

**Committee:** Cabinet

**Agenda Item**

**Date:** 18 February 2014

**16**

**Title:** 2013/14 Budget Monitoring

**Portfolio Holder:** Cllr Robert Chambers

Key Decision: No

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## Summary

1. This report details financial performance relating to the General Fund, Housing Revenue Account, Capital Programme and Treasury Management. It is based upon actual expenditure and income from April to December and forecasts for the end of the financial year.
2. The **General Fund** is forecasting a net favourable variance of £553,000 which is due primarily to a temporary increase in planning fees income and new funding for Small Business and Empty Rate Relief Grant.
3. The **Housing Revenue Account** has a forecasted net favourable variance of £482,000 due in main to improved turn-round of void properties and strong rent collection performance.
4. The **Capital Programme** is forecasting a net favourable variance of £1,073,000 due primarily to expenditure being rescheduled to 2014/15.
5. **Treasury Management** activity has been routine and in accordance with policy. The Landsbanki issue has been resolved.

## Recommendations

6. The Cabinet is recommended to:
  - a. Note and approve this report.

## Financial Implications

7. As the effect of the revised capital programme forecasts have already been reflected in the financing charges included in the General Fund and Housing Revenue Account reports, there are no further direct financial implications arising from the recommendations.

## Background Papers

None.

## Impact






Communication/Consultation	Budget holders and CMT have been consulted.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
None Ward-specific impacts	None
Workforce/Workplace	None

## General Fund


8. On the bottom line, a **net favourable variance of £553,000** is forecasted.
9. The Net Operating Expenditure line has a forecasted favourable variance of £898,000 and is due primarily to increased planning fees income and Small Business and Empty Rate Relief Grant.
10. After allowing for reserves transfers, including the earmarking of £290,000 of the Small Business and Empty Rate Relief Grant in the LGRR Reserve, the net favourable variance is £553,000.
11. A summary is below and is set out in more detail in Appendix A.











	Budget	Outturn	Variance	
Community Partnerships & Engagement	2,005	1,921	-84	✓
Community Safety	376	322	-54	✓
Environmental Services	1,538	935	-603	✓
Finance & Administration	5,182	5,113	-69	✓
Housing	8	-33	-41	✓
<b>Sub total - service budgets</b>	<b>9,109</b>	<b>8,258</b>	<b>-851</b>	
<u>Corporate items</u>				
Recharge to HRA	-1,284	-1,444	-160	✓
Capital financing	1,525	1,990	465	⬮
Pension Fund	488	485	-3	⚠
Government funding	-5,557	-5,803	-246	✓
Other items (net)	-6	-110	-104	✓
<b>Net expenditure</b>	<b>4,275</b>	<b>3,376</b>	<b>-898</b>	✓
Reserves transfers	372	717	345	⬮
<b>Total</b>	<b>4,647</b>	<b>4,093</b>	<b>-553</b>	✓



12. The following are key **adverse variances** within service budgets:

- **Financial services - £114,000.**  Following the tender of the new insurance contract, the outcome was an increase in premiums of 15% and no prospect of realising savings by taking on more risk into the Council. This gives rise to an unbudgeted cost increase of £27,000 in 2013/14. This is offset by a saving of £100,000 as the budgeted setting up of a new insurance reserve is no longer required. Another issue has been the unavoidable use of agency staff and consultants to support the accounts production and audit process during a period of volatility and staff turnover, giving rise to a one-off unbudgeted cost of £75,000. These issues are now resolved with a new Accountancy Manager in post and full complement of permanent staff now in place.
- **Revenues & Benefits Administration - £84,000.**  The service has experienced a significant increase in the volume of work mainly associated with managing the introduction of welfare reforms (housing benefit reductions and LCTS). At the same time there has been staff turnover with three experienced benefits officers leaving. These issues have necessitated the use of temporary staff to keep on top of the workload. **New item:** A consultant was engaged to review and identify empty homes with unbudgeted costs of £24,000, but the benefit will be realised in future years as significant increase in income from Council Tax revenue and New Homes Bonus.
- **Waste Management - £78,000.**  Waste service income is forecasted to be lower than budget due to the number of garden waste customers below the level assumed in the budget, giving rise to an estimated £50,000 shortfall in sales. **New item:** The balance of the remaining overspend is made up of various net forecasts relating to Staffing/agency cover, reduced Kitchen Waste recycling credits and an increase in new customers on Trade Waste.
- **Vehicle Maintenance - £31,000.**  **New item:** The increased expenditure is due to higher than expected replacement of vehicle parts and tyres.
- **ICT - £30,000.**  **New item:** The increase in expenditure is primarily due to an increase in support costs due to the centralisation of this budget and this highlighting the true cost of these contracts. The overspend has been minimised by a saving in the telephone contract.




13. The following are the key **favourable variances** within service budgets:



- **Development management - £407,000.**  A significant amount of one-off planning fees income has been received relating to major planning applications. The additional income over and above the budget is £520,000. This is partly offset by the additional costs that will be incurred in handling the applications.

- **Public Health - £104,000.**  The service has earned additional income relating to the inspection of vegetables at Stansted Airport.
- **Housing Benefits - £75,000.**  **New item:** The service has achieved high success rates of recovery for overpaid housing benefit and has resulted in £161,000 more income for the current year. This increased income has been offset by the net cost of rent rebates and rent allowances payments not funded by the DWP grant (only able to reclaim 98% of total cost) and the prior year adjustment as per the audited claim outcome.
- **Corporate Project Team - £60,000.**  The service has been in a period of transition and this has resulted in staff vacancies which are not anticipated to be filled in the current financial year.
- **Corporate Management - £41,000.**  The savings relate to a reduction in Consultancy and external audit fees.
- **Street Services Management & Administration - £81,000.**  **New item:** The service created a new post in 2013/14 for an Operations Manager, the recruitment has been postponed until 2014/15. The HR support officer secondment has been extended until the end of the financial year generating a further saving.
- **Local Council Tax Support. £60,000**  For 2013/14 the Council adopted a 'transition' scheme in order to phase in the impacts on non-protected households. In order to preserve cost neutrality of the scheme for major preceptors (County, Police and Fire), the Council committed to funding the shortfall between LCTS costs and Government funding. LCTS costs are currently running at a lower level than anticipated so the forecasted UDC subsidy of the scheme is also smaller.
- **Legal Services - £46,000.**  **New item:** Legal costs recovery has realised higher than budgeted income and it is mainly due to increased workload generated from unplanned S106 agreements becoming effective in year.
- **Street Cleaning - £44,000.**  **New item:** A vacant post and reduction in use of agency staff has resulted in the under spend.
- **Planning Management & Administration - £34,000.**  Saving generated from the staffing restructure.
- **Licensing - £33,000.**  **New item:** Increase in income above budget estimates for taxi and liquor licences.

- **Land Charges - £30,000.**  Revised fee calculation has generated extra income.
- **Enforcement - £24,000.**  Delays in the recruitment of the additional temporary enforcement officer that was built into the budget as a growth item. An appointment has now been made so some of these costs will carry forward into 2014/15.

14. Within the **corporate items** on the General Fund, a number of issues have arisen, as summarised below.





- **Small Business and Empty Rate Relief Grant**  **New item:** In January, the Council received £281,000 from DCLG, being a 90% advance on a sum of £312,000. This was the expected funding adjustment to compensate councils for the loss of retained business rates income arising from Government decisions to extend rate relief for small businesses. In absence of any guidance, it had been prudently assumed that such compensation would be a collection fund item, and form part of the year end business rates retention calculation. The Council has obtained confirmation from DCLG that this grant should be considered as a General Fund item, and therefore, needs to be recognised as a bottom line credit in this year's budget monitoring. A reconciliation process will be carried out by the DCLG after the financial year end, at which point the remainder of the grant together with any reconcilable adjustment will be payable. Due to ongoing uncertainty and the apparently temporary nature of this funding, it is proposed to put the money into reserves. Once certainty has been achieved about the outcomes from business rates retention, informed decisions can be taken about how to use the funding.
- **Community budgets.**  At the request of the County Council, UDC included the sum of £50,000 in its budget to meet the expected costs of contributing to the Community Budgets initiative. Thus far the Council's involvement has been limited with no direct expenditure arising. Therefore a saving of £50,000 is anticipated.
- **Localisation of Business Rates**  2013/14 is the first year of the new business rates system. The Council retains a proportion of the business rates collected, and for the first time, there is a direct relationship between the total revenue and the amount retained by the Council. The Council receives a share of any income growth, and bears a share of any losses. With regard to Diamond Hangar, from June 2013 the new occupant received six months empty property relief but has subsequently kept up to date with their payments. The Council will be required to set money aside to cover the estimated refunds that will be payable as a result of successful appeals by businesses against their rateable values. As a result, the forecasted level of business rates income is below the baseline level assumed by Government. Through the complex mechanics of the business rates scheme, the estimated effect is that the Council will incur a shortfall of £68,000.

- **Capital Financing Costs.**  **New item:** A forecasted adverse variance of £465,000 due to a change in our process for financing capital items. As part of our 2014/15 budget setting process we have obtained specialist advice and implemented a new capital financing strategy which allocates costs to the General Fund on a more consistent basis, which is to charge costs to the annual revenue budget in line with the useful economic lives of the assets being used. The 2014/15 budget has been prepared on this basis. Whilst implementing these changes we have identified historic unfinanced capital expenditure of £318,000, relating to assets disposed of in previous years, which needs to be charged to the General Fund in the 2013/14 accounts. This is consistent with our new approach and will be a one-off adjustment.
  - **Recharge to Housing Revenue Account.**  The Council's overheads are apportioned to the HRA on a fair basis of allocation, and are subject to many variables. Central and Corporate Services have their costs apportioned between the General Fund and HRA. The recharge calculation has been reviewed and adjusted due to an increase in supporting work required by the HRA, plus the inclusion of two posts budgeted in the General Fund which are then charged back to HRA via this process (Contracts Officer & a Scanner) this is consistent with the approach applied in the 2014/15 budget.
15. General Fund reserves are currently forecasted to be £6.836m at the end of the financial year, an increase of £717,000 for the year. This excludes the forecasted net favourable variance, which, if confirmed at the year end, would be added to the reserves total to give a figure of approx. £7.4m.
16. Appendix B contains narrative on the risks that were identified when the budget was set in 2013/14. It shows that in some cases the risks have reduced, and in other cases, risks remain.

## Housing Revenue Account

17. On the bottom line, a **net favourable variance of £482,000** is forecasted. The intention is that, if confirmed at the end of the financial year, this variance would be earmarked for the financing of sheltered housing development.

18. The net surplus on HRA operational activity is £537,000. This includes better than expected rent collection of £480,000, and a saving in the repairs budget of £190,000. Funding requirement for capital items have increased by £55,000, giving a net favourable variance of £482,000. This is set out in more detail in Appendix C. The significant variances are set out below.

- **Rent collection.**  Forecasted to be £480,000 (3.5%) higher than budgeted levels because of improvements in void turn-round times, improvements in the rent arrears recovery process, and investment in providing advice on debt & money management to tenants.
- **Housing Repairs.**  The budget was prepared in January 2013 based upon the trend of expenditure that appeared to be in evidence in 2012/13. Experience in 2013/14 to date shows that the assumed trend was too high, and the budget is in fact overstated compared with the level of expenditure being experienced, this has generated an underspend of £190,000. This has been adjusted in the 2014/15 budget.
- **Recharge from General Fund.**  There has been an increase in the recharge of £1.4m; the reasons are explained under the General Fund variances section earlier in this report.
- **Action Plan Items.**  The £436,000 is a reduction in the use of reserves primarily due to the slippage in the Mead Court Programme.

19. HRA reserves are forecasted to be £3.040m at the end of the year as shown below (excluding the favourable variance referred to above). The forecast assumes that £2.8m of HRA monies will be used to finance capital projects, including the Mead Court development, energy efficiency schemes and improvements to the Newport depot. If there is any slippage in these schemes, the reserves balances will be larger than the current forecast. It remains important to ensure that HRA surplus monies are earmarked for identified schemes; otherwise, debt repayment would need to be considered.

Reserve £'000	Balance 01-Apr-13	Forecast Transfer from HRA	Forecast Transfer to HRA	Forecast Balance 31-Mar-14
Working Balance	680			680
Capital Project Reserve	1,223			1,223
Change Management	200		-23	177
Major Repairs Reserve	0	140		140
Potential Projects Reserve	800			800
Revenue Projects Reserve	60		-40	20
<b>Total</b>	<b>2,963</b>	<b>140</b>	<b>-63</b>	<b>3,040</b>


## Capital Programme

20. Forecasted capital expenditure is £8.870m against a budget of £9.943m, a difference of £1.073m. Appendix D gives a full breakdown of the Capital Programme.

21. In the Capital Programme slippage has been identified and these are detailed below:

- Mead Court contract payments and programme of works timescales have been confirmed by the contractors leading to £943,000 of slippage to future years.
- The Grant for the Support Unit for people with learning disabilities is under discussion and this is expected to be completed later in the year and £100,000 slippage to be moved to 2014/15.
- The Mobile Working programme has been reprofiled and £95,000 has been identified as slippage into 2014/15.
- Motte & Bailey Castle is expecting £125,000 of slippage due to the tender process not yet completed. The projected forecast will be updated once this is finalised.

22. The following are additional significant variances arising in the Capital Programme:

- **Museum Storage Facility.**  £119,000 is currently showing as an over spend against this project, but the project will receive full reimbursement of cost once the project is complete.



## Treasury Management

23. Activity during the period 1 September to 31 December is set out in Appendix E.
24. All deposits placed complied with the Council's Treasury Management Strategy. Balances on 31 December totalled £21.9m and were being held at an average interest rate of 0.42%.
25. The Council is increasingly dependent upon the DMO account. Restrictions on the use of banks, both under the Council's Strategy and under temporary suspension arrangements applied by the Section 151 Officer, have reached unsustainable levels. It is necessary to consider secure alternatives such as UK domiciled Money Market Funds and other approved counterparties.
26. As approved in the current strategy and compliant with the credit rating score we placed an investment with another Local Authority in October. This reduces our dependence on the DMO and increases our income from interest earned.
27. Officers have researched other possibilities for investments, in conjunction with Arlingclose, and recommendations for an amended Strategy are presented to Cabinet elsewhere on tonight's agenda.
28. The Landsbanki issue was finally resolved on 30 January, consistent with the confidential part 2 decisions taken by the Council on 1 July 2013.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual income and expenditure will vary from forecast, requiring adjustments to budget and/or service delivery. Detailed risk analysis is set out in Appendix B.	2 – some variability is inevitable	2 – budget will be closely monitored and prompt action taken to deal with variances	Budgetary control framework

## APPENDIX A

GENERAL FUND SUMMARY - TO PERIOD 9 2013/14				Appendix A			
£000	2013/14						
	April to December			Full Year			
	Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Community Partnerships & Engagement - <i>Cllr H Rolfe</i>	1,568	1,371	-197	2,028	2,005	1,921	-84
Community Safety - <i>Cllr A Walters</i>	285	183	-102	378	376	322	-54
Environmental Services - <i>Cllr S Barker</i>	1,213	202	-1,011	1,544	1,538	935	-603
Finance & Administration - <i>Cllr R Chambers</i>	4,058	3,806	-252	5,059	5,182	5,113	-69
Housing (General Fund) - <i>Cllr J Redfern</i>	-41	-79	-38	-65	8	-33	-41
<b>Sub-total – Portfolio and Committee budgets</b>	<b>7,083</b>	<b>5,483</b>	<b>-1,600</b>	<b>8,944</b>	<b>9,109</b>	<b>8,258</b>	<b>-851</b>
Council Tax Freeze Grant - 11/12 (year 3 of 4)	0	0	0	-123	0	0	0
Council Tax Freeze Grant - 13/14 (year 1 of 2)	-38	-46	-8	-50	-50	-50	0
Community Challenge	-9	-9	0	-8	-8	-9	-1
Community Right to Bid	-8	-8	0	-8	-8	-8	0
Formula Grant	-1,274	-1,274	0	-2,673	-2,038	-2,038	0
Business Rates Retention	0	0	0	0	-1,356	-1,288	68
Small Business & Empty Rate Relief Grant	0	0	0	0	0	-312	-312
Transition Protection Payments	0	-150	-150	0	0	0	0
New Homes Bonus - Adjustment Grant	-11	-11	0	-11	-11	-11	0
Efficiency Support for Services in Sparse Areas	-31	-31	0	-31	-31	-31	0
LCTS - Funding	0	0	0	-513	0	0	0
LCTS - Transition Grant	-13	-14	-1	-13	-13	-14	-1
New Homes Bonus - Grant	-1,532	-1,532	0	-2,042	-2,042	-2,042	0
<b>Sub-total – Government Funding</b>	<b>-2,915</b>	<b>-3,074</b>	<b>-159</b>	<b>-5,472</b>	<b>-5,557</b>	<b>-5,803</b>	<b>-246</b>
Capital Financing Costs	297	290	-7	1,525	1,525	1,990	465
Collection Fund Balance	0	0	0	-6	-6	-60	-54
Contribution to Community Budgets	0	0	0	50	50	0	-50
Investment Income	-45	-38	7	-50	-50	-50	0
Pension Fund	430	430	0	488	488	485	-3
Recharge to HRA	0	0	0	-995	-1,075	-1,194	-119
HRA Share of Corporate Core	0	0	0	-209	-209	-250	-41
<b>Sub-total – Corporate Items</b>	<b>682</b>	<b>682</b>	<b>0</b>	<b>803</b>	<b>723</b>	<b>921</b>	<b>199</b>
<b>Sub-total - Net Operating Expenditure</b>	<b>4,850</b>	<b>3,091</b>	<b>-1,759</b>	<b>4,275</b>	<b>4,275</b>	<b>3,376</b>	<b>-898</b>
Budget Equalization Reserve	0	0	0	222	222	222	0
Change Management Reserve	0	0	0	-26	-26	-141	-115
Council Tax Freeze Grant Reserve	0	0	0	0	0	50	50
Elections Reserve	0	0	0	20	20	20	0
Homelessness Reserve	0	0	0	20	20	20	0
Insurance Reserve	0	0	0	100	100	0	-100
LGRR Contingency Reserve	0	0	0	-252	-252	54	306
Licensing Reserve	0	0	0	-55	-55	-38	17
Municipal Mutual Reserve	0	0	0	0	0	0	0
Neighbourhood Front Runners	0	0	0	0	0	-9	-9
NHB Contingency Reserve	0	0	0	-40	-40	-40	0
Planning Development Reserve	0	0	0	249	249	458	209
Waste Reserve	0	0	0	134	134	121	-13
Working Balance	0	0	0	0	0	0	0
<b>Sub-total - Movement in Earmarked Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>372</b>	<b>372</b>	<b>717</b>	<b>345</b>
<b>COUNCIL TAX REQUIREMENT</b>	<b>4,850</b>	<b>3,091</b>	<b>-1,759</b>	<b>4,647</b>	<b>4,647</b>	<b>4,093</b>	<b>-553</b>
<b>Funding Available</b>							
Council Tax	0	0	0	-4,647	-4,647	-4,647	0
<b>TOTAL FUNDING AVAILABLE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,647</b>	<b>-4,647</b>	<b>-4,647</b>	<b>0</b>
<b>OVERALL NET POSITION</b>							<b>-553</b>

**APPENDIX A continued**

COMMUNITY PARTNERSHIPS AND ENGAGEMENT PORTFOLIO								
£000	2012/13 Outturn	2013/14						
		April to December			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Assisted Travel	-1	6	7	1	0	0	0	0
Committee Administration	143	129	109	-20	174	175	154	-21
Communications	134	125	113	-12	177	163	152	-11
Community Information Centres	48	51	31	-20	66	59	47	-12
Community & Leisure Management	45	34	34	0	45	45	46	1
Customer Services Centre	285	221	218	-3	288	298	294	-4
Democratic Representation	346	272	264	-8	351	354	347	-7
Economic Development	-32	119	119	0	153	154	135	-19
Grants & Contributions	243	365	305	-60	368	368	368	0
Leisure & Administration	87	74	49	-25	97	95	83	-12
Leisure PFI	-66	-65	-82	-17	-26	-26	-27	-1
Museum Saffron Walden	188	136	139	3	190	175	172	-3
New Homes Bonus	-681	51	38	-13	88	88	98	10
Sports Development	48	50	27	-23	57	57	52	-5
<b>Portfolio Total</b>	<b>787</b>	<b>1,568</b>	<b>1,371</b>	<b>-197</b>	<b>2,028</b>	<b>2,005</b>	<b>1,921</b>	<b>-84</b>

**APPENDIX A continued**

COMMUNITY SAFETY PORTFOLIO									
<b>2013/14</b>									
£000	2012/13 Outturn	April to December			Full Year				
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Community Safety	169	144	114	-30	197	198	197	-1	
Emergency Planning	42	30	30	0	42	42	43	1	
Enforcement	174	174	137	-37	216	218	191	-27	
Highways	-10	-6	-1	5	-10	-15	-11	4	
Licensing	-85	-57	-97	-40	-67	-67	-98	-31	
<b>Portfolio Total</b>	<b>290</b>	<b>285</b>	<b>183</b>	<b>-102</b>	<b>378</b>	<b>376</b>	<b>322</b>	<b>-54</b>	

**APPENDIX A continued**

ENVIRONMENTAL SERVICES PORTFOLIO								
£000	2012/13 Outturn	2013/14						
		April to December			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Animal Warden	30	23	22	-1	30	30	29	-1
Car Parking	-579	-421	-435	-14	-566	-582	-595	-13
Depots	52	31	32	1	50	37	53	16
Development Management	-59	-79	-723	-644	-252	-198	-605	-407
Environmental Management & Admin	101	74	72	-2	98	99	95	-4
Grounds Maintenance	157	127	100	-27	158	159	143	-16
Housing Strategy	103	84	62	-22	101	102	89	-13
Local Amenities	52	7	9	2	16	7	9	2
Pest Control	35	13	12	-1	23	23	23	0
Planning Management & Admin	447	313	284	-29	466	418	382	-36
Planning Policy	290	187	155	-32	247	249	255	6
Planning Specialists	178	127	110	-17	168	169	156	-13
Public Health	249	317	226	-91	406	410	306	-104
Street Cleansing	266	228	168	-60	320	322	276	-46
Street Services Management & Admin	285	256	191	-65	338	341	257	-84
Vehicle Management	313	222	245	23	295	296	328	32
Waste Management - Expenditure	1,924	1,373	1,311	-62	1,871	1,867	1,888	21
Waste Management - Income	-2,239	-1,669	-1,639	30	-2,225	-2,211	-2,154	57
<b>Portfolio Total</b>	<b>1,605</b>	<b>1,213</b>	<b>202</b>	<b>-1,011</b>	<b>1,544</b>	<b>1,538</b>	<b>935</b>	<b>-603</b>

**APPENDIX A continued**

FINANCE & ADMINISTRATION PORTFOLIO								
£000	2012/13 Outturn	2013/14						
		April to December			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Benefit Administration	-328	-220	-220	0	-293	-293	-293	0
Business Improvement & Performance Team	157	116	115	-1	155	156	154	-2
Central Services	373	296	309	13	400	402	391	-11
Conducting Elections	1	8	-10	-18	1	1	-19	-20
Conveniences	47	35	37	2	48	38	28	-10
Corporate Management	700	570	549	-21	839	763	723	-40
Corporate Team	127	133	95	-38	171	177	118	-59
Council Tax Benefits	-88	0	0	0	0	0	0	0
Electoral Registration	25	22	1	-21	22	22	24	2
Financial Services	822	665	777	112	822	797	911	114
Housing Benefits	16	126	-203	-329	194	194	120	-74
Human Resources	183	204	220	16	244	246	261	15
Information Technology	958	915	921	6	974	1,077	1,109	32
Internal Audit	105	82	80	-2	109	109	109	0
Leased Cars	0	15	25	10	0	0	0	0
Legal Services	78	80	31	-49	103	104	57	-47
Local Council Tax Support	0	182	189	7	409	409	348	-61
Local Tax Collection	-46	0	0	0	-73	-73	-75	-2
Non Domestic Rates	-67	0	0	0	-67	-67	-55	12
Offices	298	245	252	7	326	315	321	6
Office Cleaning	0	139	129	-10	0	186	176	-10
Resources Miscellaneous	-45	-20	-20	0	-27	-27	-27	0
Revenues Administration	794	465	529	64	702	646	732	86
<b>Portfolio Total</b>	<b>4,110</b>	<b>4,058</b>	<b>3,806</b>	<b>-252</b>	<b>5,059</b>	<b>5,182</b>	<b>5,113</b>	<b>-69</b>

**APPENDIX A continued**

HOUSING GENERAL FUND PORTFOLIO									
		2013/14							
£000	2012/13 Outturn	April to December			Full Year				
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Building Surveying	-81	-61	-69	-8	-67	-59	-78	-19	
Day Centres	55	24	25	1	59	36	38	2	
Energy Efficiency	36	36	31	-5	48	49	45	-4	
Homelessness	88	133	146	13	85	171	176	5	
Housing Grants	10	10	0	-10	10	10	10	0	
Land Charges	41	-52	-82	-30	-65	-64	-90	-26	
Lifeline	-130	-131	-130	1	-135	-135	-134	1	
<b>Portfolio Total</b>	<b>19</b>	<b>-41</b>	<b>-79</b>	<b>-38</b>	<b>-65</b>	<b>8</b>	<b>-33</b>	<b>-41</b>	

**APPENDIX A continued**

<b>GENERAL FUND RESERVES 2013/14</b>					
<b>Reserve</b>	<b>Balance</b>	<b>Forecast</b>	<b>Transfers</b>	<b>Forecast</b>	<b>Forecast</b>
<b>£000</b>	<b>01-Apr-13</b>	<b>Transfer from</b>	<b>between</b>	<b>Transfer to</b>	<b>Balance</b>
		<b>General Fund</b>	<b>Reserves</b>	<b>General Fund</b>	<b>31-Mar-14</b>
Budget Equalisation	1,251	222			1,473
Business Development	117				117
Change Management	587	31		-172	446
Council Tax Freeze Grant Reserve	124	50			174
Elections	47	20			67
Emergency Response	90				90
Hardship Fund	100				100
Homelessness	81	20			101
Insurance	0	0			0
Landsbanki Contingency	165				165
Local Government Resource Review	962	312		-258	1,016
Licensing	63			-38	25
Municipal Mutual	51	9		-9	51
Neighbourhood Front Runners	66			-9	57
New Homes Bonus - Community Projects	26				26
New Homes Bonus - Contingency	830			-40	790
Planning Development	266	467		-9	724
Waste Management	79	207		-86	200
Working Balance	1,214				1,214
<b>Total</b>	<b>6,119</b>	<b>1,338</b>	<b>0</b>	<b>-621</b>	<b>6,836</b>



## APPENDIX B

### General Fund – risk analysis

This is an update of the risk analysis reported to the Council at the time that the 2013/14 budget was set.

<b>Risk item</b>	<b>Original Risk Level</b>	<b>Current Status</b>	<b>Current Risk Level</b>
<b>a) Localisation of Business Rates.</b>	High	The Council is required to make provision for refunds payable for successful appeals against rateable values. A substantial provision will be required which means that the Council's business rates share will in all probability be at the safety net level.	High
<b>b) Waste &amp; Recycling</b>	High	The contractor for the purchase of our recyclable materials is seeking a new contract and currently there are payments due that have not been received. Expenditure and income remain variable.	High
<b>c) Reforms to Housing &amp; Council Tax Benefit.</b>	High	So far Local Council Tax Support (LCTS) expenditure is slightly below forecasted levels and collection of council tax from affected households is holding up well. Housing Benefit reforms are creating additional demand for discretionary support and significant extra work for the Benefits service. To cope with this temporary extra staff have been deployed, a modest overspend on staffing costs has arisen.	Medium
<b>d) Section 106 agreements.</b>	High	The anticipated risk of expenditure commitments exceeding available funds has not yet arisen.	Low
<b>e) Efficiency Savings.</b>	Medium	Unbudgeted costs and savings on service reviews and spend to save projects have arisen for example investment in taxbase review, staff severance costs.	Medium
<b>f) Car Parks Income.</b>	Medium	The anticipated risk related to tariff changes during the year which would reduce income. No such changes have been promulgated. A modest amount of income was foregone due to the free charging period over Christmas.	Low

<b>Risk item</b>	<b>Original Risk Level</b>	<b>Current Status</b>	<b>Current Risk Level</b>
<b>g) Fees &amp; Charges income.</b>	Medium	Income levels are holding up well with a significant surplus of planning fees income in particular.	Low
<b>h) Planning appeals.</b>	Medium	At the present time no significant liabilities have arisen however the inherent risk remains.	Medium
<b>i) Instability of banking industry.</b>	Medium	Treasury management continues to be carried out prudently and there are no current concerns about the security of council funds. There is a low probability of issues arising but the sums involved remain significant so the overall risk level remains.	Medium
<b>j) Local Plan</b>	Low	No significant financial issues have arisen.	Low
<b>k) External funding.</b>	Low	The anticipated risk related to County Council funding of services such as A120 cleaning and Highways Ranger. The risk is not currently expected to materialise during 2013/14.	Low
<b>l) Supplies &amp; Services contracts.</b>	Low	No significant issues have arisen. One area where potential for cost volatility is in relation to the cleaning contract which is currently being brought in house, necessitating for example the purchase of vehicles that were not budgeted for.	Low
<b>m) Capital Financing costs.</b>	Low	This remains a variable area, as discussed in the report. As forecast it is probable that revenue funding of capital expenditure will be higher than the budgeted level, although this also depends on further potential slippage on related projects in the capital programme. The forecast also reflects our revised policy for allocating capital financing charges to the revenue budget.	Medium
<b>n) Pay award.</b>	Low	The pay award was determined at 1% in line with the assumption used in the budget.	Low
<b>o) Landsbanki.</b>	Low	The Landsbanki issue was resolved on 30 January.	Low

## APPENDIX C

### HOUSING REVENUE ACCOUNT

HRA SUMMARY - TO PERIOD 9 2013/14	2013/14						
£000	April to Dec			Full Year			
	Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
<b>Housing Revenue Account Income</b>							
Dwelling Rents	-10,140	-10,244	-104	-13,520	-13,520	-14,000	-480
Garage Rents	-165	-152	13	-221	-221	-221	0
Other Rents	-2	-3	0	-3	-3	-3	0
Charges for Services & Facilities	-577	-591	-14	-750	-750	-746	4
Contributions towards Expenditure	0	-2	-2	0	0	-1	-1
Investment Income	0	0	0	-10	-10	-10	0
<b>TOTAL INCOME</b>	<b>-10,885</b>	<b>-10,992</b>	<b>-108</b>	<b>-14,504</b>	<b>-14,504</b>	<b>-14,981</b>	<b>-477</b>
<b>Housing Finance &amp; Business Management</b>							
Business & Performance Management	284	249	-35	436	439	407	-32
Self Financing Loan Costs	1,316	1,284	-32	2,632	2,632	2,625	-7
Rents, Rates & Other Property Charges	24	18	-5	32	32	19	-13
	1,624	1,551	-73	3,100	3,103	3,051	-52
<b>Housing Maintenance &amp; Repairs Service</b>							
Common Service Flats	192	130	-62	354	274	274	0
Estate Maintenance	128	89	-38	170	171	164	-7
Housing Repairs	1,644	1,473	-171	2,174	2,179	1,989	-190
Housing Sewerage	42	36	-6	51	51	52	1
Newport Depot	9	11	3	11	10	16	6
Property Services	260	274	14	343	346	388	42
	2,275	2,014	-261	3,103	3,031	2,883	-148
<b>Housing Management &amp; Homelessness</b>							
Housing Services	240	234	-6	257	260	251	-9
Sheltered Housing Services	431	419	-11	577	578	558	-20
	671	654	-17	834	838	809	-29
<b>Total Service Expenditure</b>	<b>4,569</b>	<b>4,218</b>	<b>-351</b>	<b>7,037</b>	<b>6,972</b>	<b>6,742</b>	<b>-230</b>
<b>Other Costs</b>							
Depreciation - Land & Buildings	0	0	0	3,081	3,081	3,081	0
Depreciation - Other Assets	0	0	0	37	37	37	0
Bad Debt Provision	0	0	0	130	130	150	20
Supporting People	34	37	3	45	45	52	7
Recharge from General Fund	0	0	0	995	1,076	1,194	118
HRA Share of Corporate Core	0	0	0	209	209	250	41
Pension Costs	0	0	0	86	86	86	0
Pay Award	3	0	-3	20	4	0	-4
Right to Buy Admin Costs Allowance	0	-12	-12	0	0	-12	-12
<b>Total Non-Service Expenditure</b>	<b>37</b>	<b>25</b>	<b>-12</b>	<b>4,603</b>	<b>4,668</b>	<b>4,838</b>	<b>170</b>
<b>TOTAL EXPENDITURE</b>	<b>4,606</b>	<b>4,244</b>	<b>-363</b>	<b>11,640</b>	<b>11,640</b>	<b>11,580</b>	<b>-60</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>-6,278</b>	<b>-6,748</b>	<b>-470</b>	<b>-2,864</b>	<b>-2,864</b>	<b>-3,401</b>	<b>-537</b>
<b>Use of Reserves/Funding</b>							
Transfer to(+)/from(-) the Change Management Reserve	0	0	0	-23	-23	-23	0
Funding of Action Plan Capital Items	0	0	0	2,020	2,020	1,584	-436
Funding of Capital from Revenue	0	0	0	762	762	1,253	491
Transfer to(+)/from(-) reserves for Revenue Action Plan Slippage	0	0	0	-40	-40	-40	0
Transfer to(+)/from(-) reserves for Sheltered Housing Projects	0	0	0	0	0	0	0
	0	0	0	2,719	2,719	2,774	55
<b>(SURPLUS)/DEFICIT</b>	<b>-6,278</b>	<b>-6,748</b>	<b>-470</b>	<b>-145</b>	<b>-145</b>	<b>-627</b>	<b>-482</b>

## APPENDIX D

### CAPITAL PROGRAMME

£'000	Actuals April to end of December	Original Budget 2013-14	Slippage from 2012/13	Budget adjustment as agreed by Cabinet	Current Budget 2013-14	Forecast Outturn	Forecast to Budget Variance	Requested Slippage
<b>Community and Engagements</b>								
Community Project Grants	42	100	0	0	100	100	0	
Museum Storage Facility	63	127	0	0	127	246	119	
Leisure Centre Initiatives	0		9	0	9	9	0	
S/W Motte & Bailey	39	200	0	0	200	75	(125)	125
<b>Total Community and Engagements Excluding S106</b>	<b>144</b>	<b>427</b>	<b>9</b>	<b>0</b>	<b>436</b>	<b>430</b>	<b>(6)</b>	<b>125</b>
<b>Community Safety</b>								
CCTV Standed	0	0	42	0	42	42	0	
<b>Total Community Safety</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>0</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>0</b>
<b>Environmental Services</b>								
Elizabeth Way Culvert	221	241	0	0	241	241	0	
Fairycroft Car Park Repairs	0	50	0	(50)	0	0	0	
Household Bins Replacement Programme	27	30	0	0	30	30	0	
Trade Waste Bins Replacement Programme	4	10	0	0	10	10	0	
Garden Waste Bins	14	20	0	0	20	20	0	
Kitchen Caddies and Slave Bins	3	10	0	0	10	10	0	
New Grounds Maint Store	0	0	0	17	17	17	0	
Shire Hill Depot Works	5	0	0	0	0	10	10	
Vehicle Replacement Programme	80	236	0	190	426	385	(41)	
In-cab Technology - Vehicles	27	50	0	0	50	59	9	
Noise monitoring equipment	6	12	0	0	12	12	0	
<b>Total Environmental Services</b>	<b>387</b>	<b>659</b>	<b>0</b>	<b>157</b>	<b>816</b>	<b>794</b>	<b>(22)</b>	<b>0</b>
<b>Finance Admin</b>								
Home Working	13	20	0	0	20	20	0	
Minor Items IT	0	20	0	0	20	20	0	
Video conferencing	0	25	0	0	25	25	0	
Network Replacement	60	0	59	0	59	59	0	
Content Mgt System	10	0	10	0	10	10	0	
Exchange Upgrade	0	35	0	0	35	35	0	
Windows 7 Upgrade	9	20	0	0	20	20	0	
Cloud Computing	0	0	30	0	30	0	(30)	
Bring your own device	0	30	0	0	30	30	0	
Mobile working - Housing	0	50	0	0	50	0	(50)	50
Mobile working - Planning & Env Health	0	45	0	0	45	0	(45)	45
Mailroom Scanner	11	0	20	0	20	20	0	
Council Offices Improvements	105	30	194	0	224	224	0	
Council Offices Contingency	0	0	15	0	15	15	0	
Car Park Improvements	0	0	10	0	10	10	0	
Vans for In-house cleaning service	21	0	0	0	0	25	25	
<b>Total Finance Admin</b>	<b>229</b>	<b>275</b>	<b>338</b>	<b>0</b>	<b>613</b>	<b>513</b>	<b>(100)</b>	<b>95</b>

## APPENDIX D continued

£'000	Actuals April to end of December	Original Budget 2013-14	Slippage from 2012/13	Budget adjustment as agreed by Cabinet	Current Budget 2013-14	Forecast Outturn	Forecast to Budget Variance	Requested Slippage
<b>Housing</b>								
<b>General Fund</b>								
Disabled Facilities Grants	185	175	0	48	223	275	52	
Day Centres Cyclical Improvements	0	29	0	0	29	29	0	
Empty Dwellings	0	50	0	(30)	20	20	0	
Private Sector Renewal Grants	15	30	0	(18)	12	12	0	
Stansted Hsg Partnership - Social Hsg Properties	361	717	0	0	717	717	0	
<b>Total GF Housing</b>	<b>561</b>	<b>1,001</b>	<b>0</b>	<b>0</b>	<b>1,001</b>	<b>1,053</b>	<b>52</b>	<b>0</b>
<b>HRA</b>								
HRA Repairs	2,703	3,793	0	0	3,793	3,793	0	
Holloway Crescent	185	0	154	0	154	185	31	
Newport Depot Refurbishment	4	80	0	0	80	80	0	
UPVC Fascias and Guttering	32	200	0	0	200	200	0	
Cash Incentive Scheme Grants	33	50	0	0	50	50	0	
Replacement vehicle	14	0	0	0	0	15	15	
<b>Business Plan Items</b>								
Service Chg Planned Rep System	4	100	0	0	100	100	0	
Energy Efficiency Schemes	437	300	295	0	595	595	0	
Support unit for people with learning difficulties	0	100	0	0	100	0	(100)	100
Mead court/Canons Mead garage Site	100	1,720	23	0	1,743	800	(943)	943
Sheltered Hsg Alarms Equip	155	100	100	0	200	200	0	
Internet Café's in Sheltered Hsg	0	20	0	0	20	20	0	
<b>Total HRA</b>	<b>3,667</b>	<b>6,463</b>	<b>572</b>	<b>0</b>	<b>7,035</b>	<b>6,038</b>	<b>(997)</b>	<b>1,043</b>
<b>Total General Fund ex S106</b>	<b>1,321</b>	<b>2,362</b>	<b>389</b>	<b>157</b>	<b>2,908</b>	<b>2,832</b>	<b>(76)</b>	<b>220</b>
<b>CAPITAL PROGRAMME TOTAL Excluding S106</b>	<b>4,988</b>	<b>8,825</b>	<b>961</b>	<b>157</b>	<b>9,943</b>	<b>8,870</b>	<b>(1,073)</b>	<b>1,263</b>
<b>CAPITAL PROGRAMME Incl S106</b>	<b>6,303</b>	<b>9,363</b>	<b>1,079</b>	<b>157</b>	<b>10,599</b>	<b>11,168</b>	<b>569</b>	<b>1,263</b>
<b>S106</b>								
S106 Forest Hall Park (Rochford Nurseries)	5	438	0	0	438	438	0	
S106 Takeley/Little Canfield	115	100	103	0	203	203	0	
S106 Priors Green Community Centre	7		15	0	15	15	0	
S105 Woodlands Park	60	0	0	0	0	60	60	
S106 Manuden	1,128	0	0	0	0	1,582	1,582	
<b>Total S106 Payments</b>	<b>1,315</b>	<b>538</b>	<b>118</b>	<b>0</b>	<b>656</b>	<b>2,298</b>	<b>1,642</b>	<b>0</b>
<b>Total Community Partnerships and Engagement Including S106</b>	<b>1,459</b>	<b>965</b>	<b>127</b>	<b>0</b>	<b>1,092</b>	<b>2,728</b>	<b>1,636</b>	<b>125</b>

**APPENDIX E****TREASURY MANAGEMENT****Deposits made 1<sup>st</sup> September – 31<sup>st</sup> December 2013**

<b>Deposit Date</b>	<b>Amount £m</b>	<b>Institution</b>	<b>Interest Rate</b>	<b>Return Date</b>
02/09/2013	2.00	Debt Management Office	0.25%	19-Sep-13
02/09/2013	2.50	Debt Management Office	0.25%	18-Oct-13
04/09/2013	2.50	Debt Management Office	0.25%	02-Oct-13
06/09/2013	1.00	Nationwide Building Society	0.51%	06-Mar-14
06/09/2013	1.00	Debt Management Office	0.25%	23-Sep-13
11/09/2013	2.50	Debt Management Office	0.25%	18-Sep-13
16/09/2013	1.00	Bank of Scotland	0.70%	16-Dec-13
16/09/2013	2.00	Debt Management Office	0.25%	18-Oct-13
17/09/2013	1.50	Debt Management Office	0.25%	21-Oct-13
18/09/2013	1.00	Debt Management Office	0.25%	21-Oct-13
01/10/2013	2.00	Debt Management Office	0.25%	21-Oct-13
01/10/2013	2.00	Debt Management Office	0.25%	19-Nov-13
02/10/2013	2.50	Debt Management Office	0.25%	19-Nov-13
09/10/2013	1.50	Debt Management Office	0.25%	08-Nov-13
15/10/2013	3.00	Local Authority Cornwall	0.35%	15-Jan-14
17/10/2013	0.50	Bank of Scotland	0.70%	17-Jan-14
17/10/2013	0.50	Nationwide	0.40%	17-Jan-14
18/10/2013	1.00	Debt Management Office	0.25%	17-Jan-14
01/11/2013	4.00	Debt Management Office	0.25%	05-Nov-13
05/11/2013	4.00	Debt Management Office	0.25%	14-Nov-13
08/11/2013	3.00	Debt Management Office	0.25%	14-Nov-13
14/11/2013	6.75	Debt Management Office	0.25%	02-Jan-14
15/11/2013	4.00	Debt Management Office	0.25%	19-Nov-13
25/11/2013	0.75	Debt Management Office	0.25%	02-Jan-14
02/12/2013	4.00	Debt Management Office	0.25%	19-Dec-13
06/12/2013	1.50	Debt Management Office	0.25%	06-Jan-14
11/12/2013	1.00	Nationwide	0.38%	06-Jan-14
16/12/2013	4.00	Debt Management Office	0.25%	19-Dec-13
17/12/2013	1.00	Barclays Bank	0.29%	30-Dec-13
<b>Total</b>	<b>64.00</b>	<b>Average</b>	<b>0.27%</b>	

**APPENDIX E continued****Deposited Balances as at 31 December 2013**

<b>Deposit Date</b>	<b>Amount £m</b>	<b>Institution</b>	<b>Interest Rate</b>	<b>Return Date</b>
04-Jul-13	1.00	Nationwide Building Society	0.50%	06-Jan-14
09-Aug-13	2.00	Bank of Scotland	0.75%	07-Feb-14
06-Sep-13	1.00	Nationwide Building Society	0.51%	06-Mar-14
15-Oct-13	3.00	Local Authority Cornwall	0.35%	15-Jan-14
17-Oct-13	0.50	Bank of Scotland	0.70%	17-Jan-14
17-Oct-13	0.50	Nationwide	0.40%	17-Jan-14
18-Oct-13	1.00	Debt Management Office	0.25%	17-Jan-14
14-Nov-13	6.75	Debt Management Office	0.25%	02-Jan-14
25-Nov-13	0.75	Debt Management Office	0.25%	02-Jan-14
06-Dec-13	1.50	Debt Management Office	0.25%	06-Jan-14
11-Dec-13	1.00	Nationwide	0.38%	06-Jan-14
<b>Total</b>	<b>19.00</b>		<b>0.37%</b>	

**Balances with on call Deposit & Current Accounts  
as at 31 December 2013**

<b>Institution</b>	<b>Amount £ m</b>	<b>Interest Rate *</b>
Barclays Flexible Account	1.20	0.6%
Barclays Current Account	0.74	1.5%
<b>Total</b>	<b>1.94</b>	<b>0.9%</b>