

Committee(s):	Date(s):	Item no.
Port Health & Environmental Services	21/09/2010	
City Lands & Bridge House Estates	22/09/2010	
Planning & Transportation	05/10/2010	
Licensing	15/11/2010	
Subject: DES Business Plan 2010 Progress Report Q1 (DES 054-2010)		Public
Report of: The Director of Environmental Services		For Decision
<p><u>Summary</u></p> <p>This report provides the Business Plan progress of the Department of Environmental Services for Quarter 1 of 2010-11 against key performance indicators (KPIs) outlined in the current Business Plan.</p> <p>Appendix A shows the previous four quarters performance for comparison where applicable and details our Quarter 1 performance against the twenty four indicators. Performance against six Service Response Standards has also been monitored.</p> <p>We have met or exceeded nineteen out of the twenty four reported KPIs (three are not applicable this quarter as they are annual indicators). The underperformance of the relevant two remaining indicators (1 yellow/1 red) is being actively addressed.</p> <p>At the end of the first quarter the Department is £662K underspent against the local risk budget profile over all services managed by the Director. Appendix B sets out the position for the individual services covered by your committee.</p> <p>As part of continuing improvements we are reporting, for the first time, quarterly progress against the Department's twenty two Key Objectives (Appendix C).</p>		

Recommendations

I recommend that your Committee:-

- Notes the Quarter 1 performance for 2010/11 against the key performance indicators and Service Response Standards set out in Appendix A;
- Notes the financial information contained in Appendix B; and
- Approves the progress shown against our Key Objectives as set out in Appendix C.

Main Report

Background

1. In the 2010-12 DES Business Plan, twenty four KPIs were identified to facilitate measurement of performance across the discrete service areas of the department. The KPIs were reviewed and updated to demonstrate the performance of the main elements of the work in each service area.
2. The Service Response Standards (SRS) have been amended to reflect the updated Corporate Customer Service Standards.
3. A total of twenty two Key Objectives across the 5 Divisions were also set out in the Business Plan. Quarterly progress to date will be reported to Committee as well as being discussed by the Departmental Management Team to ensure any issues are resolved at an early stage.

Current Position

4. To ensure our service committees are kept informed of progress against the current business plan, it has previously been agreed that key performance indicators (KPIs) and a financial summary would be reported on a quarterly basis. This also allows Members to ask questions and have a timely input on areas of particular importance to them. In response to an Internal Audit recommendation, we have now added progress against our Key Objectives at Appendix C.
5. The key performance indicators for the Department continue to be relevant and useful as a mechanism for monitoring the Department's performance and so they are set out largely as before (Appendix A). Having reviewed those for 2009-10 we have replaced **LPC11** (Number of sites in the Clean City Awards Scheme) with **LPC12** (Percentage of sites in the Clean City Awards Scheme achieving Merit award standard or above) as the number

of sites in the Scheme has increased to over 1,600 and is no longer a service quality target. We have also removed the obsolete national indicators **NI183**, **NI184** and replaced them with a local food hygiene indicator (**LEH1**) and a local Trading Standards indicator (**LTS8**). At the Cemetery we have split the previous **LCC2** (Market share of burials and cremations) into two separate indicators to more accurately reflect the business position. Some of our indicator targets have also been amended to be more challenging.

6. In Quarter 1 of this financial year, we have met or exceeded nineteen out of the twenty one relevant reported KPIs (three of the total of twenty four KPIs are not applicable this quarter, being annual indicators). We have underperformed against two (1 yellow/1 red) but are confident of meeting the overall annual target for these indicators.
7. Performance against the six Service Response Standards (SRS) will be monitored by Town Clerk's Department and through our Departmental Management Team meetings. No corporate targets have been set for the SRS this year; performance will be monitored over the year to determine targets for 2011-12. However, where our Management Team judged we have underperformed, specific action has been taken. The table at Appendix A provides details of our performance with a brief explanation where appropriate.

Key Objectives 2010-11

8. A total of twenty two Key Objectives were set to cover all services of the Department for this financial year (Appendix C). Quarterly progress against the objectives will be reported to Committee and discussed at Departmental Management Team meetings. Members are encouraged to ask the Director for information throughout the year.
9. Members' attention is drawn to Key Objective 9: 'To achieve a target income from Building Control services of £2.306M for 2010-11'. The figure should have read £2.005M in the Business Plan, which is the revised income target for this financial year.

Financial and Risk Implications

10. The first quarter monitoring position for DES services covered by Planning & Transportation, Port Health & Environmental Services, Licensing and City Lands & Bridge House Estates Committees is provided at Appendix B. This reveals a net underspend to date for the Department of £662K (10%) against the overall local risk budget to date of £6.3M for 2010/11.

11. The reasons for the significant budget variations are detailed in Appendix B, which sets out a detailed financial analysis of each individual division of service relating to the Committee receiving this report and a single summary line for the remaining Committees the Director of Environmental Services is responsible for. This enables Members to concentrate on the services they have responsibility for, yet still receive an overall position for the Department.
12. The budget variance to date mostly relates to underspends on Port Health & Environmental Services Committee and Planning & Transportation Committee.
13. The underspends on Port Health & Environmental Services Committee are largely due to increased income generated at the Heathrow Animal Reception Centre which is following the 2009/10 trend of increased activity, and reduced tonnage of waste landfill leading to lower disposal and landfill tax costs. The Director anticipates that these underspends will continue, but will be partly offset by a shortfall in commercial waste collection income, leading to a year-end position broadly in line with the first quarter underspend of circa. £300K.
14. The underspends on Planning & Transportation Committee are largely due to additional income and savings on vacant posts within Building Control. Further underspends are attributable to lower than anticipated spends on Highway energy costs, although there are concerns over meter readings and charging levels which the Department is seeking to resolve. There is also lower than anticipated expenditure in relation to On Street Parking, arising from savings on payments to contractors that are projected to continue until year end. Overall it is expected that the Department will be £122K underspent at the year end.
15. Overall, the Director of Environmental Services is currently projecting a surplus budget position of some £454.4k for City Fund activities, a £6k surplus for Bridge House Estates and a break-even position on City Cash services. However, the Department's City Fund activities are heavily reliant on income generation and any reduction on trade will impact on this projected underspend.

Strategic Implications

16. The monitoring of performance indicators across the Department links to all three Corporate Plan Strategic Aims (To support and promote 'The City'; To provide modern, efficient and high quality local services for the Square Mile; and, To provide valued services to London and the nation)

and the 3 DES Key Themes of Service Delivery, Sustainability, and Developing People.

17. An Equalities Impact Assessment has been carried out on the Business Plan, with no adverse impact identified.

Consultees

18. The Town Clerk and the Chamberlain have been consulted in the preparation of this report.

Background Papers:

Department of Environmental Services Business Plan 2010-12 (DES 025/10)

▪ **Appendices**

Appendix A – Performance Management Report 2010-11 Quarter 1

Appendix B – Financial Statement

Appendix C – Quarter 1 Progress against Key Objectives

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