

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to Cabinet

1st December 2015

TITLE:	Second Quarter Performance & Financial Review 2015/16
PORTFOLIO HOLDER	Cllr Sybil Ralphs – Portfolio Holder for Finance & Resources
CONTACT OFFICERS:	Claire Hazeldene – Finance Vanessa Higgins - Performance
WARDS INVOLVED:	Non-Specific

Appendices Attached

- **Appendix A - 2015/16 – Second Quarter Performance Report**
- **Appendix B - 2015/16 – Second Quarter Financial Report**
- **Appendix C - 2015/16 – First Quarter (14/15) Action Plan: follow up**
- **Appendix D - 2015/16 – Second Quarter Action Plan**
- **Appendix E - Write off of non- recoverable debts (exempt)**

1. Reason for the Report

1.1 The purpose of this report is to:

- Inform members of the Council’s overall performance and financial position for the period ended 30th September 2015 (“Second Quarter 2015/16”); and
- Agree a set of actions to address the issues identified in the report.

2. Recommendations

2.1 It is recommended that the Cabinet notes:

- The Second Quarter 2015/16 performance and financial position detailed in Appendices A and B and summarised at 3.3 of this covering report;
- The updated position against the approved Action Plan for the First Quarter (Appendix C);
- The actions detailed in Appendix D which have been identified to address the performance and financial issues highlighted in the report: and
- The proposed write-off of debts as set out in Appendix E

3. Executive Summary

3.1 This report essentially summarises the Council's performance and financial position after considering service activity up to the end of the First Quarter (i.e. 30th September 2015).

3.2 Detailed analysis is provided in Appendix A (Performance) and Appendix B (Finance).

3.3 The position can be summarised as follows:

Subject	Headline	Reference
Performance	<p>The performance headlines for the Fourth Quarter are:</p> <ul style="list-style-type: none"> • 69% of the key performance indicators are 'on track' to meet their target; • Of the 18 Priority Actions within the Corporate Plan, three are currently rated 'Amber', the remainder being classified as 'Green'; and • The Council received 70 complaints, 66 comments and 54 compliments in the First Quarter. 91% of complaints were responded to within 10 Days with 65% satisfaction with the way complaints were handled. 	Appendix A
General Fund	<p>The General Fund budget for 2015/16 is projected to under spend by £399,520</p> <p>The overall efficiency target is £970,740 for 2015/16, together with the £90,920 of unachieved savings rolled forward from 2014/15. At this stage, it is anticipated that there will be a draw on the earmarked reserve set up specifically to offset some of the one-off and short term costs arising out of the Efficiency Programme.</p>	Appendix B Sections 2 and 3
Capital Programme	<p>The Capital Programme budget for 2015/16 is £9.178million following the carry forward of capital underspends from 2014/15.</p> <p>The projected outturn is £2,578,040 which represents an underspend of £6,599,670 (the majority relating to a £6 million drawdown of the Ascent loan – which is not likely to be required during 2015/16)</p>	Appendix B Section 4 and Annex A
Treasury Management	<p>Cash investments held at 30th September 2015 totalled £11.4 million.</p> <p>The Ascent loan and debenture currently stands at £14 million. Council borrowing at 30th September 2015 totalled £16 million (£14 million of which relates to the Ascent loan)</p> <p>The Council's net interest receipts budget is projected to be exceeded by £133,720 at the Second Quarter stage.</p>	Appendix B Section 5
Revenue Collection	<p>57.2% of Council Tax due for 2015/16 was collected by 30th September 2015 compared to 57.3% at the same stage in 2014/15.</p>	Appendix B Section 6

	55.8% of Business Rates due for 2015/16 was collected by 30th September 2015 compared to 58.7 % at the same stage in 2014/15 (expected to equalise over the remainder of the year) At 30th September 2015 the value of sundry debt over 60 days old was £301,470	
Creditor Payments	The Council paid 94.04% of its invoices within 30 days during the year, with 73.99% paid within 10 days.	Appendix B Section 7

3.4 The issues raised in the agreed Action Plan from the First Quarter have been followed up with the results summarised in Appendix C. An updated Action Plan for the Second Quarter has been developed in Appendix D, which comprises ongoing/outstanding issues from the First Quarter together with new issues that have emerged during the Second Quarter. This Plan will be followed up and progress will be reported at the Third Quarter 2015/16 stage.

4. How this Report Links to Corporate Priorities

4.1 The successful delivery of all corporate priorities is dependent upon the effective management of performance and financial resources, which is the subject of this report.

5. Options and Analysis

5.1 Detailed Analysis is contained within the main body of the Report.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None.

6.2 Workforce
None.

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Equality and Diversity policies.

6.4 Financial Considerations
There are substantial financial considerations contained throughout the report.

6.5 Legal
None.

- 6.6 Sustainability
None.
- 6.7 External Consultation
None.
- 6.8 Risk Assessment
There are a number of risks to the financial position presented, which are identified and explained in the financial report attached at Appendix B.

ANDREW P STOKES
Executive Director (Transformation) & Chief Finance Officer

**Web Links and
Background Papers**

Various background working papers

Location

Moorlands House

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2015/16

Quarter Two
Performance
Review

1 Reason for the report

- 1.1 This report provides members with an update on the Council's progress against its key performance indicators and Corporate Plan priorities for the period April to September 2015. It also details the content of the 'Customer Feedback' system during the Quarter in terms of compliments, comments and complaint handling.

2 Background and Introduction

- 2.1 The report contains three elements, which form the annexes detailed below:

- *Dashboard Results (Annex A)* – Quarter Two results for all of the performance indicators included within the Council's 'Dashboard', together with an analysis of targets and comparative trend data.
- *Objective Delivery Plans (Annex B)* – Quarter Two exception results across each of the Council's four Objective Delivery Plans. These reports include both performance indicator results and progress against the Corporate Plan Priority Actions.
- *Customer Feedback Results (Annex C)* - This section of the report provides information on the number of complaints by service area and details of any repeat issues for which management action was needed.

3 Dashboard Results

- 3.1 The report shows that 69% of 'dashboard' indicators are 'on track' to meet the target for 2015/16 and 65% of measures are performing better than this point last year.

- 3.2 The five indicators currently below target are as follows:

- Time taken to process Housing Benefit new claims
- Time taken to process Housing Benefit change of circumstances
- % of calls answered
- Number of fly-tipping incidents
- Number of fly-tipping enforcements.

- 3.3 The five indicators are highlighted within Annex A together with an accompanying commentary from the relevant Service Manager. Actions to improve performance, where relevant, are included in the Action Plan which is detailed in Appendix D of the main report.

4 Objective Delivery Plans

4.1 There are 18 Priority Actions linked to the Council's Corporate Plan. As at the end of September 2015 the vast majority (15) are progressing satisfactorily. Three actions have been flagged as 'amber' rated, which are detailed. Progress against the new Corporate Plan priorities will be reported as part of the new Performance Framework currently being developed.

- Finalise proposals for the Mills Quarter of Leek
- Secure agreement on development of central car parking area in Cheadle
- Launch Growth Fund and begin delivery of the first investment project

4.2 Where appropriate improvement actions are included in the Action Plan detailed at Appendix D of the main report.

4.3 Of the wider set of performance indicators that make up the Council's Performance Framework, 83% are 'on track' to meet the 2015/16 target. These are reported by exception in Annex B.

5 Customer Feedback Results

5.1 The Quarter Two customer feedback results are positive with a reduction in complaints when compared to last year and repeat complaints, response times and satisfaction levels all on track.

6 Annexes

Annex A: Dashboard Performance Indicators

Annex B: Objective Delivery Plans – exception reports

Annex C: Customer Feedback system results

Annex A – Performance Indicator Dashboard 2015/16

Performance Indicator	Lead Service Area	2010/11 Result	2011/12 Result	2012/13 Result	2013/14 Result	2014/15 Result	Target 2015/16	Year to date August	Year to date Sept	Current Status	Trend 2015-16 Vs 2014-15	Commentary
The time taken to process housing benefit new claims	Revenues & Benefits	N/A	N/A	N/A	18.84	18.83	19 days	20.3 days	19.86	Off Track	Better	improved performance this month - will meet target
The time taken to process housing benefit change of circumstances	Revenues & Benefits	N/A	N/A	N/A	7.67	6.47	8 days	8.71 days	8.69	Off Track	Weaker	improved performance this month - will meet target
% of calls answered	Customer Services	96%	92%	90%	94%	94%	92%	91%	91%	Off Track	Weaker	September performance was 92%. An increase in call volumes following a large recovery run and Annual Voter Registration Forms reminders (20,000 posted). Of the 8% abandoned 40% were abandoned in less than 30 seconds
% of online transactions for service areas where online forms are available	Customer Services	N/A	N/A	N/A	N/A	7%	5%	8%	8%	On Track	Better	
NI 157a Major planning applications determined within 13 weeks	Planning Applications	75%	54%	69%	95%	59%	85%	100%	100%	On Track	Better	
NI 157b Minor planning applications determined within 8 weeks	Planning Applications	92.39%	67.76%	72.28%	74.70%	53%	80.00%	90%	88%	On Track	Better	
NI 157c Other planning applications determined within 8 weeks	Planning Applications	95.79%	86.39%	90.86%	87.43%	59%	90.00%	93%	90%	On Track	Better	
NI 155 Number of affordable homes delivered (gross)	Regeneration	40	18	36	45	225	19	1	1	On Track	Weaker	
NI 156 Number of households living in temporary accommodation	Revenues & Benefits	16	15	21	14	13	17	20	15	On Track	Better	
Sickness Absence (Ave days per FTE)	Human Resources	7.81	9.22	9.26 days	8.79 days	8.71 days	9 days	3.41 days	4.09 days	On Track	Better	
NI 191 Residual household waste per household	Waste Collection	386	402.34kg	419kg	450.56kg	428.85kg	449kg	84.8kg	196.18	On Track	Better	Results are estimated as tonnage information not available for whole of quarter 2 from SCC and contractors.
NI 192 Percentage of Household Waste sent for reuse, recycling and composting	Waste Collection	60.24%	59%	54%	51%	52%	51%	62%	59%	On Track	Better	

6.15

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Performance Indicator	Lead Service Area	2010/11 Result	2011/12 Result	2012/13 Result	2013/14 Result	2014/15 Result	Target 2015/16	Year to date August	Year to date Sept	Current Status	Trend 2015-16 Vs 2014-15	Commentary
NI 196 fly tipping - a) No. of incidents	Community Safety & Enforcement	a) 399	a) 356	350	441	508	400	259	308	Off Track	Weaker	The Council will continue to investigate all fly tips and take enforcement action as necessary. There have been recent increases in the number of reports of fly-tipping in the Tickhill and Bagnall areas and increased enforcement will be targeted on those areas.
NI 196 fly tipping - b) No. of enforcements	Community Safety & Enforcement	b) 688	b) 489	826	1225	1171	1200	506	556	Off Track	Weaker	Slightly of target this month, it is anticipated target will be met by year end.
Env 8 - % of 'hot spot' area inspections achieving a B+ grading for dog fouling	Street Scene	N/A	dog fouling 39%	Dog Fouling 100%	97%	100%	90%	100%	100%	On Track	No Change	
Total no. of visits to the Council's website (external pageviews)	Customer Services	N/A	N/A	220,402	275691	960374	contextual	308057	610389	N/A	Better	
No. of visits to the Council's leisure facilities	Leisure Services		807,243	820,848	842,758	860,439	860,000	369,707	438,757	On Track	Better	

Annex B: Objective Delivery Plan exception reports

Aim 1: Provide Quality Services in Partnership with Communities

The Council's Objectives:

- *A positive relationship with communities*
- *An effective relationship with our strategic partners*
- *To use the Council's influence to stand up for the needs of our communities*

Progress against Priority / Influencing Actions:

Exception Report –

None to report

Progress against Performance Indicators:

Exception Report:

Ahead of target:

- Complaints answered in 10 days – 1% above target
- Repeat complaints at 4%.
- Satisfaction with complaint handling (small sample)

Below target:

- Calls answered – only 1% under target overall (91%) due to large recovery run and voter registration calls. 92% of calls answered in September.

Summary of Progress under Aim 1:

Our procedures for dealing with complaints are working efficiently and effectively with low repeat complaints. Our call abandonment rate was impacted by a large recovery run and by the annual voter registration reminder exercise, which led to a spike in call volumes.

Aim 2: Meet Financial Challenges & Provide Value For Money

The Council's Objectives:

- *Effective use of financial and other resources to ensure value for money*
- *To ensure our services are easily available to all our residents*
- *A high performing and well motivated workforce*
- *The use of assets to provide an income for the Council or a benefit for local groups*

Progress against Priority / Influencing Actions:

Exception Report –

The following action has been completed:

Commission a Service Priority and Value for Money Review in order to establish baseline data – Grant Thornton undertook this work and the findings were incorporated within the Service Review process.

Progress against Performance Indicators:

Exception Report:

Ahead of target:

- FOI requests responded to on time – 99%
- Occupation rate for Council owned retail / industrial units

Below target:

- Business Rates collected – due to change in liability, result is expected to equalise.
- % invoices paid within 10 and 30 days

Summary of Progress under Aim 2:

Despite the large increase in the number of FOI requests received over the last five years (with over 500 being dealt with per annum) performance in Quarter Two has been exceptional with nearly all requests dealt with on time. Payment of invoices remains an area of improvement focus with streamlined processes being implemented.

<p>Aim 3: Support Economic Development & Regeneration</p>		
<p>The Council's Objectives:</p> <ul style="list-style-type: none"> • To encourage business start-ups and enterprises • Flourishing town centres that support the local economy • To promote tourism • High quality development control • Car parking arrangements that meet the needs of residents, businesses and visitors 		
<p>Progress against Priority / Influencing Actions:</p> <p>Exception Report -</p> <p>The following actions have been 'amber' rated:</p> <p>Finalise proposals for the Mills Quarter of Leek – Soft Market Testing exercise to test development potential of adjacent 'Gateway' area completed Dec 2014. BIS Growth Deal funding bid for London Mill approved 29 Jan 2015. Memorandum of Understanding renewed with the owner of London Mill until Dec 2015. Development appraisal undertaken. Outline ESIF funding bid submitted 25/9/2015.</p> <p>Secure agreement on development of central car parking area in Cheadle – Feasibility work progressing with County Council on this site/area, transport study to inform highway proposals underway. However, a review of specific central area redevelopment is required to reflect changed market conditions.</p> <p>Launch the Growth Fund and begin delivery of the first investment project - Business Case approved at Council meeting on 23 July 2014 and being progressed in line with the approved programme. 3 projects and associated programmes are being actively developed jointly by District/County. Investment is dependent on outcome of ESIF Outline funding bids submitted 25/9/15 for Leek Mill Heritage site (London Mill) and Cornhill East.</p>	<p>Progress against Performance Indicators:</p> <p>Exception Report –</p> <p><u>Ahead of target:</u></p> <ul style="list-style-type: none"> • Planning breaches where initial action taken in 13 weeks (98%) • Processing times for Major (100%), Minor and Other applications • Planning Appeals defended – 85% • Satisfaction of users with planning process 	
<p>Summary of Progress under Aim 3:</p> <p>Planning performance is doing well across processing times with all three categories on track against high performing targets. This is complemented by high satisfaction ratings from applicants and a successful record in defending appeals as at the close of Quarter 2. Quarterly meetings are taking place with Planning Agents across the District in order to listen to their suggestions and implement service improvements where feasible.</p>		

<p>Aim 4: Protect and Improve the Environment</p>		
<p>The Council's Objectives:</p> <ul style="list-style-type: none"> • <i>An increased supply of good quality affordable homes</i> • <i>Effective recycling and waste management</i> • <i>To promote environmentally sustainable policies and practices</i> • <i>The provision of high quality public amenities, clean streets and environmental health</i> • <i>The provision of quality open spaces, sports facilities and leisure opportunities</i> • <i>Effective support of community safety arrangements</i> 		
<p>Progress against Priority / Influencing Actions:</p> <p>Exception Report –</p> <p>None to report</p>	<p>Progress against Performance Indicators:</p> <p>Exception Report –</p> <p><u>Ahead of target:</u></p> <ul style="list-style-type: none"> • Hot spot areas free from dog fouling, detritus and litter • Households in temporary accommodation • Number of Leisure key users / visits <p><u>Below target:</u></p> <ul style="list-style-type: none"> • Fly-tipping incidents and enforcements • Benefit processing times for new claims and change of circumstances – improved performance again this month 	
<p>Summary of Progress under Aim 4:</p> <p>The focus on hot spot areas in terms of street cleanliness is continuing to see positive results in terms of litter, detritus and dog fouling. Fly tipping incidents are investigated and enforced against whenever possible. Benefit processing times continue to improve.</p>		

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Annex C: Customer Feedback System results 2015/16

The quarterly performance report also includes an overview of the results from the Council's 'Customer Feedback' system in terms of compliments, comments and complaints.

Complaints

The Council received a total of 70 stage one complaints across 16 service areas during the period July to September 2015 – a reduction of 5 compared to the previous year. The table below shows the split across each service area and the trend compared to last year.

	Complaints July - Sept 2014	Complaints July - Sept 2015	Late replies 2015	Trends
Assets	2	1	0	↑
Benefits	1	0	-	↑
Building Control	1	2	0	↓
Cemeteries	0	2	0	↓
Council Tax	7	6	0	↑
Customer Services	4	3	0	↑
Enforcement	2	3	0	↓
Env Health	2	1	0	↑
Finance	0	2	0	↓
Horticulture	11	6	0	↑
Leisure	3	3	0	↔
Planning	9	8	2	↑
Recovery	2	5	0	↓
Regeneration	1	3	0	↓
Street scene	5	1	0	↑
Visitor	5	2	0	↑
Waste	20	22	1	↓
Total	75	70	3	

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The table below provides further detail on the nature of the complaints received.

<u>Assets</u>	
	Unhappy resurfacing works have not been done
<u>Building Control</u>	
	Payments not registered
	No return contact from officer
<u>Cemeteries</u>	
	Workman threw stick into customer's garden
	Unhappy burial and grave stone authorised without owners permission
<u>Council Tax</u>	
	Unhappy to receive letter with no name and addressed to deceased mother
	Moved address but both not liable as per old address
	No response to online form, direct debit set up but not taken
	Unhappy time taken to process refund
	Unhappy council tax bills for late relative
	Unhappy with way account handled and no response to email
<u>Customer Services</u>	
	Unhappy with how call handled
	Contact logged under incorrect record
	Discount form sent to incorrect address
<u>Enforcement</u>	
	Unhappy with how query handled
	No response from officer
	Ongoing problem not investigated
<u>Env Health</u>	
	No response to animal boarding complaint
<u>Finance</u>	
	Received reminder when paid at the post office x 2
<u>Horticulture</u>	
	No response to enquiries x 3
	Workman wearing headphones didn't hear passer-by
	Unhappy with progress of high hedge complaint
	No action taken in relation to large tree
<u>Leisure</u>	
	Unhappy no disabled changing facilities at centre
	Pool taken up by inflatable session and small pool closed
	Customer accused of harassing grounds staff
<u>Planning</u>	
	Contradicting advice re permission for business
	No call back from officer x 2
	Been waiting over 2 months for document
	Complaint relating to meeting for application x 2
	Unhappy that didn't receive letter
	Unhappy with application decision
<u>Recovery</u>	
	Unhappy with response from recovery officer
	Unhappy that unable to speak to officer when contacting
	Reminder send when payment made
	Unable to make arrangement at reminder stage
	Unhappy received final reminder as only paid 8 days late
<u>Regeneration</u>	
	Unhappy with advertisement of local plan consultation and drop in session x 3

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Street scene	
	Complains the road sweeper goes past too early in the morning
Visitor	
	Parked as agreed but received fine
	Unhappy with response from parking officer
Waste and Recycling	
	Unhappy with driver and crew blocking access x 3
	Waiting for delivery of container for a month x 2
	Bins not returned to collection point x 3
	Attitude of crew
	Problems with missed collections x 8
	Missed assisted collection
	Unhappy with letters sent to residents re bins on streets
	Customer thinks side waste should have been taken as a one off
	Withdrawal of bins on playing field
	Alleged damage by freighter

Performance

The table below shows our performance across a range of complaints measures

Performance Indicator	Target	Q2 2014/15	Q2 2015/16	Trend
% of complaints replied to within 10 working days	90%	95%	91%	↓
% of complainants satisfied with complaint handling process	65%	50%	65%	↑
% of repeat complaints	5%	4%	4%	↔

Repeat complaints issues

- The key repeat issues include :
 - Unreturned contact from officers

Stage 2 complaints -

Seven complaints were dealt with at Stage 2 in Quarter 2. We received one Stage 3 complaint. Details of the complaints are shown below:

Service	Details of complaint	Process/customer service standards adhered to	Response: Stage 1/2 upheld/rejected
Stage 2			
Council Tax	Unhappy with levy on empty charge	All processes followed correctly	Stage 1 upheld
Customer Services	Incorrect information given re empty property charge	All processes followed correctly	Stage 1 upheld

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Customer Services	Unhappy with how call handled	All processes followed correctly	Stage 1 upheld
Enforcement	Unhappy with how query handled	All processes followed correctly	Stage 1 upheld
Horticulture	Unhappy with length of time taken to receive decision to prune a tree, more expensive to cut now in leaf and ruined his garden	All processes followed correctly	Stage 1 upheld
Planning	Unhappy with planning permission and development	All processes followed correctly	Stage 1 upheld
Waste	Alleged damage to wall by refuse freighter	All processes followed correctly	Stage 1 upheld
Stage 3			
Planning	Unhappy with how application handled	All processed followed correctly	Stage 2 upheld

Ombudsman Decision

The Council received two decision statements from the Ombudsman in Quarter 2; neither of which found fault or maladministration.

Compliments and Comments

The Council has also captured 66 comments and 54 compliments through its feedback system this quarter.

	Comments	Compliments
Assets	1	0
Benefits	2	2
Building Control	0	2
Council Tax	3	2
Customer Services	19	14
Democratic	0	1
Elections	2	0
Enforcement	0	2
Env Health	1	1
Finance	0	1
Horticulture	4	9
IT	2	0
Licensing	1	0
Member	0	1
Planning	1	12
Recovery	3	1
Regeneration	2	1
Street scene	2	3
Visitor	1	0
Waste	21	2
Website	1	0
Total	66	54

Key outcomes/management actions

It is important that issues raised through any customer feedback are used, wherever possible, to enhance customer service provision. Any specific learning outcomes are shown in the table below.

Stage 1

- Ongoing missed collections – Supervisor visited complainant and agreed new collection point to avoid a repeat in future. Collections monitored by supervisor.



2015/16

**Second Quarter
Financial
Review**

1 Background and Introduction

- 1.1 In accordance with the Council's Financial Procedure Rules and recommended good practice, a quarterly financial report is presented to members. This is the second report for 2015/16.
- 1.2 The report summarises overall financial performance for 2015/16 with particular emphasis on the key sources of financial risk to the Council. Specific considerations are as follows:
- **General Fund Revenue Account (Section 2)** – considers budgetary performance on the General Account by looking at variations in income and expenditure and the funding received by the Council.
 - **Efficiency and Rationalisation Programme (Section 3)** – considers progress in achieving the efficiency and rationalisation savings forecast for 2015/16.
 - **Capital Programme (Section 4)** – provides an update to Members on progress against the Council's capital plan
 - **Treasury Management (Section 5)** – sets out the key statistics in terms of investments and borrowings;
 - **Revenue Collection (Section 6)** – considers progress-to-date in collecting the Council Tax and Business Rates; and
 - **Creditor Payments (Section 7)** – details Council performance on payments to creditors.

2 General Fund Revenue Account

2.1 This section of the report considers the financial performance of the General Fund Revenue Account against budget by setting out variations in income and expenditure and funding received by the Council.

Service	2015/16 Budget	Expected Outturn 2015/16	Variance
	£	£	£
Chief Executive	10,700	9,700	(1,000)
Executive Directors	31,810	30,810	(1,000)
Audit	7,420	7,420	-
ICT	691,770	705,350	13,580
Human Resources	68,830	48,830	(20,000)
Member Services	316,790	312,790	(4,000)
Property Services	1,090,730	1,090,730	-
Revenues and Benefits	(415,590)	(415,590)	-
Planning Applications	(391,060)	(424,060)	(33,000)
Building Control	(190,250)	(190,250)	-
Customer Services	177,790	169,790	(8,000)
Legal Services	64,360	62,470	(1,890)
Electoral Services	109,460	105,460	(4,000)
Licensing and Land Charges	(206,120)	(120,640)	85,480
Regeneration	163,130	201,870	38,740
Communities and Cultural	268,030	263,030	(5,000)
Housing Strategy	30,340	30,340	-
Transformation	1,700	1,700	-
Community Safety and Enforcement	16,210	14,420	(1,790)
Finance and Procurement *	6,048,590	6,329,050	280,460
Waste Collection	1,354,450	1,423,450	69,000
Street Scene	332,150	332,150	-
Leisure Services	630,760	617,760	(13,000)
Horticulture	658,510	643,510	(15,000)
Visitor Services	(206,460)	(211,120)	(4,660)
Environmental Health	(360)	(2,360)	(2,000)
Net Total of Services	10,663,690	11,036,610	372,920
Net Interest	(278,860)	(412,580)	(133,720)
Funding	(10,384,830)	(11,023,550)	(638,720)
Projected (Surplus)/Deficit	-	(399,520)	(399,520)

* Staff costs are considered a corporate resource & included in Finance & Procurement.

2.2 The 2015/16 revenue budget was originally set at £10,233,010. The Chief Finance Officer has, in accordance with the Financial Procedure Rules, authorised the roll forward of £151,820 in unused budgets from 2014/15. This brings the 2015/16 budget to £10,384,830.

2.3 The Q2 projected outturn on the General Fund Revenue Account for the year is £11,023,550. This represents a projected surplus for the year of £399,520.

- 2.4 There is one area of significant underspend projected on the General Fund Revenue Account:
- Planning Applications (£33,000 underspend) – based on the current position income levels are projected to exceed the budgeted amount by £46,000. However there are estimated unbudgeted appeal costs of £13,000 which is to be funded from an earmarked reserve. The service is also being supported by a number of agency staff the costs of which are to be financed from the Efficiency & Rationalisation Reserve.
- 2.5 There are two areas of significant projected overspend projected on the General Fund Revenue Account:
- Waste Collection (£69,000 overspend): The cost of dry recycle disposal is forecast to increase by approximately £63,000 following the unsuccessful outcome of the recent procurement exercise, which failed to attract the interest of contractors in the market. The service has made alternative arrangements, which involve the payment of a higher gate fee and the expectation of lower income from the sale of the materials collected.
 - Land Charges (£85,480 overspend): Final payments have been made on the longstanding compensation claim, brought in respect of historic personal search charges. These settlement costs will be met from the Land Charges reserve earmarked for this purpose.
- 2.6 The level of funding anticipated for the year is £638,720 above that budgeted due to the following:
- a) Use of Earmarked Reserves (£377,820)
- Land Charges (£84,360) - The overspend relating to Land Charges personal searches, referred to above, is to be offset by the use of the earmarked reserve set up specifically for this purpose
 - Planning Appeal Costs (£13,000) – The projected overspend relating to planning appeal costs is to be offset by the use of the earmarked reserve
 - Efficiency and Rationalisation Reserve (£280,460) – The extraordinary costs of realising the efficiency programme are planned to be met by use of the reserve earmarked for this purpose (see section 3 below)
- b) Business Rates (£260,890)
- Increase in S31 Grants receivable in the year (£130,660) – largely related to an increase in Retail Relief awarded and the net Multiplier Cap grant, which is awarded because of the Government's 2% cap on the business rates multiplier for 2015/16, and;
 - Reduction in Levy payable (£130,230) – a reduction in Business Rates Income projected for the year results in a smaller growth and therefore a smaller levy payable. This reduction in income is largely due to an increase in the

provision for business rates appeals related to the outcome of an appeal on Health Centres in the Upper Tribunal. The impact of the reduction in Business Rates Income on the Collection Fund will be borne out in the surplus/ deficit on the Fund which will be distributed in future years, per accounting regulations.

3 Efficiency and Rationalisation Programme

- 3.1 This section of the report considers the financial performance of the Council's Efficiency and Rationalisation Programme in 2015/16.
- 3.2 The Council's Medium-Term Financial Plan includes a three-year (2014/15 – 2016/17) Efficiency and Rationalisation Strategy targeting savings of £2.26 million.
- 3.3 The 2015/16 budget provides for the achievement of £970,740 of such savings in year. In addition, there is a requirement to realise £90,920 in savings, which were unachieved in 2014/15 and consequently rolled forward into 2015/16.
- 3.4 In 2015/16 the biggest savings are expected to arise out of Improving Efficiency (£520,000); and the Service Review exercise (£410,000 including the amount rolled over from 2014/15), which will enter into the implementation stage during the year, whereupon review savings will start to emerge.
- 3.5 However, it is expected that the significant short-term costs of the implementation of the service review programme (e.g. pay protection, voluntary redundancy, back-filling arrangements, displacement costs etc.) will defer realisation of the majority of savings until 2016/17.
- 3.6 Therefore, it is anticipated that the Authority will draw on the earmarked reserve of £733,000 (established to support the Efficiency Programme) to offset some of the one-off and short term costs arising out of the Efficiency Programme. This requirement will be monitored as costs are confirmed during the year.

4 Capital Programme

4.1 This section of the report provides an update to members on the Council's Capital Programme

4.2 The table below shows a high level (service) summary of the General Fund Capital Programme position at 30th September 2015. Further detail – on a scheme by scheme basis – is contained in Annex A:

Service	2015/16 Approved Budget	Q2 Changes	2015/16 Revised Budget	Expected Outturn 2015/16	Expected Variance 2015/16
	£	£	£	£	£
Expenditure					
Housing	7,000,000	-	7,000,000	1,000,000	(6,000,000)
EH - Housing Standards	699,060	-	699,060	699,060	-
Property Services	861,320	-	861,320	180,410	(680,910)
ICT	102,150	-	102,150	123,500	21,350
Environmental Services	26,470	-	26,470	66,000	39,530
Leisure Services	438,300	-	438,300	481,070	42,770
Regeneration	50,410	-	50,410	28,000	(22,410)
Total Expenditure	9,177,710	-	9,177,710	2,578,040	(6,599,670)
Funding					
External Contributions	654,000	-	654,000	689,820	35,820
Capital Receipts	40,000	-	40,000	-	(40,000)
General Fund Capital Reserve	-	-	-	825,000	825,000
S106 Planning Obligations	9,240	-	9,240	9,240	-
Borrowing	8,474,470	-	8,474,470	1,053,980	(7,420,490)
Total Funding	9,177,710	-	9,177,710	2,578,040	(6,599,670)

4.3 The 2015/16 General Fund Capital Budget as updated and approved by The Cabinet on 15th September 2015 stands at £9,177,710

4.4 There has been one change to the programme in the second quarter; within the Leisure Services programme, there has been a budget move of £47,000 from 'small sports schemes' to 'provision of outdoor facilities'. The transfer of budget was required to provide additional funding for the Bagnall Playing Fields project - as the change was within the service, the overall budget total is unaffected.

4.5 There are four significant variances projected on Capital Programme schemes and funding:

- Housing (£6,000,000 under-spend) The latest cash flow forecasts received from the Affordable Housing Joint venture company, Ascent, suggests that £6m of the £20m loan facility is no longer required in the immediate term.
- Property Services (£680,910 under-spend) – projects within the council's Asset Management Plan (AMP) which have not already commenced have been deferred pending the outcome of property condition survey work currently taking place. The AMP will be further updated and re-profiled as part of the February budget setting process.
- Earmarked Reserves (£825,000 increase in use of capital reserve) the application of part of the reserve set aside at the end of 2014/15 which reduces the borrowing requirement
- Borrowing (£7,420,490 decrease in borrowing requirement) as a result of the reduction in overall forecast of capital expenditure and the application of capital reserves outlined above.

5. Treasury Management

- 5.1 This section of the report sets out the key treasury management statistics in relation to the Council's investments and borrowings. This report comprises a high level treasury management summary. The Audit and Accounts Committee receives detailed operational updates on treasury management.

Investments

- 5.2 Cash Investments held on the 30th September 2015 totalled £11.4 million. Interest earned on these investments up to the end of Quarter 2 totalled £24,894. The average level of funds available for investment up to the end of Quarter 2 was £9.4 million.
- 5.3 The Council has budgeted to receive £57,000 in investment income in 2015/16. A shortfall of £10,120 is currently forecast on interest receivable due to reduced rates on the Council's instant access accounts and lower investment balances being available as a result of some internal borrowing on the Ascent loan.

Ascent Joint Venture

- 5.4 Ascent (the joint venture company set up to deliver affordable housing across the District) had drawn the full £5 million Debenture facility by the end of 2014/15. Interest is charged at 2% - and is on target against the 2015/16 debenture income budget.
- 5.5 During the year, one drawdown of the £20 million loan facility has been made by Ascent on 3rd July. The total drawn to date stands at £14 million. Interest charged is based on the 5 year PWLB rate on the date of the drawdown plus a 1.25% risk premium. As detailed in Section 4, Capital Programme above, it is now expected that the remaining £6 million will not be drawn this financial year.
- 5.6 The budget was set based on £15 million of the loan being drawn by the end of 2014/15 and the remaining £5 million being drawn in June and December 2015. Therefore, a shortfall of £122,470 is forecast against the interest income budget for Ascent.

Borrowing

- 5.7 Total debt outstanding as at 30th September 2015 totalled £16 million. £14 million has been used to fund the Ascent Loan, the remaining £2 million relates to finance leases
- 5.8 The Council has budgeted to incur £481,260 in interest charges in 2015/16. As stated at paragraph 5.5, it was anticipated that a larger proportion of the Ascent Loan facility would have been drawn by this point. The budget also included provision for additional borrowing costs on expected general capital projects during the year, current forecasts

show that this will no longer be required during the year. Therefore, the budget is forecast to be £266,310 underspent.

6 Revenue Collection

6.1 This section of the report details progress to date in collecting the Council Tax, Business Rates and Sundry Debt.

6.2 The Q2 collection rate outturn for the year 2015/16 was as follows:

- Council Tax – 57.2% of Council Tax was collected by 30 September 2015, compared to 57.3% for the same period last year.
- Business Rates – 55.8% of Business Rates was collected by 30 September 2015, compared with 58.7% for the same period last year. The difference is as a result of the timing of payments and specifically, there has been a change in liable party for one hereditament with a large Rateable Value which has impacted the Collection Rate negatively at this point in the year. However, this is expected to equalise by the end of the financial year.

6.3 At the end of Quarter Two the value of sundry debt that was over 60 days old was £301,470 which compares with £345,550 at 30th September 2014.

6.4 A number of uncollected debts have been deemed to be unrecoverable. In accordance with the Council's Financial Procedure Rules no sums of money should be written off without appropriate written authorisation as follows:

- For amounts under £100, the authorisation of the Finance Manager is required
- For amounts between £100 and £2,000, the authorisation of the Chief Finance Officer is required
- For amounts between £2,000 and £5,000, the authorisation of the Executive Councillor for Corporate Resources is required via a Delegated Report
- For amounts greater than £5,000, Cabinet approval is required

6.5 The balances that are over £5,000 are detailed in the schedule attached at Appendix E (exempt). These debts have, following sustained recovery action, been deemed irrecoverable. The basis and grounds for write off are set out in the table attached. Approval will be sought from Cabinet to action this write off.

7 Creditor Payments

7.4 This section of the report advises the Council performance in paying suppliers promptly:

- The Council paid 94.04% of invoices within 30 Days against a 99.00% target for the year.
- The Council paid 73.99% of invoices within 10 Days against a 75.00% target for the year.

7.5 There has been an improvement in performance in recent months as a result of the changes that are being implemented within the Creditors function around streamlining processes and identifying user training requirements. However, there have been a number of staff changes within the team in the last month which may have a negative impact on performance until new members of the team are fully trained.

ANNEX A**Capital Programme Update - 30th September 2015**

Capital Schemes	2015/16 Approved Budget	Q2 Changes	2015/16 Revised Budget	Expected Outturn 2015/16	Expected Variance 2015/16
	£	£	£	£	£
<u>Housing Strategy</u>					
Affordable Housing	7,000,000	-	7,000,000	1,000,000	(6,000,000)
Total Housing Strategy	7,000,000	-	7,000,000	1,000,000	(6,000,000)
<u>Environmental Health</u>					
Private Sector Grants	659,820	-	659,820	659,820	-
Air Quality Monitoring	9,240	-	9,240	9,240	-
Landlord Accreditation Scheme	30,000	-	30,000	30,000	-
Total Environmental Health	699,060	-	699,060	699,060	-
<u>Property Services</u>					
Asset Management Plan	861,320	-	861,320	180,410	(680,910)
Total Property Services	861,320	-	861,320	180,410	(680,910)
<u>ICT</u>					
ICT	102,150	-	102,150	123,500	21,350
Total ICT	102,150	-	102,150	123,500	21,350
<u>Environmental Services</u>					
Street Scene & Depots	26,470	-	26,470	66,000	39,530
Total Environmental Services	26,470	-	26,470	66,000	39,530
<u>Leisure Services</u>					
Sports - Small Schemes	103,780	-	103,780	103,780	-
Leek Sports Village	-	-	-	42,770	42,770
Biddulph Sports Village	334,520	-	334,520	334,520	-
Total Leisure Services	438,300	-	438,300	481,070	42,770
<u>Regeneration</u>					
Moorlands Partnership Grants	50,410	-	50,410	28,000	(22,410)
Total Regeneration	50,410	-	50,410	28,000	(22,410)
Total Programme	9,177,710	-	9,177,710	2,578,040	(6,599,670)

Staffordshire Moorlands District Council

2015/16 Quarter One Action Plan: follow up

Service Head / Manager	Service Activity	Action Required	Performance or Financial Issue	Update 30th September 2015
Revenues and Benefits	Benefit processing times – new claims and change of circumstances	Continue to monitor performance and allocate resources to maintain and improve performance	Performance	Processing times continue to improve month on month and the team is confident that the targets will be met by year end
Finance and Procurement	Invoice payment within 30 days	Process mapping review underway with a view to streamlining creditors. Includes the identification of improvements that could be made working with other service areas, with training provided by Procurement where necessary.	Performance	There have been improvements compared to 2014-15 as a result of the e-series (electronic ordering system) training workshops that were delivered to services. We are continuing with the next stage as part of the roll-out of the service review, which includes process mapping the creditors system with the aim of streamlining the process - this commenced in May 2015. There have been subsequent workshops looking at specific processes. Two staff changes have taken place in August and September, which has impacted on performance. We are currently completing the recruitment process to fill the vacant post.
Regulatory	Planning decisions successfully defended at appeal (inc major decisions)	Continue to monitor the outcome of the appeals process and implement improvements where feasible	Performance	The latest results show a significant improvement in performance in defending appeals planning decisions including 'major' applications. Both measures are now on track.
Enforcement	Fly tipping	Enforcement officers will target hot-spot areas identified by Street Scene in attempt to further reduce the number of fly-tips	Performance	There have been recent increases in the number of reports of fly-tipping in the Tickhill and Bagnall areas and increased enforcement will be targeted on those areas.

Staffordshire Moorlands District Council

2015/16 Quarter Two Action Plan

Service Area	Service Activity	Action Required	Performance or Financial Issue	Completion Date
Finance and Procurement	Invoice payment within 30 days	Recruitment to Procurement Officer post is underway. Process mapping review to be completed with a view to streamlining creditors. Includes the identification of improvements that could be made working with other service areas, with training provided by Procurement where necessary.	Performance	Progress Update in the Q3 Report – 31 st December 2015
Enforcement	Fly tipping and enforcement	Enforcement officers will target hot-spot areas identified by Street Scene in attempt to further reduce the number of fly-tips	Performance	Progress Update in the Q3 Report – 31 st December 2015
Revenues and Benefits	Benefit processing times – new claims and change of circumstances	Continue to monitor performance and allocate resources to maintain and improve performance	Performance	Progress Update in the Q3 Report – 31 st December 2015
Planning Applications	Agency staff arrangements	Ensure that service review recommendations are implemented effectively to facilitate the release of agency staff to reduce costs	Financial	Progress Update in the Q3 Report – 31 st December 2015

