

SCRUTINY OF THE ADMINISTRATION'S BUDGET PROPOSALS 2015-16

Invitation and Agenda to all Members

Members of the Scrutiny of the Administration's Budget Proposals 2015-16

Cllr. D. Jennings (Chairman)

Cllr. R. J. Berrington
Cllr. L. M. Breckon
Cllr. D. J. Findlay
Cllr. J. M. Fox

Cllr. B. Garner
Cllr. J. O. Hudson
Cllr. D. Jennings
Cllr. S.J. Maxwell

Cllr. A. Moseley
Cllr. E. Parsons
Cllr. D. R. Parsons
Cllr. J. Springthorpe

Dear Members,

A meeting of the Finance and Resources Scrutiny Working Group will be held in the Council Chamber - Council Offices, Narborough on **TUESDAY, 20 JANUARY 2015 at 5.30 p.m.**



AGENDA

1. Apologies for Absence
2. Feedback and update from the 13 January Budget Overview session - Sarah Pennelli, Financial Services Group Manager

3. Presentation of 2015-16 draft Portfolio Budget proposals (Pages 3 - 24)

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

- 3a) Strategic Management – the Leader, Cllr Ernie White
- 3b) Finance, Efficiency & Assets – Cllr Terry Richardson
- 3c) Planning, Economic Development & Housing Strategy –
Cllr Tony Greenwood

4. Scrutiny members to bring together conclusions and confirm any points where additional information is required

Agenda Item 3

Strategic Management – Scrutiny Budget Briefing

Portfolio Holder: Councillor Ernie White, Leader

Senior Officers: Chief Executive, Director of Place, Director of People, Corporate Services Group Manager, Strategic Manager – People & Performance, Regulatory Services Group Manager

Management Team and	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£432,645	£432,645	£439,994	£7,349 1.70%	£7,349 1.70%
Other Gross Direct Expenditure	£46,739	£38,918	£46,653	-£86 -0.18%	£7,735 19.87%
Direct Income	-£500	-£500	-£500	£0 0.00%	£0 0.00%
Net Direct Expenditure	£478,884	£471,063	£486,147	£7,263 1.52%	£15,084 3.20%
Overall No. of Posts (FTE)	6.03	6.03	6.03	0.00 0.00%	0.00 0.00%

Performance	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£157,469	£157,469	£163,630	£6,161 3.91%	£6,161 3.91%
Other Gross Direct Expenditure	£47,155	£36,364	£34,200	-£12,955 -27.47%	-£2,164 -5.95%
Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
Net Direct Expenditure	£204,624	£193,833	£197,830	-£6,794 -3.32%	£3,997 2.06%
Overall No. of Posts (FTE)	4.49	4.49	4.49	0.00 0.00%	0.00 0.00%

Emergency Planning	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%
Other Gross Direct Expenditure	£29,405	£27,905	£31,474	£2,069 7.04%	£3,569 12.79%
Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
Net Direct Expenditure	£29,405	£27,905	£31,474	£2,069 7.04%	£3,569 12.79%
Overall No. of Posts	0.00	0.00	0.00	0.00	0.00

(FTE)				0.00%	0.00%
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Electoral Registration	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£75,052	£75,052	£78,142	£3,090 4.12%	£3,090 4.12%
Other Gross Direct Expenditure	£111,370	£143,682	£193,340	£81,970 73.60%	£49,658 34.56%
Direct Income	-£1,500	-£60,762	-£61,500	-£60,000 4000.00%	-£738 1.21%
Net Direct Expenditure	£184,922	£157,972	£209,982	£25,060 13.55%	£52,010 32.92%
Overall No. of Posts (FTE)	2.67	2.67	2.67	0.00%	0.00%

Human Resources	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£307,455	£320,229	£325,079	£17,624 5.73%	£4,850 1.51%
Other Gross Direct Expenditure	£142,725	£207,926	£141,331	-£1,394 -0.98%	-£66,595 -32.03%
Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%
Net Direct Expenditure	£450,180	£528,155	£466,410	£16,230 3.61%	-£61,745 -11.69%
Overall No. of Posts (FTE)	6.21	6.21	6.21	0.00%	0.00%

Strategic Management - Total	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£972,621	£985,395	£1,006,845	£34,224 3.52%	£21,450 2.18%
Other Gross Direct Expenditure	£377,394	£454,795	£446,998	£69,604 18.44%	-£7,797 -1.71%
Direct Income	-£2,000	-£61,262	-£62,000	-£60,000 3000.00%	-£738 1.20%
Net Direct Expenditure	£1,348,015	£1,378,928	£1,391,843	£43,828 3.25%	£12,915 0.94%
Overall No. of Posts (FTE)	19.40	19.40	19.40	0.00%	0.00%

Movement in budget and staff from last year

Management Team

- The headcount for the Strategic Management team is planned to remain unchanged in 2015/16. Establishment costs have increased slightly to allow for the proposal 2% increased for senior officers that is being negotiated nationally.
- £7,700 increase in other gross direct expenditure brings the budget back up to the original 2014/15 budget figure after part of this budget was vired into another budget in the year to support one off project costs in another cost centre of the authority.

Performance

The majority of movement in the Performance budget can be attributed to the following factors:

- Savings of £12,955 realised in 2014/15 relating to the amalgamation of the performance and risk IT systems which is an ongoing saving.

Electoral Registration

- Budget has been increased for 2015/16 in order to provide for the District Council Elections in May 2015. Part of this spend is supported by a release of £80,000 from an Earmarked Reserve.
- The revised budget for 2014/15 took account of the need for Individual Electoral Registration (IER) and income increased as a result of a grant received to assist towards those additional costs.

Human Resources

The majority of movement in the HR budget can be attributed to the following factors:

- Establishment costs for the HR team have been amended following the implementation of changes in the staffing structure. These changes have resulted in an improved level of service provision to BDC with a clear focus on adding value through the quality of advice from HR Advisers.

IT charges for the provision of a Council Wi-Fi system are now reported in this budget.

- Reductions in the Corporate Training Budget will also be provided in 2015/16 due to training being delivered internally by the HR team, rather than by external consultants.

Priorities

To lead the Council in delivery of its corporate ambition to ensure that Blaby is a good place in which to live and work

To ensure that there is effective Leadership at all levels and that appropriate governance arrangements are in place

To lead the Council through the Financial challenges in 2015/16 onwards with the development of a new Blaby Plan aligned with a robust Medium Term Financial Strategy and People Strategy.

To lead and support all members with their ambition to be effective community champions

To ensure the Council has robust arrangements in place for responding to emergencies.

Services

- **Management Team**
Includes costs for the Chief Executive and Directors budgets and in addition the costs for corporate health and safety. The corporate health and safety budget delivers the provision of internal advice and support to the Council in respect of its health and safety obligations to both staff and the community.
- **Emergency Planning**
Includes costs associated with provision for Emergency Planning within the Authority delivered in partnership across the Leicester, Leicestershire & Rutland Resilience Partnership area.
- **Electoral Services**
Includes election costs and costs associated with the registration of electors
- **Human Resources**
Includes costs of HR staff who provide professional and technical support on a broad range of issues (including recruitment, sickness absence, performance and conduct, staff restructures, learning and development and policies) ensuring fairness, equality and consistency of matters affecting all staff employed within the Council.
- **Performance**
Officers provide support to monitor and manage the performance of the Authority, provide guidance and support on Systems Thinking, offer advice on customer insight, carry out consultation exercises, monitor and advise on equalities legislation and practice and support the monitoring and management of risk within the Council.

Key points

<p>Doing things differently - plans for the coming year</p>	<ul style="list-style-type: none"> ● The continued development of different ways of working through such things as locality delivery (e.g. the Light Bulb project and Me and My learning) and the continued implementation of the City Deal will bring opportunities and challenges and will require the Council to be agile and creative in our response to change ● Elected Member development and
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	<p>succession planning continues to be important in the face of change and there will be a continued focus in this area</p> <ul style="list-style-type: none"> • Planning and monitoring how the Council can remain sustainable given the impact of the financial constraints and risks the Council faces from the uncertainty around future funding streams and the impact of reduced spending by the Leicestershire County Council. <p><u>Human Resources</u></p> <p>1. Delivery of Learning & Development</p> <ul style="list-style-type: none"> ○ Learning & Development is to be a key focus throughout 2015-16 to ensure that the demands on both resources and services are positively met by the skill set of our staff. ○ Sessions are to be delivered for managers on how to ensure performance is managed within their teams, alongside recruitment and selection and the management of sickness absence. ○ Training will also be provided to all staff on a wide set of core skills including IT, customer service skills and also basic literacy and numeracy for those employees who require it. The provision of these skills will help develop individuals outside of work and within their own lives, alongside their employment with BDC. ○ The Athena on line learning package will also be redeveloped throughout 2015, ensuring that development can continue in a flexible and cost effective manner. <p>2. Review HR Systems and Policies</p> <ul style="list-style-type: none"> ○ Review HR systems and recommend and implement changes to enable improved effectiveness of application of HR policies across BDC. ○ Priorities include the continued development of iTrent systems in terms of recruitment, data recording and also the provision of service measures in a swift and more effective manner. ○ HR Policies will also be revised throughout 2015 including Disciplinary, Probation and Recruitment. This will ensure that performance will continue to improve, and will complement the delivery of training sessions referred to above.
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3. Deliver People Strategy:

- Joint working with staff and Trade unions on the development of the People Strategy 2015-16 will ensure that employees are engaged with the development and progress of BDC. Areas of focus will include the provision of office accommodation, a refreshed Performance Development Appraisal system and initiatives for staff to remain healthy and also recognised for their efforts.
- The provision of on-line exit questionnaires will help define the reasons for staff turnover and ensure that a stable and high performing staff group are retained.

Performance

1. Gained Customer Service Excellence (CSE) Re-Accreditation; Feb 2014

- Accredits BDC for processes that focus on providing high quality and efficient customer services which will contribute to organisational improvement and cost reduction across the council in coming years.
- Focus on C.S.E. will continue. BDC has now entered into a 'Continuous Review' programme for the C.S.E. starting in February 2015.

2. New Performance & Risk Software implemented.

- A new IT system, (InPhase), has replaced the previous 2 systems reducing costs by an estimated £20,000 over 5 years. It is expected that there will be added efficiency improvements across BDC as InPhase has enhanced capabilities to manage projects, service plans and the Corporate Plan. Additionally there are plans to make direct links to other IT systems used across the Council for improved monitoring and management, and further cost savings as a result.

	<p>3. Supporting Channel Shift. Following a recommendation to support a Systems Thinking approach and Channel Shift, Lagan CRM (Customer Relationship Management) System, costing £27,000 per annum, has now been discontinued and replaced with the Firmstep Channel Shift/CRM solution. The Performance and Systems team will continue to support the implementation of this solution. An officer has been seconded to Communications to provide additional resource and a direct link is to be established with InPhase for reporting purposes.</p> <p>4. Systems Thinking</p> <ul style="list-style-type: none"> • Providing regular and ongoing training, guidance and challenge to all levels of staff to make service improvements by understanding customer demand and eliminating waste. Providing expert advice and support to improvement projects across the Council. <p><u>Emergency Planning</u></p> <ul style="list-style-type: none"> • Reviewing partnership agreement to deliver emergency planning across the Leicester, Leicestershire and Rutland (LRR) area.
Income generation	<ul style="list-style-type: none"> • Not applicable to this portfolio although positively enhancing the profile of Blaby will support income generation and economic prosperity across the Council
Capital plans for the portfolio	<ul style="list-style-type: none"> • Not applicable

Key performance indicators

- Delivery of the Blaby Plan critical activities are monitored by the Senior Leadership Team
- Delivery of the People Strategy will also be monitored by the Senior Leadership Team
- A quarterly performance appraisal meeting is held between the Chief Executive and Lead Members to ensure delivery of priorities
- Testing, exercising, preparation and delivery of agreed emergency work plans.
- The level of staff sickness absence is also monitored on a monthly basis as part of the corporate dashboard, alongside the make up of employees by disability and ethnic origin. The number of disciplinary

investigations and staff turnover are also monitored internally to identify any areas of concern which may need addressing.

- Number of accidents at work and working days lost to injury.
 - 2011/12 – 35 accidents/incidents,, 34 days lost
 - 2012/13 – 32 accidents/incidents, 15 days lost
 - 2013/14 – 20 accidents/incidents, 12 days lost
 - 2014/15 – 26 accidents/incidents, 19 days lost

Note: officers have been encouraged to report accidents this year to help review where accidents are occurring in order to try to eliminate the risks.

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 and Systems Team together with the Customer Services Team will be providing ongoing support to the Council to continue the work relating to the Customer Service Excellence Standard.

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

The teams will be working closely together to consider and provide more web based opportunities for those wishing to do business with the Council over the internet.

Risks

As outlined in the budget overview meeting legislative changes at a national level is the greatest risk facing our organisation.

Items of particular note are:

- National changes to the payment and distribution mechanism of New Homes Bonus.
- Future savings to be made by Leicestershire County Council and how these may impact our customers.
- Policy changes and valuation appeals impacting Business Rate Retention and any changes to the Localisation of Business Rates scheme.
- Failure to embed Systems Thinking could impact on service delivery and customer and staff satisfaction.
- Non delivery of the People Strategy may have an impact on staff absence, morale and overall performance.
- Health and Safety - risk – negligence. Control Measures are managed through advisory service and the internal Health and Safety blueprint procedures.

Finance, Efficiency & Assets Portfolio – Scrutiny Budget Briefing

Portfolio Holder: Councillor Terry Richardson

Senior Officers: Financial Services Group Manager, Director of Place

Financial Services	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£490,469	£490,469	£499,535	£9,066 1.85%	£9,066 1.85%
Other Gross Direct Expenditure	£1,027,085	£929,561	£972,077	-£55,008 -5.36%	£42,516 4.57%
Direct Income	-£203,600	-£205,002	-£203,600	£0 0.00%	£1,402 -0.68%
Net Direct Expenditure	£1,313,954	£1,215,028	£1,268,012	-£45,942 -3.50%	£52,984 4.36%
Overall No. of Posts (FTE)	11.57	11.30	11.30	-0.27 -2.33%	0.00 0.00%

Internal Audit	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%
Other Gross Direct Expenditure	£51,035	£49,731	£50,190	-£845 -1.66%	£459 0.92%
Direct Income	-£765	-£765	-£765	£0 0.00%	£0 0.00%
Net Direct Expenditure	£50,270	£48,966	£49,425	-£845 -1.68%	£459 0.94%
Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00%	0.00 0.00%

Revenues & Recovery	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£374,436	£373,557	£391,954	£17,518 4.68%	£18,397 4.92%
Other Gross Direct Expenditure	£92,224	£62,107	£52,823	-£39,401 -42.72%	-£9,284 -14.95%
Direct Income	-£239,815	-£239,815	-£220,466	£19,349 -8.07%	£19,349 -8.07%
Net Direct Expenditure	£226,845	£195,849	£224,311	-£2,534 -1.12%	£28,462 14.53%
Overall No. of Posts (FTE)	14.99	15.00	15.00	0.01 0.07%	0.00 0.00%

Assets	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£161,119	£161,119	£164,515	£3,396 2.11%	£3,396 2.11%
Other Gross Direct Expenditure	£577,462	£632,422	£599,068	£21,606 3.74%	-£33,354 -5.27%
Direct Income	-£271,933	-£273,154	-£334,100	-£62,167 22.86%	-£60,946 22.31%
Net Direct Expenditure	£466,648	£520,387	£429,483	-£37,165 -7.96%	-£90,904 -17.47%
Overall No. of Posts (FTE)	5.58	5.58	5.58	0.00 0.00%	0.00 0.00%

East Midlands Housing	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%
Other Gross Direct Expenditure	£0	£0	£0	£0 0.00%	£0 0.00%
Direct Income	-£57,546	-£75,814	-£18,789	£38,757 -67.35%	£57,025 -75.22%
Net Direct Expenditure	-£57,546	-£75,814	-£18,789	£38,757 -67.35%	£57,025 -75.22%
Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00%	0.00 0.00%

Finance, Efficiency & Assets - Total	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£1,026,024	£1,025,145	£1,056,004	£29,980 2.92%	£30,859 3.01%
Other Gross Direct Expenditure	£1,747,806	£1,673,821	£1,674,158	-£73,648 -4.21%	£337 0.02%
Direct Income	-£773,659	-£794,550	-£777,720	-£4,061 0.52%	£16,830 -2.12%
Net Direct Expenditure	£2,000,171	£1,904,416	£1,952,442	-£47,729 -2.39%	£48,026 2.52%
Overall No. of Posts (FTE)	32.14	31.88	31.88	-0.26 -0.81%	0.00 0.00%

Movement in budget and staff from last year

Financial Services

The headcount is assumed to remain unchanged at 11.3 FTE for the forthcoming year including the establishment costs and headcount relating to the fraud officer.

The £55,008 reduction in Gross Direct Expenditure compared to 2014/15 approved budget is due to the following items:

- £19,000 reduction in external audit fees to audit grant claims. This is based on the costs experienced in 2014/15 given the introduction of the Northgate system in Revenues. This has made the auditors process easier and the Benefits team have attained exceptional accuracy so limiting the amount of additional testing required by the auditors.
- £30,000 reduction in interest payable in 2015/16 that is paid when borrowing occurs to support the capital programme. This reduction is as a result of the Council utilising capital receipts to support the capital programme where it is deemed appropriate, so avoiding interest costs and interest on borrowing recalculated given the actual borrowing that has been necessary to support the capital programme.
- £8,000 reduction in fraud costs supporting the National Antifraud Initiative against the approved budget. Whilst the Authority continues to support this initiative actual costs experienced have reduced and the budget amended in line with this. The Council is to benefit from joint working with Leicester City Council which has recently been successful in gaining government funding to support joint working across Leicestershire to combat fraud. This additional support comes with no direct costs to Blaby DC.

Internal Audit

Includes cost for the provision of the internal audit service.

North West Leicestershire will continue to provide the shared internal audit service to the authority which provides a cost effective audit solution.

Revenues and Recoveries

The headcount is budgeted to remain unaltered at 15 FTE however the structure was altered during 2014/15 and the costs are reflective of a new structure which has given more focus on debt recovery.

Gross direct expenditure has remained at a similar level apart from the accounting treatment of the £38k for discretionary rate relief. This now is not charged to the general fund budget but is accounted for within the Business Rate Retention scheme. The Council however, continues to monitor this in the same manner as previously in order that a similar award level is maintained and does not have a detrimental impact on the Business Rate growth calculation.

Assets

The headcount is budgeted to remain unaltered at 5.58 FTE.

Gross Direct Expenditure has increased by £22,000 the main items being:

- £10,000 increase in maintenance costs reflective of works that are expected to take place in the next year.
- £11,000 centralisation of the majority of the stationery budgets within the Council officers – an initiative to reduce costs.

Direct income has increased by £62,000 due to:

- the expectation that units on the Enderby Road Industrial Estate will be let following refurbishment works
- £25,000 in respect of the letting of part of the Council Offices to the Nottingham Health Trust which is delivering support for mental health across Leicestershire.

East Midlands Housing

East Midlands Housing (EMH) vacated the Council offices at 30th June 2014.

Income was also received from the supply and maintenance of vehicles but this also ceased during 2014.

The remaining £19,000 is expected to be received from the lease of the current depot offices to EMH. This is subject to the delivery of the Council's new depot and notice being served on EMH.

Priorities

1. Understand costs and deliver a responsive, cost effective and high quality financial service.
2. Maintaining the high collection rate of the Revenues Service whilst driving efficiency and improving Customer Service.
3. Maximising the use of the council's assets.
4. Instilling principles of good, sustainable procurement.
5. Continue a culture of transparency with emphasis on financial control, audit, with regard for the prevention of fraud and management of risk.

Services

- **Financial Services**

Includes costs of Finance Officers involved in the generation of the Financial Statements and to provide financial information ensuring the financial control of the Council. Officers within the department also process the payroll for both Officers and Members and all supplier invoices are processed through this department.

This segment of the portfolio also includes costs/income for the following:

- External Interest Payable
- Interest Received on Investments
- Procurement costs
- Insurance
- Bank Charges

- **Revenues and Recoveries**

Billing and collection of Council Tax and Non Domestic Rates.

Includes the monitoring and administration of discretionary rate relief.

- **Assets**

Includes costs for the Council Offices and the Depot including the building and the associated grounds maintenance. Also includes costs incurred for Leisure Centre buildings, public conveniences, caravan sites, bus shelters, Whetstone Industrial Estate and costs associated with the administration of property and assets owned by the Council.

Audit and Fraud

- Includes the delivery of fraud initiatives across the Council and internal audit fees. Internal Audit Services being provided by North West Leicestershire as part of a shared service.

Key points

Doing things differently - plans for the coming year	<p>Revenues</p> <ul style="list-style-type: none">• The Revenues system which went live in December 2012 has enabled a range of tasks to be automated. The department has been at the forefront of the channel shift project mapping a range of processes in preparation for them to be accessible for customers to perform over the website. It is expected that this enhancement to the website will be delivered early in the new financial year.• The use of the Northgate system by both the Revenues and Benefits department have naturally brought the two departments to work closer with each other. Consequently staff have been identifying ways of working together which improve the service to customers and this will continue in 2015/16.• The restructure of the department in 2014 has given greater focus on debt recovery and currently officers are receiving support to enhance their experience in taking some of the more difficult cases through to committal stage at court. This sends a positive message to both those customers that pay regularly but also a strong message that the Authority will take appropriate action to ensure Council Tax is collected. <p>Finance</p> <ul style="list-style-type: none">• Officers continue to work alongside services to enable them to fully understand the financial picture. This understanding is broadening as finance officers are now starting to provide support to draft business cases for investment opportunities to close the financial gap.• The European Legislation relating to procurement is in the process of being changed. This will invariably mean the recently revised Constitution will have to be further amended and officers of the Council supported through this process.• The successful bid for transformational funding to support the 'Light Bulb' project will be administered by Blaby District Council. As such finance officers will be monitoring the budget for the project feeding into the
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	<p>reporting process to feedback to all the interested parties. Note – the detailed budget for the Light Bulb project is not yet included in the total budget but it's addition will be at no overall cost to Blaby DC for the 2015/16 financial year.</p> <p>Assets</p> <ul style="list-style-type: none"> • The planning application has recently been submitted for the proposed new depot. It is anticipated that this will be delivered in this financial year, subject to planning approval and the costs being acceptable to Council. <p>Fraud and Internal Audit</p> <ul style="list-style-type: none"> • The Public Sector Internal Audit Standards which were issued in 2013 have changed the manner in which internal audits were evaluated and applied. This has greatly improved the value internal audit has brought to the Authority, concentrating on areas where there is greater risk. In 2015/16 the level of compliance with the standards will be reviewed and agreed. • In addition to the fraud work that is currently undertaken within the Authority the Council also has the opportunity to enhance the fraud activity by working with Leicester City Council which has secured grant funding to facilitate this initiative. Working with the County and Districts across Leicestershire the City Council will be looking at ways in which data can be shared to combat fraud, develop technology to assist customers to report fraud and also to share knowledge and provide resilience for fraud investigations where needed.
<p>Income generation</p>	<p>Within the Finance portfolio there is little scope to improve income streams because of the nature of the portfolio.</p> <ul style="list-style-type: none"> • The finance department will however provide support in assessing investment opportunities open to the Council. • 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 and the movement of the Citizens Advice Bureau to the offices here at Narborough and the possible future extension of services offered not only bring revenue opportunities but better outcomes for our customers with partners such as these delivering services alongside the Authorities own officers.
<p>Capital plans for the portfolio</p>	<ul style="list-style-type: none"> • An amount of £20,000 has been included in the capital programme to upgrade the income management system used by the Council. This system processes all payments made through the Website, face to face or

	<p>over the telephone and ensures all customers payment details are kept secure. The upgrade will ensure that the system utilised by the Council to process all payment details is fully compliant with the Payment Card Industry Data Security Standard.</p> <ul style="list-style-type: none"> • An amount of £4,500 is included as final settlement to purchase bins that historically had been subject to a lease arrangement. This is a historic arrangement and refuse or recycling bins are no longer leased but purchased outright. • The delivery of the new depot which was included in the capital programme of 2014/15 will continue during the next financial year.
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Key performance indicators

	2014 upto 02.01.14	2013 upto 03.1.13	Full Year 2013	Full Year 2012
% Council Tax Collected	93.53%	94.51%	97.45%	99.13%
% Non Domestic Rates Collected (NNDR)	89.22%	94.72%	99.13%	98.93%
	2014 to end Q3	2013 to end Q3	Full Year 2013	Full Year 2012
Invoices Paid within 30 days	97.37%	94.68%	94.76%	96.59%

Note:

- Both Council Tax and Business Rate customers can now spread their payments over 12 instalments rather than 10. Whilst some Council Tax Customers have taken advantage of this option it has not significantly affected the collection rate. The larger Business Rate customers have utilised this 'cashflow' option and this has effected the collection rate adversely. We would however, expect the collection rate to have recovered to normal levels as the 11th and 12th payments are received in February and March.

Customers

Within the Revenues and Recovery department it can be difficult to balance customer expectations/satisfaction whilst trying also to achieve and maintain a high collection rate.

Officers strive to assist customers who are facing financial difficulty to make affordable payment arrangements and invariably those customers that are assisted in this way give extremely positive feedback.

We continue to try and find ways in which we can encourage customers to contact us and have recently started to use Twitter and Facebook to give messages out to customers.

For those customers that have less of an intention to pay and default on payments regularly a firmer stance is taken but always with the intention that they are treated fairly and with respect.

Within the Assets and Finance area, customers are more diverse and include internal customers, residents and Parishes. Over the last year greater relationships have been built

with clerks and Parish members which has assisted financial information to be shared and the utilisation of assets to be better utilised for the community. It is anticipated that these relationships will continue to be improved.

Risks

- **Overall Financial Risk** – The Financial Risks facing the council are not necessarily specific to this portfolio the finance departments input into financial issues across many aspects of the Council will continue. Officers work closely with the various departments to monitor budgets but also to provide sound financial input into all decisions that have financial implications.
- **Council Tax Support** – the introduction of Council Tax Support saw the financial risk of increased claimant numbers being bourn by the major preceptors. An increase in amounts awarded has not been experienced however it is a concern should a local business suddenly go into receivership. The award of Council Tax Support is monitored throughout the year to ensure any impact is known at the earliest opportunity.
- **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.

Planning, Economic Development & Housing Strategy Portfolio – Scrutiny Budget Briefing

Portfolio Holder: Councillor Tony Greenwood

Senior Officers: Planning Group Manager, Director of Place

Development Strategy	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£243,963	£243,963	£292,308	£48,345 19.82%	£48,345 19.82%
Other Gross Direct Expenditure	£204,980	£102,182	£158,360	-£46,620 -22.74%	£56,178 54.98%
Direct Income	-£55,100	-£12,000	-£25,000	£30,100 -54.63%	-£13,000 108.33%
Net Direct Expenditure	£393,843	£334,145	£425,668	£31,825 8.08%	£91,523 27.39%
Overall No. of Posts (FTE)	6.42	6.42	7.42	1.00 15.58%	1.00 15.58%

Planning Delivery	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£568,833	£709,316	£551,374	-£17,459 -3.07%	-£157,942 -22.27%
Other Gross Direct Expenditure	£156,723	£225,922	£150,947	-£5,776 -3.69%	-£74,975 -33.19%
Direct Income	-£385,500	-£566,150	-£430,000	-£44,500 11.54%	£136,150 -24.05%
Net Direct Expenditure	£340,056	£369,088	£272,321	-£67,735 -19.92%	-£96,767 -26.22%
Overall No. of Posts (FTE)	16.00	18.32	15.00	-1.00 -6.25%	-3.32 -18.12%

Management & Admin	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£125,232	£125,232	£132,888	£7,656 6.11%	£7,656 6.11%
Other Gross Direct Expenditure	£10,735	£19,441	£11,770	£1,035 9.64%	-£7,671 -39.46%
Direct Income	£0	-£7,131	£0	£0 0.00%	£7,131 -100.00%
Net Direct Expenditure	£135,967	£137,542	£144,658	£8,691 6.39%	£7,116 5.17%
Overall No. of Posts (FTE)	3.00	3.00	3.00	0.00 0.00%	0.00 0.00%

Planning, Economic Development & Housing Strategy - Total	2014/15 Approved Budget	2014/15 Revised Estimate	2015/16 Proposed Budget	% Change [C] - [A]	% Change [C] - [B]
	[A]	[B]	[C]		
Establishment Costs	£938,028	£1,078,511	£976,570	£38,542 4.11%	-£101,941 -9.45%
Other Gross Direct Expenditure	£372,438	£347,545	£321,077	-£51,361 -13.79%	-£26,468 -7.62%
Direct Income	-£440,600	-£585,281	-£455,000	-£14,400 3.27%	£130,281 -22.26%
Net Direct Expenditure	£869,866	£840,775	£842,647	-£27,219 -3.13%	£1,872 0.22%
Overall No. of Posts (FTE)	25.42	27.74	25.42	0.00 0.00%	-2.32 -8.36%

Movement in budget and staff from last year

Establishment Costs and Posts

The overall number of posts and the associated establishment budget for this portfolio has fluctuated significantly in the last two years. In February 2013 Council agreed the restructure of the Planning and Economic Development Group which was then implemented on 1st April 2013 and has now been fully recruited to.

The 2014/15 approved establishment budget was revised to create additional resource to support the systems thinking intervention; which took a number of officers away from the 'day job'. The forecast for 2015/16 however projects a return closer to the original 2014/15 budget as the intervention draws to a close. In addition a temporary additional post was created in Development Strategy, in recognition that there were insufficient resources to progress the Delivery Development Plan Document (DPD). Overall the proposed 2015/16 budget is 4.1% higher than the approved 2014/15 budget, but 9.45% less than the revised 2014/15 budget. The 4.1% increase is predominantly due to the pay award, contractual increments and increased pension contributions.

Other Gross Direct Expenditure and Income

Proposed expenditure across the whole portfolio has decreased and this is projected to continue into 2015/16. Although there was a significant decrease during 2014/15, this is largely due to slippage against the budget for the Delivery DPD which is progressing more slowly than originally anticipated. The direct expenditure for Planning Delivery and Management & Admin has increased during the year; however this was largely a result of unexpected costs in relation to the Lubbesthorpe Judicial Review, which were subsequently recovered. The budget for 2015/16 has been set close to the original position for 2014/15 in recognition of the fact that there will be expenditure against the Delivery DPD as it is progressed.

Fee income for 2014/15 has been exceptional, driven primarily by an ongoing increase in the number of major applications received. The in-year forecast currently stands at £585,281 which is significantly higher than the start of year estimate. This level of income is also significantly higher than the five year outturn trend for the district which ranges from £260,000 to £465,000. Projecting application income is not a scientific process and actual income is dependent on a range of issues but primarily the wider economy; whilst there is a reasonable argument for a further budget increase for next year it is important not to create a false budget

position based on a relatively short term trend. Therefore a modest increase has been applied for 2015/16 from the original 2014/15 budget.

The total income forecast for 2015/16 for Development Strategy relates to specific Neighbourhood Planning grants that the Council will receive as the Fosse Villages and Blaby Neighbourhood Plans progress. These grants are set by Government and triggered by completion of stages in the planning process. These grants are either held on behalf of the neighbourhood forum or are for the Council to undertake specific regulatory processes.

Priorities

- 1. Move into the next phase of the Development Management Systems Thinking Intervention.** The systems thinking intervention has already been extremely successful in removing failure demand and waste within the system; and has undoubtedly contributed towards our de-designation and removal from 'special measures'. The next phase of the work will see the entire team 'rolled-in' to the new way of working; a system for collecting customer feedback developed; and effective performance measures developed. We will also be supporting external organisations, such as Parish Councils, to work with us in the new system.
- 2. Continue to implement "Opportunity Blaby" – the Council's Economic Development Strategy.** The Economic Development Strategy was adopted in January 2014 and considerable progress has been made against the action plan. The Strategy sets out the key economic priorities of the Council and our approach to implementation and delivery of its objectives. In addition to continued delivery of the strategy, focus will also turn to developing the council's overall culture in relation to economic development.
- 3. Further improvements to DC Committee.** Improvements have already been made to Committee; following a review of the structure and format, and a comprehensive programme of Member Training. Further improvements will be considered during the forthcoming year and as the new Development Management system will require. The elections in May will also enable another timely training programme.
- 4. Prepare the Delivery DPD;** Work has commenced on the next stage of the Local Plan; the Delivery DPD. This will identify and allocate 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. The need to include policies of the Blaby District Local Plan (1999) will also be reviewed which, although not allocations, are the subject of specific designations e.g. Green Wedges.
- 5. Review and revise the Planning Obligations SPD (Supplementary Planning Document) and associated processes.** Council have agreed not to implement Community Infrastructure Levy in the district at the current time but instead to review the 2010 Planning Obligations Supplementary Planning Document and associated processes in order to ensure effective management of applications and infrastructure planning.
- 6. Implement the Delivery and Governance Arrangements for the Lubbesthorpe SUE.** The S106 agreement related to Lubbesthorpe has now been completed and the outline planning permission has been issued. The Council's focus must now turn to delivery of this development and the effective engagement of local stakeholders on the creation of a successful and sustainable community.

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 aspirations and ambitions for the District, and enhances the Council's reputation.

This is delivered through the following core functions:

Development Management

The purpose of the Development Management Service is to ensure that development is acceptable whilst determining planning applications and resolving enforcement complaints as fast as possible.

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

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 Officers, Housing Strategy Officers and Economic Development Officers 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.

Management and Administration

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

Key points

Doing things differently - plans for the coming year	<ul style="list-style-type: none">• The systems thinking intervention has resulted in improved processes and a vibrant and highly motivated department; and we will continue to build on this.• The council's Economic Development function has grown significantly in the last 12 months; and during the forthcoming year in addition to continued delivery of the 'Opportunity Blaby' action plan, the focus will move to enabling a corporate wide focus.• A renewed focus on the approach to developer contributions and s106 functions has already resulted in considerable service improvements, and this will continue to be a priority going forward.
Income generation	<ul style="list-style-type: none">• 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. It is worthy of note that the

	<p>fees for planning applications are set nationally by Government.</p> <ul style="list-style-type: none"> • One of the focuses of the Economic Development function for 2015/16 will continue to be working with partners across the LLEP area to enable grant income investments in the district.
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Capital plans for the portfolio	<ul style="list-style-type: none"> • None
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Key performance indicators

	2010/11	2011/12	2012/13	2013/14	2014/15*
Number of planning applications received	932	959	922	1080	1073
Planning application fee income	£279,117	£387,519	£396,596	£711,229	£460,370
Number of planning applications determined	652	673	651	962	866
% of applications delegated	94.62	95.65	93.88	90.28	89.91
% of major applications determined in 13 weeks	70.58	11.11	21.43	75.67	86.2
E2E (householders)	47.7	41.65	47.21	50.28	39.70
E2E (minors)	73.7	66.56	108.6	89.14	81.50
E2E (others)	75.4	44.89	91.38	49.07	49.02
Housing land supply	Currently at 6.2 years				

* All performance figures for 2014/15 are cumulative to the end of December 2013.

Customers

The Group will be developing a system of customer service data collection as part of the next phase of the systems thinking work. Whilst the collection of customer service data for a primarily regulatory service is always challenging it is considered essential that this feedback should be sought.

The Development Strategy service has a responsibility to all residents and visitors to the district as customers however the Development Management service has a more narrowly defined customer. It is important to ensure that all interactions with customers and stakeholders to these services are conducted appropriately and professionally.

The Group will be looking to develop better relationships with Parish Councils on planning issues during 2015/16.

Risks

- **The increased level of major applications will continue to place significant demands on the service.**
- **An inadequate response to resource requirements for major applications could result in performance slipping back to pre-designation levels.**
- **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 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 Opportunity Blaby.**