

Agenda Item 7

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Date	19 July 2016

Ward (s) affected	The 2015/16 Outturn Report covers the whole District
Subject	2015/16 Outturn report
<p>RECOMMENDATIONS</p> <p>That the Executive:</p> <ul style="list-style-type: none"> notes the Council's performance and financial position for the period April to March 2015/16; confirms the requested carry forwards amounting to £83,000 of revenue and £582,000 of Capital Minor Works from 2015/16 to 2016/17; approves the use of £4m from revenue reserves for prepayment of Pension Fund contributions, in order to achieve a c£0.4m reduction in annual revenue contributions; notes the s151 Officer's advice that a further £1m of revenue reserves is available to support the creation of a £1m 'Transform Leatherhead Development Reserve'. This is considered elsewhere on this Executive agenda. 	

<p>EXECUTIVE SUMMARY</p> <p>This report provides the Executive with progress made during 2015/16 to deliver on our priorities, and provides the financial context. It highlights areas of good performance and, where performance has fallen below the target set, outlines the reasons and the actions taken in response.</p> <p>The report is set out in five parts:</p> <ul style="list-style-type: none"> Part 1 - introduction Part 2 - performance issues Part 3 - financial outturn : revenue Part 4 – financial outturn : capital Part 5 – use of reserves
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There are five appendices:

- Appendix A summarises progress against the projects
- Appendix B summarises progress against the performance indicators
- Appendix C sets out the revenue position by business area
- Appendix D summarises the progress on capital schemes

CORPORATE PRIORITIES

This report is an update on the Council's progress in implementing the priorities contained in the Corporate Strategy.

The Executive has the authority to determine the recommendations

1.0 INTRODUCTION

1.1 In March 2015, MVDC adopted a new Corporate Strategy for the period 2015-2019. The strategy is framed around three priority outcomes:

- Environment – a highly attractive area with housing that meets local need
- Prosperity – a vibrant local economy with thriving towns and villages
- Community Wellbeing – active communities and support for those who need it

1.2 A portfolio of projects and performance indicators has been developed to enable MVDC to manage, monitor and report on progress being made on delivering the priorities.

Projects

1.3 The full list of 17 projects, and progress being made, is given in Appendix A. Each project that is in its implementation phase has been rated for time and cost.

Time – is the project on schedule? Is completion forecast to slip? Amber status indicates that although the timescale might lengthen, the overall outcome of the project is unlikely to be compromised; red indicates that the outcome(s) of the project are likely to be compromised by the slippage in the programme.

Cost – is the project cost containable within the anticipated budget? Amber indicates a possibility/likelihood of a material overspending. Red indicates an inevitable material overspending.

1.4 One of the 17 projects has been closed and therefore does not have red, amber or green (RAG) ratings. Of the remaining 16 projects, performance is assessed as follows for time and cost:

- Time: 16 projects are green, 0 amber, 0 red
- Cost: 15 projects are green, 1 amber, 0 red

Performance Indicators

1.5 The full list of 21 performance indicators (PIs), and progress being made on these, is given in Appendix B. Five do not have targets as they are indicators which put the other performance indicators into context, such as the overall business rateable value

of the district. The Community Transport Customer satisfaction will be carried out the first quarter of 2016/17. At the end of March 2016, of the remaining 15 PIs, performance is assessed as follows:

- PIs on or above target (green): 12 (80.0%)
- PIs slightly off target (amber): 2 (13.3%)
- PIs off target (red): 1 (6.6%)

1.6 Comparing this year's performance with the same period last year, ten out of the thirteen PIs for which we have 2014/15 data have either performed better or stayed at similar levels (77%).

1.7 A number of indicators have performed better than the targets set, notably:

- The 3 indicators for percentage of major, minor and 'other' planning applications processed within their target time (above target and improved compared to same period last year)
- Percentage of food businesses with a 'Score on the door' of 3 or over (above target and improved compared to same period last year)
- Telecare Service post alarm use customer satisfaction score (above target and improved compared to same period last year)

Financial Outturn

1.8 The final outturn on the Council's revenue budget shows an underspend of £72,000. The projection made at the end of January was an underspend of £114,000. The latest projected capital underspend is £711,000; the projection at the end of January was a £363,000 underspend.

2.0 PERFORMANCE ISSUES

ENVIRONMENT

2.1 There are three projects under the Environment priority. All three have been rated green for time and cost.

2.2 There are five Environment performance indicators; with four being reported against a target. Two of these performance indicators met or exceeded their targets.

Housing

2.3 A total of 218 dwellings were built, including new builds and dwellings created through, for example, conversions and changes of use. Once demolitions have been taken into account, the net figure for additional dwellings is 164, although this is reduced by a further 6, to 158, to reflect loss of dwellings converted to other uses. There are currently 328 net dwellings under construction, giving confidence that the target for 2016/17 will also be met.

2.4 A total of 40 affordable homes were completed during 2015/16 of which 29 were for rent and 11 for shared ownership. Four units were provided at Springfield Road, Westcott and 35 in Edenside, Bookham. In addition, a three-bed property was purchased in Leatherhead to provide supported housing to three young people in conjunction with Transform Housing and Support.

- 2.5 Construction has begun at Middlemead, Bookham to provide 18 units as part of the first phase of a programme to provide 69 units at the site. Originally scheduled for completion during 2015/16, the estimated completion date is now summer 2016.

Waste and Recycling

- 2.6 Due to successful communications and awareness raising campaigns over the course of the year, MVDC's recycling rate for 2015/16 is 58.03% (this is a provisional figure, however it is unlikely to change significantly). The amount of food waste collected for composting is up 18%, and refuse is down 1.7% (at a time when waste figures across the UK are on the rise). Whilst the increase in recycling is below our ambitious target for the year of a 1% rise, it still represents a good level of recycling activity amongst our residents. In the most recent Government league table, MVDC is in the top 10% of English local authorities for recycling in 2014/15.
- 2.7 Communications activity included new service guides which were sent out with council tax bills, campaigns on recycling plastics and textiles, promotional bin tags, new bin store signage and a food waste intervention project.
- 2.8 The number of missed bins per 100,000 collections is currently 50. Whilst this is an increase compared with the same time last year, overall, performance remains strong against a target of 80.

Deepdene Trail

- 2.9 The £1m project to regenerate the Deepdene Estate, funded by the Heritage Lottery Fund, is nearing completion. The repair of the Deepdene Garden structures is due to finish in the summer and the stonemasons' work on the mausoleum is also nearly finished, with minor ironwork to follow. The contract for the landscaping work has recently been awarded. The new track that links the original garden path with the A24 access point will be given a final finish prior to the opening of the Deepdene Trail on 10th September.
- 2.10 The Friends of Deepdene have undertaken a significant amount of work on site and have been fundamental to the achievements to date. Their focus has been on clearing up and opening new paths on the estate, and working alongside specialist contractors who have been digging out paths to make them accessible.
- 2.11 Other highlights include behind-the-scene tours, the development of a new website and commissioning of a photographer to take images for promotional purposes. A virtual tour to digitally recreate the Deepdene Estate as it was in 1825 is progressing well, and a competition for children to draw 'My Dream Garden', with a number of prizes sponsored by a leading arts charity, has been held. Following MVDC's call for memories of the original Deepdene House, which will be part of the oral history element, the project has been featured by the BBC on the radio and online.

PROSPERITY

- 2.12 There are five projects under the Prosperity priority which have all been rated green for time and cost.
- 2.13 There are seven performance indicators, five of which are reported against a target. Four of these performance indicators either met or exceeded their targets.

Transform Leatherhead

- 2.14 A review of background information, progression of initial studies and stakeholder consultation took place at the beginning of 2015/16. The first stage consultation on key issues and opportunities for Leatherhead town centre was completed in June 2015.
- 2.15 The second stage of community consultation, on masterplan options, took place in December 2015 - January 2016. This included a post card door drop to 25,000 households in the north of Mole Valley in December. This was followed by exhibitions at Leatherhead Theatre (attended by approximately 1,000 people) and other events to engage with as many stakeholders as possible. Workshops, exhibitions, focus groups and meetings have been held with schools, businesses and other local associations.
- 2.16 The third, and final stage of consultation looked further at the initial ideas to see how these might be developed. The final Transform Leatherhead Masterplan report and outline delivery plan is elsewhere on this agenda.
- 2.17 Overall, the creation of the Transform Leatherhead Masterplan has been a hugely successful project. The community engagement and consultation exercises have generated more than 5,500 individual responses, and the proposals in the Masterplan have received levels of public support not previously experienced by the consultants producing the Masterplan with the Council.

Community Infrastructure Levy

- 2.18 In December, the Executive approved the draft Community Infrastructure Levy charging schedule and supporting documents for a consultation phase which ran until the end of January. Approval for submission to the Planning Inspectorate was agreed at the Council meeting in February. Draft policies on discretionary relief and payment by instalments were also approved.

Rateable Value

- 2.19 For March, the total rateable value of the district was £90.29m, a marginal decrease from £90,617,339 in February, but a slight increase from the same period last year of £90,191,236. The Council retains around £1.4m of the £37m collected.

Council Tax and Non-Domestic Rates

- 2.20 The percentage of council tax collected met the target for 2015/16, and although the public data is not yet available for 2015/16 nationally, there is no doubt that MVDC will once again be one of the highest performing councils in relation to Council tax collection.
- 2.21 However non-domestic rates collected is slightly below target. The performance indicator for non-domestic rates collected had been affected by a mid-year change to the rateable value of a property by the Inland Revenue (Valuation Office Agency). It was known that this charge would be unlikely to be paid by March 2016. This related to a significant valuation of a previously zero-rated property with a Rateable Value of £295k, effective from November 2015. There was also a removal of a large exemption from another property, which again was for a retrospective period. In addition, insolvency/bankruptcy notifications were received after 31 March 2016

meaning that monies owed were not able to be collected or the appropriate exemptions could not be applied. Taking this into account, it remains a good level of non-domestic rates collected.

Pippbrook Site

- 2.22 The Surrey Adult Social Care team is continuing to occupy Pippbrook House for the duration of the Pippbrook Office refurbishment works. The contractor handed back the first two refurbished areas to MVDC at the beginning of May. External works will continue through the summer.

Planning Applications

- 2.23 Performance is above target to process major, minor and 'other' planning applications within the agreed timeframes, with 100% of major applications approved within the timescale.

Parking

- 2.24 The RingGo service continues to be a popular way of paying for parking. To help more people to use the service MVDC held a successful promotional event at car parks in Dorking in March 2016, at which people learned how to use the service via phone and app.
- 2.25 Following a petition presented at the February Council meeting the Deputy Leader (Executive Member for Property, Parking and Economic Development) is leading a review of parking in Dorking. He has met with a number of stakeholders to understand what changes they would like to see made to parking in Dorking, why, and what improvements they feel these changes would bring. This is the initial stage of a process that is scheduled to lead to a report to Executive at the end of 2016.

COMMUNITY WELLBEING

- 2.26 There are nine projects under the Community Wellbeing priority. One has not been rated as the project has been closed, which was outside of the control of the Council (the Pitstop). One has been rated amber for cost (Meadowbank regeneration); the rest of the projects are rated green for time and cost.
- 2.27 There are six performance indicators, of which four have a target set. All four of these performance indicators either met or exceeded their target.

Meadowbank regeneration

- 2.28 An open market procurement process for the construction of the football, soft play café facilities was commenced in February 2016, in order to ensure that best value is achieved for residents and Council Tax payers. Subject to receiving a satisfactory offer and approval by Council in July, the works would be expected to commence in late summer 2016, and scheduled to be completed in time for the 2017/18 football season.

Wellbeing Strategy

- 2.29 Following the adoption of the Wellbeing Strategy by the Executive in October 2015 work has been undertaken to deliver on its priorities.

- 2.30 The HeartStart project, delivered in partnership with the ambulance service, and the British Heart Foundation, has been a great success. There are now 25 public access defibrillators in towns and villages across the district, and more than 400 Mole Valley residents have been trained in their use.
- 2.31 Good progress is being made with the Exercise on Referral and Cardiac Rehabilitation schemes. Nearly 200 patients have been referred to exercise schemes at Dorking Sports Centre and Leatherhead Leisure Centre by GPs across Mole Valley and beyond. Patients with a wide range of health issues have been referred, including patients with high blood pressure, high cholesterol, multiple sclerosis and mental health issues. Dorking Sports Centre was successful in a funding bid to provide NHS Weight Management courses.
- 2.32 As an extension to the work MVDC has been undertaking with Surrey Downs Clinical Commissioning Group in relation to the referral schemes, a Wellbeing Prescription Service is being developed. This service will allow GPs to refer patients to wellbeing advisors who can help with issues including smoking cessation, low level mental health concerns and support for those who are socially isolated.
- 2.33 MVDC continues to have ever more success in encouraging and enabling people with disabilities to take part in physical activities in an Inclusive Sports Programme. An increasing number of sports are now on offer, in partnership with 13 local sports clubs, (Hub Clubs), and a campaign was run throughout January and February 2016 to encourage more participation amongst disabled residents aged 14+. Currently on offer are basketball, Boccia, cycling, fitness and dance, Futsal, golf, gymnastics, shooting, squash, swimming, trampolining and volleyball.
- 2.34 The Walk for Health initiative now has nine established timetabled walks, including buggy walks in Norbury Park, Leatherhead and Ashstead Common over the summer. The Walk for Health scheme is a programme of fun, free and accessible volunteer-led walks, bringing people together to socialise and motivate one another.
- 2.35 Preparations for this year's Surrey Youth Games on 18th and 19th June are underway. Mole Valley currently has 400 young people taking part in the free sports training, all working hard to be selected for the competition weekend team.
- 2.36 During the year MVDC worked with the police to raise awareness of child sexual exploitation for public sector, businesses and parents. Two events were run at Dorking Halls with more than 400 attendees.
- 2.37 New and updated safeguarding training is being rolled out across the organisation, (including links to the Prevent programme where appropriate), and a specific training seminar is being developed for Members.

Play Provision

- 2.38 The refurbishments of the playgrounds at Lower Road Rec, King George V (KGV) Playing Fields and Holmwood Park have all been completed and are open for use.
- 2.39 The winning design for Meadowbank playground was announced at the start of March after a number of public consultation sessions resulted in over 300 votes from local residents. A formal opening event is scheduled for 21st July, as the school summer holiday begins. A special community event to celebrate the opening is scheduled for August.

Cycling Plan

- 2.40 Work on implementing the action plan is continuing in partnership with Surrey County Council and other key stakeholders. The Surrey Cycling Board, on which Mole Valley represents all Surrey districts and boroughs, has recently approved a 'Code of Conduct for Organisers' and this will be shared with all Sportive event organisers and made available on our website to promote best practice. It will also link to the county-wide events calendar which is currently under development.
- 2.41 Work is continuing on the development of a Responsible Cycling initiative and MVDC is liaising with Surrey County Council communications and DriveSmart (a county-wide Surrey CC and Surrey Police initiative to promote safety on the roads) to ensure that we are working together to make the most of our resources to maximise the impact of all communications.
- 2.42 The Active Travel Officer is working with five local schools and, as the weather has improved, there is high demand for summer term activities. It is hoped that the programme will be extended into a second year if funding is available and a number of schools have expressed their interest.

Homelessness

- 2.43 As part of the Homelessness Strategy, we are aiming to achieve the National Practitioner Standard for Homelessness. The first stage was a peer review, (a scrutiny of MVDC's services, undertaken by colleagues from other local authorities), that was successfully completed last summer. A partnership with Tandridge, Surrey Heath, Runnymede and Reigate and Banstead was formed to undertake the reviews and Mole Valley's review took place in July 2015. MVDC was commended for its programme to acquire more emergency accommodation in the district and its work with private sector landlords who provide accommodation for homeless households alongside local housing associations.
- 2.44 The second stage of the National Practitioner Standard has commenced to achieve ten challenges. Challenges on the corporate commitment to homelessness and on having a proactive homelessness strategy have been achieved.
- 2.45 Bronze status was awarded to MVDC with the first completed challenge, making MVDC the first council in Surrey to be awarded bronze status on the National Practitioner Standard accreditation programme.
- 2.46 The third challenge on developing a suitable private rented sector offer for all client groups, including advice and support to both client and landlord has been submitted and the result is awaited. Preparation is underway for the next challenge which relates to appropriate accommodation for young homeless people aged 16 or 17 – specifically the avoidance of placing them in bed and breakfast accommodation.
- 2.47 The emergency accommodation project is complete and seven properties have been purchased. A report was approved by the Executive in January 2016 to buy an additional two bedroom unit up to a maximum of £300,000. The unit will replace the Thomas Flack Fund property in Leatherhead, which will no longer be used for emergency accommodation.
- 2.48 MVDC aims to minimise the number of homeless families accommodated in bed and breakfast accommodation. At the end of March there were 11 homeless households placed in bed and breakfast accommodation, an increase from five households as at the end of February, but a decrease from fifteen from the same period last year. No

families with children, or 16 or 17 year olds, had remained in bed and breakfast for over six weeks.

- 2.49 Housing advice is offered with a view to preventing homelessness occurring and, during 2015/16, 110 households have been prevented from becoming homeless, up from 96 in 2014/15.

Customer care

- 2.50 Work is continuing towards MVDC gaining the Customer Service Excellence (CSE) standard. The CSE standard will test in great depth those areas that research has indicated are a priority for customers, with particular focus on delivery, timeliness, information, professionalism and staff attitude. There is also emphasis placed on developing customer insight, understanding the user's experience and robust measurement of service satisfaction.
- 2.51 Customer Care Champions are in place representing services across MVDC. They and the rest of the project team have completed training on the CSE accreditation criteria to ensure we benchmark our work against the highest standards of customer care. Of particular value has been recent engagement with groups of elderly and young people, who are typically considered to be hard to reach, reflecting our commitment to serve all residents who need our services. Further work is being undertaken to ensure that best practice is embedded across the organisation.
- 2.52 The first round of customer care training for staff was completed in March 2016 with overwhelmingly positive feedback. The course reminded frontline staff of the importance of considering customers' needs, perspectives and expectations. Further rounds are being finalised for later in 2016.

Community Connect Network

- 2.53 A community resilience workshop was held at Dorking Halls in March 2016 with a high turn out and representation from communities and groups across the district. The event focussed on supporting Mole Valley communities to live full and active lives as well as being prepared for emergencies and tackling social isolation. The feedback indicated that 90% of attendees left the event fully understanding and/or being inspired to take action on building greater community resilience. The event provided some useful direction on the resources and advice MVDC could provide to communities and these will be taken forward.

Food hygiene ratings

- 2.54 The percentage of food businesses with a 'score on the door' of 3 or over remains at a high level, with 96% of business premises assigned a hygiene rating of 3 or over, well in excess of the target of 90%.

3.0 Financial Outturn - Revenue

- 3.1 The Council's revenue financial outturn, on service costs under the control of business managers, shows an underspend of £72,000 against the budget set at the start of the year. Strong financial management has once again ensured that the Council's spending has been contained within budget, and is very close to the position reported through the regular monitoring processes.

3.2 The detailed outturn for each service is set out at Appendix C. The most significant variations (over £50,000) are listed below.

- **Waste, Street Care & Sustainability: £88,000 underspend** – there are a number of minor underspends across the £3.6m budget which aggregate to £88,000. On Street Cleaning, there are underspends of £30,000 against the contract costs, following a negotiated reduction, and £15,000 for staffing vacancies. At the Depot, gas and electricity costs were lower than budgeted (£11,000), while rent income in excess of the budget was received at Pixham Lane (£18,000). A carry forward of £8,000 of the unspent provision to support the financing of increased staffing to counter fly tipping in 2016/17 is requested on this budget.
- **Community Support Services: £60,000 underspend** – additional income was generated beyond the budget target on both Telecare (£25,000) and Dial-A-Ride (£20,000)
- **Benefits: £10,000 underspend overall** – although the overall outturn is broadly in line with budget, there are major variations when the cost of the Administration Team is separated from the actual benefits paid and recovered. There is an overspend on the cost of the Administration Team due to reduced government grant as reported in the Month 3 report to Executive. This is offset by increased recovery of overpayments following a national large-scale data matching exercise.
- **Property: £260,000 overspend** –. The overspend relates to expenditure incurred on the Transform Leatherhead project, specifically on the costs of the Masterplan Consultant, approved backfill for staff working on the project and the premises costs of Claire & James House, purchased as part of the project (see table below).
- **Planning Policy: £56,000 underspend** –.vacancy savings, as reported during the year, caused an underspend on this budget
- **Planning Support: £123,000 underspend** – this was reported consistently during the year and reflects the level of income plus one-off grant support from Government.
- **ICT: £101,000 underspend** – the implementation of the Surrey Shared Data Centre with the County Council was delayed during 2015/16. This is the main cause of the underspend on the budget. However, the provision will still be required in 2016/17 and a request for carry forward of £75,000 is made.

Transform Leatherhead

3.3 The Council approved the expenditure of £0.5m on the development of a Master Plan for Leatherhead Town Centre at its meeting of 14 October 2014. This expenditure would be incurred over a two-year period beginning during 2014/15 and ending during 2016/17. It was envisaged that, being in addition to the allocated budget for services, this would probably need to be met from the Council's reserves.

3.4 The plan and spending has developed as approved. During 2015/16, the costs incurred on the project are as set out below.

<u>TRANSFORM LEATHERHEAD – 2015/16 COSTS</u>	
	£000
Masterplanning & Consultancy	180
Project management backfilling	
– Property	44
– Planning	60
– Legal	25
Total 2015/16	309

3.5 However, the continuing achievement of efficiencies within the revenue budget has enabled these costs to be absorbed within the existing budget, rather than be a separate call on reserves in 2015/16.

3.6 Early in 2015/16, the Council took advantage of an opportunity to purchase Claire & James House. These are properties situated in a key, strategic location for the project. As well as the capital cost of this investment (see Part 4, below), there were also revenue implications during 2015/16, mainly property rates but also some maintenance and utility costs. This amounted to a total charge of £94,000 on the Property budget in 2015/16.

4.0 Financial Outturn - Capital

4.1 The current capital programme is set out in Appendix D. It's full value, spanning a number of years, is £21.3m. The actual spend in 2015/16 on capital projects was £6.5m. The largest item was £3.4m spent on the acquisition of Claire & James House as part of the Transform Leatherhead project. Other significant spending was undertaken on Pippbrook refurbishment (£0.83m), and Adaptations for the Disabled (£0.65m).

4.2 The latest projected spend on this list of schemes is £20.6m. The variations underlying this projected reduction are set out below.

- The demand for adaptations for the disabled, partly funded through the Disabled Facilities Grant, increased to £647,000 against the £500,000 budget. This is a "demand led" budget and difficult to predict. The budget was reduced from £750,000 to £500,000 in 2015/16 on the basis of the evidence of lower demand over the last few years. However, expenditure increased in 2015/16 and the latest level of commitments this year suggests the increase might be sustained in 2016/17. The position will continue to be monitored during 2016/17.
- A capital budget of £425,000 was included to enable The Pitstop charity to purchase a property to operate in the Leatherhead area. However, suitable premises were not identified and an underspend of this amount is now reported.
- The £100,000 underspend on the LINKS project contribution to an all weather pitch at St John's School in Dorking has been consistently reported during the year. The Council withdrew its contribution in the absence of assurances on maintenance and future use of the facility, and this issue is now finalised.

- The recharge of revenue salaries to capital projects was lower than budgeted. Where the time of a Council employee can be identified, in line with the latest CIPFA Code of Practice, as “bringing an asset to the location and condition necessary for . . . operating”, the relevant proportion of his/her salary can be charged against the capital programme. After a rigorous assessment of time apportioned in this way, mainly arising in Property, IT and Legal, the value of time spent that complied with the Code was lower than previously budgeted.
- On minor works, there was an assortment of balancing under- and overspends but a reduced call on the contingency which left an underspend, overall, at year end.

5.0 Budget Carry Forwards

5.1 There are two requested carry forwards of unspent revenue budget from 2015/16 to 2016/17:

(i) £75,000 from the underspend of £101,000 on IT to fund delayed expenditure on the Surrey Shared Server

(ii) £8,000 from the underspend of £88,000 on Waste, Street Care & Sustainability to provide for a dedicated resource to combat fly tipping.

5.2 On the Capital Programme, carry forward of unspent provision on major projects is assumed. For minor projects, request have been made to carry forward £582,000 of the underpend of £714,000 on these projects.

6.0 Reserves

6.1 The Council’s Usable Reserves stand at £20.1M at the end of 2015/16 (as compared to £20.8M a year ago). The table below shows the detail for 2015/16 and 2014/15.

<u>Usable Reserves</u>	2015/16 £000	2014/15 £000
General Fund Reserve	5,291	4,384
Earmarked Reserves – capital	2,345	1,939
Earmarked Reserves – revenue	7,039	6,601
Capital Grants Unapplied	1,199	666
Capital Receipts Reserve	4,234	7,197
Total Usable Reserves	20,108	20,787

6.2 The Council’s General Fund balance has built up over recent years to the current level of £5.3m. Balances since 2010/11 are shown below:

<u>General Fund Balance</u>	<u>£000</u>
2010/11	2,110
2011/12	2,332
2012/13	2,557
2013/14	3,424

2014/15	4,384
2015/16	5,291

- 6.3 The Council has also built up a healthy balance of £5.6m on its Minor Works Fund, shown as part of “Earmarked Reserves – Revenue” in the table above. This has been bolstered by regular revenue contributions.

<u>Minor Works Fund Balance</u>	<u>£000</u>
2010/11	4,165
2011/12	4,165
2012/13	4,365
2013/14	4,824
2014/15	5,145
2015/16	5,636

7.0 Proposed Use of Reserves : (i) Pension Fund Liabilities

- 7.1 The position on the Surrey Pension Fund, as reported in the 2015/16 Statement of Accounts, is that although, currently, assets outweigh liabilities, the long term view that the Actuary is obliged to make forecasts a deficit of £28.1m for the MVDC part of the fund in 20 years time. This includes fairly subjective judgements about factors such as: future longevity; number of employees working in local government; salary levels; inflation rates; etc.
- 7.2 Pension Fund member organisations are required to make “backfunding” contributions to this notional deficit, though the annual value of these contributions is “stabilised” at not more than an increase of 1% of the pay bill per year. MVDC contributed £0.8m in 2015/16 and has budgeted for £0.9m in 2016/17.
- 7.3 The deficit will be reviewed in detail by the Actuary during the triennial actuarial revaluation in 2016/17 and revised contributions will be set for the 2017/18 financial year and beyond. The revaluation presents MVDC with an opportunity to vary the timing of repayment of the deficit. An advance lump sum payment will reduce the deficit itself and have a further beneficial impact on the Council’s annual revenue contribution towards it by reducing the interest on the deficit, which is also charged to member organisations.
- 7.4 Discussions with the Actuary, and with other organisations who have already taken similar action, confirm that, if the Council uses its reserves to make advance payments in this way, the payback will be equivalent to a return of around 8%. This represents a far better return than can be generated by the Council’s regular investments in the current economic climate. The precise saving will be confirmed on conclusion of the current actuarial revaluation.
- 7.5 It is proposed, therefore, that £4m of the Council’s reserves be directed towards this advance payment with the prospect of a reduced revenue contribution of around £0.4m from 2017/18 onwards. This would reduce the Council’s cost base for 20 years and provide support during a period of no further Revenue Support Grant and major uncertainty in the key areas of Council funding such as New Homes Bonus and Business Rates.
- 7.6 It is the s151 Officer’s view that this proposition represents good treasury management practice: this is a debt that must be paid, either now or later, and by paying an element of it immediately MVDC is effectively able to obtain very

advantageous payment terms. The s151 Officer also confirms that there are sufficient reserves available to make a payment at the level of £4m.

8.0 Proposed Use of Reserves : (ii) Transform Leatherhead Development Fund

- 8.1 Elsewhere on this agenda, the Executive will consider the process for implementation of the Transform Leatherhead Masterplan, which includes proposals for the creation of a £1m 'Transform Leatherhead Development Fund'. It is envisaged that this outlay will be recovered through income generated over the full life of the project, but it is needed in the initial stages as pump-priming. The s151 Officer also confirms that there are sufficient reserves available to implement the decision, should the Executive wish to support it.

Projects Portfolio (Month 12 – March 2016)

Each project has been scored 'red', 'amber' or 'green' for time and cost. The following criteria have been used:

Time – is the project on schedule? Is completion forecast to slip? (Amber status indicates that although the timescale might lengthen, the overall outcome of the project is unlikely to be compromised. Red indicates that the outcome(s) of the project are likely to be compromised by the slippage in the programme).

Cost – is the project cost containable within the anticipated budget? (Amber indicates a possibility/likelihood of a material overspending. Red indicates an inevitable material overspending).

n/a is given where the project is not yet/ no longer being implemented.

ENVIRONMENT

Project title and description	Time	Cost
Waste and Recycling Plan Implementing the waste and recycling action plan developed in partnership with the Surrey Waste Partnership	G	G
Mole Valley Local Plan Setting out policies and proposals for the use and development of land in the district	G	G
Deepdene Trail Regenerating Deepdene Estate	G	G

PROSPERITY

Project title and description	Time	Cost
Transform Leatherhead Transforming Leatherhead town centre	G	G
Pippbrook refurbishment Delivering the building works aspect of the Pippbrook site programme	G	G
Pippbrook House Deciding the future of Pippbrook House, in conjunction with the office refurbishment	G	G
Community Infrastructure Levy (CIL) Implementing the Community Infrastructure Levy	G	G
Parking Strategy Making the best use of our town centre parking, balancing the needs of residents and local businesses	G	G

COMMUNITY WELLBEING

Project title and description	Time	Cost
Meadowbank regeneration Redeveloping Dorking Football Ground site to include new clubhouse and offices and associated facilities; sustainable pitch; children's soft play area; toilets and cafe; stands, dugouts and cycle stores	G	A
Wellbeing Strategy Implementing wellbeing priorities, in line with the county council's strategy	G	G
Play provision improvements Replacing play equipment: <ul style="list-style-type: none"> a) King George V playing field; Holmwood Park; Lower Road; b) Meadowbank 	G	G
Local Cycling Plan Promoting cycling as a healthy and sustainable mode of transport and reduce the impact of formal and informal cycling events on our communities and businesses	G	G
Homelessness Strategy Preventing and managing homelessness	G	G
Emergency accommodation Acquiring emergency accommodation for homeless households	G	G
The Pitstop Acquiring new premises for the Pitstop day centre	N/A	N/A
Customer Care Programme Embedding a customer-focused culture across the organisation	G	G
Community Connect Network Supporting and encouraging community resilience following the flood events of Christmas 2013	G	G

Performance indicators April – March 2015/16

	PRIORITY : ENVIRONMENT	April – March 2014/15	April-March 2015/16	Current Target Status	2015/16 Target	DoT¹
1a	Housing : net increase in number of dwellings (<i>The net increase in the number of dwellings completed in the period in Mole Valley</i>)	N/A	164 ²	☺	163	N/A
1b	Housing : number of affordable homes (<i>a count of the number of affordable homes provided in the year</i>)	66 ³	40	☹	50 ⁴	↓
2	Energy efficiency: CO2 reduction from the Council's operations (<i>collected annually. Council's CO2 is collected from annual energy usage in buildings and fuel consumption of vehicles on Council business. The year on year usage is then compared to get the CO2 reduction.</i>)	10.3% ⁵	10.5% ⁶	N/A	Context indicator	N/A
3	Number of missed bins per 100,000 collections (<i>cumulative year to date figure calculated from the number of reported missed bins divided by the number of properties visited for scheduled collections of refuse and recycling</i>)	31	50	☺	80	↓ ⁷
4	Percentage of waste sent for recycling, reuse and composting (<i>cumulative year to date figure, calculated by comparing the amount of waste sent for recycling, reuse and composting against the total waste collected</i>)	57.59%	58.03% ⁸	☺	58.96% ⁹	↑

	PRIORITY : PROSPERITY	April-March 2014/15	April-March 2015/16	Current Target Status	2015/16 Target	DoT
5	Percentage of council tax collected (<i>calculated, as a cumulative year to date figure, from the total council tax payments received compared to the total amounts payable in that year</i>)	99.3%	99.3%	☺	99%	↔
6	Percentage of non-domestic rates collected (<i>calculated, as a cumulative year to date figure, from the total business rates payments received compared to the total amounts payable in that year</i>)	99.0%	97.6%	☺	98.9%	↓
7	Overall business rateable value of the district (<i>total rateable value held on the Local Valuation List for Mole Valley in respect of the business properties situated within the Mole Valley area</i>)	N/A	£90.29m	N/A	Context indicator	N/A

¹ DoT: Direction of Travel compared with same period last year

² NB There were losses of 6 units to other uses. Net additional dwellings is 158.

³ Total for 2014/15

⁴ The target is based on the adopted Core Strategy policy CS4. An average of 150 homes should be provided over a three year period. Over the previous 3 years, 126 homes were provided in Mole Valley.

⁵ Percentage reduction by 2013/14 from 2008/09 baseline

⁶ Figure for financial year 2014/15. Percentage reduction from 2008/09 baseline.

⁷ Whilst performance is lower than the same time last year it is well within target.

⁸ Provisional

⁹ Target amended in August (month 5) following Environment Agency/DEFRA decision to permit street sweepings to be included.

	PRIORITY : PROSPERITY	April-March 2014/15	April-March 2015/16	Current Target Status	2015/16 Target	DoT
8	Cost of services (<i>net cost of services divided by population</i>)	N/A	£116.50 ¹⁰	N/A	Context indicator	N/A
9a	Percentage of major applications processed within 13 weeks (<i>cumulative year to date figure of the number of applications processed within timescales against total received</i>)	78.6%	100% ¹¹	😊	60%	↑
9b	Percentage of minor applications processed within 8 weeks (<i>cumulative year to date figure of the number of applications processed within timescales against total received</i>)	68%	73.3% ¹²	😊	65%	↑
9c	Percentage of other applications processed within 8 weeks (<i>cumulative year to date figure of the number of applications processed within timescales against total received</i>)	81.8%	89.8% ¹³	😊	80%	↑

	PRIORITY : COMMUNITY WELLBEING	April – March 2014/15	April-March 2015/16	Current Target Status	2015/16 Target	DoT
10	Percentage of Telecare calls answered within 60 seconds (<i>cumulative year to date figure generated from Telecare's call handling system, which automatically records all answering times</i>)	98.2%	97.8%	😊	97.5%	↔
11a	Number of households in temporary Bed & Breakfast accommodation (<i>actual number of all households in temporary Bed & Breakfast at the end of the month</i>)	15	11	N/A	Context indicator	N/A
11b	Number of families with children in temporary Bed & Breakfast accommodation for longer than six weeks (<i>actual number of households with children and/or expecting a child in temporary Bed & Breakfast for longer than six weeks at the end of the month</i>)	0	0	😊	0	↔
11c	Number of 16 or 17 year olds in temporary Bed & Breakfast accommodation for longer than six weeks (<i>actual number of 16 or 17 year olds in temporary Bed & Breakfast for longer than six weeks at the end of the month</i>)	0	0	😊	0	↔
12	Housing Advice – Instances of homelessness prevented (<i>cumulative year to date figure of the number of households prevented from becoming homeless, through advice offered by the housing team</i>)	96	110	N/A	Context indicator	N/A
13	Percentage of food businesses with a 'Scores on the door' of 3 or over (<i>This is an 'as is now' figure at the end of each period, which represents the number of business assigned an hygiene rating of 3 or over, by the environmental health team</i>)	94%	96%	😊	90%	↑

¹⁰ March 2016 figure.

¹¹ 18 out of 18 major applications determined in the period (including with an agreed extension of time)

¹² 236 out of 322 minor applications determined in the period (including with an agreed extension of time)

¹³ 789 out of 879 other applications determined in the period (including with an agreed extension of time)

	CUSTOMER SATISFACTION	April-March 2014/15	April-March 2015/16	Current Target Status	2015/16 Target	DoT
	Community Transport Customer satisfaction <i>(calculated from surveys with customers)</i>	96% ¹⁴	N/A ¹⁵	N/A	98%	N/A
	Day Centre Customer Satisfaction <i>(calculated from surveys with customers)</i>	96.5% ¹⁶	97.5% ¹⁷	😊	92.5%	↑
	Telecare Service – Customer Satisfaction Score following use of alarm service <i>(calculated from surveys with customers)</i>	98.8% ¹⁸	99.0% ¹⁹	😊	98.5%	N/A

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Key to symbols

Direction of Travel (DoT)

- ↑ - Performance has improved compared to same period last year
- ↓ - Performance has not improved compared to same period last year
- ↔ - Performance has stayed the same

¹⁴ Customer satisfaction survey 2011

¹⁵ The Customer Satisfaction surveys for Community Transport is scheduled to take place in the first quarter of 2016/17

¹⁶ Customer satisfaction survey 2013

¹⁷ Customer satisfaction survey February 2016

¹⁸ Customer satisfaction survey 2013

¹⁹ Customer Satisfaction score March 2016

APPENDIX C

<u>REVENUE COST OF SERVICES</u>	2015/16 BUDGET £000	2015/16 OUTTURN £000	ACTUAL VARIANCE YEAR- END £000	PROJECTED VARIANCE JANUARY £000
1. ENVIRONMENT				
Waste, Street Care & Sustainability	3,363	3,275	(88)	(1)
Environmental Health & Licensing	397	380	(17)	(30)
TOTAL ENVIRONMENT	3,760	3,655	(105)	(31)
2. WELLBEING				
Parks & Open Spaces	425	430	5	1
Community Support Services	163	103	(60)	(7)
Partnerships (excl Grants & Community Safety)	(562)	(580)	(18)	(69)
TOTAL WELLBEING	292	(47)	(73)	(75)
3. COMMUNITY ENGAGEMENT & RESIDENT SERVICES				
Benefits – paid & recovered	(4)	(72)	(68)	(81)
Benefits – Administrative Team	300	358	58	80
CSU & Communications	598	577	(21)	(23)
Housing	520	562	42	52
Partnerships (Grants & Community Safety)	275	288	13	9
TOTAL CE & RS	1,689	1,713	24	37
4. PROPERTY & PARKING				
Property	(865)	** (605)	260	28
Car Parking	(1,123)	(1,133)	(10)	(10)
Dorking Halls	112	87	(25)	18
TOTAL ASSETS	(1,876)	(1,652)	224	36
5. PLANNING				
Building Control	(104)	(90)	14	9
Development Management	258	290	32	40
Planning Policy	501	**445	(56)	(70)
Planning Support	208	85	(123)	(117)
TOTAL PLANNING	863	730	(133)	(138)
6. FINANCE & PERFORMANCE				
Financial Services	392	438	46	42
Corporate Costs	1,402	1,416	14	32
Revenue & Exchequer	341	379	38	28
ICT	904	803	(101)	(56)
HR	308	282	(26)	(29)
Democratic Services	964	937	(27)	(19)
Legal	196	**221	25	2
Policy & Performance	126	119	(7)	(6)
Strategic Management Team	960	989	29	63
TOTAL F&CS	5,593	5,584	(9)	57

TOTAL SERVICE COSTS	10,055	9,983	(72)	(114)
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** Expenditure against Property, Planning Policy and Legal includes costs of Transform Leatherhead project in 2015/16

APPENDIX D

<u>CAPITAL OUTTURN</u>	CAPITAL BUDGET £000	SPEND TO DATE £000	PROJ'D SPEND £000	PROJ'D VAR'CE £000	SPEND DURING 2015/16
	£000	£000	£000	£000	£000
MAJOR CAPITAL PROJECTS					
Claire & James House	3,410	3,446	3,446	36	3,446
Swan Centre: preliminary fee	0	18	18	18	18
Deepdene Trail	928	234	928	0	234
Pitstop, Leatherhead	425	0	0	(425)	0
LINKS Playing Field	100	0	0	(100)	0
Carbon Reduction Project	300	176	300	0	0
KGV Playing Fields	100	96	100	0	60
Pippbrook House	201	200	201	0	34
Property Project	135	129	135	0	0
Advancement					
Emergency Accommodation	1,400	1,331	1,400	0	13
Leatherhead Youth FC	920	22	920	0	20
Pippbrook Refurbishment	4,500	842	4,500	0	830
Meadowbank Regeneration	4,100	315	4,100	0	259
<u>Developer Contributions:</u>					
Leatherhead	353	42	353	0	17
Dorking	15	8	15	0	8
Ashted Village Centre	49	45	49	0	2
Other	15	7	15	0	7
CAPITAL BLOCK SUMS					
Disability Adaptations	500	647	647	147	647
Affordable Housing	735	43	735	0	43
Community Grants	127	99	127	0	99
Playground Refurbishment	125	125	125	0	125
Capitalised Salaries (allocated to schemes)	473	0	263	(210)	0
Telecare Equipment	151	104	151	0	17
Dial-A-Ride Vehicles	200	86	200	0	40
Property Projects	150	126	150	0	0
CAPITAL MINOR WORKS					
Minor Works Contingency	230	0	0	(230)	0
Property	438	307	483	45	68
Environmental Services	244	152	237	(7)	0
Car Parking & Parks	293	117	242	(51)	53
ICT	93	199	220	127	161
Community Support	245	128	233	(12)	3
Housing	49	43	43	(6)	18
Dorking Halls	286	218	288	2	127
TOTAL CAPITAL	21,335	9,288	20,624	(711)	6,505