

Taunton Deane Borough Council

Executive – 14 September 2011

Financial and Performance Monitoring – Quarter 1 2011/2012

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

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

1. Executive Summary

This report provides an update on the financial position and the performance of the Council to the end of Quarter 1 of 2011/12 (as at 30 June 2011).

The detailed 2011/12 financial position for Quarter 1 is provided in Appendix B although a high level summary is also included in the Scorecard (section 3).

The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets is an important part of the overall performance management framework.

The reporting process has changed for 2011/12 – the report will now be reported to the Corporate Scrutiny committee first, followed by the Executive committee

4 'key issues' have been identified from analysis of the performance and financial data for Quarter 1 (these are described in section 4 of this report):

- Planning performance (speed of processing applications)
- Planning income
- Car Parking (Off Street) income
- Licensing income

Analysis of the overall performance of the Council reveals a similar position to the previous quarter, with 64% of all performance measures being on target (ie Green alert). An improving trend is shown in the areas of: Corporate Strategy Aims; Service Delivery; Key Projects; and Key Partnerships.

2. Introduction to the Performance Scorecard (please see Appendix A)




2.1 The TDBC Scorecard at **Appendix A** contains full details of Quarter 1 performance, however section 3 (below) of the report provides further information and guidance for members on the key issues that have been identified through analysis of the data. Additional commentary has also been provided by responsible officers and CMT where appropriate

2.2 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.

2.3 Key to performance alerts:

	Reasons for alert	Notes
 Green	Planned actions are on course	Justification for the Green alert will be provided. Key successes or exceptional performance will be outlined.
	Performance indicators are on target	
 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	

2.4 A summary / overview of the Quarter 1 scorecard (appendix A) is in the table below

Section	No. of measures	Green	Amber	Red	N/A	Trend (from last quarter)
1) Corporate Strategy Aims	22	73% (16)	14% (3)	4% (1)	9% (2)	↑
2) Service Delivery	15	80% (12)	7% (1)	13% (2)		↑
3) Managing Finances	12	67% (8)	17% (2)	17% (2)		↔
4) Key Projects	6	67% (4)	33% (2)			↑
5) Key Partnerships	9	56% (5)	33% (3)	11% (1)		↑
6) People	6	33% (2)	33% (2)		33% (2)	↓
7) Corporate Management	11	45% (5)	27% (3)		27% (3)	↓
TOTALS	81	64% (52)	20% (16)	7% (6)	9% (7)	↔

KEY:

↑ = Improving (ie more Green, less Amber &/or Red alerts)

↓ = Worsening (ie less Green, more Amber &/or Red)

↔ = No change

3. Financial Performance (April 2011 - June 2011 Budget monitoring)

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

3.2 A more detailed financial performance report can be found in **Appendix B**. This appendix provides details of the financial position and forecast outturn summaries for the: General Fund Revenue Account; General Fund Reserves; Housing Revenue Account; HRA Reserves; Earmarked Reserves; Deane DLO Trading Account; Deane Helpline Trading Account; Capital Budgets (GF & HRA).

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

- i) As mentioned within Appendix B, it is difficult to accurately forecast an outturn position after only 3 months
- ii) The economic climate continues to have an adverse impact upon our revenue budget position
- iii) CMT will be reviewing the budget with a view to taking corrective action in the current financial year to reduce the forecast overspend
- iv) The HRA, and both capital programmes are currently predicting no significant issues

4. Key issues arising from Quarter 1 Performance and Budget monitoring

The Corporate Performance Scorecard (appendix A) and Financial Position report (appendix B) have been analysed by the Performance and Financial Advisory teams, and 'Key Issues' identified. These 'Key Issues' have been subsequently considered by Theme Managers to provide Members with the relevant information on: description of the issue; risks & impacts; reasons for the issue emerging; management actions and CMT comments.

There are other performance measures identified with 'Red' or 'Amber' alerts in the scorecard which are not included in this 'Key Issues' section as they have not been considered 'significant'. Members are invited to scrutinise any aspect of the performance and financial reports as usual, however it is recommended that the 'Key Issues' within this section require the closest scrutiny.

4.1 Planning performance – speed of processing planning applications

Description of the issues / areas of concern	Scorecard (appendix A) ref: 2.1 All 3 Key Performance Indicators (KPIs) measuring speed of processing Planning applications are off target (Major & Minor applications being significantly off target)
Risks & impact	Potentially poor customer service and reputational impact. (NB – there is no direct financial impact of missing these targets)
Reasons that the issues have emerged	<ul style="list-style-type: none"> • The local elections in May (ie scheduling of planning committee dates, and having no Planning Chair or Vice Chair in place to authorize planning decisions) had an impact particularly on Major applications performance – this was a one-off issue in Q1 • A greater than normal percent of applications ran over the target time due to negotiations and amendments which took place. Officers are instructed to ensure that amendments that lead to delay are kept to an absolute minimum. This area of performance needs to be monitored closely. • Delays in responses from SCC Highways has a major impact on our ability to meet target for major applications
Management actions & CMT comments	Planning managers are proactively monitoring team & individual performance on a weekly basis. Staff have been reminded of targets and policies. Quarter 2 has started well with 100% Major; 88% Minor; & 81% Other applications processed within target time.

4.2 Planning income

Description of the issues / areas of concern	Financial Position report (appendix B) ref: 1.4b The budget for planning fees income is £560k. The income for Q1 is £83k approximately £57k below budget. There is an expectation of some large planning applications coming in during the year and this together with the seasonal profile has led to a forecast income shortfall for this year.
Risks & impact	If this pattern continues Planning income will be £140k below budget for the year. If the projected shortfall materialises this will have a detrimental impact on outturn for 2011/12 and could have ongoing implications in future years.
Reasons that the issues have emerged	The 2011/12 budget made an assumption of a 15% (£70k) increase in income associated with deregulation of planning fees. However, due to delays in bringing the necessary legislation to Parliament there has as yet been no increase in fee levels. There is no indication that this situation will change before April 2012 and so it is highly unlikely this part of the shortfall will be recovered. Whilst Planning income can vary greatly from quarter to quarter and it is therefore difficult to make assumptions based upon one quarter alone, the reduction in income for this quarter must to some degree be a reflection of the state of the wider economy. One large planning application would change this forecast considerably.
Management actions & CMT comments	CMT will be conducting a review of the financial position on 5 th September, and will consider any corrective action necessary 'in-year' to bring us back to our budget position (or reduce the overspend dramatically). Income will be closely monitored and members will be updated on the situation at Q2.

4.3 Car Parking income (Off Street)

Description of the issues / areas of concern	Financial Position report (appendix B) ref: 1.4a The income from Off Street parking is £160k below budget for the first quarter. (On Street Parking is £26k above budget for the first quarter).
Risks & impact	Should this pattern continue for the remainder of the year, the Off Street income budget will be short by £640k, but On Street will be over achieved by £78k.
Reasons that the issues have emerged	The number of people using the car parks in the district is down significantly on previous years
Management actions & CMT comments	The reported position reflects a significant decline in parking usage which must be affected by the economic position and costs of private car usage.

	CMT will be conducting a review of the financial position on 5 th September, and will consider any corrective action necessary 'in-year' to bring us back to our budget position (or reduce the overspend dramatically).
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4.4 Environmental Health – Licensing income

Description of the issues / areas of concern	Financial Position report (appendix B) ref: 1.4d Licensing income is under budget in quarter 1
Risks & impact	Should this pattern continue for the remainder of the year then Licensing income will be £73k short of budget for the year. If the projected shortfall materialises this will have a detrimental impact on outturn for 2011/12 and could have ongoing implications in future years.
Reasons that the issues have emerged	This is a reflection of the downturn in the economy, i.e. fewer businesses and therefore less license applications. There have also been a number of write-offs of outstanding licensing debts
Management actions & CMT comments	CMT will be conducting a review of the financial position on 5 th September, and will consider any corrective action necessary 'in-year' to bring us back to our budget position (or reduce the overspend dramatically). Outstanding Licensing debt is being actively pursued where possible.

5. Comments from Scrutiny

This report was considered by the Corporate Scrutiny Committee on 18th August. The Executive Committee may wish to take the following comments into account:

- 5.1 Car Parking income (main report section 4.3)
Concerns were raised about the reduction in car park usage and income, in particular the patterns developing in Wellington. The Parking Manager was asked to explain what has caused this reduction and he responded that it was a combination of factors including the economic situation (ie people not coming in to shop as often) but mainly a reduction in long-stay parking due to the success of current transport policies (eg Park & Ride) as well as increasing numbers of people parking in residential areas and walking in to town.
- 5.2 Planning performance and income (main report sections 4.1 & 4.2)
A question was raised as to why Planning applications were not being processed within target time when an apparently declining caseload is being experienced. The Development Management Lead explained that the two Planning 'key issues' (ie income and speed of processing applications) were unrelated and had little influence on each other within the same quarter. The applications that were determined in quarter 1 comprised ones that had been received in quarter 4 of the previous year.

Although Planning income is down in quarter 1, this has been significantly influenced by the non-submission of larger major applications that can have large fees attached.

5.3 Health & Safety inspections (scorecard ref 2.2)

Members requested more information on the Environmental Health measure re Health & Safety inspections. The Environmental Health Lead explained that TDBC is working with the Gas Safe Register (formerly CORGI) on a Somerset wide project to ensure gas installations and appliances in catering businesses are being serviced by commercial qualified gas engineers and meet the required standards, this is being done at routine health and safety visits. Unfortunately the level of non compliance is high and the team are facing an unprecedented enforcement workload, as are the other Somerset LA's. It is likely that formal action will be taken by TDBC and the HSE against businesses knowingly using unsafe appliances and installations, and unqualified domestic gas engineers for working on them. Priority is being given to this area of work over the routine visits due to the associated level of risk.

6. Finance Comments

This report covers the financial position of the Council and comments from the Strategic Finance Officer are included in section 3 of this report.

7. Legal Comments

There are no legal implications in this report.

8. Links to Corporate Aims

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

9. 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).

10. Equalities Impact

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

11. Risk Management

Significant risks associated with each 'key issue' are identified in this report (section 3).

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

12. Partnership Implications

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

13. Recommendations

It is recommended that the Executive review the Council's performance and financial position as at the end of Quarter 1, taking corrective action or requesting further information from Theme Managers where necessary.

It is important that Members note the budget issues outlined in this report, but recognise it is early in the financial year and this position may change. A full financial report will be provided in Quarter 2.

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1. CORPORATE STRATEGY AIMS






Tackling Deprivation & Sustainable Community Development (Aim 1)

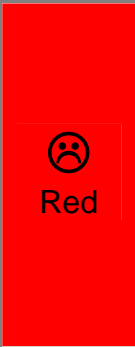
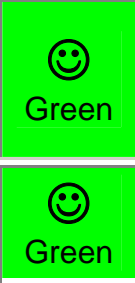




Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.1	Objective 1 Focus on Taunton East, North Taunton & Rural Deprivation	Actions – Progress against key activities	 Green	Priority Areas Strategy (PAS) Phase 1 activities for N Taunton & Taunton East (benchmarking & engagement) are now complete. A successful visioning event was held 21 st July. The output from Phase 1 will have been discussed at Community Scrutiny on August 2 nd . A project plan for phase 2 (visioning & building consensus around project activities) will be agreed during summer 2011. Rural benchmarking reports (including Wellington) will also be considered by Scrutiny 2 nd August)
		Index of Multiple Deprivation (IMD) score	 Red	Red alert due to worsening deprivation in N Taunton & Taunton East. IMD Report to be considered at Scrutiny 2 nd August (and is now available on the Members' Portal). Phase 3 of the PAS will produce a draft action plan that will address the deprivation issues in these communities.
		Staff volunteer scheme	 Green	Staff volunteers are helping to support summer activity days in Priorswood & Halcon. They are also helping to support the Link Centre.
	Objective 2 'One-Stop' advice on skills, employment & training	Actions – Progress against key activities	 Green	The project continues to deliver excellent outcomes at very little cost to TDBC, and over the next few weeks the Ec. Dev Team intends to build on this success by increasing staffing capacity at the Job Clubs, and working closely with Somerset College to deliver more Adult Training Courses.
		Number of people supported / back to work	 Green	Job Club attendances continue to rise at each centre and targets are being met
	Objective 3 Secure medium term future of N. Taunton & Link Partnerships	Funding & delivery against Service Level Agreement (SLA)	 Green	Funding is secure for the current financial year. Funding for 2012/13 is subject to budget setting. The SLAs are being reviewed during summer 2011 to agree specific outputs & outcomes.

Regeneration (Aim 2)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.2	Objective 4 Facilitate the creation of a leading Green Knowledge economy	Actions – Progress against key activities	 Amber	<ul style="list-style-type: none"> • Service Development Plan 2011 & 2012 produced in January - numerous projects now being delivered according to 3 themes: 1) Stimulating Business Investment & Growth; 2) Ensuring a Skilled & Entrepreneurial Workforce; 3) Creating an attractive business environment. Egs of work in each theme: • 1) Ec Dev team has a proactive visits and events programme to support local business in realising their growth and investment plans • 2) Ec Dev team rolling out programme of support in Halcon alongside Regeneration project, to assist residents to obtain work and/or skills. • 3) Programme of cultural events in Taunton Town Centre, eg Olympic Torch Relay, Tour of Britain, delivered in partnership with Taunton Cultural Partnership Reduced capacity due to long-term sickness in the Ec Dev team has had an effect on overall delivery against plan.
		Number of companies visited & supported	 Amber	Over the past 12 months the team has prioritised visiting and strengthening links with local businesses. We have a personal contact list of over 100 businesses which have all been met with or engaged through various means
	Objective 5 Facilitate Housing growth	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • Strategic Housing Land Availability Assessment (SHLAA) reviewed in 2010, 2011 Review now underway • Core Strategy Published Plan published in July / August 2011 • TDBC is continuing to work closely with developers to bring sites forward (but housing market remains 'difficult')
		Net additional homes provided	N/A	Data is only available annually The target for 2011/12 = 700 dwellings
		Supply of ready to develop housing sites	 Amber	Target = 5 year supply of housing land within Taunton by Sept 2011 2010 SHLAA argued that the Council did have a 5 year deliverable supply of housing land. Following recent Maidenbrook Appeal, Planning Inspector was not convinced that this figure could be fully justified and concluded that on the balance of probability there was a marginal shortfall. Work has now commenced on a review of the SHLAA, this will identify a more up-to-date 5 year supply figure.
	Objective 6 Deliver Infrastructure	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> • NIDR – money allocated from Govt & work is due to start April 2012 • Firepool – work has started on the new Viridor building • Castle Green – a phased approach to the redevelopment will start in October • Infrastructure Delivery Plan (IDP) published July 2011

Affordable Housing (Aim 3)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS	
1.3	Objective 7 Making homes more affordable	Actions – Progress against key activities	 Green	<ul style="list-style-type: none"> The range of affordable housing options available through changes in Govt policy and funding is becoming clearer and we are now using this information in negotiations with developers Significant progress continues to be made on a range of regeneration schemes. An affordable housing Supplementary Planning Document is being prepared to provide advice for developers in order to maximize delivery 	
		Number of affordable homes delivered (Target = 200)	 Green	<p>Forecast for 2011/12 = 250 (Quarter 1 actual = 35 units, made up of 25 units of rent & shared ownership + 10 private developers 'homebuy' units) There are many schemes with planning that will complete this year, including: Hyde Lane – 12 Units; Wordsworth – 18 Units; Firepool – 95 Units</p>	
		% of non-decent council homes	 Green	<p>0.2% were non decent (12 properties) Target = max 0.5% (25 properties)</p>	
		Somerset West Private Sector Housing Partnership Objective: Better standards and interventions in the private sector stock, by improving housing conditions	 Green	Measure	Quarter 1 performance
				Energy efficiency	60 loft insulations; 37 cavity wall insulations; 16 boiler replacements; 10 night storage heater replacements; 6 gas heating system replacements
				No of private sector homes made Decent	Q1 = 40 Target = 25
				No of empty properties brought back into use	Q1 = 61 Target = 15
No of statutory Disabled Facilities Grants* (approved & implemented)	Q1 = 3 in private sector stock, 1 in Council stock Target = 8 private sector, 12 in Council stock * implementation quite slow in Q1 but performance expected to improve in Q2 when backlogs cleared				
No of statutory housing standards interventions (enforcement activities)	Q1 = 24 Houses in Multiple Occupation inspected Target = 20 HMO inspections to be completed Q1 = 18 fitness conditions complaints dealt with Target = 10 fitness complaints to be dealt with				

Climate Change (Aim 4)				
Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.4	Objective 8 Meet TDBC's & partner organisation's internal climate change commitments	Actions – Produce and implement Carbon Management Plan (CMP)	 Green	<ul style="list-style-type: none"> CMP to be approved by the Exec early August 3% CO2 reduction target over the period 2011/12 Implement the 46 carbon reduction actions from CMP Report progress informally to CMSG and produce formal half-yearly progress reports on implementation of the Plan commencing April 2012 Work on a strategy for achieving carbon neutrality due in 2011/12
		3% reduction in CO2 by Mar 12	 Green	First monitoring report on TDBC's emissions in Q1 & 2 due October 2011
		Adapting to climate change	 Green	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).
		Reporting on national Greenhouse Gases dataset	 Green	Completed. DECC emailed and should be on website by end of July. Reduction from 2006 baseline of 7% to year ending March 2011. Aspirational further 3% reduction to March 2012.
	Objective 9 Work with communities to reduce carbon emissions across the Deane	Actions – Progress against key activities	 Green	<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 / Code 6 exemplar project in partnership with Magna Housing Association started
		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 should 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	 Red	Type	Outturn	Targets	Comments
				a) Major	40% (4/10)	65%	10 Major applications decided - 6 over target expiry date of 13 weeks
				b) Minor	63% (41/65)	75%	65 Minor applications decided – 24 over target expiry date of 8 weeks
				c) Other	81% (162/201)	85%	201 Other applications decided – 39 over target expiry date of 8 weeks
		Further detail is provided in the main report (section 4.1)				Quarter 1 = 0% (Target max 25%) Out of 4 appeals a total of zero appeals allowed against the council's decision	
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	 Green	Quarter 1 = 100% (Target = 75%)			
		Food Safety compliance	 Green	Quarter 1 = 92% (Target = 80%)			
		Environmental Protection Team reactive tasks	 Green	Requests for Service (e.g. pest control, dog warden, noise, odour, drainage, air pollution, public health). 85% Total Service Requests responded to within target time (449/527)			
		Health & Safety intervention visits	 Red	Quarter 1 actual = 40% (18 /45 inspections) (Target = 90%) The gas safety visits have been highly enforcement intensive requiring considerable officer input. This work is worthwhile due to the risk posed by unsafe gas appliances and installations, and a catch up plan is in place to be complete by the end of quarter 2.			
		Licensing inspections	 Green	Quarter 1 actual = 100% (Target = 75%) Target was to undertake 30 inspections, and 33 were carried out			







TDBC SCORECARD Q1 2011/12 (Appendix A)







2.3	Delivering customer driven services To deliver customer focussed services, achieving high levels of customer satisfaction.	Calls resolved at 1 st point of contact	Green	Quarter 1 actual = 98.1% (Target 91%) 754 calls of all calls answered were transferred to back office which should have been deliverable within Customer Contact																																						
		Calls answered within 20 seconds	Green	Quarter 1 actual = 85.28% Contact Centre (Target 80%) (Total 39,256 calls. 5,779 not within 20 seconds of hitting CC system) Deane House = 98.7% DLO Depot = 95.2%																																						
		Calls abandoned	Green	Quarter 1 actual = 3.69% (Target less than 5%) 1506 calls abandoned with a total of 40762 offered during the period. 39,256 calls answered within Customer Contact																																						
		Complaints measures -10 day response - % Complaints upheld	Amber	<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Total no. complaints</th> <th colspan="2">% 10 day response</th> <th colspan="2">% upheld</th> </tr> <tr> <th>Q1</th> <th>Q1 last year</th> <th>Q1</th> <th>Q1 last year</th> <th>Q1</th> <th>Q1 last year</th> </tr> </thead> <tbody> <tr> <td>TDBC</td> <td>28</td> <td>23</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>SWP</td> <td>6</td> <td>19</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>34</td> <td>42</td> <td>71%</td> <td>69%</td> <td>38%</td> <td>36%</td> </tr> </tbody> </table>						Total no. complaints		% 10 day response		% upheld		Q1	Q1 last year	Q1	Q1 last year	Q1	Q1 last year	TDBC	28	23					SWP	6	19					Total	34	42	71%	69%	38%	36%
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A full Corporate Feedback analysis report for 2010/11 will be provided in Q2.																																										
Benefits Service: Time to process new claims	Green	Quarter 1 actual = 20.04 days (Target= 22 days) 2011/2012 forecast = 22.00 days (Q1 last year 2010/11 was 20.07 days)																																								
Landlord Services – satisfaction with repairs	Green	99.06% satisfied overall with the repairs service (Target = 98%) (Survey results Jan 2011). Satisfaction surveys used to be sent on a 6 month basis. A new process has now been put in place to send these quarterly, and quarterly data will be available from Quarter 2																																								
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 & cost-effective	Street & environmental cleanliness targets	Green	% of surveyed land that is assessed as having unacceptable deposits of:																																						
		Quality assurance accreditation / Awards	Green	<table border="1"> <thead> <tr> <th>Type</th> <th>Q1 results</th> <th>Targets</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Fly-tipping</td> <td>Grade 2 (estimate) = 'effective'</td> <td>2</td> <td>No official results available yet</td> </tr> </tbody> </table>			Type	Q1 results	Targets	Comments	Fly-tipping	Grade 2 (estimate) = 'effective'	2	No official results available yet																												
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		The Green Flags, Green Pennant and Heritage Awards for the conditions of five of our Parks remain in place. Judging is under way for this year's Green Flag awards and we are awaiting these results, we are being judged for the In Bloom competition in July.																																								



3. MANAGING FINANCES (ref Appendix B 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% = 	 Red	2011/12 Forecast Outturn as at Quarter 1 = over spend of £805k (= 6.8%) against budgeted net expenditure of £11.873m This comprises net over spend of £880k on services and no variance 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% = 		 Green	2011/12 Forecast Outturn as at Quarter 1 = under spend of £56k (= 0.71%) against budgeted net expenditure of £4.152 m Further information is provided in appendix B of this report.	
		Housing Revenue (HRA) within 0.5% =  0.5 – 2% =  over 2% = 			 Green	2011/12 Forecast Outturn as at Quarter 1 = under spend of £166k The main item compromising this under spend is under spends on maintenance. Further information is provided in appendix B of this report.
		HRA Capital within 2% =  2 – 3.5% =  over 3.5% = 				 Green
3.2 Reserves To maintain an adequate reserve (based on financial risk analysis)	General Fund reserve >£1.25m =  £1 - £1.25m =  <£1m = 	 Green	Approved Balance is £3.166m as at March 2011 (This is subject to the audit 2010/11 final accounts). The current projected balance at March 2012 is £2.458m. This is above the minimum reserves expectation within the Budget Strategy.			
3.3 Next year's budget gap	A balanced budget 2012/13		 Amber	The MTFP included a budget gap of £1.219m for 2012/13 (ref Budget Strategy report to Scrutiny 21 July 2011). This will need to be addressed through the Budget Review Programme and detailed budget setting process for next year, which will take place in the coming months. This is shown as amber because of the current size of the potential budget gap.		




Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS										
3.4	Debt collection	Council Tax Target = 97.8%	 Green	Quarter 1 actual = 35.38% 2011/2012 forecast = 97.8% (Q1 last year 2010/11 was 35.37%)										
		NNDR Target = 98.4%	 Green	Quarter 1 actual = 33.41% 2011/2012 forecast = 98.4% (Q1 last year 2010/11 was 35.45%)										
		Housing Rent Target = 98.3%	 Amber	Quarter 1 = 94.08% (Q1 last year 2010/11 was 93.4%) Slightly below target - this is a cumulative target therefore we should see an improvement as we move through the Financial Year.										
		Sundry Debts position	 Green		<table border="1"> <thead> <tr> <th></th> <th>End of Quarter 1 (as at 30 June 2011)</th> <th>Last year (as at 30 June 2010)</th> </tr> </thead> <tbody> <tr> <td>Outstanding debt</td> <td>£2,861,930.38</td> <td>£5,075,851.51</td> </tr> <tr> <td>Aged debt over 90 days old</td> <td>£1,988,890.64</td> <td>£3,316,737.78</td> </tr> </tbody> </table>		End of Quarter 1 (as at 30 June 2011)	Last year (as at 30 June 2010)	Outstanding debt	£2,861,930.38	£5,075,851.51	Aged debt over 90 days old	£1,988,890.64	£3,316,737.78
				End of Quarter 1 (as at 30 June 2011)	Last year (as at 30 June 2010)									
Outstanding debt	£2,861,930.38	£5,075,851.51												
Aged debt over 90 days old	£1,988,890.64	£3,316,737.78												
In SAP only*			<p>The value of outstanding sundry debt invoices has fallen significantly since the corresponding time last year. Similarly the value of debt over 90 days old has also fallen significantly.</p> <p>An update report, detailing the Council's performance in collecting it's various account types, including sundry debts, was provided to the Corporate Governance Committee on 27th June which provides detail on collection performance as at the end of the last financial year.</p>											
3.5	Benefits subsidy	To achieve 100% subsidy	 Green	Projection for 2011/12 = 100% (by remaining in the lower threshold for LA error overpayments)										
3.6	Procurement Transformation Project Ensure TDBC realises benefits of the various transformation projects	Value of Procurement Savings against target	 Red	<p>£937k of procurement savings delivered to date.</p> <p>This is behind the original IBM forecast in 2007 however SW One strategic procurement service have undertaken a review of the likely savings over the lifetime of the SW One contract which performance will be tracked against in future reports.</p> <p>The alert in future will relate to the revised forecast (discussed at corporate scrutiny on 20th July 2011) rather than the original out of date IBM forecast.</p>										


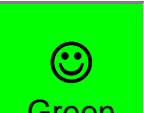




4. KEY PROJECTS

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	 Amber	Core Strategy was delayed during 2010/11 as a consequence of changes arising from Coalition Government's intention to revoke Regional Spatial Strategy and consequential delays in commissioning of evidence base. Core Strategy now progressing in line with amended Local Development Scheme with anticipated adoption date of June/July 2012.
4.2	DLO transformation project	To deliver the specified benefits (financial and non-financial) of the DLO transformation	 Green	Proposals for internal transformation are currently under consultation and are due to come to Executive & Full Council on 16 August 2011. Efficiency savings from interim transformation measures are already in excess of £300k.
4.3	Budget Review Programme	- Deliver a budget strategy for a balanced budget 2012/13 - 15/16 - Agree future priorities & set a new Corporate Strategy (2012-16)	 Green	Phase 1 (data gathering & initial options reports) is now complete. Phase 2 of the project has commenced (engaging with Members & refining savings options). Budget Packs issued to Members & Unison end July, and 'drop-in' sessions scheduled in August & September. A report on 'High-level Principles' is going to Corporate Scrutiny 18 th August. Monthly Unison consultation group meetings are taking place.
4.4	SAP BOP (Back Office Processing) system re-launch	SAP Back Office Processing (BOP) system implementation	 Amber	All business-critical elements of SAP launched and functioning as 'Business as usual'. Changes required to remaining unlaunched SAP functionality to make it best fit with our requirements, are being actively progressed through a cross authority change board. The areas of SAP which require rollout are corporate feedback, annual leave, absence reporting, PREDS, overtime and e-recruitment. For these unlaunched areas of SAP there are adequate alternative processes in place in the meantime which cause no operational issues to the organisation. A SAP update report provided to Change Members Steering Group 6 th July.





<p>4.5</p>	<p>Halcon Project</p>	<p>Recommendation to Members Community Scrutiny and Executive in September</p>	 <p>Green</p>	<p>Project Brief and report are on track for completion for member decision making in September.</p>
<p>4.6</p>	<p>HRA Reform - Guide TDBC through the Governments plans to radically change council housing finance, including plans to abolish the negative subsidy system and replace it with a self financing model.</p>	<p>Monitor progress against required outputs for each workstream as detailed in the project outline</p>	 <p>Green</p>	<p>The HRA Reform project is progressing well, the project group has been established and meeting fortnightly, and project documents including a project outline have been produced. The required work streams have been identified and workstream leads agreed. The revision of TDBC 30 year HRA financial modelling has recently been updated and work to create a new Asset Management Strategy 2011-2016 and Housing Revenue Account Business Plan 2012-42 has been commissioned. The Treasury Management workstream lead is in discussions with Treasury Advisors regarding obtaining a loan for the self financing settlement and a Project Officer has been appointed to support the creation of the new HRA Business Plan 2012-42. A risk register for the project has been produced and risks are regularly monitored and updated through the project meetings. Project dashboards are produced on a monthly basis to monitor the progress of the project and are shared with CMT, MCSG and TSMB.</p>

5. KEY PARTNERSHIPS








Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS																									
5.1	Taunton Deane Partnership (TDP)	PIs to be developed for 2011/12 to measure the 3 priorities	 Green	The TDP is delivering against 3 priorities: <ul style="list-style-type: none"> • PAS – TDP continues to provide effective leadership & governance to the project • Planning Cycles – methodology agreed which outlines an approach to aligning resources to the delivery of the PAS • Promoting Taunton Deane – 1st meeting held. A vision has been drafted and key partners identified Progress against TDP partnership objectives will be reported to Community Scrutiny this autumn.																									
5.2	Southwest One	Efficient delivery of in-scope services (basket of KPIs)	 Green	Key Performance Indicators – Quarter 1 (2011/12) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>No. of indicators</th> <th>No. of times measured in Q1</th> <th>No. on Target</th> <th>% on target</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td style="text-align: center;">13</td> <td style="text-align: center;">39</td> <td style="text-align: center;">39</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Quarterly</td> <td style="text-align: center;">9</td> <td style="text-align: center;">9</td> <td style="text-align: center;">8</td> <td style="text-align: center;">88.8%</td> </tr> <tr> <td>Annually</td> <td style="text-align: center;">21</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">43</td> <td style="text-align: center;">49</td> <td style="text-align: center;">47</td> <td style="text-align: center;">95.9%</td> </tr> </tbody> </table>		No. of indicators	No. of times measured in Q1	No. on Target	% on target	Monthly	13	39	39	100%	Quarterly	9	9	8	88.8%	Annually	21	1	0	0	Total	43	49	47	95.9%
		No. of indicators		No. of times measured in Q1	No. on Target	% on target																							
Monthly	13	39	39	100%																									
Quarterly	9	9	8	88.8%																									
Annually	21	1	0	0																									
Total	43	49	47	95.9%																									
Southwest One	Social & economic development	 Amber	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #FF0000; color: white; text-align: center;">KPI failures ☹️</td> <td style="background-color: #00FF00; color: white; text-align: center;">Successes 😊</td> </tr> <tr> <td> Finance - Statement of Accounts – Timeliness – Input of closing entries as per closing timeliness. - Treasury – Compliance with the Treasury Management practice notes, Prudential boundaries and the lending list. </td> <td> Customer Contact - continue to deliver on & above target month on month. </td> </tr> </table>	KPI failures ☹️	Successes 😊	Finance - Statement of Accounts – Timeliness – Input of closing entries as per closing timeliness. - Treasury – Compliance with the Treasury Management practice notes, Prudential boundaries and the lending list.	Customer Contact - continue to deliver on & above target month on month.																						
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				The SWOne contract includes 'deliverables' that support social-economic development in the area, eg supporting new & small businesses, & promoting Somerset to businesses. Amber alert because the contract requires a review to ensure the 'deliverables' are still appropriate going forward. The Ec Dev team are working with SCC & IBM to progress this review. A summary of progress of programmes & activities was included in the SWOne report to Corporate Scrutiny on 21 July 2011.																									






5.3	Tone Leisure 'More people, more active, more often'	Target 1% increase in total leisure visits	 Red	First quarter usage has decreased by 3% (= 7574 less visits than same period last year). Usage target for the full year 2011/12 is 1,041,226.
		Progress against Tone Leisure key business objectives	 Green	In Q1 Tone Leisure's business objectives are progressing. Next Tone Leisure performance report to Community Scrutiny in October (Q1 & Q2)
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 = 45.4%)	 Green	Quarter 1 = 46.6% (Quarter 1 last year 2010/11 was 47.8%)
		PI – Residual household waste (Target = 380kg per household)	 Amber	Quarter 1 = 99.1 kg per household (Quarter 1 last year 2010/11 was 93.6kg)
		Progress against key business objectives	 Green	SWP are undertaking a small campaign to test the effectiveness of doorstep canvassing on six low-performing recycling rounds across Somerset including one in Wellington, already completed, and another in Taunton, scheduled for later this year. Trained officers from Carymoor Environmental Trust visit households, provide information and encourage residents to take part, focussing particularly on food waste and food and drinks cans, which have lower capture rates than other materials. Before and after round weights and 'set out' rates of households using the recycling services are recorded. Initial results from Wellington suggest that overall set out rates increased by 2% following the doorstepping, with food waste and food and drinks cans increasing by 2% and 7% respectively.
5.5	South West Audit Partnership	Target min 90% of 2010/11 Audit plan delivered	 Amber	62% of planned audits in Quarter 1 were completed or are in progress. SWAP have fallen behind on delivery of the Audit Plan due to delayed starts on individual audits. There are a number of theme audits to be run across a number of SWAP Clients : delays were experienced in agreeing risks and the scope of the audits. Plans have been put in place in catch up on the end of quarter position to ensure that performance is back on track.

6. PEOPLE (Human Resources)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
6.1	Staff Sickness Reduce sickness absence through strong absence management, revised policies & procedures, & training	Target = 8.5 working days max lost per FT employee	 Green	Quarter 1 actual = 2.1 days 2011/12 forecast = 8.42 days (Q1 last year was 2.15 days) Last years target was 9 days, and the actual was 9.62 days
6.2	PRED / Training Plans Maintain effective performance management of people and establish & deliver development needs	100% completion of PREDs	N/A	An update on the % of staff having had a PRED (appraisal) in the last 12 months will be provided in quarter 2
		100% completion of training plans	 Amber	76% of 2011/12 training plans have been completed (ie service training plans received as part of the annual service Learning & Development budget allocation).
		100% delivery of 'essential' training activities (corporate training plan)	 Amber	Only 1 training activity on the 2011/12 Corporate training plan was due to be delivered in Quarter 1, however this has not yet started. More are due to be completed by end of quarter 2.
6.3	Staff Turnover	Target 12% (voluntary leavers as % of staff in post)	 Green	Total turnover - 1.6% Voluntary turnover - 0.97% Early retirement / redundancy - 0 Ill-health retirement - 0 Other (End of contract/ dismissal) - 0.65%
6.4	Improve Staff Satisfaction	Results from staff survey / resulting action plan	N/A	Survey due to take place in September 2011. Results will be available for reporting in Quarter 3

7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS												
7.1	Corporate Governance Action 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	 Amber	The 2011/12 Corporate Governance Action Plan currently includes 32 actions, with the status as at end May being: <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: center;">High priority actions</td> <td style="text-align: center;">Total actions</td> </tr> <tr> <td>Green (on course)</td> <td style="text-align: center;">= 72% (13 actions)</td> <td style="text-align: center;">= 72% (23 actions)</td> </tr> <tr> <td>Amber (some concern)</td> <td style="text-align: center;">= 28% (5 actions)</td> <td style="text-align: center;">= 25% (8 actions)</td> </tr> <tr> <td>Red (off course)</td> <td style="text-align: center;">= 0</td> <td style="text-align: center;">= 3% (1 action)</td> </tr> </table> A detailed report is taken quarterly to the Corporate Governance Committee.		High priority actions	Total actions	Green (on course)	= 72% (13 actions)	= 72% (23 actions)	Amber (some concern)	= 28% (5 actions)	= 25% (8 actions)	Red (off course)	= 0	= 3% (1 action)
	High priority actions	Total actions														
Green (on course)	= 72% (13 actions)	= 72% (23 actions)														
Amber (some concern)	= 28% (5 actions)	= 25% (8 actions)														
Red (off course)	= 0	= 3% (1 action)														
7.2	Audit & Inspection Ensure that statutory Audit & Inspection obligations are met, and scores maximised	Internal audit findings	 Amber	There were 4 audits completed in Quarter 1 of 2011/12. The following audit assessments were reported in respect of these audits: <ul style="list-style-type: none">  Comprehensive assurance = 0  Reasonable assurance = 0  Partial assurance = 4 (Creditors, Debtors, Car Parking Income and DLO External Sales)  No assurance = 0 Internal Audit (SWAP) reports quarterly on audit plan progress to Corporate Governance Committee (next report end of September)												
		2010/11 Final Accounts unqualified	N/A	External audit are undertaking substantive testing of the significant items in the accounts, which will determine their accuracy overall. This will be reported in Quarter 2.												
7.3	Equalities & Diversity Develop practices & policies based on Equalities Framework for Local Govt ('achieving' level)	Themes/Service areas delivery of Equality Action Plans	N/A	An update of Equality Action Plans will be provided in Quarter 2												
		Council reports including Equality Impact Assessments (EIA)	 Amber	Reports to Committees that should have detailed EIA attached or sufficient summaries that did = 60% (target 100%) We are seeing a steady increase in the number of reports coming through that include Equality and Diversity considerations, and that have an EIA attached. Some reports that do not attach EIA's still do not provide Members with a clear explanation of how the Equality legislation was considered, what evidence was used and how the conclusions were drawn. Members are urged to challenge this, to enable them to comply with their responsibilities under the current Equality legislation.												

7.4	Risk Management To ensure major risks are managed by embedding Risk Management Strategy	Delivery of RM Strategy & Policy & Procedures	 Green	6-monthly CMT review of corporate risk register scheduled for September. Risk Management progress is reported quarterly to the Corporate Governance committee - next report due 27 Sept.
7.5	Value for Money / Benchmarking To ensure that Services provide excellent value for money	Council Tax charges – in lowest quartile	 Green	
		Target efficiency savings at areas with poor VfM	N/A	This measure may no longer be appropriate – the Budget Review Programme will provide options for savings in all areas of Council operations. The Audit Commission will publish its annual ‘Value for Money’ conclusion report for TDBC during quarter 2.
7.6	Asset Management Develop the Council’s Asset Management arrangements	Implementation of Asset Mgt Plan	 Green	☺ 71% ☹ 13% ☹ 16% (= 4 actions with no progress) Overall, SW1 Property Services are responding well to TDBC needs, however where progress has not been made this is because those actions are on hold as they are being covered on the Budget Review Project (Asset Review). These actions cover property rationalization and mobile working for example.
		Target 70% of maintenance spend planned	 Green	Planned = 82.2% and unplanned = 17.8%
7.7	Health & Safety To raise the standard of Health & Safety knowledge & performance	Delivery of H & S Action Plan	 Green	Delivery continues on the 5 priority issues within the 2011 Health and Safety Forward Plan. The completion of local management roles and responsibilities continues at the team meeting level. The detail within the competency framework is being refined to support the proposed DLO transformation as are the generic risk assessment. A DVD series of over 60 individual ‘tool box’ talks have been identified and agreed by the DLO H&S committee. It is too early to report percentage compliance figures against the H&S KPI one Management competency and KPI two Management systems. Accident data will be available in October

IMPORTANT – PLEASE NOTE:

In order for the financial performance to be debated in the most efficient manner at the Executive Board, Members who have queries with any aspect of this Appendix are requested to contact the appropriate officer(s) named above before the meeting so that information can be collated in advance or relevant officers can be invited to the meeting.

Financial Position Report – Quarter 1 Update

PART A: REVENUE BUDGETS

1 Forecast Outturn Summary – General Fund Revenue Account

- 1.1 As always, it is difficult to forecast with any certainty after only 3 months of actual spending and income. The purpose of this report is to provide **early warning** of potential budget issues. We will be able to report with more certainty at the Qtr2 position.
- 1.2 There are several significant budget issues for Members to be sighted on. They are listed in some detail below. Should these budgets continue to follow the same pattern as experienced in Qtr1, then the Council is heading for an overspend on General Fund in the current year of around £805k compared to the approved budget. It is too early to tell whether this will materialise. Key budgets are being monitored closely on a monthly basis and the overall General Fund forecast will be updated and shared with Members again in November/December with the Q2 report.
- 1.3 A summary of the overall General Fund Revenue Account budget and forecast for the year (assuming the current spending pattern continues) is included in **Annex A**.
- 1.4 The significant budget issues that Members need to be sighted on are:
 - a) **Car Parking Income:** The income from Off Street parking is £160k below budget for the first quarter. Should this pattern continue for the remainder of the year, the income budget will be short by £640k. The number of people using the car parks in the district is down significantly on previous years. On Street Parking is £26k above budget for the first quarter. Should this pattern continue for the remainder of the year, the income budget will be over achieved by £78k. Together, these mean parking income overall is forecast to be £562k below budget for the year.

- b) **Planning Income:** The income from planning fees is currently £40k below budget, and if this pattern continues will be £140k below budget for the year. This is due to 2 issues:-
- a. Members will recall that the 2011-12 budget made an assumption of a 15% increase in income associated with deregulation of planning fees (worth £70k). The legislation bringing this forward has been delayed and will not be in place in the current financial year.
 - b. The remainder of the loss of income (£70k annual impact) is predicted based on the poor figures for Q1. Whilst Planning income can vary greatly from quarter to quarter and it is therefore difficult to make assumptions based upon one quarter alone, the reduction in income for this quarter must to some degree be a reflection of the state of the wider economy.
- c) **Building Control Income:** The income in building control is under budget in quarter 1. Should this continue the budget will be short by £60k for the year. A vacancy within the team is being held open to mitigate the impact of this. This will reduce the potential annual shortfall to £20k.
- d) **Licensing Income:** Income from Licensing is under budget in quarter 1. Should this pattern continue, then the budget will be short by £73k for the year. This is due to the decrease in licence applications across all areas and a number of bad debts: It is a further indication of the downturn in the economy in the district.
- e) **SWOne Contract Savings:** There are expected savings on the SWOne contracts of £90k (full year position) as there was no pay award for seconded staff in 2010/11.

1.5 Further information regarding the reported variances to budget and the management action that has been taken or is planned is included in **Annex B**.

2 General Fund Reserves

- 2.1 The General Fund general reserves balance at the start of the year was £3.166m. *This is subject to the audit 2010/11 final accounts.* The projected balance at the end of the current financial year is £3.264m before considering any potential overspend in the current year. If the current trend continues on all the budgets above, and the Council takes no corrective action in the year, the potential overspend of £805k would be funded by this reserve – reducing the potential balance to £2.459m by the end of the financial year.
- 2.2 The reserves have been kept deliberately high in order to fund the costs of change that will emerge from the Budget Review Programme – either in terms of redundancies or investment in technology. Such a

reduction will have a serious impact on the Councils ability to do this.

- 2.3 A summary of the movement in the General Fund Reserves Balance is included in **Annex C**.

3 Forecast Outturn Summary – Housing Revenue Account

- 3.1 The current forecast outturn for the Council's Housing Revenue Account (HRA) is Net Expenditure of £9k. The forecast (underspend) is therefore £166k for the financial year 2011/12.
- 3.2 A summary of the HRA revenue budget and forecast for the year is included in **Annex D**.
- 3.3 The significant changes in the forecast are in the following areas:
- a) **Maintenance:** There is an expected underspend of £166k on maintenance budgets based on the spend for the first quarter. This is due to a plan to spend less than budgeted in year.
 - b) Further information regarding the reported variances to budget and the management action that has been taken or is planned is included in **Annex E**.

4 Housing Revenue Account Reserves

- 4.1 The HRA general reserves "working balance" at the start of the year was £1.593m. *This is subject to the audit 2010/11 final accounts.* The projected balance at the end of the current financial year is £1.584m taking into account planned transfers to/from reserves within approved budgets and the current forecast outturn position. This compares favourably to the recommended minimum working balance of £0.9m as set out in the Council's financial strategy framework.
- 4.2 A summary of the movement in the HRA Reserves Balance is included in **Annex F**.

5 Risk and Uncertainty

- 5.1 Budgets and forecasts are based on known information and best estimates of future spending and income of the Council. Through the budget monitoring process managers have identified the following risks which could affect financial projections, but their likelihood and/or amount are uncertain:
- a) **Vacancy Factor:** A vacancy factor of £131k was put into the budget for 11/12 and whilst there is a strong possibility of this being met work is currently being done to estimate the figure more accurately.

- 5.2 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves.

6 Budget Changes

- 6.1 The Original Budget for the year was approved by Full Council on 22 February 2011. The budget requirement for the Council may not remain static for the whole financial year, and officers may request changes to approved budgets during the course of the financial year, either in the form of: transfers to/from general reserves, known as “Supplementary Estimates and Returns” (either General Fund or HRA); or transfers between budgets, known as “virements”.
- 6.2 Virements that are above £50,000 in value require Executive approval. There are no transfers submitted for approval this quarter.

There are no requested “Supplementary Estimates and Returns” in either the General Fund or HRA.

7 Earmarked Reserves

- 7.1 Earmarked reserves are finite revenue and capital funds that are held in the Council’s Balance Sheet for specific purposes. The funds can be withdrawn over one or more years but do not form part of the Council’s Base Budget.
- 7.2 The Earmarked Reserves balance at the start of the year was £7.440m. This included £6.858m for General Fund and £0.582m for the HRA. *This is subject to the audit 2010/11 final accounts.*
- 7.3 A Summary Statement of Earmarked Reserves is included in **Annex H**. This shows the opening balances and the amounts transferred to and from reserves during the year.

8 Other Usable Reserves and Funds

Section 106 Funds and Commuted Sums

- 8.1 Officers are currently looking at a form of reporting these funds for members. Our aim is for this to be included in the regular reporting to members from Q2 onwards.

9 Deane DLO Trading Account

- 9.1 There are no variances to budget declared at this time by DLO management.

- 9.2 A Trading Account Summary and Reserves Position Statement for the DLO are included in **Annex I**. The trading account reserves are reported as part of the General Fund Earmarked Reserves balance.

10 Deane Helpline Trading Account

- 10.1 Deane Helpline is declaring a forecast overspend of £7k. This is mainly due to loss of income from a contract with North Somerset Housing that has not started yet.
- 10.2 A Trading Account Summary and Reserves Position Statement for the Deane Helpline are included in **Annex J**. The trading account reserves are reported as part of the General Fund Earmarked Reserves balance.

PART B: CAPITAL BUDGETS

11 Forecast Outturn Summary – General Fund Capital Programme

- 11.1 The current forecast outturn for the Council's General Fund Capital Programme is Net Expenditure of £4.096m, compared to the budget of £4.152m. The forecast underspend is therefore £56k (0.71%) for the financial year 2011/12 of this underspend £35k relates to slippage into 2011/12 and £21k is a genuine underspend.
- 11.2 A summary of the General Fund Capital Programme budget and forecast for the year is included in **Annex K**.
- 11.3 The forecast underspends in this quarter are in the following areas:
- a) **Car Park Payment Equipment Replacement:** There is an underspend of £21k on the car park payment equipment replacement project. This is due to the original bid being on a worst case scenario.
 - b) **IT Improvements:** There will be a planned underspend on the IT Improvements budget at the end of the year due as it is now anticipated the £35k budget provision for the Infrastructure Project will need to be slipped into 2012/13.
- 11.4 Further information regarding the reported variances to budget and the management action that has been taken or is planned is included in **Annex L**.

12 Forecast Outturn Summary – Housing Revenue Account Capital Programme

- 12.1 The current forecast outturn for the Council's HRA Capital Programme shows that spending is on track and the budget will be achieved.

- 12.2 A summary of the HRA Capital Programme budget and forecast for the year is included in **Annex M**.

13 Recommendations

- 13.1 Recommendations related to this appendix are included in the main body of the covering report. It is important that Members note the budget issues outlined in this report, but recognise it is early in the financial year and this position may change. A full report will be provided in Qtr2.

14 Contact Officers:

Paul Fitzgerald – *General queries and overview*

Financial Services Manager

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01823 358680

Fiona Gudge – *Revenue budget queries*

Principal Accountant

f.gudge@tauntondeane.gov.uk

01823 358681

Tracey Healy – *Capital budget queries*

Principal Accountant

t.healy@tauntondeane.gov.uk

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GENERAL FUND REVENUE ACCOUNT SUMMARY 2011/12

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	%
Service Portfolios					
Communications & Community Leadership	1,121	1,129	1,132	3	
Corporate Resources	1,730	1,719	1,749	30	
Economic Development & the Arts	837	839	894	55	
Environmental Services	4,284	4,287	4,316	29	
General Services	1,413	1,429	1,431	2	
Housing Services	2,264	2,277	2,247	(29)	
Planning Policy & Transportation	(1,366)	(1,358)	(634)	724	
Sports, Parks & Leisure	2,546	2,552	2,544	(7)	
Net Cost of Services	12,830	12,873	13,679	805	6%
Other Costs and Income					
Interest Payable and Debt Management Costs	226	226	226	0	
Interest and Investment Income	(69)	(69)	(69)	0	
Council Tax Freeze Grant	(137)	(137)	(137)	0	
Parish Precepts and Special Expenses	503	503	503	0	
Transfers To/(From) Earmarked Reserves	(150)	(193)	(193)	0	
Capital Expenditure Funded from Revenue (RCCO)	130	130	130	0	
Repayment of Capital Borrowing (MRP)	371	371	371	0	
Transfers to Capital Adjustment Account	(1,930)	(1,930)	(1,930)	0	
Total Other Costs and Income	(1,055)	(1,098)	(1,098)	0	0%
NET EXPENDITURE BUDGET BEFORE FUNDING	11,776	11,776	12,581	805	7%
Formula Grant and Council Tax Income	(11,873)	(11,873)	(11,873)	0	
Net (Surplus)/Deficit for the Year	(98)	(98)	708	805	
Met by Transfer to (from) General Fund Balance	98	98	(708)	(805)	

ANNEX B

GENERAL FUND REVEUE ACCOUNT FORECAST VARIANCES TO BUDGET 2011/12

#	Port- folio	Service / Heading	Forecast Outturn Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	COR	Council Tax Benefit	55			55	Historically overstated budget	Attempts will be made in year to recover these budgets and the matter will be addressed at budget setting for 12/13
2	COR	Rent Rebates to HRA Tenants	65			65	Historically overstated budget	
3	COR	SWOne Contracts	(90)			(90)	No salary rise in 10/11	This underspend will be used to fund the budget pressures elsewhere in the GF
4	ECD	Tourist Information Centre (TIC)	55			55	Historically overstated budget	See 1 above
5	ENV	Environmental Protection Team	(33)			(33)	Vacancy and over estimates on salary	This saving may be used to fund budget pressures elsewhere in the GF.
6	ENV	Licensing	73			73	Under recovery of income	See main report 4.4
7	ENV	Business Support Team Theme 4	(20)			(20)	Vacancy	This saving may be used to fund budget pressures elsewhere in the GF.
8	HSG	Contribution to HRA	(17)			(17)	Unused budgets	This saving may be used to fund budget pressures elsewhere in the GF.
9	PTC	Off Street Parking	640			640	Loss of income due to decline in parking nos.	See main report 4.3
10	PTC	On Street Parking	(78)			(78)	Income for parking Permits	See main report 4.3
11	PTC	Planning Services	140			140	Loss of income, application nos down and no 15% increase in fees.	See main report 4.2
11	PTC	Building Control	60			60	Loss of income	See appendix B 1.4c
12	PTC	Building Control	(40)			(40)	Vacancy	See appendix B 1.4c
13	VAR		(5)			(5)	Minor variances	
GRAND TOTALS			805	0	0	805		

Key: Portfolios

COM	Community Leadership
COR	Corporate Resources
ECD	Economic Development, Asset Management, Arts & Tourism
ENV	Environmental Services
GEN	General Services
HSG	Housing Services (Non-HRA)
PTC	Planning and Transportation/Communications
SPL	Sports, Parks & Leisure

GENERAL FUND RESERVES SUMMARY 2011/12

	Original Budget £'000	Current Budget & Forecast £'000
Balance Brought Forward 1 April	3,166	3,166
Repayment of Invest to Save Schemes:		
Invest to Save Repayment - Restructuring	101	101
Invest to Save Repayment - ISIS Transformation	200	200
Planned Use of Reserves within Original Budget:		
Funding of 2011/12 Costs	(203)	(203)
Net Budgeted Movement in General Fund Reserves	98	98
Forecast underspend (overspend) for the year		(805)
Projected Balance Carried Forward 31 March	3,264	2,459

HOUSING REVENUE ACCOUNT SUMMARY 2011/12

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	%
Income					
Dwelling Rents	(21,196)	(21,196)	(21,196)	0	
Non Dwelling rents	(586)	(586)	(586)	0	
Charges for Services Facilities	(497)	(497)	(497)	0	
Supporting People	(299)	(299)	(299)	0	
Contribution towards expenditure on Estates	(259)	(259)	(259)	0	
Government Subsidy	7,002	7,002	7,002	0	
Total Income	(15,835)	(15,835)	(15,835)	0	0%
Expenditure					
Management General	4,476	4,476	4,477	2	
Maintenance	5,902	5,902	5,734	(168)	
Capital Charges - Depreciation	3,938	3,938	3,938	0	
Provision for Bad Debt	50	50	50	0	
Debt Management Expenses	15	15	15	0	
Total Expenditure	14,381	14,381	14,214	(166)	-1%
Other Costs and Income					
CDC Costs	188	188	188	0	
Interest payable	617	617	617	0	
Interest and Investment Income	(97)	(97)	(97)	0	
Transfers To/(From) Earmarked Reserves	130	130	130	0	
Capital Expenditure Funded from Revenue (RCCO)	361	361	361	0	
Transfers to Procurement Savings	430	430	430	0	
Total Other Costs and Income	1,629	1,629	1,629	0	0%
NET (SURPLUS)/DEFICIT FOR THE YEAR	175	175	8	(166)	-95%
Met by Transfer to (from) HRA Reserves Balance	(175)	(175)	(8)	166	

ANNEX E

HOUSING REVEUE ACCOUNT FORECAST VARIANCES TO BUDGET 2011/12

#	Port- folio	Service / Heading	Forecast Outturn Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	HRA	Maintenance	(168)	0	0	(168)	Underspend on Maintenance Costs	
2	HRA	Other	2			2	Other minor variances	
GRAND TOTALS			(166)	0	0	(166)		

HOUSING REVENUE ACCOUNT RESERVES SUMMARY 2011/12

	Original Budget £'000	Current Budget & Forecast £'000
Balance Brought Forward 1 April	1,593	1,593
Planned Use of Reserves within Original Budget:	(175)	(175)
Supplementary Estimates (budget increases)	0	0
Supplementary Returns (budget decreases)	0	0
Net Budgeted Movement in HRA Reserves	(175)	(175)
Forecast underspend (overspend) for the year		166
Projected Balance Carried Forward 31 March	1,418	1,584

BUDGET VIREMENTS FOR APPROVAL

#	Amount £	Fund	From	To	Explanation
			Service / Heading	Service / Heading	
1					
2					
3					
		0	TOTAL VALUE OF BUDGET VIREMENTS		

This new table is included to show Members how budget virements will be presented in future. No virements are requested this quarter.

SUMMARY STATEMENT OF EARMARKED RESERVES 2011/12

Ref		Balance B/F £'000	Transfers In £'000	Transfers Out £'000	Current Balance £'000
EARMARKED RESERVES - GENERAL FUND					
902460	Capital Financing Reserve - General Fund Projects	762			762
902487	Self Insurance Fund	750			750
902366	Asset Management Leisure	632			632
902477	Housing Enabling	599			599
902430	DLO Trading Account Reserve	569	101	(101)	569
902542	Housing & Planning Delivery Grant	474		(128)	346
902501	LABGI	423			423
902514	Local Plan Enquiry General Provisions	311			311
	Other smaller earmarked reserve accounts	2,339	100	(63)	2,376
		6,858	201	(292)	6,767
EARMARKED RESERVES - HOUSING REVENUE ACCOUNT					
902480	Capital Financing Reserve - HRA Projects	79			79
904210b	CCR DLO Transformation (HRA Resources)	113			113
902483	HRA Heating Reserve	390			390
					0
		582	0	0	582
GRAND TOTAL		7,440	201	(292)	7,349

DEANE DLO TRADING ACCOUNT AND RESERVES SUMMARY

	Expenditure Budget £'000	Income Budget	Net Budget £'000	Forecast £'000	Forecast Variance £'000
TRADING ACCOUNT PERFORMANCE 2011/12					
Highways	662	(682)	(20)	(20)	0
Grounds	2,665	(2,707)	(42)	(42)	0
Building	4,041	(4,057)	(16)	(16)	0
Cleansing	777	(778)	(1)	(1)	0
Nursery	82	(110)	(28)	(28)	0
Transport	123	(117)	6	6	0
DLO Net (Surplus) / Deficit	8,350	(8,451)	(101)	(101)	0

TRADING ACCOUNT RESERVES POSITION

Balance B/F		569	569
Transfer from 2011/12 Trading Account		101	101
Budgeted Transfer (to)/from General Fund		(101)	(101)
Estimated Balance C/F		569	569

DEANE HELPLINE TRADING ACCOUNT AND RESERVES SUMMARY

	Expenditure Budget £'000	Income Budget	Net Budget £'000	Forecast £'000	Forecast Variance £'000
TRADING ACCOUNT PERFORMANCE 2011/12					
Telecare	0	0	0	107	107
Emergency Response	0	0	0	168	168
Control Centre	0	0	0	506	506
Other	980	(880)	100	(673)	(773)
DLO Net (Surplus) / Deficit	980	(880)	100	107	7

TRADING ACCOUNT RESERVES POSITION

Balance B/F	0	0
Transfer from 2011/12 Trading Account	(100)	(107)
Budgeted Transfer (to)/from General Fund	100	100
Estimated Balance C/F	0	(7)

ANNEX K

GENERAL FUND CAPITAL PROGRAMME SUMMARY

Scheme/Portfolio	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance			
				Slippage £'000	Under/ Overspend £'000	Net Variance £'000	Variance %
Corporate Resources							
IT Improvements	60	70	35	35	0	35	-50%
ICT Infrastructure Maintenance	35	35	35	0	0	0	0%
Deane House Boiler	0	55	55	0	0	0	0%
Members IT Equipment	0	6	6	0	0	0	0%
Total	95	166	131	35	0	35	0%
Economic Development, Asset Management, Arts and Tourism							
DLO Vehicle Acquisitions	150	202	202	0	0	0	0%
HPDG Firepool Weir	0	10	10	0	0	0	0%
Total	150	212	212	0	0	0	0%
Environmental Services							
Mercury Abatement Works	235	1,296	1,296	0	0	0	0%
Crematorium Music System	14	4	4	0	0	0	0%
Crematorium Mower	15	15	15	0	0	0	0%
Taunton/Bridgwater Canal	10	10	10	0	0	0	0%
Waste Initiative	0	15	15	0	0	0	0%
Total	274	1,340	1,340	0	0	0	0%

Planning Policy and Transportation							
Town Centre Improvements	8	8	8	0	0	0	0%
Parking Strategy – Payment Equipment Replacement	0	1	1	0	0	0	0%
Payment Equipment Replacement – New Coinage	0	31	10	0	21	21	0%
Total	8	40	19	0	21	21	53%
Sports Parks and Leisure							
Play Equipment – Grants to Clubs	46	113	113	0	0	0	0%
Play Equipment – Grants to Parishes	20	20	20	0	0	0	0%
Play Equipment – Replacement Programme	20	20	20	0	0	0	0%
Wheelspark Hamilton Gault	0	26	26	0	0	0	0%
Play Area - Lyngford	0	27	27	0	0	0	0%
Play Area - Greenway	0	52	52	0	0	0	0%
Total	86	258	258	0	0	0	0%
Housing							
Disabled Facilities Grants – Private Sector	359	610	610	0	0	0	0%
Private Sector Renewal Grants	0	65	65	0	0	0	0%
Grants to RSL's	450	916	916	0	0	0	0%
Total	809	1,591	1,591	0	0	0	0%
Total General Fund Capital Programme	1,422	3,607	3,551	35	21	56	1.6%

ANNEX L

GENERAL FUND CAPITAL PROGRAMME FORECAST VARIANCES TO BUDGET 2011/12

#	Portfolio	Service / Heading	Forecast Outturn Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	Planning Policy and Transportation	Car Parking	21	0	0	21	This is due to the cost of replacing the car parking machines to accept the new coinage being introduced being less than the original bid which was the worst case scenario.	
2	Corporate Resources	IT Improvements	35	0	0	36	This is due to some of this budget for this project being needed to fund the Infrastructure Project in 2012/13.	This budget will need to be carried forward into 2012/13.
GRAND TOTALS			56	0	0	56		

ANNEX M

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME SUMMARY

Scheme	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance			Variance %
				Slippage £'000	Under/ Overspend £'000	Net Variance £'000	
HRA							
Decent Homes	3,655	3,655	3,655	0	0	0	0%
Integrated Housing Management System	15	15	15	0	0	0	0%
Door Entry Systems	20	20	20	0	0	0	0%
Aids and Adaptations	200	200	200	0	0	0	0%
Soundproofing	20	20	20	0	0	0	0%
DDA Work	20	20	20	0	0	0	0%
Asbestos Works	20	20	20	0	0	0	0%
Community Alarm Systems	45	45	45	0	0	0	0%
Tenants Improvements	5	5	5	0	0	0	0%
Disabled Facilities Grants – HRA Stock	300	300	300	0	0	0	0%
Total HRA Capital Programme	4,300	4,300	4,300	0	0	0	0%

ANNEX N**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME FORECAST VARIANCES TO BUDGET 2011/12**

#	Portfolio	Service / Heading	Forecast Outturn Variance				Explanation	Management Action
			Q1 £'000	Q2 £'000	Q3 £'000	TOTAL £'000		
1	All	All	0	0	0	0	No reported Variances	None required
GRAND TOTALS			0	0	0	0		