

Committee: Cabinet

Agenda Item

Date: 7 September 2017

7

Title: 2017/18 Budget Monitoring – Quarter 1

Portfolio Holder: Cllr Simon Howell

Key Decision: **No**

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 June and predicts a forecast for the end of the financial year.
2. The General Fund is forecasting £1,160,000 underspend.
3. The Housing Revenue Account is forecasting an overall underspend of £2,994,000.
4. The Capital Programme is forecasting to underspend by £2,656,000; the updated position includes slippage brought forward from 2016/17 and slippage of £2,571,000 to be carried forward to 2018/19.
5. Treasury management activity now includes external borrowing on both short term and long term which relates to the council's purchase of the 50% share of Chesterford Research Park by Aspire Ltd (the council's wholly owned subsidiary company)

6. Recommendations

7. The Cabinet is recommended to
 - I. note and approve the outturn forecast position
 - II. approve the reserve transfers as detailed in point 17 - 20

Financial Implications

8. Any financial implications are included in the body of the report.

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

9. On the bottom line, a £1,160,000 underspend is forecasted and this is due mainly to the increased investment income from the loan to Aspire (CRP) Ltd. Full details of the councils borrowing commitment is shown in the Treasury Management section (point 24).
10. A summary of the budget by portfolio is shown below and this is set out in more detail in Appendix A.

£ '000	2016/17	2017/18			
	Outturn	Original Budget	Current Budget	Forecast Outturn	Variance
Communities & Partnerships	779	1,012	1,055	913	(142)
Housing & Economic Development	1,353	1,606	1,563	1,546	(17)
Environmental Services	2,492	3,111	3,111	3,280	170
Finance & Administration	5,164	5,720	5,771	5,524	(247)
Portfolio (Service) Budgets	9,788	11,448	11,499	11,263	(236)
Corporate Items	1,088	710	4,025	3,020	(1,005)
Total Net Budget	10,876	12,158	15,524	14,283	(1,241)
Funding	(8,410)	(6,063)	(6,064)	(5,806)	258
Net Operating Expenditure	2,466	6,095	9,460	8,477	(983)
Transfers to/from (-) Reserves	2,206	(1,059)	(4,425)	(4,602)	(177)
OVERALL NET POSITION	4,672	5,036	5,035	3,875	(1,160)

11. The current budget within corporate items shows an increase of £3,315,000 compared to the original budget, this relates to the projects carried forward (slippage) from the 2016/17 capital programme as approved by Cabinet in July 2017 as part of the Final Outturn position for 2016/17.

12. An efficiencies target was included within the 2017/18 budget of £200,000 this related to the four year funding deal the Council signed in October 2016. The table below shows a net positive variance within services of £235,835, after adjusting for movements to/from reserves; this gives a net efficiency saving of £528,895.

Portfolio	Savings/increased income		Budget adj/reduced income		Total
	One-off	On-going	One-off	On-going	
Communities & Partnerships	(11)	(49)			(60)
Housing & Economic Development	(49)	(68)	4		(113)
Environmental Services	(298)	(165)	281	54	(128)
Finance & Admin	(622)	(32)	362	45	(247)
Other minor variances	(37)		56		19
Service Variances	(1,018)	(314)	703	99	(529)
Amounts to/from Reserves		(135)	428		293
Actual net saving to Services	(1,018)	(448)	1,131	99	(236)

One off relates to current year only and ongoing is current and future years.

13. Full details of variances exceeding £20,000 are detailed below and all variances are detailed in Appendix B.

Variations within the council's control and influence

Services

Overspends

- Planning Policy - £238,000 is the net cost of agency staff relating to the additional resources of £260,000 required for the delivery of the Local Plan which is reduced by a vacancy saving of £22,000. The resourcing overspend is funded from the planning reserve and has no revenue bottom line impact.
- Legal Services - £152,000 is the net cost of agency cover of £184,000 and increased legal fees of £15,000, against the vacancy savings of £47,000. It is further offset by the Corporate Management underspend of £99,000, which is the vacancy saving for the ACE – Legal post referred to below.
- Vehicle Management - £55,000 one off increase in service costs due to repairing the faulty chassis on the 32 tonne waste trucks, this included £24,000 consultancy support costs from Dennis Eagle.
- Development Control - £77,700 one off agency costs (this is offset by income as detailed below).
- Economic Development - £73,000 increased costs are one off and relates to a £10,000 contribution to the West Essex and LSCC joint initiative and £63,000 to support the Viability and Vitality of Town

Centres. These will be funded from the reserves and have no impact on the final outturn.

- Offices - £72,000 one off increased costs is made up of £54,000 for repairs to various council sites and £18,000 for office refit to ensure they were suitable for letting.
- Human Resources – £57,700 is the cost of the continued/phase 2 of the new HR employee and payroll system. This is funded from the transformation reserve and will have no bottom line impact.

Underspends

- Corporate Management - £154,000 is the vacancy saving for the ACE – Legal post of £99,000 (this offsets an element of the agency cost in Legal). A saving off £55,000 relates to management consultancy, this was originally funded from reserves and as such the reserve is adjusted to reflect this and has no bottom line impact.
- PFI – £80,000 is the unitary charge being less than the amount identified in the PFI model. This is transferred to reserves to cover possible shortfalls in future years and has no bottom line impact.
- Waste Management - £69,000 is the net underspend relating to £96,000 vacancy and overtime saving which is offset against agency costs of £77,000 to cover the vacant posts, plus a reduction in the MRF gate fee of £50,000.
- Customer Services Centre - £22,000 underspend relates to £10,500 one off saving due to delays in recruitment and £11,500 ongoing which relates to the cessation of the Allpay service from September.
- Leisure and Performance – £23,000 on-going saving from the removal of vacant post of Business Support Officer.
- Grants and Contributions - £27,000 on-going saving relates to the contingency budget that has been underspent for several years.
- Homelessness - £28,000 is the total of a one off saving of £7,500 due to a vacant post and an ongoing saving of £20,500 for an income budget adjustment.
- Street Services - £27,000 is a one off saving due to staff vacancies.
- Lifeline - £22,000 is an ongoing saving relating to the amendments to the Careline contract.

Income

- Licensing - £81,000 one off increased taxi licensing fees issued (which will be offset by £11,000 of increased staffing costs).
- Development Control - £75,000 one off increased fee income of £50,000 plus £25,000 of S106 funding.
- Car Park - £40,000 increased income ongoing, review of the previous year's collection rate shows that we expect income to be higher than budgeted.
- Waste Management - £27,000 reduction in income is the net impact of the following items. Increased income of £25,000 for Green Waste, £12,000 Bulky Waste and £11,000 for Trade waste, this is offset against a reduction in the IAA dry recyclable income credits of £75,000.

Corporate Items

- Investment income and charges - £995,000 extra income relates to the interest return of £1,162,000 for the council loan to Aspire (CRP) and the cost of borrowing at £167,000.
- Capital Financing - £398,000 underspend is a reduction of internal borrowing for the capital programme.
- Efficiencies and Income Opportunities - £200,000 shows as unachieved as the savings and income are reflected within the direct service costs.

Variances outside of the council's control and influence

14. The key variances greater than £20,000 that are outside of officers control and influence are detailed below.

- Housing Benefits - £403,000 underspend is due to the reduction in current caseload, this figure is an estimate and the actual outcome can vary throughout the year and is dependent on various external factors.
- Business Rates Retention (BRR) - £258,000 increased income is the net effect of adjustments which relate to a successful appeal by one of our largest businesses late in 2016/17 and this reduced the collection fund balance and subsequently as the level of income decreased the amount of levy we are due to pay also reduces.
- Pension Fund Deficit - £207,000 overspend is the updated cost of the 3 year upfront payment (saving achieved by paying in advance).

15. The outturn forecast is the most informed prediction we have at this point in time and there is an element of risk to the outturn predictions in the year to

some areas. These risks could impact on the final outturn position. Detailed below are the areas which are at high risk and have the potential to affect our year-end financial position.

- Business Rates Retention - the total business rate income recognised in the Council's account is subject to change, due to the difficulty in estimating the year end business rate levy and realisation of appeals. The total business rate levy is linked to the net use of business rates appeals provision within the year. The Council is reliant on the Valuation Office Agency (VOA) to release these figures and for UDC's consultant to assess the potential impact on the appeals provision at year end promptly. The actual position is not known until year end and it is difficult to estimate this during the year.
- Planning Policy agency staff and consultancy costs are subject to change and the current forecast spends and resource requirement is dependent on the outcome of the Regulation 18 Local Plan consultation.
- Housing Benefit Subsidy Income Claims – due to the complexity of the subsidy claim, a change in number of claimants throughout the year and the high financial value of the subsidy income, even a small % change can have a significant impact on the budget. For example a 1% change to caseload can increase or decrease the bottom line by approximately £68k.
- Council Tax Sharing Agreement – Uttlesford is part of an Essex Wide Agreement to improve collection performance and reduce fraud within Council Tax. This income source could fluctuate throughout the year.

Reserves

16. The balance of the usable reserves is predicted to be £7,160,000 at the end of the 2017/18 financial year. Full details of all reserves balances and transfers are shown in Appendix C.
17. The 2016/17 underspend of £691,000 has been allocated from the SIF to the Planning Reserve; the planning reserve balance at 1 April 2017 was £73,000. Following the transfer the updated balance is £764,000 on the planning reserve and £2,767,000 remains in the SIF.
18. A drawdown from the planning reserve to cover the cost of the additional resource at £260,000 leaves a balance of £504,000.
19. The reserve in year drawdown to support specific areas or projects has increased by a net £177,000. This is made up of the following items;
 - I. £260,000 to fund the increase in planning resources plus £15,000 for Neighbourhood plans
 - II. £63,000 funding for the current Economic Development Strategy to support the Viability and Vitality of Town Centres, plus £10,000 for a joint initiative project.

- III. £58,000 funding for the continued rollout of the new HR and Payroll system
- IV. £135,000 has been transferred to the reserves relating to unused management consultancy and the PFI.
- V. £118,000 adjustment to the working balance (unusable reserve), this reserve is a statutory requirement and is based on a specific formula

Housing Revenue Account (HRA)

20. The HRA is forecasting an underspend of £487,000 on the net operating costs and a reduction in the funding requirement after adjusting for slippage from 2016/17 giving an overall surplus of £2,994,000 on the bottom line.

21. The underspend is made up of the following items

- I. Interest return on the loan to Aspire (CRP) Ltd for the element of HRA cash balances used, £398,000 (this equates to approximately 24% of balance). Full details of the loan are explained in the Treasury Management section further on in this report.
- II. The funding requirement for capital projects has reduced by £2,506,000 in the current year and this will be transferred to reserves to match the capital programme slippage and reallocated in 2018/19.

22. A summary is shown below and full details can be seen in Appendix D.

£'000	2016/17	2017/18			
	Outturn	Original Budget	Current Budget	Final Outturn	Variance
Total Service Income	(15,412)	(15,222)	(15,222)	(15,228)	(6)
Total Service Expenditure	4,304	4,251	4,251	4,226	(26)
Total Corporate Items	7,617	10,329	10,329	9,873	(456)
OPERATING (SURPLUS)/DEFICIT	(3,491)	(642)	(642)	(1,130)	(487)
Funding of Capital Programme from HRA	3,220	2,449	9,165	6,592	(2,573)
Use of Reserves	271	(1,807)	(5,529)	(5,462)	67
Total Use of Reserves/Funding	3,491	642	3,636	1,130	(2,506)
(SURPLUS)/DEFICIT	(0)	0	2,994	0	(2,994)

23. The HRA reserves are summarised below.

Reserve	Actual Balance 1 April 2017	Forecast transfer from HRA	Forecast transfer to HRA	Transfers between Reserves	Estimated Balance 31 March 2018
£'000					
<u>RINGFENCED RESERVES</u>					
Working Balance	498	67			565
	498	67	0	0	565
<u>USABLE RESERVES</u>					
<u>Revenue Reserves</u>					
Transformation/Change Management	180				180
Revenue Projects	60				60
	240	0	0	0	240
<u>Capital Reserves</u>					
Capital Projects	3,809		(1,778)		2,031
Potential Development Projects	2,298		(1,433)		865
Sheltered Housing Projects	318		(318)		0
	6,425	0	(3,529)	0	2,896
TOTAL USABLE RESERVES	6,665	0	(3,529)	0	3,136
TOTAL RESERVES	7,163	67	(3,529)	0	3,701

Capital Programme

24. The current budget has been adjusted to allow for the approved slippage from 2016/17 as identified in the final outturn report. The total cost of the capital programme is £20,132,000.

25. Forecasted capital expenditure is £2,656,000 below the current budget and this is due to slippage of £2,571,000 and a minor underspend of £85,000. The slippage relates in the main to the redevelopment of the sheltered schemes

- I. Reynolds Court
- II. Hatherley Court
- III. Walden Place

26. The capital programme is set out in more detail in Appendix E which includes a separate table detailing the current level of S106 balances held.

Treasury Management

27. The council loaned Aspire (CRP) Ltd £47,250,000 on the 3rd May to purchase the 50% share in Chesterford Research Park. The loan agreement is as follows;

- I. Interest fixed rate @ 4% pa
- II. No annual repayments, interest only with full repayment on year 50

28. The initial loan to Aspire (CRP) Ltd was funded by using the council's available cash balances and short term borrowing from other Local Authorities.

29. On the 3rd July a loan agreement was signed with Phoenix Life Limited to borrow £37,000,000 over 40 years. The structure of the loan is as follows

- I. The loan to be drawn down in 3 separate stages
 1. £10,000,000 on the 3rd July 2017
 2. £12,000,000 on the 3rd July 2020
 3. £15,000,000 on the 3rd July 2021
- II. No principal repayments will be made until 5th January 2022.
- III. Fixed rate of interest @ 2.86% for all 3 drawdowns.

30. A further loan was requested by Aspire (CRP) Ltd for the sum of £60,000, this is due for repayment on the 31st March 2018 and interest will be charged at 4%.

31. Investment and borrowing activity during the period 1 April to 30 June 2017 has been set out in Appendix F.

32. All transactions placed complied with the Council's Treasury Management Strategy.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual income and expenditure will vary from forecast, requiring adjustments to budget and/or service delivery. Detailed risks are detailed in point 12 in the main body of the report.	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

£000	2016/17 Outturn	April to June			2017/18			
		Current Budget	Actuals to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance Against Current Budget
Portfolio Budgets								
Community & Partnerships	779	417	368	(49)	1,012	1,055	913	(142)
Housing and Economic Development	1,353	393	255	(138)	1,606	1,563	1,546	(17)
Environmental	2,492	492	459	(34)	3,111	3,111	3,280	169
Finance & Administration	5,164	1,969	1,358	(611)	5,720	5,771	5,524	(247)
Sub-total - Portfolio and Committee Budgets	9,787	3,272	2,440	(832)	11,448	11,499	11,263	(236)
Corporate Items								
Capital Financing Costs	3,056	0	38	38	1,861	5,227	4,829	(398)
Interest Charge	0	0	5	5	0	0	167	167
Investment Income	(143)	(65)	(5)	60	(65)	(65)	(1,227)	(1,162)
Pension Fund - Added Years	103	92	27	(65)	92	92	74	(18)
Pension Fund - Deficit	0	770	977	207	770	770	977	207
Apprenticeship Levy	0	0	0	0	51	0	0	0
Efficiencies and Income Opportunities	0	0	0	0	(200)	(200)	0	200
Recharge to HRA	(1,594)	0	0	0	(1,507)	(1,507)	(1,507)	0
HRA Share of Corporate Core	(334)	0	0	0	(293)	(293)	(293)	0
Sub-total - Corporate Items	1,088	797	1,042	244	710	4,025	3,020	(1,005)
Sub-total Budgets	10,875	4,069	3,482	(587)	12,158	15,524	14,283	(1,241)
Funding								
Council Tax - Collection Fund Balance	(152)	0	0	0	(193)	(193)	(193)	0
DCLG Other Funding	0	0	0	0	0	0	0	0
New Homes Bonus	(4,283)	(943)	(946)	(3)	(3,772)	(3,772)	(3,772)	0
BRR - UDC Share (net of tariff)	(2,407)	0	0	0	(2,238)	(2,238)	(2,427)	(189)
BRR - Levy/(Safety Net) Payment	0	0	0	0	529	529	513	(16)
BRR - Section 31 Funding	(517)	0	0	0	(722)	(722)	(623)	99
BRR - Collection Fund Balance	(231)	0	0	0	1,009	1,009	1,372	363
BRR - Renewable Energy Schemes	(332)	0	0	0	(136)	(136)	(136)	0
Rural Service Delivery Grant	(338)	(71)	(112)	(41)	(285)	(285)	(285)	0
Settlement Funding	(684)	(64)	(60)	3	(255)	(255)	(255)	0
Sub-total - Funding	(8,410)	(1,078)	(1,118)	(40)	(6,063)	(6,064)	(5,806)	258
Net Operating Expenditure	2,465	2,991	2,364	(627)	6,094	9,460	8,477	(983)
Transfer to/(from) Reserves								
Working Balance	22	0	0	0	(13)	(13)	105	118
Business Rates	535	0	0	0	0	0	0	0
Department for Work and Pensions	(65)	0	0	0	0	0	0	0
Licensing	(17)	0	0	0	0	0	0	0
Medium Term Financial Strategy	0	0	0	0	0	0	0	0
Transformation	(194)	0	0	0	(100)	(100)	(103)	(3)
Pension Reserve	0	0	0	0	(770)	(770)	(770)	0
Economic Development	(74)	0	0	0	0	0	(63)	(63)
Elections	25	0	0	0	25	25	25	0
Homelessness	0	0	0	0	(40)	(40)	(40)	0
Health and Wellbeing	27	0	0	0	0	0	(22)	(22)
Planning and Development	(464)	0	0	0	(275)	(275)	(550)	(275)
Strategic Initiatives	2,296	0	0	0	114	(252)	(264)	(12)
Waste Depot Relocation Project	0	0	0	0	0	(3,000)	(3,000)	0
New Homes Bonus Ward Member	(1)	0	0	0	0	0	0	0
Voluntary Sector	(41)	0	0	0	0	0	0	0
Waste Management	70	0	0	0	0	0	0	0
Private Finance Initiative	87	0	0	0	0	0	80	80
Sub-total - Movement General Fund Reserves	2,206	0	0	0	(1,059)	(4,425)	(4,602)	(177)
COUNCIL TAX REQUIREMENT	4,671	2,991	2,364	(627)	5,035	5,035	3,875	(1,160)
Council Tax (Precept levied on Collection Fund)	(4,828)				(5,035)	(5,035)	(5,035)	-
OVERALL NET POSITION	(691)				0	0	(1,160)	(1,160)

APPENDIX A (continued)

COMMUNITY PARTNERSHIPS & ENGAGEMENT PORTFOLIO

Description	2016/17 Actual	April - June			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Community Information	48	19	5	(14)	49	49	48	(1)
Day Centres	22	12	9	(3)	46	46	46	(0)
Emergency Planning	45	11	11	0	47	47	47	0
Grants & Contributions	386	303	309	6	376	376	349	(27)
Leisure & Performance	73	37	31	(6)	163	163	145	(18)
Saffron Walden Museum	163	54	37	(17)	202	202	187	(15)
New Homes Bonus	99	9	15	6	78	78	78	0
Private Finance Initiative	(57)	(40)	(58)	(19)	50	50	(30)	(80)
Community Partnerships	0	11	9	(2)	0	43	43	0
	779	417	368	(49)	1,012	1,055	913	(142)

ENVIRONMENT PORTFOLIO

Description	2016/17 Actual	April - June			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Animal Warden	32	7	7	(0)	32	32	32	1
Grounds Maintenance	255	76	76	(0)	289	289	298	9
Car Park	(643)	(40)	(80)	(40)	(592)	(592)	(633)	(41)
Development Control	(352)	(106)	(33)	73	(231)	(231)	(198)	33
Depots	55	32	26	(6)	58	58	47	(11)
Env Management & Admin	44	0	0	0	0	0	0	0
Street Cleansing	296	72	86	14	302	302	311	9
Housing Strategy	45	10	15	5	112	47	47	0
Highways	(11)	15	16	0	(3)	(3)	(5)	(2)
Local Amenities	23	8	7	(1)	8	8	11	3
Licensing	(208)	(5)	(29)	(24)	(55)	(55)	(125)	(70)
Vehicle Management	373	85	118	33	380	380	432	52
Public Health	565	154	174	19	682	682	687	5
Planning Management	402	107	100	(7)	421	421	423	2
Planning Policy	789	168	176	8	571	636	889	253
Planning Specialists	164	47	45	(2)	198	198	199	1
Waste Management	239	(237)	(320)	(83)	487	487	439	(47)
Community Safety	153	25	15	(10)	154	154	153	(2)
Street Services	271	74	62	(13)	297	297	271	(26)
	2,492	492	459	(34)	3,111	3,111	3,280	169

FINANCE & ADMINISTRATION PORTFOLIO

Description	2016/17 Actual	April - June			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Enforcement	72	0	0	0	0	0	0	0
Benefits Admin	156	19	(4)	(23)	234	234	231	(3)
Business Improvement	47	0	0	0	0	0	0	0
Corporate Management	673	190	123	(68)	761	761	614	(147)
Conveniences	21	20	20	0	20	20	20	0
Central Services	382	98	93	(6)	396	396	399	2
Corporate Team	257	153	218	65	615	615	595	(20)
Conducting Elections	(32)	1	(16)	(16)	1	1	29	29
Electoral Registration	45	0	8	8	59	59	40	(19)
Financial Services	1,076	284	391	107	1,136	1,136	1,131	(5)
Housing Benefits	104	(6)	(479)	(473)	247	247	(157)	(404)
Human Resources	306	124	31	(93)	246	297	352	55
Internal Audit	113	32	30	(2)	129	129	136	7
Information Technology	1,151	688	611	(77)	1,233	1,233	1,229	(5)
Land Charges	(110)	(22)	(38)	(16)	(73)	(73)	(93)	(20)
Legal Services	221	29	71	42	97	97	264	167
Local Taxation	(61)	0	0	0	(110)	(110)	(90)	20
Non Domestic Rates	(146)	0	0	0	(145)	(145)	(147)	(2)
Office Cleaning	147	45	45	(0)	181	181	174	(7)
Offices	472	170	195	25	282	282	375	93
Revenues Admin	491	120	116	(4)	527	527	523	(5)
Council Tax Discounts	(218)	24	(57)	(81)	(117)	(117)	(102)	15
	5,164	1,969	1,358	(611)	5,720	5,771	5,524	(247)

HOUSING & ECONOMIC DEVELOPMENT PORTFOLIO

Description	2016/17 Actual	April - June			Full Year			
		Current Budget	Actual to Date	Variance to Date	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Building Surveying	(127)	(27)	(29)	(3)	(107)	(107)	(109)	(2)
Committee Admin	205	49	50	1	238	195	197	2
Customer Services Centre	367	105	101	(4)	419	419	397	(22)
Democratic Representation	316	83	93	10	324	324	325	2
Economic Development	189	47	34	(13)	181	181	242	61
Energy Efficiency	34	4	3	(1)	44	44	35	(10)
Housing Grants	10	3	0	(3)	3	3	0	(3)
Health Improvement	105	33	34	1	126	126	147	21
Homelessness	175	58	36	(21)	212	212	184	(28)
Lifeline	(186)	(35)	(131)	(96)	(139)	(139)	(161)	(22)
Communications	264	74	63	(11)	304	304	289	(15)
	1,353	393	255	(138)	1,606	1,563	1,546	(17)

APPENDIX B

Service Variance – full analysis

		Savings/increased income		Budget Adj/decreased income	
		One-off	On-going	One-off	On-going
Grants & Contributions	On-going saving from grant contingency budget.		(26,310)		
Leisure & Performance	Business and Performance Officer Post to be removed from establishment		(22,830)		
Saffron Walden Museum	One-off saving due to vacancy, appointment now made	(11,150)			
Communities & Partnerships		(11,150)	(49,140)	0	0
Customer Services Centre	One off salary saving due to vacant posts, on going savings relate mainly to the withdrawal of the All pay service	(10,450)	(11,550)		
Economic Development	One-off saving due to vacancy, appointment now made	(13,000)			
Energy Efficiency	New contract awards have reduced cost of monitoring and billing for utilities		(9,130)		
Housing Grants	Reduction in requirement for grant payments		(2,500)		
Health Improvement	Lower travel costs due to reduction in substantive posts/hours		(2,000)		
Homelessness	One off saving relates to staffing and seminars. Ongoing budget adjustment relates to income	(7,500)	(20,500)		
Lifeline	Additional income generated due to re-deployment of Careline units		(22,120)		
Communications	One off reduction due to staff vacancy and additional cost for Utt Life due to budget consultation.	(18,230)		4,000	
Housing & Economic Development		(49,180)	(67,800)	4,000	0
Animal Warden	Increased income for dog poo bags		(1,000)		
Grounds Maintenance	Additional spend for tree work by external contractors staff completing training during 2017 so future work should be completed in-house.			8,000	
Car Park	Budget set was underestimated and based on previous 3 years actual it is expected that income will be between £200 and £220k for Swan meadow.		(40,000)		
Development Control	£12,300 one off salary saving due to temp reduction in officer hours and £3,000 ongoing saving on travel costs £90,000 additional agency spend in part matched by additional fee income of £50,000 from several large applications. £25,000 additional income from S106. £30,000 Legal fees Public Enquiry.	(87,300)	(3,000)	120,000	
Depots	£10,000 on-going saving porta cabin rental no longer required as purchased.		(10,000)		
Street Cleansing	Agency saving plus increased full year cost for joint initiatives		(3,000)	5,000	
Highways	Equipment and agency costs reductions		(5,330)		
Licensing	Additional income from increase in volume of licences issued for both drivers and vehicles, plus additional staffing costs.	(80,000)		11,000	
Vehicle Management	Additional one off spend due to vehicle maintenance issues plus one off spend of £51,610 consultancy for workshop assessment.	(4,190)		55,010	
Public Health	One off additional income of £41,000 for food inspection (animal origin) and this is offset against £24,000 veterinary costs. Increased income of £24,000 for Peas but this income will cease from December 17, this is offset against consultancy fees. Ongoing additional grant income for Disabled facilities and additional post in the commercial team.	(65,000)	(39,000)	57,000	44,000
Planning Policy	Staff vacancy saving	(21,850)			0
Planning Specialists	Net effect of consultancy saving and staffing realignment.	0	(10,000)	0	10,000
Waste Management	One off saving of £13,660 is the net effect of staff vacancy and additional agency to cover posts, plus a one off net cost of £25,300 is a reduction in the MRF gate fee and IAA dry recyclables income. Ongoing there is a total increase in customer take up of garden, bulky and trade waste collections.	(13,660)	(53,240)	25,300	0
Street Services	One off saving for staff vacancies.	(26,270)			
Environmental Services		(298,270)	(164,570)	281,310	54,000

APPENDIX B continued....

		Savings/increased income		Budget Adj/decreased income	
		One-off	On-going	One-off	On-going
Corporate Management	Senior Mgt Legal Officer vacancy	(98,650)		0	9,370
Corporate Team	One off saving staff vacancy.	(19,920)			
Conducting Elections	Election spend £320,000 matched by reimbursement of £290,000 so net cost to UDC £30,000.			28,687	
Electoral Registration	IER grant updated allocation	(14,370)			
Financial Services	Staffing and agency savings, plus increase in broker and borrowing fees	(11,152)	(9,120)	15,000	
Housing Benefits	Reduced number of claimants in qtr 1.	(403,820)			
Human Resources	Actual cost of apprenticeship levy lower than estimated.	(7,000)			
Internal Audit	New project work (Data Protection) required an increase in hours			5,000	
Information Technology	On going saving due to reduction in costs of software support, telephones and subscriptions. One off cost due to staff vacancy and subsequent overtime/agency requirement		(15,530)	10,400	
Land Charges	Additional income based on current market activity.	(19,640)	0	0	
Legal Services	£47,600 one off saving staff vacancy. Increased cost of agency and legal fees for outsourcing work and a reduction in internally generated income	(47,600)		214,230	
Local Taxation	Reduction in court cost income				20,000
Office Cleaning	General savings across the budget, staffing and cleaning products		(7,500)		
Offices	additional repairs and equipment installation for new tenants in ground floor Wedding income reduction of £15,820.			72,770	15,820
Council Tax Discounts	Additional spend £8,000 flood relief and family annex relief, £8,000 LTCS and UDC hardship relief			16,000	
Finance & Admin		(622,152)	(32,150)	362,087	45,190
Other minor variances		(37,073)		56,003	
Service Total		(1,017,825)	(313,660)	703,400	99,190
Total Net efficiency/savings					(528,895)
Items to be funded from or added to reserves (no bottom line impact)					
Private Finance Init	Forecast is based on actual payments and budget based on model, moved to reserves for potential future years shortfalls		(79,640)		
Economic Development	£10,000 UDC's contribution to Joint Initiative with West Essex & LSCC to be funded through SIF £63,000 help with viability and vitality of town centres as per strategy - this will be offset by draw on reserve.			73,000	
Health Improvement	Draw down on Health and wellbeing grant c/fwd from 2016/17			22,000	
Human Resources	Continuation/phase 2 of the rollout of new HR and payroll system			57,700	
Planning Policy	Consultancy relating to Neighbourhood plans Additional agency relating to the Local Plan, final resource requirement is dependant on the Reg 18 consultation responses			15,000 260,000	
Corporate Management	Consultancy budget for Management		(55,000)		
Total amount to/from reserves			(134,640)	427,700	293,060
Total Service Variance (as per summary report)					(235,835)

APPENDIX C

GENERAL FUND RESERVES

Reserve £'000	Balance 1st April 2017	Forecast Transfer from General Fund	Forecast Transfer To General Fund	Forecast Transfer Between Reserves	Balance 31st March 2018
RINGFENCED RESERVES					
Business Rates	1,035				1,035
Department for Work and Pensions	71				71
Working Balance	1,268	105			1,372
TOTAL RINGFENCED RESERVES	2,374	105	0	0	2,479
USABLE RESERVES					
<u>Financial Management Reserves</u>					
Medium Term Financial Strategy	1,000				1,000
Transformation	766		(103)	1,000	1,663
	1,766	0	(103)	1,000	2,663
<u>Contingency Reserves</u>					
Emergency Response	40				40
	40	0	0	0	40
<u>Service Reserves</u>					
Economic Development	121		(63)		58
Elections	50	25			75
Homelessness	40		(40)		0
Health and Wellbeing	27		(22)		5
Neighbourhood Planning	110		(15)		95
Planning	348		(535)	691	504
Housing Strategy	34				34
Development Control	27				27
Strategic Initiatives	7,492	564	(828)	(4,461)	2,767
Pension Reserve	0		(770)	770	0
New Homes Bonus Ward Member	38				38
Voluntary Sector	0				0
Waste Depot Relocation Project	1,488		(3,000)	2,000	488
Waste Management	201				201
Private Finance Initiative	87	80			166
	10,061	669	(5,273)	(1,000)	4,456
TOTAL USABLE RESERVES	11,867	669	(5,376)	0	7,160
TOTAL RESERVES	14,241	773	(5,376)	0	9,638

APPENDIX D

HOUSING REVENUE ACCOUNT

£000	2016/17				2017/18				
	Outturn	Current Budget to July	Actual to July	Variance to July	Original Budget Full Year	Current Budget Full Year	Forecast Full Year	Outturn Full Year	Forecast Variance Full Year
Housing Revenue Account Income									
Dwellings Rent	(14,315)	(4,720)	(3,569)	1,152	(14,160)	(14,160)	(14,160)		0
Garage Rents	(196)	(69)	(49)	19	(206)	(206)	(206)		0
Land Rents	(6)	(1)	(2)	(1)	(3)	(3)	(3)		0
Charges for Services & Facilities	(871)	(284)	(217)	67	(853)	(853)	(859)		(6)
Contributions Towards Expenditure	(24)	0	(1)	(1)	0	0	0		0
Total Service Income	(15,412)	(5,074)	(3,837)	1,237	(15,222)	(15,222)	(15,228)		(6)
Housing Finance & Business Management									
Business & Performance Management	94	41	30	(11)	122	122	122		0
Rents, Rates & Other Property Charges	52	68	65	(3)	75	75	75		0
	146	108	95	(13)	197	197	197		0
Housing Maintenance & Repairs Services									
Common Service Flats	177	63	21	(42)	189	189	189		0
Estate Maintenance	108	49	17	(32)	147	147	147		0
Housing Repairs	2,357	770	472	(298)	2,323	2,323	2,305		(18)
Housing Sewerage	59	25	16	(9)	53	53	53		0
Newport Depot	39	9	7	(2)	17	17	17		0
Property Services	300	102	71	(30)	302	302	302		0
	3,039	1,018	605	(413)	3,030	3,030	3,013		(18)
Housing Management & Homelessness									
Housing Services	383	139	103	(36)	399	399	399		0
Sheltered Housing Services	736	208	140	(68)	625	625	617		(8)
Supporting People	0	0	0	0	0	0	0		0
	1,119	347	243	(104)	1,024	1,024	1,016		(8)
Total Service Expenditure	4,304	1,473	943	(530)	4,251	4,251	4,226		(26)
Corporate Items									
Bad Debt Provision	(131)	0	0	0	178	178	100		(78)
Depreciation - Dwellings (to MRR)	3,269	0	0	0	3,355	3,355	3,355		0
Depreciation - Non-Dwellings (to MRR)	149	0	0	0	209	209	209		0
Impairment - Non-Dwellings	(161)	0	0	0	0	0	0		0
Interest / Costs - HRA Loan	2,627	0	0	0	2,625	2,625	2,625		0
Repayment of Loan	0	0	0	0	2,000	2,000	2,000		0
Investment Income	(60)	0	0	0	(15)	(15)	(393)		(378)
Recharge from General Fund	1,594	0	0	0	1,507	1,507	1,507		0
HRA Share of Corporate Core	334	0	0	0	293	293	293		0
Pension Fund - Added Years	17	0	7	7	19	19	19		0
Pension Fund - Deficit	0	158	200	42	158	158	158		0
Right to Buy Admin Cost Allowance	(22)	0	(3)	(3)	0	0	0		0
Total Corporate Items	7,617	158	204	47	10,329	10,329	9,873		(456)
TOTAL EXPENDITURE	11,921	1,631	1,148	(484)	14,580	14,580	14,099		(482)
OPERATING (SURPLUS)/DEFICIT	(3,491)	(3,443)	(2,690)	753	(642)	(642)	(1,130)		(487)
Capital Receipts Reserve - Admin	0	0	0	0	(2,000)	(2,000)	(2,000)		0
Funding of Capital Programme from HRA									
Funding of Action Plan Capital Items	3,184	0	0	0	0	0	0		0
Funding of Capital from Revenue	36	0	0	0	2,449	9,165	6,592		(2,573)
	3,220	0	0	0	2,449	9,165	6,592		(2,573)
Transfers to/from (-) Reserves									
Capital Projects Reserve	0	0	0	0	510	(1,778)	(1,778)		0
Potential Developments (new builds)	0	0	0	0	0	(1,433)	(1,433)		0
Sheltered Housing Reserve	0	0	0	0	(317)	(318)	(318)		0
Transformation Reserve	0	0	0	0	0	0	0		0
Working Balance	0	0	0	0	0	0	67		67
	0	0	0	0	193	(3,529)	(3,462)		67
Total Use of Reserve / Funding	3,220	0	0	0	2,642	5,636	3,130		(2,506)
(SURPLUS)/DEFICIT	(271)	(3,443)	(2,690)	753	0	2,994	0		(2,994)

APPENDIX E

CAPITAL PROGRAMME

£'000	Actuals to June	Budget adjustment			Current Budget 2017-18	Forecast Outturn	Forecast to Budget Variance	Requested Slippage to 18/19
		Original Budget 2017-18	Slippage from 2016-17	as agreed by Cabinet/Other budget virements				
Community and Partnerships								
S/W Motte & Bailey Castle	7	0			0	0	0	
Community Project Grants	20	110	38		148	148	0	
CCTV Thaxted	35	0	30		30	30	0	
Community and Partnerships	62	110	68	0	178	178	0	0
Environmental Services								
Vehicle Replacement - Recycling	0	512	560		1,072	1,072	0	
Vehicle Replacement - Cleansing	144	861			861	841	(20)	20
Household Bins	15	70			70	70	0	
Kitchen Caddies	4	10			10	10	0	
Garden Waste Bins	0	20			20	20	0	
Trade Waste Bins	9	10			10	10	0	
Lower Street Car Park Extension	0	0	102		102	102	0	
White Street Car Park	12	0			0	0	0	
Car Parking Machine Replacement	0	92			92	92	0	
Total Environmental Services	184	1,575	662	0	2,237	2,217	(20)	20
Finance & Administration								
<u>IT Schemes</u>								
Minor Items IT	3	20			20	20	0	
PSN CoCo Works	62	30	20		50	50	0	
Mobile working - Housing	2	0			0	0	0	
PCI Compliance - Cash Receipting	29	0	29		29	29	0	
PCI Compliance - Direct Debits	0	0	18		18	18	0	
Committee management system	4	0	20		20	20	0	
Laptops and Tablets	0	0	13		13	13	0	
Scanning stations	5	0			0	0	0	
<u>New Schemes</u>								
Core Switches - replacement	0	40			40	40	0	
Replacement Electoral System	0	30			30	30	0	
Hot Desking/Mobile working	4	45			45	45	0	
<u>UDC Asset work</u>								
Council Offices Improvements								
- London Rd Building works	34	58			58	58	0	
- London Rd Electrical	0	54			54	54	0	
- London Rd Heating	5	0	36		36	36	0	
Stansted Conveniences - Grant	0	0	30		30	30	0	
New Depot	5	0	1,485	1,515	3,000	3,000	0	
Museum Buildings work	0	20			20	20	0	
Day Centres Cyclical Improvements	7	25	19		44	44	0	
Total Finance & Administration	160	322	1,670	1,515	3,507	3,507	0	0
Housing and Economic Development								
Disabled Facilities Grants	21	260			260	260	0	
Empty Dwellings	1	50			50	10	(40)	
Private Sector Renewal Grants	3	70	45		115	70	(45)	
Air Quality Equipment - Saffron Walden	0	0			0	0	0	
Compulsory Purchase Order	0	300			300	300	0	
Superfast Broadband	0		100		100	100	0	
Total Housing and Economic Development	25	680	145	0	825	740	(85)	0
Housing Revenue Account								
HRA Repairs	597	3,255			3,255	3,255	0	
UPVC Fascia's and Guttering	0	100	47		147	147	0	
Cash Incentive Scheme Grants	20	50	5		55	55	0	
Light Vans Replacement Programme	0	87			87	87	0	
Mobile Working Housing	8	0	65		65	65	0	
Housing Contractors Portal & SAM	0	0	29		29	29	0	
Business Plan Items								
Energy Efficiency Schemes	0	0	59		59	59	0	
Resurfacing access roads	0	0	150		150	150	0	
New Builds								
Unidentified	0	1,200	166		1,366	1,366	0	
Catons Lane	0	0	104		104	104	0	
Sheds Lane	4	0	577		577	577	0	
Frambury Lane	0	0			0	0	0	
Newton Grove	5	0			0	0	0	
Redevelopment Scheme								
<u>Sheltered Schemes</u>								
Reynolds Court	459	1,122	3,899		5,021	3,550	(1,471)	1,471
Hatherley Court	8	0	1,660		1,660	1,330	(330)	330
Walden Place	0	400	410		810	60	(750)	750
Total HRA	1,101	6,214	7,171	0	13,385	10,834	(2,551)	2,551
Total General Fund	431	2,687	2,545	1,515	6,747	6,642	(105)	20
CAPITAL PROGRAMME TOTAL	1,532	8,901	9,716	1,515	20,132	17,476	(2,656)	2,571

APPENDIX E

Section 106 Balances

With Conditions	31 March 2017	Income	Adjustment	Drawn Down - Capital/Revenue	Balance at 30 June 2017
	£'000	£'000		£'000	£'000
S106 Receipts in Advance					
Priors Green, Takeley	146	-	-	-	146
Land north of Ingrams, Felsted	10	-	-	-	10
Rochford Nurseries/Foresthall Park, Stansted	763	-	(129)	(62)	572
The Orchard, Elsenham	42	-	-	-	42
Wedow Road, Thaxted	54	-	-	-	54
Sector 4 Woodlands Park, Gt Dunmow	10	-	-	-	10
Keers Green Nurseries, Aythorpe Roding	120	-	-	-	120
Land adjacent to S/W Hospital	31	-	-	-	31
Land at Blossom Hill Farm, Henham	33	-	-	-	33
Land at Webb & Hallett Road, Fritch Green, Felsted	33	-	-	-	33
Total	1,242	-	(129)	(62)	1,051
Other Bodies					
Other Bodies	31 March 2017	Income	Adjustment	Transferred to other bodies	Balance at 30 June 2017
	£'000	£'000		£'000	£'000
S106 Receipts in Advance					
Sector 4 Woodlands Park (Helena Romanes School)	165	-	-	-	165
Brewers End, Takeley	31	-	-	-	31
Land adj Hailes Wood, Elsenham	10	-	-	-	10
Land at Fritch Green, Felsted	67	-	-	-	67
Land adjacent to S/W Hospital	16	-	-	-	16
Land south of Foxley House, Rickling Green	-	20	-	(20)	-
Ashdon Road Commercial Centre	129	-	-	-	129
Land south of Stansted Road, Elsenham	53	-	-	-	53
Land south of Ongar Road, Dunmow	45	-	-	-	45
Land at 119 Radwinter Road, adj S/W Hospital	15	-	-	-	15
Land North of Ongar Road, Gt Dunmow	143	-	-	-	143
Willow Tree Cottage/The Acorns Takeley	17	-	-	-	17
Land at Bury Water Lane, Newport	-	551	-	(522)	29
Land at the North side of Stansted Road, Elsenham	-	378	-	(378)	-
Grants and Contributions to Other Bodies	691	949	-	(920)	720
Without Conditions					
Without Conditions	31 March 2017	Income	Adjustment	Drawn Down - Capital	Balance at 30 June 2017
	£'000	£'000		£'000	£'000
S106 Unapplied					
Affordable Housing;	621	-	-	-	621
-Land rear of Herb of Grace, 25 Parsonage Downs, Du	-	26	-	-	26
Drawn Down	-	-	-	-	-
Affordable Housing	621	26	-	-	647
Dunmow Eastern Sector	18	-	-	-	18
Woodlands Park, Gt Dunmow	83	-	-	-	83
Bell College, Saffron Walden	15	-	-	-	15
Priors Green, Takeley	8	-	-	-	8
Foresthall Park, Stansted	30	-	-	-	30
Lt Walden Road/Ashdon Road, Saffron Walden	98	-	-	-	98
Oakwood Park, Takeley	5	-	-	-	5
Total	878	26	-	-	904

TREASURY MANAGEMENT

April – June 2017 investments

Date of Investment	Counterparty	Amount (£)	Date of Investment	Interest Rate
03/04/2017	DMO	9,000,000	06/04/2017	0.10%
06/04/2017	Suffolk County Council	9,000,000	12/04/2017	0.15%
11/04/2017	DMO	20,000,000	18/04/2017	0.10%
12/04/2017	DMO	10,000,000	18/04/2017	0.10%
18/04/2017	Dumfries & Galloway	5,000,000	02/05/2017	0.15%
18/04/2017	DMO	31,000,000	19/04/2017	0.10%
19/04/2017	Coventry Building Society	2,000,000	02/05/2017	0.18%
19/04/2017	DMO	26,000,000	20/04/2017	0.10%
20/04/2017	DMO	21,000,000	02/05/2017	0.10%
25/04/2017	DMO	1,000,000	27/04/2017	0.10%
02/05/2017	DMO	29,000,000	03/05/2017	0.10%
05/05/2017	DMO	2,000,000	08/05/2017	0.10%
08/05/2017	DMO	2,000,000	15/05/2017	0.10%
15/05/2017	DMO	5,000,000	18/05/2017	0.10%
18/05/2017	DMO	1,000,000	22/05/2017	0.10%
25/05/2017	DMO	3,500,000	01/06/2017	0.10%
01/06/2017	DMO	8,000,000	05/06/2017	0.10%
02/06/2017	Stockport Met.Bor.Council	4,000,000	03/07/2017	0.13%
05/06/2017	DMO	6,000,000	07/06/2017	0.10%
07/06/2017	DMO	2,000,000	19/06/2017	0.10%
15/06/2017	DMO	3,000,000	19/06/2017	0.10%
Average interest rate				0.11%

April – June 2017 borrowing

Date of borrowing	Institution	Amount (£)	Date of Repayment	Interest Rate
03/05/2017	Lancashire CC Pension Fund	9,000,000	02/06/2017	0.22%
03/05/2017	Manchester CC	10,000,000	02/06/2017	0.25%
22/05/2017	Manchester CC	2,000,000	05/06/2017	0.18%
02/06/2017	Manchester CC	10,000,000	03/07/2017	0.22%
02/06/2017	Lancashire CC Pension Fund	9,000,000	03/07/2017	0.22%
19/06/2017	Newport City Council	2,500,000	03/07/2017	0.15%
Average interest rate				0.21%

Balances on call/deposit accounts

Counterparty	Amount (£)	Interest Rate
CCLA	500,000	0.36%
CCLA	500,000	0.35%
Bank of Scotland CA	1,000,000	0.40%
FIBCA	1,000,000	0.45%