

**REPORT TO: ECONOMIC DEVELOPMENT & INFRASTRUCTURE COMMITTEE
ON 17 JUNE 2008**

**SUBJECT: PROGRESS REVIEW AGAINST PERFORMANCE INDICATORS,
SERVICE IMPROVEMENT PLAN, REVENUE AND CAPITAL
BUDGETS FOR PERIOD JANUARY 2008 TO MARCH 2008**

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

1.1 The reason for the report is to: -

- (a) Advise the Committee on the progress made against the targets laid down in the Environmental Services Service Improvement Plan;
- (b) Provide the Committee with an update of Service performance against some of the performance Indicators relating to this department;
- (c) Advise the Committee on progress against annual revenue budgets;
- (d) Advise the Committee on progress of Capital Schemes
- (e) Provide the Committee with an overview of complaints and,
- (f) Advise the Committee of any 'Good News' stories.

1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the functions delegated to this committee.

2. RECOMMENDATION

2.1 The Committee is requested to scrutinise and note the progress made against the targets laid down in the Environmental Services Service Improvement Plan 2007 to 2008.

2.2 The Committee is requested to scrutinise and note the update of Service Performance regarding the Performance Indicators relating to the Environmental Services Department.

2.3 The Committee is requested to scrutinise and note progress against departmental budgets.

2.4 The Committee is requested to note the effect that staff recruitment problems are having on performance and service delivery.

3. BACKGROUND

3.1 The Environmental Services Service Improvement Plan was approved in principle for adoption on 15 August 2007 (para 7 of the Minute refers). The plan lays down the priorities for the forthcoming year and forms part of the

Council's Performance Management Framework. Priorities contained within the plan are linked to corporate priorities listed in the Corporate Development Plan, where appropriate.

- 3.2 Statutory and other Performance Indicators provide further assessment of Service delivery against set targets and also form part of the Performance Management Framework. Targets were approved at Environmental Services committee on 10 October 2007 (para 15 of the Minute refers). It was also agreed at this meeting that appendices to the report would be made available in the Members library (appendices para 14 (iv) of the minute refers).
- 3.3 Revenue monitoring reports are submitted in accordance with the Financial Regulations section 2.13.

4 Executive Summary of Performance

4.1 2007/8 Service Improvement Plan (see appendix 1)

	Total	Expected by end quarter 4	Actual by end quarter 4	Percentage due and completed on target
Themes	5	0	0	None due
Priorities	9	4	1	25%
Targets	40	26	16	62%

Sixteen targets were achieved and ten were not achieved. The ten targets not achieved relate to :-

Developing Transportation (3 targets - see 5.1.1 and 5.1.3),

Developing the Local Economy (4 targets – see 5.1.4 to 5.1.7)

Sustainable Development (1 target – see 5.1.8)

Asset Management (2 targets – see 5.1.10 and 5.1.11)

Two other targets are slipping from their original target and these are identified in 5.1.2 and 5.1.9. The remaining priorities are progressing on target and will be carried forward into the draft Service Improvement Plan for 2008/09.

4.2 Performance Indicators (see appendix 2)

Service	Number of PIs	Green - Performing well	Amber - Close Monitoring	Red - Action Required
Direct Services				
Emergency Planning	3	1	0	2 (note 5.2.9)
Property Services	4	2	2	0
Consultancy	5	5	0	0
Environmental Protection	13	13	0	0
Roads Maintenance	17	13	2	2 (note 5.2.4)
Transportation	27	13	6	8 (notes 5.2.5 to 5.2.8)
Total	69	47 (68%)	10 (15%)	12 (17%)

Annual indicators are not included in the totals and will be reported at the end of the next quarter.

4.3 Revenue Budgets (see appendix 3)

Service	Annual Budget £000s	Actual £000s	Variance £000s	Variance %
Development Services	3,501	3,561	-60	-1.71
Direct Services	18,908	19,322	-414	-2%
Total	22,409	22,883	-474	2.1%

The totals can be further analysed as shown below.

Service	Budget areas	Number within 5% of expected	Number within 10% of expected	Number greater than 10% of expected
Development Services	10	5	6	4 (see 5.2.1) ¹
Direct Services	19	11	11	8 (see 5.2.2 to 5.2.7, 5.2.9)

¹Comment is made on the items that fall within the remit of this committee and in this instance comment relates to Moray Training Admin.

Environmental Services had a target for procurement savings of £252k which was not achieved for 2007/08 and is shown as a separate line on the Direct Services **APPENDIX 3**.

Figures reported do not include allocations regarding FRS17. FRS17 applies to all retirement benefits that the Council as an employer is committed to providing.

4.4 Capital Scheme Progress

	Vehicle Plant and Equipment	Land and Buildings	Infrastructure	Total
Total No of Projects	9	8	36	53
Complete	7	5	16	28 (53%)
Postponed		3	7	10 (19%)
In progress– not completed in 2007/08	2		13	15 (28)

There were 10 projects that were postponed and 15 projects that commenced but were not completed during 2007/08, most of which will make application for a carried forward into 2008/09. Details of these projects are included in **Appendix 4**.

4.5 Complaints

Type of Complaint	Development Services		Direct Services		Environmental Services Total	
	Quarter 4 total	2007/08 Total	Quarter 4 total	2007/08 Total	Quarter 4 total	2007/08 Total
General Stage 1	3	35	3	28	6	63
General Stage 2	0	4	0	3	0	7
MSP	3	27	3	28	6	55
Councillor Stage 1	0	0	0	1	0	1
Councillor Stage 2	0	1	0	0	0	1
Ombudsman	2	6	1	2	3	8
Total	8	73	7	62	15	135

Progress against targets	Development Services		Direct Services		Environmental Services Total	
	Quarter 4 total	2007/08 Total	Quarter 4 total	2007/08 Total	Quarter 4 total	2007/08 Total
Percentage acknowledged within 3 days ¹ (Target = 100%)	100% (8 of 8)	86% (63 of 73)	71% (5 of 7)	90% (56 of 62)	87% (13 of 15)	88% (119 of 135)
Percentage responded to within 20 days ² (Target = 85%)	50% (4 of 8)	86% (63 of 73)	86% (6 of 7)	86% (53 of 62)	67% (10 of 15)	84% (114 of 135)
Percentage part or fully upheld	0%	4% (3 of 73)	14% (1 of 7)	10% (6 of 62)	7% (1 of 15)	7% (9 of 135)

¹ – Corporate targets were revised to 100% acknowledged within 3 days at Policy Committee 19 December 2007.

² - Corporate targets were revised to 85% responded to within 20 days at Policy Committee 19 December 2007.

Acknowledgement times for 2007/08 are below target for Environmental Services as a result of the 3-day acknowledgement deadline having been missed for 16 out of 135 complaints.

Performance for response times is significantly below target for the quarter for Development Services, and this drop has lowered both the quarter 4 and 2007/08 Environmental Services totals below target levels. It should be noted, however, that this drop relates to 4 complaints which were responded to after the 20-day deadline (2 complaints were responded to within twenty-two working days, 1 complaint was responded to within twenty-four working days and 1 complaint was responded to within twenty-six working days).

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4.6 Good News

- 4.6.1 The Scottish Government target for diversion of waste from landfill has been achieved along with the target for Recycling. The Scottish Government target for recycling was 30% by March 2008, and currently Moray is recycling 44% of waste.
- 4.6.2 The backlog of bridge inspections accrued in previous years has been cleared and the inspection schedule is up to date.

5. Comments on Exceptions

5.1 Service Improvement Plan (SIP)

- 5.1.1 SIP reference 3.1.1 – Local Transport Strategy, Prepare the second Moray Local Transport Strategy.
Approval by this committee given for the Integrated Transport Strategy Approach at this committee on 20 February 2008 (para 15 (ii) of the minutes refers). Drafting of transport theme policies, actions and monitoring and evaluation targets and indicators is underway. Drafting of the Environmental Report is being carried out alongside the preparation of Moray Local Transport Strategy 2. These will all be reported to a future committee and the timescales for completion will be presented in the Service Improvement Plan for 2008/09 for approval by this committee.
- 5.1.2 SIP reference 3.1.2 – Produce an Elgin Traffic Management Plan
Work is continuing on evaluation of two options for the Western District Distributor Road. A summary report of all stages of the wider Elgin Traffic Management projects has been drafted and will form the basis of a more comprehensive approach involving Education, Housing, Planning, Estates and Roads for South-West Elgin. The initial project was significantly expanded in August 2007 by Environmental Services Committee decision to consider two schemes progressed to detailed design. The scope of the project has recently expanded further with the setting up of the officer and Member Elgin South West Developments working group. Therefore the original deadline is no longer feasible. Further detail on the timescales for the coming year will be presented in the Service Improvement Plan for 2008/09 for approval by this committee.
- 5.1.3 SIP reference 3.1.3 – completion of the Moray Transport Initiative Study
This project has been on hold awaiting the outcome of a HITRANS study which will be reported to the next HITRANS board meeting in the near future. This action took over from the initial Local study because the Regional study will inform the future direction and identify possible funding opportunities. Therefore this action was delayed by actions of others beyond the control of the Council officers. Further detail on the timescales for the coming year will be presented in the Service Improvement Plan for 2008/09 for approval by this committee.

- 5.1.4 SIP reference 4.1.2 – Developing the Local Economy and Working with Business, Rural Regeneration.
The LEADER application was agreed in May 2008. The Rural Regeneration Strategy is now on course for development by July 2008 and will be included in the 2008/09 Service Improvement Plan.
- 5.1.5 SIP reference 4.2.2 - Developing the Local Economy and Working with Business, Understanding of business community needs to help direct and improve regulatory services, including more co-ordinated approach to dealing with major development proposals.
Meeting with the business community are ongoing. The disbanding of Enterprise Company and the Local Economic Forum, and the exchange of duties with the Council and the Enterprise Company (HIE Moray) has contributed to delays in setting the agenda for further meetings with the Business Community. These have been postponed until the first quarter in 2008/09 to allow the council to formulate its new policies on Economic Development. This action is now scheduled for completion by June 2008 and will be progressed through the 2008/09 Service Improvement Plan
- 5.1.6 SIP reference 4.2.3 - Developing the Local Economy, Feasibility Study for Elgin Town Centre as the Primary Arts / Culture / Civic Centre between Inverness and Aberdeen.
This action is now subject to the Scottish Government and HIE Moray timetables for the Business Gateway Project. It will therefore not be completed until late 2008. This action will be progressed through the 2008/09 Service Improvement Plan.
- 5.1.7 SIP reference 4.2.4 – Developing the Local Economy, Feasibility study for the Barmuckity Business Park.
There have been high level meetings at CE level between the Council the Enterprise Company NHS Grampian and Moray College to progress the potential remit for a comprehensive study on all of Elgin ie not only the Business Park proposals to encompass hospital expansion plans, college expansion plans the Council's development plan proposals and the necessary works for road improvements and Flood prevention. Progress is dependent on proposals for Barmuckity being submitted by HIE Moray, and is outwith the service's control. This is scheduled to be discussed at the "Wealthier" Community Planning Theme Group on 2 June 2008.
- 5.1.8 SIP reference 5.1.1 – Implement policies and guidance, Scotland's Climate Change Declaration Action Plan approved.
A report was submitted to and approved by the Policy Committee on 30 April 2008. The action will be reviewed at the Community Planning Environmental Forum during June 2008
- 5.1.9 SIP reference 5.1.2 – "guidance for Developers on Renewable Energy" approved.
Other workload priorities have prevented further progress against this action. The actions will be carried forward to the 2008/09 Service Improvement Plan and completed by September 2008.

5.1.10 SIP reference 5.2.4 - Progressing Asset Management, Purchase or Lease an asset management ICT system for Roads

Tenders have now been received and the formal assessment and evaluation process started. The award of the contract will not be until August 2008. Further detail on the timescales for the coming year will be presented in the Service Improvement Plan for 2008/09.

5.1.11 SIP reference 5.2.6 – Undertake a gap analysis and report to Committee on a programme for the development of a Roads Asset Management Plan.

Consultants have now been appointed by SCOTS and work has commenced with workshops attended by Moray Council staff. This is part of a 4 year programme of work.

5.2 Revenue Budget and Performance Indicators

5.2.1 Development Services – Moray Training Admin

This service shows an overspend of £51k which relates to the budgeted level of income not being achieved and the costs of schemes not being fully recovered.

5.2.2 Direct Services – Moray Training Squads

This service underspend of £50K compensates for the £51K overspend by Moray Training Admin. The Moray Training Section endeavours to operate a zero budget and the underspend by the Training Squads was due to increased income from Projects which were partly funded from grants received by the Admin Section for Trainees involved in the projects. The percentage of grants transferred to the Squads will be reviewed for future years in order to balance budgets and reduce the overspend reflected in the Admin budget.

5.2.3 Direct Services – Property Services

A surplus of £95k was achieved on a turnover on £1.42million. This was due to additional fee income and rechargeable works. There was an underspend in agency staff costs due to difficulty resourcing appropriate skills. There were also staff vacancies in Clerical and Technical posts throughout the year. Performance levels have been maintained during 2007/08.

5.2.4 Direct Services – Roads Maintenance and Management

This activity is £265k under budget at year end. This has to be considered in conjunction with the Winter Maintenance activity that is £99k overspent giving a net under spend of £166k in a gross budget of £8,125k. The balance of reactive works against planned works was higher than target. The percentage of priority 2 Street Lighting repairs completed within 5 working days has fallen below target following the withdrawal of evening inspections, due to sporadic fault reporting by the public, which causes difficulties in effective fault repair scheduling. The manager is reviewing working practices to see if there is any scope for improvement.

5.2.5 Public Transport Unit

The 2007/08 budget for providing services was overestimated due to a misinterpretation of how the rural transport grant was allocated to the approved budget for public transport support. This was reported to the Service Development Group meetings on 21 April 2008 and 12 May 2008 and recommendations on how this has been corrected for 2008/09, with a review of options for service delivery, was approved on 12 May 2008.

5.2.6 Direct Services - Roads Transportation. Once all the year end allocations and recharges have been apportioned this heading is showing an overspend variance of £36k. Collection of monies from car parking machines was an issue when the Council's bank terminated the contract with a local company for collection and counting arrangements. This resulted in a significant period of three months where the function had to be carried out by admin staff, which increased the internal staff recharge. The section continues to have staff vacancies. Some have been advertised recently, so far without success, and the remainder will be advertised again in the very near future. They have resulted in a £147k variance, some of which was offset by use of consultants for assisting with the processing of planning applications. Even with this action processing times for 40% Category 2 (minor developments) and Category 3 (major developments) have not achieved the target 28 days. The planning application process for consultations has been reviewed and it is anticipated that reductions in the number of applications for Category 1 (householder) applications coming to Transportation will reduce leaving more time for the Category 2 and 3 applications in future.

Response time to Traffic Enquiries has fallen behind the target of 14 days. 63 enquiries have been made this quarter which is a 130% increase on previous quarters. 3 are still open, and a number have involved arranging meetings with the parties involved and have therefore not been completed within 14 days. However, the average length of time for the initial investigation of all the enquiries is 22.5 days. This section has 3 vacant posts out of a compliment of 5 and in the circumstances this performance is better than expected.

5.2.7 Direct Services – Car Parks. Non Domestic Rates were £29k over budget, costs for setting up charging facilities for Greyfriars car park and the income not yet achieving estimate resulted in another £19k down. Staff recharges were higher than budgeted due to the manual counting of income when G4 stopped collecting the cash from machines. Overall the variance to budget was £94k.

5.2.8 Direct Services - Dredger. The Dredger has a variance of £13k on budget which is largely due to a loss of income. This arose from the skipper being on sick leave with serious illness for 12 weeks in the autumn and the ship's engineer resigning at this time. The skipper returned to work and a replacement engineer was eventually employed (there is a national shortage of qualified marine engineers). By this time the whole programme had been delayed and resulted in work at Wick harbour starting in late January rather than early December. Other works were also delayed and therefore there was less income overall. During the last quarter 42 fee earning days were lost, 16 because of bad weather and 26 for repairs to the vessel. The Shearwater has a full programme of works for 2008/09 and early 2009/10.

5.2.9 Emergency Planning – Progress on completion of Business Continuity plans has not progressed significantly because the Business Continuity Post was frozen pending a review of Emergency Planning and Business Continuity arrangements across ex Grampian Region Councils. The post was advertised with a closing date of 27 May 2008. There is some work in progress being departmentally led however a revised timetable for completion will be produced once an appointment has been made.

Progress on the scheduled review of Emergency Plans has slipped because information is awaited from the Military and Distilleries in order for two reviews to be completed. It is anticipated that these reviews will be progressed and finalised in quarter one of 2008/09.

5.2.10 Direct Services - Quality of Life. One project within Roads Maintenance was withdrawn. Some projects have not been completed in Transportation due to staffing shortages and long term sick leave in the case of one additional member of staff. Design and costings have been progressed and it is anticipated that the projects will be completed in this financial year.

5.2.11 Direct Services - Significant Trading Operations. This is the subject of a separate report to this committee.

5.2.12 Environmental Services allocation for procurement saving of £252k was not achieved.

Pressure on resources and the cost of work are escalating problems within Direct Services and more widely throughout the Council. This is impacting on delivery of planned work which is now costing considerable more than at the budget stage. To contain spending within budgets, this is being offset by reprioritising and deleting some projects, reducing the profit margins of the significant trading organisations and being unable to achieve the procurement savings allocated this year.

The Civil Engineering Contractors Association reports 10% cost inflation in Scotland last year. The Council spent £146,000 more on fuel last year and diesel costs 12.5% more now than it did at the end of March. Food prices are increasing. There are large increases in road surfacing products - 19% last year and continuing.

Locally and throughout the country, it is proving difficult to recruit professional and technical staff. Manual workers leave to work in the oil industry or distilleries. There has been a slight downturn in the house building sector but generally construction order books are growing leading to further pressure on scarce resources.

Whilst Direct Services will continue to make efficiencies it is clear that such gains will be overtaken by inflationary and resource pressures meaning less service delivered.

5.2.13 All other performance indicators are within acceptable target thresholds as agreed at Environmental Services committee on 10 October 2007.

5.2.14 A report of the indicators, targets and thresholds for 2008/09 will be presented for approval at the next meeting of this committee.

6 SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan / Community Plan / Service Improvement Plan

The Service Improvement Plan is linked to many areas of the current Corporate Development Plan, with the appropriate links indicated on the attached.

The review of performance by the Department and Members is linked to the Corporate Development Plan, Working Principles 3 – Sound Governance at a Strategic, Financial and Operational Level.

(b) Policy and Legal

This review of performance is in accordance with the Financial Regulations section 2.14.

(c) Resources (Financial, Risks, Staffing and Property)

All referred to in the body of the text.

(d) Consultations

The Principal Accountant has been consulted in the preparation of this report.

7 CONCLUSION

- 7.1 The Committee is requested to scrutinise and note the progress made against the targets laid down in the Environmental Services Service Improvement Plan and amendments to targets as a result of external influences outwith the Services' control.**
- 7.2 The Committee is requested to scrutinise and note the update of Service Performance regarding the Performance Indicators relating to the Environmental Services Department.**
- 7.3 The Committee is requested to scrutinise and note progress against departmental budgets.**
- 7.4 The Committee is requested to note the effect that staff recruitment problems are having on performance and service delivery. In particular this relates to performance in Traffic and Statutory and General Transportation. Vacant positions have been advertised during the quarter but have so far failed to attract sufficient numbers of suitably qualified candidates.**

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