

Second Quarter Performance Management Report

(1st July 2011 to 30th September 2011)



Contents

Section 1: Introduction and Summary	page	Section 3: Managing the business	page
• Purpose of the Report	3	• Performance Indicator overview	10
• Summary of the Projects	3	• Performance Indicators in detail	11
• Summary of the Performance Indicators	4	The Environment is Clean and Green	11
		Everyone can enjoy a healthy lifestyle	11
		Housing and Transport meets local needs	12
		We deliver excellent, cost effective and valued services	12
Section 2: Delivering our Corporate Strategy	5	• Customer Services and views	14
• Projects in detail	5	• Complaints	15
The Environment is Clean and Green	5	• Our Organisation	16
Business is encouraged and the local economy prospers	6	• Health and Safety	17
Everyone can enjoy a healthy lifestyle	7	• Financial Performance	18
Housing and Transport meets local needs	8	General Fund Commentary	18
People take pride in their local area	8	Housing Revenue Account	25
We deliver excellent, cost effective and valued services	9	Capital Programme and resources	28

Section 1: Introduction and Summary






Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council for the second quarter of the year (July to September 2011) in relation to the publication of 'Our plans for the District 2011/2012'. This sets out the 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 ongoing 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 second quarter

The following table provides updates for the second quarter in relation to the key activities in 'Our plans for the District 2011/2012'




Corporate Priorities	Status of projects and actions				
					
The Environment is Clean and Green	1	5	0	0	0
Business is Encouraged and the Local Economy Prospers	0	4	0	0	0
Everyone can Enjoy a Healthy Lifestyle	0	3	1	0	0
Housing and Transport meet Local Needs	0	2	0	0	0
People take Pride in their Local Areas	1	1	0	0	0
We deliver Excellent, Cost-Effective and Valued Services	0	3	1	0	0
TOTAL	2	18	2	0	0

KEY:




-  Project completed
-  Project on target
-  Project scope/target date requires attention
-  Project requires amendment
-  Project aborted/closed

Summary of the Performance Indicators position for the second quarter

The following table shows the performance for the second quarter in relation to the quarterly reported Performance Indicators that have targets set as defined in 'Our plans for the District 2011/2012'.

Corporate Priorities	Status of indicators			
				Data Only
The Environment is Clean and Green	3	0	1	0
Business is Encouraged and the Local Economy Prospers	-	-	-	-
Everyone can Enjoy a Healthy Lifestyle	0	1	0	3
Housing and Transport meet Local Needs	1	0	1	0
People take Pride in their Local Areas	-	-	-	-
We deliver Excellent, Cost-Effective and Valued Services	6	1	2	1
TOTAL	10	2	4	4





KEY:






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






Summary Position





The second quarter of the year continues to be challenging. There have been improvements in the areas of under-performance from the first quarter with two out of the three red indicators and two out of the three amber indicators being brought back on track. However, there are now challenges in new areas and action plans are being developed for the indicators that have amber or red status to mitigate the down-turn in performance. Two corporate projects have been completed in the second quarter and the majority of the remaining projects are on track.





Section 2: Delivering our Corporate Strategy

Project description and comments	Target Date	Status
The Environment is Clean and Green		
<p>Introduce separate weekly food waste collections to 40,000 properties</p> <p><i>Comments: The Weekly Food Waste Service has now been rolled out to circa 40,000 households across the district. A 6 month review of the service will be carried out to assess performance of service and infrastructure (bins and vehicles sizes/numbers) with a view to evaluating whether the service can be expanded to the remaining residents and at what cost. Approximately 270 tonnes of food waste has been collected with minimal levels of contamination. There were issues regarding missed collections at the beginning of the service whilst crews familiarised themselves with the routes and vehicles which have now been resolved.</i></p>	5 th September 2011	
<p>Involve high street fast food businesses and others in taking responsibility for the impact on their local area</p> <p><i>Comments: Independent fast food establishments in Witham have agreed to work in partnership with Braintree District Council to tackle litter in and around their establishments. 'Dirty chucker' campaign material delivered to fast food partners together with stickers carrying the campaign message which will be attached to all take-away containers.</i></p>	31 st March 2012	
<p>Educate young people about the problem of litter and use enforcement to reinforce the educational message</p> <p><i>Comments: Ongoing monitoring recognised that the level of litter had risen following the pupils' return to school after the summer holidays. A project team has been established to tackle the rise in litter which will focus on introducing campaign messages in schools, increased enforcement action and increased liaison with schools. Monitoring statistics will determine the schools which are most littered and a targeted approach will be progressed with those schools. In addition a league table will be developed to establish the worst performing and best performing schools - this will be communicated to schools on a regular basis.</i></p>	31 st March 2012	
<p>Deliver programmed estate clean ups and targeted enforcement in partnership with Greenfields Community Housing and community led groups</p> <p><i>Comments: The Glebe Estate, Braintree received a clean up on 22nd September where approximately 10 tonnes of rubbish were cleared by Braintree District Council, Greenfields and local residents. A clear alleyway policy has also been introduced on the Hatfield Road Estate and Templars Estate, Witham where there are a higher proportion of bins and sacks left in the alleyways. This has been addressed through a programme of targeted enforcement in conjunction with Greenfields and the Council's Environmental Protection team.</i></p>	31 st March 2012	

Project description and comments	Target Date	Status
<p>To plant a legacy Jubilee Oak in every village and town in the district involving the local community in the location and care of the Oak tree</p> <p><i>Comments: Currently 57 parishes and 11 wards have confirmed that they would like a Jubilee Oak. Three parishes and two wards have either declined trees or not yet responded. Essex County Council are checking the suitability of the sites where trees are to be planted. Aiming to plant all oak trees in 'national tree planting week' which commences on 24th November 2011. Tree wardens have received training on caring for the trees.</i></p>	31 st March 2012	
<p>Reduce Braintree District Councils carbon footprint by 5%</p> <p><i>Comments: Refurbishment of Causeway House and the Town Hall continues. The majority of savings are tied in to the refurbishment of Causeway House which has now completed the reception area and first floor. Low energy lighting has been installed, the boiler and heating system replaced and double glazing replaced. The proposal to install solar photovoltaic (PV) panels on the roof of Causeway House continues with British Gas producing a draft agreement for consideration.</i></p>	31 st March 2012	
Business is encouraged and the local economy prospers		
<p>Commence construction of new business incubator units at Springwood Drive</p> <p><i>Comments: Cabinet have agreed in principle the extension at Springwood Drive and to the transfer of the land on a long lease. Growth Area Funding monies will be used to work up designs. Proposals have been received back from Employers' agent and architects'. There is inconsistency with the architects' fees so need to go back and ask for clarification before an award can be made.</i></p>	31 st March 2012	
<p>Increase the prosperity of the three town centres by investing in improvements to attract new retailers and shoppers</p> <p><i>Comments: There are a number of projects being looked at across the three towns such as deep cleaning the town centres to make them more attractive; understanding the best times to offer concessions for parking to attract shoppers; researching other schemes regarding empty properties; speaking to BDS about assisting with a pipeline of tenants who are looking to set up their own business to occupy the empty shops and running 'loving your high street' awards following the success of last year.</i></p>	31 st March 2012	
<p>Undertake a broadband study across the district to establish the needs of businesses for funding to improve broadband speeds</p> <p><i>Comments: This is in partnership with Haven Gateway. Following conversations with Essex County Council and Haven Gateway, the Council will be putting together a study based on local needs and county provision. Research has been carried out with other authorities to identify what activity and approach they are taking. Held a meeting with BT to understand their plans for the district to feed into the study.</i></p>	November 2011	

Project description and comments	Target Date	Status
<p>Work in partnership with retailers to establish and set up the 'Braintree Bid' for future improvements to the town centres</p> <p><i>Comments: Cabinet have agreed an £85,000 grant for key projects in the three towns to deliver improvements that are planned as part of the Town Centre Enhancement Strategy and the BID activity. Currently assisting in key projects such as improving town centre notice boards, signage in George Yard and providing IT at business conferences.</i></p>	31 st March 2012	
Everyone can enjoy a healthy lifestyle		
<p>Commence building the Witham Leisure Centre</p> <p><i>Comments: Planning application heard at 13th September Planning Committee Meeting where planning permission was granted. A number of planning conditions were imposed resulting in additional works outside the scope of the design and build for the Witham Leisure Centre. This may have financial implications. Invitations to tender for the building contract will be published soon.</i></p>	31 st December 2011	
<p>Continue to improve the facilities in Witham Town Park</p> <p><i>Comments: Stage 1 of the play area for 8 to 13 years has been completed. Stage 2 will complete the play proposals and planting which is now due to start in the New year. Witham Town Council's Environment Committee agreed that there should be one fully-accessible toilet and a store (rather than two toilets). The store will be able to provide pegs and racks for schools children's lunches and spare clothes which will permit longer visits to park.</i></p>	31 st March 2012	
<p>Refurbish the remaining three play areas across the District: Clare Road, John Ray Gardens and Brooke Meadow</p> <p><i>Comments: The refurbishment of the play area at Clare Road commenced on 19th September and John Ray Gardens commenced on 22nd September. Both are expected to be completed in October. Refurbishment at Brooke Meadow is due to commence towards the end of October/early November.</i></p>	31 st January 2012	
<p>Implement the older persons 'action plan' to improve access to information and services for older people</p> <p><i>Comments: The Mini Guide of local services and activities for older people has been completed and copies have been printed for distribution. A microsite for older people has been developed and sits within the Community Services pages of the council's website. This provides information and links to other organisations that may be useful to older people to enjoy a better later life.</i></p>	31 st March 2012	

Project description and comments	Target Date	Status
Housing and Transport meets local needs		
<p>Increase the number of passengers on our Community Transport Scheme by promoting and publicising the service</p> <p><i>Comments: Project commenced in July 2011 and 35 venues have been visited to date including sheltered housing, lunch clubs and senior citizens' clubs together with promotional stands at supermarkets to promote the community transport scheme. At the end of September 27,845 passenger journeys have taken place on the Community Transport Scheme which is a 9.5% increase on the number of passengers for the same period as last year.</i></p>	31 st March 2012	
<p>Provide a further 67 affordable homes across the district</p> <p><i>Comments: The planned affordable housing delivery programme now aims to provide a total of 85 affordable homes:</i></p> <p><i>27 units, Riverside site, the end of October</i> <i>8 units, Mill Park Drive, by the end of December</i> <i>12 units, Mill Park Drive, by the end of February</i> <i>38 units, Riverside site, by the end of March</i></p>	31 st March 2012	
People take pride in their local areas		
<p>Establish a scheme and operate a fund to support and encourage enterprising communities to deliver more activities and services for themselves</p> <p><i>Comments: The approved scheme was launched on 1st October. Details of the scheme have been shared with Councillors, local councils, community groups and organisations.</i></p>	31 st March 2012	
<p>Deliver a devolutionary framework to engage local communities in decisions that affect them</p> <p><i>Comments: A proposal to run two Community Budget pilots within the district will be submitted to DCLG for approval in November and this is being done in partnership with Essex County Council, Witham Town Council and other key partners. One pilot will focus on families with multiple needs within a particular ward whereas the second pilot will look at improving services and a range of outcomes across four wards.</i></p>	31 st March 2012	

Project description and comments	Target Date	Status
We deliver excellent, cost effective and valued services		
<p>Implement a new website to increase the number of services available on line and encourage more customers to use the web to carry out business with the Council</p> <p><i>Comments: Web specification document and covering letter produced and sent to five companies on the procurement framework. Date for return of tender set at 17th October, followed by presentations, assessment and contract award.</i></p>	31 st March 2012	
<p>Refurbish Causeway House to enable more efficient use and improved access to services</p> <p><i>Comments: The Committee Area was handed back ready for use from 1st September. The front of the first floor was handed over on 9th September and the rear of the first floor was handed over on 23rd September. Plans for the ground floor, reprographics area and the second floor are being discussed and drawn up with Huttons. Essex County Council requirements have been discussed with their Project Manager and these are being collated for presentation to Huttons. The end date of the project has been amended from January 2012 to March 2012 to take into consideration the delays that occurred in Phase 1 and to accommodate any delays in Phase 2. There is still a risk that late changes and requirements may impact on costs and timescales.</i></p>	31 st March 2012	
<p>Reduce costs to achieve 0% council tax increase for the next two years</p> <p><i>Comments: A number of savings have been identified in each service area and are currently being implemented. Services have been restructured and changes have been made working to practices including exploring partnership working.</i></p>	31 st March 2012	
<p>Work with partnerships to deliver more efficient and improved services</p> <p><i>Comments: Currently looking at a number of projects to deliver more efficient and improved services.</i> <i>Regulatory Services (Braintree, Brentwood and Essex County Council) - Leaders have supported in principle the proposals for creating a new Integrated Regulatory Service for Braintree, Brentwood and Essex County Council. The proposed implementation will be 1st April 2012. A framework and process will be established to enable other authorities to join on start-up or at later stages.</i> <i>Payroll (Colchester and Braintree) - Implementation of a shared system with Colchester Borough Council (utilising their Northgate Arinso HR/ Payroll system) has been agreed. A project "kick-off" meeting has been scheduled for 10th October. A detailed project plan will be produced following this meeting.</i> <i>ICT Contract (Castle Point, Rochford, Braintree and Colchester) - Two bids have been submitted and are being assessed by the councils. Individual Lots have been separately reviewed by each Council and the joint Lots have been reviewed by the group. The preferred supplier has been identified and reports and recommendations are being prepared for the four councils for presentation to members.</i></p>	31 st March 2012	

Section 3: Managing the Business



Performance Indicator Overview

The information in the table below details the performance for the second quarter of the year based on the basket of performance indicators detailed in 'Our plans for the District 2011/12'. 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 second quarter:














The following table shows how the quarterly outturn figures at the end of the second quarter for 2011/12 compare with the performance at the end of the second quarter in 2010/11.

Trend compared with last year		Status of indicators				
					Data Only	TOTAL
	Performance has improved	8	1	0	3	12
	Performance has deteriorated	2	1	4	1	8
	Performance is the same	0	0	0	0	0
TOTAL		10	2	4	4	20

Our Performance Indicators in Detail

Performance Indicator	2011/12							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	101kgs	99kgs			103kgs			Figures are current estimates. Awaiting confirmation from Essex County Council.
NI192 Percentage of household waste sent for reuse, recycling and composting	57.20%	57.42%			56%			Figures are current estimates. Awaiting confirmation from Essex County Council.
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)	8.66	19.88			17			Target has not been met due to the introduction of the food waste bin collection to c. 40,000 properties. There were a number of missed food waste collections in the first week of the service whilst new crews familiarised themselves with the routes and collections.
NI195a Improved street and environmental cleanliness: levels of litter.	n/a	8%			10%			Measured in three tranches throughout the year commencing in July.
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	0.71	1.14			Data Only	n/a		
BV127a Violent Crime per 1,000 Population	2.33	2.44			Data Only	n/a		
BV174 Racial Incidents Recorded per 100,000 population	0.00	0.69			Data Only	n/a		

Performance Indicator	2011/12							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	
NI184 Food establishments in the area which are broadly compliant with food hygiene law	91%	92%			93%			This indicator is reported cumulatively. There has been an increase in performance from last quarter due to the food teams targeting premises that have been highlighted as non compliant. Currently 1115 out of 1216 premises are broadly compliant in the district.
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)	0	0			9			The first units from the Riverside site in Braintree were expected for handover at the end of September. Due to delays in the roadways being completed, the expected handover slipped into October.
NI156 Number of households living in temporary accommodation	42	33			50			
We deliver excellent, cost effective and valued services								
BV12 Working Days Lost due to Sickness Absence	1.35 days	1.72 days			2 days			
<i>Sickness is broken down as follows</i>								
Short Term Absence	0.60 days	0.76 days			0.88 days			
Long Term Absence (more than 20 days)	0.75 days	0.96 days			1.12 days			
CHLP3 Percentage of complaints responded to in 7 working days	85.4%	91.3%			88%			In total for the quarter there were 219 out of 240 complaints dealt with in 7 working days.
CHLP5 Percentage Enquiries resolved at first point of contact in the Customer Service Centre	79.00%	88.67%			85%			For the same period last year, performance stood at 94.67%. This is due to an increased number of services who use the Customer Service Centre (CSC) as a messaging service and some switchboard calls dealt with by the CSC being miscoded. This is being looked into.

Performance Indicator	2011/12							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	
CHLP7 Telephone response time in the Customer Service Centre	15 seconds	19 seconds			15 seconds			Reduction of staff, increase in services provided and telephone system issues caused a temporary issue with call answering times. This has subsequently been resolved.
NI14 Avoidable contact: the proportion of customer contact that is of low or no value to the customer	n/a	10.9%			Data Only	n/a		Reported twice yearly in Q2 and Q4. Sample carried out week commencing 26 th September 2011 and covers Customer Services, Development Control, Environmental Services, Benefits and Housing. Poor signposting and progress chasing account for the majority of avoidable contacts.
BV9 % of Council Tax collected	30.84%	59.68%			59.30%			
BV10 Percentage of Non-domestic Rates Collected	30.72%	59.40%			58.30%			Performance for the same period last year stood at 59.71%.
NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	8.33 days	6.69 days			8 days			
BV204 Planning appeals allowed	40.00%	44.44%			30%			The planning Inspectorate allowed 4 out of 9 appeals decided in this quarter. Of the 4 appeals, one was a member decision contrary to officer recommendation (on the original proposal) and none raised any fundamental issues of policy vulnerability, they were generally a difference of view over the impact on amenity of the appeal proposals. For the same period last year, performance stood at 21.43% (3 out of 14 appeals allowed).
NI157b Processing of planning applications: Minor applications within 8 weeks	66.67%	73.91%			77%			68 out of 92 applications have been determined in time. For the same period last year, performance stood at 87.5% (63 out of 72 applications determined). Performance has been affected by the reduced frequency of Committee meetings and the need to secure S106 agreements. The return to a two weekly committee cycle should assist performance.

Customer Services & Views

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

Customer Service: Indicators of Performance	Q1	Q2	Q3	Q4	Quarterly Target
Percentage of enquiries resolved at first point of contact in the Customer Service Centre	79.00%	88.67%			85%
Average telephone response time in the Customer Service Centre	15 secs	19 secs			15 secs
Number of transactions carried out via the Council website	24,349	24,828			12,500
Number of unique visitors to the Council website	102,721	101,163			84,000
Percentage of customer complaints responded to in seven working days	85.4%	91.3%			88%

Since August 2011, the residents of Braintree District have been letting us know whether they are satisfied with the main services we provide and whether we provide value for money. Over 350 people completed surveys either over the phone, face to face or via our website. The first sets of results are published below:

- ✓ 92.3% of residents are satisfied with the local area as a place to live
- ✓ 87.8% of residents are satisfied with the way Braintree District Council runs things
- ✓ 65.8% of residents agree that Braintree District Council provides value for money
- ✓ 75.3% of residents feel informed about the services and benefits available from Braintree District Council

The following results are regarding main services provided or supported by Braintree District Council

- ✓ 91.0% of residents are satisfied with the way public land is cleared of litter and refuse
- ✓ 88.7% of residents are satisfied with their waste collection service
- ✓ 83.9% of residents are satisfied with parks and open spaces
- ✓ 59.3% of residents are satisfied with the sports and leisure facilities
- ✓ 77.8% of residents are satisfied with council tax collection

Complaints

The quarterly complaints analysis for 2011/12 is detailed below. This is compared with 2010/11 figures shown in brackets.

Complaint Category	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q4 2011/12
Justified	85 (90)	117 (89)		
Not Justified	64 (82)	107 (70)		
Partially Justified	16 (14)	16 (28)		
Not known	0 (0)	0 (0)		
Total	165 (186)	240 (180)		

Comments

The number of complaints received has increased by over 45% compared with the previous quarter. The main reasons for the increase is due to a high number of complaints received regarding clear sack deliveries in July and August and the roll out of the new food waste collection service in August and September whilst crews familiarise themselves with the routes and collections. The service will be embedded over the coming weeks.

A summary of the local ombudsman cases for the second quarter period is: 5

There were 5 cases determined by the Local Government Ombudsman during the second quarter of 2011/12. In two cases there was no or insufficient evidence of maladministration. In the remaining three cases, the Ombudsman declined to investigate the complaints – two were outside their jurisdiction and the other has been referred to the relevant service within the council as they had not been given a reasonable opportunity to investigate and reply.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 11/12	Q2 11/12	Q3 11/12	Q4 11/12	Change on previous period	Yearly Target
Total headcount	480	482			+ 2	
Number of temporary staff	44	51			+ 7	
Total staff FTE	431.53	431.00			- 0.53	
Permanent staff FTE	393.44	386.44			- 7	
Temporary staff FTE	38.09	45.27			+ 7.18	
Level of employee turnover	4.77%	2.90%			- 1.87%	
Number of vacant posts	15	20			+ 5	
Number of vacancies (FTE)	14.50	19.50			+ 5	
Number of temporary leavers	5	3			- 2	
Number of permanent leavers	22	11			- 11	
Number of starters	4	16			+ 12	
Working days lost to sickness per employee	1.35 days	1.72 days			+ 0.37 days	8.0 days
Number of learning days	929.79	577.00			- 352.79	
Average learning days per employee	1.94	1.20			- 0.74	≥3.5 days
Number of staff reaching retirement age in five years	7.71%	7.46%			- 0.25%	

Year on Year Headcount Analysis	2006/07	2007/08	2008/09	2009/10	2010/11
	772	586	567	541	503

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	Q1	Q2	Q3	Q4	
	(2010/11 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	8 (5)	11 (18)			
<i>a. Accidents/ incidents to employees</i>	8 (4)	9 (15)			
<i>b. Accidents/ incidents to contractors</i>	0 (0)	1 (1)			
<i>c. Accidents/ incidents to non-employees</i>	0 (1)	1 (2)			
Time lost in days due to employee accidents/ incidents	3 (5)	8 (36)			Relates to one employee who has been off for 8 days
Number of reported verbal/ physical incidents to employees	1	0			Not reported last year
Number of near miss incidents	2	0			Not reported last year
Number of Accidents/ incidents resulting in insurance/ compensation claim	0	1			Injury in play area. Claim repudiated by insurers as there is an active system of inspection in place.
Number of claims settled	0	0			

Managing our Business Key Performance Indicators

Financial Performance

The projected outturn on General Fund services is a net spend of £16.753 million, compared with a budget of £17.101 million, giving a projected under spend of £348,050.

The projected outturn for the Housing Revenue Account is a deficit of £217,989 compared with the original estimate for the year of a deficit of £180,000, giving a forecast adverse variance of £37,989.

General Fund Commentary:

The favourable variance for the General Fund is £348,050 or -2% against Budget. This position is lower than originally forecast at Quarter 1 by £234,140 with downward changes mainly in Community Services (leisure management costs), Operations (car parking income and refuse and recycling costs), and Environment (lower building control fee income). The latest variance comprises a projected under spend against expenditure of £478,660, offset by a net underachievement of income of £130,610.

The projected movement on General Fund balances is a net withdrawal of £474,000 giving an estimated closing balance at 31 March 2012 of £2.312 million.

Key Service Issues:

Key service issues that are contained within the outturn are:

Expenditure positive variances

- **Salaries** – across all services there is a projected salary under spend of £599,818 (or -4% against the gross salary budget of £14.394 million), which reduces to £366,908 after taking off the annual corporate efficiency factor of £232,910. Included within this net position is £210,060 that relates to the impact of profiled staffing savings being achieved earlier than originally anticipated and posts held vacant pending proposals being finalised by services to achieve their future profiled staffing savings required in the Medium Term Financial Strategy. The balance of £156,848 is across all services areas and represents a 1% variation in staffing budgets.
- **Corporate overheads** – across a range of corporate budgets savings and efficiencies are projected totalling a net £73,720. This includes: savings on external audit fees, telephony costs (due to a change in contracted supplier), reduction in charges paid to support area office based advice and information, and postages. Again, some of these savings reflect earlier implementation of future savings plans.

- **Council Offices** – Running costs, including business rates and maintenance, of Causeway House are expected to be lower by £72,200, mainly due to a reduction in non-essential maintenance and non-occupation of the various parts whilst the refurbishment works are carried out. This expenditure under spend is offset by reduction in rental income of £50,000 from letting of the second floor which will not now commence until April 2012.
- **Local Development Framework (LDF)** – The cost of LDF public inquiry costs are estimated to be lower by £30,000. New Homes Bonus funding was planned to be used to meet most of the costs of the LDF for the year.
- **Refuse & Recycling** – Forecast saving on recycling sacks of £32,200 – the number of sacks pre-delivered to households has been reduced, and whilst an increase in “on-demand” sacks is likely, the overall outcome is expected to be a lower number of sacks being used.

Expenditure adverse variances

- **Leisure Management** – The Council is projected to incur additional costs in the order of £75,000 in relation to its leisure facilities managed by an external contractor. These are largely due to the cessation of the joint use agreement for Bramston Sports Centre by the Maltings Academy from September, and changes to the application of the agreement covering the Halstead Leisure Centre and Ramsay School. The potential for financial risks had previously been highlighted in a report to Cabinet at their meeting in June 2011.
- **Council Tax Court Costs** – changes to the charging arrangements for court costs means that the Council is expected to be charged an additional £13,600 as fees are levied for each named taxpayer rather than for individual council tax properties. For example, where a property is taxed in joint names these would now incur double the court costs that would previously have been incurred.

Income positive variances

Additional income above budget was received in the following areas:

- **Refuse & Recycling** – The main reason for over achieved income is the anticipated receipt of income for mixed dry recyclable materials. In previous years the Council paid a gate fee, however, due to uncertainty over changes being made at the time of setting the original budget it was assumed that there would be nil expenditure or income. Based on estimated tonnage it is forecast that £219,000 of unbudgeted income will be received.
- **Benefit overpayment recoveries** – Assuming similar trend as last year the actual amount achieved at the end of the quarter 2 period would suggest an over achievement by the year end of £40,400.

- **Community transport/ concessionary fares** – Higher number of passenger journeys coupled with income from the reissue of lost passes and a balance of one-off grant received from the Department of Transport results in a predicted over achievement of income in this service area of £29,200.
- **Car parks (pay & display)** – Projected over-achievement of income from car parking is £23,900 based on the current charging regime.
- **Land charges** – an increase in demand for full searches has led to a projected over achievement of £33,000 for the year.
- **Treasury management investment income** – income from investments is projected to be a net £16,600 higher to the General Fund. Whilst the predicted level of return for the year of 1.08% is lower than the 1.25% assumed in the budget, the level of cash balances is averaging higher than was anticipated - £42.7 million as against £37.4 million.

Income negative variances

Whilst some service areas are experiencing increased income there are still a number of services where a shortfall is projected:

- **Development Control** – It is anticipated that there will be a shortfall in development control fee income against budget of £161,000 giving a projected outturn of £470,000. This outturn is marginally higher than the previous year of £457,000. The budget for 2011/12 was left at £631,000 as it was expected that the proposed change in fee setting arrangements would have been introduced and consequently our fees would have been increased. Whilst this position persists and is being recognised in the Council's future financial plans, in the medium term it is expected that decisions around fee setting will be devolved allowing the Council to set a scale of charges based on achieving a break-even position for the service for 2013/14.
- **Building Control** – Based on current trends it is projected that income will be down this year by £96,000 (22.3%) against a budget of £436,000. This represents a further deterioration in the £55,000 predicted shortfall at the first quarter.
- **Horticultural Services** – A number of contracts with schools have expired reducing income by £71,600, however, this has largely been offset by reducing staffing and other related costs.
- **Other services** – Other services where income levels are predicted to be lower than budgeted include: pest control – both from domestic and commercial clients (-£18,400), cemeteries (-£30,460), and Planning Policy – where recharges for time spent on capital projects (as opposed revenue funded projects) is less than originally expected (-£30,000).

Other service issues

- **Refuse & Recycling** – Taking into account the specific income and expenditure variances referred to above, along with other variances predicted across this service area the net variance for the year is projected to be £257,960. However, reflected within this overall variance is an over spend of £119,880 on the new food waste service introduced from September. This over spend is mainly due to the one-off start-up costs associated with the scheme, including; door stepping

(where advice and information has been given by visiting those households affected by the change), promotional and other advertising material, delivery of receptacles, and a contribution from revenue towards the capital cost of new vehicles. The food waste scheme is ultimately being fully funded by Essex County Council and the shortfall this year is effectively temporary (based on the financial profile of the business plan) and will be made good by a compensating revenue surplus in the next financial year.

Breakdown of Spend by Service Area

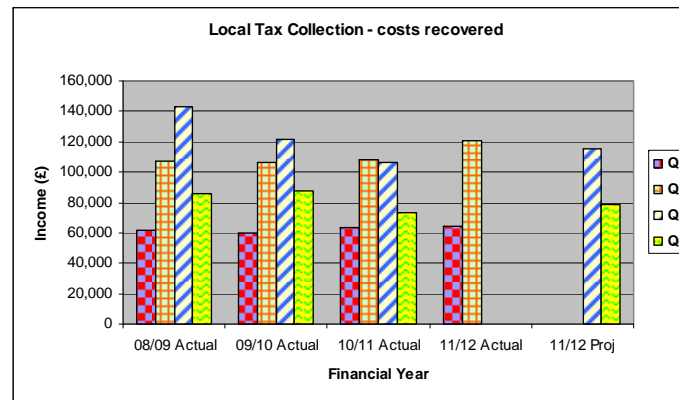
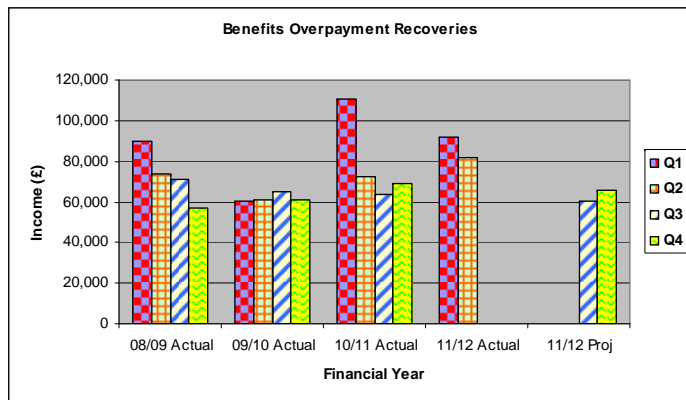
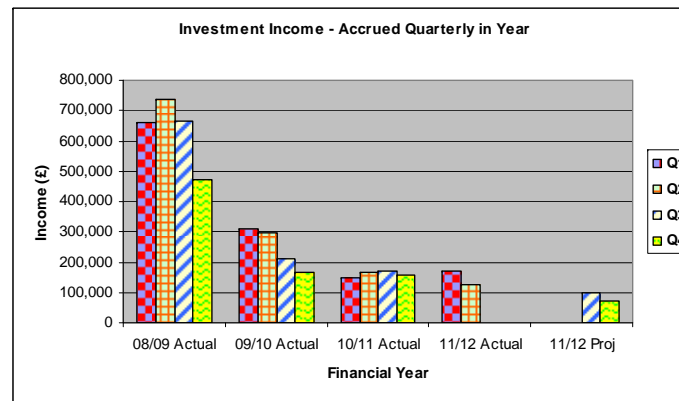
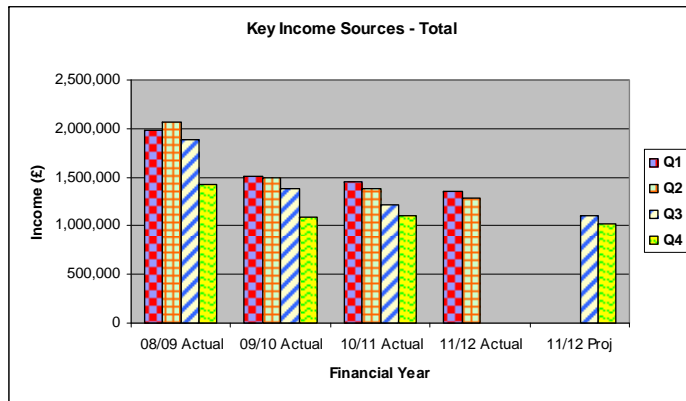
The following table provides a breakdown of the projected outturn by business plan service area.

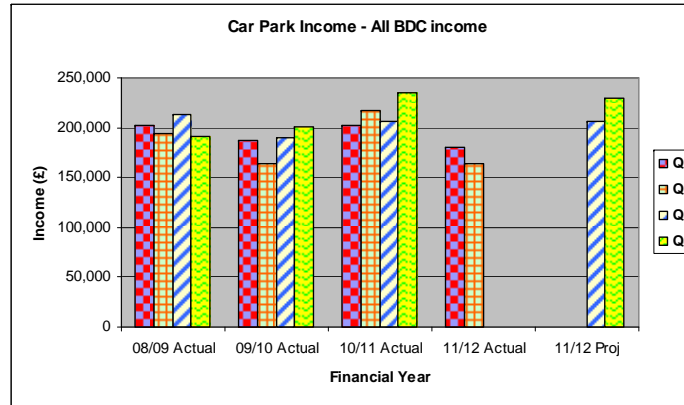
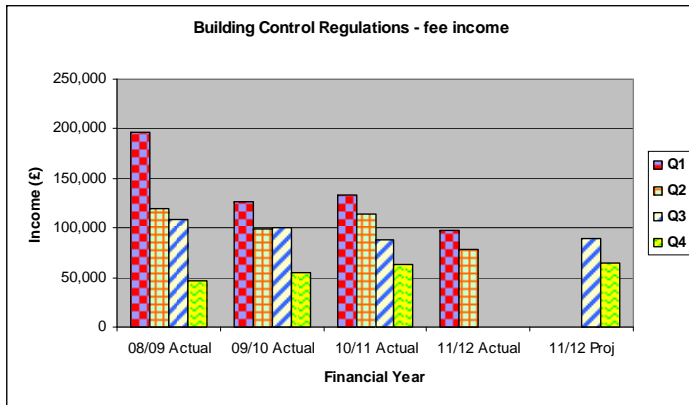
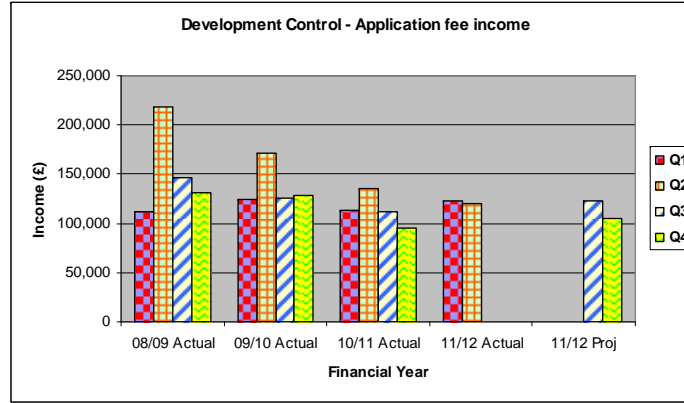
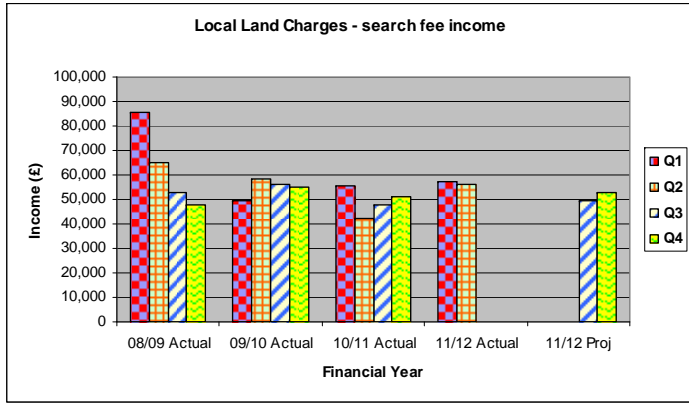
Business Plan	Original Controllable Budget £'000	Updated Controllable Budget £'000	Full year Net Spend £'000	Variance Exp. £'000	Variance Income £'000	Variance Adverse/ (Favourable) £'000	RAG Status
Business Solutions	1,810	1,773	1,682	(91)	-	(91)	-5%
Community Services	2,256	2,303	2,358	103	(48)	55	2%
Corporate Management Plan	1,418	1,418	1,302	(116)	-	(116)	-8%
Environment	925	913	955	(59)	101	42	5%
Financial Services	1,227	1,205	1,039	(132)	(34)	(166)	-14%
Housing Services	593	594	550	(44)	-	(44)	-7%
Operations	4,485	4,507	4,184	(261)	(62)	(323)	-7%
People & Democracy	1,916	1,916	1,901	(15)	-	(15)	-1%
Sustainable Development	723	912	982	(102)	172	70	8%
Service Total	15,353	15,541	14,953	(717)	129	(588)	-4%
Corporate Efficiency/ Vacancy Factor	(233)	(233)	-	233	-	233	-
Corporate Financing	1,981	1,793	1,800	5	2	7	-
Total	17,101	17,101	16,753	(479)	131	(348)	-2%

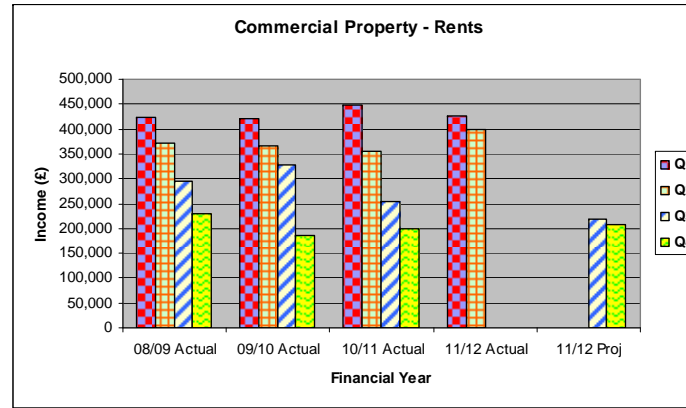
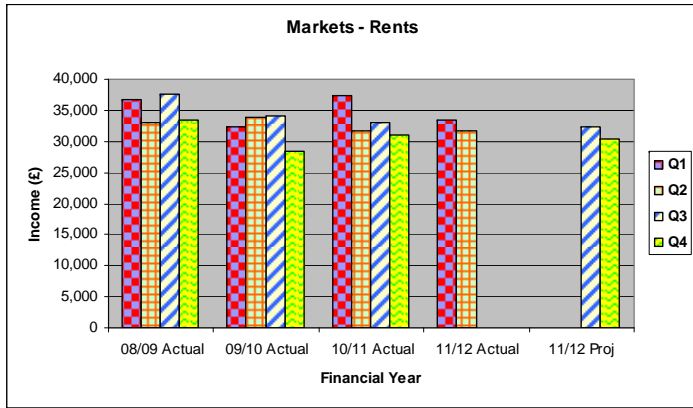
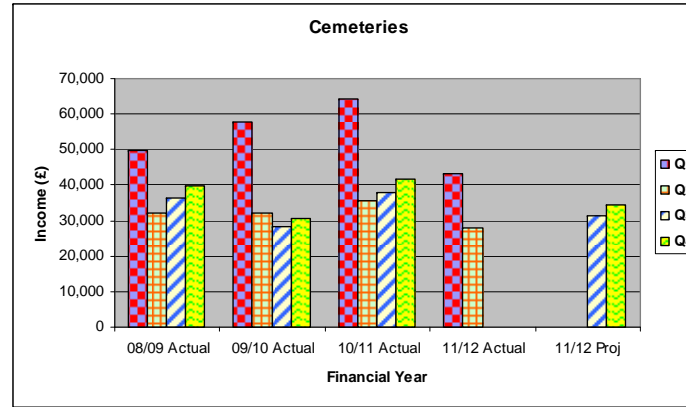
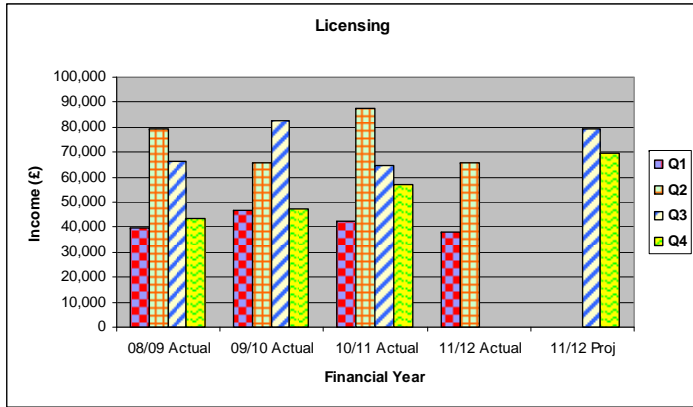
RAG Status: G = favourable or nil variance, A = up to 5% adverse variance, R = > 5% or £50k adverse variance

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 maintain 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 £21,700.
- Contribution of £45,000 towards corporate overheads for on-going financial and housing management support, along with a charge of £242,710 for pensions fund and redundancy costs relating to ex-employees and pensioners who had worked for services under the HRA.
- Investment and mortgage income on HRA related balances net of management charges – credit of £92,230.
- Amortised debt costs of £918,300, offset by Government housing subsidy.

The current projected position for the HRA is a deficit of £217,989 – this is £37,989 higher than the original budget of £180,000. The main reasons for the increased deficit are lower investment and mortgage interest (-£20,100), contribution towards redundancy costs (£4,210) payment of an insurance excess on pre-housing transfer claim (£5,000), legal fees on some outstanding land transfer matters (£2,508), and a general overall increase in the net cost of maintaining the retained housing dwellings (£6,171).

The deficit on the HRA is met from the retained HRA balance.

General Fund and Housing Revenue Balances

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

	General Fund	Housing Revenue Account
	£'000	£'000
Balance b/fwd at 1 April 2011	2,786	4,718
Add:		
Projected under spend at Quarter 2	348	-
VAT and tax refunds received	246	
Less:		
Amounts planned to be used in the original budget	(581)	
Mayland House net running costs	(187)	
Enterprising Community Fund	(250)	
Museum Trust	(50)	
Projected deficit for the year	-	(218)
Est. Balance at the year-end	2,312	4,500

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

- Projected full-year variance at this quarter's review
- Addition of VAT and tax refunds in respect of prior years received in the year
- Planned withdrawals agreed as part of the Budget setting process in February 2011, includes: Green Heart £100,000, town centre improvements £100,000, contract renewals, shared services and strategic procurement £200,000, setting up the Enterprising Communities fund £250,000, and an addition of £68,885 to meet the 2011/12 Council Tax setting objective of no change.
- Supplementary budget of £130,000 approved by Cabinet on 18 July 2011 for the higher net running costs of Mayland House, plus the balance of the amount agreed in the previous financial year (£57,000),
- Top-up to the Enterprising Community Fund approved by Council on 27 June 2011 bringing the total set aside to £500,000.
- Drawdown of an amount previously approved for the Museum Trust.

Risks and Assumptions to the Projected Outturn

The quarterly projections reflect the service managers' "best estimate" of the predicted outturn for the year and are subject to changing circumstances and unforeseen events. Directors and service managers continue to scrutinise all expenditure commitments in light of the planned savings set out in the medium term financial strategy.

Service income levels are inherently difficult to predict as substantially they are demand led and impacted by external factors.

Capital Programme and Resources

Capital spend for the year

New projects originally approved for the year amounted to £2.661 million. Taking into account previous year projects brought forward and subsequent approvals to the programme, the total programme for reporting purposes is £10.354 million:

	£'000s
Approved programme	2,661
<u>Add:</u>	
• Projects agreed in previous years	14,166
• Project approved in year (BDC capital resources)	3,131 942
• Projects approved in year (External/revenue funding)	
<u>Less</u>	(10,546)
• Amounts due to be spent in future years	
Current Programme for 2011/12	10,354

Approved in-year projects include the potential wind turbine for which funding has been earmarked (Cabinet 18 July 2011) pending the outcome of the initial surveys and Members then approving a preferred option. The majority of the amount set aside will be required for later construction and therefore has been profiled into future years.

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, 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 shown below:

	Programme 2011/12	Actual spend	Grants approved but not yet claimed/ paid	Budget Remaining	Spent/ Grants approved at end of Quarter
	£'000	£'000	£'000	£'000	%
General Fund	8,819	2,335	38	6,446	27%
Housing Investment	1,117	311	450	356	68%
Capital Salaries	418	209	-	209	50%
Capital Programme	10,354	2,855	488	7,011	32%

Major expenditure planned for later in the year includes completion of the Causeway House refurbishment and progress on construction of the new Witham leisure centre.

At the end of the quarter there were no significant over/ under spends against project budgets. However; a recommendation is being made to Council to allocate a further £104,000 for the repair of the Town Hall clock tower and provision of a new kitchen in the Town Hall Centre. In addition demand on the disabled facilities grant aid scheme is being monitored as Greenfields Community Housing are exhausting their resource commitment under the housing transfer agreement leading to the potential for a higher number of referrals to the Council. An additional allocation of £200,000 for disabled adaptations was approved by Council in September.

Capital resources

The main source of new capital resources anticipated for the year is from preserved right to buy receipts (£400,000), the Council's share of the VAT shelter established with Greenfields Community Housing (£1.7 million), and the New Homes Bonus (£430,000).

Greenfields CH have reported that there were 6 sales of dwellings completed to the end of September 2011, generating a commitment of £334,000 to the Council. VAT shelter monies in the first six months of the year totalled £1.092 million. The New Homes Bonus funds were received at the start of the year. There are no other significant capital receipts generated to date.