



Report to Cabinet Report of Cllr David Finch	Forward Plan reference number FP/226/06/13
Date of meeting 21/01/14	County Divisions affected by the decision <i>All divisions</i>
Title of report: 2013/14 FINANCIAL OVERVIEW AS AT THE THIRD QUARTER STAGE	
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1. Purpose of report

The purpose of this report is to report on the forecast financial position of the Council for 2013/14, based upon the position at the third quarter. It also includes (for information only) key messages from the government settlement announced 18th December 2013.

2. Recommendations

Note the current revenue outturn forecast, an unadjusted underspend of **£15.1M** (Appendix A), as compared to **£7.0M** at the half year position. The major movements from the half year position relate to the Public Health and Wellbeing, Adult Social Care, Education and Lifelong Learning (Non DSG) and Transformation and Corporate Services portfolios.

However the proposed adjusted position (after technical adjustments to reserves outlined below) is an under spend for the year of **£2.0M** as detailed in Appendix A (ii). Within this projection the Emergency Contingency of **£8M** is currently assumed fully spent.

The Economic Growth Infrastructure portfolio, the Transformation and Corporate Services Portfolio and the Leader and Finance Recharged Strategic Support Services Portfolio all have underlying over spends (before technical adjustments outlined in this report). The reasons for the over spends are outlined in section 3.3.8, 3.3.11 and 3.3.12 respectively.

Note a projected under spend of **£37.9M** against the approved capital payments guideline (see Appendix C)

It is recommended that:

- 2.1 Approval is given to appropriate:
 - I. **£17.1M** to reserves as detailed in sections 4.2 and 4.8
 - II. **£3.9M** from reserves as detailed in section 4.1
- 2.2 Approval is given to vire **£207,000** within the Adults Social care Portfolio (see section 4.4).
- 2.3 Approval is given to vire **£731,000** from Other Operating Costs to Transformation and Corporate Services Recharged Support Services Portfolio (Facilities Management Services) (see section 4.3).
- 2.4 Approval is given to appropriate **£22.4M** to the Reserve for Future Capital Funding from the Waste Reserve to meet the planned capital cost of waste infrastructure (see section 4.2).
- 2.5 Approval is given to vire **£28,000** from Other Operating Costs to the Leader and Finance Recharged Support Services Portfolio (Finance) (see section 4.5).
- 2.6 Approval is given to vire **£316,000** from the Families and Children Portfolio to the Transformation and Corporate Services Recharged Support Services Portfolio (see section 4.7).
- 2.7 Approval is given to establish three Reserves: Community Resilience Reserve, Consultation Reserve and Economic Growth Strategy Reserve, details within section 3.2.3 of this report.

Approval is given, within the Capital Programme, for slippage of **£33.3M**, budget additions of **£4.4M**, budget reductions of **£9.2M** and added works of **£42,000**. The impact on the capital payment profile of making these changes is summarised in **Appendix C**.

3 Financial Overview

3.1 Funding Settlement 2014/15 and beyond

The funding settlement for Essex County Council (ECC) (released on the 18th December by Central Government) has been broadly consistent with assumptions already assumed for 2014/15, though is **£6M** more than expected for 2015/16. However there remains confirmation of various technical and funding streams outstanding – not least Better Care Fund and Children and Families Bill.

The settlement has seen substantial increases in capital funding for future years – with **£42M** for 2015/16 and **£44M** for 2016/17 hypothecated to ECC as

investment into 'basic need' (schools). A further **£3M** capital has been awarded for 2014/15 for kitchen investment in schools (linked to free school meals).

3.2 2013/14 Revenue position

- 3.2.1 An assessment of the Revenue budget, at the third quarter stage of 2013/14, shows a net residual under spend on services of **£2M** after taking into account the actions recommended in this report.

The current year operational underspends have been factored into the 2014/15 budget and financial strategy to 31st March 2017 (as presented simultaneously to Cabinet in January 2014). That is to say, the under spends outlined in this report do not represent further opportunities to reduce the budget, as they have already been factored into future financial plans.

A number of technical reserve adjustments are outlined in this paper. These technical adjustments are mainly in the form of 2013/14 underspends which will be removed. It is proposed some of the current year's underspend is used to fund known service pressures in 2014/15.

- 3.2.2 The 2014/15 budget being proposed is balanced but it does include assumptions on the management of risks and commitments, some of which are offset by the generation of earmarked reserves funded from the 2013/14 under spends (see recommendations at 3.2.3). Without the use of reserves in this way, it would not be possible to set a balanced budget against proposed service demand without making additional service cuts.

- 3.2.3 The 2014/15 risks and commitments proposed to be funded if needed from 2013/14 underspends, fall into three distinct areas, which it is proposed will form distinct earmarked reserves. The three areas are:

- I. **Community Resilience Reserve - £1M** to establish a fund is to create strong and resilient communities where people help each other, supported by a vibrant voluntary and community sector. The fund will stimulate and strengthen community-led activity and create additional capacity, designed to improve community resilience and independence
- II. **Consultation reserve - £5.9M**, due to the number of public consultations in progress or planned the recommendation is that an amount is set aside in a reserve to provide one-off flexibility in the light of these consultations.
- III. **Economic Growth Strategy reserve - £3M**, there is a commitment to a one off spend that will occur in 2014/15 to encourage businesses to create new jobs and invest in skills and apprenticeships.

Note: These will be named throughout the report as “the three new earmarked reserves”

The summary of the movements are in Table 1 below:

2013/14 movements	
Portfolio	£000
Public Health and Wellbeing	-
Adults Social Care	(1,157)
Families and Children	(914)
Education and Lifelong Learning NON DSG	(1,384)
Highways and Transportation	(200)
Waste & Recycling	(32)
Economic Growth Infrastructure	-
Leader and Finance	(899)
Libraries, Communities and Planning	(195)
Transformation & Support Servs	-
Highways and Transportation RSSS	-
Leader and Finance RSSS	(832)
Transformation & Sup Serv RSSS	(1,886)
Other Operating Costs	(2,401)
Total Proposed Contribution to reserves from under spends	(9,900)
Community Resilience Reserve	(1,000)
Consultation Reserve	(5,900)
Economic Growth Strategy Reserve	(3,000)
Total Proposed Reserve balances at 31st March 2014 from under spends	(9,900)

3.3 Comments are included below on the most significant of the variances reported:

3.3.1 Public Health and Wellbeing: £54,000 underlying over-spend before technical adjustments (compared to £64,000 over spend at the half year stage).

There are no technical adjustments.

3.3.2 Adult Social Care: £4.2M underlying underspend before technical adjustments recommended in this report (compared to £298,000 under spend at half year).

There is a £324,000 under spend after technical adjustments.

- I. The funding that supports an individual with learning disabilities transition between children’s and adult services is likely to be **£1.6M** under spent as a result of lower than expected numbers of service users.
- II. The area of the budget that funds costs of social care assessments and reviews, is **£746,000** under spent as a result of a number of vacancies that will not be filled this year.

- III. There is a **£1.5M** under spend on the funding spent with the voluntary sector for universal services available to all Essex residents.
- IV. Housing Related Support is forecasting an over spend of **£3.3M** relating to slippage against savings and contract changes. There are a number of underspends in other areas including the Improving Quality Fund and the Winter Pressure fund, which have been managed to mitigate the over spend on Housing Related Support.
- V. This report recommends **£207,000** be vired (Business Support to Working Age Adults) in respect of Emergency Duty Team.
- VI. The adjusted position reflects **£2.7M** to be transferred to the Transformation reserve as part of the funding requirement for the Transformation Mark II projects up until 2017.

**3.3.3 Families and Children - £2.8M underlying under-spend before technical adjustments (compared to £3.9M under spend at half year).
There is a £1.2M under-spend after technical adjustments.**

- I. **£697,000** under spend in Early Years due to the early implementation of efficiency programmes.
- II. Internal Residential Children with Disabilities Provision is projecting an under spend of **£311,000** due to reduced spending on staffing as a result of lower than expected occupancy levels.
- III. The funding for the policy that seeks to allow Children and Young people to continue in their current placement over the age of 18 for a maximum period of 3 months, also known as “Staying Put” is projecting an under spend of **£406,000**. This reflects a lower than expected number of young people in these placements. The Service has not seen the volumes expected.

**3.3.4 Education and Lifelong Learning DSG Dedicated Schools Grant (DSG) – £133,000 under spend (compared to £113,000 under spend at half year).
There are no technical adjustments.**

- I. The Dedicated Schools Grant is ring fenced for use by Schools, therefore any variance arising will not be taken in account within Essex County Council's forecast. Any variance in DSG is retained to be managed in future years.

3.3.5 Education and Lifelong Learning Non DSG - there is a £1.4m underlying under spend before technical adjustments (compared with £755,000 over spend at half year).

The adjusted outturn is in line with the budget after technical adjustments.

- I. The business support teams sitting within this portfolio, hold a large number of vacancies, contributing to a **£1.8M** under spend, which has already been factored into the 2014/15 budget position.
- II. The Youth Service underspend of **£150,000** is attributable to surpluses generated on trading accounts and staffing underspends resulting from the previous phase of the service redesign.

3.3.6 Highways and Transportation – there is a £224,000 underlying under spend before technical adjustments (compared with £198,000 under spend at half year stage).

£24,000 under spend after technical adjustments.

- I. The portfolio is under spending mainly due to a reduction in the annual payment to the A130 PFI contractor as a result of lower traffic volumes; this efficiency has already been factored into the 2014/15 budget position.

3.3.7 Waste and Recycling – There is a £537,000 underlying underspend before technical adjustment (compared to a £313,000 under spend at half year).

£297,000 under spend after technical adjustments.

- I. The under spend forecasted within the portfolio is primarily due to a reduction in recycling tonnages at Civic Amenity sites (recycling centres for household waste) which results in lower bonus payments to the contractor (£250,000,). In addition, various other efficiencies amounting to £287,000 have been generated via the Integrated Waste Handling Contract. Where relevant these changes have been reflected in the future years' budget.
- II. The adjusted position reflects **£208,000** to be transferred to the Transformation reserve as part of the funding requirement for the Transformation Mark II projects up until 2017.

3.3.8 Economic Growth and Infrastructure – There is a £381,000 underlying over spend before technical adjustment (compared to a £655,000 over spend at half year).

There are no technical adjustments.

- I. The portfolio overspend is primarily due to spend on existing and new apprenticeship schemes which will deliver circa 1,000 placements by the 31st March 2014. 640 of these placements are aligned to programmes such as Engineering, part-financed by the European Social Fund (carried over from previous years) and an additional 200 apprenticeships supporting both Science, Technology, Engineering and Maths (STEM) and Energy industries.
- II. Whilst the position has significantly improved due to one-off resource re-alignment and a reduction in forecast unit costs across 20 apprenticeship schemes, It is expected that the in year pressure will be fully offset by a corresponding underspend within the Education and Lifelong Learning Portfolio.

3.3.9 Leader and Finance – There is a £656,000 underlying under spend before technical adjustments (compared to £697,000 under spend at half year). The adjusted outturn is in line with the budget after technical adjustments.

- I. Before adjustments, the underlying position is an under spend of **£656,000**, due to vacancies across support functions during reorganisation, which have been factored into the 2014/15 budget.
- II. This report recommends **£243,000** to be drawn down from reserves to meet residual election costs (democratic services) and the redundancy costs associated with the Business Support savings programme.

3.3.10 Libraries, Communities and Planning – there is a £255,000 underlying under spend before technical adjustments (compared to a £60,000 over spend at half year). The adjusted outturn is in line with the budget.

- I. The portfolio is under spending mainly due to the early implementation of efficiency programmes, which have already been factored into the 2014/15 budget.

3.3.11 Transformation and Corporate Services – there is a £112,000 over spend before technical adjustments (compared to a £138,000 over spend at half year). There are no technical adjustments.

- I. There is an over spend in Property due to loss of income following the closure of Maynetrees prior to its sale and from Shire Hall due to its renovation programme,..

3.3.12 Leader and Finance recharge support services – There is a £150,000 underlying over spend before technical adjustments (compared to £158,000 over spend at half year).

The adjusted outturn is in line with the budget.

- I. The over spend predominantly relates to an insurance income shortfall arising from schools becoming academies and no longer buying the insurance service.
- II. The projection includes an adjustment to appropriate **£2.0M** from the Insurance reserve following advice from the 2nd Quarter Actuary report primarily impacted by the John Ray school fire.
- III. The Transforming Corporate Systems project has drawn down funding in 2013/14. But this will now not be required until 2014/15. The recommendation is therefore to appropriate **£1.0M** of funds back to the Transformation reserve for use in 2014/15.

3.3.13 Transformation and Corporate Services recharge support services – there is a £2.5M under spend before technical adjustments (compared to a £104,000 over spend at half year).

£547,000 under spend after technical adjustments.

- I. The under spend is predominantly due to vacancies within the Commissioning Support and Commercial teams, having recently gone through a reorganisation.
- II. The projection includes an adjustment to appropriate **£1.4M** from the Redundancy reserve relating to redundancies in the recent reorganisation.
- III. There is an over spend within the portfolio, relating to higher than expected energy costs, it is recommended that this is funded from the Energy reserve, to the value of **£280,000**.
- IV. There is also an over spend in Property due to one-off costs relating to 2012/13 pressures in records management.
- V. There is a recommendation to vire **£731,000** from Interest Payable to this portfolio to manage the one off property issues above.
- VI. The Property Transformation project II has drawn down funding in 2013/14, but is required in 2014/15 instead. The recommendation is to

appropriate **£1.8M** of funds back to the Transformation reserve for use in 2014/15.

- VII. The People and Change project, which focuses on the staff related impact of Transformation II programme has drawn down funding in 2013/14. The project has now altered its delivery plan therefore the recommendation is to appropriate **£800,000** of funds back to the Transformation reserve for use in 2014/15

**3.3.14 Other Operating Costs – There is a £3.2m under-lying underspend before technical adjustments (compared with £3m under spend at the half year stage).
The adjusted outturn is in line with the budget.**

- I. The under-lying underspend is as a result of slippage of the capital programme and maximising internal borrowing to lower external debt costs, both which impact the Capital Financing costs seen in the revenue budget.
- II. The 2014/15 Capital Financing budget is based upon the latest 2014/15 Capital programme, which includes this latest position.

3.4 Structure changes Period 8 to Period 9

- 3.4.1** This Q3 report is built upon the Portfolio structure as at Period 8 2013/14, the budget has been built upon the Portfolio structure as at Period 9 2013/14.

Between these two months there was a considerable movement of budget because of the recent centralisation of the Business Support teams from many other areas of the organisation and an update of the Recharged Strategic Support Services model.

APPENDIX F shows where the movements have occurred between portfolios' due to in the main, to the Business Support centralisation and changes to the Recharged Strategic Support Services model.

4 Approval is sought in relation to the following actions:

4.1 To draw down funds from reserves as follows:

- 4.1.1 £1.969M** from the Insurance Reserve to the Leader and Finance recharged support service (Insurance Cost Recovery Acct) Portfolio following advice from the 2nd Quarter Actuary report relating to the impact of the John Ray school fire.

- 4.1.2 £1.167M** from the Redundancy Reserve to the Transformation and Corporate Services recharged support services (TSU) Portfolio for redundancies within Commissioning.
- 4.1.3 £280,000** from the Energy Inflation Reserve to the Transformation and Corporate Services recharged support services (Facilities Management Services) Portfolio due to increased pressures from rising energy costs.
- 4.1.4 £230,000** from the Redundancy Reserve to the Transformation and Corporate Services recharged support services (Procurement) Portfolio for redundancies within Commercial Services.
- 4.1.5 £198,000** from the Election Reserve to the Leader and Finance Portfolio for additional election costs in Corporate Law.
- 4.1.6 £27,000** from the Redundancy Reserve to the Libraries, Communities and Planning Portfolio relating to redundancies within Libraries.
- 4.1.7 £45,000** from the Redundancy Reserve to the Leader and Finance Portfolio for redundancies within Strategy and Communications and Business Support.
- 4.1.8 £6,000** from the Carbon Reduction Reserve to the Transformation and Corporate Services recharged support services (Facilities Management Services) Portfolio due to increased pressures from Carbon Emission costs.

4.2 To appropriate funds to reserves as follows:

- 4.2.1 £2.738M** to the Transformation Reserve from the Adults Social Care Portfolio from Care and Support and voluntary sector relating to Direct Payments savings and grant utilisation within the voluntary sector to be used as part of the funding requirement for the Transformation Mark II projects up until 2017.
- 4.2.2 £208,000** to the Transformation Reserve from the Waste and Recycling Portfolio to be used as part of the funding requirement for the Transformation Mark II projects up until 2017.
- 4.2.3 £1.836M** to the Transformation Reserve from the Transformation and Corporate Services recharged support services (Facilities Management Services) Portfolio relating to Property Transformation II to be appropriated back to the service in 2014/15.
- 4.2.4 £1.017M** to the Transformation Reserve from the Leader and Finance Recharged Support Services (Finance) Portfolio in respect of Transforming Corporate Systems and the re-profiling of spend, to be appropriated back to the service in 2014/15.

- 4.2.5 £800,000** to the Transformation Reserve from the Transformation and Corporate Services recharged support services (Human Resources) Portfolio in respect of the People and Change project to be appropriated back to the service in 2014/15.
- 4.2.7 £196,000** to the Transformation Reserve from the Families and Children Portfolio relating to the closure of the All Age Children project.
- 4.2.8 £166,000** to the Reserve For Future Capital Funding from the Families and Children Portfolio details as follows; £13,000 to fund St Peters Youth project, £103,000 for an IT solution for Family Solutions and £50,000 to fund an extension to a Foster Carer's house.
- 4.2.9 £121,000** to the Transformation Reserve from the Transformation and Corporate Services recharged support services (Performance) Portfolio relating to Information and Intelligence
- 4.2.10 £90,000** to the Transformation Reserve from the Libraries, Communities and Planning Portfolio relating to the early implementation of savings to be utilised in 2014/15.
- 4.2.11** That approval is given to appropriate **£22.4M** to the Reserve for Future Capital Funding from the Waste Reserve to meet prior year's capital investment in the waste strategy and thereby reduce future minimum revenue provision. We will further use **£18M** of waste reserve to meet the capital costs of waste for 2014/15. This will reduce the on-going revenue costs of servicing this capital.
- 4.3** That approval is given to vire **£731,000** from Other Operating Costs to Transformation and Corporate Services (Facilities Management Services) Portfolio to mitigate the residual current year pressure arising against Property Services.
- 4.4** That approval is given to vire **£207,000** within Adult Social Care portfolio, (Business Support to Working Age Adults) in respect of Emergency Duty Team.
- 4.5** That approval is given to vire **£28,000** from Other Operating Costs (Interest receivable budgets) to Leader and Finance recharged support services to mitigate the pressure in relation to the negotiations with suppliers to procure a server hosting solution following the liquidation of the previous supplier for finance systems.
- 4.7** That approval is given to vire **£316,000** from the Families and Children Portfolio to the Transformation and Corporate Services recharged support services Portfolio relating to the procurement of a new Social Care Case Management system.

- 4.8** That approval is given to establish three Reserves: Community Resilience Fund, Consultation Reserve and Economic Growth Strategy Reserve, details within **3.2.3** of this report, and to appropriate funds totalling **£9.9M** from Portfolios as detailed as in **3.2.3 Table 1** of this report.

Appendix A provides a summary, by portfolio, 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 portfolio.

5 Trading activities

In 2013/14, it is anticipated that the Trading Activities' will over achieve their planned surplus by **£438,000**. Whilst elements can be attributed to accumulated cashable efficiencies brought forward from previous years it is evident that our traded services continue to secure work in a variety of areas (particularly Essex Education), which deliver social value and will enable reinvestment in front line services. A decision on the use of these surpluses will be taken at the end of the year once the final positions on the various trading activities are known.

6 Capital

The projected under spend on the capital programme totals **£37.9M (22%)** against the latest capital budget of **£172.7M**. Excluding cash balances held by schools and Devolved Formula Capital the projected under spend totals **£37.3M (23%)** against a latest budget of **£164.9M**.

6.1 Approval is sought in relation to the following actions:

- | | | |
|------|-----------------|----------------|
| I. | Slippage: | £33.3M |
| II. | Additions: | £4.4M |
| III. | Reductions: | £9.2M |
| IV. | Advanced works: | £42,000 |

The key points to note are listed below, and the detailed requests are shown at Appendix C.

6.2 Adult Social Care

- I. Spend to date of **£270,000** represents **83%** of the forecast Outturn of **£325,000**. There is currently a forecast under spend of **£138,000**.
- II. Bridgemarsh Home – As part of the review of Increased Independence for Working Age Adults project, this scheme will no longer take place. Approval is sought to reduce this budget by **£138,000**.

6.3 Families and Children

- I. Spend to date of **£183,000**, represents **17%** of forecast outturn of **£1.1M**. There is a forecast over spend of **£68,000**.
- II. The over spend is made up of minor under and over spends for which approval is sought to re-profile **£25,000** into 2014/15, for budget additions of **£103,000** and budget reductions of **£60,000**. What are the service doing to meet the overspend costs.
- III. This **£103,000** is for the purchase of a Social care recording system and development of a specific Family Solutions website. It is being financed by a contribution from the Families and Children revenue portfolio budget, via the Reserve for Future Capital Funding.

6.4 Libraries, Communities and Planning

- I. Spend to date of **£1.3M** represents **23%** of forecast outturn of **£5.6M**. An under spend of **£458,000** is currently forecast.
- II. Approval is sought to re-profile **£427,000** into 2014/15 (**£307,000** for Hadleigh Farm Legacy Construction) and **£25,000** into 2015/16 and budget reductions of **£6,000**.

6.5 Economic Growth and Infrastructure

- I. Spend to date of **£1.6M** represents **47%** of forecast outturn of **£3.5M**. An under spend of **£1.5M** is currently forecast.
- II. Integrated County Strategy – The bid process is planned for early 2014, therefore it is unlikely to be spent within this financial year, resulting in an under spend of **£1.5M**. Approval is sought to re-profile **£1.5M** into 2014/15.

6.6 Education and Lifelong Learning

- I. Spend to date of **£19.6M** represents **67%** of forecast outturn of **£29.3M**. There is currently a forecast under spend of **£6.4m**.
- II. A significant part of the underspend relates to Schools Basic Need projects (**£3.9M**) where a review has been carried out in light of the recent Targeted Basic Need business case around the deliverability of the 2013/14 Basic Need programme.

- III. Approval is sought for budget re-profiling of **£4.6M** (mainly for Schools Basic Need schemes), additions of **£786,000** (which is made up of a number of smaller requests) and reductions of **£2.4M** (mainly on Building Schools for the Future schemes and Devolved Formula Capital).

6.7 Transformation and Corporate Services

- I. Spend to date of **£2.5M** represents **26%** of forecast outturn of **£9.8M**. The service is currently forecasting an under spend of **£4.5M**.
- II. BDUK Essex Next Generation Access - An under spend of **£895,000** is forecast for 2013/14 based on the milestone payments that will fall in 2013/14. Approval is sought to re-profile **£895,000** into 2014/15.
- III. Transforming Corporate Systems (TCS) - the preferred bidder has now been selected. An under spend of **£1.7M** in 2013/14 is forecast and approval is sought to re-profile **£1.7M** into 2014/15.
- IV. Social Care Case Management – The procurement evaluation is in its final stages. A Final Business Case will be presented to Outcomes Board in early 2014. An under spend of **£1.9M** is forecast and approval is sought to re-profile **£1.9M** into 2014/15.
- V. The remaining balance of **£47,000** is made up of minor over spends for which approval is also sought for budget re-profiling of **£110,000**, additions of **£29,000**, budget reductions of **£10,000** and Advanced Works of **£28,000**.
- VI. The **£29,000** addition is made up of Enabling Works, St Peters Chelmsford – which comprises of £16,000 for Health and Safety works and £13,000 for additional sound proofing works.

6.8 Highways and Transportation

- I. Spend to date of **£35.6M** represents **52%** of Forecast Outturn of **£68.5M**. There is currently a forecast under spend of **£14.4M**.
- II. Highways and Transportation (excl. Major Schemes) - An under spend of **£11.2M** is forecast. This is predominately due to the Local Highways Panels (**£6.0M** re-profiling). Other under spends relate to the Cycling Programme, Depots and Section 106. Following a review of the programme, approval is sought to re-profile **£12.4M**, budget additions of **£1.1M**, budget reductions of **£288,000** and advanced works of **£14,000**.

- III. The £1.1M of additions relate to new items, mainly funded from the legal obligation on housing developers, to give Local Authorities contributions to fund infrastructure works to support their new developments, e.g. schools or roads, or also known as Section 106 schemes. The remainder (£146,000) is being funded from other under spends within the Highways & Transportation Portfolio (total reductions of £408,000).
- IV. Highways Major Schemes – An under spend of **£3.1M** is forecast. The main variances are Colchester Northern Approach Road 3 (**£1.4M**), Army Navy Widening (**£488,000**), Harlow Clock Tower (**£333,000**) and Nethermayne (**£541,000**). Approval is sought to re-profile **£3.2M** into 2014/15, budget additions of **£154,000** and budget reductions of **£121,000**.

6.9 Waste and Recycling

- I. Spend to date of **£6.7M** represents **79%** of Forecast Outturn of **£8.5M**. The service is currently forecasting an under spend of **£6.0M**.
- II. Waste Strategy – An under spend of **£4.3M** is forecast. Although three of the waste transfer stations are under construction, there are Judicial Reviews on going for the Dunmow and Chelmsford sites, and as a consequence it is now assumed any further expenditure will now occur in 2014/15. Approval is to re-profile **£4.9M** into 2014/15, budget additions of **£2.0M** and budget reductions of **£1.4M**.
- III. The £2M addition above relates to the new Transfer Stations, funded by **£1.4M** reduction on Courtauld Road and **£597,000** Section 106 spend. This addition forms part of the **£4.9M** slippage request.
- IV. The remaining **£1.7M** under spend is made up of various under and over spends for which approval is sought to re-profile **£1.7M** and budget reductions of **£13,000**.
- V. See recommendation **4.2.10** to appropriate **£22.4M** to the Reserve for Future Capital Funding from the Waste Reserve to meet prior year's capital investment in the waste strategy, and **£18M** for 2014/15

6.10 Leader

- I. An under spend of **£4.0M** is forecast in relation to the Local Authority Mortgage Scheme (LAMS). Due to the earlier than expected launch of the Central Government funded Help to Buy Scheme, Braintree is now the

only District intending to launch LAMS, and therefore, only **£1.0M** will be required. Approval is sought to reduce the budget by **£4.0M**.

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

6.11 Capital Receipts

Capital receipts received to date in 2013/14 total **£16.2M**. Of this amount, **£1.5M** relates to a debtor that was accounted for in 2012/13, **£1.2M** funds the 2013/14 Property Transformation II capital programme, **£3.6M** funds other schemes within the current 2013/14 capital programme and **£113,000** is ring-fenced to Southend Borough Council under the terms of a disposal. The remaining unallocated capital receipts balance totals **£9.8M**, which may be used to contribute towards the reduced debt payments savings target set out within the Property Transformation II programme.

7. Treasury Management and Prudential Indicators

A summary of the investment and borrowing levels is provided in **Appendix E**.

8. Policy context

This report is an assessment of the financial position of the County Council, which itself is a representation of the corporate plan. The budget and corporate plan were approved in parallel in February 2013.

9. Financial Implications

Finance and Resources Implications (Section 151 Officer)

The report is authored by the S151 Officer and all actions proposed within this report are within the available funding and are considered appropriate actions to deal with variances arising and to support the 2014/15 budget.

Given the current economic climate, and the continuing requirement by central government to reduce public spending to contribute to the resolution of the structural deficit, it is important that continued scrutiny is applied at all levels to ensure overall spending stays within budget.

10. Legal Implications

The Council is responsible for setting the budget each year at the budget and Council Tax meeting. Once agreed the executive then have to implement the policy framework within that budget. The executive cannot change the budget set by Council. The section 151 officer confirms that nothing in this report constitutes a departure from the budget previously agreed by Full Council.

11. Staffing and other resource implications

There are no staffing or other resource implications associated with this report.

12. Equality and Diversity implications

There are no equality and diversity or other resource implications associated with this report.

13. Background papers

Not applicable for this report

APPENDIX A (i)

REVENUE

2013/14													
	Year to Date			Budget Movement		Forecast Outturn			Variance Plan	Residual Variance	RAG Status	Residual Variance at Half Year	Movement in Residual Variance
	Latest Budget	Actual	Variance	Original Budget	Movement	Latest Budget	Outturn Forecast	Forecast Variance					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000
Public Health and Wellbeing	15,599	15,552	(47)	27,415	(583)	26,832	26,886	54	-	54	❖	64	(10)
Adults Social Care	252,372	249,277	(3,095)	380,316	575	380,891	376,672	(4,219)	(3,895)	(324)	■	(298)	(26)
Families and Children	90,661	86,921	(3,740)	135,831	(342)	135,489	132,712	(2,777)	(1,592)	(1,185)	■	(3,948)	2,763
Education and Lifelong Learning													
Education and Lifelong Learning DSG	(34,988)	(65,503)	(30,515)	(3,477)	2,128	(1,349)	(2,128)	(779)	-	(779)	■	(1,225)	446
Education and Lifelong Learning NON DSG	35,062	28,951	(6,111)	45,455	(2,231)	43,224	41,840	(1,384)	(1,384)	-	■	755	(755)
Highways and Transportation	59,896	60,705	809	93,101	172	93,273	93,049	(224)	(200)	(24)	■	(198)	174
Waste & Recycling	46,987	45,482	(1,505)	66,511	68	66,579	66,042	(537)	(240)	(297)	■	(313)	16
Economic Growth Infrastructure	2,817	1,754	(1,063)	3,911	728	4,639	5,020	381	-	381	◆	655	(274)
Leader and Finance	17,809	18,655	846	25,980	2,096	28,076	27,420	(656)	(656)	-	■	(697)	697
Libraries, Communities and Planning	13,889	13,341	(548)	20,124	571	20,695	20,440	(255)	(255)	-	■	60	(60)
Fire Reinstatement Works	-	207	207	-	-	-	-	-	-	-	■	-	-
Transformation & Corporate Services	562	637	75	537	(32)	505	617	112	-	112	◆	138	(26)
Recharged Support Services													
Highways and Transportation	766	731	(35)	1,214	(65)	1,149	1,157	8	-	8	❖	(66)	74
Leader & Finance	14,980	9,154	(5,826)	20,276	4,049	24,325	24,475	150	150	-	■	158	(158)
Transformation & Corporate Services	43,786	42,868	(918)	48,116	18,324	66,440	63,981	(2,460)	(1,913)	(547)	■	104	(651)
Other Operating Costs	5,211	7,665	2,454	103,680	(22,740)	80,940	77,780	(3,160)	(3,160)	-	■	(3,033)	3,033
Net Expenditure	565,409	516,397	(49,012)	968,990	2,718	971,708	955,963	(15,746)	(13,145)	(2,601)	■	(7,844)	5,244
DSG offset								646	-	646		1,112	(466)
ECC Projected Outturn								(15,100)	(13,145)	(1,955)	■	(6,970)	5,016
Financed by													
COL FUND (SURPLUS)/DEFICIT				(2,925)	-	(2,925)	(2,925)	-					
COUNCIL TAX PRECEPT				(518,086)	-	(518,086)	(518,086)	-					
GENERAL BALANCE - CONTRIBUTION/(WITHDRAWAL)				(25,470)	(2,718)	(28,187)	(28,187)	-					
GENERAL GOVERNMENT GRANTS				(36,339)	-	(36,339)	(36,196)	143					
NDR PRECEPT				(154,226)	-	(154,226)	(154,226)	-					
REVENUE SUPPORT GRANT				(231,945)	-	(231,945)	(231,945)	-					
Total Financing				(968,991)	(2,718)	(971,708)	(971,565)	143					

Rag Status

- Under spend of less than 5% of the budget
- Under spend of greater than 5% of the budget
- ❖ Over spend of less than 5% of the budget
- ◆ Over spend of greater than 5% of the budget

APPENDIX A (ii)

REVENUE VARIANCE PLAN

	Unadjusted Variance	Virement Requests	Carry Forward requests	Amounts (to) / from reserve	Residual Variance
	£000	£000	£000	£000	£000
Public Health and Wellbeing	54	-	-	-	54
Adults Social Care	(4,219)	-	-	(3,895)	(324)
Families and Children	(2,777)	(316)	-	(1,276)	(1,185)
Education and Lifelong Learning					
Education and Lifelong Learning DSG	(133)	-	-	-	(133)
Education and Lifelong Learning NON DSG	(1,384)	-	-	(1,384)	-
Highways and Transportation	(224)	-	-	(200)	(24)
Waste and Recycling	(537)	-	-	(240)	(297)
Economic Growth Infrastructure	381	-	-	-	381
Leader and Finance	(656)	-	-	(656)	-
Libraries, Communities and Planning	(255)	-	-	(255)	-
Transformation and Corporate Services	112	-	-	-	112
Recharged Support Services					
Highways and Transportation	8	-	-	-	8
Leader and Finance	150	28	-	122	-
Transformation and Corporate Services	(2,460)	1,047	-	(2,960)	(547)
Total	(11,940)	759	-	(10,744)	(1,955)
Other Operating Costs	(3,160)	(759)		(2,401)	-
Total (including Other Operating Costs)	(15,100)	-	-	(13,145)	(1,955)

REVENUE

TRADING ACTIVITIES

2012/13		2013/14				Forecast Variance %
Actual		Original	Latest	Outturn	Variance	
		Budget	Budget	Forecast		
£000		£000	£000	£000	£000	
(31,035)	Income	(28,410)	(33,867)	(31,721)	2,146	(6%)
28,626	Expenditure	25,332	30,999	28,415	(2,584)	(8%)
(2,409)	(Surplus) / Deficit	(3,078)	(2,868)	(3,306)	(438)	15%
Appropriations						
2,537	to County Revenue Account	1,787	1,781	1,781	-	-
(128)	to Trading Activity Reserves	1,291	1,087	1,087	-	-
-	Net movement on the reserve	-	-	(438)	(438)	-

APPENDIX C

CAPITAL

2013/14

	Year to date		Original Budget	Budget Movement		Revised Budget	Forecast outturn			RAG status
	Actual	% spend vs forecast		2012/13 Requests	2013/14 Approved changes		Outturn	Variance	Variance	
	£000	%	£000	£000	£000	£000	£000	£000	%	
Adult Social Care	270	83%	2,000	463	(2,000)	463	325	(138)	(30%)	●
Families and Children	183	17%	50	163	780	993	1,061	68	7%	◆
Libraries, Communities and Planning	1,300	23%	2,772	1,239	2,026	6,037	5,579	(458)	(8%)	●
Economic Growth and Infrastructure	1,628	47%	8,184	277	(3,505)	4,956	3,458	(1,497)	(30%)	●
Education and Lifelong Learning	19,636	67%	47,919	4,128	(16,375)	35,672	29,292	(6,380)	(18%)	●
Transformation and Support Services	2,535	26%	18,938	2,160	(6,801)	14,297	9,758	(4,538)	(32%)	●
Public Health and Wellbeing	-	0%	-	-	-	-	-	-	-	■
Highways and Transportation	35,634	52%	82,261	8,144	(7,514)	82,890	68,532	(14,358)	(17%)	●
Waste and Recycling	6,729	79%	23,146	1,166	(9,741)	14,571	8,532	(6,039)	(41%)	●
Leader	-	0%	1,000	-	4,000	5,000	1,000	(4,000)	-	■
Archived Codes	19	100%	68	-	(68)	-	9	9	100%	◆
ECC Capital Programme	67,934	53%	186,338	17,739	(39,199)	164,878	127,547	(37,331)	(23%)	●
Schools Cash Balances	886	100%	-	886	-	886	886	0	0%	■
Devolved Formula Capital	2,631	41%	-	4,262	2,655	6,917	6,365	(552)	(8%)	●
Total School Balances	3,518	49%	-	5,148	2,655	7,803	7,251	(552)	(7%)	●
Total Capital Programme	71,452	53%	186,338	22,887	(36,544)	172,681	134,798	(37,883)	(22%)	●
Financed by										
ECC Capital Programme										
Grants			82,183	8,923	(4,209)	86,897	78,622			
Reserves			10,573	90	3,818	14,481	10,404			
Developer contributions			21,602	1,698	(6,809)	16,491	12,565			
Capital receipts			3,932	-	861	4,793	4,136			
Unsupported borrowing			68,048	7,028	(32,860)	42,216	21,820			
Borrowing funded by revenue			-	-	-	-	-			
sub-total ECC Capital Programme			186,338	17,739	(39,199)	164,878	127,547			
School Balances										
Grants			-	886	2,655	3,541	3,424			
Unsupported borrowing			-	4,262	-	4,262	3,827			
sub-total School Balances			-	5,148	2,655	7,803	7,251			
Total ECC & Schools Capital Funding			186,338	22,887	(36,544)	172,681	134,798			

Variance plan

Portfolio	Approved changes					Variance Plan					
	Slippage	Additions	Reductions	Advanced Works	2013/14 Approved changes	Slippage	Additions	Reductions	Advanced Works	Residual Variance	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adult Social Care	(2,000)	0	0	0	(2,000)	-	-	(138)	-	-	(138)
Families and Children	0	884	-104	0	780	(25)	103	(60)	-	50	68
Libraries, Communities and Planning	(678)	2,704	0	0	2,026	(452)	-	(6)	-	-	(458)
Economic Growth and Infrastructure	(5,450)	3,445	(1,500)	0	(3,505)	(1,500)	-	-	-	3	(1,497)
Education and Lifelong Learning	(15,442)	10,931	(11,863)	0	(16,375)	(4,568)	786	(2,375)	-	(223)	(6,380)
Transformation and Support Services	(13,250)	6,661	(212)	0	(6,801)	(4,585)	29	(10)	28	(0)	(4,538)
Public Health and Wellbeing	-	0	0	0	-	-	-	-	-	-	-
Highways and Transportation	(10,913)	13,938	(10,539)	0	(7,514)	(15,588)	1,246	(408)	14	377	(14,358)
Waste and Recycling	(9,715)	0	(26)	0	(9,741)	(6,623)	2,044	(1,460)	-	0	(6,039)
Leader	-	7,000	(3,000)	0	4,000	-	-	(4,000)	-	-	(4,000)
Archived Codes	0	0	(68)	0	(68)	-	-	-	-	9	9
Total ECC Capital Programme	(57,448)	45,563	(27,313)	0	(39,199)	(33,341)	4,207	(8,456)	42	216	(37,331)
Schools Cash Balances	0	0	-	0	-	-	-	-	-	0	0
Devolved Formula Capital	0	2,655	-	0	2,655	-	232	(783)	-	(1)	(552)
Total Controlled Elsewhere	-	2,655	-	-	2,655	-	232	(783)	-	(1)	(552)
Total Capital Programme	(57,448)	48,218	(27,313)	0	(36,544)	(33,341)	4,439	(9,238)	42	215	(37,883)

Rag Status

- Under spend of less than 5% of the budget
- Under spend of greater than 5% of the budget
- ◆ Over spend of less than 5% of the budget
- ◆ Over spend of greater than 5% of the budget

APPENDIX C (I)

CAPITAL PROGRAMME DETAILED VARIANCE PLAN

Portfolio & Scheme	Slippage £000	Additions £000	Reductions £000	Advanced Works £000	2013/14 Changes Requested	Residual Variance £000	Total Variance £000
Adult Social Care							
Bridgemarsh Care Home	-	-	(138)	-	(138)	-	(138)
	-	-	(138)	-	(138)	-	(138)
Families & Children							
Minor Works	-	-	(10)	-	(10)	-	(10)
Aiming High	-	-	(50)	-	(50)	-	(50)
Family Solutions	-	103	-	-	103	-	103
ICS Systems Rationalisation	(25)	-	-	-	(25)	-	(25)
Other schemes	-	-	-	-	-	50	50
	(25)	103	(60)	-	18	50	68
Libraries, Communities and Planning							
Public Realm	(45)	-	-	-	(45)	-	(45)
Community Initiative Fund	-	-	(6)	-	(6)	-	(6)
Travellers	(100)	-	-	-	(100)	-	(100)
Hadleigh Farm	(307)	-	-	-	(307)	-	(307)
	(452)	-	(6)	-	(458)	-	(458)
Economic Growth and Infrastructure							
Integrated County Strategy	(1,500)	-	-	-	(1,500)	-	(1,500)
Other Schemes	-	-	-	-	-	3	3
	(1,500)	-	-	-	(1,500)	3	(1,497)
Education and Lifelong Learning							
Mersea Outdoors	-	-	(31)	-	(31)	-	(31)
Danbury Outdoors	-	107	-	-	107	-	107
Early Years	(644)	-	-	-	(644)	-	(644)
Schools Capitalised Maintenance	-	61	-	-	61	-	61
Temporary Accommodation	(2)	-	(448)	-	(450)	35	(415)
Academies	-	15	-	-	15	-	15
Building Schools For Future	-	350	(1,170)	-	(820)	-	(820)
St Johns Abbeyfield Primary School	(1,133)	-	-	-	(1,133)	-	(1,133)
Edith Borthwick Special School	-	-	(54)	-	(54)	-	(54)
Brentwood Special School	-	62	-	-	62	-	62
Severalls Primary School	(200)	-	-	-	(200)	-	(200)
Broomfield Primary School	(40)	-	-	-	(40)	-	(40)
Colchester Primary Review	(472)	-	-	-	(472)	-	(472)
Alderton Infant School	(229)	-	-	-	(229)	-	(229)
The Downs Primary School	(128)	-	-	-	(128)	-	(128)
Montgomery Infant School	(134)	-	-	-	(134)	-	(134)
Loughton Basic Need	(70)	-	-	-	(70)	-	(70)
Witham Basic Need	(130)	-	-	-	(130)	-	(130)
Braintree Basic Need	(363)	-	-	-	(363)	-	(363)
Stansted Basic Need	(450)	-	-	-	(450)	-	(450)
Chelmsford Basic Need	(500)	-	-	-	(500)	-	(500)
Other Schemes	(73)	191	(672)	-	(554)	(258)	(812)
	(4,568)	786	(2,375)	-	(6,157)	(223)	(6,380)

APPENDIX C (II)

CAPITAL PROGRAMME DETAILED VARIANCE PLAN (cont.)							
Transformation and Support Services							
Building Maintenance	(110)	-	-	-	(110)	-	(110)
Enabling Works	-	29	-	-	29	-	29
Property Transformation	-	-	-	28	28	-	28
BDUK	(895)	-	-	-	(895)	-	(895)
Corporate Services	(1,680)	-	-	-	(1,680)	-	(1,680)
Customer Complaints System	-	-	(10)	-	(10)	-	(10)
Social Care Case Management	(1,900)	-	-	-	(1,900)	-	(1,900)
	(4,585)	29	(10)	28	(4,538)	-	(4,538)
Highways and Transportation							
Local Highways Panels	(6,013)	6	-	-	(6,007)	-	(6,007)
Passenger Transport	(325)	27	(33)	-	(331)	-	(331)
Bridges	(650)	-	-	-	(650)	4	(646)
Cycling Programme	(1,136)	32	(102)	-	(1,206)	143	(1,063)
Depots	(1,950)	-	-	-	(1,950)	-	(1,950)
Section 106	(1,644)	1,029	(119)	14	(720)	8	(712)
Colchester NAR3	(1,390)	-	-	-	(1,390)	-	(1,390)
Army & Navy Widening	(488)	-	-	-	(488)	-	(488)
Harlow Clock Tower	(333)	-	-	-	(333)	-	(333)
Nether Mayne	(626)	85	-	-	(541)	-	(541)
Safety Cameras	(224)	-	-	-	(224)	-	(224)
Street Lighting Replacement	(200)	-	-	-	(200)	-	(200)
Other Schemes	(609)	68	(154)	-	(695)	222	(473)
	(15,588)	1,246	(408)	14	(14,735)	377	(14,359)
Waste & Recycling							
Thames Chase	(40)	-	-	-	(40)	-	(40)
Shalford	(50)	-	-	-	(50)	-	(50)
Transfer Stations	(4,723)	2,044	-	-	(2,679)	-	(2,679)
Courtauld Road	(145)	-	(1,447)	-	(1,592)	-	(1,592)
Leachate Treatment	(333)	-	-	-	(333)	-	(333)
Drainage	-	-	(13)	-	(13)	-	(13)
Landfill Restoration	(1,292)	-	-	-	(1,292)	-	(1,292)
Shrub End Redevelopment	(40)	-	-	-	(40)	-	(40)
	(6,623)	2,044	(1,460)	-	(6,039)	-	(6,039)
Leader							
Local Authority Mortgage Scheme	-	-	(4,000)	-	(4,000)	-	(4,000)
	-	-	(4,000)	-	(4,000)	-	(4,000)
Archived Codes							
	-	-	-	-	-	9	9
ECC Capital Programme							
	(33,341)	4,208	(8,457)	42	(37,547)	216	(37,332)
Schools Balances & DFC							
Devolved Formula Capital	-	232	(783)	-	(551)	(1)	(552)
	-	232	(783)	-	(551)	(1)	(552)
Total School Balances							
	-	232	(783)	-	(551)	(1)	(552)
Total Capital Programme							
	(33,341)	4,439	(9,238)	42	(38,098)	215	(37,883)

APPENDIX D

BALANCE SHEET									
EARMARKED RESERVES & GENERAL BALANCES									
2013/14									
	Estimated Balance at 1 April 2013	2013/14 movements						Balance at 31 March 2014	
		Contributions agreed (on IFS)	Proposed Contributions (not on IFS)	Contributions to reserves	Withdrawals agreed (on IFS)	Proposed Withdrawals (not on IFS)	Withdrawals from reserves	Net Movement	as at 13th January 2014
	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Balance	(85,551)	(1,110)		(1,110)	29,452			28,342	(57,209)
Earmarked Reserves									
Building maintenance reserve	(713)			-	713		713	713	-
Capital receipts pump priming	(1,692)	(1,000)		(1,000)	597		597	(403)	(2,095)
Carbon Reduction reserve	(2,955)	(529)		(529)	153	376	529	-	(2,955)
Collection Fund Investment Risk reserve	-	(4,265)		(4,265)		4,265	4,265	-	-
Community Resilience Fund reserve	-		(1,000)	(1,000)			-	(1,000)	(1,000)
Consultation reserve	-		(5,900)	(5,900)			-	(5,900)	(5,900)
Economic Growth Strategy reserve	-		(3,000)	(3,000)			-	(3,000)	(3,000)
Energy Inflation reserve	(1,200)	(200)		(200)		280	280	80	(1,120)
Essex Crime and Police Panel reserve	(73)			-			-	-	(73)
Essex Transport Reserve	(372)			-			-	-	(372)
Health and Safety Reserve	(648)			-	648		648	648	-
Insurance	(10,743)			-		1,969	1,969	1,969	(8,774)
LAA Performance	(1,000)			-	1,000		1,000	1,000	-
Newton bequest reserve	(119)			-			-	-	(119)
Pension Fund Deficit reserve	-	(5,000)		(5,000)			-	(5,000)	(5,000)
Procurement reserve	(24)			-	24		24	24	-
Quadrennial Elections reserve	(1,006)	(500)		(500)	1,308	198	1,506	1,006	-
Redundancy reserve	(10,601)			-		1,469	1,469	1,469	(9,132)
Severe weather reserve	(252)			-	252		252	252	-
Street Lighting reserve	(476)			-	476		476	476	-
Tendering PPP	(422)			-			-	-	(422)
Transformation	(26,587)	(13,000)	(7,006)	(20,006)	17,801	5,750	23,551	3,545	(23,042)
	(58,883)	(24,494)	(16,906)	(41,400)	22,972	14,307	37,279	(4,121)	(63,004)
Future capital funding									
General	(12,344)	(10,933)	(22,600)	(33,533)		32,100	32,100	(1,433)	(13,777)
Bellhouse landfill	(61)			-			-	-	(61)
	(12,405)	(10,933)	(22,600)	(33,533)	-	32,100	32,100	(1,433)	(13,838)
Long Term Contractual Liabilities									
PFI equalisation reserves									
A130 PFI	(57,837)			-	949		949	949	(56,888)
Clacton secondary schools' PFI	(3,969)	(188)		(188)			-	(188)	(4,157)
Debden PFI	(4,818)			-	251		251	251	(4,567)
Building schools for the future PFI	(1,296)			-			-	-	(1,296)
Waste reserve	(61,803)	(21,423)		(21,423)		22,100	22,100	677	(61,126)
	(129,723)	(21,611)	-	(21,611)	1,200	22,100	23,300	1,689	(128,034)
Trading activities	(3,158)	(1,087)		(1,087)			-	(1,087)	(4,245)
Partnerships	(2,131)	-	-	-	-	250	250	250	(1,881)
Schools	(52,847)	-		-	-		-	-	(52,847)

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

TREASURY MANAGEMENT - 2013/14

	Actual Balance 1 April	Movements			Estimated balance 29 November	Interest payable / (earned) to date
	£000	Raised £000	Repaid £000	Net movement £000	£000	£000
Borrowing						
Long Term	358,497	-	(6,169)	(6,169)	352,328	10,103
Temporary	1,416	-	(1,416)	(1,416)	-	3
	359,913	-	(7,585)	(7,585)	352,328	10,106
Investments						
Long Term	(3,000)	(6,500)	-	(6,500)	(9,500)	(95)
Temporary	(248,100)	(99,900)	-	(99,900)	(348,000)	(1,981)
	(251,100)	(106,400)	-	(106,400)	(357,500)	(2,076)
Net indebtedness	108,813	(106,400)	(7,585)	(113,985)	(5,172)	8,030

Borrowing

Average long term borrowing over period to date (£000)

354,947

Opening pool rate at 1 April 2013

4.26%

Weighted average rate of interest on new loans secured to date

n/a

Average pool rate for year

4.26%

Investments

Average daily cash balance over period to date (£000)

400,469

Average interest earned over period

0.78%

Benchmark rate - average local authority 7 day rate

0.30%

APPENDIX E (II)

PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

PRUDENTIAL INDICATORS

		Approved Indicator	Provisional Outturn
1 Affordability			
Incremental impact on Council Tax	£	£1.12	N/A
Ratio of financing costs to net revenue streams	%	4.9%	5.0%
2 Prudence		<i>Net borrowing is well within the medium term forecast of the Capital Financing Requirement.</i>	
Net borrowing and Capital Financing Requirement			
3 Capital Expenditure			
Capital expenditure	£m	186	135
Capital Financing Requirement (<i>excluding credit arrangements</i>)	£m	761	688
4 External Debt			
Authorised limit (borrowing only)	£m	550	N/A
Operational boundary (borrowing only)	£m	380	N/A
Actual external borrowing (maximum level of debt during year)	£m	N/A	362
5 Treasury Management			
Interest rate exposures			
Upper limit for exposure to fixed rates			
Net exposure	£m	550	353
Debt		100.0%	100.0%
Investments		100.0%	100.0%
Upper limit for exposure to variable rates			
Net exposure	£m	160	3
Debt		30.0%	1.3%
Investments		100.0%	72.2%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40.0%	5.1%
12 months & within 24 months	%	40.0%	6.2%
24 months & within 5 years	%	60.0%	14.4%
5 years & within 10 years	%	60.0%	11.1%
10 years & within 25 years	%	80.0%	6.2%
25 years & within 40 years	%	50.0%	12.8%
40 years & within 50 years	%	50.0%	40.0%
50 years & above	%	20.0%	0.0%
Total sums invested for more than 364 days			
Authorised limit	£m	50	N/A
Actual sums invested (maximum position during year)	£m	N/A	6
6 Summary			
<i>All Treasury Management activities have been undertaken in accordance with approved policies and procedures.</i>			
<i>External debt is within prudent and sustainable limits.</i>			
<i>Credit arrangements have been undertaken within approved indicators</i>			
<i>Maturity Structure of borrowing: maturity dates for market loans are based on the next review date, not the final maturity date.</i>			

APPENDIX F

REVENUE SUMMARY -Movements between Period 8 Structure to Period 9 Structure

2013 / 14

Movements between structures	Year To Date			Budget	Movement	Forecast Outturn		
	Latest	Actual	Variance	Original	Movement	Latest	Outturn	Forecast
	Budget			Budget		Budget	Forecast	Variance
	£000	£000	£000	£000	£000	£000	£000	£000
ADULTS SOCIAL CARE	(6,300)	(5,665)	636	(9,614)	454	(9,160)	(8,362)	797
ECONOMIC GROWTH INFRASTRUCTURE	-	-	-	-	-	-	-	-
EDUCATION & LIFELONG LEARNING	(1,448)	(157)	1,290	(2,403)	236	(2,167)	(205)	1,961
FAMILIES AND CHILDREN	(4,364)	(5,742)	(1,377)	(7,013)	622	(6,392)	(8,264)	(1,872)
FIRE REINSTATEMENT WORKS	-	-	-	-	-	-	-	-
HIGHWAYS AND TRANSPORTATION	(2,177)	(2,003)	174	(5,976)	3,227	(2,749)	(2,871)	(122)
LEADER AND FINANCE	521	500	(21)	782	-	782	837	55
LIBS COMMUNITIES AND PLANNING	(43)	1	43	(197)	-	(197)	(198)	-
PUBLIC HEALTH AND WELL BEING	(286)	(215)	70	(425)	37	(389)	(335)	53
TRANSFORMATION & CORPORATE SERVS	14,126	13,315	(812)	24,848	(4,526)	20,322	19,448	(873)
WASTE & RECYCLING	(29)	(33)	(4)	-	(50)	(50)	(51)	-
RECHARGED SUPPORT SERVICES	-	-	-	-	-	-	-	-
HIGHWAYS AND TRANSPORT RSSS	-	-	-	-	-	-	-	-
LEADER AND FINANCE RSSS	93	-	(93)	-	463	463	463	-
TRANSFORMATION & CORPORATE SERVS RSSS	(92)	-	92	-	(463)	(463)	(463)	-
OTHER OPERATING COSTS	-	-	-	-	-	-	-	-
Net Cost of Services (Portfolios)	-	-	-	-	-	-	-	-
BUILDING MAINTENANCE	-	-	-	-	-	-	-	-
Net Expenditure	-	-	-	-	-	-	-	-