



THIRD QUARTER **PERFORMANCE MANAGEMENT REPORT**

1st October 2019 to 31st December 2019

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Section 1: Introduction and Summary






Purpose of the Report

The purpose of the report is to demonstrate the performance of the Council at the end of the third quarter in relation to the publication of the 'Annual Plan 2019/20'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2016-20 sets out the priorities we are working towards. We have also signed up to 'The Future of Essex' which is a vision shared by more than 100 partners, all dedicated to improving the county over the next 18 years. The projects that are supporting this vision are marked with **(E)**. Further detail is given in relation to a 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 performance indicators used to measure the outcomes are available upon request.

Summary of the Corporate Projects current position for the end of the third quarter

The following table provides updates for the end of the third quarter in relation to the key activities in the 'Annual Plan 2019/20'




Corporate Priorities	Status of projects and actions				
					
Environment and Place	2	5	0	0	0
Strategic Growth and Infrastructure	1	9	0	0	0
Economic Development	0	10	0	0	0
Heath and Communities	3	10	0	0	0
Finance and Performance	2	5	0	0	1
Overall Strategy and Direction	0	6	0	0	0
TOTAL	8	45	0	0	1

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 end of the third quarter

The following table shows the performance for the end of the third quarter in relation to the quarterly reported Performance Indicators that have targets set as defined in the 'Annual Plan 2019/20'.

Corporate Priorities	Status of indicators			
				Data Only
Environment and Place	3	0	1	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	2	0	0	0
Finance and Performance	4	3	0	0
TOTAL	11	3	1	0

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 Council has performed well in the third quarter of the year with the completion of a further three projects and the majority of remaining projects on track and progressing well.

Eleven performance indicators have met or exceeded target and four performance indicators have missed their target. Three have missed target by less than 5% and one missed target by more than 5%. The areas of underperformance are in relation to recycling rates (>5%), response times for stage one complaints (<5%) and the collection rates for Council Tax (<5%) and Business Rates (<5%).

As we enter the final quarter of the year, we will continue to focus our resources on delivering the best service to our customers and achieve our corporate objectives.







Environment and Place

Project description and comments	Target Date	Status
Respond to the consultations on the new Government Resource and Waste Strategy for England and consider proposals in relation to the Council's refuse and recycling service		
The Council has provided a response in May 2019 to the consultation published by the Department for Environment, Food and Rural Affairs (DEFRA) outlining the Governments proposal on plastic packaging tax. We are currently waiting for a further consultation on the Deposit Return Scheme which is likely to take place in early 2020.	March 2020	▶
Continue to promote and raise awareness of the importance of minimisation, reuse and recycling to both residents and businesses to reduce the amount of waste sent to landfill		
The Council has been working with Essex County Council and other local authorities on the "Love Essex, not plastic" campaign aimed at encouraging everyone to use reusable products in place of single-use plastics. The campaign starts on 6th January 2020 and is due to last for 12 months with a new reusable alternative product to be promoted every 4-6 weeks. A Christmas e-newsletter with lots of advice on a "greener Christmas" was put together and sent to residents signed up to receiving e-newsletters at the beginning of December, providing details of the revised waste collection dates over Christmas and ideas on how to dispose of real Christmas trees.	March 2020	▶
Refurbish the four play areas at St Mary's Road in Rivenhall, Ashpole Road in Bocking, Mill Chase in Halstead and Clare Road in Braintree		
Refurbishments were completed to the play areas at St Mary's Road in Rivenhall, Ashpole Road in Bocking and Mill Chase in Halstead. The refurbishment to the play area in Clare Road, Braintree is due to be completed by the end of February. A change control has been processed to amend the end date of the project from December to February 2020.	February 2020	▶
Continue to protect our larger open spaces from illegal encampments by creating earth bunds and ditches to prevent disruption and inconvenience to local residents		
All sites in this project have been completed and are now secured against illegal encampments.	November 2019	✓
Replace the benches in parks and open spaces ensuring they are fit for purpose allowing residents and visitors to enjoy recreational time		
Benches have been replaced in Halstead public gardens and Halstead cemetery allowing residents and visitors somewhere to sit and enjoy recreational time.	August 2019	✓
Continue to investigate and enforce littering, dog fouling and fly-tipping offences to help keep the district looking clean and tidy		
Since April, a total of 92 fixed penalty notices have been served for littering, dog fouling and fly-tipping offences. 41 penalty notices were served in the third quarter.	March 2020	▶
Deliver a car litter campaign to support the introduction of new legislation		
The district wide 'Love Essex' campaign to highlight the recently increased fines that people throwing litter from their car face and to encourage people to dispose of their litter responsibly ended on the 27 th October 2019. Monitoring took place, before, throughout and after the campaign and we are currently awaiting the results of the monitoring from Keep Britain Tidy	March 2020	▶



Strategic Growth and Infrastructure







Project description and comments	Target Date	Status
(E) Continue to work towards completing the examination and adoption of the Local Plan		
The consultation on the additional evidence base in supporting the development of Garden Communities closed on the 30 th September 2019 and the independent planning inspector has been reviewing over 1,000 comments received. The inspector has scheduled the examination of the Local Plan for January 2020 and the service is busy preparing statements to feed into this process.	December 2020	
(E) Formally adopt the first Neighbourhood Plan in the district		
The first Neighbourhood Plan in the district has been formally adopted at a meeting of Full Council in July 2019. The Bradwell and Pattiswick Neighbourhood Plan can now be used when considering planning applications within the parish of Bradwell and Pattiswick.	July 2019	
(E) Continue to work with partners to provide housing, employment and supporting infrastructure to address our long term housing and community needs		
The long term approach to how homes, jobs and infrastructure are developed for future generations is set out in Section one of the Local Plan. This will be considered by the Planning Inspector in January following work on the additional evidence supporting three new garden communities.	March 2020	
(E) Develop Council owned sites to deliver additional mixed tenure homes across the district and consider establishing a Council owned Housing Development Company		
At Cabinet in September 2019, members granted delegated authority for the disposal of seven sites subject to planning. The heads of terms have now been agreed with Chelmer Housing Partnership on all seven sites on a subject to planning basis. Chelmer Housing Partnership have appointed architects and progress will be monitored by the Strategic Investment Team.	March 2020	
(E) Commence construction of the regeneration of Braintree Town Centre enhancing the appeal of the town to residents and visitors		
Contracts have now been signed with Kier Construction (Eastern) Ltd and pre-construction design is underway. Some preliminary works have commenced with the car parks due to close on the 2nd March 2020 and possession of the full site on the 23rd March 2020. Completion is anticipated late August. A change control has been processed to amend the end date of this part of the overall project from December 2019 to March 2020 to take into account the revised start on site date. Plans to pedestrianise part of Braintree town centre have been approved at Cabinet in December and further consultation has started to give residents and local businesses the opportunity to feedback and influence the designs for the pedestrianisation scheme.	March 2020	
(E) Continue to work with Essex County Council to reduce congestion on the local road network in Braintree		
Essex County Council is continuing to work with our Planning Department on the works required to the roundabout as part of the S106 for land West of Panfield Lane, which was granted planning approval subject to S106 in July 2019.	March 2020	
(E) Work with Essex County Council and Highways England to secure planning consent and commence construction of new slip roads linking the A120 to Millennium Way alleviating congestion		

at Galleys Corner		
A planning application was submitted to Essex County Council in May 2019 and we are still awaiting the outcome. We continue to work with Essex County Council and Highways England as the project moves into the design phase and it has been confirmed, subject to completion of the necessary sectional agreement, that Essex County Council will lead the project and a project team has been established. Construction is due to commence Spring/Summer 2020.	March 2020	
(E) Continue to work with Essex County Council on securing improvements to the strategic highway network including the A120 and A12		
There has been no change to the position in respect of the improvements to the A120 and we are still awaiting for the government to announce their Road Investment Strategy. Highways England announced in the third quarter the preferred route for the improvements to the A12 between junctions 19 and 23 and a consultation was launched on the options for improvements between junction 23 and 25. The consultation closed in December and the Council have provided a response.	March 2020	
(E) Commence construction of an improved bus interchange as part of the Manor Street regeneration		
Planning consent for the regeneration of Manor Street has been agreed. Detailed discussions have been taking place with Essex County Council Passenger Transport and Highways regarding the temporary relocation of the bus-stops during the construction works.	March 2020	
(E) Create a high quality business community through the development of the Horizon 120 business and innovation park		
Consultation on the Local Development Order set for the Horizon 120 Business Innovation Park finished in October 2019 and the responses have been considered. The plans were exhibited to allow residents and businesses the opportunity to view the proposals. A website (www.horizon120.com) has been launched and firm interest has been received from a range of potential occupiers attracted by the location, the quality proposed and the value for money available.	March 2020	



Economic Development

Project description and comments	Target Date	Status
(E) Complete the acquisition of strategic employment land in Witham supporting business creation and growth		
The Council is committed to the delivery of high-quality business premises, including grow-on units to promote business start-ups and growth in Witham. A suitable site has been identified and will be acquired at nil capital cost to the public purse through the prudent use of the planning system. The site is due to transfer in 2020.	July 2021	
Complete physical improvements to key industrial estates including new signage and branding		
The new and improved signage at Springwood Industrial Estate was installed in the third quarter, which includes 22 new signs to improve branding and wayfinding on the estate. With the remaining budget from the Industrial Estate	March 2020	








Improvement Fund, plans are being drafted to explore the feasibility of an Industrial Unit Front Improvement Scheme for the district, which would provide 50/50 match funded capital grants to improve unit fronts in priority industrial areas. The scheme would aim to improve industrial unit fronts as a way of supporting the growth of local businesses, improving the local environment and raising the image of the area amongst local residents and visitors.		
Work with existing and form new partnerships to increase levels of targeted business and skills support		
The Economic Development Team have been working with the Colchester Business Enterprise agency (COLBEA) to provide businesses within the district access to fully funded business mentoring for up to three months. It is hoped this will be launched in the new year and open to both new business start-ups and established businesses. Two workshops have taken place in the third quarter around social media innovation to help businesses with promotion and on digital marketing, digital presence and CV writing.	March 2020	
Secure planning consent and commence construction of the I-construct Innovation in Construction Hub at the Braintree Enterprise Centre		
Detailed planning permission for the construction of the I-construct Innovation Hub is effective from 28th October following completion of a unilateral undertaking. The European Regional Development Funding (ERDF) has been approved in principle and the Council is working in close partnership with Haven Gateway Partnership (HGP) colleagues and our professional team. It is now anticipated that construction will commence in March 2020 and a change control has been processed to amend the end date of the project	March 2020	
(E) Work with the Braintree Education and Skills board to secure funding and develop projects to increase skills across the district providing a workforce that meets employers' needs		
Following the Braintree Education and Skills Board meeting in September where it was highlighted that a reduced number of funding bids had been received, officers have been actively promoting the opportunity with existing stakeholders. Further promotional activity will take place in the new year to increase the profile of the funding opportunities. At the board meeting in November, a tour of the new STEM Innovation Centre was carried out to showcase the opportunities and facilities available.	March 2020	
(E) Deliver physical improvements to the town centres of Braintree, Witham and Halstead		
Work on the wayfinding and decluttering in Halstead and Witham town centres is progressing and a consultant has now been appointed to provide additional resources to the project.	December 2020	
(E) Establish a Tourism Partnership to promote the district, support businesses and increase tourism		
The second meeting of the Tourism Partnership took place in October, hosted by Colne Valley Railway. The branding for Visit Braintree District was unveiled publicly and received positive responses from attendees. The new tourism website will be launched in the new year and will capture the many local characteristics, heritage, attractions, landmarks and events the district has to offer.	March 2020	
Supporting markets across the district including continuing to develop the street market concept		
Saturday 16th November saw our largest and most successful street market held in Braintree to date. Over 100 street market stalls were set up in the town centre, a 1920s pop up bar in the Town Hall and the Christmas light switch on. Ten local performers entertained the crowds on the stage in Market Place including choirs from Beckers Green Primary School, St Michael's C of E, John Ray Junior School and Notley Green Primary School. Two further street markets were held in Braintree on 7th and 21st December. 40 and 60 stall holders attended respectively in addition to the regular traders. Poor weather hampered visitors and stall holders on 7th December but the market was still a success. Dates for 2020 events in Braintree, Halstead and Witham are being	March 2020	

discussed and will be confirmed in the new year.		
Working through the Town Centre Partnership, deliver schemes to improve the vibrancy of Braintree Town Centre		
Officers are continuing to provide support to the Braintree Town Partnership and a presentation has been provided to the partnership on the pedestrianisation of the Town Centre which was approved by Cabinet in December. A seven week public consultation started on the 20th December for residents and businesses to find out more about what the pedestrianisation scheme could look like.	March 2020	▶
The Christmas street markets and light switch on have been a success and further events for the next year are in discussion.	March 2020	▶



Health and Communities

Project description and comments	Target Date	Status
(E) Continue to deliver the Livewell child project working with families with young children providing support and advice on nutrition and healthy activities in an attempt to locally halt the rise in childhood obesity		
A meeting was held with Provide to identify opportunities to link the Livewell child project with the Healthy Schools Programme. A framework and a set of guidelines needs to be considered for Livewell child stating how a school can become a 'Livewell Child School' in conjunction with Enhanced Healthy Schools status building on the framework for schools to reflect on the relationship between health and achievement. Community 360 continue to facilitate relationships with the Livewell schools and wider community and all Livewell schools in the district are involved to varying degrees with their local care home.	March 2020	▶
Improve the play experience at Great Notley Country Park and Halstead Leisure Centre by replacing the artificial pitches		
Planning permission has been granted to replace the artificial pitch at Halstead Leisure Centre and the Football Foundations have agreed the funding for the project. The legal team are now assigning the leases and conditions of the Football Foundation grant.	March 2020	▶
A new artificial pitch surface and associated equipment has been installed at Great Notley Country Park allowing players of all ages to enjoy the facilities.	August 2019	✓
(E) Work in partnership with local GP surgeries, the NHS and Mid Essex Clinical Commissioning Group (MECCG) to develop a new modern healthcare facility in Sible Hedingham		
The Council continues to work with the NHS and MECCG to develop a modern healthcare facility, which will provide a new combined premises for existing surgeries in Castle Hedingham and Sible Hedingham. The design team continue to meet with GPs and a pre-app meeting has been held with the Planning Department which has resulted in a revised scheme. The revised scheme will be presented at a future cabinet meeting.	January 2020	▶
(E) Work with partners to improve emotional health and wellbeing and identify improvements to access mental health services for residents		






Public Health England, in partnership with the NHS launched a national campaign called 'Every Mind Matters' in October aimed at empowering people to manage and improve their mental health. The Council has been actively supporting the campaign through social media by delivering a different self-help theme each week for seven weeks. The Braintree Community Tree, a network of partner organisations providing support for people experiencing mental ill-health and/or related problems sent out leaflets in October providing information on a variety of support services available across the district on a range of matters. Fortnightly meetings are now in place for Walk & Talk 4 men, a support group for men and their mental health which take place at Great Notley Country Park.	March 2020	
Develop a Rough Sleeping Strategy setting out how we will provide specialist support for vulnerable people on the street		
The Council's Homelessness Strategy addresses rough sleeping and has been renamed as the Homelessness and Rough Sleeping Strategy to comply with Government requirements. We are currently working in partnership with local authorities across Essex and CHESS to provide a rough sleeper outreach service guiding rough sleepers to the help and support they need to make positive change.	May 2019	
(E) Continue to raise awareness of child exploitation through the 'spot-it, stop-it' campaign		
Further Pubwatch meetings have been attended to promote the 'spot-it, stop-it' campaign and to encourage staff to sign up for training. An exercise has been carried out jointly with the police where a Police Officer pretends to be an older man attempting to book a room with a young female. Discussions will be held at the next Child Sexual Exploitation Board to take forward any recommendations from the exercise	March 2020	
(E) Continue to promote events and provide opportunities that would benefit those living with dementia and their carers		
A community information day was held at Braintree Museum with a number of partner organisations to share information, hold a dementia friends session and provide a demonstration of seated exercises. A dementia friendly Christmas Tea was held in December at the Town Hall with approximately 40 people in attendance.	March 2020	
In partnership with Fusion, encourage inactive over 60's to become active again by developing the Age well sessions at our local sports centres		
Fusion have now introduced a number of agewell sessions into the leisure centres such as ACE weigh ins, racket ball, seated dance, walking football and chair based exercise classes. An agewell timetable has been created to show the classes suitable for people aged 60+.	March 2020	
(E) Continue to support community groups to deliver local projects and activities through the Councillor Community Grant Scheme		
Eighteen grants have been awarded in the third quarter bringing the total number to of grants issued to 37 and the total amount spent to £24,367 representing a third of the monies available.	March 2020	
(E) Work with partners to raise awareness and identify ways to combat social isolation and loneliness		
An awareness leaflet for Town and Parish Councils has been developed and distributed together with a community cohesion survey to enable us to build up a district wide profile of the services and groups available. Initial discussions have been taking place with regard to phase 2 of the United in Kind campaign 'Learn Together' which we aim to launch in the New Year. A program of events is currently being pulled together.	March 2020	
Continue to work with key local groups to develop plans for a community facility in Witham		

The first Maltings Lane steering group meeting took place with representatives from the Council, Witham Town Council, Ingletonwood (Architects), St Nicholas Church, Witham Boys Brigade and local residents in attendance. Updates were provided in relation to progress of the development to date and discussions took place regarding land mass plans and a number of issues/design features to consider. Ideas for the outdoor space were considered and an update was received in relation to further development around the site and the funding available for public art.	March 2020	▶
Promote volunteering opportunities to work with young people and promote activities and clubs available to young people in our district		
A volunteering protocol to ensure recruitment, support and training for volunteers across all services was adopted in the third quarter and will be used in promoting volunteering opportunities throughout the Council. Planning has started for the 2020 Volunteer Awards, due to take place in June 2020.	March 2020	▶




Finance and Performance






Project description and comments	Target Date	Status
Review our services and processes to ensure they continue to provide value for money		
An organisation wide review is taking place as part of our ongoing commitment to ensure all our services deliver value for money to our customers, preparing the Council for the financial challenges anticipated over the next few years. Each department has identified a number of projects with the aim to improve efficiency and reduce operating costs. Projects are progressing. A service review process has been developed and is currently being tested with a number of the projects.	March 2020	▶
Develop our commercial programme to generate income that can be reinvested in front line services		
We are continuing to increase our income from advertising, sponsorship and the conference facilities at the Enterprise Centre. The Essex Commercial Network now has membership from 11 Essex authorities and the Local Government Association and is allowing us to look for opportunities to share and trade services, including our own Shared Payroll Service.	March 2020	▶
Identify and progress investment opportunities that help us to deliver our corporate strategy whilst providing a return on investment to strengthen our financial independence		
An additional investment in pooled funds of £2m was agreed in principle by the Strategic Investment Group. £1m was placed in the Kames Diversified Fund in October 2019. We are continuing our work with Marshgate to develop 20 acres of the site at Horizon 120. Any further investment opportunities are currently on hold due to a cautious approach being adopted in considering any new investment opportunities in the district owing to Brexit uncertainty and the potential negative impact on the market.	March 2020	▶
Respond to the anticipated Government consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances from April 2020		

The fair funding review and 75% business rates retention has been delayed by Government until 2020/21. This project has therefore been cancelled and will be set up again once we know how and when Government will be proceeding.	March 2020	
Continue to identify improvements in customer focused services using the Customer Service Excellence Standard as a framework		
The Customer Service Excellence assessment took place on the 5th, 6th and 7th November looking at consultation and engagement, satisfaction surveys, customer service standards, how we improve our written, verbal and web based information, benchmarking and best practice and how we improve our delivery of service. Braintree District Council has successfully retained the accreditation retaining three areas of compliance plus and achieving compliance plus in four new areas.	December 2019	
Implement the Council's discretionary Business Rate relief scheme for independent retail businesses		
The new retail rate scheme was approved by Full Council in February 2019. The new relief was awarded to eligible retail businesses and included in the business rate bills for 2019/20. Any further businesses meeting the criteria will be assessed throughout the year and the reduced rate applied.	May 2019	
Expand our online booking and payment systems enabling residents to book and pay for more services through our website.		
The team have been working on a number of online booking and payment systems including pest control and the Town Hall. The team have also been developing a new website including a booking and payment system, which will go live in the new year for the Enterprise Centre allowing customers to book and pay for the conference facilities on line.	March 2020	
Develop a digital platform enabling residents to access health information, initiatives and support to improve their health and wellbeing		
We are continuing to look at other applications that are similar to what we want to develop. Piloting has taken place with different apps to see how they can be used to change the behaviours of users leading to healthier lives.	March 2020	










Overall Strategy and Direction









Project description and comments	Target Date	Status
(E) Continue to deliver projects under the District Investment Strategy to achieve better outcomes for the district and a return for the taxpayers' purse by:		
<ul style="list-style-type: none"> • Working in partnership to improve health provision across the district • Facilitating the need for housing by providing homes and supporting infrastructure • Improving our most congested roads and journeys across the district • Planning for growth by providing jobs delivering increased opportunities for new business and employment • Delivering investment opportunities that support growth and provide a return for the District Council 		
The Council continues to work with the NHS, Mid Essex Clinical Commissioning Group and other healthcare partners to develop modern healthcare facilities in Sible Hedingham, the Newlands Centre in Witham and Braintree Town Centre as part of the Manor Street regeneration.	March 2020	

The Manor Street regeneration includes the provision of 35 new homes and approval has been granted by Cabinet to develop up to seven Council owned sites.	March 2020	
Work continues on a number of projects in partnership with Highways England and Essex County Council reported under the Strategic Growth and Infrastructure section such as the A120 Millennium Slip roads, land west of Panfield Lane and improvements to Springwood Drive roundabout. The Council have provided a response to the consultation in relation to further options on the A12 between junctions 23 and 25.	March 2020	
A number of projects and actions are underway to ensure delivery of the Braintree Plan for Growth to provide jobs such as developing the first 20 acres of Horizon 120 and approving the planning applications for grid serve and the Construction Innovation Centre. The regeneration of Manor Street will commence in the new year and Kier Regional Building Eastern will be working closely with local subcontractors to create a range of job opportunities for those living in the area.	March 2020	
There are a number of projects reported on throughout this report that provide an update on current investment opportunities under the District Investment Strategy. As and when new opportunities arise, projects will be set up accordingly.	March 2020	
Work with partner authorities (Tendring District Council, Colchester Borough Council and Essex County Council) and other public and private sector organisations to plan for and enable sustainable growth in homes and jobs in the north Essex area		
Braintree has been working with Essex County Council, Uttlesford District Council, Colchester Borough Council and Tendring District Council to produce a North Essex Economic Strategy which will provide a platform for strategic intervention at a scale which will achieve transformation in the overall economic prosperity of the North Essex area. The Strategy received approval at Cabinet in December and an action plan will now be developed to guide the delivery of the key actions.	March 2020	

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Environment and Place							
Percentage of land that falls below cleanliness standards for litter	n/a	10%	1%		6%		Recorded three times a year – July, November and March
Percentage of household waste sent for reuse, recycling and composting	54.49%	52.17%	47.63%		60%		The annual recycling target of 60% is a target adopted by the Essex Waste Partnership to be achieved by 2020. Further education and intervention activities have taken place during the last quarter. The Waste Minimisation & Recycling Officers have been working with local residents living in flats which have communal facilities to reduce contamination of recyclable waste. A Christmas e-newsletter with advice on a “greener Christmas” was sent to residents who signed up to receive them at the beginning of December with ideas on how to dispose of real Christmas trees. We have worked with Greenfields CH and housing developers on suitable bins and bin stores for collections for new flat developments. By working with our partners and landlords, we are finding solutions that enable residents to recycle and dispose of their waste correctly.
Tonnage of residual household waste not recycled	114kgs	113kgs	114kgs		117kgs		
Number and percentage of non-hazardous fly tips on public land cleared within 24 hours of being reported	100% (211)	100% (236)	100% (153)		100%		
Number of fuel poverty and domestic energy reduction installations carried out	Annually reported indicator					n/a	
Strategic Growth and Infrastructure							
Number of affordable homes delivered	13	52	104		37		
Number of homes granted planning permission	1,103	507	312		212		
Health and Communities							
Average waiting time for applicants on the Disabled Facilities Grant	78 days	100 days	89 days		90 days		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Achieve a 2% increase on the contract baseline in participation levels across all our sports centres	238,842	246,576	218,135		186,965		
Achieve at least a 1% increase in adults being active for 150 minutes per week	Annually reported indicator					n/a	
Finance and Performance							
Average call answer time in the Customer Service Centre	14 seconds	19 seconds	13 seconds		15 seconds		
Time taken to process housing benefit/council tax benefit new claims	16.25 days	16.09 days	15.87 days		20 days		
Time taken to process housing benefit claim changes	5.28 days	4.43 days	3.59 days		6 days		
Percentage of Stage 1 complaints responded to within target	94.07%	93.71%	89.81%		90%		We received 108 stage one complaints in the third quarter of which, 97 where responded to within 7 working days. Of the complaints not responded to, the customer was kept informed and advised that additional time was required to provide a comprehensive response due to the complex nature and/or length of the complaints. We are monitoring the complaints received and further information on complaints is provided in the next section of this report.
Collection rate for Council Tax	30.46%	58.80%	86.20%		86.80%		The target has been missed by 0.6 percent and it is anticipated that the shortfall will be made up over the coming months and the end of year target will be achieved.
Collection rate for Business Rates	31.13%	57.95%	84.58%		85.09%		The target has been missed by 0.51 percent and it is anticipated that the shortfall will be made up over the coming months and the end of year target will be achieved.
Percentage of invoices paid within 30 days of receipt	98.82%	98.55%	99.37%		99.25%		

Complaints

The quarterly complaints analysis for the third quarter of 2019/20 is detailed below. This is compared with 2018/19 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20	TOTAL
Justified	45 (110)	52 (92)	51 (61)	(60)	(323)
Not Justified	54 (76)	69 (88)	49 (59)	(54)	(277)
Partially Justified	22 (24)	24 (26)	14 (21)	(28)	(100)
Not known	0 (0)	0 (1)	0 (0)	(0)	(1)
Total	121 (210)	145 (207)	114 (141)	(142)	(701)

Comments

In the third quarter, we have seen a reduction in the total number of complaints received compared to the first and second quarter of the year. Although we have received fewer complaints, the target for responding to stage one complaints in seven working days has not been achieved, missing the target by just 0.19%.

The majority of the complaints in the third quarter relate to the Operations service in respect of missed waste collections. However, the third quarter has also seen a slight increase in the number of planning complaints relating to planning applications or the committee process. The planning complaints are more complex and this is the main area where there have been delays in responding to complaints. The planning service will inform the customer if additional time is required to provide a comprehensive response.

In respect of the missed waste collections, the majority are in relation to collections being overlooked by crews due to agency staff not being familiar with collection points, newly advised assisted collections and restricted access to collection points caused by parked cars or road closures. The waste crews endeavour to return to collect missed collections within 48 hours of being reported.

The Council monitors trends in complaints and uses this information to identify improvements to processes and the service provided with the aim of reducing the number of complaints received and will continue to monitor complaints.

In the third quarter of 2019/20, of the 114 complaints received:

- 108 are stage one complaints
- 4 are stage two complaints
- 2 are stage three complaints

A summary of Local Government Ombudsman (LGO) cases:

In the third quarter of 2019/20, the LGO has received one new complaint in respect of the Council wasting taxpayer's money by painting yellow lines on roads which were due for resurfacing.

The Ombudsman will not investigate this complaint. Any loss to the taxpayer is a matter which concerns all or most of the residents in the Council's area. The law forbids the Ombudsman from investigating such complaints.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Change on previous period	Yearly Target
Total headcount	480	475	481		+ 6	-
Number of temporary staff	28	23	25		+ 2	-
Total staff FTE	435.42	429.45	436.31		+ 6.86	-
Level of employee turnover	2.5%	3.37%	2.29%		- 1.08%	-
Number of leavers	12	16	11		- 5	-
Number of starters	11	11	17		+ 6	-
Working days lost to sickness per employee	1.83 days	2.09 days	2.35 days		+ 0.26 days	8.0 days
Percentage of staff with nil sickness (cumulative)	79.8%	62.9%	48.6%		Cumulative	-
Number of learning hours	1748	1903.5	2857.5		+ 954	-
Number of delegates	63	85	225		+ 140	-
Number of apprentices **	18	18	24		+ 6	-

Year on Year Headcount Analysis	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	478	472	470	464	466	481

** The figures reflect level 2 up to level 6 (degree) apprenticeships. The level 2 apprenticeship ran from September 2018 until November 2019 and there is some overlap in apprenticeships in the third quarter of the year as five new apprentices joined the Council in September 2019. Three apprentices from the previous cohort have been kept on moving from a level 2 to a level 3 apprenticeship.

Comments

In the third quarter, there has been an increase in the working days lost to sickness. The Council has recently moved to reporting sickness electronically and the higher levels of sickness in the third quarter has highlighted that the electronic records are not always being closed down when a person returns to work. This will negatively impact on the outturn figure.

We will be taking a closer look at the figures and reminding managers of the importance of completing the records to ensure we are accurately reflecting the sickness levels across the organisation. Any changes to the outturn in the third quarter will be reported in the fourth quarter report.

Health & Safety

The following is a selection of our health and safety performance measures. The data is for information purposes only.

Health and safety is a crucial responsibility of everyone within the organisation. This information is used to improve the management of health and safety of staff, our customers, residents and other non-employees we come into contact with. Monitoring is undertaken by the corporate health and safety committee and action plans will be put in place where necessary.

Health & Safety: Indicators of Performance	Q1	Q2	Q3	Q4	
	(2019/20 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	11 (10)	4 (6)	14 (9)	(13)	<i>Most common accident this moth has been hand injuries and ankle injuries affecting waste operatives</i>
<i>Accidents/ incidents to employees</i>	9 (6)	3 (6)	14 (9)	(11)	
<i>Accidents/ incidents to contractors</i>	1 (0)	0 (0)	0 (0)	(1)	
<i>Accidents/ incidents to non-employees</i>	1 (1)	1 (0)	0 (0)	(1)	
Time lost in days due to employee accidents/ incidents	6 (85)	4 (19)	7 (48)	(24.5)	<i>All the days lost last quarter were the result of the one ankle injury to a waste operative.</i>
Number of reported verbal/ physical incidents to employees	1 (2)	0 (1)	1 (1)	(1)	<i>A housing officer was verbally abused & threatened during a housing interview that took place in the Council Offices</i>
Number of near miss incidents	1 (1)	0 (1)	0 (0)	(1)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (1)	1 (3)	0 (1)	(1)	
Number of claims settled	1 (0)	0 (0)	0 (0)	(0)	

Financial Performance

This part of the report provides an updated review of the financial position for the year. It examines the latest forecast for spending on day-to-day service provision compared to the budget for the year. Also included is a summary of treasury management activities; projected movements on the General Fund balance; and a summary of spending to date on capital projects.

Background

Full Council approved a net budget of £14.540 million for the 2019/20 financial year. This included planned spending across all services totalling £13.247 million; corporate items amounting to £1.493 million; and an overall efficiency target to be achieved in-year of £200,000.

Financing of the budget was to be from a combination of: general government grants (£22,000); business rates (£4.965 million); and Council Tax (£9.553 million).

During the year individual budgets may be updated in accordance with the Council's Budget and Policy Framework Procedure, and against which quarterly performance is monitored.

Previously, virements totalling £171,680 were approved between the Development Management and Planning Policy income budgets and the staffing budgets for these service areas. Waste Management budgets have also been realigned to reflect changes to the contractual arrangements for transporting and processing of recyclable materials.

Summary Financial Position at the Third Quarter (Q3)

- An overall positive variance is projected for the year of £530,000 (-3.6%) against budget.
- Across all services staffing budgets are forecast to be underspent by £327,000; and after allowing for the corporate efficiency target of £200,000, this results in a net projected underspend of £127,000.
- Other expenditure is projected to be marginally over budget by £7,000.
- Income is projected to be overachieved by £410,000.
- The overall forecast variance for the year has changed adversely by £185,000 from that reported at Q2, which projected a positive variance of £715,000. This change is mainly due to forecast additional expenditure of £199,000, a reduction in projected income - £92,000, partially offset by an increase in the projected underspend on staffing +£106,000.
- A number of the variances identified within this report have previously been assessed as ongoing and therefore already reflected in the Council's budget proposals for 2020/21.

Revenue Spending

Service	Updated Budget £'000	Projected Spend £'000	Adverse (Positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(2,387)	(2,408)	(4)	32	(49)	(21)	G
Community Services	364	347	(6)	(24)	13	(17)	G
Corporate Management	1,385	1,508	93	36	(6)	123	R
Economic Development	187	184	-	-	(3)	(3)	G
Environment & Leisure	902	807	(90)	20	(25)	(95)	G
Finance	1,412	871	(183)	(66)	(292)	(541)	G
Governance	1,026	1,106	35	49	(4)	80	R
Housing Services	889	812	(36)	(29)	(12)	(77)	G
Human Resources	375	369	-	(6)	-	(6)	G
ICT & Facilities	1,575	1,559	4	(20)	-	(16)	G
Marketing and Communications	525	555	18	(15)	27	30	A

Operations	5,715	5,640	(112)	36	1	(75)	G
Strategic Investment	11	11	-	-	-	-	G
Sustainable Development	1,244	1,246	(46)	48	-	2	A
Service Total	13,223	12,607	(327)	61	(350)	(616)	G
Corporate Financing	1,517	1,403	-	(54)	(60)	(114)	G
Efficiency target	(200)	-	200	-	-	200	
Total	14,540	14,010	(127)	7	(410)	(530)	G

RAG Status: G = favourable or nil variance, A = up to 5% adverse variance or <£50k, R = > 5%
Budget = controllable expenditure budget net of direct service income

Staffing

Staffing budgets include both directly employed staff, and bought-in/ agency staff, the latter being used where additional resources are required to meet increased service demands and/ or the need for specialist skills; to provide cover in cases of absence (e.g. vacancies, holidays, sickness, maternity etc.); or where in-house staff are assigned to work on other projects and priorities.

Further detail of the projected staffing budget variances is provided in the following table:

Service – Staffing Budgets	Updated Budget	Projected Spend	Adverse/ (Positive) variance	RAG Status
	£'000	£'000	£'000	
Asset Management	296	292	(4)	G
Community Services	376	370	(6)	G
Corporate Management	1,370	1,463	93	R
Economic Development	194	194	-	G
Environment & Leisure	1,621	1,531	(90)	G
Finance	2,785	2,602	(183)	G
Governance	643	678	35	A
Housing Services	966	930	(36)	G
Human Resources	337	337	-	G
ICT & Facilities	784	788	4	A
Marketing & Communications	391	409	18	A
Operations	5,667	5,555	(112)	G
Strategic Investment	617	617	-	G
Sustainable Development	1,675	1,629	(46)	G
Service Total	17,722	17,395	(327)	G
Corporate Financing	0	0	0	G
Efficiency	(200)	0	200	
Total	17,522	17,395	(127)	G

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

Commentary on staffing variations:

Based on the information known at the end of Q3 there is a projected underspend across all services of £327,000.

The largest service with a projected underspend is **Finance** (-£183,000 up by £24,000 from Q2). Savings are expected to be achieved in Billing and Recovery, Systems Control, Housing Benefits, and Customer Services through a combination of vacant posts; reductions in contracted hours; and new appointments at lower grades/ scale points. Efficiencies have also been made allowing staff to absorb tax collection and fraud work which attracts external funding.

Operations is projecting an overall underspend for the year of £112,000, an increase from the position reported at Q2 of £52,000. The main areas contributing to this forecast are:

Waste Management (-£43,000); Horticultural Services (-£34,000); and Operations Management & Administration (-£56,000).

Environment and Leisure is projecting underspends (-£90,000) due mainly to vacancies in the Health Protection, Health Development, and Building Control.

Sustainable Development – Permanent staffing resources in the **Development Management** team have been replenished although there remains 2 planner positions and an administration role vacant which are now not expected to be filled until after the start of the new financial year. To supplement resources the service has had to rely on temporary agency staff, although the requirement for this during the year is now less than was anticipated at Q2. The net effect is that the service is currently projecting an overall underspend of £46,000 for the year.

Changes in senior management responsibilities introduced earlier in the year along with the appointment of an interim corporate director means that there is currently a net additional cost forecast for **Corporate Management** for the year of £93,000.

Governance is forecasting total overspends on staffing of £35,000 due mainly to agency staff being used to cover a vacancy and maternity leave. An unsuccessful attempt was made to recruit a permanent Major Projects and Planning Lawyer earlier in the year, the recruitment to which is now not expected until the new financial year.

The **Strategic Investment Team** continues to operate largely with interim staffing with implementation of a permanent structure now also not expected until the new financial year. Since Q2 additional capacity has been added to the team to progress current approved schemes and also to accelerate feasibility reviews on a number of pipeline projects. The budget for the team is to be funded from a mixture of revenue and capital resources which were allocated for a four-year period. The level of spending remains within the overall resources allocated.

The approved budget provided for a **Corporate Efficiency Target** which in previous years has been achieved from in-year staffing variances. The amount included in this year's budget was £200,000, which based on this quarter's review is expected to be achieved, leading to an overall projected staffing underspend of £127,000. Staffing changes that become apparent during the final quarter of the year will effect the final position.

Other Service Expenditure

Other service expenditure is forecast to be marginally overspent by £7,000 by the year-end. This is a change from Q2 where a net underspend of £192,000 was projected. The main service areas contributing to the latest forecast are:

- **Corporate Management** (+£34,000): costs incurred on advertising and external support for senior management recruitment.
- **Finance** (-£66,000): The net cost of **Housing Benefits** (after allowing for government subsidy) is projected to be £25,000 lower than budget. In addition, whilst the government has been reducing the amount of grant paid towards administration costs, the original budget anticipated a higher reduction than was actually made hence a provision of £62,000 is no longer required. Partially offsetting these underspends is additional costs incurred following the renewal of insurance premiums (+£21,000).

- **Governance** (+£49,000): Includes the projected additional costs associated with changes made to the scheme for Members' Allowances and Scrutiny Committee model arrangements both of which were approved after the original budget was set.
- **Housing Services** (-£29,000): includes projected underspends on temporary accommodation costs recharged by Greenfields Community Housing and rent advances.
- **Operations** (+£36,000): Whilst recycling processing costs are forecast to be under budget by £53,000, due mainly to lower material tonnage, and which is still broadly in line with the Q2 forecast; there is, however, an increase in projected expenditure across the whole of the Operations' service leading to a negative change since Q2 of £108,000. Some of this change is due to non-recurring items, e.g. increasing wheelie bin stocks due to extended manufacturing lead times; allowing professional fees for a potential external review of vehicle requirements, including alternative fuel types; and higher vehicle hire and repair costs, including those incurred due to criminal damage sustained to a Council vehicle parked in the depot.
- **Sustainable Development** (+£48,000): Includes provision for unbudgeted storm damage works; forecast costs incurred in relation to support from Essex County Council for ecology works; and higher costs of tree maintenance.
- **Corporate Financing** (-£54,000): includes savings on annual Minimum Revenue Provision (MRP) of £25,000 – a provision made for repayment of borrowing which was not incurred as other resources were used instead. Additional savings are also projected from the staff annual leave purchase scheme (£20,000), and reduced pension fund payments (-£9,000).

External Income

A significant proportion of the Council's budget is reliant on external income. Grants and subsidies from government, alongside income from business rates are major elements, totalling around £35million.

The amount of business rates ultimately retained by the Council depends on the actual amounts collectable (taking into account changes in the Valuation List, exemptions and reliefs granted, and provisions for non-collection and rating appeals). Variances are accounted for via the Collection Fund and taken into account when determining future budgets and council tax setting. Fluctuations from those elements which have a direct impact on the General Fund revenue account, e.g. the levy payable on growth or grants received from Government to fund certain discretionary reliefs, are managed via the Business Rate Retention reserve.

As a participant in the Essex Business Rates Pool the Council is entitled to an additional share of income from business rate growth. The final determination and receipt of the actual amount will be made after year-end returns have been collated by the County Council from each of the participating authorities. In-year monitoring suggested that the benefit to Braintree could be £641,000. Sums received from this arrangement are held in the Business Rate Retention reserve pending decisions on how this resource is to be utilised.

Other external income for which the Council has budgeted £16.411 million comes from a variety of sources that are subject to external demands and other influences, meaning these are more susceptible to variations against budget. It is currently forecast that services will over achieve against their income budgets by a net £410,000, as shown in the table below:

Service	Updated Budget £000	Joint Fin. Other Reimburs.	Sales, Fees & Charges	Rents	Other Income	Total	RAG status
		5,395	6,232	3,127	1,657	16,411	
		Adverse (Positive) Variance £000 against Budget :					
Asset Management	3,293	(6)	(3)	(32)	(8)	(49)	G
Community Services	192	-	6	-	7	13	A
Corporate Management Plan	-	(9)	-	-	3	(6)	G
Economic Development	-	-	-	-	(3)	(3)	G
Environment & Leisure	1,311	(1)	22	-	(46)	(25)	G
Finance	2,627	(26)	-	-	(266)	(292)	G
Governance	198	-	8	-	(12)	(4)	G
Housing	61	-	(11)	(1)	-	(12)	G
Human Resources	-	-	-	-	-	-	G
ICT & Facilities	2	-	-	-	-	-	G
Marketing & Communications	156	24	18	-	(15)	27	G
Operations	5,479	(4)	98	19	(112)	1	G
Strategic Investment	273	-	-	-	-	-	G
Sustainable Development	1,613	5	(4)	-	(1)	-	G
Service Total	15,205	(17)	134	(14)	(453)	(350)	G
Corporate Financing	1,206	(60)	-	-	-	(60)	G
Total	16,411	(77)	134	(14)	(453)	(410)	G

RAG Status: G = positive or nil variance, A = up to 5% adverse variance or <£50k, R = adverse variance greater than 5% and >£50k at Individual Business Plan level

Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £5.395 million, the main sources of which are: Essex County Council contributions towards service costs (£2.440 million); estimated benefit from the Essex Business Rate Pool; Council Tax sharing and investment agreement with the major precepting bodies (£619,000); Housing Benefit (HB) overpayment recoveries and Local Tax costs recovered (£764,000); subscriptions to the Procurement Hub (£350,000); and business rate collection allowance (£189,000).

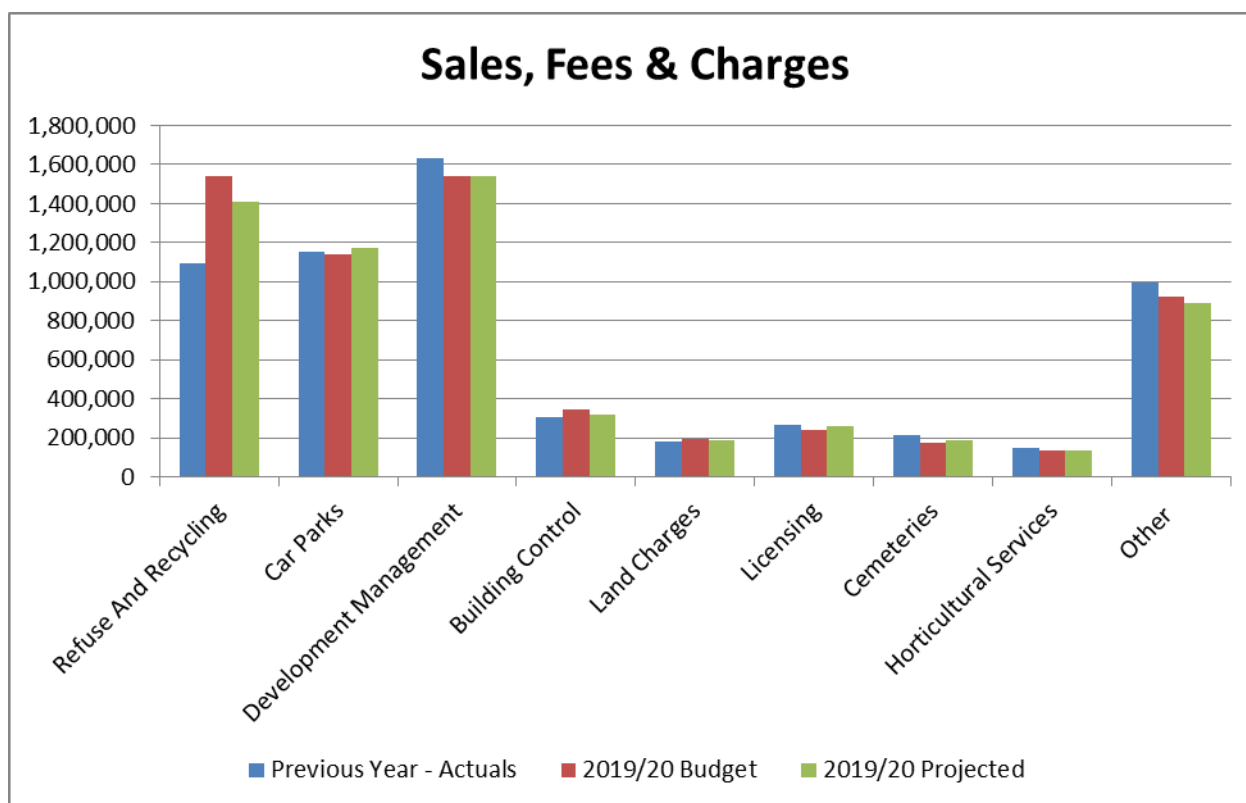
Commentary on Joint Financing & Other Reimbursements

At Q3 a positive variance for the year is predicted of £17,000 across all services.

Corporate Financing is showing a projected over achievement of £60,000 from the Council Tax sharing arrangement with major preceptors.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £6.232 million against which it is projected that there will be a net underachievement of £134,000. The following chart shows the main income streams:



Commentary on Fees and Charges:

- Refuse and Recycling:** The budget includes the expected income to be generated from the sale of recycling material based on a weighted basket of materials, the value of which is offset against the costs paid to the processing contractor. The weighted price has been reducing at each quarterly review – the price to be applied for the final quarter has reduced by almost 37% from that used in the budget. Consequently, the income forecast for the year is lower than budget by £156,000. This is partially offset by reductions in processing costs reflected in the variance reported under **Other Expenditure**, along with other income improvements from various service activities.
- Car Parks:** The current projection is for income to be slightly higher than last year (+£18,000). The original budget included a provision for potential loss of income as a consequence of the proposed Manor Street regeneration project. This provision has been reversed in light of the revised timescales for this development (**see Other Service and Corporate Income**).
- Development Management:** The original budget provided for an increase in planning application fee income of £156,560, with a further in-year increase to budget of £128,500 taking the overall budget to £1.397million. The latest forecast is that income will be in line with this revised budget; however, this means a reduction of £100,000 from the position projected at Q2, including taking into account a recent refund of £50,000 in respect of a major application fee received in 2018/19. Additional income is projected from the Street Naming and Numbering service of £30,000, although this is offset by an equivalent forecast reduction in the amount of pre-application advice income, an area of activity which has seen a downward trend during the year.
- Building Control:** The service anticipates slightly higher income this year than the previous year due in part to the transfer of work in progress from another external service provider that ceased trading. However, overall income is still expected to be below budget by £26,000.
- Local Land Charges:** As a result of a reduction in the number of chargeable searches being requested, the income budget was reduced by £78,000 for the 2019/20 budget. Full searches processed have been down compared to numbers for the previous year. However, in December a bulk request for 96 searches was received from Greenfields

Community Housing which has improved the income forecast at this quarter by around £11,000, so that full year income is now projected to be £186,000, a shortfall against budget of £8,000.

- **Other Income** – Includes projected income from the following services or activities: Community Transport (£85,000); the Town Hall Centre (£112,000); Commercial Property service charges (£239,000); and income received from the Leisure Management operator (£194,000). Overall income is projected lower than budget by £33,000 – the main variances being a reduction in income from the All Weather Pitch at Great Notley Country Park due to surface replacement works (-£12,000); and advertising income (-£27,000). Income in 2018/19 was higher due to a one-off retrospective adjustment in relation to advertising rights on council-owned bus shelters.

Rental Income

The budget for rental income from land & property is £3.127million – comprising the investment and commercial property portfolio, markets, housing properties, and other let properties. The overall projected outturn for the year is to be on budget.

Commentary on Rental Income:

- **Asset Management:** The investment and commercial property budget for rental income was increased by £284,000 during the 2019/20 budget process leading to an overall budget of £2.987million. This reflected the transfer back to the Council of the management of the Braintree Enterprise Centre and Corner House, along with new commercial property: the completed grow-on units at Springwood Drive; and new acquisitions at Osier House, Sible Hedingham, and premises in Silver End. The overall projection is currently an overachievement of income of £32,000.
- **Operations – Markets:** The service continues to project a shortfall in income of £20,000 as free pitches have been provided at Witham as incentives to prospective traders, and the Braintree market continues to suffer from a general reduction in the number of traders.

Other Service & Corporate Income

Total budgeted Other Income is £1.657 million of which £635,000 is internal recharges including staffing costs that are expected to be charged against capital projects (£451,000). Other external income is projected to be overachieved by £453,000.

Other external income includes the following streams:

- **Investment & Other Interest Income:** The budgeted amount is £1 million, which is expected to be overachieved by a total of £223,000, of which £186,000 is projected to be achieved from investment income on treasury management activities, after allowing for an addition to the treasury management risk reserve of £35,000. The reasons for the increased income is mainly due to higher cash balances being held (a result of increased balances and reserves and later spending on capital projects), and increases in the amount held in long-term investments. The residual amount of £37,000 is from interest on loans and other arrangements.
- **Solar Panel Feed-in-Tariffs:** a projection of £96,000 (Budget £93,000) is expected from past investment in solar panels at various Council facilities.
- **Manor Street Income Provision:** the original budget included a provision for the potential reduction of income on car parking and Town Hall bookings as a result of the regeneration works around Manor Street. The commencement of these works are now

expected to start later than originally anticipated, and consequently, the majority of the provision has been reversed giving a positive adjustment of £103,000.

Other variances projected include a number of unbudgeted government grants (£49,000) where either the related activity has been met from existing staff resources, or there are currently no plans to incur any additional expenditure.

Treasury Management

The Council's treasury management activity to the end of the quarter is summarised in the table below:

Amount Invested at start of the year	Activity to the end December		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£46.53m	£101.50m	£84.46m	£63.57m
Average amount invested for the period			£64.84m
Highest amount invested			£67.69m

During the quarter an additional £1m was added to the Council's investment in the Kames Diversified Fund, taking the total amount invested in long-term pooled fund to £19 million spread across seven funds. The remaining investments have been in short-term instruments including call accounts and term deposits with UK and Non-UK financial institutions, loans to other local authorities and the UK Government, and investments in highly liquid Money Market Funds (MMF).

Interest and dividends earned to the end of the quarter total £955,164, which is equivalent to an annualised rate of return of 1.96%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£18.30m	£675,312	4.90%
Short-Term	£46.54m	£279,852	0.80%
Total	£64.84m	£955,164	1.96%

Investment returns have been increased by the dividend income earned from long-term investments. In addition, being exposed to equities and property, the value of these funds fluctuate based on prevailing market conditions. At the end of the quarter the market valuation for all the long-term pooled funds was £21.122 million, representing an unrealised gain of £2.122 million on the original amounts invested.

Reflecting a revised forecast of cash balances, it is currently projected that investment returns will be £221,000 higher than budget, of which £35,000 is proposed to be added to the treasury management risk reserve. This will bring the balance of this reserve up to a prudent level equivalent to the annual budget for investment income over the latest medium-term financial plan. The net amount of overachieved investment income of £186,000 will be reflected in the projected in-year variance added to the General Fund unallocated balance.

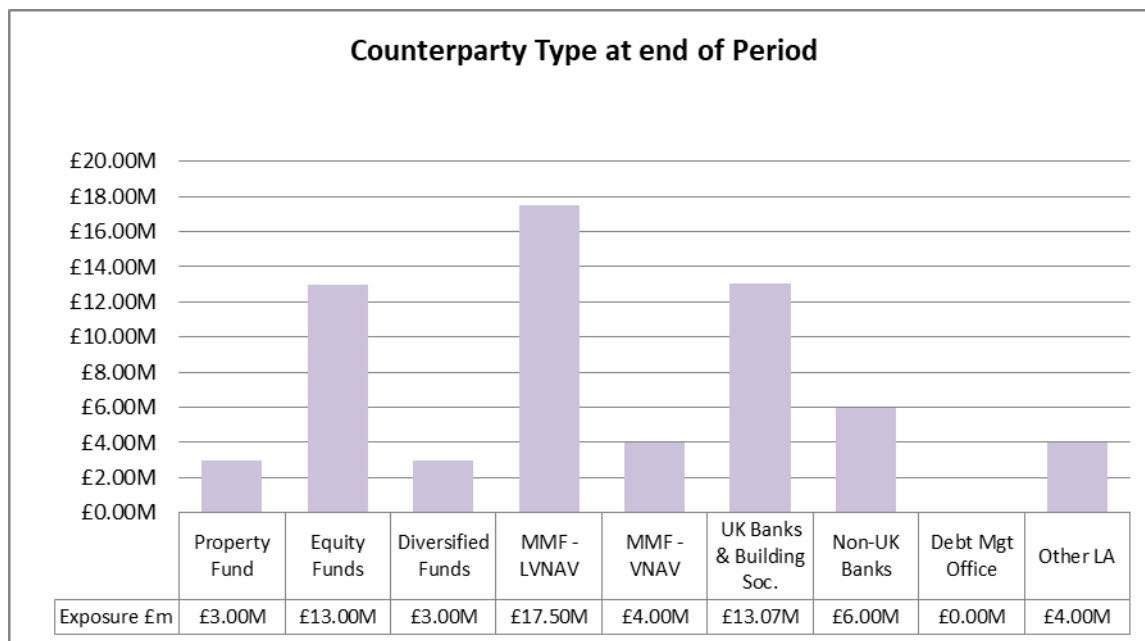
Market Commentary

Financial markets adopted a more risk-on approach over the quarter as equities rallied in expectation of ongoing monetary stimulus from central banks. The Dow Jones ended the 2019 calendar year up 22%, while the FTSE 100 and FTSE 250 jumped on the UK general election result with the former gaining 12% during 2019 and the latter around 25%.

Gilt yields remained volatile over the period. From 0.28% at the end of September, the 5-year benchmark gilt rose to 0.60% by the end of December. There were rises in the 10-year and 20-year gilts over the same period, with the former climbing from 0.48% to 0.82% and the latter from 0.88% to 1.24%. 1-month, 3-month and 12-month SONIA (Sterling Overnight Index Average) bid rates averaged 0.63%, 0.76% and 0.93% respectively over the period.

The Bank of England has so far maintained Bank Rate at 0.75%. Despite keeping rates on hold, MPC members have confirmed that they are prepared to act decisively if Brexit uncertainty drags on or global growth fails to recover.

At the end of the quarter the Council's investment portfolio comprised the following:



LVNAV = Low Volatility Net Asset Value i.e. the Fund value is expected to remain fairly constant

VNAV = Variable Net Asset Value i.e. the Fund value can fluctuate meaning that investors may receive back more or less than invested

General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events
- To meet short-term or non-recurrent one-off costs that are not provided in the base budget and/ or are incurred to achieve future savings and efficiencies.

Based on the projected outturn set out above, the movement on the General Fund balance is estimated to be:

	£'000
Balance at 1 April 2019	5,787
Add:	
Budgeted addition	128
Pension Fund triennial payment	1,411
Projected in-year variance	530
Less:	
One-off investment	(622)
Estimated Balance at 31 March 2020	7,234

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

- The budget approved by Council included an anticipated addition to balances of £127,947, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- In 2017/18 the Council made a one-off payment to the Essex Pension Fund covering the period April 2017 to March 2020, which was in part funded from General Fund balances. A repayment back into balances was expected in 2018/19 and 2019/20.
- The projected outturn variance for the year would mean an additional £530,000 being added to balances (subject to any future decisions regarding approvals for services to carry forward underspends for use in 2020/21).
- An allocation from General Fund balances was approved by Full Council in February 2019, to meet one-off budget requirements: £500,000 to replenish the Planning Appeals reserve; and a total of £122,000 provision for loss of income during redevelopment of Manor Street.

Risks and Assumptions

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. The previous year outturn and trends in-year have been considered; however, as always, these 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. External income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Planning application fee projections are based on the best information available regarding when developers are likely to submit planning applications for growth locations within the district - this could change and income could be significantly higher or lower than projected. Projections are based on historical trends and will be influenced by both the number and type of planning applications received.

The net cost of housing benefit to the Council is ultimately subject to the total amount of payments made to claimants and the profile and circumstances of such payments, the latter effecting the extent to which costs are recovered from government subsidy. The level of subsidy has varied over recent years between 98.8% and 99.5%. A 0.1% variation +/- could result in a change in net cost of +/-£28,000 (assuming £28million of payments).

Investment income is influenced by the overall level of cash balances held, which in turn are dependent upon the progress of strategic investment and other capital projects, and the level of future capital receipts generated. Interest rates will impact on short-term investments, where a 0.25% change in rate +/- would change the amount of interest earned by +/- £110,000 per annum (based on average short-term investment balances of £44 million). Market sentiment will impact on the value of the Council's long-term pooled fund investments; whereas general economic conditions in both the UK and globally will influence the on-going dividend returns.

The net payment made by the Council for processing its recycling material collected from households is subject to regular review of the composition of material collected assessed across the whole of the Suffolk Waste Partnership contract which the Council joined in May, and market indices for the sale of materials.

The budget assumes that £451,000 of staffing costs can be recharged to capital projects. The actual amount recharged will depend on the extent to which projects progress and staff are working on activities that can properly be treated as capital under accounting rules.

Post quarter end, the UK's *European Union (Withdrawal Agreement) Act 2020* gained Royal Assent and the European Parliament voted to approve the withdrawal agreement. These two steps finalise the ratification of the withdrawal agreement and ensure that the UK leaves the EU on 31st January "with a deal" and enters an implementation period until at least 31st December 2020. Consequently, there still remains a high level of uncertainty about the longer-term implications which might manifest in activities undertaken by the Council during the final quarter of this year leading to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by the level of business confidence and future plans, e.g. planning, building control, commercial property rents, etc.
- Income and total returns from financial investments through changes in interest rates, financial markets, and market sentiment as negotiations now commence on the future trading arrangements.
- Business, housing and other community support services which provide advice, guidance and direct support to those that are affected by Brexit.

Capital Investment

Taking into account projects which were in progress and carried forward from earlier years, new projects approved as part of the Budget agreed in February 2019, and the subsequent decisions taken by Council on some major growth and infrastructure projects, the overall capital programme currently totals £53.4million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is currently £9.666 million. The following table shows how much has been spent at the end of Q3.

	Profiled Spend 2019/20 £000	Actual Spend at Quarter 3 £000	Actual Spend at Quarter 3 % of Profile
Commercial and investment property	1,507	1,070	71%
Horizon120 employment site	2,000	633	32%
Manor Steet regeneration	1,359	818	60%
Town centre improvements	150	10	7%
Planned maintenance to Council premises	563	274	49%
Replacement vehicles and plant	1,087	1,002	92%
Information technology systems	575	90	16%
Play areas, parks and open spaces	378	153	40%
Spa Road environmental improvements	10	4	40%
John Ray Park improvement	92	-	0%
Operational equipment	327	243	74%
Sports and leisure facilities improvements	101	80	79%
Cordons Farm waste transfer station	23	23	100%
Grants to registered social landlords	13	12	92%
Disabled facilities grants	837	617	74%
Capitalised interest	193	-	0%
Capital salaries	451	339	75%
Total	9,666	5,368	56%

The profiled spend for the year has reduced from that at Q2 by a net £1.937 million due mainly to changes to the programme timetable for a number of the Council's strategic investment projects, but also reflecting the recent acquisition of replacement refuse vehicles with a value of £1.002 million.

A number of strategic projects allow for potential capitalised development interest, the total of which is shown in the above table. However, at present any borrowing requirement relating to these projects is likely to be internalised in the short-medium term using the Council's cash balances. On this basis the capital programme would underspend against this allowance, with the opportunity cost reflected in the Council's treasury management income.

Whilst the percentage actual spend to the end of Q3 is 56%, the final quarter of the year includes profiled spending of circa £2 million on two of the Council's strategic projects as these enter construction phases.

It is projected that there will be a £63,000 underspend across a number of small projects that have now been completed.

Capital resources

The original estimate was to generate £4.976million of capital resources from the sale of council-owned assets. However, one site completed earlier than expected, with the capital receipt being received in the previous financial year. A sale of land was completed in June resulting in a capital receipt of £1.317million. A further disposal which was expected to complete in the year is still subject to planning matters. A number of small receipts totalling £53,000 have been received in relation to a deed of easement and repayment of housing grants.

Estimated resources to be generated in the year included £1million from preserved right-to-buy (RTB) receipts. Greenfields has reported that 9 RTB sales have been completed up to the end of Q3 generating approximately £1.109 million for the Council. Greenfields have also advised that a

further 34 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 13 sales may complete this year generating circa £1.631 million of resources – a downward revision to the forecast of £1.926 million made at Q2, as the rate of sales now appears to have slowed. This forecast compares to 27 sales completed last year which generated £3.756 million for the Council.

VAT shelter monies due to the Council via an agreement with Greenfields were £178,000 at the end of Q3.

The Council has received £931,000 grant from the Better Care Fund, which is used to fund the Council's disabled facilities grant scheme. This is an increase of £68,000 over that originally anticipated for the year and will increase the resources available for this programme of work.