

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
20 March 2012

Subject: COUNCIL PERFORMANCE REPORT 2011/12 – QUARTER 3

**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 December 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 £8,823,710. This compares to the Budget Outlook as follows:

	£
Latest Approved Budget	8,823,710
Budget Outlook	8,819,405
Shortfall	<u>4,305</u>

3.0 BUDGET POSITION TO DECEMBER 2012:

3.1 The Council's Boards and Clinics met in February 2012. 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 December 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 further savings of £74,000 to be achieved against the salaries budgets. This is a one off saving for 2011/12.

3.3 In terms of the Budget Outlook Members should also note that the adjustments below were being identified during the period of the 2012/13 budget preparation and therefore most of the adjustments that have an ongoing effect have already been captured as part of the budget process. The one exception to this relates to a matter concerning the Building Control Partnership which was reported to the Partnership Board.

3.4 Each member of the Partnership pays an annual fee of £43,300. This is meant to cover the costs of non-chargeable work carried out by the Partnership on behalf of each authority. This includes works of a statutory nature such as enforcement of the Building Regulations; dealing with applications from disabled persons; dangerous structures; recording and maintenance of competent persons register (22,000 additions per annum); liaison with partner authorities in relation to planning and general enquiries and advice to the public etc.

- 3.5 It is acknowledged that the cost of this work was not fully quantified at the inception of the Partnership in 2001 and the range of non-chargeable work has grown over the years; not least the Competent Persons Register which is an essential element of the Land Charges process.
- 3.6 Work has recently been carried out to more accurately quantify the cost of non-chargeable work to the Partnership, the results of which have been verified by the North Yorkshire Audit Partnership. This shows that a proposed 75%/25% split between chargeable and non-chargeable work is a more accurate reflection of the true costs.
- 3.7 The consequence of this is to increase the annual contribution from each authority to the Partnership from £43,300 to £55,000; an increase of £11,700

3.8 **Budget Outlook Including Suggestions Made By Service Boards**

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Latest Budget Outlook	8,823,710	7,995,793	7,897,089	7,958,683
Salaries	(74,000)	-	-	-
Adjustments:				
Customer Services	(35,660)	-	-	-
Housing & Planning	11,160	-	-	-
Leisure & Health	56,650	-	-	-
Partnerships	(21,400)	11,700	11,700	11,700
Corporate Management	(56,690)	-	-	-
Sub-Total	8,703,770	8,007,853	7,908,789	7,970,383
Financial Strategy	8,819,405	7,995,793	8,155,709	8,318,823
(Surplus) / Shortfall	(115,635)	11,700	(246,920)	(348,440)

4.0 OTHER MATTERS:

Grants

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

Description	Amount £
New Burdens – Small Business Rate Relief Extension Scheme	3,705
	3,705

- 4.2 It is proposed that this grant is paid into 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	Fuel costs continue to fluctuate. The volatility in prices has been heightened with effects of the closure of a British Oil Refinery and the events of the middle east in general and the oil producing countries in particular.
Housing Benefits	There continues to be 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 November Cabinet meeting. Expenditure to the end of December totalled £614,795. The expected outturn for 2011/12, after taking into account the adjustments below, is currently £2,098,270.

6.3 Amendments to the Capital Programme

Members are requested to approve the following scheme adjustments:-

	£
<u>(Under)/Overspends</u>	
Acquisition of Garage at Swainby	7,630
HLC Changing Room Floor Tiling	(10,000)
WoJH Windows, Roof and Emergency Lighting	(2,000)
	<u>(4,370)</u>
<u>Roll Forwards from 2011/12 to 2012/13</u>	
Domestic Violence Refuge	121,000
Roof Repairs SLC and HLC	71,000
Pool Filters SLC and BLC	75,000
Pool Tank Tiles HLC, TLC and BLC	120,000
HLC Plant Controls and Air Handling	21,000
Car Parks – Thirsk Cobbles	80,000
Car Parks – Other Sites	33,000
Adoptions – Northallerton, Thurston Road	130,000
Adoptions – Other sites	44,100
CCTV Control Room Upgrade	99,000
Aircon legislation – Server Rooms, Repro and Gym	30,000
Energy Savings Schemes – Carbon Management	719,550
	<u>1,543,650</u>

6.4 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>2,098,270</u>
	8,528,873
Less:	
Programme Spend 2012/13 to 2020/21	<u>7,368,653</u>
Remaining Resources	<u>1,160,220</u>

6.5 Members should also be aware that the Council has received an additional capital allocation of £30,245 in respect of Disabled Facilities Grants (DFG's). This capital grant is un-ring fenced and can therefore be applied to fund any scheme of a capital nature. The budget for DFG's is fully committed and it is proposed that the additional allocation be applied to allow further grants to be awarded in this important area.

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 December 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
£294,900 has been spent to date. The anticipated outturn for the year is £700,115 which would leave an unallocated balance in the fund of £736,751. 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 affordable homes continue to be below target, this is due to a delay in commencement on sites, it is expected that these schemes will now deliver during 2013.

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.

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 grant referred to in section 4 of the report is paid into the Service Improvement Reserve;
- 3) 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 £1,543,650 to 2012/13; and
- 4) 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 3 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	(1,167,233)	(583,870)	(583,870)	0
Other	(21,996,090)	(23,208,620)	(23,270,820)	(62,200)
	(23,163,324)	(23,792,490)	(23,854,690)	(62,200)
<u>Operating Costs</u>				
Building Running Costs	64,344	57,140	56,640	(500)
Vehicle and Travel Costs	594,651	701,730	700,930	(800)
Supplies and Services	21,650,748	22,879,600	22,907,440	27,840
	22,309,743	23,638,470	23,665,010	26,540
Salary Related Costs	4,049,428	3,958,940	3,958,940	0
	26,359,171	27,597,410	27,623,950	26,540
<u>Net (Profit)/Loss of Operation</u>	3,195,847	3,804,920	3,769,260	(35,660)

Significant areas of budget risk :

- Supplies and services are anticipated to be overspent by £27,840, of this £19,700 comes from the additional costs of green waste disposal which is offset by the increased income described below.
- Should the price of fuel increase as being reported in the press, this may have an impact on the budget.
- ICT - £22,000 possible overspend due to Telephone Fraud incident

Sensitivity response :

- The new recycling contract, awarded on 16 January, will generate an additional £230k per annum. Some of this will feed into the final quarter of 2011/12 but the exact sum has not yet been determined.
- At this time income is projected to exceed expectations because of income of £23,000 from RDC for Schedule 2 Waste collection and increased income of £39,200 from Green Waste because of additional tonnage

Adjustments :

To be determined by the Board.

Effect on Budget Outlook :

To be determined by the Board.

B – Other Performance Information**Performance report****Aim 1 – Providing excellent and effective services to our customers.**

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 Q3 69% of enquiries were resolved at the first point of contact against a target of 80% for 2011/12. Recent training within the Customer Service Team has shown improvement in this area; particularly with regard to the delivery of council tax, benefits, housing and homelessness. More service training will follow as resources are identified to enable us to make further progress in first point resolution.
- 106,283 contacts had been received at the end of Q3 which is 71% of the 150,000 expected for 2011/12.

Aim 2 – Collecting household waste and recycling.

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.

(Percentages exclude Schedule 2 waste):

- Quarter 1- 50.4%
- Quarter 2- 55.7%
- Quarter 3- 41.8%

Quarter 3 and 4 recycling volumes are traditionally lower due to the drop off in green waste collected over these periods. This drop is consistent with previous years' performance figures, where green waste reduces from around 35% of the total overall waste collected in Q1 and 2, to c20-25% in Q3 and c10% in Q4. The waste service will be working with Yorwaste to increase the types of materials collected at the kerbside, this includes looking at card and more plastics

Housing and Planning Board – Performance Report Quarter 3 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)	(768,810)	(743,810)	25,000
Other	(673,651)	(1,136,310)	(1,128,510)	7,800
	<u>(1,434,423)</u>	<u>(1,905,120)</u>	<u>(1,872,320)</u>	<u>32,800</u>
<u>Operating Costs</u>				
Building running costs	38,376	90,380	90,380	0
Vehicle and Travel costs	41,298	57,240	52,240	(5,000)
Supplies and services	686,080	897,400	882,660	(14,740)
	<u>765,754</u>	<u>1,045,020</u>	<u>1,025,280</u>	<u>(19,740)</u>
Salary related costs	1,383,656	1,182,440	1,180,540	(1,900)
	<u>2,149,410</u>	<u>2,227,460</u>	<u>2,205,820</u>	<u>(21,640)</u>
<u>Net (Profit)/Loss of Operation</u>	<u>714,987</u>	<u>322,340</u>	<u>333,500</u>	<u>11,160</u>

Significant areas of budget risk :

The main area of significant budget risk at this time relates to income which is estimated to be about £32,800 below what was expected.

Income from planning fees has a target of £642,880 by end of March 2012. With 11 weeks remaining in the year fee income sits at £504,000. There is a risk that the outstanding £138,880 will not be achieved in full with an estimated £20,000 shortfall. Latest updates on proposed submission dates of applications relating to LDF allocated sites confirms no upturn in progress, though a number of submissions are expected to be made in 2012/13. However budgeted income from Planning Advice of £10,000 has already been met and slightly exceeded. There is still no news from Government on the introduction of locally set planning fees.

It appears that income from Local Land Charges for 2011/12 will be down by about £5,000. The adjusted income for 2011/12 is £90,000 but is now expected to be £85,000.

Under Operating Costs one-off savings of £16,570 for 2011/12 have been identified from Planning Policy to help balance the budget. Also under Operating Costs and Salary Related Costs savings of £5,070 have been identified from Housing and Development Management from a budget challenge exercise. The latter will be removed from the base budget and will be

supplemented by savings from the 2nd Passes of Shared Services Business Cases.

As reported previously, 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. Court dates have been put back to 25/26 April so the expenditure will be next financial year.

Sensitivity response :

The position with income from planning application and Land Charges fees will be closely monitored.

Adjustments :

No virements have taken place.

Effect on Budget Outlook :

There will be an impact on the budget outlook from the fall in income but, with the savings identified, this will be modest.

Savings will be able to be made in the 2012/13 budget including from the “2nd pass” of Shared Service Business Cases, and these will be reported at the end of Quarter 4.

Performance report

Aim 1 – Meeting Local Housing Needs

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

- Completions in Quarter 3 stand at 23, significantly lower than the 53 and 77 for Quarters 1 and 2 respectively. Building rates are generally lower in Quarter 3 due to the poorer weather and the festive break. Of the 153 dwellings completed so far this year, roughly a third has been for an elderly persons 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. 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. In December for example permission was granted for 283 dwellings on the York Trailers site in Northallerton and Planning

Committee resolved to approve 925 dwellings at South-West Sowerby subject to highway improvements being approved by the Highways Agency.

- Masterplanning for the North Northallerton Development Area has been completed and work has commenced on a Planning Performance Agreement with a hybrid planning application expected in Spring 2013.
 - Working with Registered Providers to boost their delivery.
- In Quarter 3, 2 affordable housing units were handed over giving a total of 11 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 starting 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 new affordable units beyond 2012.

Leisure and Health Board – Performance Report Quarter 3 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)	(3,279,710)	(3,223,060)	56,650
Other	(334,309)	(113,340)	(113,340)	-
	<u>(3,443,767)</u>	<u>(3,393,050)</u>	<u>(3,336,400)</u>	<u>56,650</u>
<u>Operating Costs</u>				
Building Running Costs	851,439	891,570	891,570	0
Vehicle and Travel Costs	48,186	16,700	16,700	0
Supplies and Services	718,180	1,303,450	1,303,450	0
	<u>1,617,805</u>	<u>2,211,720</u>	<u>2,211,720</u>	<u>0</u>
Salary Related Costs	2,682,673	2,093,200	2,093,200	0
	<u>4,300,478</u>	<u>4,304,920</u>	<u>4,304,920</u>	<u>0</u>
<u>Net (Profit)/Loss of Operation</u>	856,711	911,870	968,520	56,650

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, which over the last 4 months has begun to reverse the trend. 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; increased competition is a contributory factor to not achieving the stretched targets. Greater analysis of this and actions to remedy are contained in a separate report.
- (2) Hambleton Forum income is down mainly due to bookings from public sector organisations such as North Yorkshire County Council and RPA being reduced.
- (3) Energy costs within the Leisure Centres are to be dealt with corporately as this is part of a District-wide procurement approach.
- (4) Pest Control income is forecast to be down by £7,000 by the end of the year.

Sensitivity response :

Steps have been taken to arrest the income decline and the current position at the end of the third quarter is that the projected end of year outturn is that income will be £56,000 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.

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 but that leisure income will be £56,000 down on the original budget.

If we have prolonged bad weather this will worsen the outlook.

Performance report :

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

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.

During this first half year, as casual swimming has reduced, the Council's contribution to the priority of increasing participation in sport and activity may have been negatively affected. We will, however, not be able to see this until Sport England publish the results of the Active People Survey, and in any case the Council is currently top quartile at a time when the national trend for swimming is downward.

Partnerships Board – Performance Report Quarter 3 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	(1,498,837)	(1,579,430)	(1,559,430)	20,000
Other	(535,645)	(132,180)	(132,180)	-
	(2,034,482)	(1,711,610)	(1,691,610)	20,000
<u>Operating Costs</u>				
Building Running Costs	626,683	691,940	691,940	-
Vehicle and Travel Costs	11,010	25,680	16,680	(9,000)
Supplies and Services	1,403,827	920,670	903,270	(17,400)
	2,041,520	1,638,290	1,611,890	(26,400)
Salary Related Costs	677,659	801,110	786,110	(15,000)
	2,719,179	2,439,400	2,398,000	(41,400)
<u>Net (Profit)/Loss of Operation</u>	684,697	727,790	706,390	(21,400)

Significant areas of budget risk :

- WoJH – admission income is down by £14k (largely in Q1) and sales income down by £8k.
- Public Conveniences –Transfers have been completed and budgets adjusted with support through the Service Improvement Fund as agreed by Cabinet – no further risk.
- Building Control – potential budget shortfall of between £20,000 and £25,000 at year end.

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. However it is not likely that the Q1 losses will be recouped.
- Evolution – we are presently reviewing the whole of the managed workspace portfolio and this will include addressing issues of staff resources at Evolution..
- Building Control – fee income was above profile in October however economic activity is still very slow. This time last year a similar picture existed in relation to reduced fee income however at year end the fee income target was exceeded. It is still very difficult to predict year end outcome with any confidence.

Adjustments :

- WOJH – Adult admission prices have been increased which has improved financial performance. A revised business plan is in preparation to inform a potential community asset transfer.
- Building Control – adjustment of £25,000 to be made. See separate report on Building Control.

Effect on Budget Outlook :

- WOJH – the current forecast suggests a need for an additional £20k for the 11/12 budget.
- Building Control – an adjustment of up to £25,000 to be made.

PERFORMANCE

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

Priority 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 90% 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 all toilets. With all available assets having been transferred the revenue savings for the year, excluding the Hambleton Forum, can be calculated to be £95.8k. The capital cost of the transfer to date has been £204k though the capital value of 49 Market Place, Thirsk and the former Applegarth toilet block have yet to be realised.

Priority 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 £2,400 allocated to each of the 5 Area Partnerships to help with the delivery of the Hambleton Sustainable Community Strategy has been allocated. A review of Area Forums and Area Partnerships is underway to explore a range of alternative models for future delivery.

Winter Weather Task Group: Leaflets have been produced and distributed across Hambleton & Richmondshire which provide comprehensive information and advice as to how to keep safe during periods of severe weather. A winter weather 'campaign' has been launched and a telephone helpline has been established for residents of both districts during periods of severe weather.

Broadband Task/Finish Group: Although work is progressing a number of concerns have been raised, in particular the lack of progress resulting from 'State Aid' issues, the overall procurement process for PRG/BDUK funding and the resources required to coordinate community-led initiatives across both Districts. Mapping of 'expressions of interest' in improved broadband is underway and community 'broadband champions' are being sought.

Aim 2 - Supporting local economic growth.

Priority 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, Q2 and Q3 taken together about 6.3 hectares of employment land was granted planning permission. The main approvals were at Stokesley Business Park (3.92 hectares) and the former Turkey Factory at Dalton (1.9 hectares). In December the Council resolved to approve, in outline, about 13.0 hectares of employment land in the Sowerby Gateway Development but this decision has not been issued yet. 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.

Priority 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 Q3 industrial workspace occupancy was 99%. The portfolio comprises Wainstones, Lumley, Bedale, Binks and Market Place. The drop of 1% relates to one small unit at the Craft Yard becoming vacant. Managed workspace was at 64% and includes Springboard, Momentum, LBFEC and Evolution. At Springboard 19 units are let; at Momentum 5 out of 7 units are let; at Leeming Bar Food Enterprise Centre 7 out of 11 units are let; at Evolution a further unit has been let leaving 22 units out of the 29 vacant

Corporate Management Board – Performance Report Quarter 3 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)	(46,220)	(55,720)	(9,500)
Other	(820,811)	(1,016,530)	(1,096,000)	(79,470)
	(1,506,146)	(1,062,750)	(1,151,720)	(88,970)
<u>Operating Costs</u>				
Building Running Costs	314,598	324,700	327,450	2,750
Vehicle and Travel Costs	53,222	77,900	71,780	(6,120)
Supplies and Services	1,540,688	2,344,680	2,311,550	(33,130)
	1,908,508	2,747,280	2,710,780	(36,500)
Salary Related Costs	(821,112)	2,320,390	2,319,170	(1,220)
	1,087,396	5,067,670	5,029,950	(37,720)
Transfers to Reserves	52,300	40,300	110,300	70,000
<u>Net (Profit)/Loss of Operation</u>	(366,450)	4,045,220	3,988,530	(56,690)

Significant Areas of Budget Risk:

1. There are no significant areas of budget pressure.
2. The current under spend on the £4m budget is £56,690 which equates to 1.4%.
3. The budgets were reviewed through a budget challenge process in Q3 and some savings and additional income were identified and accommodated in the budget outlook. This amounted to variations of around £41k. This leaves total under spends against the current budget of around £15.6k.

Sensitivity Response:

1. There are a small number of minor budget overspends within the Theme which can be accommodated within the overall budget provision.

Adjustments:

1. The Council's investment portfolio is currently forecasted to receive an additional £70k of income which has been transferred to Council Reserves.
2. Savings and additional income identified in the budget challenge will be reflected in budget adjustments.

Effect on Budget Outlook:

1. As a result of the budget challenge in Q3 a number of adjustments will be made to budgets which will reduce the reported under spend.

Performance:

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

The HDC shared services savings to Q3 are £1m

Aim 2: 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.

Service critical indicators detailed within the Council Plan were subject to a full review in October 2011 and on-going service management. Quarter 3 performance for these indicators is generally on target. Indicators will be reviewed for the suitability for monitoring performance and productivity of services during Q4.