

AGENDA ITEM 4

Committee	Executive Scrutiny Committee	ES/046/11
Date:	19 July 2010	

2011/12 First Quarter Outturn Report

Enquiries to Margaret Lee	Executive Director for Finance	Extn 21010	Telephone no 01245 431010
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The attached report (CAB/020/11) was considered at Cabinet on 19 July 2011. The report is being submitted to the Committee given that one of its specified roles is “scrutinising the revenue and capital outturns”.

Issues for the Committee to consider

Some potential questions are set out below, which the Committee might find useful in its scrutiny role. (They have been deliberately framed in such a way as to make them applicable to a review of all outturn reports rather than being specifically tailored to this particular report.)

1. Does the report provide an adequate summary of the authority’s financial stewardship?
2. Do the report and the decisions taken by the Cabinet Member demonstrate that the policy aims of the Council are being met – has the link been made between policy and spend?
3. Are there any issues where further information or clarification is necessary in order to understand what has occurred and its implications?
4. Does the report highlight any issues that raise concerns about the financial control and financial standing of the authority?
5. Are there any issues that have potential ongoing significance?
6. In the light of the above questions does the Committee require a more detailed review and associated report on any issues?

Agenda item 4

Cabinet	CAB/020/11
Date: 19th July 2011	

2011/12 FINANCIAL OVERVIEW AS AT THE FIRST QUARTER STAGE

Report by Deputy Leader and Cabinet Member with responsibility for Finance & Transformation

Enquiries to:

Margaret Lee Executive Director for Finance **Extn:** 21010 **Tel. No:** 01245 431010

Cabinet Members will note that the Report is being presented in Directorate Structure, rather than the usual Portfolio Structure, which has been agreed by Councillor Finch. This is because recent portfolio changes (May 2011) could not be actioned until the accounts for 2010/11 were concluded.

Purpose and recommendations

The purpose of this report is to provide an updated assessment of the financial position of the Council in 2011/12, based upon the position at the first quarter stage.

Recommendations

- (i) That Cabinet Members note the current revenue and capital outturn forecasts, which are for an under spend for the year of **£615,000** on the Revenue Budget (*if approval is given to the proposals within this report for the utilisation of reserves and balances*) and an under spend of **£15.092m** against the approved capital payments guideline. The explanatory comments are provided in the Executive Summary (starting on page 3), and the subsequent sections and appendices of the Report.
- (ii) That approval is given to requests, amounting to **£3.175m**, to draw down funds from the Grant Equalisation Reserve, Partnership Reserve, and PRG Reserve, as follows:

	Financing Source			
	Grant Equalisation Reserve £'000	Partnership Reserve £'000	PRG Reserve £'000	Total £'000
Directorate Requesting Funding				
Schools, Children and Families	1,314	-	1,531	2,845
Policy, Community Planning and Regeneration	179	99	-	278
Transformation	-	52	-	52
Total	1,493	151	1,531	3,175

(iii) That approval is given to amendments to the capital payments guideline and financing assumptions as follows:

- Increased by **£881,000** to take account of new, self financed, schemes;
- Reduced by **£14.734m**, with a corresponding increase in the payments guideline for 2012/13 and subsequent years, to reflect the impact of slippage in schemes;
- Reduced by **£1.222m** to remove provision for schemes that will no longer be progressed or which have been completed below budget.

The impact upon Directorates' capital payment guidelines of making these changes is summarised in **Appendix D**.

1. Executive summary

1.1 Revenue

An assessment of the Revenue Budget, as at May 2011, shows an unadjusted net over spend for the year of **£6.765m** (0.74%) is forecast.

The main variances are listed below:

- Adults Health & Community Wellbeing (**£2.435m** over spend), which is mainly due to a projected over spend of **£1.690m** on Care and Support budgets, and other variances totalling **£745,000**.
- Schools Children & Families (Non DSG **£4.193m** over spend). The main reason for the over spend is placement costs which is overspent by **£1.619m** and Employability and Skills **£3.158m** (this has recently transferred to Schools Children & Families from Policy, Community Planning & Regeneration). This is in part offset by under spends within Commissioning due to staff vacancies, lower than expected spend on IT systems, Residential Homes, the Connexions restructure, and Personal Education Allowances totalling **£585,000**.
- Environment, Sustainability & Highways (**£2.851m** over spend) however approval has been sought for carry forwards from 2010/11 of **£2.680m**, and technical adjustments of **£655,000** which results in an underlying under spend of **£484,000**.
- Finance (**£1.285m** under spend), made up of under spends in the Insurance Cost Recovery Account (**£1.900m**), and Audit and Risk (**£279,000**). Other over and under spends totalling **£1.081m** over spend.
- Policy, Community Planning & Regeneration (**£533,000** under spend) made up of under spends across the Assistant Chief Executive's office & management costs (**£111,000**), The Policy Department (**£669,000**), and, Communications (**£220,000**), partially offset by over spends in several other areas of **£467,000**.
- Transformation (**£604,000** over spend) mainly due to over spends in the Transformation Support Unit (**£13,000**), Essex Shared Services (**£147,000**), and Information Services (**£500,000**). Partially offset by an under spend of **£56,000** for HR.
- Other Operating Costs (**£1.500m** under spend) which reflects the current calculated interest payments on borrowing requirement.

Approval is sought for appropriations from reserves, as follows:

- SCF - £2.845m in relation to Employability and Skills, which includes £1.531m from the PRG reserve, and £1.314m from the grant equalisation reserve

- PCP&R - £278,000 - £179,000 from the grant equalisation reserve (£25,000 to utilise the cabinet office grant, and £154,000 for the grant from Improvement East). £99,000 from the Partnership Reserve to cover the over spend within the Tourism Budget.
- Transformation - £52,000 – From the earmarked Partnership Reserve in relation to the Strategic HR Partnership, to partly offset the current forecast over spend in that area.

Appendix A provides a summary, by Directorate, of the current forecast outturn on the Revenue Budget, and summarises the mitigation proposed regarding the under and over spends that it is proposed are retained and the underlying outturn forecast by Directorate. Commentary from Directorates commences on page 5 of the report.

1.2 Trading activities

The projected position for Trading Activities is a surplus of **£312,000** which is in line with budget. This results in projected net reserves of **£3.872m** by year end. Please see **Appendix B**.

1.3 Capital

The latest approved capital payments guideline amounts to **£272.610m**. Capital expenditure is currently forecast to be **£15.092m** below this guideline, primarily as a consequence of slippage in schemes, although the forecast also takes account of proposals to increase starts and payment approvals in respect of new schemes, and to remove the underlying under spend from the Capital Programme.

Proposed treatment of variances:

Slippage - £14.734m

Re-profile payment approvals of **£14.734m** into 2012/13, as a consequence of slippage in schemes. This mainly relates to 2 major ESH schemes; Building Schools for the Future projects (£9.598m) and Waste Strategy (£4.636m).

Reductions - £1.222m

Reduce scheme and payment approvals by **£1.222m** as a consequence of under spends or to reflect decisions not to proceed with schemes. Of this, £987,000 is to reduce the budget for the Castle Point A13 resurfacing, to the amount of Department for Transportation funding actually available for the scheme. There is also a requirement in the Highways Core Service to reduce £235,000 of the grant funded budget, which is being transferred to Revenue to fund The Transport Asset Management Plan.

Additions - £881,000

Increase the starts and payment approvals in 2011/12 by **£881,000** in respect of new schemes.

Other - £343,000

Other variances of **£343,000** under spend include £393,000 relating to other Education Projects, and £50,000 relating to the E-Payroll TS Project, it is anticipated that a revenue contribution to Capital will be made against this scheme from Shared Services E-Payroll Project.

The net effect of these changes is to reduce the approved capital payments guideline to **£257.517m**

Appendix D provides a comparison of approved and forecast outturn capital payments by Directorate, and sets out the variance plan which summarise the proposals for addressing the forecast budget variances.

1.4 Balance Sheet

1.4.1 Reserves

The opening balances of the General Balance and Emergency Contingency are summarised in **Appendix E**. A full report including the Earmarked Reserves will be included in the second quarter's finance report.

1.4.2 Treasury Management

A summary of investment and borrowing levels is provided in **Appendix F**. A full report including the Prudential Indicators will be included in the second quarter's finance report.

2. Directorate Commentary - Revenue

2.1 Adults, Health and Community Wellbeing - £2.435m over spend

The forecast position for AHCW reflects a £2.435m over spend, this represents 0.6% of the net budget for the directorate.

Care and Support - £1.690m over spend

The Care and Support forecast is £1.690m over spent, made up of an over spend on Older People of £3.048m, Physical and Sensory Impairments of

£1.100m and Internal Services £17,000 off set by an under spend on Learning Disabilities of £2.327m and External Supported Employment £147,000.

Third Sector - £673,000 over spend

The majority of the full year forecast over spend of £673,000 is due to the Advocacy Essex Services Ltd contract, the cost of which is anticipated to exceed the budget. The Head of Service is working to identify actions to address the forecast over spends.

SMC Planning & Service Development - £410,000 under spend

The year to date position reflects an under spend of £352,000 as no projects have been commissioned in the new financial year to date. The full year forecast under spend of £410,000 is due to staffing vacancies held predominantly within the Welfare Benefits and Informatics teams.

Further net over spends across a range of policy lines total £482,000.

A recovery plan is to be developed by the service in relation to these over spends. The forecast position assumes that the budgeted savings will be achieved, it assumes where recovery plans are in place to reduce spending pressures these will be delivered with the exception of an element of procurement savings which are deemed to be at risk (approx £1.7m). Where recovery plans have not yet been produced the forecast assumes current spend trends will continue.

2.2 Schools, Children and Families (Non DSG) - £4.193m over spend

There is a forecast over spend at Period 2 of £4.897m across the Directorate. Within this there is an over spend forecast on the Non DSG budget of £4.193m and an overspend forecast on the DSG budget of £0.704m.

Director of Learning NON DSG budget - £2.766m over spend

The Director of Learning is showing a net overspend of £2.766m. Within this Employability and Skills is currently forecasting to overspend by £3.158m. However this is mainly due to the need to draw down from reserves or utilise carry forwards totalling £3.145m which will mitigate this overspend. This over spend is offset by an under spend as a result of the Connexions restructure which will overachieve the in year budget saving by £669,000 in order that the 2012/13 savings target is met. The outturn also reflects a planned £99,000 under spend on Personal Education Allowances. Over and under spends across a range of policy lines total an over spend of £376,000. There is therefore an underlying under spend of £379,000

Director of Commissioning NON DSG budget - £1.078m overspend

The main over spend is placement costs £1.619m representing external placements and internal fostering allowances. Plans are in place to ensure that for Period 3 all the placement costs detailed within the placement strategy are aligned to commissioning with the exception of Internal Foster Carer Fees. A further over spend of £107,000 is within Commissioning Child Health which relates to Occupational Therapy charges. There are under spends currently forecast in a number of the teams within Commissioning due to staffing vacancies and lower than expected spend profile on IT systems and update packs which total £648,000.

Director of CSC & YOS NON DSG budget - £329,000 overspend

There is a forecast overspend in respect of fostering fees based on the growth in carers expected in the placement strategy and the introduction of the fully fee paid scheme from 1st September (£1.250m), this is in part offset by an under spend on the Residential Homes of £800,000. There are further under spends off setting this over spend by £55,000.

Other minor variances are occurring in Business Support £46,000 under spend and HR £65,000 over spend.

The main area of DSG over spend of £703,000 relates to Independent Special School Placements and recoupment budgets, these are mitigated in part by under spends against the Hard to Place Dowry budget.

2.3 Environment, Sustainability and Highways - £2.851m over spend

The current forecast variance for 2011/12 is an over spend of £2.851m. This figure is adjusted for carry forward requests and other adjustments leaving a residual under spend of £484,000.

Business Services and Strategy - £458,000 under spend

The most significant element of the under spend (£580,000) relates to Business Services and Strategy and represents 12% of that area's 2011/12 budget. The under spend principally reflects vacancies in P1 and P2 that are currently being recruited to. This is partially offset by over spends in Emergency Planning and Country Parks totalling £122,000.

Highways and Transportation – £2.266m over spend

Highways and Transportation (48 % of the ESH budget) is forecast to be a £2.266m over spend however if all carry forward requests are approved then this budget will move to being online.

Waste Management - £14,000 under spend

Waste Management (Major Projects and Infrastructure) is forecasting an under spend of £14,000 at the year-end. Forecasts for both Highways and Transportation and Waste Management are based on mid-point (not best or worst case) assumptions about a range of issues including, for example, weather conditions and their impact on road conditions and the volumes of waste coming into the system. Changes in either case would create variances to the forecast position.

The balance of the forecast year-end outturn is made of a series of under and over spends the most significant being a £1.009m over spend in Essex Property and Facilities. The over spend reflects unachieved legacy expected savings from an unimplemented Car Park initiative but for which the budget will be adjusted. The impact of this is being managed within the Directorate. Sustainable Environment and Enterprise is forecasting an over spend of £150,000 for 2011/12. Other under spends in ESH relate to Infrastructure Strategy & Delivery £43,000 and the Management Team £59,000.

In other areas adjustments and reprofiling of expenditure for staffing, goods and services and other activity is planned in P3 that will bring the budget back on line.

2.4 Finance - £1.285m under spend

The service is forecasting to under spend by £1.285m.

Audit & Risk - £279,000 under spend

The main underlying under spends in Audit and Risk (£279,000) are due to staffing vacancies (118,000) and contract reductions (£180,000), these are partially offset by over spends against staff qualification costs and professional subscriptions (£19,000).

Insurance Cost Recovery Account - £1.9m under spend

The budget for the Insurance provision is £7m but only £4.8m is forecast to be required at this stage. This under spend is partially offset by an over spend of £300,000 across supplies and services, minibuses and property and insurance costs.

Legal - £616,000 over spend

The most significant area contributing to the over spend is Coroners Service £573,000 where backlog pressures are continuing to impact. Members Allowances are forecast to over spend by £88,000, but there are other changes in the arrangements for allowances paid which are expected to reduce this. These pressures are partially offset by under spends totalling £45,000.

This is offset by various over and under spends totalling £278,000 over spend.

2.5 Policy, Community Planning and Regeneration - £533,000 under spend

Policy Department - £669,000 under spend

In the next period £340,000 of the under spend will be moved from Essex Initiatives to the Employability & Skills Unit (reported in SCF), to contribute towards the cost of the Apprenticeship Scheme. The remaining under spend of £329,000 relates to employee and discretionary budgets.

Partnership Delivery - £258,000 over spend

£154,000 of this over spend relates to a grant from Improvement East for Total Place that was accounted for in 2010/11 and needs to be transferred from the reserves. £61,000 relates to the grants to parishes under the retail enterprise fund and £33,000 for the Rowhedge centre for which carry forwards have been requested. Further over spends total £10,000.

Communications - £220,000 under spend

This under spend relates to staffing vacancies being held pending the restructure of the service.

Regeneration Inward Investment & Sports - £206,000 over spend

£99,000 of this over spend is within the Tourism budget and it is requested that income received last year from the partnership reserve be drawn down to cover this. There are further carry forward requests relating to Health Pledge £20,000 and the Tour Series £16,000. Further over spends of £71,000 predominantly relate to staffing.

Further under spends relating to staffing exist within the Assistant Chief Executive £111,000 and over spends of £3,000 in Adult Skills

Finance Professional Services are working with the service to realign budgets according to the new service structure, and therefore there are currently under and over spends on individual Head of Service reporting lines pending this realignment. Some budget lines are over spending due to initiatives that require funding from carry forward requests (£147,000) not yet approved and those requiring draw down from balance sheet reserves (£278,000).

2.6 Transformation - £604,000 over spend

The Directorate is forecasting to over spend by £604,000, the most significant variances by service area are:

HR - £56,000 under spend

A £56,000 under spend is forecast, due in the main to staff vacancies, approval is sought to draw down £52,000 from the Earmarked Partnership Reserve in relation to the Strategic HR Partnership to offset the current forecast over spend. The underlying position is therefore a £108,000 under spend.

Transformation Support Unit - £13,000 over spend

A £13,000 over spend is forecast, due in the main to awaiting the carry forward approval for staffing costs of £218,000. A further £22,000 of the under spend has been earmarked to fund the costs of the Acting Head of HR within Human Resources which therefore leaves an underlying forecast of £183,000 under spend.

Essex Shared Services - £147,000 over spend

A £147,000 over spend is forecast, due entirely to awaiting the carry forward approvals for projects, with an underlying forecast of zero variance at the bottom line.

Information Services - £500,000 over spend

A £500,000 over spend is forecast, which relates to employee costs £300,000 and maintenance support for LAN £200,000. It also assumes that IS will recover the full budgeted target value of income through internal staffing recharges for project work and service requests. IS has requested a carry forward of £358,000 to aid offsetting the forecast over spend which if approved would leave the underlying position as a £142,000 over spend.

2.7 Building Maintenance – on-line

The service is forecasting to spend in line with the latest budget.

2.8 Central and Other Operating Costs - £1.500m under spend

An under spend of £1.500m. This reflects the current calculated interest payments on borrowing requirements.

3. Directorate Commentary – Capital

3.1 Adults Health and Community Wellbeing – £500,000 under spend

Capital spend is forecast to be £4.921m compared with a £5.421m budget at this early stage in the financial year. A request is made to re-profile £500,000 of the Springfield Library Facility budget into 2012/13.

3.2 Schools Children and Families - £881,000 over spend

Notification of Aiming High for Disabled Children (“AHDC”) grant (£881,000) was received and a request is made to add to the budget to allow the funds to be spent. The current projection included in this report assumes that the funding will be fully spent. Priorities are being finalised by the AHDC team.

3.3 Environment Sustainability and Highways - £15.523m under spend

Building Schools for Future and Education is forecast to be £9.665m under spent. Three Design and Build Schemes put forward by the LEP contractor do not comply fully with our requirements and have been rejected. The LEP are proposing to procure the Design and Build Schemes via an alternative contractor, which will be acceptable to the Authority if value for money can be demonstrated. Financial Close was originally scheduled for January 2012 and as a result of the above will not be achieved. Partnerships for Schools are aware of the situation and have indicated their agreement to this. A request is made in this report to slip the funding into future years.

Highways & Transportation is forecast to be £1.222m under spent. The outturn forecast for the year is in line with budget at this stage, with the exceptions of a budget transfer of £235,000 to revenue and a budget correction for Castle Point, A13 Passenger Transport corridor of £987,000. The scheme will be delivered within the revised budget.

Waste Strategy is forecast to be £4.636m under spent. The requirements for the Waste Programme have been reprofiled to take account of when infrastructure will be required to be provided. In particular, the Spine road at the Courtauld Road site will now be constructed in 2012/13, as access will not be required any earlier.

3.4 Policy Community Planning and Regeneration – On line

Capital spend is forecast to be in line with budget (£4.577m) at this early stage in the financial year. With a budget of £2.284m, the Colchester Visual Arts scheme represents 50% of the total PCPR current year budget. This scheme is due to complete and open in September 2011.

3.5 Transformation - £50,000 over spend

All schemes are currently forecast to spend in line with Payment Approval except for E-Payroll (£50,000 over spend) as a Revenue Contribution is due to be applied to capital from the project budget.

3.6 Building Maintenance – on-line

The service is forecasting to spend in line with latest budget approvals.

APPENDIX A

REVENUE SUMMARY										
	Year to Date			Budget Movement		Forecast Outturn			RAG Status	Variance to prior month
	Latest Budget	Actual	Variance	Original Budget	Movement	Latest Budget	Outturn Forecast	Forecast Variance		
	£000	£000	£000	£000	£000	£000	£000	£000		£000
AHCW	60,684	64,639	3,955	373,578	2,295	375,874	378,309	2,435	♦	2,435
SCF Non DSG	47,699	36,709	(10,990)	230,449	-1,163	229,286	233,479	4,193	♦	4,193
SCF DSG	(1,068)	650,503	651,571	(2,847)	1,580	(1,267)	(563)	704	-	704
DSG offset	-	(651,571)	(651,571)	0	0	-	(704)	(704)	-	(704)
ES&H	28,994	28,382	(612)	171,901	542	172,444	175,295	2,851	♦	2,851
Finance	3,732	4,847	1,115	29,390	-1,800	27,588	26,303	(1,285)	■	(1,285)
PCP&R	2,017	1,110	(907)	13,544	-354	13,190	12,657	(533)	■	(533)
Transformation	4,477	2,038	(2,439)	27,315	3,332	30,647	31,251	604	♦	604
Building Maintenance	(203)	(37)	166	3,960	0	3,960	3,960	-	■	-
Central & Other Operating Costs									■	
Reserves	(3,284)	-	3,284	5,248	0	5,248	5,248	-	■	-
Interest	(312)	869	1,181	(784)	0	(784)	(2,284)	(1,500)	■	(1,500)
Other	5,568	2,132	(3,436)	64,514	0	64,514	64,514	-	■	-
Total including COOC	148,304	139,621	(8,683)	916,268	4,432	920,700	927,465	6,765	♦	6,765
Rag Status										
■ Under spend of less than 5% of the budget										
● Under spend of greater than 5% of the budget										
♦ Over spend of the budget										

REVENUE VARIANCE PLAN						
	Unadjusted Variance	Effect of Virement Requests	Appropriations from reserves & balances	Assumed or approved carry forward*	Recovery Plan and Technical Adjustments	Residual Variance
	£000	£000	£000	£000		£000
AHCW	2,435	-	-	-	-	2,435
SCF	4,193	(140)	(2,845)	-	-	1,208
ES&H	2,851	-	-	(2,680)	(655)	(484)
Finance	(1,285)	-	-	-	-	(1,285)
PCP&R	(533)	140	(278)	(147)	-	(818)
Transformation	604	-	(52)	(723)	-	(171)
Building Maintenance	-	-	-	-	-	-
Central & Other Operating Costs	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Interest	(1,500)	-	-	-	-	(1,500)
Other	-	-	-	-	-	-
Total	6,765	-	(3,175)	(3,550)	(655)	(615)

APPENDIX C

REVENUE – TRADING ACTIVITIES

2010/11 Actual		Original Budget	Latest Budget	2011/12 Outturn Forecast	Variance	Forecast Variance
£000		£000	£000	£000	£000	%
(11,769)	Income	(3,163)	(12,009)	(12,009)	-	-
11,094	Expenditure	3,084	11,697	11,697	-	-
-	Financing Items	-	-	-	-	-
(675)	(Surplus) / Deficit	(79)	(312)	(312)	-	-
675	Appropriations	79	312	312	-	-
-	Extraordinary items	-	-	-	-	-
-	Net movement on the reserve	-	-	-	-	-
Directorate Breakdown						
-	AHCW	-	-	-	-	-
675	SCF	(40)	(273)	(273)	-	-
-	ES&H	(39)	(39)	(39)	-	-
-	IS	-	-	-	-	-
675	NET	(79)	(312)	(312)	-	-
(3,560)	Total Reserves Balance	-	-	(3,872)		

APPENDIX D

CAPITAL – SUMMARY OF PAYMENTS AND FINANCING

	Year to Date		Budget Movement		Forecast Outturn				RAG Status
	Actual	% spend vs forecast	Original Budget	Changes to capital programme	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
	£000	%	£000	£000	£000	£000	£000	%	
AHCW	47	1%	5,117	304	5,421	4,921	(500)	(9%)	●
SCF	(586)	(9%)	1,392	4,319	5,711	6,592	881	15%	◆
ES&H - Highways and Other schemes	8,130	7%	106,248	23,907	130,155	124,296	(5,859)	(5%)	●
ES&H - Education schemes	25,744	23%	102,045	18,105	120,150	110,485	(9,664)	(8%)	●
ES&H Total	33,874	14%	208,293	42,012	250,305	234,782	(15,523)	-	■
Finance	-	-	-	-	-	-	-	-	■
PCP&R	22	0%	4,391	186	4,577	4,577	-	-	■
Transformation	(244)	(4%)	1,352	4,725	6,077	6,127	50	1%	◆
Building Maintenance	21	4%	500	19	519	519	-	-	■
TOTAL	33,134	13%	221,045	51,565	272,610	257,517	(15,092)	(6%)	●

CAPITAL VARIANCE PLAN

	Slippage	Additions	Reductions	* Other - Comments below	2011/12 Changes
	£'000	£'000	£'000	£'000	£'000
AHCW	(500)	-	-	-	(500)
SCF	-	881	-	-	881
ES&H	(14,234)	326	(1,222)	(393)	(15,523)
Finance	-	-	-	-	-
PCP&R	-	-	-	-	-
Transformation	-	-	-	50	50
Building Maintenance	-	-	-	-	-
TOTAL	(14,734)	1,207	(1,222)	(343)	(15,092)

* Other	Transformation	An over spend of £50,000 in relation to E-Payroll TS Project. It is anticipated that a revenue contribution to Capital will be made against the scheme from Shared Services E-Payroll Project.
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	ES&H	An under spend of £393,000 , of which £320,000 relates to other Educational projects. £67,000 relates to devolved Formula Capital. Spend on Devolved Formula Capital is difficult to predict, as decisions on how and when to spend the grant is delegated to school level. £6,000 relates to the Basildon A13/A130 Sadlers Farm Construction.
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Please note that £326,000 of the Additions relate to items being reviewed and approved by Cabinet Members and therefore do not appear under the requests for approval in this report.

APPENDIX E

RESERVES AND BALANCES

GENERAL BALANCE

	£000
Actual Balance 31 March 2011	(31,991)
2011/12 Planned Contribution	(8,425)
Repayment of amount withdrawn in 2010/11 for restructuring costs	(2,970)
Actual Balance 1 April 2011	(43,386)
Subsequent movements	-
Estimated balance at 31st March 2012	(43,386)
First Quarter Report Proposals	
Contributions	
Withdrawals	
Updated Estimated Balance at 31 March 2012	(43,386)

EMERGENCY CONTINGENCY

Actual Balance 1 April 2011	£000 (8,000)
Assumed Withdrawals	8,000
Estimated balance at 31 March 2012	-
First Quarter report	
Updated estimated balance at 31 March 2012	-

APPENDIX F

TREASURY MANAGEMENT						
	Opening Balance £000	Raised £000	Repaid £000	Balance at 31 May 2011 £000	Movement £000	Interest payable / earned £000
Borrowing						
Long Term	360,702	-	284	360,418	(284)	2,567
Temporary	2,504	22,778	22,783	2,499	(5)	4
	363,206	22,778	23,067	362,917	(289)	2,571
Investments						
Long Term	5,000	-	-	5,000	-	57
Temporary	74,400	53,200	-	127,600	53,200	257
	79,400	53,200	-	132,600	53,200	314
Net indebtedness	283,806	(30,422)	23,067	230,317	(53,489)	2,257
Borrowing						
Average long term borrowing over period (£000)						360,557
Opening pool rate at 1 April 2011						4.26%
Weighted average rate of interest on new loans secured in 2011/12						n/a
Average pool rate for year to date						4.26%
Investments						
Average daily cash balance over period (£000)						149,368
Average interest earned over period (2 months to end of May 2011)						1.26%
Benchmark rate - average local authority 7 day rate						0.43%