

REPORT OF THE SENIOR MANAGEMENT TEAM
TO THE EXECUTIVE
1 August 2008

Corporate Governance Report: First Quarter 2008/09 (1 April 2008 to 30 June 2008)

1.0 Introduction and Report Summary

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

- Corporate Priorities
- National Indicators
- Progress against Service Prioritisation Plans
- Key staffing data (sickness levels and turnover)
- Progress with Business Process Improvement Reviews
- A Financial commentary

At its meeting on 21st July 2008 the Senior Management Team (SMT) considered the first quarter 2008/09 Corporate Governance 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 are available on the Council's website. They can be accessed through the 'about your Council / performance' area of the website.

1.2 The contact officer for this report is Robert Woodside, Principal Performance Management Officer, telephone (01235 520202 ext 499).
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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 4 actions (1.1, 1.2, 3.5, 3.6) and 5 local performance indicators (EH4, EH5, EH6, CS2 and CS11) should be included in this report. Full details are included in Appendix A.

4.2 National Indicator Report.

SMT agreed that there are no National Indicators where progress should be reported to the Executive as exceptions.

4.3 Service Prioritisation Plan (SPP) Progress Report

SMT tracks progress against all of the 26 SPPs included in the 2008/9 budget. Progress against 1 SPP has been included in Appendix B.

4.4 Summary of Sickness and Turnover Report

Sickness is slightly lower this quarter compared to the same quarter last year. It is also significantly lower than the previous quarter, quarter 4 last year (1 January 2008 to 31 March 2008). The number of days lost during the quarter was 495. The average number of days lost per full time equivalent (FTE) was 1.94.

Turnover is lower this quarter compared to the same quarter last year but slightly higher than quarter 4 last year (1 January 2008 to 31 March 2008). The turnover rate for the quarter was 2.76% which equates to 8 leavers.

4.5 Progress with Business Process Improvement (BPI) Reviews

It is recognised that the cross organisational BPI review has suffered a loss of momentum due to a number of local factors. The post left vacant by Tim Sadler has allowed a saving to be taken, and to provide budget for an interim Strategic Director to be engaged on a part-time, short term contract. The incumbent (Andrew Logan) has been asked to review the BPI process and to comment upon the likelihood of it achieving the National Indicator 179 target in 2008/09. This indicator measures the total net value of ongoing cash releasing value for money gains that have impacted since the start of the 2008/9 financial year.

The review is part way complete (it will be finished before the end of the second quarter) and is initially focusing on three areas:

1. reorganisation of administrative staff across the organisation being driven within the Organisational Development and Support service area
2. a review of procedures in the Housing Services team
3. a revitalisation of the Local Services Point 3 project (moving transactions onto the website and phone).

4.6 Financial Commentary: 1 April 2008 to 30 June 2008

The first quarter review of budgets and expenditure has taken place. The Deputy Directors have highlighted a number of areas that are being affected by the economic downturn.

Income from planning application fees is expected to be down against budgets by approximately £100k. Similarly, income in Legal is expected to be down against budget by £109k. This is primarily as a consequence of the reduction in requests for land searches. A full report on the running of the service will be made shortly and the shortfall will be adjusted throughout the year in accordance with demand for the service. The temporary accommodation team has also reported a likely budget pressure of £60k as a consequence of a slowdown in the transfer of clients out of temporary accommodation into lower cost permanent accommodation.

A shortfall in investment income is being forecast of £100k – the uncertainty over the timing of a property sale will mean that less income will be made from investments in

the current year. However, this has been offset to a small degree by the higher than forecast investment interest rates which are continuing to hold.

Finally, the council has just been told that one of the Botley traders has gone into liquidation. This may result in a further shortfall in property income of three quarters rent £36k if the unit cannot be re-let.

There is some good news in that income has been received from the Government for reimbursement of costs under the Bellwin flood scheme for the January 2008 floods. Members will recall that the Council had to carry these costs in 2007/08 and reimbursement of £18k will be made in the current year. Additional funding from the EU has also been granted of £31k as a part of a nationwide contribution of EU funding to offset the impact of flooding. The Deputy Director of Commercial Services is preparing a briefing note for the Executive on the use of this funding and a year end variance is not projected at this stage.

We have also been notified about additional income from the new Housing and Planning Delivery Grant of £344k. This grant replaces the Planning Delivery Grant and like the old grant must be split 67% revenue and 33% capital. Initially, the Council had been uncertain as to whether it would be eligible for this grant which currently funds the Planning Delivery budget. The continuation of the grant will have a beneficial impact on the long term funding of the service.

Finally, we have been notified that we may receive a further £250k Local Authority Business Growth Incentive (LABGI) grant subject to a final decision regarding the allocation of this funding following a court case ruling. Members will be notified as soon as this has been confirmed.

The table included as Appendix C (column 'Variance from Working budget') shows the impact on the Council's budgets of the issues raised by the Senior Management Team as at the end of the first quarter of 2008/09.

SENIOR MANAGEMENT TEAM

Background Papers:

All of the background reports detailed in section 1.1 of the report can be viewed on the Council's website.

Appendix A - Corporate Priorities Report

1. Facilitating the provision of affordable housing

	Action for Improvement	Milestones	Timescale	Officer	Comments / Progress
1.1	Provide 75 units of affordable rented housing	This is an ongoing programme throughout the year to deliver affordable rented housing primarily as part of new build housing developments throughout the district in accordance with the Council's Local Plan and Local Development Framework (LDF) policies on affordable housing	31.3.2009 (measured quarterly)	Paul Staines	25 units provided in the quarter Notwithstanding this quarters performance officers are noting a slowdown in development resulting from the economic downturn and expect this to impact upon achievement of the target.
1.2	Provide 25 units of Shared ownership and other intermediate housing	This is an ongoing programme throughout the year to deliver affordable shared ownership and other low cost home ownership housing primarily as part of new build housing developments throughout the district in accordance with the Council's Local Plan and LDF policies on affordable housing	31.3.2009 (measured quarterly)	Paul Staines	8 units provided in the quarter Notwithstanding this quarters performance officers are noting a slowdown in development resulting from the economic downturn and expect this to impact upon achievement of the target

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

Local Performance Indicators relevant to these priority areas 2008-9

Indicator	Target 2008/09	Q1	Q2	Q3	Q4	Comments
CLEANER						
LPI EH4 Number of Fixed Penalty notices served	65	14				Slight shortfall to be addressed through work programme prioritisation
LPI EH6 Number of Grot Spots cleaned up	15	0				Publicity measures planned for Q2 likely to increase referrals
GREENER						
LPI EH5 No of environmental debates	15	3				Expected to increase

						with Your Vale and associated campaigns
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3. Improving and modernising access to our services

	Action for Improvement	Milestones	Timescale	Officer	Comments / Progress
3.5	To ensure structured, consistent and co-ordinated consultation	a) Produce an annual consultation plan	Quarter 1	Nikki Malin	Meetings held with DDs to identify consultation needs for the year to be incorporated into the plan. The plan is now expected to be completed by the end of August.
3.6	To ensure a consistent approach to maintaining high profile communications, safeguarding the Vale's reputation.	Media training for members and officers "Your Vale" campaign	Quarter 1 Quarter 1	Nikki Malin	General media training has been designed. This is scheduled to take place between September and December 2008. Quotes for broadcast training are due in. It is expected to take place between December 2008 and March 2009. Your Vale launched in June edition of Vale Views. However, internal launch delayed due to change in staff briefing content due to shared management proposal. Hoped to include it in staff briefing in September.

Local Performance Indicators 2008-9

Indicator	Target 2008/9	Q1	Q2	Q3	Q4	Comments
CS2 Number of enquiries at the Local Services Point	63,300	15051				Web payments for brown bins have been suspended due to

Abingdon (the 63,300 target is broken down as detailed below): 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		8876 4975 1200 1 1187				technical problems. It is expected that this will be achieved by the end of September 2008.
CS11 % of calls to be answered within 20 seconds	90%	89%				The actual result for 2007/8 was 85%. The first quarter result is slightly below target but is showing an improvement on last years result

Appendix B – Service Prioritisation Plans (SPP)

No.	Service prioritisation options	Lead officer	2008/09 £'000 (savings) / costs	2009/10 £'000 (savings) / costs	2010/11 £'000 (savings) / costs	2011/12 £'000 (savings) / costs	
14	Reduce temporary accommodation costs through net saving on subsidy budget.	PS	(28.0)	(28.0)	(28.0)	(28.0)	The SPP was based upon savings generated from more effective procurement of temporary accommodation. However early signs are that these savings may not materialise.

Appendix C - Budget monitoring 1st April - 30th June 2008

		Original Budget £	Working Budget £	Working Budget profiled £	Actual £	Year End Projection £	Variance from Working budget £	Explanation of major variances
Commercial	Exp	3,792,960	2,861,290	854,426	831,246	2,861,290	0	

Services

Income	(2,518,380)	(1,791,480)	(601,945)	(704,372)	(1,791,480)	0
Net	1,274,580	1,069,810	252,481	126,874	1,069,810	0

Contracts & Procurement

Exp	8,696,630	6,986,530	1,490,703	860,365	6,986,530	0
Income	(2,321,580)	(1,848,340)	(403,947)	(265,505)	(1,848,340)	0
Net	6,375,050	5,138,190	1,086,756	594,860	5,138,190	0

Democratic Services

Exp	1,216,110	839,860	198,240	176,978	839,860	0
Income	(2,230)	(2,230)	(555)	(2,744)	(2,230)	0
Net	1,213,880	837,630	197,685	174,234	837,630	0

Environmental Health

Exp	1,790,360	1,235,350	306,438	313,209	1,235,350	0
Income	(525,820)	(306,590)	(53,505)	(70,572)	(306,590)	0
Net	1,264,540	928,760	252,933	242,637	928,760	0

Finance

Exp	27,212,838	26,058,510	6,383,322	4,719,810	26,070,879	12,369
Income	(28,748,880)	(27,676,090)	(6,607,919)	(4,921,148)	(27,565,090)	111,000
Net	(1,536,042)	(1,617,580)	(224,597)	(201,338)	(1,494,211)	123,369

Possible contract inflation pressure re: RPI to apply to Capita contract. Shortfall in investment income of up to £100k due to uncertainty over the timing of a property sale. In addition there is a minimum estimated shortfall in budgeted income re: recharges for support supplied to Capita of £11k.

		Original Budget	Working Budget	Working Budget profiled	Actual	Year End Projection	Variance from Working budget	Explanation of major variances
		£	£	£	£	£	£	
Housing & Community	Exp	3,164,640	1,797,540	478,716	397,885	1,857,540	60,000	Slowdown in transferring clients from temporary accommodation to lower cost permanent accommodation.
	Income	(1,187,280)	(770,440)	(146,944)	(548,961)	(770,440)	0	
	Net	1,977,360	1,027,100	331,772	(151,076)	1,087,100	60,000	
Legal Services	Exp	675,130	458,460	113,208	90,348	458,460	0	Downturn in requests for land searches.
	Income	(795,010)	(360,380)	(90,096)	(62,632)	(251,272)	109,108	
	Net	(119,880)	98,080	23,112	27,716	207,188	109,108	
Organisational Devpt & Support	Exp	3,785,730	2,954,758	718,243	623,177	2,954,758	0	
	Income	(3,354,910)	(47,670)	(6,399)	(899)	(47,670)	0	
	Net	430,820	2,907,088	711,844	622,278	2,907,088	0	
Planning & Community Strategy	Exp	4,228,300	2,963,260	841,441	820,802	2,918,260	(45,000)	Indefinite postponement of recruitment of Principal Planning Officer Planning application fees income reduction in applications + car park income
	Income	(2,127,920)	(1,993,170)	(498,287)	(437,529)	(1,883,170)	110,000	
	Net	2,100,380	970,090	343,154	383,273	1,035,090	65,000	
Strategy CE	Exp	24,850	19,520	2,847	3,122	19,520	0	
	Income	0	0	0	0	0	0	
	Net	24,850	19,520	2,847	3,122	19,520	0	
Strategy SB	Exp	835,400	666,020	164,238	21,676	666,020	0	
	Income	(10,000)	(10,000)	(2,502)	(23,389)	(10,000)	0	
	Net	825,400	656,020	161,736	(1,713)	656,020	0	

		Original Budget £	Working Budget £	Working Budget profiled £	Actual £	Year End Projection £	Variance from Working budget £	Explanation of major variances
Strategy TS	Exp	22,740	11,790	2,955	2,288	11,790	0	
	Income	(15,640)	0	0	0	0	0	
	Net	7,100	11,790	2,955	2,288	11,790	0	
Sub total services	Exp	55,445,688	46,852,888	11,554,777	8,860,906	46,880,257	27,369	
	Income	(41,607,650)	(34,806,390)	(8,412,099)	(7,037,751)	(34,476,282)	330,108	
	Net	13,838,038	12,046,498	3,142,678	1,823,155	12,403,975	357,477	
Contingency	Exp	376,992	376,992	0	0	0	(376,992)	
Total services less contingency	Exp	55,822,680	47,229,880	11,554,777	8,860,906	46,880,257	(349,623)	
	Income	(41,607,650)	(34,806,390)	(8,412,099)	(7,037,751)	(34,476,282)	330,108	
	Net	14,215,030	12,423,490	3,142,678	1,823,155	12,403,975	(19,515)	