



PERFORMANCE MANAGEMENT BOARD AGENDA

Wednesday, 3rd February 2021 at 7.15pm

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held via Zoom and by the Council's YouTube channel – Braintree District Council Committees.

Members of the public will be able to view and listen to this meeting via YouTube.

To access the meeting please use the link below:

<http://www.braintree.gov.uk/youtube>

Members of the Performance Management Board are requested to attend this meeting to transact the business set out in the Agenda.

Councillor J Coleridge
Councillor G Courtauld
Councillor Mrs C Dervish
Councillor T Everard
Councillor M Radley (Chairman)

Councillor S Rehman
Councillor B Rose
Councillor P Schwier (Vice Chairman)
Councillor N Unsworth

Members unable to attend the meeting are requested to forward their apologies for absence to the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by 3pm on the day of the meeting.

A WRIGHT
Chief Executive

INFORMATION FOR MEMBER – DECLARATIONS OF MEMBERS’ INTERESTS

Declaration of Disclosable Pecuniary Interests (DPI), Other Pecuniary Interests (OPI) or Non-Pecuniary Interests (NPI).

Any Member with a DPI, OPI or NPI must declare the nature of their interest in accordance with the Code of Conduct. Members must not participate in any discussion of the matter in which they have declared a DPI or OPI or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the Chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

Public Question Time – Registration and Speaking:

In response to the Coronavirus the Council has implemented procedures for Public Question Time for its virtual meetings which are hosted via Zoom.

The Agenda allows for a period of up to 30 minutes for Public Question Time.

Participation will be via the submission of a written question or statement which will be read out by an Officer or the Registered Speaker during the meeting. All written questions or statements should be concise and should be able to be read **within 3 minutes** allotted for each question/statement.

Members of the public wishing to participate are requested to register by contacting the Governance and Members Team on 01376 552525 or email governance@braintree.gov.uk by midday on the working day before the day of the Committee meeting. For example, if the Committee meeting is due to be held on a Tuesday, the registration deadline is midday on Monday, (where there is a bank holiday Monday you will need to register by midday on the previous Friday).

The Council reserves the right to decline any requests to register for Public Question Time if they are received after the registration deadline.

Upon registration members of the public may indicate whether they wish to read their question/statement or to request an Officer to read their question/statement on their behalf during the virtual meeting. Members of the public who wish to read their question/statement will be provided with a link to attend the meeting to participate at the appropriate part of the Agenda.

All registered speakers are required to submit their written questions/statements to the Council by no later than 9am on the day of the meeting by emailing them to governance@braintree.gov.uk. In the event that a registered speaker is unable to connect to the virtual meeting their question/statement will be read by an Officer.

Questions/statements received by the Council will be published on the Council’s website. The Council reserves the right to remove any defamatory comment in the submitted questions/statements.

The Chairman of the Committee has discretion to extend the time allocated for public question time and to amend the order in which questions/statements are presented to the Committee.

Documents: Agendas, Reports, Minutes and Public Question Time questions and statements can be accessed via www.braintree.gov.uk

Data Processing: During the meeting the Council will be collecting performance data of participants' connectivity to the meeting. This will be used for reviewing the functionality of Ms Teams/Zoom and YouTube as the Council's platform for virtual meetings and for monitoring compliance with the legal framework for Council meetings. Anonymised performance data may be shared with third parties.

For further information on how the Council processes data, please see the Council's Privacy Policy. https://www.braintree.gov.uk/info/200136/access_to_information/376/privacy_policy

We welcome comments to make our services as efficient and effective as possible. If you have any suggestions regarding the meeting you have attended, you can send these to governance@braintree.gov.uk

PUBLIC SESSION**Page****1 Apologies for Absence****2 Member Declarations**

1. To declare the existence and nature of any interests relating to items on the agenda having regard to the Code of Conduct for Members and having taken appropriate advice (where necessary) before the meeting.
2. To declare the existence and nature of any instruction given by or on behalf of a political group to any Councillor who is a member of that group as to how that Councillor shall speak or vote on any matter before the Committee or the application or threat to apply any sanction by the group in respect of that Councillor should he/she speak or vote on any particular matter.

3 Minutes of the Previous Meeting

To approve as a correct record the minutes of the meeting of the Performance Management Board held on 18th November 2020 (copy previously circulated).

4 Public Question Time

(See paragraph above)

5 Scrutiny of the Council's Budget for 2021-2022 - Update

To receive a presentation from Cabinet on the updated Council Budget for 2021-22.

Report and presentation slides are to follow.

Note:

1. The report for this Item is prepared for the publication of the Agenda for the meeting of the Cabinet on 8th February 2021.
2. All Members of the Council are invited to attend for this Item as part of the Member Development Programme to enable them to understand the Council's Budget for 2021-22.
3. Only Members of the Performance Management Board can vote on this Item.

6 Second Quarter Performance Management Report 2020/21**6 - 43**

7 Urgent Business - Public Session

To consider any matter which, in the opinion of the Chairman,
should be considered in public by reason of special
circumstances (to be specified) as a matter of urgency.

Second Quarter Performance Management Report 2020/21	Agenda No: 6
<hr/>	
Portfolio	Finance and Performance Management
Corporate Outcome:	A high performing organisation that delivers excellent and value for money services
Report prepared by:	Tracey Headford – Business Solutions Manager
Report presented by:	Tracey Headford – Business Solutions Manager
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Background Papers:	Public Report
Second Quarter Performance Management Report 2020/21	Key Decision: No
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Executive Summary:	
<p>The Council provides a report to demonstrate the performance of the Council at the end of the second quarter (April to June 2020) in relation to our Annual Plan which sets out key activities and measures to check our performance against the priorities of the Corporate Strategy 2020-24.</p> <p>Like many Councils across the Country, the Council has continued to deal with the impact of Coronavirus on our residents, communities and businesses as they started to recover from the first lockdown. In some instances, this has meant resources on day to day delivery of services were redirected to deal with the challenges we still faced and new powers provided to Councils to enforce the restrictions in place.</p> <p>As at the end of September 2020, even though we were dealing with the pandemic, a number of projects were able to continue. At the end of the second quarter, one project has completed and a further 46 projects are on track and progressing well. Five projects have an amber status due to impact of the pandemic and one project has been cancelled due to missing the planting season in 2020. This project will now be undertaken in Spring/Summer of 2021.</p> <p>Targets have not been set for all our performance indicators this year due to the disproportionate impact coronavirus is having. For the targets that remain, seven performance indicators have met or exceeded target and seven performance indicators have missed their target. Three have missed target by less than 5% and four missed their target by more than 5%. The areas of underperformance are in relation to recycling rates (>5%), average waiting time for disabled facility grants (>5%), average call answering time in the Customer Service Centre (>5%), the collection rate for Business rates (>5%), the percentage of stage one complaints responded to within 7 working days (<5%), the collection rate for Council Tax (<5%) and the percentage of invoices paid within 30 days (<5%).</p>	

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. The following summarises the financial position for the whole year as projected at this quarter (Q2):

- An overall adverse variance before government COVID-19 support is projected of £2.651 million.
- Across all services, staffing budgets are forecast to be underspent by £402,000; however, after allowing for the corporate efficiency target of £300,000, this results in a net projected underspend of £102,000. Other expenditure is projected to be over budget by £584,000.
- Income is projected to be under achieved by £2.169 million.
- The estimated impact of COVID-19 on the Council's finances for the year is £3.255million: £1.079million of additional expenditure and £2.176million reduction in income. The amount of government support received from the Emergency Fund for Local Government and the estimated amount expected from the Income Compensation Scheme is a total of £2.668 million. The net impact of the COVID-19 pandemic on the General Fund revenue account is therefore a £587,000 overspend.
- Other projected budget variances, including the return on the investment in the Suffolk Waste plant, staff vacancies in Finance and Sustainable Development and reduced fuel costs for Operations' services, net to a positive amount of £604,000 resulting in the overall General Fund position being a projected positive variance of £17,000.

For a detailed explanation of the financial performance, please refer to page 21 onwards of the full report.

Recommended Decision

Members of the Performance Management Board are asked to note the report.

Purpose of Decision:

To inform Members of the performance of the Council.

Any Corporate implications in relation to the following should be explained in detail	
Financial:	An assessment of the Council's financial position against the agreed budget for the year is provided and is based on income and expenditure during the year.
Legal:	There are no legal issues raised by this report.
Safeguarding	There are no safeguarding issues raised by this report.
Equalities/Diversity	Equalities and diversity issues are considered fully in the Council's key projects, where appropriate.
Customer Impact:	There has been some impact due to the Covid-19 pandemic and the report will include detail of the Council's response. Information is included on how we intend to support residents, communities and businesses moving forward. A summary of complaints received each quarter, analysed by outcome (justified, partially justified or not justified) is provided.
Environment and Climate Change:	The Enhancing our Environment priority has a number of actions that are designed to have a positive impact on the environment and climate change.
Consultation/Community Engagement:	Consultation is considered fully in the Council's key projects, as appropriate.
Risks:	Risks regarding the assumptions used in determining the predicted financial outturn for the year are identified.
Officer Contact:	Tracey Headford
Designation:	Business Solutions Manager
Ext. No.	2442
E-mail:	tracey.headford@braintree.gov.uk

SECOND QUARTER PERFORMANCE MANAGEMENT REPORT

1ST JULY 2020 TO 30TH SEPTEMBER 2020

Contents

	page
Section 1: Introduction and Summary	
• Purpose of the Report	3
• Summary of the Projects	3
• Summary of the Performance Indicators	4
Section 2: Delivering our Corporate Strategy	5
Connecting People and Places	5
Enhancing our Environment	7
Supporting our Communities	9
Promoting Prosperity	11
Delivering and Innovating	13
Section 3: Managing the business	
• Performance Indicators in detail	15
Connecting People and Places	15
Enhancing our Environment	15
Supporting our Communities	15
Promoting Prosperity	16
Delivering and Innovating	16
• Complaints	18
• Our Organisation	19
• Health and Safety	20
• Financial Performance	21
Financial Position Statement	21
Capital Investment	33

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 2020/21'. This sets out the key activities and measures used to check our performance for the year and along with the Corporate Strategy 2020-2024 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 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 2020/21'

Corporate Priorities	Status of projects and actions				
Connecting People and Places	0	9	1	0	0
Enhancing our Environment	1	6	1	0	1
Supporting our Communities	0	12	2	0	0
Promoting Prosperity	0	10	0	0	0
Delivering and Innovating	0	9	1	0	0
TOTAL	1	46	5	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 2020/21’.

Corporate Priorities	Status of indicators			
				Data Only
Connecting People and Places	2	0	0	1
Enhancing our Environment	3	0	1	0
Supporting our Communities	0	0	1	4
Promoting Prosperity	0	0	0	5
Delivering and Innovating	2	3	2	1
TOTAL	7	3	4	11

KEY:

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

Summary Position

Like many Councils across the Country, the Council continues to deal with the impact of Coronavirus on our residents, communities and businesses as they start to recover from lockdown. In some instances, this has meant resources on day to day delivery of services are redirected to deal with the challenges we still face and new powers provided to Councils to enforce the restrictions in place.

Despite this, the Council has performed well in the second quarter with 46 projects on track and progressing well. Five projects have an amber status due to impact of the pandemic and one project has been cancelled due to missing the planting season in 2020. This project will now be undertaken in Spring/Summer of 2021.

Targets have not been set for all our performance indicators this year due to the disproportionate impact the coronavirus is having. For the targets that remain, seven performance indicators have met or exceed target and seven performance indicators have missed their target. Three have missed target by less than 5% and four missed their target by more than 5%. The areas of underperformance are in relation to recycling rates (>5%), average waiting time for disabled facility grants (>5%), average call answering time in the Customer Service Centre (>5%), the collection rate for Business rates (>5%), the percentage of stage one complaints responded to within 7 working days (<5%), the collection rate for Council Tax (<5%) and the percentage of invoices paid within 30 days (<5%).

We will continue to monitor our performance whilst focusing on the support required in the recovery of our district.

Section 2: Delivering our Corporate Strategy



Actions carried out by Braintree District Council

Project description and comments	Status
Develop the Braintree District Local Plan and provide a vision for the future growth of the district	▶
Following the public inspection of the joint plan which centred around the three garden communities, the Inspector recommended some key modifications to Section 1 of the Local Plan. The changes to the draft Local Plan went out to consultation at the end of August for a six week period. The consultation will close on the 9 th October 2020.	▶
Complete the pedestrianisation of Braintree Town Centre improving the attractiveness of the area and creating a safer and healthier environment	▶
In September 2020, the High Street permanently closed to allow essential construction work to start on the pedestrianisation scheme. Over the next few months, a complete resurfacing of the High Street, Great Square and Market Place will take place along with installing trees, lighting, new modern street furniture, CCTV and Wi-Fi hotspots. The pedestrianisation scheme will help to encourage movement around the town centre, boost footfall and aid the town's recovery from the impact of the coronavirus pandemic.	▶
Progress construction of the Victoria Square development creating a vibrant hub for the Braintree Town centre	▶
Building work on the regeneration project is now well underway and progressing according to plan having allowed for the 5 week delay caused by the suspension of work during lockdown. Planning conditions have now been discharged allowing above ground construction to progress.	▶
Continue to work on the redevelopment of the entrance of Witham Town Park providing greater accessibility and improved public realm	⚠
Progress on the redevelopment of the entrance of Witham Town Park has been delayed due to the impact of the pandemic. Consultation on the required works took place earlier this year prior to the pandemic and in the second quarter, the council have been able to progress the tender process for the works to resurface the car park and the removal of the foundations of a previous building.	⚠
Enable delivery of 150 affordable homes across the district	▶
In the second quarter of the year, a total of 82 affordable homes have been delivered across the district	▶
Support our town centres to open for business safely and recover from the impact of the Covid-19 pandemic	

Ongoing support is being provided to businesses in the town centres under our Safer Places working group. Activities to support the safe reopening of high streets and neighbourhood shopping areas across the Braintree district include daily patrols/monitoring of shopping areas, signage to remind shoppers to shop safely, provision of floor and window stickers to businesses reminding residents to keep a safe distance and wear a face covering and updated relevant businesses in respect of changes to legislation.



Actions carried out in partnership with others

Project description and comments	Status
Invest in resource and connectivity to support business growth and expansion including the planning and delivery of highway schemes across the district	
<p>There are a number of highway schemes planned across the district and Braintree District Council and Essex County Council meet regularly to discuss delivery of the schemes. The scheme to extend the A120 to the A12 is included in the Government's latest Road Investment Strategy as a pipeline scheme to be taken forward by Highways England with the road scheme being further developed between now and 2025 for subsequent construction. Essex County Council is in the process of handing over to Highways England all work to date on the project.</p> <p>Highways England are continuing to develop designs for the widening of the A12 between junction 19 and junction 25 to ease congestion and cope with increasing traffic demands. A further public consultation will take place in 2021 to get feedback on the more detailed designs for the overall project.</p>	
Continue to support and monitor Superfast Essex in the delivery of Superfast Broadband across the district	
<p>Phase three of the rollout programme is complete and 89% of the district can now access superfast broadband.</p>	
Continue to support NHS England to improve health facilities across the district	
<p>The Council continues to support NHS England to improve health facilities across the district. The regeneration scheme in Braintree Town centre includes provision for a Livewell Hub which is progressing well. The Council continues to explore delivery options for the Surgeries at Sible Hedingham and Silver End and discussions continue with NHS England to obtain commitment from them regarding the Witham Health Hub before proceeding with a planning application.</p>	
Support our residents and businesses to develop the skills needed to support the economy	
<p>The Government issued Plan for Jobs identifies a number of schemes that businesses will be able to access to help with the recovery of the economy. These plans include:</p> <ul style="list-style-type: none"> • introducing a new Job Retention Bonus to encourage firms to keep on furloughed workers • supporting jobs with direct help to find work and to gain the skills people need to get a job • protecting jobs in the hard-hit hospitality and accommodation sectors and attractions by supporting demand for these businesses, giving them confidence to reopen • creating jobs with action to get the property market moving, to increase and bring forward infrastructure investment, and to make homes greener, warmer and cheaper to heat. 	
<p>Officers within the Council's Economic Development team will continue to inform, signpost and refer to the relevant schemes.</p>	

ENHANCING OUR ENVIRONMENT



Actions carried out by Braintree District Council

Project description and comments	Status
Carry out improvements to our recreational open spaces including the provision of all-inclusive play facilities for young people to enjoy	
Improvements are planned to Albert Moss Recreational Gardens in Rivenhall, Bramble Road in Witham, Braintree and Bocking public gardens in Braintree and Notley Community Hall play area in Notley Green. Site visits have taken place and we are currently awaiting quotations from suppliers for the required improvement works.	▶
Investigate the provision of an eco-friendly woodland alternative to traditional burials at Braintree Cemetery in London Road	
A feasibility study has been carried out which concluded that an eco-friendly woodland alternative to traditional burials is not suitable at Braintree Cemetery. However, the feasibility study has identified that there is additional capacity at the cemetery for traditional burials subject to drainage works being carried out.	✓
Create gardens of remembrance at some of our cemeteries providing peaceful environments for families to visit	
Due to the impact of the pandemic, the project has been unable to progress as the majority of the works need to be carried out during the planting season. It has been decided to delay this project until the next planting season in the Spring/Summer of 2021.	■
Protect further areas of public open space against unauthorised encampments	
Four sites have been identified across the district to install protection measures to public open spaces. Quotations to carry out the works are currently being sought	▶
Respond to requirements from the Environment Bill in relation to waste and resources efficiency whilst supporting our climate change objectives	
There have been no new consultations received in the second quarter.	▶
Research and trial alternative fuel vehicles for some of our front line services	
The vehicle replacement programme has identified vehicles due for replacement next year. To accommodate changing the vehicles to electric vehicles, capital bids are being submitted in the 2021/22 budget to allow for an electric fleet and the required charging points and upgrades to the infrastructure.	▶
Raise awareness of duty of care and fines in relation to litter and waste offences through targeted campaigns	
The 'Tosser' litter campaign was launched in August and has addressed a number of littering and fly-tipping issues. Parish Councils were provided with posters to display in high littering areas and the fines relating to littering were highlighted through social media campaigns.	▶

Actions carried out in partnership with others

Project description and comments	Status
<p>Trial anti-littering signage along some of our strategic routes across the district to discourage roadside littering.</p> <p>The Lockdown earlier in the year meant that the original launch date of the trial to coincide with the Keep Britain Tidy spring clean campaign had to be postponed as traffic levels reduced significantly. Discussions have taken place with Essex County Council to launch the trial in the third quarter to run for a period of 12 months.</p>	
<p>Review and update the Climate Change Local Strategy for the next four years focusing on the areas below to support the delivery of our 2030 targets through the Climate Change Working Group.</p> <ul style="list-style-type: none"> - Resources - Energy Use - Planning and Development - Transport - Council Assets and Operations - Natural Environment - Adapting to climate change <p>The Council continues to work on the revised Climate Change Strategy and action plan which is due to go to Cabinet in the fourth quarter before being published for public consultation. The Climate Change working group continue to meet regarding the priority areas identified.</p> <p>Resources - A number of campaigns have been implemented to encourage residents to reduce their carbon footprint. This includes videos shared on social media from Council staff, climate change champions and local businesses sharing their thoughts on plastic, climate change, litter and sharing innovative ideas to engage with the younger demographics in the climate change debate.</p> <p>Energy Use – Discussions are taking place with Greater South East Energy Hub to identify projects to support the delivery of our targets and to signpost communities to grant funding opportunities for energy projects.</p> <p>Planning and Development – The Council have commissioned a water cycle study to look into our water supply for housing developments.</p> <p>Transport – The Braintree cycle plan is being updated and a cycling group has been set up to take forward the cycling and walking agenda. A bid has been submitted to the Office for Low Emission Vehicles for electric vehicle charging points in Braintree carparks.</p> <p>Council Assets and Operations – a vehicle replacement programme has been commissioned to fully explore the purchasing of electric vehicles and a capital bid has been submitted to install rapid charging posts and slow chargers. The grounds maintenance teams continue to trial battery operated equipment.</p> <p>Natural Environment – The Council are developing a Tree Strategy to set out how the council will protect and improve trees and woodlands and we continue to support the Essex Forest Initiative run by Essex County Council to plant one million trees across Essex.</p> <p>Adapting to climate change – The council is considering how it can encourage residents and communities to adopt measures to change habits.</p>	

SUPPORTING OUR COMMUNITIES



Actions carried out by Braintree District Council

Project description and comments	Status
Improve the sport facilities at Braintree Sports and Leisure Centre, creating high quality amenities for the community to use	
The planned improvements to replace the 3G surface and refurbish the athletics track surface at Braintree Sports and Leisure Centre have been delayed and are currently on hold due to the impact of the Coronavirus pandemic.	⚠️
Provide a new footpath and resurface the rear of Rivenhall village hall to improve accessibility to a much used community building	
The design plans for the provision of a footpath have been circulated and are awaiting approval from the Rivenhall Playing Fields Association and the Rivenhall Parish Council	▶
Upgrade the CCTV in Halstead and Braintree using new technology to improve the effectiveness of the systems	
Quotations are currently being sought from BT to upgrade the CCTV cameras in Halstead to fibre optic.	▶
One camera in the town centre of Braintree has been replaced. Further upgrades will be carried out following completion of the pedestrianisation work which includes providing for the CCTV upgrade to ensure no further ground works are required.	▶
Commence development of the 3G pitch at Halstead Leisure Centre	
There has been a delay in the legal sign off of the leases with Essex County Council and Fusion due to Fusion staff being furloughed. Planning Permission has been granted and funding agreed for the project and once the leases have been signed, the work will start.	⚠️

Actions carried out in partnership with others

Project description and comments	Status
Continue with Livewell Child initiatives to support families to live healthier lives and become more active	
During the lockdown period and the summer holidays, the team have looked into new ways of engaging with Primary schools safely and to deal with emerging issues that reflect the current situation. They will be engaging with the 'Embers the Dragon' programme which provides support to teachers, parents and children on school readiness and emotional wellbeing. In addition to this, the Council are looking to work with a personal trainer to provide information on healthy recipes and exercise videos through the provision of an app.	▶

Improve awareness of mental health services, identifying gaps in service provision and potential opportunities for partnership working

Discussions have taken place with partners to discuss the impact of the coronavirus pandemic on people's emotional wellbeing and what can be done collectively moving forward. A Mental Health Workshop will be held in October to allow organisations to provide an update on how the pandemic has impacted the service they provide and to discuss future priorities.



Work with communities to influence the planning of the area in which they live through the development of local neighbourhood plans

There are a number of local neighbourhood plans proceeding at various stages with support from the Rural Community Council for Essex (RCCE) and officers within the planning policy team. The Coggeshall Neighbourhood Plan has been sent to an examiner for its Inspection and the Saling Neighbourhood Plan is currently out for final consultation and an examiner will be appointed shortly.



Reduce the number of rough sleepers across the district by developing a range of support services

Our bid for 'Next Steps' funding, working jointly with ECC, Chelmsford CC, Epping DC, Rochford DC and Maldon DC was successful. MHCLG awarded £300,000 and the group is now planning the implementation of the project



Continue to develop a range of initiatives to address social isolation and loneliness across the district

The Peartree pantry in Hatfield Peverel has come on board as a Meet Up Monday venue taking the number of Meet Up groups to eight.



A befriending service was set up during lockdown and the service continue to signpost people to this as some of the social activities and support groups that people would normally be referred to are not open. Discussions are taking place with some of the social prescribers in the district to understand the issues they are seeing.

Continue to work with Community 360 to support volunteers across the district harnessing the energy of new volunteers

In the first half of the year, Community 360 have recruited an additional 138 volunteers and we continue to signpost volunteers that assisted in their communities during lockdown to Community 369 if they are keen to continue volunteering moving forward.



Provide support and assistance to the most vulnerable people across our district in response to Covid-19 through the Community Hub

A community hub was established at the beginning of lockdown to deal with residents within the district that were shielding and required support and assistance. To date, the team have dealt with 350 referrals for food or prescription collections, mental health issues or befriending calls. In addition to this, over 2000 people were contacted who were deemed extremely clinically vulnerable to ascertain whether they required any support. The role of the community transport team changed to deal with collecting and delivering shopping, prescriptions, food parcels and transporting people to medical appointments. Despite shielding ending in August, the team continue to deal with referrals from the Priority Me system and preparations are being made should further lockdown restrictions be put in place.



Support our communities and local organisations to respond to issues that have emerged from the Covid-19 pandemic increasing long term strength and resilience

Funding has been received from DEFRA for emergency assistance for food and essential supplies. This funding has been allocated to 8 groups including First Stop, Witham Community Hub and Rethink Braintree to support those most in need



A Community Recovery Action Plan has been developed with four priority areas: People, Places, Communities and Health & Wellbeing. The action plan has been shared with our Health & Wellbeing partners who have contributed and provided feedback to the plan.

The Councillor Community Grant scheme was reviewed and re-launched in June to focus the Councillor Community Grants on supporting communities through the recovery of the pandemic. To date £26,979 of the annual budget has been spent with six of the projects being Covid related.



PROMOTING PROSPERITY



Actions carried out by Braintree District Council

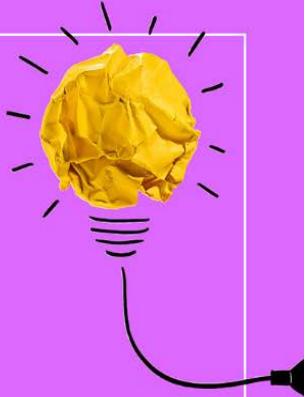
Project description and comments	Status
Commence construction of the Horizon 120 Business and Innovation Park	
Work has started on the southern access to provide vehicle access, to the Gridserve site by the required date of 19th October. The contract for delivery of infrastructure has now been let to Balfour Beatty with a programme completion date of April 2021. Contracts have been exchanged on the first land sale of a 4.4 acre site which will bring 80 plus jobs into the District.	▶
Commence the build of the I-Construct Innovation in Construction Hub at the Braintree Enterprise Centre	
The Council is currently in the process of discharging pre-commencement conditions and work will start on site in the third quarter.	▶
Carry out restoration works to the Bocking Windmill to preserve the building for future generations to enjoy	
Works to replace one of the sails on Bocking windmill continue and an order has been submitted. Applications for Listed building consent and a heritage statement are being prepared to submit to the planning team for the restoration works to be carried out.	▶
Raise the profile of the Braintree District as a place to do business	
Promotion of the district as a place to visit and do business continues through the use of social media channels by promoting the Eat out to Help out scheme throughout August including videos of places offering the scheme which had a high number of views as well as promoting and supporting the Visit Britain 'Escape the Everyday' campaign. New businesses opening up in the district were promoted through the visit Braintree District facebook page.	▶
Provide business and employment support and advice for those affected by the Covid-19 pandemic	
Support has been provided to businesses and individuals through either the business newsletter, closed Facebook page, over the phone or through the daily patrols of the Town centres and interactions with businesses. Information provided to businesses includes links to the Government support packages, self-employment income support scheme, Loans as well as signposting to support organisations.	▶
Minimise the barriers to economic growth and support the needs of businesses to start up, innovate and grow.	
The Council continues to provide support to businesses and to signpost those looking to start or to grow schemes to advice and support that will aid their business. This includes the young entrepreneur grant scheme and working with colleagues in strategic investment	▶

on the provision of new space at I-Construct and the Horizon 120 hub	
Continue to work with businesses to make physical improvements to industrial areas in the district	
500 businesses across the district have been identified as potentially meeting the criteria for a match funding scheme to improve the exterior of industrial units. Letters will be sent out in the third quarter inviting them to apply.	

Actions carried out in partnership with others

Project description and comments	Status
Help to strengthen economic recovery across the district working towards the shared vision in the North Essex Economic Strategy	
The Economic Board continues to meet regularly and a number of workshops have been scheduled to consider what actions in response to the pandemic can be undertaken across north Essex. Chelmsford City Council have also been invited to join the partnership and Maldon District Council are taking a watching role.	
Identify education and retraining programmes and actively promote these enabling access new work opportunities	
Essex County Council have agreed to facilitate the Governments Kickstart scheme to provide funding to employers to create job placements for 16 to 24 year olds and we will be encouraging as many businesses as possible to take advantage of this. In the meantime, the Education and Skills Board have met and changes are being proposed to the focus of the group around activities to deal with the response to the pandemic in the medium term.	
Maximise opportunities for businesses in the district to access grant funding	
The discretionary grant scheme was launched in the second quarter for businesses to apply for. Where businesses did not meet the eligibility criteria for any of the grant schemes, referrals have been made to our partners to explore alternate routes to business support. To date, the Council has paid out £30.9 million in business grants either through the small business grant, retail grants or discretionary grant scheme	

DELIVERING AND INNOVATING



Actions carried out by Braintree District Council

Project description and comments	Status
Address the challenges of reduced income from Government funding and as a result of Covid-19, by working collectively across the organisation to reduce costs and improve services without impacting on service delivery by being efficient, effective and commercially focussed. The Government is providing specific support to local authorities which have lost income from sales, fees and charges. This compensation scheme provides for a proportion of the income lost to be reimbursed by the Government. The Council has submitted a claim for £411k for the losses incurred between April and July. Further claims will be submitted in December and April 2021. Further detail of the estimated impact on the Council's income streams is contained in the Financial Performance section of this report.	▶
Address the challenges and recognise the opportunities of the changing work environment as a result of Covid-19 for the whole organisation including steering staff and members through the recovery journey The Council is developing a structured programme to consider how we move through the recovery journey. This will focus on the financial impact, how staff have adapted to the change and understanding the impact on service demand and the way services are delivered. Meetings have taken place with Heads of Service across the organisation and a survey sent to all staff to identify opportunities.	▶
Upgrade our website to comply with the web accessibility regulations enabling residents, visitors and businesses to transact with us easily An Accessibility Policy has been developed together with a Content Strategy and the Council continues to work on the development of the content on our website to ensure it meets accessibility standards.	▶
Review our Asset Management Strategy to ensure Council assets are fit for purpose, managed effectively and provide a valuable income stream for the Council A draft Asset Management Strategy has been prepared and circulated to Management Board for their consideration and comments. The Strategy will also be presented to members at a later date.	▶
Use customer information and feedback to improve services ensuring they remain customer friendly whilst working towards retaining the customer service excellence standard for the authority The Customer Service Excellence Assessment is scheduled to take place in April 2021. Evidence to support the assessment is being collated and discussions are taking place with the assessor to understand any additional areas of focus for the assessment	▶
Continue to develop relationships with Town and Parish Councils Regular meetings are taking place with each of the Town Council Clerks and Senior	▶

officers from the Council. Three meetings have been held with Parish Clerks to discuss local issues relating to Covid support and any other issues at the request of the Parish Council. Weekly newsletters to Town and Parish Councils provide updates on any key issues.	
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Actions carried out in partnership with others

Project description and comments	Status
Consider and determine the future approach of our leisure services	
The Council has supported Fusion in the phased reopening of the Leisure Centres across the district following the closures in March to slow the spread of Covid. A report was presented at a special meeting of Cabinet in July to approve the financial support required for remobilisation costs between August 2020 and March 2021.	
Look to develop health priorities in various localities within the district in partnership with the newly formed NHS Primary Care Networks	
This project has been impacted by the pandemic and the changing priorities of the NHS Primary Care Networks to deal with the crisis. It is hoped that talks can resume in the third quarter of the year to get this project back on track.	
Continue to improve health and wellbeing across the district through our work with Health and Wellbeing partners	
Partners including Essex Police, Eastlight, Mid Essex Clinical Commissioning Group, Essex County Council, Public Health and Community360 have been meeting on a regular basis during lockdown to share their organisations response to the pandemic and to discuss joint working relating to the community hub, test and trace and licensing. A Health & Wellbeing operational group has been established to assist in the delivery of the community recovery action plan. The group includes Eastlight Community Homes, Community360, Mid Essex Clinical Commissioning Group, Essex County Council and Public Health and will concentrate on the four priority areas within the plan: Communities, People, Places and Health & Wellbeing. A mental health workshop has been held to discuss the impact Covid19 has had on emotional health and wellbeing and mental health. Organisations provided updates as to how services have continued, alterations to services and innovative ways those living with mental health have managed during this time. Funding has been given to 7 schools across the district to provide projects to pupils whose emotional health and wellbeing has been impacted upon by Covid19. These include art groups and gardening projects.	
Continue to protect local communities and tackle priority problems with the Community Safety Partnership	
The Community Hub meetings continue to take place on a monthly basis focussing predominantly on ASB/neighbour nuisance cases which has seen an increase in the last six months. There has also been an identified increase in the number of exploitation cases and the partnership are discussing how to address this. An action plan for 2020/21 has been developed and agreed	

Section 3: Managing the Business

Our Performance Indicators in Detail

Performance Indicator	2020/21						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
CONNECTING PEOPLE AND PLACES							
Number of affordable homes delivered	0	82			37		
Percentage of superfast broadband coverage across the district	89%	89%			n/a	n/a	
Number of homes granted planning permission	288	395			212		
ENHANCING OUR ENVIRONMENT							
Percentage of household waste sent for reuse, recycling and composting	46.93%	53.08%			60%		<i>In the second quarter the recycling performance is 6.13 % higher than the previous quarter. In the first quarter, the garden waste service was suspended due to the restrictions imposed during lockdown. A partial service was re-introduced in May before full service commenced in July. The increase in tonnage in the second quarter is also due to the fact that the Districts residents are continuing to work from home as a result of the pandemic and households are generating more residual and recyclable waste. Nationally 8 out of 10 councils have reported an increase in the amount of material collected since the covid-19 outbreak.</i>
Kilograms of residual household waste collected per household	118kgs	116kgs			117kgs		
Percentage of land that falls below cleanliness standards for litter	n/a	1%			6%		<i>Recorded three times a year – July, November and March.</i>
Number and percentage of accessible non-hazardous fly tips on public land cleared within 24 hours of being reported	100% (282)	100% (202)			100%		
Number of residents assisted in installing energy saving measures	Annually reported						
SUPPORTING OUR COMMUNITIES							
Average waiting time for applicants on the Disabled Facilities Grant (calculated in	86 days	149 days			90 days		<i>During lockdown, the restrictions prevented properties being visited to assess the works required and impacted on builders being able to quote for the</i>

Performance Indicator	2020/21						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
days from point of referral to approval)							<i>required works. This has had a knock on effect to the outturn in the second quarter due to the delays caused in not being able to visit the premises and the ability to approve the works required. The situation is improving but it will take some time to get back to how things were prior to lockdown.</i>
Participation levels across all our sports centres	0	44,894			n/a	n/a	<i>All leisure centres across the district were closed during the pandemic. A phased approach in line with the Governments and Sport's National Governing body guidance was taken to re-opening the leisure centres and the figures reflect the participation levels since phase re-opening started in August/September. The figures will also be impacted by the measures taken to ensure social distancing is adhered to and air flow guidance is followed. The targets have been suspended for this year due to the pandemic.</i>
Participation of adults being active for 150 minutes per week	Annually reported						
Number of customers using out Handyman scheme	8	30			n/a	n/a	<i>The Handyman service for any internal requests was suspended during the lockdown period</i>
Number of homelessness cases prevented	37	57			n/a	n/a	
Number of vulnerable people assisted through Essex Welfare Services and the Community Hub	323	27			n/a	n/a	<i>The Community Hub was active up until shielding was paused on the 1st August. Customers now contact the customer services team for assistance. Details of additional activities undertaken by the Community Hub can be found earlier in the report.</i>
Achieve at least a 1% increase in adults being active for 150 minutes per week	Annually reported						
PROMOTING PROSPERITY							
Percentage of people in the district claiming out of work benefits rate (aged 16 – 64)	5.0%	5.5%			n/a	n/a	
Number of new business start-ups across the district	205	352			n/a	n/a	
Number of businesses that have contacted us for business support	699	364			n/a	n/a	
Number of business grants processed	2,443	70			n/a	n/a	
Amount of business grants paid out	£11.1 million	£2.1 million			n/a	n/a	

Performance Indicator	2020/21						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
DELIVERING AND INNOVATING							
Average call answer time in the Customer Service Centre	19 seconds	34 seconds			15 seconds		<p>In the second quarter, 30,584 calls were handled, an increase of 13% on the first quarter. The customer service centre take bookings for bulky waste and pest control which saw an increase in demand over the summer months and these calls take longer to process than normal calls. The bulky waste collection service was reintroduced across the district in July and increased from 3 days to 5 days a week to deal with the high demand. Additional resources allocated to the team during lockdown were moved to cover reception when the offices reopened in September. The call answering time is expected to reduce over time.</p>
Percentage of invoices paid within 30 days of receipt	98.05%	96.86%			99.25%		<p>In the second quarter, 2,489 out of 2,569 invoices were processed within 30 days of receipt. Processes have been amended due to more staff working from home and the Finance Team are currently looking at a new system to help streamline the process.</p>
Number of people transacting with us online	21,330	27,849			n/a		
Time taken to process housing benefit/council tax benefit new claims	12.38 days	15.19 days			22 days		
Time taken to process housing benefit claim changes	3.73 days	3.94 days			6 days		
Percentage of Stage 1 complaints responded to within 7 working days	94.91%	87.80%			90%		<p>The second quarter represents 108 out of 123 stage one complaints responded to within timescale. The majority of the complaints not responded to within 7 working days required additional time to provide a comprehensive response due to the complex nature of the complaints. Customers were kept informed where delays were incurred.</p>
Collection rate for Council Tax	29.91%	57.63%			58.8%		<p>Performance is marginally down on the same period last year. Performance across Essex authorities ranges between 50.37% and 57.63%. The Revenues Team have been sending soft reminders, telephoning and texting those council taxpayers which are in arrears.</p>
Collection rate for Business Rates	26.94%	54.90%			57.95%		<p>Performance is lower than the same period last year. It is also on a reduced net collectable amount because the extended retail rate relief scheme has meant that many businesses do not have anything to pay for this year. Approximately £19m has been awarded in relief this year. The Revenues Team have been sending soft reminders, telephoning and texting those businesses which are in arrears.</p>

Performance Indicator	2020/21						Comments
	Q1 Outturn	Q2 Outturn	Q3 Outturn	Q4 Outturn	Target for the Quarter	Status at the end of the Quarter	
Customer satisfaction with the Council	Annually reported						

Complaints

The quarterly complaints analysis for the second quarter of 2020/21 is detailed below. This is compared with 2019/20 figures shown in brackets. The figures represent all three stages of the complaints process.

Complaint Category	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	TOTAL
Justified	43 (45)	51 (52)	(51)	(44)	(192)
Not Justified	55 (54)	56 (69)	(49)	(49)	(221)
Partially Justified	19 (23)	22 (24)	(14)	(29)	(89)
Not known	0 (0)	0 (0)	(0)	(2)	(2)
Total	117 (121)	129 (145)	(114)	(124)	(504)

Comments

The number of complaints received in the second quarter has increased in comparison to the first quarter of the year.

The majority of complaints relate to the Operations service, in particular, complaints around missed waste collections and bins not being returned to the collection point. The reasons for missed collections vary with the majority due to parked cars causing access issues for the waste vehicles, an increase in contaminated waste and crews not being familiar with assisted collection points.

Crews have been changed to accommodate the new ways of working adhering to social distancing guidelines. This has reduced the number of crew members on a collection round and agency staff have been called upon to assist with additional requirements. Crews need to familiarise themselves with new routes and collection points. The waste crews endeavour to return to collect any missed waste within 48 hours of being reported.

The second quarter has also seen an increase in the number of planning complaints received which are complex in their nature referring to particular planning decisions and processes. Additional time has been required to provide comprehensive responses and ensure all areas of the complaints are addressed.

All complaints are reviewed on a regular basis to help identify improvements to processes and the service provided

In the second quarter of 2020/21, of the 129 complaints received:

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

A summary of Local Government Ombudsman (LGO) cases:

In the second quarter of 2020/21, the LGO has sent out two final decision notices declining to investigate.

In the first instance, the complaint was not investigated as there was no evidence of fault by the Council and in respect of the second complaint, this was not investigated as the complainant had not been caused any significant injustice. Both complaints related to Planning.

Our Organisation

The following is a selection of our people performance measures:

People: Indicators of Performance	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21	Change on previous period	Yearly Target
Total headcount	487	489			+ 2	-
Total staff FTE	436.74	437.5			+ 0.76	-
Level of employee turnover	1.44%	0.82%			- 0.62%	-
Number of leavers	7	4			- 3	-
Number of starters	2	6			+ 4	-
Working days lost to sickness per employee	0.68 days	1.62 days			+ 0.94 days	8.0 days
Percentage of staff with nil sickness	94%	72.4%			Cumulative	-
Number of learning hours	1693.5	1538.5			- 155	-
Number of delegates	58	89			+ 31	-
Number of apprentices	19	16			- 3	-

Year on Year Headcount Analysis	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	472	470	464	466	481	492

** 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:	10 (11)	13 (4)	(14)	(11)	<i>The most common accident /incident this quarter has been verbal assaults to staff and back injuries.</i>
Accidents/ incidents to employees	8 (9)	11 (3)	(14)	(10)	
Accidents/ incidents to contractors	2 (1)	2 (0)	(0)	(0)	
Accidents/ incidents to non-employees	0 (1)	0 (1)	(0)	(1)	
Time lost in days due to employee accidents/ incidents	0 (6)	5 (4)	(7)	(0)	<i>The lost days were due to the one accident involving a back injury</i>
Number of reported verbal/ physical incidents to employees	2 (1)	4 (0)	(1)	(4)	<i>There has been an increasing number of verbal assaults being reported by staff during the lockdown period.</i>
Number of near miss incidents	0 (1)	0 (0)	(0)	(0)	
Number of Accidents/ incidents registered resulting in insurance/ compensation claim	0 (1)	(1)	(0)	(1)	
Number of claims settled	1 (1)	(0)	(0)	(1)	

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 £15.226 million for the 2020/21 financial year. This included planned spending across all services totalling £13.888 million; corporate items amounting to £1.638 million; and an overall efficiency target to be achieved in-year of £300,000. Financing of the budget was to be from a combination of: general government grants (£22,000); business rates (£5.192 million); and Council Tax (£10.012 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. The following adjustments have been made:

- An adjustment of £151,460 between waste management and treasury management to reflect a capital contribution towards improvement of facilities used to process the Council's recycling material collected from households.
- An adjustment to service budgets and transfer from General Fund balances of £135,420 to recognise the cost of the higher pay award agreed from April 2020.

Summary Financial Position

The following summarises the financial position for the whole year as projected at this quarter (Q2):

- An overall adverse variance before government COVID-19 support is projected of £2.651 million.
- Across all services, staffing budgets are forecast to be underspent by £402,000; however, after allowing for the corporate efficiency target of £300,000, this results in a net projected underspend of £102,000. Other expenditure is projected to be over budget by £584,000.
- Income is projected to be under achieved by £2.169 million.
- The amount of government support through emergency funding and other grants, along with an estimate of the amount expected from the Income Compensation Scheme is £2.668 million. The net impact of the COVID-19 pandemic on the General Fund revenue account is therefore a £587,000 overspend.
- Other projected budget variances net to a positive amount of £604,000 resulting in the overall General Fund position being a projected positive variance of £17,000.

Revenue Spending

The following statement shows the overall budget variances projected for the year:

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	(2,471)	(2,465)	(3)	15	(6)	6	A
Community Services	399	453	(7)	(22)	83	54	R
Corporate Management	1,462	1,479	14	(2)	5	17	A
Economic Development	200	200	-	-	-	-	G
Environment & Leisure	992	1,206	(54)	(60)	328	214	R
Finance	1,480	1,886	(179)	(67)	652	406	R
Governance	1,175	1,163	(6)	(39)	33	(12)	G
Housing Services	932	787	(39)	(40)	(66)	(145)	G
Human Resources	362	372	14	(4)	-	10	A
ICT & Facilities	1,651	1,651	11	(11)	-	-	G
Marketing and Communications	560	584	6	(27)	45	24	A
Operations	6,161	6,611	23	(151)	578	450	R
Strategic Investment	23	23	-	-	-	-	G

Sustainable Development	973	1,121	(182)	(9)	339	148	R
Service Total	13,899	15,071	(402)	(417)	1,991	1,172	R
Corporate Financing	1,627	1,761	-	(44)	178	134	R
COVID-19 central fund	-	1,045	-	1,045	-	1,045	R
Efficiency target	(300)	-	300	-	-	300	
Total before COVID-19 grants	15,226	17,877	(102)	584	2,169	2,651	R
Emergency funding & grants		(1,894)	-	-	(1,894)	(1,894)	G
Income compensation		(774)	-	-	(774)	(774)	G
Net Total General Fund	15,226	15,209	(102)	584	(499)	(17)	G

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

Analysis of the Projected Budget Full-Year Variances

It is difficult to be precise about the extent to which projected variances arise due solely to the COVID-19 pandemic, particularly with regards income as under normal circumstances there would inevitably be some level of budget variance. A level of judgement has therefore had to be applied in making this assessment. The following table shows how the projected full year variance has been attributed in terms of COVID-19 impact or for other reasons:

Reason for variance:	Adverse (Positive) variance against budget			
	Staffing £'000	Other Expenditure £'000	Income £'000	Total £'000
COVID-19	39	1,040	2,176	3,255
Other ¹	(141)	(456)	(7)	(604)
Total before COVID-19 grants	(102)	584	2,169	2,651

¹ Staffing variances shown net of the £300k corporate efficiency target

COVID-19 Pandemic and impact on the Council's Finances

The Covid-19 pandemic has had a considerable impact on the Council's finances and continues to do so as services are gradually reintroduced, but with the appropriate social distancing measures, and the pace and level of demand recovery for some services . The recent deterioration in the spread of the virus which has resulted in the area covered by Essex County Council categorised as "High" alert level under the recently introduced three tier model, means that services will have to continue to play a key role in providing support and assistance to residents, and businesses. This is also likely to result in ongoing financial consequences across the Council's services.

Additional unbudgeted expenditure has been incurred and is expected to continue over the remainder of the year with a current forecast total of £1.045 million which is being accounted for within a central fund. The Council is also reporting other income and expenditure budget variances within individual services where these have been impacted.

To date the Government has provided grants totalling £1.894 million for the 2020/21 financial year (including £170,000 of New Burdens funding for administering business grants). The Council has recently made a claim under the Government's Income Compensation Scheme for lost sales, fees and charges income amounting to £411,367 covering the period 1 April 2020 to 31 July 2020. Based on the income shortfall projected for the year, it is anticipated that the total amount eligible to be claimed under this scheme for year is £774,000.

After taking into account emergency funding and other government grants, and the estimated amount eligible under the income compensation scheme, the net impact on the General Fund revenue account from the COVID-19 pandemic is a net overspend of £587,000. This is offset by other projected budget variances amounting to £604,000, resulting in an overall positive variance to the General Fund of £17,000.

At Q1 the projected variance was a £919,000 overspend; however, this included £135,420 projected overspend due to the higher pay award which has now been reflected in the updated service budgets, and also the Q1 variance did not include any provision for income

compensation as the scheme details were still being finalised. On a like for like basis, Q2 represents an overall improvement over Q1 of £27,000.

Further Commentary on Budget Variances

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.

Service budgets have been increased to reflect the additional cost expected from the higher pay award agreed from April 2020. The original budget allowed for a 2% pay award, however, the final agreement between employers and unions was 2.75%, increasing staffing cost to the Council by an estimated £135,420. This is funded by increasing the expected drawdown from the General Fund unallocated balance.

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

Service – Staffing Budgets	Updated Budget	Projected Spend	Adverse/ (Positive) variance	RAG Status
	£'000	£'000	£'000	
Asset Management	333	330	(3)	G
Community Services	438	431	(7)	G
Corporate Management	1,446	1,460	14	A
Economic Development	207	207	-	G
Environment & Leisure	1,742	1,688	(54)	G
Finance	2,915	2,736	(179)	G
Governance	722	716	(6)	G
Housing Services	1,040	1,001	(39)	G
Human Resources	282	296	14	A
ICT & Facilities	845	856	11	A
Marketing & Communications	448	454	6	A
Operations	6,074	6,097	23	A
Strategic Investment	762	762	-	G
Sustainable Development	1,918	1,736	(182)	G
Service Total	19,172	18,770	(402)	G
Corporate Financing	10	10	-	G
Efficiency	(300)	-	300	
Total	18,882	18,780	(102)	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 £402,000.

COVID-19 related Staffing Variances

Overall net additional staffing costs within service budgets due to COVID-19 are forecast to be £39,000 for the year. This includes measures introduced for operational staff to maintain social distancing along with some compliance and marshal duties. Additional payments have also been required to ensure daily office coverage of Gold Command. Partially offsetting these costs are savings anticipated where services can flex staffing hours in response to reduced customer demands.

Other Staffing Variances

The total projected underspend by services on staffing due to other reasons totals £441,000.

The largest service area with a projected underspend is **Sustainable Development** (-£182,000). This is mainly due to vacancies with three posts in **Development Management** currently vacant: a planner and administrative officer both due to be filled in January; and a senior enforcement role which is now expected to remain vacant for the remainder of the financial year. In total the estimated budget saving is £181,000, although this is partially offset by increased spending on agency staff (£80,000). **Landscape Services** through a combination of vacant posts, reduced hours, and changes to management arrangements means a projected underspend for the year of £80,000.

Projected underspends in **Finance** (including the Customer Service Centre) total £179,000, due mainly to 4 posts being vacant and which, subject to any unplanned changes in pressure on services, are expected to remain so for the rest of the financial year. Other savings have been generated from a flexible retirement which was approved after the original budget was set, and reductions in staff hours.

Environment and Leisure is projecting underspends (-£54,000), mainly due to one manager role that is vacant in Health Development.

The **Strategic Investment Team** continues to operate with a mix of permanent and interim staffing which is being flexed according to project priorities and workloads. The forecast spend for the year on staffing for the team is £704,000. The budget for the team is currently funded from a mixture of revenue and capital resources that were originally allocated over an estimated four-year period. The level of spending to date remains within the overall resources allocated.

The 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 increased by £100,000 to £300,000 based on past experience. The projected variances across all services currently exceeds this target by £102,000.

Other Service Expenditure

Other expenditure is forecast to be overspent by a net £584,000 by the end of the year. This includes estimated additional spending due to COVID-19 of £1.040 million, which is partially offset by reductions in spending due to other reasons of £456,000.

COVID-19 related Other Service Expenditure Variances

At the outbreak of the COVID-19 pandemic the Council established a central fund to account for the additional expenditure incurred. The forecast spend in this central fund for the year is £1.045 million. This is largely made up of financial support provided to the Council's leisure operator for the initial period of the lockdown, with further funding set aside to be used as the Council works closely with the operator to support remobilisation and operation of leisure facilities to the public in a safe manner. Other areas of spending due to COVID-19 include:

- Costs incurred in providing accommodation for rough sleepers and those vulnerable to homelessness (£70,000 net of housing benefit).
- Communications and publicity material, including mail-outs on changes to the green waste service (£66,000).

- ICT equipment to support remote working and virtual meetings (£78,000), along with system changes to allow for administration of business grants and hardship reliefs (£15,000).
- Additional staffing costs and operational equipment and supplies (£116,000).

Other budget variances which are attributed to COVID-19 include:

- **Operations - Waste Management** – a net cost of £14,000, which comprises: additional costs on vehicles due to social distancing measures and cover for vehicle MOTs following the ending of the government suspension period (+£68,000); higher payments for mixed dry waste as lockdown increased household recycling tonnages (+£48,000); and increased costs for delivery of recycling calendars via Royal Mail (+£6,000). These are being partially offset by savings on transport and disposal costs for street cleansing, trade waste, and green waste collections as these services were either suspended or produced lower tonnages (-£68,000); and lower reactive maintenance spending across parks and open spaces (-£35,000).
- **Asset Management:** Additional holding costs of £16,000 incurred on one investment property due to a prospective tenant pulling out from a lease completion when lockdown measures were introduced. The property has since been re-let to another tenant from August.
- Across **Various Services** savings are projected as a consequence of lower expenditure being incurred where this is directly related to income activity which has also reduced (-£36,000).

Non COVID-19 related Other Expenditure Variances

Projected underspends for other reasons total £456,000. The main service areas contributing to these variances are:

- **Operations** (-£165,000): mainly in relation to **Waste Management** where savings are being made across a number of areas: the processing costs of recycling materials as a result of capital investment towards improved facilities (-£55,000); the new arrangements for the collection of bulky waste (-£19,000); and on the cost of black and clear sacks due to market prices and usage (-£18,000). There is also a saving on vehicle costs as a result of lower fuel prices (-£83,000), partially offset by increased maintenance costs (+£55,000), particularly in relation to end of life vehicles. Net projected underspend across all other operational service areas of £45,000.
- **Finance** (-£55,000): Mainly in relation to legal & court fees, bank and credit card transaction costs, and savings on the annual costs of the system used for making BACS payments/ collections.
- **Governance** (-£36,000): Lower expenditure is forecast on Member's allowances and expenses, including those relating to the Chair and Vice-Chair and Civic hospitality.
- **Environment and Leisure** (-£44,000): a lower than anticipated service charge from the landlord at the Braintree Retail Village – this relates to the land lease for the Braintree swimming centre and includes a prior year adjustment – and a reduction in building insurances. Joint-use and leisure contract variation spend is estimated to be lower for the year.
- **Housing Services** (-£40,000): mainly due to an anticipated lower recharge from Eastlight Community Housing in respect of maintained temporary properties, as government legislation preventing evictions appears to have led to reduced demand for non-covid

related housing needs.

- **Corporate Financing** (-£44,000): mainly due to lower projected spending on pension fund costs along with additional savings achieved through the staff annual leave purchase scheme.

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, originally totalling around £30million.

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. Sums received from this arrangement are initially held in the Business Rate Retention reserve pending decisions on how the money is to be utilised. The latest estimate of the amount that could be received under this arrangement is £610,742, based on latest returns.

Other external income for which the Council has budgeted £15.731 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 under achieve against their income budgets by a net £2.169 million and almost entirely attributable to COVID-19, both as a result of the initial period of national lockdown and latest assumptions about the rate of recovery over the coming months.

Support from government towards the impact of the pandemic is in the form of grants towards expenditure and through an income compensation scheme, for which it is currently estimated the Council will receive a combined total of £2.668 million.

Service	Updated Budget	Joint Financing & Other Reimbur.		Sales, Fees & Charges	Rents & Service Charges	Other Income	Total	RAG status
		4,467	6,154	3,161	1,949	15,731		
	£000	<i>Adverse (Positive) Variance £000 against Budget :</i>						
Asset Management	3,364	-	3	(9)	-	(6)	G	
Community Services	217	-	72	-	11	83	R	
Corporate Management Plan	10	5	-	-	-	5	A	
Economic Development	-	-	-	-	-	-	G	
Environment & Leisure	1,218	18	295	-	15	328	R	
Finance	2,458	355	-	-	297	652	R	
Governance	197	(1)	21	-	13	33	A	
Housing	40	-	(69)	3	-	(66)	G	
Human Resources	-	-	-	-	-	-	G	
ICT & Facilities	2	-	-	-	-	-	G	
Marketing & Communications	141	32	39	-	(26)	45	A	
Operations	5,403	(57)	604	39	(8)	578	R	
Strategic Investment	425	-	-	-	-	-	G	
Sustainable Development	1,696	-	339	-	-	339	R	
Service Total	15,171	352	1,304	33	302	1,991	R	
Corporate Financing	560	178	-	-	-	178	R	
Total before COVID-19 grants	15,731	530	1,304	33	302	2,169	R	
COVID-19 government grants		-	-	-	(1,894)	(1,894)	G	
Income compensation		-	(774)	-	-	(774)	G	
Net Total	15,731	530	530	33	(1,592)	(499)	G	

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

Joint Financing & Other Reimbursements

Budgets under this category cover a multitude of arrangements with other local authorities and public bodies, as well as recoveries from third parties:

- Essex County Council's contributions toward services, including waste management, community transport, public health, and horticultural services etc.;
- Council Tax sharing and investment agreement with the major precepting authorities;
- Services provided via the Procurement Hub and Payroll Shared Service;
- Business rate cost of collection allowance;
- Planning performance agreements;
- Sponsorship income;
- Housing benefit (HB) overpayment recoveries; and
- Local tax cost recovery for non-payment.

Commentary on Joint Financing & Other Reimbursements

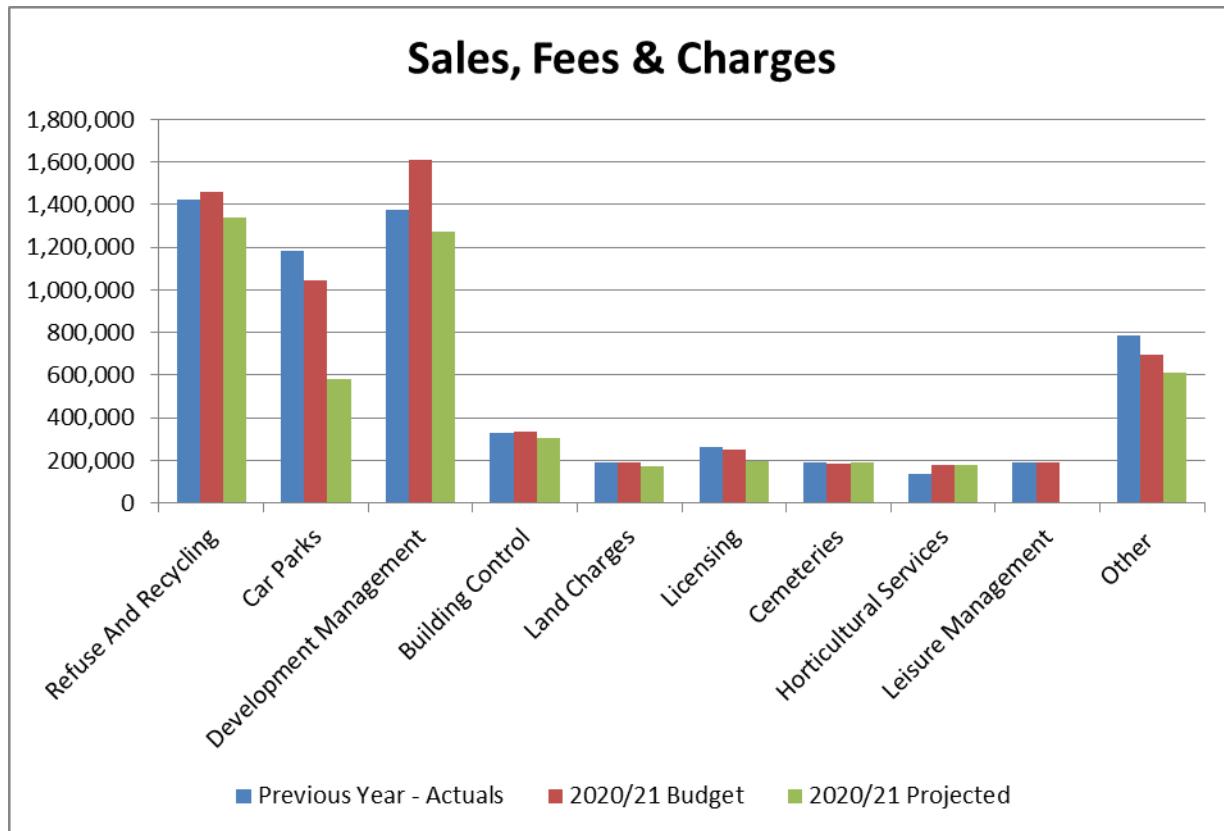
At Q2 an adverse variance for the year is predicted of £530,000 across all services, mainly comprising:

Finance: A projected reduction in HB overpayment recoveries (-£140,000) and Local Tax cost recoveries (-£203,000). This is primarily due to the suspension of recovery action whilst resources were prioritised towards administering the business rate reliefs and grants, and the hardship support to local council tax support recipients. Whilst recovery procedures have resumed the extent of action that can be taken is still currently subject to the capacity and availability of the courts to deal with applications for liability orders. Amounts outstanding at the end of year will continue to be subject to the Council's normal recovery procedures for the collection of outstanding debts.

Corporate Financing: the anticipated reduction in the in-year council tax collection rate will impact on the amount receivable under the sharing agreement with major preceptors. At present this reduction is estimated to be £178,000 for the year.

Sales, Fees & Charges

The budget for income from sales, fees & charges is £6.154 million against which it is projected that there will be a net underachievement of £1.304 million. The following chart shows the position for the main income streams:



Commentary on Fees and Charges:

- Refuse and Recycling:** An overall projected shortfall of £121,000, the majority of which has arisen from the suspension and cancellation of accounts by commercial customers during lockdown (-£94,000).
- Car Parks:** A substantial reduction in car park income from pay and display and season ticket/permit income arising from much lower usage during lockdown. Furthermore, the North Essex Parking Partnership ceased enforcement during the lockdown period resulting in a lower level of Penalty Charge Notice income than would normally be expected over this period. The current projection is an overall under achievement against budget of £463,000, with some recovery anticipated within this amount over the remainder of the year. Consumer confidence, particularly in light of the recent announcement that Essex has been moved into the High alert level for COVID-19 restrictions, along with a continuation of home working; and the general economic outlook will obviously have an impact.
- Development Management:** The second quarter saw an improvement over Q1, which assuming this continues for the remainder of the year has resulted in a projection of income for the year of £1.134 million, which is £66,000 better than at Q1. Compared to the budget of £1.450 million this represents a shortfall of £316,000. Income is subject to

both demand for the service and also the types of applications e.g. the number coming from major developers. Whilst pre-application income is also expected to be down against budget by £27,000, this is slightly better than at Q1.

- **Building Control:** Following an upturn in the second quarter, the service anticipates income to be around £307,000, compared to a budget of £338,000, which is £31,000 lower than budget.
- **Local Land Charges:** The scrapping of stamp duty on house purchases of up to £500,000 until 31 March 2021, appears to have led to a flurry of activity in the housing market which has seen the income projection revised upwards from that at Q1, with a projection of £172,000, a shortfall against budget of £22,000.
- **Licensing:** Whilst there continues to be a reduction in demand for both taxi private hire licences and temporary event notices, the position has improved significantly from Q1 where a shortfall of £99,000 was projected, which has now been revised to £50,000 giving a full year income projection of £200,000.
- **Leisure Management:** To support the restoration of services in a safe and secure environment the leisure management fee paid to the Council by the operator has been waived as part of an overall package of support which is subject to the operator complying with a number of conditions (full year budget of £194,000).
- **Other Income** – The total budget is £699,000 across a wide range of differing services, including: Community Transport; the Town Hall Centre; Braintree Enterprise Centre conference income; non-commercial property service charges; and graphics and marketing income. Overall it is currently projected that income will be lower for the year by £85,000. The most significant element within this shortfall relates to the Community Transport service where demand has fallen sharply as a result of COVID-19 resulting in a projected shortfall of £71,000 for the year.

Rental Income & Commercial Property Service Charges

The budget for rental income from land & property is £3.161 million – comprising the investment and commercial property portfolio, markets, housing properties, and other let properties. The overall projected outturn for the year is a shortfall of £33,000, this is primarily due to Market income which has been reducing even prior to the impact of COVID-19.

Other Service & Corporate Income

Total budgeted Other Income is £1.949 million of which £740,000 is internal recharges including staffing costs that are expected to be charged against capital projects (£608,000). Other external income is projected to be underachieved by £302,000.

Other external income includes:

- **Investment & Other Interest Income:** The budgeted amount is £1.061 million, against which it is projected to be under achieved by £306,000, of which £244,000 is from an estimated reduction in dividend income from pooled fund investments. The balance of the shortfall of £62,000 is mainly due to a reduction in short-term interest rates. Whilst cashflow has been bolstered by government funding towards COVID-19 measures, additional cash balances have been placed with the Debt Management Account facility (UK Government) to ensure the highest level of security but which also means minimal return.

COVID-19 Grants and Income Compensation

At the time of writing, the Government has provided three tranches of COVID-19 grant to the authority totalling £1.785 million, with £61,411 being accounted for in 2019/20, and the balance

of £1.724 million being credited to the 2020/21 financial year. In addition, £170,000 has been received as New Burdens funding towards the costs associated with administering business grants.

The government has implemented an income compensation scheme for local authorities that have suffered a reduction in income from sales, fees and charges due to the impact of COVID-19 on services. The scheme specifically excludes any compensation for commercial income, including that from treasury management. Local authorities must bear the first 5% of any reduction against their original budget, with losses above this level met by government at a rate of 75p in the £. An initial claim has been submitted for the period 1 April 2020 to 31 July 2020, which amounts to £411,367. An estimate of the full year entitlement has been made based on the income losses projected at Q2 for the year and which indicates a total amount of support that the Council could claim of £774,000. Claims will be submitted periodically with final reconciliation at the end of the financial year.

A grant of £50,000 has been received from Essex County Council to fund expenditure incurred by the Council on contact tracing activities. Entitlement to this grant is subject to incurring the necessary expenditure.

Treasury Management

The Council's treasury management activity to the end of the September 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 Matured	
£53.11m	£800.68m	£792.50m	£60.49m
Average amount invested for the period			£69.52m
Highest amount invested			£94.72m

There was a significant increase in the amount of cash to be managed during the first half of the year due primarily to the additional funding received from central government to pay grants and hardship relief to businesses and to residents in receipt of council tax support. In addition, the Council has received a number of tranches of COVID-19 emergency grant, along with changes to the cash flow profile for certain transactions between the Council and government under the business rate retention scheme. This additional cashflow has been managed primarily through the Debt Management Office Account Facility (UK Government).

Investments totalling £19 million continue to be held in long-term pooled funds across a range of property, equity and diversified funds.

The remaining balance of investments were held in short-term instruments including the current account held with Lloyds bank (for immediate liquidity); Money Market Funds; and loans to other local authorities (where these had been agreed prior to the start of the financial year).

Interest and dividends earned to the end of the half year total £475,510, which is equivalent to an annualised rate of return of 1.36%:

Investments	Average Amount Invested	Interest & Dividends Earned	Annualised Return %
Long-Term Pooled Funds	£19.00m	£381,823	4.01%
Short-Term	£50.52m	£93,687	0.38%
Total	£69.52m	£475,510	1.36%

Whilst investment returns were bolstered by the dividend income from long-term pooled funds; nevertheless this is around 30% lower than previous years due to cuts in dividends paid by the corporate sector. Short-term investment rates have fallen further during the year with negative rates being offered in some periods within the yield curve and by the Debt Management Office for periods less than three weeks. Loans to other local authorities that were agreed in the final quarter of the previous financial year provided some upturn in yield in the first half year.

The market value of shares/ units in pooled funds at the end of September was £17.712 million, representing an unrealised loss of £1.288 million, which is an improvement from that at the start of the financial year where values had dropped by £2.256 million. The Strategic Investment Programme Group, in conjunction with the Council's external treasury management advisor, continue to keep under review the performance and suitability of the pooled funds in meeting the Council's investment objectives.

It is currently projected that investment returns will be £306,000 lower than budget due to the current economic downturn.

Economic and Market Commentary

The spread of the coronavirus pandemic dominated during the period as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. After a relatively quiet few months of Brexit news it was back in the headlines towards the end of the period as agreement between the UK and European Union on a trade deal was looking difficult. The Bank of England (BoE) has maintained Bank Rate at 0.1% and its Quantitative Easing programme at £745 billion. The potential use of negative interest rates was not ruled in or out by BoE policymakers, but then a comment in the September Monetary Policy Committee meeting minutes that the central bank was having a harder look at its potential impact than was previously suggested took financial markets by surprise.

Equity markets continued their recovery, with the Dow Jones climbing to not far off its pre-crisis peak, albeit that performance being driven by a handful of technology stocks including Apple and Microsoft, with the former up 75% in 2020. The FTSE 100 and 250 have made up around half of their losses at the height of the pandemic in March. Central bank and government stimulus packages continue to support asset prices, but volatility remains.

Ultra-low interest rates and the flight to quality continued, keeping gilts yields low but volatile over the period with the yield on some short-dated UK government bonds remaining negative. 1-month, 3-month and 12-month bid rates averaged 0.02%, 0.06% and 0.23% respectively over the period.

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

- Long-term pooled fund investments £19 million (allocated: £3 million property fund; £13 million equity funds; and £3 million in diversified asset funds);
- UK Government via the Debt Management Office £15 million;
- Other local authorities £5 million;

- Low volatility Money Market Funds (MMFs) £17 million;
- Variable net asset value MMF £4 million; and
- Lloyds current account £0.49 million.

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 anticipated movements on the General Fund balances are:

	£'000
Balance at 1 April 2020	6,882
Addition/(deductions):	
Budgeted addition	222
Funding for one-off investment	(136)
Pension Fund triennial payment	(1,645)
Pay award funding (+0.75%)	(135)
Projected budget variance at Q2	17
 Estimated Balance at 31 March 2020	5,205

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

- The approved budget included an anticipated addition to balances of £222,269, reflecting savings anticipated being made in advance of future years' budget shortfalls.
- An allocation from General Fund balances was approved by Full Council in February 2020, to meet one-off budget requirements: £14,000 in total for upgrading the CCTV at the Town Hall Centre and funding a Legal Services case management system; and a total of £122,000 provision for loss of income during the redevelopment of the Manor Street area.
- In 2020/21 a one-off payment is being made to the Essex Pension Fund covering the period April 2020 to March 2023, which is being part funded from General Fund balances. A repayment back into balances will be made in 2021/22 and 2022/23.
- The pay award implemented from April 2020 was 2.75% which was higher than originally allowed in the budget, therefore, service budgets have been adjusted with a contra amount reflected in the estimated movement on General Fund balances.
- The projected outturn variance for the year (after government COVID-19 support) would mean an addition to balances of £17,000.

Risks and Assumptions

The forecasts reflect service managers' "best estimate" of the predicted outturn for the year. Whilst the previous year outturn and trends in-year have been considered; the position is uncertain due to the longer term impact arising from the coronavirus pandemic. Consequently assumptions have had to be made regarding the extent and pace at which the Council is able to return to business as usual, accepting however, that activities remain restricted as a result of social distancing. As now seen, there is a second wave of virus infections which has already

resulted in Essex being moved into the Government's High alert level under the recently introduced three tier approach.

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. Income will be influenced by both the number and type of planning applications received.

Investment income is influenced by the overall level of cash balances held, which in turn are dependent upon the progress of the strategic investment programme and other capital projects, and the level of capital receipts generated. 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 dividend returns. Interest rates will impact on short-term investments.

The income which is offset from costs incurred for the processing of 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 is party, and market indices for the sale of materials.

The original budget assumed that £483,000 of staffing costs can be recharged from the General Fund revenue account to capital projects, which has now increased by a further £125,000 due to the expected activities of the Strategic Investment Team (SIT). 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, with any shortfall impacting the General Fund (and/ or quickening the pace at which allocated reserves are used for SIT staffing costs).

The nature of the UK's exit from the European Union after the current transition period ends on 31 December 2020, remains a critical issue. Consequently, there is still a high level of uncertainty about the economic implications and how these might impact on the activities of the Council.

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 2020, and the subsequent decisions taken in-year by Council, the overall capital programme currently totals £58.465 million. Delivery of significant projects will span a number of years, therefore, the amount expected to be spent in the current year is £39.369 million. The following table shows how much has been spent at the end of Q2.

	Profiled Spend 2020/21 £000	Actual Spend at Quarter 2 £000	Actual Spend at Quarter 2 % of Profile
Commercial and investment property	267	11	4%
Horizon 120	12,466	3,080	25%
Manor Street regeneration	17,579	4,506	26%
I-Construct	1,144	1	0%
Town Centre improvements	2,776	705	25%
Springwood Drive business units and parking	113	-	0%
Planned maintenance to Council premises	699	130	19%
Replacement vehicles and plant	47	-	0%
Information technology systems & equipment	527	56	11%
Play areas, parks and open spaces	440	174	40%
Environmental improvements	113	21	19%
Paths, cycleways, and other infrastructure	80	-	0%
Operational equipment	144	-	0%
Sports and leisure facilities improvements	15	13	87%
Waste Management	1,228	1,228	100%
Grants to registered social landlords	1	-	0%
Housing renovation & disabled facilities grants	664	181	27%
Capitalised interest	368	-	0%
Capital salaries	698	351	50%
Total	39,369	10,457	27%

The programme for the current financial year has reduced by £1.130 million since Q1. This is mainly due to a delay in the start of the main construction works for I-Construct resulting in £1.081 million of this project's budget now expected to be spent in the next financial year. A number of other minor changes to anticipated project spend in the current year results in a reduced spend of £174,000, partly offset by an increase of £125,000 in the amount of recharges to capital salaries.

The percentage of the overall capital programme actually spent at the end of Q2 is relatively low compared to previous years, at 27%. This is partly due to the impact of COVID-19 restrictions during the first part of the year which caused a general slowdown in project progress. In some areas the focus has had to switch to managing the Council's response to the pandemic, whilst other projects were affected by restrictions on contractors, particularly during the lockdown period and also subsequently with the social distancing measures that have had to be adopted. Significant projects such as the Manor Street regeneration, town centre pedestrianisation, and Horizon 120 infrastructure works are now in their main phases of construction, therefore, it is expected that expenditure will increase significantly over the second half of the year.

Major projects allow for potential capitalised development interest, the total of which is shown in the above table. However, at present any increased borrowing requirement is being met from internal borrowing i.e. using the Council's own cash balances held for other purposes. On this basis the capital programme would underspend against this allowance, with the opportunity cost reflected in a reduced amount of income from treasury management.

Capital resources

The original estimate was to generate £12.520m of capital resources from the sale of council-owned assets, including serviced land at Horizon 120 and residential sales at Manor Street. This amount is now expected to be £3.875 million, with the difference in receipts relating to Manor

Street and Horizon 120 now expected to be received in 2021/22. The shortfall in in-year receipts will require a temporary increase in internal borrowing.

Other estimated resources to be generated in the year includes £1.5 million from preserved right-to-buy (RTB) receipts. Eastlight (previously Greenfields) has reported that 4 RTB sales have been completed up to the end of Q2 generating approximately £387,000 for the Council. At this level of sales this indicates a slowdown in activity, with just one sale being completed in the second quarter. Compared to the same period for last year, the number of sales at the half year stage are down by more than 40%, and have a lower average value of receipt. Projecting this forward would suggest that the total number of RTB sales this year could be around 9 with a total receipt value of circa £1 million. This compares to 15 sales completed last year which generated £1.878 million.

VAT shelter monies due to the Council at the end of Q2 were £159,000, which is already £9,000 above the estimate for the year. This source of capital income is unpredictable being dependent on the extent and type of work undertaken by Eastlight.

The Council has received £931,000 from the Better Care Fund, which is used to meet expenditure incurred under the Council's disabled facilities grant scheme.