

Third Quarter Performance Management Report

(1st October 2010 to 31st December 2010)



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Section 1: Introduction and Summary

Purpose of the Report

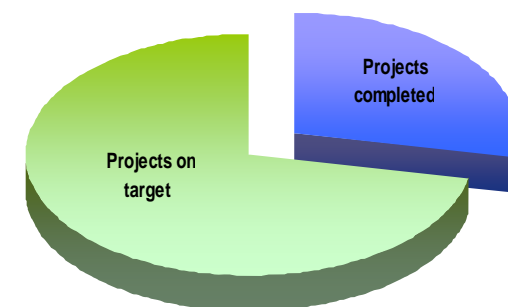
The purpose of the report is to demonstrate the performance of the Council for the third quarter of the year (October to December 2010) in relation to the publication of 'Our plans for the District 2010/2011' which sets out our key activities and measures used to check our performance for the forthcoming year and along with the Corporate Strategy 2008-2012 sets out the priorities we are working towards. Further detail is given in relation to an evolving set of business performance indicators covering finances, customer focus, our people and health and safety.

This report does not contain details of the numerous activities on going in each service area that also contribute to delivering what is important and will make a difference to all in the district. Full details of all projects and local and national indicators used to measure the outcomes are available upon request.

Summary of the Corporate Projects current position for the third quarter

The following table provides updates for the third quarter in relation to the key activities in 'Our plans for the District 2010/2011'

Corporate Priorities	Status of projects and actions				
	✔	▶	▲	●	
The Environment is Clean and Green	3	3	-	-	
Business is Encouraged and the Local Economy Prospers	-	5	-	-	
Everyone can Enjoy a Healthy Lifestyle	1	3	-	-	
Housing and Transport meet Local Needs	1	2	-	-	
People take Pride in their Local Areas	-	2	-	-	
We deliver Excellent, Cost-Effective and Valued Services	2	3	-	-	
	TOTAL	7	18	0	0



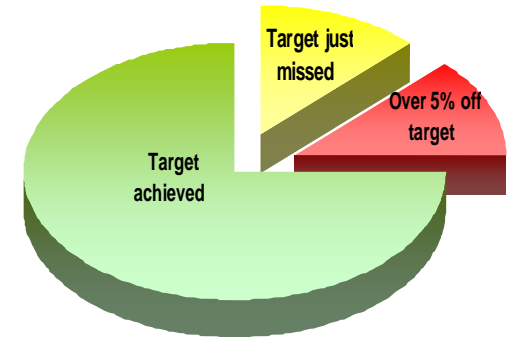
KEY:

- ✔ Project completed
- ▶ Project on target
- ▲ Project scope/target date requires amendment
- Project aborted or closed

Summary of the Performance Indicators position for the third quarter

The following table shows the performance for the third quarter in relation to the quarterly reported Performance Indicators that have targets set as defined in 'Our plans for the District 2010/2011'.

Corporate Priorities	Status of indicators		
	✔	⚠	●
The Environment is Clean and Green	3	1	0
Business is Encouraged and the Local Economy Prospers	-	-	-
Everyone can Enjoy a Healthy Lifestyle	0	1	0
Housing and Transport meet Local Needs	2	0	0
People take Pride in their Local Areas	-	-	-
We deliver Excellent, Cost-Effective and Valued Services	7	0	2
TOTAL	12	2	2













KEY:







- ✔ Performance Indicator has achieved target
- ⚠ Performance Indicator is up to 5% below target
- Performance Indicator is 5% or more off target





The performance of the Council in the third quarter indicates that we are continuing to maintain our position in the majority of areas with many performance indicators still achieving or exceeding targets. A number of key corporate projects have been completed in the third quarter and all the remaining key corporate projects remain on track with other key activities within the council being managed effectively. Once again, there is a concern around sickness as levels have increased, however, the third quarter usually records the highest levels throughout the year and the level of sickness compared with the third quarter last year shows improvement. Planning applications have fallen below the target following the recent requirement to complete a planning obligation arising from the recently adopted Open Space Supplementary Planning Document (SPD).






Section 3: Delivering our Corporate Strategy

Project description and comments	Target Date	Status
The Environment is Clean and Green		
<p>Improve the appearance of the District by raising our cleansing and litter picking standards</p> <p><i>Comments: This forms part of the Green Heart Of Essex Campaign launched on the 18th June. Since the launch, a total of 18.1 tonnes of litter has been picked from our Strategic routes including the A12. The 'see-it, report-it' campaign has received more than 2500 calls with all reports being cleared within their target time. A total of 164 fixed penalty notices have been issued and there have been 5 successful fly-tipping prosecutions.</i></p> <p><i>Over 100 volunteers have been signed up helping to tackle litter in the district and the partnership at Galleys corner are finalists in the keep Britain Tidy campaign under the category for innovation.</i></p> <p><i>In the last quarter, dog owners who do not clean up after their pets have been targeted and early signs are showing a 43% improvement in the three piloted areas. Packs have also been launched to pubs and betting shops in Halstead to tackle smokers outside pubs.</i></p>	31 st March 2011	
<p>Improve the appearance of the District by planting more bulbs and shrubs</p> <p><i>Comments: This forms part of the Green Heart of Essex Campaign launched on the 18th June 2010. 125,000 bulbs have been distributed to parishes for planting and the remaining bulbs will be planted across the District.</i></p>	31 st March 2011	
<p>Improve the biodiversity of the District by providing 30 more allotments</p> <p><i>Comments: Site cultivated & plots marked out. These are being offered to tenant's week commencing 10 January 2011. There is some outstanding hedging to complete as well as a new water supply to install. The latter has been delayed and it is anticipated it will not be complete until 31st March 2011. However, this will not prevent the plots from being let and used by tenants.</i></p>	14 th January 2011	
<p>Improve the biodiversity of the District by planting at least 5,000 trees</p> <p><i>Comments: Current grant applications already approved will deliver a total of 7700 trees planted</i></p>	30 th April 2011	
<p>Reduce the amount of waste going to landfill and increase recycling performance to 53%</p> <p><i>Comments: The opening of the new Household Waste and Recycling centre at Springwood Drive, Braintree provides a more central facility within the district and will help to reduce the amount of waste going to landfill. At the end of the third quarter, the cumulative estimated recycling rate is over 53%</i></p>	30 th April 2011	

Project description and comments	Target Date	Status
<p>Reduce our carbon footprint by a further 5%</p> <p><i>Comments: 110 staff at Causeway House have received green driver training to help reduce fuel consumption and save on costs. Breakfast seminars will be held in February for local businesses to update them on the measures available to them to reduce their energy consumption and costs. Events held at Braintree and Witham Libraries have promoted energy efficiency in homes providing advice on energy saving to residents. 74 loft and cavity wall insulation grants have been approved.</i></p>	31 st March 2011	
Business is encouraged and the local economy prospers		
<p>Develop and agree plans for improvements to the Newlands Shopping Centre in Witham town centre</p> <p><i>Comments: Braintree District Council is currently carrying out consultation regarding Town Centre improvements in Braintree, Witham and Halstead ('Talk of the Towns') and awaiting the outcome of this consultation prior to moving this project forward.</i></p>	31 st March 2011	
<p>Develop plans for Halstead town centre and Community Centre in partnership with Halstead residents</p> <p><i>Comments: Cabinet agreed at its meeting on 22nd November to undertake a business case for the local management of a new community centre. Any progression of a new community centre will be subject to a sound business case and sustainability for the future. Council also agreed to close the Halstead Community Centre and the date of closure will be 31st July 2012.</i></p>	31 st March 2011	
<p>Develop a revised specification for the Braintree town centre development behind the town hall and appoint a developer</p> <p><i>Comments: The revised specification was completed in June 2010. BDC is now in the process of selecting a development partner. Competitive Dialogue with the Bidders was closed on the 21st December 2010 at 5pm. The Bidders are now required to submit their Final Bids by noon on the 14th January 2011.</i></p>	28 th February 2011	
<p>Develop partnership working with Business Development Services</p> <p><i>Comments: A bid to the Regional Growth Fund (RGF) has been made in conjunction with the Haven Gateway partnership and other schemes in Harwich and Colchester. If successful, this will enable the construction of 12 new business incubator/start up units at Springwood Drive in Braintree. BDS have been working together with other Enterprise Agencies in Essex. They have commissioned a study to show the value of the work they undertake. The aim of which is to have a succinct document which can be used to take to decision makers in local authorities, LEP, ECC and other funding opportunities which will help to raise their profile. The document has analysed the relevant economic development strategies across the county and aims to show where Enterprise Agencies fit into existing strategies and how the new Essex Enterprise Agencies can help organisations to meet their objectives.</i></p>	31 st March 2011	

Project description and comments	Target Date	Status
<p>Increase the prosperity and vitality of the three town centres through the provision and promotion of events to encourage visitors and shoppers</p> <p><i>Comments: Successful continental street markets held in Halstead & Braintree. Inward investment promotion video amended and republished (business & property page). Market trader forum meeting held in Braintree to discuss any issues following public consultation. Talk of the Towns consultation to be launched in January.</i></p>	31 st March 2011	
Everyone can enjoy a healthy lifestyle		
<p>Commence building the Witham Leisure Centre</p> <p><i>Comments: Cabinet report approved in December 2010 agreeing the scope of the project including a moveable floor in the learner pool; the budget of £8.646 million which accounts for all project costs; to proceed with the preparation of tender documents and appoint a contractor.</i></p>	31 st March 2011	
<p>Improve the facilities in Witham town park</p> <p><i>Comments: Many sources of external funding have been identified for the new toilet/store and play areas for children of all ages including children with disabilities. Play proposals were exhibited in November and contract documents are now being prepared. Quotations being received for supply of play equipment and furniture.</i></p>	31 st March 2011	
<p>Replace the synthetic pitch at Braintree Leisure Centre</p> <p><i>Comments: Synthetic pitch has been replaced and project completed except for two minor snagging items to resolve with contractors</i></p>	31 st March 2011	
<p>Refurbish six play areas across the District: Beckers Green, Twelve Acres, Notley Community Hall, Witham Town Park, Kings Road Park and Mill Chase</p> <p><i>Comments: 5 sites are now refurbished and open for use. The remaining site at Witham Park will be delayed until the new financial year as this is directly linked to a larger project to improve the facilities in Witham Park.</i></p>	28 th February 2011	
Housing and Transport meets local needs		
<p>Produce a vision for the sustainable growth of the District over the next 15 years which will set out the social, economic, and environmental priorities for the people and communities within the District</p> <p><i>Comments: Council approved the submission of the Core Strategy in December. Water Cycle Study Stage 2 required as part of evidence to be submitted to Secretary of State in January 2011. The Core Strategy end date has been revised as a result of the need to publish focused changes to the Submission Draft Strategy, following the Government's announcement that it intended to abolish Regional Spatial Strategies which has resulted in changes being made to the Core Strategy.</i></p>	30 th September 2011	

Project description and comments	Target Date	Status
<p>Provide at least 113 Affordable homes across the District</p> <p><i>Comments: A total of 116 affordable homes have been provided with 27 delivered In the third quarter, as follows: 55 units at Helen Court, Witham 11 Home Buyers Direct (HBD) units and 21 rental units at Ivory Place, Rifle Hill, Braintree 6 HBD units at Parsonage St, Halstead 5 HBD units at Maltings Lane, Witham 5 HBD units at Bocking Mill, Braintree 2 rental units at Surrex, Coggeshall 6 rental units at Silver End 2 rental units and 1 shared ownership at Rayne Foundry 2 mortgage rescue scheme It is anticipated that a further 6 units will be delivered by the end of March 2011.</i></p>	31 st March 2011	
<p>Work with our partners to improve access to housing options information, this includes an electronic toolkit which interprets customers needs and problems</p> <p><i>Comments: Electronic Toolkit launched in October and a link provided on the BDC website. A meeting has been arranged with neighbouring local authorities to discuss providing a private landlord accreditation scheme. The aim of this scheme would be enable private rented homes to be advertised on the Gateway to Home choice website therefore promoting the housing options for some households.</i></p>	31 st March 2011	
People take pride in their local areas		
<p>Transfer local community facilities to groups in the community</p> <p><i>Comments: Goldingham Hall transferred October 2010. Glebe Hall progressing for transfer by 31st March 2011. Cabinet agreed to close Forest Hall Road on 31st March 2011, Institute to be transferred from 1st April 2011 and a meeting will be held on 10th February with users and invited groups to progress Silver End Village Hall. Dialogue continuing with Community groups for the transfer of other facilities.</i></p>	31 st March 2011	
<p>Develop and run a campaign on raising the awareness of the role of the Councillor</p> <p><i>Comments: Increasing the understanding of the Councillor role is currently taking place through the Green Heart of Essex Campaign launched to members to encourage them to be involved and offer support. 19 projects from parishes, schools and communities were awarded Green Heart Local awards to develop Green Heart projects in their area, for example Hedingham River Walk supported by Cllr Beavis. Feature on becoming a councillor appeared in the Winter edition of the Contact Magazine issued in December.</i></p>	31 st March 2011	

Project description and comments	Target Date	Status
We deliver excellent, cost effective and valued services		
<p>Reorganise our workforce, working methods and structure, seek tenants to share offices and reduce running costs to ensure that we provide the best value for money</p> <p><i>Comments: Space plans have been agreed. Identified short list for interviews to appoint external contractors to manage the refurbishment works. Interviews to take place in January. Proposals and plans have been put together regarding implementing new phone system in January/February. Discussions held with Essex County Council regarding joint reception and office space arrangements once they move into Causeway House.</i></p>	31 st March 2011	
<p>Continually review all our services to ensure that we are delivering services that are considered to be value for money by our users and residents</p> <p><i>Comments: A fundamental review of all services has been undertaken as part of the budget setting process for 2011/12. Cabinet will make a decision on reductions and more effective ways of working on the 14th February 2011.</i></p>	31 st March 2011	
<p>Become more efficient as an organisation by identifying joint working and management opportunities</p> <p><i>Comments: Joint working and management opportunities are being explored across all areas including the following: Colchester – considering shared technical solutions in their computing and network arenas as well as HR and an integrated payroll system. High level business plan agreed at Cabinet regarding shared regulatory services with Braintree, Brentwood and Essex. A more detailed business plan will now be drawn up.</i></p>	31 st March 2011	
<p>Improve access to Council services by providing points of contact in the libraries across the District jointly with Essex County Council</p> <p><i>Comments: Project completed and service transferred smoothly to Halstead Library. Customers are now able to access both Braintree District Council and Essex County Council services from one location making transactions smoother for the customer and reducing costs for Braintree. Monthly meetings will be held to monitor the partnership between Braintree District Council and Essex County Council.</i></p>	31 st December 2010	
<p>Improve accessibility to the benefits service by implementing an on-line system to allow customers to apply for benefits</p> <p><i>Comments: Online application form and calculator now available for residents to utilise on the new benefits webpage. This allows customers to find out if they qualify for benefits and complete the applications without visiting Causeway House benefiting rural residents and residents who find it difficult to visit Causeway House during opening hours.</i></p>	30 th November 2010	

Section 4: Managing the Business







Performance Indicator Overview

The information in the tables below details the performance for the third quarter of the year based on the basket of performance indicators detailed in 'Our plans for the District 2010/11'. Where possible, the table that provides detailed performance information contains monthly data as well as quarterly data. Not all performance indicators have targets set and the outturn figures are for information purposes only. Currently no outturn information is available for annually reported indicators.











A sample of performance indicators have been checked to ensure data quality.












At the end of the third quarter:















The following table shows how the quarterly outturn figures compare with the performance at the end of the third quarter in 2009/10.

Trend compared with last year		Status of indicators			
					<i>TOTAL</i>
	Performance has improved	9	0	1	<i>10</i>
	Performance has deteriorated	2	2	1	<i>5</i>
	Performance is the same	1	0	0	<i>1</i>
<i>TOTAL</i>		<i>12</i>	<i>2</i>	<i>2</i>	<i>16</i>

Our Performance Indicators in Detail

Performance Indicator	2010/11							Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Quarterly Target	Status at the end of the quarter 2	Compared with this time last year	
The Environment is Clean and Green								
NI191 Residual household waste per household	93 kgs	84 kgs	86 kgs		107 kgs			The outturn figures need to be confirmed by ECC Cumulative is 263 kgs against a target of 321 kgs
NI192 Percentage of household waste sent for reuse, recycling and composting	57.65%	55.05%	52.51%		53.00%			The outturn figures need to be confirmed by ECC Average recycling rate cumulatively is 55.07% Recycling rates were down in December due to the suspension of the green bin collection due to the severe weather conditions.
BV86 Cost of household waste collection	Annually reported Indicator							
WCLP1 The number of missed bins not collected within 24 hours of being reported (per 100,000 collections)	11.01	12.70	11.77		20			Cumulative figure is 11.82
NI195a Improved street and environmental cleanliness: levels of litter.	N/A	8%	7%		12%			Measured in three tranches throughout the year which commenced in July. Q3 measurement took place in November.
Business is encouraged and the local economy prospers								
NI171 New business registration rate	Annually reported Indicator							
NI163 Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher	Annually reported Indicator							
NI151 Overall Employment rate (working-age)	Annually reported Indicator							
Everyone can enjoy a healthy lifestyle								
BV126 Domestic burglaries per 1,000 households	1.06	1.24	1.34		N/A	N/A		Outturn figures provided by Essex Police
BV127a Violent Crime per 1,000 Population	2.96	2.47	2.1		N/A	N/A		Outturn figures provided by Essex Police

Performance Indicator	2010/11							Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Quarterly Target	Status at the end of the quarter 2	Compared with this time last year	
BV174 Racial Incidents Recorded per 100,000 population	1.4	0	0		N/A	N/A		There were no racial incidents reported in Q3
NI184 Food establishments in the area which are broadly compliant with food hygiene law	93%	91%	91%		93%			As last quarter, the Food Team have had to deal with a great deal of new "home based food businesses ventures". The majority of these new businesses have been set up by persons who have had no or very little experience in the food trade, therefore many of the inspections carried out have returned that the premises has not been complaint with the food hygiene regulations.
NI112 Under 18 conception rate	Annually reported Indicator							
Housing and Transport meets local needs								
NI154 Net additional homes provided	Annually reported Indicator							
NI155 Number of affordable homes delivered (gross)	25	64	27		0			Cumulative figure is 116 which has now exceeded the annual target of 113.
NI156 Number of households living in temporary accommodation	38	37	32		57			
We deliver excellent, cost effective and valued services								
BV12 Working Days Lost due to Sickness Absence	2 days	2.23 days	2.38 days		2 days			The total day's sickness year on year for quarter three has decreased dramatically from 1417.39 days during 09/10 to 1096.38 days in 10/11. This is a reduction of 321.01 days. Eleven cases were carried over from the second quarter of 10/11. However, six have been resolved during quarter three. Eight new cases have been reported during the third quarter of 10/11 and five of these have already returned to work. Eight cases will be carried over to quarter 4 and are all being closely monitored by HR.
A: Short Term	0.7 days	0.95 days	1.02 Days		0.86 days			
B: Long Term	1.3 days	1.28 days	1.36 days		1.14 days			
CHLP3 Percentage of complaints responded to in 7 working days	89.8%	89.7%	91%		88%			162 out of 178 complaints dealt with in 7 working days

Performance Indicator	2010/11							Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Quarterly Target	Status at the end of the quarter 2	Compared with this time last year	
CHLP5 Percentage Enquiries resolved at first point of contact in the Customer Service Centre	92.6%	94.67%	93.33%		85%			
CHLP7 Telephone response time in the Customer Service Centre	10.secs	10.secs	7. secs		15.secs			
NI14 Avoidable contact: the proportion of customer contact that is of low or no value to the customer	3.6%	N/A	7.2%		N/A	N/A	N/A	Sample carried out week commencing 4th October 2010 and covers Customer Services, District Development, Environmental Services, Revenues and Benefits. Poor signposting and progress chasing account for the majority of avoidable contacts.
BV9 % of Council Tax collected	30.84%	59.67%	87.63%		87.56%			
BV10 Percentage of Non-domestic Rates Collected	30.90%	59.71%	88.31%		86.37%			includes deferment scheme
NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	7.7 days	7 days	7.3 days		8 days			
BV204 Planning appeals allowed	22.22%	21.43%	12.5%		25.90%			Q3 figure represents 1 out of 8 appeals allowed. Cumulative figure is 19.35%
NI157b Processing of planning applications: Minor applications within 8 weeks	86.90%	87.50%	75.00%		87.00%			Q3 - 48 applications out of 64 determined in time. Of the 16 determined outside 8 weeks the vast majority (10) were a consequence of delay caused by the requirement to complete a planning obligation arising from the recently adopted Open Space Supplementary Planning Document. Cumulative figure is 83.64% (184 out of 220 applications determined in time)
NI179 Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year	N/A	£1232	N/A		N/A	Data Only	N/A	The figure is rounded to the nearest thousand. This represents Actual gains achieved since 1 April 2009 up to the end of the previous financial year.

Customer Services & Views

The following is a selection of our customer service performance measures:

Customer Service: Indicators of Performance	Q1	Q2	Q3	Q4	Target
Percentage of enquiries resolved at first point of contact in the Customer Service Centre	92.6%	94.67%	93.33%		85%
Average telephone response time in the Customer Service Centre	10 secs	10 secs	7 secs		15 secs
Number of transactions carried out via the Council website	21,391	24,649	19,834		8,750
Number of unique visitors to the Council website	102,741	100,419	90,861		84,000
Percentage of customer complaints responded to in seven working days	89.8%	89.7%	91%		88%

Complaints

Quarterly category analysis trend for 2010/11 compared with 2009/10

Complaint Category	Q1 2009/10	Q1 2010/11	Q2 2009/10	Q2 2010/11	Q3 2009/10	Q3 2010/11	Q4 2009/10	Q4 2010/11
Justified	48	90	79	89	181	83	143	
Not Justified	50	82	79	70	79	79	75	
Partially Justified	12	14	11	28	22	16	22	
Not known	1	0	0	0	0	0	0	
Total	111	186	169	180	282	178	240	

Comments – The number of complaints received in the third quarter is slightly lower than the previous quarter but significantly lower compared with the same period last year when waste management complaints were at their highest due to major changes in the waste collection service.

A summary of the local ombudsman cases for the third quarter period is:

There were four cases determined by the Ombudsman during the third quarter of 2010/11. In one case the complaint was settled locally and the remaining three complaints were terminated as there was no or insufficient evidence of maladministration.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1	Q2	Q3	Q4	Change on previous period	Target
Total headcount	530	517	521		+4	n/a
Number of temporary staff	47	47	55		+8	n/a
Total staff FTE	478.88	463.81	466.93		+3.12	n/a
Permanent staff FTE	440.40	425.49	421.87		-3.62	n/a
Temporary staff FTE	38.48	38.32	45.06		+6.74	n/a
Level of employee turnover	1.13%	3.86%	1.73%		-2.13%	n/a
Number of vacant posts	12	21	24		+3	n/a
Number of vacancies (FTE)	11.68	19.65	23.68		+4.03	n/a
Number of temporary leavers	5	6	4		-2	n/a
Number of permanent leavers	12	14	5		-9	n/a
Number of starters	6	7	13		+6	n/a
Working days lost to sickness per employee	2 days	2.23 days	2.38 days		+ 0.15 days	8.0 days
Number of learning days	1193	936	943		+7 days	n/a
Average learning days per employee	2.25	1.81	1.81		0	≥3.5 days
Number of staff reaching retirement age in five years	8.11%	7.93%	7.87%		-0.06	n/a

Year on Year Headcount Analysis	2006/07	2007/08	2008/09	2009/10	2010/2011
	772	586	567	541	

Health & Safety

The following is a selection of our Health and Safety performance measures. There are no targets; the data is for information purposes only.

Health & Safety: Indicators of Performance	2009/10				
	Q1	Q2	Q3	Q4	Notes
Percentage of reported accidents/incidents to employees	0.76%	2.72%	1.73%		Q1 – 4 accidents/incidents Q2 – 15 accidents/incidents Q3 – 9 accidents/incidents
Number of reported accidents/incidents to contractors	0	1	0		Head injury to agency staff working on waste
Number of reported accidents/incidents to non-employees	1	2	1		
Number of health and safety inspections/tours/fire risk assessments/audits carried out	5	9	5		
Number of non-conformances with legal or corporate standards in safety	0	0	0		
Time lost in days due to employee accidents/incidents	5	36	34		One accident (broken wrist) accounts for 20 days.

Managing our Business Key Performance Indicators

Financial Performance

The projected outturn on General Fund services is a net under spend of £88,550 against a Revised Estimate of £18.401 million. The Revised Estimate was established after the second quarter review which identified an overall under spend leading against the Original Budget of £18.901 million, leading to the decision to realign service budgets and transfer £500,000 into General Fund balances. It was agreed that this Revised Estimate would be used for monitoring budgetary performance for the remainder of the year.

The projected outturn for the Housing Revenue Account is a deficit of £229,070 compared with the original estimate for the year of a deficit of £91,750, resulting in a forecast adverse variance of £133,320 (at the second quarter the projected variance was £126,101).

General Fund Commentary:

The favourable variance for the General Fund is £88,550 or 0.5% against the Revised Estimate. This is mainly due to a projected under spend against expenditure budgets of £91,200, and a small net under achievement of income of £2,650.

The original budget assumed no change on General Fund balances. However, subsequently a number of provisions have been made totalling £1.177 million, which when taken with the addition of £500,000 agreed after the second quarter review and the latest projected variance, results in a net drawdown from balances of £588,000 leaving a forecast year-end balance of £2.557 million.

Key Issues:

Key service issues that are contained within the projections are:

Expenditure positive variances

Salaries – across all services a net under spend on staff salaries are projected of £41,900, a variance of 0.28% against the updated budget of £14.871 million. The annual efficiency target was effectively achieved by the second quarter of the year, helped by the removal of the financial provision that had originally been made for a staff pay award from April 2010 which has now been removed in line with the position taken by the National Employers' Association.

Corporate Costs – further savings and efficiencies of £44,200 have been identified covering postages, insurance premia, corporate voice network, and staff long service awards.

Development Control - reduction in estimate of planning appeal costs, plus Housing & Planning Delivery grant applied to meet costs associated with specialist/ legal advice – leading to a total positive variance of £40,000.

Expenditure negative variances

Refuse & Recycling - the above under spends are offset by an uplift in vehicle running costs due to the increased cost of fuel and additional maintenance requirements giving a projected adverse variance of £36,000.

Income positive variances

Land Charges – Although income is still expected to be less than the previous year, the latest projection suggests that recent publicity around this service has improved the situation anticipated at the second quarter by £17,000.

Asset Management – backdated rent adjustments combined with a higher occupancy rate across the portfolio has increased the forecast income for the year by £17,970.

Car parking – following on from the recovery seen at the second quarter income levels have been higher again during the third quarter than originally anticipated leading to an upward revision in the predicted outturn by £9,800.

Community Transport – passenger journey growth continues to drive up projected income levels from charges by £9,800.

Income negative variances

Shortfalls in income are projected on the following areas:

Development Control – The trend on application income continues to be downwards at present with a revised forecast for the year of £467,000 against a revised estimate of £500,000. The budget has already been reduced from the original target of £631,000. Locally determined fees that come into effect from April 2011 replacing the current statutory fee regime may in future redress the shortfall in cost recovery in this service area.

Refuse & Recycling – a revision downwards to the expected tonnages recycled from 29500 (as at Quarter 2) to 29,000 impacting on the level of recycling credits receivable, which along with other service income variations nets to forecast income being lower by £15,000.

Local Tax – Costs Recovered – a shortfall of £10,000 is currently predicted against the total budget of £355,000. Costs recovered are inherently difficult to predict with forecasts made based on actual recoveries in-year and applying previous year profiles.

Income variance met from reserves

Treasury Management – Higher than previously forecast cash balances means that the level of investment income anticipated for the year has increased between quarters from £603,000 to £631,000, albeit this is still below the original estimate of £762,000. Interest rates remain low and investment counterparties restricted to highly rated institutions. The distribution of interest across funds means that the shortfall to the General Fund is now estimated to be £68,800 (£103,544 at the last quarter), which can be met from the treasury management reserve.

Breakdown of Projected Variance by Service Area

The following table provides a breakdown of the projected variance by service area measured against the Revised Estimate.

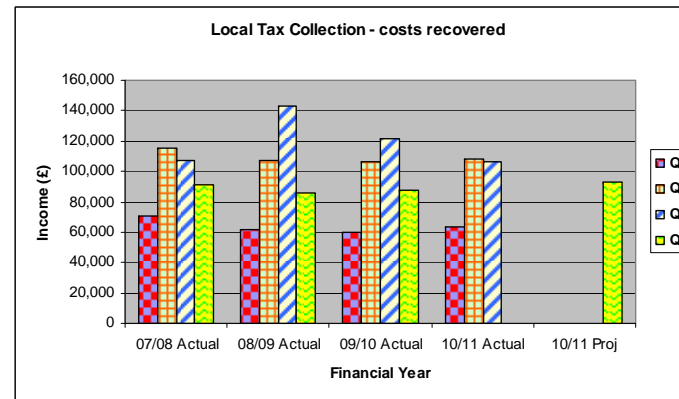
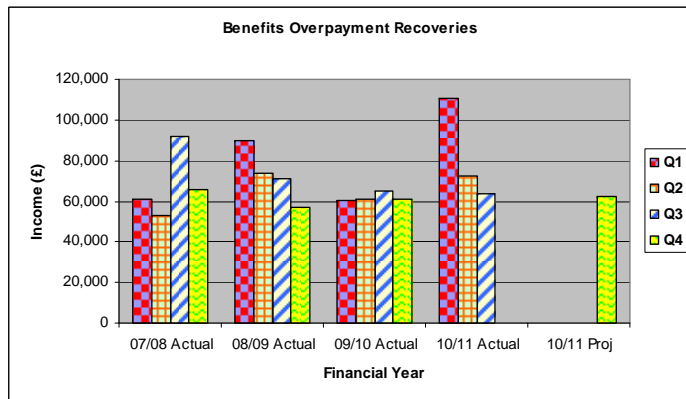
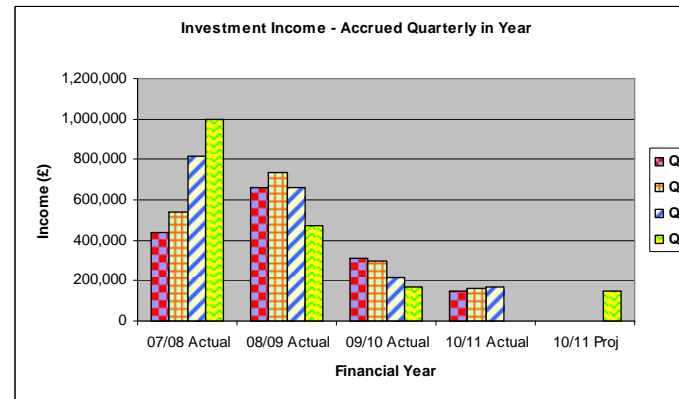
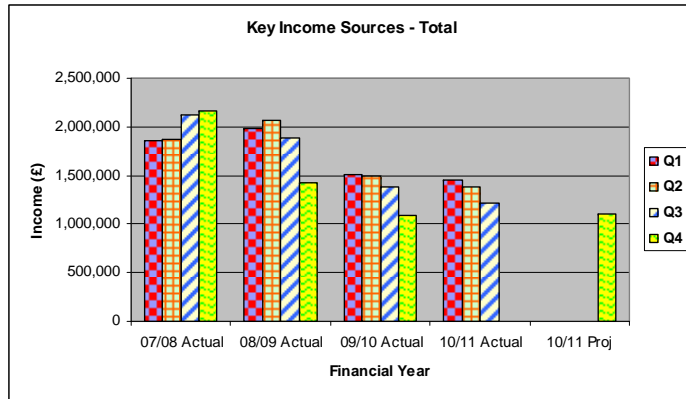
Business Plan	Original Controllable Budget £'000	Updated Controllable Budget £'000	Full year projection £'000	Variance Exp. £'000	Variance Income £'000	Variance Adverse/ (Favourable) £'000	RAG Status
Business Solutions	2,114	2,079	2,045	(34)	0	(34)	-2%
Community Services	3,416	3,397	3,368	(16)	(13)	(29)	-1%
Corporate Management Plan	686	738	732	(6)	0	(6)	-1%
Environment	957	899	894	(3)	(2)	(5)	-1%
Financial Services	928	841	825	(26)	10	(16)	-2%
Housing Services	803	707	704	(2)	(1)	(3)	-
Operations	5,113	4,621	4,672	35	16	51	1%
People & Democracy	2,034	2,021	2,016	(5)	0	(5)	-
Sustainable Development	1,023	1,257	1,216	(33)	(8)	(41)	-3%
Service Total	17,074	16,560	16,472	(90)	2	(88)	-0.5%
Corporate Efficiency Target	(291)	-	-	-	-	-	
Corporate Financing	2,118	1,841	1,840	(1)	0	(1)	-
Revised Estimate	-	18,401	18,312	(91)	2	(89)	-0.5%
Addition/ (withdrawal) to/ (from) Balances	-	500	589				
General Fund Total	18,901	18,901	18,901				

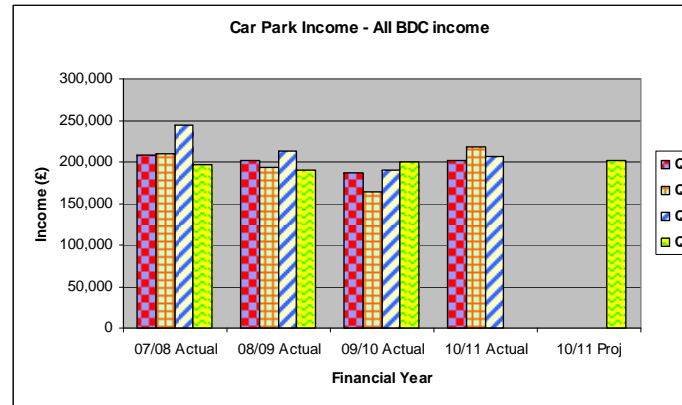
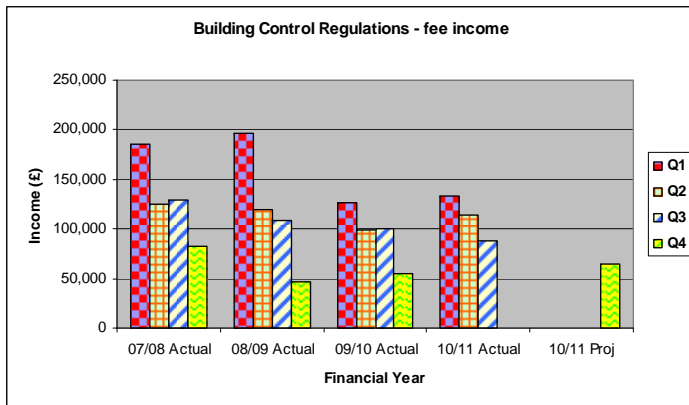
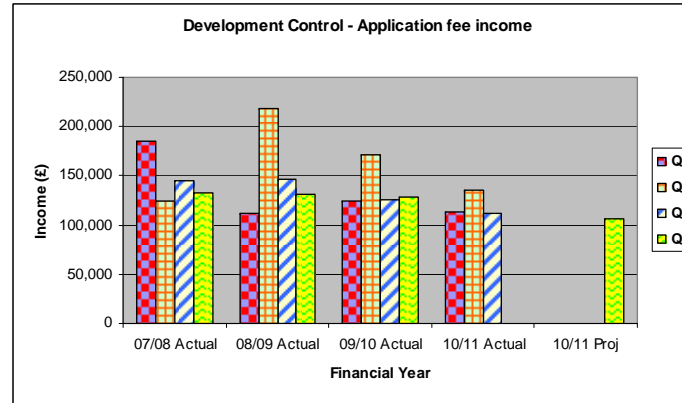
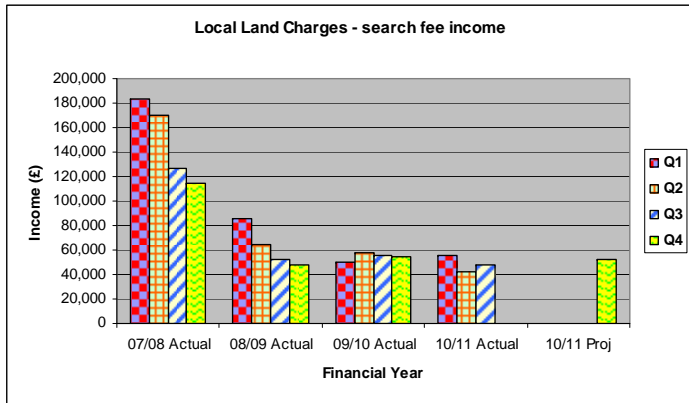
RAG Status: G = favourable or nil variance, A = up to 5% adverse variance, R = > 5% or £50k adverse variance

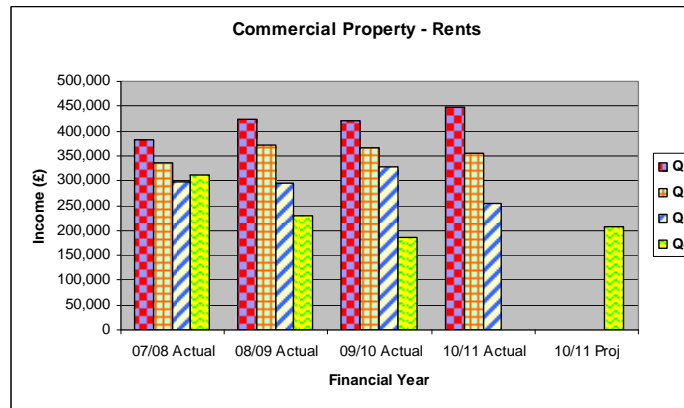
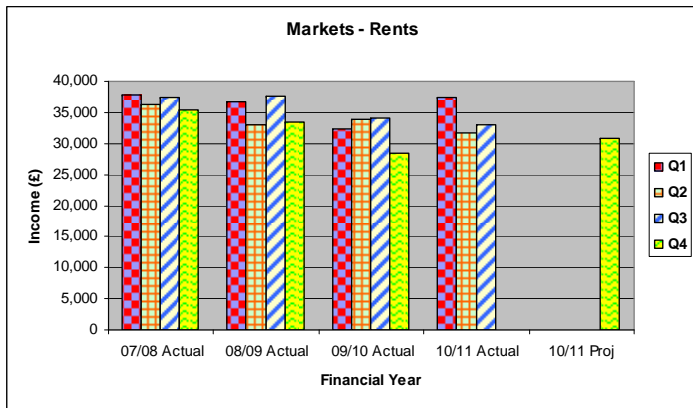
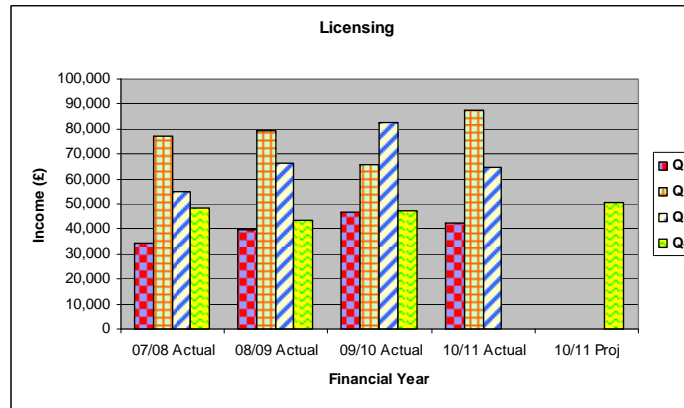
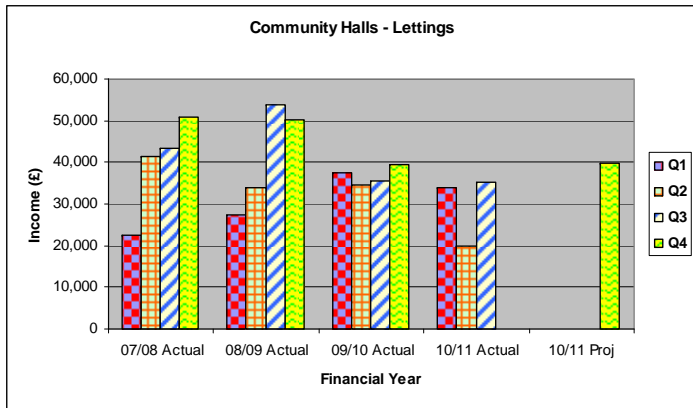
Whilst the above table shows an adverse variance of £51,000 for Operations this is in the context of the budget for this service area having been reduced by £477,000 as part of the corporate in-year budget realignment approved by Cabinet to create the Revised Estimate.

Income Streams

A significant proportion of the Council's budget is reliant on income. The following charts show the trend on the key income streams:







Housing Revenue Account Commentary:

The Council continues to run a Housing Revenue Account (HRA) until such time all subsidy entitlement has been claimed, i.e. up to end of March 2012.

The main transactions projected for the year include:

- Income and expenditure relating to the management and maintenance of the small number of properties retained by the Council. – Net expenditure of £37,010.
- Contribution of £50,000 towards corporate overheads for on-going financial and housing management support, along with a charge of £282,070 for pensions and redundancy costs relating to ex-employees and pensioners who had worked for services under the HRA.
- Investment income on HRA related balances and mortgage interest net of management charges – credit of £143,110.
- Amortised debt costs of £1.14 million, offset by Government housing subsidy.

The overall projection for the HRA is a deficit of £229,070 compared to a budgeted deficit of £91,750 – an adverse variance of £133,320. The principle reasons for deficit are lower investment returns, contribution towards in-year redundancy costs, and higher net operating costs for the small number of dwellings retained which have required additional maintenance spending to meet current housing standards.

The deficit on the HRA will be met from the retained HRA balance.

Earmarked Reserves

Use of reserves (other than service specific reserves) assumed within the projections:

- Treasury management reserve – drawdown of £68,800 against the General Fund share of the overall investment income shortfall. Costs relating to the recovery of sums at risk with Icelandic banks are also expected to be met from the reserve.
- Management of change - £285,115 drawdown to meet cost of redundancies/ retirements approved to achieve longer-term staffing cost reductions. A further £135,445 of costs is currently predicted to be incurred in the current year.

General Fund and Housing Revenue Balances

Based on the outturn set out above, the movement on balances is as follows:

	General Fund	Housing Revenue Account
	£'000	£'000
Balance b/fwd at 1st April 2010	2,845	5,008
Add:		
Contribution from in-year Revised Estimate	500	
Projected under spend	89	-
Less:		
Projected deficit		(229)
Mayland House costs (est.)	(297)	-
19/21 Bocking End costs (est.)	(80)	-
Museum Trust provision	(50)	
Transfer to management of change reserve	(750)	
Est. Balance at the year-end	2,257	4,779

Movements shown on the General Fund balance are in respect of:

- Contribution agreed by Cabinet when approving the Revised Budget at their meeting in December 2010
- Projected variance to Revised Estimate as set out in this latest quarterly review
- Holding costs associated with Mayland House, and 19/21 Bocking End
- Provision agreed by Council to support the Museum Trust
- Recommended provision by Cabinet to meet the costs of change giving rise to longer term staffing cost reductions – this will be considered by Council at their meeting in February 2011 as part of the 2011/12 Budget report.

Risks and Assumptions to the Projected Outturn

The quarterly projections reflect the service managers' "best estimate" of the predicted outturn for the year against the Revised Estimate. Previous year outturn and in-year trends have been applied, however, as always these are subject to changing circumstances and unforeseen events. Expenditure remains under scrutiny to ensure that only unavoidable costs are incurred without detriment to services, along with control over staffing vacancies.

Service income levels are inherently difficult to predict as substantially they are demand led and impacted by external factors such as the rate of economic recovery.

Capital Programme and Resources

Capital spend for the year

The capital programme approved for the year was £11.311 million. The programme for reporting purposes is currently £8,214 million, determined as follows:

	£'000s
Approved programme	11,311
<u>Less:</u>	
Projects still be approved:	
• Subject to Cabinet approval (Growth Fund Projects & Depot Relocation)	(2,260)
<u>Add:</u>	
• Re-profiled from 2009/10	1,809
• Projects approved in year (BDC capital resources)	8,033
• Projects approved in year (External/ revenue funding)	225
<u>Less</u>	
• Re-profiled into future year/s (incl. Causeway House & Witham Leisure Centre)	(13,167)
Current Programme for 2010/11	5,951

The capital programme is reported over two themes:

- General Fund – Spending on Council owned assets and supporting local communities through local area committee grants
- Housing investment – mainly spent on partnership schemes with social landlords (e.g. Bailey Bridge Road, Riverview), and providing disabled facilities grants and home improvements grants.

Progress with the delivery of the major capital projects is monitored regularly by the Programme Boards, with the Local Development Framework Panel responsible for determining priorities for use of Growth Area Funding.

The current spend against the programme for the year is as shown in the table below:

	Programme 2010/11	Actual spend to end of quarter	Grants approved but not yet claimed	Budget Remaining	Spent/ Grants approved at end of quarter %
	£'000	£'000	£'000	£'000	
General Fund	4,099	2,195	155	1,749	57%
Housing Investment	1,461	1,182	57	222	85%
Capital Salaries	391	293		98	75%
Total	5,951	3,670	212	2,069	65%

The programme for 2010/11 includes the Causeway House Refurbishment project (£179,000 of a total £3.8 million budget), scheduled to start late in the current financial year and completing over a 40 week period, and the New Witham Leisure Centre (£189,000 of a revised total £8.646 million budget). Public consultation on the new centre is due to start in February 2011, with planning consent scheduled by June 2011, prior to commencing a tender process for the construction contract due to begin in December 2011.

The Council recently purchased a property in Braintree Town Centre as part of a traffic flow improvement scheme in partnership with Essex County Council. Detailed plans are currently being agreed with ECC for the scheme.

Approval of £450,000 was recently given to progress refurbishment of 19-21 Bocking End, Braintree, to enable relocation of Victoria Street Community Association as part of the Town Centre Redevelopment programme.

Tenders for the first phase of the depot relocation have recently been received and due to the high tender costs revised options are being considered. Due to the Town Hall Centre being an historic building, delays to attaining planning consent have meant that works are unlikely to be undertaken in the current financial year.

At the last quarter it was reported that a claim for a further advance of £203,000 had been received from a partner registered social landlord in respect of the Bailey Bridge Road social housing development, and this was being assessed. This additional sum was

paid in December 2010 as the scheme reported to have made an overall financial loss for the partner due to the downturn in the housing market. This cost was contained within the overall budget approved for the scheme.

Capital resources

The main source of new capital resources anticipated for the year was £4.46 million from the sale of assets (Riverside and Millennium Towers), including preserved right to buy receipts, and the Council's share of the VAT shelter established with Greenfields Community Housing. Capital receipts at the year end are projected at £4.854 million.

Greenfields CH has reported that right to buy sales completed to the end of December have generated £800,000 and VAT shelter receipts due to the Council currently total £1.043 million. Other capital receipts generated from disposals total £2.032 million, including the sale of the former Riverside Centre site. Contracts have just been exchanged for the sale of Millennium Tower for £400,000, with completion due on 31st March.