

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 21 June 2011 at 18:15.

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## **Agenda**

- 1 Apologies.
- 2 Public Question Time.
- 3 Declaration of Interests  
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct. The usual declarations made at meetings of the Executive are set out in the attachment.
- 4 Windfall Value Added Tax (VAT) Receipt. Report of the Strategic Finance Officer (attached).  
Reporting Officer: Maggie Hammond
- 5 Performance Monitoring - Outturn Report 2010/2011. Report of the Client and Performance Lead (attached).  
Reporting Officer: Dan Webb
- 6 2010/2011 Budget Outturn Report. Report of the Financial Services Manager (attached).  
Reporting Officer: Paul Fitzgerald
- 7 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

Tonya Meers  
Legal and Democratic Services Manager

18 August 2011

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: [www.tauntondeane.gov.uk](http://www.tauntondeane.gov.uk)

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please telephone us on 01823 356356 or e-mail us at: [enquiries@tauntondeane.gov.uk](mailto:enquiries@tauntondeane.gov.uk)



Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

**For further information about the meeting, please contact Democratic Services on 01823 356382 or email [d.durham@tauntondeane.gov.uk](mailto:d.durham@tauntondeane.gov.uk)**

## **Executive Members:-**

Councillor J Warmington	(Community Leadership)
Councillor J Williams - Leader of the Council	(Leader of the Council )
Councillor V Stock-Williams	(Portfolio Holder - Corporate Resources)
Councillor N Cavill	(Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor K Hayward	(Portfolio Holder - Environmental Services)
Councillor J Adkins	(Portfolio Holder - Housing Services)
Councillor M Edwards	(Portfolio Holder - Planning and Transportation/Communications)
Councillor C Herbert	(Portfolio Holder - Sports, Parks and Leisure)

## **Usual Declarations of Interest by Councillors**

### **Executive**

- **Employee of Somerset County Council – Councillor Mrs Adkins**

# Taunton Deane Borough Council

**Executive – 21 June 2011**

## **Windfall VAT receipt**

### **Report of the Strategic Finance Officer**

(This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

#### **1. Executive Summary**

This report gives details of a one off windfall and the S151 Officer recommendation to transfer the net amount into the General Fund Reserve.

#### **2. Background**

- 2.1 There was a national claim that the UK had interpreted the European VAT regulations incorrectly for tuition fees at Leisure Centres. This claim was upheld and as a result TDBC have through Pricewaterhouse Coopers on a no win no fee basis, claimed back VAT from Custom and Excise.

#### **3. Windfall Receipt**

- 3.1 With the expert help of Pricewaterhouse Coopers TDBC have claimed back VAT for tuition fees at Leisure Centres.
- 3.2 The amount received was £325,698.00 with interest of £396,005.23 making a total receipt of £721,703.23.
- 3.3 The charge made by Pricewaterhouse Coopers for this work was £144,339.00. This has given TDBC a one off net receipt of £577,364.23.
- 3.4 This receipt is a one off receipt that has been accounted for in 2010/11 and must not be used on ongoing budget issues. It is the s151 recommendation that this receipt is moved into general fund reserves.

#### **4. Finance Comments**

- 4.1 This is a finance report and there are no further comments to add.

#### **5. Legal Comments**

5.1 There are no legal implications of this report.

**6. Links to Corporate Aims**

6.1 There are no specific links to Corporate Aims.

**7. Environmental Implications**

7.1 There are no environmental implications of this report

**8. Community Safety Implications**

8.1 There are no community safety implications of this report

**9. Equalities Impact**

9.1 There are no equality impact issues for this report to consider.

**10. Risk Management**

10.1 There are no risk management issues.

**11. Partnership Implications**

11.1 There are no partnership implications of this report.

**12. Recommendations**

12.1 It is recommended that Executive approves the transfer of the one off receipt of £577,364.23 to General Fund Reserves in 2010/11, and recommends the same to Full Council.

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# Taunton Deane Borough Council

**Executive – 21 June 2011**

## **Performance Monitoring – Outturn report 2010/2011**

### **Report of the Performance and Client Lead Officer**

(This matter is the responsibility of Executive Councillor Stock-Williams)

#### **1. Executive Summary**

- 1.1 This report outlines the final performance data of the Council for the 2010/11 year
- 1.2 The detailed 2010/11 financial outturn data is submitted in a separate report although a high level summary is included in the Scorecard (section 3).
- 1.3 The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets is an important part of the overall performance management framework.
- 1.4 **A high level summary of key successes / improvements** (ie 'Green' alerts) in 2010/11 include the following:
  - Council Tax and NNDR debit collection rates achieved the 2010/11 target and the outturn results are an improvement on the same period last year
  - 99.4% of calls to the Customer Contact Centre were resolved at the first point of contact
  - Speed of processing Benefits claims (new claims) achieved the 2010/11 target and was an improvement last year
  - Landlord services – the latest survey result shows 99% satisfaction with repairs
  - The Environment Health service achieved its key targets for the year, with some significant improvements from last year
  - 'Investors in People' accreditation was successfully achieved
  - 96% of all staff had a 'Performance Review & Employee Development' (appraisal) in the year (compared to only 76% in the previous year)
- 1.5 **A high level summary of areas off course / objectives not met** (ie 'Red' alerts) in 2010/11 include:
  - Levels of deprivation within Taunton Deane are worsening (ref Index of Multiple Deprivation 2010) with pockets of deepening deprivation in North Taunton and Taunton East
  - The 10% Carbon savings target was not achieved
  - Procurement benefits are behind the original forecast
  - The LDF/Core Strategy did not meet the planned timetable for publication & adoption
  - The recycling & residual household waste targets were not met
  - 'Major' planning applications – the target for speed of processing was not met
  - Equality Action Plans & Equality Impact Assessments are not yet fully embedded

## 2. The Performance Scorecard (please see Appendix A)

2.1 Scorecard explanation / key - each section of the scorecard uses the same template and is structured as follows:

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
	Strategic & corporate objectives categorised in the 7 sections of the scorecard	Key performance indicators (& targets where possible) used to measure the objective.	Red, Amber or Green (see below)	A brief summary highlighting reasons for and issues surrounding the alert reported (see Green, Amber, Red below). Also any known problems that may jeopardise attainment. Where relevant, CMT/Executive will provide further information in addressing under performance.

### 2.2 Key to performance alerts:

	Reasons for alert	Notes
 (green)	Planned actions are on course	Justification for the Green alert will be provided.
	Performance indicators are on target	Key successes or exceptional performance will be outlined.
 (amber)	Some uncertainty in meeting planned actions	The reason for the Amber alert will be made clear. Mitigating actions will be outlined
	Some concern that performance indicators may not achieve target	
 (red)	Planned actions are off course	A brief high level summary is included within scorecard. Where the Corporate Management Team consider a Red alert to be a priority issue requiring further detail and explanation, a separate one page information sheet for more detail will be appended to the report
	Performance indicators will not achieve target	

2.3 Please see the TDBC Scorecard at Appendix A for full details of 2010/11 Outturn performance.

### **3. Financial Outturn Performance (April 2010 - March 2011 Budget monitoring)**

3.1 A summary of key financial performance is found in the scorecard (**Appendix A**), section three – Managing Finances.

3.2 A separate detailed report on the financial performance for 2010/11 is included on the agenda for this meeting.

3.3 Finance comment from the Strategic Finance Officer (Deputy S151 Officer):

- The revenue outturn position of a significant underspend of £492k is recommended to be transferred to General Fund Reserves. An explanation of the variance is given in the Budget Outturn report. After the transfer of the underspend the General Fund Reserves will be £3.166m which will be needed to support TDBC through the future financial challenges we face.
- The General Fund Capital after carry forwards has a variance of £0.033m and has made good use of external funding
- The HRA is overspent by £0.758m. Details are within the Budget Outturn report. This leaves the HRA reserves at £1.593m (approximately £265 per property) which is above the minimum level
- The HRA Capital programme has a small overspend of £0.195m. Most of the spend relates to our investment in our housing stock.

### **4. Legal Comments**

There are no legal implications in this report.

### **5. Links to Corporate Aims**

As this report covers all aspects of the Council's performance, all Corporate Priorities are affected.

### **6. Environmental and Community Safety Implications**

Please see the following sections of the Scorecard for those areas contributing to the above: 2.4 (Service Delivery – 'Street Scene'); 5.4 (Somerset Waste Partnership).

### **7. Equalities Impact**

See the scorecard section 7.3 for details of equalities progress within the council.

### **8. Risk Management**

See the scorecard section 7.4 for details of risk management progress within the council.

### **9. Partnership Implications**

See the scorecard section 5 for details of the council's key partnerships.

## **10. Recommendations**

It is recommended that the Executive review the Council's performance and financial position as at the end of Quarter 4, taking corrective action or requesting further information from Theme Managers where necessary.

### **Contacts:**

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# 1. CORPORATE STRATEGY AIMS

## Tackling Deprivation & Sustainable Community Development (Aim 1)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.1	<b>Objective 1</b> Focus on Taunton East, North Taunton & Rural Deprivation	<b>Actions –</b> Progress against key activities		Phase one activities for the North Taunton and Taunton East (benchmarking and engagement) are nearing completion. Benchmarking reports will be considered by Community Scrutiny on 7 <sup>th</sup> June 2011. Phase two (envisioning) commences July 21 <sup>st</sup> with a conference at Somerset College. Phase one activity for the rural areas (benchmarking) is due for completion in September 2011. Rural benchmarking reports will be considered by Community Scrutiny in July 2011
		Index of Multiple Deprivation (IMD) score		The Government has recently published new data for 2010. This shows that levels of deprivation within Taunton Deane are worsening (although the overall picture is generally good) with pockets of deepening deprivation in North Taunton and Taunton East. Access to services is a major issue for some rural communities. NB: The work of the Priority Areas Strategy is not yet at a stage where it can begin to influence the IMD scores. A report will be published on the Members' Portal in June that will identify how the council & its partners will seek to tackle these issues.
		Staff volunteer scheme		The pilot has been extended until September 2011. Existing volunteers are being invited to support activity days & help with community publications and policy reviews
	<b>Objective 2</b> 'One-Stop' advice on skills, employment & training	<b>Actions –</b> Progress against key activities		All job club members receive weekly 1 to 1 support from qualified volunteers. Taunton East - good progress, Wellington - significantly improved progress since Q3 with support of TDBC Ec Dev Team (new marketing initiatives to increase service take up). Ec. Dev. Team is working closely with the National Apprenticeships Service to engage Halcon businesses to identify key skills they need and provide apprenticeship opportunities, & on increasing business involvement in tackling worklessness in Taunton East .
		Number of people supported / back to work		Taunton East Job Club (Halcon, Lambrook & Lane) continues to achieve its targets for: Membership; 'Jobs applied for; and 'job offers'. Wellington Job Club is now meeting targets - the number of users has more than doubled since Nov 2010
	<b>Objective 3</b> Secure medium term future of N. Taunton & Link Partnerships	<b>Actions –</b> Progress against key activities		Service Level Agreements in place (as of 2010/11) for North Taunton Partnership and Link Partnership. Formal monitoring occurs within the Priority Areas Sub Group. Minor amendments have recently been agreed. A more formal review will occur during Autumn 2011 once the further progress has been made with the Priority Areas Strategy
Funding secured			Funding secured for 2011/12 (£25k PCT contribution, and the rest from Strategy and Housing) and payments now being made. Funding uncertain beyond 2011/12	

Regeneration (Aim 2)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.2	<b>Objective 4</b> Facilitate the creation of a leading Green Knowledge economy	<b>Actions –</b> Progress against key activities		<ul style="list-style-type: none"> <li>Ec Dev team has not reached all targets due to a lack of staffing capacity in 2010/11</li> <li>Olympic torch relay task force underway led by Economic Development</li> <li>Service Development Plan 2011 and 2012 produced in January - numerous partnership projects now being delivered according to 3 themes: 1) Stimulating Business Investment &amp; Growth; 2) Ensuring a Skilled &amp; Entrepreneurial Workforce; 3) Creating an attractive business environment</li> <li>Ec Dev team has a proactive visits programme to support local business in realising their growth and investment plans</li> <li>'Into Somerset' partnership - progress promoting Somerset as an investment location</li> <li>Work continues to progress a programme of events in the Town Centre, eg Olympic Torch Relay, Taunton Town Centre Management Company, Brewhouse Theatre</li> </ul>
		Number of companies visited & supported		Ec Dev aims to visit 100 businesses per year, however the team has not reached all targets due to a lack of staffing capacity over the last 12 months. In addition, job creation figures will be provided annually, supported by a quarterly Ec Dev bulletin showing progress of the local economy
	<b>Objective 5</b> Facilitate Housing growth	<b>Actions –</b> Progress against key activities		<ul style="list-style-type: none"> <li>Strategic Housing Land Availability Assessment completed</li> <li>Core Strategy Published Plan to be published in July / August 2011</li> <li>TDBC is continuing to work closely with developers to bring sites forward (but housing market remains 'difficult')</li> </ul>
		Net additional homes provided		<b>Actual outturn 2010/11 = 459 dwellings.</b> Following Coalition Government's intention to revoke Regional Spatial Strategies, the Council has revised strategic housing targets. <b>A target of 500 dwellings</b> has been applied to 2010/11, and this increases to 700 dwellings p.a from 2011/12.
		Supply of ready to develop housing sites		<b>Target = 5 year supply of housing land within Taunton by Sept 2011</b> We currently have a 5 year supply identified, although marginal. Work will commence shortly on a review of the Strategic Housing Land Availability Assessment, this will identify a more up-to-date five year supply figure.
	<b>Objective 6</b> Deliver Infrastructure	<b>Actions –</b> Progress against key activities		<ul style="list-style-type: none"> <li>Infrastructure Delivery Plan to be published alongside Core Strategy July / Aug 2011</li> <li>Work now commenced on interim Community Infrastructure Levy (CIL) / planning obligations arrangements</li> <li>Castle Green redevelopment work has been delayed due to the process for moving bus stops. A way forward has been agreed &amp; start on site still planned later this year</li> <li>Project Taunton future funding will be part of the Budget Review Programme</li> </ul>



Climate Change (Aim 4)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.4	<b>Objective 8</b> Meet the 10:10 challenge by reducing our carbon emissions	<b>Actions –</b> Progress against key activities		<ul style="list-style-type: none"> <li>2010/11 Carbon Management Plan (CMP) included 69 carbon reduction actions</li> <li>Progress reports on implementation of the Plan were produced in Aug 2010 &amp; Jan 2011</li> <li>When progress on implementation was checked in April: 36 actions had been implemented; 23 were in the progress of implementation &amp; will be carried forward into next year's CMP; 10 actions were abandoned (as being either cost prohibitive or no funding available)</li> <li>Work on 2011/12 CMP started March 2011, and should be presented for approval in June/July</li> <li>Work on a strategy for achieving carbon neutrality due in 2011/12</li> <li>TDBC '10 percent less' campaign has successfully raised awareness</li> </ul>
		10% reduction in CO2 by Mar 11		<b>Carbon savings = -5.5%</b> (TDBC sites and Tone Leisure sites combined) TDBC sites: - 8% Tone Leisure sites:-2.2% (This equates to combined financial savings of around £19,000)
		Adapting to climate change		LAA target now removed, however TDBC will continue to work towards level 3 for 2011/12 (rather than 2010/11). Level 2 reported to DEFRA spring 2010 (Comprehensive Risk Assessment).
	<b>Objective 9</b> Work with communities to reduce carbon emissions across the Deane	<b>Actions –</b> Progress against key activities		<ul style="list-style-type: none"> <li>TDP (Taunton Deane Partnership; formerly called LSP) have agreed setting up of a working group to drive and co-ordinate the development of a Climate Change Strategy. Membership of the group will be agreed summer 2011 to develop the Strategy which should be completed Dec 2013.</li> <li>Work on creating a Passivhaus / Code 6 exemplar project in partnership with Magna Housing Association started</li> <li>Decision on SW RIEP funding for Duke Street flats retrofit proposal pending</li> </ul>
	Per capita CO2 emissions in TD area	N/A	No targets set (awaiting updated data from DEFRA). Latest data published in Sept 2010 showed a 3% reduction from 2006 to 2008. <b>This data is published annually, however there is a 2 year time lag. The 2009 data will be published in Sept 2011</b>	

## 2. SERVICE DELIVERY

*Excellent services - Customer driven - A dynamic organisation - Local focus*

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS			
2.1	<b>Ensuring development proposals are dealt with positively, with an emphasis on quality outcomes</b> Delivering the Development Management Service aims	Planning Applications Speed of Processing	☹️	<b>Type</b> a) Major b) Minor c) Other	<b>Outturn</b> 52.4% 75.5% 82%	<b>Targets</b> 65% 75% 85%	Due to the small % of major applications received, the weighting of each individual case is such that although every effort is made to work within the target set, outside influences do play a major factor in the releasing of decisions
		% of appeals allowed against the authority's decision (Target 25%)		☹️	<b>Annual Outturn = 31%</b> (4 out of 13 appeals allowed) <b>Quarter 4 = 25%</b> (1 out of 4 appeals allowed) Although the target of 25% for the year was not quite met, this is a significant improvement on last year's result of 43%. The national expectation of planning appeals allowed against an Authorities decision is 33%.		
2.2	<b>Safeguarding the health, safety &amp; welfare of everyone in the Borough</b> Delivering the aims of the Environmental Health Service	Satisfaction with EH regulatory services (Target = 75%)	☺️	<b>Quarter 4 = 98%</b> (2009/10 = 90%)			
		Food Safety compliance (Target = 80%)	☺️	<b>Quarter 4 = 93%</b> (2009/10 = 88%)			
		Environmental Protection Team reactive tasks	☺️	<b>Annual outturn = 91%</b> Total Service Requests responded to within target time (1809/1995) (e.g. pest control, dog warden, noise, odour, drainage, air pollution, public health). (2009/10 = 89%)			
		Health & Safety intervention visits (Target = 90%)	☺️	<b>Annual outturn = 93%</b> (416/ 446 inspections) (2009/10 = 77%)			
		Licensing inspections (Target = 75%)	☺️	<b>Annual outturn = 100%</b> (48 /48 inspections) (2009/10 = 49%)			



### 3. MANAGING FINANCES (ref separate Budget Outturn report for detailed budget monitoring)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
3.1	<b>Budget monitoring</b> To control spending within approved budget total for the year	<b>General Fund Revenue</b> within 0.5% =  0.5 – 2% =  over 2% = 		<b>2010/11 Outturn = underspend of £0.492m</b>  <b>Please refer to separate Budget Outturn report</b>
		<b>General Fund Capital</b> within 2% =  2 – 3.5% =  over 3.5% = 		
		<b>Housing Revenue (HRA)</b> within 0.5% =  0.5 – 2% =  over 2% = 		
		<b>HRA Capital</b> within 2% =  2 – 3.5% =  over 3.5% = 		
3.2	<b>Reserves</b> To maintain an adequate reserve (based on financial risk analysis)	<b>General Fund reserve</b> >£1.25m =  £1 - £1.25m =  <£1m = 		
3.3	<b>Next year's budget gap</b>	A balanced budget 2011/12		

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS										
3.4	Debt collection	Council Tax Target = 98%		Year end outturn actual = 98.21% (Last year 2009/10 was 97.74%)										
		NNDR Target = 98.3%		Year end outturn actual = 99.01% (Last year 2009/10 was 98.90%)										
		Housing Rent Target = 98.3%		Year end outturn actual = 98.1% (Last year 2009/10 was 97.7%) The total expected income for the HRA relating to dwellings in 2010/11 was £20,122,560. The 0.2% that the target was missed by = approx £40K, which is well within an acceptable threshold and the staff are to be congratulated at achieving 98.1% debt collection. New targets agreed and the team are busy ensuring rental income is at a maximum.										
		Sundry Debts position  In SAP only*		<table border="1"> <thead> <tr> <th></th> <th>End of Quarter 4 (as at 31 March 2011)</th> <th>Last year (as at 31 March 2010)</th> </tr> </thead> <tbody> <tr> <td>Outstanding debt</td> <td>£3.53m</td> <td>£5.86m</td> </tr> <tr> <td>Aged debt over 90 days old</td> <td>49%</td> <td>42%</td> </tr> <tr> <td>Value:</td> <td>£1.73m</td> <td>£2.46m</td> </tr> </tbody> </table> <p>The value of debts in SAP has fallen sharply between 31<sup>st</sup> March 2011 against the corresponding time in 2010. Much of this fall is attributable to collection processes in SAP now operating in the way envisaged and more lately an increased focus on debt collection within the organisation.</p> <p>This status is amber because although the SAP collection processes are in place, service engagement with debt collection has improved and overall arrears levels have fallen significantly compared to 2010, <b>the value of debt is still significant</b>. It contains approximately £1m of debt carried forward onto SAP from our legacy debtors system on 1<sup>st</sup> April 2009 which requires increased attention from our services and decisions to be made about the action to be taken</p> <p>* Debts on systems other than SAP are not included within the figures shown above.</p>		End of Quarter 4 (as at 31 March 2011)	Last year (as at 31 March 2010)	Outstanding debt	£3.53m	£5.86m	Aged debt over 90 days old	49%	42%	Value:
	End of Quarter 4 (as at 31 March 2011)	Last year (as at 31 March 2010)												
Outstanding debt	£3.53m	£5.86m												
Aged debt over 90 days old	49%	42%												
Value:	£1.73m	£2.46m												
3.5	Benefits subsidy	To achieve 100% subsidy		Projection for 2010/11 = 100% (by remaining in the lower threshold for LA error overpayments)										

3.6	<b>Transformation Projects</b> Ensure TDBC realises benefits of the various transformation projects, including the adoption of a new procurement strategy	Procurement benefits Original estimated target at end Mar 2011 £1.76m		<p>£944k has been deducted to date from budgets in relation to savings initiatives which have been signed off to date.</p> <p><b>Actual savings reported as delivered at end March is £816k.</b></p> <p>This is red as savings are significantly behind the original forecast put forward by IBM.</p> <p>Because savings initiatives signed off to date are much lower than originally forecast by IBM there are insufficient funds to enable the repayment of reserves, used to part finance the SW One transformation projects, during 2010/11 as originally planned. A report went to the Executive on 13<sup>th</sup> April 2011 recommending £496k, due to the General Fund and Core Council Review Reserves, be rescheduled so that £300k will be repaid during 2011/12 and the balance of £196k during 2012/13.</p> <p>An exercise is currently underway, in conjunction with Southwest One, to re-profile likely savings during the period 2012/13 to 2015/16 inclusive which will help aid budgetary planning in respect of this period. Recently available spend analysis reports in SAP will be key in achieving this. Procurement savings is also included as a workstream within the council's Budget Review Project.</p> <p>A Procurement benefits update report is due to be taken to Corporate Scrutiny committee 21<sup>st</sup> July.</p>
3.7	<b>Efficiency Savings</b>	3.5% savings p.a (of 2007/08 baseline)	N/A	<p>This figure was not available at the time of submitting the report. A verbal update will be provided at the meeting.</p>

## 4. KEY PROJECTS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
4.1	<b>Local Development Framework (LDF) Core Strategy</b> To create a plan to deliver sustainable growth	- Publish Core Strategy for consultation in Mar/Apr 2011  - Adopt the LDF Core Strategy in March 2012	☹	<b>Publication delayed until July/Aug</b> due to purdah for elections in May. <b>Adoption now due July 2012.</b> The Local Development Scheme has been updated to reflect this new timetable and although it makes us more vulnerable not having a signed off Core Strategy, the committee sign off process through Scrutiny (6 <sup>th</sup> June), Executive and Full Council (starting June 2011), will help demonstrate our intention and make the draft Core Strategy increasingly 'material' in consideration of planning applications.
4.2	<b>DLO transformation project</b>		☺	Interim proposals for internal transformation of the DLO were approved by members in December 2010. Final proposals for DLO internal transformation of the DLO will be put to members for a decision in August 2011.
4.3	<b>Budget Review Programme (NEW)</b>	- Deliver a budget strategy for a balanced budget 2012/13 - 15/16 - Agree future priorities & set a new Corporate Strategy (2012-16)	☺	The project is moving ahead and a huge amount of work is being done behind the scenes to complete the various workstreams within the planned timescale. Phase 1 (data gathering & research) is almost complete, and Phase 2 (engaging with Members & refining the savings options) will run June – July. Consultation & regular reporting is on-going through: Members' Change Steering Group; Unison Change Forum; Staff Briefings.
4.4	<b>SAP BOP (Back Office Processing) system re-launch</b>	SAP Back Office Processing (BOP) system implementation	☹	Significant progress has been made during 2010/11 in fixing the problems with areas of the system, launching the outstanding modules & in the areas of staff training & support. The majority of the system is now working. However, this has been flagged as AMBER because the re-launch is taking longer than anticipated and because we have yet to launch a number of key modules. The Members Change Steering Group continue to track in detail the progress of the SAP project.
4.5	<b>Project Taunton</b>	Project progress & development milestones achieved	☺	<b>Firepool</b> – start on site of phase 1 is expected July 2011. Contractual obligations have been complied with. <b>Castle Green</b> – start on site planned for later this summer <b>Goodlands Garden</b> – start on site July 2011 NB – detailed quarterly progress reports are produced by Project Director for the Project Board

## 5. KEY PARTNERSHIPS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS																																		
5.1	Taunton Deane Partnership	PIs to be developed for 2011/12 to measure the 3 priorities	☺	<p>The work of TDP received the endorsement of Community Scrutiny on 8<sup>th</sup> March 2011, who also agreed to provide regular scrutiny of the partnership.</p> <ul style="list-style-type: none"> <li>• Priority Areas (tackling deprivation across TD): Working towards a multi-agency/community 'visioning' event on July 21<sup>st</sup> 2011 that will begin the process of preparing an Action Plan for North Taunton/ Taunton East.</li> <li>• Planning Cycles (aligning budgets and staff resources) : Way forward to be agreed at the next Board meeting (5<sup>th</sup> July 2011):</li> <li>• Promoting Taunton Deane: Very successful launch event held at Somerset College on 10<sup>th</sup> May 2011. Now beginning the preparation of an Action Plan</li> </ul>																																		
5.2	Southwest One	Efficient delivery of in-scope services (basket of KPIs)	☺	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="background-color: #00FF00; text-align: center;">Key Performance Indicators – Quarter 4 (2010/11)</th> </tr> <tr> <th></th> <th style="text-align: center;">No. of indicators</th> <th style="text-align: center;">No. of times measured in Q4</th> <th style="text-align: center;">No. on Target</th> <th style="text-align: center;">% on target</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td style="text-align: center;">13</td> <td style="text-align: center;">39</td> <td style="text-align: center;">39</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Quarterly</td> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> <td style="text-align: center;">10</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Annually</td> <td style="text-align: center;">21</td> <td style="text-align: center;">21</td> <td style="text-align: center;">19</td> <td style="text-align: center;">90.5%</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">44</td> <td style="text-align: center;">70</td> <td style="text-align: center;">68</td> <td style="text-align: center;">97.1%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="background-color: #FF0000; color: white; text-align: center;">KPI failures ☹</th> <th style="background-color: #00FF00; color: white; text-align: center;">Successes ☺</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p><b>Benefits</b> - Recovery of Overpaid Housing Benefit. Failed annual target by 3.6%</p> <p><b>Finance</b> - Budget Setting Input – Accuracy of information input into SAP.</p> </td> <td style="vertical-align: top;"> <p><b>Revenues</b> - % of the net collectable Council Tax debit collected in-year.</p> <p><b>Revenues</b> - % of the net collectable NNDR collected in-year.</p> <p>Both the above are the best collection results that TDBC have ever achieved. This also put TDBC in the top national quartile.</p> <p><b>Property</b> – greater resilience through shared service delivery.</p> <p><b>Customer Contact</b> - % of calls resolved at first point of contact. Exceeded the target by 10%.</p> <p><b>Customer Contact</b> - % of external customers rating the service as Very Good/Good. Achieved 96% satisfaction.</p> </td> </tr> </tbody> </table>	Key Performance Indicators – Quarter 4 (2010/11)						No. of indicators	No. of times measured in Q4	No. on Target	% on target	Monthly	13	39	39	100%	Quarterly	10	10	10	100%	Annually	21	21	19	90.5%	Total	44	70	68	97.1%	KPI failures ☹	Successes ☺	<p><b>Benefits</b> - Recovery of Overpaid Housing Benefit. Failed annual target by 3.6%</p> <p><b>Finance</b> - Budget Setting Input – Accuracy of information input into SAP.</p>	<p><b>Revenues</b> - % of the net collectable Council Tax debit collected in-year.</p> <p><b>Revenues</b> - % of the net collectable NNDR collected in-year.</p> <p>Both the above are the best collection results that TDBC have ever achieved. This also put TDBC in the top national quartile.</p> <p><b>Property</b> – greater resilience through shared service delivery.</p> <p><b>Customer Contact</b> - % of calls resolved at first point of contact. Exceeded the target by 10%.</p> <p><b>Customer Contact</b> - % of external customers rating the service as Very Good/Good. Achieved 96% satisfaction.</p>
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	<b>Southwest One</b>	Social & economic development		Progress is being made whilst SCC and TDBC Ec. Dev. Teams work together to review future areas of focus. An example of work that has been progressing is the support with the development of a bid to secure EU funding to develop a programme to increase innovation in Somerset's food and drink industries
5.3	<b>Tone Leisure</b> 'More people, more active, more often'	Target 2% increase in total leisure visits		<b>2010/11 outturn</b> = 1,030,917 visits = <b>9860 more visits that 2009/10 (+1%)</b>  <b>Quarter 4</b> (Jan – Mar 11) actual = 281,142 = <b>+14196 on 09/10 (+5%)</b>
		Progress against Tone Leisure key business objectives		Tone Leisure endured a tough year with losses minimised, mainly due to the timely investment in the ' <i>Feel Good Factory</i> ' in January 2010, 'Z3' and the continued growth in the fitness class programme. Tone are working hard to ensure the financial pressures faced are tackled and will be working with TDBC as a priority to address the continued decline in Swimming.
5.4	<b>Somerset Waste Partnership</b> To increase participation in the recycling service through promotion and enforcement	PI - % of household waste sent for reuse, recycling & composting (Target = 49.2%)		<b>2010/11 annual outturn = 45%</b> (Last year 2009/10 = 45.5%) It should be noted that the target for 2010-11 does not take into account any further recession or economic growth effects, any increased waste minimisation, or recycling capture or participation, beyond the effect of Sort-It+. The TDBC cumulative recycling rate to Qtr 4 (outturn) remains the highest of all of the five Somerset Districts. <b>Action:</b> With any future improvement to the economy, this can only increase the recycling rate and bring it more into line with expected targets.
		PI – Residual household waste (Target = 362kg per household)		<b>2010/11 annual outturn = 383.3kg</b> (Last year 2009/10 = 381kg) It should be noted that the target for 2010-11 does not take into account any further recession or economic growth effects, any increased waste minimisation, or recycling capture or participation, beyond the effect of Sort-It+. However, TDBC Qtr 4 (outturn) result for residual waste landfilled remains the lowest of all the five Somerset Districts.
		Progress against key business objectives		The roll-out of 'Sort It Plus' is a key achievement (all 5 of the Somerset Districts will now be on line by the end of the financial year 2011-12, resulting in further cost savings). However, due to the continued economic downturn and reduced quantities of available materials to recycle, we have not achieved the target of 49.2% recycling for 2010-11.
5.5	<b>South West Audit Partnership</b>	Target min 90% of 2010/11 Audit plan delivered		<b>92%</b> of planned audits in 2010/11 were completed or are in progress (36 audits in the plan, 33 completed)

## 6. PEOPLE (Human Resources)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
6.1	<b>Investors in People (IiP)</b> Achieve IiP re-accreditation, by delivering the IiP action Plan	Milestones achieved in IiP Action Plan.		Complete
		IiP accreditation by March 2011		Complete and IiP Awarded. Accreditation is for 3 years, with annual reviews.
6.2	<b>Staff Sickness</b> Reduce sickness absence through strong absence management, revised policies & procedures, & training	Target = 9 working days max lost per FT employee		<b>2010/11 actual = 9.62 days</b> This figure shows a reduction of 0.77 days from 2009/10 and is therefore a reduction for the second successive year. Targets being set for a further reduction this year <b>ACTIONS:</b> <ul style="list-style-type: none"> <li>• Theme Managers now receiving monthly reports (detailed reports now available from the SAP system)</li> <li>• Further training being delivered to managers</li> </ul>
6.3	<b>PRED / Training Plans</b> Maintain effective performance management of people and establish & deliver development needs	100% completion of PREDs		<b>96%</b> of staff (Core Council) have had a PRED in the last 12 months (Last year was 76%)
		100% completion of training plans		<b>100 % complete</b> for current year. Allocation of funds and plans to address training needs complete
		100% delivery of 'essential' training activities (corporate training plan)		<b>95%</b> of the 2010/11 Corporate training plan due in Quarter 4 was delivered. Outstanding actions planned between April and June. (Last year was 65%)
6.4	<b>Staff Turnover</b>	Target 12% (voluntary leavers as % of staff in post)		<b>Total turnover = 6.91%</b> <b>Voluntary Turnover = 4.08%</b> Early Retirement/Redundancy = 1.41% Ill Health Retirement = 0 Other (End of Contract/Dismissal) = 1.41%

6.5	<b>Improve Staff Satisfaction</b>	Results from staff survey / resulting action plan		The action plan to address the issues arising from the 2010 survey has been developed and communicated to staff. Implementation of this is on target and is part of a regularly reviewable Organisation Development strategy and plan
6.6	<b>Embed 'thematic working'</b> Develop new ways of working and behaviours that are more flexible, involve project working and less rigid structures.	Results from staff survey. Positive evidence in cross organisational working, effective project teams, greater staff flexibility leading to improved organisational performance		Major communication/engagement events (staff briefings) held in 2010. The Corporate Organisational Development plan sets down other initiatives for developing thematic working. This will be a long-term initiative that will take time to embed, but progress is being made particularly through the creation of a number of cross organisational project groups which are working effectively and other examples of people taking on projects outside of their normal job role. The 2010 Staff Survey revealed that 64% of staff consider that ' <i>co-operation between teams is good</i> '.

## 7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS												
7.1	<b>Corporate Governance Action Plan</b> Deliver the action plan, focussing on high priority areas	Deliver 95% of High priority Actions, and 80% of Medium priority actions by target dates		A refreshed Corporate Governance Action Plan is now in place for 2011/12. This plan currently includes 33 actions, with the status as at end May being: <table border="0" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-decoration: underline;">High priority actions</th> <th style="text-decoration: underline;">Total actions</th> </tr> </thead> <tbody> <tr> <td>Green (on course)</td> <td>= 67% (12 actions)</td> <td>= 65% (20 actions)</td> </tr> <tr> <td>Amber (some concern)</td> <td>= 33% (6 actions)</td> <td>= 32% (10 actions)</td> </tr> <tr> <td>Red (off course)</td> <td>= 0</td> <td>= 2% (1 action)</td> </tr> </tbody> </table> (+ 2 actions pending updates) A detailed report is taken quarterly to the Corporate Governance Committee.		High priority actions	Total actions	Green (on course)	= 67% (12 actions)	= 65% (20 actions)	Amber (some concern)	= 33% (6 actions)	= 32% (10 actions)	Red (off course)	= 0	= 2% (1 action)
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7.2	<b>Audit &amp; Inspection</b> Ensure that statutory Audit & Inspection obligations are met, and scores maximised	Internal audit findings	N/A	<b>High Risk recommendations* 2010/11 = 7</b> (2009/10 = 15) These recommendations are included within the Corporate Governance Action Plan. * 'Priority rating 5' = <i>Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management</i>												
		2009/10 Final Accounts unqualified		Audit Commission Annual Governance Report 2009/10 presented to Corporate Governance Committee 27 September. The Council received an "unqualified" opinion on the 2009/10 accounts.												
7.3	<b>Equalities &amp; Diversity</b> Develop practices & policies based on Equalities Framework for Local Govt ('achieving' level)	Themes/Service areas delivery of Equality Action Plans	N/A	All Theme/Service Equality Action Plans are currently in the process of being reviewed and refreshed for 2011/12 (as part of service planning). Due to the current management focus on the Budget Review project this process is behind schedule, however will be complete and available for reporting in Quarter 1.												
		Council reports including Equality Impact Assessments		<b>Reports to Committees that should have detailed Equality Impact Assessment/Summaries that did = 56.25%</b> (target 100%) (NB. At Quarter 3, this was 29%) There are still a significant number of reports to Members that do not clearly explain the potential of the decision to impact on those with characteristics protected by law. With the recent spate of decisions being quashed on the grounds of inadequate or lack of Equality Impact Assessments being taken into account by decision makers the risk to the authority in terms of cost and reputation remains. An analysis with comments on particular reports is available upon request.												

7.4	<b>Risk Management</b> To ensure major risks are managed by embedding Risk Management Strategy	Delivery of RM Strategy & Policy & Procedures		<ul style="list-style-type: none"> <li>Annual review and refresh of Corporate Risk Register completed by CMT &amp; reported to Corporate Governance Committee 14 March</li> <li>Risk registers (corporate, projects &amp; Theme/Services) monitored quarterly</li> <li>Next report due at Corporate Governance Committee in July</li> </ul>
7.5	<b>Value for Money / Benchmarking</b> To ensure that Services provide excellent value for money	Council Tax charges – in lowest quartile		TDBC 2010/11 Council Tax precept was within lowest 20% of all English Districts.
		Target efficiency savings at areas with poor VfM		Service data analysis is key part of the 'Budget Review' programme. The project workstream outcome is 'to provide relevant financial & performance analysis of Council services to aid understanding of cost & value for money'. The project is also considering 'Efficiencies through technology & processes'. Findings will be presented to Members as part of the Budget Review Programme consultation & reporting process (June – August).
7.6	<b>Asset Management</b> Develop the Council's Asset Management arrangements	Implementation of Asset Mgt Plan		The plan continues to progress but at a slower pace due to the Budget Review Project for which much of the strategy is part of the Assets and capital review work stream
		Target 70% of maintenance spend planned		The codes within the SAP system to enable reporting of this have now been set up and have begun to be used. A report will be available by the next update of this report (Quarter 1, 2011/12)
7.7	<b>Health &amp; Safety</b> To raise the standard of Health & Safety knowledge & performance	Delivery of H & S Action Plan		A revised corporate Health & Safety forward plan for 2011 is now in place, which includes actions to address 5 priority issues. This plan will be monitored using 3 new performance measures (available for reporting as from Quarter 1, 2011/12). Further detail on progress of the H & S forward plan is provided at the quarterly Corporate Governance Committee.

# Taunton Deane Borough Council

## Executive – 21 June 2011

### 2010/2011 Budget Outturn Report

#### Report of the Financial Services Manager

(This matter is the responsibility of Executive Councillor Williams, Leader of the Council)

#### 1. Executive Summary

The 2010/11 Provisional General Fund Revenue Outturn is an underspend of £0.492m against the Final Budget for the year. The final budget included a transfer to general fund reserves of £1.110m, and combined with the underspend for the year the General Fund reserves as at 31 March 2011 stand at £3.166m (subject to audit). This is above the minimum reserves expectation within the Council's Budget Strategy.

The 2010/11 General Fund Capital Programme total expenditure for the year amounted to £4.884m, which is £2.146m below the total budget for the year. Taking into account slippage of project expenditure of £2.179m, the 'real' position is a small overspend of just £0.033m. The Council has made good use of external funding to support its capital investment, not least related to Project Taunton. A budget carry forward of £2.179m related to committed expenditure is recommended.

The Housing Revenue Account Outturn for 2010/11 results in an overspend on final budget of £0.758m. This is largely due to negative subsidy being much higher than budgeted as previously reported. The final budget included a transfer from working balances of £0.296m, and combined with the overspend the HRA Reserves position (or "working balance") carried forward into 2011/12 is therefore a credit balance of £1.593m (subject to audit).

HRA Capital Programme total expenditure in 2010/11 totalled £6.653m, related largely to the Council's continued investment in maintaining the Decent Homes standard of the housing stock. This outturn results in an overspend against the HRA Capital Programme budget of £0.195m, which has been funded from HRA Earmarked Capital Reserves.

The reported outturn position remains subject to external audit as part of the annual audit of the Statement of Accounts.

#### 2. Purpose

- 2.1 This report informs the Executive of the outturn position of the Council on revenue and capital expenditure for the General Fund, Housing Revenue Account and trading services for 2010/11.
- 2.2 A key feature of well-regarded councils is their ability to manage performance effectively. Effective financial management forms an important part of the

Council's overall performance management framework.

- 2.3 The outturn position reported for the HRA and GF contains some estimated figures for government subsidies on housing and council tax benefit. The final figures for these will not be available in time for the final accounts to be produced. Should the final figures differ significantly from those used in closing down the accounts for 2010/11, a further report will be presented to Members giving the updated position on subsidy and the implications for the Council's reserves.
- 2.4 The following outturn figures are provisional at this stage, as finance officers are concluding final reconciliations as part of the year end closedown process. The final outturn, once confirmed, will be used to prepare the Council's Statement of Accounts, which are due to be approved by the Strategic Director/S151 Officer on 30 June 2011.

### **3 2010/11 Financial Performance**

- 3.1 There have been a number of significant challenges faced by the Council this year, and these have had an impact on the overall financial position for the authority. These include:
- The continuing general economic climate and the recession in the UK, which has been the worst seen in this country for 60 years.
  - The Emergency Budget implemented by the new Coalition Government in June 2010.
  - The continued work on management and collection of debt, and impairment of historic debts no longer considered collectable.
- 3.2 Despite these challenges the Council has been in a position to improve the general reserves position. There have also been significant items of 'good news' in the form of a VAT Refund windfall (see separate report on this agenda), cost efficiency savings arising from continued roll out of Sort It Plus, and surplus earmarked reserves which have been returned to general reserves. Overall, officers have also managed to contain net spending below budget on the general fund. The Housing Revenue Account (HRA) is reporting a deficit in the year, largely due to the final subsidy estimates exceeding the amount provided in the budget, however the working balance for the HRA remains healthy.
- 3.3 Members have been presented with regular budget monitoring information, with quarterly performance reports submitted to the Executive and Corporate Scrutiny during the year. The reports provided members with the forecast outturn position and the likely impact on reserves.
- 3.4 The Council has continued to operate within the framework of its Budget Strategy and the overall financial standing at the end of the financial year is sound.

### **4 General Fund - Revenue**

- 4.1 The General Fund Revenue Account Outturn for 2010/11 is an underspend of £0.492m against the final budget for the year.
- 4.2 Taking into account the budgeted transfer to general fund reserves of £1.110m

and the underspend for the year, the outturn results in a net “surplus” of £1.602m on the General Fund Revenue Account, as shown in the following table. A detailed statement of the revenue outturn position is provided in Appendix A.

	Final Budget £'000	Outturn £'000	Variance	
			£'000	%
Net expenditure on services	15,640	18,009	2,369	15%
Other operating costs	363	305	(58)	-16%
Capital adjustments	(1,930)	(5,616)	(3,686)	191%
Capital costs funded from revenue	449	600	150	33%
Grants and local taxation	(14,520)	(14,520)	0	-
DLO Contribution to GF	(74)	(74)	0	-
Deane Helpline Contribution to GF	(80)	0	80	-100%
DLO Trading Account	5	5	0	-
Deane Helpline Trading Account	22	120	98	445%
Transfers to earmarked reserves	(985)	(431)	555	56%
<b>Total for the Year</b>	<b>(1,110)</b>	<b>(1,602)</b>	<b>(492)</b>	<b>44%</b>

4.3 Net expenditure on services was £2.369m above budget. This difference has arisen for a variety of reasons, with the following key areas adversely affecting the council's outturn for the year.

- Capital Charges have exceeded the budget by £3.686m. This is largely due to revaluation and impairment losses on a range of assets including £2.5m on assets purchased under the Project Taunton economic development and growth agenda (e.g. demolition of buildings at the Firepool site). The key message is that capital recharges are reversed out of the revenue account (see Capital Adjustments line in the table above) therefore there is no impact on the 'bottom line' outturn for the general fund revenue account or on general reserves.
- Car parking income (on street and off street combined) demand has fallen below budgeted expectations, resulting in an income shortfall of £336,000. This has been affected in part by the severe winter weather conditions, VAT increase, and reduced usage.
- Cemeteries and Crematorium operating costs have exceeded budget, largely due to essential maintenance of the cremators. It is anticipated that maintenance costs will be significantly lower once the major replacement works have been completed.
- Concessionary Fares costs have exceeded budget by £98,000, which is due to customer demand. Members will be aware that the responsibility (and funding) for concessionary travel has transferred to SCC from April 2011, therefore the risk of future budget pressures in this area has been removed.

4.4 Conversely, there have also been significant underspends in a number of areas including:

- The staff pay award was 0% whereas the Council allowed for a modest increase when the budget was set. Overall the underspend from this saving is approximately £150,000.
- The allocation basis of support service and other recharged budgets has

been updated in line with the data that was used to set the 2011/12 budget. This has resulted in an overall benefit to the General Fund of approximately £200,000. This gain was identified as part of the year end recharges activity as information became available therefore managers were not in a position to report this sooner.

- NNDR costs on various council properties and car parks were collectively £70,000 below budget following revaluation.
- Various underspend in services due to slippage in spending and grant income received late in the year have also contributed to the underspend. This has been taken into account in the planned transfers to earmarked reserves to set aside the funding for 2011/12 or later years.

4.5 In areas of the budget below net expenditure on services, there are other major variances including:

- Interest costs and income were both favourable compared to the budgets, reflecting low interest rates generally and the prudent approach taken when setting the budget.
- A net reported overspend on transfers to/from earmarked reserves reflects the transfer of £706,000 of funds at the year end related to grant income and other service underspends that had not been budgeted for, marginally offset by higher than budgeted withdrawals to fund spending in the current year.
- Capital Credits - where charges for depreciation, impairment and other revenue expenditure funded from capital resources are reversed 'below the line' – are underspent compared to budget, reflecting the associated overspend within services as explained above.
- Revenue funding of the capital programme ("RCCO") exceeded the budget by £151,000 and this was offset using earmarked capital reserves so the impact on the 'bottom line' is nil.

4.6 The outturn position for the DLO and Deane Helpline are further explained later in this report.

4.7 A more detailed analysis and explanation of the key variances to budget is provided in Appendix B. This analysis also includes a comparison with the Q3 forecast, highlighting the main movements between the Q3 forecast and the outturn position.

4.8 A more detailed analysis of the treasury performance (investments and borrowing) has been provided in the Treasury Management Outturn 2010/11 and 2011/12 Update Information Report issued earlier this month.

## **5 General Fund – Reserves**

5.1 The General Reserves balance at the start of the financial year was £1.564m. The 2010/11 final budget allowed for a planned contribution (a 'net surplus' on the revenue account) of £1.110m to the General Fund Reserve. This contribution takes into account

- Supplementary Estimates – taking funds from reserves and increasing the Budget
- Returns – transferring funds to reserves and reducing the Budget
- Repayment of Invest to Save Schemes in the Original Budget, which were

funded from reserves in previous years.

- 5.2 Supplementary Estimates and Returns that have been approved during the year are shown in the table below. This table also shows the impact of the VAT Windfall which was accrued at the year end following confirmation of the successful claim. A separate report is included on the agenda for this Executive which recommends this windfall is transferred to reserves, and the Budget Return is therefore included below on the assumption this is approved.

**Table: General Fund Reserves**

	Budget £'000	Actual £'000
Balance brought forward 1 April 2010	1,564	1,564
Original Budget (repayment of Invest to Save)	91	
Supplementary Estimates & Returns		
RCCO for parking equipment	(60)	
Redundancy costs	(28)	
Surplus earmarked reserves	189	
Waste service savings from Sort It Plus	250	
Repayment of ISIS Invest to Save	96	
VAT Windfall*	577	
	1,024	
Net Transfers to/from Other Funds	(5)	
Net Surplus (Deficit) Outturn for the Year	1,110	1,602
Balance carried forward 31 March 2011	2,674	3,166

- 5.3 As the table shows, the General Reserves balance has increased from £1.564m at the start of the year to £3.166m at 31 March 2011 (subject to audit). The Council's Budget Strategy suggests that the minimum balance should be £1.25m, therefore the above closing balance indicates that Council balances are well above this minimum. From a financial perspective, this is important in the context of the major financial challenges in the medium term.

#### **Earmarked Reserves**

- 5.4 The Council can also set aside funds for specific purposes to be used in future years. The General Fund Revenue Outturn includes a proposed net transfer from earmarked reserves in the year of £0.431m. Appendix C provides a more detailed breakdown of the earmarked reserves and their movement during the year, for both the General Fund and the Housing Revenue Account. The proposed balance carried forward to support spending in future years includes £6.594m for expenditure on services and £0.846m for capital commitments.
- 5.5 The following table provides a summary of the transfers during the year. For completeness, the table includes funds set aside for both general fund and HRA services to give the total amount of earmarked funds across all council services. The HRA outturn is included later in this report.

<b>Earmarked Reserves</b>	<b>General Services £'000</b>	<b>Housing £'000</b>	<b>Total £'000</b>
<b>Balance brought forward 1 April 2010</b>	<b>7,289</b>	<b>1,538</b>	<b>8,827</b>
Transfers from reserves to support expenditure on services	(1,225)	0	(1,225)
Transfers from reserves for financing of capital expenditure	(91)	(1,069)	(1,160)
Transfers to reserves for use in future years on services expenditure	870	113	983
Transfers to reserves for future financing of capital expenditure	15	0	15
<b>Net Transfers During the Year</b>	<b>(431)</b>	<b>(956)</b>	<b>(1,387)</b>
<b>Proposed Balance 31 March 2011</b>	<b>6,858</b>	<b>582</b>	<b>7,440</b>

5.6 As part of the financial year end process, officers have been asked to confirm the continuing requirement for which the funds were set aside, and provide a firm indication of the financial year(s) within which the reserves are expected to be used. As in previous years, the S151 Officer will be undertaking a further full review of earmarked reserves in the autumn.

## **6 General Fund – Capital**

6.1 The General Fund Capital Programme for the year had a final budget of £7.030m. This included slippage from 2009/10, supplementary budgets and budget adjustments for externally-funded projects in 2010/11. The Council planned to support the majority of this investment through the use of Capital Grants and Contributions, Revenue Funding and Borrowing. The major areas of planned capital spend included: continued investment in Project Taunton; grant support for private and social sector housing, investment in play facilities in the borough and the Mercury Abatement Works to the Crematorium.

6.2 The following table provides the draft outturn figures for 2010/11, summarised by Portfolio. The table shows a total capital expenditure of £4.884m, which is 31% below the budget for the year. However, taking into account proposed budget carry forward for slippage of £2.179m on committed projects into 2011/12, the 'real' variance is a small overspend of £33,000 due to minor variances on four schemes.

**Table: Capital Programme 2010/11 Provisional Outturn Summary**

	<b>Budget 2010/11 £'000</b>	<b>Actual 2010/11 £'000</b>	<b>Variance £'000</b>
Corporate Resources	150	85	(65)
Economic Development	243	186	(57)
Environmental Services	1,195	147	(1,048)
Housing (Non-HRA)	1,860	1,079	(781)
Planning Policy & Transportation	60	37	(23)
Sports, Parks and Leisure	1,002	830	(172)
Project Taunton	2,520	2,520	0
<b>Grand Total</b>	<b>7,030</b>	<b>4,884</b>	<b>(2,146)</b>
Proposed Carry Forward for Slippage			2,179
<b>Variance after Slippage</b>			<b>33</b>

- 6.3 Corporate Resources is showing an underspend to budget. The main cause of this underspend is due to the delay of replacing the Deane House Boiler. This project has been put on hold and is awaiting the outcome of the Asset review. Depending on the outcome of this review this project should be completed in 2011/12 so it is proposed that this budget should be carried forward. There is also a managed underspend on the IT Improvements budget, and it is proposed that this budget is carried forward to support the ICT Infrastructure Project taking place in 2011/12.
- 6.4 There is an underspend showing against the Economic Development portfolio, mainly within the DLO vehicles acquisition budget, where it is proposed to carry forward the budget for investment in future years.
- 6.5 The underspend against Environmental Services is largely due to the Mercury Abatement project. As reported during the year, the majority of this work is now due to be completed in 2011/12 so it is therefore proposed this budget should be carried forward.
- 6.6 Appendix D provides the Capital Programme Provisional Outturn by Project, and also sets out the proposed carry forward of £2.179m capital budget approval to 2011/12 on a scheme by scheme basis.

## **7 Housing Revenue Account (HRA)**

- 7.1 The Housing Revenue Account has been closed using estimated subsidy figures. Any adjustment made if required is likely to be immaterial as the annual subsidy payment to CLG for 2010/11 is £6.306m.
- 7.2 The HRA 2010/11 Outturn is an overspend variance of £0.758m (256% of total budget) as shown in the following table, and compared to a forecast overspend of £0.593m in the "Financial and Performance Monitoring – Quarter 3 2010/11" report to Executive in March 2011. A detailed analysis and explanation of the key variances to budget is provided in Appendix F.

	Final Budget £'000	Outturn £'000	Variance	
			£'000	%
Net cost of services	(1,547)	(978)	569	36.8
Other operating costs and income	578	784	206	35.4
Transfers to/from reserves	1,265	1,248	(17)	1.3
Totals	296	1,054	758	256.1

Variations in both income and expenditure are recorded in great detail across the cost centres which can be viewed in several different formats as each audience prefers. The main variations are summarised as follows.

#### *Net cost of services*

- A reduction in rent income £0.306m (15.2%) due to the rent lost on void properties and those which have been transferred to Housing Associations but were greater than estimated when the original budget was set.
- The negative subsidy payment to CLG was above budget by £0.693m. This was because the subsidy cost was under-estimated when the budget was set, relating largely to calculation of interest charged on loans, and a further charge on the final audited subsidy for 2009/10. These have been reported previously to Members. As mentioned above, the 2010/11 outturn is based on estimates of the final subsidy for the year, and any changes following the audit will be charged or credited in 2011/12.
- The variance of £0.395m relating to supporting people grant has arisen due to a 'double-counting' of the 2009/10 grant in the HRA (and taken to HRA working balances). This resulted in a 'duplication' of grant income reported in 2009/10, and the reversal results in the variance shown in 2010/11.
- Management costs are underspent by a total of £0.496m (11.5%). There has been underspend on staffing costs, training, utilities, insurance and large variances on general maintenance (e.g. underground drainage, outside lighting and lift repairs).
- There was a net underspend of £0.302m (4.6%) on maintenance mainly due (as in previous years) to slippage in soffits and fascia replacements but these were partly offset by an increase in re-lets and general maintenance work.

## **8 HRA Reserves**

8.1 The following table summarises the movement in the HRA Working Balance in 2010/11:

**Table: HRA Reserves balance**

	Budget £'000	Actual £'000
Balance brought forward 1 April 2010	2,647	2,647
Net surplus/(deficit) outturn for the year	(296)	(1,054)
Balance carried forward 31 March 2011	2,351	1,593

8.2 As the table shows, the HRA working balance has decreased by £1.054m with the balance (subject to audit) standing at £1.593m at 31 March 2011 (approx

£265 per property). Despite the reduction in balances this is well above the minimum amount of approx £900,000 (approx £150 per property) recommended within the Council's Budget Strategy. Members may also wish to note that HRA properties are maintained over an 8-year cycle within the 30-year Business Plan, and so working balances held per property could change significantly year-on-year depending on the level of maintenance outstanding. In addition, with the planned move to self-financing a healthier working balance is advisable.

## 9 HRA Capital Programme

9.1 HRA capital expenditure for the year totalled £6.653m, which is £195k (3%) above the annual budget. The service has advised that as much of the work is demand-driven and also generally carried-out at times agreed with tenants, budget variances are inevitable. The investment during 2010/11 has enabled the Council to continue to improve the quality of kitchens, bathrooms, roofing and heating in its housing stock in order to maintain the Decent Homes standard. Other work included improving the facilities provided for tenants with mobility difficulties (through Aids and Adaptations and Disabled Facilities Grants), and completion of the Lindley House project. The following table provides a high level summary of the capital expenditure outturn for 2010/11.

**Table: HRA Capital Programme 2010/11 Provisional Outturn Summary**

<b>Scheme Heading (summary)</b>	<b>Budget 2010/11 £'000</b>	<b>Outturn 2010/11 £'000</b>	<b>Variance 2010/11 £'000</b>	<b>Proposed C/Forward to 2011/12 £'000</b>
<b>Decent Homes</b>	<b>4,734</b>	<b>5,481</b>	<b>747</b>	<b>0</b>
<b>Other Works</b>				
Lindley House	481	663	182	0
Housing Management System	95	24	(71)	0
Door Entry Systems	43	15	(28)	0
Aids and Adaptations	410	112	(298)	0
Sound Proofing	58	0	(58)	0
DDA Work	51	0	(51)	0
Asbestos Work	78	15	63	0
Community Alarms	89	5	(84)	0
Tenants Improvements	15	3	(12)	0
Disabled Facilities Grants (HRA Stock)	324	325	1	0
Communal TV Aerials	25	10	(15)	0
Other Schemes	55	0	(55)	0
<b>Sub-total</b>	<b>1,724</b>	<b>1,172</b>	<b>(424)</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>6,458</b>	<b>6,653</b>	<b>195</b>	<b>0</b>

9.2 The variances against the capital projects are predominantly due to the following factors:

- Decent Homes initiative works have to be scheduled around tenants' preferences and each property's availability for work to its roof, heating, kitchen and bathroom. Works exceeded the final budget by some £747,000

as more investment has been delivered than previously anticipated. This is included a significant amount of bathroom improvements.

- Lindley House budget requested by the service was below the eventual overall cost of the project, but the difference is fully funded from external grant.
- Housing Management System – budget allowed for system upgrades not required in full in 2010/11
- There was very low take-up of the ‘aids and adaptations’ scheme covering small works (ranging up to around £6,000 each)
- Soundproofing: work is mainly on duplex flats and therefore access can often be restricted, with no work undertaken in the current financial year
- DDA work: None required in the year
- Asbestos Work: The survey for asbestos work continues with remedial works completed in 2010/11. The majority of this work is now programmed to be delivered and funded from the 2011/12 budget
- Community Alarms: Budget allowed for investment in new equipment but actual requirement was less than anticipated when the budget was set
- Tenants Improvements is demand-driven by tenants themselves and so can vary considerably from budget.

9.3 The overspend on the 2010/11 HRA Capital Programme will be met from the HRA Capital Reserve.

## **10 DLO Trading Performance**

10.1 Through the continued development of the internal transformation options for the DLO, and with additional investment in a review of financial reporting arrangements towards the end of the financial year, improvements in business processes and financial controls have been identified. The latter are in the process of being implemented, and an update on the internal transformation options is due to be reported to Scrutiny, Executive and Full Council in the near future.

10.2 For 2010/11, the Deane DLO reported an overall trading surplus of £74,895.

10.3 The DLO has made the budgeted contribution to the General Fund of £73,600, with the residual balance from the trading surplus transferring to the Trading Account Reserve.

10.4 The Trading Account Reserve balance has increased slightly from £0.569m brought forward to £0.570m as at 31 March 2011.

10.5 The following table provides a summary of the trading performance for each unit for the year, and shows the impact on the reserve balance. Information from the previous financial year is included for comparison.

**Table: Deane DLO Outturn and Reserve Balance**

	2009/10 £'000	2010/11 £'000
<b>Reserve balance brought forward 1 April</b>	<b>(507)</b>	<b>(569)</b>
<i>Trading Surplus (-)/ Deficit for the year:</i>		
Highways	9	17
Grounds Maintenance	(8)	72
Building Maintenance	(312)	(197)
Cleansing	(1)	33
Amounts to be allocated across the trading units for final outturn	(44)	0
<b>Trading Surplus (-) / Deficit</b>	<b>(356)</b>	<b>(75)</b>
Contribution to General Fund	186	74
<b>Net Retained Surplus (-) / Deficit</b>	<b>(170)</b>	<b>(1)</b>
Transfer to DLO Transformation Reserve	108	1
<b>Reserve balance carried forward 31 March</b>	<b>(569)</b>	<b>(570)</b>

Note: minus (-) reserve balance = surplus held

## 11 Deane Helpline

- 11.1 During the year the Deane Helpline made a net deficit of £120,000, which is an overspend of £98,000 against the final budget. This was higher than previously anticipated largely due to support service recharges being £22,305 (31.5 %) above the original budget. Support services were reviewed towards the end of the financial year and were not finalised and allocated to the account until the year end.
- 11.2 There are no funds held in the Deane Helpline Trading Account Reserve therefore the deficit falls to the General Fund. It should be noted that no in-year contribution to the General Fund was made.
- 11.3 The shortfall is due primarily to £79,000 (10.7%) of increased staffing costs; a shortfall of income £110,180 (13.4%); offset by not making a contribution to the General Fund (£80,000) and use of staffing contingency budget (£42,000).
- 11.4 The staff costs were driven by the need to cover high levels of sickness and other long term absences in order to maintain the service.
- 11.5 The income shortfall was due to: the budget assumed income of £50,000 from the Yarlinton contract, which did not materialise; all debts have been reviewed resulting in credits and write offs of £27,000 being raised; and accounting treatment of prepayments has been updated to more accurately reflect the income position in the correct year giving a shortfall of £37,000 in 2010/11.
- 11.6 Within the financial year a robust database of contracts has been established making reconciliations and monitoring between SAP and PNC (Deane Helpline's contract database) on a quarterly basis more straightforward.

## 12 Efficiency and Value for Money Gains (NI179)

- 12.1 At the time of submitting this report officers are continuing to finalise the outturn Value for Money gains. A verbal update will be provided at the meeting.

### **13 Legal Comments**

13.1 None for the purpose of this report.

### **14 Links to Corporate Aims**

14.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

### **15 Environmental Implications**

15.1 None for the purpose of this report.

### **16 Community Safety Implications**

16.1 None for the purposes of this report.

### **17 Equalities Impact**

17.1 Not required for the purposes of this report.

### **18 Risk Management**

18.1 Financial controls are operated throughout the year to manage financial risks, which are subject to review through internal and external audit, as well as through reporting to the Corporate Governance Committee

### **19 Partnership Implications**

19.1 The Council is supported in its management of the financial position through financial services delivered by Southwest One.

### **20 Recommendations**

20.1 The Executive are recommended to:

- a) Recommend that Full Council transfer the net underspend on the General Fund Revenue Account to General Fund Reserves, and transfer the net overspend on the Housing Revenue Account to HRA Working Balance Reserves.
- b) Recommend that Full Council approves the net transfer of £431,000 from earmarked reserves for use on General Fund services and capital financing, and £956,000 from earmarked reserves for use on HRA services and capital financing, as set out in the report and in Appendix C.
- c) Recommend that Full Council approves the Carry Forward of General Fund Capital Programme Budget totalling £2.179m for slippage into 2011/12 as set out in Appendix D.

### **Appendices:**

A – General Fund Revenue Account 2010/11 Outturn Statement

B – General Fund Revenue Account Variances

C – Earmarked Reserves 2010/11

D – General Fund Capital Programme 2010/11 Outturn Statement

E – Housing Revenue Account 2010/11 Outturn Statement

F – Housing Revenue Account Variances

G – HRA Capital Programme 2010/11 Outturn Statement

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**Background Papers:**

- Executive February 2010, Budget Setting 2010/11
- Executive 16 March 2011, Financial and Performance Monitoring - Quarter Three 2010/11

## APPENDIX A

### GENERAL FUND REVENUE OUTTURN 2010/11

Actual 2009/10 £	Portfolio	Original Budget 2010/11 £	Final Budget 2010/11 £	Actual Expenditure 2010/11 £	Variance £
144,629	Communications & Community Leadership	1,028,110	1,336,793	1,309,345	(27,448)
1,120,382	Corporate Resources	1,570,370	1,677,470	790,157	(887,313)
1,331,786	Economic Dev. Property & Tourism	1,085,750	1,124,820	3,497,673	2,372,853
4,788,969	Environmental Services	4,659,790	3,912,870	4,112,824	199,954
1,522,350	General Services	1,164,230	1,445,760	1,673,209	227,449
2,219,555	Housing Services	2,486,620	2,748,007	2,325,719	(422,288)
437,313	Planning Policy & Transportation	796,930	675,240	1,346,580	671,340
2,911,653	Sports, Parks & Leisure	2,751,530	2,718,870	2,953,568	234,698
<b>14,218,197</b>	<b>Total Service Expenditure</b>	<b>15,543,330</b>	<b>15,639,830</b>	<b>18,009,074</b>	<b>2,369,244</b>
(1,535,320)	Capital Charges Credit	(1,930,000)	(1,930,000)	(5,616,411)	(3,686,411)
217,663	Interest Payable on Loans	226,430	226,430	190,952	(35,478)
Included above	Soft Loan	0	0	169	169
364,408	Minimum Revenue Provision	342,500	342,500	344,596	2,096
(197,134)	Interest Income	(69,000)	(69,000)	(82,576)	(13,576)
(370,716)	VAT Interest Income (Exceptional item)		(253,840)	(253,843)	(3)
	VAT Repayment (exceptional Item)		(323,520)	(323,521)	1
	DLO Trading Account Contrib to GF	(73,600)	(73,600)	(73,600)	0
(355,536)	DLO Trading (Surplus)/Deficit	0	5,410	5,410	0
	Deane Helpline Contribution to GF	(80,000)	(80,000)	0	80,000
102,504	Deane Helpline (Surplus)/Deficit	0	22,010	120,086	98,076
855,757	Net Earmarked Reserves Transfers	0	(985,280)	(430,778)	554,502
493,155	Revenue funding of capital expenditure	0	448,430	599,084	150,654
Included above	Area Based Grant	0	(28,820)	(40,175)	(11,355)
<b>13,792,978</b>	<b>Authority Expenditure</b>	<b>13,959,660</b>	<b>12,940,550</b>	<b>12,448,469</b>	<b>(492,081)</b>
30,620	Special Expenses	47,050	47,050	47,050	0
<b>13,823,598</b>	<b>Borough Expenditure</b>	<b>14,006,710</b>	<b>12,986,600</b>	<b>12,495,519</b>	<b>(492,081)</b>
402,703	Parish Precepts	421,940	421,940	421,944	(4)
<b>14,226,301</b>	<b>Budget Requirement</b>	<b>14,428,650</b>	<b>13,409,540</b>	<b>12,917,463</b>	<b>(492,085)</b>
(6,935,368)	Contribution from NNDR Pool	(7,615,394)	(7,615,394)	(7,615,394)	0
(1,600,772)	Revenue Support Grant	(1,105,826)	(1,105,826)	(1,105,826)	0
81,600	Surplus on Collection Fund: Council Tax	130,210	130,210	130,210	0
(5,761,663)	Council Tax	(5,928,460)	(5,928,460)	(5,928,664)	(204)
<b>10,098</b>	<b>Contribution (to)/from General Fund Balances</b>	<b>(90,820)</b>	<b>(1,109,930)</b>	<b>(1,602,211)</b>	<b>(492,289)</b>

## GENERAL FUND RESERVE BALANCE 2010/11

Actual 2009/10 £		Original Budget 2010/11 £	Final Budget 2010/11 £	Actual Expenditure 2010/11 £
<b>1,574,008</b>	<b>Balance b/f 1 April</b>	<b>1,563,910</b>	<b>1,563,910</b>	<b>1,563,910</b>
155,750	Original Budget (includes repayment of previous invest to save)	90,820	90,820	90,820
(174,350)	Supplementary Estimates Agreed	0	(88,000)	(88,000)
	Returns Agreed		534,770	534,770
	Return - VAT Windfall (subject to approval)		577,360	577,360
	Other budget adjustments		(5,020)	(5,020)
<b>(18,600)</b>	<b>Budgeted Net Contribution to/(from) General Fund Revenue Account</b>	<b>90,820</b>	<b>1,109,930</b>	<b>1,109,930</b>
8,502	Net Underspend (Overspend) for the Year	0	0	492,289
<b>(10,098)</b>	<b>Net Movement in Reserves</b>	<b>90,820</b>	<b>0</b>	<b>1,602,219</b>
<b>1,563,910</b>	<b>Balance c/f at 31 March</b>	<b>1,654,730</b>	<b>2,673,840</b>	<b>3,166,128</b>

## APPENDIX B

### EXPLANATION OF GENERAL FUND REVENUE 2010/11 OUTTURN VARIANCES

Budget Area	Explanation	2010/11 Outturn Variance £'000	Q3 Forecast Variance £'000	Change since Q3 Forecast £'000
<b>Expenditure on Services</b>				
<b>Communications &amp; Community Leadership</b>				
Community Leadership	There are a range of minor variances across various cost centres.	(28)	0	(28)
<b>Corporate Resources</b>				
NNDR	The NNDR on the TDBC assets is underspent due to refunds from previous year re valuations	(60)	(60)	0
Rent Rebates/Rent Allowances	Over recovery of income compared to the amount assessed by Government in the Housing Benefit subsidy	(183)	0	(183)
Local Land Charges	In year land charges income higher than anticipated in the budget (£20k); and Government Grant for possible claims for refunds of personal search fees (£35k). The latter has been transferred to earmarked reserves to provide for any claims not yet made.	(55)	0	(55)
SWOne Contracts	Underspend on SWOne Contract budget due to lower secondee costs due to 0% pay award and for Service Credits recovered. A similar amount has been transferred to earmarked reserves to provide funds for professional advice linked to the contract in future years.	(144)	0	(144)
<b>Economic Development</b>				
Project Taunton	Capital Charges not budgeted for, including significant revaluation and impairment losses on assets purchased and then demolished e.g. for the Firepool development site.	2,607	0	2,607
Project Taunton	Slippage of project costs to be funded by Eco Towns Grant income, which is being transferred to earmarked reserves for carry forward to 2011/12.	(105)	0	(105)
TIC	Overspend on salary as Saturday working not budgeted for in CCR, and overspend on purchases for resale	30	0	30
Economic Development	Underspend on staffing costs due to vacant post	(75)	0	(75)
<b>Environmental Services</b>				
Cemeteries and Crematoria	The costs of operating the service has exceeded budget by £119k mainly due to the cost of maintenance to the cremators and grounds, offset by staff savings through restructuring.	84	(20)	104

Budget Area	Explanation	2010/11 Outturn Variance £'000	Q3 Forecast Variance £'000	Change since Q3 Forecast £'000
Licensing	Increase in funeral costs to be met by TDBC (£18k). Impact of irrecoverable income (£27k)	45	35	10
<b>Housing Services</b>				
Youth Homelessness Fund	Grant received at year end for work to be done County wide in 2011/12. This amount has been transferred to Earmarked Reserves.	(75)	0	(75)
Homelessness	Higher than expected income on Private Sector Leased properties (£17k); increased Government Grant (£21k) for Rough Sleeper Coordinator; Bed and Breakfast cost lower than anticipated	(145)	0	(145)
Contribution to HRA re shared services	The Contribution to the HRA was reduced this year as the costs of the grounds maintenance of housing estates were down.	(47)	0	(47)
<b>Planning, Policy &amp; Transportation</b>				
Concessionary Fares	Concessionary fares is overspent due to customer demand.	99	0	99
Parking	Car parking income (on street and off street combined) demand has fallen below budgeted expectations. This has been affected in part by the severe winter weather conditions, VAT increase, and reduced usage.	336	105	231
Building Control	Income is £59k below budget due to reduced activity in the building sector linked to the overall economic downturn.	59	90	(31)
<b>Sports, Parks and Leisure</b>				
Vivary Park	Charges for Ground Maintenance have increased in year	49	0	49
<b>Various</b>				
Pay Award – All Services	Across the General Fund, excluding those reported above, the savings on salaries due to 0% pay rise and vacancy factors	(150)	(150)	0
Support Service Recharges	The allocation basis of support service and other recharged budgets has been updated in line with the data that was used to set the 2011/12 budget.	(150)	0	(150)
Other minor variances across services in total		276	(54)	330
<b>Subtotal – Total Service Expenditure Net Variance</b>		<b>2,368</b>	<b>(54)</b>	<b>2422</b>
<b>Other Costs and Income</b>				
Capital charges credit	Affected by the capital programme spend and revaluation/impairment losses in the same way as the capital charges within the Net Cost of Services.	(3,686)	0	(3,686)

<b>Budget Area</b>	<b>Explanation</b>	<b>2010/11 Outturn Variance £'000</b>	<b>Q3 Forecast Variance £'000</b>	<b>Change since Q3 Forecast £'000</b>
Interest payable	Interest paid on loans has been charged at a consolidated interest rate of 3.13%, reflecting market movements during the year.	<b>(35)</b>	0	(35)
Interest Income	Interest received has exceeded expectations	<b>(14)</b>	20	(34)
DLO Trading Account	Trading Account surplus of £75k is offset to zero as balance transferred to the Trading Account Reserve	<b>0</b>	0	0
Deane Helpline Trading Account	The trading account deficit is due to ongoing staff cover costs and shortfall in income, offset by use of contingency and withholding payment to General Fund in the year.	<b>98</b>	79	19
Deane Helpline Contribution to GF	The Deane Helpline did not return a surplus on the Trading Account therefore is unable to make this contribution.	<b>80</b>	80	0
Transfers to Earmarked Reserves	Covering a range – LABGI (Business Growth Incentive), HPDG (Housing Planning Delivery Grant), Core Council review costs, etc (see Appendix C)	<b>555</b>	0	555
Revenue funding of capital expenditure	The cost of new assets – vehicles, play equipment, ICT, etc – not funded by grants or borrowing.	<b>151</b>	15	136
Other	Other minor variances	<b>(9)</b>	(30)	21
<b>Subtotal Authority Expenditure Net Variance</b>		<b>(2,860)</b>	<b>164</b>	<b>(3,024)</b>
<b>Grand Total – General Fund Revenue Net Variance</b>		<b>(492)</b>	<b>110</b>	<b>(602)</b>

## APPENDIX C

### MOVEMENT ON EARMARKED RESERVES 2010/11

Reserve Heading	Balance 1 April 2010 £'000	Transfers To reserves £'000	Transfers From reserves £'000	Balance 31 March 2011 £'000
<b><i>For General Fund revenue purposes</i></b>				
Asset Management - Leisure	624	30	(22)	632
Asset Management - General	95	49	0	144
Core Council Review	306	4	(85)	225
Core Council Review - DLO	142	113	(33)	222
Corporate Training	83	0	0	83
DLO Trading Account Reserve	569	2	0	571
Growth Point Funding	179	0	0	179
Home Improvement Agency	192	0	0	192
Housing Enabling	783	0	(184)	599
Self Insurance Fund	750	0	0	750
LABGI Grant Funding	423	0	0	423
Local Plan Enquiry General Provisions	296	32	(18)	311
Planning Delivery Grant Funding	793	35	(355)	474
Other reserves	1,210	720	(528)	1,400
<b>Sub-total</b>	<b>6,445</b>	<b>985</b>	<b>(1,225)</b>	<b>6,205</b>
<b><i>For General Fund capital financing purposes</i></b>				
DLO Vehicle Replacement Reserve	6	0	0	6
Capital Financing Reserve - General Fund Projects	838	15	(91)	762
<b>Sub-total</b>	<b>844</b>	<b>15</b>	<b>(91)</b>	<b>768</b>
<b><i>For HRA revenue purposes</i></b>				
HRA Heating Reserve	390	0	0	390
<b>Sub-total</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>390</b>
<b><i>For HRA capital financing purposes</i></b>				
Capital Financing Reserve - HRA Projects	1,148	0	(1,069)	79
<b>Sub-total</b>	<b>1,148</b>	<b>0</b>	<b>(1,069)</b>	<b>79</b>
<b>GRAND TOTAL</b>	<b>8,827</b>	<b>1,000</b>	<b>(2,385)</b>	<b>7,442</b>

## APPENDIX D

### GENERAL FUND CAPITAL PROGRAMME 2010/11 OUTTURN

Scheme Heading	Budget 2010/11 £'000	Outturn 2010/11 £'000	Variance 2010/11 £'000	Proposed C/Forward to 2011/12 £'000
<b>Corporate Resources</b>				
IT Improvements	95	85	(10)	10
<u>Deane House Boiler Replacement</u>	55	0	(55)	55
<b>Sub-total</b>	<b>150</b>	<b>85</b>	<b>(65)</b>	<b>65</b>
<b>Economic Development &amp; Arts</b>				
Vehicle Acquisitions	183	131	(52)	52
Firepool Weir	60	50	(10)	10
Mount St Nursery	0	5	5	0
<b>Sub-total</b>	<b>243</b>	<b>186</b>	<b>(57)</b>	<b>62</b>
<b>Environmental Services</b>				
Taunton/Bridgwater Canal	10	10	0	0
Neroche Project	0	14	14	0
Mercury Abatement Works (Extension and Filters)	1,085	24	(1,061)	1,061
Crematorium Music System	10	15	5	0
Waste Initiative	90	75	(15)	15
Wellington Cemetery Store	0	9	9	0
<b>Sub-total</b>	<b>1,195</b>	<b>147</b>	<b>(1,048)</b>	<b>1,076</b>
<b>Housing</b>				
Disabled Facilities Grants - Private Sector	454	204	(250)	250
Private Sector Renewal Grants	335	270	(65)	65
Grants to RSLs	1,071	605	(466)	466
<b>Sub-total</b>	<b>1,860</b>	<b>1,079</b>	<b>(781)</b>	<b>781</b>
<b>Planning Policy and Transportation</b>				
Parking Strategy - Payment Equipment	10	8	(2)	2
Replacement Parking Equipment New Coins	50	29	(21)	21
<b>Sub-total</b>	<b>60</b>	<b>37</b>	<b>(23)</b>	<b>23</b>
<b>Sports, Parks and Leisure</b>				
Play Equipment – Lyngford	96	69	(27)	27
Play Area - Oake	48	49	1	0
West Monkton (SCC)	29	29	0	0
Play Area - Hamilton Gault	43	56	13	0
Play Area - Baldwin Road	24	25	1	0
Play Area - Vivary Park	87	101	14	0
Wheelspark - Hamilton Gault	83	57	(26)	26
Play Area - Greenway Recreation	6	6	0	0
Fitzhead Tythe Barn	0	7	7	0
Nynehead Village Hall	0	7	7	0

<b>Scheme Heading</b>	<b>Budget 2010/11 £'000</b>	<b>Outturn 2010/11 £'000</b>	<b>Variance 2010/11 £'000</b>	<b>Proposed C/Forward to 2011/12 £'000</b>
Neroche Parish Hall	0	10	10	0
Play Equipment - Grants to Clubs	179	60	(119)	67
Play Equipment - Grants to Parishes	98	65	(33)	0
Play Equipment Replacement	20	46	26	0
Play Area - Taunton Green	178	184	6	0
Play Area - Greenway	69	17	(52)	52
The Popham Hall	10	10	0	0
Langford Budville Village Hall	16	16	0	0
Play Area - Cotford St Luke	16	16	0	0
<b>Sub-total</b>	<b>1,002</b>	<b>830</b>	<b>(172)</b>	<b>172</b>
<b><i>Project Taunton</i></b>				
Firepool	396	396	0	0
Castle Green	261	261	0	0
Long Run Farm	462	462	0	0
Somerset Square	28	28	0	0
High St Retail Project	52	52	0	0
Northern Inner Distributor Road	818	818	0	0
Urban Initiatives	469	469	0	0
Coal Orchard	6	6	0	0
Charging Points	21	21	0	0
Goodlands Gardens	3	3	0	0
High Street	4	4	0	0
<b>Sub-total</b>	<b>2,520</b>	<b>2,520</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>7,030</b>	<b>4,884</b>	<b>(2,146)</b>	<b>2,179</b>

## APPENDIX E

### HOUSING REVENUE ACCOUNT OUTTURN 2010/11

	Original Budget 2010/11 £	Final Budget 2010/11 £	Actual 2010/11 £	Variance 2010/11 £
<b>Income</b>				
Dwelling Rents	(20,122,560)	(20,122,560)	(19,816,792)	305,768
Non Dwelling Rents	(506,700)	(506,700)	(481,335)	25,365
Charges for Services/Facilities	(476,860)	(476,980)	(462,323)	16,277
Contribution towards expenditure on estates	(257,540)	(257,540)	(246,516)	11,024
Supporting People	(405,070)	(405,070)	(9,8480)	395,222
Government Subsidy	5,613,320	5,613,320	6,305,923	692,603
Subsidy-Housing Defects Act	-	-	-	-
<b>Total Income</b>	<b>16,155,410</b>	<b>16,155,530</b>	<b>14,710,891</b>	<b>1,444,639</b>
<b>Expenditure</b>				
Management General	4,378,480	4,314,810	3,819,282	(495,528)
Maintenance	7,013,120	6,428,120	6,127,059	(301,061)
Capital Charges – depreciation	3,784,620	3,784,620	3,785,000	380
Provision for Bad Debt	50,000	50,000	844	(49,156)
Debt Management expenses	30,160	30,160	905	(29,255)
<b>Total Expenditure</b>	<b>15,256,380</b>	<b>14,607,710</b>	<b>13,733,089</b>	<b>(874,621)</b>
<b>Net Cost of Services</b>	<b>(899,030)</b>	<b>(1,547,820)</b>	<b>(977,801)</b>	<b>570,019</b>
<b>Other operating costs and income</b>				
CDC Costs			172,510	172,510
Loan Charges – interest	498,570	498,570	452,327	(46,243)
Interest Receivable	(111,470)	(111,470)	(32,630)	78,840
<b>Net Operating Expenditure</b>	<b>(511,930)</b>	<b>(1,160,720)</b>	<b>(385,594)</b>	<b>775,126</b>
<b>Appropriations</b>				
Transfer to Earmarked Reserve	130,000	130,000	113,000	(17,000)
Transfer from HRA Capital reserve		(1,069,070)	(1,069,070)	-
Transfer to GF Procurement Savings		391,380	391,380	-
Transfer from GF to Repay ISIS Project Invest to Save	(200,000)	(200,000)	(200,000)	-
Revenue Contributions to Capital	735,380	2,204,450	2,204,447	3
<b>(Surplus)/Deficit</b>	<b>153,450</b>	<b>296,040</b>	<b>1,054,162</b>	<b>758,122</b>

#### Working Balance

Balance brought forward 1 April 2010	2,646,570	2,646,570	2,646,570
Net Surplus/(Deficit) in Year	(153,450)	(296,040)	(1,054,162)
<b>Balance carried forward 31 March 2011</b>	<b>2,493,120</b>	<b>2,350,530</b>	<b>1,592,408</b>

## APPENDIX F

### EXPLANATION OF HOUSING REVENUE ACCOUNT 2010/11 OUTTURN VARIANCES

Budget Area	Explanation	2010/11 Outturn Variance £'000	Q3 Forecast Variance £'000	Change since Q3 Forecast £'000
<b>Expenditure on Services</b>				
Income	<b>Rent</b> The total rent for the year analysed at year-end across dwellings and non-dwellings charges for services has varied by 15.2%, due to voids during the year being substantially higher than budgeted and the impact of demolitions at Holyoake Street and Parmin Close.	<b>306</b>	200	106
	<b>Non Dwelling Rent</b> Shops income is below budget reflecting irrecoverable income identified in the review of previous years' debts.	<b>25</b>	0	25
	<b>Supporting People</b> The Government grant for 'supporting people' was duplicated in 2009/10 at Outturn. The grant is intended to fund charges to tenants who are eligible to receive support, thereby reducing the debt to the tenant on the Rent Debtors Account. As this did not occur there has been a write back in 2010/11.	<b>395</b>	100	295
	<b>Government Subsidy</b> The amount owed to CLG is based on a formula the amount owed varies through out the year due to changes in interest rates on loans outstanding. At present this figure is a draft figure as the final return will not be audited until December 2011.	<b>692</b>	744	(52)
	<b>Minor Variances</b>	<b>27</b>	0	27
	<b>Sub-total - income</b>	<b>1445</b>	1044	401
Expenditure	<b>Management General Salaries</b> Across the HRA the savings on salaries due to 0% pay rise and vacancy factors.	<b>(124)</b>	(53)	(71)
	<b>Training</b> A planned saving has been made across the service.	<b>(77)</b>	(21)	(56)
	<b>Utilities</b> The 2010/11 budget was over-estimated based on historical assumptions.	<b>(131)</b>	0	(131)

Budget Area	Explanation	2010/11 Outturn Variance £'000	Q3 Forecast Variance £'000	Change since Q3 Forecast £'000
	<b>Insurance</b> Mainly due to procurement savings through renewal/review of insurance contracts.	(46)	0	(46)
	<b>Rent Accounting and Collection</b> Underspend has been identified on advertising, bank charges, stationery and repairs contracts.	(59)	0	(59)
	<b>Other General Management Charges</b> Overall there is an underspend within this cost centre relating lower general maintenance costs than allowed for within the budget e.g. lift repairs at Kilkenny, underground drainage and outside lighting.	(249)	(8)	(241)
	<b>Tenant Empowerment</b> Underspend on training.	(14)	0	(14)
	<b>Support Service Recharge</b> A review was undertaken following the Core Council Review which led to an increase in support services being recharged to the HRA.	200	200	0
	<b>Maintenance (Responsive and Planned Maintenance of Dwellings)</b> There was slippage in asbestos works, fascias and soffits replacement but this was offset with an overspend within general maintenance and re-let and void work during the year.	(269)	(1,000)	731
	<b>Provision for bad debts.</b> The provision was reduced as a review of debtors was carried out which resulted in many old debts being written off.	(49)	0	(49)
	Other variances	(57)	0	(57)
	<b>Sub-total - expenditure</b>	<b>(875)</b>	<b>(882)</b>	<b>7</b>
	<b>Subtotal – Variance on Net Cost of HRA Services</b>	<b>570</b>	<b>162</b>	<b>408</b>
	<b>Other Operating Costs</b>			
	Corporate and Democratic Costs	172	0	172
	Interest payable (Capital financing) at 3.13%	(46)	0	(46)
	Interest Income (at 0.93%)	79	31	48
	Transfers to earmarked reserves	(17)	0	(17)
	Revenue Contribution to Capital	0	400	(400)
	<b>Subtotal – Other Operating Costs Net Variance</b>	<b>188</b>	<b>431</b>	<b>(243)</b>
	<b>Grand Total – Housing Revenue Account Net Variance</b>	<b>758</b>	<b>593</b>	<b>165</b>

## APPENDIX G

### HOUSING REVENUE ACCOUNT 2010/11 CAPITAL PROGRAMME OUTTURN

Scheme Heading	Budget 2010/11 £'000	Outturn 2010/11 £'000	Variance 2010/11 £'000
<b><i>Decent Homes</i></b>			
Kitchen Improvements	4,734	3874	747
Roofing		780	
Windows		690	
Heating Improvements		137	
<b>Sub-total</b>	<b>4,734</b>	<b>5,481</b>	<b>747</b>
<b><i>Other Works</i></b>			
Lindley House	481	664	183
Disabled Facilities Grants (HRA Stock)	324	324	0
Aids and Adaptations	410	112	(298)
Asbestos Works	78	15	(63)
Community Alarm Systems	89	5	(84)
Soundproofing	58	0	(58)
Door Entry Systems	43	15	(28)
DDA Work	51	0	(51)
Communal TV Aerials	25	10	(15)
Choice based lettings system	18	0	(18)
Roland Close/Sneddon Grove renovation works	17	0	(17)
Integrated Housing Management System	95	24	(71)
Cash Incentive Scheme	20	0	(20)
Tenants Improvements	15	3	(12)
<b>Sub-total</b>	<b>1,724</b>	<b>1,172</b>	<b>(552)</b>
<b>GRAND TOTAL</b>	<b>6,458</b>	<b>6,653</b>	<b>195</b>

There are no proposed Budget Carry Forwards to 2011/12.

**21/06/2011, Report:Performance Monitoring - Outturn Report 2010/2011**  
Reporting Officers:Dan Webb

**21/06/2011, Report:2010/2011 Budget Outturn Report**  
Reporting Officers:Shirlene Adam

**21/06/2011, Report:Windfall VAT Receipt**  
Reporting Officers:Maggie Hammond

**16/08/2011, Report:Future proposals for Deane DLO**  
Reporting Officers:Brendan Cleere

**14/09/2011, Report:Review of Essential Users and Car Allowances**  
Reporting Officers:Martin Griffin

**14/09/2011, Report:Update report - Into Somerset Partnership**  
Reporting Officers:David Evans

**14/09/2011, Report:Proposed Passivhaus Development**  
Reporting Officers:Lesley Webb

**14/09/2011, Report:The future of floodlighting across the Borough**  
Reporting Officers:David Evans

**14/09/2011, Report:Quarter 1 Performance Report**  
Reporting Officers:Dan Webb

**14/09/2011, Report:Installation of Solar PV on Council House stock**  
Reporting Officers:Kevin Toller

**14/09/2011, Report:Budget Review Project - High Level Principles**  
Reporting Officers:Simon Lewis

**14/09/2011, Report:Goodland Gardens Public Conveniences, Taunton**  
Reporting Officers:John Sumner

**14/09/2011, Report:Growth Point Funding Allocation**  
Reporting Officers:Ian Franklin

**14/09/2011, Report:High Street, Taunton - Preliminary Works**  
Reporting Officers:Ian Franklin

**14/09/2011, Report:Confidential Item**  
Reporting Officers:James Barra

**12/10/2011, Report:Taunton Town Centre Supplementary Planning Document**  
Reporting Officers:Tim Burton

**12/10/2011, Report:Proposed redevelopment of Halcon North, Taunton**  
Reporting Officers:Tim Burton

**12/10/2011, Report:Corporate Management Team Restructure**

Reporting Officers:Penny James

**12/10/2011, Report:Parking Strategy**

Reporting Officers:Joy Wishlade

**12/10/2011, Report:Consultation Paper - Proposals for Business Rate retention**

Reporting Officers:Shirlene Adam

**12/10/2011, Report:Client based approach for Construction Projects in Taunton Deane**

Reporting Officers:David Evans

**16/11/2011, Report:Quarter 2 Performance Report**

Reporting Officers:Dan Webb

**16/11/2011, Report:Capital Cash Flow Funding - SW1 Transformation Projects**

Reporting Officers:Paul Harding

**16/11/2011, Report:Budget Review Project - Year 1 Budget Savings**

Reporting Officers:Simon Lewis

**07/12/2011, Report:Housing Revenue Account 30 year Business Plan**

Reporting Officers:Stephen Boland

**07/12/2011, Report:Budget Review Project - 4 Year Proposals**

Reporting Officers:Simon Lewis

**09/02/2012, Report:Housing Revenue 30 year Business Plan**

Reporting Officers:Stephen Boland

**14/03/2012, Report:Quarter 3 Performance Report**

Reporting Officers:Dan Webb