

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Environment and Transport
Date:	6 September 2011
Title:	Quarterly Revenue Budget Monitoring 2011/12
Reference:	3243
Report From:	County Treasurer and Director of Economy, Transport and Environment

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1. Executive Summary

1.1. This report outlines the budget monitoring, performance and workforce position as at the end of quarter 1 (30 June 2011).

1.2. The projected outturn for budgeted services for 2011/12 is a total underspend of £629,000 or 0.6% of the total budget. The variance reported by each service stream board and group is set out below.

	Current budget	Quarter 1 forecast variance	
	£000	£000	%
Highways, Traffic & Transport	65,452	(576)	(0.9)
Waste, Planning & Environment	38,591	0	0
Economic Development	1,342	0	0
Research & Resources	7,140	(53)	(0.7)
Grand Total	112,525	(629)	(0.6)

1.3. The main variance relates to Highways, Traffic & Transport service stream where savings from a change in the way the Safer Roads Partnership are funded partly offset one-off cost pressures relating to rural bus subsidies.

- 1.4. The forecast underspend in the Research and Resources group result from a combination of savings against office running costs and net savings on staffing costs.
- 1.5. These figures reflect an early position and in particular exclude the first quarter position on concessionary fares. This will be reported on an exception basis ahead of the next quarterly report as appropriate but at this stage is not expected to exceed budgeted provision.
- 1.6. Significant variances for the end of quarter 1 are summarised as follows:

	Forecast variance this quarter	Para Ref
	£000	
Highways, Traffic & Transport	(576)	4
Waste, Planning & Environment	0	
Economic Development	0	
Research & Resources	(53)	7

- 1.7. Specific service area issues are highlighted in the following sections of this report. In addition the following information is shown as appendices to this report:

1. Adjustments to Economy, Transport and Environment cash limits.
2. Progress on Achievement of Efficiency Savings
3. Economy, Transport and Environment Key Performance Indicators
4. Economy, Transport and Environment Workforce Data

2011/12 Revenue Budget

2. Highways, Traffic and Transport (HT&T) Service Stream

2.1. The current position for HT&T is an underspend of £576,000 (0.9% of the net cash limited budgets).

	Current budget	Quarter 1 Forecast Variance	
	£000	£000	%
Highways Maintenance Engineering Consultancy	31,012	0	0
Public Transport Staffing & operational support	-180	0	0
Safer Roads Partnership and Road Safety	20,080	295	1.5
Traffic Surveys Parking Services	11,576	0	0
	2,803	(871)	(31.0)
Total	65,452	(576)	(0.9)

2.2. The Highways Maintenance budget includes the winter maintenance budget of £4.133 million. At this early stage in the year no overall variance against these is forecast.

2.3. The overspend on Public Transport budgets relates to the Rural Bus Subsidy Grant where a full year reduction in funding has been applied in 2011/12. Changes have been proposed which, if approved, would not come into force until October. In 2012/13 the full year impact of any changes agreed would mean a return to a balanced financial position. The first quarter concessionary fares position is not yet available due to the nature and timing of the processes involved.

2.4. The underspend on Road Safety results from the move to a self-funded basis for the Safer Roads Partnership. The original Road Safety budget included a provision of £630,000 as the County Council's contribution to the partnership in 2011/12 which is no longer needed. In addition there will be a refund of £336,000 relating to 2010/11 with the possible further return of further unspent balances at 2011/12 year end (no allowance has currently been included about the latter in the forecast underspend). The savings have been partly offset by a £95,000 allocation for the 'Village 30' initiative.

2.5. It is proposed to earmark £630,000 both for road safety capital measures to help compensate for reductions to the capital programme and soften the impact of government grant reductions and to offset savings from partnership arrangements which will not now be achieved in full until next year.

2.6. Significant variances for the end of quarter 1 are summarised in the following table.

	Variance this quarter £000
Public Transport	295
Road Safety	(871)

3. Waste, Planning and Environment (WPE) Service Stream

3.1. The current position for WPE is a break even position against the cash limited budget.

	Current budget	Quarter 1 Forecast Variance	
	£000	£000	%
Waste contract	33,726	0	0
Non-contract waste plus staffing & operational support	4,695	0	0
Chichester Harbour	170	0	0
Total	38,591	0	0

3.2. Over or underspends on the waste contract relating to volume changes are covered by a central contingency and cash limits adjusted accordingly. The first quarter's call on this contingency was £485,000. This figure is well within expected contingency levels, representing 15% of the annual allowance.

3.3. It has not yet been possible to finalise waste volume data for the quarter due to the impact of industrial action in Southampton however based on the available information it is expected to contain the overall position within the ETE budget plus the earmarked amount held within central contingencies.

4. Economic Development Service Stream

4.1. Responsibility for the County Council's role in Economic Development transferred from Chief Executive's Department from April 2011 along with the associated budgets. The new budget also incorporates the Tourism budget, transferred from CCBS. No variances are currently forecast.

	Current budget	Quarter 1 Forecast Variance	
	£000	£000	%
Economic Development	1,342	0	0
Total	1,342	0	0

4.2. The 2011/12 budget includes a planned carry forward of £329,000.

5. Research and Resources Group

5.1. The current position for Research and Resources is an underspend of £53,000 (0.7% of the net cash limited budgets).

	Current budget	Quarter 1 Forecast Variance	
	£000	£000	%
Staffing & operational support	7,140	(53)	(0.7)
Total	7,140	(53)	(0.7)

5.2. The forecast underspend is made up of a net saving on salary costs of £13,000 together with an anticipated £40,000 saving on overall departmental printing costs.

5.3. Significant movements from the start of the year are summarised in the following table.

	Variance this quarter £000
Staffing	(13)
Office running costs	(40)

6. Performance update

6.1. Performance indicators for quarter 1 are shown at Appendix 3.

7. Workforce update

7.1. Key workforce data for quarter 1 are shown at Appendix 4. Workforce indicators for the first quarter of 2011/12 are consistent with the picture presented for the budget at this time. The workforce reductions which are needed to achieve the target reductions for 2011/12 have been planned and have been taking effect during this quarter, as reflected in the continued reduction in the number employed. The main highlights for the quarter are set out below.

7.2. Core staff numbers have reduced in the quarter from 701 to 661 FTE, a decrease of 40 FTE of which 6 FTE relates to transfers to other departments. School Crossing Patrol and School Escort numbers which are 260 (58.9 FTE) and 560 (217.4 FTE) respectively are little changed from recent quarters. Consequently the overall department total of 1,521 staff employed (937 FTE) is at a record low. The workforce reduction programme is progressing as planned and 32 more staff are due to leave this year through voluntary redundancy/retirement with two compulsory redundancies.

7.3. Core staff turnover has increased from 11.7% to 13.1% mainly due to the effect of the workforce reduction programme and voluntary redundancies. Turnover for the School Crossing Patrols and School Escorts remains within normal ranges at 11.8% and 14.4% respectively. The overall departmental turnover rate is therefore up slightly at 13.4% but the underlying rate of 'normal' turnover remains similar to that noted in the last two years. Further vacancies occurring within the revised, reduced workforce will continue to be reviewed for potential further economies or, where impacting on front line service delivery, vacancies may need to be filled, where possible through redeployees.

7.4. The reported sickness rate for core staff has remained at a low level of 5 days per FTE. Sickness rates for School Crossing Patrols and School Escorts are consistent with previous quarters at 9.3 days per FTE for School Crossing Patrols and 9.9 days per FTE for School Escorts. The department sickness rate of 6.4 days per FTE is still one of the best rates within the County Council.

7.5. Additional highlights from the quarter include:

- Two of the Internships Plus placements offered by the department are being taken up - expected to be by early September.
- Following implementation of the process required for the revised premia payments, all of the 207 staff affected are believed to have accepted the new arrangements, either in writing, or by continuing to work after 25 July when the new contracts took effect.

- The workforce plan for 2011-2012 was finalised by the Departmental Management Team in June and action is in hand on the priority workforce themes that were identified.
- Learning and development activities continue to progress well.

8. Recommendations

- 8.1. That the forecast position at the end of quarter one be noted.
- 8.2. That given the uncertainties around concessionary fares, the service will seek to use this underspend to meet revenue and capital pressures during the year.
- 8.3. That the latest performance and workforce monitoring position be noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. Assessment of the Race Relations (Assessment) Act has been considered in this monitoring report. No adverse impact has been identified in terms of race, creed or gender.

2. Impact on Crime and Disorder:

2.1. As this is a general report covering the monitoring of the budget, performance and workforce for the department, it cannot set out detailed crime and disorder implications. However, crime and disorder implications of specific departmental issues would be reflected in individual service plans and project reports where appropriate.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As this is a general report covering the monitoring of the budget, performance and workforce for the department, it cannot set out detailed climate change implications. However, climate change implications of specific departmental issues would be reflected in individual service plans and project reports where appropriate.

Cash limit and Revised Budget

Reason for budget movement between budget setting and Period 3

Directorate	Reason	Change £000
Original budget		111,406
	Transfer of Communications staff to Chief Executive's Dept	(225)
	Transfer of related post from Chief Executive's Dept	56
	Net adjustment relating to change to treatment of employer pension contribution	(1,000)
	Transfer of Economic Development	957
	Transfer of Tourism	209
	Economic Development underspend brought forward	329
	Underspend brought forward	225
	LPSA Reward Grant brought forward	462
	Rural Transport Guide funding	15
	Conservation Grant funding	17
	Minerals and Waste Development Framework – transfer from reserve	74

Budget as at Period 3	112,525
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Budget movement between original budget and Period 3 by Directorate

Group	Original budget	Movement			Budget as at Period 3
		Expense	Income	Net	
		Cash limit	Cash limit	Cash limit changes	
	£000	£000	£000	£000	£000
Highways, Traffic & Transport	65,478	(26)	0	(26)	65,452
Waste, Planning & Environment	38,808	(217)	0	(217)	38,591
Economic Development	0	1,814	(472)	1,342	1,342
Research & Resources	7,120	20	0	20	7,140
Grand Total	111,406	1,591	(472)	1,119	112,525

Progress in achievement of efficiency savings

Status Summary of Departmental 2011/12 and Phase 3 Efficiency Savings as at 30 June 2011

Blue		Green		Amber		Red		Total	
£000	%	£000	%	£000	%	£000	%	£000	%
3,092	44	3,876	56	0	0	0	0	6,968	100

Key

Red	Low Confidence - Serious actual or forecast problems with containment plans still being developed
Amber	Medium Confidence - Some problems but containment plans in place that lower risk
Green	High Confidence - No problems or problems significantly mitigated by containment plans
Blue	Secured (Guaranteed) saving.

Performance Indicators

Delivery of corporate outcomes					
Outcome	Measure as in draft Business Plan (current definition where necessary in brackets)	Target (Period and source shown in brackets)	Most recent performance data	Status (RAG)	Comments
4.1 - Conservation of natural and material resources	Landfill (<i>Municipal waste land filled</i>)	12% (2011/12 CIP)	11.24% (Apr-Jun 11)	Green	This is the municipal waste to landfill (the old NI193).
4.2 – Well maintained and resilient highways / safe and well managed highways / develop Hampshire's highway network and transport systems	Satisfaction with highway condition	42% (2011/12 CIP)	39.2% (Sept 2010)	Amber	We are hopeful of improvement over the past 12 months, given efforts to improve the service through Operation Restore, and also to manage public expectations & experiences through proactive communications. However, perception improvements cannot be guaranteed using the snapshot style survey method employed by the NHT Survey, which typically samples only around 1,100 residents.
	Satisfaction with highway maintenance	55% (2011/12 CIP)	52.5% (Sept 2010)	Amber	
	Principal roads where maintenance should be considered	6% (2011/12 CIP)	6% (Jan 11)	Green	These figures are collected once a year, are only available to the nearest whole percentage point, and are subject to variance of +/- 1.5%.
	Non-principal roads	11%	10% (Jan 11)	Green	

Delivery of corporate outcomes					
Outcome	Measure as in draft Business Plan (current definition where necessary in brackets)	Target (Period and source shown in brackets)	Most recent performance data	Status (RAG)	Comments
	where maintenance should be considered	(2011/12 CIP)			
	Non-principal (unclassified) roads where maintenance should be considered	11.5% (2011/12 CIP)	12% (Jan 11)	Amber	
	People killed or seriously injured in road traffic accidents	558 by end 11/12 (2011/12 CIP)	Q1 target 564 Actual 583 (3 yr ave at end Q1)	Amber	Raw figures are only available on calendar year basis, so these are financial year projections. It is difficult to provide meaningful quarterly data due to seasonal fluctuations. The A/B road review work due to take place later this year should help with achieving the end year target in the CIP.
	Children killed or seriously injured in road traffic accidents	51 by end 11/12 (2011/12 CIP)	Q1 target 51 Actual 54 (3 yr ave at end Q1)	Amber	

ECONOMY, TRANSPORT AND ENVIRONMENT QUARTERLY WORKFORCE SCORECARD

Please note that the headcount figure is the number of staff employed at the end of each quarter and not the average over the period.

	Q1	Projection from selected date	Last 12 months from selected date	Last full financial year from selected date
Employees in post				
Employees	1,521			
FTE – actual	937.4			
Full Time Employees	597			
Part Time Employees	924.0			
Part Time FTE - actual	340			
Temp Employees	70			
Temp Staff FTE	57.7			
Temp/Perm Staff Ratio	20.7			
PT/FT Staff Ratio	0.6			
Overtime Hours	1,564			
Turnover				
No. of external leavers	56	224	208	202
Turnover (External) %	3.7	14.7	13.4	12.8
Sickness absence				
Absence hours	10,379	45,667	45,318	45,518
Absence – fte days per fte	1.5	6.4	6.4	6.3
Absence % of planned hours	2.3	2.3	2.4	2.4
Planned hours	442,756	1,948,125	1,899,310	1,929,532
Absence cost £000	126	555	539	534