

<b>Cabinet</b>	<b>CAB / 028 / 09</b>
<b>Date: 20 October 2009</b>	

## 2009/10 FINANCIAL REVIEW AS AT THE HALF YEAR STAGE

Report by Cabinet Member with responsibility for Finance and Change Management

### 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 2009/10, based upon the position at the half year stage.

### Recommendations

- (i) That Cabinet Members note the forecast outturn position, which is summarised in the Executive Summary, which commences on page 3, and explained in more detail within the appendices to the Report.
- (ii) That the revenue virement requests, as set out within **Appendix C**, are approved.
- (iii) That supplementary funding is allocated, as follows:

## SUPPLEMENTARY ESTIMATE REQUESTS

Portfolio / RSSS	Financing Source							Total
	Carry Forwards Reserve	IMT Reserve	Service Improvement Reserve	LAA Performance Reward Reserve	Future Capital Funding Reserve	Essex On-line Partnership Reserve	Carbon Reduction Reserve	
	£000	£000	£000	£000	£000	£000	£000	£000
Deputy Leader	-	-	869	-	750	-	-	1,619
Education and 2012 Games	50	-	2,078	-	-	-	-	2,128
Adults, Health and Community Wellbeing	2,422	-	-	-	-	-	-	2,422
Chief Whip £ Environment and Waste	500	-	-	-	-	-	-	500
Leader	508	-	-	-	-	-	-	508
Heritage, Culture and the Arts	48	53	-	-	-	-	-	101
Localism & Planning	44	-	405	540	-	-	-	989
Recharged Support Services								
Democratic Services	15	-	-	-	-	-	-	15
Human Resources	242	-	-	-	-	-	-	242
Facilities Management Service	24	-	-	-	-	-	42	66
Finance	1,135	-	-	-	-	-	-	1,135
Building Maintenance	-	-	-	-	360	-	-	360
Operating Costs	3,235	-	-	1,650	-	104	-	4,989
<b>Total</b>	<b>8,223</b>	<b>53</b>	<b>3,352</b>	<b>2,190</b>	<b>1,110</b>	<b>104</b>	<b>42</b>	<b>15,074</b>


(iv) That the following amounts are appropriated into earmarked revenue reserves:

<b>APPROPRIATIONS TO EARMARKED REVENUE RESERVES</b>				
Contribution financed from:	Earmarked Reserves			Total
	Service Improvement Reserve	LAA Performance Reward Reserve	Reserve for Future Capital Funding	
	£000	£000	£000	£000
<b>Deputy Leader</b>				
Non Dedicated Schools Budget				
Children's services	-	-	(13)	(13)
<b>Chief Whip &amp; Environment and Waste</b>				
Waste disposal			(120)	(120)
<b>Recharged Support Services</b>				
Central Services				
Information Services	-	-	(123)	(123)
<b>Operating Costs</b>				
Essex On-line Partnership Reserve	-	-	(104)	(104)
LAA Performance reserve	(1,650)	-	-	(1,650)
<b>General Government Grant</b>	-	(13,920)	-	(13,920)
<b>Total</b>	<b>(1,650)</b>	<b>(13,920)</b>	<b>(360)</b>	<b>(15,930)</b>

(v) That **£8.347m** is added to the General Balance as a consequence of an under spend by the Localism and Planning portfolio, a net under spend on the interest budgets and the withdrawal from the Carry Forwards reserve.


(vi) That the capital payments guidance and financing assumptions are amended as outlined within **Appendix E**.

## EXECUTIVE SUMMARY

REVIEW	COMMENTARY	RAG STATUS
<b>Revenue</b>	<p>An updated assessment of the Revenue Budget at the Half Year stage indicates that the net position, after taking account of over spends brought forward from 2008/09, amounts it is proposed to appropriate to or from earmarked reserves and the receipt of additional LAA Performance Reward Grant, is a net over spend for the year of <b>£5.964m</b>.</p> <p>This balance takes account of over spends amounting to <b>£18.764m</b> that are currently forecast by the Deputy Leader, Adults, Health and Community Wellbeing, Chief Whip &amp; Environment and Waste, Education and 2012 Games and other portfolios; recovery plans are being developed for mitigating these over spends.</p> <p>Partially offsetting these over spends are various under spends that the relevant services have indicated that they wish to retain at this stage <b>£4.453m</b>.</p> <p>The above forecast assumes that the following appropriations into and from earmarked revenue reserves are approved:</p> <ul style="list-style-type: none"> <li>▪ <b>£8.223m</b> from the Carry Forwards reserve, of which <b>£4.988m</b> is required to meet costs associated with projects deferred from 2008/09.</li> <li>▪ <b>£3.352m</b> of the Service Improvement reserve is used to compensate for the transfer of various specific grants into the general Area Based Grant and to meet costs associated with the Stansted inquiry. Partially offsetting this, it is proposed that <b>£1.650m</b> is appropriated into the Service Improvement Reserve in respect of amounts previously utilised in expectation of receipt of LAA performance reward grant.</li> <li>▪ <b>£13.920m</b> is appropriated into the LAA Performance Reward reserve; this represents the latest assessment of performance reward grant receivable by the Council and a re-categorisation of grant previously allocated to support capital schemes. It is proposed that <b>£2.190m</b> is withdrawn from the LAA Performance Reward reserve in order to replenish the Service Improvement Reserve (as referred to in the previous paragraph) and to provide funding for payments to Local Strategic Partners.</li> </ul>	

<b>Revenue (continued)</b>	<ul style="list-style-type: none"> <li>▪ <b>£1.110m</b> is withdrawn from the Reserve for Future Capital Funding to provide revenue budget in respect of expenditure previously categorised as capital expenditure; it is further proposed that <b>£360,000</b> of revenue budget savings are appropriated into the Reserve to provide additional capital financing for various capital schemes.</li> <li>▪ <b>£104,000</b> is withdrawn from the Essex On-Line partnership reserve to support capital expenditure by the partnership.</li> <li>▪ <b>£53,000</b> is withdrawn from the IMT reserve to meet the cost of projects deferred from 2008/09.</li> <li>▪ <b>£42,000</b> of the Carbon Reduction reserve is allocated for energy education programmes.</li> </ul> <p>The forecast also assumes that <b>£8.347m</b> is added to the General Balance as a consequence of an under spend by the Localism and Planning portfolio, a net under spend on the interest budgets and the withdrawal from the Carry Forwards reserve.</p>	
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<b>Trading activities</b>	<p>At this stage, it is anticipated that Trading Activities' revenue reserves will increase from <b>£2.564m</b> to <b>£2.688m</b> as a consequence of performance in 2009/10. The increase in the Trading Activities' revenue reserves is <b>£358,000</b> less than implied by the latest approved financial targets though.</p>	
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<b>Capital</b>	<p>Payment approvals for 2009/10 Capital programme originally amounted to <b>£302.718m</b>. The capital payments guideline has subsequently been increased to <b>£311.049m</b>; this includes payments slippage from 2008/09 (<b>£16.944m</b>) and other additions (<b>£6.596m</b>), partially offset by payments slippage into 2010/11 (<b>£11.353m</b>) and other reductions (<b>£3.856m</b>).</p> <p>Capital expenditure is currently forecast to be <b>£13.298m</b> below the latest approved payments guideline.</p> <p>Approval is sought to:</p> <ul style="list-style-type: none"> <li>▪ Re-profile payment approvals of <b>£11.123m</b> into 2010/11 as a consequence of slippage in schemes;</li> <li>▪ Bring forward payment approvals from 2010/11 of <b>£1.056m</b> to pay for education works progressing in advance of original profiles;</li> <li>▪ Increase the starts and payment approvals in 2009/10 by <b>£10.162m</b>; and</li> <li>▪ Reduce payment approvals by <b>£13.393m</b>.</li> </ul>	
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<b>Reserves and balances</b>	<p><b>General Balance</b></p> <ul style="list-style-type: none"> <li>▪ The General Balance stood at <b>£32.683m</b> at 1 April 2009.</li> <li>▪ It is proposed, within this Report, that a further <b>£8.347m</b> is added to the General Balance as a consequence of an under spend by the Localism and Planning portfolio, a net under spend on the interest budgets and the withdrawal from the Carry Forwards reserve.</li> <li>▪ The General Balance is currently estimated to amount to <b>£41.030m</b> at 31 March 2010.</li> </ul>
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<b>Reserves and balances</b>	<p><b>Earmarked revenue reserves</b></p> <ul style="list-style-type: none"> <li>▪ The Council maintains various earmarked reserves which are set aside for specific policy purposes. A number of the earmarked reserves can be drawn upon to fund revenue costs satisfying predetermined criteria.</li> <li>▪ Proposals are contained elsewhere within this report for appropriating funds to or from several of the earmarked revenue reserves. The proposals are brought together within the Operating Costs section of <b>Appendix I</b> (which commences on page 81 of the report); the resultant levels of reserves are set out within <b>Appendix F</b>.</li> </ul>
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<b>Reserves and balances</b>	<p><b>Emergency Contingency</b></p> <ul style="list-style-type: none"> <li>▪ The Emergency Contingency was originally set at <b>£8.0m</b>.</li> <li>▪ <b>£75,000</b> has been withdrawn during the year to date</li> <li>▪ There are no further proposals for utilising the Emergency Contingency at this stage.</li> <li>▪ The current balance on the Emergency Contingency is shown within <b>Appendix F</b>.</li> </ul>
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### RAG status and direction of travel definitions



Under spend of less than **£500,000** or **5%** of the Budget



Over spend of less than **£500,000** or **5%** of the Budget

OR

Under spend equal to, or greater than, **£500,000** or **5%** of the Budget



Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## REVENUE

## SUMMARY

	2009-10						RAG status
	Original Budget	Budget Movements		Latest Budget	Outturn Forecast	Forecast variance	
		B/fwd from 2008-09	Other				
£000	£000	£000	£000	£000	£000		
Deputy Leader							
Dedicated Schools Budget	(1,438)	-	-	(1,438)	(1,438)	-	■
Non Dedicated Schools Budget	130,114	-	1,642	131,756	144,034	12,278	◆
Education and 2012 Games							
Dedicated Schools Budget	1,227	-	(449)	778	778	-	◆
Non Dedicated Schools Budget	54,795	-	(1,739)	53,056	55,087	2,031	◆
Adults, Health and Community Wellbeing	365,413	-	(969)	364,444	370,256	5,812	◆
Highways and Transportation	74,547	-	1,575	76,122	75,139	(983)	●
Chief Whip and Environment and Waste Leader	60,741	(110)	1,054	61,685	62,278	593	◆
Localism & Planning	11,740	-	121	11,861	12,503	642	◆
Heritage, Culture and the Arts	4,917	(18)	(436)	4,463	5,988	1,525	◆
Central Services	5,326	(95)	(1,024)	4,207	4,324	117	●
Finance and Change Management	25	-	-	25	25	-	■
Recharged Support Services	4,002	-	(37)	3,965	4,214	249	◆
Highways and Transportation							
Transport Coordination Centre	1,475	-	(58)	1,417	1,383	(34)	■
Chief Whip and Environment and Waste Leader							
Democratic Services	1,029	-	(1)	1,028	1,043	15	●
Communications & Customer Relations	2,050	-	(30)	2,020	2,020	-	■
Customer Contact Centre	1,954	-	(243)	1,711	1,711	-	■
Central Services							
Human Resources	11,157	-	(81)	11,076	11,062	(14)	■
Information Services	24,269	-	12,513	36,782	36,659	(123)	■
Facilities Management Service	13,672	-	116	13,788	13,854	66	●
Procurement & Car Provision Scheme	1,915	-	(10)	1,905	2,300	395	◆
Finance and Change Management							
Essex Legal Services	3,715	-	(50)	3,665	3,416	(249)	●
Asset Management	4,492	-	(540)	3,952	3,886	(66)	■
Finance	10,004	-	5,864	15,868	17,476	1,608	◆
Performance, Planning & Programmes	2,959	-	(198)	2,761	2,409	(352)	●
Insurance Cost Recovery Account	5,377	-	-	5,377	5,235	(142)	■
Building Maintenance	4,681	-	37	4,718	5,078	360	◆
<b>Net cost of services (Portfolios)</b>	<b>800,158</b>	<b>(223)</b>	<b>17,057</b>	<b>816,992</b>	<b>840,720</b>	<b>23,728</b>	<b>◆</b>
Other operating costs	54,598	-	(17,057)	37,541	33,697	(3,844)	●
<b>Net Cost of Services</b>	<b>854,756</b>	<b>(223)</b>	<b>-</b>	<b>854,533</b>	<b>874,417</b>	<b>19,884</b>	<b>◆</b>
General government grant	(57,584)	-	-	(57,584)	(71,504)	(13,920)	●
<b>Net Expenditure</b>	<b>797,172</b>	<b>(223)</b>	<b>-</b>	<b>796,949</b>	<b>802,913</b>	<b>5,964</b>	<b>◆</b>
General balance - contribution / (withdrawal)	6,000	223	-	6,223	14,570	8,347	◆
Net savings required to offset pressures	-	-	-	-	(18,764)	(18,764)	●
Under spends earmarked for future spend	-	-	-	-	4,453	4,453	◆
<b>Budget Requirement</b>	<b>803,172</b>	<b>-</b>	<b>-</b>	<b>803,172</b>	<b>803,172</b>	<b>-</b>	<b>■</b>
<b>Financed by</b>							
Revenue Support Grant	(44,800)	-	-	(44,800)	(44,800)	-	■
National non-domestic rates	(194,095)	-	-	(194,095)	(194,095)	-	■
Council tax precept	(561,419)	-	-	(561,419)	(561,419)	-	■
Collection fund surpluses	(2,858)	-	-	(2,858)	(2,858)	-	■
<b>Total Financing</b>	<b>(803,172)</b>	<b>-</b>	<b>-</b>	<b>(803,172)</b>	<b>(803,172)</b>	<b>-</b>	<b>■</b>

## REVENUE

## VARIANCE PLAN

	Outturn Forecast Variance	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000	£000
Deputy Leader								
Dedicated Schools Budget	-	-	-	-	-	-	-	-
Non Dedicated Schools Budget	12,278	334	-	(671)	11,009	1,606	-	12,278
Education and 2012 Games								
Dedicated Schools Budget	-	-	-	-	-	-	-	-
Non Dedicated Schools Budget	2,031	-	-	(478)	381	2,128	-	2,031
Adults, Health and Community Wellbeing	5,812	(325)	-	(1,152)	4,867	2,422	-	5,812
Highways and Transportation	(983)	(940)	-	(91)	48	-	-	(983)
Chief Whip and Environment and Waste	593	-	-	(1,546)	1,759	380	-	593
Leader	642	134	-	-	-	508	-	642
Localism & Planning	1,525	846	(412)	(83)	185	989	-	1,525
Heritage, Culture and the Arts	117	-	-	(59)	75	101	-	117
Central Services	-	-	-	-	-	-	-	-
Finance and Change Management	249	249	-	-	-	-	-	249
Recharged Support Services								
Highways and Transportation								
Transport Coordination Centre	(34)	(34)	-	-	-	-	-	(34)
Chief Whip and Environment and Waste								
Democratic Services	15	-	-	-	-	15	-	15
Leader								
Communications & Customer Relations	-	-	-	-	-	-	-	-
Customer Contact Centre	-	-	-	-	-	-	-	-
Central Services								
Human Resources	(14)	(156)	-	(100)	-	242	-	(14)
Information Services	(123)	-	-	-	-	(123)	-	(123)
Facilities Management Service	66	-	-	-	-	66	-	66
Procurement & Car Provision Scheme	395	-	-	-	395	-	-	395
Finance and Change Management								
Essex Legal Services	(249)	(249)	-	-	-	-	-	(249)
Asset Management	(66)	-	-	(66)	-	-	-	(66)
Finance	1,608	428	-	-	45	1,135	-	1,608
Performance, Planning & Programmes	(352)	(287)	-	(65)	-	-	-	(352)
Insurance Cost Recovery Account	(142)	-	-	(142)	-	-	-	(142)
Building Maintenance	360	-	-	-	-	360	-	360
<b>Net cost of services (Portfolios)</b>	<b>23,728</b>	<b>-</b>	<b>(412)</b>	<b>(4,453)</b>	<b>18,764</b>	<b>9,829</b>	<b>-</b>	<b>23,728</b>
Other operating costs	(3,844)	-	(7,935)	-	-	4,091	-	(3,844)
<b>Net Cost of Services</b>	<b>19,884</b>	<b>-</b>	<b>(8,347)</b>	<b>(4,453)</b>	<b>18,764</b>	<b>13,920</b>	<b>-</b>	<b>19,884</b>
General government grant	(13,920)	-	-	-	-	(13,920)	-	(13,920)
<b>Net Expenditure</b>	<b>5,964</b>	<b>-</b>	<b>(8,347)</b>	<b>(4,453)</b>	<b>18,764</b>	<b>-</b>	<b>-</b>	<b>5,964</b>

## REVENUE

## VIREMENT REQUESTS

	2009/10			Full year effect		
	Increases £000	Decreases £000	Net movement £000	Increases £000	Decreases £000	Net movement £000
<b>Deputy Leader</b>						
<b>Non Dedicated Schools budget</b>						
Home to school and college transport	111	-	111	-	-	-
Service management	223	-	223	208	-	208
<b>Total Deputy Leader</b>	<b>334</b>	<b>-</b>	<b>334</b>	<b>208</b>	<b>-</b>	<b>208</b>
<b>Adults, Health and Community Wellbeing</b>						
<b>Adult Social Care</b>						
Support facilitated - Learning disabilities	-	(1,111)	(1,111)	-	-	-
Support facilitated - Older people	593	-	593	-	-	-
Supporting people - programme costs	407	-	407	-	-	-
Service management costs	-	(291)	(291)	-	(208)	(208)
<b>Libraries and Information Services</b>						
Library operational services	77	-	77	-	-	-
<b>Total Adults, Health and Community Wellbeing</b>	<b>1,077</b>	<b>(1,402)</b>	<b>(325)</b>	<b>-</b>	<b>(208)</b>	<b>(208)</b>
<b>Highways and Transportation</b>						
Roads and Footways	-	(33)	(33)	-	-	-
Traffic Management Act	200	-	200	-	-	-
Localism	4	-	4	-	-	-
Street Lighting	350	-	350	-	-	-
Road Safety	-	(64)	(64)	-	-	-
Strategic development and transportation	-	(982)	(982)	-	(974)	(974)
Response accelerated maintenance initiative	27	-	27	-	-	-
Public Rights of Way	-	(6)	(6)	-	-	-
Passenger Transport	8	-	8	-	-	-
Support services	-	(444)	(444)	-	-	-
<b>Total Highways and Transportation</b>	<b>589</b>	<b>(1,529)</b>	<b>(940)</b>	<b>-</b>	<b>(974)</b>	<b>(974)</b>
<b>Leader</b>						
LAA Pooled Funds	128	-	128	-	-	-
Adult Community Learning - Adult Education	6	-	6	-	-	-
<b>Total Leader</b>	<b>134</b>	<b>-</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Localism and Planning</b>						
Developing partnerships with Districts	-	(128)	(128)	-	-	-
Development management	974	-	974	974	-	974
<b>Total Localism and Planning</b>	<b>974</b>	<b>(128)</b>	<b>846</b>	<b>974</b>	<b>-</b>	<b>974</b>
<b>Finance and Change Management</b>						
<b>Central Services</b>						
Coroner's Courts	249	-	249	-	-	-
<b>Total Finance and Change Management</b>	<b>249</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recharged Strategic Support Services</b>						
Transport Coordination Centre	-	(34)	(34)	-	-	-
Essex Legal Services	-	(249)	(249)	-	-	-
Information Services	-	-	-	-	-	-
Human Resources	-	(156)	(156)	-	-	-
Performance, Planning and Programmes	-	(287)	(287)	-	-	-
Finance	428	-	428	-	-	-
	<b>428</b>	<b>(726)</b>	<b>(298)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,785</b>	<b>(3,785)</b>	<b>-</b>	<b>1,182</b>	<b>(1,182)</b>	<b>-</b>



## REVENUE

## TRADING ACTIVITIES

2008-09		2009-10					Rag Status
Actual		Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000		£000	£000	£000	£000	%	
(26,737)	Income	(20,690)	(23,541)	(18,500)	5,041	(21.41%)	◆
25,571	Expenditure	20,657	23,037	18,354	(4,683)	(20.33%)	●
55	Financing Items	-	-	-	-	-	■
<b>(1,111)</b>	<b>(Surplus)/Deficit</b>	<b>(33)</b>	<b>(504)</b>	<b>(146)</b>	<b>358</b>	<b>(71.03%)</b>	●
3,302	Appropriations	(7)	22	22	-	-	■
<b>2,191</b>	<b>Net(increase)/decrease in revenue reserves</b>	<b>(40)</b>	<b>(482)</b>	<b>(124)</b>	<b>358</b>	<b>(74.27%)</b>	●
	<b>Net(increase)/decrease in Trading Activities reserves</b>						
410	School Improvement & Advisory Service	-	(332)	(159)	173	(52.11%)	●
(55)	School Support - Finance	1	(109)	(109)	-	-	■
-	Schools: Other	(1)	(1)	(1)	-	-	■
329	School staffing insurance scheme	-	-	185	185	-	●
(305)	Essex Equipment Service	-	-	-	-	-	■
(4)	Smarte East	(40)	(40)	(40)	-	-	■
5	Viking Community Transport	-	-	-	-	-	■
1,625	Essex Transport	-	-	-	-	-	■
186	Reprographics	-	-	-	-	-	■
<b>2,191</b>	<b>Net(increase)/decrease in revenue reserves</b>	<b>(40)</b>	<b>(482)</b>	<b>(124)</b>	<b>358</b>	<b>(74.27%)</b>	●
<b>2008-09</b>					<b>2009-10</b>		
<b>Closing</b>					<b>Opening</b>	<b>Forecast</b>	
<b>Balance</b>					<b>Balance</b>	<b>Closing</b>	
						<b>Balance</b>	
<b>£000</b>					<b>£000</b>	<b>£000</b>	
<b>(2,564)</b>	<b>Total Reserves Balance</b>				<b>(2,564)</b>	<b>(2,688)</b>	

## CAPITAL

## SUMMARY OF PAYMENTS AND FINANCING

	2009-10				RAG status
	Original Budget	Latest Budget	Outturn Forecast	Forecast variance	
	£000	£000	£000	£000	
Education and 2012 Games					
Schools	130,763	125,049	132,507	7,458	◆
Children & Families	4,375	4,967	1,356	(3,611)	●
2012 Games	5,000	5,000	8,000	3,000	◆
Deputy Leader	2,183	3,616	2,969	(647)	●
Adults, Health and Community Wellbeing	6,945	7,610	5,444	(2,166)	●
Highways and Transportation					
DfT funded	56,030	57,467	57,222	(245)	■
ECC and other funded	58,154	67,447	56,515	(10,932)	●
Chief Whip and Environment and Waste	4,642	5,239	2,872	(2,367)	●
Leader	13,691	15,038	11,375	(3,663)	●
Localism & Planning	4,946	5,532	5,532	-	■
Heritage, Culture and the Arts	2,681	2,804	2,804	-	■
Central Services	9,745	6,906	7,356	450	◆
Finance and Change Management	1,563	2,014	1,799	(215)	●
Building Maintenance	2,000	2,360	2,000	(360)	●
<b>Total payments to be financed in 2009/10</b>	<b>302,718</b>	<b>311,049</b>	<b>297,751</b>	<b>(13,298)</b>	●
<b>Financed by</b>					
Supported borrowing	(49,616)	(49,616)	(49,616)	-	■
Unsupported borrowing	(64,438)	(76,830)	(65,017)	11,813	●
Grants and contributions	(174,119)	(177,196)	(173,011)	4,185	●
Capital receipts	(4,545)	(4,643)	(7,693)	(3,050)	◆
Reserve for future capital funding	(10,000)	(2,764)	(2,414)	350	●
<b>Total Financing</b>	<b>(302,718)</b>	<b>(311,049)</b>	<b>(297,751)</b>	<b>13,298</b>	●

## CAPITAL

## VARIANCE PLAN

	Outturn Forecast Variance	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000	£000
Education and 2012 Games							
Schools	7,458	6,402	-	1,056	-	7,458	(1,056)
Children & Families	(3,611)	-	-	-	(3,611)	(3,611)	3,611
2012 Games	3,000	3,000	-	-	-	3,000	-
Deputy Leader	(647)	103	(750)	-	-	(647)	-
Adults, Health and Community Wellbeing	(2,166)	-	(777)	-	(1,389)	(2,166)	1,389
Highways and Transportation							
DfT funded	(245)	-	-	-	(245)	(245)	245
ECC and other funded	(10,932)	-	(7,756)	-	(3,176)	(10,932)	3,176
Chief Whip and Environment and Waste	(2,367)	120	-	-	(2,487)	(2,367)	2,487
Leader	(3,663)	87	(3,750)	-	-	(3,663)	-
Localism & Planning	-	-	-	-	-	-	-
Heritage, Culture and the Arts	-	-	-	-	-	-	-
Central Services	450	450	-	-	-	450	-
Finance and Change Management	(215)	-	-	-	(215)	(215)	215
Building Maintenance	(360)	-	(360)	-	-	(360)	-
<b>Total Capital Expenditure</b>	<b>(13,298)</b>	<b>10,162</b>	<b>(13,393)</b>	<b>1,056</b>	<b>(11,123)</b>	<b>(13,298)</b>	<b>10,067</b>
<b>Financed by</b>							
Supported borrowing	-	-	-	-	-	-	-
Unsupported borrowing	11,813	(87)	6,939	-	4,961	11,813	(4,961)
Grants and contributions	4,185	(6,265)	5,344	(1,056)	6,162	4,185	(5,106)
Capital receipts	(3,050)	(3,050)	-	-	-	(3,050)	-
Reserve for future capital funding	350	(760)	1,110	-	-	350	-
<b>Total Financing</b>	<b>13,298</b>	<b>(10,162)</b>	<b>13,393</b>	<b>(1,056)</b>	<b>11,123</b>	<b>13,298</b>	<b>(10,067)</b>

## RESERVES AND BALANCES

## EARMARKED RESERVES

	2009/10 estimate				Comparison with previous estimate		
	Estimated Balance at 1 April 2009	2009/10 movements		Estimated Balance at 31 March 2010	Estimated Balance at 31 March 2010 at First Qtr stage	Movement in estimates since First Qtr stage	Notes
		Contributions to reserves	Withdrawals from reserves				
	£000	£000	£000	£000	£000	£000	
<b>General reserves</b>							
Service improvements	(22,365)	1,436	16,782	(4,147)	(5,850)	1,703	1
Essex Pledges	(9,021)	(5,705)	7,200	(7,526)	(7,526)	-	
Quadrennial Elections reserve	(1,480)	-	662	(818)	(1,480)	662	2
Capital receipts pump priming	(1,357)	-	499	(858)	(1,357)	499	3
IMT development	(6,488)	-	6,109	(379)	(200)	(179)	4
Partnerships	(1,012)	-	-	(1,012)	(1,012)	-	
Insurance	(4,514)	-	1,252	(3,262)	(3,262)	-	
Pensions Deficit Reserve	(2,627)	-	2,627	-	-	-	
Transformation reserve	(773)	(2,273)	2,512	(534)	(2,273)	1,739	5
Debt financing reserve	(5,600)	-	5,600	-	-	-	
Essex Art Fund	(233)	(25)	-	(258)	(258)	-	
LAA Performance	-	(15,480)	-	(15,480)	(3,750)	(11,730)	6
Health and Safety Reserve	(3,005)	-	1,500	(1,505)	(1,505)	-	
ExDRA partnership	(3,344)	(1,000)	-	(4,344)	(4,344)	-	
Carbon Reduction reserve	(1,521)	42	-	(1,479)	(1,521)	42	7
Essex on-line partnership	(352)	-	-	(352)	(352)	-	
Children's Reserve	-	(2,000)	-	(2,000)	(2,000)	-	
Essex Transport Reserve	(1,482)	-	-	(1,482)	(1,482)	-	
Carry Forwards Reserve	(8,223)	-	8,223	-	(8,223)	8,223	8
Developing Partnerships	(1,500)	-	-	(1,500)	(1,500)	-	
Life Raft Pledge reserve	-	(1,000)	-	(1,000)	(1,000)	-	
Tendring PPP	(430)	-	-	(430)	(430)	-	
Trading activities	(2,564)	(124)	-	(2,688)	(3,092)	404	9
	<b>(77,891)</b>	<b>(26,129)</b>	<b>52,966</b>	<b>(51,054)</b>	<b>(52,417)</b>	<b>1,363</b>	
<b>Future capital funding</b>							
General	(6,370)	(1,024)	2,294	(5,100)	(4,914)	(186)	10
Trading	-	-	-	-	-	-	
Essex Transport	-	-	-	-	-	-	
Reprographics	-	-	-	-	-	-	
Bellhouse landfill	(61)	-	-	(61)	(61)	-	
Historic Building Reserve	(120)	-	-	(120)	(120)	-	
	<b>(6,551)</b>	<b>(1,024)</b>	<b>2,294</b>	<b>(5,281)</b>	<b>(5,095)</b>	<b>(186)</b>	
<b>Equalisation reserves</b>							
PFI equalisation reserves							
A130 PFI	(49,532)	(2,142)	-	(51,674)	(51,674)	-	
Clacton secondary schools' PFI	(4,590)	-	-	(4,590)	(4,590)	-	
Debden PFI	(5,339)	-	-	(5,339)	(5,339)	-	
Waste reserve	(23,138)	(16,447)	-	(39,585)	(42,298)	2,713	11
Landfill allowances equalisation	-	-	-	-	-	-	
	<b>(82,599)</b>	<b>(18,589)</b>	<b>-</b>	<b>(101,188)</b>	<b>(103,901)</b>	<b>2,713</b>	
<b>Schools</b>	<b>(55,377)</b>	<b>-</b>	<b>-</b>	<b>(55,377)</b>	<b>(55,377)</b>	<b>-</b>	
<b>Total</b>	<b>(222,418)</b>	<b>(45,742)</b>	<b>55,260</b>	<b>(212,900)</b>	<b>(216,790)</b>	<b>3,890</b>	

## Notes:

- Service Improvement Reserve: Approval sought within Half Year Report to draw funds from this reserve - see Operating Costs
- Quadrennial Elections reserve: Reserve utilised to meet costs associated with the local election.
- Capital receipts pump priming: Withdrawals approved via Cabinet Member Action to provide pump priming related to disposal of two sites.
- IMT development: Lower drawdown made from Reserve than approved at First Quarter stage.
- Transformation reserve: Reserve utilised to meet costs associated with the Transformation programme.
- LAA Performance: Net increase reflects the latest assessment of LAA reward grant receivable by the Council.
- Carbon Reduction reserve: Approval sought within Half Year Report to draw funds from this reserve - see Operating Costs
- Carry Forwards reserve: Approval sought within Half Year Report to draw funds from this reserve - see Operating Costs
- Trading activities: Increase in trading reserves is a reflection of the updated assessment of trading performance in 2009/10.
- Reserve for Future Capital Funding: Movement primarily results from revised assumption regarding use of the reserve for capital financing purposes in 2009/10.
- Waste Reserve: Withdrawal approved via Cabinet Member Action.

## RESERVES AND BALANCES

## GENERAL BALANCE

	£000
Actual Balance 31 March 2009	(26,460)
Repayment of over spends in 2008/09	(223)
2009/10 Planned Contribution	(6,000)
<b>Actual Balance 1 April 2009</b>	<b>(32,683)</b>
Subsequent movements	-
<b>Estimated balance at 31 March 2010</b>	<b>(32,683)</b>
Proposals contained within Half Year Report:	
Localism and Planning - developing partnerships with districts	(412)
Operating costs - interest payable	(4,700)
Operating costs - balance of Carry Forwards reserve	(3,235)
<b>Forecast Balance at 31 March 2010</b>	<b>(41,030)</b>

## EMERGENCY CONTINGENCY

	£000
<b>Actual Balance 1 April 2009</b>	<b>(8,000)</b>
Approved Withdrawals	
Chief Whip & Environment and Waste: Flu Pandemic Costs	75
<b>Current Balance</b>	<b>(7,925)</b>

## PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

## PRUDENTIAL INDICATORS

		Approved Indicator	Latest estimate
<b>1 Affordability</b>			
Incremental impact on Council Tax	£	3.71	n/a
Ratio of financing costs to net revenue streams	%	5.1%	4.2%
<b>2 Prudence</b>			
Net borrowing v Capital Financing Requirement			Net borrowing is well within the medium term forecast of the Capital Financing Requirement.
<b>3 Capital Expenditure</b>			
Capital expenditure	£m	303	298
Capital financing requirement	£m	671	661
<b>4 External Debt</b>			
Authorised limit for external debt	£m	670	n/a
Operational boundary for external debt	£m	560	n/a
Actual external debt ( <b>maximum level of debt during year to date</b> )	£m	n/a	366
<b>5 Treasury Management</b>			
Interest rate exposures -			
Upper Limit - fixed rates	%	100%	96%
Upper Limit - variable rates	%	25%	25%
Maturity structure of borrowing (upper limit)			
Under 12 months	%	20%	0%
12 months & within 24 months	%	40%	0%
24 months & within 5 years	%	60%	2%
5 years & within 10 years	%	80%	0%
10 years & above	%	100%	99%
Total sums invested for more than 364 days			
Authorised limit	£m	60	n/a
Actual sums invested ( <b>maximum position during year to date</b> )	£m	n/a	60
<b>6 Summary</b>			

All Treasury Management activities have been undertaken in accordance with approved policies and procedures.

External debt is within prudent and sustainable limits.

## PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT

## TREASURY MANAGEMENT

	Opening Balance	Raised	Repaid	Balance	Movement	Interest payable / (earned)
	£000	£000	£000	£000	£000	£000
<b>Borrowing</b>						
Long Term	340,760	-	34,002	<b>306,758</b>	(34,002)	6,812
Temporary	1,034	430	665	<b>799</b>	(235)	2
	<b>341,794</b>	<b>430</b>	<b>34,667</b>	<b>307,557</b>	<b>(34,237)</b>	<b>6,814</b>
<b>Investments</b>						
Long Term	60,000	-	30,000	<b>30,000</b>	30,000	1,246
Temporary	150,650	1,252	-	<b>151,902</b>	(1,252)	1,152
	<b>210,650</b>	<b>1,252</b>	<b>30,000</b>	<b>181,902</b>	<b>28,748</b>	<b>2,398</b>
<b>Net indebtedness</b>	<b>131,144</b>	<b>(822)</b>	<b>4,667</b>	<b>125,655</b>	<b>(5,489)</b>	<b>4,416</b>
Average daily cash balance over period (£000)						<b>237,910</b>
Average interest earned over period						<b>2.0%</b>
Average long term borrowing over period (£000)						<b>316,942</b>
Average interest paid over period						<b>4.3%</b>

## SAVINGS AND EFFICIENCIES

## SAVINGS

	2009/10 YTD Actual	2009/10 Current Year Forecast Outturn	2009/10 Current Year Budget	Current Year Variance
	£000	£000	£000	£000
Deputy Leader	53	132	132	-
Adults, Health & Community Wellbeing	2,783	2,783	2,783	-
Education & 2012 Games	62	118	118	-
Highways & Transportation	2,329	5,852	5,852	-
Chief Whip & Environment and Waste Leader	2,001	4,514	4,529	15
Heritage, Culture & the Arts	1,320	1,384	1,384	-
Localism & Planning	-	-	-	-
Central Services	-	56	62	6
Finance & Change Management	1,074	1,140	1,240	100
	37	723	753	30
	-	-	-	-
<b>Total Savings</b>	<b>9,659</b>	<b>16,702</b>	<b>16,363</b>	<b>(339)</b>

**Chief Whip & Environment and Waste**

An adverse variance of **£15,000** is forecast in relation to the Joint Emergency Planning Officer Scheme as one of the partners has withdrawn from the Scheme.

**Localism and Planning**

An adverse variance of **£6,000** is forecast in relation to Minerals & Waste.

**Central Services**

An adverse variance of **£100,000** is forecast as a consequence of a lower level of income being generated by Procurement.

**Finance and Change Management**

An adverse variance of **£30,000** is forecast as a consequence of lower levels of income by the Coroners' Courts' service.



## SAVINGS AND EFFICIENCIES

## EFFICIENCIES

	2008/09 Actuals	2009/10 Current Year Forecast Outturn	2010/11 Target	Cumulative Total 2008- 2011
	£000	£000	£000	£000
Adults, Health & Community Wellbeing	6,579	16,728	16,824	40,131
Children's Services	3,108	10,321	10,321	23,750
Education and 2012 Games	3,428	10,899	10,899	25,226
Highways and Transportation	653	2,175	4,600	7,428
Chief Whip & Environment and Waste Leader	11,183	9,169	9,900	30,251
Heritage, Culture and the Arts	6	-	-	6
Localism and Planning	117	181	141	439
Central Services	118	57	57	232
Finance and Change Management	1,164	1,837	1,837	4,838
	750	1,914	2,204	4,868
<b>Total Efficiencies</b>	<b>27,105</b>	<b>53,281</b>	<b>56,783</b>	<b>137,169</b>

**Highways and Transportation**

An adverse variance of **£2.2m** is forecast in relation to capitalisation of staff costs. Savings have been identified to offset this, and virements have been actioned.

**Chief Whip & Environment and Waste**

A favourable variance of **£558,000** is forecast. This takes account of a shortfall in savings related to waste tipping away routing (**£67,000**) and an efficiency related to disposal framework contracts mini competition (**£625,000**).



**Finance and Change Management**

Finance are forecasting an adverse variance of **£290,000** related to Shared Services staffing efficiencies not anticipated to be fully realised this year and Coroners savings of **£35,000** that will not be achieved.




## PORTFOLIO COMMENTARY

<b>Deputy Leader</b>	<b>Cllr Peter Martin</b>	<b>Pages 19 - 23</b>
<b>Education and 2012 Games</b>	<b>Cllr Stephen Castle</b>	<b>Pages 24 - 33</b>
<b>Adults, Health and Community Wellbeing</b>	<b>Cllr David Finch</b>	<b>Pages 34 - 39</b>
<b>Highways and Transportation</b>	<b>Cllr Norman Hume</b>	<b>Pages 40 - 45</b>
<b>Chief Whip and Environment &amp; Waste</b>	<b>Cllr Tracey Chapman</b>	<b>Pages 46 - 52</b>
<b>Leader</b>	<b>Lord Hanningfield</b>	<b>Pages 53 - 57</b>
<b>Localism and Planning</b>	<b>Cllr John Jowers</b>	<b>Pages 58 - 62</b>
<b>Heritage, Culture and the Arts</b>	<b>Cllr Jeremy Lucus</b>	<b>Pages 63 - 66</b>
<b>Central Services</b>	<b>Cllr Derrick Louis</b>	<b>Pages 67 - 74</b>
<b>Finance and Change Management</b>	<b>Cllr Sarah Candy</b>	<b>Pages 75 - 83</b>

## DEPUTY LEADER ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	<p>A net over spend of <b>£12.278m</b> is currently forecast, mainly in relation to children's services.</p> <p>Approval is sought for supplementary funding of <b>£869,000</b>, from the Service Improvement Reserve, in respect of the transfer of specific grant funding into the general Area Based Grant.</p> <p>Approval is also sought to transfer resources between the Portfolio's revenue and capital budgets. The net effect of these transfers would be to increase the Portfolio's revenue budget by <b>£737,000</b>.</p> <p>It is also proposed that <b>£319,000</b> is vired from the Adults, Health and Community Wellbeing portfolio, and a further <b>£15,000</b> from Performance, Planning and Programmes.</p> <p>A recovery plan is targeted to address the underlying net over spend of <b>£10.338m</b> and a further <b>£9.2m</b> of high financial risks.</p>	
CAPITAL	<p>A net under spend of <b>£647,000</b> is forecast; it is proposed that scheme and payment guidelines are reduced by this amount.</p>	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## DEPUTY LEADER ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Dedicated Schools Budget</b>				
Schools Budget	32,825	32,501	(324)	■
Special educational needs	25,464	25,619	155	●
Dedicated Schools Grant	(59,727)	(59,558)	169	●
<b>Non Dedicated Schools Budgets</b>				
Schools - LA	1,074	1,111	37	●
CYP Strategic Partnerships	(2)	-	2	●
Special educational needs (LA)	18,493	19,556	1,063	◆
Children's Services	101,660	113,507	11,847	◆
TASCC teams	8,811	8,140	(671)	●
Youth offending teams	1,720	1,720	-	■
<b>TOTAL</b>	<b>130,318</b>	<b>142,596</b>	<b>12,278</b>	◆

**Dedicated Schools Budget**

A net under spend is currently forecast. Any unspent Dedicated Schools Grant (DSG) will be carried forward and applied in 2010/11.

**Special educational needs (LA)**

An over spend of **£1.063m** is forecast in relation to home to school transport for children with special educational needs. The forecast takes account of current daily costs and the number of school days in this financial year, and anticipates savings from this year's transport tendering exercise. However, there is a high financial risk of up to **£700,000** around this, and further risks in this Service area of up to **£2m** related to external contributions to care packages. The Schools, Children and Families' financial recovery plan is targeting spending reductions across other services to offset this budget pressure.

Approval is sought to vire **£111,000** from the Adults Health and Community Wellbeing portfolio in respect of travel trainer costs.

<b>Children's Services</b>	<p>An over spend of <b>£11.847m</b> is forecast due to additional cost pressures of external provision for looked after children and additional costs of Care Assessment and Management associated with the delivery of the improvement plan. There are high financial risks of up to <b>£6.5m</b> if the current cost trends cannot be contained or offset.</p> <p>Approval is sought for supplementary funding of <b>£869,000</b>, from the Service Improvement Reserve, to adjust the Portfolio's budget in respect of the transfer of specific grant funding for Care Matters Implementation and Child and Adolescent Mental Health Services into the general Area Based Grant.</p> <p>Approval is also sought for supplementary funding of <b>£750,000</b>, from the Reserve for Future Capital Funding, in order to switch provision for aspects of the Integrated Children System (ICS) project from capital to revenue. Partially offsetting this, it is proposed that an additional contribution is made to the Reserve for Future Capital Funding in order to provide additional capital financing of <b>£13,000</b> for minor works.</p> <p>Finally, it is proposed that <b>£208,000</b> is vired from the Adults, Health and Community Wellbeing portfolio in respect of minor works on children's services premises, and that <b>£15,000</b> is vired from Performance, Planning and Programmes in respect of the transfer of a member of staff.</p>
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<b>TASCC teams</b>	An under spend of <b>£671,000</b> results from staff vacancies.
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**VARIANCE PLAN**

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Dedicated Schools Budget</b>							
Schools Budget	-	-	(324)	-	-	-	(324)
Special educational needs	-	-	155	-	-	-	155
Dedicated Schools Grant	-	-	169	-	-	-	169
<b>Non Dedicated Schools Budgets</b>							
Schools - LA	-	-	-	37	-	-	37
CYP Strategic Partnerships	-	-	-	2	-	-	2
Special educational needs (LA)	111	-	-	952	-	-	1,063
Children's Services	223	-	-	10,018	1,606	-	11,847
TASCC teams	-	-	(671)	-	-	-	(671)
Youth offending teams	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>334</b>	<b>-</b>	<b>(671)</b>	<b>11,009</b>	<b>1,606</b>	<b>-</b>	<b>12,278</b>

## DEPUTY LEADER ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Schools				
Other Schools Capital Projects	275	275	-	■
Children & Families				
IS Related Schemes	1,586	926	(660)	●
Minor Works	714	727	13	●
Construction	1,041	1,041	-	■
<b>TOTAL</b>	<b>3,616</b>	<b>2,969</b>	<b>(647)</b>	●

**IS related schemes**

An under spend of **£750,000** is forecast in relation to the Integrated Children System (ICS) project. The remaining costs are revenue in nature, so approval is sought to transfer the resources to the Revenue budget, via the Reserve for Future Capital Funding.

Approval is sought to add scheme and payments approval of **£90,000** to the ICS capital improvement scheme, on the basis of an award of grant from the Department for Children, Schools and Families.

**Minor works**

Business cases have been agreed for the minor works allocation for children's homes and family centres. It is anticipated that costs will exceed the approved payments guideline by **£13,000**. Approval is sought to increase the payment guideline for these works by this amount, on the basis of an additional contribution to the Reserve for Future Capital Funding from the Portfolio's revenue budget.

## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Schools						
Other Schools Capital Projects	-	-	-	-	-	-
Children & Families						
IS Related Schemes	90	(750)	-	-	(660)	-
Minor Works	13	-	-	-	13	-
Construction	-	-	-	-	-	-
<b>TOTAL</b>	<b>103</b>	<b>(750)</b>	<b>-</b>	<b>-</b>	<b>(647)</b>	<b>-</b>




In addition to the variances reflected in the above forecast outturn statement and variance plan, a number of further variances are indicated. Further work is required to confirm the position on these projects, but these preliminary forecasts are set out in the following table:

	Forecast Variance
	£000
Schools	
Basildon - Pioneer Special School	868
All other SCF capital schemes	120
<b>TOTAL</b>	<b>988</b>

The position on the Pioneer Special School is currently unclear due to the contractor going into liquidation and subsequent claims from the main contractor are still under consideration.

An update on the status of these projects will be provided at the Third Quarter stage, as appropriate.

## EDUCATION &amp; 2012 GAMES ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
<b>REVENUE</b>	<p><b>Dedicated Schools budget</b></p> <p>An under spend of <b>£1.345m</b> is currently forecast. In the event that the Dedicated Schools Grant is not fully utilised this year, the grant will be carried forward for use in 2010/11.</p> <p><b>Non dedicated Schools budget</b></p> <p>Approval is sought for supplementary funding of <b>£2.128m</b> as a consequence of various specific grants being subsumed into the general Area Based Grant and in relation to projects deferred from 2008/09.</p> <p>The underlying position, assuming these supplementary estimates are awarded, is a net under spend of <b>£97,000</b>.</p>	
<b>TRADING ACTIVITIES</b>	<p>Performance of the School Support trading activities (Finance and Other) is anticipated to be in accordance with the latest approved financial targets.</p> <p>The School Improvement and Advisory Service is forecasting a surplus, although this is now anticipated to be <b>£173,000</b> lower than the latest approved financial target.</p> <p>A deficit of <b>£185,000</b> is forecast by the Schools staffing insurance scheme; this will be financed from the trading activity's accumulated revenue reserves.</p>	
<b>CAPITAL</b>	<p>A net over spend of <b>£6.847m</b> is forecast. Approval is sought to increase scheme and payment approvals by <b>£9.402m</b> and to re-profile capital payment approvals of <b>£2.555m</b> from 2009/10 into 2010/11.</p>	



**RAG status and direction of travel definitions**

- Under spend of less than **£500,000** or **5%** of the Budget
- Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
- ◆ Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## EDUCATION &amp; 2012 GAMES ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Dedicated Schools Budget</b>				
Dedicated schools budget	708,353	707,008	(1,345)	●
Dedicated schools grant	(707,575)	(706,230)	1,345	◆
<b>Non Dedicated School budgets</b>				
Schools - LA	35,059	37,276	2,217	◆
Youth Service	11,499	11,299	(200)	■
Children's Services	3,986	3,950	(36)	■
Olympics and Sports Development				■
Sports Development	808	858	50	◆
Hadleigh Castle Country Park	83	83	-	■
Precepts - Lee Valley Regional Park	1,621	1,621	-	■
<b>TOTAL</b>	<b>53,834</b>	<b>55,865</b>	<b>2,031</b>	<b>◆</b>

**Dedicated schools budget**

An under spend of **£1.345m** is currently forecast on the Dedicated Schools budget due to the unlikely need to apply the full level of school specific contingencies. Unspent Dedicated Schools Grant is ring-fenced – if it is not fully utilised this year, it will be carried forward to be applied in 2010/11.

**Schools - LA**

An over spend of **£1.836m** is forecast as a consequence of specific grant funding for extended rights for free travel and extended schools start up being transferred into the general Area Based Grant. Approval is sought for supplementary funding from the Service Improvement Reserve, to adjust the portfolio's budget for this transfer of grant.

A further over spend of **£381,000** is forecast as a consequence of higher demand for home to school transport, mainly related to statutory enhanced entitlements to free school transport. Spending reductions are being sought to offset this pressure. The forecast anticipates savings from this year's transport tendering exercise, but there is a high financial risk of up to **£700,000** around this.

<p><b>Youth Service</b></p>	<p>An under spend of <b>£442,000</b> is forecast as a result of staff vacancies and implementation of the SCF Directorate recovery plan.</p> <p>Partially offsetting this, an over spend of <b>£242,000</b> is forecast as a consequence of specific grant funding for positive activities for young people being transferred into the general Area Based Grant. Approval is sought for supplementary funding from the Service Improvement Reserve, to adjust the portfolio's budget for this transfer of grant.</p>
<p><b>Children's services</b></p>	<p>An under spend of <b>£36,000</b> is forecast as a result of implementation of the SCF Directorate recovery plan.</p>
<p><b>Sports development</b></p>	<p>Approval is sought for supplementary funding of <b>£50,000</b> from the Carry Forwards reserve to fund professional fees associated with the Hadleigh Farm mountain bike event.</p>

**VARIANCE PLAN**

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Dedicated Schools Budget</b>							
Dedicated schools budget	-	-	(1,345)	-	-	-	(1,345)
Dedicated schools grant	-	-	1,345	-	-	-	1,345
<b>Non Dedicated School budgets</b>							
Schools - LA	-	-	-	381	1,836	-	2,217
Youth Service	-	-	(442)	-	242	-	(200)
Children's Services	-	-	(36)	-	-	-	(36)
Olympics and Sports Development							
Sports Development	-	-	-	-	50	-	50
Hadleigh Castle Country Park	-	-	-	-	-	-	-
Precepts - Lee Valley Regional Park	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>(478)</b>	<b>381</b>	<b>2,128</b>	-	<b>2,031</b>

## TRADING ACTIVITIES

## School Improvement and Advisory Service

2008-09		2009-10					Rag Status
Actual		Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000		£000	£000	£000	£000	%	
(9,542)	Income	(7,469)	(9,971)	(9,705)	266	(2.67%)	●
8,594	Expenditure	7,465	9,631	9,538	(93)	(0.97%)	■
-	Financing Items	-	-	-	-	-	■
<b>(948)</b>	<b>(Surplus)/Deficit</b>	<b>(4)</b>	<b>(340)</b>	<b>(167)</b>	<b>173</b>	<b>(50.88%)</b>	●
1,358	Appropriations	4	8	8	-	-	■
<b>410</b>	<b>Net(increase)/decrease in revenue reserves</b>	<b>-</b>	<b>(332)</b>	<b>(159)</b>	<b>173</b>	<b>(52.11%)</b>	●
<b>2008-09 Closing Balance</b>		<b>2009-10</b>					
				<b>Opening Balance</b>	<b>Forecast Closing Balance</b>		
<b>£000</b>				<b>£000</b>	<b>£000</b>		
<b>(332)</b>	<b>Total Reserves Balance</b>			<b>(332)</b>	<b>(491)</b>		●

It is still anticipated that a surplus will be achieved this year. However, it is likely that income will be slightly lower than previously assumed.

## School Support - Finance

2008-09		2009-10					Rag Status
Actual		Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000		£000	£000	£000	£000	%	
(1,542)	Income	(1,156)	(1,505)	(1,505)	-	-	■
1,235	Expenditure	1,168	1,399	1,399	-	-	■
-	Financing Items	-	-	-	-	-	■
<b>(307)</b>	<b>(Surplus)/Deficit</b>	<b>12</b>	<b>(106)</b>	<b>(106)</b>	<b>-</b>	<b>-</b>	■
252	Appropriations	(11)	(3)	(3)	-	-	■
<b>(55)</b>	<b>Net(increase)/decrease in revenue reserves</b>	<b>1</b>	<b>(109)</b>	<b>(109)</b>	<b>-</b>	<b>-</b>	■
<b>2008-09 Closing Balance</b>		<b>2009-10</b>					
				<b>Opening Balance</b>	<b>Forecast Closing Balance</b>		
<b>£000</b>				<b>£000</b>	<b>£000</b>		
<b>(449)</b>	<b>Total Reserves Balance</b>			<b>(449)</b>	<b>(558)</b>		●

It is currently anticipated that performance will be in accordance with the latest approved financial target.

## School Support - Other

2008-09 Actual	2009-10					Rag Status
	Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000	£000	£000	£000	£000	%	
- Income	(60)	(60)	(60)	-	-	■
- Expenditure	59	59	59	-	-	■
- Financing Items	-	-	-	-	-	■
- <b>(Surplus)/Deficit</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	-	-	■
- Appropriations	-	-	-	-	-	■
- <b>Net(increase)/decrease in revenue reserves</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	-	-	■
<b>2008-09 Closing Balance</b>	<b>2009-10</b>					
				Opening Balance	Forecast Closing Balance	
£000				£000	£000	
- <b>Total Reserves Balance</b>				-	(1)	●

Performance is still anticipated to be in line with the latest approved financial target.

## School staffing insurance scheme

2008-09 Actual	2009-10					Rag Status
	Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000	£000	£000	£000	£000	%	
(4,191) Income	(3,437)	(3,437)	(4,963)	(1,526)	44.40%	●
4,520 Expenditure	3,437	3,437	5,148	1,711	49.78%	◆
- Financing Items	-	-	-	-	-	■
<b>329 (Surplus)/Deficit</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>185</b>	<b>-</b>	●
- Appropriations	-	-	-	-	-	■
<b>329 Net(increase)/decrease in revenue reserves</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>185</b>	<b>-</b>	●
<b>2008-09 Closing Balance</b>	<b>2009-10</b>					
				Opening Balance	Forecast Closing Balance	
£000				£000	£000	
(1,023) <b>Total Reserves Balance</b>				(1,023)	(838)	●

A deficit of **£185,000** is forecast, based on claims that have been processed during the year to date; this can be financed by the trading activity's own accumulated revenue reserves.

## EDUCATION &amp; 2012 GAMES ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget £000	Outturn Forecast £000	Forecast Variance £000	
<b>Schools</b>				
Colchester - Queen Boudica Primary	2,005	2,782	777	◆
Witham - Chipping Hill Primary	1,849	56	(1,793)	●
Braintree Secondary Schools	271	-	(271)	■
Asset Management Plans Seed Funding	3,645	2,644	(1,001)	●
Harlow - Passmores Redevelopment	2,417	2,417	-	■
Capitalised Building Maintenance 09/10	8,530	14,851	6,321	◆
Early Years 08/09 and 09/10	5,374	9,089	3,715	◆
Other Schools Capital Projects	100,958	100,668	(290)	■
<b>Children &amp; Families</b>				
Playbuilder Grant	546	546	-	■
Mersea Outdoors Site Facility	1,664	75	(1,589)	●
Danbury Extension	2,097	75	(2,022)	●
Youth Capital Fund	660	660	-	■
<b>2012 Games</b>				
Basildon Sporting Village	5,000	8,000	3,000	◆
<b>TOTAL</b>	<b>135,016</b>	<b>141,863</b>	<b>6,847</b>	<b>◆</b>

<p><b>Capitalised building maintenance</b></p>	<p>In response to Department for Children, Schools and Families opportunities to bring forward specific grants for the primary capital programme and school modernisation, a two year capitalised programme of <b>£20m</b> was planned for the period 2009/10 and 2010/11. Good progress has been made, in response to the Council's pledge on this matter and expenditure of <b>£15m</b> is anticipated in 2009/10, which will reduce planned expenditure in 2010/11. Approval is sought to bring forward payment approval of <b>£1.056m</b> to fund the maintenance programme.</p>
<p><b>Early years 2008/09 and 2009/10</b></p>	<p>Surestart grant funding has been confirmed by the Department for Children, Schools and Families and it is requested that an additional <b>£3.715m</b> is added to the 2009/10 payments and scheme approvals.</p>

<p><b>Other schools capital projects</b></p>	<p>Approval is sought to add scheme and payment approval to the capital programme in 2009/10 in respect of the following grant funded projects:</p> <ul style="list-style-type: none"> <li>- Specialist Colleges <b>£75,000</b>,</li> <li>- Targeted Capital for school kitchens and dining spaces <b>£1.793m</b>,</li> <li>- Fitzwimarc School <b>£34,000</b>,</li> <li>- Hedingham School Football Foundation Grant <b>£215,000</b>,</li> <li>- School Travel Plan Grant <b>£100,000</b> and</li> <li>- Cedar Hall School improvement works <b>£20,000</b>.</li> </ul> <p>Approval is also sought to increase the School AMP Suitability Surveys scheme and payment approvals for 2009/10 by <b>£400,000</b>; the additional expenditure will be funded from the Capital Expenditure from Revenue Account budget (DSG).</p> <p>Finally, approval is sought to increase the scheme and payment approvals for the Glebe Junior School by <b>£50,000</b> on the basis that a ring fenced capital receipt is available to finance the additional capital expenditure.</p>
<p><b>Mersea outdoors site facility</b></p>	<p>Due to slippage in this scheme, approval is sought to re-profile capital payment guidelines of <b>£1.589m</b> into 2010/11.</p>
<p><b>Danbury extension</b></p>	<p>Due to slippage in this scheme, approval is sought to re-profile capital payment guidelines of <b>£2.022m</b> into 2010/11.</p>
<p><b>Basildon sporting village</b></p>	<p>As a result of an increased commitment to Basildon Council, approval is sought to increase the payment and scheme approvals by <b>£3m</b> in relation to the Basildon sporting village scheme. This additional expenditure will be financed by an earmarked capital receipt.</p>

## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
<b>Schools</b>						
Colchester - Queen Boudica Primary	-	-	-	777	777	(777)
Witham - Chipping Hill Primary	-	-	-	(1,793)	(1,793)	1,793
Braintree Secondary Schools	-	-	-	(271)	(271)	271
Asset Management Plans Seed Fund	-	-	-	(1,001)	(1,001)	1,001
Harlow - Passmores Redevelopment	-	-	-	-	-	-
Capitalised Building Maintenance 09/10	-	-	1,056	5,265	6,321	(6,321)
Early Years 08/09 and 09/10	3,715	-	-	-	3,715	-
Other Schools Capital Projects	2,687	-	-	(2,977)	(290)	2,977
<b>Children &amp; Families</b>						
Playbuilder Grant	-	-	-	-	-	-
Mersea Outdoors Site Facility	-	-	-	(1,589)	(1,589)	1,589
Danbury Extension	-	-	-	(2,022)	(2,022)	2,022
Youth Capital Fund	-	-	-	-	-	-
<b>2012 Games</b>						
Basildon Sporting Village	3,000	-	-	-	3,000	-
<b>TOTAL</b>	<b>9,402</b>	<b>-</b>	<b>1,056</b>	<b>(3,611)</b>	<b>6,847</b>	<b>2,555</b>

In addition to the variances reflected in the above forecast outturn statement and variance plan, a number of further variances are indicated. Further work is required to confirm the position on these projects, but these preliminary forecasts are set out in the following table:




	Forecast Variance £000
<b>Schools</b>	
Little Dunmow - Flitch Green Primary	194
Epping Primary School Relocation	814
Hutton Willowbrook Primary School	(2,198)
Pitsea Felmore School	536
Essex Academies - Witham	(89)
Basildon - Academies	214
Capitalised Building Maintenance 09/10	150
Replacement of Relocatables	475
School Meals Accommodation	493
All other SCF capital schemes	(3,623)
<b>TOTAL</b>	<b>(3,034)</b>






The most significant forecast variance relates to the Hutton Willowbrook primary school, where commencement of the project is dependent upon completion of the relevant agreements with Brentwood Borough Council.

An update on the status of these projects will be provided at the Third Quarter stage, as appropriate.

## ADULTS, HEALTH &amp; COMMUNITY WELLBEING ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	<p>An over spend of <b>£5.812m</b> is currently forecast, of which <b>£3.390m</b> results from pressures within the care purchasing budgets as a consequence of increased client numbers. Work continues to assess the impact of these increased volumes, and to identify savings to offset the pressures.</p> <p>The remainder of the over spend (<b>£2.422m</b>) relates to projects deferred from 2008/09; approval is sought for supplementary funding, from the Carry Forwards Reserve, to finance this expenditure.</p>	
TRADING ACTIVITIES	<p>The Essex Equipment Service transferred to Essex Cares Ltd on 1st July 2009.</p> <p>It is proposed that the accumulated revenue reserves of the Essex Equipment Service are retained until the transfer of assets and liabilities to Essex Cares Ltd has been finalised.</p>	
CAPITAL	<p>A net under spend of <b>£2.166m</b> is forecast. Approval is sought to re-profile payment guidelines of <b>£1.389m</b> into 2010/11 as a consequence of slippage in schemes (see details on page 38).</p>	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR
- Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## ADULTS, HEALTH &amp; COMMUNITY WELLBEING ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Access, Assessment and Care Management	28,827	28,904	77	●
Support Facilitated (purchased & provided care)	261,269	264,931	3,662	◆
Mental Health	20,724	21,596	872	◆
Other Social Care	7,096	7,044	(52)	■
Supporting People	1,853	1,446	(407)	●
Service Management costs	27,167	28,651	1,484	◆
Corporate and Democratic Core	360	360	-	■
Libraries and Information Services	17,148	17,324	176	●
<b>TOTAL</b>	<b>364,444</b>	<b>370,256</b>	<b>5,812</b>	◆

**Access assessment and care management**

There is a projected marginal over spend of **£77,000** on access assessment and care management, and savings plans are being developed to bring this back into line with the budget.

**Support facilitated**

The underlying position is a net over spend of **£3.4m**, which relates to external support facilitated for older clients and in respect of internal learning disabilities residential services and habitation unit. This over spend primarily results from additional client numbers and from staffing pressures, partially offset by the receipt of income from additional older client placements.

Approval is sought for supplementary funding of **£262,000**, to be financed by a withdrawal from the Carry Forwards Reserve, to fund projects deferred from 2008/09.

Approval is also sought to vire **£407,000** to the Supporting People budget in relation to clients with learning disabilities and to vire **£111,000** to the Deputy Leader portfolio in respect of travel trainer costs. The above forecast incorporates the effect of these virements, which have been included into the table of variances.

**Mental Health**

An over spend of **£872,000** results from a greater number of clients requiring residential, home and respite care. The service are developing plans to reduce spend to bring it in line with budget.

<p><b>Other social care</b></p>	<p>An under spend of <b>£62,000</b> is forecast as a consequence of deferral of various projects.</p> <p>Approval is sought for supplementary funding of <b>£10,000</b>, to be financed by a withdrawal from the Carry Forwards reserve, to meet the costs of a project deferred from 2008/09.</p>
<p><b>Supporting people</b></p>	<p>The under spend of <b>£407,000</b> reflects the shift in responsibilities for existing service users with learning difficulties and the commissioning body is investigating plans for the use of these funds.</p> <p>It is proposed that <b>£407,000</b> is vired from the Support Facilitated Learning Disabilities policy budget.</p>
<p><b>Service management costs</b></p>	<p>Approval is sought for supplementary funding of <b>£1.818m</b>, to be financed by a withdrawal from the Carry Forwards reserve, to meet the costs of various projects deferred from 2008/09.</p> <p>Approval is also sought to vire:</p> <ul style="list-style-type: none"> <li>- <b>£208,000</b> to the Deputy Leader portfolio, to provide funding for minor works on Children’s Services premises.</li> <li>- <b>£77,000</b> to Libraries and Information Services.</li> <li>- <b>£6,000</b> to Adult Community Learning (Leader portfolio).</li> </ul> <p>The underlying position, assuming the above requests are approved, is a net under spend of <b>£43,000</b> resulting from staff vacancies.</p>
<p><b>Libraries and information services</b></p>	<p>Approval is sought for supplementary funding of <b>£332,000</b>, to be financed by a withdrawal from the Carry Forwards reserve, to meet the costs of various projects deferred from 2008/09.</p> <p>Approval is also sought to vire <b>£77,000</b> from the Service Management budget.</p> <p>Partially offsetting these additional costs is an under spend of <b>£233,000</b> resulting from staff vacancies.</p>

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Access, Assessment & Care Management	-	-	-	77	-	-	77
Support Facilitated (purchased & provided care)	(518)	-	-	3,918	262	-	3,662
Mental Health	-	-	-	872	-	-	872
Other Social Care	-	-	(62)	-	10	-	(52)
Supporting People	407	-	(814)	-	-	-	(407)
Service Management costs	(291)	-	(43)	-	1,818	-	1,484
Corporate and Democratic Core	-	-	-	-	-	-	-
Libraries and Information Services	77	-	(233)	-	332	-	176
<b>TOTAL</b>	<b>(325)</b>	<b>-</b>	<b>(1,152)</b>	<b>4,867</b>	<b>2,422</b>	<b>-</b>	<b>5,812</b>

## TRADING ACTIVITIES

## ESSEX EQUIPMENT SERVICE

2008-09		2009-10					Rag Status
Actual		Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000		£000	£000	£000	£000	%	
(10,975)	Income	(8,402)	(8,402)	(2,101)	6,301	(74.99%)	♦
10,644	Expenditure	8,402	8,385	2,084	(6,301)	(75.15%)	●
-	Financing Items	-	-	-	-	-	■
(331)	<b>(Surplus)/Deficit</b>	-	(17)	(17)	-	-	■
26	Appropriations	-	17	17	-	-	■
(305)	<b>Net(increase)/decrease in revenue reserves</b>	-	-	-	-	-	■
2008-09		2009-10					
Closing Balance					Opening Balance	Forecast Closing Balance	
£000					£000	£000	
(756)	<b>Total Reserves Balance</b>				(756)	(756)	●

The Essex Equipment Service transferred to Essex Cares Ltd on 1st July 2009. It is forecast that the trading activity will achieve a break even position this year, as a consequence of trading during the first quarter of the financial year. However, it is proposed that the accumulated revenue reserves of the Essex Equipment Service are retained until the transfer of assets and liabilities to Essex Cares Ltd has been finalised.

## ADULTS, HEALTH &amp; COMMUNITY WELLBEING ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Nether Priors Re-Provision	1,077	300	(777)	●
Oscars Phase 2	500	-	(500)	●
LD Residential Re-provision	659	300	(359)	●
Extra Care Housing - Shaftsbury	2,653	2,653	-	■
IT Infrastructure Grant	758	758	-	■
Community Services - Self Service in Libraries	1,060	530	(530)	●
New Library - Springfield	81	81	-	■
Community Services - Wi-Fi through Libraries	125	125	-	■
Support Facilitated - Misc	40	40	-	■
Adult Social Care Other - Misc	273	273	-	■
Libraries & Information Services - Misc	384	384	-	■
<b>TOTAL</b>	<b>7,610</b>	<b>5,444</b>	<b>(2,166)</b>	●

**Nether Priors re-provision**

This project has been completed at a cost some **£777,000** below the capital payments guideline. It is proposed that the unspent capital payment guideline is utilised to offset an over spend on the Wilson Marriage site (Leader portfolio).

**Oscars Phase 2**

It is proposed that the payment approvals of **£500,000** are re-profiled into 2010/11, as part of the Transformation Project.

**LD residential re-provision**

This scheme is being re-evaluated as a consequence of the current economic climate. It is therefore proposed that payment approvals of **£359,000** are re-profiled into 2010/11, pending a decision about how to proceed.




**Community Services – self service in libraries**

As a consequence of slippage in this scheme, approval is sought to re-profile capital payments approval of **£530,000** into 2010/11.




## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Nether Priors Re-Provision	-	(777)	-	-	(777)	-
Oscars Phase 2	-	-	-	(500)	(500)	500
LD Residential Re-provision	-	-	-	(359)	(359)	359
Extra Care Housing - Shaftsbury	-	-	-	-	-	-
IT Infrastructure Grant	-	-	-	-	-	-
Community Services - Self Service in Libr	-	-	-	(530)	(530)	530
New Library - Springfield	-	-	-	-	-	-
Community Services - Wi-Fi through Libr	-	-	-	-	-	-
Support Facilitated - Misc	-	-	-	-	-	-
Adult Social Care Other - Misc	-	-	-	-	-	-
Libraries & Information Services - Misc	-	-	-	-	-	-
<b>TOTAL</b>	-	<b>(777)</b>	-	<b>(1,389)</b>	<b>(2,166)</b>	<b>1,389</b>

## HIGHWAYS AND TRANSPORTATION ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	<p>Whilst the portfolio is showing an under spend, this is a technical presentation relating to the proposal to vire <b>£974,000</b> to the Localism and Planning portfolio, to establish a new policy budget for Development Management, and to vire an under spend of <b>£34,000</b> by the Transport Coordination Centre to the Portfolio's revenue budget.</p> <p>The underlying position is an under spend of <b>£43,000</b>.</p>	
RECHARGED STRATEGIC SUPPORT SERVICES	The Transportation Co-ordination Centre is forecasting an under spend of <b>£34,000</b> .	
CAPITAL	An under spend of <b>£11.177m</b> is forecast as a consequence of slippage in some projects, and a scaling back of others.	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget



## HIGHWAYS AND TRANSPORTATION ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Roads and Footways	24,748	24,713	(35)	■
Traffic Management Act	(413)	(213)	200	●
Bridges	1,621	1,621	-	■
Localism	1,551	1,555	4	●
Street Lighting	9,943	10,293	350	●
Congestion	6,759	6,782	23	●
Road Safety	6,271	6,212	(59)	■
Strategic development and transportation	6,463	5,395	(1,068)	●
Response accelerated maintenance initiative	-	28	28	●
Public Rights of Way	3,217	3,210	(7)	■
A130 Private Finance Initiative	(81)	(81)	-	■
Passenger Transport	14,666	14,672	6	●
Support Services	405	(20)	(425)	●
Corporate and democratic core	972	972	-	■
<b>TOTAL</b>	<b>76,122</b>	<b>75,139</b>	<b>(983)</b>	●

**Highways and Transportation**

There are a number of budget pressures and under spends against individual policy budgets. Virements have been requested for approval in **Appendix C** to address these. The virement requests include proposals to vire **£974,000** to the Localism and Planning portfolio, to establish a new policy budget for Development Management, and to vire **£34,000** from the Transport Coordination Centre.

The underlying position is a net under spend of **£43,000**.

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Roads and Footways	(33)	-	(2)	-	-	-	(35)
Traffic Management Act	200	-	-	-	-	-	200
Bridges	-	-	-	-	-	-	-
Localism	4	-	-	-	-	-	4
Street Lighting	350	-	-	-	-	-	350
Congestion	-	-	-	23	-	-	23
Road Safety	(64)	-	-	5	-	-	(59)
Strategic development and transportation	(982)	-	(86)	-	-	-	(1,068)
Response accelerated maintenance initiative	27	-	-	1	-	-	28
Public Rights of Way	(6)	-	(1)	-	-	-	(7)
A130 Private Finance Initiative	-	-	-	-	-	-	-
Passenger Transport	8	-	(2)	-	-	-	6
Support Services	(444)	-	-	19	-	-	(425)
Corporate and democratic core	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>(940)</b>	<b>-</b>	<b>(91)</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>(983)</b>

## HIGHWAYS AND TRANSPORTATION ... RECHARGED STRATEGIC SUPPORT SERVICES

### MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Transport Co-ordination Centre	1,417	1,383	(34)	■
<b>TOTAL</b>	<b>1,417</b>	<b>1,383</b>	<b>(34)</b>	■

#### TRANSPORT COORDINATION CENTRE

An under spend of **£34,000** is forecast, largely as a consequence of staff vacancies. It is proposed that this under spend is vired to the Highways and Transportation revenue budget.

### VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Transport Co-ordination Centre	(34)	-	-	-	-	-	(34)
<b>TOTAL</b>	<b>(34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34)</b>

## HIGHWAYS AND TRANSPORTATION ... CAPITAL

## CAPITAL - PROJECTS




	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
DFT Capital Maintenance	20,265	20,265	-	■
DFT Integrated Transport	35,049	34,804	(245)	■
DFT Direct Grants	2,153	2,153	-	■
ECC Funded Capital	42,945	35,913	(7,032)	●
Community Infrastructure Grant	19,946	18,352	(1,594)	●
All other highways capital schemes	4,556	2,250	(2,306)	●
<b>TOTAL</b>	<b>124,914</b>	<b>113,737</b>	<b>(11,177)</b>	●

<b>Dft Integrated Transport</b>	Approval is sought to re-profile capital payment guidelines of <b>£245,000</b> into 2010/11, in respect of the Witham Station second access footbridge scheme, as a consequence of delays in the tendering process.
<b>ECC funded capital</b>	<p>Due to a scaling back of the Basildon A13 / A130 Saddler's Farm scheme, approval is sought to reduce the capital payments guideline in 2009/10 by <b>£6.162m</b>.</p> <p>Approval is sought to re-profile capital payment guidelines into 2010/11 in respect of the following schemes:</p> <ul style="list-style-type: none"> <li>▪ Witham Station second access footbridge - <b>£670,000</b></li> <li>▪ Hadleigh Farm access improvements - <b>£200,000</b></li> </ul>
<b>Community infrastructure grant</b>	Approval is also sought to reduce the capital payments guideline for the Basildon Enterprise Corridor by <b>£1.594m</b> .
<b>Other highways capital schemes</b>	An under spend of <b>£2.306m</b> results from slippage in various schemes. Approval is sought to re-profile the capital payments guideline into 2010/11.




## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
DFT Capital Maintenance	-	-	-	-	-	-
DFT Integrated Transport	-	-	-	(245)	(245)	245
DFT Direct Grants	-	-	-	-	-	-
ECC Funded Capital	-	(6,162)	-	(870)	(7,032)	870
Community Infrastructure Grant	-	(1,594)	-	-	(1,594)	-
All other highways capital schemes	-	-	-	(2,306)	(2,306)	2,306
<b>TOTAL</b>	-	<b>(7,756)</b>	-	<b>(3,421)</b>	<b>(11,177)</b>	<b>3,421</b>

## CHIEF WHIP AND ENVIRONMENT &amp; WASTE ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
<b>REVENUE</b>	<p>An over spend of <b>£593,000</b> is forecast.</p> <p><b>£500,000</b> of the over spend relates to projects deferred from 2008/09. Approval is sought for supplementary funding of <b>£500,000</b>, from the Carry Forwards Reserve, to finance this expenditure in 2009/10.</p> <p>Savings will be identified to contain the remainder of the over spend (<b>£93,000</b>) from existing budget.</p>	
<b>RECHARGED STRATEGIC SUPPORT SERVICES</b>	<p>An over spend of <b>£15,000</b> is forecast in relation to Democratic Services as a consequence of projects deferred from 2008/09; approval is sought for supplementary funding from the Carry Forwards reserve to finance this expenditure in 2009/10.</p>	
<b>CAPITAL</b>	<p>An under spend of <b>£2.367m</b> has been identified, primarily as a consequence of slippage in schemes.</p>	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## CHIEF WHIP AND ENVIRONMENT &amp; WASTE ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Environment &amp; Commerce</b>				
Waste management				
Waste disposal	25,861	24,488	(1,373)	●
Trade waste income	(1,672)	(1,505)	167	●
Recycling initiatives	14,065	14,525	460	●
Tipping away payments	1,078	927	(151)	●
Landfill aftercare	411	406	(5)	■
Civic amenity service	7,857	8,358	501	◆
Exceptional Wastes	184	184	-	■
Waste Strategy	1,771	1,830	59	●
Waste Management and support services	1,219	1,620	401	◆
Trading standards	3,261	3,261	-	■
Environmental strategy	535	535	-	■
Management & support services	606	591	(15)	■
Leisure				
Country Parks	731	729	(2)	■
Marsh Farm	(27)	24	51	●
Contributions to other bodies	91	91	-	■
<b>Management &amp; support services</b>	-	-	-	■
<b>Corporate &amp; democratic core</b>	176	176	-	■
<b>Emergency planning</b>	1,180	1,180	-	■
<b>Community safety</b>	839	1,209	370	◆
<b>Community policing</b>	250	250	-	■
<b>Anti-social behaviour</b>	247	277	30	◆
<b>Members' support</b>	3,022	3,122	100	●
<b>TOTAL</b>	<b>61,685</b>	<b>62,278</b>	<b>593</b>	<b>◆</b>

**Waste management**

An over spend of **£59,000** is forecast, which mainly relates to the waste strategy programme.

There are variations between the different contract and services which deliver overall waste services for Essex and which, aside from the waste strategy (major projects), are forecast to deliver which budget overall.

The variations are due to the change in volumes of waste going to recycling and reduced landfill. Essex has experienced increased recycling volumes, with additional investment in recycling initiatives and resultant civic amenity costs, but with a corresponding reduction in landfill volumes and associated costs.

<p><b>Waste management (continued)</b></p>	<p>Additional capacity has been directed to the waste management team to provide change capacity to support the transformation agenda and identify future cost savings and also to meet higher than budgeted running costs for the waste facilities.</p>
<p><b>Leisure</b></p>	<p>As a result of lower visitor numbers, it is anticipated that income will be <b>£49,000</b> less than budgeted. Savings are being sought to offset this shortfall of income.</p>
<p><b>Environmental strategy</b></p>	<p>Approval is sought to transfer <b>£120,000</b> of the revenue budget to the Reserve for Future Capital Funding to provide additional financing for the West Wood acquisition.</p>
<p><b>Community safety</b></p>	<p>Approval is sought for supplementary funding of <b>£370,000</b> from the Carry Forwards reserve, to enable the projects related to the Essex Works priority of 'Making Communities Safer' to be progressed.</p>
<p><b>Anti social behaviour</b></p>	<p>Approval is sought for supplementary funding of <b>£30,000</b> from the Carry Forwards reserve, to enable the Operation Leopard project to be progressed.</p>
<p><b>Members' support</b></p>	<p>Approval is sought for supplementary funding of <b>£100,000</b> from the Carry Forwards reserve to fund a study commissioned by the Scrutiny Committee and to implement various IT projects deferred from 2008/09.</p>



## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Environment &amp; Commerce</b>							
Waste management							
Waste disposal	-	-	(1,373)	-	-	-	(1,373)
Trade waste income	-	-	-	167	-	-	167
Recycling initiatives	-	-	-	460	-	-	460
Tipping away payments	-	-	(151)	-	-	-	(151)
Landfill aftercare	-	-	(5)	-	-	-	(5)
Civic amenity service	-	-	-	501	-	-	501
Exceptional Wastes	-	-	-	-	-	-	-
Waste Strategy	-	-	-	59	-	-	59
Waste Management and support services	-	-	-	401	-	-	401
Trading standards	-	-	-	-	-	-	-
Environmental strategy	-	-	-	120	(120)	-	-
Management & support services	-	-	(15)	-	-	-	(15)
<b>Leisure</b>							
Country Parks	-	-	(2)	-	-	-	(2)
Marsh Farm	-	-	-	51	-	-	51
Contributions to other bodies	-	-	-	-	-	-	-
<b>Management &amp; support services</b>							
<b>Corporate &amp; democratic core</b>							
<b>Emergency planning</b>							
<b>Community safety</b>					370		370
<b>Community policing</b>							
<b>Anti-social behaviour</b>					30		30
<b>Members' support</b>					100		100
<b>TOTAL</b>	-	-	(1,546)	1,759	380	-	593

## CHIEF WHIP AND ENVIRONMENT & WASTE ... RECHARGED STRATEGIC SUPPORT SERVICES

### MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Democratic Services	1,028	1,043	15	●
<b>TOTAL</b>	<b>1,028</b>	<b>1,043</b>	<b>15</b>	●

#### Democratic Services

An over spend of **£15,000** is forecast in relation to Democratic Services as a consequence of projects deferred from 2008/09; approval is sought for supplementary funding from the Carry Forwards reserve to finance this expenditure in 2009/10.

### VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Democratic Services	-	-	-	-	15	-	15
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>

## CHIEF WHIP AND ENVIRONMENT &amp; WASTE ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Country Park Schemes	2,101	1,494	(607)	●
Waste Schemes	3,138	1,378	(1,760)	●
<b>TOTAL</b>	<b>5,239</b>	<b>2,872</b>	<b>(2,367)</b>	●

<p><b>Country Parks schemes</b></p>	<p>Approval is sought to re-profile capital payments guideline of <b>£727,000</b> into 2010/11 in relation to slippage in the Weald Country Park project.</p> <p>Approval is also sought to add scheme and payment approvals of <b>£120,000</b> to the capital programme for the West Wood acquisition. It is proposed that this scheme is financed from the Reserve for Future Capital Funding, on the basis of an additional contribution to the Reserve from the Portfolio's revenue budget.</p>
<p><b>Waste schemes</b></p>	<p>An under spend of <b>£1.760m</b> results from slippage in the following schemes:</p> <ul style="list-style-type: none"> <li>- Great Dunmow recycling centre (due to delay in obtaining planning permission) - <b>£1.432m</b></li> <li>- Braintree recycling centre (delayed due to poor weather) - <b>£278,000</b></li> <li>- Landfill restoration (to allow time for opening of a new recycling centre at Springwood) - <b>£50,000</b></li> </ul> <p>Approval is sought to re-profile the capital payment guidelines into 2010/11.</p>

## CAPITAL – VARIANCE PLAN




	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Country Park Schemes	120	-	-	(727)	(607)	727
Waste Schemes	-	-	-	(1,760)	(1,760)	1,760
<b>TOTAL</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>(2,487)</b>	<b>(2,367)</b>	<b>2,487</b>

In addition to the variances reflected in the above forecast outturn statement and variance plan, a number of further variances are indicated. Further work is required to confirm the position on these projects, but these preliminary forecasts are set out in the following table:




	Forecast Variance
	£000
Country Park Schemes	(10)
Waste Schemes	-
<b>TOTAL</b>	<b>(10)</b>

An update on the status of these projects will be provided at the Third Quarter stage, as appropriate.

## LEADER ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	<p>An over spend of <b>£642,000</b> is forecast, primarily as a consequence of projects deferred from 2008/09.</p> <p>Approval is sought for supplementary funding of <b>£508,000</b>, to be financed the Carry Forwards reserve.</p> <p>It is intended to offset the remainder of the forecast over spend by virement from the Adults, Health and Community Wellbeing portfolio (<b>£6,000</b>) and the Localism and Planning portfolio (<b>£128,000</b>).</p>	
RECHARGED STRATEGIC SUPPORT SERVICES	It is currently anticipated that spending by the Portfolio's Recharged Strategic Support Services will be in line with their latest approved budgets.	
CAPITAL	A net under spend of <b>£3.663m</b> is forecast. Scheme and capital payment approvals ( <b>£3.750m</b> ) are no longer required in relation to the local PSA, as supported projects will all be revenue in nature. Partially offsetting this is an over spend of <b>£87,000</b> on the Wilson Marriage project	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## LEADER ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Democratic Core</b>				
Democratic representation and Management	2,485	2,485	-	■
Corporate Management - Leadership	3,743	3,743	-	■
<b>Other</b>				
Essex Initiatives	423	458	35	◆
Contributions and subscriptions	232	232	-	■
Corporate Management - Resource Management	-	-	-	■
Publications	-	-	-	■
LAA Pooled Funds	1,222	1,350	128	◆
Adult Community Learning	(54)	(48)	6	●
Regeneration	1,939	2,112	173	◆
Inward Investment	374	374	-	■
International development	340	340	-	■
Tourism	444	444	-	■
Skills and International	713	1,013	300	◆
<b>TOTAL</b>	<b>11,861</b>	<b>12,503</b>	<b>642</b>	<b>◆</b>

**Essex Initiatives**

An over spend of **£35,000** is forecast in relation to projects deferred from 2008/09; approval is sought for supplementary funding from the Carry Forwards reserve to finance this expenditure in 2009/10.

**LAA pooled funds**

An over spend of **£128,000** is forecast in relation to the Safer Essex Projects, as directed by the Safer Essex Partnership. Approval is sought to vire **£128,000** from the Localism and Planning portfolio to utilise savings elsewhere within the Directorate that supports this activity.

**Adult Community Learning**

Approval is sought to a virement of **£6,000** from the Adults, Health and Community Wellbeing portfolio.

<b>Regeneration</b>	An over spend of <b>£173,000</b> is forecast as a consequence of projects deferred from 2008/09; approval is sought for supplementary funding from the Carry Forwards reserve to finance this expenditure in 2009/10.
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<b>Skills and International</b>	An over spend of <b>£300,000</b> is forecast as a consequence of projects deferred from 2008/09; approval is sought for supplementary funding from the Carry Forwards reserve to finance this expenditure in 2009/10.
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## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Democratic Core</b>							
Democratic representation and Management	-	-	-	-	-	-	-
Corporate Management - Leadership	-	-	-	-	-	-	-
<b>Other</b>							
Essex Initiatives	-	-	-	-	35	-	35
Contributions and subscriptions	-	-	-	-	-	-	-
Corporate Management - Resource Management	-	-	-	-	-	-	-
Publications	-	-	-	-	-	-	-
LAA Pooled Funds	128	-	-	-	-	-	128
Adult Community Learning	6	-	-	-	-	-	6
Regeneration	-	-	-	-	173	-	173
Inward Investment	-	-	-	-	-	-	-
International development	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Skills and International	-	-	-	-	300	-	300
<b>TOTAL</b>	<b>134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508</b>	<b>-</b>	<b>642</b>

## LEADER ... RECHARGED STRATEGIC SUPPORT SERVICES

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Communications and customer relations	2,020	2,020	-	■
Customer Contact Centre	1,711	1,711	-	■
<b>TOTAL</b>	<b>3,731</b>	<b>3,731</b>	<b>-</b>	<b>■</b>

**Communications and customer relations**

No variances are forecast.

**Customer contact centre**

No variances are forecast.

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Communications and customer relations	-	-	-	-	-	-	-
Customer Contact Centre	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## LEADER ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Haven Gateway Partnership Programme	8,904	8,904	-	■
Economic Participation	1,615	1,615	-	■
Local Public Service Award	3,750	-	(3,750)	●
Adult Education Schemes	507	594	87	◆
Other Leader schemes	262	262	-	■
<b>TOTAL</b>	<b>15,038</b>	<b>11,375</b>	<b>(3,663)</b>	●

**Local Public Service Agreement**

Scheme and capital payment approvals (**£3.750m**) are no longer required in relation to the local PSA, as supported projects will all be revenue in nature.

**Wilson Marriage site**



An over spend of **£87,000** is currently forecast with the risk of a further over spend of **£51,000** due to a disputed claim.

Approval is sought to increase the scheme and payment approvals for this project by **£87,000**, to be financed from the under spend on the Nether Priors re-provision (Adults, Health and Community Wellbeing portfolio).

## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Haven Gateway Partnership Programme	-	-	-	-	-	-
Economic Participation	-	-	-	-	-	-
Local Public Service Award	-	(3,750)	-	-	(3,750)	-
Adult Education Schemes	87	-	-	-	87	-
Other Leader schemes	-	-	-	-	-	-
<b>TOTAL</b>	<b>87</b>	<b>(3,750)</b>	<b>-</b>	<b>-</b>	<b>(3,663)</b>	<b>-</b>

## LOCALISM AND PLANNING ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
<b>REVENUE</b>	<p>Approval is sought for supplementary funding as follows:</p> <ul style="list-style-type: none"> <li>▪ <b>£405,000</b> from the Service Improvement Reserve to meet costs related to the Stansted Inquiry,</li> <li>▪ <b>£540,000</b> from the LAA Performance Reward reserve to fund payments to Local Strategic Partners.</li> <li>▪ <b>£44,000</b> from the Carry Forwards reserve to support projects deferred from 2008/09.</li> </ul> <p>Approval is also sought to the following virements:</p> <ul style="list-style-type: none"> <li>▪ <b>£974,000</b> from the Highways and Transportation portfolio in order to establish budget provision for development management.</li> <li>▪ <b>£128,000</b> to the Leader portfolio to support Safer Essex projects.</li> </ul> <p>It is proposed that <b>£412,000</b> is returned to the General Balance in respect of an under spend on 'developing partnerships with districts'.</p> <p>Finally, a net over spend of <b>£102,000</b> is forecast; savings will be identified to offset this pressure.</p>	
<b>CAPITAL</b>	No variances are currently forecast.	

**RAG status and direction of travel definitions**

- Under spend of less than **£500,000** or **5%** of the Budget
- Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
- ◆ Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## LOCALISM AND PLANNING ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Area and partnership coordination	545	545	-	■
Developing partnerships with Districts	899	899	-	■
Making the link	247	247	-	■
Rural issues	293	337	44	◆
Travellers	(5)	55	60	●
Sustainable development	916	1,238	322	◆
Development management	-	974	974	◆
Environmental planning	1,568	1,693	125	◆
<b>TOTAL</b>	<b>4,463</b>	<b>5,988</b>	<b>1,525</b>	◆

<p><b>Developing partnerships with Districts</b></p>	<p>The portfolio's budget includes provision for making performance reward payments to local strategic partners in relation to the LAA. These payments should be funded from the LAA performance reward grant. Approval is therefore sought for supplementary funding of <b>£540,000</b>, to be financed by a withdrawal from the LAA performance reward reserve, to fund these payments to local strategic partners. Assuming that this request is approved, it is proposed that <b>£412,000</b> of the portfolio's base budget is returned to the General Balance. It is proposed that the remainder (<b>£128,000</b>) is utilised by the Leader portfolio to meet costs related to Safer Essex projects.</p>
<p><b>Rural issues</b></p>	<p>An over spend of <b>£44,000</b> is forecast as a consequence of projects deferred from 2008/09. Approval is sought for supplementary funding, from the Carry Forwards reserve, to finance these costs in 2009/10.</p>
<p><b>Travellers</b></p>	<p>A shortfall in rental income of <b>£60,000</b> is anticipated due to a delay in implementation of rent increases and as consequence of lower occupancy rates. The scope for achieving savings to offset this loss of income is currently being considered.</p>

<b>Sustainable development</b>	<p>An over spend of <b>£405,000</b> is forecast in relation to the Stansted Inquiry; approval is sought for supplementary funding, from the Service Improvement Reserve, to meet these costs.</p> <p>This over spend is partially offset by an under spend of <b>£83,000</b> resulting from slippage in two major projects.</p>
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<b>Development management</b>	<p>Approval is sought to vire <b>£974,000</b> from the Highways and Transportation portfolio to establish a new policy budget for development management.</p>
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<b>Environmental planning</b>	<p>An over spend of <b>£125,000</b> is forecast in relation to the Rivenhall public inquiry. A recovery plan is being devised for offsetting this pressure.</p>
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## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Area and partnership coordination	-	-	-	-	-	-	-
Developing partnerships with Districts	(128)	(412)	-	-	540	-	-
Making the link	-	-	-	-	-	-	-
Rural issues	-	-	-	-	44	-	44
Travellers	-	-	-	60	-	-	60
Sustainable development	-	-	(83)	-	405	-	322
Development management	974	-	-	-	-	-	974
Environmental planning	-	-	-	125	-	-	125
<b>TOTAL</b>	<b>846</b>	<b>(412)</b>	<b>(83)</b>	<b>185</b>	<b>989</b>	<b>-</b>	<b>1,525</b>

## LOCALISM AND PLANNING ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Travellers Schemes	2,100	2,100	-	■
Community Initiatives Fund	1,666	1,666	-	■
Youth Community Initiatives Fund	1,766	1,766	-	■
<b>TOTAL</b>	<b>5,532</b>	<b>5,532</b>	<b>-</b>	<b>■</b>



All schemes

No variances are currently forecast.




## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Travellers Schemes	-	-	-	-	-	-
Community Initiatives Fund	-	-	-	-	-	-
Youth Community Initiatives Fund	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HERITAGE, CULTURE &amp; THE ARTS ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
<b>REVENUE</b>	<p>An over spend of <b>£117,000</b> is currently forecast.</p> <p><b>£101,000</b> of the over spend relates to projects deferred from 2008/09, and approval is sought for supplementary funding from the Carry Forwards and IMT reserve to meet these costs in 2009/10.</p> <p>The remainder of the forecast over spend (<b>£16,000</b>) represents the net effect of various minor variances. Actions are in hand to identify savings to offset this net pressure.</p>	
<b>CAPITAL</b>	No variances are currently forecast.	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## HERITAGE, CULTURE &amp; THE ARTS ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Crossing Temple	108	124	16	◆
Built Environment	1,036	977	(59)	●
Heritage & cultural services	2,386	2,487	101	●
Historic environment	529	588	59	◆
Quality of Life	148	148	-	■
<b>TOTAL</b>	<b>4,207</b>	<b>4,324</b>	<b>117</b>	●

<b>Crossing Temple</b>	An over spend of <b>£16,000</b> is forecast, primarily due to the receipt of less income from events and from letting out the conference facilities. Actions are in hand to identify savings to offset this pressure.
<b>Built environment</b>	An under spend of <b>£59,000</b> is forecast as a consequence of staff vacancies.
<b>Heritage and cultural services</b>	An over spend of <b>£101,000</b> is forecast, primarily as a consequence of the Essex Ancestors project, which was deferred from 2008/09. Approval is sought for supplementary funding of <b>£48,000</b> from the Carry Forwards reserve and a further <b>£53,000</b> from the IMT reserve, to meet the costs of this project in 2009/10.
<b>Historic environment</b>	An under recovery of income of <b>£59,000</b> is forecast, primarily a reflection of the current economic climate. Actions are being taken to achieve savings to offset the loss of income.



## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Crossing Temple	-	-	-	16	-	-	16
Built Environment	-	-	(59)	-	-	-	(59)
Heritage & cultural services	-	-	-	-	101	-	101
Historic environment	-	-	-	59	-	-	59
Quality of Life	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>(59)</b>	<b>75</b>	<b>101</b>	-	<b>117</b>

## HERITAGE, CULTURE &amp; THE ARTS ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Built Environment Schemes	776	776	-	■
Cressing Temple	11	11	-	■
Colchester Visual Arts Centre	2,000	2,000	-	■
Jaywick Martello Tower	17	17	-	■
<b>TOTAL</b>	<b>2,804</b>	<b>2,804</b>	<b>-</b>	<b>■</b>

**Heritage, Culture & the Arts**

It is currently anticipated that spending will be in line with the latest approved payments guideline.

## CAPITAL – VARIANCE PLAN





	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
Built Environment Schemes	-	-	-	-	-	-
Cressing Temple	-	-	-	-	-	-
Colchester Visual Arts Centre	-	-	-	-	-	-
Jaywick Martello Tower	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

In addition to the variances reflected in the above forecast outturn statement and variance plan, a number of further variances are indicated. Further work is required to confirm the position on these projects, but these preliminary forecasts are set out in the following table:

	Forecast Variance
	£000
Built Environment Schemes	-
Cressing Temple	6
Colchester Visual Arts Centre	-
Jaywick Martello Tower	-
<b>TOTAL</b>	<b>6</b>

An update on the status of these projects will be provided at the Third Quarter stage.

## CENTRAL SERVICES ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	It is currently anticipated that spending will be in line with the latest approved budget.	
RECHARGED STRATEGIC SUPPORT SERVICES & BUILDING MAINTENANCE	<p>A net over spend of <b>£684,000</b> is forecast by the Portfolio's recharged strategic support services.</p> <p>Approval is sought for supplementary funding of <b>£668,000</b>, to be financed from the Carry Forwards, Carbon Reduction and Future Capital Funding reserves. Partially offsetting these requests, it is proposed that <b>£123,000</b> is appropriated into the Reserve for Future Capital Funding to provide additional capital financing for the Essex On-Line partnership project.</p> <p>It is proposed that <b>£156,000</b> of the under spend forecast by Human Resources is vired to the Finance Recharged Strategic Support Service.</p> <p>Finally, actions are being taken to ameliorate a net over spend of <b>£295,000</b>.</p>	
TRADING ACTIVITIES	It is currently forecast that performance will be in accordance with the latest approved financial target.	
CAPITAL	<p>Approval is sought to increase scheme and payment approvals by <b>£450,000</b>, to be financed by a withdrawal from the Future Capital Funding and Essex On-Line partnership reserves and from additional contributions from partners.</p> <p>Partially offsetting this, approval is sought to reduce the scheme and payment approvals in respect of capitalised building maintenance, in order to release financing for the revenue costs of energy certificates and engineering audits.</p>	

**RAG status and direction of travel definitions**

- Under spend of less than **£500,000** or **5%** of the Budget
- Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
- ◆ Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## CENTRAL SERVICES ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Shared use buildings	25	25	-	■
<b>TOTAL</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>■</b>

Shared use buildings

It is currently anticipated that spending will be in line with the latest approved budget.

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Shared use buildings	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## CENTRAL SERVICES ... RECHARGED STRATEGIC SUPPORT SERVICES & BUILDING MAINTENANCE

### MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Recharged Strategic Support Services</b>				
Human Resources	11,076	11,062	(14)	■
Information Services	36,782	36,659	(123)	■
Facilities Management Service	13,788	13,854	66	●
Procurement and Car Provision Scheme	1,905	2,300	395	◆
<b>Building Maintenance</b>	4,718	5,078	360	◆
<b>TOTAL</b>	<b>68,269</b>	<b>68,953</b>	<b>684</b>	◆

<b>Human Resources</b>	A net under spend of <b>£14,000</b> is currently forecast. However, approval is sought for supplementary funding of <b>£242,000</b> , to be financed from the Carry Forwards reserve, to meet the cost of projects deferred from 2008/09. In addition, it is proposed that <b>£156,000</b> is vired to the Finance Recharged Strategic Support Service to meet additional costs in relation to Essex Shared Services. The underlying position, after adjusting for these variances, is an under spend of <b>£100,000</b> .
<b>Information Services</b>	It is proposed that <b>£123,000</b> of the Service's revenue budget is appropriated into the Reserve for Future Capital Funding to provide additional capital financing for Information Services capital projects.
<b>Facilities Management Services</b>	An over spend of <b>£66,000</b> is forecast in relation to the schools' energy education programme and the MASS archibus system / software. Approval is sought for supplementary funding to meet these costs, to be financed by withdrawals from the Carry Forwards Reserve ( <b>£24,000</b> ) and the Carbon Reduction Reserve ( <b>£42,000</b> ).

<p><b>Procurement and Car Provision Scheme</b></p>	<p>An under recovery of income of <b>£395,000</b> is forecast in relation to rebates. Although new contracts are put in place, and efficiencies are achieved that benefit the whole organisation, the savings are not being realised by Procurement. The service is looking for ways to offset this under recovery of income.</p>
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<p><b>Building Maintenance</b></p>	<p>An over spend of <b>£360,000</b> is forecast in relation to school display energy certificates and engineering audits. Approval is sought for supplementary funding, to be financed from the Reserve for Future Capital Funding. This is proposed on the basis of a compensating under spend on capitalised building maintenance.</p>
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## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Recharged Strategic Support Services</b>							
Human Resources	(156)	-	(100)	-	242	-	(14)
Information Services	-	-	-	-	(123)	-	(123)
Facilities Management Service	-	-	-	-	66	-	66
Procurement and Car Provision Scheme	-	-	-	395	-	-	395
<b>Building Maintenance</b>	-	-	-	-	360	-	360
<b>TOTAL</b>	<b>(156)</b>	<b>-</b>	<b>(100)</b>	<b>395</b>	<b>545</b>	<b>-</b>	<b>684</b>

## TRADING ACTIVITIES

## SMARTE EAST

2008-09 Actual		2009-10					Rag Status
		Original Budget	Latest Budget	Outturn Forecast	Forecast Variance	Forecast Variance	
£000		£000	£000	£000	£000	%	
(109)	Income	(166)	(166)	(166)	-	-	■
105	Expenditure	126	126	126	-	-	■
-	Financing Items	-	-	-	-	-	■
(4)	<b>(Surplus)/Deficit</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	-	-	■
-	Appropriations	-	-	-	-	-	■
(4)	<b>Net(increase)/decrease in revenue reserves</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>	-	-	■
2008-09 Closing Balance					2009-10		
£000					Opening Balance	Forecast Closing Balance	
(4) Total Reserves Balance					£000 (4)	£000 (44)	●

It is currently anticipated that performance will be in accordance with the latest approved financial target.



## CENTRAL SERVICES ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Central Services				
Facilities Management Schemes	869	869	-	■
Human Resources Schemes	24	24	-	■
Information Services Schemes	5,570	6,020	450	◆
Finance Projects	443	443	-	■
Building Maintenance	2,360	2,000	(360)	●
<b>TOTAL</b>	<b>9,266</b>	<b>9,356</b>	<b>90</b>	●

**Information Services schemes**

An over spend of **£123,000** is forecast in relation to Project Havret. It is proposed that the capital payments guidance for this project is increased, on the basis of an additional contribution to the Reserve for Future Capital Funding from the Information Services revenue budget.

An additional over spend of **£327,000** is forecast in relation to the Essex On-Line partnership. It is proposed that the capital payments guidance for this project is increased, to be financed by a withdrawal from the Essex On-Line partnership reserve (**£104,000**) and from additional contributions from partners (**£223,000**).




**Capitalised building maintenance**

An under spend of **£360,000** is forecast. It is therefore proposed that the capital payments guideline is reduced and that the capital financing resources are released, via the Reserve for Future Capital Funding, to meet the revenue costs of energy certificates and engineering audits.




## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
<u>Central Services</u>						
Facilities Management Schemes	-	-	-	-	-	-
Human Resources Schemes	-	-	-	-	-	-
Information Services Schemes	450	-	-	-	450	-
Finance Projects	-	-	-	-	-	-
<u>Building Maintenance</u>	-	(360)	-	-	(360)	-
<b>TOTAL</b>	<b>450</b>	<b>(360)</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>-</b>

## FINANCE AND CHANGE MANAGEMENT ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
<b>REVENUE</b>	An over spend of <b>£249,000</b> is forecast in relation to the Coroner's courts service. It is proposed that this over spend is addressed by virement from the Essex Legal Services Recharged Strategic Support Service.	
<b>RECHARGED STRATEGIC SUPPORT SERVICES</b>	<p>A net over spend of <b>£799,000</b> is forecast by the Portfolio's Recharged Strategic Support Services.</p> <p>Approval is sought for supplementary funding of <b>£1.135m</b>, to be financed from the Carry Forwards reserve, to support projects deferred from 2008/09.</p> <p>Various virements are proposed that have the net effect of reducing the portfolio's Recharged Strategic Support Service budgets by <b>£108,000</b>.</p> <p>The net position, after taking account of these requests, is an underlying net under spend of <b>£228,000</b>.</p>	
<b>CAPITAL</b>	An under spend of <b>£215,000</b> is forecast as a consequence of payments slippage into 2010/11.	

## RAG status and direction of travel definitions

-  Under spend of less than **£500,000** or **5%** of the Budget
-  Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
-  Over spend equal to, or greater than, **£500,000** or **5%** of the Budget

## FINANCE AND CHANGE MANAGEMENT ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
<b>Central Services</b>				
Other services	32	32	-	■
Second Homes Discount Scheme	995	995	-	■
Registration of births, death & marriages	382	382	-	■
Coroners' courts	1,224	1,473	249	◆
Assets				
Surplus and Managed Properties	(72)	(72)	-	■
Other Property Services	63	63	-	■
<b>Precepts</b>				
Environment Agency	1,126	1,126	-	■
Kent & Essex Sea Fisheries	215	215	-	■
<b>TOTAL</b>	<b>3,965</b>	<b>4,214</b>	<b>249</b>	<b>◆</b>

**Coroner's courts**

An over spend of **£249,000** is forecast. It is proposed that this over spend is addressed by virement from the Essex Legal Services Recharged Strategic Support Service.

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
<b>Central Services</b>							
Other services	-	-	-	-	-	-	-
Second Homes Discount Scheme	-	-	-	-	-	-	-
Registration of births, death & marriages	-	-	-	-	-	-	-
Coroners' courts	249	-	-	-	-	-	249
Surplus and Managed Properties	-	-	-	-	-	-	-
Other Property Services	-	-	-	-	-	-	-
<b>Precepts</b>							
Environment Agency	-	-	-	-	-	-	-
Kent & Essex Sea Fisheries	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>

## FINANCE AND CHANGE MANAGEMENT ... RECHARGED STRATEGIC SUPPORT SERVICES

### MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Essex Legal Services	3,665	3,416	(249)	●
Asset Management	3,952	3,886	(66)	■
Finance	15,868	17,476	1,608	◆
Performance, Planning and Programmes	2,761	2,409	(352)	●
Insurance Cost Recovery Account	5,377	5,235	(142)	■
<b>TOTAL</b>	<b>31,623</b>	<b>32,422</b>	<b>799</b>	<b>◆</b>

#### Essex Legal Services

An under spend of **£249,000** is forecast as a consequence of the receipt of additional income. It is proposed that this is utilised to offset the over spend forecast by the Coroners' Courts Service.

#### Asset Management

An under spend of **£66,000** is forecast as a consequence of minor budget variances.

#### Finance

An over spend of **£1.135m** is forecast in relation to projects deferred from 2008/09; approval is sought for supplementary funding, from the Carry Forwards reserve, to meet these costs in 2009/10.

It is proposed that **£156,000** is vired from the Human Resources Recharged Strategic Support Service to meet costs associated with the Finance Directorate, and that a further **£272,000** is vired from Performance, planning and programmes, to fund additional costs within the Finance Directorate.

Further pressures of **£45,000** are forecast; savings will be identified to offset these.

<p><b>Performance, planning and programmes</b></p>	<p>An under spend of <b>£352,000</b> is forecast due to slippage in various corporate projects and as a consequence of staff vacancies. It is proposed that this under spend is vired to the Finance Recharged Strategic Support Service (<b>£272,000</b>) to support additional expenditure by Essex Shared Services, and to the Deputy Leader portfolio (<b>£15,000</b>) in respect of the transfer of a post.</p>
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<p><b>Insurance cost recovery account</b></p>	<p>An under spend of <b>£142,000</b> is currently forecast, as a consequence of lower insurance premiums. It is proposed that this under spend is retained within the Insurance Cost Recovery Account, pending an updated assessment of the Account at the Third Quarter stage.</p>
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## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Essex Legal Services	(249)	-	-	-	-	-	(249)
Asset Management	-	-	(66)	-	-	-	(66)
Finance	428	-	-	45	1,135	-	1,608
Performance, Planning and Programmes	(287)	-	(65)	-	-	-	(352)
Insurance Cost Recovery Account	-	-	(142)	-	-	-	(142)
<b>TOTAL</b>	<b>(108)</b>	<b>-</b>	<b>(273)</b>	<b>45</b>	<b>1,135</b>	<b>-</b>	<b>799</b>

## FINANCE AND CHANGE MANAGEMENT ... CAPITAL

## CAPITAL - PROJECTS

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
IFS Upgrade	215	-	(215)	●
Asset Management Schemes	1,799	1,799	-	■
<b>TOTAL</b>	<b>2,014</b>	<b>1,799</b>	<b>(215)</b>	●

**IFS upgrade**

Approval is sought to slip payments approval of **£215,000** for the IFS upgrade into 2010/11.

## CAPITAL – VARIANCE PLAN

	Additions	Reductions	Advanced works	Slippage	2009/10 Changes	2010/11 Changes
	£000	£000	£000	£000	£000	£000
IFS Upgrade	-	-	-	(215)	(215)	215
Asset Management Schemes	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(215)</b>	<b>(215)</b>	<b>215</b>

## OPERATING COSTS ... AT A GLANCE

REVIEW	COMMENTARY	RAG STATUS
REVENUE	<p>A net under spend of <b>£4.7m</b> is forecast in relation to interest receivable and payable.</p> <p>Various proposals are contained elsewhere within this report for appropriating funds to / from the Council's earmarked revenue reserves. The net effect of these proposals is to increase the amount being appropriated into earmarked revenue reserves by <b>£856,000</b>.</p>	●

## RAG status and direction of travel definitions

- Under spend of less than **£500,000** or **5%** of the Budget
- Over spend of less than **£500,000** or **5%** of the Budget  
OR  
Under spend equal to, or greater than, **£500,000** or **5%** of the Budget
- ◆ Over spend equal to, or greater than, **£500,000** or **5%** of the Budget



## OPERATING COSTS ... REVENUE

## MITIGATING ACTIONS / PLANS FOR FORECAST VARIANCE

	Forecast Outturn			Rag Status
	Latest Budget	Outturn Forecast	Forecast Variance	
	£000	£000	£000	
Interest receivable	(1,400)	(3,100)	(1,700)	●
Interest payable	16,646	13,646	(3,000)	●
Capital financing	23,375	23,375	-	■
Emergency contingency	7,925	7,925	-	■
Appropriations to / from earmarked revenue reserves				
Schools	-	-	-	■
Capital Financing	1,098	348	(750)	●
Equalisation reserves	18,589	18,589	-	■
General reserves	(28,692)	(27,086)	1,606	◆
<b>TOTAL</b>	<b>37,541</b>	<b>33,697</b>	<b>(3,844)</b>	●

**Interest receivable**

Interest receivable, net of amounts attributed to reserves and balances, is forecast to be **£1.7m** higher than budgeted.

**Interest payable**

Interest payable on long term borrowing is anticipated to be **£3m** less than budgeted as a consequence of prematurely repaying some Public Works Loans Board debt and deferring new borrowing.

**Appropriations – capital financing**

Proposals are contained elsewhere within this report for appropriating funds into and from the Reserve for Future Capital Funding, as follows:

- **£1.110m** to be withdrawn from the Reserve for Future Capital Funding in order to provide additional revenue budget provision for:
  - Energy certificates and engineering audits (**£360,000**); and
  - Integrated Children System (ICS) project (**£750,000**).
- **£360,000** to be appropriated into the Reserve for Future Capital Funding in respect of proposals to transfer revenue resources to provide additional financing for capital projects.

### Appropriations – General Reserves

Proposals are contained elsewhere within this report for financing supplementary estimates from the general earmarked revenue reserves, as follows:

- **£8.223m** from the Carry Forwards Reserve, of which **£4.988m** is required to support projects deferred from 2008/09 (see **Appendix J** for further details).
- **£3.352m** from the Service Improvement Reserve to compensate for the transfer of various specific grants into the general Area Based Grant and to meet costs associated with the Stansted inquiry.
- **£2.190m** from the LAA Performance Reward reserve in order to replenish the Service Improvement Reserve in respect of expenditure financed in advance of receipt of the performance reward grant (**£1.650m**) and to fund Local Strategic Partnership payments by the Localism and Planning portfolio (**£540,000**).
- **£104,000** from the Essex On-Line Partnership (EOLP) reserve to provide additional financing for the EOLP capital project.
- **£53,000** from the IMT reserve to support projects deferred from 2008/09.
- **£42,000** from the Carbon Reduction Reserve to provide additional budget to the Facilities Management Service for schools' energy education programme.

In addition, it is proposed that the following amounts are appropriated into earmarked revenue reserves:

- **£13.920m** into the LAA Performance Reward reserve as a consequence of an increase in the estimate of performance reward grant to be awarded to the Council and to take account of a re-categorisation of grant previously earmarked for capital projects.
- **£1.650m** to replenish the Service Improvement Reserve in respect of amounts previously utilised in expectation of receiving LAA performance reward grant.

## VARIANCE PLAN

	Virement Requests	Returns (to) / from General Balance	Amounts to be retained	Savings to be identified	Appns (to) / from earmarked reserves	Emergency Contingency	Total Variance Plan
	£000	£000	£000	£000	£000	£000	£000
Interest receivable	-	(1,700)	-	-	-	-	(1,700)
Interest payable	-	(3,000)	-	-	-	-	(3,000)
Capital financing	-	-	-	-	-	-	-
Emergency contingency	-	-	-	-	-	-	-
Appropriations to / from earmarked revenue reserves							
Schools	-	-	-	-	-	-	-
Capital Financing	-	-	-	-	(750)	-	(750)
Equalisation reserves	-	-	-	-	-	-	-
General reserves	-	(3,235)	-	-	4,841	-	1,606
<b>TOTAL</b>	-	<b>(7,935)</b>	-	-	<b>4,091</b>	-	<b>(3,844)</b>

## REQUESTS FOR FUNDING FROM CARRY FORWARDS RESERVE

	<b>Total £000</b>
<b>Education and 2012 Games</b>	
Sports Development (Olympic mountain biking event)	50
<b>Total Education and 2012 Games</b>	<b>50</b>
<b>Adults, Health and Community Wellbeing</b>	
Adult Social Care	
Completion of finance improvement programme	85
Essex Cares	401
Business support (pandemic flu emergency planning work)	208
Safeguards: Deprivation of liberty	470
Putting people first (Transitions project)	250
Commissioning (Housing officers, PFI support and community wellbeing project)	666
Third sector (Swans Grant)	10
Libraries and Information Services (IT equipment and systems)	332
<b>Total Adults, Health and Community Wellbeing</b>	<b>2,422</b>
<b>Chief Whip &amp; Environment and Waste</b>	
Community safety (schemes for reducing crime and disorder and making communities safer)	370
Anti Social Behaviour (Essex neighbourhood information management system)	30
Member support (research for Scrutiny committee and IT developments)	100
<b>Total Chief Whip &amp; Environment and Waste</b>	<b>500</b>
<b>Localism and Planning</b>	
Rural issues (implementation of Rural Commission's recommendations)	44
<b>Total Localism and Planning</b>	<b>44</b>
<b>Leader</b>	
Regeneration (Reorganisation of Service and other developments)	173
Essex Initiatives	35
Skills and International (Apprenticeship schemes)	300
<b>Total Leader</b>	<b>508</b>
<b>Heritage, Culture and the Arts</b>	
Heritage and Cultural Services (Essex ancestors project)	48
<b>Total Heritage, Culture and the Arts</b>	<b>48</b>
<b>Recharged Strategic Support Services</b>	
Democratic Services (Youth Scrutiny Committee)	15
Human Resources (Independent safeguarding and other projects)	242
Facilities Management (migration of property related data to Archibus system)	24
Finance (improvement projects)	1,135
<b>Total Recharged Strategic Support Services</b>	<b>1,416</b>
<b>Total</b>	<b>4,988</b>