

Invitation and Agenda to all Members

Members of the Scrutiny of the Administration's Budget Proposals

Cllr. Geoff Welsh (Chairman)
Cllr. Bill Wright (Vice-Chairman)
and Cllr. Mark Jackson (Vice-Chairman)

Cllr. Shabbir Aslam
Cllr. Marian Broomhead
Cllr. Cheryl Cashmore
Cllr. Stuart Coar
Cllr. Sharon Coe

Cllr. Lindsey Dracup
Cllr. Tony Greenwood
Cllr. Graham Huss
Cllr. David Jennings
Cllr. Sam Maxwell

Cllr. Antony Moseley
Cllr. Les Phillimore
Cllr. Louise Richardson
Cllr. Deanne Woods
Cllr. Adrian Clifford

Dear Councillor,

A meeting of the **SCRUTINY OF THE ADMINISTRATION'S BUDGET PROPOSALS** will be held in the Council Chamber - Council Offices, Narborough on **WEDNESDAY, 17 JANUARY 2018 at 5.40 p.m.** Please find attached a number of supplemental items that are required for the meeting and are in addition to the agenda and report pack that has already been circulated.

Yours faithfully



Colin Jones
Corporate Services Group Manager

SUPPLEMENTAL ITEMS

3. Presentation of the 2018-19 draft Portfolio Budget Proposals (Pages 3 - 36)

Portfolio Holders will individually present their proposed budget and spending plans and answer questions with the relevant senior officer and group manager in attendance.

- 3a) Leader Portfolio – Councillor Terry Richardson
- 3b) Finance, Efficiency & Assets – Councillor Maggie Wright
- 3c) Planning, Housing Strategy, Economic & Community Development – Cllr Sheila Scott

Agenda Item 3

LEADER'S PORTFOLIO

Portfolio Holder: Councillor Terry Richardson

Senior Officers: Chief Executive, Strategic Director (S151), Strategic HR Manager, Strategic Director, Corporate Services Group Manager, Regulatory & Leisure Services Group Manager

Portfolio Total

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£1,053,062	£1,034,284	£1,109,819	£56,757 5.39%	£75,535 7.30%
2. Other Gross Direct Expenditure	£394,577	£525,662	£409,779	£15,202 3.85%	-£115,883 -22.05%
3. Direct Income	-£72,000	-£131,063	-£72,300	-£300 0.42%	£58,763 -44.84%
4. Net Direct Expenditure	£1,375,639	£1,428,883	£1,447,298	£71,659 5.21%	£18,415 1.29%
5. Overall No. of Posts (FTE)	21.28	20.28	21.28	0.00 0.00%	1.00 4.93%

Performance

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£179,121	£201,406	£228,682	£49,561 27.67%	£27,276 13.54%
2. Other Gross Direct Expenditure	£35,164	£51,618	£45,608	£10,444 29.70%	£-6,010 -11.64%
3. Direct Income	£0	£-500	£0	£0 #DIV/0!	£500 -100.00%
4. Net Direct Expenditure	£214,285	£252,524	£274,290	£60,005 28.00%	£21,766 8.62%
5. Overall No. of Posts (FTE)	4.49	4.49	5.49	1.00 22.27%	1.00 22.27%

Reasons for Variances

1. The 2018/19 Establishment budget allows for a 1% pay award, contractual increments where applicable, and increases to employer's national insurance and pension contributions, plus the new post of Project Officer. 2017/18 Revised Estimate also includes a temporary budget for backfilling during the implementation of the new back office system.
2. Increased expenditure in relation to maintenance of new back office system.
3. Not applicable.
4. Net impact of variances listed above.
5. Additional post of Project Officer approved in November 2017.

Human Resources

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£384,883	£366,506	£376,097	-£8,786 -2.28%	£9,591 2.62%
2. Other Gross Direct Expenditure	£148,385	£185,660	£148,672	£287 0.19%	-£36,988 -19.92%
3. Direct Income	£0	-£1,000	-£1,000	-£1,000 0.00%	£0 0.00%
4. Net Direct Expenditure	£533,268	£551,166	£523,769	-£9,499 -1.78%	-£27,397 -4.97%
5. Overall No. of Posts (FTE)	9.07	8.07	8.07	-1.00 -11.03%	0.00 0.00%

Reasons for Variances

1. The 2018/19 Establishment budget allows for a 1% pay award, contractual increments where applicable, and increases to employer's national insurance and pension contributions. This is offset by the transfer of apprentice budgets to individual services.
2. The 2017/18 Revised Estimate includes one-off capital costs of early retirement arising from the Planning restructure undertaken earlier in the year.
3. An element of income generation is also being developed through the provision of Disclosure and Barring Service (DBS) checks and clearances for other organisations.
4. Net impact of variances listed above.
5. Transfer of apprentice post to Property Services.

Chief Executive & Directors

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£404,558	£381,872	£419,762	£15,204 3.76%	£37,890 9.92%
2. Other Gross Direct Expenditure	£21,951	£31,435	£24,932	£2,981 13.58%	-£6,503 -20.69%
3. Direct Income	£0	-£140	£0	£0 0.00%	£140 -100.00%
4. Net Direct Expenditure	£426,509	£413,167	£444,694	£18,185 4.26%	£31,527 7.63%
5. Overall No. of Posts (FTE)	5.04	5.04	5.04	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. The 2018/19 Establishment budget allows for a 1% pay award, contractual increments where applicable, and increases to employer's national insurance and pension contributions. Vacancy savings relating to the Strategic Director post have been built into the revised estimate.
2. Revised estimate includes final payment for the previous year's budget survey.
3. Not applicable.
4. Net impact of variances listed above.
5. No change in headcount.

Electoral Registration

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£84,500	£84,500	£85,278	£778 0.92%	£778 0.92%
2. Other Gross Direct Expenditure	£159,245	£227,117	£159,118	-£127 -0.08%	-£67,999 -29.94%
3. Direct Income	-£72,000	-£129,423	-£71,300	£700 -0.97%	£58,123 -44.91%
4. Net Direct Expenditure	£171,745	£182,194	£173,096	£1,351 0.79%	-£9,098 -4.99%
5. Overall No. of Posts (FTE)	2.68	2.68	2.68	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. The 2018/19 Establishment budget allows for a 1% pay award, contractual increments where applicable, and increases to employer's national insurance and pension contributions.
2. Other gross direct expenditure includes one off costs in relation to elections held in 2017/18 which are generally recoverable and reflected in direct income below.
3. The increase in income reflects the recovery of election expenses.
4. Net impact of variances listed above.
5. No change in headcount.

Emergency Planning & Business Continuity

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%
2. Other Gross Direct Expenditure	£29,832	£29,832	£31,449	£1,617 5.42%	£1,617 5.42%
3. Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£29,832	£29,832	£31,449	£1,617 5.42%	£1,617 5.42%
5. Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. No establishment costs associated with this service.
2. Increased contribution to the Resilience Partnership to reflect additional costs experienced by host authority.
3. Not applicable.
4. See note 2 above,
5. Not applicable.

Movement in budget and staff from last year

The overall number of posts for this portfolio has remained unchanged apart from the addition of the post of Project Manager within the Performance team and the movement of the apprentice post from HR into property services.

The increase in expenditure is due mostly to the pay award along with a number of specific elements of expenditure which has been detailed within the previous pages.

Portfolio Priorities

- To ensure that effective performance and fair practices are in place across the Council
- To ensure that staff are managed effectively
- To lead the Council in its implementation and delivery of the People Strategy
- To ensure the Council has robust arrangements in place for responding to emergencies and can fulfil its statutory obligations
- To ensure the Council has robust Health and Safety advisory capacity and arrangements in place for fulfilling its statutory obligations.

Services

Performance

This includes staffing and operational costs for the Performance team, including licence costs for corporate systems such as InPhase, Flare (in the process of being replaced with Idox) and Mosaic. The Performance team also help other services succeed in improving their performance, ensuring that our systems work effectively and providing advice on measuring, monitoring and improvement.

Human Resources

This includes staffing and operational costs for the HR team alongside other budgets such as recruitment advertising and a corporate training budget to help deliver generic skills that are required across all areas of the Council. The HR service helps and guides the Council in delivering a first class service through the management and development of our staff. Also includes the costs of Corporate Health & Safety. Corporate Health and Safety is an advisory function providing technical and management support and guidance to all Council services, and on all aspects of the Council's undertakings.

Chief Executive & Directors

Includes costs for the Chief Executive and Directors' budgets and in addition the costs for the PA team.

Emergency Planning

This includes the costs associated with the provision for Emergency Planning within the Authority, which is delivered across the Leicester, Leicestershire and Rutland area.

Electoral Services

Includes costs for electoral registration and elections (national election/referenda, County and parish election expenses are recoverable).

Key Points

<p>Doing things differently – plans for the coming year</p>	<p><u>Performance</u></p> <ul style="list-style-type: none">• Our approach to developing Systems Thinking throughout the Council will continue to be tailored to take into account the improvements that have already occurred, and the diverse challenges now faced by different departments. The provision of regular and ongoing training, guidance and challenge to all levels of staff throughout the Council continues to make service improvements by understanding customer demand and eliminating waste.• A procurement exercise undertaken during 2017/18 to replace the current back office system, Flare, has been led by the performance team. The new system will provide the Council with an ICT system to support a number of services to deliver greater efficiency and effectiveness through improved technology such as mobile working ability, and will be fully rolled out during 2018/19.• The focus on Customer Service Excellence (CSE) will continue with a further external review and evaluation scheduled for March 2018.• The team will help to embed a new Project Management approach across the organisation and will oversee the governance arrangements around major corporate projects. This will drive efficiencies and consistency across our approach to project management. <p><u>Human Resources</u></p> <ul style="list-style-type: none">• Continual joint working with staff and Trade Unions on the People Strategy will ensure that employees are engaged with the development and progress of the Council.• The support provided to developing managers capabilities will continue to be increased to take into account of the expected level of skills that are now required.• Learning & Development for all employees will continue to be a key focus to ensure that the demands on both resources and services are positively met by the skill set of our staff.• Employees will also require support throughout organisational changes and also personal periods of ill health.• Across Public Sector employers are looking at Workplace health and HR will be leading this initiative to look at how organisationally we improve the health of our employees.• The Athena on-line learning package will also continue to be redeveloped, ensuring that development can continue in a flexible and cost effective manner.
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	<p><u>Corporate Health & Safety</u></p> <ul style="list-style-type: none"> The safety of our staff will continue to be a key focus with a review of our organisational Blueprint and all Health & Safety policies. <p><u>Emergency Planning</u></p> <ul style="list-style-type: none"> Partnership business plan is to be refreshed to reflect current risks.
Income generation	<ul style="list-style-type: none"> A small element of income is generated via the provision of DBS checks to other organisations.
Capital plans for the portfolio	<ul style="list-style-type: none"> Not applicable to this portfolio, no capital expenditure projects are required within this portfolio in 2018/19.

Key Performance Indicators

PERFORMANCE INDICATOR	2016/17 RESULTS	2017/18 YEAR TO DATE	COMMENTS
The average number of working days lost to sickness	8.02 days	5.89 days	
The % of staff from ethnic minorities	11%	10%	11.5% of Blaby District population are from minority ethnic groups (Census 2011)
The % of staff who are disabled	4%	5%	
Testing, exercising, preparation and delivery of agreed emergency work plans.	100%	100%	The Resilience Partnership Board hold quarterly meetings to ensure delivery of agreed work plans

Customers

Services continue to use a variety of customer feedback methods in order to understand and improve service provision. Feedback from the forthcoming visit from the Customer Excellence assessor will assist the Council in its continued focus to understand the needs within the community and give good customer service. The Performance team also provide data on the make up of residents and customers so that services can continue to understand and meet their needs and provide a quality service.

Consultation exercises with residents have been undertaken which has enabled the Council to understand customer priorities and these have fed into the development of the Blaby Plan.

Maintaining awareness of Equalities and Human Rights across the Council by staff and members to ensure fair access to services by customers remains a focus.

Training, information articles and advice are provided by the Performance team supported by HR.

Channel Shift

The HR team continues to develop processes that are in the spirit of Channel Shift. These include an e-recruitment process for job applications, on-line forms for internal use such as vacancy approvals, feedback from training sessions and gaining immediate feedback from leavers via exit questionnaires.

Risks

A full risk register is maintained on InPhase in relation to the teams, and is regularly reviewed to ensure its accuracy. However, significant potential risks include the following issues:

- **Performance** - A failure to effectively embed a Systems Thinking approach could impact on service delivery and customer and staff satisfaction.
- **Human Resources** - The non delivery of the People Strategy may have an impact on staff absence, morale and overall performance.
- **Health and Safety** - financial, legal, moral, reputational risk - negligence. Control measures managed through advisory service and internal policies, procedures and departmental audits.
- **Emergency Planning** – reputational risk with partners and customers if appropriate response not available or given. An audit carried out during November 2017 graded the delivery of his service as a 1 – adequate in all important aspects.

FINANCE, EFFICIENCY & ASSETS PORTFOLIO

Portfolio Holder: Councillor Maggie Wright

Senior Officers: Strategic Director (S151), Neighbourhood Services & Assets Group Manager, Strategic Finance Manager

Portfolio Total

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£623,643	£677,683	£814,656	£191,013 30.63%	£136,973 20.21%
2. Other Gross Direct Expenditure	£1,529,906	£1,608,826	£1,554,958	£25,052 1.64%	-£53,868 -3.35%
3. Direct Income	-£440,761	-£466,291	-£457,738	-£16,977 3.85%	£8,553 -1.83%
4. Net Direct Expenditure	£1,712,788	£1,820,218	£1,911,876	£199,088 11.62%	£91,658 5.04%
5. Overall No. of Posts (FTE)	15.64	17.24	21.11	5.47 34.97%	3.87 22.47%

Financial Services

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£394,944	£386,151	£400,704	£5,760 1.46%	£14,553 3.77%
2. Other Gross Direct Expenditure	£816,904	£788,340	£829,097	£12,193 1.49%	£40,757 5.17%
3. Direct Income	-£97,334	-£84,612	-£81,000	£16,334 -16.78%	£3,612 -4.27%
4. Net Direct Expenditure	£1,114,514	£1,089,879	£1,148,801	£34,287 3.08%	£58,922 5.41%
5. Overall No. of Posts (FTE)	10.30	9.96	9.96	-0.34 -3.30%	0.00 0.00%

Reasons for Variances

1. Establishment Costs – 2018/19 budget allows for a 1% pay award, contractual increments where applicable, and increases in employer’s national insurance and pension contributions. Also reflects the financial implications of the senior management restructure.
2. Other Gross Direct Expenditure – the main variances here are a small increase in the membership subscription of the Welland Procurement Unit, the estimated increase in insurance premiums in respect of cover of the Council’s assets and services, and loan interest payable. Interest payable on borrowing has reduced by £26,000 in 2017/18 and is budgeted to rise again by around £23,000 in 2018/19. This is due to the fact that the Council does not currently need to take out external loans to finance its capital expenditure. Instead, due to the healthy state of balances and reserves, we are effectively borrowing internally which reduces the “cost of carry”.
3. Investment income has reduced following the maturity of the deposits in the Local Authority Mortgage Scheme.
4. Net impact of variances listed above.
5. Minor change due to a restructure of the Finance Team effective from June 2017.

Recovery Team

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£0	£59,890	£182,004	£182,004 0.00%	£122,114 203.90%
2. Other Gross Direct Expenditure	£0	£0	£0	£0 0.00%	£0 0.00%
3. Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£0	£59,890	£182,004	£182,004 0.00%	£122,114 203.90%
5. Overall No. of Posts (FTE)	0.00	1.94	5.81	5.81 0.00%	3.87 200.00%

Reasons for Variances

1. Establishment Costs – 2018/19 budget allows for a 1% pay award, contractual increments where applicable, and increases in employer's national insurance and pension contributions. The Recovery Team was transferred from Revenues & Benefits to Finance on 1st December 2017. The revised estimate for 2017/18, therefore, only reflects four months cost to this portfolio.
2. Other Gross Direct Expenditure – to be disaggregated from Revenues & Benefits.
3. See 2 above.
4. Net impact of variances listed above.
5. 5.81 FTEs transferred across on 1st December 2017..

Audit & Fraud

Audit & Fraud	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%
2. Other Gross Direct Expenditure	£122,702	£127,025	£134,278	£11,576 9.43%	£7,253 5.71%
3. Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£122,702	£127,025	£134,278	£11,576 9.43%	£7,253 5.71%
5. Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. No establishment costs applicable to this service.
2. The increase is largely due to a temporary increase in the cost of the Internal Audit Shared Service to allow for maternity cover.
3. Not applicable.
4. See note 2 above.
5. Not applicable.

Assets

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£228,699	£231,642	£231,948	£3,249 1.42%	£306 0.13%
2. Other Gross Direct Expenditure	£590,300	£693,461	£591,583	£1,283 0.22%	-£101,878 -14.69%
3. Direct Income	-£343,427	-£381,679	-£376,738	-£33,311 9.70%	£4,941 -1.29%
4. Net Direct Expenditure	£475,572	£543,424	£446,793	-£28,779 -6.05%	-£96,631 -17.78%
5. Overall No. of Posts (FTE)	5.34	5.34	5.34	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. Establishment Costs – 2018/19 budget allows for a 1% pay award, contractual increments where applicable, and increases in employer's national insurance and pension contributions.
2. The 2017/18 Revised Estimate for other gross direct expenditure includes unspent budget provision brought forward from 2016/17 to cover planned cleaning works on bus shelters and repairs to heaters in the Pavilion Sports Hall. It also includes budget provision of just over £42,000, previously approved by Cabinet Executive, to be spent on preparatory costs in relation to the joint venture housing development on the former Littlethorpe Depot site.
3. Increase in anticipated rent income in respect of the Enderby Road Industrial Estate.
4. Net impact of variances listed above.
5. No change.

Portfolio Priorities

- Maximising the use of the council's assets.
- To lead the Council through the financial challenges in 2017/18 and beyond.
- Understand costs and deliver a responsive, cost effective and high quality financial service.
- Instilling principles of good, sustainable procurement.
- Continue a culture of transparency with emphasis on financial control, audit, with regard for the prevention of fraud and management of risk.
- To maximise income collection and recovery of outstanding debt.

Services

Financial Services

The Finance team is responsible for the provision and monitoring of financial information to maintain control of the Council's finances. The team also prepares the annual accounts, and looks after various other functions including treasury management, insurance, payroll, procurement, and payment of supplier invoices.

Assets

This includes costs for the Council Offices and the Depot, both old and new, including the facilities management and maintenance of the buildings and the associated grounds maintenance. Also includes costs incurred for Leisure Centre buildings, public conveniences, caravan site, bus shelters, tree works on open spaces and cemeteries, Enderby Road Industrial Estate and costs associated with the administration of property and assets owned by the Council. The team also administers Asset of Community Value applications made by residents.

Audit and Fraud

This includes the delivery of fraud initiatives across the Council, as well as external and internal audit services. Internal Audit Services is currently provided by North West Leicestershire as part of a shared service arrangement.

Recovery

The Recovery team previously formed part of the Revenues and Benefits service and transferred to Finance on 1st December 2017. The team is responsible for maximising income generation in respect of council tax, business rates, and overpayment of housing benefits, in terms of the collection of unpaid debt. Following the delivery of the Council's new Corporate Debt Principles, this remit will be extended to cover all outstanding debt to ensure a consistent approach to debt recovery across the Council. The Income and Debt Manager also ensures all guidance in relation to fraud is up to date and procedures are in place to prevent fraud across the Council.

Key Points

<p>Doing things differently – plans for the coming year</p>	<p><u>Financial Services</u></p> <ul style="list-style-type: none"> • The Accounts and Audit Regulations 2015 require the earlier closedown of the Council's accounts from 2017/18. The Finance team achieved the earlier closedown deadline of 31st May for the 2016/17 Accounts, which puts the Council in a strong position to achieve the new statutory deadline going forward. • The 2017 Rating Revaluation and the forthcoming changes to the Business Rates Retention scheme will have a significant impact on the Council's future funding stream. The Finance team will be closely monitoring developments to ensure that the impact is promptly reflected in the Medium Term Financial Strategy (MTFS). <p><u>Assets</u></p> <ul style="list-style-type: none"> • The creation of new build houses on the former Littlethorpe Depot site is a priority for the Assets team during 2018/19. • The Assets team have produced a three year plan for refurbishment of the Council Offices. Phase 1 of this plan has already been approved by Council and the team will look to deliver this during 2018/19. • Procurement processes for concessions contracts for the placement of adverts on our bus shelters, office cleaning, and the management of Enderby Road Industrial Estate are planned to be undertaken during 2018/19. • The Council has been made aware that the Natwest Bank in Narborough will close and therefore the asset team will be negotiating the exit and determining the future use of The Grange, Narborough which is owned by the Council. <p><u>Audit</u></p> <ul style="list-style-type: none"> • The Internal Audit Shared Service will continue to comply with the Public Sector Internal Audit Standards. The annual audit plan and individual audit programmes will be developed using a risk based approach. This will ensure that our resources are focussed on the areas of highest risk across the council so that our assurance work adds value. • The audit plan will include planned and ad-hoc advisory work so that the Internal Audit team can support new developments across the Council, and try to ensure that appropriate controls are built into new systems and ways of working.
<p>Income generation</p>	<p>Within the Finance, Assets & Efficiency portfolio there is little scope to significantly improve income streams without capital investment in the asset portfolio. We are currently awaiting revised guidance as to</p>

	<p>how the Council's may utilise borrowing, before assessing options for the Council to borrow to maximise income.</p> <ul style="list-style-type: none"> • Support will be provided however in assessing investment opportunities open to the Council, including the creation of new build houses. • The utilisation of the Council's assets to obtain revenue or improve usage is an ongoing initiative. The lease of the Council offices to Nottingham Health Trust, Narborough Parish Council and Citizens Advice Bureau not only bring revenue opportunities but also better outcomes for our customers with partners such as these delivering services alongside our own officers. The office refurbishment project will potentially help to provide further opportunities to rent out office space to partners. • Elements of income generation are also obtained via leased rental agreements on the Enderby Road Industrial Estate, and Countesthorpe Mobile Home Site.
Capital plans for the portfolio	<p>Development of the current Council Offices (in particular the Council Chamber, Brooks Room and Members Room) are included in the 2018/19 Capital Programme.</p> <p>Development of the former depot site at Littlethorpe is also planned to commence in 2018/19, and will be incorporated in the Capital Programme once the procurement exercise has been completed.</p>

Key Performance Indicators

PERFORMANCE INDICATOR – FINANCE	2017 QTR3	2016 QTR3	Full Year 2016	Full Year 2015	COMMENTS
Invoices Paid within 30 days	98.14%	98.53%	98.98%	98.06%	The Council recognises the need to pay invoices promptly. 2017 QTR 3 figures show that 90.35% of invoices are paid within 10 days of receipt.

Customers

The Finance team's external customers include suppliers who invoice the Council for goods and services, and companies and individuals who owe the Council money. Otherwise, the team's customers are largely internal, i.e. colleagues from other service areas, and Members.

The Assets team has a variety of different customers, both internal and external. These include, for example, requests from staff and managers for changes to the layout of the offices, local businesses in respect of the Enderby Road Industrial Estate and also Parish Councils and a variety of legal representatives. Internally the team provides professional property advice as required. The team also has a clear responsibility to ensure that all council buildings are accessible and meet the wide needs of residents who visit the offices.

Channel Shift

The Assets team has regularly developed processes that are in the spirit of Channel Shift. These have historically included the development of an internal room booking system via Microsoft Outlook calendars and this look to be redeveloped as part of the new staff intranet in 2017. Recently this has also increased to include the development of on-line forms such as nominations for Assets of Community Value, which now can be made via our internet webpage.

The Finance team has worked closely with Revenues and Benefits to strengthen and streamline the process for payment of Council Tax and Business Rates refunds. The team also regularly encourages suppliers to move from payment by cheque to payment by BACS, which is a more time efficient and a less costly payment method for the Council.

Risks

A full risk register is maintained on InPhase and is regularly reviewed to ensure its accuracy. However, significant potential risks include the following issues:

- **Overall Financial Risk** – The financial risks facing the Council are not necessarily specific to this portfolio but the Finance team's input into financial issues across all aspects of the Council's services will continue. Officers work closely with the various services to monitor budgets but also to provide sound financial input into all decisions that have financial implications.
- **Business Rate Retention** – the introduction of the Business Rate Retention Scheme saw an element of the financial risk of decreases in business rates being borne by the Council. The appeals put forward to the Valuation Office have provided uncertainty for all Councils, and the introduction of the new Rating List from 1st April 2017, together with associated changes to the process by which businesses submit appeals, has only added to this uncertainty. Future changes to the Business Rate Retention Scheme, and the potential for a large business property to be made vacant, are both potential financial risks to the Council.
- **Debt** – the economic climate and Welfare Reform continues to affect our customers and debt may increasingly become an issue. The Council continues to provide for debt that has aged or appears likely to become bad to even out the financial impact of debt issues.
- **Assets** – a failure to effectively manage our assets could result in a loss of income streams and an increased in associated legal costs.
- **Audit** – insufficient resources to complete the audit plan due to unplanned corporate/fraud work or long term staff absences. As the service is provided through a shared service arrangement there is a risk that either side may want to withdraw from the arrangement.

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PLANNING, HOUSING STRATEGY, ECONOMIC & COMMUNITY DEVELOPMENT PORTFOLIO

Portfolio Holder: Councillor Sheila Scott

Senior Officer: Planning Group Manager

Portfolio Total

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£1,295,167	£1,316,837	£1,301,125	£5,958 0.46%	-£15,712 -1.19%
2. Other Gross Direct Expenditure	£427,094	£955,205	£427,216	£122 0.03%	-£527,989 -55.27%
3. Direct Income	-£667,000	-£754,204	-£663,270	£3,730 -0.56%	£90,934 -12.06%
4. Net Direct Expenditure	£1,055,261	£1,517,838	£1,065,071	£9,810 0.93%	-£452,767 -29.83%
5. Overall No. of Posts (FTE)	31.73	32.34	30.99	-0.74 -2.33%	-1.35 -4.17%

DEVELOPMENT STRATEGY

	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£273,897	£273,897	£277,804	£3,907 1.43%	£3,907 1.43%
2. Other Gross Direct Expenditure	£217,500	£522,166	£207,999	-£9,501 -4.37%	-£314,167 -60.17%
3. Direct Income	-£27,000	-£63,505	-£2,000	£25,000 -92.59%	£61,505 -96.85%
4. Net Direct Expenditure	£464,397	£732,558	£483,803	£19,406 4.18%	-£248,755 -33.96%
5. Overall No. of Posts (FTE)	6.65	6.65	6.65	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. 2018/19 allows for a 1% pay award, contractual increments where applicable, and increases in national insurance and pension contributions.
2. The costs associated with strategic planning have increased significantly as work progresses on the Leicester and Leicestershire Strategic Growth Plan. There is a significant cost associated with the production of the Delivery Development Plan Document (DPD). Costs include consultation, specialist studies, printing, publication of materials and consultants. It is very difficult to predict with accuracy exactly when the costs will arise due to the nature of the work. Overall though there is no significant increase in the total cost of producing the DPD.
3. Income largely relates to government-funded Neighbourhood Planning Grants, and monitoring contributions in respect of Section 106 agreements.
4. Net impact of variances listed above.
5. No changes.

PLANNING DELIVERY

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£575,061	£502,722	£434,446	-£140,615 -24.45%	-£68,276 -13.58%
2. Other Gross Direct Expenditure	£94,041	£136,546	£91,563	-£2,478 -2.64%	-£44,983 -32.94%
3. Direct Income	-£640,000	-£640,000	-£640,000	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£29,102	-£732	-£113,991	-£143,093 -491.69%	-£113,259 15472.54%
5. Overall No. of Posts (FTE)	14.76	13.26	11.41	-3.35 -22.70%	-1.85 -13.95%

Reasons for Variances

1. 2018/19 allows for a 1% pay award, contractual increments where applicable, and increases in national insurance and pension contributions. The reduction between the approved budget and revised estimate for 2017/18 reflects the transfer of two posts to the new Strategic Growth team. One fixed term Senior Planning Officer post and a fixed term administrative post have been removed from the budget for 2018/19.
2. The revised estimate includes non-recurring expenditure in relation to two inquiries at Countesthorpe and Croft, as well as grant funded expenditure in respect of the requirement to maintain a Brownfields Register.
3. No change.
4. Net impact of variances listed above.
5. Reflects the transfer of Major Schemes Officer posts to the Strategic Growth team and the end of two fixed term post contracts.

ENFORCEMENT

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£174,864	£174,864	£181,835	£6,971 3.99%	£6,971 3.99%
2. Other Gross Direct Expenditure	£13,526	£29,459	£14,246	£720 5.32%	-£15,213 -51.64%
3. Direct Income	£0	-£15,250	£0	£0 0.00%	£15,250 -100.00%
4. Net Direct Expenditure	£188,390	£189,073	£196,081	£7,691 4.08%	£7,008 3.71%
5. Overall No. of Posts (FTE)	4.81	4.81	4.81	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. 2018/19 allows for a 1% pay award, contractual increments where applicable, and increases in national insurance and pension contributions.
2. 2017/18 includes non recurring expenditure in respect of land clearance at Beggars Lane, Enderby.
3. Works in default recharge in respect of Beggars Lane.
4. Net impact of variances listed above.
5. No change.

STRATEGIC GROWTH

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£56,558	£128,897	£155,351	£98,793 174.68%	£26,454 20.52%
2. Other Gross Direct Expenditure	£1,874	£121,469	£5,152	£3,278 174.92%	£-116,317 -95.76%
3. Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£58,432	£250,366	£160,503	£102,071 174.68%	£-89,863 -35.89%
5. Overall No. of Posts (FTE)	1.00	2.50	3.00	2.00 200.00%	0.50 20.00%

Reasons for Variances

1. 2018/19 allows for a 1% pay award, contractual increments where applicable, and increases in national insurance and pension contributions. This is a new team comprising the Strategic Growth Manager and two Major Schemes Officers.
2. 2017/18 includes non recurring expenditure backed by Site Capacity funding and Garden Village funding. Any unspent balance will be carried forward to 2018/19.
3. No income.
4. Net impact of variances listed above.
5. Two Major Schemes Officer posts transferred from Planning Delivery.

MANAGEMENT & ADMINISTRATION

	2017/18 Approved Budget	2017/18 Revised Estimate	2018/19 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
	[A]	[B]	[C]		
1. Establishment Costs	£115,394	£115,394	£127,654	£12,260 10.62%	£12,260 10.62%
2. Other Gross Direct Expenditure	£41,980	£53,121	£53,846	£11,866 28.27%	£725 1.36%
3. Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
4. Net Direct Expenditure	£157,374	£168,515	£181,500	£24,126 15.33%	£12,985 7.71%
5. Overall No. of Posts (FTE)	2.00	2.00	2.00	0.00 0.00%	0.00 0.00%

Reasons for Variances

1. 2018/19 allows for a 1% pay award, contractual increments where applicable, and increases in national insurance and pension contributions.
2. Increases in software maintenance costs in relation to iDOX and the GIS system..
3. No income receivable in respect of this service.
4. Net impact of variances listed above.
5. No change.

PARTNERSHIPS

Partnerships	2017/18 Approved Budget [A]	2017/18 Revised Estimate [B]	2018/19 Proposed Budget [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£99,393	£121,063	£124,035	£24,642 24.79%	£2,972 2.45%
2. Other Gross Direct Expenditure	£58,173	£92,444	£54,410	-£3,763 -6.47%	-£38,034 -41.14%
3. Direct Income	£0	-£35,449	-£21,270	-£21,270 0.00%	£14,179 -40.00%
4. Net Direct Expenditure	£157,566	£178,058	£157,175	-£391 -0.25%	-£20,883 -11.73%
5. Overall No. of Posts (FTE)	2.51	3.12	3.12	0.61 24.30%	0.00 0.00%

Reasons for Variances

1. The 2018/19 makes allowance for a 1% pay award, contractual increments where applicable, and increases in employer's national insurance and pension contributions. The revised estimate and 2018/19 base budget make provision for the post of Employment, Skills and Training Co-ordinator which is backed by S106 funding..
2. 2017/18 revised estimate includes non recurring expenditure brought forward from 2016/17.
3. S106 contributions to cover the cost of employing the Employment, Skills and Training Co-ordinator plus £7,000 of non recurring contributions from local businesses towards community grants in 2017/18 only.
4. Net impact of the variances listed above.
5. The increase relates to the part time post of Employment, Skills and Training Co-ordinator.

Movement in budget and staff from last year

The overall number of posts and the associated establishment budget for this portfolio has fluctuated slightly over the last year; but not to any significant extent. Contractual pay increases for 2018/19 have been offset by a reduction in the overall headcount due to the expiry of a fixed term contract.

Overall the 2018/19 budget for net direct expenditure across the whole group is broadly the same as the start of year position for the current year. The actual net direct expenditure incurred during 2017/18 was higher, due to unforeseen costs which arose during the year; costs associated with the Strategic Growth Plan and Delivery DPD, the allocation of external capacity funding to specific projects, and one off expenditure brought forward from the previous year.

Portfolio Priorities

Priorities for 2018/19 for the group include:

- 1. Large scale strategic projects.** A number of these are currently at inception stage, and will be more fully developed as we progress through 2018/19; including Junction 20a and a garden village.
- 2. Deliver “Building Blaby, Shaping Futures” – the Council’s Economic Development Strategy.** The Economic Development Strategy was refreshed and the new strategy adopted in September 2016. Progress has already been made against the action plan, and this will continue throughout 2018/19.
- 3. “Love Blaby Lottery”** - the lottery will be launched towards the end of 2017/18, and considerable effort will be made during next year to sign-up as many good causes and players as possible.
- 4. High profile enforcement action.** Ongoing action is expected for a number of current high profile cases; and the team will continue their pro-active approach across the District.
- 5. Adopt the Delivery Development Plan Document (DPD).** Significant work has already been undertaken on the next stage of the Local Plan; the Delivery DPD. This is the document which identifies and allocates new sites for housing, employment, ‘Gypsy and Travellers’ accommodation and other land uses in the District in accordance with the Core Strategy. It will also include further Development Management policies required to supplement the Core Strategy.
- 6. Leicester and Leicestershire Strategic Growth Plan –** work on this is progressing well, with public consultation due to commence in January 2018.
- 7. Delivery of the Lubbethorpe Sustainable Urban Extension (SUE).** The new community is going from strength to strength. The M1 bridge has been completed and opened, works continue to deliver the road infrastructure, and the first of many houses have been constructed. During 2018/19 work will start on the first local centre and primary school.

8. To facilitate, develop and enable effective partnership working to ensure the best possible outcomes for our residents.

Services

The Vision for the Planning and Economic Development Group is:

“To have a pro-active, customer centred and comprehensive planning service that delivers the Council’s development and economic aspirations and ambitions for the District, and enhances the Council’s reputation”.

This is delivered through the following core functions:

Development Strategy

The purpose of the Development Strategy Service is to ensure that the district has a robust and up-to-date strategic framework for Planning, Economic Development and Housing and to enable the delivery of these strategies.

This budget includes the costs of Planning Policy Officers, Economic Development Officers, and a Planning Obligations Officer; all involved in developing robust policies and guidance, gathering and interpreting the data necessary to do this, advising on the interpretation of policies and designing and implementing initiatives to deliver strategic objectives.

Planning Delivery

The purpose of the Planning Delivery Service is to ensure that development is acceptable whilst determining planning applications as fast as possible.

This budget includes the costs of Planning Officers and Technical staff involved in providing advice to potential applicants and determining applications.

Planning Enforcement

This budget includes the costs of Enforcement Officers, who monitor development across the district and enforce planning controls.

Management & Administration

This budget includes the costs of the Group Manager and the support staff who manage the departmental budgets and systems.

Partnerships

This budget includes the cost of the manager and officers who work in partnership with the voluntary and community sector to deliver the best outcomes for our residents and good causes.

The team are also managing the roll-out of the lottery, the Youth Council, and are developing a new approach to Corporate Social Responsibility.

Key Points

<p>Doing things differently – plans for the coming year</p>	<p>The department is performing well, staff are highly motivated, and it is expected that this will continue despite workload pressures.</p> <p><u>Development Strategy</u> The team will continue to focus on strategic planning and the Local Plan</p> <p>Subject to Council decision, work will commence next year on a new Local Plan; which will require additional resource. This requirement is currently under consideration and a report will be brought before Council in a few months.</p> <p>The focus on economic development will continue to be widened out across the organisation.</p> <p><u>Planning Delivery</u> The workload of the team has recently increased significantly, as an unprecedented number of planning applications continue to be received. During 2018/19 the team will focus in ensuring the continued delivery of an excellent service in this demanding environment.</p> <p><u>Enforcement</u> The enforcement team will continue it's proactive monitoring approach next year.</p> <p><u>Management & Administration</u> The focus for 2018/19 will be for a management function which enables innovation whilst leading and supporting; and enables staff to develop and grow.</p> <p><u>Partnerships</u> The focus for 2018/19 will be on developing the Blaby Lottery and Corporate Social Responsibility; whilst still supporting our VCS and good causes.</p>
<p>Income generation</p>	<p>The fees and charges for all aspects of the service will be kept under review to ensure that these maximise income without impacting on the quality of communications and applications submitted and increasing costs elsewhere in the delivery of the services.</p> <p>Income generation across the group is restricted to fees for documents; and national set planning application fees. The Government has confirmed that it will allow local authorities to increase planning application fees by 20% from 17th January 2018 and arrangements have been made for these to be implemented</p>

	<p>from that date. This increased income is ring-fenced to expenditure on planning staffing only. A separate report will be brought before Cabinet setting out how the additional income will be utilised; as at the time of writing this document the plans are still under consideration.</p> <p>The group will seek to maximise income into the district through the delivery of economic development support and large scale project management; which will bring in NNDR, New Homes Bonus and LLEP investment.</p> <p>Savings will be sought wherever possible.</p> <p><u>Partnerships</u></p> <ul style="list-style-type: none"> • Develop a menu of business support for the community grants programme to ensure we can take full advantage of their corporate social responsibility obligations. • Launch the Local Authority Lottery.
Capital plans for the portfolio	<p><u>Partnerships</u></p> <p>Continue to provide a capital grants programme (£54,500) for community groups. Looking at the process for making groups more sustainable and involve Corporate Social Responsibility to bring maximum benefits for all the community.</p>

Key Performance Indicators

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18*
Number of planning applications received	922	1080	1018	1091	1132	537**
Planning application fee income	£396,596	£711,229	£574,632	£676,273	£470,671	£396,255
Number of planning applications determined	651	962	1064	1010	1048	477
% of applications delegated	93.88	90.28	89.65	94.06	93.73	93.29
% of major applications determined in 13 weeks	21.43	75.67	84.62	94.44	100	95.23
E2E (householders)	47.21	50.28	38.13	44.03	33.55	43.68
E2E (minors)	108.6	89.14	80.52	65.85	53.07	59.85
E2E (others)	91.38	49.07	46.20	55.98	48.02	41.46
Housing Land Supply	Currently at 5.30 years					

*year to date

**1st and 2nd quarter only

PERFORMANCE INDICATORS - PARTNERSHIPS	2016/17 RESULTS	2017/18 YEAR TO DATE	COMMENTS
Number of Community Groups supported by the grants programme	51	32	One funding round remaining in 2017/18.
Number of Voluntary and Community Sector events	4	11	83% are classified as unsustainable being subject led and often driven by values and beliefs. Common challenges exist around funding, accommodation, transport and numbers of volunteers and these are addressed at the themed forum meetings
Employment, Skills and Training - Lubbersthorpe apprenticeships/Jobs	Not in post	9	3 apprenticeships from Blaby Colleges and 9 new jobs created to date.
Youth Number of Council members	19	17	Numbers have remained fairly constant. Recruitment drives are planned for 2018
Number of Good Neighbour Schemes	4	0	Number of schemes progressing to being operational has dried up and we are looking at new ways to develop new schemes in the future.
Love Blaby Lottery Community Lottery		22	Number of groups signed up to the scheme

Customers

- The Group will continue to make significant contributions towards the corporate channel shift focus into 2017/18.
- The Planning Delivery and Enforcement services in particular have heavy interaction with residents and we will continue to monitor customer feedback to ensure that all interactions with customers and stakeholders to these services are conducted appropriately and professionally. Complaints remain at a low level.
- There are a number of significant public consultations planned for 2018/19 including the Strategic Growth Plan and potentially options for a new Local Plan..
- Blaby Together will continue to focus on the Blaby Plan Priorities
- The Youth Council will continue to be a voice for their respective age group
- Agewise continue to work with the Council and provide a voice for the ageing population
- The team will continue to support our Parish Councils and what is important to them through the Parish Liaison/Annual Seminar meetings and continue to take direction for the Local Council Working Group.

- Academies are a key partner in our community. Work will continue to ensure our youth have a voice and opportunities are taken to encourage work experience and work readiness.

Risks

- The increased level of major applications will continue to place significant demands on the service.
- Failure to progress the Joint Strategic Growth Plan for Leicester and Leicestershire could leave the District vulnerable to unacceptable levels of future development.
- High number of appeals will place further pressures on the Development Services Team.
- Inability to progress with the delivery of a clear and robust policy framework would put delivery of sustainable development at risk.
- Delivery of Lubbethorpe against the current proposed timetable is essential – failure to do so could affect the 5 year housing land supply, and in turn the council's ability to defend against undesirable development.
- Significant reliance on partners and the wider economy to effectively implement the Economic Development Strategy.
- Failure to deliver an effective enforcement service could result in reputational damage.
- Financial support for the Grants Programme.
- Loss of external support and expertise to support Good Neighbour Schemes and the Community Network Blaby District.

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