

## **BABERGH DISTRICT COUNCIL**

<b><u>FROM:</u> Directors of Corporate Services and Finance</b>	<b><u>REPORT NUMBER:</u> K215</b>
<b><u>TO:</u> OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE</b>	<b><u>DATE OF MEETING:</u> 22 March 2011</b>

### **FINANCE, RISK AND PERFORMANCE MANAGEMENT – QUARTERLY MONITORING REPORT – QUARTER THREE 2010/11**

#### **1. PURPOSE OF REPORT**

- 1.1 This report provides the committee with a comprehensive and strategic assessment of the Council's achievements for the third quarter of 2010/11 across a range of areas including finance, risk and a number of elements of performance.

#### **2. RECOMMENDATIONS**

- 2.1 That the key points relating to performance variances against target for the 2010/11 Babergh Key Performance Indicator (KPI) basket (National Indicators, former Best Value Performance Indicators and Local Performance Indicators) be noted.
- 2.2 That the key changes in income and expenditure reflected in the 2010/11 revised budget against the original budget and further potential variations referred to in Appendix B be noted.
- 2.3 That a report be submitted to the next round of Overview and Scrutiny Committees if any significant performance variance issues are identified for further review and analysis.

Subject to any matters referred under recommendation 2.3, the Committee is able to resolve these matters.

#### **3. FINANCIAL IMPLICATIONS**

- 3.1 The third quarter's financial monitoring is based on the revised budget forecasts for the year, which were incorporated in the overall Budget report presented to and agreed by the Council on the 22 February. This provides a good indication of the potential financial outturn for the year, although it is likely that there will still be variations against the revised budget before the year end.
- 3.2 The revised budget reflects the planned General Fund savings of £1.6m, which have been achieved. The revised budget also reflects additional net savings of £138k compared to the original budget (including approved carry forwards from the previous year of £210k and the additional use of reserves of £120k towards initial mid Suffolk integration/merger costs).

- 3.3 This additional net saving has largely resulted from a rigorous approach to vacancy management although there have also been variations on a number of other areas of expenditure and income, which are largely due to external factors and service demands. More details on the variations are set out in Appendix B. The outturn position for the year may be more favourable still.
- 3.4 Key aspects of the General Fund capital programme and borrowing are also detailed in Appendix B, with 61% of the revised budget of £2.6m having been spent. In terms of funding, the revised budget reflects the significant reduction in capital receipts, due to delays on asset sales, of £1.3m. On external borrowing, there is every indication that the additional external borrowing of £1m budgeted in Q4 will not, however, now be required as cash flow is expected to be sufficient to temporarily use surplus funds until the first half of 2011/12.
- 3.5 On Council Housing, the revised budget for the Housing Revenue Account (HRA) reflects a number of variations on areas of expenditure and income. The key areas are highlighted in Appendix B. Overall, this has resulted in an increase in the surplus for the year of around £82k, which Members have agreed will be used to undertake more capital expenditure in 2011/12.
- 3.6 There has been good progress on the Council Housing capital programme and the revised budget of £3.5m for the year, with 68% of the budget having been spent (7% higher than at the same point last year).

#### 4. **RISK MANAGEMENT**

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. 7 – Finance, Performance & Risk Management. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
NI, BVPI and LPI performance does not improve compared to previous years and other Las nationally	Low	Marginal	Regular monitoring to identify key variations and poor performance
Inaccurate data	Low	Marginal	An Effective system is in place to ensure that there are appropriate arrangements to secure data quality. In addition progress reports on this are considered by this Committee periodically
Budget savings not achieved or other cost pressures/ income reductions arise.	Low	Marginal	Close and pro-active monitoring of budgets and key risk areas by Heads of Service and finance staff.

## **5. CONSULTATIONS**

- 5.1 As this is a monitoring report only, no consultations are required with Unison or other outside bodies.

## **6. EQUALITY AND DIVERSITY IMPACT**

- 6.1 There are no equality and diversity implications arising from this monitoring report.

## **7. SHARED SERVICE / PARTNERSHIP IMPLICATIONS**

- 7.1 There are no implications for shared services or partnerships arising from this monitoring report.

## **8. KEY INFORMATION**

### **Format of the report**

- 8.1 In order to reduce double-handling and improve the effectiveness of the scrutiny function:
- The Overview and Scrutiny (Stewardship) Committee receives a quarterly report setting out the key financial, risk and performance information, areas where performance has deteriorated based on a comprehensive analysis of that information and details of mitigating action being undertaken to improve performance in these areas.
  - Any significant issues arising, for example where performance has deteriorated, are then referred to the appropriate Overview and Scrutiny Committee, with an update setting out what action has been taken to improve performance and prognosis for further improvement.
- 8.2 The Finance, Performance and Risk management reports for 2010/11 have been revised to provide Members with a more streamlined and integrated monitoring report examining key aspects of the council's corporate and strategic finances and performance and the outputs and outcomes that are being achieved. The report brings together a range of complementary performance, risk and finance information in a single document.
- 8.3 In terms of risk management, there is a comprehensive report on today's agenda that sets out actions and progress on managing the Council's corporate/significant business risks. At the current year end and for 2011/12 onwards, the intention is to incorporate key aspects into this report.

### **Changes to Local Authority performance reporting arrangements**

- 8.4 The Secretary of State for Communities and Local Government announced on 13 October 2010 that he would revoke all designations of local improvement targets under the Local Area Agreement (LAA) and would not be requiring preparation of a new agreement for April 2011. In addition there will not be any future payments under the performance reward grant against the current round of LAA targets (2008-11).

- 8.5 Linking to the LAA announcement the Minister also indicated his intention to replace the current National Indicator Set (NIS) with a single comprehensive list of all the data local government would be expected to provide for central government. The government's intention is to have this data requirement in place for the start of the next financial year.
- 8.6 Further details regarding the coalition Government's data requirements and proposed approach to performance management and monitoring for 2011/12 will be provided to this Committee following its publication. This is expected in late March 2011 following the recent consultation with local authorities which closed on 4 February. At the time of printing, officers were still awaiting information from the Department for Communities and Local Government but it may prove possible to provide Members with a verbal update at the Committee meeting.
- 8.7 Within Suffolk, the Chief Executive's Group have agreed that a final LAA2 performance summary report is produced for 2010/11 to complete the three year cycle and acknowledge the work that has been achieved over the last three years. This will be available in May 2011 and will be provided to this Committee. From 2011/12 onwards, local authority partners will receive a quarterly or half yearly progress report against each priority in the Suffolk Community Strategy *Transforming Suffolk*.

### Summary for Quarter 3

- 8.8 The detailed analysis of performance monitoring is contained in Appendix A. This includes a review of the strategic PIs, performance monitoring, trend monitoring for the key performance indicator basket, analysis of strategic service standards and an assessment of achievement of key delivery plan actions. This analysis of performance is provided for each of the Council's five Strategic Plan 2008-18 Themes.
- 8.9 The overall picture of performance and achievement against the strategic priorities at the third quarter is encouraging with a large number of strategic performance indicators and service standard measures across all strategic priorities either meeting or very close to target. Similarly a large proportion of the key delivery plan actions are on or above the target or milestone set:

	Green	Amber	Red	No data	Contextual
Strategic PIs	44	11	3	7	7
Strategic Service Standards	7	4	1	0	0
Key delivery plan actions	85	4	11	0	0

### Quality homes local people can afford

- 8.10 In total there are 25 strategic performance indicators and service standards for this theme. Of these, 19 are either meeting or very close to the target. Only two measures are significantly below target, these are listed in paragraph 8.23 below with detailed background information provided in appendix A of this report.
- 8.11 80% (24 of 30) of the key delivery plan actions are on target (green) for this theme.

- 8.12 173 homes were completed between 1 April and 31 December 2010. Performance is above target for Q3 and it is anticipated that the yearly target of 200 will be met. Net completions are higher than for the same period last year.

### **A greener and cleaner Babergh**

- 8.13 In total there are 19 strategic performance indicators and service standards for this theme. Of these, 14 are either meeting or very close to the target. Only one measure is significantly below target, this is listed in paragraph 8.23 below with detailed background information provided in appendix A of this report.
- 8.14 85% (11 of 13) of the key delivery plan actions are on target (green) for this theme.
- 8.15 Current performance for municipal waste landfilled is 59.2% (provisional), which is better than the target. The final figure will be reported when all the returns have been received from the waste contractors. This is an improvement on the previous two years.
- 8.16 42.3% of household waste is currently recycled or composted. This is better than the target. This indicator is being reported as a positive exception following an upward shift in the recycling rate. This is a result of a new initiative whereby street sweepings are screened and aggregates recovered.

### **A safer and healthier Babergh**

- 8.17 In total there are 3 strategic performance indicators and service standards for this theme. All 3 of these measures are either meeting or very close to the target.
- 8.18 90% (18 of 20) of the key delivery plan actions are on target (green) for this theme.

### **A strong and sustainable Babergh economy**

- 8.19 There are no strategic performance indicators and service standards for this theme. However, 100% (15 of 15) of the key delivery plan actions are on target (green).

### **Vibrant places and strong communities**

- 8.20 There are 23 strategic performance indicators and service standards for this theme. Of these, 22 are either meeting or very close to the target. Only one measure is significantly below target, this is listed in paragraph 8.23 below with detailed background information provided in appendix A of this report.
- 8.21 77% (17 of 22) of the key delivery plan actions are on target (green) for this theme.
- 8.22 Satisfaction of businesses with local authority regulation services is at 89%, which is significantly better than the target of 79% and a 9% improvement on last year. Although regulatory intervention is not always welcomed, businesses are expressing a high level of satisfaction with the service. Personal compliments towards the team members are commonplace.
- 8.23 38 homes have been adapted to meet the needs of older people or disabled people so far this year. This is significantly more than expected and so this indicator is being reported as a positive exception this quarter.

- 8.24 In addition to the five Strategic Plan themes the council also manages and monitors 10 non-aligned strategic performance indicators and services standards under the heading 'How we will deliver'. Of these, 8 are either meeting or very close to the target.
- 8.25 68% of capital expenditure was achieved on the HRA as at 31 December 2010. This is an improvement on previous years and it is predicted that the end of year target of 97% will be met.
- 8.26 The average number of days sick per member of staff was 4.17 days during the period 1 April to 31 December 2010. The Council is currently on target to keep the average annual staff sickness duration below 8 days. The improvement in performance seems to point to the successful implementation of the revised sickness management scheme.

### **NEXT STEPS**

- 8.27 The detailed analysis of performance in Appendix A highlights the following strategic indicators and service standard measures as red (below target) at the end of Quarter Three:
- **Private dwellings returned to occupation (BV 64).** The Housing Panel is working with the appropriate officers to develop a Tackling Empty Homes Action Plan. Work is already underway with the appointment of 'Housing Action' a local charitable group specialising in supporting people to become private landlords. A review of the Action Plan will be included in the Housing Panel's 2011 annual report to Overview and Scrutiny (CS) Committee on 18 October 2011.
  - **Average time to relet local authority housing (BV 212).** Vacant posts were carried in this area as a pilot to reduce staff costs. However, performance monitoring revealed that this did impact on performance. As a result a decision was made to fill two vacancies. A dedicated Voids Surveyor and a Tenant Liaison Officer have now been appointed. With these staff in post, the void period is expected to continue to reduce over the coming months. A further vacancy has arisen and will be filled, but hopefully from the transfer of a member of staff currently funded through the General Fund.
  - **Percentage of trade waste recycled or composted (LPI 121).** The recycling rate for trade waste has doubled since last quarter. This reflects the impact of a partnering arrangement with Sudbury Resource Centre and the establishment of a commercial waste recycling bring site in Sudbury.
  - **Percentage of benefits overpayments recovered against percentage deemed recoverable (BV 79bi).** Although the percentage recovered is lower than the target, the actual amount identified for recovery has increased due to a higher number of cases of fraud and error (more caseload/economic conditions). So, more is actually being recovered in cash terms. Further action will be taken as part of the new Shared Revenues Partnership that is starting in April 2011 to ensure that the maximum amounts possible are being recovered.

- 8.28 It is felt that the variations against target are not sufficient enough to require further action at this stage other than already specified within this report.
- 8.29 In terms of the financial position, no action is considered necessary. The Joint Scrutiny Committee will be monitoring the implementation plan and transitional costs relating to Mid Suffolk integration/merger and officers will continue to monitor other income and expenditure carefully between now and the end of the financial year.

**9. APPENDICES**

Title	Location
A Analysis of performance at Quarter 3	
B Financial Information – Quarter 3	

**10. BACKGROUND DOCUMENTS**

- 10.1 None.

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## PERFORMANCE ANALYSIS – QUARTER 3 PERFORMANCE

### 1. Introduction

Babergh DC has made a commitment to meet the targets and service standards contained in the Council's:

- set of strategic performance indicators (national indicators, former BVPIs and local indicators);
- Customer Charter; and
- 2010/11 Delivery Plan.

During 2009/10 separate monitoring reports were produced for the O&S (S) Committee for each of the above. This year, to eliminate duplication of effort, monitoring information has been brought into one quarterly report with a section for each of the Council's priorities.

The Council manages and monitors a total of 72 **strategic performance indicators**. The O&S (S) Committee agreed that a basket of 12 key performance indicators should be reported each quarter and that the remaining indicators be reported on an exception basis.

The Council has 122 **service standards**. Of these, 12 have been selected as key service standards. These are being monitored by divisions and will be included in this report if there are any concerns about service delivery. An exercise will be undertaken to review the number of service standards the Council has.

The Council's **2010/11 Delivery Plan** includes 100 key actions (ignoring targets that are PIs or service standards). These are being monitored by divisions and any key achievements or issues for concern will be included in this report. A more detailed Delivery Plan report will be produced for O&S (S) Committee at the end of 2010/11, which will give full details of the progress made on every action in the plan.

Throughout this report the Council's progress has been assessed using the following classification:

<b>Green</b>	On or above target.
<b>Amber</b>	Slightly below target, but no concerns about performance
<b>Red</b>	Significantly below target / concerns about performance

### 2. Quality homes local people can afford

#### a) **Summary of progress**

The Council monitors and manages 18 strategic performance indicators, 7 key service standards and 30 key actions to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	9	4	1	2	2	Includes 4 KPIs. No data for NI187a & b as central government no longer requires the annual fuel poverty survey.
Strategic Service Standards	3	3	1	0	0	
Key delivery plan actions	24	0	6	0	0	Red = Actions H4, H5, H15, H18, H25 and H26. (NB. Details for H4, H5, H15, H18 reported in Q2).

## b) Delivery Plan Progress

### Achievements

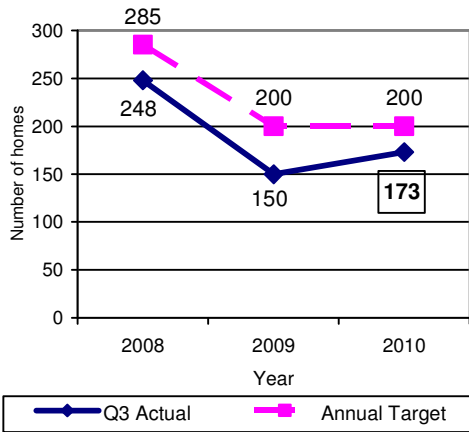
- Improvements have been made to the insulation of 472 council properties so far this year, which is well in excess of the annual target of 200 properties (DP Action H26).
- 67 heating measures have been installed by Warm Front in private sector homes. The annual target of 50 has already been exceeded. (DP Action H27).
- A total of 293 insulation measures have been installed in private sector homes so far this year - 64 by Warm Front and 229 by utility companies as a result of mail outs undertaken with the Energy Savings Trust. By working closely with the EST Babergh DC has enabled insulation improvements for 3 times as many homes as the rest of Suffolk. (DP Action H27).
- A total of 69 bathrooms have been renewed in Babergh's council houses as part of the work to bring them up to the Decent Homes Standard. This is better than the annual target of 30. (DP Action H25).

### Changes

- Air source heat pumps have been fitted in 22 council houses and a further 13 are programmed to be fitted by the end of the financial year. There is insufficient funding to meet the end of year target of 50. (DP Action H26).
- A total of 189 kitchens have been renewed in Babergh's council houses as part of the work to bring them up to the Decent Homes Standard. It is estimated that the end of year figure will be 200 as there is insufficient funding to meet the end of year target of 250. (DP Action H25).

c) KPI basket – 3 year trends

**Number of additional homes provided (net) (NI154)**



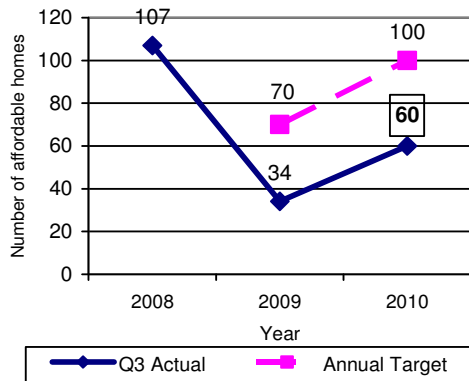
**Status: Green**

**Trends:** 173 homes were completed between 1 April and 31 December 2010.

Performance is above target for Q3 and it is anticipated that the yearly target of 200 will be met. Net completions are higher than for the same period last year, but the overall trend continues to show a depressed housing market (i.e. numbers are still lower than in 2008/09). This measure is crucial for the future New Homes Bonus assessment and will continue to be monitored closely.

**Lead officer:** Rich Cooke

**Number of affordable homes delivered (gross) (NI155)**

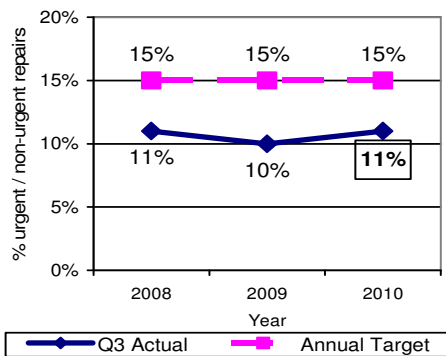


**Status: Amber**

**Trends:** 60 affordable homes were completed between 1 April and 31 December 2010. There is a possibility that the end of year total may just fall short of the target. This is primarily because the prolonged period of bad weather during the lead up to Christmas has delayed some of the building programmes.

**Lead officer:** Ian Tippet

**Proportion of urgent to non-urgent repairs - local authority housing (LPI44)**



**Status: Green**

N.B. Lower numbers represent good performance

**Trends:** Current performance is 11%, which is better than the annual target of 15%

**Lead officer:** Ryan Jones

**Number of potential dwellings to be built 2010 – 2031 (LPI 125)**

a) Potential number of dwellings arising from approved planning applications = **891**

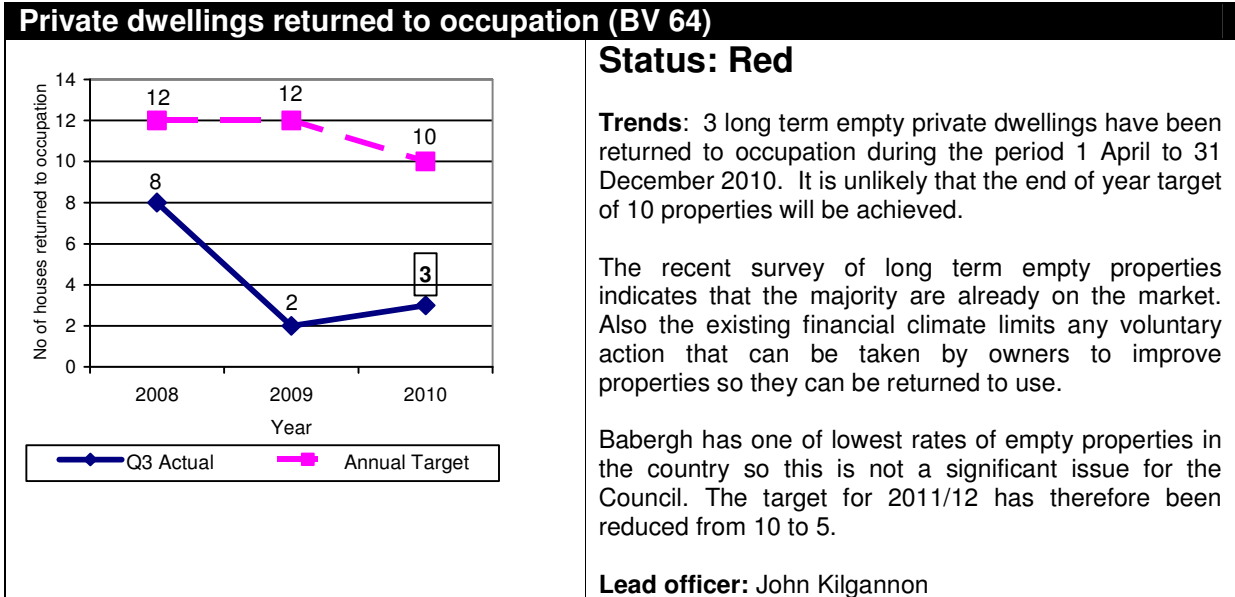
b) Potential number of dwellings arising from remaining Local Plan allocations = **1813**

**Status: Contextual information**

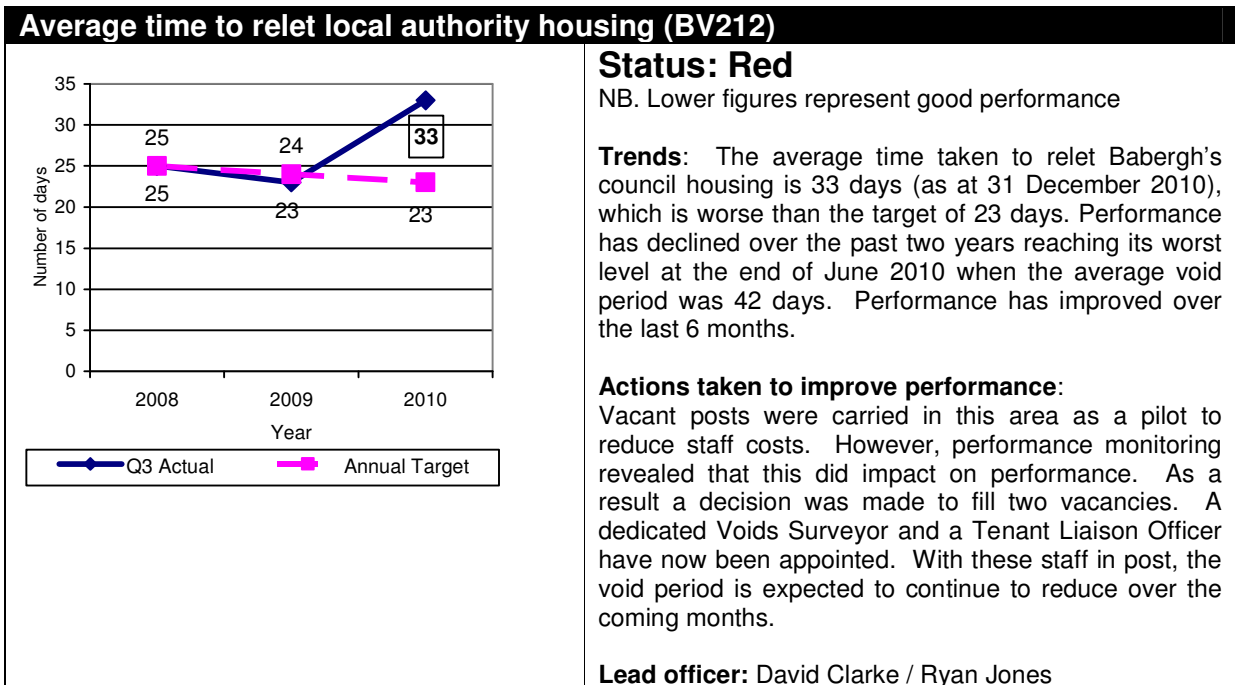
**Trends:** The total number of potential dwellings that could be built between 2010 and 2031 = 2704.

**Lead officer:** Rich Cooke

d) **Exceptions - Performance Indicators**



e) **Exceptions - Service Standards**



3. **A greener and cleaner Babergh**

a) **Summary of progress**

The Council monitors and manages 18 strategic performance indicators, 1 strategic service standard and 13 key actions to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	13	0	1	4	0	Includes 1 KPI (NI193) No data for BV86 (annual cost of waste collection), NI185, NI186 (carbon reduction), NI194 (air quality) as these are annual figures
Strategic Service Standard	1	0	0	0	0	
Key delivery plan actions	11	0	2	0	0	Red = Actions G13 and G18

## b) Delivery Plan Progress

### Achievements

- The Air Quality Action Plan for Cross Street, Sudbury has been submitted to DEFRA for approval prior to full consultation (DP Action G22).
- 89% of customers are satisfied with street cleanliness. This exceeds the target of 75% (DP Action G21).
- Surveys have been completed at 18 sites identified in the Council's Contaminated Land Strategy. The annual target of 25 is expected to be met (DP Action G2).
- The caseload for planning enforcement is being maintained below the target threshold of 220 (there are currently 185 cases being dealt with) (DP Action G3).
- 14 high priority planning enforcement cases have been dealt with so far this year. Each of them were assessed within the target timescale of 21 days (DP Action 1).

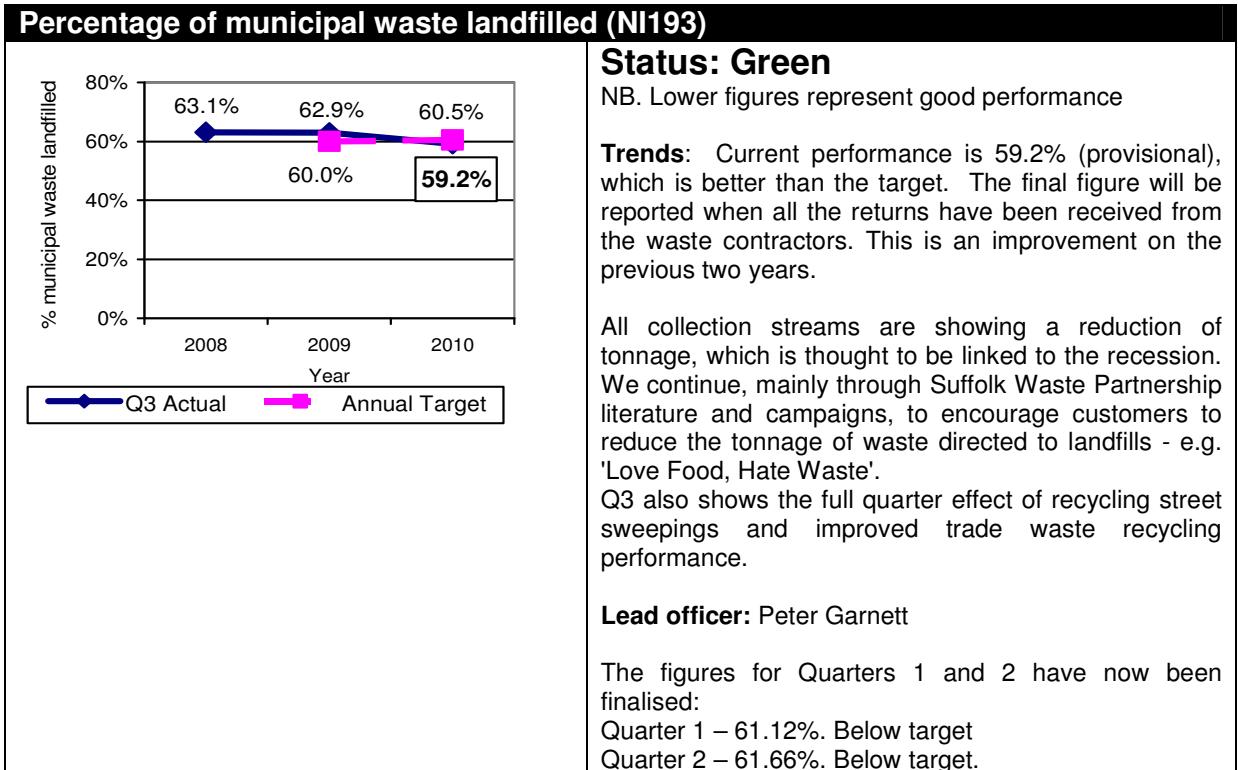
### Changes

- A countywide review of bring site provision is being undertaken by the Suffolk Waste Partnership as a result of unsustainable costs being levied by our glass contractor. Babergh DC's plans to work with parish councils to introduce 5 new domestic bring sites have therefore been put on hold (DP Action G18)

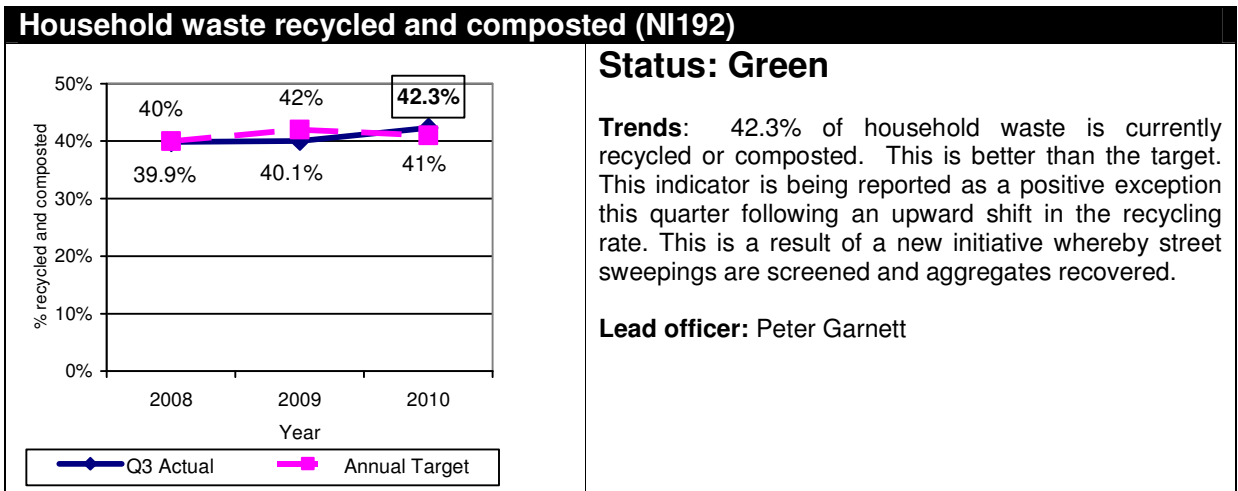
### Concerns

- 54 tonnes of trade waste has been recycled, which is significantly lower than the annual target of 700. A commercial recycling bring site has now been established at Sudbury Resource Centre and it started to operate in December. Performance is expected to improve in Quarter 4 (DP Action G13)

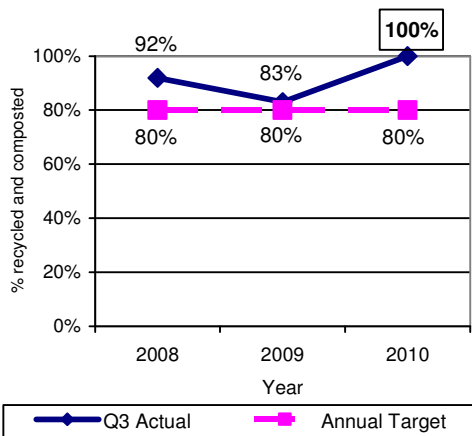
c) KPI Basket – 3 year trends



d) Exceptions - Performance Indicators



### % abandoned vehicles removed with 24 hours (BV218b)



**Status: Green**

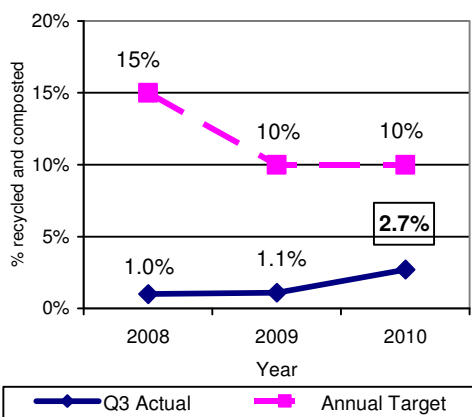
**Trends:** All abandoned vehicles were removed within 24 hours. This indicator is being reported as a positive exception this quarter, as performance is significantly better than the target.

There has been a reduction in abandoned vehicles over the past few years. This trend reflects an increase in the value of scrap metal.

Q3 2008/09 = 12 vehicles abandoned  
 Q3 2009/10 = 12 vehicles abandoned  
 Q3 2010/11 = 4 vehicles abandoned

**Lead officer:** Peter Garnett

### % Trade waste recycled or composted (LPI121)



**Status: Red**

**Trends:** 2.7% of trade waste is now recycled or composted. Whilst this is still well short of the target, it represents a significant upturn on previous performance. The recycling rate for trade waste has doubled since last quarter. This reflects the impact of a partnering arrangement with Sudbury Resource Centre and the establishment of a commercial waste recycling bring site in Sudbury. Performance will continue to improve next quarter.

**Lead officer:** Peter Garnett

## 4. A safer and healthier Babergh

### a) Summary of progress

The Council monitors and manages 3 strategic performance indicators and 20 key actions to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

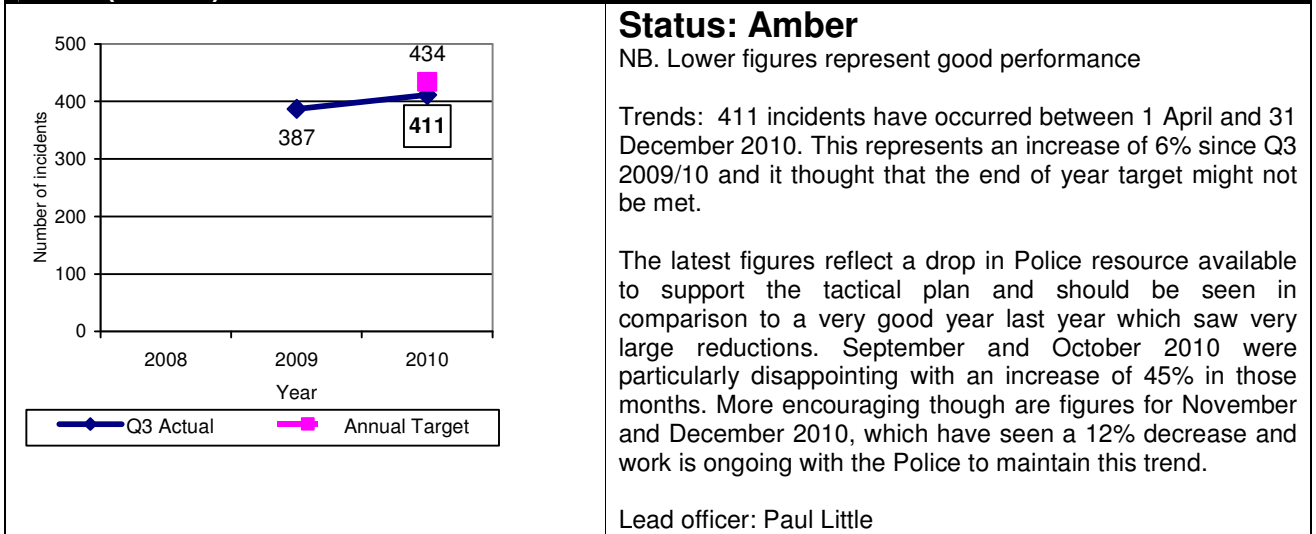
	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	2	1	0	0	0	Includes 1 KPI (NI115)
Key delivery plan actions	18	2	0	0	0	

### b) Delivery Plan Progress

- There have been no significant changes since Quarter 2.

c) KPI Basket – 3 year trends

**Number of incidents of criminal damage and serious public order offences in hotspot areas (LPI115)**



**Status: Amber**

NB. Lower figures represent good performance

Trends: 411 incidents have occurred between 1 April and 31 December 2010. This represents an increase of 6% since Q3 2009/10 and it thought that the end of year target might not be met.

The latest figures reflect a drop in Police resource available to support the tactical plan and should be seen in comparison to a very good year last year which saw very large reductions. September and October 2010 were particularly disappointing with an increase of 45% in those months. More encouraging though are figures for November and December 2010, which have seen a 12% decrease and work is ongoing with the Police to maintain this trend.

Lead officer: Paul Little

There are no exceptions to report this quarter for the Safer and Healthier theme.

**5. A strong and sustainable Babergh economy**

**a) Summary of progress**

The Council monitors and manages 4 strategic performance indicators and 15 key actions to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	0	0	0	0	4	Includes 2 KPIs (NI117, LPI126).
Key delivery plan actions	15	0	0	0	0	

**b) Delivery Plan Progress**

- There have been no significant changes since Quarter 2.

c) **KPI Basket – 3 year trends**

<b>16 – 18 year olds not in education, employment or training (NI117)</b>									
<table border="1"> <caption>Annual figure data for NI117</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2007</td> <td>7.2%</td> </tr> <tr> <td>2008</td> <td>7.9%</td> </tr> <tr> <td>2009</td> <td>7.4%</td> </tr> </tbody> </table>	Year	Percentage	2007	7.2%	2008	7.9%	2009	7.4%	<p><b>Status:</b> Contextual information NB. Lower figures represent good performance</p> <p><b>Comments.</b> The figures shown are for Suffolk as a whole. This figure is reported annually.</p> <p><b>Lead officer:</b> Ian Tippett</p>
Year	Percentage								
2007	7.2%								
2008	7.9%								
2009	7.4%								
<b>Number of empty business properties in Babergh (LPI 126)</b>									
<p>359 business properties in Babergh were empty as at 31 December 2010</p>	<p>NB. Lower figures represent good performance</p> <p><b>Comments.</b> The 359 empty business properties include those that are available for let and empty properties awaiting development. The period that these have been empty are as follows:</p> <ul style="list-style-type: none"> <li>• Less than 12 months = 107</li> <li>• Between 12 and 24 months = 92</li> <li>• Between 24 and 36 months = 42</li> <li>• More than 36 months = 118</li> </ul> <p>The largest sites include the former ICI site in Brantham, the former Fleetwood Caravans site in Long Melford and the Park Works site in Sproughton.</p> <p>The equivalent total at 31 March 2009 was 345.</p> <p><b>Contact:</b> Andrew Wilcock</p>								

There are no exceptions to report this quarter for the strong and sustainable Babergh theme.

**6. Vibrant places and strong communities**

**a) Summary of progress**

The Council monitors and manages 21 strategic performance indicators, 2 strategic service standards and 22 key actions to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

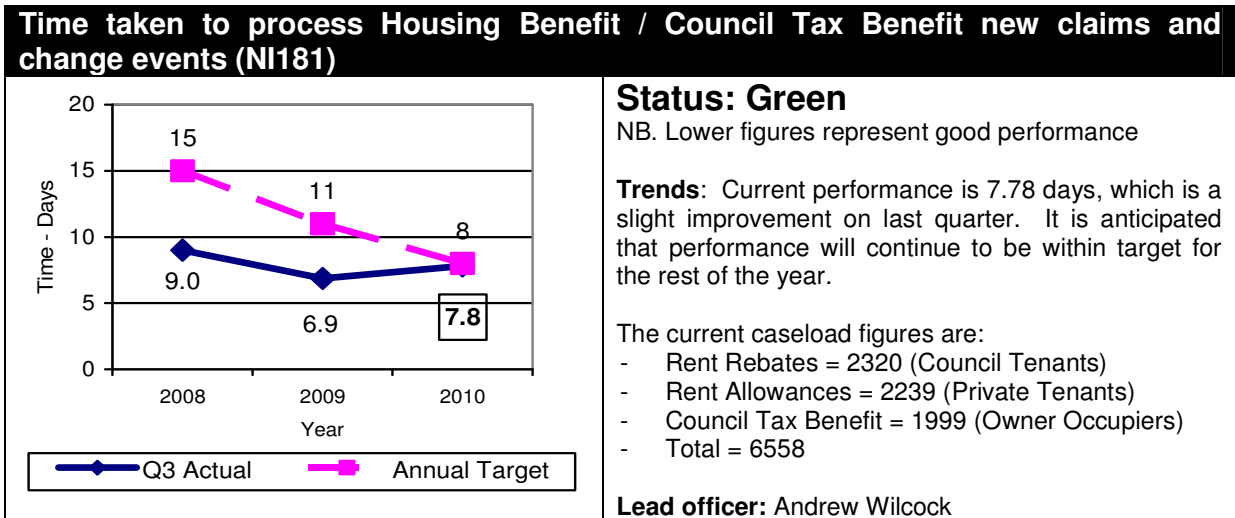
	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	16	4	1	0	0	Includes 1 KPI (NI181)
Strategic Service Standards	1	1	0	0	0	
Key delivery plan actions	17	2	3	0	0	Red = Actions C4, C7 and C24. Details have already been reported in Q1 & Q2

**b) Delivery Plan Progress**

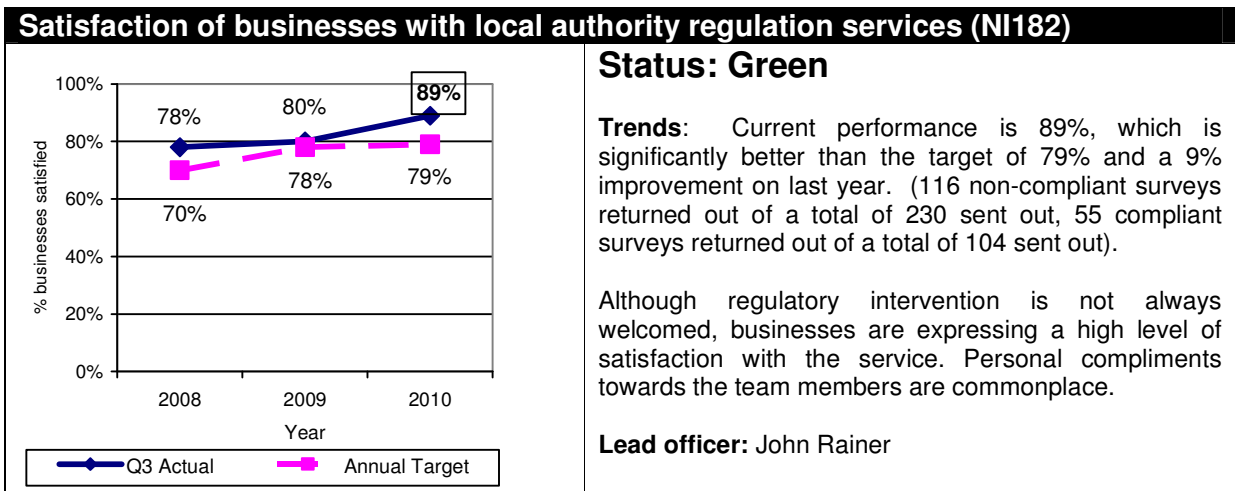
Achievements

- 12,531 concessionary bus passes have been issued to people who live in rural parishes. This is higher than the target of 11,700. (DP Action C2).
- 469 travel vouchers have been provided to the elderly living in remote locations and to disabled persons (DP Action C3).
- The effectiveness of the Scores on the Doors scheme has been reviewed and the recommendations reported to O&S (CS) in November. The committee agreed to endorse the continued operation of the scheme (DP Action C6).

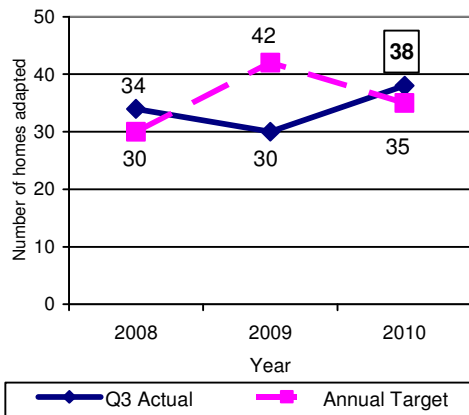
**c) KPI Basket – 3 year trends**



**d) Exceptions - Performance Indicators**



## Number of homes adapted to meet the needs of older people or disabled people (LPI 9)



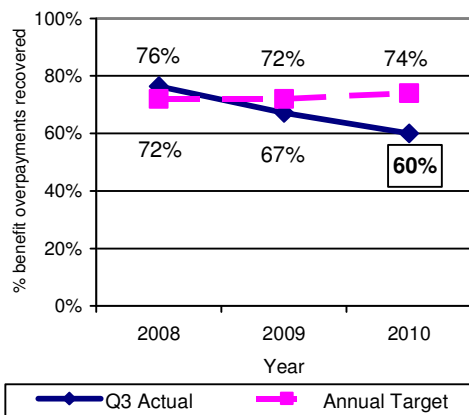
### Status: Green

**Trends:** 38 homes have been adapted to meet the needs of older people or disabled people so far this year. This is significantly more than expected and so this indicator is being reported as a positive exception this quarter.

This work is within budget for the current financial year which means that further adaptations will be completed before the end of March 2011.

**Lead officer:** John Kilgannon

## % of benefits overpayments recovered against % deemed recoverable (BV79bi)



### Status: Red

**Trends:** Current performance is 60%, which is a slight improvement on Quarter 2. Performance has declined over the past 2 years and the end of year target is unlikely to be met. However this in part reflects the relative success of the fraud team as successful investigations / prosecutions add to the amount recoverable both for this year and future years.

It should also be noted that the ability of the Council to collect the money is restricted by the maximum amount we can recover (under most circumstances) of £13.20 per week for fraud and £9.90 for ordinary payments. This means that a £5,000 fraud could take over 7 years to repay.

Overpayments continue to be created due to fraud investigations and ongoing reviews of the current caseload. This quarter 17 cases have accounted for £61,840 worth of overpayments. Although large overpayments continue to be raised the **actual** amount we have collected is up on this time last year (December 2009 = £241,000 and December 2010 = £268,000).

**Lead officer:** Andrew Wilcock

## 7. How we will deliver

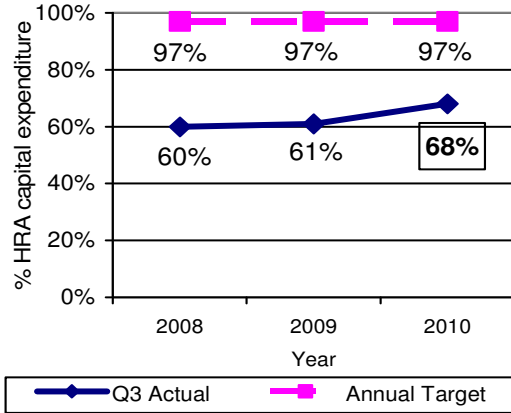
### a) Summary of progress

The Council monitors and manages 8 strategic performance indicators and 2 strategic service standards to deliver this priority. A summary of progress made during the period 1 April – 31 December 2010 is given below.

	Green	Amber	Red	No data	Contextual	Comments
Strategic PIs	4	2	0	1	1	Includes 3 KPIs (LPI12a, BV12, NI179) No data for LPI30 (annual figure)
Strategic Service Standards	2	0	0	0	0	

**b) KPI Basket – 3 year trends**

**% capital expenditure achieved on the Housing Revenue Account (LPI12a)**

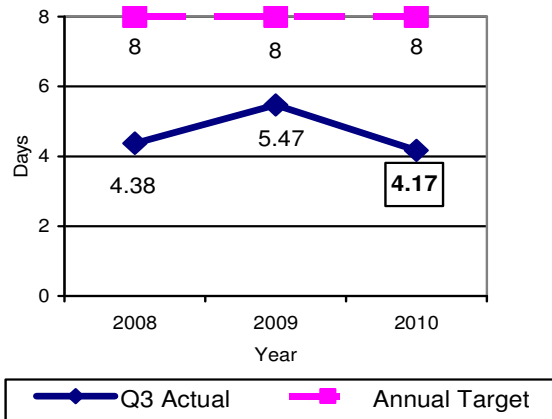


**Status: Green**

**Trends:** 68% of capital expenditure was achieved on the HRA as at 31 December 2010. This is an improvement on previous years and it is predicted that the end of year target of 97% will be met.

**Lead officer:** Ryan Jones

**The average number of days sick per member of staff (BV12)**



**Status: Green**

NB. Lower numbers represent good performance

**Trends:** The average number of days sick per member of staff was 4.17 days during the period 1 April to 31 December 2010. Currently on target to keep the average annual staff sickness duration below 8 days.

The improvement in performance seems to point to the successful implementation of the revised sickness management scheme.

**Lead officer:** Jeanette Bray

NB. The figure for Q2 was 2.46 days and not the reported figure of 1.87 days as stated in K142. The revised figure is still an improvement in performance compared to previous years.

**Total net value of ongoing cash-releasing value for money gains made since 1 April 2008 (NI 179)**

£1.244m of ongoing cash-releasing value for money gains have impacted since the start of the 2008/09 financial year (as at 31 March 2010)

**Status: Green**

**Achievements:** This performance indicator is updated annually. On track to meet the target for 2010/11 by the end of the financial year.

**Lead officer:** Barry Hunter

There are no exceptions to report this quarter for the how we will deliver theme.

## FINANCIAL INFORMATION - QUARTER 3

## General Fund

- 3.1. The revised budget for the year reflects some anticipated reductions in income compared to the original budget. It also reflects the estimated initial transitional costs, based on the approved business case, of integration/merger with Mid Suffolk.
- 3.2. Overall staffing/salary costs as per the revised budget are £394k lower than the original budget. This is after allowing for the £125k salaries savings contingency in the budget. The General Fund share of this saving is approximately £295k (which is over and above what was reflected in the overall £1.6m savings target for the year) and this demonstrates the proactive approach that has been taken on vacancy management. The HR Panel continues to monitor staffing levels on a quarterly basis.
- 3.3. The contribution to Suffolk County Council for concessionary fares has been reviewed, with the revised budget reducing from £762k to £680k to reflect the downturn in tickets issued up to December. This is £20k less than reported in quarter 2. If bus operators' claims in the last quarter differ from the expected amounts, there may be a further variation.
- 3.4. Expenditure on the refuse contract is anticipated to match the revised budget, however there are ongoing claims discussions with Mid Suffolk and negotiations with the contractor which may have a limited affect on the eventual outturn position. On waste gate fees, the original budget for 2010/11 was set when the world market for recycling was unpredictable and the value of recovered materials was low. The budget for 2009/10 had been set to compensate for a deficit in funding accrued from the previous 12 months and a cautious approach was therefore taken for 2010/11 to cover any further shortfalls. However 2010/11 has seen a welcome upturn in the market which has led to savings in the gate fee budget as indicated.
- 3.5. There has been £66k of expenditure on specialist legal fees (in relation to Tesco's/Ganges planning appeals and the MMI legal case) which is covered by an earmarked reserve that is reflected in the revised budget. This does not impact on the Council's overall financial position.
- 3.6. The above and other key items are summarised in the table below:

	2010-11 Budget (incl. cfwds)	2010-11 Rev Budget	Budget Change
Key income Streams	£'000	£'000	£'000
Investment Income	-55	-46	9
Land Charges income	-157	-172	-15
Planning and Building Control Fees	-764	-742	22
Babergh Response	-111	-91	20

	<b>2010-11 Budget (incl. cfwds)</b>	<b>2010-11 Rev Budget</b>	<b>Budget Change</b>
Other Income	-218	-180	38
<b>Total Income variation (reduction)</b>			<b>74</b>
<b>Key Expenditure Areas</b>			
Salaries Including Agency Costs	8,844	8,450	-295*
Borrowing Costs	223	277	54
Waste Contract	1,739	1,754	15
Housing register/applications**			98
Waste Gate Fees	595	522	-73
Concessionary Fares - payment to SCC	762	680	-82
<b>Total Expenditure variation (reduction)</b>			<b>-283</b>
Other variations			8
<b>Net saving on normal activities</b>			<b>-275</b>
Mid Suffolk Integration (met from reserves)	25	162	137
<b>Total net saving</b>			<b>-138</b>

\* Reflects 75% of the total reduction being attributable to the General Fund

\*\* Transferred from the HRA (in relation to administration/management) – as required by the ‘ringfencing’ arrangements and the new Council Housing reform proposals

- 3.7 In terms of possible variations from the revised budget before the year-end, there are indications that the severe bad weather and the continuing uncertain economic conditions could affect overall income levels for Planning and Building Control. Activity has increased recently but overall it is thought that a reduction in the revised budgeted income of around £65k could arise.
- 3.8 Conversely, waste gate fees could reduce by a further £60k compared to the revised budget as further savings are expected arising from the overall reduction in waste collected and sent for treatment.
- 3.9 Other variations in income and expenditure could also arise before the year-end but no risk is envisaged on the overall likelihood that net expenditure will exceed the revised budget. Experience in previous years has been, in fact that outturn figures show a saving compared to the revised budget.

## HRA (Council Housing)

- 3.10 Expected total income for the Housing Revenue Account shows an increase of £63k which is reflected in the revised budget. This relates to council house and garage rents and improved voids management. There is an overall reduction in expenditure on management and maintenance of just over £100k although more has been spent on responsive repairs and tenancy changes than allowed for in the original budget.
- 3.11 An additional £200k has been reallocated from other repairs budgets in the revised budget in relation to this. The main adjustments have been £24k each into the Whole House Servicing Contract and the Reactive Repairs Contract, and £178k into the Voids Contract to cover an increase in the average void cost (there is no doubt that properties are now generally being returned in a worst state of repair in recent years). These changes have been funded mainly from the pre-paint repairs budget (£80k) and the Internal Redecorations for the Elderly (£70k).
- 3.12 Close monitoring of energy costs indicates that a reduction of £45k made to the revised budget will be achieved despite the severe weather during quarter 3.
- 3.13 Additional negative subsidy is payable to the Government of £89k, which resulted from the mid-year revised housing subsidy grant claim and this has been reflected in the revised budget.
- 3.14 Overall, the revised budget shows a net increase in the surplus for the year of £82k (less than 0.6% of expenditure) which has been allocated as an additional contribution to capital expenditure in 2011/12.
- 3.15 The overall position is summarised below:

	<b>2010-11 Original Budget – incl. c/f's £000</b>	<b>2010-11 Revised Budget £000</b>	<b>Budget Change £000</b>	<b>Comments</b>
Income - rents and charges (less voids)	-12,732	-12,790	-58	Increased income on housing and garages rents, voids management.
Other Income	-1265	-1270	-5	
Management and Maintenance, incl. energy costs and staff savings	5,487	5,339	-148	Includes budget reallocated within the overall repairs budgets.
Govt. Subsidy	4,960	5,049	89	Increase in negative subsidy payable.
Other variations			40	Close monitoring of all budgets is continuing.
<b>Total Saving</b>			<b>-82</b>	Additional surplus

## Capital Programme

3.16 The overall position on the revised General Fund programme compared with the original budget for the year is summarised below:

<b>Expenditure Area</b>	<b>2010/11 £'000</b>	<b>2010/11 Rev £'000</b>	<b>Variation £'000</b>
ICT / Information Management	324	238	-86
Contract & Asset Management	1,317	727	-590
Community Development	549	656	107
Private Sector Housing	536	586	50
Natural & Built Environment	225	246	21
Mid Suffolk Integration Costs		186	186
<b>TOTAL PROGRAMME</b>	<b>2,951</b>	<b>2,639</b>	<b>-312</b>
<b>Funding</b>			
Borrowing- non supported	768	57	-711
Capital Receipts	1,125	295	-830
Earmarked Reserves	0	602	602
LABGI	0	518	518
Grants / External Contributions	1,058	1,167	109
<b>TOTAL FUNDING</b>	<b>2,951</b>	<b>2,639</b>	<b>-312</b>

3.17 Key aspects of the above are highlighted below:

- The percentage of capital expenditure achieved on the General Fund is 61% of the revised budget (43% of the original budget plus carry forwards (LPI 12b)).
- The original budget of £324k for ICT / Information Management has been reduced by £86k to a revised budget of £238k. The main changes that have contributed to this fall are the postponement of a HR replacement system to future years (£50k), a reduction in the budget to upgrade the finance system (£20k), the removal of the budget for mobile working (£20k) no longer required, an increase of £61k in the budget for the LAMP project (£49k brought forward from 2009/10 and the balance (£12k) transferred from other IT budgets in 2010/11) and a reduction of £42k in the budget for shared service working which will now take place in future years.
- Plans to enhance the Kingfisher Leisure Centre (£0.5m in the original budget for this year) are proceeding, following approval of a detailed business case, and this work will take place in 2011/12.

- The original budget of £100k to replace the storage facility at Bridge House is no longer required and has been removed from the revised budget. The replacement of a refuse vehicle at a cost of £137k has been postponed to future years.
  - The budget for the regeneration of Pin Mill has been increased from £156k to £267k at no cost to Babergh as the additional expenditure is being funded by the Haven Gateway Partnership.
  - The budget of £187k allocated for the University Campus has not been requested and has been removed from the revised capital budget.
  - The revised budget of £399k for the enhancement of Hadleigh Pool is an increase of £258k over the original budget for 2010/11. The increase is being part funded by an additional grant of £20k from Sport England, the carry forward of budget from 2009/10 of £153k (due to expenditure taking place later than originally anticipated) and by budget being transferred from other schemes.
  - It is anticipated that there will be an underspend of £50k on the budget for additional car parking in Sudbury. This has no impact on Babergh's budget as it is an externally funded scheme. The land needed for the project has yet to be secured.
  - The revised capital programme includes an additional budget of £186k for capitalised redundancy costs arising from the appointment of a new single Chief Executive for Babergh and Mid Suffolk.
- 3.18 Due to delays, capital receipts anticipated in 2010/11 have fallen from £1.6m to around £0.3m. This is mainly related to the sale of East House and Tesco's.
- 3.19 These delayed receipts are now expected in 2011/12. In terms of funding the 2010/11 programme, after the reduction of £312k between the original and the revised budgets, the remaining shortfall in the financing of the revised programme resulting from the lower than anticipated capital receipts is being met by utilising earmarked reserves earlier than originally planned.
- 3.20 The percentage of capital expenditure achieved on the Housing Revenue Account (BV12a) is 68% of the revised budget of £3.5m. This is an increase of 7% compared to the same time last year. It is anticipated that there will be a carry forward of approximately £200k on the revised Housing Revenue capital budget. This is mainly due to works on roofing, doors and windows and paths and walls being delayed due to the bad weather. It is expected that this work will be carried out in the new financial year.
- 3.21 The overall position on the revised Housing Revenue Account capital budget compared with the original budget for the year is summarised below:

<b>COUNCIL HOUSING Improvements/Major Repairs</b>	<b>Original 2010/11 £'000</b>	<b>Revised 2010/11 £'000</b>	<b>Variation £'000</b>
Kitchens/bathrooms	450	677	227
Stock Condition Survey	157	25	-132
Contingent Major Repairs	124	-	-124
Other Planned Maintenance	2,016	2,020	4
<b>Total</b>	<b>2,747</b>	<b>2,722</b>	<b>-25</b>
Conversions / Adaptations	60	88	28
Insulation Improvements	100	148	48
Structural Works	229	100	-129
Other Programmes	468	475	7
<b>TOTAL - COUNCIL HOUSING</b>	<b>3,604</b>	<b>3,533</b>	<b>-71</b>

## **Borrowing**

- 3.22 The budget for borrowing costs, including the minimum revenue provision for debt repayment, has increased by £54k between the original and revised budgets for 2010/11. This is due to anticipated capital receipts not being realised during the year making it necessary to finance more of the capital programme from borrowing.
- 3.23 The Council has budgeted £3m of new borrowing for 2010/11. Of this new borrowing, £2m has been secured at a rate of 2.01% and cash flow projections now indicate that further borrowing in 2010/11 will not be required. This should result in a small interest saving of £7k in the year compared to the revised budget.