



**QUARTERLY PERFORMANCE  
REPORT**

**QUARTER 3**

**1<sup>ST</sup> October to 31<sup>ST</sup> December 2006**




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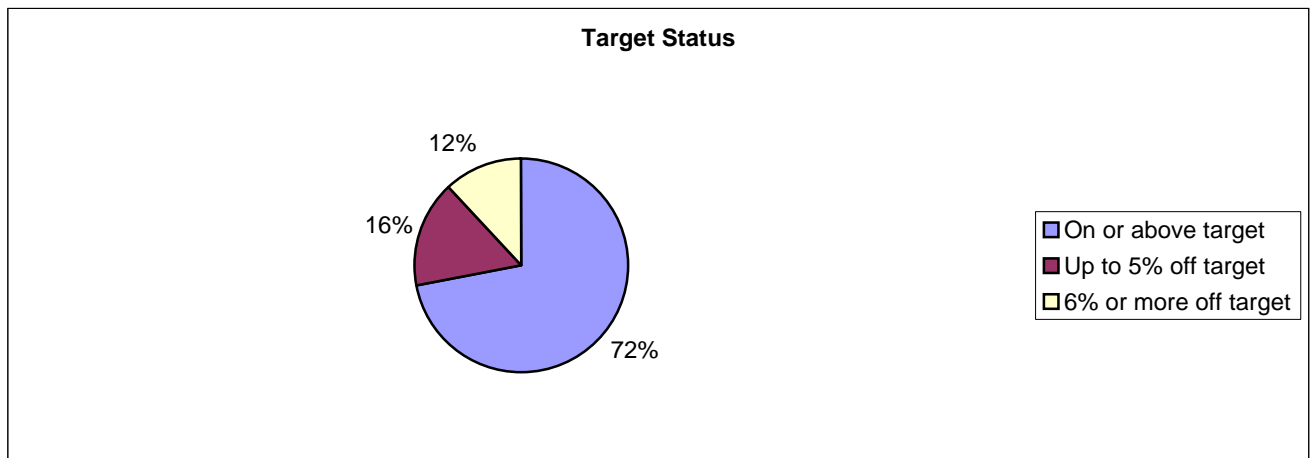
## 2006 / 2007 Quarter 3 Report




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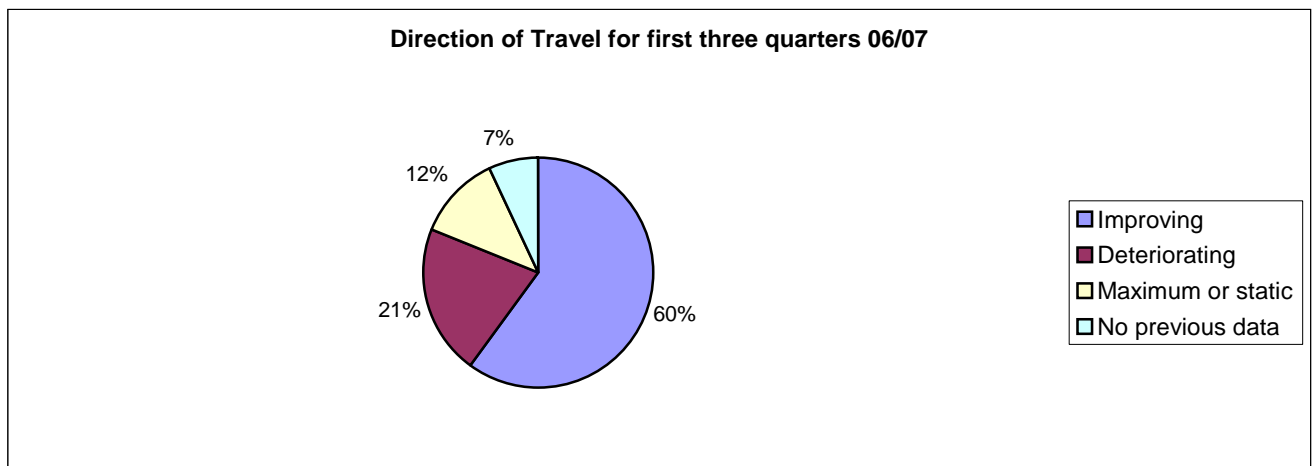
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**PERFORMANCE INDICATORS - SUMMARY**  
**QUARTER 3 – 1<sup>st</sup> October to 31<sup>st</sup> December 2006**

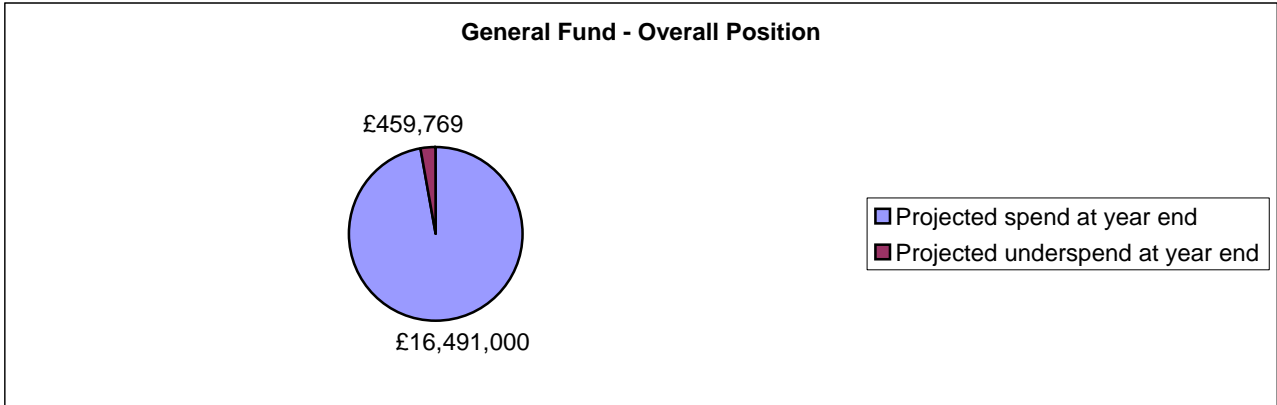
Traffic Light	Target Status	
	Performance is on or above target for the quarter	31 (72%)
	Performance is up to 5% off target for the quarter.	7 (16%)
	Performance is 6% or more off target for the quarter.	5 (12%)



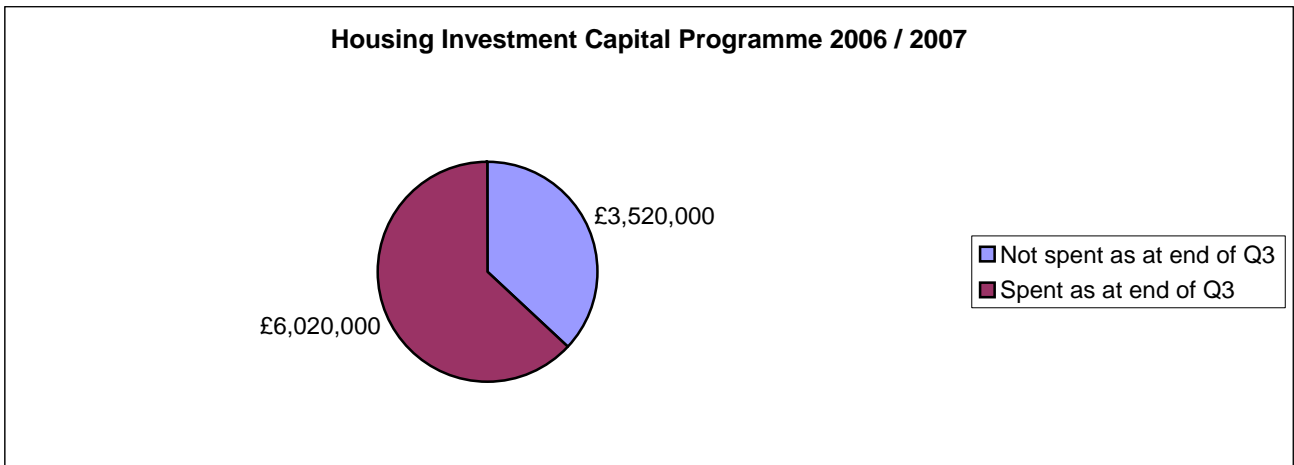
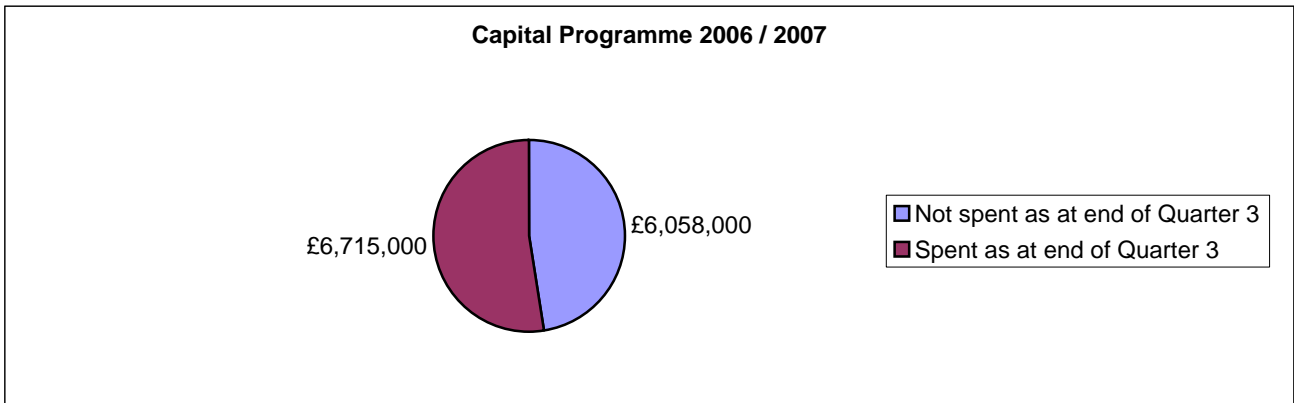
Direction of travel within the first three quarters of 2006/7		
	Performance has improved over the first three quarters.	26 (60%)
	Performance has deteriorated over the first three quarters.	9 (21%)
	Maximum performance is being achieved or performance has remained static	5 (12%)
N/a	No previous data for comparison	3 (7%)



**FINANCIAL PERFORMANCE SUMMARY**  
**Quarter 3 - 1<sup>st</sup> October 2006 to 31<sup>st</sup> December 2006**



The Housing Revenue Account projects an overspend of £1,900 against revised estimates at year end



## PERFORMANCE INDICATORS - QUARTERLY PERFORMANCE COMMENTARY

Detailed information in relation to each of the quarterly reported performance indicators is set out at the end of this commentary. This includes the outturn data for 2005/2006, quarterly performance where applicable over the course of 2006/2007 to date and the end of year target for 2006/2007.

This quarter's report includes reference to the Councils current quartile position nationally in 2005/2006 (ie to the 31<sup>st</sup> March 2006). A more in-depth analysis of this information - which has just been received from the Audit Commission - will be carried out by the end of February. It will include details of improvements carried out since the 31<sup>st</sup> March 2006 to date. The analysis will inform target setting for 2007/2008 and clearly specify those Performance Indicators which are in need of particular rectification action and monitoring over that period.

Performance on housing related indicators is worthy of specific mention. Of the 8 housing related indicators - only two (BV66b – tenants with more than 7 weeks rent arrears and BV212 – average time taken to re-let local authority housing) are currently more than 6% off target for the quarter. This is happening against a background of the massive housing transfer project and it was recognised at the start of the year that this may impact adversely on performance in the short term.

### Green Indicators (Performance is on or above target for the quarter)


Of the 43 Performance Indicators which are reported on a quarterly basis, 31 (72%) are on or above target for this quarter. 5 (12%) of those are at optimum performance. 16 are continuing to improve.

Highlights include:

- Many more people are making use of the Council's web site to access services. To date more than 18,700 transactions have been carried out so far this year compared with a total of 5,275 at the end of last year.
- Graffiti removal is at optimum performance with 100% of incidents being removed within the target timescales.
- Notwithstanding the roll out of the wheelie bins the number of missed bins per 100,000 population is also well within target for the year end.
- Housing repair indicators are all above target both for the quarter and for the year to date.

Whilst performance on **BV12** (Number of working days/shifts lost to the Local Authority due to sickness absence) is deteriorating over the first three quarters, the indicator is above target for Quarter 3 and for the year-end. However, even if the target of 10.25 days is achieved it will only place us in the 3<sup>rd</sup> quartile nationally (top quartile is 8.29 days or less).

Planning performance (**BV's 109a, b and c** – Speed of processing planning applications) has again improved over the 3<sup>rd</sup> quarter. However despite this improvement and the fact that the targets set for 2006/2007 are predicted to be achieved, projections indicate that we will remain in the 3<sup>rd</sup> or bottom quartile nationally at year-end.

**Amber indicators**  **(Performance is up to 5% off target for the quarter)**

Of the 7 indicators which are currently showing amber, 5 are showing an upward improvement trend. The two which are not are CHLP3 and CSLP1:

Comments about **CHLP3** (Number of complaints responded to in 7 working days) will be covered in the Complaints monitor for Quarter 3. This indicator needs to be revisited for next years performance plan. Although not a 'Best Value Performance Indicator', the Audit Commission bases our performance on the 'average number of days to respond to a complaint' and receives information about this from the Ombudsman. The quartile analysis recently received shows that we were in the 3<sup>rd</sup> quartile nationally at the end of 2005/2006 – a downward trend from the previous year.

**CSLP1** (Reduction in number of youth nuisance calls to the police) is an improvement compared with the same period last year and particularly when compared to the year-end figure for 2005/2006. However the number of calls has increased over the course of this year and indications are that the robust target set for this year may not be achieved. Comments are awaited from the police who provide this data but the increase in calls may be as a result of people being encouraged to call about anti-social behaviour in their area. The issue of perception also needs to be considered.

Performance for **BV79a** (The percentage of cases within a random sample for which the Authority's calculation of Housing and Council Tax Benefit is found to be correct) merits clarification. Due to the size of random sample (125 cases as required by the Audit Commission) the calculation can change can vary significantly as a result of minimal changes. We are currently improving at 97.60% (122 out of 125) which places us in 3<sup>rd</sup> quartile nationally. The top quartile is 99% (124 out of 125) . At the end of Quarter 2 we achieved 98.40% (123 out of 125) which placed us well into the 2<sup>nd</sup> Quartile (98.20% requirement).

The target profiling issue (see below) applies to **BV66a** (Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account dwellings). Collection rates traditionally increase over the last quarter of the year. However, despite this and although there is an improvement trend over the course of the year the PI is currently in the bottom quartile nationally.

**Red Indicators**  **(Performance is 6% or more off target for the quarter)**

Comments and corrective actions are set out against each of these indicators in the main body of the report.

**CHLP2** (percentage of staff turnover) is a locally set activity indicator rather than an indicator of performance. This will be reflected in next year's Performance Plan. The indicator shows a downturn against previous quarters because 14 temporary contracts have ended during Quarter 3. Given the current change management programme it is likely that this indicator will remain in the red for this year.

Of the other 4 indicators currently showing red, 3 are improving. The one which is not is BV66b where the corrective action set out in below has been put in place.

Although showing improvement over the course of the year **BV212** (Average time taken to re-let local authority housing (in days)) remains in the bottom quartile and in the current circumstances is unlikely to improve significantly.

## Contextual Information

### Performance Indicators reported

45 indicators were reported in Quarter 2 and 43 are being reported in Quarter 3. The one addition and three deletions are:

Added (omitted in error in previous report) - **BV 78a** (average processing time for new Housing and Council Tax Benefit claims)

Deleted – (annual indicators which do not require reporting on a quarterly basis)

**PLP 1** - the number of passenger journeys on the community transport scheme

**BV64** - the number of private sector vacant dwellings returned to occupation or demolished as a direct result of action by the local authority

**BV225** - provision and effectiveness of services designed to help victims of domestic violence


### Target Profiling

As increased performance information is received and our means of using it improve, the issue of target profiling across the year is a major issue when projecting year-end performance.


















Several of our indicators require profiling information - without which a degree of caution needs to be exercised when looking at performance against current targets. Using the information we have collected over 2006/2007 we will be able to include robust profiled quarterly targets in next years performance plan.










Allan Reid  
Chief Executive  
February 2007

**PERFORMANCE INDICATORS – DETAILED INFORMATION**

**Traffic Light: Green**   
**31 out of 43 indicators (72%) – 3 at maximum performance - 18 improving**

PI Ref	Description	2005/06 outurn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for year end 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
BV8	Percentage of invoices for commercial goods & services paid by the Authority within 30 days of receipt or within the agreed payment terms.	94.00%	95.63%	95.85%	95.74%	95.74%	95.00%	95.00%	↑	🟢	2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 97.30%
BV10	The percentage of non-domestic rates due for the financial year which were received by the authority	97.20%	30.11%	59.59%	86.28%	86.28%	85.50%	98.00%	↑	🟢	Bottom quartile nationally in 05/06. Top quartile is 99.30%
BV12	Number of working days/shifts lost to the Local Authority due to sickness absence	11.33	2.11	2.54	2.32	6.97	7.68	10.25	↓	🟢	Bottom quartile nationally in 05/06. Top quartile is 8.29.
BV78a	The average processing time taken for all new Housing and Council Tax Benefit claims submitted to the Local Authority, for which the date of decision is within the financial year being reported.	46.5	33.0	32.0	30.4	31.8	34.0	34.0	↑	🟢	Bottom quartile nationally in 05/06. Top quartile is 25.5
BV82a (i)	Percentage of the total tonnage of household waste arisings which has been recycled	20.79%	18.50%	21.57%	24.65%	21.57%	18.00%	24.00%	↑	🟢	2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 21.72.
BV82b (i)	Percentage of the total tonnage of household waste arisings which have been sent for composting or for treatment by anaerobic digestion	9.68%	14.40%	12.15%	12.76%	13.10%	12.00%	12.00%	↓	🟢	2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 14.67. The deterioration in quarters 2 and 3 reflects the seasonal variation in composting
BV84a	Number of kilograms of household waste collected per head	415.6	112.0	106.0	96.0	314.0	322.0	430.0	↑	🟢	Third quartile nationally in 05/06. Top quartile is 381.
BV109a	Percentage of major applications determined in 13 weeks	42.67%	66.67%	63.16%	70.00%	66.61%	60.00%	60.00%	↑	🟢	Bottom quartile nationally in 05/06. Top quartile is 74.75.

PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for year end 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
BV109b	Percentage of minor applications determined in 8 weeks	59.23%	73.03%	67.86%	75.60%	72.16%	65.00%	65.00%			Bottom quartile nationally in 05/06. Top quartile is 80.39.
BV109c	Percentage of other applications determined in 8 weeks	75.62%	80.93%	81.35%	83.60%	81.96%	80.00%	80.00%			Bottom quartile nationally in 05/06. Top quartile is 91.61
BV126	Domestic burglaries per year, per 1,000 households in the Local Authority area.	6.93	1.48	1.31	1.35	4.14	4.74	6.33			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 5.7.
BV127a	Violent crime per year, 1,000 population in the Local Authority area.	13.4	3.1	3.3	2.5	8.9	8.9	12.2			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 11.1.
BV127b	Robberies per year, per 1,000 population in the Local Authority area.	0.4	0.1	0.1	0.1	0.1	0.3	0.3			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 0.2
BV179	The percentage of standard searches carried out in 10 working days	94.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%			Top quartile nationally in 05/06. Top quartile is 100%.
BV183a	The average length of stay in bed and breakfast accommodation of households which include dependent children or a pregnant woman and which are unintentionally homeless and in priority need.	0	0	0	0	0	0	0			Top quartile nationally in 05/06. Top quartile is 1.35.
BV183b	The average length of stay in hostel accommodation of households that are unintentionally homeless and in priority need.	16.5	31.9	23	0	18.3	0	0	n/a		Bottom quartile nationally in 05/06. Top quartile is 0. The definition of this indicator was revisited during Q3. As a result College and Craig House now both fall outside of the scope of the indicator and figures for Quarter 3 have been reported accordingly.
BV199a	The proportion of relevant land and highways (expressed as a percentage) that is assessed as having combined deposits of litter and detritus that fall below an acceptable level	11.9%	7.0%	10.0%	Not applicable – see Note	8.5%	10.0%	10.0%			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 8.0. NOTE - DEFRA guidance requires this data three times a year, not quarterly, hence no data reported in Q3

PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for year end 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
CHLP5	The Percentage of enquiries resolved at the first point of contact	39%	79%	80%	83.6%	80.87%	65%	65%			Locally agreed PI. National quartiles are not applicable. Figures reflect the expansion and success of the Customer Contact Centre. Target needs to be revised significantly upwards.
CHLP6	The number of transactions carried out via the Council's web-site	5,275	7,082	6,508	5,191	18,781	6,000	8,000			Locally agreed PI. National quartiles are not applicable. Figures reflect a significant increase on last year's performance. As with CHLP5, the target needs to be revised upwards. The number of web transactions is under investigation, but the downwards trend may reflect a seasonal variation with a larger amount of transactions undertaken in the first quarter of the year.
CHLP7	The average telephone response time in the Customer Service Centre (in seconds)	28	12	11	15	12.67	15	15			Locally agreed PI. National quartiles are not applicable. The increase in response time in Quarter 3 is a consequence of the wheelie bin roll-out. New routes cause more missed bins and so more complaints. Previous experience shows that the figure will drop by the next quarter as the routes are learnt (see WCLP1)
CHLP9	The number of positive news items sent to the local press by the PR team and the % of those which are reported positively	105	44 (91%)	47 (96%)	66 (87%)	157	150	200			Locally agreed PI. National quartiles are not applicable.
HLP1	The percentage of responsive repairs with an appointment made and kept	74%	77%	83%	83%	81%	80%	80%			Locally agreed PI. National quartiles are not applicable.



PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for year end 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
HLP2	The percentage of emergency repairs which were completed within Government time limits	92.46%	99%	97%	99%	98.33%	95%	95%	↑	✔	Locally agreed PI. National quartiles are not applicable.
HLP3	Average time taken in days to complete non-urgent repairs	15	10	10	9	9.67	11	11	↑	✔	Locally agreed PI. National quartiles are not applicable.
WCLP1	Number of missed bins per 100,000	20.4	13.07	12.4	29.13	18.2	50	50	↓	✔	Locally agreed PI. National quartiles are not applicable. A low target was set for 05/06 in light the proposed wheelie bin roll-out. As it has been implemented complaints have increased. New routes cause more missed bins and so more complaints. Experience shows that the figure for will drop by the next quarter as the routes are learnt (see CHLP7)
WCLP3	Percentage of cases of graffiti removed from the public highway within 5 days of being reported	99%	100%	100%	100%	100%	100%	100%	■	✔	Locally agreed PI. National quartiles are not applicable.
WCLP4	% of cases of offensive graffiti removed within 24 hours of being report	new indicator	100%	100%	100%	100%	100%	100%	■	✔	Locally agreed PI. National quartiles are not applicable.
EHLP2	Percentage penalty charge notices paid without dispute	71.24%	74.23%	76.38%	77.51%	76.04%	75%	75%	↑	✔	Locally agreed PI. National quartiles are not applicable.
CSLP1a	Reduction in Youth Nuisance call to the Council	New indicator	System for recording being set up	System for recording being set up	7	7	7	28	n/a	✔	Locally agreed PI. National quartiles are not applicable. Data was collected for the first time in the 3 <sup>rd</sup> quarter.
CSLP2	Number of Domestic Violence incidents reported to the Police	1,164	274	249	Not supplied	Not supplied	586	1,163	n/a	✔	Locally agreed PI. National quartiles are not applicable. Data for December has not yet supplied by the Police however the figures supplied for quarters 1 and 2 show that this PI is on target.
WCLP2	% and Number of Fly Tips cleared within 24 hours of being reported	97.86%	98.63%	98.70%	99.03%	98.78%	98.5%	98.5%	↑	✔	Locally agreed PI. National quartiles are not applicable.

**Traffic Light: Amber**   
**7 out of 43 indicators (16%) – 5 improving**



PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
BV9	Percentage of Council Tax collected by the Authority in the year	98.00%	29.29%	58.11%	85.33%	85.33%	85.50%	98.50%			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 98.53%
BV66a	Rent collected by the local authority as a proportion of rents owed on Housing Revenue Account dwellings	98.16%	91.13%	94.09%	95.93%	93.72%	98.50%	98.50%			3 <sup>rd</sup> quartile nationally in 05/06. Top quartile is 98.84. The collection rate to date is slightly ahead compared with the same period in 2005/06. See comment for BV66b below.
BV79a	The percentage of cases within a random sample for which the Authority's calculation of Housing and Council Tax Benefit is found to be correct.	97.40%	96.80%	98.40%	97.60%	97.60%	98.00%	98.00%			3 <sup>rd</sup> quartile nationally in 05/06. Top quartile is 99.0%.
BV218a	Percentage of new reports of abandoned vehicles investigated within 24 hrs of notification.	49.43%	87.00%	83.00%	93.84%	87.95%	90.00%	90.00%			Bottom quartile nationally in 05/06. Top quartile is 96.12. Q3 Performance now exceeds target
BV218b	Percentage of abandoned vehicles removed within 24 hours from the point at which the Authority is legally entitled to remove the vehicle	23.26%	32.00%	38.00%	81.48%	81.48%	85.00%	85.00%			Bottom quartile in 05/06. Top quartile is 93.95. Correct interpretation of Audit Commission target applied during Q3. Amber performance is based only on accurate Q3 data.
CHLP3	Number of complaints responded to in 7 working days	79	78	73	76	76	79	79			Locally agreed PI. National quartiles are not applicable.
CSLP1b	Reduction in Youth Nuisance calls to the Police	3,236	798	975	757	2,530	2,400	3,200			Locally agreed PI. National quartiles are not applicable.

**Traffic Light: Red**   
**5 out of 43 indicators (12%) – 3 improving**

PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
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BV66b	The number of local authority tenants with more than seven weeks of (gross) rent arrears as a percentage of the total number of council tenants.	4.12%	4.40%	5.68%	5.98%	5.35%	4.13%	4.13%			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 3.39.
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**BV66b - COMMENT / CORRECTIVE ACTION**  
 (This comment also applies to BV66a above). During the 3<sup>rd</sup> Quarter, the Estate Management Teams prioritised workloads ensuring that leading up to the Christmas period the emphasis was placed on the collection of rent and arrears. The teams have also receiving in depth training from the Housing Quality Network Group on the management of rent accounts. This indicator is usually seasonal - rent arrears are known to rise in the third quarter and fall back towards the financial year end. At a current rate of 5.35% this indicator is currently in the 3<sup>rd</sup> quartile nationally and it is likely that the year-end position will place us in the 2<sup>nd</sup> quartile.



BV78b	The average processing time taken for all written notifications to the Local Authority of changes to a claimant's circumstance that require a new decision on behalf of the Authority.	10.6	16.0	15.0	13.9	15.0	8.8	8.8			2 <sup>nd</sup> quartile nationally in 05/06. Top quartile is 8.5.
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**BV78b – COMMENT / CORRECTIVE ACTION**  
 Regulations allow claimants 30 days to provide evidence. Reaching this target is therefore restricted by claimant response times. The Council's turnaround time is now less than two days for all benefit information - the other thirteen days are spent waiting for replies. We have no right to require users to respond within a shorter timeframe. The strongest possible encouragement is now being given to induce replies.

BV128	The number of vehicle crimes per year, per 1,000 population in the Local Authority area	8.4	2.3	2.0	1.8	6.1	4.7	6.3			3 <sup>rd</sup> quartile nationally in 05/06. Top quartile is 6.4.
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**Bv128 – COMMENT / CORRECTIVE ACTION**  
 This indicator is beyond BDC control. Data is supplied by the Police.

PI Ref	Description	2005/06 outturn	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Outturn to end of Quarter 3	Target for end of Quarter 3	Target for 2006/07	Direction of Travel to end of Quarter 3	Traffic Light	Notes
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BV212	Average time taken to re-let local authority housing (in days).	53	75	64	57	70	45	45			Bottom quartile in 05/06. Top quartile is 27.
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BV212 – COMMENT / CORRECTIVE ACTION

The figures show the third successive quarterly improvement across all property types. The data from 'Hard to let' properties continues to distort overall performance on this target.

**Explanation:**

The quarter out turn has now been split into 3 categories:


(i) General Let – 44 Days (improving) (ii) Sheltered – 263 Days (improving) (iii) Temporary (Homeless) – 64 Days (increasing)

**Corrective action:** In September the first half years performance on this target was reviewed alongside a review of the whole re-let process. An improvement plan was produced.

However, it is doubtful the actions/improvement measures will have an instant impact on the overall re-let times. It is extremely unlikely we will be able to reach the predicted target of 45 days overall.

The letting of sheltered properties is the principal cause – as we strive to let these 'hard to let' properties to maximise income, the length of time they have been empty (on average 263 days) is disproportionately affecting the overall re-let time. This is a consequence of having two contrary objectives – maximising income and reducing re-let times on other properties. The comment regarding capacity as a result of the housing transfer project and its impact on performance applies to this indicator.

**Amendment to the Target:** It is to be proposed to Management Board that the target be split into two: 1. General & temporary lets – 45 days & 2. Sheltered lets – 263 days.

CHLP2	Percentage rate of staff turnover per annum	14%	3.2%	3.2%	6.86%	13.26%	8.25%	11%			Locally agreed indicator. National quartiles are not applicable.
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CHLP2 – COMMENT / CORRECTIVE ACTION

3rd Quarter outturn is high - accommodating 14 year-end temporary contracts.

This indicator shows activity rather than performance and will be re-categorised in the year end report.

**QUARTERLY FINANCIAL POSITION - SUMMARY**  
**QUARTER 3 – 1<sup>st</sup> October to 31<sup>st</sup> December 2006**

**1. THE COUNCIL'S FINANCIAL POSITION**

**General Fund – Overall position**

The overall position for this quarter shows:

- A projected under spend of £476,260 for the year end on the overall General Fund after deducting budgeted savings and efficiency targets
- A projected net under spend on expenditure of £490,710
- A projected net over-achievement on income of £143,060

**Housing Revenue Account**

The projected variance for the year-end is in line with the Revised Estimate.

**2. CAPITAL PROGRAMME**

**General Fund Capital Programme**

The budget for the General Fund Capital Programme for 2006 / 2007 is £12.773m.

The **profiled** level of spend at the end of Quarter 3 was £7.892m

The level of **actual** spend at the end of Quarter 3 is £6.715m

**Housing Investment Capital Programme**

The budget for the Housing Investment Capital Programme for 2006 / 2007 is £9.54m

The **profiled** level of spend for the end of Quarter 3 was £6.364m

The level of actual spend at the end of Quarter 3 is £6.020m

**Capital Resources**

There are delays on the sales of a number of assets with a value of circa £5.1m, which are now expected to complete in 2007/08.

Over £1m of contributions has been received from third parties towards the capital projects for the Spinks Lane Artificial Pitch and Changing Facilities, and Braintree Pool.

Prudential borrowing is expected to increase by £682,000 to fund the acquisition of the Newland Street car park.

**3. KEY FINANCIAL INDICATORS**

Following a recommendation from the Audit Commission in last year's Direction of Travel Statement a number of key financial health indicators have been developed by the Audit Panel against which targets have been assessed. The majority of information provided above is included as part of the performance on key financial indicators. The rest are reported on the next page.

## OTHER KEY FINANCIAL HEALTH INDICATORS

### Spend against profile

Area of spend:	Variance to profile %
General Fund - Net Controllable	-2.44%
Housing revenue account – expenditure	+0.71%
Housing Revenue Account – Income	+0.59%
General Fund salaries	-3.32%
Housing Revenue Account – salaries	-3.82%

### Debt Outstanding

Debt type:	Debt outstanding at end Sept 06	Change from April 06
Debt – all sundry debtor debt excluding housing benefit	£1.430m	-£0.417 or 22.6%
Debt – housing benefit debt only	£0.737m	-£0.055m or 6.9%
Total All	£2.167m	-£0.472m or 17.9%

Note: the target is for all debt (excluding housing benefit) to be £1m or less by 31<sup>st</sup> March 2007.

### Treasury Management returns

Cash Fund:	Target	Actual	Variance
Return on cash invested – external fund manager (target 110% of benchmark*)	5.00%	3.95%	-1.05%
Return on cash invested – in-house team (target 102.5%)	4.66%	4.67%	0.01%

\* Benchmark 4.55%

#### **Comment:**

Following mixed monthly returns in the period since September, the external cash fund manager has been given notice that funds will be withdrawn if consistent out-performance is not achieved over the remainder of the year.

Additional detailed information about the Council's overall financial position and capital programme is set out below.

## THE COUNCIL'S FINANCIAL POSITION

### NOTE 1. Transfer of Housing Greenfield Community Housing

This financial statement continues to be compiled on the basis that unless appropriate to charge direct to a revenue account, the costs incurred on the housing transfer will be met from the future capital receipt. In 2006/07 £317,000 of costs incurred considered to be in relation to 'housing management' have been charged to the Housing Revenue Account and is included in the Revised Estimate.

<b>1. GENERAL FUND – OVERALL POSITION</b>	
<b>Budget</b>	£16.491m
<b>Projection for Year End</b>	Under spend of £476,260* (last quarter £237,864 under spend)
<b>+ / - %</b>	-2.9%
<b>Comment:</b>	
<p>There has been a change in the projected under spend of £238,396 from that reported at the second quarter. The main issues contributing to the change are:</p> <ul style="list-style-type: none"> <li>• Increased investment income;</li> <li>• Overall reduction in the net expenditure on waste management - refuse collection and recycling schemes, including promotional costs;</li> <li>• Increased deficit support from the County Council under the decriminalisation of parking enforcement (DPE) scheme;</li> <li>• Lower spend expected against resources carried over from the 2005/06 year;</li> <li>• Savings on the ICT contract; and</li> <li>• Lower contributions to the pension fund.</li> </ul> <p>Against the net under spend there are currently provisional requests to carry forward resources into 2007/08 amounting to £213,840, including £131,900 of initiatives identified in business plan bids submitted for the 2007/08 estimates which were to be found from within existing resources. A further £81,940 has been provisionally identified subject to approval when the final outturn is reported in June.</p> <p>In addition to the net under spend, during the quarter the Council received an additional allocation of planning delivery grant of £91,208. Part of this is being used to fund staff commitments, with the remainder going into general balances.</p> <p>A provision was created in the 2005/06 accounts due to uncertainties surrounding the benefit subsidy entitlement for the year. This has now been resolved, and after allowing for other corporate costs, now leaves a balance of £49,030. This has been added to the financial system reserve as bespoke software will be required for the future transfer of rent rebate cases to rent allowances, thereby eliminating a significant amount of staff time that would otherwise be involved.</p> <p>One area of the budget that still remains fairly uncertain is the costs of the new statutory free full fare travel scheme. At the second quarter it was reported that transport operators had appealed against certain aspects of the reimbursement scheme. An interim award has now been made which will result in additional payments being made, plus, importantly, the removal of any form of 'cap' on reimbursement. This now means that cost certainty will not be achieved until such time that the outturn figures are agreed for the year, not likely before end June 07. Consequently, it is felt prudent at this stage to retain any potential budget under spend as provision against this final settlement.</p> <p>The Council is still awaiting the result of the bid submitted for the "Smart Arts" project under Round 9 of the Government's Invest to Save scheme. If successful the project will require a contribution from the corporate under spend as part of the match funding.</p> <p>* The under spend is after deducting £157,510 for the vacancy factor</p>	

## 2. GENERAL FUND – EXPENDITURE

Projected year-end variation this Quarter		Projected year-end variation last Quarter
Net under spend of £490,710		Net under spend of £305,305
Areas of projected under spends	Year end projection	Comment and Reasons / Remedial Action
Resources carried forward from 2005/06 no longer required	-£101,810	<p>Following a review of progress against the resources carried forward from 2005/06 the following areas no longer require the level of funding allocated:</p> <ul style="list-style-type: none"> <li>• Extension of parish ranger service and introduction of community wardens likely to under spend due to phased introduction commencing Oct 2006;</li> <li>• Strategic partnership role – originally a new two year fixed term contract, now the role is to be undertaken from within existing resources;</li> <li>• Electoral registration – additional funding through government grant;</li> <li>• Homelessness – rent deposit/ top-up scheme is demanded and currently forecast not to require the level of funds allocated;</li> <li>• CPA direction of travel/ peer review – anticipate costs being partly covered from regional funds</li> </ul>
Waste Management – Refuse Collection and Recycling Schemes	A projected under spend of £227,110, offset by less income of £130,600 = net under spend on the service of -£96,510	<p>The projected net under spend represents just 3% of the £3.1m controllable budget. The service is subject to a whole range of factors affecting costs and income making it difficult to be precise about the final position. The service is responding to changes from:</p> <ul style="list-style-type: none"> <li>• The roll-out of the alternate weekly collection schemes to Halstead and other areas;</li> <li>• Directions from the disposal authority over where the residual waste can be tipped;</li> <li>• Arrangements for tipping and related payment scheme for green waste;</li> <li>• Renegotiations over gate fees at external material reclamation facilities and other disposal costs e.g. related to trade waste;</li> <li>• Introduction of partnership working with Uttlesford DC.</li> </ul> <p>Where possible external contributions have been secured and service improvements and efficiencies introduced, e.g. operating a shuttle vehicle thereby reducing downtime created by journeys to landfill.</p>
Discovery Centre	-£57,300	A backdated business rate refund has more than offset the higher operating costs of the Centre.
Environmental Policy – Recycling promotion and education activities	-£48,400	Less expenditure against budgets allocated for promotion linked to the extension of alternate weekly collections, which is now expected to be covered through schemes funded from external grant (WRAP)
ICT services	-£31,400	Savings achieved on the contract that were originally intended to be used to support staffing requirements on E-government projects (Note: under spend is after adding £100,000 revenue to the E-Government reserve to complete related projects)
Strategic Housing	-£14,000	Lower payment to the Care Trust as sheltered housing furniture costs are now met directly by the Housing Revenue Account.
Other staffing related variances not reflected in other reasons (net)	-£97,800,	This relates to the net under spend on salaries and other staff related budgets other than where reflected in the above specific issues. This mainly arises from vacancies, appointments to lower grades, retirements, and other changes to operational requirements.

Areas of projected over spend		
Street Scene Services	+£42,300	Additional costs due to a staff redundancy plus expenditure on carrying out a business efficiency review
Council offices/ depot	+£24,500	Higher utility costs due to increased cost of electricity and gas
Landscape & Countryside	+£22,000	Reactive tree maintenance work on health and safety grounds exacerbated by the recent high winds

3. GENERAL FUND – INCOME		
Projected year-end variation this Quarter		Projected year-end variation last Quarter
Net over-achievement of £143,060 *		Net over-achievement of £122,039
Areas where income projected to be under achieved		Reasons / comment
<p>* At the second quarter car park income showed an overall shortfall of £49,650 against budget across the different aspects of service (e.g. pay &amp; display, on-street and off-street enforcement). The latest projection indicates that this shortfall should be covered for the year by additional DPE deficit support paid by the County Council (including a backdated element for the first 18 months of the scheme up to the end of March 06). However, as the County Council has deferred auditing the Council's claims until it submits the one for 2006/07, the level of ongoing future financial support cannot be guaranteed at this time.</p>		
Waste Management	-£130,600	(See comment under expenditure variance)
Charges between Funds	-£109,200	Estimated amount of under spend that will benefit other Funds (e.g. capital/ Housing), based on a reassessment of apportioned costs using the latest projected outturn costs for service units and other overhead accounts. The main area of reduction is with regards charges to capital following staff retirements
Areas where Income projected to be over-achieved		Reasons / comment
Investment & interest income	+£104,950	Additional investment income due to higher cash balances, plus interest accrued on land acquired in advance of a future disposal package.
Housing Benefit	+£34,900	The confirmed level of administration grant from the DWP is higher than expected, coupled with an over achievement of costs recovered.
Development control	+£59,100	Over-achieved fee income and sales of planning publications
Local Land Charges	+£37,700	Projected increased income as throughput exceeds that of 2005/06 over the same period. Future income levels are uncertain due to the proposed introduction of a new statutory scheme of Guidance for setting land charges.
Horticultural services/ Street cleansing	+£76,900	External contracts and one-off orders, plus reimbursements for highway verge cutting
Asset Management	+£22,600	Net additional income from the property rental portfolio
Housing Advisory	+£17,000	Government grant for homelessness
Environmental Protection	+£18,900	One-off income from small repayments of improvement grants
Other Services (Net)	+£10,810	Additional income across other service areas, e.g. Building Control, Licensing, Health protection, offset by under-achievement on the Discovery Centre and Procurement

#### 4. HOUSING REVENUE ACCOUNT – OVERALL POSITION

<b>Projected variance for year end</b>		Over spend of £1,900 against Revised Estimate (to be agreed at February 2007 Cabinet/ Council)
<b>Main contributory factors – over spends</b>		
Area	Amount	Comment
Supervision and management costs	+£25,000	Increased gas energy costs of sheltered housing blocks. The proposed changes to service charges from April 2007 should recoup an element of the on-going higher costs.
	+£37,000	Increased number (and cost) of void clearances as tenants are re-housed via the tenant incentive scheme and nomination rights with other housing associations
	+£35,000	Increased spend on void repairs (see above comment)
Repairs and Maintenance	+£5,600	Increased fleet operating costs
	+£5,600	Increased fleet operating costs
<b>Main contributory factors - under spends or over achieved income</b>		
Other income	-£17,000	Increased income projected from leasehold properties
	-£7,000	Higher income from small asset sales.
	-4,600	Other income
Supervision and management costs	-£37,400	Increased in charges to other funds, mainly to capital projects.
	-£29,400	Savings on vacant posts
	-£5,300	Other projected net under spend across all services

#### 5. PROGRESS ON SPEND OF CARRY FORWARDS AND OTHER EARMARKED FUNDS

Total amount carried forward from 05/06:		£789,600 of which £686,790 is now projected to be spent in 06/07 and 07/08		
	Quarter1	Quarter 2	Quarter 3	Year End
Cumulative amount spent to end of:	£96,818	£319,589	£406,628	
Comment:				
<p>During the quarter an additional £87,039 has been spent against the resources brought forward, including:</p> <ul style="list-style-type: none"> <li>• Payment for work completed on the study of the District;</li> <li>• Contribution towards youth action worker;</li> <li>• Rent deposit/ top-up scheme</li> <li>• Grants paid to the Greater Haven Gateway Housing Sub-Regional Board (councils working in partnership), and the Stansted Partnership to assist securing inward investment into new affordable housing scheme;</li> <li>• Contribution towards the trial on enforcement of 'no parking' on grass verge areas across the district being carried out in partnership with the County Council;</li> <li>• Autumn litter pick and extra sweeping of the Braintree bypass; and</li> <li>• Purchase of additional litter bins.</li> </ul> <p>A further £180,502 has been committed, or otherwise planned for spending by the end of the year. Following a review of progress after the second quarter, projects totalling £99,660 are expected to slip into the 2007/08 year, and £102,810 of funds allocated is now no longer expected to be required and is reflected in the projected revenue outturn.</p>				

<b>6. SAVINGS AND EFFICIENCIES</b>					
Type of Saving	06/07 Target		Amount identified so far this year		Amount still to be found
<b>Customer First Savings</b>	£274,000		£274,000		-
<b>Comment:</b> During the quarter further budget adjustments have been identified which has resulted in the Customer First Savings target being found.					
<b>Annual Efficiency Statement (Gershon)</b>	<b>Annual Cumulative</b>	£462,000 £924,000 (£1.099m actually achieved at end of 05/06)	<b>Annual Cumulative</b>	£312,000 £1,411,000 (estimated)	<b>Not applicable</b>
<b>Comment:</b> The Council has an annual target set externally by the Government of achieving 2.5% per annum efficiencies, which equates to £462,000 per annum and a total of £1.386 million by the end 2007/08.  To date the cumulative figure achieved by the Council is £1.099m. Further planned ongoing efficiencies of £312,000 were highlighted in the Forward Look Annual Efficiency Statement for 2006/07 and which, subject to meeting definition and quality requirements, shows that the Council is well on track to achieving its cumulative target.					

## **7. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS**

	Last quarter	This quarter
Projected overall year end return for 06/07 (against a budget of 4.50% and compared to an estimated benchmark rate for 06/07 of 4.74%)	4.68%	4.72%
Projected total investment income for 06/07 (compared to an updated estimate of £1,573,510)	£1,688,718	£1,714,543
Estimated extra income to be retained in General Fund	£44,120	£66,160
Amount to be transferred to the treasury reserve for risk management purposes	£28,000	£45,000
<b>Comments:</b> Whilst recent interest rate increases have contributed to an increase in absolute investment returns, this has also meant that it has been harder to outperform benchmark, particularly on in-house funds which have been under pressure due to the cash flow demands of the capital programme limiting investment opportunities for longer periods. £5m of cash is being withdrawn from the external cash fund manager to meet forecast cash flow requirements for the remainder of the year.  The external cash manager produced a quarterly return of +20 basis points above benchmark, consistent with that achieved in the second quarter. Cumulative returns for the year remain below both benchmark and contract target. Consequently, the manager has now been put on notice that continuation of service is dependent upon consistent performance for the remainder of the year.		

## 8. RESERVES AND BALANCES

		This quarter	Last quarter
Current balances brought forward at March 2006		£2.170m	
Projected addition / reduction to General Fund balances at year end		£477,648	£277,724
Revised projected level of balances at end of 06/07		£2.648m	£2.448m
<p>The addition to balances reflects £164,430 planned in the updated budget, plus the projected under spend for the year (after allowing for provisional carry forwards) of £262,420, plus the balance of the extra planning delivery grant received for 2006/07 of £50,618.</p>			
<b>Forecast changes to earmarked reserves since the last quarter</b>			
+£293,600	Movements on the carry forward reserves to reflect projects to be completed in 2007/08, including business plan bids to be carried out within existing resources, along with provisional requests for additional monies to be carried over (subject to future Cabinet approval)		
+£100,000	Addition to the E-government reserve from revenue under spends in order to provide funding for completion of projects.		
+£75,530	Addition in respect of potential software requirements for a business improvement district, and benefit transfer software to convert rent rebate cases to rent allowances post transfer of housing.		
+£17,000	Further addition to the treasury management reserve from out performance above the budgeted investment rate of return		
+£40,590	Addition to planning delivery grant reserve from the extra funds received for 2006/07 to meet committed staff costs as per budget strategy		
-£15,000	Funding of management review costs		
<b>Other Balances</b>			
<p><b>Housing Revenue Account</b> The projected end of year balance for the HRA is £5.136m after allowing for a reduction of £693,000 based on the Revised Estimate and latest projected outturn.</p>			
<p><b>Collection Fund</b> The projected end of year balance on the Collection Fund is £774,640, which will be shared between the major precepting authorities and this Council and which will already have been taken into account for the purposes of calculating next year's council tax.</p>			

## CAPITAL PROGRAMME 2006 / 2007

The Capital Programme is divided between General Fund Projects and Housing Investment Schemes.

GENERAL FUND PROJECTS					
The General Fund Capital Programme budget for 2006 / 2007 is					£ 12.773m*
		Quarter1	Quarter 2	Quarter 3	Year End
Profiled	Amount	£0.594m	£3.833m	£7.892m	
Actual	Amount	£0.637m	£2.708m	£6.715m	

\* = includes budgets carried over from last year. This is a reduction on the budget reported in Quarter 2 (£12,987m) as budget are now profiled for spend in 07/08.

Main variances to this Quarter's profile		
Amount £	Under or over profiled spend	Project / comment
£414,000	Under	Braintree Pool - due to a combination of timing delay of around 4 weeks, and valuation of works carried out being different to that originally assumed in the profile. Discussions are currently ongoing with the contractor to assess whether or not the timing delay can be made up at a later stage of the project. In addition it has been identified that additional funds of £250,000 is required to complete the project (including reinstating the contingency sum) which has been the subject of a separate report to the February 2007 Cabinet.
£197,000	Under	ICT/ e-Government projects – currently spending behind profile primarily due to the Siebel project on which expenditure has been frozen, as priorities in this area are re-assessed. However, it is still anticipated that all projects would be completed by the end of the year.
£187,000	Under	Braintree Leisure Centre and other leisure projects for which requirements have been clarified; however, projects are now likely to be completed in 2007/08.
£163,000	Under	Expenditure has been deferred pending a decision by the service on a vehicle replacement.

HOUSING INVESTMENT SCHEMES					
The Housing Investment Capital Programme for 2006 / 2007					£ 9.54m*
Social Housing Grants					£83,000 below profile**
Private Sector Grants					£157,000 below profile***
		Quarter1	Quarter 2	Quarter 3	Year End
Profiled	Amount	£1.442m	£3.792m	£6.364m	
Actual	Amount	£1.521m	£3.869m	£6.020m	
<b>Comments:</b>					
* Including budgets carried forward from last year and an addition in relation to social housing grant financed from Section 106 monies.					
** Budget relates to the following schemes:					
<ul style="list-style-type: none"> <li>• St. Michaels Hospital site £125,000 – (scheduled for Dec 06) currently experiencing some delay and therefore no payment made in the quarter</li> <li>• Bridge Hospital £475,000 – (scheduled for March 07)</li> <li>• Bailey Bridge Road £350,000 (scheduled for Jan 07) – some payments made in advance mainly in relation to tenant disbursement</li> </ul>					
*** Private sector grants are below profile (£157,000) - timing of payments is demand led however the budget remains fully committed.					
Expenditure is slightly below profile in relation to the housing stock (£104,000 or 1.85%).					

## CAPITAL RESOURCES

### Comments on progress and changes against original plans:

**Capital receipts:** The latest forecast for receipts in the year is £5.517m. This is after allowing for the following asset sales that have been delayed totalling circa £5.1m which are now expected to be completed in 2007/08:

- Land in Halstead
- Spring Lodge
- Freebournes Court

**Third Party Contributions:** Funds are currently being drawn down from the Football Foundation for the Spinks Lane Artificial Pitch and Changing Facilities project. To date £616,576 has been received of the total £1m allocated, and claims are now being made monthly.

Following completion of legal matters, the Council has also commenced drawing down against the £2.5m contribution from Realm (Freeport) towards the cost of the new Braintree pool. To date £407,163 has been received, with a further claim of £436,994 currently being processed by the respective Solicitors.

**Prudential Borrowing:** An additional £682,000 of prudential borrowing (effectively reducing cash investments) is being applied to meet the acquisition of the freehold of the Newland Street car park.