



SECOND QUARTER **PERFORMANCE MANAGEMENT REPORT**

1st July 2019 to 30th September 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 second 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 second quarter

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




Corporate Priorities	Status of projects and actions				
					
Environment and Place	1	6	0	0	0
Strategic Growth and Infrastructure	1	9	0	0	0
Economic Development	0	10	0	0	0
Heath and Communities	2	11	0	0	0
Finance and Performance	1	6	0	0	1
Overall Strategy and Direction	0	6	0	0	0
TOTAL	5	48	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 second quarter

The following table shows the performance for the end of the second 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	2	0	2	0
Strategic Growth and Infrastructure	2	0	0	0
Health and Communities	1	0	1	0
Finance and Performance	5	1	1	0
TOTAL	10	1	4	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 continues to perform well in the second quarter of the year with the completion of a further three projects and the majority of remaining projects on track and progressing well. One project has been cancelled due to the Government delaying the consultation on its proposed 75% Business Rate retention scheme and the Fair Funding Review which will impact on the Council's finances.

Ten performance indicators have met or exceed target and five performance indicators have missed their target. One has missed target by less than 5% and four missed their target by more than 5%. The areas of underperformance are in relation to the cleanliness standards across the district in respect of litter (>5%), recycling rates (>5%), average waiting time for disabled facility grants (>5%), average call answering time in the Customer Service Centre (>5%) and the percentage of invoices paid within 30 days (<5%).

We will continue to monitor our performance and focus our resources accordingly to deliver 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 recycling calendars have been refreshed using a pictorial approach to list what goes in each bin and the calendars have been delivered throughout the district. For recycle week in September, we worked with Love Essex to encourage and change people's recycling behaviours and we are currently working on a campaign called 'say no to plastic' which will be launched in the new year.	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		
The contract for refurbishment of the play areas has been awarded and works are due to start shortly.	December 2019	▶
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 are now complete with the exception of Marshalls Park where hedge planting will take place in November. A change control has been processed to amend the end date of the project accordingly.	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, 51 fixed penalty notices have been served for littering, dog fouling and fly-tipping offences.	March 2020	▶
Deliver a car litter campaign to support the introduction of new legislation		
Braintree District Council are participating in a 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.	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 evidence base has now been approved and suggested modifications have been made to the Local Plan by all three authorities involved. A consultation on the additional evidence base in supporting the development of Garden Communities started in August for six weeks closing on the 30 th September 2019. This has now been sent to the Planning Inspector to consider the timetable for the reopening of the examination.	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		
Work continues with partners on the Garden Communities looking at a long term strategy which will contribute to meeting the needs of North Essex's growing population ensuring that new developments come with the infrastructure, affordable homes, schools, doctor's surgeries and facilities needed for new 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. Members also noted that the business case for a wholly owned housing development company is not proven and that the concept will be postponed for future consideration in the context of the proposed Garden Communities.	March 2020	
(E) Commence construction of the regeneration of Braintree Town Centre enhancing the appeal of the town to residents and visitors		
Three tenders were received but unfortunately were in excess of the pre-tender estimate. At Cabinet on the 9th September, members approved the capital budget for all professional, construction and associated scheme costs and granted delegated authority to execute a design and build construction contract with Kier Construction Limited. A letter of intent with Kier has been signed for approval at Full Council in October.	December 2019	
(E) Continue to work with Essex County Council to reduce congestion on the local road network in Braintree		
Essex County Council is looking at different options and working 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. In the interim Essex County Council have relined the 'keep clear' markings on the roundabout which had been requested by the businesses based on the estate.	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 with construction due to commence Spring/Summer 2020. We are currently awaiting the outcome of the planning application.	March 2020	▶
(E) Continue to work with Essex County Council on securing improvements to the strategic highway network including the A120 and A12		
Government are set to make key decisions in the Autumn on the future investment in major roads. Priti Patel, Essex County Council and regional businesses are showing their support for the favoured option of the A120 dual carriageway proposals by establishing a business board and creating A120 campaign champions to persuade the Government to include the dualling scheme in the Government's Road Investment Strategy 2.	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 and discussions have started with Essex County Council around leasing the bus interchange.	March 2020	▶
(E) Create a high quality business community through the development of the Horizon 120 business and innovation park		
A detailed planning application has been submitted for all Infrastructure works to the Horizon 120 site including highways, main estate roads, drainage, stats and earthworks. Consultation on the Local Development Order commenced with a public drop in session held on the 30th September at Gt. Notley Village. The consultation will run until the 24 th October 2019. Grid serve have received planning permission to build an Electric Forecourt in Braintree, the first of over 100 sites across the UK. This will be sited next to the Horizon Business and Innovation Park.	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 investment opportunity identified in Witham has been put on hold due to a cautious approach being adopted in considering any new property investment opportunities in the district owing to Brexit uncertainty and the potential negative impact on the market and property values.	July 2021	▶
Complete physical improvements to key industrial estates including new signage and branding		
The planning application for the improved signage on the Springwood Industrial Estate has now been approved and the works due to commence in the third quarter.	March 2020	▶
Work with existing and form new partnerships to increase levels of targeted business and skills support		
In partnership with Witham Chambers of Commerce, a business support roadshow was delivered in September for Witham businesses, involving Superfast Essex, BEST Growth Hub, North Essex Parking Partnership and Essex Highways. 16 businesses signed up and eight attended. A Business Support Roadshow is now being planned for the Halstead area.	March 2020	▶


Officers and members continue to meet businesses across the district as part of the district business tour to find out more about local businesses, their challenges and offer funding opportunities and support services.		
Secure planning consent and commence construction of the I-construct Innovation in Construction Hub at the Braintree Enterprise Centre		
Planning approval was granted in September for the construction of the I-construct Innovation Hub. The project will be funded by the Council and by a grant from the European Regional Development fund. The hub will consist of workshop and demonstration spaces, a technology lab, conference and networking facilities, a café and meeting areas. It will become home to a team offering business support, grant schemes and advice to firms connected to the construction industry across the Greater South East region but it will also be a place where innovative construction ideas, technology and techniques are shared and celebrated. It is anticipated that construction will commence in December 2019.	December 2019	
(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		
The Braintree Education and Skills board are supportive of developing another case study video to promote apprenticeships in the district, this time focussing on the construction sector. This will be used to promote the local opportunities and highlight the importance of construction in our district. The September meeting of the board highlighted the reduced number of funding bids that had been received and officers are working on a plan to promote this.	March 2020	
(E) Deliver physical improvements to the town centres of Braintree, Witham and Halstead		
A plan for Halstead high street de-clutter has been drawn up and passed through its first review by highway officers, which has produced a range of amendments to make. Initial designs for wayfinding are being investigated.	December 2020	
(E) Establish a Tourism Partnership to promote the district, support businesses and increase tourism		
A brief has been provided to the Tourism Partnership on the Government Tourism Sector Deal and how our work links into this. Members were also provided with information on regional and national projects that they can take part in to promote tourism within the district. The second Tourism Partnership meeting will be held in October at Colne Valley Railway where the branding and new website format will be shown to attendees.	March 2020	
Supporting markets across the district including continuing to develop the street market concept		
Six street markets have been run so far in Braintree and three in Witham. The Street Markets in Braintree continue to provide a high level of trader, business and public acclaim, and the council is starting to work with traders to produce a performance report after each one.	March 2020	
Working through the Town Centre Partnership, deliver schemes to improve the vibrancy of Braintree Town Centre		
The Council is actively working to develop and support the Braintree Town Partnership, which now has a logo, website and draft versions of organisation structure, annual objectives and is now a limited company with two Vice Chairs. The meetings of the partnership now have a settled pattern on the first Tuesday of the month and they are discussing a range of projects around improving the vibrancy of the Town Centre.	March 2020	
Christmas preparations are well advanced and discussions are being held with stakeholders to ensure a co-ordinated town wide event. We are also working with Braintree Village to set up a series of workshops to develop the 'Day out in Braintree' concept connecting Braintree Village with events in the Town Centre.	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		
Six Xplorer events held in August across Braintree, Witham and Halstead parks were well attended keeping children active during the school holidays. The Healthy Habits programme, designed to improve the health of school children and educate parents has started in Becker's Green School with the assistance of Community 360. The Council is also exploring how to link the Livewell child project with the Essex Healthy Schools Programme.	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. We are currently awaiting the closure of the section 77 application to the Secretary of State to proceed.	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 have met with GPs and a final scheme design has been costed. A pre-app meeting has been held with the Planning Department where changes to the design were requested. This has pushed back the end date of the project and a change control has been processed to amend the end date to January 2020.	January 2020	
(E) Work with partners to improve emotional health and wellbeing and identify improvements to access mental health services for residents		
Regular mental health workshops have been held in the second quarter bringing together partner organisations. The group are carrying out a mapping exercise to understand the gaps in support for children and young people. The Braintree Community Tree, a network of partner organisations providing support for people experiencing mental ill-health and/or related problems will be sending out leaflets in October providing information on a variety of support services available across the district on a range of matters. Officers have also met with Walk & Talk 4 Men which aims to give men a safe place to talk without judgement to avoid bottling up and suffering in silence. Braintree District Council will also be taking part in the national mental health campaign called 'Every Mind Matters' when it launches in October.	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	May 2019	

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.		
(E) Continue to raise awareness of child exploitation through the 'spot-it, stop-it' campaign		
Pubwatch meetings have been held to promote the 'spot-it, stop-it' campaign and to provide training. Despite encouraging landlords to attend by speaking to them at events and sending invites, no landlords attended. Officers are now considering how they can engage with landlords and promote the scheme more widely and deliver further training sessions.	March 2020	
(E) Continue to promote events and provide opportunities that would benefit those living with dementia and their carers		
On-going activities include the three walks in Braintree, Witham and Halstead and the dementia friendly cinema at Halstead Empire who have also set up a workshop to form a Dementia Friendly Choir in partnership with the Big Sing and Colne View Care UK with the aim of giving a public performance in December. A dementia friendly cream tea took place at the Town Hall with 70 people attending and a meeting was held with the Community Rail Partnership at Braintree Railway station to look at ways of making the station more dementia friendly.	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		
A meeting has taken place with Fusion to look at the age well sessions at the local sport centres. Fusion have proposed an agewell programme from September to increase participation in activities for the over 60's.	March 2020	
(E) Continue to support community groups to deliver local projects and activities through the Councillor Community Grant Scheme		
Eleven grants were awarded in August and September to the value of £10,087 bringing the total for the year to £14,987. These included contributions to Community Iron for the costs of a mental health first aid train the trainer course and the Rayne School PSA for traffic cones to help manage traffic safety in and around the school.	March 2020	
(E) Work with partners to raise awareness and identify ways to combat social isolation and loneliness		
A bench in Braintree Town centre has become a Chat a While bench, encouraging residents and visitors to speak to each other in an effort to combat loneliness. The bench was inspired by similar schemes across the country and the hope is that it will get people talking. If the scheme proves successful, it will be extended to other areas across the district such as Witham and Halstead. A countywide social movement campaign called United in Kind launched in September to raise awareness of loneliness in Essex and to give people the means to take positive action directly and through their networks. We supported this through a two week social media campaign and a noticeboard in reception encouraging staff and the public to post acts of kindness.	March 2020	
Continue to work with key local groups to develop plans for a community facility in Witham		
The Strategic Investment Team have appointed architects and an initial meeting was held in July to discuss the outcome of the consultation and the options appraisal report. A further meeting was held in September where land mass plans were presented. Additional surveys to be carried out include topographical, arboricultural and ecological and desk top contamination. A steering group meeting consisting of Braintree District Council, Witham Town Council and the two interested anchor tenants will take place in October.	March 2020	
Promote volunteering opportunities to work with young people and promote activities and clubs available to young people in our district		

A protocol to ensure recruitment, support and training for volunteers across all services has been agreed and will be used in promoting volunteering opportunities throughout the Council. United in Kind launched in September and they are recruiting Community Champions to work in local communities to support activities to combat isolation and loneliness. This is being promoted through the Essex Map, a website designed to bring communities together by promoting activities, clubs and volunteering in each area across Essex.	March 2020	
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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. These have now been considered and prioritised by the Authority's leadership team and a roadmap created. The projects are now progressing.	March 2020	
Develop our commercial programme to generate income that can be reinvested in front line services		
This second quarter has allowed us to get a much better understanding of our markets across sponsorship, advertising and the conference centre. We continue to grow in these areas and adapt our offer, identifying opportunities to bring additional income from these streams. The Essex Commercial Network now represents almost all Essex authorities and is allowing us to look for opportunities to share and trade services, using examples such as the shared payroll service which is now well embedded and the shared sales resource, which continues in to 2020.	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		
We are continuing to 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 will be taking place on the 5th, 6th and 7th November looking at consultation and engagement, satisfaction	December 2019	

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. The programme for the assessment has been drawn up.		
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.		
Integration mapping has taken place and issues highlighted from this have now been resolved. The online form has been built and the online booking and payment system for pest control will go live in the third quarter. The team are also looking at online booking systems for the Enterprise Centre and Town Hall.	March 2020	▶
Develop a digital platform enabling residents to access health information, initiatives and support to improve their health and wellbeing		
Following the unsuccessful bid to fund the project from the Government 'trailblazer' programme, we are looking 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 the district reported under the Strategic Growth and Infrastructure section such as the A120 Millennium Slip roads and improvements to Springwood Drive roundabout. Government are set to make key decisions in the Autumn on the future investment in major roads.	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	March 2020	▶



of Horizon 120 and approving the planning applications for grid serve and the Construction Innovation Centre.		
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		
Work with Tendring and Colchester continues on the Joint section 1 Local Plan. Worked with Essex County Council on Housing Infrastructure Bids (HIF) to support the development of Garden Communities and are awaiting outcomes. Positive work continues with Uttlesford in the lead up to their Local Plan examination. Essex wide work also underway on a number of evidence documents and guidance including the Essex wide Recreational Avoidance Mitigation Strategy (RAMs) study.	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%			6%		Recorded three times a year – July, November and March. For the recording taken in July, more litter was evident on two busy strategic routes, the A12, A120 and also on the busy B1018. In respect of the A12 and A120, we are working with the Highway Agency to explore how we can work better together to improve the overall levels of cleanliness.
Percentage of household waste sent for reuse, recycling and composting	52.26%	52.46%			60%		The annual recycling target of 60% is a target adopted by the Essex Waste Partnership to be achieved by 2020. The Council continues to focus on recycling initiatives such as promoting Freecycle to encourage residents to recycle larger items rather than throw them away. New waste collection calendars were sent out in September in a more pictorial format to help people sort their waste. For recycle week in September, we worked with Love Essex to encourage and change people's recycling behaviours.
Tonnage of residual household waste not recycled	114kgs	113kgs			117kgs		
Number and percentage of non-hazardous fly tips on public land cleared within 24 hours of	100% (211)	100% (236)			100%		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
being reported							
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			37		
Number of homes granted planning permission	1,103	507			212		
Health and Communities							
Average waiting time for applicants on the Disabled Facilities Grant	78 days	100 days			90 days		There were three exceptional cases impacting on the average waiting time in the second quarter. All three cases were complex and involved gaining planning permission. There has also been delays in the return of quotes for works and builders have been reminded of the need to return quotes within 14 days of the invitation to tender.
Achieve a 2% increase on the contract baseline in participation levels across all our sports centres	238,842	246,576			220,745		
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			15 seconds		Staff sickness, annual leave, training courses and members of staff assisting other services have left the Customer Service Centre short on cover on a few occasions in July and August. A call answering time of 19 seconds is still a good time in comparison with similar organisations.
Time taken to process housing benefit/council tax benefit new claims	16.25 days	16.09 days			20 days		
Time taken to process housing benefit claim changes	5.28 days	4.43 days			6 days		
Percentage of Stage 1 complaints responded to within target	94.07%	93.71%			90%		
Collection rate for Council Tax	30.46%	58.80%			58.80%		

Performance Indicator	2019/20						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Collection rate for Business Rates	31.13%	57.95%			57.76%		
Percentage of invoices paid within 30 days of receipt	98.82%	98.55%			99.25%		<i>The quarterly outturn represents a total of 2613 invoices of which 38 were not paid within 30 days of receipt. Services have been reminded of the need to ensure invoices are processed as soon as they are received.</i>

Complaints

The quarterly complaints analysis for the second 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)	(61)	(60)	(323)
Not Justified	54 (76)	69 (88)	(59)	(54)	(277)
Partially Justified	22 (24)	24 (26)	(21)	(28)	(100)
Not known	0 (0)	0 (1)	(0)	(0)	(1)
Total	121 (210)	145 (207)	(141)	(142)	(701)

Comments

The number of complaints received in the second quarter of the year has slightly increased since the first quarter.

The majority of complaints are in relation to the Operations service, in particular, complaints around missed waste collections and replacement bins. The waste crews endeavour to return to collect the missed waste within 48 hours of being reported and managers will review complaints for their service on a regular basis and use the information to help identify improvements to processes and the service provided.

In the second quarter of 2019/20, of the 145 complaints received:

- 143 are stage one complaints
- 1 is a stage two complaint
- 1 is a stage three complaint

A summary of Local Government Ombudsman (LGO) cases:

In the second quarter of 2019/20, the LGO has not received any new complaints and has issued two final decisions.

The final decisions are in respect of Housing where the Ombudsman decided that the Council acted without fault and in relation to a multi-agency complaint where the Ombudsman found fault and a remedy has been agreed.

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			- 5	-
Number of temporary staff	28	23			- 5	-
Total staff FTE	435.42	429.45			- 5.97	-
Level of employee turnover	2.5%	3.37%			+ 0.87%	-
Number of leavers	12	16			+ 4	-
Number of starters	11	11			-	-
Working days lost to sickness per employee	1.83 days	2.09 days			+ 0.26 days	8.0 days
Percentage of staff with nil sickness	79.8%	62.9%			Cumulative	-
Number of learning hours	1748	1903.5			+ 155.5	-
Number of delegates	63	85			+ 22	-
Number of apprentices **	18	18			0	-

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

** BDC's apprenticeship programme runs from September each year. The figures reflect level 2 and level 3 apprenticeships.

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)	(9)	(13)	
<i>Accidents/ incidents to employees</i>	9 (6)	3 (6)	(9)	(11)	<i>All three accidents involved arm injury's to operatives</i>
<i>Accidents/ incidents to contractors</i>	1 (0)	0 (0)	(0)	(1)	
<i>Accidents/ incidents to non-employees</i>	1 (1)	1 (0)	(0)	(1)	<i>Wedding guest attending the Town Hall fell down and cut knee.</i>
Time lost in days due to employee accidents/ incidents	6 (85)	4 (19)	(48)	(24.5)	<i>The 4 days lost were due to the arm injury to one of the operatives</i>
Number of reported verbal/ physical incidents to employees	1 (2)	0 (1)	(1)	(1)	
Number of near miss incidents	1 (1)	0 (1)	(0)	(1)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	1 (1)	1 (3)	(1)	(1)	
Number of claims settled	1 (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 new contractual arrangements for the processing of recycling materials, which commenced in May 2019 and means the variances reported at Q2 are presented differently from those reported at Q1.

Summary Financial Position at the Second Quarter (Q2)

- An overall positive variance is projected for the year of £715,000 (-4.9%) against budget.
- Across all services staffing budgets are forecast to be underspent by £221,000; and after allowing for the corporate efficiency target of £200,000, this results in a net projected variance of -£21,000.
- Other expenditure is projected to be underspent by £192,000.
- Income is projected to be overachieved by £502,000.
- The forecast variance for the year has changed by £73,000 from that reported at Q1, which projected a positive variance of £642,000. The change is mainly due to an improvement in the overall amount of income expected (+£47,000) along with further reduced net spending: Staffing costs (-£30,000) and Other Expenditure (+£4,000).
- Variances identified at this quarter have been assessed in terms of their potential impact on the Council's emerging proposals for the 2020/21 Budget.

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)	(2,409)	(5)	14	(31)	(22)	G
Community Services	362	353	1	(20)	10	(9)	G
Corporate Management	1,385	1,518	94	46	(7)	133	R
Economic Development	187	184	-	-	(3)	(3)	G
Environment & Leisure	904	767	(81)	(16)	(40)	(137)	G
Finance	1,412	893	(159)	(90)	(270)	(519)	G
Governance	1,026	1,106	35	45	-	80	R
Housing Services	889	817	(22)	(41)	(9)	(72)	G
Human Resources	346	340	-	(6)	-	(6)	G
ICT & Facilities	1,576	1,574	1	(3)	-	(2)	G
Marketing and Communications	529	545	12	(21)	25	16	A

Operations	5,736	5,625	(60)	(75)	24	(111)	G
Strategic Investment	11	11	-	-	-	-	G
Sustainable Development	1,247	1,116	(37)	29	(123)	(131)	G
Service Total	13,223	12,440	(221)	(138)	(424)	(783)	G
Corporate Financing	1,517	1,385	-	(54)	(78)	(132)	G
Efficiency target	(200)	-	200	-	-	200	
Total	14,540	13,825	(21)	(192)	(502)	(715)	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 £'000	Projected Spend £'000	Adverse/ (Positive) variance £'000	RAG Status
Asset Management	296	291	(5)	G
Community Services	374	375	1	A
Corporate Management	1,370	1,464	94	R
Economic Development	194	194	-	G
Environment & Leisure	1,623	1,542	(81)	G
Finance	2,785	2,626	(159)	G
Governance	643	678	35	A
Housing Services	958	936	(22)	G
Human Resources	308	308	-	G
ICT & Facilities	784	785	1	A
Marketing & Communications	394	406	12	A
Operations	5,687	5,627	(60)	G
Strategic Investment	617	617	-	G
Sustainable Development	1,675	1,638	(37)	G
Service Total	17,708	17,487	(221)	G
Corporate Financing	-	-	-	G
Efficiency	(200)	-	200	
Total	17,508	17,487	(21)	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 Q2, there is a projected underspend across all services of £221,000.

The largest service with a projected underspend is **Finance** (-£159,000). Savings are expected to be achieved in Billing and Recovery, and Systems Control through a combination of vacant posts; reductions in contracted hours; and new appointments at lower grades/ scale points. Efficiencies have also been made where staff have been able to absorb additional tax collection and fraud work which attracts external funding.

Environment and Leisure is projecting underspends (-£81,000) due mainly to vacancies in the Health Protection and Health Development teams.

Sustainable Development – Permanent staffing resources in the **Development Management** team are now being restored following a recent advertising campaign which has resulted in recruitment to a number of vacant posts, coupled with the return of a number of staff from maternity leave. There are, however, still 3 planning posts and an administrative role yet to be filled and the current estimate is that staff in these roles will commence around February. Consequently, the service is projecting

underspends on directly employed staff of £303,000. However, to maintain service performance and deal with the numbers and complexity of planning applications being received the service is having to employ agency staff, the cost of which substantially offsets this underspend by £270,000. Overall this service area is projecting a net underspend of £37,000.

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 £94,000.

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 of which is now not expected until January 2020.

The **Strategic Investment Team** continues to operate largely with interim staffing arrangements. Since Q1 three new interim roles have been introduced increasing the capacity of the team to both progress existing approved schemes but also to accelerate preparations for gaining approvals for a number of pipeline projects. The budget for the team is largely funded from a combination of revenue and capital resources which were allocated for a four-year period. An assessment of the activities currently being undertaken indicates that an additional drawdown on revenue reserves will be required over and above that which was profiled for the current year. Spending, however, 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 £21,000. Experience in recent years suggests that this position is likely to improve as further staffing changes become apparent during the remainder of the year.

Other Service Expenditure

In total there is a projected underspend against non-staffing expenditure budgets of £192,000. The main service areas contributing to the latest forecast are:

- **Finance** (-£90,000): The net cost of **Housing Benefits** to the Council is determined by the amount of benefit paid to claimants less an amount recovered through government subsidy. The overall amount of benefits paid has been reducing over recent years due in part to a transfer of claimants onto Universal Credits, which is administered by the Department for Works and Pensions. The amount of benefit to be paid for the current year is estimated to be around £28 million (last year payments totalled £33 million). The level of subsidy receivable can vary depending on the profile and circumstances of the payments being made, and recently this recovery rate has varied between 98.8% and 99.5%. The assumption for the current year is a subsidy rate of around 99.1%. The combined effect is a reduction in net cost to the Council of £25,000. In addition, the government has been reducing the amount of grant paid towards administration costs. The budget anticipated a higher reduction than was finally made in the grant determination and hence a provision of £62,000 is no longer required.
- **Operations** (-£75,000): mainly due to a forecast underspend in **Waste Management** on recycling activities. From 16th May 2019, the Council joined the Materials Recycling Facility (MRF) contract procured by Suffolk County Council (SCC) on behalf of the Suffolk Waste Partnership. Under the contract the Council pays for processing (as well as haulage), which is partially offset by income representing the sales value of materials, calculated from a weighted "basket price". Processing costs are forecast to be under budget by £55,000 due to lower than anticipated tonnage of materials being sent for processing, coupled with a slight variation in the processing cost per tonne.
- **Corporate Management** (+£46,000): the projection includes estimated costs of £45,000 for advertising and external support on senior management recruitment.
- **Governance** (+£45,000): 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** (-£41,000): includes a projected underspend of £37,000 against the provision allowed for recharges from Greenfields Community Housing to compensate for void and maintenance costs on properties retained for temporary accommodation.
- **Corporate Financing** (-£54,000): includes savings on annual Minimum Revenue Provision (MRP) of £25,000 – this is a provision made for repayment of borrowing for past capital expenditure which was not incurred as other capital 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 around £634,000. Sums received from this arrangement which have yet to be allocated towards spending are held in the Business Rate Retention reserve.

Other external income for which the Council has budgeted £16.383 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 £502,000, as shown in the table below:

Service	Updated Budget £000	Joint Fin. Other Reimburs.	Sales, Fees & Charges	Rents	Other Income	Total	RAG status
		5,373	6,227	3,127	1,656	16,383	
		<i>Adverse (Positive) Variance £000 against Budget :</i>					
Asset Management	3,292	(4)	-	(19)	(8)	(31)	G
Community Services	192	-	4	-	6	10	A
Corporate Management Plan	-	(7)	-	-	-	(7)	G
Economic Development	-	-	-	-	(3)	(3)	G
Environment & Leisure	1,309	1	26	-	(67)	(40)	G
Finance	2,624	(48)	-	-	(222)	(270)	G
Governance	197	-	19	-	(19)	-	G
Housing	58	-	(8)	(1)	-	(9)	G
Human Resources	-	-	-	-	-	-	G
ICT & Facilities	2	-	-	-	-	-	G
Marketing & Communications	154	18	27	-	(20)	25	G
Operations	5,463	9	106	20	(111)	24	G
Strategic Investment	273	-	-	-	-	-	G
Sustainable Development	1,613	-	(123)	-	-	(123)	G
Service Total	15,177	(31)	51	-	(444)	(424)	G
Corporate Financing	1,206	(70)	-	-	(8)	(78)	G
Total	16,383	(101)	51	0	(452)	(502)	G

Joint Financing & Other Reimbursements

The total budget for income from joint financing and other reimbursements is £5.373 million, the main sources of which are: Essex County Council contributions towards service costs (£2.435 million); estimated benefit from the Essex Business Rate Pool; Council Tax sharing and investment agreement with the major precepting bodies (£629,000); Housing Benefit (HB) overpayment recoveries and Local Tax costs recovered (£785,000); subscriptions to the Procurement Hub (£350,000); and business rate collection allowance (£193,000).

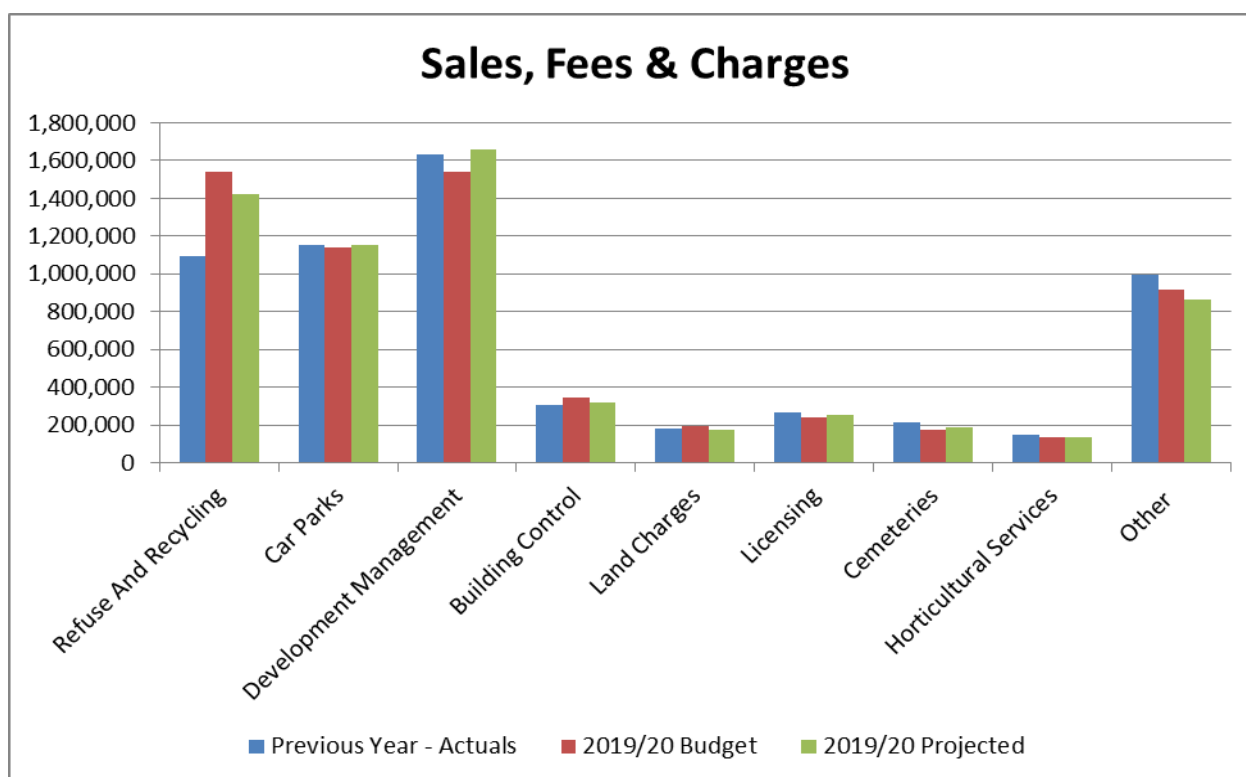
Commentary on Joint Financing & Other Reimbursements

At Q2 a positive variance for the year is predicted of £31,000 across all services, including net additional income of £52,000 from **HB and Local Tax recoveries**, offset by some other service reductions, mainly **Marketing and Communications** (sponsorship).

Corporate Financing is showing a projected over achievement of £70,000, which relates to the Council Tax sharing arrangements where it has been recently been agreed that the calculation of council tax income growth used in the scheme should be modified and which benefits district/ borough councils.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £6.227 million against which it is projected that there will be a net underachievement of £51,000. The following chart shows the main income streams:



Commentary on Fees and Charges:

- **Refuse and Recycling:** The income budget for the year has been adjusted upwards reflecting the recent change in contractual arrangements for recycling materials. In previous years a net gate fee was charged (shown as expenditure), whereas under the new contract amounts are now shown gross as elements of costs are paid to different third parties. The income budget now recognises the estimated value of income to be offset against the processing costs incurred, calculated using a weighted basket of materials. Based on the weighted price agreed for Q1 and Q2, extrapolated for the year, it is projected that income from the sale of mixed-dry materials will be £142,000 lower than budget. This is partially offset by reductions in processing costs as reported under **Other Expenditure**, along with additional income from the sale of glass materials and second green bins.
- **Car Parks:** The current projection is for income to be broadly similar to the previous year. The original budget included a provision for potential loss of income as a consequence of the proposed Manor Street regeneration project. This provision has currently been reversed pending further clarification regarding the timescale for 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. Whilst actual income is slightly down on the previous year for the same period, it is still expected to overachieve the updated budget by £103,000 (as per Q1) resulting in forecast income for the year of £1.5million. Additional income is also projected from the Street Naming and Numbering service of £20,000.
- **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 £21,000.
- **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. Income received for the first half of the year is around 10% lower than last year. Assuming this trend continues for the remainder of the year it is estimated that full year income will be £175,000 which is a shortfall against budget of £19,000.
- **Other Income** – Includes projected income from the following services or activities: Community Transport (£88,000); the Town Hall Centre (£112,000); Commercial Property service charges (£237,000); and income received from the Leisure Management operator (£194,000). Overall income is projected lower than budget by £55,000 – the main variances being a reduction in income from the All Weather Pitch at Great Notley Country Park due to surface replacement works (-£17,000); and advertising income (-£31,000). 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. At the end of September only 9 assets were unlet although 7 of these had leases which were due to complete in October. The overall projection is currently an overachievement of income of £17,000.

- **Operations – Markets:** The service projects a shortfall in income of £20,000 which is higher than at Q1 as free pitches are now being provided as an incentive, along with further promotional activity.

Other Service & Corporate Income

Total budgeted Other Income is £1.656 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 £452,000.

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 £185,000, of which £157,000 is projected to be achieved from investment income on treasury management activities. This is mainly due to higher cash balances being held (a result of increased balances and reserves and later spending on capital projects) along with an increase in the Council's long-term investments. The residual amount of £28,000 is from other interest.
- **Solar Panel Feed-in-Tariffs:** a projection of £100,000 (against budget of £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. At present the exact timing and specific impact of these works is still uncertain pending agreement to the plan for works from the appointed contractor. Consequently, the majority of the provision has been reversed at this time, after making some allowance for a drop in future Town Hall bookings, giving a positive adjustment of £110,000 to the budgetary position for the year.

Other variances projected include a number of unbudgeted government grants (£67,000) 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 September		Amount Invested at end of the quarter
	New Investments	Investments Sold or Matured	
£46.53m	£83.00m	£61.44m	£68.09m
Average amount invested for the period			£64.40m
Highest amount invested			£71.41m

The total amount invested in long-term pooled fund investments was £18 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, deposits with other local authorities and the UK Government, and liquid Money Market Funds (MMF).

Two new MMF accounts were opened during the quarter: the CCLA Public Sector Deposit Fund; and a short-term fund with Federated Prime. These accounts have been opened to extend the range of MMF funds available to the Council as cash balances have been higher and there has been a need to increase the range of counterparties available. Both these funds have been selected specifically as they are domiciled in the UK, this action is in line with the advice given to clients of Arlingclose for preparing for a potential no-deal Brexit as a contingency against any short-term liquidity issues that might arise with non-UK domiciled funds.

Interest and dividends earned to the end of the quarter total £681,044, which is equivalent to an annualised rate of return of 2.11%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£18.00m	£491,766	5.45%
Short-Term	£46.40m	£189,278	0.81%
Total	£64.40m	£681,044	2.11%

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 £19.456 million, representing an unrealised gain of £1.456 million on the original amounts invested.

Reflecting a revised forecast of cash balances, it is currently projected that investment returns will be £157,000 higher than budget.

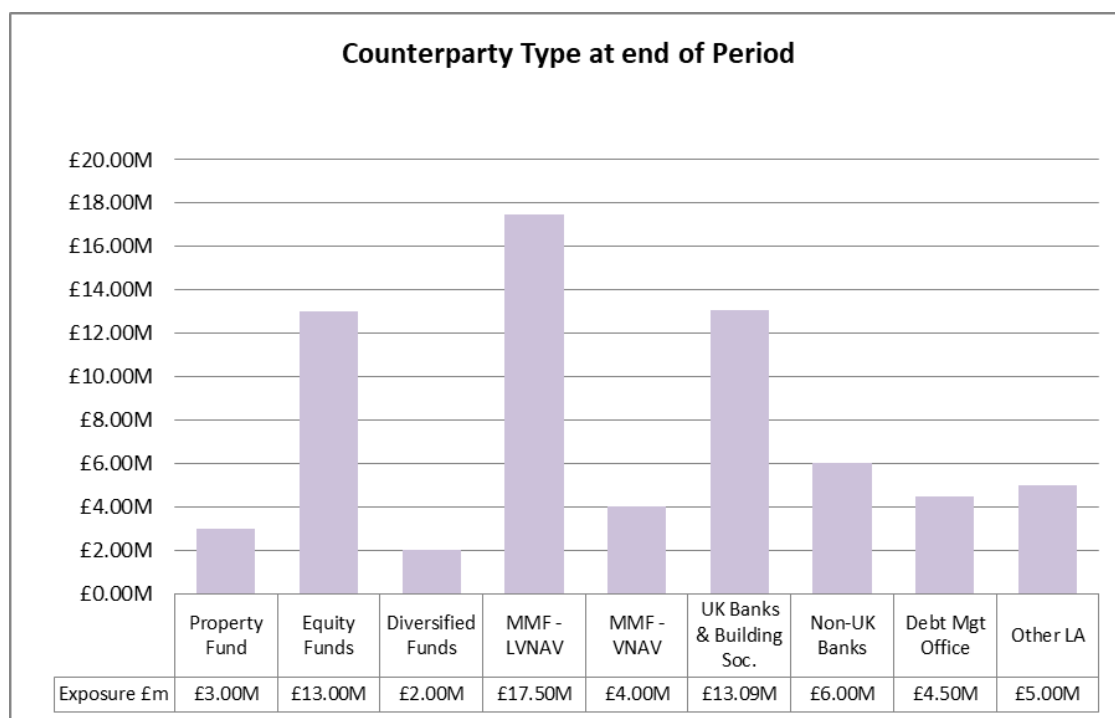
Market Commentary

After rallying early 2019, financial markets have been adopting a more risk-off approach in the following periods as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, and Financial Times Stock Exchange (FTSE) indices are broadly at the same levels seen in March/ April

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end June, the 5-year benchmark gilt yield fell to 0.28% at the start of September before recovering to 0.49% by the middle of the month. There were falls in 10-year and 20-year gilts over the same period, before bouncing back.

The Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately approved.

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	715
Less:	
One-off investment	(622)
Estimated Balance at 31 March 2020	7,419

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 £715,000 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 investment, where a 0.25% change in rate +/- would change the amount of interest earned by +/- £150,000 per annum (based on average investment balances of £60 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.

There remains a high level of uncertainty about the implications of the UK leaving the European Union. Depending upon the outcome a range of activities undertaken by the Council could be affected and consequently lead to a differing outcome from position currently projected, for example:

- Income generating activities, particularly those which could be influenced by economic conditions, e.g. planning, building control, local land charges, commercial property rents, etc.

- Income and total returns from financial investments through changes in interest rates, financial markets, and market sentiment
- Regulatory services where these currently operate to EU standards e.g. Environmental Services
- Business, housing and other community support services which provide advice, guidance and direct support
- Strategic investment and general capital programme – impact on costs, income, and resources for current and pipe-line projects.

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 £46.4million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is currently £11.603 million. The following table shows how much has been spent at the end of Q2.

	Profiled Spend 2019/20 £000	Actual Spend at Quarter 2 £000	Actual Spend at Quarter 2 % of Profile
Commercial and investment property	2,637	901	34%
Horizon 120	3,227	329	10%
Manor Street regeneration	1,299	403	31%
Town centre improvements	100	-	0%
Planned maintenance to Council premises	613	151	25%
Replacement vehicles and plant	142	-	0%
Information technology systems	576	84	15%
Play areas, parks and open spaces	345	8	2%
Community facilities	90	-	0%
Spa Road environmental improvements	10	-	0%
Infrastructure improvements	92	-	0%
Operational equipment	279	186	67%
Sports and leisure facilities improvements	256	155	61%
Cordons Farm waste transfer station	23	23	100%
Grants to registered social landlords	13	12	92%
Grants to private home owners – disabled facilities grants	1,257	349	28%
Capitalised interest	193	-	0%
Capital salaries	451	226	50%
Total	11,603	2,827	24%

The profiled spend for the year has reduced from that at Q1 due to changes to the programme timetable for a number of the Council's strategic investment projects. Similarly, to the extent that an element of these projects is still expected to be spent in the current year, this is likely to be in the final quarter and hence the reason for the relatively low actual spend at Q2.

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.

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 subject to planning.

Estimated resources to be generated in the year included £1million from preserved right-to-buy (RTB) receipts. Greenfields has reported that 7 RTB sales have been completed up to the end of Q2 generating approximately £832,000 for the Council. Greenfields have also advised that a further 36 applications are in progress. Based on the timing and likelihood of progression to completion, experience suggests an estimated total of 16 sales may complete this year generating circa £1.926 million of resources. This compares to 27 sales completed last year which generated £3.756million for the Council.

VAT shelter monies due to the Council via an agreement with Greenfields were £113,000 at the end of Q2.

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.