	6,477,120	2,329,325	2,181,398	45,213	(102,714)	6,510,586	33,466			
Democratic Services			1,245,880	424,290	468,539		44,249	1,221,318	(24,562)			
Environmental Health	1,155,670	1,163,510	1,153,040	391,140	338,168	4,709	(48,263)	1,158,040	5,000			
Housing & Community Safety	1,556,720	1,712,050	1,709,590	6,995	184,913	10,495	188,413	1,730,482	20,892			
Legal Services	964,780	1,043,640	(208,260)	11,805	(11,263)	201	(22,867)	(208,260)	0			
Organisational Development & Support	116,330	438,470	493,330	1,453,025	1,182,637	33,845	(236,543)	501,220	7,890			
Planning & Community Strategy	2,285,430	2,028,770	2,031,610	511,361	364,898	20,003	(126,460)	1,978,474	(53,136)			
Ridgeway - financial services	2,092,630	2,331,160	2,351,400	1,194,560	677,335	1,249	(515,976)	2,362,400	11,000			
Strategy (Chief Executive)	55,970	55,670	55,670	22,250	1,352	0	(20,898)	21,980	(33,690)			
Strategy (SB)	1,155,100	981,920	945,610	310,221	162,237	0	(147,984)	964,610	19,000			
Strategy (TS)	8,230	7,380	7,250	6,945	4,109	0	(2,836)	7,250	0			
Contingency	274,300	177,300	288,860	0	0	0	0	288,860	0			
Service investment & other budget changes	511,980	0	0	0	0	0	0	0	0			
2007 Service Prioritisation Plans	(366,800)	0	0	0	0	0	0	0	0			
<b>Total service costs</b>	<b>17,485,930</b>	<b>17,485,930</b>	<b>17,485,930</b>	<b>7,079,920</b>	<b>5,868,101</b>	<b>212,961</b>	<b>(998,858)</b>	<b>17,559,953</b>	<b>74,023</b>			
Investment Income	(1,482,300)	(1,482,300)	(1,482,300)	(741,150)	(169,426)	0	571,724	(1,502,800)	(20,500)			
Property Income	(1,990,700)	(1,990,700)	(1,990,700)	(995,350)	(838,400)	0	156,950	(1,990,700)	0			
<b>Total service costs and funding income</b>	<b>14,012,930</b>	<b>14,012,930</b>	<b>14,012,930</b>	<b>5,343,420</b>	<b>4,860,275</b>	<b>212,961</b>	<b>(270,184)</b>	<b>14,066,453</b>	<b>53,523</b>			

## Notes

- 1 Original Budget as approved by Council 22 February 2007
- 2 Original Budget after allocation of Budget changes and Service Prioritisation Plans
- 3 Budget showing effects of Virements
- 4 Working Budget profiled to reflect expected pattern of expenditure