

THIRD QUARTER PERFORMANCE MANAGEMENT REPORT

1ST OCTOBER TO
31ST DECEMBER 2013

Contents

Section 1: Introduction and Summary	page
• Purpose of the Report	3
• Summary of the Projects	3
• Summary of the Performance Indicators	4
 Section 2: Delivering our Corporate Strategy	 5
Place	5
People	6
Prosperity	8
Performance	10
 Section 3: Managing the business	
• Performance Indicators in detail	
Place	11
People	11
Prosperity	11
Performance	11
• Customer Services & Views	13
• Complaints	13
• Our Organisation	14
• Health and Safety	15
• Financial Performance	16
Financial Position Statement	16
Capital Programme and resources	26

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 (October to December) in relation to the publication of 'Our plans for the District 2013/14'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2012-16 sets out the priorities we are working towards. 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 local and national 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 'Our plans for the District 2013/14'




Corporate Priorities	Status of projects and actions				
					
Place	1	6	1	0	0
People	5	5	0	0	0
Prosperity	2	9	1	0	0
Performance	0	4	1	0	0
Partnership <i>(to be reported on at the end of the year)</i>	-	-	-	-	-
TOTAL	8	24	3	0	0

KEY:




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

Summary of the Performance Indicators position for the end of the third quarter

The following table shows the performance for the end of the third quarter in relation to the quarterly and annually reported Performance Indicators that have targets set as defined in 'Our plans for the District 2013/14'.

Corporate Priorities	Status of indicators			
				Data Only
Place	2	1	0	0
People	1	0	0	1
Prosperity	2	0	0	0
Performance	2	5	0	0
TOTAL	7	6	0	1

KEY:

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

Summary Position

A total of eight projects are now complete and the remaining projects are on track and progressing well. Three projects are amber as part of the project requires attention and either the scope or timescales may need amending to bring the project back on course.

Five performance indicators have slightly missed their target. The weather continues to have a detrimental impact on the recycling rate and the introduction of paying over 12 months rather than 10 for Council Tax and Business rates has impacted on collection rates. The introduction of the new permitted development rights has also impacted on performance of minor planning applications. It is anticipated that the majority of amber performance indicators in this quarter will meet target by year end and all under-performing performance indicators are being closely monitored.



Our Priorities

- Keep our district clean and tidy
- Protecting our environment
- Provide green space for everyone to enjoy

Project description and comments	Target Date	Status
Continue a seven day cleaning programme in the town centres, including the use of barrow beats to litter pick, street washing and mechanical sweeping		
Work continues in all town centres to maintain a high standard of cleanliness and keep levels of litter to a minimum. A bid has been put forward to extend the barrow beats following the success of the service provided.	March 2014	▶
Enforce non-compliant premises which fail to keep their frontage clean		
Following the success of the station campaign which saw a 45% reduction in dropped cigarette butts, the Council is now working with local businesses to tackle the problem of cigarette butts and other smoking related litter in the town centres. Campaign successfully delivered.	July 2013	✓
Continue to encourage the 'See-it, Report-it' initiative to take action against litter bugs		
In the third quarter there have been 667 see it report it calls. The Council has re-launched its Tosser campaign targeting litter thrown from cars following the success of the previous Tosser campaigns	March 2014	▶
Work with Essex Energy partnership and contractors to develop a Green Deal Scheme, supporting homeowners to reduce the energy they use		
The Department of Energy and Climate Change(DECC) revisions to the ECO scheme following the Autumn Statement have resulted in no available energy efficiency measures for residents until April 1st. We are working towards launching a district wide scheme with a Green Deal/ECO installation partner from April which will run until March 2017.	March 2015	▶
Support our customers to increase recycling levels in the District to 60%, getting the best value out of our services		
The trial of the door stepping campaign has now been completed and initial results are showing an increase in the participation levels. Door stepping will re-commence in January using Mosaic profiling to target low participation areas. The project has been marked as amber as the recycling target may not be met but the service continues to do all it can to increase the recycling levels across the district.	March 2014	▲
Double the number of trade waste customers who receive a plastic, cardboard and paper recycling service		
To date, 171 customers have signed up to the new trade waste recycling service which is more than triple the number of existing customers .This demonstrates a clear demand for the service and marketing continues in Witham and Halstead.	March 2014	▶





Plant more mature trees in our parks and open spaces to improve their appearance and attractiveness, provide shading around play areas and help to conserve and protect the environment within our District		
Planting in Weavers Park and Bramble Road Play Area has been completed. Bradford Meadows planting will take place in the next quarter.	March 2014	▶
Complete works and establish Hoppit Mead as a local nature reserve		
Cabinet approved the designation of Hoppit Mead as a local nature reserve in December. Final checks with Natural England will take place before formal declaration of the site.	March 2014	▶



Our Priorities

- Support vulnerable people in our community
- Promote safe and healthy living
- Encourage flourishing communities

Project description and comments	Target Date	Status
Design and build of Witham Leisure Centre		
Construction of the Witham Leisure centre continues and the new building is now wind and weather tight with all cladding and windows installed. The multi-use games area was handed over to Maltings Academy in October	August 2014	▶
Working in partnership with Fusion Lifestyle provide investment to improve the facilities at Halstead Leisure Centre, Braintree Leisure Centre and Braintree Swimming Centre		
Works are now complete at Halstead Leisure Centre which has been fully refurbished with modern fitness and exercise facilities.	January 2014	✓
Works have now been completed at Braintree Leisure Centre with a new gym, studios and changing rooms providing up to date facilities which is attracting new customers and increasing participation.	August 2013	✓
The Planning permission for Braintree Swimming Centre has now been approved and Fusion is evaluating the tenders.	March 2014	▶
Establish a Health and Wellbeing Panel working with others to identify priorities and take action to improve the health outcomes for all residents		
A Health and Wellbeing Panel has being established. The first meeting took place in July with organisations around the table who are able to tackle the public health priorities for the district.	December 2013	✓
Progress the Witham Neighbourhood Budget Pilot by working with partner agencies and the Witham community to raise young people's level of attainment and aspiration through new initiatives and improved ways of working		
Our Witham partners have used the Community Hub to launch a range of engagement and outreach activities aimed at improving residents health and	March 2015	▶






access to employment. The second round of neighbourhood level community budgeting support will open in January 2014; partners have begun discussions over submitting an application for funding and support.		
Work with the Police and Crime Commissioner, Essex County Council and other partners to pilot new ways to tackle domestic abuse across the District.		
The pilot to tackle domestic abuse has engaged with a total of 123 victims in the Braintree district. Victims are referred to a range of services and information on services provided to victims who have not accepted a referral. The cut it out campaign has provided domestic abuse awareness training to 26 staff from 9 hairdressing salons across the district	March 2014	
Build stronger communities through the implementation of the localism programme		
A system has been established in response to the Localism Act which is now mainstreamed within the Authority.	March 2015	
Refurbish the play areas at Templars in Witham and Panners Bridge in Gt Notley		
Works are now complete at the two play areas which have been refurbished with new play equipment improving the facilities available. The transformation of both play areas were agreed after consultation with local residents.	February 2014	
Create a sustainable partnership with Braintree District Museum Trust Ltd to preserve, interpret and promote the unique archive and Museum collections and the Districts heritage for the public benefit		
The Museum Service and Town Hall feasibility project board met in December and approved the project scope, terms of reference, project plan and procurement process. The tender is due to be issued in the next quarter.	March 2015	



Our Priorities

- Boost employment skills and support business
- Promote and improving our town centres
- Securing appropriate infrastructure and housing growth

Project description and comments	Target Date	Status
Reduce congestion and improve access to Braintree town centre through improvements to the South Street/Fairfield Road junction		
The demolition programme is now complete and the site has been hoarded. Essex County Council have undertaken as assessment of the levels to enable detailed designs to be drawn up.	July 2014	▶
Support the Town Teams to improve our town centres in Braintree, Halstead and Witham		
A market review has taken place with an external consultancy reviewing their operational and strategic development and will make recommendations on the future of our town markets. A number of pop up markets have taken place which have been run by local retailers and the Christmas event in Braintree included stalls in the Town Hall with a number of local retailers holding events around the town to encourage visitors to all parts of the town. Brandon Lewis visited Braintree in December where he had a tour of the town, met with local traders and discussed initiatives under the 'Backing Braintree' campaign.	March 2014	▶
The Backing our Town strategies for Witham and Halstead are now complete. Both Halstead and Witham hosted Christmas events in December to increase footfall into the towns and the Witham Town Team are preparing for a ministerial visit in January.	March 2014	▶
Start on the expansion of the IGNITE Enterprise Centre at Springwood Drive, Braintree to provide twelve new start up units		
Tenders documents have been received and are being evaluated.	March 2014	▶
Encourage new businesses into the district and support our local businesses by reviewing our business rate discount scheme		
Cabinet have approved the use of a discretionary business rate discount scheme for a twelve month period which will be made available to businesses on a case by case basis against certain criteria.	March 2014	✓
Work with IGNITE to create 50 new businesses and deliver new jobs into the District		
16 start-up businesses are continuing to trade from the Braintree Jewellery Village bringing the total number of start-ups for the year to date to 78, including business start-ups supported through enterprise advice.	March 2014	▶
Generate opportunities for young people in the District not in education, employment or training through the creation and development of apprentice and pre-apprenticeship schemes		
Green Team – The second NEET training programme was launched in October in the Witham area and the team are currently progressing through a 16 week training programme. The project has been extended until the end of March to accommodate the training programme.	March 2014	▶

Retail Apprentices – An assessment day for a ‘trainee negotiator’ role at an Estate Agents in Braintree Town Centre was held in December resulting in the recruitment of the post due to start with them in January 2014. Seetec are now trying to finalise apprenticeships with other businesses in the town.	March 2014	
Work in partnership with Housing Associations to begin construction on 58 new homes and work with homeowners to bring empty homes back into use across the District		
To date, 69 affordable homes have been provided	July 2014	
At the end of the third quarter, a total of 74 empty homes have been returned to use. One landlord is now on the Empty Homes Rescue Scheme and their property is scheduled to be ready to let in January 2014.	March 2014	
Develop a long term strategy to support economic growth and prosperity across the District		
The consultation for the Economic Development Prospectus has now closed and the final version is to be approved by the Cabinet Member for prosperity under delegated authority from Cabinet. The Prospectus will form the basis of a delivery plan and investment prospectus across the district.	October 2013	
Adopt District Site Allocations to enable future development which will meet district needs and support growth		
Work on the Site Allocations and Development Management Plan is progressing, with over 1600 comments received during the public consultation period in 2013. Further public engagement will take place in February and March 2014 and the Plan is expected to be submitted to the Planning Inspectorate for examination in late summer and formally adopted by the Council in January 2015. The end date of the project will be amended.	April 2014	










Our Priorities







- Provide value for money
- Deliver excellent customer service
- Improving our services through innovation

Project description and comments	Target Date	Status
Continue to review how we deliver and commission services, focussing our resources on what is important to us		
Reviews continue across the authority with action plans developed and being implemented in services where reviews have concluded.	March 2015	▶
Use a range of new technology to improve the way we deliver services and make our services easier to access for our customers		
A report-it app has been implemented allowing the public to report fly-tips, litter etc via their mobile devices. A proposal to install in-cab technology to all waste collection vehicles will go to Cabinet in February. This will improve the customer service provided by providing real time information based on crew reports streamlining back office procedures.	March 2015	▶
Achieve the Customer Service Excellence Standard for all front line services		
Environment & Leisure successfully achieved the standard in October. Finance and Sustainable Development had good pre-assessments and they are now working through the areas of partial compliance before full assessments which have been booked for March. Business Solutions achieved the standard for the second year in their programme of continuous improvement.	March 2014	▶
Maintain high levels of customer satisfaction, seeking feedback from our customers to identify where we can improve		
Resource issues have delayed the project to review the Customer Service Standards. The end date of the project will be extended accordingly.	March 2014	▲
Website feedback module has been implemented. Project has been extended to gather additional feedback via a survey which will go live in the next quarter.	March 2014	▶

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2013/14						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Place							
Percentage of land that falls below cleanliness standards for litter	n/a	5%	1%		8%		Recorded 3 times a year – July, November and March
Percentage of household waste sent for reuse, recycling and composting	58.42%	59.19%	57.79%		60%		The weather continues to have a detrimental impact on the recycling rate with less garden waste being produced. The indicator continues to be monitored and the service is doing all it can to increase the recycling levels across the district.
Percentage of fly tips cleared within 24 hours of being reported	100%	100%	100%		100%		A total of 216 fly-tips have been cleared within 24 hours of being reported
Public Satisfaction with parks and open spaces	Annually reported indicator				n/a	n/a	
People							
Number of visitors to our leisure facilities from under-represented groups	156,303	146,550	155,985		Establish Baseline	n/a	Although still establishing a baseline target with Fusion, a target for the third quarter was set at 113,759 and has been successfully achieved.
Number of passenger journeys on the Community Transport Scheme	15,497	14,599	15,812		15,675		
Percentage of Mi Community projects successfully completed	Annually reported indicator				n/a	n/a	
Prosperity							
Number of empty homes in the district returned to use	30	18	26		14		
Number of affordable homes delivered	55	6	8		8		
Number of young people assisted into education, employment or training through council and partnership schemes	Annually reported indicator				n/a	n/a	
Percentage of empty shops in the district	Annually reported indicator				n/a	n/a	
Number of new business start-ups in the district	Annually reported Indicator				n/a	n/a	
Performance							
Percentage of enquiries resolved at first point of contact within the Customer Service Centre	87%	86%	85%		85%		Represents 15730 out of 18544 calls resolved at first point of contact

Performance Indicator	2013/14						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Time taken to process housing benefit/council tax benefit new claims	19.19 days	17.04 days	17.34 days		18 days		
Time taken to process housing benefit claim changes	7.23 days	5.6 days	6.18 days		6 days		Average response time was marginally above target for the quarter due to a high volume of changes experienced in October and November. Performance for the final quarter is expected to be back on target.
Percentage of minor planning applications processed within 8 weeks	69.47%	78.16%	70.13%		72%		Represents 54 out of 77 minor planning applications processed within 8 weeks. Of the 23 applications not determined within 8 weeks, 12 required S106 agreements. This was also the first quarter in which the recent government reforms (e.g. widening householder permitted development) have had an effect. This has meant that the service needed to prioritise the handling of such applications and this has had some knock-on impacts. Cumulatively outturn is 72.6%
Percentage of stage 1 complaints responded to within target	88.9%	92.5%	89.9%		90%		Represents 71 out of 79 stage 1 complaints dealt with in 7 working days. Only 0.1% off target. Cumulative outturn is 90.4%
Overall customer satisfaction with the way Braintree District Council runs things	Annually reported Indicator				89%	n/a	
Percentage of residents who agree that Braintree District Council provides value for money	Annually reported Indicator				67%	n/a	
Collection rate for Council Tax	30.60%	59.36%	87.38%		87.52%		The collection rate has been impacted by the number of council taxpayers opting to pay over 12 months rather than 10 months. Staff continue to contact taxpayers who have been affected by the various welfare reforms in an effort to find ways for them to meet their council tax liability.
Collection rate for business rates	32.60%	60.81%	88.04%		88.81%		The total amount of business rates collected to 31st December is £36.21m, this compares to £35.01m for the same period in the previous year. Reasons for the reduction in the collection rate against target are currently being investigated

Customer Services & Views

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

Customer Service: Indicators of Performance	Q1	Q2	Q3	Q4	Target
Average telephone response time in the Customer Service Centre	9 seconds	11 seconds	7 seconds		15 Seconds
Number of transactions carried out via the Council website	27,178	25,334	21,239		21,250
Percentage of avoidable contacts (collected in Q3 and Q4)	n/a	n/a	14.79%		Data only

Complaints

The quarterly complaints analysis for the third quarter of 2013/14 is detailed below. This is compared with 2012/13 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14	TOTAL
Justified	45 (85)	45 (82)	29 (114)	(62)	(343)
Not Justified	58 (104)	62 (100)	45 (101)	(84)	(389)
Partially Justified	11 (15)	7 (27)	12 (12)	(7)	(61)
Not known	0 (0)	0 (0)	0 (0)	(0)	(0)
Total	114 (204)	114 (209)	87 (227)	(153)	(793)

Comments

The number of complaints received in the third quarter of 2013/14 is once again lower than the number of complaints received in the previous period, and considerably lower than the number of complaints received in the same period in 2012/13. The majority of complaints are still regarding missed waste collections, however, numbers are reducing which is a trend being seen across all service areas within the Authority.

In the third quarter of 2013/14, of the 87 complaints received:

- 79 are stage one complaints
- 6 are stage two complaints
- 2 are stage three complaints

A summary of Local Government Ombudsman cases:

In the third quarter of 2013/14 the LGO have received two complaints. Of the two new complaints received:

- 1 complaint the LGO refused to investigate as the complaint was not made in time and is therefore outside the LGO's jurisdiction.
- 1 complaint the LGO stopped investigating as there was no substantive fault in how the Council dealt with the matter

There is one matter from the previous period which is still on-going and two previous complaints have been completed by the LGO.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Change on previous period	Yearly Target
Total headcount	470	473	485		+ 12	-
Total number of posts	479	483	495		+ 12	-
Number of temporary staff	47	46	56		+ 10	-
Total staff FTE	429.49	430.47	441.39		+ 10.92	-
Level of employee turnover	3.4%	2.5%	1.9%		- 0.6%	-
Number of vacant posts	20	17	14		- 3	-
Number of leavers	16	12	7		- 5	-
Number of starters	20	15	19		+ 4	-
Working days lost to sickness per employee	1.35 days	1.39 days	1.66 days		+0.27 days	8.0 days
Percentage of staff with nil sickness	70%	80%	73%		- 7%	-
Number of learning days	844.50	887.50	916		+ 28.5	-
Average learning days per employee	1.97	1.88	1.89		+ 0.01	≥3.5 days
Number of apprentices	11	11	18		7	-

Year on Year Headcount Analysis	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	586	567	541	503	485	466

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 and making the workplace safer for staff and our customers.

Health & Safety: Indicators of Performance	Q1	Q2	Q3	Q4	
	(2012/13 figure in brackets)				
Total number of reported accidents/ incidents, calculated from:	14 (21)	14 (17)	11 (8)	(12)	
<i>a. Accidents/ incidents to employees</i>	9 (17)	10 (13)	9 (7)	(9)	
<i>b. Accidents/ incidents to contractors</i>	2 (2)	2 (1)	1 (0)	(3)	
<i>c. Accidents/ incidents to non-employees</i>	3 (2)	2 (3)	1 (1)	(0)	
Time lost in days due to employee accidents/ incidents	23 (39)	8 (7)	38 (4)	(6)	Top causes of accident in Q3 are slips/trips
Number of reported verbal/ physical incidents to employees	2 (1)	1 (3)	0 (0)	(0)	
Number of near miss incidents	2 (1)	0 (0)	1 (0)	(0)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	0 (3)	1 (2)	1 (2)	(1)	
Number of claims settled	0 (0)	0 (0)	0 (0)	(0)	

Financial Performance

This part of the report provides an updated review of the financial position for the financial year 2013/14. It examines the forecast spending on day-to-day service provision compared to the budget for the year. Also included is a summary position for treasury management at the end of December; projected movements on General Fund balances and earmarked reserves; and a summary of spending to date on capital investment projects.

Third Quarter Financial Position Statement for 2013/14

Key Points:

- An overall underspend is forecast for the year of £99,000 (<1%) against the budget of £15.841 million. This is an overall improvement of £39,000 over the position reported at the second quarter (Q2).
- The budget variance comprises a projected over achievement of income of £72,000, an improvement of £128,000 over Q2 which at that time indicated an under achievement of £56,000. Staffing and other expenditure budgets are predicted to be under spent by £27,000 – this is lower than the last quarter (£116,000 at Q2) with the main reasons for the change being increased costs relating to tree damage claims, including that arising from the recent storms, and higher estimated planning appeal costs.
- Based on known staffing changes to date and their financial impact on the year, a shortfall against the efficiency target is currently projected of £224,000 (this is included in the above overall underspend). This, however, is an improvement on Q2 by £11,000 and may change further depending on staffing changes effective in the final quarter of the year.

Financial Forecast of Revenue Spending by Services

Business Plan Service	Budget £'000	Forecast Spend £'000	Adverse (positive) variance against budget				RAG Status
			Staffing £'000	Other Expenditure £'000	Gross Income £'000	Total £'000	
Asset Management	(1,410)	(1,453)	(3)	16	(56)	(43)	-3%
Business Solutions	1,961	1,844	(8)	(109)	0	(117)	-6%
Community Services	523	441	(32)	(32)	(18)	(82)	-16%
Corporate Management Plan	1,231	1,220	(2)	(9)	0	(11)	-1%
Cultural Services	257	272	8	12	(5)	15	6%
Environment	981	994	(25)	(20)	58	13	1%
Finance	1,634	1,419	(95)	(75)	(45)	(215)	-13%
Governance	903	899	1	(2)	(3)	(4)	-%
Housing Services	871	808	(13)	(39)	(11)	(63)	-7%
Human Resources	290	277	(15)	2	-	(13)	-4%
Leisure Services	842	842	1	(1)	-	-	-%
Marketing and Communications	442	411	(5)	(4)	(22)	(31)	-7%
Operations	4,026	4,085	22	(65)	102	59	1%
Sustainable Development	1,458	1,500	3	72	(33)	42	3%
Service Total	14,009	13,559	(163)	(254)	(33)	(450)	-3%
Corporate Financing	2,219	2,183	-	3	(39)	(36)	-2%
Efficiency target	(387)	-	387	-	-	387	
Total	15,841	15,742	224	(251)	(72)	(99)	-1%

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

Commentary

Staffing

Across service business plans there are projected salary underspends of £163,000. The corporate efficiency target was set at £387,000 for the year which includes £296,820 that would normally be met through staff turnover and a further £90,260 targeted at savings generated from service reviews. At this quarter's review there is a projected shortfall against meeting the target from salaries for the year of £224,000, based on known staffing changes to date.

Business Plan – Salary Budgets	Budget £'000	Forecast Spend for the year £'000	Adverse/ (positive) variance £'000	RAG Status
Asset Management	262	259	(3)	-1%
Business Solutions	827	819	(8)	-1%
Community Services	450	418	(32)	-7%
Corporate Management Plan	1,112	1,110	(2)	-
Cultural Services	248	256	8	3%
Environment	1,565	1,540	(25)	-2%
Finance	2,313	2,218	(95)	-4%
Governance	333	334	1	-
Housing Services	639	626	(13)	-2%
Human Resources	254	239	(15)	-6%
Leisure Services	55	56	1	2%
Marketing and Communications	268	263	(5)	-2%
Operations	4,439	4,461	22	-
Sustainable Development	1,531	1,534	3	-
Service Total	14,296	14,133	(163)	-1%
Efficiency target	(387)		387	
Net Total	13,909	14,133	224	2%

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

The main issues are:

- Savings on staff costs have occurred due to delaying filling vacant posts, appointments being made at lower salary grade points, and some reductions in working hours. In addition, some changes have been made in anticipation of the need to achieve future budget savings.
- The shortfall against efficiency target has reduced by £11,000 from that reported at Q2.
- Services showing an overspend on staffing costs is due to either cover for long-term sickness, or where additional staff resources have been employed to generate off-setting income.
- The forecast shortfall against the efficiency target was £101,000 at the same quarter last year, with a final year end outturn under achievement of £139,000 being reported.

Other Service Expenditure

Services are currently forecast to underspend against their non-staffing expenditure budgets by £249,000 – a reduction in underspend from that reported at Q2 by £103,000.

Positive variations:

- **Waste Management** – The main reason for the projected underspend is due to savings on external transport costs (£53,000) which is the result of green waste being delivered direct from collection routes to the material recycling facility. There is also a budgeted surplus on the food waste service of £36,000 which offsets costs incurred in previous years – this surplus is lower than originally anticipated due to the cessation of tipping away payments by Essex County Council.
- **Discretionary Business Rate Relief** – In previous years a proportion of the cost of granting discretionary business rate relief was borne by the Council rather than the national business rate pool and charged to relevant services. This cost has now been absorbed into the business rate retention scheme and is therefore reflected in the overall financing arrangements for the Council's budget. Consequently, budgets totalling £144,000 held under services are no longer required. However, a new scheme of relief for business ratepayers has recently been approved for which £100,000 is to be set-aside. This amount has therefore been deducted from the budget savings leaving a net positive variance in the current year of £44,000.
- **Community Services** – across this service area there is a projected underspend of £34,000, which includes budgets where on-going savings have been recognised and budgets provided for previous community-based initiatives. The service is currently undergoing a review, reappraising its strategic and service priorities which will determine the future need and allocation of resources.
- **Council Business Rates** – Backdated business rate costs have led to a one-off net refund of £90,000 to the Council for the year, with on-going savings of £27,000 per annum on the rates payable on Causeway House.
- **Corporate Overheads** – Recent years have seen a significant reduction in the level of fees set by the Audit Commission. For 2013/14 scale fees for external audit are £17,000 less than budget, however, this has been partially offset in the current year by £3,000 higher fees for auditing 2012/13 grant claims. A saving of £8,500 (£17,000 in a full year) is expected from renewal of insurance premia, and bank charges in respect of cash collection are expected to be £6,000 lower.
- **Housing service** – the Council operates a rent in advance scheme funded by a core budget allocation topped up with recycled loan repayments to help those potentially at risk of homelessness. As the service is demand-led it is difficult to be precise about the drawdown on financial resources, however, it is predicted that there could be a £21,000 underspend.

The above variations are offset by the following:

- **Development Control** - The Council is engaged in a number of planning appeals, mainly relating to decisions on retail development. At the end of the third quarter £61,000 had been spent on legal and other specialist advice, along with some compensation payments. Service management predict a further £52,000 maybe incurred in the year taking the total to projected spend to £113,000, which is £61,000

above the allowance made in the budget.

- Landscape & Countryside** - A number of tree root claims have been received, coupled with damage caused by the recent storms, resulting in management predicting a combined spend in the year of £72,000 on these issues, compared to the budget provision of £40,000. However, other underspends means that the net over spend for the service is predicted to be £20,000. Whilst the budget provisions for both of these areas are expected to be exceeded in the current year the unpredictable nature of the spend makes setting a reasonable budget difficult. Set too high and most years an underspend would be recorded and the possibility that other budget heads may have been cut unnecessarily. It is in these circumstances that it is reasonable for this type of overspend to be met either from underspends across all service areas or if none from the unallocated balance, with a report to Members at the earliest opportunity (as above).

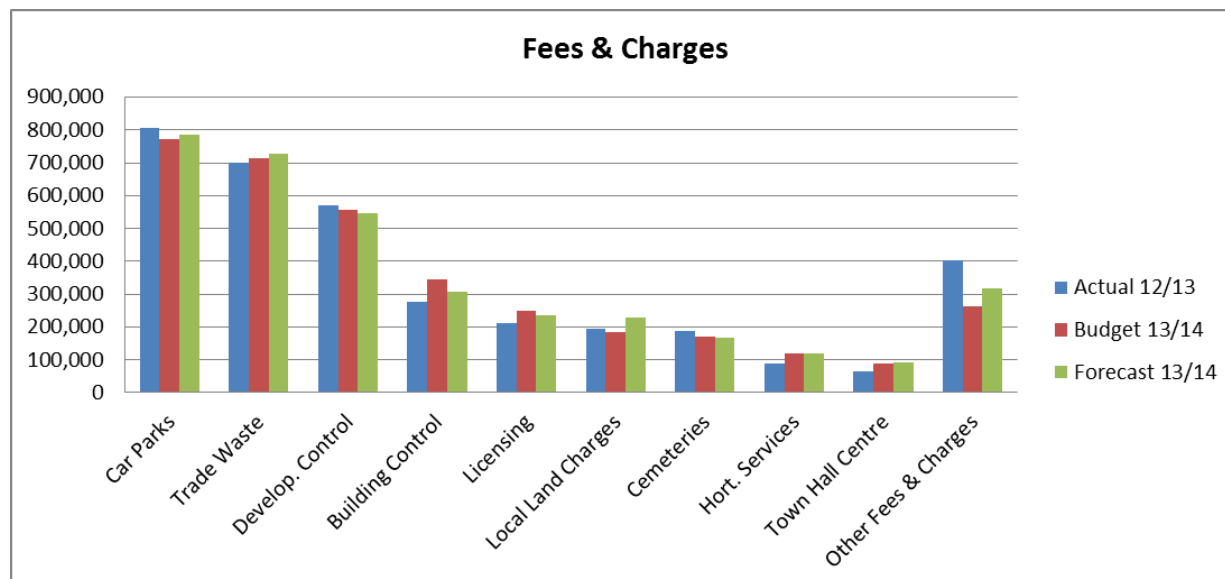
External Income

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, with a total of £52.339 million budgeted for 2013/14. The amount of business rates retained will vary depending on the actual amounts collectable, with any difference being reflected in setting the budget and council tax for 2014/15. Other external income comes from a variety of sources that are subject to external demands and influences, meaning these income sources are more likely to experience variations against budget. It is currently forecast that services will over achieve against their income budgets by £72,000, as shown in the table below:

Other External Income	Budget £'000	Adverse (positive) variance against budget						RAG Status
		Fees & Charges £'000	Land & Property income £'000	ECC Joint Financing & contributions £000	Sale of Recycling Materials £'000	Other Income £'000	Total £000	
Asset Management	(2,092)	(24)	(30)	-	-	(2)	(56)	3%
Business Solutions	(63)	-	-	-	-	-	-	-
Community Services	(231)	(13)	-	-	-	(5)	(18)	8%
Corporate Management Plan	-	-	-	-	-	-	-	-
Cultural Services	(95)	(3)	-	-	-	(2)	(5)	5%
Environment	(919)	55	-	-	-	3	58	-6%
Finance	(1,292)	-	-	-	-	(45)	(45)	3%
Governance	(4)	-	-	-	-	(3)	(3)	75%
Housing Services	(135)	(1)	(10)	-	-	-	(11)	8%
Human Resources	-	-	-	-	-	-	-	-
Leisure Services	(259)	-	-	-	-	-	-	-
Marketing and Communications	-	(17)	-	-	-	(5)	(22)	85%
Operations	(5,277)	(26)	(4)	121	(6)	17	102	-2%
Sustainable Development	(916)	(36)	-	-	-	3	(33)	4%
Service Total	(11,283)	(65)	(44)	121	(6)	(39)	(33)	-
Corporate Financing	(250)	-	-	-	-	(39)	(39)	16%
Total	(11,533)	(65)	(44)	121	(6)	(78)	(72)	1%

Fees & Charges

The budget for income from fees & charges is £3.459 million, and is projected to be over achieved by £65,000. The following chart shows the main income streams:

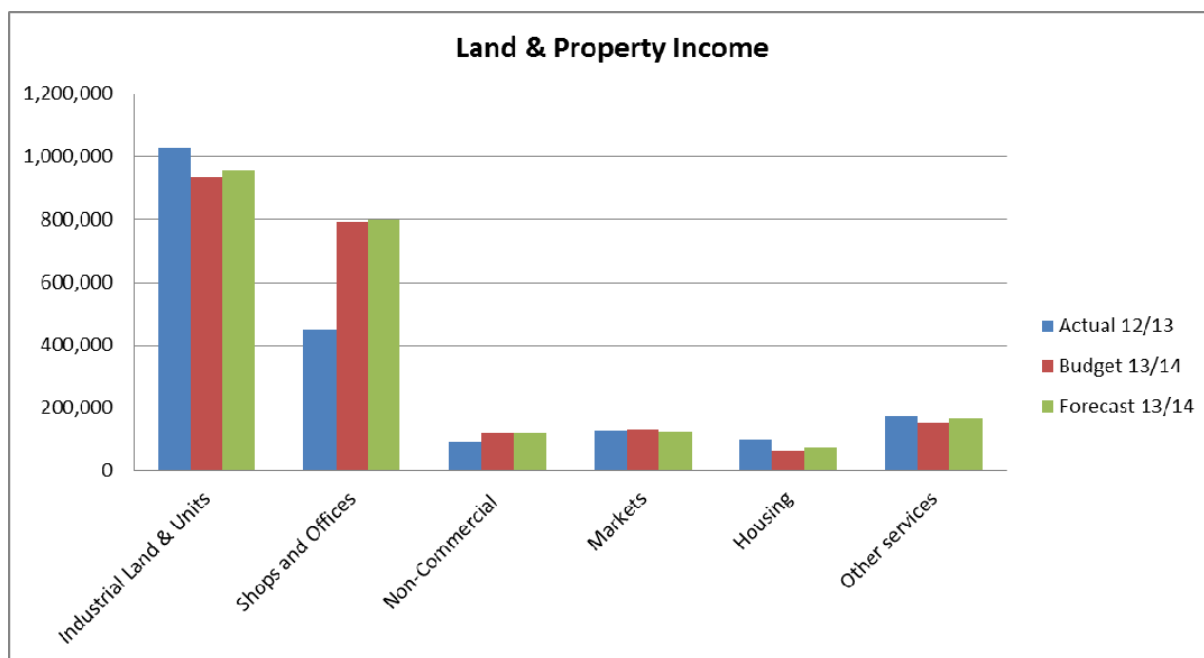


Forecast highlights:

- Additional income of £73,000 is predicted from car parking, trade waste, and local land charges.
- Development control shows a central case forecast for a shortfall of £9,000 for the year, an improvement of £43,000 on the previous forecast. Income received in the third quarter was £176,000 compared with the two previous quarters of £119,000 (Q1) and £136,000 (Q2), with December recording the highest income total for over three years.
- Building Control –third quarter projection continues to show an improvement over the last two years. The predicted total for the year is £308,000, which although lower than budget by £37,000, is an increase from the previous year outturn by £33,000.
- Licensing income is predicted to be under budget by £14,000.
- The main variances under Other Fees & Charges relate to the Community Transport scheme (+£13,000), Asset Management – increased recharges for s106 monitoring and legal work (+£12,000), and income from a sub-letting arrangement for telecoms at Springwood Drive (+£15,000)

Land & Property Income

The budget for rental income from land & property is £2.198 million – comprising the investment property portfolio, markets, housing properties, and other let properties. The forecast for the year is an overall over achievement of £44,000.

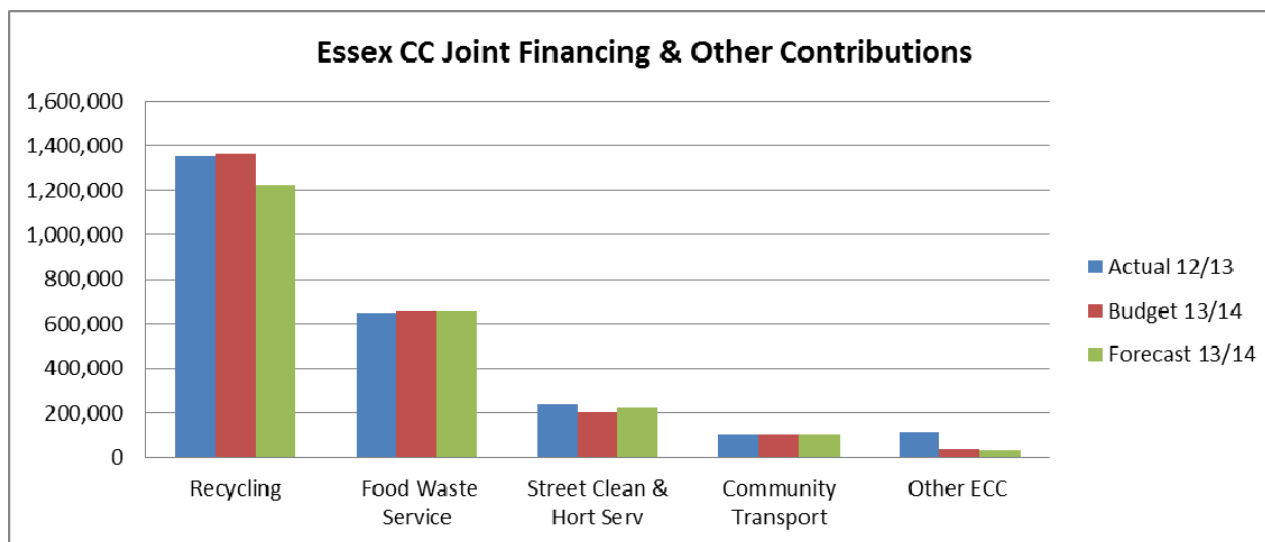


Forecast highlights:

- The actual for Industrial Land & Units in the previous year includes one-off income arising from backdated rent reviews.
- The planned increase in income from Shops and Offices relates mainly to the letting of Mayland House (the annual income budget for this property is £488,000).
- Overall income from the commercial property portfolio is predicted to be £30,000 more than budget.
- Market rents are predicted to be under budget by £6,000.
- An overachievement of income on housing dwellings is predicted of £8,000.
- Other service rents are predicted to be higher than budget by £12,000.

Essex County Council Joint Financing & Contributions

The Council receives a significant amount of income from service arrangements with Essex County Council (ECC). The total budget for the year is £2.356 million. The current forecast for the year is an under-achievement of £121,000.



Forecast highlights:

- Income under recycling activities is projected to be under budget by £140,000, of which £104,000 relates to an agreed refund of previous year's income. The remaining shortfall is due to lower material tonnages which attract recycling credits.
- Additional unbudgeted net income of £19,000 is expected from rural highway verge cutting.

Sale of Recycling Materials

The budget for income from the sale of recycling materials is £617,000 and is projected to be over achieved by £6,000. The main reasons for this variance is an increase in the price per tonne received for glass – up from £23.20 to an average of £32.55 contributing an estimated extra amount of income of £22,000; however, this is largely offset by a reduction in the estimated tonnage sold for mixed dry materials and textiles resulting in £16,000 less anticipated income.

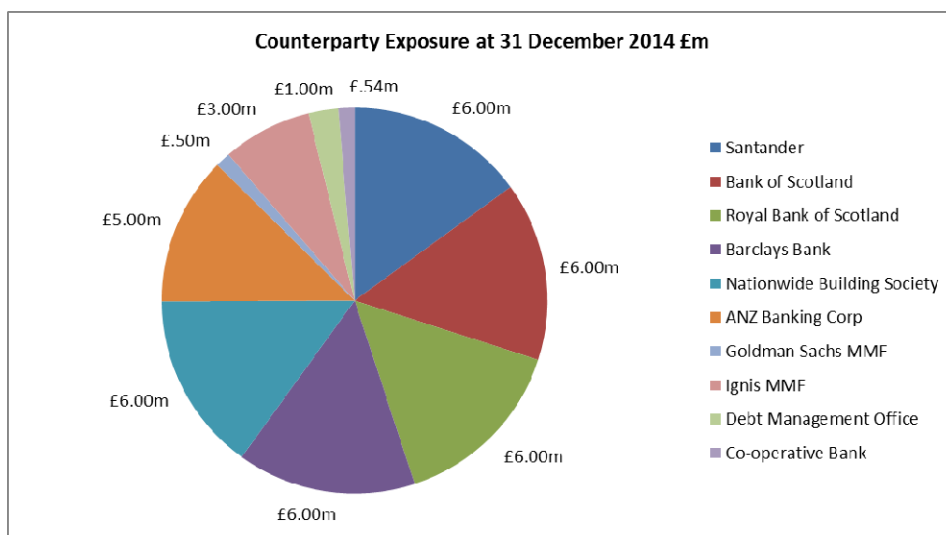
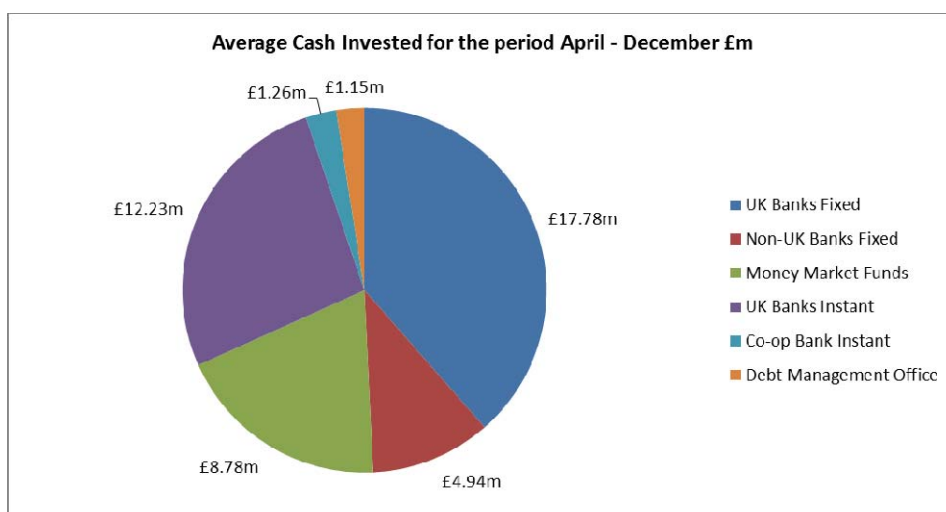
Other Service income

Total budgeted other service income is £2.903 million, with a current forecast of a net overall over achievement of £78,000. The main income streams within this category, includes: £704,000 (+£43,000 over budget) of benefit and local tax recoveries and penalties, £426,000 relating to the Procurement Hub, £245,000 (+£39,000 over budget) from the major precepting authorities under an agreement to share the benefit of changes in council tax discounts; and a further £111,000 from service level agreements with Greenfields Community Housing.

Treasury Management

The average cash balance invested in the period to the end of December amounted to £46.1 million. Balances have ranged between £33.65 million and £54.35 million, with a current projection for the average for the whole year of £42.8 million. Interest secured to date amounts to £238,000, with a full year projection of £264,000 compared to a budget of £220,000. The additional interest projected is the result of a combination of higher estimated cash balances (+£11.4 million) partially offset by lower investment returns (0.62% v budget of 0.70%). For comparison purposes the average 3-month London Interbank Bid Rate (LIBID) averaged 0.44% for the year to date, reflecting the prolonged period of low interest rates.

Investment counterparties for the period and exposure at end of December is shown in the following charts:



General Fund Balances

General Fund balances are held for the following reasons:

- As a contingency against unforeseen events that may require funding above that originally provided for in the approved budget
- 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 forecast set out above, the movement on the General Fund balance is projected as follows:

Balance at 1 April 2013	£'000
	7,704
Less:	
Approved budgeted withdrawal	(353)
Additional withdrawal	(100)
Transfer to earmarked reserves	(250)
Add:	
Transfer from earmarked reserves	293
Est. business rates grant	485
Projected variance at this quarter	99
Est. Balance at 31 March 2014	7,878

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

- The budget approved by Council for 2013/14 included an anticipated drawdown from balances of £352,519, and it is proposed that a further £100,000 is applied to meet costs of professional services in connection with the Braintree town centre strategy project.
- At the meeting held in December 2013, Council approved an addition to the earmarked reserve for redundancy and early retirement of £250,000.
- Management review of earmarked reserves has resulted in a proposed transfer from earmarked reserves to General Fund balances of £293,000.
- An estimated variance on the amount of business rate retention scheme income due to the Council as a result of Government funding for the extended small business rate relief scheme.
- Projected full-year variance as per this quarter's review of £99,000

Earmarked Reserves

Earmarked reserves reflect funding set aside for a specific purpose and must be utilised in accordance with this purpose. The following table sets out the latest plans for movement on reserves in the current year:

Category of Earmarked Reserve	Balance at 1 April 2013 £'000	Estimated Movement £'000	Transfer to General Fund balance	Transfer from General Fund balance	Est. Balance at 31 March 2014
Capital Investment	3,170	1,243	-	-	4,413
New Homes Bonus (Year 3 allocation)	-	563	-	-	563
Risk Management	301	43	-	-	344
Service Reserves	2,930	(191)	(185)	-	2,554
Change Management	375	(113)	(108)	250	404
Total	6,776	1,545	(293)	250	8,278

Commentary on estimated movement on earmarked reserves:

Capital Investment reserves show an increase mainly due to the addition of New Homes Bonus (Year 1 and 2 allocations) which the Council has agreed would be earmarked for future investment in affordable housing and infrastructure projects. Allocations from these reserves are subject to progress of spend against the Council's capital programme and decisions taken on financing the spend.

New Homes Bonus (Year 3 allocation) is currently being held in reserve pending decisions around its future use.

Risk Management reserves includes £84,000 added to the treasury management reserve - £40,000 in line with the interest equalisation strategy adopted in the four-year Medium Term Financial Strategy, and £44,000 over achieved interest projected for the current year. An allocation of £24,000 is planned from the insurance reserve to meet the cost of security improvements at the Lakes Road depot.

Service Reserves have a projected net withdrawal of £376,000, including £185,000 transferred to the General Fund balance as a result of a management review.

Change Management reserves are projected to increase by a net £29,000 after adding £250,000 to the redundancy and early retirement reserve, and transfer to General Fund balance of £108,000 as a result of a management review. Spend from these reserves is incurred to achieve corporate improvements and/ or to realise on-going staffing savings.

Risks and Assumptions to the Forecasts

The forecasts reflect the service managers' "best estimate" of the predicted outturn for the year. 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.

Other external income is inherently difficult to predict as it is substantially demand led and impacted by external factors.

Capital Investment

The total capital investment expected in the year is as follows:

	£'000s
Approved New Programme for 2013/14	3,632
Add:	
Projects approved previously where spending is profiled into the current year	11,691
Projects approved in-year	46
Less: Reduction in programme to align spend with government grant received	(76)
Programme for 2013/14	15,293

The capital investment programme is reported over two themes:

- General Fund Services – Spending on Council owned assets and services.
- Housing investment – mainly spent on partnership schemes with social landlords, and providing disabled facilities grants and home improvements grants.

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

	Programme 2013/14	Actual spend	Grants approved but not yet claimed	Budget Remaining	Spend/ Grants approved at end of Quarter %
	£'000	£'000	£'000	£'000	
General Fund Services	12,688	5,344	-	7,344	42%
Housing Investment	2,187	675	8	1,504	31%
Capital Salaries	418	314	-	104	75%
Total	15,293	6,333	8	8,952	41%

General Fund Services programme includes the main construction phase for the new Witham Leisure Centre (£6.7 million out of a total project budget of £9 million) which is due to be completed in August 2014, plus over £1.2 million of improvement works to other leisure facilities. Since the previous quarter £500,000 has been added to the expected spend in the year relating to the Council's contribution from Growth Area Funds towards a new footbridge at Motts Lane, Witham. A total of £358,000 is also planned for open space and play area improvements.

Planned housing investment includes £843,000 set aside for disabled facility grants (DFG) and other financial assistance for home improvements against which £480,000 has been

paid up to end of December. A further £1.5 million is provided to support the building of affordable homes in partnership with housing associations of which £195,000 has been spent to the end of the Quarter, and service management expect that a significant payment will be made in the final quarter towards the Riverside development, Braintree.

Actual spend on capital projects during the third quarter amounted to £2.151 million (£2.836 million in Q2), with significant items of expenditure expected to be incurred in the final quarter of the year.

Capital resources

The main source of new capital resources anticipated for the year are from preserved right-to-buy receipts (£400,000) and the Council's share of the VAT shelter operating in conjunction with Greenfields Community Housing (£702,000).

Greenfields have reported that there were 27 right-to-buy sales completed up to the end of December generating over £1.632 million in capital resources for the Council. This compares favourably with the budget and the total for the previous year when 16 sales were completed generating £684,000. The increase in sales is most likely due to changes in the discount arrangements available to eligible purchasers. Provisional amounts for the VAT shelter total £592,000 to the end of December. During the quarter the sale of Trinity House was completed generating a receipt of £372,000.

A Government grant of £318,000 has been received towards funding for disabled facility grants. Income of £205,000 has been received from developers under Section 106 Agreements which will be used on future capital projects.