

Taunton Deane Borough Council

Executive – 16 March 2011

Financial and Performance Monitoring – Quarter 3 2010/2011

Joint Report of the Performance and Client Lead Officer and Financial Services Manager

(This matter is the responsibility of Executive Councillor Terry Hall)

1. Executive Summary




- 1.1 This report provides an update on the financial position and the performance of the Council to the end of Quarter 3 of 2010/2011 (as at 31 December 2010).
- 1.2 The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets is an important part of the overall performance management framework.
- 1.3 **A high level summary of key successes / improvements** (ie 'Green' alerts) in Quarter 3 include the following:
 - 7 of the 9 corporate aim objectives are on target
 - Council Tax and NNDR debit collection rates are on course for the 2010/2011 target and the Q3 results are an improvement on the same period last year
 - 99.7% of calls to the Customer Contact Centre were resolved at the first point of contact
 - Speed of processing Benefits claims (new and change of circumstances) are on course for the 2010/2011 target and an improvement on the same period last year
 - 5 of the 6 key council projects are reported as being on course (LDF/Core Strategy, Housing Inspection project, Core Council Review, Project Taunton, Halcon project)
 - Sundry Debts - the level of overdue debt owed to TDBC fell significantly between Quarter 2 and Quarter 3
 - Landlord services – the latest survey result shows 99% satisfaction with repairs
 - Environment Health Licensing Inspections increased from 71% in Q2 to 94% in Q3
- 1.4 **A high level summary of areas off course / objectives not met** (ie 'Red' alerts) in Quarter 3 include:
 - Housing Revenue Account is forecast for a £593,000 overspend for the year
 - HRA Capital is forecast for a £343,000 overspend for the year
 - Procurement benefits are behind the original forecast
 - Equality Action Plans & Equality Impact Assessments are not yet 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	

2.2 Please see the TDBC Scorecard at **Appendix A** for full details of 2010/11 Quarter 3 performance.

3. Quarter 3 – Financial Performance (April - December Budget monitoring)

3.1 A summary of key financial performance is found in the scorecard (**Appendix A**), section three – Managing Finances. A more detailed financial performance report can be found in **Appendices B & C**

3.2 Full Council approved the 2011/12 General Fund Budget at its meeting on 22 February. The approved budget included savings plans that result in redundancy of three staff, with the expectation that any associated redundancy costs would be met from General Reserves. A recommendation is therefore included in this report to ensure the requisite approval is in place for a Supplementary Budget allocation in 2010/11. This does not alter any budget decisions, but ensures that budget approval regulations are adhered.

3.3 The information in **Appendix B** includes a variance in spending between capital and revenue maintenance within the HRA. Given the amounts involved it is proposed to transfer budget of £400,000 from the revenue maintenance budget to the 'revenue contributions to capital' (RCCO) budget within the HRA. A recommendation is therefore also included in this report to ensure the requisite approval is in place for a Supplementary Budget allocation in 2010/11 HRA Capital Programme, to reflect the increased capital maintenance spend (to maintain the Decent Homes Standard).

3.4 Finance Comment from the Strategic Finance Officer (Deputy S151 Officer):

During September 2010, Southwest One Finance invested time in providing both financial awareness training for budget holders as well as hands on SAP training to launch a more robust budget monitoring process moving forward. This has been very successful and budget holders are now monitoring their budgets each month allowing them to identify and address as soon as possible any areas of concern.

The General Fund position is now a small overspend representing 1% of the budget. The HRA position, even though this is an overspend and reduces the HRA reserve to £1.788m, keeps the reserve above the minimum balance position.

General Fund Capital for Q3 shows an overspend of £12,000 that is being funded from reserves. HRA Capital for Q3 shows an overspend of £343,000 which is proposed to be funded from revenue as per the recommendation in this report.

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.

There is also further detail provided (in Appendix C) on the progress of Equality Action Plans, Equality Impact Assessments, and the Corporate Equality Scheme

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.

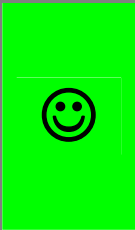
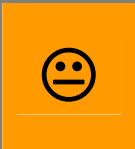
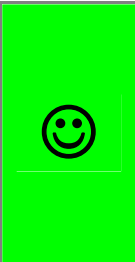
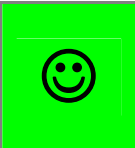
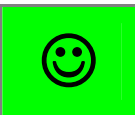

10. Recommendations





- 10.1 It is recommended that the Executive review the Council's performance and financial position as at the end of Quarter 3, taking corrective action or requesting further information from Theme Managers where necessary.
- 10.2 The Executive is requested to approve a recommendation to Full Council to approve a supplementary budget in the 2010/11 General Fund Revenue Budget of £28,000 for redundancy costs, to be funded from General Reserves.
- 10.3 The Executive is requested to approve a recommendation to Full Council to approve a budget transfer (“virement”) of £400,000 from HRA Maintenance to HRA Revenue Contributions to Capital.
- 10.4 The Executive is requested to approve a recommendation to Full Council to approve a supplementary budget of £400,000 in the 2010/11 HRA Capital Programme for Decent Homes Maintenance, to be funded by revenue contributions from the HRA revenue budget.

Contacts:

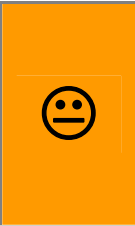


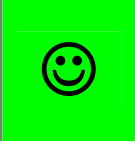
Dan Webb Performance & Client Lead Officer d.webb@tauntondeane.gov.uk 01823 356441	Paul Fitzgerald Financial Services Manager p.fitzgerald@tauntondeane.gov.uk 01823 358680	Maggie Hammond Strategic Finance Officer and Deputy S151 Officer m.hammond@tauntondeane.gov.uk 01823 358698
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1. CORPORATE STRATEGY AIMS





Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
Tackling Deprivation & Sustainable Community Development (Aim 1)				
1.1	Objective 1 Focus on Taunton East, North Taunton & Rural Deprivation	Actions – Progress against key activities		The 'Priority Areas Strategy' project is currently in phase one ('benchmarking & engagement'), and key activities are on track: <ul style="list-style-type: none"> • Community engagement in North Taunton & Taunton East has commenced • Benchmarking phase of rural element of project has now commenced • The 'PAS' project is successfully being integrated with the 'Total Somerset' project (customer access)
		Index of Multiple Deprivation (IMD) score	N/A	Government have announced the 2010 IMD will be published in March 2011 (last IMD was 2007). This will further inform the 'Priority Areas Strategy' project
		Total staff volunteer hours		The pilot scheme has struggled (an issue has been that some centres in priority areas are changing management & are not yet able to take on new volunteers). Currently 13 volunteers have completed 28 hours total voluntary work since Aug. CMT will consider a 6 month extension & re-launch of pilot scheme
	Objective 2 'One-Stop' advice on skills, employment & training	Actions – Progress against key activities		All job club members receive weekly 1 to 1 support from qualified volunteers. Taunton East - good progress, Wellington - progress has improved significantly in Quarter 3 following support from the TDBC Ec Dev Team with new marketing initiatives to increase take up of service. Ec. Dev. Team has circulated a proposal to Halcon businesses suggesting TDBC creates a Halcon Business Forum to identify key skills they need, & on increasing 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' The Wellington Job Club has become much more successful recently and is meeting its targets (the number of users has doubled since November)
	Objective 3 Secure medium term future of N. Taunton Partnership & Link Partnership	Actions – Progress against key activities		3 year Service Level Agreement (SLA) with Link Partnership now in place for 2010/11 until 2012/13
		Funding secured		Funding secured for 2011/12 (£25K PCT contribution, and the rest from Housing & Strategy). Funding uncertain beyond 2011/12.

Regeneration (Aim 2)				
1.2	Objective 4 Facilitate the creation of a leading Green Knowledge economy	Actions – Progress against key activities		☺ Economic Development Service Delivery Plan produced in December 2010 setting out three key themes to direct the service during 2011 and 2012. Copies circulated to all members in Jan 2011. ☺ Executive agreed in December 2010 to extend the Council’s involvement in Into Somerset for a further year (2011/12). ☺ Officers have a commenced a proactive engagement programme with local businesses to meet them and understand their growth ambitions and barriers. ☺ Leader’s dinner arranged for 2 nd March for Leader and Chief Exec to meet 8 local businesses to discuss their local investment needs. ☺ Discussions with developers have commenced to identify and promote the delivery of an increased supply of employment land in Taunton Quarterly Economy updates are now provided for all Members (circulated Jan 11)
		Number of jobs created	N/A	Job creation figures will be provided annually, supported by a quarterly Ec Dev reports showing progress of the locally economy. (2010/11 Target = 1000) (*however this now needs to be revised)
	Objective 5 Facilitate Housing growth	Actions – Progress against key activities		☺ Strategic Housing Land Availability Assessment completed ☺ Adoption of Core Strategy (& Urban Extensions Supplementary Planning Document) pushed back to March 2010 due to abolition on RSS ☺ TDBC is continuing to work closely with developers to bring sites forward (but housing market remains ‘difficult’)
		Net additional homes provided	N/A	2010/11 Target = 1000 (NB: revised target = 700 p.a for first 5 years) Information not yet available as new Building Control reporting system is not yet functioning – this will be available for the year-end outturn report
		Supply of ready to develop housing sites		Target = 5 year supply of housing land within Taunton by Sept 2011 We currently have a 5 year supply identified, although marginal
	Objective 6 Deliver Infrastructure	Actions – Progress against key activities		☺ Project Taunton funding in place until March 2012 – medium-term uncertain ☺ Delayed Infrastructure Delivery Plan ☺ Castle Green redevelopment work should start in March, and a review of the specification should mean a substantial saving on this project. Good progress with legal agreements

Affordable Housing (Aim 3)

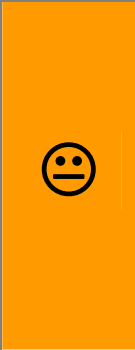
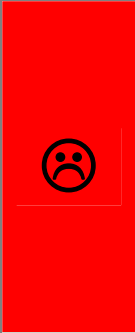
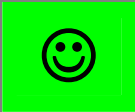
1.3	Objective 7 Making homes more affordable	Actions – Progress against key activities		<p>☹ TDBC is assessing the implications of new forms of affordable housing (eg affordable rent)</p> <p>☺ Housing conditions (social housing stock & private sector) – good progress being made – see section 5.6 Somerset West Private Sector Housing Partnership</p>
		Number of affordable homes delivered		<p>2010/11 Target = 200 Forecast for year-end = 133 (118 units of rent & shared ownership + 25 private developers ‘homebuy’ units) Amber alert because we are not forecast to achieve this year’s target, however there is a high degree of confidence that the shortfall will be made up next year due to the number in the pipeline. The forecast 2011/12 = 267 (therefore 400 for the period 2010/11 – 2011/12)</p>
		% of non-decent council homes		<p>2010/11 Target = max 0.5% (ie 25 properties ‘non-decent’) ON course in Taunton Deane owned social housing stock: 100% Decent Homes compliance achieved and sustained throughout Q2.</p>
		Tackling fuel poverty (NI 187)		<p>LAA Target 2010/11 = 16.3% People receiving income based benefits living in homes with low energy efficiency. Annual measure. TDBC result 2009/10 = 13%. (LAA target was 17%) NI abolished. Future measurement will be against action plan.</p>

Climate Change (Aim 4)

1.4	Objective 8 Meet the 10:10 challenge by reducing our carbon emissions	Actions – Progress against key activities		<ul style="list-style-type: none"> Carbon Management Plan (CMP) includes 69 carbon reduction actions Progress reports on implementation of Plan produced in Aug 2010 & Jan 11 Jan report shows that of the 69 actions: 36 had been implemented, 23 are in the progress of being implemented and 10 had been abandoned A review of work on CMP Action Plan for 2011/12 to start in March 2011 Work on a strategy for achieving carbon neutrality due in 2011/12 TDBC '10% less' campaign has successfully raised awareness
		10% reduction in CO2 by Mar 11		Overall carbon savings year-to-date = 2.7% Q1 = 4.4%; Q2 = 4.6%; Q3 = 0.1%. Q3 saw a big increase in gas consumption due to exceptionally cold weather in November and December 2010. NB: DLO energy figures not yet included.
		Adapting to climate change		2010/11 Target = level 3 (NB - 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).
	Objective 9 Work with communities to reduce carbon emissions across the Deane	Actions – Progress against key activities		<ul style="list-style-type: none"> 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. Work on creating a Passivhaus exemplar project started. Passivhauses have a 75% reduced heating demand, i.e. much lower carbon emissions from heating than standard built. We propose to work in partnership with a Housing Association. Initial awareness raising event with officers and Members took place in Jan 2011. 'GrantFinder' used to search for external funding (eg for Passivhaus project and Deane Energy Savers) Decision pending on SW REIP funding for Duke Street flats retrofit
	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. This data is published annually, however there is a 2 year time lag. The 2009 data will be published in Sept 2011	

2. SERVICE DELIVERY

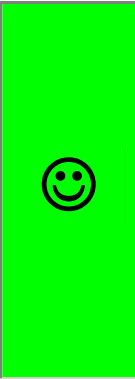
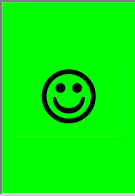
Excellent services - Customer driven - A dynamic organisation - Local focus

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS														
2.1	Ensuring development proposals are dealt with positively, with an emphasis on quality outcomes Delivering the Development Management Service aims	Planning Applications Speed of Processing		<table border="1"> <thead> <tr> <th>Type</th> <th>Q3 results</th> <th>Targets</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>a) Major</td> <td>53.3%</td> <td>65%</td> <td rowspan="3"> Approx 35 major planning applications are received per year (2% of all applications). This means 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. </td> </tr> <tr> <td>b) Minor</td> <td>75.6%</td> <td>75%</td> </tr> <tr> <td>c) Other</td> <td>84.1%</td> <td>85%</td> </tr> </tbody> </table>	Type	Q3 results	Targets	Comments	a) Major	53.3%	65%	Approx 35 major planning applications are received per year (2% of all applications). This means 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.	b) Minor	75.6%	75%	c) Other	84.1%	85%
		Type		Q3 results	Targets	Comments												
a) Major	53.3%	65%	Approx 35 major planning applications are received per year (2% of all applications). This means 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.															
b) Minor	75.6%	75%																
c) Other	84.1%	85%																
% of appeals allowed against the authority's decision (Target 25%)		<p>Year to date results (April – December) = 33.3% (3 out of 9 appeals allowed against the Council's decision) Quarter 3 results = 0 appeals allowed against the council's decision (0 out of 1 appeal allowed). Although the target is not being achieved year-to-date, and there were concerns in Q1 & Q2, recent performance shows improvement, and the national target is now being met Action: all appeal decisions are reported to the Planning Committee & reviewed for trends which may show changes in the process are needed. Training programme in place for Planning Officers.</p>																
2.2	Safeguarding the health, safety & welfare of everyone in the Borough Delivering the aims of the Environmental Health Service	Satisfaction with EH regulatory services (Target = 75%)	NA	<p>Not collected since Sept 2010 as NI discontinued nationally and locally. Total at that date = 86%. (2009/10 = 90%)</p> <p>New TDBC satisfaction measure being implemented from Jan 2011. Data available next quarter.</p>														
		Food Safety compliance (Target = 80%)	NA	<p>Data available at end of year</p> <p>2009/10 = 88%</p>														
		Environmental Protection Team		<p>Requests for Service (e.g. pest control, dog warden, noise, odour, drainage, air pollution, public health).</p> <p>90.7% Total Service Requests responded to within target time (1409/1553)</p>														




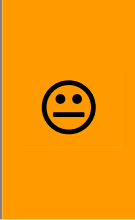







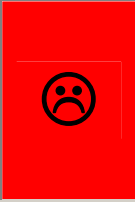



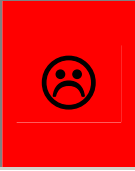



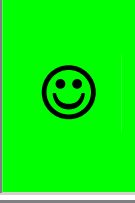

TDBC SCORECARD Q3 2010/11 (Appendix A)



		Health & Safety intervention visits (Target = 90%)		Quarter 3 actual = 89% (313/ 351 inspections)			
		Licensing inspections (Target = 75%)		Quarter 3 actual = 94% (34 / 36 inspections) This shows a significant improvement from last quarter's result of 71%.			
2.3	Delivering customer driven services To deliver customer focussed services, achieving high levels of customer satisfaction.	85% of calls resolved at 1 st point of contact		Quarter 3 actual = 99.7% (Contact Centre Only) 131 calls of all calls answered were transferred to back office which should have been deliverable within Customer Contact			
		80% of calls answered within 20 seconds			Quarter 3 actual %		
				Contact Centre (SWOne)	85.62% (Total 38,079 calls. 5,473 not within 20 seconds of hitting CC system)		
				Deane House	99%		
				DLO Depot	92%		
		Complaints measures -10 day response - % Complaints upheld		75% responded to within 10 day target (71 / 95) as at end Quarter 3 (April – Dec 2010). In the last quarter (Oct – Dec), the result was 94% 38% of complaints were upheld as at end Quarter 3 Action: A full complaints report for 2010 was taken to Corporate Scrutiny 24 Feb. An Information Report for Complaints Q1 & Q2 is on the Members Portal			
		Benefits Service: Time to process new claims Target= 22 days		Quarter 3 actual = 18.4 days (Q3 2009/10 was 18.6 days)			
		Benefits Service: Time to process changes of circumstance Target = 8 days		Quarter 3 actual = 8 days (Q3 2009/10 was 9 days)			
Landlord Services – satisfaction with repairs		99.06% satisfied overall with the repairs service. Target 98% Results from most recent survey conducted Jan 2011					

2.4	Ensuring the Borough is a clean and attractive place to live, work & visit Delivering Parks, Street Cleansing, Highways & Transport Services that are high quality and cost-effective	Street & environmental cleanliness targets.		% of surveyed land that is assessed as having deposits of:				
		Quality Assurance accreditation / Awards			Type	Q3 results	Targets	Comments
					Litter	2%	6%	Better than the national average
					Detritus	35%	20%	Off target currently – weather related detritus in Q3
					Graffiti	0%	4%	Better than the national average
					Fly posting	0%	1%	Better than the national average
			Fly-tipping		2	2	Estimated until final result is received	
		In a recent AA survey Taunton was voted as being amongst the best towns for a number of Council services including street cleansing. The street survey was carried out by 1,912 AA members this autumn. They recorded the frequency of 12 categories of street blight within two miles of their homes.						



3. MANAGING FINANCES (ref APPENDIX B & C for detailed budget monitoring)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
3.1	Budget monitoring To control spending within approved budget total for the year	General Fund Revenue within 0.5% =  0.5 – 2% =  over 2% = 		2010/11 Forecast Outturn as at Quarter 3 = over spend of £110k (= 0.8%) against budgeted net expenditure of £14.049 m This comprises net under spend of £54k on services and a net overspend of £164k on other operating costs. Further information is provided in appendix B of this report.
		General Fund Capital within 2% =  2 – 3.5% =  over 3.5% = 		2010/11 Forecast Outturn as at Quarter 3 = over spend of £12k (= 0.17%) against budgeted net expenditure of £6.689 m Further information is provided in appendix C of this report.
		Housing Revenue (HRA) within 0.5% =  0.5 – 2% =  over 2% = 		2010/11 Forecast Outturn as at Quarter 3 = over spend of £593k The main item compromising this over spend is negative subsidy payment Further information is provided in appendix B of this report.
		HRA Capital within 2% =  2 – 3.5% =  over 3.5% = 		2010/11 Forecast Outturn as at Quarter 3 = over spend of £343k (= 5.7%) against budgeted net expenditure of £6.058m Further information is provided in appendix C of this report.
3.2	Reserves To maintain an adequate reserve (based on financial risk analysis)	General Fund reserve >£1.25m =  £1 - £1.25m =  <£1m = 		Approved Balance is £1.594m as at March 2010. The current projected balance at March 2011 is £1.924m. This is above the minimum reserves expectation within the Budget Strategy.
3.3	Next year's budget gap	A balanced budget 2011/12		The Budget approved by Full Council on 22 February is a balanced budget with a nil budget gap.




TDBC SCORECARD Q3 2010/11 (Appendix A)

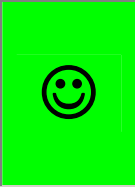

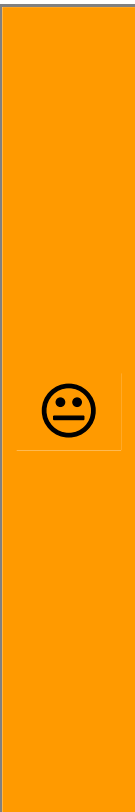
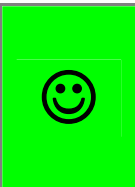



3.4	Debt collection	Council Tax Target = 98%		Quarter 3 actual = 91.86% (Q3 2009/10 was 91.46%)	2010/11 forecast = 98%										
		NNDR Target = 98.3%		Quarter 3 actual = 89.77% (Q3 2009/10 was 88.11%)	2010/11 forecast = 98.3%										
		Housing Rent Target = 98.3%		Quarter 3 actual = 96.7%	2010/11 forecast = 98.3%	<p>This figure takes into account the disruption prior to the Christmas break (ie delays of payments being posted onto rent accounts, adverse weather conditions, staff shortages and the changes to the patches managed by the team).</p> <p>The teams are confident that the target will be reached by the end of 2010/11. For the first time in 20 months there is a full quota of permanent staff. The team is becoming more familiar with the tenancies that need extra attention within the new patch areas and will focus on rent recovery as a priority task.</p>									
		Sundry Debts position (NB – SAP only)		<table border="1"> <thead> <tr> <th></th> <th>End of Quarter 3 (as at 31st Dec 2010)</th> <th>Previous Quarter (as at 30th Sept 2010)</th> </tr> </thead> <tbody> <tr> <td>Outstanding debt</td> <td>£3,117,000</td> <td>£3,200,000</td> </tr> <tr> <td>Aged debt over 90 days old</td> <td>44.79%</td> <td>70.6%</td> </tr> <tr> <td>Value:</td> <td>£1,396,000</td> <td>£2,260,000</td> </tr> </tbody> </table>				End of Quarter 3 (as at 31 st Dec 2010)	Previous Quarter (as at 30 th Sept 2010)	Outstanding debt	£3,117,000	£3,200,000	Aged debt over 90 days old	44.79%	70.6%
	End of Quarter 3 (as at 31 st Dec 2010)	Previous Quarter (as at 30 th Sept 2010)													
Outstanding debt	£3,117,000	£3,200,000													
Aged debt over 90 days old	44.79%	70.6%													
Value:	£1,396,000	£2,260,000													
(Quantifiable measures are being developed)		<p>The overall invoiced balance has remained stable. The value of debt over 90 days old has reduced significantly due to the fully automated recovery process (in SAP) now working successfully.</p> <p>The debt recovery processes are now nearly all in place. One of the final pieces is the appointment of external solicitors. These are close to being appointed to assist with debt collection activity. Quotes are being evaluated. Difficulty still exists in SWOne AR engaging with services in order to obtain their instruction on how to proceed once the debt is past the final notice part of the process. Paul Harding submitting a discussion paper to CMT on 31st Jan to suggest ways of improving engagement of service in debt management process.</p>													
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	Transformation Projects 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 £1.8m. Minimum of £400k required in 2010/11 (cumulative £800k)		<p>From a total of £2.74m savings so far 'signed off' (for the lifetime of the contract), £660k cumulative savings delivered (as at 31st December 2010)</p> <p>The 'Red' alert is for four reasons;</p> <ul style="list-style-type: none"> • savings are significantly behind IBM original forecast • spend analysis reports (ie categories & local spend) not yet available in SAP, these are expected to be delivered in March • limited pipeline of future initiatives identified • The level of the Council's future spending is very uncertain in light of expected Government cuts. Less spending = decreased opportunity for delivering procurement savings. <p>On a positive note discussions have commenced on constructing a DLO/HPS category plan to help identify significant saving opportunities in those areas. ICT, Utilities and Stationery Category plans due to give rise to savings opportunities over the course of the next quarter.</p> <p>A Procurement transformation project update will be reported at Corporate Scrutiny 24 March</p>
		CCR proposed savings 2010/11 = £450k for Themes 2 & 4		Projected savings from CCR are £521k so £71k above the proposed savings figures
3.7	Efficiency Savings	3.5% savings p.a (of 2007/08 baseline)	N/A	<p>The National Indicator for cashable efficiency gains (NI179) was abolished by the Coalition Government in 2010. Monitoring of this measure had ceased since the abolition of the NI, but will be reinstated to provide Members with performance information as part of the Outturn Report.</p>





4. KEY PROJECTS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
4.1	Local Development Framework (LDF) Core Strategy 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		Adoption of Core Strategy (& Urban Extensions Supplementary Planning Document) pushed back to July 2012 due to changes in legislation and the forthcoming elections. Public consultation will be July – August 2011. (NB – no financial penalties, so delay should not be a concern) Progress reports to Scrutiny, Executive and Full Council in Feb 2011.
4.2	Housing Inspection project Achieve min “performing adequately” score in formal housing inspection (Autumn 2010)	Deliver project plan / work programme		Whilst feedback from the Audit Commission in July 2010 on improvements from housing project work was positive, this project has been amended in the light the Somerset Strategic Housing Project, which started in December 2010. Overall aims of this broader project: <ul style="list-style-type: none"> • improve the quality of strategic (non-landlord) housing services in Somerset and achieve efficiencies. • seek to alter the current ways of working, whilst still allowing local needs, priorities and circumstances to be met. • allow the Districts to decide the extent to which they are able to commit to a shared service in any area, based on their local requirements. • meet the “localism” agenda of the new Government, by allowing Councils to focus on collaborations that are relevant to them, rather than having the style, shape, and size of strategic housing services dictated to them centrally. There is a further related issue on regulation of the Government’s decision in October 2010 to abolish both the Audit Commission and the Tenant Services Authority, and to transfer housing regulatory responsibilities to the Homes and Communities Agency. The impact of this change on Taunton Deane and the county-wide housing improvement project is unknown at the moment.
4.3	Core Council Review	Themes 1, 2 & 4		These themes have now been implemented, delivering annual revenue savings of £863,000. Work is now under way to ensure that ‘thematic working’ is introduced throughout the authority – where staff will increasingly work across service boundaries and disciplines to help deliver the Council’s priorities.

	Core Council Review	Theme 3 (DLO)		Full Council (on 15 December 2010) approved an interim plan for internal transformation of DLO services. The interim plan will deliver efficiencies to the value of c. £1m over the period to end of March 2015. Further work on internal transformation will continue, with regular progress reports to members. Work on the outsourcing option for DLO services is scheduled to begin summer 2011.
		Theme 5		Full Council (6 October 2010) approved a recommendation to determine the future of Theme 5 as part of the four year budget strategy, to be finalised after the May 2011 local elections.
4.4	SAP implementation	SAP Back Office Processing (BOP) system implementation		<p>Why is this amber – because, whilst the re-launch plan is progressing, it is taking longer than originally anticipated to complete and there are delays with launching the Corporate Feedback and Sickness modules.</p> <p><u>Background</u> We are in the process of implementing a plan to re-launch elements of the SAP system. The re-launch is being implemented in phases. Phase 1 was successfully completed in June and saw the completion of ‘sign-in’ checks by all staff and the completion of a pilot exercise on the ‘procure-to-pay’ functionality. Phase 2 involved the provision of detailed face-to-face training during July to staff using the ‘procure-to-pay’ functionality. This was followed by the switchover to using the full ‘procure-to-pay’ functionality in August. To date this has been successful. Phase 3 has involved detailed face-to-face training being provided to budget holders during September to assist them in using the Finance system. Further phases will involve the launching of the Corporate Feedback system, the HR ‘claiming & notifying’ functionality, HR management and Health & Safety. These comprise 15 individual modules which are being launched in phases. In Feb 2011 we will commence piloting the expenses module for launch in April. The launch of the Corporate Feedback & Sickness modules has been delayed, pending changes to the system. The impact on the Council of this delay is minimal and does not affect service delivery.</p>
4.5	Project Taunton Improving quality of life, boosting business opportunity,	Project progress & development milestones achieved		The most recent Project Taunton Delivery Team report (17 Feb) provides a positive update on progress of the various development projects including: Firepool; Cricket Club; Coal Orchard; Museum; Castle Green & Goodland Gardens; Tangier; Bus Staion; Retail; NIDR; Longrun Meadows; Urban Extension Masterplanning; Car Parking Strategy.

	<p>building quality developments, improving transport infrastructure, developing sustainable communities and making the most of waterside living and working</p>	<p>NB – full progress report produced by Project Director for Project Board quarterly</p>		<p>Project Taunton progress updates are also provided to the Project Taunton Members Steering Group.</p>
<p>4.6</p>	<p>Halcon Project * NEW *</p>	<p>Deliver project plan / work programme</p>		<p>Outline business case is now in progress with cross officer working group.</p> <ul style="list-style-type: none"> • Stage one of Stakeholder engagement planning complete – all stakeholders are now identified • Stage one Risk analysis completed – Risk log initiated and initial risks identified • Consultants to support with delivery options work appointed and an initial viability study is underway • Member Change Steering group introduction to project, process, documentation and plan • Consultants engaged to advise on HRA funding • Site visit contacts made

5. KEY PARTNERSHIPS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS																									
5.1	Local Strategic Partnerships Support Somerset LSP Support Taunton Deane LSP	LAA PIs (NIS) on target	N/A	LSP now re-branded to the Taunton Deane Partnership . New set of revised priorities: 1. Priority Areas 2. Planning Cycles (aligning priorities and budgets) 3. Promoting Taunton Deane More detail to be provided at Community Scrutiny (8th March 2011) Somerset Strategic Partnership [SSP] is in the process of being wound up and is likely to be replaced by an informal Chief Exec's group which will meet as and when required.																									
5.2	Southwest One	Efficient delivery of in-scope services (basket of KPIs)		<p align="center">Key Performance Indicators – Quarter 3 (2010/11)</p> <table border="1"> <thead> <tr> <th></th> <th>No. of indicators</th> <th>No. of times measured in Q3</th> <th>No. on Target</th> <th>% on target</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td>13</td> <td>39</td> <td>37</td> <td>94.8%</td> </tr> <tr> <td>Quarterly</td> <td>11</td> <td>11</td> <td>11</td> <td>100%</td> </tr> <tr> <td>Annually</td> <td>21</td> <td>2</td> <td>2</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>45</td> <td>52</td> <td>50</td> <td>98%</td> </tr> </tbody> </table>		No. of indicators	No. of times measured in Q3	No. on Target	% on target	Monthly	13	39	37	94.8%	Quarterly	11	11	11	100%	Annually	21	2	2	100%	Total	45	52	50	98%
				No. of indicators	No. of times measured in Q3	No. on Target	% on target																						
Monthly	13	39	37	94.8%																									
Quarterly	11	11	11	100%																									
Annually	21	2	2	100%																									
Total	45	52	50	98%																									
Social & economic development		<p align="center">KPI failures </p> <p>ICT - TDBC Network availability averaged indicator This KPI failed in both October & November (fault rectified – new part)</p> <p align="center">Successes </p> <p>Benefits - Overall customer satisfaction with the service. This achieved 7% above required target.</p>																											
				Part of the contractual arrangements agreed with IBM when Southwest One was formed, was a commitment to support the socio-economic development objectives of Taunton Deane BC and Somerset County Council. A number of programmes and activities have taken place in support of this commitment, and continue to run. A summary of the key elements which have progressed was included in the SWOne update & performance report to Corp Scrutiny 18 Nov 2010. The next update report will be in May 2011																									

TDBC SCORECARD Q3 2010/11 (Appendix A)






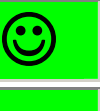
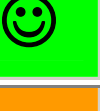

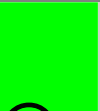
5.3	Tone Leisure More people, more active, more often	PI – Target 2% increase in total leisure visits		Year-to-date (April – Dec 10) actual = 749,775 total visits = 4,336 less visits than 2009/10 (-1%) Quarter 3 (Oct – Dec 10) actual = 227,331 total visits = 6,159 less visits than 2009/10 (-2.6%) . NB – Tone Leisure Q3 report now on Members’ Portal.			
		Progress against Tone Leisure key business objectives		Tone Leisure performance monitoring was last reported to Community Scrutiny 9 Nov 10, covering quarter 2. This report outlined that “Tone Leisure is experiencing some effect from the pressures of the current economic climate”. The quarter 3 report is due in March/April. The Swimming Provision Task & Finish recommendations will be reported to Scrutiny 8 March.			
5.4	Somerset Waste Partnership To increase participation in the recycling service through promotion and enforcement	PI - % of household waste sent for reuse, recycling & composting (Target = 48%)		Quarter 3 actual = 42.4% 2010/11 forecast = 48% (Year-to-date (cumulative) = 47.7%) The weather affected collections in December 2010, so the results are artificially low in Qtr 3. However, the results for January 2011 so far seem to indicate a movement of waste from December into January, thereby levelling things out.			
		PI – Residual household waste (Target = 369kg per household)		Quarter 3 actual = 94.4kg per household 2010/11 forecast = 369kg/hh (Year-to-date (cumulative) = 280.7Kg/hh)			
		Progress against key business objectives		Draft Business Plan considered by Community Scrutiny and Executive in January 2011. The plan outlines some of the difficult issues facing the Partnership in dealing with reduced funding from SCC.			
5.5	South West Audit Partnership	Target min 90% of 2010/11 Audit plan delivered		89% of planned audits in Quarter 3 were completed or are in progress. SWAP had fallen behind on delivery of the Audit Plan due to recruitment and staff absence issues. However by the end of Quarter 3 performance has been brought back in line with target.			
5.6	Somerset West Private Sector Housing Partnership * NEW *	Better standards and interventions in the private sector stock, by improving housing			Q3 results (cumulative)	Target	Comments
				No of empty properties brought back into use	5	Not set	There are approximately 30 empty properties in the TDBC area that the Empty Homes Officer is giving priority to. This involves liaising with property



TDBC SCORECARD Q3 2010/11 (Appendix A)



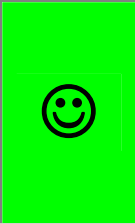
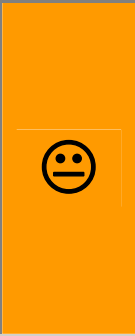





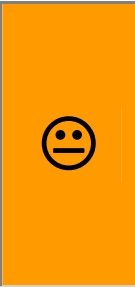
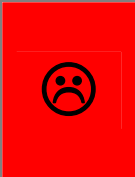
		conditions				owners and staff in the Partnership, to provide encouragement and support to bring more back into use.	
				No of Disabled Facilities Grants approved	99	Not set	Whilst this number of project approvals is good, this leaves approximately a further 100+ clients on the waiting list for grant decisions. This backlog means that, with the limited funding available, vulnerable people are still kept waiting for works to improve the quality of their lives and thus maintain their independence at home.
				No of properties brought up to Decent Homes standard	352	Not set	Again, whilst this performance is good given our limited capital funding (none next year) the Decent Homes Standard is the bare minimum we would expect all homes to achieve in the private sector.

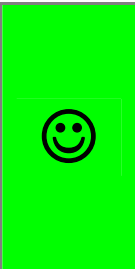


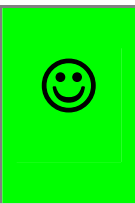




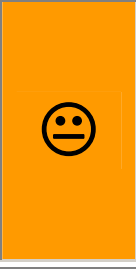
6. PEOPLE (Human Resources)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
6.1	Investors in People (IiP) Achieve IiP re-accreditation, by delivering the IiP action Plan	Milestones achieved in IiP Action Plan.		Broadly on target with achievement of milestones.
		IiP accreditation by March 2011		Action Plan agreed and incorporated into Organisational Development Strategy. Current position is 85% achievement of standard (33/39 strands)
6.2	Staff Sickness Reduce sickness absence through strong absence management, revised policies & procedures, & training	Target = 9 working days max lost per FT employee		8 Month data to 30 November 2010 actual = 6.08 days 2010/11 forecast = 9.12 days
6.3	PRED / Training Plans Maintain effective performance management of people and establish & deliver development needs	100% completion of PREDs		96% of staff have had a PRED in the last 12 months This is a significant improvement from last quarter's result of 80%.
		100% completion of training plans		90% complete for current year. Allocation of funds and plans to address training needs complete
		100% delivery of 'essential' training activities (corporate training plan)		90% of the 2010/11 Corporate training plan due in Quarter 3 was delivered. Health and Safety training is now scheduled from Feb 2011 and management development due from a previous quarter is progressing with further action due in Feb 2011
6.4	Staff Turnover	Target 12% (voluntary leavers as % of staff in post)		Total turnover = 5.6% (Projection 8.4%) Voluntary Turnover = 3.5% (Projection 5.25%) Early Retirement/Redundancy = 1% (Projection 1.33%) Ill Health Retirement = 0% Other (End of Contract/Dismissal) = 1.2% (Projection 1.8%) Data for 8 months

6.5	Improve Staff Satisfaction	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	Embed 'thematic working' 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 during May & June – 2 separate events. 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 no 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 'co-operation between teams is good'.

7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
7.1	Corporate Improvement Plan Deliver the action plan, focussing on high priority areas	Deliver 95% of High priority Actions, and 80% of Medium priority actions by target dates		The Corporate Governance Action Plan has been reviewed and refreshed, and now includes the key external audit recommendations from 2010 and the latest Annual Governance Statement. This will be reported to the Corporate Governance Committee quarterly (next meeting 14 March)
7.2	Audit & Inspection Ensure that statutory Audit & Inspection obligations are met, and scores maximised	Internal audit findings		There were 10 audits completed in Quarter 3. The findings were:  Comprehensive assurance = 2 (N188 and Housing Benefits)  Reasonable assurance = 3 (Treasury Management, Capital Accounting and Payroll)  Partial assurance = 5 (Equalities an Diversity, Health and Safety, Council Tax, NNDR and Debtors)  No assurance = 0 Internal Audit Plan progress review (SWAP) reported quarterly to Corporate Governance Committee (next meeting 14 March)
		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	Equalities & Diversity Develop practices & policies based on Equalities Framework for Local Govt ('achieving' level)	Themes/Service areas delivery of Equality Action Plans		Growth and Development – EAP developed. 26 Actions 0% delivered. Legal and Democratic – EAP developed. 13 Actions. 50% delivered. Performance and Client – EAP developed. 10 Actions. 35% delivered. Community Services – EAP under development. Equality Impact Assessments underway on all CS service areas. Strategy Unit – EAP developed. 13 Actions. 27% delivered. DLO – EAP under development as part of review. No equality actions being delivered.
		Council reports including Equality Impact Assessments		Reports to Committees that should have detailed Equality Impact comments or assessments that did = 29% (target 100%) A large proportion of reports to Members still do not include Equality Impact Assessment forms, or relevant Equality Impact comments. Without these Members are not receiving full information on the implications of decisions. Report authors

				are placing the authority at risk of public enquiry or challenge under Equality Legislation. Report authors are also exposing members of the public to the risk of negative impacts of decisions. Objectives under the Councils Equality Scheme 2010-2013 cannot be fulfilled unless reports contain valid assessments or equality considerations.
7.4	Risk Management To ensure major risks are managed by embedding Risk Management Strategy	Delivery of RM Strategy Action Plan		<ul style="list-style-type: none"> • Annual review and refresh of Corporate Risk Register completed by CMT & reported to Corporate Governance Committee 14 March • Emphasis on new risks emerging from Comprehensive Spending Review & Central Govt Reforms • Annual review of TDBC Risk Management Strategy due April/May • Internal Audit of Risk Registers, major partnership & projects – ‘reasonable assurance’ opinion (no significant findings)
7.5	Value for Money / Benchmarking To ensure that Services provide excellent value for money	Council Tax charges – in lowest quartile		TDBC 2010/11 Council Tax precept is within lowest 20% of all English Districts.
		Target efficiency savings at areas with poor VfM		Service data analysis is now a 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’
7.6	Asset Management Develop the Council’s Asset Management arrangements	Implementation of Asset Mgt Plan		<p>A review of the AMP actions has now taken place. ‘RAG’ status for the 18 actions is as follows:  45%  22%  33%</p> <p>The monthly Asset Management Group continues to meet monthly and will now begin to monitor progress closely and will update this scorecard accordingly.</p>
		Target 70% of maintenance spend planned		Work has now taken place by Finance to adjust the codes used by officers to code planned and reactive maintenance. This will now allow reporting from SAP ready for the next quarter report.
7.7	Health & Safety To take Health & Safety forward	Delivery of H & S Action Plan		The H&S action plan has been reviewed and is progressing. It has been updated following H & S audit and approved by CMT. The key issue of H & S competence training has been agreed and a rolling programme of ‘bite sized’ training started. Three new measures for internal monitoring and measurement of H & S performance are being considered and developed for use by the Council. H & S reports are provided quarterly to the Corporate Governance Committee (next 14 March).

As at: 08/03/2011

TDBC SCORECARD Q3 2010/11 (Appendix A)



Appendix B

2010/11 Budget Monitoring Update (Quarter 3)

1 Introduction and Summary Financial Position

- 1.1 This appendix updates the Committee on the forecast financial position of the Council for the 2010/11 financial year, as at the end Quarter 3 (Q3).
- 1.2 The Q3 Forecast for the General Fund Revenue Budget shows a projected overspend of £110,000 (0.8%) against budgeted Net Expenditure of £14.049m.
- 1.3 General Fund Reserves are currently projected to be £1.954m in March 2011, which is above the minimum expectation within the Council's Budget Strategy.
- 1.4 The Q3 Forecast for the HRA revenue budget shows a projected overspend of £593,000 against a budgeted Net Expenditure of £153,000. There is also a previously approved transfer of £113,000 from the HRA reserves to fund the DLO transformation project in this year.
- 1.5 HRA Reserves are currently projected to be £1.788m in March 2011, which is above the minimum expectation of approximately £0.9m within the Council's Budget Strategy.

2 General Fund Revenue

- 2.1 The approved budget for the year included Net Expenditure of £14.049m. The current forecast for the year is net expenditure of £14.159m, giving an **overspend of £110k (0.8%)**.
- 2.2 The Net Budget, after taking into account income from Council Tax and General Government Grants, is a surplus of £470k. The forecast outturn is therefore a net surplus of £360k against the General Fund Revenue Account, as shown in the following table, which would be transferred to general reserves at the end of the financial year.

	Budget £'000	Forecast £'000	Variance	
			£'000	%
Net expenditure on services	15,139	15,085	(54)	-0.3%
Other operating costs	840	1,004	164	23.1%
Capital adjustments	(1,930)	(1,930)	0	-
Capital costs funded from revenue	0	0	0	-
Net Expenditure	14,049	14,159	110	0.8%
Grants and Local taxation	(14,520)	(14,520)	0	
Net (Surplus)/Deficit for the Year	(470)	(360)	110	

2.3 The key variances are explained as follows:

Budget Area	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000	
		Q1 £'000	Q2 £'000	Q3 £'000		
Expenditure on Services						
Corporate Resources						
NNDR	The NNDR on the TDBC assets is underspent due to refunds from previous year re valuations	(60)	0	0	(60)	☺
Conducting of Elections	All underspends in this department will be carried forward to cover the expenses of the elections in May 2011.		(21)	21	0	☺
Car Leasing	There are no lease cars in Legal Services so this budget will be underspent.		(3)	0	(3)	☺
Environmental Services						
Crematoria	A one-off cost for works completed in 09/10 but charged to the 10/11 budget (£16k). Projected savings on staff costs through service restructure have increased by £26k in Q3 to £36k in total for the year.	6		(26)	(20)	☺
Cemeteries	One-off increase in cost of tree maintenance due to Health and Safety requirements (£6k) partially offset by projected increase in fee income (-£3k). Further increase in income in Q3		3	(3)	0	☺
Waste Collection and Recycling	Savings arising as the remainder of the District Councils joining Sort It Plus. The approved budget has reduced in order to return this saving to reserves therefore forecast variance is now zero.		(250)	250	0	☺
Licensing	Expected increase in funeral costs to be met by TDBC (£15k). Impact of irrecoverable income of £20k reflected in Q3.		15	20	35	☹

Budget Area	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000	
		Q1 £'000	Q2 £'000	Q3 £'000		
Planning, Policy & Transportation						
Car Parking (off street) Income	An increase in the VAT rate was announced in the emergency budget 22 June 2010, to apply from Jan 2011. As a result of this the net income from off street parking will be reduced. Due to the extreme poor weather in December car park income is predicted to be down for the year	35	0	70	105	⊗
Car Parking Salaries	Due to vacant posts the salaries budget for parking services is predicted to be underspent by £29k			(29)	(29)	☺
NNDR	The NNDR for the car parks is underspent against budget	(22)	0	0	(22)	☺
Building Control Trading Account	Income is predicted to be £90k under recovered due to lack of activity in the extension market. (£30k of this can be covered by previous trading account surplus' held in earmarked reserves – see below).			90	90	⊗
Salaries	Across the GF, excluding those reported above, the savings on salaries due to 0% pay rise and vacancy factors			(150)	(150)	☺
Subtotal – Total Service Expenditure Net Variance		(41)	(256)	243	(54)	☺
Other Costs and Income						
Investment Income	The predicted investment income has been reviewed in light of the present economic situation and taking into account transfers to Project Taunton the investment income has been reassessed as £20k under recovered.	(21)	16	25	20	⊗
Revenue Funding of Capital expenditure	Capital overspend unfunded that will be met from revenue (see Capital report Appendix C)		15		15	⊗

Budget Area	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000	
		Q1 £'000	Q2 £'000	Q3 £'000		
Transfer to/from Earmarked Reserves	The Budget shows a transfer to reserves from the Deane Helpline of £80k however in light of the current situation the Deane Helpline is now forecast to make a £79k deficit. £30k is planned to be transferred from the Building Control Trading Account earmarked reserve to offset reduced income.			129	129	
Subtotal Other Costs and Income Variance		(21)	31	154	164	⊗
Grand Total – General Fund Revenue Net Variance		(62)	(225)	397	110	

2.4 The savings on Waste Collection and Recycling are significant, and recognise the amended contract position following Sort It Plus being accepted by all authorities in Somerset. The £250k savings has been returned to General Fund Reserves.

Other Potential Risks and Issues

2.5 In addition to the current forecast variances, managers have identified a number of areas where there are risks of future variances but at this stage there is uncertainty in terms of likelihood and/or amount. These include:

2.5.1 Vivary Park: The department is awaiting an external grant for the sensory garden of £22k, if this grant is not forthcoming the cost would need to be met from the Vivary Park trading reserve.

2.5.2 Tone Leisure: There has been some essential maintenance works at the St James St swimming pool that has resulted in a loss of income claim from Tone Leisure. The client officer has reviewed and approved this claim and the loss of income of £21,832 is proposed to be funded by the use of ear marked reserves.

3 General Fund – Reserves

3.1 The balance on 1 April 2010 is £1.564m Taking into account approved budget changes and the Q3 forecast the projected General Fund Reserves Balance in March 2011 is £1.924m.

4 Earmarked Reserves

4.1 The earmarked reserves were reviewed by the Strategic Finance Officer and a recommendation was approved by members in October to move £62k from the Earmarked Reserves to General Fund reserves. A further review has established another £127k to be returned to general reserves and to fund a capital project in

January 2011. The balance of the Earmarked reserves currently stands at £8.638m at 31 January 2011.

- 4.2 There are expected to be spends of £325k against earmarked reserves before the end of the year and with other commitments identified the uncommitted Earmarked reserves are projected to stand at £6.088m at year end.

5 Housing Revenue Account (HRA)

- 5.1 The approved budget for the year is a net deficit of £153k. The forecast outturn is a net deficit of £746k, giving a reported overspend against budget of £593k, as shown in the following table.

	Final Budget	Outturn	Variance	
	£'000	£'000	£'000	%
Net cost of services	(1099)	(537)	562	-51%
Other operating costs and income	1122	1153	31	2.8%
Transfers to/from reserves	130	130	0	-
Net (Surplus)/Deficit for the Year	153	746	593	-388%

- 5.2 The key variances are explained as follows:

Budget Area	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000	
		Q1 £'000	Q2 £'000	Q3 £'000		
Expenditure on Services						
Negative Subsidy payment	The forecast negative subsidy payment for 2010/11 has increased based on current information. The projected overspend also includes a cost of £199k as the final instalment of on the final audited subsidy claim for 2009/10.	400	0	344	744	⊗
Staffing	One-off funding of Technical Surveyor for aids and adaptations on council stock		27		27	⊗
Correction to budgets	There is a forecast overspend due to an error in budget setting. This relates to staff charges arising through the Core Council Review such as the newly created Tenant Empowerment team.		200		200	⊗
Training	A planned saving will be made on training budgets		(21)		(21)	☺

Budget Area	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000	
		Q1 £'000	Q2 £'000	Q3 £'000		
Emergency Cover Rota	Saving will be made on ECR as the rota is now covered by the whole council.		(8)		(8)	☺
Investment Income	The expected increase in investment income has been reigned back in light of current projections.	(34)	26	39	31	☹
Rent Income	There will be a shortfall in income from rents due to the demolition of properties at Holyoaks St and Parmin Close and due to voids being higher than budgeted.			200	200	☹
Support Services Income	The income from Support Services will be under recovered by £100k due to the reduction in Supporting People Grant from SCC.			100	100	☹
Salaries	Across the HRA the savings on salaries due to 0 % pay rise and vacancy factors			(80)	(80)	☺
Maintenance Budgets	There will be underspends on the Pre-planned maintenance budget due to a shortage of staff in the year. The Staff have now been recruited and work should begin again in 2011/12.			(1,000)	(1,000)	☺
RCCO	RCCO costs are increased due to greater investment in capital maintenance (offset by reduced maintenance costs)			400	400	☹
Net variation		366	224	3	593	☹

Other Potential Risks and Issues

5.3 No other specific risks and issues have been identified at this time.

6 HRA Reserves

6.1 The balance on 1 April 2010 is £2.647m. The current projected deficit of £746k would decrease HRA Reserves to £1.901m in March 2011. The further transfer of £113k from the HRA reserves to fund the DLO transformation project will further reduce reserves to £1.788m.

7 DLO Trading Performance

7.1 The DLO is budgeted to make a surplus of £73k. There is currently no variance forecast against this budget for the year reported by the management.

8 Deane Helpline

8.1 A significant amount of work has been undertaken by the management of the service to clarify and update expectations for the year. This has included implementing improvements to the financial monitoring arrangements within the service.

8.2 The Deane Helpline was originally budgeted to make a surplus for the year of £123k. Of this amount, the General Fund Revenue Budget is budgeted to receive a planned transfer of £80k, with the balance to be held in the trading account reserve. However, the improved management information has helped to identify updated information regarding costs and income levels. The forecast performance on the trading account for 2010/11 has been revised and is currently projecting a £79k deficit for the year.

8.3 The main explanations for the current projections are:

- Income is projected to be £126k below the original budget estimate.
- Expenditure is forecast to be £75k over the original budget estimate, predominantly due to increased staffing costs.

8.4 There are no previous surpluses on the Trading Account held in reserve; therefore the expectation is that the General Fund would need to cover the deficit in 2010/11. This is reflected in the General Fund forecast outturn shown earlier in this report.

9 Accounts Payable

9.1 The full "Procure to Pay" process was re-launched in August 2010 and we are in the process of fully embedding the necessary procedural changes within the organisation. This will take time to complete, but will result in our maximising the number of invoices that are paid automatically.

9.2 Currently there are approximately the equivalent of half a week's worth of invoices to approve for payment, therefore backlogs are currently being kept under control. The percentage of invoices paid to terms continues to improve.

9.3 The "Procure to Pay" process continues to be monitored to identify areas where improvements can be made to the process.

10 Accounts Receivable

10.1 The debt position on sundry debtors for Taunton Deane Borough Council is improving (less debt is outstanding). The headlines are;

- Debt is reducing month on month since June 2010
- Debt levels are approximately £800k lower on 1 January 2011 than on 1 January 2010.
- Debt brought forward from the previous system has reduced from £3.45m to £0.99m.

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IMPORTANT – PLEASE NOTE:

In order for this item to be debated in the most efficient manner at the Executive Board, Members who have queries with any aspect of the report are requested to contact the appropriate officer(s) named above before the meeting.

Appendix C

2010/11 Quarter 3 April – December Capital Monitoring

1 Introduction

- 1.1 The purpose of this appendix is to update Members on the forecast outturn position of the Capital Programme as at Q3 for the financial year 2010/11.

2 General Fund Capital Programme

- 2.1 In February 2010 the Council approved a Capital Programme for 2010/11 General Fund schemes totalling £2.852m Slippage of £1.027m from the previous year plus supplementary budget approvals of £2.810m during the year has increased the programme to £6.689m.
- 2.2 Capital monitoring for Q3 has indicated that there will be an overspend of £12,000 although this overspend is being funded from reserves.

This is made up of the following variances:

Project	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000
		Q1 £'000	Q2 £'000	Q3 £'000	
Economic Development and Arts					
Neroche Project	The overspend on this project is due to the invoice for the final instalment being paid in the current financial year when it relates to the previous year. The overspend will be funded from reserves.	0	15	0	15
TOTAL Economic Development and Arts					
Environmental Services					
Waste Initiative	There is a small underspend on this budget as the invoices received in this year for Sort-it plus containers are slightly less than anticipated at the end of 2009/10.	0	0	(3)	(3)
TOTAL Environmental Services					
TOTAL Overspend/(Underspend)					12

2.3 There are a number of areas where we are anticipating slippage. The underspends on these programmes will be identified as part of the year end process and rolled forward into 2011/12.

3 HRA Capital Programme

3.1 In February 2010 the Council approved a Capital Programme for 2010/11 HRA schemes totalling £4.560m. Slippage from the previous year has increased the estimated programme expenditure in 2010/11 to £6.058m.

3.2 Capital Monitoring for Q3 has indicated that there will be an overspend of £343,000 which is being funded from revenue. This is made up of the following variances:

Project	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000
		Q1 £'000	Q2 £'000	Q3 £'000	
HRA					
Choice Based Lettings	This budget was originally allocated to assist with the start up costs of the CBL Homefinder Somerset Scheme. This project has finished and the budget is no longer needed.		(18)		(18)
Cash Incentive Scheme	This is a carry forward from the previous year but as the scheme is discontinued following the CCR.		(20)		(20)
Decent Homes	The overspend here is due to the fact that there have been more voids than usual in this year and work has needed to be done on them to meet decent homes (these are properties that we have been refused entry to in the past and have now become void). The overspend will be funded from revenue and underspends on the sound proofing and asbestos projects.			500	500
Sound Proofing	The underspend here is due the fact that it's a demand led project and requires an upstairs and downstairs flat to be vacant.			(24)	(24)
Asbestos	The underspend here is due to the fact that asbestos is being managed rather than removed so it is charged to revenue.			(78)	(78)

Project	Explanation	Changes To Forecast Variance			Projected Year End Variance £'000
		Q1 £'000	Q2 £'000	Q3 £'000	
Roland Close/Sneddon Grove	Advice from the accountant of this service is this budget is no longer needed as the projects have been completed. This variance is currently being explored further by the budget holder.			(17)	(17)
TOTAL Overspend/(Underspend)					343