

**Committee:** Finance & Administration

**Agenda Item**

**Date:** 27 January 2011

**8**

**Title:** 2010/11 Budget Monitoring (Corporate)

**Author:** Stephen Joyce  
Assistant Chief Executive - Finance  
Tel. 01799 510628

Item for decision

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## Summary

1. This report details financial performance relating to General Fund, Housing Revenue Account, Capital Programme and Treasury Management. It is based upon actual expenditure and income from April to November and forecasts for the end of the financial year.
2. The Strategic Management Board reviewed the report on 19 January and their comments are included.

## Recommendations

3. The Committee is recommended to:
  - a. Note and approve this report

## Financial Implications

4. There are no direct financial implications arising from the recommendations.

## Background Papers

[2010/11 Budget Book](#)

## Impact

Communication/Consultation	Budget holders and SMB 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 - Summary

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### **Net favourable variance of £584,000 is forecast**

In November, a net favourable variance of £477,000 was reported. A net favourable variance of £584,000 is now forecasted.

This comprises a net favourable variance on net operating expenditure of £249,000, but after planned use of earmarked reserves to fund specific items of expenditure included within that sum, there is a net favourable variance of £584,000.

### **Details in Appendix A**

Adverse Variances above 20k as itemised below	701
Favourable variances above 20k as itemised below	(865)
Minor variances (net)	(85)
Sub total – net operating expenditure	(249)
Net Reserves transfers not budgeted	(335)
Net Expenditure	(584)

The main reasons for the change in the figure since the previous report are an improved forecast for planning fee income, additional external funding for waste and a release of additional monies held in contingency for concessionary fares legal cases, no longer required.

This means that there is no longer a need to draw upon the Budget Equalization Reserve to balance the Budget. SMB feel that in principle, monies should be diverted to the Change Management Reserve if the forecasted variance is confirmed later in the year.

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### **Key developments since the last report**

**Conveniences** – Members have decided to terminate the Supaloos contract. The termination cost £250,000 is shown as an unbudgeted variance against the Conveniences budget; to be funded by a withdrawal from the Change Management Reserve.

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<p><b>Adverse variances above £20,000</b></p>	<p><b>*£250,000 – Supaloos contract termination cost. To be funded from the Change Management Reserve.</b></p>
<p><b>*denotes non-recurring item</b></p>	<p>*£100,000 – Energy Efficiency - repayment of loan. To be funded from the Energy Efficiency Reserve.</p>
<p><b>Items newly appearing in this report are in bold type</b></p>	<p>£87,000 –Benefits – a revised forecast of Government subsidy based on caseload and performance.</p>
	<p>*£75,000 – Corporate Team established to implement savings. Funded from the Change Management Reserve.</p>
	<p>£52,000 – reduction in demand for trade waste services.</p>
	<p>*£35,000 – Benefits administration – investment in training funded from increase in DWP admin grant.</p>
	<p>*£35,000 – Interim Change Manager.</p>
	<p>£39,000 – Vehicle Management, higher materials costs plus new post recruited to at a higher level than budgeted.</p>
	<p>£28,000 – Car Parks income; £5,000 loss due to higher VAT rate. Excess charges £23,000 below budget.</p>
<p><b>Favourable variances above £20,000</b></p>	<p>£154,000 – Land Charges – income can be retained by the Council following clarification of legal position.</p>
<p><b>*denotes non-recurring item</b></p>	<p>*£90,000 – Assisted Travel – provisions established for possible legal case liability no longer required.</p>
<p><b>Items newly appearing in this report are in bold type</b></p>	<p>£83,000 – waste disposal charges saving due to renegotiated lower rates.</p>
	<p>£80,000 – Staff pay award budget not expected to be required as no pay offer is likely.</p>
	<p>£60,000 – Saffron Walden Offices Rates Refund.</p>
	<p>*£55,000 – increase in benefits administration grant. £35,000 to be spent this year, balance transferred to Benefits Reserve</p>
	<p><b>£55,000 – additional funding obtained for the Waste Service. To be earmarked for service development.</b></p>
	<p><b>£51,000 – ICT service savings.</b></p>
	<p>£46,000 – Director salary saving.</p>
	<p>£39,000 – Waste management salary savings</p>
	<p>£30,000 – Building Surveying – income above budgeted levels; new fees &amp; charges structure now in place.</p>
	<p>£28,000 – Street Services – Administrative post not filled, plus recovery of Manager costs from Braintree DC.</p>
	<p><b>£25,000 – Planning fee income forecasted to be above budget based on trend in the year so far.</b></p>
	<p><b>£24,000 – savings in the Business Improvement Team arising from vacant posts not being filled</b></p>
	<p><b>£24,000 – Energy Efficiency budget saving arising from new advice contract with Braintree DC</b></p>
	<p><b>£21,000 – Housing Strategy saving arising from maternity leave cover by a consultant.</b></p>

<b>Updated Risk Analysis</b>	Some of the risks originally identified when setting the budget have reduced, as shown in Appendix B.
<b>Actions agreed by SMB</b>	<p>Continue to monitor budgets.</p> <p>Investigate reasons for decline in demand for Trade Waste services and implement corrective action.</p> <p>Investigate reasons for reduction in Excess Car Park Charges income and work with the Car Parks Partnership to take corrective action.</p> <p>SMB will review Pest Control as the desired progress towards achieving a cost neutral service is not yet being met.</p> <p>Ensure ongoing variances are properly reflected in 2011/12 budget calculations and medium term forecasts.</p> <p>To recommend that underspends be diverted to the Change Management Reserve to enable investment in Strategic Solutions Workstreams.</p>

### **Housing Revenue Account – Summary**

<b>Net favourable variance is forecast</b>	<p>An overall net underspend of £62,000 is forecast.</p> <p>This position could change if adverse weather conditions generate a higher than usual level of urgent responsive repairs.</p> <p>There are no significant variances.</p> <p>Details are in Appendix B.</p>
<b>Overspending areas</b>	<p>£44,000 – Income from dwelling rents forecasted to be under budget, a variance of 0.4%. This reflects current collection trends and suggests that adverse economic conditions are affecting some people’s ability to keep their rent accounts up to date.</p>
<b>Underspending areas</b>	<p>£68,000 – Housing Services. The budget includes a £40,000 error which will be corrected for 2011/12. The remaining £28,000 variance comprises various underspends over a range of budget headings e.g. consultancy costs, meetings/seminars &amp; stationery.</p> <p>£53,000 – Property Services – relates to a vacant surveyor post. This is to be recruited to in 2011.</p> <p>£39,000 – Negative Housing Subsidy – due to a revision in the Government calculation.</p>

## Capital Programme - Summary

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### **A substantial underspend is forecast**

An overall net underspend of £1.6 million is forecasted.

### **Details are in Appendix D.**

#### Favourable variances

Expenditure of £951,000 relating to the Heritage Quest Centre project is postponed pending a decision on the Sainsburys planning application.

IT projects totalling £523,000 are not expected to take place until 2011/12, due to reviews and uncertainties in some services; this includes the replacement of the Revenues & Benefits system.

The budget allocated for Fairycroft Road car park repairs of £154,000 has been deferred pending determination of the Waitrose proposals.

A saving of £75,000 has been made by getting a good deal on refuse vehicle replacements.

Planned expenditure of £50,000 on Thaxted Play Equipment has been suspended due to withdrawal of government funding for play projects.

A saving of £40,000 has been achieved by repairing the SW office boiler instead of replacing it.

#### Adverse variances

Expenditure on replacement wheelie bins is higher than budgeted.

Planned expenditure on street cleansing vehicle replacements has been brought forward from 2011/12 to this year, so there is an unbudgeted cost of £105,000 in 2010/11.

The demand for Disabled Facilities Grants now exceeds the historical annual sum budgeted; this year expenditure of £150,000 is forecasted compared with a budget of £110,000. This is a mandatory demand-led scheme so the budget needs to be adjusted accordingly in future years.

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## Treasury Management – Summary

**Landsbanki latest**

There are no new developments since the report to this Committee in November. Litigation to determine the status of UK local authorities (priority or non-priority creditors) is not expected to commence in February 2011. LGA/CIPFA advice is unchanged i.e. to assume that priority status will prevail, and a 95% recovery by 2018. The Landsbanki website is currently reporting that Priority Claims will realise 93%.

The legal costs being incurred by the LGA's lawyers are exceeding estimates and there will be modest unbudgeted cost falling upon UDC as a result.

**Schedule of Deposits**

A list of deposits made since the last report is at Appendix E. All transactions complied with policy.

**Changes to Counterparty List**

No changes since the last report. Money Market Funds not domiciled in the UK remain suspended. Use of Santander UK and Bank of Scotland is being limited to on call money rather than fixed term deposits.

### Risk Analysis

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

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

**APPENDIX A**

**GENERAL FUND SUMMARY**

£000	April to November			2010/11 Financial Year			
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Community & Housing	998	954	-44	1,780	1,404	1,674	270
Development Control	207	156	-51	279	534	503	-31
Environment	1,462	1,524	62	1,694	1,767	1,669	-98
Finance & Administration	4,074	3,646	-428	5,931	6,156	5,781	-375
Licensing	-88	-96	-8	-91	-106	-110	-4
<b>Sub-total – Committee budgets</b>	<b>6,653</b>	<b>6,184</b>	<b>-469</b>	<b>9,593</b>	<b>9,755</b>	<b>9,517</b>	<b>-238</b>
Recharge to HRA	0	0	0	-930	-930	-930	0
HRA share of corporate core	0	0	0	-267	-267	-267	0
Investment income	-48	-48	0	-72	-72	-72	0
Pension Fund	0	0	0	465	465	465	0
Capital Financing Costs	0	0	0	478	844	833	-11
Landsbanki Impairment	0	0	0	1,014	1,162	1,162	0
<b>Sub-total – Net Operating Expenditure</b>	<b>6,605</b>	<b>6,136</b>	<b>-469</b>	<b>10,281</b>	<b>10,957</b>	<b>10,708</b>	<b>-249</b>
Transfer to Working Balance	85	85	0	85	85	85	0
Transfer to Elections Reserve	30	30	0	30	30	30	0
Transfer to Licensing Reserve	0	0	0	0	0	4	4
Transfer to Benefits Reserve	0	0	0	0	0	20	20
Transfer from Energy Efficiency Reserve	0	0	0	0	0	-92	-92
Transfer from Planning Development Reserve	0	0	0	0	-417	-379	38
Transfer from Landsbanki Contingency Fund	0	0	0	-1,014	-1,162	-1,162	0
Transfer from Change Management Reserve	0	0	0	-107	-234	-539	-305
<b>Sub-total - Net Expenditure</b>	<b>6,720</b>	<b>6,251</b>	<b>-469</b>	<b>9,275</b>	<b>9,259</b>	<b>8,675</b>	<b>-584</b>
Transfer from Budget Equalization Reserve	0	0	0	-310	-284	-284	0
<b>BOTTOM LINE</b>	<b>6,720</b>	<b>6,251</b>	<b>-469</b>	<b>8,965</b>	<b>8,975</b>	<b>8,391</b>	<b>-584</b>
<b>Funding Available</b>							
Local Government Finance Settlement				-4,106	-4,106	-4,106	0
Area Based Grant				-29	-39	-39	0
Council Tax				-4,853	-4,853	-4,853	0
Collection Fund Balance				23	23	23	0
<b>Total Funding Available</b>				<b>-8,965</b>	<b>-8,975</b>	<b>-8,975</b>	<b>0</b>
<b>OVERALL NET POSITION</b>							<b>-584</b>

[Attach as a front sheet to final version of committee report before submitting to Democratic Services]

**APPENDIX A (continued)**

**COMMUNITY & HOUSING COMMITTEE**

£000	April to November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Animal Warden	20	19	-1	31	31	30	-1	
Bridge End Gardens	0	11	11	0	0	11	11	
Community Information Centres	43	41	-2	56	46	47	1	
Community Safety	132	122	-10	55	54	56	2	
Community & Leisure Management	30	29	-1	48	48	48	0	
Community Wardens	31	31	0	61	61	61	0	
Conveniences	89	91	2	122	122	362	240	Termination of Supaloos contract
Day Centres	49	39	-10	58	58	74	16	
Drug Awareness	1	-4	-5	-2	-2	-2	0	
Emergency Planning	27	24	-3	43	45	45	0	
Environmental Management & Admin	60	62	2	89	89	89	0	
Grants & Contributions	223	209	-14	211	211	207	-4	
Homelessness	26	19	-7	87	90	94	4	
Housing Grants	0	0	0	15	15	15	0	
Leisure & Administration	42	21	-21	42	40	41	1	
Leisure PFI	-38	-29	9	255	-114	-114	0	
Life Line	-177	-183	-6	-67	-66	-71	-5	
Museum Saffron Walden	163	157	-6	237	237	233	-4	
Pest Control	3	8	5	17	17	24	7	
Public Health	233	242	9	374	374	377	3	
Sports Development	31	36	5	38	38	38	0	
Tourist Information Centre	10	9	-1	10	10	9	-1	
<b>Committee Total</b>	<b>998</b>	<b>954</b>	<b>-44</b>	<b>1,780</b>	<b>1,404</b>	<b>1,674</b>	<b>270</b>	



**APPENDIX A (continued)**

**DEVELOPMENT CONTROL COMMITTEE**

£000	April to November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
<b>Development Control</b>								
<i><b>Expenditure</b></i>								
Employees	320	375	55	480	540	546	6	
Transport	0	0	0	10	10	10	0	
Supplies and Services	75	99	24	165	260	258	-2	
<b>Total</b>	<b>395</b>	<b>474</b>	<b>79</b>	<b>655</b>	<b>810</b>	<b>814</b>	<b>4</b>	
<i><b>Income</b></i>								
HPDG	0	0	0	-100	0	0	0	
Fee Income	-377	-483	-106	-566	-566	-591	-25	Income trend in the year is above budget
Pre-Application Charges	-16	-23	-7	-24	-23	-32	-9	
Footpath Diversion	-4	-4	0	-6	-7	-5	2	
<b>Total</b>	<b>-397</b>	<b>-510</b>	<b>-113</b>	<b>-696</b>	<b>-596</b>	<b>-628</b>	<b>-32</b>	
<b>Net Total</b>	<b>-2</b>	<b>-36</b>	<b>-34</b>	<b>-41</b>	<b>214</b>	<b>186</b>	<b>-28</b>	
<b>Planning Mgt.&amp; Admin.</b>								
<i><b>Expenditure</b></i>								
Employees	203	185	-18	305	305	297	-8	
Direct Admin	11	11	0	22	22	26	4	
<b>Total</b>	<b>214</b>	<b>196</b>	<b>-18</b>	<b>327</b>	<b>327</b>	<b>323</b>	<b>-4</b>	
<i><b>Income</b></i>								
External Charges	-5	-4	1	-7	-7	-6	1	
<b>Net Total</b>	<b>209</b>	<b>192</b>	<b>-17</b>	<b>320</b>	<b>320</b>	<b>317</b>	<b>-3</b>	
<b>Committee Net Total</b>	<b>207</b>	<b>156</b>	<b>-51</b>	<b>279</b>	<b>534</b>	<b>503</b>	<b>-31</b>	

**APPENDIX A (continued)**

**ENVIRONMENT COMMITTEE**

£000	April to November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Assisted Travel	149	130	-19	219	219	124	-95	Provision of legal case liabilities not required
Building Surveying	33	-8	-41	77	77	47	-30	Fee income is up
Car Parking	-386	-430	-44	-654	-654	-626	28	Reduced trend on penalties income; VAT increase
Cemetery (Saffron Walden)	0	6	6	0	0	6	6	
Conservation & Enhancement	57	54	-3	95	113	100	-13	
Depots	31	32	1	38	38	47	9	
District Monitoring & Enforcement	25	25	0	38	38	38	0	
Energy Efficiency	38	110	72	29	29	105	76	Salix loan repayment £100k / salary saving
Housing Strategy	70	60	-10	102	114	93	-21	Salary saving (maternity leave)
Land Drainage	33	33	0	52	52	51	-1	
Local Amenities	72	77	5	70	74	82	8	
On Street Parking	-8	-9	-1	-176	-176	-157	19	
Planning Grants	8	8	0	5	8	8	0	
Planning Policy	172	184	12	274	309	307	-2	
Solid Waste Management	-3	-1	2	-2	-2	4	6	
Street Cleansing	179	174	-5	278	271	257	-14	
Street Services Management & Admin	178	160	-18	271	272	244	-28	Admin staff saving
Transport Administration	121	145	24	313	313	313	0	
Vehicle Management	181	218	37	272	272	311	39	Higher cost of materials / staff overtime
Waste Management	512	556	44	393	400	315	-85	Lower disposal charges / external funding
<b>Committee Total</b>	<b>1,462</b>	<b>1,524</b>	<b>62</b>	<b>1,694</b>	<b>1,767</b>	<b>1,669</b>	<b>-98</b>	

**APPENDIX A (continued)**

**FINANCE & ADMINISTRATION COMMITTEE**

£000	April to November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Benefit Administration	0	0	0	-228	-227	-282	-55	Temporarily unable to report year-to date figures.
Business Improvement & Performance Team	135	123	-12	200	200	170	-30	Salary savings, vacant posts not being filled
Central Services	115	109	-6	174	174	168	-6	
Committee Administration	80	65	-15	95	108	103	-5	
Communications	104	90	-14	161	163	148	-15	
Conducting Elections	2	21	19	2	2	1	-1	
Corporate Management	472	418	-54	989	992	959	-33	Director & pay award savings / change mgt costs
Council Tax Benefits	0	0	0	7	7	81	74	Temporarily unable to report year-to date figures.
Customer Services Centre	214	199	-15	347	319	299	-20	Salary saving, staff replaced at lower salary
Democratic Representation	258	226	-32	367	367	357	-10	
Electoral Registration	63	55	-8	111	97	94	-3	
Enforcement	113	100	-13	167	167	166	-1	
Financial Services	525	489	-36	882	1,024	1,007	-17	
Housing Benefits	0	0	0	202	202	215	13	Temporarily unable to report year-to date figures.
Human Resources	142	156	14	161	199	189	-10	
Information Technology	765	695	-70	927	1,017	966	-51	Salary savings, service head on secondment
Internal Audit	78	78	0	117	117	118	1	
Land Charges	67	-55	-122	113	113	-41	-154	Land charge fees can now be retained by UDC
Legal Services	95	75	-20	145	145	125	-20	Salary saving (maternity leave)
Local Tax Collection	0	0	0	-118	-118	-118	0	
Non Domestic Rates	0	0	0	-93	-93	-93	0	
Office Services	49	50	1	74	74	75	1	
Offices Dunmow	26	23	-3	24	24	23	-1	
Offices Saffron Walden	230	142	-88	270	270	210	-60	Business rates refund
Resources Miscellaneous	-26	-30	-4	-52	-52	-59	-7	
Revenues Administration	567	617	50	887	865	900	35	Training & development, paid for by DWP grant
<b>Committee Total</b>	<b>4,074</b>	<b>3,646</b>	<b>-428</b>	<b>5,931</b>	<b>6,156</b>	<b>5,781</b>	<b>-375</b>	

**APPENDIX A (continued)**

**LICENSING COMMITTEE**

£000	April to November			2010/11 Financial Year				Comments
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance	
Employee Expenses	61	62	1	91	91	93	2	
Supplies and Services	30	32	2	37	37	37	0	
Direct Expenditure	91	94	3	128	128	130	2	
Taxi	-112	-123	-11	-132	-147	-153	-6	New tariff in operation
Other Licences	-67	-67	0	-87	-87	-87	0	
Direct Income	-179	-190	-11	-219	-234	-240	-6	
<b>Committee Total</b>	<b>-88</b>	<b>-96</b>	<b>-8</b>	<b>-91</b>	<b>-106</b>	<b>-110</b>	<b>-4</b>	

**APPENDIX A (continued)**

**GENERAL FUND RESERVES**

		Forecast	Transfers	Forecast	Forecast
Reserve	Balance	Transfer from	between	Transfer to	Balance
	31-Mar-10	General Fund	reserves	General Fund	31-Mar-11
Working Balance	1,096	85			1,181
Change Management	547		123	-539	131
Planning Development	770		-123	-379	268
Landsbanki Contingency	1,162			-1,162	0
Waste Management	282				282
Energy Efficiency	92			-92	0
Licensing	138	4			142
Elections	32	30			62
Business Development	42				42
Housing Benefits	100	20			120
Budget Equalization	1,499			-284	1,215
<b>Total</b>	<b>5,760</b>	<b>139</b>	<b>0</b>	<b>-2,456</b>	<b>3,443</b>

**APPENDIX B****General Fund – risk analysis**

This is an update of the risk analysis reported to the Council at the time that the 2010/11 budget was set.

<b>Risk Area</b>	<b>Original Risk Level</b>	<b>Current Status</b>	<b>Current Risk Level</b>
<b>Landsbanki</b>	High (adverse)	Unless new regulations are enacted, an impairment will have to be written off in 2010/11. Contingency provision of £1.2 million established. No definitive news likely pending litigation in Iceland likely to take until Spring 2011. Landsbanki website currently reporting that Priority Claims will realise 93%.	High (adverse)
<b>Housing &amp; Planning Delivery Grant.</b>	High (adverse)  Medium (favourable)	HPDG abolished by Government. No grant will be paid in 2010/11. £100,000 budget shortfall covered by withdrawal from Planning Development Reserve. Budget adjustments made, no residual risk.	None
<b>Strategic Solutions.</b>	High (adverse)	Implementation costs arising from implementing Strategic Solutions have not been built into the budget or forecasts. Such costs have already been incurred, and will be met from the Change Management Reserve.	High (adverse)
<b>Housing &amp; Council Tax Benefits.</b>	Medium (adverse)	Forecasts continue to assume 98% of expenditure will be funded by Government grant. Mid-year review confirms this is a realistic estimate. 2009/10 External Audit has identified errors so there is a risk of the grant being adjusted.	Medium (adverse)
<b>Capital financing costs.</b>	Medium (adverse or favourable)	Variable factors and complexity of regulations, combined with advent of new accounting rules, makes this a difficult area to forecast accurately.	Medium (adverse or favourable)
<b>Refuse &amp; recycling.</b>	Medium (adverse or favourable)	Costs and income continue to be variable.	Medium (adverse or favourable)

<b>Risk Area</b>	<b>Original Risk Level</b>	<b>Current Status</b>	<b>Current Risk Level</b>
<b>Recharges from General Fund to Housing Revenue Account.</b>	Medium (adverse or favourable)	The level of recharge is based on many variable factors, but level of possible fluctuation no longer considered to be as significant.	Low (adverse or favourable)
<b>Pay award</b>	Medium (adverse or favourable)	The Employers Side is adhering to the position that no pay award will be given in 2010/11. £80,000 budget unlikely to be required.	High (favourable)
<b>Fees &amp; Charges Income.</b>	Medium (adverse)	The position regarding land charges has been clarified and forecasts now included estimates of income receivable. This gives rise to a large favourable variance. Other sources of income are experiencing some variability, including building control (favourable), trade waste (adverse) and car parking (adverse).	High (adverse and favourable)
<b>Fuel, Energy &amp; Utilities costs.</b>	Medium (adverse or favourable)	Inherent variability remains, but there is a concern over completeness and accuracy of billing which is undermining our ability to manage these costs. An energy costs consultant has been appointed to tackle this issue.	Medium (adverse or favourable)
<b>Concessionary Bus Travel.</b>	Medium (adverse or favourable)	Demand led activity and variable factors continue, but the possible variance is no longer felt to be as significant.	Low (adverse or variable)
<b>Instability of banking industry.</b>	Medium (adverse)	Prudent investment policy minimises risk. A banking failure is unlikely, but the effect should one occur is potentially serious.	Medium (adverse)
<b>2009/10 forecast outturn.</b>	Low (adverse)	The audited statement of accounts confirmed the outturn results previously reported to Members. There was a net favourable variance in 2009/10, so no additional reserves replenishment in 2010/11 is needed.	None
<b>Stansted Airport expansion.</b>	Low (adverse)	The Government has ruled out the possibility of Stansted expansion for at least 5 years, so no financial exposure will arise. For the longer term an appropriate sum is being retained within the Planning Development Reserve.	None

[Attach as a front sheet to final version of committee report before submitting to Democratic Services]

## APPENDIX C

### HOUSING REVENUE ACCOUNT

£000	April to November			2010/11 Financial Year			
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Dwelling Rents	-5,670	-5,564	106	-11,340	-11,340	-11,296	44
Garage Rents	-107	-92	15	-210	-213	-198	15
Other rents etc	-2	-2	0	-6	-3	-3	0
Charges for Services & Facilities	-239	-159	80	-477	-477	-477	0
Contributions towards expenditure	-71	-69	2	-87	-88	-74	14
Investment Income	0	0	0	-5	-5	-4	1
<b>Sub-total – Direct Income</b>	<b>-6,089</b>	<b>-5,886</b>	<b>203</b>	<b>-12,125</b>	<b>-12,126</b>	<b>-12,052</b>	<b>74</b>
Housing Repairs	911	990	79	1,650	1,692	1,685	-7
Housing Services	165	128	-37	337	334	266	-68
Property Services	290	265	-25	412	365	312	-53
Rent Collection & Accounting	32	25	-7	81	81	72	-9
Sheltered Housing Services	180	214	34	360	390	414	24
Common Service Flats	167	140	-27	371	371	371	0
Housing Sewerage	10	18	8	13	13	19	6
Estate Maintenance	99	94	-5	199	199	197	-2
Rents, Rates & Other Property Charges	30	42	12	30	30	42	12
Negative Housing Subsidy	2,467	2,441	-26	4,937	4,937	4,898	-39
Depreciation - Dwellings	0	0	0	1,955	1,955	1,955	0
Depreciation - Other assets	0	0	0	211	211	211	0
Bad Debt Provision	0	0	0	59	59	59	0
Revenue Contribution to Capital	0	0	0	400	400	400	0
<b>Sub-total - Direct Expenditure</b>	<b>4,351</b>	<b>4,357</b>	<b>6</b>	<b>11,015</b>	<b>11,037</b>	<b>10,901</b>	<b>-136</b>
Recharge from General Fund	0	0	0	930	930	930	0
HRA Share of Corporate Core	0	0	0	267	267	267	0
Pension Fund	0	0	0	51	51	51	0
<b>Sub-total - Total Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,263</b>	<b>12,285</b>	<b>12,149</b>	<b>-136</b>
<b>Operating surplus(-) /deficit</b>	<b>-1,738</b>	<b>-1,529</b>	<b>209</b>	<b>138</b>	<b>159</b>	<b>97</b>	<b>-62</b>
Transfer from Major Repairs Reserve	0	0	0	-211	-211	-211	0
<b>In year surplus (-) / deficit</b>	<b>-1,738</b>	<b>-1,529</b>	<b>209</b>	<b>-73</b>	<b>-52</b>	<b>-114</b>	<b>-62</b>
<b>Working Balance</b>							
Balance 31 March 2010				-796	-723	-723	0
In year surplus (-) / deficit				-73	-52	-114	-62
Forecast Balance 31 March 2011				<b>-869</b>	<b>-775</b>	<b>-837</b>	<b>-62</b>



## APPENDIX D

### CAPITAL PROGRAMME

£000	2010/11 Financial Year						Forecast Outturn	Forecast Variance
	Actual April to Nov	Original Budget	Slippage from 2009/10	Additional External Funding in Year	Other Budget Adjustments	Updated Budget		
<b>Community &amp; Housing</b>								
Community Project Grants	50	70	0	0	0	70	70	0
Disabled Facilities Grants	73	110	0	0	0	110	150	40
Dunmow CCTV	0	50	0	0	0	50	50	0
Empty Dwellings	0	50	0	0	0	50	10	-40
Felsted Playground	25	0	25	0	0	25	25	0
Play Programme	0	0	3	0	0	3	3	0
Private Sector Renewal Grants	5	40	0	0	0	40	20	-20
Swimming Grant	9	0	22	0	0	22	22	0
Thaxted Play Equipment	0	50	0	0	0	50	0	-50
Heritage Quest Centre	0	972	19	0	0	991	40	-951
<b>Total - Community &amp; Housing Committee</b>	<b>162</b>	<b>1,342</b>	<b>69</b>	<b>0</b>	<b>0</b>	<b>1,411</b>	<b>390</b>	<b>-1,021</b>
<b>Environment</b>								
Energy Efficiency Programme	10	25	0	0	0	25	25	0
Food Waste Caddies	0	0	7	0	0	7	7	0
Glass Bottle Banks	0	0	2	0	0	2	2	0
Trade Waste Bin replacements	7	10	0	0	0	10	10	0
Wheelie Bins	33	10	0	0	0	10	50	40
Grant to Saffron Walden Town Council	50	0	50	0	0	50	50	0
Light Vans replacement programme	25	36	0	0	0	36	25	-11
Pest Control Vans replacement programme	25	36	0	0	0	36	29	-7
Recycling Vehicles	208	166	0	0	0	166	208	42
Refuse Collection / Trade Waste vehicles	546	370	285	0	0	655	580	-75
Street Cleansing Vehicles	8	147	0	0	0	147	252	105
Hard to Reach Properties Vehicle	0	0	0	100	0	100	100	0
Ashton/DEFRA Project	4	0	0	83	0	83	83	0
Fairycroft Car Park - Repairs	0	154	0	0	0	154	0	-154
Museum Grounds Boundary Wall	12	0	37	0	0	37	37	0
White Street Car Park - Prior Year	0	0	15	0	0	15	15	0
White Street Car Park - Repairs	0	70	0	0	0	70	70	0
<b>Total - Environment Committee</b>	<b>928</b>	<b>1,024</b>	<b>396</b>	<b>183</b>	<b>0</b>	<b>1,603</b>	<b>1,543</b>	<b>-60</b>
<b>Finance &amp; Administration</b>								
Information Technology - corporate projects	95	685	82	0	0	767	244	-523
Information Technology - Disaster Recovery	26	30	0	0	0	30	30	0
Information Technology - E-Procurement	11	0	0	0	0	0	25	25
Information Technology - FMS Project	12	0	18	0	0	18	13	-5
Saffron Walden Office - Glass Atrium	57	0	100	0	0	100	120	20
Saffron Walden Office - New Boiler	0	40	0	0	0	40	0	-40
<b>Total - Finance &amp; Administration</b>	<b>201</b>	<b>755</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>955</b>	<b>432</b>	<b>-523</b>
<b>Total - General Fund Supervision</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>Housing Revenue Account</b>								
Capital Repairs	1,180	1,915	0	0	150	2,065	2,065	0
Depot Works	13	50	0	0	-6	44	44	0
Holloway Crescent	271	315	0	225	110	650	650	0
Temporary Accommodation	89	100	0	0	-11	89	89	0
Capital Vehicles	31	238	0	0	0	238	248	10
Tenants Grants	4	40	0	0	0	40	40	0
HRA Supervision	0	0	0	0	275	275	275	0
<b>Total - Housing Revenue Account</b>	<b>1,588</b>	<b>2,658</b>	<b>0</b>	<b>225</b>	<b>518</b>	<b>3,401</b>	<b>3,411</b>	<b>10</b>
<b>CAPITAL PROGRAMME TOTAL</b>	<b>2,879</b>	<b>5,784</b>	<b>665</b>	<b>408</b>	<b>518</b>	<b>7,375</b>	<b>5,781</b>	<b>-1,594</b>

**APPENDIX E****TREASURY MANAGEMENT****DEPOSITS MADE 12 NOVEMBER 2010 TO 17 JANUARY 2011**

<b>Deposit Date</b>	<b>Amount</b>	<b>Institution</b>	<b>Interest Rate</b>	<b>Return date</b>
15.11.10	£2.8m	Government DMO	0.25%	18.11.10
1.12.10	£1.5m	Government DMO	0.25%	21.12.10
1.12.10	£0.7m	Government DMO	0.25%	19.1.11
10.12.10	£1.2m	Government DMO	0.25%	22.12.10
15.12.10	£3.4m	Government DMO	0.25%	17.12.10
23.12.10	£1m	Nationwide BS	0.63%	22.3.11
23.12.10	£1m	Nationwide BS	1.00%	22.6.11
4.1.11	£1.4m	Government DMO	0.25%	5.1.11
4.1.11	£2m	Government DMO	0.25%	20.1.11
7.1.11	£2m	Government DMO	0.25%	10.1.11
10.1.11	£1.2m	Government DMO	0.25%	14.1.11
10.1.11	£1.2m	Government DMO	0.25%	19.1.11
17.1.11	£1.7m	Government DMO	0.25%	19.1.11
17.1.11	£1m	Nationwide BS	0.47%	18.2.11
17.1.11	£0.5m	Government DMO	0.25%	18.2.11

**APPENDIX E (continued)****DEPOSITED BALANCES AS AT 17 JANUARY 2011**

<b>Deposit date</b>	<b>Amount</b>	<b>Institution</b>	<b>Interest rate</b>	<b>Return date</b>
17.10.07	£2.3m	Landsbanki	6.15%	15.10.08
8.4.10	£1m	Bank of Scotland	1.90%	7.4.11
1.12.10	£0.7m	Government DMO	0.25%	19.1.11
23.12.10	£1m	Nationwide BS	0.63%	22.3.11
23.12.10	£1m	Nationwide BS	1.00%	22.6.11
4.1.11	£2m	Government DMO	0.25%	20.1.11
10.1.11	£1.2m	Government DMO	0.25%	19.1.11
17.1.11	£1.7m	Government DMO	0.25%	19.1.11
17.1.11	£1m	Nationwide BS	0.47%	18.2.11
17.1.11	£0.5m	Government DMO	0.25%	18.2.11

**BALANCES WITH ON CALL DEPOSIT & CURRENT ACCOUNTS  
AS AT 17 JANUARY 2011**

<b>Amount</b>	<b>Institution</b>	<b>Interest rate</b>
£2m	Bank of Scotland	0.50%
£3m	Royal Bank of Scotland	0.80%
£3m	Santander UK	0.60%
-	Barclays deposit account	0.60%
£2.76m	Barclays current accounts	1.50%