

<b>Cabinet</b>	<b>ES/001/12</b>
<b>Date:</b> 24 <sup>th</sup> January 2012	

**2011/12 FINANCIAL OVERVIEW AS AT THE THIRD QUARTER STAGE**

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

**Enquiries to:**

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**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 third quarter stage.

**Recommendations**

- (i) That Cabinet Members note the current revenue outturn forecast, which is a projected under spend for the year of **£6.931m**, assuming all actions recommended in this report are approved. Cabinet Members should also note a projected under spend of **£34.905m** against the approved capital payments guideline.
- (ii) That approval is given to appropriate **£3.746m** from Earmarked Reserves as follows:

Portfolio Requesting Funding	Financing Source					Total £'000
	s75 Reserve £'000	Health and Safety Reserve £'000	Essex Transport Reserve £'000	ExDRA Reserve £'000	Insurance Reserve	
Adults, Health & Community Wellbeing	674					674
Highways and Transportation - Passenger Transport			83			83
Procurement, Property and major Projects		118				118
Economic Development and Waste Recycling				130		130
Deputy Leader					2741	2,741
<b>Total</b>	<b>674</b>	<b>118</b>	<b>83</b>	<b>130</b>	<b>2,741</b>	<b>3,746</b>

(iii) That **£3.188m** is appropriated into Earmarked Reserves as follows:

	Reserve			
	Waste Reserve £'000	PRG Reserve £'000	Transformation Reserve £'000	Total £'000
Portfolio Returning Funds				
Economic Development and Waste Recycling	123			123
Education and 2012 Games		800		800
Deputy Leader	1173		1092	2,265
<b>Total</b>	<b>1,296</b>	<b>800</b>	<b>1,092</b>	<b>3,188</b>

- (iv) That approval is given to a Supplementary Estimates from the Emergency Contingency to various headings totalling **£3.030m** as detailed within the report.
- (v) That approval is given to return to the General Balance of **£391,000** (**£364,000** from Deputy Leader in respect of the Internal Audit and Risk Management Corporate Services Review savings, **£27,000** in relation to Human Resources Corporate Services Review savings).
- (vi) That Cabinet Members note the intention to seek approval to Carry Forward **£406,000** for Adults, Health and Community Wellbeing, the surplus on the Process Improvement Plan Budget, to support the Strategic IT project, Oscars, and Swift data workers in 2012/13.

- (vii) That approval is given to amendments to the capital payments profile and financing assumptions as follows:

	Approval Sought in this Report	Approval to be Sought via Cabinet Member Action	No Action at this time	Total
	£'000	£'000	£'000	£'000
Reduced to reflect the impact of Slippage	(35,702)	(647)		(36,349)
Reduced to reflect schemes that will no longer be progressed	(6,915)	(3,758)		(10,673)
Increased to take account of newly approved schemes	7,573	4,056		11,629
Other Schemes	403		85	488
<b>Total</b>	<b>(34,641)</b>	<b>(349)</b>	<b>85</b>	<b>(34,905)</b>

The impact upon the capital payment profile of making these changes is summarised in **Appendix C**.

- (viii) That approval is given for the transfer of £500,000 into the AHCW revenue budget from Other Operating Costs in relation to the 2010/11 dividend received from Essex Cares Ltd.

## 1. Financial Overview

### 1.1 Revenue

An assessment of the Revenue budget, at the third quarter of the 2011/12 financial year, shows a projected under spend of £6.931m, compared with a position of £415,000 under spend projected in the half year report. The projected under spend assumes that all actions recommended in this report are approved.

As the report has previously been presented in directorate format and is now being presented in the portfolio format, there are not direct comparisons with previous reported positions at a detailed level. However, comments are included below on the most significant of the variances reported:

#### **Children's Services (non-DSG) - £1.545m under spend**

Children's services are reporting a projected over spend of £1.784m in relation to high spend on external mainstream residential and foster care. This is offset by under spends in other areas, including Community Placed Budgets (£725,000 under spend), Children's & Young People's Strategic Partnerships (£274,000 under spend), Other Children's Services (£480,000 under spend) and Schools – LA (£1.542m under spend).

#### **Leader - £576,000 under spend**

The Leader Portfolio is forecast to under spend by £576,000. The service restructure in the Strategic Services Directorate has achieved a permanent budget reduction of £459,000, some of which was to offset pressures within the 12/13 budget and eliminate the need for a further restructure to achieve additional savings.

#### **Procurement Recharged Strategic Support Service (RSSS) - £419,000 under spend**

The under spend is due to the service holding a number of vacancies pending the outcome of the Procurement target operating model.

#### **HR RSSS - £781,000 under spend**

The under spend arises from staff vacancies, the cancellation of the Leadership Academy for 11/12 and lower costs for the Capita contract, and assumes that

recommended actions, such as returning project funding to reserves for future use, will be approved.

**Other operating costs - £2.3m under spend**

Interest budgets are projected to under spend by a net £1.8m, due to deferring our external borrowing requirement and to a reduction caused by continued slippage on the capital programme. The other £0.5m relates to dividends received from Essex Cares.

**Approval is sought in relation to the following actions:**

To draw down funds from reserves as follows:

- Adults, Health and Community Wellbeing - **£673,953** from the s75 Reserve held in relation to the equipment store
- Highways and Transportation - **£83,000** from the Essex Transport Reserve to cover residual site costs at Coval Lane, and on going charges in relation to a legal dispute
- Economic Development and Waste recycling - **£130,000** from the ExDRA Reserve, in relation to Strategic Services Management, due to increased European Social Fund legal costs
- Procurement, Property and Major Projects - **£118,000** from the Health and Safety Reserve for the current year's statutory testing and survey programme.
- Deputy Leader - **£2.741m** from the Insurance Reserve for the Insurance Recovery Account, following receipt of the second quarter actuarial report

To return funds to reserves as follows:

- Education and 2012 Games non-DSG - **£800,000** to the Performance Reward Grant Reserve, in relation to funding for apprenticeships.
- Economic Development and Waste recycling - **£123,000** to the Waste Reserve in relation to project savings from the Braintree, Brentwood and Essex Project.
- Deputy Leader - **£1.173m** to the Waste Reserve (**£548,000** in relation to the Customer First Project, **£249,000** for the Performance Management Projects, and **£376,000** in relation to HR Resource for projects).

- Deputy Leader - **£1.092m** to the Transformation Reserve for withdrawal in 2012/13 to support the continuation of the ICT Modernisation Programme.

The intention to seek approval to carry forward funds into 2012/13 is noted as follows:

- Adults, Health and Community Wellbeing - **£406,000**, being the surplus on the Process Improvement Plan Budget, to support the Strategic IT project, Oscars, and Swift data workers in 2012/13

To return funds to the General Balance as follows:

- Deputy Leader - **£364,000** in respect of the Internal Audit and Risk Management Corporate Services Review savings
- Deputy Leader - **£27,000** in relation to Corporate Services Review savings

Approval is sought for Supplementary Estimates from the Emergency Contingency as follows:

- **£2.284m** to the Reserve for Future Capital Funding in relation to the Colchester Visual Arts (First Site) project
- Adults, Health and Community Wellbeing - **£124,000** to cover the costs of the Strengthening Commissioning Project for 2011/12.
- Economic Development and Waste recycling - **£76,000** to reclaim DEFRA grant income
- Other Operating Costs - **£546,000** to the Transformation Reserve to cover the costs of the Strengthening Commissioning Project for 2012/13.

It should be noted that the projected outturn figure assumes that the remainder of the contingency will be spent. As the year progresses, this will be less likely and the estimates will be adjusted accordingly.

**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.

## 1.2 Trading activities

At this stage, it is anticipated that the Trading Activities' revenue reserves be **£611,000** as summarised in **Appendix B**. This is based on a forecast surplus of £319,000

## 1.3 Capital

The latest budget is **£247.653m**, as a result of actions approved in the first quarter report to cabinet and cabinet member actions. The current forecast outturn for the capital programme is **£212.749m** resulting in a projected under spend of **£34.905m** (14%). This compares to an under spend of £12.663m at the half year stage, which was in addition to the £14.734 slipped to 2012/13 in quarter 1.

This slippage includes £6.52m relating to the Sadlers Farm project. An application has been made to the Department for Transport to slip the funding into the 2012/13 financial year, but at present this has not been confirmed. This therefore constitutes a risk to the 2012/13 capital programme as it is unlikely that the project would be left incomplete.

Capital Programme detailed Variance Plans are included at **Appendix D**.

Approval is sought for the treatment of variances as follows:

- Re-profile payment approvals of **£35.702m** into 2012/13 (Approval is being sought for £647,000 via cabinet Member Action)
- Reduce scheme and payment approvals by **£6.915m** as a consequence of under spends or to reflect decisions not to proceed with schemes. (Approval is being sought to reduce another £3.758m via Cabinet Member Action).
- Increase the starts and payment approvals in 2011/12 by **£7.976m** in respect of new schemes. (An additional £4.056m is being sought via Cabinet Member Action.)

**Appendix C** 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.

## 1.4 Balance Sheet

### 1.4.1 Reserves

**Appendix E** provides a year end estimate of the position on the General Balance, the Emergency Contingency and earmarked revenue reserves as at the end of November 2011.

#### **1.4.2 Treasury Management and Prudential Indicators**

A summary of the investment and borrowing levels and prudential indicators are provided in **Appendix F**.



## APPENDIX A

### REVENUE SUMMARY

## 2011/12

	Year to Date			Budget Movement		Forecast Outturn			RAG Status
	Latest Budget	Actual	Variance	Original Budget	Movement	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Adults, Health and Community Wellbeing</b>	237,211	234,979	(2,232)	353,752	7,079	360,831	361,763	932	❖
<b>Children's Services</b>									
Dedicated Schools Budget	33,278	80,704	47,427	(2,748)	(4,244)	(6,992)	(5,481)	1,511	❖
Dedicated Schools Budget - offset		(47,427)	(47,427)				(1,511)	(1,511)	
Non dedicated Schools Budget	122,608	120,310	(2,298)	186,853	(499)	186,354	184,809	(1,545)	■
<b>Education and 2012 Games</b>									
Dedicated Schools Budget	(39,274)	168,480	207,754	(99)	7,982	7,883	7,573	(310)	■
Dedicated Schools Budget - offset		(207,754)	(207,754)				310	310	
Non dedicated Schools Budget	33,469	26,919	(6,550)	45,983	1,898	47,881	46,949	(932)	■
Lee Valley Park and 2012 Games	1,895	1,676	(219)	2,746	160	2,906	2,951	45	❖
<b>Highways and Transportation</b>	64,221	59,781	(4,439)	86,722	11,317	98,039	98,155	116	❖
<b>Economic Development and Waste Recycling</b>	42,070	41,398	(672)	64,337	(1,079)	63,258	62,918	(340)	■
<b>Environment and Culture</b>	12,197	11,541	(657)	19,304	(1,755)	17,549	17,296	(253)	■
<b>Leader</b>	5,796	5,223	(572)	10,118	(662)	9,456	8,880	(576)	●
<b>Communities and Planning</b>	3,690	2,960	(731)	5,114	514	5,628	5,486	(142)	■
<b>Procurement, Property and Major Projects</b>	1,073	1,202	130	1,419	144	1,563	1,372	(191)	●
<b>Deputy Leader</b>	1,773	2,264	491	3,243	(0)	3,243	3,160	(83)	■
<b>Recharged Support Services</b>									
Highways and Transportation									
Car Provision Scheme	(11)	245	257	(300)	283	(17)	43	60	❖
Transport Coordination Centre	864	744	(120)	1,296	0	1,296	1,240	(56)	■
Economic Development and Waste Recycling									
Communications and Customer Relations	1,319	1,371	53	2,024	2	2,026	2,026	(0)	■
Democratic Services	505	499	(5)	888	(138)	750	708	(41)	●
Leader									
Customer Services	2,156	2,922	766	3,049	2,757	5,806	5,806	0	❖
Performance	1,167	1,198	30	0	1,751	1,751	1,743	(8)	■
Procurement, Property and Major Projects									
Facilities Management Services	11,155	10,317	(838)	10,797	4,908	15,705	15,835	129	❖
Asset Management	3,091	2,756	(335)	2,640	2,144	4,784	4,772	(12)	■
Essex Legal Services	413	(33)	(446)	356	314	670	670	1	❖
Procurement	2,762	2,543	(219)	2,092	2,185	4,277	3,857	(419)	●
Deputy Leader									
Human Resources	5,044	4,802	(242)	6,427	3,135	9,562	7,582	(1,981)	●
Insurance Cost Recovery Account	3,123	(1,025)	(4,148)	4,685	0	4,685	7,426	2,741	◆
Information Services	9,825	6,846	(2,979)	11,990	2,747	14,737	13,812	(926)	●
Transformation Support Unit	3,317	3,586	269	4,147	1,647	5,794	5,568	(226)	■
Finance	10,417	11,717	1,300	13,566	3,228	16,794	16,330	(464)	■
Other Operating Costs	33,685	41,655	7,970	69,250	(61,516)	7,734	4,934	(2,800)	
<b>Net Cost of Services (Portfolios)</b>	<b>608,837</b>	<b>592,399</b>	<b>(16,437)</b>	<b>909,649</b>	<b>(15,696)</b>	<b>893,953</b>	<b>886,984</b>	<b>(6,970)</b>	■
<b>Building Maintenance</b>	(831)	1,995	2,826	3,960	0	3,960	3,960	0	❖
<b>Asset Charges</b>	2,191	0	(2,191)	2,660	24,244	26,904	26,904	0	■
<b>Net Expenditure</b>	<b>610,197</b>	<b>594,394</b>	<b>(15,802)</b>	<b>916,269</b>	<b>8,548</b>	<b>924,816</b>	<b>917,848</b>	<b>(6,970)</b>	
<b>Financed by</b>									
General government grant				(60,448)	(13,414)	(73,862)	(73,862)	0	
General Balance - contribution/(withdrawal)				8,426	4,866	13,292	13,292	0	
Revenue Support Grant				(66,990)	0	(66,990)	(66,990)	0	
National non-domestic rates				(216,724)	0	(216,724)	(216,724)	0	
Council tax precept				(578,685)	0	(578,685)	(578,685)	0	
Collection fund surpluses				(1,847)	0	(1,847)	(1,847)	0	
<b>Total Financing</b>				<b>(916,268)</b>	<b>(8,548)</b>	<b>(924,816)</b>	<b>(924,816)</b>	<b>0</b>	



## **APPENDIX A**

### **REVENUE VARIANCE PLAN**

	Unadjusted Variance	Transfer	Appropriations to & from reserves & balances	Carry Forward Requests	Residual Variance
	£000	£000	£000	£000	£000
<b>Adults, Health and Community Wellbeing</b>	932	(500)	(798)	406	40
<b>Children's Services</b>					
Non dedicated Schools Budget	(1,545)				(1,545)
<b>Education and 2012 Games</b>					
Non dedicated Schools Budget	(932)		800		(132)
Lee Valley Park and 2012 Games	45				45
<b>Highways and Transportation</b>	116		(83)		33
<b>Economic Development and Waste Recycling</b>	(340)		(83)		(423)
<b>Environment and Culture</b>	(253)				(253)
<b>The Leader Portfolio</b>	(576)				(576)
<b>Communities and Planning</b>	(142)				(142)
<b>Procurement, Property and Major Projects</b>	(191)		(118)		(309)
<b>Deputy Leader</b>	(83)				(83)
<b>Recharged Support Services</b>					
Highways and Transportation					
Car Provision Scheme	60				60
Transport Coordination Centre	(56)				(56)
Economic Development and Waste Recycling					
Communications and Customer Relations					0
Democratic Services	(41)				(41)
Leader					
Customer Services					0
Performance	(8)				(8)
Procurement, Property and Major Projects					
Facilities Management Services	129				129
Asset Management	(12)				(12)
Essex Legal Services	1				1
Procurement	(419)				(419)
Deputy Leader					
Human Resources	(1,981)		1,200		(781)
Insurance Cost Recovery Account	2,741		(2,741)		0
Information Services	(926)		1,092		166
Transformation Support Unit	(226)				(226)
Finance	(464)		364		(100)
<b>Building Maintenance</b>					
<b>Asset Charges</b>					
<b>Total</b>	<b>(4,171)</b>	<b>(500)</b>	<b>(367)</b>	<b>406</b>	<b>0</b>
Other Operating Costs	(2,800)	500	0		(2,300)
<b>Total (Including Other Operating Costs)</b>	<b>(6,970)</b>	<b>0</b>	<b>(367)</b>	<b>406</b>	<b>0</b>

## APPENDIX B

### REVENUE – TRADING ACTIVITIES

2010/11 Actual		Original Budget	Latest Budget	2011/12 Outturn Forecast	Variance	Forecast Variance
£000		£000	£000	£000	£000	%
(12,028)	Income	(17,910)	(18,090)	(21,340)	(3,250)	(18%)
11,122	Expenditure	17,081	17,101	20,071	2,970	17%
-	Financing Items	-	501	462	(39)	-
<b>(906)</b>	<b>(Surplus) / Deficit</b>	<b>(829)</b>	<b>(488)</b>	<b>(807)</b>	<b>(319)</b>	-
906	Appropriations	829	488	488	-	-
-	Extraordinary items	-	-	-	-	-
-	<b>Net movement on the reserve</b>	-	-	<b>(319)</b>	<b>(319)</b>	-
	Directorate Breakdown					
-	AHCW	-	-	-	-	-
249	SCF	-	-	-	-	-
-	Finance	-	-	(319)	-	-
43	ESH	-	-	-	-	-
	Transformation	-	-	-	-	-
<b>292</b>	<b>NET</b>	-	-	<b>(319)</b>	-	-
<b>(292)</b>	<b>Total Reserves Balance</b>	-	-	<b>(611)</b>		

## **APPENDIX C**

### **CAPITAL – SUMMARY OF PAYMENTS AND FINANCING**

	Year to Date		Budget Movement			Forecast Outturn			RAG Stat
	Actual	% spend	Original	Changes to	Latest	Outturn	Forecast	Forecast	
	vs forecast			Capital					
£000	%	£000	£000	£000	£000	£000	%		
Adults, Health and Community Wellbeing	143	5%	2,953	168	3,121	2,853	(268)	-9%	
Children's Services	2,913	44%	1,280	5,887	7,167	6,561	(606)	-8%	
Education and 2012 Games									
Schools	60,859	68%	91,258	10,563	101,821	89,374	(12,447)	-12%	
Youth service	1,651	43%	3,899	(204)	3,695	3,828	133	4%	
Building Schools for the Future	929	77%	9,999	(8,965)	1,034	1,201	167	16%	
2012 Games	206	31%	364	307	671	671	0	0%	
Highways and Transportation									
DfT Capital Maintenance	17,989	87%	20,728	-	20,728	20,728	(0)	0%	
DfT Integrated Transport	5,451	53%	8,043	3,201	11,244	10,238	(1,006)	-9%	
DfT Direct Grants	15,543	55%	31,100	5,188	36,288	28,311	(7,977)	-22%	
ECC Funded Capital	11,217	63%	19,042	3,649	22,691	17,755	(4,936)	-22%	
Community Infrastructure Grant	-		-	-	-	-	-	0%	
All other highways capital schemes	3,007	41%	5,968	2,825	8,793	7,403	(1,390)	-16%	
Environment and Waste	162	3%	9,854	(1,653)	8,201	6,339	(1,862)	-23%	
Heritage, Culture and the Arts	1,736	66%	2,423	828	3,251	2,634	(617)	-19%	
Leader	383	13%	7,250	(2,023)	5,227	3,045	(2,182)	-42%	
Localism & Planning	1,377	43%	3,162	115	3,277	3,227	(50)	-2%	
Major Projects & Commercial Services	489	19%	1,874	1,457	3,331	2,574	(757)	-23%	
Deputy Leader	1,759	32%	1,352	5,243	6,595	5,490	(1,105)	-17%	
Building Maintenance	19	4%	500	19	519	519	-	0%	
<b>Total payments to be financed in 2011/12</b>	<b>125,834</b>	<b>59%</b>	<b>221,048</b>	<b>26,605</b>	<b>247,653</b>	<b>212,748</b>	<b>(34,905)</b>		
<b>Financed by</b>									
Supported borrowing			-	-	-	-	-		
Unsupported borrowing			43,390	9,381	52,771	41,625	(11,146)		
Grants and contributions			171,659	16,808	188,467	165,335	(23,131)		
Capital receipts			5,999	(1)	5,998	5,379	(619)		
Earmarked Reserve			-	417	417	408	(9)		
Reserve for future capital funding			-	-	-	-	-		
<b>Total Financing</b>			<b>221,048</b>	<b>26,605</b>	<b>247,653</b>	<b>212,748</b>	<b>(34,905)</b>		



**CAPITAL VARIANCE PLAN**

	Slippage	Additions	Reductions	Advanced works	2011/12 Changes	2012/13 Changes
	£000	£000	£000	£000	£000	£000
Adults, Health and Community Wellbeing	(333)	43			(290)	(333)
Children's Services	(562)	183	(227)	-	(606)	(562)
Education and 2012 Games	(11,123)	6,436	(7,835)	373	(12,149)	(10,750)
Highways and Transportation	(18,657)	4,727	(1,494)	30	(15,394)	(18,627)
Environment and Waste	(1,806)	1	(57)		(1,862)	(1,806)
Heritage, Culture and the Arts Leader	(516)	65	(144)		(595)	(516)
Communities & Planning	(2,182)				(2,182)	(2,182)
Major Projects & Commercial Services	(50)				(50)	(50)
Deputy Leader	(757)				(757)	(757)
	(363)	247	(989)		(1,105)	(363)
<b>Total Variance</b>	<b>(36,349)</b>	<b>11,702</b>	<b>(10,746)</b>	<b>403</b>	<b>(34,990)</b>	<b>(35,946)</b>
<b>Financed by</b>						
Supported borrowing						
Unsupported borrowing	(10,465)	1,317	(2,085)		(11,233)	(10,465)
Grants and contributions	(25,006)	10,385	(8,661)	403	(22,879)	(24,603)
Capital receipts	(869)				(869)	(869)
Earmarked Reserves	(9)				(9)	(9)
	<b>(36,349)</b>	<b>11,702</b>	<b>(10,746)</b>	<b>403</b>	<b>(34,990)</b>	<b>(35,946)</b>

\*An additional £85,000 requires no action at this time

**CAPITAL PROGRAMME DETAILED VARIANCE PLAN**

Approval Sought in this report

Scheme	Slippage	Additions	Reductions	Advanced Works	2011/12 Changes
	£'000	£'000	£'000	£'000	£'000
<b>Adults, Health and Community Wellbeing</b>					
Accommodation/Housing Strategies	(300)	-	-	-	(300)
Oscars Phase 5	(33)	-	-	-	(33)
<b>Children's Services</b>					
Minor Works	(521)	-	-	-	(521)
Children's Centre	-	-	(111)	-	(111)
School Access Improvement	(41)	-	-	-	(41)
Temporary Accommodation	-	183	-	-	183
Food Technology	-	-	(116)	-	(116)
<b>Education and 2012 Games</b>					
Queen Boudica Primary	(391)	-	-	-	(391)
Rochford Nurseries Primary	(208)	-	-	-	(208)
Priors Green Primary	-	-	-	373	373
Buckhurst Hill Primary	-	-	(60)	-	(60)
Colchester Primary Review	(2,664)	496	(496)	-	(2,664)
Primary Capital Programme 09/10	(620)	727	(727)	-	(620)
Harlow Passmores	-	-	(261)	-	(261)
Hutton Willowbrook Primary School	(250)	-	-	-	(250)
Chelmer Valley High	(8)	-	-	-	(8)
Chelmsford Hylands	(200)	-	-	-	(200)
Capitalised Building maintenance	(316)	-	-	-	(316)
Devolved Formula Capital	(3,724)	605	(605)	-	(3,724)
Temporary Accommodation	-	-	(73)	-	(73)
Other Projects - ESH Education	(2,742)	2,907	(3,210)	-	(3,045)
Bradwell Outdoor Centre DDA	-	176	-	-	176
Education and 2012 Minor Works	-	-	(134)	-	(134)
Construction other	-	-	(44)	-	(44)
BSF	-	167	-	-	167
<b>Highways and Transportation</b>					
Street Lighting CMS	(547)	-	-	-	(547)
Halstead Salt Storage	(80)	-	-	-	(80)
Traffic Calming Mill Park Drive	(6)	-	-	-	(6)
Collision Site Remedial Works in Mid	(4)	-	-	-	(4)
Route Studies Countywide	(68)	-	-	-	(68)
Safety Camera Rollout	(47)	-	-	-	(47)
Traffic Management Improvements Brentwood	(22)	-	-	-	(22)
Stage4 Safety Audits/Remedials	(97)	-	-	-	(97)
Traffic Management Improvements Epping	(15)	-	-	-	(15)
Traffic Management Improvements Harlow	(22)	-	-	-	(22)
New Signs and Lines SCE Maldon	(150)	-	-	-	(150)
Traffic Management Improvements Uttlesford	(100)	-	-	-	(100)
Colchester A133 Corridor Improvements	(20)	-	-	-	(20)
Colchester, Station Travel Plan	(25)	-	-	-	(25)
Colchester Parking and Land Use Model	(40)	-	-	-	(40)
Braintree Access Improvements to Town	(43)	-	-	-	(43)
Chelmsford Rail Station Street Scene	(17)	-	-	-	(17)
Chelmsford Town Redial Bus Routes	(25)	-	-	-	(25)
Basildon, South Essex Rapid Transit	(50)	-	-	-	(50)
A127 Enhancements	(50)	-	-	-	(50)
Basildon Personalised Travel Planning	(20)	-	-	-	(20)
Colchester Town Centre	(523)	-	-	-	(523)
New Footway Inworth Road	(12)	-	-	-	(12)
The Street, Rayne	(11)	-	-	-	(11)
Sturmer Parish Improvements	(9)	-	-	-	(9)
Station Road, Footway Widening	(15)	-	-	-	(15)
Computing College Footways	(17)	-	-	-	(17)
Pedestrian Facilities Rawreth Lane	(43)	-	-	-	(43)
Colchester Park and Ride, Cuckoo Farm	(300)	-	-	-	(300)
Colchester A134 St. Boltolph's Roundabout	(939)	-	-	-	(939)
Colchester Junction28 A12	(55)	-	-	-	(55)
NAR3 Northern Approach Colchester	(4,200)	-	-	-	(4,200)
Braintree Freepoint Station Community Link Bridge	(628)	-	-	-	(628)
Basildon A13/A130 Sadlers Farm	(6,520)	-	-	-	(6,520)
Castle Point, A13 Passenger Transport Corridor	(2,463)	-	-	-	(2,463)
Epping Forest Transport Plan Phase1	(7)	-	-	-	(7)
Hadleigh Farm Access Improvements	(50)	-	-	-	(50)
S106 Initial Scheme Design Holding Code	(40)	-	-	-	(40)
Wickford Broadway PT Improvements	(7)	-	-	-	(7)
Laindon Station Improvements	(195)	-	-	-	(195)
Bus Stops Bramble Road	(33)	-	-	-	(33)
BSI Brentwood District	(10)	-	-	-	(10)
Chelmsford Bus Station Redevelopment	(19)	-	-	-	(19)
Bus Stop New London Road	(12)	-	-	-	(12)
Billericay Station Access Road	(4)	-	-	-	(4)
Blackwater Drive/Waveney Close	(7)	-	-	-	(7)
Billericay High Street	(6)	-	-	-	(6)
Bus Stop Improvements, Hythe Hill	(19)	-	-	-	(19)
B1408 London Road Stanway	(91)	-	-	-	(91)
Bus Stop Database Development	(17)	-	-	-	(17)
Local Bus Software	(10)	-	-	-	(10)
Bus Stop Improvements	(93)	-	-	-	(93)
Community Transport Vehicle Replacement	(25)	-	-	-	(25)
Station Cycle Access Improvements	(82)	-	-	-	(82)
Quality Taxi Partnership	(3)	-	-	-	(3)
New Bus Stop Sewardstone	(47)	-	-	-	(47)
New Bus Stop Albert Road	(8)	-	-	-	(8)
North Weald Library Bus Stop	(5)	-	-	-	(5)
Access Improvements St Margaret's Hospital	(25)	-	-	-	(25)
Bald Faced Stag Bus Stop	(10)	-	-	-	(10)
Maldon High Street Bus Stop	(2)	-	-	-	(2)
B184 Chelmsford Road junction	-	-	-	27	27
Beckingham Business WR	-	-	-	3	3
JCAM Asset Mgt Tool - Tamp	-	-	(2)	-	(2)
Safety Enhancement Wivenhoe Quarry	-	-	(1)	-	(1)
Accessibility Works	-	-	(3)	-	(3)
Epping Forest Walking and Cycling	-	-	(15)	-	(15)
Brentwood Railway Station Tele	-	-	(59)	-	(59)
Hythe Station, Colchester	-	1,000	-	-	1,000
CRM Unclassified Rochford	-	75	-	-	75
Hadleigh Town Centre	-	51	-	-	51
Harlow Eastern Access	-	470	-	-	470
Colchester Town Centre	-	350	-	-	350
Routes to Schools	-	50	-	-	50
Colchester Junction28	-	55	-	-	55
Real Time Passenger Information and Bus Priority Equipment	-	86	-	-	86

**APPEN  
DIX D**

**CAPITAL PROGRAMME DETAILED VARIANCE PLAN**

<b>Environment and Waste</b>	Country Parks	-	-	(20)	-	(20)
	Waste Strategy Scheme	(1,504)	-	-	-	(1,504)
	Perimeter Fencing/Site Security and Line Painting	-	-	(37)	-	(37)
	Landfill Gas Replacement	(14)	-	-	-	(14)
	Shalford Landfill	(45)	-	-	-	(45)
	CCTV	(53)	-	-	-	(53)
	Waste Compactors	(190)	-	-	-	(190)
	Braintree Civic Amenity Site	-	1	-	-	1
<b>Heritage, Culture and the arts</b>	Public Realm	(411)	-	(25)	-	(436)
	Springfield Library	(95)	-	-	-	(95)
	IT Hardware	(10)	-	-	-	(10)
<b>Leader</b>	Canvey Skills Centre	(1,356)	-	-	-	(1,356)
	Chelmsford Innovation Centre	(725)	-	-	-	(725)
	Jaywick Regeneration	(74)	-	-	-	(74)
	Essex Insight Information Services	(7)	-	-	-	(7)
	Corporate Complaints System Project	(20)	-	-	-	(20)
<b>Communities and Planning</b>	Traveller's Schemes	(50)	-	-	-	(50)
<b>Major Projects and Commercial Services</b>	Asset Management	(9)	-	-	-	(9)
	Facilities Management	(748)	-	-	-	(748)
<b>Deputy Leader</b>	ICT Modernisation	(363)	-	(989)	-	(1,352)
	E-payroll Project	-	247	-	-	247
		<b>(35,702)</b>	<b>7,646</b>	<b>(6,988)</b>	<b>403</b>	<b>(34,641)</b>

**Approval to be Sought by Cabinet Member Action**

	Scheme	Slippage	Additions	Reductions	Advanced Works	2011/12 Changes
		£'000	£'000	£'000	£'000	£'000
<b>AHCW</b>	Extension of Self Service/RFID Libraries	-	43	-	-	43
<b>Education and 2012 Games</b>	Bradwell Outdoor Centre DDA	-	135	-	-	135
	Witham Chipping Hill Primary	-	223	-	-	223
	Capitalised Building maintenance	-	-	(1,225)	-	(1,225)
	Temporary Accommodation	-	1,000	(1,000)	-	-
<b>Highways and Transportation</b>	Highways Maintenance	-	50	(1)	-	49
	Business Improvement	-	65	(65)	-	-
	Road Safety & Asset Management	-	123	(170)	-	(47)
	Passenger Transport	-	258	(320)	-	(62)
	Harlow A414 Capacity Improvements	(377)	1,277	-	-	900
	Hadleigh Farm Access Improvements	(270)	270	-	-	-
	Witham Station Second Access Footbridge	-	-	(269)	-	(269)
	Harlow Eastern Access Improvements	-	-	(210)	-	(210)
	Other Transportation Group	-	547	(379)	-	168
<b>Heritage, Culture and the arts</b>	Dunmow Library	-	-	(76)	-	(76)
	Invest to Save Self Service Library	-	-	(43)	-	(43)
	LD Residential Re-provision	-	65	-	-	65
		<b>(647)</b>	<b>4,056</b>	<b>(3,758)</b>	<b>-</b>	<b>(349)</b>
<b>No Action at this time</b>						
<b>Highways and Transportation</b>	Harlow Town Centre Market Quarter		85			85
						85
	<b>Total</b>	<b>(36,349)</b>	<b>11,702</b>	<b>(10,746)</b>	<b>403</b>	<b>(34,905)</b>

**APPENDIX E**

**RESERVES AND BALANCES**

**EARMARKED RESERVES**

	2011/12							2011/12 movements			
	Balance at 1 April 2011	2011/12 movements					Net Movement	Balance at 31 March 2012 as at 16 December	Estimated Balance at 31 March 2012 as at 30 September	(decrease) / increase in reserves	
		Contributions agreed	Contributions proposed	Contributions to reserves	Withdrawals agreed	Withdrawals proposed					Withdrawals from reserves
	£000	£000	£000	£000			£000	£000	£000	£000	
<b>General reserves</b>											
Transformation	(876)	(10,055)	(1,092)	(11,147)	5,506	-	5,506	(5,641)	(5,271)	(5,630)	359
Quadrennial Elections reserve	(571)	-	-	-	41	-	41	41	(530)	(571)	41
Capital receipts pump priming	(964)	-	-	-	546	-	546	546	(418)	(964)	546
IMT development	(212)	-	-	-	212	-	212	212	-	-	-
Partnerships	(1,571)	-	-	-	525	-	525	525	(1,046)	(846)	(200)
Insurance*	(2,615)	(3,437)	-	(3,437)	-	2,741	2,741	(696)	(6,052)	(2,615)	(3,437)
Essex Art Fund	(258)	-	-	-	258	-	258	258	-	-	-
LAA Performance	(4,241)	-	-	-	1,531	130	1,661	1,661	(2,710)	(2,710)	-
Health and Safety Reserve	(1,087)	-	-	-	-	118	118	118	(1,087)	(1,087)	-
ESF Reserve	(2,935)	-	(800)	(800)	-	-	-	(800)	(2,935)	(2,935)	-
Carbon Reduction reserve	(1,536)	-	-	-	-	-	-	-	(1,536)	(1,536)	-
Essex on-line partnership	(255)	-	-	-	-	-	-	-	(255)	(255)	-
Essex Transport Reserve	(1,322)	-	-	-	821	83	904	904	(501)	(501)	-
Carry Forwards Reserve	(13,801)	-	-	-	13,801	-	13,801	13,801	-	-	-
Developing Partnerships	(1,500)	-	-	-	1,500	-	1,500	1,500	-	-	-
Life Raft Pledge reserve	(728)	-	-	-	728	-	728	728	-	-	-
Newton bequest reserve	(119)	-	-	-	-	-	-	-	(119)	(119)	-
Personal Care reserve	(1,800)	-	-	-	1,800	-	1,800	1,800	-	-	-
AHCW Section 75 reserve	(674)	-	-	-	-	674	674	674	(674)	(674)	-
Severe weather reserve	(252)	-	-	-	-	-	-	-	(252)	(252)	-
Street Lighting reserve	(476)	-	-	-	-	-	-	-	(476)	(476)	-
Building maintenance reserve	(713)	-	-	-	-	-	-	-	(713)	(713)	-
Procurement reserve	(24)	-	-	-	-	-	-	-	(24)	(24)	-
Redundancy reserve	-	(6,698)	-	(6,698)	3,790	-	3,790	(2,908)	(2,732)	(3,412)	680
Tendring PPP	(422)	-	-	-	-	-	-	-	(422)	(422)	-
Trading activities	(1,736)	528	-	528	-	-	-	528	(2,264)	(586)	(1,678)
	<b>(40,688)</b>	<b>(19,662)</b>	<b>(1,892)</b>	<b>(21,554)</b>	<b>31,059</b>	<b>3,746</b>	<b>34,805</b>	<b>13,251</b>	<b>(30,017)</b>	<b>(26,328)</b>	<b>(3,689)</b>
<b>Future capital funding</b>											
General	(2,790)	-	(2,284)	(2,284)	-	-	-	(2,284)	(2,790)	(2,790)	-
Bellhouse landfill	(61)	-	-	-	-	-	-	-	(61)	(61)	-
Historic Building Reserve	(120)	-	-	-	-	-	-	-	(120)	(120)	-
	<b>(2,971)</b>	<b>-</b>	<b>(2,284)</b>	<b>(2,284)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,284)</b>	<b>(2,971)</b>	<b>(2,971)</b>	<b>-</b>
A130 PFI	(57,337)	-	-	-	154	-	154	154	(57,183)	(58,562)	1,379
Clacton secondary schools' f	(4,888)	-	-	-	216	-	216	216	(4,672)	(5,076)	404
Debden PFI	(5,154)	(154)	-	(154)	-	-	-	(154)	(5,308)	(5,248)	(60)
Waste reserve	(42,491)	-	(1,296)	(1,296)	3,781	-	3,781	2,485	(38,710)	(35,488)	(3,222)
Grants equalisation reserve	(8,201)	-	-	-	4,743	-	4,743	4,743	(3,458)	(3,411)	(47)
	<b>(118,071)</b>	<b>(154)</b>	<b>(1,296)</b>	<b>(1,450)</b>	<b>8,894</b>	<b>-</b>	<b>8,894</b>	<b>7,444</b>	<b>(109,331)</b>	<b>(107,785)</b>	<b>(1,546)</b>
<b>Schools</b>	<b>(47,380)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,380)</b>	<b>(47,380)</b>	<b>-</b>
<b>Total</b>	<b>(209,110)</b>	<b>(19,816)</b>	<b>(5,472)</b>	<b>(25,288)</b>	<b>39,953</b>	<b>3,746</b>	<b>43,699</b>	<b>18,411</b>	<b>(189,699)</b>	<b>(184,464)</b>	<b>(5,235)</b>



**RESERVES AND BALANCES**

**GENERAL BALANCE**

2011/12 Planned Contribution	(8,425)
Repayment of amount withdrawn in 2010/11 for restructuring costs	(2,970)
<b>Actual Balance 1 April 2011</b>	<b>(43,386)</b>
<b>Subsequent movements</b>	-
Grant Variations	(1,896)
<b>Estimated balance at 31st March 2012</b>	<b>(45,282)</b>
<b>Proposals</b>	
Contributions	(391)
Withdrawals	
<b>Updated Estimated Balance at 31 March 2012</b>	<b>(45,673)</b>

**EMERGENCY CONTINGENCY**

Previously Approved	36
Proposed Utilisation	3,030
<b>Assumed Withdrawals</b>	<b>4,970</b>
<b>Estimated balance at 31 March 2012</b>	<b>-</b>
<b>Updated estimated balance at 31 March 2012</b>	<b>-</b>

**APPENDIX F**

**PRUDENTIAL INDICATORS**

		Approved Indicator	La Estim
<b>1 Affordability</b>			
Incremental impact on Council Tax	£	5.69	
Ratio of financing costs to net revenue streams	%	6.1%	5
<b>2 Prudence</b>			
Net borrowing v Capital Financing Requirement			
			Net borrowing is well within medium term forecast of Capital Financing Requirement
<b>3 Capital Expenditure</b>			
Capital expenditure	£m	220	
Capital financing requirement (including credit arrangements)	£m	967	
<b>4 External Debt</b>			
Authorised limit (borrowing only)	£m	630	
Operational boundary (borrowing only)	£m	510	
Actual external borrowing ( <b>maximum level of debt during year to date</b> )	£m	n/a	
<b>5 Treasury Management</b>			
Interest rate exposures :			
Upper limit for exposure to fixed rates			
Debt		100%	10
Investments		100%	6
Upper limit for exposure to variable rates			
Debt		30%	7
Investments		100%	
Maturity structure of borrowing (upper limit)			
Under 12 months	%	40%	
12 months & within 24 months	%	40%	
24 months & within 5 years	%	60%	1
5 years & within 10 years	%	60%	
10 years & within 25 years	%	60%	
25 years & within 40 years	%	60%	
40 years & within 50 years	%	60%	4
50 years & above	%	40%	
Total sums invested for more than 364 days			
Authorised limit	£m	50	
Actual sums invested ( <b>maximum position during year to date</b> )	£m	n/a	
<b>6 Summary</b>			
All Treasury Management activities have been undertaken in accordance with approved policies and procedures			
External debt is within prudent & sustainable limits			
Credit arrangements have been undertaken within approved indicators			
Maturity Structure of borrowing : the maturity dates for market loans are based on the next review date, not the final maturity date.			

## APPEN DIX F

### TREASURY MANAGEMENT

	Opening Balance 1 April £000	Raised £000	Repaid £000	Balance at 30 November £000	Movement £000	Inter payab (earn £
<b>Borrowing</b>						
Long Term	360,702	-	(823)	359,879	(823)	10,
Temporary	2,504	29,291	(28,523)	3,272	768	
	<b>363,206</b>	<b>29,291</b>	<b>(29,346)</b>	<b>363,151</b>	<b>(55)</b>	<b>10,</b>
<b>Investments</b>						
Long Term	(5,000)	-	5,000	-	5,000	
Temporary	(74,400)	(66,184)	584	(140,000)	(65,600)	(1,2
	<b>(79,400)</b>	<b>(66,184)</b>	<b>5,584</b>	<b>(140,000)</b>	<b>(60,600)</b>	<b>(1,3</b>
<b>Net indebtedness</b>	<b>283,806</b>	<b>(36,893)</b>	<b>(23,762)</b>	<b>223,151</b>	<b>(60,655)</b>	<b>8,</b>
<b>Borrowing</b>						
Average long term borrowing over period (£000)						360,
Opening pool rate at 1 April 2011						4.2
Weighted average rate of interest on new loans secured in 2011/12						
Average pool rate for year to date						4.2
<b>Investments</b>						
Average daily cash balance over period (£000)						183,
Average interest earned over period						1.0
Benchmark rate - average local authority 7 day rate						0.4

