

Committee(s):	Date(s):	Item no.
Port Health & Environmental Services	08/03/2011	
City Lands & Bridge House Estates	09/03/2011	
Planning & Transportation	15/03/2011	
Licensing	18/04/2011	
Subject: DES Business Plan 2010 Progress Report Q3 (DES 011-2011)	Public	
Report of: The Director of Environmental Services	For Information	
<p><u>Summary</u></p> <p>This report provides the Business Plan progress of the Department of Environmental Services for Quarter 3 of 2010-11 against key performance indicators (KPIs) and objectives outlined in the current Business Plan.</p> <p>Appendix A shows the previous four quarters performance for comparison where applicable and details our Quarter 3 performance against the twenty four indicators. Performance against four Service Response Standards has also been monitored.</p> <p>We have met or exceeded eighteen out of the twenty four reported KPIs (three are not applicable this quarter). The underperformance of the relevant three remaining indicators (two yellow/one red) is being actively addressed. Performance against the Service Response Standards is high at all four rated green.</p> <p>At the end of the third quarter the Department is £1,658K 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. Overall, the Director of Environmental Services is forecasting an underspend position for City Fund, City Cash and Bridge House Estates services under his control, which could be up to £500K.</p> <p>We have reported quarterly progress against the Department's twenty two Key Objectives at Appendix C.</p>		

Recommendations

I recommend that your Committee:-

- Notes the Quarter 3 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
- Notes 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 and the targets agreed by Summit Group. SRS A and SRS B are Guildhall corporate targets and results which are not applicable to DES.
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 continue to 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), Key Objectives 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.
5. In Quarter 3 of this financial year, we have met or exceeded eighteen 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 three KPIs (2 yellow/1 red) but are monitoring

them closely through regular management meetings and, confident of improving them in the next quarter.

6. Performance against the four relevant Service Response Standards (all 4 are rated green) is monitored by Town Clerk's Department and through our Departmental Management Team meetings. The table at Appendix A provides details of our performance with a brief explanation where appropriate.

Key Objectives 2010-11

7. 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 also encouraged to ask the Director for information throughout the year.

Financial and Risk Implications

8. The third 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 £1,658K (10%) against the overall local risk budget to date of £16.7M for 2010/11.
9. 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.
10. The underspends on Port Health & Environmental Services Committee are principally the result of additional income generated by increased activity volumes at the Heathrow Animal Reception Centre, particularly for the Passports for Pets Scheme, additional CVED's income as a result of increased trade throughput at the Ports, court costs awarded for the Holmes Place accident, reduced tonnage of waste landfill leading to lower disposal and landfill tax costs, staff vacancies, and expenditure on a number of budgets being behind profile. These reductions have been partly offset by a shortfall in commercial waste income. The forecast outturn for the year end is to underspend by approximately £100K-£150K, although there are potential risks from further income shortfalls on commercial waste income.

11. The underspend on Planning & Transportation Committee at the end of the third quarter is largely due to the rescheduling of highway repairs and maintenance works, which will be completed before the end of the current financial year and an underspend on highway energy costs as a consequence of disputed meter readings; which it is anticipated will be resolved by the end of the fourth quarter. The position after nine months also includes savings on Building Control activities which mainly relate to staff vacancies and delays in recruitment, and reduced expenditure on supplies and services as a result of managed action to mitigate the impact of the economic downturn on building control income. Also, there has been additional income generated from Traffic Management activities, although this has been partly offset by reductions in pipe subways income for inspector costs for access openings due to reduced activity. Overall, it is forecast the P&T Committee services will be between £100K-£150K underspent at year end.
12. The underspends on City Lands & Bridge House Estates Committee are principally the result of greater than anticipated ticket sales, retail income and event income at Tower Bridge due to higher than expected visitor numbers. This has resulted from being able to maintain trading operations whilst the bridge is being repainted; it was initially envisaged that the walkways would need to be closed to visitors and for events. The Director of Environmental Services anticipates a year end underspend of approximately £320K.
13. Overall, the Director of Environmental Services is currently projecting an underspend position for City Fund, City Cash and Bridge House Estates services, which could be up to £500K. However, the Department's City Fund activities are heavily reliant on income generation and any reduction on trade will impact on this projected position.

Strategic Implications

14. 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.
15. An Equalities Impact Assessment has been carried out on the Business Plan, with no adverse impact identified.

Consultees

16. 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 3

Appendix B – Financial Statement

Appendix C – Quarter 3 Progress against Key Objectives

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