

You are requested to attend a meeting of the Executive to be held in The Brittons Ash Community Centre, Bridgwater Road, Bathpool, Taunton, (Activity Room). on 5 July 2018 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 5 April 2018 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of Disclosable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct, in relation to items on the agenda. Such interests need to be declared even if they have already been recorded in the Register of Interests. The personal interests of Councillors who are County Councillors or Town or Parish Councillors will automatically be recorded in the minutes.
- 5 Financial Monitoring – Outturn 2017/2018. Report of the Interim Finance Manager (Deputy S151 Officer) (attached).

Reporting Officer: Andrew Stark
- 6 Quarter 4 2017/2018 Performance Report. Report of the Corporate Strategy and Performance Officer (attached).

Reporting Officer: Richard Doyle
- 7 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

Bruce Lang
Assistant Chief Executive

28 June 2018

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.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, 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



The meeting rooms at both the Brittons Ash Community Centre and West Monkton Primary School are on the ground floor and are fully accessible. Toilet facilities, with wheelchair access, are available.

Lift access to the Council Chamber on the first floor of Shire Hall, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are available through the door to the right hand side of the dais.



An induction loop operates at Shire Hall 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 219736 or email r.bryant@tauntondeane.gov.uk

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Executive Members:-

Councillor M Edwards	(Business Development and Asset Management and
Communications (Deputy Leader))	
Councillor J Warmington	(Community Leadership)
Councillor A Sully	(Corporate Resources)
Councillor P Berry	(Environmental Services & Climate Change)
Councillor T Beale	(Housing Services)
Councillor J Williams - Leader of the Council	(Leader of the Council)
Councillor R Habgood	(Planning Policy and Transportation)
Councillor V Stock-Williams	(Sports, Parks and Leisure)

Executive – 5 April 2018

Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Edwards, Habgood, Mrs Stock-Williams and
Mrs Warmington

Officers: Brendan Cleere (Director – Growth and Development), Paul Carter
(Assistant Director – Corporate Services), Paul McClean (Project
Accountant) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Coles, Morrell and Prior-Sankey

(The meeting commenced at 6.15 p.m.)

22. Apology

Councillor Parrish.

23. Minutes

The minutes of the meetings of the Executive held on 7 March 2018 and the Special Executive held on 19 March 2018, copies of which had been circulated, were taken as read and were signed.

24. Declaration of Interests

Councillors Mrs Stock-Williams and Mrs Warmington declared personal interests as Members of Wellington Town Council and Bishops Lydeard and Cothelstone Parish Council respectively.

25. Development of an Hotel at Firepool, Taunton

Considered report previously circulated, which introduced a proposal for Council investment in the development of a new high quality, mid-market hotel at Firepool, Taunton.

The proposal was consistent with the outline planning consent for Firepool which had recently been approved. Subject to specific requirements such as reserved matters, Council approval of the Business Case, exchange of contracts with the hotel brand and management operator, appointment of professional services advisors and a construction company, preparatory work on the site was anticipated to start next year (2019).

The proposal aligned well with the vision for Taunton as a Garden Town, contributed to a thriving and sustainable town centre and would generate a healthy commercial return to the Council.

Market testing and specialist advice had also confirmed high trading confidence in the Taunton area as a visitor and business destination. A well-recognised brand of hotel would improve the range and quality of mid-market accommodation in the

town centre, encourage more businesses and visitors into the heart of the town and boost the wider daytime and evening economy.

It was the result of an initial feasibility, marketing and procurement exercise that had yielded strong interest from potential occupiers and operators of the hotel. A Business Case for Council investment in the development and continuing ownership of the hotel had subsequently been developed, taking account of key risks (financial and non-financial).

The above steps, including selection of hotel brand, operator and construction project management team, had been subject to the necessary Council approvals and consents and formal exchange of contract. Council approval of the proposal was now needed to enable the project to move forward to delivery of the hotel development programme.

To allow Members to discuss the contents of the Confidential Appendices A-F, it was **resolved** that the press and public be excluded from the meeting because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

The project cost estimates had been provided by cost management professionals and advisors who had experience of successfully delivering similar hotel schemes.

The Business Case showed a satisfactory level of return on investment. It was based on an established trading model of the Council developing and retaining the asset (the hotel) and leasing the building to a newly created Special Purpose Vehicle (SPV) (a trading company), which the Council would own. The Council would nominate directors to the company to manage the SPV's operations, contracts and bank accounts.

The new hotel business, through the SPV, would be managed by a professional operating company, to ensure hotel brand compliance, maximising efficiencies and returns for the Council and limiting potential liabilities.

Construction cost management would be a major element of the scheme and, as such, processes would be put into place to address any cost overrun risks through both design and the form of contract management.

The Business Case had been developed by the Council's Finance Team, informed and verified by hotel specialists and professionals, including our Treasury Management advisors, Arlingclose. The estimated capital cost of the project would be financed by external borrowing through the Public Works Loan Board.

Further reported that the Corporate Scrutiny Committee considered this matter at its meeting on 22 March 2018 and resolved to support the proposal.

Members requested further clarification about governance arrangements of the hotel operation and wanted to know how Members would be updated on the financial performance. In addition Members asked for reassurance about the market testing

and feasibility that had been carried to assess and inform the viability of the proposed hotel.

Resolved that Full Council be recommended:-

- (i) To support a Council investment in the development and ownership of a hotel at Firepool, Taunton based on the detailed information contained in the Confidential Appendices;
- (ii) To support a supplementary estimate to the Council's Capital Programme (detailed in Confidential Appendix B) for the planning, design and engineering, construction and fit out of the hotel, to be funded as set out in the report;
- (iii) To enable the hotel project to progress within the programme timescales indicated and approved budget, that the relevant delegated authorities be provided to the Director – Growth and Development and the Section 151 Officer, in consultation with the relevant Portfolio Holder and the Leader of Council to:-
 - a) Appoint specialist and professional services to support officers and the Hotel Project Team to complete the planning, design and engineering of a new mid-market hotel on a suitable site identified at Firepool, Taunton (on the south-side of the River Tone);
 - b) Finalise legal agreements with the preferred brand and operator;
 - c) To create a Council owned Special Purpose Vehicle, to lease the asset and manage commercial arrangements of the new hotel (on behalf of the Council); and
 - d) Arrange the procurement and appointment of a main building and fit-out contractor to complete the hotel building to specification and standards within the budget approved.

26. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.27 p.m.)

Taunton Deane Borough Council

Executive – 5 July 2018

Financial Monitoring – Outturn 2017/2018

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

Report Author: Andy Stark, Interim Finance Manager (Deputy S151 Officer)

1 Executive Summary

- 1.1 This report contains information related to the Council's financial performance for the 2017/18 financial year. The outturn figures included are provisional subject to external audit review; the findings of which are to be reported to Corporate Governance Committee in September this year.
- 1.2 Monitoring the budget is an important part of the Council's performance management framework.
- 1.3 The revenue outturn position for the financial year 2017/18 is as follows:
 - The General Fund (GF) Revenue Outturn position for 2017/18 is a net underspend of £21k (0.1% of Net Budget), after proposed reserve transfers and carry forwards.
 - The HRA is a 'Self-Financing' account for the Council's Housing Landlord function, which is budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2017/18 is a net overspend of £446k (1.7% of gross income).
- 1.4 The capital outturn position for 2017/18 is as follows:
 - The total General Fund Capital Programme budget is £53.304m, including ongoing schemes from previous years and new schemes approved at the start of and during 2017/18. Of this, £13.883m has already been spent in previous years and a further £4.869m has been spent during 2017/18. The projected spend in 2018/19 and future years is £34.259m (not including new 2018/19 budget approvals). A net underspend of £293k is being reported against the overall approved budget for the Programme.
 - The HRA approved Capital Programme at the end of 2017/18 was £18.839m. This relates to schemes which will be completed over the next five years. The actual expenditure on the Capital Programme during 2017/18 was £10.126m with £8.713m for planned investment to implement approved schemes in future

years. There are no reported variances against the total approved programme.

- 1.5 The General Fund reserves balance as at 31 March 2018 stands at £2.299m. The balance remains above the minimum reserves expectation within the Council's Budget Strategy (£1.700m).
- 1.6 The Housing Revenue Account (HRA) Reserve balance as at 31 March 2018 stands at £2.778m, which is above the minimum level (£1.800m) set within the Council's Budget Strategy and HRA Business Plan.
- 1.7 The total General Fund Earmarked Reserves balance as at 31 March 2018 is £21.615m, and for HRA Earmarked Reserves the balance is £6.990m, representing contingencies and funds that have been set aside for specific purposes to be spent in 2018/19 or later years. This has grown largely in respect of funds committed to support growth and infrastructure development, future capital programme spending, the business rates funding volatility, creating a new council and funding set aside to support service restructuring and transformation projects. The majority of this is planned to be spent over the next two years, although experience shows this may be over a longer period.

2 Recommendations

- 2.1 The Executive reviews the Council's financial performance and end of year position for the General Fund and the Housing Revenue Account, including pre-approved carry forwards and transfers to earmarked reserves.
- 2.2 The Executive is recommended to:
 - (a) Note the reported General Fund Revenue Budget underspend of £21k in 2017/18 and the General Reserves Balance of £2.299m as at 31 March 2018.
 - (b) Recommend Full Council to approve the General Fund Revenue Budget Carry Forwards totalling £1.195m (as set out in table 3 of the report).
 - (c) Recommend Full Council to approve a General Fund Capital Programme Budget Profile totalling £34.259m in 2018/19 and Later Years (as set out in Appendix B).
 - (d) Recommend Full Council to approve a Housing Revenue Account Budget Carry Forwards totalling £344k (as set out in table 14 of the report).
 - (e) Recommended Full Council to approve a Housing Revenue Account Capital Programme Budget Profile totalling £8.713m in 2018/19 and Later Years (as set out in Appendix D).

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	2	4	8
<i>Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</i>	1	4	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Feasible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				
Likelihood of risk occurring	Indicator						Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances						< 10%
2. Slight	Is unlikely to, but could occur at some time						10 – 25%
3. Feasible	Fairly likely to occur at same time						25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally						50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)						> 75%

4 **Background and Full details of the Report**

- 4.1 This report informs Members of the Council's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2017/18 for the Council's General Fund (GF), Housing Revenue Account (HRA) and trading services.
- 4.2 The regular monitoring of financial information is a key element in the Council's

Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's the Medium Term Financial Plan.

- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Statement of Accounts, which was approved by the Assistant Director Strategic Finance (S151 Officer) on 31 May, and is then subject to review by the Council's External Auditor. Should the External Auditor identify any changes to the Accounts these will be reported to Corporate Governance Committee in July this year.
- 4.4 The outturn position reported for the General Fund contains some estimated figures for government subsidies on housing benefit and the total of business rates retention funding. These are based on unaudited claims, and it is possible that final figures post-audit could change. Should the final figures differ significantly from those used in this report an updated position will be provided as part of 2018/19 budget monitoring reports.

5 2017/18 Financial Performance

- 5.1 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a regular review of all budgets. Budget Holders, with support and advice from their accountants, review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that assumptions and estimates will differ from the eventual outcome, and a number of risks and uncertainties have been highlighted in previous budget monitoring reports.
- 5.2 Forecasting for demand-led services has continued to be a challenge especially in the current economic climate.
- 5.3 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. The Reserve balances for both the General Fund and the HRA are above their respective recommended minimums. An annual review of all Earmarked Reserves will be completed with the aim of returning any surplus reserve balances to the General Fund Reserve. The Council continues to face challenges around profiling capital spend, and we will seek to improve accuracy of forecasting between financial years.

General Fund Revenue Account – 2017/18 Outturn

- 5.4 The Council has reported an overall net underspend of £21k (0.1% of Net Budget). Table 1 below provides a high-level summary of the outturn position:

Table 1: GF Outturn Summary

General Fund Outturn 2017/18	Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Net Expenditure on Services	14,731	14,970	239	2%
Deane Helpline Trading Account	122	53	(69)	(0.5%)
DLO Trading Account	40	31	(9)	(0.1%)
Earmarked Reserve Transfers	4,247	4,247	0	0%
Interest and Investment Income	(381)	(563)	(182)	(1.2%)
Technical Accounting Adjustments	(3,798)	(3,798)	0	0%
Net Budget	14,961	14,940	(21)	(0.1%)
Funding – Grants, Business Rates and Council Tax	(14,961)	(14,961)	0	0%
Net Variance	0	(21)	(21)	(0.1%)

Summary of Main Changes from Q3 to Outturn

- 5.5 The Forecast Outturn as at Quarter 3 (December 2017) after approval to transfer an additional £288k to earmarked reserves was for an overall balanced position. The main differences between the reported variances at Quarter 3 and the year-end Outturn are summarised in Table 2 below.

Table 2: Taunton Deane Main Differences between Q3 and Outturn Variances

	Q3 £000	Change £000	Q4 £000
Deane Helpline	(14)	(55)	(69)
Planning	145	(47)	98
Car Parking	0	(106)	(106)
Land Charges	40	(56)	(16)
Recycling	(27)	(16)	(43)
Street Cleansing	(28)	0	(28)
Dog Wardens	(20)	(4)	(24)
Bereavement Services	(100)	(2)	(102)
Waste Collection	0	90	90
ICT	20	0	20
Customer Services	(52)	59	7
Insurance	17	(36)	(19)
Council Tax collection costs	(100)	47	(53)
Interest Costs and Investment Income	(134)	(48)	(182)
Revenues and Benefits	(89)	(11)	(100)
Rent Allowances and Rebates	(88)	(166)	(254)
Asset Maintenance	56	0	56
Housing Bed and Breakfast Accommodation	(27)	82	55
Transformation Savings timing difference	0	257	257
Legal Services	0	133	133
Q3 Transfer to Earmarked Reserves	288	0	288
Other	113	(142)	(29)

TOTAL – over / (under) spend	0	(21)	(21)
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- 5.6 The main variances to budget and significant changes to the Quarter 3 position are explained as follows:
- 5.7 **Deane Helpline:** The Deane Helpline service is demand led and the customer base for the 17/18 year has increased during the year. This has generated additional income from both external and corporate customers in the year.
- 5.8 **Planning:** The overall overspend relates to the higher cost of agency staff that have been used during the year to cover staff vacancies. This overspend has been partially offset during the quarter due to additional planning income.
- 5.9 **Car Parking:** The overall underspend is due to a £215k saving on business rates being offset by a shortfall in income of £109k. There has been an improvement in the forecast position from Qtr 3 due to higher income being achieved than previously forecast.
- 5.10 **Land Charges:** The Council previously set up a provision within the accounts in case further legislation changes were enacted causing the service to have to repay previously charged fees. It was agreed that this provision was no longer required and was therefore written back into the accounts at year end. This has offset the previously reported reduction in income resulting in a net underspend of £16k for the year.
- 5.11 **Recycling:** The recycling service obtained additional income in 2017/18 for the garden waste collection service due an increased customer base and higher usage of the brown sacks than budgeted for.
- 5.12 **Street cleansing:** The street cleansing contract is a relatively new budget and as such a contingency was added in case of unexpected charges. This has not been required resulting in an underspend and the budget has been reduced for 2018/19.
- 5.13 **Dog Wardens:** Contract costs for kennelling of stray dogs have proved to be lower than originally budgeted for.
- 5.14 **Bereavement Services:** Bereavement services is a demand led service and usage has increased during the year producing additional income for the service.
- 5.15 **Waste Collection:** Additional contract costs of £16k were charged at year end by Somerset Waste Partnership. Also £74k has been transferred to an earmarked reserve to cover the value of vehicles retained by SWP relating to the Recycle More project. Therefore the total additional cost to the service was £90k.
- 5.16 **ICT:** Smartphone 8*8 rollout has increased revenue costs by £20k, but enables greater efficiency and 'agile' working.

- 5.17 **Customer Services:** The position has now moved so that a small overspend has been reported.
- 5.18 **Insurance:** A large claim that was settled has been funded from a set aside insurance reserve rather than being charged direct to the revenue account.
- 5.19 **Council Tax Collection Costs:** The underspend is in respect of additional court fees recovered through enforcement of debt recovery processes. QTR3 forecast had been based upon actual for 2016/17. Actual year end position has reduced the original forecast.
- 5.20 **Interest Costs and Income:** Improved investment returns combined with slippage within the capital programme leading to higher cash balances has meant that the net interest received is higher than was budgeted for.
- 5.21 **Revenues and Benefits:** Additional funding has been provided by Government for various welfare reforms plus additional grant for administering benefits has created the overall underspend.
- 5.22 **Rent allowances and Rebates:** Higher recoupment of rent allowances and rebates has created this underspend. Although some of this was forecast in Qtr 3 the year end position has shown a further improvement. Going forward this trend will not continue as more claimants move to Universal Credit.
- 5.23 **Asset Maintenance:** A number of vacant properties in Blackdown Business Park has led to a shortfall in rental income of £70k offset by an underspend of £14k on bus shelters. For 2018/19 a vacancy rate of 10% has been built into the budget.
- 5.24 **Housing Bed and Breakfast Accommodation:** Demand for the service increased significantly in the 4th quarter resulting in an overspend. Funds have been set aside in earmarked reserves, including additional grant from Government, to manage homelessness prevention and support costs during 2018/19.
- 5.25 **Transformation Savings:** This relates to timing delays in respect of the delivery of savings compared to earlier budget assumptions.
- 5.26 **Legal services:** Additional costs incurred in respect of legal advice and support required for delivery of major projects.

6 Carry Forwards to 2018/19

- 6.1 In arriving at the net underspend of £21k for 2017/18 there are £1.195m of recommended budget carry forwards. These are summarised and explained below:

Table 3: Taunton Deane Carry Forwards for Approvals

		£
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		£
Assets – Repairs and Maintenance	Required for Market House roof repairs	22,314
Leisure Procurement	Balance of funding required for ongoing delivery of leisure procurement project	117,000
Housing Enabling	Funding for the development of new housing around the Hinkley area	573,760
Homelessness	Funding required for implementation of the Homelessness Reduction Act.	265,300
Economic Development	Funding towards the Wellington Station business case.	40,000
Customer Services	Introduction of new ways of working in reception area.	46,000
Vivary Park	Works to de-silt Vivary Park lake were due to take place this financial year but due to delay with obtaining a licence from the environment agency the works cannot progress until next financial year.	40,000
Finance	As part of the system amalgamation of the e5 finance system, and development of financial procedures and reports, additional support is required during 2018/19.	75,000
Bereavement Services	The approved budget for the revenue part of the crematorium project was £45,000. Of that £39,000 has been spent and this carry forward is requested to fund the completion of work in 2018/19.	6,000
Total		1,195,374

7 Business Rates Retention

7.1 The Business Rates Retention (BRR) funding system is proving to be both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some ‘timing differences’ which can skew the funding position across financial years.

General Fund Retained Business Rates Funding

7.2 The council’s share of business rates funding is directly linked to the total amount of business rates due and collected in the area. The amounts credited to the General Fund Revenue Budget in 2017/18 are based on business rates yield and BRR figures from different sources – a combination of the 2017/18 NNDR1 (Original Budget Estimate) and the 2017/18 NNDR3 (End of Year position):

Business Rates Funding Timing Differences

In Year Funding based on NNDR1 Original Budget Estimates (fixed amount for the year based on budget):

- 40% Standard Share of BR Income
- Tariff to Government
- Share of Previous Year's Collection Fund Surplus/Deficit

In Year Funding based on NNDR3 actual amounts due for the year (variable amount for the year based on actuals):

- Section 31 Grant (Government-funded Reliefs/ Discounts)
- Levy Payment to Government
- Safety Net Receipt from Government

- 7.3 At the end of the financial year there will be a Surplus or Deficit on the Business Rates Collection Fund, and this sum will be distributed in future years based on Standard Shares – so 40% for Taunton Deane Borough Council.
- 7.4 The following table summarises the net position in respect of retained business rates funding for the Council in 2017/18 based on required accounting entries.

Table 4: Business Rates Funding Outturn 2017/18

	Original Budget	Actual
	£000	£000
40% Share of Business Rates Income	(14,818)	(14,818)
Tariff to Government (fixed amount)	12,262	12,408
Section 31 Grant funding for enhanced Small Business Rates Relief/Flooding Relief/Retail Reliefs	(675)	(1,423)
Renewable Energy Rates – 100% retained by TDBC	(152)	(355)
50% Levy Payment to Government	345	282
Sub Total	(3,038)	(3,906)
Previous Year's Collection Fund Deficit	38	38
Total Retained Business Rates Funding 2017/18	(3,000)	(3,868)

- 7.5 Taking into account the inherent risks and uncertainties within the retention system, together with accounting timing differences referred above, a prudent balance is maintained in the Business Rates Smoothing Account Reserve. The balance on this reserve as at March 2018 is £2.678m providing funding to offset Collection Fund deficit carried forward to 2018/19 of £841k plus resilience to further funding volatility in future years.

8 General Fund Reserves

General Reserves

- 8.1 The following table summarises the movement on the General Reserves Balance during the year.

Table 5: General Reserve Balance

	£'000
Balance Brought Forward 1 April 2017	2,186
Earmarked Reserves returned to General Balances	92
Budgeted Balance 31 March 2018	2,278
Provisional Outturn 2017/18	21
Projected Balance Carried Forward 31 March 2018	2,299
Recommended Minimum Balance	1,700
Projected Balance above recommended minimum	599

- 8.2 The balance as at 31 March 2018 (subject to audit) is £2.299m. This is £599k above the minimum recommended balance of £1.7m.
- 8.3 In view of the Council's future financial position the advice is maintain reserves above the recommended minimum, to provide some resilience for unknown costs and to provide some flexibility to support measures to address ongoing financial sustainability.

General Fund Earmarked Reserves

- 8.4 The Council can also set aside funds for specific purposes to be used in future years. **Appendix A** provides a summary of the earmarked reserves and their movement during the year. The proposed balance carried forward to support General Fund spending in future years is £21.615m. This balance has increased by £4.271m during the year mainly due to New Homes Bonus set aside for growth and infrastructure investment.
- 8.5 Transfers to reserves at the end of the financial year have been reviewed and approved by the S151 Officer.

9 Deane DLO Trading Account

- 9.1 There has been a change to the structure of the DLO during 2017/18 with the building maintenance area being moved from the DLO and into the HRA. Therefore the DLO is now only made up of the one distinct operating area of Grounds Maintenance (including the Nursery). The following table provides a summary of the financial performance.

Table 6: DLO Trading Account Outturn Summary

	2017/18		
	Income £'000	Spend £'000	Net £'000
(Surplus)/Deficit for the year:			
Grounds Maintenance	(3,061)	3,132	71
Nursery	(169)	138	(31)
Operating (Surplus) / Deficit Before Recharges	(3,230)	3,270	40
Budgeted Contribution to Corporate Costs			49
Net Underspend compared to budget			(9)

10 Deane Helpline Trading Account

- 10.1 The Deane Helpline has reported a net deficit of £0.067m for the year, which is an underspend of £0.069m against the final budget and represents the net cost of the service to the General Fund. The summary of the trading account is as follows:

Table 7: Deane Helpline Trading Account Position

Deane Helpline Trading Account	£000
Total Income	(1,155)
Operating Costs	1,087
Net Operating Income	(68)
Recharges and Capital Charges (excluding IFRS accounting adjustments)	135
Net Deficit for the Year	67
Budget for the Year	136
Underspend against Budget	(69)

11 Land Charges, Licencing and Taxi Licencing

- 11.1 Under regulations the Council needs to report how its Licencing and Land Charges services perform in the financial year. These services set fees and charges based on estimated reasonable costs, and aim to break even each year. However, due to fluctuations in demand and costs the services may report an under or over-recovery in any one year and the Council therefore transfers any surplus/deficit to a self-financing reserve. During the next round of fees and charges setting adjustments will be made with the view achieving a break-even position on a three year rolling basis.

Table 8: Licencing and Land Charges Self-Financing Reserves

	Balance Brought Forward £	Under/(over)- recovery £	Balance Carried Forward £
Land Charges	(56,160)	(43,390)	(99,550)
Licencing	(950)	20,780	19,830
Taxi-Licencing	(36,610)	36,610	0

12 Taunton Unparished Area Fund (Special Expenses)

- 12.1 The Council sets an annual budget for the Unparished Area of Taunton, which is funded through a “Special Expenses” Council Tax charge to households in the area plus funding provided towards the impact of Council Tax Support on the Unparished area tax base. The following table summarises the income and expenditure for the Fund in 2017/18.

Table 9: Unparished Area Fund Income and Expenditure

	£	£
Fund balance brought forward 1 April		(46,033)
Special Expenses Precept and CTRS Grant for 2017/18		(46,235)
<i>Expenditure funded in the year:</i>		
North Taunton Partnership	4,133	
Victoria Park Action Group	738	
Go Create	5,000	
Broughton Close Owners Association	945	
DLO Tools	680	
British Legion	700	
Go Create Taunton CIC	3,500	
Galmington Allotment Association	2,143	
Blackbrook Community Primary School	1,933	
Somerset Archaeological and Natural History Society	500	
The Polish Association	1,200	
St Mary Magdelene House, webcam and nestbox	3,500	
St James Church	500	
Rowbarton Allotments	377	
Taunton Area Cycling Campaign	602	
Love Musgrove MRI scanner	5,000	
Total Expenditure		31,451
Fund Balance in hand carried forward 31 March		(60,817)

Note: minus (-) balance = funds in hand

- 12.2 The Fund is generally used to support minor works, worthwhile community activities and individual projects. Bids for funding are considered by the Unparished Area Panel, and allocations to third parties have been published in the Weekly Bulletin through the year.

13 General Fund Capital Programme – Appendix B

- 13.1 The total approved General Fund Capital Programme including schemes brought forward from previous years is £53.304m. The Council is supporting this investment through the use of Capital Grants and Contributions, Revenue Funding and Borrowing. A net underspend of £293k is being reported against the overall approved budget for the Programme.
- 13.2 The actual expenditure on the General Fund Capital Programme during 2017/18 was

£4.869m. The major areas of capital spend during the year included the following: £1.813m for the Deane House improvements, £493k for new IT systems and equipment, £695k for Disabled Facilities Grants and £366k towards schemes in the growth programme.

- 13.3 Of the £34.259m due to be spent in future years, major areas include the following schemes: £21.442m for schemes identified within the growth programme, £1.448m towards IT projects, £3.5m for the loan to the Somerset Waste Partnership, £4.092m for the Deane House accommodation project, £1.767m Grants to Registered Social Landlords and £663k for Disabled Facilities Grants.
- 13.4 It is therefore recommended that £34.259m of the 2017/18 capital budget, representing slippage on approved schemes or where budgets are profiled across financial years, is carried forward for schemes that will be delivered or completed in 2018/19 and beyond. A summary of the General Fund Capital Programme budget and outturn for the year, including an analysis of the recommended carry forwards, is included in **Appendix B**.
- 13.5 The Capital expenditure incurred during 2017/18 has been funded from a variety of sources as shown in the following table:

Table 10 – Summary Capital Programme Funding 2017/18

Summary Capital Spend	£'000	Sources of Capital Funding	£'000
Disabled Facilities Grants (DFG)	695	Better Care Fund (for DFGs)	695
CIL Projects	300	Community infrastructure Levy	300
S106 Schemes	371	S106 General	371
Growth Programme	366	Other External Grants	237
IT Projects	493	Capital Receipts	317
Deane House Accommodation	1,813	Earmarked Reserves	366
Other schemes	831	Borrowing	2,583
Total	4,869	Total	4,869

14 Housing Revenue Account (HRA)

- 14.1 The HRA is a 'Self-Financing' account for the Council's Housing Landlord function, which is budgeted to break-even (net of approved transfers to/from HRA Reserves). The HRA Revenue Outturn for 2017/18 is a net overspend of £446k (1.7% of gross income). Table 11 below shows a high level summary of the outturn position.

Table 11: HRA Outturn Summary

	Budget £'000	Outturn £'000	Variance	
			£'000	%
Gross Income	(26,668)	(26,723)	(55)	(0.2%)
Service Expenditure	14,524	15,370	846	5.8%
Other Operating Costs and Income	7,900	7,719	(181)	(2.3%)
Earmarked Reserve Transfers	(323)	(467)	(144)	0%
Capital Financing and Debt Repayment	4,567	4,547	(20)	(0.4%)
Net Variance	0	446	446	1.7%

- 14.2 The Forecast Outturn as at Quarter 3 after an approved transfer of £144k to the Transformation Reserve was a surplus of £190k. The main differences between the reported variances at Quarter 3 and the year-end Outturn are summarised in Table 12 below.

Table 12: Main Differences between Q3 and Outturn Variances

	Q3 £000	Change £000	Q4 £000
Contribution to Transformation Costs	0	309	309
Assets temp staffing and Savills costs	0	171	171
Grounds maintenance	0	143	143
Sheltered Housing Open Spaces	0	68	68
Sheltered Housing Callout costs	0	63	63
Repairs and Maintenance	(140)	140	0
Interest receivable	(30)	37	7
Interest payable	0	(27)	(27)
Non dwelling rent	(20)	(21)	(41)
Contribution towards expenditure	0	(66)	(66)
Depreciation	0	(181)	(181)
Total	(190)	636	446

- 14.3 The main variances to budget and significant changes to the Quarter 3 position are explained as follows:
- 14.4 **Transformation Costs:** HRA contribution towards transformation costs in lieu of flexible capital receipts not obtained.
- 14.5 **Assets temporary staffing and Savills survey costs:** Necessary ongoing hire of temporary staffing. This is to ensure that surveys are completed for the ongoing care of stock and to ensure that service charges and HRA shop income are being recovered with ongoing bad debt analysis.
- 14.6 **Grounds Maintenance:** Increase in works carried out in Q4 to bring stock up to standard as new service level agreement comes into force from 18/19 onwards.
- 14.7 **Sheltered Housing Open Spaces:** Increased work carried out on sheltered housing

sites to ensure Health and Safety in respect of cleared path ways are met. This was especially important during Q4 which had poor weather conditions.

- 14.8 **Sheltered Housing Call Out Costs:** Telephone costs in respect of Sheltered Housing Service.
- 14.9 **Repairs and Maintenance:** Works undertaken in Qtr4 to alleviate and prevent condensation and damp.
- 14.10 **Non dwelling rent:** Higher than expected income from HRA shops.
- 14.11 **Contribution towards expenditure:** Higher than expected RTB sales resulting in increased recoverable costs from sales.
- 14.12 **Depreciation:** The movement to componentisation under new accounting requirements and carried out in Qtr 4 has led to the revaluation of depreciation rates applied across council stock.

Housing Revenue Account Unearmarked Reserves

- 14.13 The following table summarises the movement on the HRA General Reserve Balance.

Table 13: HRA Reserve Balance

	£'000
Balance Brought Forward 1 April 2017	3,224
Provisional Outturn 2017/18	(446)
Balance Carried Forward 31 March 2018	2,778
Recommended Minimum Balance	1,800
Balance above recommended minimum	978

- 14.14 The balance at 31 March 2018 (subject to audit) is £2.778m and is £978k above the recommended balance of £1.800m.

HRA Earmarked Reserves

- 14.15 The Council can also set aside HRA funds for specific purposes to be used in future years. **Appendix C** provides a summary of the HRA earmarked reserves and the movements during the year. The balance at 31 March 2018 committed to support spending in future years is £6.990m.
- 14.16 The HRA earmarked reserves balance includes the Social Housing Development fund at £2.474m.
- 14.17 Also included within these reserves is £1.970m for the Electrical Testing Contract and £1.148m for the Pre-Planned Maintenance Contract.

15 HRA – Proposed Carry Forwards

- 15.1 In arriving at the net overspend for 2017/18 there are £344k of recommended budget carry forwards. These are summarised and explained below:

Table 14: HRA Carry Forwards for Approvals

		£
Housing Enabling	Funding from Government ring fenced for Taunton regeneration projects	230,725
HRA Projects	Balance of funding required for ongoing staffing costs in sheltered housing and repairs and maintenance. HRA contribution towards new ways of working in Customer Services.	104,000
Chill and Chat	Balance of funding to support vulnerable families	9,500
Total		344,225

16 HRA Capital Programme – Appendix D

- 16.1 The HRA approved Capital Programme at the end of 2017/18 was £18.839m. This relates to schemes which will be completed over the next five years. The Council is supporting this investment through the use of Capital Receipts, Revenue Funding and Borrowing. The actual spend on the Capital Programme during 2017/18 was £10.126m with £8.713m being profiled to be spent in future years.

- 16.2 The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development and acquisition of new stock. A summary of the HRA Capital Programme and outturn for the year is included in Appendix D.

- 16.3 The capital programme can be split into two distinct areas:

Major Works and Improvements:

- 16.4 From a budget of £10.917m, a total of £7.827m was spent in 2017/18. This includes £865k on bathrooms, £1.528m on heating improvements, £882k on kitchens, £877k on fasciae and soffits, £757k on Air Source Heat Pumps, £616k on Insulation and £2.302m on other programmed works on dwellings.

Development:

- 16.5 A total of £2.299m has been spent on the Social Housing Development Programme throughout 2017/18. The Creechbarrow Road and Weavers Arms developments include budget carry forwards of £2.146m with the schemes due to complete in 2018/19.
- 16.6 The bulk of the Social Housing Development Programme (£3.149m) has been carried forward to 2018/19.

17 **Transformation**

- 17.1 The estimated overall costs of implementing the Transformation Programme and Creating a New Council were approved in the High Level Business Case approved by TDBC Full Council in July 2016 and WSC Full Council in September 2016. The total estimated costs approved were £7.1m. The spend to date is £1.290m on revenue and £0.178m on capital (see table below 15) and estimated total costs are currently within the approved budget above. However, as design work on the new organisation continues work is currently being undertaken on revising the overall estimated costs, and a further update on the programme funding and revised estimated costs of delivering a single new transformed council will be provided to the Shadow Scrutiny and Shadow Executive in July.

Table 15 – Transformation Costs

	West Somerset £'000	Taunton GF £'000	Taunton HRA £'000	Total £'000
Revenue				
2016/17	5	25	0	30
2017/18	190	760	310	1,260
2018/19 - 2019/20	784	2,532	1,343	4,659
Total Revenue	979	3,317	1,653	5,949
Capital				
2016/17	0	5	0	5
2017/18	29	144	0	173
2018/19 – 2019/20	167	516	331	1,014
Total Capital	196	665	331	1,192
Total Transformation	1,175	3,982	1,984	7,141

18 **Links to Corporate Aims / Priorities**

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

19 **Finance / Resource Implications**

- 19.1 Contained within the body of the report.

20 **Legal Implications**

- 20.1 There are no legal implications associated with this report.

21 Environmental Impact Implications

21.1 None for the purpose of this report.

22 Safeguarding and/or Community Safety Implications

22.1 None for the purpose of this report.

23 Equality and Diversity Implications

23.1 None for the purpose of this report.

24 Social Value Implications

24.1 None for the purpose of this report.

25 Partnership Implications

25.1 A wide range of council services are provided through partnership arrangements e.g. GLL (formerly Tone Leisure) for leisure services and Somerset Waste Partnership for Waste and Recycling services. The cost of these services is reflected in the Council's financial outturn position for the year.

26 Health and Wellbeing Implications

26.1 None for the purpose of this report

27 Asset Management Implications

27.1 None for the purpose of this report.

28 Consultation Implications

28.1 None for the purpose of this report.

29 Scrutiny Comments/Recommendation(s)

29.1 The Council's outturn position was reported to Corporate Scrutiny on 21 June and the recommendations therein were supported.

Democratic Path:

- **Scrutiny – 21 June 2018**
- **Executive – 5 July 2018**
- **Full Council – 10 July 2018**

Reporting Frequency: Annually

List of Appendices (delete if not applicable)

Appendix A	General Fund Earmarked Reserves Summary
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Appendix B	General Fund Capital Programme Outturn Summary
Appendix C	Housing Revenue Account Earmarked Reserves Summary
Appendix D	Housing Revenue Account Capital Programme Outturn Summary

Contact Officers

Name	Andy stark	Name	Paul Fitzgerald
Direct Dial	01823 219490	Direct Dial	01823 217557
Email	a.stark@tauntondeane.gov.uk	Email	p.fitzgerald@tauntondeane.gov.uk

GENERAL FUND EARMARKED RESERVES

APPENDIX A

Earmarked Reserve Heading	Balance at 1 April 2017	Transfers In 2017/18	Transfers Out 2017/18	Balance at 31 March 2018
	£	£	£	£
CEO Initiatives	103,361	53,000	(13,000)	143,361
Elections	21,530	45,208	0	66,738
Individual Registration	26,094	19,819	0	45,913
Brewhouse Refurbishment	55,674	38,351	0	94,025
Local Plan Enquiry General Provisions (LDF)	97,127	92,975	(101,000)	89,102
Planning Delivery Grant (Revenue)	77,475	0	(37,000)	40,475
Growth and Regeneration (NHB)	4,231,372	4,294,705	(911,435)	7,614,642
Neighbourhood Planning Grant	121,836	0	0	121,836
Monkton Heathfield Planning	557,345	0	(98,200)	459,145
Specialised Planning Legal	71,940	0	(38,360)	33,580
Garden Town Grant	511,845	454,674	(52,995)	913,524
Climate Change	52,676	0	(52,676)	0
Asset Management - Tone Leisure	196,606	0	(7,500)	189,106
Housing Enabling	192,835	10,000	0	202,835
Asset Management	289,121	81,248	(289,121)	81,248
Housing Loans to Private Sector Mortgagees	10,378	0	0	10,378
Youth Homelessness Fund	3,936	0	0	3,936
Voluntary and Community Grants	2,519	0	0	2,519
CLG Preventing Repossessions Fund	25,632	0	0	25,632
Housing Benefit Grant	1,575	0	0	1,575
Strategy	926	0	0	926
Youth Fund Youth Project	1,955	0	(1,955)	0
Homelessness Grant	163,766	0	0	163,766
Asset Strategy	33,176	0	0	33,176
Customer Access & Accommodation Project	1,668,264	0	(149,730)	1,518,534
Capital Financing Reserve	789,200	194,917	(308,189)	675,928
CCTV	10,000	0	0	10,000
Corporate Training	66,685	64,000	0	130,685
Transformation Savings Contingency	164,000	0	0	164,000
DLO Trading Account	121,136	0	0	121,136
DLO Vehicle Replacement	315,540	0	0	315,540
Cordwest Bequest	354	0	0	354
FE Colthurst Trust Bequest Accounts	1,101	0	(1,101)	0
General Fund General Carry Forwards	428,640	1,195,374	(320,640)	1,303,374
Healthy Workplace	6,429	0	(1,052)	5,377
Self-Insurance Fund	485,404	0	0	485,404
Travel Plan	148,885	43,586	0	192,471
Vivary Park Trading Account	27,000	0	0	27,000
BRR Smoothing Reserve	1,937,146	875,149	(133,908)	2,678,387
Corporate Services Clienting	62,750	0	0	62,750
Eco Towns Projects Funding	237,902	0	0	237,902
Health and Safety	7,000	0	0	7,000
Food Inspections	(2,554)	0	0	(2,554)
Waste Earmarked Reserve	134,120	73,500	(15,000)	192,620

GENERAL FUND EARMARKED RESERVES

APPENDIX A

Earmarked Reserve Heading	Balance at 1 April 2017	Transfers In 2017/18	Transfers Out 2017/18	Balance at 31 March 2018
Debt Recovery	40,820	0	(10,269)	30,551
Legal Civica Hosting Costs	12,000	0	(4,500)	7,500
Revenues and Benefits	30,000	0	0	30,000
Streetscene	0	30,000	0	30,000
Designated Public Spaces Order	5,000	0	0	5,000
Land Charges Self Financing	56,160	23,390	0	79,550
Licensing Self Financing	950	0	(20,773)	(19,823)
Parking	94,800	125,000	0	219,800
Taxi Licensing	36,618	20,773	(57,391)	0
ICT Strategy	50,000	30,000	(50,000)	30,000
Resources Service Costs	189,117	61,304	(56,220)	194,201
Transparency Code New Burdens Grant	8,103	0	(8,103)	0
Economic Development & Growth Initiatives	314,717	0	0	314,717
Agile Working	70,000	0	0	70,000
Member Technology	70,000	0	0	70,000
Strategic Director SA	84,240	0	0	84,240
JMASS Project	24,349	0	(24,349)	0
SWOne Succession Planning	818,862	0	(694,485)	124,377
Transformation	1,978,647	258,000	(355,382)	1,881,265
GF Total	17,344,085	8,084,973	(3,814,334)	21,614,724

TAUNTON DEANE BOROUGH COUNCIL
CAPITAL PROGRAMME 2017/18 - GENERAL FUND

Code	Project	Scheme Completed in 2017/18 (Yes/No)	Programme Budget	Actual Spend in Previous Years	Actual Spend in 2017/18 (Outturn)	Projected Spend 2018/19 and Later Years	Forecast Total Spend	Scheme Budget Variance (Underspend)/ Overspend 2017/18
			£	£	£	£	£	£
GROWTH PROGRAMME								
XT029	PT Longrun Meadow Bridge	No	138,300	132,286	1,814	4,200	138,300	
XT032	Town Centre Improvements	No	171,800	0		171,800	171,800	
XT035	PT Coal Orchard	No	10,694,435	0	281,441	10,412,994	10,694,435	
XT036	Lisieux way	No	3,108,580	10,255	1,709	3,096,616	3,108,580	
XT037	Firepool Land Assembly	No	1,500,077	1,018,667	1,651	479,759	1,500,077	
XT067	St James Pool Demolition	No	249,300	26,584		222,716	249,300	
XT068	Major Transport Schemes	No	2,200,000	76,000	5,091	2,118,909	2,200,000	
XT069	Flooding Alleviation	No	250,000	0		250,000	250,000	
XT073	Brewhouse	No	5,000	0		5,000	5,000	
XT074	Creech Castle Improvement	No	375,000	0		375,000	375,000	
XT078	Town Centre Regeneration	No	1,800,000	0		1,800,000	1,800,000	
XT079	Employment Site Enabling	No	500,000	0	10,000	490,000	500,000	
XT080	New Garden Communities	No	500,000	0		500,000	500,000	
XT081	Broadband SEP	No	380,000	0		380,000	380,000	
XT091	Parking, Access & Signage	No	1,200,000	0	64,449	1,135,551	1,200,000	
			23,072,492	1,263,792	366,155	21,442,545	23,072,492	0
I T PROJECTS								
XT001	Members IT Equipment	No	16,600	0	8,337	8,263	16,600	
XT039	Joint Mgt & Shared Servs	No	720,195	30,362		564,730	595,092	(125,103)
XT053	E5 System Implementation	Yes	232,165	209,091	122,967		332,058	99,893
XT054	PC Refresh Project	Yes	404,371	242,432	162,936		405,368	997
XT055	IT Infrastructure Project	Yes	59,001	54,252			54,252	(4,749)
XT056	Cemetery IT System	No	50,000	0		50,000	50,000	0
XT064	SAP Replacement Systems	Yes	131,835	131,835	28,962		160,797	28,962
XT070	Transformation	No	995,000	0	169,921	825,079	995,000	
			2,609,167	667,972	493,123	1,448,072	2,609,167	0
MAJOR PROJECTS								
XT038	Depot Relocation	Yes	3,603,890	3,251,067	112,780		3,363,847	(240,043)
XT047	Blackbrook Swimming Pool	No	6,550,284	6,397,636	48,686	103,962	6,550,284	

APPENDIX B

Code	Project	Scheme Completed in 2017/18 (Yes/No)	Programme Budget	Actual Spend in Previous Years	Actual Spend in 2017/18 (Outturn)	Projected Spend 2018/19 and Later Years	Forecast Total Spend	Scheme Budget Variance (Underspend)/ Overspend 2017/18
XT052	SCC Waste Vehicle Loan	No	3,500,000	0		3,500,000	3,500,000	
XT060	Paul Street Car Park	No	912,566	371,953	20,488	520,485	912,926	
XT076	Deane House Accommodation	No	5,905,100	0	1,813,174	4,091,926	5,905,100	
XT095	Crematorium Waiting Room	No	400,000	0	59,175	340,825	400,000	
			20,871,840	10,020,656	2,054,303	8,557,198	20,632,157	(240,043)
HOUSING								
XT020	Grants to RSLs	N/A	1,843,653	N/A	76,500	1,767,153	1,843,653	
XT025	Energy Efficiency	N/A	0	N/A	4,000		4,000	4,000
XT027	Wessex Home Improvement	N/A	0	N/A	4,450		4,450	4,450
XT028	DFGs Private Sector	N/A	1,367,936	N/A	694,831	663,307	1,358,138	(9,798)
XT051	GF Community Alarms	N/A	122,037	N/A	123,385		123,385	1,348
			3,333,626	0	903,166	2,430,460	3,333,626	0
OTHER PROJECTS								
XT002	Special Expenses grants	N/A	16,800	N/A	5,804	10,996	16,800	
XT019	Youth Project Cap Grants	N/A	20,027	N/A		20,027	20,027	
XT021	Gypsy Site	No	50,000	16,732		33,268	50,000	
XT040	DLO Vehicles Acquisition	N/A	311,500	N/A	121,985	189,515	311,500	
XT041	Waste Containers	N/A	100,000	N/A	95,412	4,588	100,000	
XT042	DLO System	Yes	399,956	374,551			374,551	(25,405)
XT048	Grants to Halls & Sports	N/A	42,513	N/A	9,834	32,679	42,513	
XT049	Grants to Parishes Play	N/A	37,002	N/A	10,169	26,833	37,002	
XT050	Replacement Play Equipme	N/A	36,378	N/A	15,910	20,468	36,378	
XT057	DLO Plant	N/A	35,953	N/A	11,077	24,876	35,953	
XT072	Station Road Pool	Yes	1,566,634	1,538,934			1,538,934	(27,700)
XT089	Hestercombe Gardens Loan	Yes	80,000	0	80,000		80,000	
XT090	Crematorium Project	No	49,000	0	31,155	17,845	49,000	
			2,745,763	1,930,217	381,346	381,095	2,692,658	(53,105)
EXTERNALLY FUNDED PROJECTS								
XT083	CIL Grants	N/A	299,562	N/A	299,562		299,562	
XS%	S106 Various	N/A	371,722	N/A	371,722		371,722	
			671,284	0	671,284		671,284	0
TOTAL								
			53,304,172	13,882,637	4,869,377	34,259,370	53,011,384	(293,148)

HOUSING REVENUE ACCOUNT EARMARKED RESERVES

APPENDIX

Earmarked Reserve Heading	Balance at 1 April 2017	Transfers In 2017/18	Transfers Out 2017/18	Balance at 31 March 2018
	£	£	£	£
HRA One Teams	257,500	0	(145,366)	112,134
Halcon Regeneration Scheme	23,804	0	0	23,804
Tenants Forum	4,000	0	0	4,000
Carry Forwards	797,769	344,225	(797,769)	344,225
Social Housing Development Fund	1,289,717	1,185,000	0	2,474,717
Agile Working	10,000	0	(10,000)	0
Members Technology	10,000	0	(10,000)	0
Contribution to Transformation	0	189,170	(309,824)	(120,654)
Capital Financing Reserve - HRA projects	78,802	0	0	78,802
Employment and Skills Development	138,000	0	0	138,000
Bad Debt Provision	433,700		0	433,700
Lettings Contingency	73,844	0	0	73,844
Pre Void & Tenant Inspections	93,432	0	0	93,432
SAP Replacement Reserve - HRA	105,000	0	(105,000)	0
Electrical Testing	1,969,646	0	0	1,969,646
Pre-Planned Maintenance	1,147,500	0	(171,634)	975,866
Insurance Reserve	173,476	0	0	173,476
Community Development Fund	205,560	0	0	205,560
Leasehold Schemes HRA Advanced Payments	9,639	0	0	9,639
Customer Access & Accommodation Project	25,170	0	(25,170)	0
HRA Total	6,846,560	1,718,395	(1,574,764)	6,990,191

TAUNTON DEANE BOROUGH COUNCIL
CAPITAL PROGRAMME 2017/18 - HOUSING REVENUE ACCOUNT

Code	Project	Budget	Actual	Projected Spend 2018/19 and Later Years	Forecast Total Spend	Scheme Budget Variance (Underspend)/ Overspend 2017/18
		£	£	£	£	£
MAJOR WORKS						
XH001	Major Repairs & Improvem	2,395,000		888,607	888,607	(1,506,393)
XH002	Kitchens	500,000	881,589		881,589	381,589
XH003	Bathrooms	720,000	865,032		865,032	145,032
XH004	Roofing	200,000	184,224	15,776	200,000	
XH005	Windows	200,000	178,212	21,788	200,000	
XH006	Heating Improvements	2,120,000	1,527,602	592,398	2,120,000	
XH007	Doors	500,000	533,143		533,143	33,143
XH008	Fire Safety Works Commun	200,000	230,105		230,105	30,105
XH010	Fascias and Soffits	880,000	876,601	3,399	880,000	
XH011	Air Source Heat Pumps	490,000	757,348		757,348	267,348
XH012	Door Entry Systems	272,000	385,056		385,056	113,056
XH018	Insulation	80,000	616,120		616,120	536,120
XH019	Ventilation	60,000	35,734	24,266	60,000	
		8,617,000	7,070,766	1,546,234	8,617,000	0
IMPROVEMENTS						
XH016	Community Alarms		29,502		29,502	29,502
XH020	Building Services Vehicl	121,000	27,200	93,800	121,000	
XH101	Sustainable Energy Fund	224,000		224,000	224,000	
XH102	Environmental Improvemen	225,200	(828)	164,944	164,116	(61,084)
XH103	Extensions	157,000	74,313	82,687	157,000	
XH201	Meeting Halls	52,000	80,417		80,417	28,417
XH202	Garages	60,000	10,615	49,385	60,000	
XH203	Sewerage Treatment Plant	20,000	23,165		23,165	3,165

APPENDIX D

Code	Project	Budget	Actual	Projected Spend 2018/19 and Later Years	Forecast Total Spend	Scheme Budget Variance (Underspend)/ Overspend 2017/18
XH204	Unadopted Areas	20,000		20,000	20,000	
XH205	Related Assets	80,000		80,000	80,000	
XH301	Asbestos Works	482,000	311,167	170,833	482,000	
XH401	Aids and Adaptations	112,100	30,129	81,971	112,100	
XH402	DFGs	352,700	170,367	182,333	352,700	
XH601	IT Development	394,000		394,000	394,000	
		2,300,000	756,047	1,543,953	2,300,000	0
SOCIAL HOUSING DEVELOPMENT PROGRAMME						
XH500	Social Housing Developme	3,299,516	(2,855)	3,149,016	3,146,161	(153,355)
XH501	Creechbarrow Road	1,321,000	189,971	1,131,029	1,321,000	
XH502	Vale View West Bag		2,549		2,549	2,549
XH505	Buybacks		150,000		150,000	150,000
XH506	Weavers Arms	2,673,000	1,657,591	1,015,409	2,673,000	
XH508	TD North Taunton Regener		806		806	806
XH509	12 Moorland Close	578,384	300,752	277,632	578,384	
XH510	Outer Circle	50,000	120	49,880	50,000	
		7,921,900	2,298,934	5,622,966	7,921,900	0
TOTAL						
		18,838,900	10,125,747	8,713,153	18,838,900	0

Taunton Deane Borough Council

Executive – 5 July 2018

Quarter 4 2017/2018 Performance Report

This matter is the responsibility of Councillor Andrew Sully

Report Author: Richard Doyle, Corporate Strategy and Performance Officer

1 Purpose of the Report

1.1 This report provides Members with key performance management data up to the end of quarter 4 **2017/2018**, to assist in monitoring the Council's performance.

2 Recommendations

2.1 It is recommended that:-

- the Executive review the Council's performance and highlight any areas of particular concern;

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The key risk is that the Council fails to manage its performance and use the subsequent information to inform decisions and produce improved services for customers.	Likely (4)	Major (4)	High (16)
The mitigation for this will be the continued strong leadership from Lead Members and JMT to ensure that performance management remains a priority.	Unlikely (2)	Major (4)	Medium (8)

4 Background and Full details of the Report

4.1 Regularly monitoring our performance is a key element of the Council's Performance Management Framework.

4.2 There are **34** individual measures which are reported within the Corporate Scorecard.

- 4.3 The TDBC Corporate Scorecard at Appendix A contains details of the Quarter 4 2017/18 position against the Council's key priorities, finance and corporate health indicators. It should be stressed that this information is at **31st March 2018**.
- 4.4 Each action/measure is given a coloured status to provide the reader with a quick visual way of identifying whether it is on track or whether there might be some issues with performance or delivery or an action.
- 4.5 The key used is provided below:

KEY:

	Performance Indicators target achieved.		Performance indicators did not achieve target. Close to target. Not significant issue.		Performance indicators did not achieve target. Significant variance.
-----------------------------------------------------------------------------------	-----------------------------------------	-----------------------------------------------------------------------------------	----------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------	----------------------------------------------------------------------

- 4.6 The table below provides an overview of the reported indicators within the Corporate Scorecard.

GREEN 	AMBER 	RED 	TOTAL
20 (24)	12 (3)	2 (5)	34

(Figs in brackets relate to Q4 in 2016/17)

Please refer to Appendix A for full details of each of the reported measures.

4.7 Further detail is provided below concerning the 2 red measures:

Reference	Description	Measure	Comments
HC4.16	Facilitate the delivery of the affordable housing development pipeline to achieve 200 new affordable homes in 2017/18 with at least 10% being new build council housing.	200 affordable housing units, 20 being new build council housing	92 Affordable homes were completed in 2017/18. Six schemes slipped in their completions into Q1 2018/19 including the Council Build.
6.2.4	Customer Complaints Responded to within 20 working days	90%	<p>Q1 = 76.59% Q2 = 68.42% Q3 = 79.16% Q4= 77.42%</p> <p>Responses to complaints have been consistently below target throughout the year. Work is being undertaken to understand the reasons for this and the specific areas where we are not responding quickly enough. This will be reported to the Joint Management Team and a report will be brought to the July Scrutiny meeting.</p>

5 Links to Corporate Aims / Priorities

5.1 This report includes highlights of progress against delivery of the corporate priorities.

6 Finance / Resource Implications

6.1 The scorecard references some financial performance measures, a separate more detailed financial performance report for the quarter is listed as a separate item on this agenda.

7 Legal Implications

7.1 There are no legal implications associated with this report.

8 Environmental Impact Implications

8.1 There are no direct environmental impact implications associated with this report although the scorecard includes measures relating to fly-tipping and parks and open spaces.

9 Safeguarding and/or Community Safety Implications

9.1 There are no safeguarding and /or community safety implications associated with this report.

10 Equality and Diversity Implications

10.1 There are no equality and diversity implications associated with this report.

11 Social Value Implications

11.1 There are no Social Value implications associated with this report.

12 Partnership Implications

12.1 A number of corporate aims and objectives reported within the corporate scorecard are delivered in partnership with other organisations, in particular through shared services arrangements with West Somerset District Council.

13 Health and Wellbeing Implications

13.1 There are no direct health and wellbeing implications associated with this report although the corporate scorecard includes measures relating to disabled facilities grants which enable residents to live independently, for example.

14 Asset Management Implications

14.1 There are no direct asset management implications associated with this report.

15 Consultation Implications

15.1 The performance scorecard has been shared with JMT. This performance report will be published on the Council's website for public scrutiny and information.

Democratic Path:

- **Corporate Scrutiny - Yes**
- **Executive – Yes**
- **Full Council – No Reporting**

Frequency: 6 Monthly

List of Appendices (delete if not applicable)

Appendix A	TDBC Corporate Scorecard for Q4
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Contact Officers

Name	Richard Doyle
Direct Dial	01823 218743
Email	r.doyle@tauntondeane.gov.uk

Appendix A

Reference	Council	Is this a Corp Scorecard Measure?	Description	Measure	Q1 (RAG)	Q2 (RAG)	Q3 (RAG)	Q4 (RAG)	Year (RAG)	Comments
HC4.16	TDBC	Yes	Facilitate the delivery of the affordable housing development pipeline to achieve 200 new affordable homes in 2017/18 with at least 10% being new build council housing.	Target = 200 affordable housing units, 20 being new build council housing (Affordable includes social rent, affordable rent, shared ownership, shared equity, discounted open marked and any other units which go through the HCA information system.)	GREEN	GREEN	AMBER	RED	RED	92 Affordable homes were completed in 2017/18. 2015/16 = 222 2016/17 = 284 2017/18 = 92
1.1.5	TDBC	Yes	% major planning applications determined within 13 weeks (or within agreed extension of time)	Target 60%	GREEN	GREEN	GREEN	AMBER	GREEN	Q1 - 100% Q2 - 100% Q3 - 88.8% Q4 - 57.1% Year - 86.2%
2.1.3	TDBC	Yes	Licensing	Target - 95% licensing applications processed within 14 days	GREEN	GREEN	GREEN	GREEN	GREEN	Achieved 96.6%
3.3	TDBC	Yes	Fly Tipping - % of reported incidents responded to within target time (5 days)	80% of reported incidents responded to within 5 days of report.	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 = 83% Q2 = 91% Q3 = 84% Q4 = 81%
5.4	TDBC	Yes	Council Tax Collection	Target = 97.8% to be collected by 31st March	GREEN	GREEN	GREEN	AMBER	AMBER	Q1 = 34.4% Q2 = 62.31% Q3 = 89.69% Q4 = 97.69%
5.4.1	TDBC	Yes	Business Rate Collection	Target = 98.5% to be collected by 31st March	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 = 30.47% Q2 = 57.52% Q3 = 84.94% Q4 = 98.54%

Appendix A

6.1	TDBC	Yes	Staff Sickness	Average of 8.5 days or lower per FTE	GREEN	GREEN	GREEN	AMBER	AMBER	<p>Q1 results 1.77 day per FTE</p> <p>Q2 results 3.65 days per FTE</p> <p>Q3 results 6.14 days per FTE</p> <p>Q4 8.8 days per FTE</p> <p>There has been an increase in long-term v short term absence this year - 64% long-term v 36% short-term</p>
6.2.5	TDBC	Yes	Freedom of Information Requests	<p>Measure: - Number of FOI enquiries received.</p> <p>Target 75% answered within 20 working days.</p>	GREEN	GREEN	RED	RED	AMBER	<p>Q1 = 81.58%</p> <p>Q2 = 80.95%</p> <p>Q3 = 66.25%</p> <p>Q4 = 60%</p> <p>FOIs received in 2017/18 = 328</p> <p>FOIs answered within 20 days over the year = 72%</p> <p>Overall for the year performance was just under target. Performance has dipped in the last 2 quarters. Services have been reminded to respond more quickly to FOI requests.</p>
6.2.4	TDBC	Yes	Customer Complaints	90% of complaints responded to with 20 working days	RED	RED	RED	RED	RED	<p>Q1 = 76.59%</p> <p>Q2 = 68.42%</p> <p>Q3 = 79.16%</p> <p>Q4 = 77.42%</p> <p>Responses to complaints have been consistently below target throughout the year. Work is being undertaken to understand the reasons for this and the specific areas where we are not responding quickly enough. This will be reported to the Joint Management Team and a report will be brought to the July Scrutiny meeting.</p>
KPI 90B	TDBC	Yes	% of minor planning application determined within 8 weeks or agreed extension of time	65%	GREEN	GREEN	AMBER	AMBER	GREEN	<p>Q1 - 77.6%</p> <p>Q2 - 89.5%</p> <p>Q3 - 62.6%</p> <p>Q4 - 62.3%</p> <p>Year - 73.0%</p>
KPI 90C	TDBC	Yes	% of other planning applications determined within 8 weeks or an agreed extension of time.	80%	GREEN	GREEN	GREEN	GREEN	GREEN	<p>Q1 - 93.4%</p> <p>Q2 - 90.9%</p> <p>Q3 - 89.1%</p> <p>Q4 - 85.0%</p> <p>Year - 89.7%</p>

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KPI 5	TDBC	Yes	Average processing times of new HB claims only	24 days or lower	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 = 21.08 days Q2 = 21.66 days Q3 = 23.11 days Q4 = 21.95 days
KPI 6	TDBC	Yes	Average processing times for changes in circumstances for HB claims only (lower is better)	8 days or lower	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 = 5.93 days Q2 = 6.92 days Q3 = 7.83 days Q4 = 6.58 days
KBI 132	TDBC	Yes	% of undisputed invoices for commercial goods and services paid withing 30 days of receipt	90% or more	RED	RED	GREEN	GREEN	GREEN	April = 93% May = 78% June = 64% Average = 78% July = 82% Aug = 80% Sept = 91% Average = 84% Oct = 92% Nov = 92% Dec = 92% Average = 92% Jan = 90% Feb = 89% Mar = 93% Average = 91%
HC4.12	TDBC	Yes	Number of Households making a homeless application (lower is better and reflects improved prevention) and percent accepted where we have a duty. KP1 45	Target = 195 or fewer per year	AMBER	AMBER	GREEN	AMBER	AMBER	Q1 homeless applications 59 homeless acceptances 34 (58%) Q2 Homeless applications 56 homeless acceptances 40 (71%) Q3 Homeless applications 37 Homeless acceptances 23 (62%) Q4 Homeless applications 65 Homeless acceptances 44 (68%) total applications 217 (acceptances 141 - 55%)
KPI 56a	TDBC	Yes	Environmental Heath % of requests completed within stated service standard (60 days)	75% or higher	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 - 91% Q2 - 91% Q3 - 92% Q4 - 95%
TH2	TDBC	Yes	Skill level within the workforce (NVQ Level 2,3 &	TD target - Levels 3 & 4 better than national average	Not Due	Not Due	Not Due	GREEN		A decrease of 7% in level 4 qualified residents. However still above the national UK average.

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			4)						GREEN	
TH3	TDBC	Yes	New jobs - links to employment rate	TDBC target = 12,000 by 2028 = 63,000 economically active.	Not Due	Not Due	Not Due	GREEN	GREEN	
TH4	TDBC	Yes	Wage Levels	TD target - Increase to equal national average	Not Due	Not Due	Not Due	AMBER	AMBER	Gap to UK average increased by 0.4% on previous year
TH5	TDBC	Yes	Business Survival rate (5 year survival %)	TD target - 5 year survival = min 50% (ie Better than national average)	Not Due	Not Due	Not Due	GREEN	GREEN	3.7% above UK average up from 1% above UK average
TH6	TDBC	Yes	Employment land New Office space and new industrial land – 100% requirements as per Core Strategy	Increase to meet Core Strategy targets by 2028 • Total 49,500 sq.m. new office space • Total 36.5ha new industrial land	Not Due	Not Due	Not Due	AMBER	AMBER	Completions April 2006 – March 2018: Office 21,707 sq m Industrial 21.70 ha
TH7	TDBC	Yes	Vibrant town centre	• Low shop vacancy rate (compared to national average) • High / increasing footfall	Not Due	Not Due	Not Due	GREEN	GREEN	Vacancy rate is closer to but remains below UK average
4.19	TDBC	Yes	Total net increase in the number of homes within the district	Target (TDBC Core Strategy) 17,000 by 2028 (Borough) (Target 2011-2018 = 5,300)	Not Due	Not Due	Not Due	AMBER	AMBER	Completions April 2011 – March 2018: 4,978
TH1	TDBC	Yes	Births of new enterprises Business 'birth' rates as a % of business stock	target - Increase (> Somerset average) (& business 'births' to exceed deaths')	Not Due	Not Due	Not Due	GREEN	GREEN	
TH9	TDBC	Yes	Number of NDR hereditaments and Rateable Value	New Measure	GREEN	GREEN	GREEN	GREEN	GREEN	Total Rateable Value as at 28/03/2018 = £103,111,343 Total Hereditaments =4524 2017 List
HC4.6	TDBC	Yes	Average overall waiting time for high priority DFGs (once recommendation made by OT) - KPI 52a (The priority is determined by the Occupational Therapist and the assessment is determined on the combined risk and functional independence score. The score puts them into High, Medium or Low. Low = 0 - 8 points, Medium = 9 - 14, High = 15+ points)	Measure only - no target	RED	GREEN	AMBER	AMBER	AMBER	Q1 - 34 weeks non-Council/50 weeks for Council. Q2 - 15 weeks, 1 case. Q3 - 21 weeks Council/55 weeks for non-council Q4 - 41 weeks for non-Council/29 weeks for Council.

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TH10	TDBC	Yes	Abandoned Call Rate to main switchboard number - as a % of total calls	Below 5%	GREEN	GREEN	AMBER	AMBER	AMBER	Average for Q1 = 1.83% Average for Q2 = 2.59% Average for Q3 = 5.54% Average for Q4 = 7.10% Performance dipped in Q4 in view of the impact on resourcing levels and calls caused by the snow. In addition the issue of garden waste renewal letters and council tax bills in March resulted in a significant increase in call volumes”
TH11	TDBC	Yes	Number of Complaints investigated by the Ombudsman requiring a remedy (excludes minor injustices)	0	AMBER	GREEN	GREEN	AMBER	AMBER	Q1 = 1 1 complaint required a remedy in Q1. Q2 = 0 Q3 = 0 Q4 = 1 1 complaint required a remedy in Q4
KPI 103a	TDBC	Yes	Street Cleansing - % service requests actioned within 5 working days	85%	GREEN	GREEN	AMBER	GREEN	GREEN	Q1 = 92% Q2 = 97% Q3 = 84% Q4 = 87%
HC1.1	TDBC	Yes	Budgets – Income To maximise income opportunities and collection Income collected as a % of rent owed excluding arrears b/f Figures over 100% indicate that arrears have been cleared or balances are in credit.	Target = 98.3%	GREEN	GREEN	GREEN	GREEN	GREEN	Q1 - 101.15% Q2 - 99.62% Q3 - 99.27% Q4 - 99.55%
HC2.8	TDBC	Yes	Customer Satisfaction To deliver customer-focussed services, achieving high levels of customer satisfaction Percentage of tenants satisfied with the most recent repair.	Target = 98%	RED	GREEN	AMBER	GREEN	GREEN	Q1 – 92 Q2 - 97.7% Q3 - 97% Q4 - 98%

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HC3.1	TDBC	Yes	<p>Decent Homes - To comply with Government Standards - To improve energy efficiency of housing stock</p> <p>Percentage of dwellings with a valid gas safety certificate</p>	Target = 100%	AMBER	AMBER	GREEN	AMBER	AMBER	<p>Q1 - 99.90% Total no. of properties - 4426</p> <p>Q2 - 99.81% Total no. of properties - 4434</p> <p>Q3 - 100% Total no. of properties 4431</p> <p>Q4 - 99.95%</p> <p>Total no. of properties 4432</p>
HC4.2	TDBC	Yes	<p>Housing Stock To manage the housing stock and maintenance service to meet the needs of the tenants</p> <p>Completion of repairs within priority target times: Urgent (Emergency) - within 24 hours</p>	Target = 98%	AMBER	AMBER	AMBER	AMBER	AMBER	<p>Q1 - 95.7% Q2 - 92.88% Q3 - 90.74% Q4 - 96.53%</p>
HC4.3	TDBC	Yes	<p>Housing Stock To manage the housing stock and maintenance service to meet the needs of the tenants</p> <p>Completion of repairs within priority target times: Non Urgent (up to 28 days)</p>	<p>Target =85%</p> <p>Show breakdown of Building Services and external contractors.</p>	GREEN	GREEN	GREEN	GREEN	GREEN	<p>Q1 86.16% Q2 89.75% Q3: 88% Q4: 92.40%</p>

Executive Forward Plan

05/07/2018, Report:Quarter 4 Performance Monitoring Report

Reporting Officers:Richard Doyle

05/07/2018, Report:Finance Outturn Report

Reporting Officers:Paul Carter

06/09/2018, Report:Taunton Transport Strategy

Reporting Officers:Dan Webb

06/09/2018, Report:Electric Vehicle Charging Points

Reporting Officers:Chris Hall

08/11/2018, Report:North Taunton Woolaway Project Proposal

Reporting Officers:Jo Humble