

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
29 November 2011

Subject: COUNCIL PERFORMANCE REPORT 2011/12 – QUARTER 2

**All Wards
Scrutiny Committees
Cabinet Member for Corporate Management: Councillor R Kirk**

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to update Members on the budgetary position of the Council (Revenue, Capital and Reserve Funds) at the end of September 2011 and to report progress on performance against the Council Business Plan.

2.0 REVENUE BUDGET:

2.1 The Council set its budget on 22 February 2011 at £8,819,405 using £721,555 of efficiency savings to balance the budget to the Financial Strategy.

2.2 The current approved budget following previous reports to Cabinet is £9,136,425. This compares to the Budget Outlook as follows:

	£	
Latest Approved Budget	9,136,425	
Budget Outlook	8,819,405	
	Shortfall	<u>317,020</u>

2.3 Chief Officers have been looking at the level of this shortfall and have reviewed the Council's budgets. The result is that savings have been identified in both shared service and other areas. Members have been involved in some of these areas (such as in the provision of the public convenience service). The outcome is as follows:

	£	£
Latest Approved Budget	9,136,425	
Less:		
Additional Shared Service Savings	(26,635)	
Other Savings	<u>(412,440)</u>	
		8,697,350
Budget Outlook		8,819,405
	Surplus	<u>(122,055)</u>

2.4 One other issue concerning the Council's budgets relates to the Housing Benefit and Council Tax Benefit Administration grant. It had previously been expected that the grant for 2012/13 would be reduced in line with the reduction of the Formula Grant. An anticipated reduction of £141,915 was therefore built into the budget outlook. The Department for Works and Pensions (DWP) have now confirmed the level of grant for 2012/13 in their subsidy circular S9 – this shows that the level of grant will only be reduced by £34,440 (from £497,620 to £463,180). However, the 2012/13 grant includes an amount of £41,713 in respect of the additional costs of dealing with enquiries during the economic downturn which will be withdrawn in 2013/14. It is suggested that this one off element of the grant is paid into the Service Improvement Reserve when it is received.

3.0 **BUDGET POSITION TO SEPTEMBER 2011:**

- 3.1 The Council's new Boards and Clinics met in late October/early November 2011. Attached at Annexes A(1) to A(5) are the individual reports to the Clinics which set out both performance information against targets and financial information regarding the budgets up to the end of June 2011. Set out below is the impact of Boards financial recommendations on the Budget Outlook subject to Cabinet approval.
- 3.2 The management of vacancies by Chief Officers has also enabled a saving of £125,000 to be achieved against the salaries budgets. This is a one off saving for 2011/12, although vacancy management will continue to be a feature of operational management and further savings may be achieved.

Budget Outlook Including Suggestions Made By Service Boards

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Latest Budget Outlook	9,056,425	8,797,515	8,797,614	8,711,614
Chief Officer Adjustments:				
Shared Service Savings	(26,635)	(53,270)	(53,270)	(53,270)
Other Budget Savings	(412,440)	(426,940)	(426,940)	(426,940)
Housing Benefit Admin Subsidy		(65,762)	(65,762)	(65,762)
Latest Budget Outlook	8,617,350	8,251,543	8,251,642	8,165,642
Salaries	(125,000)	-	-	-
Adjustments:				
Customer Services	107,000	82,000	82,000	82,000
Housing & Planning	-	-	-	-
Leisure & Health	174,000	181,310	181,310	181,310
Partnerships	50,360	-	-	-
Corporate Management	-	-	-	-
Sub-Total	8,823,710	8,514,853	8,514,952	8,428,952
Financial Strategy	8,819,405	8,195,793	8,359,709	8,526,903
(Surplus) / Shortfall	4,305	319,060	155,243	(97,951)

4.0 **OTHER MATTERS:**

Grants

- 4.1 The following Grant has been allocated to the Council since the last budget monitoring report:-

Description	Amount £
Housing Benefit ATLAS Funding	1,470
	1,470

- 4.2 It is proposed that this grant is paid into the Service Improvement Reserve.

Hambleton Forum Community Asset Transfer

- 4.3 A progress report on the transfer of the Forum appears elsewhere on the agenda and a business plan is expected to be brought to Cabinet in January 2012. The Leisure and Health Board considered an update at its last meeting and have requested that a sum of £6,000 is set aside to pump prime the transfer work. It is suggested that this sum is funded from the Service Improvement Reserve.

Leisure Centres – External Diagnostic Work

- 4.4 At its meeting in September (Minute CA.19) Cabinet agreed to an external diagnostic being undertaken at the leisure centres to look at marketing both of the programme of activities and merchandising/food sales through the front of house facilities. It was agreed that this work would be funded by the Service Improvement Reserve, although no costs were available at the time. The Leisure and Health Board have now considered a report and request that a sum of up to £14,000 be made available.

Car Parking – Christmas Period

- 4.5 In 2010/11 the Council suspended car parking charges for the period of Wednesday 22 December 2010 to Saturday 1 January 2011. It is proposed to suspend car park charges for a similar period this year from 8.00 am Saturday 24 December to 6.00 pm Saturday 31 December. This will provide a budget pressure of around £10,000 and it is recommended that this potential shortfall is met from the Service Improvement Reserve.

5.0 SENSITIVITY ANALYSIS:

- 5.1 In addition to reporting areas of budget change this report also highlights areas where there are areas of budget uncertainty. This can give Members early warning of possible issues in the future. All areas will be monitored closely, but no figures are attributed to the areas in question as there is too much uncertainty at this time.

Area of Sensitivity	Commentary
<u>A. Potential Increases to Budgets</u>	
Fuel costs	Reports to the Customer Services Board have identified the budget pressure in this area. Whilst this report recommends an increase to the budget, the cost of fuel continues to be of concern.
Housing Benefits	There has been an increase in the number of new or changed claims being received resulting in increased benefit payments. Whilst most of this additional cost will be met from increased benefit subsidy, the budget is so large that a small increase in percentage terms can lead to a large amount in monetary terms.
Income	Income budgets have largely been realigned to current expectations. However, the economic situation continues to be gloomy and this may put further pressure on household incomes and how disposable income is spent. Inevitably this may impact further on income levels.

Area of Sensitivity	Commentary
<u>B. Potential Decreases to Budgets</u>	
Salaries	A number of vacancies are being held at the moment whilst assessments are being made of the impact on the service. A number of these areas relate to shared services where savings which have been accounted for in the various shared service business cases. Managers are currently reviewing shared service business cases. Overall budget savings are expected in this area.

6.0 CAPITAL PROGRAMME:

6.1 The resources available for the ten year period from 2011 to 2021 are £10,627,143 as shown in the table below:-

	£
Accumulated Capital Receipts	(5,034,647)
Accumulated Capital Grants	(301,651)
Budgeted Income 2011/12	(2,607,845)
Future Years	<u>(2,683,000)</u>
	<u>(10,627,143)</u>

6.2 Spending and Resources in 2011/12

The Capital Programme for 2011/12 has been amended in the light of decisions taken at the July Cabinet meeting. Expenditure to the end of September totalled £422,639. At this stage in the year there are no expected variances and the expected outturn is £3,709,293.

6.3 Spending and Resources from 2012/13 to 2020/21

The position regarding spending and resources for remaining 9 years is as follows:

	£
Total resources available over 10 year programme (as above)	10,627,143
Less: 2011/12 anticipated spend	<u>3,709,293</u>
	6,917,850
Less:	
Programme Spend 2012/13 to 2020/21	<u>5,762,000</u>
Remaining Resources	<u>1,155,850</u>

6.4 Amendments to the Capital Programme

The scheme for Bedale Station and Bridge is not yet at design stage and therefore any spend is unlikely this financial year. It is recommended that the budget of £63,000 is rolled forward to 2012/13. No other budget amendments are requested.

7.0 RESERVE FUNDS:

7.1 The Reserve Fund Programmes for 2011/12 are listed below. The programmes have been amended in the light of previous decisions taken by Cabinet and the commentary below reflects expenditure to the end of September 2011.

7.2 Revenue Grants Fund

£40,539 has been spent to date with three schemes complete. The anticipated outturn is £125,020 which would leave a balance of £403,626 in the fund.

7.3 Local Development Framework (LDF) Reserve
£30,808 has been spent to date and the anticipated outturn is £42,895 which would complete the programme leaving a nil balance.

7.4 Service Improvement Reserve
£124,753 has been spent to date and two schemes are complete. The anticipated outturn for the year is £395,582 which would leave a balance in the fund of £2,355,224. These figures exclude any changes referred to in section 4 above.

7.5 Cyclical Reserve
£39,731 has been spent to date and the anticipated outturn is £182,200 which would leave a balance of £267,812 at the end of the 10 year programme in 2021.

8.0 COUNCIL BUSINESS PLAN

8.1 Performance against the Council Business Plan priorities is generally on target with improvement plans in place for those areas underperforming. However new and affordable homes continues to follow the national trend of a downturn in house building due to the economic climate. There is little the Council can do to effect this trend, however action plans to support development are in place and continue to be implemented. It is expected to see some improvement in quarter 4.

9.0 DECISIONS SOUGHT:

9.1 Approval is requested for amendments to the revenue, capital and reserve programmes as listed in sections 3, 6 and 7 of the report.

9.2 Approval is also sought to pay a grant received into the Service Improvement Reserve whilst funding from this Reserve is sought for some schemes as outlined in section 4.

10.0 RISK ASSESSMENT:

10.1 Risk in not approving the recommendation(s)

Risk	Implication	Prob*	Imp*	Total	Preventative action
The Council spends significantly above the financial strategy	The ability of the Council to continue to provide and improve services is seriously affected	4	5	20	Undertake a review of budgets and report back to Cabinet with proposals
Budgets are not updated	The Council is unable to control its spend or redirect resources to priority areas.	3	4	12	Continue with regular budget and efficiency monitoring with regular reports to Chief Officers Management Team and Members

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

10.2 There are no risks associated with approving this report. However the risks associated with not receiving regular monitoring reports are potentially quite serious.

11.0 RECOMMENDATIONS:

11.1 It is recommended that:

- 1) Members determine the adjustment to the revenue budget outlook referred to in section 3 of the report;

- 2) the grants referred to in sections 2 and 4 of the report are paid into the Service Improvement Reserve when received;
- 3) the schemes referred to in section 4 of the report are funded from the Service Improvement Reserve;
- 4) the position on the capital programme referred to in section 6 of the report be noted and approve the roll forward of a budget of £63,000 to 2012/13; and
- 5) the position on the reserve funds referred to in section 7 of the report be noted.

DAVE SIMPSON

Background papers: None

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Customer Services Board – Performance Report Quarter 2 2011/12

Part 1 – Overall Priority Performance

A – Financial Performance

	2010/11 Actual £	2011/12 Budget £	2011/12 Expected Outturn £	Variance £
<u>Income</u>				
Sales	(1,167,233)	(597,840)	(597,840)	0
Other	(21,151,840)	(21,930,680)	(22,040,680)	(110,000)
	<u>(22,319,073)</u>	<u>(22,528,520)</u>	<u>(22,638,520)</u>	<u>(110,000)</u>
<u>Operating Costs</u>				
Building Running Costs	64,344	57,140	57,140	0
Vehicle and Travel Costs	594,651	609,730	716,730	107,000
Supplies and Services	21,650,748	22,534,760	22,644,760	110,000
	<u>22,309,743</u>	<u>23,201,630</u>	<u>23,418,630</u>	<u>217,000</u>
Salary Related Costs	4,049,428	4,045,780	4,045,780	0
	<u>26,359,171</u>	<u>27,247,410</u>	<u>27,464,410</u>	<u>217,000</u>
<u>Net (Profit)/Loss of Operation</u>	4,040,098	4,718,890	4,825,890	107,000

Significant areas of budget risk :

- Rent allowances payment pressure £110,000 – short term. 98% subsidy.
- Fuel overspend of £82,000
- Vehicle Repairs and Maintenance £25,000 (reported verbally at the Board)

Sensitivity response :

Within the Revs and Bens service a budget pressure of £110k was highlighted relating to an increase in claims for rent allowance payments. This would be short term as subsidy was payable. TC to check if this budget pressure should be included in the Supplies and Services area of the report.

Within the Waste service, a potential overspend of £82k on fuel was highlighted. Attempts had been made to deal with the budget pressure in this area with the introduction of EDA, Fuelmiser, driver training and Masternaught but these measures had now been exhausted.

A figure of £98.7k had been allocated for repairs and maintenance of vehicles but outturn at HDC is estimated at £120k due to high level of repairs required due to the age of the fleet.

Adjustments :

Outturn figure for Waste Services amended to reflect projected shortfalls.

Effect on Budget Outlook :

For the reasons described above the current view is that there will be overspend on the current budget of £107,000, although £25,000 of this is a 2011/12 pressure only. The position is being closely monitored and all measures to further minimise the overspend are being implemented/explored.

B – Other Performance Information

Performance report

Aim 1 – Providing excellent and effective services to our customers.

Action A - Of the 150,000 customer enquiries we receive each year - either face to face, over the web or by telephone - we will resolve 80% at the first point of contact.

- During Q2 67% of enquiries were resolved at the first point of contact against a target of 80%. This is unsatisfactory and as a remedial action Customer Service staff will be trained up to deliver Council Tax and Benefits to a more advanced level and other services will follow as resources are identified to enable us to do so.
- 60,503 queries had been received at the end of Q2 which is 40% of the 150,000 expected for 2011/12.

Aim 2 – Collecting household waste and recycling.

Action B - We will collect waste or recyclable waste from 39,451 households each week and in doing so we will increase the rate of recycling from 44% to 50%. This will reduce the amount of waste sent to landfill so that we can minimise potential increases in landfill taxes and locally influence climate change.

- Quarter 1 confirmed excluding schedule 2 (non domestic/non trade waste) waste is 50.4%.
- Quarter 2 estimate excluding schedule 2 waste is 52.6%.

Housing and Planning Board – Performance Report Quarter 2 2011/12

Part 1 – Overall Priority Performance

A – Financial Performance

	2010/11	2011/12	2011/12	Variance
	Actual	Budget	Expected Outturn	
<u>Income</u>				
Sales	(760,772)	(840,930)	(840,930)	0
Other	(652,980)	(632,800)	(632,800)	0
	<u>(1,413,752)</u>	<u>(1,473,730)</u>	<u>(1,473,730)</u>	0
<u>Operating Costs</u>				
Building running costs	38,376	65,380	65,380	0
Vehicle and Travel costs	41,298	57,240	57,240	0
Supplies and services	686,080	937,400	937,400	0
	<u>765,754</u>	<u>1,060,020</u>	<u>1,060,020</u>	0
Salary related costs	1,383,656	1,203,520	1,203,520	0
	<u>2,149,410</u>	<u>2,263,540</u>	<u>2,263,540</u>	0
<u>Net (Profit)/Loss of Operation</u>	<u>735,658</u>	<u>789,810</u>	<u>789,810</u>	0

Significant areas of budget risk :

There are few areas of significant budget risk at this time. Income from planning fees, a risk identified previously, is now on target to achieve the budget figure of £700k.

It still appears that income from Local Land Charges will be down by about £10k.

There will be insufficient budget for Specialist Fees under Planning Policy for legal support to defend actions being taken against the LDF. The current budget of £37k is almost spent at the mid-year and there will be further expenditure associated with action being taken in the Court of Appeal.

Sensitivity response :

The position with income from planning application fees will be closely monitored. The current view on Land Charges income for the year is £85k against a budget figure of £95k.

Adjustments :

No virements have taken place.

Effect on Budget Outlook :

For the reasons described above the current view is that there should be no significant impact on the budget outlook. However a further £25k may be needed in Planning Policy Specialist Fees budget for legal support in the Court of Appeal in relation to the LDF. This would, however, be financed from the Service Improvement Reserve, if needed.

Performance report

This part of the report looks at performance against the objectives and targets in the Council Business Plan.

Aim - Meeting Local Housing Needs

Action A - Through the local planning process we will facilitate the provision of 1030 new dwellings (200 new dwellings in 2011/12) in the District, of which 460 will (100 in 2011/12) be affordable homes.

- Between 01/4/11 and 30/9/11 there were <> dwelling completions, however, 57 of these were from a single elderly person assisted living scheme in Northallerton. Elsewhere completions are still running at a low level because of the difficulties in first-time buyers securing mortgages and the effects of the recession, which has severely impacted on the housebuilding industry. These are national factors and there is little the Council can do to effect a major improvement. The actions that the Council is taking are:
 - Ensuring that genuinely available housing land is identified ready for recovery. The adopted LDF Allocations DPD makes new site allocations for about 4,150 new dwellings, some of which are now coming forward as planning applications.
 - Working with developers to bring forward planning applications for Phase 1 housing allocations and to refer applications to Planning Committee for decisions as quickly as possible and completing Section 106 Agreements. However, there have been concerns from Members and the community about the implementation of some allocated sites which need to be dealt with to prevent delays in their release and the grant of permission.
 - Masterplanning for the North Northallerton development area has been completed and work has commenced on a Planning Performance Agreement.
 - Working with Registered Providers to boost their delivery.
- In Quarter 2, 6 affordable housing units were handed over giving a total of 9 in the year to date. As described at the last Performance Clinic, the delivery of affordable homes is slower than anticipated in 2011/12. This is due to delays in start on site at Swainby, Station House, Northallerton and Bridge Street, Bedale. These schemes will now deliver completed units in 2012/13. The slowdown in housebuilding due to the recession has also affected the delivery of affordable homes through market sites. A number of Phase 1 sites are currently in the pre application planning stage and negotiations are taking place on affordable housing delivery. Subject to market conditions these will deliver a pipeline of new affordable units beyond 2012.

Leisure and Health Board – Performance Report Quarter 2 2011/12

Part 1 – Overall Priority Performance

A – Financial Performance

	2010/11 Actual £	2011/12 Budget £	2011/12 Expected Outturn £	Difference £
<u>Income</u>				
Sales	(3,109,458)	(3,448,250)	(3,274,250)	174,000
Other	(334,309)	(95,470)	(95,470)	
	(3,443,767)	(3,543,720)	(3,369,720)	174,000
<u>Operating Costs</u>				
Building Running Costs	851,439	891,010	891,010	0
Vehicle and Travel Costs	48,186	15,120	15,120	0
Supplies and Services	718,180	1,339,350	1,339,350	0
	1,617,805	2,245,480	2,245,480	0
Salary Related Costs	2,682,673	2,052,430	2,052,430	0
Total:	4,300,478	4,297,910	4,297,910	0
<u>Net (Profit)/Loss of Operation</u>	856,711	754,190	928,190	174,000

Significant areas of budget risk :

- (1) Leisure Centre income is down against target due mainly to a drop off in casual swimming. This is particularly significant at Hambleton Leisure Centre and Bedale Leisure Centre. A review has been commenced to identify reasons and a marketing drive is already in place. It is also suggested that the targets set were extremely challenging and that evidence of customers who work in the public sector having less discretion on spend; the death of a child and increased competition at Bedale are contributory factors to not achieving the stretched targets. Greater analysis of this and actions to remedy are contained in a separate report elsewhere on the agenda.
- (2) Salary related costs were slightly over budget in the Leisure Centres in the first six months as a result of two factors:-
 - a) We were dealing with 2 instances of long term sickness and a suspension on full pay;
 - b) Seasonal costs associated with Summer holiday cover in swimming pools.
 All these have recently been resolved, and so salary related costs should return to normal now, although the sickness and suspension costs from the first quarter will not be recovered.
- (3) Within the Facilities Unit we have a shortfall created as a result of the whole of the former Facilities Unit Manager salary and on costs being taken out of the budget; When SMT in February approved that some of this could be utilised to fund an internal restructure

commencing 1 April. The current year's shortfall is £4,680 and next year's budget will need to be increased by £6,000 to sustain the new structure.

- (4) Energy costs within the Leisure Centres are to be dealt with corporately as this is part of a District-wide procurement approach.

Sensitivity response :

Steps have been taken to arrest the income decline and the current position at the end of the second quarter is that the projected end of year outturn is that income will be £174,000 down on the original target.

New 12 month contracts in relation to health and fitness are selling well and will aid gym retention figures, in the long term.

An open weekend held recently across all Leisure Centres was productive – report elsewhere on the agenda.

Adjustments :

Virements have taken place to help ensure that expenditure is under control.

Effect on Budget Outlook :

The effect on the budget outlook is significant as it is unlikely that even if we recover to profile level for the rest of the year, it will not replace the income lost in the first six months. We believe that expenditure will be on target overall save for the £10,000 on salaries in Leisure Centres, but that leisure income will be £174,000 down on the original budget.

Performance report :

Aim 1 - Providing an appealing and varied range of leisure and health opportunities.

Action A - Through local planning processes we will allocate 22.5 acres of open space up to March 2015 and we will secure financial contributions from developers to invest in new leisure opportunities to improve participation.

To date there has been no additional land allocated, reports have been presented to Area Forums on the position with allocations in each area.

Action B - Through the leisure centres provided by the Council and work with partners to support other community facilities we will increase the numbers of adults participating in sport/active recreation by 1% year on year from its current rate of 28% which will lead to our residents being healthier.

This indicator is reliant on the Sport England Active People Survey results. Local measures show that there has been excellent participation in the additional activities provided, with the exception of casual swimming, which has seen a reduction in numbers, this follows the national trend, although the council is top quartile in numbers swimming, unfortunately the decrease may impact on the annual achievement against this indicator.

Partnerships Board – Performance Report Quarter 2 2011/12

Part 1 – Overall Priority Performance

A – Financial Performance

	2010/11	2011/12	2011/12	Difference
	Actual	Budget	Expected	
	£	£	Outturn	£
			£	
<u>Income</u>				
Sales	(1,016,413)	(1,412,790)	(1,361,940)	50,850
Other	(663,428)	(419,240)	(419,240)	0
	<u>(1,679,841)</u>	<u>(1,832,030)</u>	<u>(1,781,180)</u>	<u>50,850</u>
<u>Operating Costs</u>				
Building Running Costs	595,376	665,090	673,290	8,200
Vehicle and Travel Costs	6,435	17,870	17,870	0
Supplies and Services	1,008,213	793,980	785,290	(8,690)
	<u>1,610,024</u>	<u>1,476,940</u>	<u>1,476,450</u>	<u>(490)</u>
Salary Related Costs	612,340	803,220	803,220	0
	<u>2,222,364</u>	<u>2,280,160</u>	<u>2,279,670</u>	<u>(490)</u>
<u>Net (Profit)/Loss of Operation</u>	542,523	448,130	498,490	50,360

Significant areas of budget risk :

- WOJH – income down by £12k but staff savings are being accrued from vacancies.
- Public Conveniences –Transfers have been further delayed which impacts on budgets. Budgets will be reviewed on completion of the transfers and budgets adjusted with support through the Service Improvement Fund as agreed by Cabinet.
- CCTV – costs for supplies and services currently exceeding profile by £16,880. However this will not have an impact on the outturn which will be within the 2011/12 budget.
- Workspace income down across rentals by £50,849 particularly due to Evolution and Leeming Bar Food Enterprise Centre. Mitigated by reductions in costs in supplies and services.

Sensitivity response :

- WOJH – The first quarter showed a shortfall of around £11k. Increases in adult admission prices improved the position in quarter 2 with an additional loss on only £1k. The month of September showed a £3.7k increase on the same month last year.
- Public Conveniences – the transfer of the public conveniences has taken longer to achieve than envisaged. Currently a number have yet to be finalised. Cabinet has agreed to the transfer from the Service Improvement Fund to address budget pressures. This

reconciliation will take place on completion of the transfers.

- Evolution – we are presently reviewing the whole of the managed workspace portfolio and this will include addressing issues of staff resources at Evolution.
Leeming Bar Food Enterprise Centre – lettings have been slow but with some aggressive deals 74% of the floor space is now let.

Adjustments :

- WOJH – Adult admission prices have been increased and a business plan is in preparation to address expenditure and income opportunities
- Public Conveniences – None are recommended at this stage.
- Workspace - adjustment of £35,364 to be made.

Effect on Budget Outlook :

- WOJH – At this stage it is suggested that there is no impact on the budget outlook.
- Public Conveniences - At this stage it is suggested that there is no impact on the budget outlook.
- Rural Transport Grants – an additional £15,000 is needed in the budget for 2011/12 only.
- Workspace – an adjustment of £35,360 needs to be made to the budget for 2011/12 only.

PERFORMANCE

Aim 1 - Encouraging our residents to become more involved in making decisions and delivering services which impact on their local communities.

Action A – We will explore opportunities to work with communities so that they can provide local services including public conveniences, tourist information centres, open spaces and the Hambleton Forum in Northallerton.

Currently 50% of available Council assets have been transferred into community ownership, with successful projects running at Thirsk (Thirsk Tourist Information & public conveniences), Hambleton Forum and the transfer of toilets in Great Ayton, Osmotherley, Stokesley, Swainby, with Easingwold and Bedale to follow. Thirsk asset transfer has achieved a net saving of £81.6K; Hambleton Forum transfer will not take place until 2012; 4 WC's transferred, agreement to transfer service with 3 Others. Work required with Easingwold Cabinet report – Oct noted position.

Action B - We will provide direct support to the five Area Partnerships so that they can develop a Local Action Plan. We will also support the delivery of the Action Plan. By working in this way we will help people to come together to take decisions, shape their area and improve their communities.

The 5 Area Partnerships based around the market towns have reviewed and agreed their action plans which identify key priorities and the projects and milestones by which these priorities can be achieved. Hambleton & Richmondshire Strategic Forum have awarded each Area Partnership £2,400 to support groups that are seeking funding for capital projects that will be of benefit to the wider community. This grant funding has been made available from the to each of the Area Partnerships to help with the delivery of the Hambleton & Richmondshire Sustainable Community Strategies (HRSCS.) Mechanisms are now place to coordinate, consider and award funding to support community projects.

Aim 2 - Supporting local economic growth.

Action A - Through planning processes we will approve 45 hectares of employment land by March 2015 mainly in the five market towns to facilitate opportunities for local economic growth.

For Q1 and Q2 taken together about 5.8 hectares of employment land was granted planning permission, these were at Stokesley Business Park (3.92 hectares) and the former Turkey Factory at Dalton (1.9 hectares). However, this figure does not represent a net gain, the site at Dalton is the redevelopment of part of a former much larger employment site and there have been other employment land losses to housing and open space such as the York trailer site.

Action B – We will directly provide workspaces and facilitate the availability of workspaces by other providers. In doing so we will be seeking average occupancy levels in the industrial workspaces of 89% and to improve managed workspace occupancy to achieve over 57%. Through the provision of workspaces we are seeking to foster opportunities for business start-ups and economic growth.

At the end of Q2 industrial workspace occupancy was 100%. The portfolio comprises Wainstones, Lumley, Bedale, Binks and Market Place. Managed workspace was at 64% and includes Springboard, Momentum, LBFEC and Evolution. At Springboard all 20 units are let; at Momentum 5 out of 7 units are now let; at Leeming Bar Food Enterprise Centre 7 out of 11 units are let; at Evolution 23 units out of the 29 remain vacant and an offer has been made to a prospective tenant.

Corporate Management Board – Performance Report Quarter 2 2011/12

Part 1 – Overall Priority Performance

A – Financial Performance

	2010/11 Actual £	2011/12 Budget £	2011/12 Expected Outturn £	Difference £
<u>Income</u>				
Sales	(685,335)	(90,780)	(90,780)	0
Other	(406,531)	(399,380)	(399,380)	0
	(1,091,866)	(490,160)	(490,160)	0
<u>Operating Costs</u>				
Building Running Costs	314,598	327,200	327,200	0
Vehicle and Travel Costs	53,222	77,360	77,360	0
Supplies and Services	1,294,617	1,684,690	1,684,690	0
	1,662,437	2,089,250	2,089,250	0
Salary Related Costs	(821,112)	2,389,150	2,389,150	0
	841,325	4,478,400	4,478,400	0
<u>Net (Profit)/Loss of Operation</u>	(250,541)	3,988,240	3,988,240	0

Significant Areas of Budget Risk:

1. There are two areas of budget pressure.
2. The first relates to the Efficiencies service area. There is a budget pressure of £41,560 which relates to an under achievement in this area in 2010/11.
3. The second relates to an unforeseen pension contribution for the Fund. This amounts to £51,160 and is required in 2011/12.

Sensitivity Response:

The budget risk referred will be managed through existing budgets and no additional budget is sought.

Adjustments:

None.

Effect on Budget Outlook:

There is no currently envisaged impact on the budget outlook.

Performance:

Aim 1 - Reducing the costs of delivering our services and improving our productivity.

Action A- We will save £1m through sharing services with other councils, better procurement, streamlining our processes and other initiatives.

Shared Service savings to date £939,000. The delivery of shared service savings is on target with budgets transferred as business cases go live.

Action B - We will use critical performance indicators in each service to track and improve our productivity levels. These will enable us to deliver our services at less cost.

Performance is generally on target with improvement plans in place for quarter 3

