

Supplementary Committee Agenda



Finance and Performance Management Scrutiny Panel Tuesday, 21st June, 2011

Place: Council Chamber, Civic Offices, High Street, Epping

Time: 7.00 pm

Committee Secretary: A Hendry - The Office of the Chief Executive
Tel: 01992 564246 Email: ahendry@eppingforestdc.gov.uk

13.a Provisional Capital Outturn 2010/11 (Pages 3 - 16)

(Director of Finance and ICT) To consider the attached report.

13.b Provisional Revenue Outturn 2010/11 (Pages 17 - 30)

(Director of Finance and ICT) To consider the attached report.

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Report to Finance and Performance Management Scrutiny Committee



Date of meeting: 21 June 2011

Portfolio: Finance and Economic Development

Subject: Provisional Capital Outturn 2010/11

Responsible Officer: Teresa Brown (01992-564604)

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) That the provisional outturn report for 2010/11 be noted;**
- (2) That retrospective approval for the over and underspends in 2010/11 on certain capital schemes as identified in the report is recommended to Cabinet;**
- (3) That approval for the carry forward of unspent capital estimates into 2011/12 relating to schemes on which slippage has occurred is recommended to Cabinet; and**
- (4) That retrospective approval for changes to the funding of the capital programme in 2010/11 is recommended to Cabinet.**

Executive Summary:

This report sets out the Council's capital programme for 2010/11, in terms of expenditure and financing, and compares the actual outturn figures with the revised estimates. The revised estimates, which were based on the Capital Strategy, represent those adopted by Council on 22 February 2011.

Appendix 1 summarises the Council's overall capital expenditure in 2010/11, analysed by directorate, while appendices 2 and 3 identify the expenditure on individual schemes. Variations from revised estimates are shown in the third column of each appendix and these are identified as savings, overspends, carry forwards or brought forwards on a scheme-by-scheme basis in appendices 2 and 3. The carry forwards and brought forwards represent changes in the timing and phasing of schemes and the movement of estimates between financial years rather than amendments to total scheme estimates.

An analysis of the funds used to finance the Council's capital expenditure in 2010/11 is also given in appendix 1, detailing the use of government grants, private funding, capital receipts and revenue contributions to capital outlay. The generation and use of capital receipts and Major Repairs Fund resources in 2010/11 are detailed in appendix 4.

Reasons for Proposed Decision:

The funding approvals requested are intended to make best use of the Council's capital resources that are available to finance the Capital Programme.

Other Options for Action:

The HRA capital expenditure in 2010/11 could have been financed partly from the use of usable capital receipts. This option was rejected because the Revenue Contributions to Capital Outlay (RCCO) level suggested in this report is affordable within the HRA, according to current predictions, and any use of usable capital receipts for HRA purposes would have the effect of reducing scarce capital resources available for the General Fund.

Report:

Capital Expenditure

1. The overall position in 2010/11 was that a total of £9,931,000 was spent on capital schemes, compared to a revised estimate of £11,422,000. This represents an underspend of £1,491,000 or 13% on the Council's revised capital budget. Expenditure on General Fund projects totalled £3,501,000, which was £1,285,000 or 27% less than anticipated, whilst expenditure on the Housing Revenue Account (HRA) totalled £6,430,000, which was £206,000 or 3% less than anticipated.
2. The majority of the underspends on General Fund schemes relate to slippage of expenditure, although there were also savings on some schemes and one instance of work being carried out ahead of expectations. The underspend on the HRA was made up of a number of over and underspends on different areas of capital investments. Appendices 2 and 3 give details of the individual projects where slippage, savings, brought forwards and overspends have occurred.
3. With regard to the General Fund, one scheme was significantly overspent; the Langston Road redevelopment project (£25,000). Provision for the Langston Road redevelopment project was set aside within the District Development Fund (DDF) but some costs were more appropriately chargeable to Capital as they were feasibility studies relating to the scheme. However, if the scheme does not progress to completion, these costs will be subsequently charged to revenue. On the other hand, if the scheme is completed, the £25,000 capital overspend will be compensated by an underspend on the DDF.
4. Within the non-housing Capital Programme, only one individual scheme was underspent by more than £100,000. This was the Waste Management Vehicles and Equipment capital provision for the new food and recycling system. The budget of £147,000 was set aside for the provision of new bins and recycling containers to flats, schools, places of worship, village halls etc. These purchases have been delayed as a result of problems with tender submissions, which have now been resolved; a carry forward has therefore been requested.
5. The Civic Office Works budget was underspent by a total of £152,000; this being spread over a total of 16 schemes. The two major projects, being the replacement of the windows and heating systems in the condor building, were given top priority and were completed in 2010/11 along with 5 further projects. The remaining 9 projects have experienced some slippage and the budgets in respect of these schemes are proposed

for carry forward to 2011/12.

6. The Housing General Fund programme was underspent by £457,000, mostly because of slippage with the Open Market Shared Ownership Scheme. This is a unique and innovative scheme agreed by the Cabinet, whereby local housing applicants can select a property on the open market, which Broxbourne Housing Association then purchases (partly funded by an interest-free loan from the Council) and provides a shared ownership lease to the applicant. Being a new concept, the slippage is due to the complexity of the required legal agreements. However, these have almost been finalised and the marketing process has also been undertaken concurrently; it is expected that the budget provision will be spent in 2011/12. Further underspends were experienced on Affordable Housing Contributions to Housing Associations, under the scheme agreed by the Cabinet to enable a housing association to purchase properties on the open market to let at affordable rents. However, following a tender exercise, the amount of required contributions were considered too high and not offering value for money; the Housing Portfolio Holder proposes to report to a future Cabinet meeting on the possible use of this budget to extend the Open Market Shared Ownership Scheme to assist more applicants. Underspends on Disabled Facilities Grants have been offset, to some extent, by overspends on Other Private Sector Grants and the Home Ownership Grants Scheme. It is proposed to make the equivalent adjustments in 2011/12, pending Cabinet approval.
7. The outturn on the HRA was just 3% under the revised budget. However, there were several under and overspends on the different initiatives within the HRA Capital Programme. Appendix 3 shows which areas of work experienced slippage and which areas experienced more demand; Cabinet is requested to approve the relevant carry forwards and brought forwards to and from 2011/12.
8. The major scheme within the HRA over the last few years has been the improvement works at Springfields, Waltham Abbey. Practical completion was achieved on 14 August 2009 and the final account has been agreed between the constructor and the Council's quantity surveyor. It is thought likely that there will be a saving on the project budget overall but, for the time being, it is proposed to carry forward the £28,000 underspend to 2011/12 until all capital fees have been finalised.
9. Members are requested to approve the total carry forwards and brought forwards referred to above on the schemes identified in appendices 2 and 3. The total carry forward requested is £1,419,000 on the General Fund and £616,000 on the HRA. Members are also requested to retrospectively approve the brought forwards of £114,000 and £410,000 on the General Fund and HRA respectively.

Funding

10. When financing the capital programme, government grants and private funding for specific schemes, are applied initially. Appendix 1 identifies all the grants used in 2010/11 and it compares the actual sums used with the amounts estimated in the revised capital programme. In 2010/11, the total sum of grants applied was £390,000 lower than expected for two main reasons. Firstly, the application of the Disabled Facilities Grant was lower than estimated, in line with lower than expected expenditure in this area. Secondly, slippage on the Open Market Shared Ownership scheme has meant that the £435,000 contribution from McCarthy and Stone remains in the Council's reserve accounts pending completion of this scheme in 2011/12. All other unused grants will be carried forward to finance the appropriate schemes in the future. In contrast, more work was carried out on leasehold flats than expected and this has resulted in private funding from leaseholders being £124,000 more than anticipated.

11. The situation with regard to capital receipts in 2010/11 proved to be marginally better than had been anticipated, as shown in appendix 4. Income from council house sales was slightly higher than expected with 9 houses being sold.
12. The use of capital receipts was £751,000 lower than expected due to the reduced expenditure on General Fund schemes. There was a further £200,000 reduction in the use of capital receipts as it did not prove necessary to supplement the Pension Fund Capital Reserve this financial year. This was because the Capitalisation Direction received was lower than the application made, which resulted in an additional charge to the General Fund and the HRA. The overall effect of these variations is that balance of unused capital receipts was £18,694,000 as at the 31 March 2011, which was £1,033,000 higher than expected.
13. With regard to the use of revenue contributions to capital outlay, these were £400,000 higher than anticipated in order to keep the HRA balance from exceeding the level required to enable the capitalisation of pension deficits to take place. As a consequence of this, plus the underspend on HRA capital schemes, the use of resources from the Major Repairs Reserve was £750,000 less than estimated. This has meant that the balance on the Reserve was higher than planned at £6,541,000 as at 31 March 2011.

Resource Implications:

The 2010/11 General Fund Outturn totalled £3,501,000 which represents an underspend of £1,285,000 on the revised budget. This comprises of savings of £8,000, overspends of £28,000, slippage of £1,419,000, and brought forward expenditure of £114,000.

The 2010/11 HRA Capital Outturn was £6,430,000 which represents an overall underspend of £206,000 on the revised budget. This includes slippage of £616,000 and brought forward expenditure of £410,000.

Legal and Governance Implications:

The Council's capital accounts have been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting in the United Kingdom 2010.

Safer, Cleaner and Greener Implications:

The Council's Capital Strategy works to incorporate safer, greener and cleaner design concepts within all capital schemes. The capital programme also supports sustainable initiatives such as the new food and recycling system which was supported by the provision of new vehicles and equipment.

Consultation Undertaken:

Progress on the capital programme is monitored regularly by the Finance and Performance Management Scrutiny Panel and the Finance and Performance Management Cabinet Committee. Service Directors and spending control officers are also consulted throughout the year. In addition, consultation is undertaken with the Tenants and Leaseholders Federation and the Director of Housing on the HRA programme.

Background Papers:

The capital programme approved at Cabinet 31 January 2011 and working papers filed for External Audit purposes.

Impact Assessments:

Risk Management:

The changes to the proposed funding of the capital expenditure are intended to reduce the financial risks faced by the Council.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?	No
Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?	N/A
What equality implications were identified through the Equality Impact Assessment process?	N/A
How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?	N/A

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**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000
EXPENDITURE			
Finance & IT	408	298	(110)
Corporate Support Service	1,045	914	(131)
Deputy Chief Executive	255	159	(96)
Environment & Street Scene	1,455	1,203	(252)
Planning & Economic Development	65	10	(55)
Total Non-Housing	3,228	2,584	(644)
Housing General Fund	1,558	917	(641)
HRA	6,636	6,383	(253)
Housing Works Unit	0	47	47
Total Housing	8,194	7,347	(847)
TOTAL	11,422	9,931	(1,491)
FUNDING			
DCLG Grant for DFG	290	177	(113)
DCLG Grant for Decent Homes	350	370	20
HPDG/LABGI Capital Grants	14	6	(8)
Big Lottery Grant	60	60	0
ECC/Parish Contributions	14	14	0
Private Funding	670	381	(289)
Total Grants	1,398	1,008	(390)
Housing GF (Other Capital Receipts)	2,938	2,286	(652)
HRA (Other Capital Receipts)	10	32	22
Non Housing (Other Capital Receipts)	483	362	(121)
Total Capital Receipts	3,431	2,680	(751)
GF - RCCO	47	47	0
HRA - RCCO	1,763	2,163	400
HRA - MRR	4,783	4,033	(750)
Total Revenue Contributions	6,593	6,243	(350)
TOTAL	11,422	9,931	(1,491)

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**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Finance & IT						
General IT	341	266	(75)		(75)	
Cash Receipting & Income System	44	32	(12)		(12)	
General Capital Contingency	23	0	(23)		(23)	
Total	408	298	(110)	0	(110)	0
Corporate Support services						
Civic Office Works	669	517	(152)		(152)	
Building Improvement Programme - Leisure	12	8	(4)		(4)	
Brooker Road Purchase	212	212	0			
Purchase of Black Lion Car Park	152	152	0			
Langston Rd Redevelopment	0	25	25	25		
Total	1,045	914	(131)	25	(156)	0
Deputy Chief Exec						
Customer Services Trans Prog	20	6	(14)		(14)	
Limes Farm Hall Development	110	62	(48)		(48)	
Waltham Abbey All Weather Pitch	42	14	(28)		(28)	
Youth Sports Facilities	9	3	(6)	(6)		
Children's Play Programme	74	74	0			
Total	255	159	(96)	(6)	(90)	0
Environment & Street Scene						
W Abbey Sports Provision Feasibility	42	41	(1)		(1)	
Loughton Leisure Centre:New Build	13	1	(12)		(12)	
Loughton Leisure Centre:Modifications	800	803	3	3		
Waste Management Vehicles & Equip't	147	6	(141)		(141)	
Bobbingworth Tip	41	10	(31)		(31)	
Parking & Traffic Schemes	147	71	(76)		(76)	
Housing Estate Car Parking	13	6	(7)		(7)	
Bakers Lane Car Park	7	7	0			
N W Airfield Market Improvements	155	170	15			15
Safer Cleaner Greener	3	1	(2)	(2)		
Flood Alleviation Schemes	0	0	0			
Grounds Maint Plant & Equipt	87	87	0			
Total	1,455	1,203	(252)	1	(268)	15
Planning & Economic Development						
Loughton Broadway Town Centre Enhancement	25	3	(22)		(22)	
Loughton Broadway CCTV	25	1	(24)		(24)	
Planning Services Capital Schemes	15	6	(9)		(9)	
Total	65	10	(55)	0	(55)	0
TOTAL NON-HOUSING PROGRAMME	3,228	2,584	(644)	20	(679)	15

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**CAPITAL PROGRAMME
2010/11 ACTUAL (PROVISIONAL)**

	2010/11 Revised £000	2010/11 Actual £000	(Under) / Overspend £000	Savings/ Overspends £000	Carry Forwards £000	Brought Forwards £000
Housing General Fund						
Affordable Housing Contributions to HAs	187	3	(184)		(184)	
Disabled Facilities Grants	400	279	(121)		(121)	
Other Private Sector Grants	350	421	71			71
Home Ownership Grants Scheme	186	214	28			28
Open Market Shared Ownership Scheme	435	0	(435)		(435)	
TOTAL HOUSING GENERAL FUND	1,558	917	(641)	0	(740)	99
Housing Revenue Account						
Springfields, Waltham Abbey *	58	30	(28)		(28)	
Heating/Rewiring *	1,611	1,717	106			106
Windows/Roofs/Asbestos/Water Tanks *	761	897	136			136
Other Planned Maintenance	319	296	(23)		(23)	
Total Planned Maintenance	2,749	2,940	191	0	(51)	242
Structural Schemes	407	477	70			70
Small Capital Repairs *	900	635	(265)		(265)	
Kitchen & Bathroom Replacements *	1,699	1,534	(165)		(165)	
Environmental Improvements	409	274	(135)		(135)	
Disabled Adaptations	427	454	27			27
Other Repairs and Maintenance *	45	70	25			25
TOTAL HRA	6,636	6,383	(253)	0	(616)	363
Housing DLO Vehicles	0	47	47			47
TOTAL DLO	0	47	47	0	0	47
TOTAL HOUSING PROGRAMME	8,194	7,347	(847)	0	(1,356)	510
* EFDC Affordable Housing	5,074	4,883	(191)	0	(458)	267

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CAPITAL RECEIPTS
2010/11 ACTUAL (PROVISIONAL)

	2010/11 Revised £000	2010/11 Actual £000	2010/11 Variation £000
Receipts Generation			
Housing Revenue Account	706	1,012	306
General Fund	15	15	0
Total Receipts	721	1,027	306
Receipts Analysis			
Usable Receipts	201	283	82
Payment to Govt Pool	520	744	224
Total Receipts	721	1,027	306
Usable Capital Receipt Balances			
Opening Balance	21,091	21,091	0
Usable Receipts Arising	201	283	82
Transfer to Pension Fund Capital Reserve	(200)	0	200
Use of Other Capital Receipts	(3,431)	(2,680)	751
Closing Balance	17,661	18,694	1,033

MAJOR REPAIRS RESERVE
2010/11 ACTUAL (PROVISIONAL)

	2010/11 Revised £000	2010/11 Actual £000	2010/11 Variation £000
Opening Balance	5,730	5,730	0
Major Repairs Allowance	4,844	4,844	0
Use of MRR	(4,783)	(4,033)	750
Closing Balance	5,791	6,541	750

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Report to the Finance and Performance Management Scrutiny Panel



Date of meeting: 21 June 2011

Portfolio: Finance and Economic Development

Subject: Provisional Revenue Outturn 2010/11.

Responsible Officer: Peter Maddock (01992 564602)

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) That the overall 2010/11 revenue out-turn for the General Fund and Housing Revenue Accounts (HRA) be noted; and
- (2) That as detailed in Appendix D, the carry forward of £462,000 District Development Fund expenditure be noted.

Executive Summary

This report provides an overall summary of the revenue outturn for the financial year 2010/11.

Reasons for proposed decision:

To note the provisional revenue outturn.

Other options for action:

No other options available.

General Fund

1. The table below summarises the revenue outturn for the General Fund and the consequential movement in balances for 2010/11.

	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
General Fund					
Net Expenditure after Adjustments	18,048	17,813	17,223	(825)	(590)
Government Grants and Local Taxation	17,504	17,504	17,504	-	-
(Contribution to)/from Balances	544	309	(281)	(825)	(590)
Opening Balances – 1/4/10	(8,300)	(8,300)	(8,300)	-	-

	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
General Fund					
(Contribution to)/from Balances	544	309	(281)	(825)	(590)
Closing Balances – 31/3/11	(7,756)	(7,991)	(8,581)	(825)	(590)

- Net expenditure for 10/11 totalled £17.223 million, which was £825,000 (4.8%) below the original estimate and £590,000 (3.4%) below the probable outturn. When compared to a gross expenditure budget of approximately £76 million, the variances can be restated as 1.1% and 0.8% respectively.
- An analysis of the changes between Continuing Services Budget (CSB) and District Development Fund (DDF) expenditure illustrates where the main variances in revenue expenditure have occurred.

	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
General Fund					
Opening CSB	18,285	17,935	17,448	(837)	(487)
In Year Growth	157	813	852	695	39
In Year Savings	(394)	(935)	(1,077)	(683)	(142)
Total Continuing Services Budget	18,048	17,813	17,223	(825)	(590)
DDF – Expenditure	2,438	2,796	2,707	269	(89)
DDF – One Off Savings	(554)	(890)	(1,935)	(1,381)	(1,045)
Total DDF	1,884	1,906	772	(1,112)	(1,134)
Appropriations	(1,884)	(1,906)	(772)	(1,112)	(1,134)
Net Expenditure	18,048	17,813	17,223	(825)	(590)

Continuing Services Budget

- CSB expenditure was £825,000 below the original estimate and £590,000 lower than the probable outturn. Variances have arisen on both the opening CSB, £487,000 lower than the probable outturn and the in year figures, £103,000 lower than the probable outturn.
- In common with recent years salary savings make up a proportion of this saving. Actual salary spending for the authority in total, including agency costs, was some £19.126 million compared against a probable outturn of £19.392 million. The saving of £266,000 was primarily spread over two directorates Housing and Planning and Economic Development, two thirds of this saving in monetary terms relates to the Housing Revenue Account (HRA). The saving in total was slightly lower than the probable outturn position in 2009/10 (1.4% compared to 1.6%), having said that a vacancy allowance was included in the last quarter of 2010/11 which was not included in the 2009/10 figures. This, with the effects of the recruitment freeze, actually produced a bigger underspend than the previous year.
- There were a number of other savings when compared to the probable outturn, these include:

- (a) Building Maintenance (£49,000).
 - (b) Some unspent monies relating to the HR corporate improvement budget (£45,000)
 - (c) Further savings on Gas and Electricity over and above anticipated at the Civic Offices of £30,000. Given the likely increases in cost going forward these can probably be contained within the existing budget.
 - (d) Savings on temporary legal staff and consultants (£35,000).
 - (e) Additional income on Elections (£50,000)
 - (f) A significant number of other budgets showing underspends of between £6,000 and £12,000.
7. The original in year net CSB saving figure of £237,000 became an in year saving figure of £122,000 when estimating the probable outturn, largely due to the reduction of investment interest income. The out-turn net savings exceeded both figures at £225,000. There were additional savings on Waste Management of £106,000 relating to reductions in Gate fee payments (£144,000), Reductions in Sack expenditure and other items (£17,000) offset by reduced Recycling Credits (£55,000). Full details of items within the CSB growth and savings figures can be found at appendix A.

District Development Fund

8. Net DDF expenditure was expected to be £1,884,000 in the original estimate and £1,906,000 in the probable outturn, the DDF outturn showed net expenditure of £772,000. This is £1,112,000 below the original and £1,134,000 below the probable outturn. There are requests for carry forwards totalling £462,000 and therefore the variation actually equates to a £672,000 net under spend on the DDF items undertaken. These one-off projects are akin to capital, in that there is regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that can be done is against the probable outturn position.
9. The DDF increased between the Original and Probable outturn position by £22,000, this was due to a mixture of items brought forward, rephased into future years and new items identified during 2010/11, the largest reduction in the year was the slippage of Local Development Framework expenditure into 2011/12. The expenditure profile of this budget will again need to be reviewed during the next budget cycle.
10. The biggest item identified in the actual expenditure related to a VAT refund relating to Sports tuition fees and bulky household waste collections where VAT paid to HMRC was deemed to be overdeclared and therefore repayable to the Council. This related to the years 1973 to 1997. The net amount repayable was £714,000. When the Probable Outturn was prepared there was significant doubt surrounding whether this repayment would be forthcoming however being able to obtain detailed evidence in support of the claim during February enabled a successful conclusion to be reached during March 2011.
11. Corporate Support Services and Environment and Street Scene saw variations in excess of £100,000 on their DDF when compared to the probable outturn estimate. Within Corporate Support Services the Planned Building Maintenance Programme and the Council Asset Rationalisation projects have fallen behind schedule. Within Environment and Street Scene, additional income from Off Street Parking and SLM (from the income share agreement) contributed to the variances along with an underspend on remedial works to watercourses.
12. Appendix B shows full details of DDF expenditure and savings for 2010/11.

Appropriations

13. The only variation on appropriations arises from the underspend on the DDF.

Housing Revenue Account

14. The table below summarises the revenue outturn for the Housing Revenue Account.

Housing Revenue Account	Original Estimate £000	Probable Outturn £000	Actual Expend £000	Variance from Original £000	Variance from Probable outturn £000
Revenue Expenditure	14,365	14,426	13,603	(762)	(823)
HRA Subsidy Payable	10,052	9,726	9,728	(324)	2
Depreciation	8,011	8,706	8,706	695	-
Total Expenditure	32,428	32,858	32,037	(391)	(821)
Gross Dwelling Rents	25,791	25,644	25,675	116	(31)
Other Rents and Charges	4,848	4,697	4,223	625	474
Total Income	30,639	30,341	29,898	741	443
Net Cost of Service	1,789	2,517	2,139	350	(378)
Interest and Other Transfers	537	457	497	(40)	40
Transfer from Major Repairs Reserve	3,167	3,905	3,905	738	-
Net Operating Income	(1,915)	(1,845)	(2,263)	(348)	(418)
Appropriations					
Capital Expenditure Charged to Revenue	1,763	1,763	2,163	400	400
Other	159	209	303	144	94
Deficit/(Surplus) for Year	7	127	203	196	76
Opening Balance – 1/4/10	(6,089)	(6,089)	(6,089)	-	-
Deficit/(Surplus) for year	7	127	203	196	76
Closing Balance – 31/3/11	(6,082)	(5,962)	(5,886)	196	76

15. A Deficit within the HRA of £7,000 and £127,000 was expected within its original and probable outturn revenue budgets respectively, the actual outturn was a deficit of £203,000. There are a number of areas seeing underspends, for example gas and electricity however countering this was a reduction in shop rent income.

16. Capital Expenditure Charged to Revenue was increased by £400,000 to £2,163,000. This was done in order to avoid the HRA accumulating excessive balances and ensure that the current guidelines on applications for pension deficit capitalisations are not exceeded. Even with this action the balance at 31 March 2011 is still in excess of £5.8 million, well above the £3 million to £4 million target.

Consultation undertaken:

None

Resource implications:

As set out in report, it is clear that the Cabinet priority to maintain a sound financial position has been achieved.

Legal and Governance Implications:

Reporting on the financial outturn for the previous financial year is recognised as a key element of the Council's Governance Framework.

Safer, Cleaner, Greener Implications:

The Council's revenue budgets contain spending related to the Safer, Cleaner, Greener initiative.

Background Papers:

Final Accounts working papers held in Accountancy.

Impact Assessments:

Risk Management

This report is a key part in managing the financial risks faced by the Council.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A

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DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11						2011/12		2012/13	2013/14
		Original	Probable	Actual	Difference	C/Fwd	over/(under)spend	Estimate	Adjusted	Estimate	Estimate
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive	Elections							160	160		
	Elections							(160)	(160)		
	Grants to Voluntary Orgs								20		
	Members								6		
	Total Chief Executive	30	30	4	(26)	26	0	0	26	0	0
Corporate Support Services	Estates & Valuation			16	-		-				
	Estates & Valuation			25	(25)	25	-		25		
	Estates & Valuation	195	160	65	(95)	95	-	35	130		
	Estates & Valuation	(60)	(60)	(21)	39	(19)	20		(19)		
	Other Land & Property			10	13	3	3				
	Facilities Management			16	3	(13)	13		13		
	Emergency Planning				(16)	(16)	(16)				
	Human Resources			8	8	-	-				
	Industrial Estates- Brooker Rd			20	19	(1)	(1)				
	Legal Services	28	2		(2)		(2)				
	Legal Services	2	5	5	-		-				
	Local Land Charges			100	(100)	100	-		100		
	Local Land Charges			(100)	66		66				
	Local Land Charges				(18)		(18)				
	Non HRA Building Maintenance				-		-	20	20		
	Non HRA Building Maintenance	147	147	18	(129)	129	-	(5)	124	45	19
	Civic Offices				-		-	6	6		
Office Accommodation			20	(5)	5	-	65	70	0		
Office Accommodation			45	59	14	14					
Total Corporate Support Services	312	414	132	(282)	348	66	121	469	45	19	
Deputy Chief Executive	Public Relations	12	3	2	(1)		(1)	3	3		
	Public Relations & Information	23	24	24	-		-	25	25	25	
	Deputy Chief Executive	63	74	147	73		73	75	75		
	Deputy Chief Executive	(63)	(74)	(147)	(73)		(73)	(75)	(75)		
	Museum		(5)	(5)	-		-				
	Youth Council	12	12	12	-		-	12	12		
	Limes Farm Hall	27	22	26	4	(4)	-	19	15		
	NWA Strategy Action Plan	50	48	49	1	(1)	-	2	1		
	NWA Strategy Action Plan	20			-		-	20	20		
	Total Deputy Chief Executive	144	104	108	4	(5)	(1)	81	76	25	0

DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11					over/(under)spend	2011/12		2012/13	2013/14
		Original	Probable	Actual	Difference	C/Fwd		Estimate	Adjusted	Estimate	Estimate
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Environment & Street Scene	Pollution Control		9	5	(4)	4	-		4		
	Pollution Control		(9)	(9)	-		-		-		
	Neighbourhoods / Rapid Response		4		(4)		(4)		-		
	Pest Control		(10)	(18)	(8)		(8)		-		
	Pest Control			6	6		6		-		
	Waste Management			8	7	(1)		(1)		-	
	Waste Management		(119)	(132)	(125)	7		7	(102)	(102)	
	Abandoned Vehicles					-		-	3	3	
	Contaminated Land		5	5	5	-		-		-	
	Contaminated Land			130	120	(10)		(10)		-	
	Contaminated Land			(120)	(123)	(3)		(3)		-	
	Land Drainage		35	49	26	(23)	23	-		23	
	Safer Communities		3			-		-		-	
	Safer Communities		3	1	1	-		-		-	
	Safer Communities		2	2		(2)		(2)		-	
	Leisure Facilities			15		(15)		(15)		-	
	Leisure Facilities			13		-		-		-	
	Leisure Facilities			(13)	(13)	-		-		-	
	Leisure Facilities			(4)	(4)	-		-		-	
	Leisure Facilities			5	5	-		-	10	10	
	Leisure Facilities				(35)	(35)		(35)		5	
	Parks & Grounds			3	2	(1)		(1)		-	
	North Weald Airfield			12	12	-		-		-	
	North Weald Airfield			13	13	-		-		-	
	Waltham Abbey Sport Centre			(28)	(28)	-		-		-	
	Parks & Grounds			23	26	3	(3)		3	-	
	Parks & Grounds			(23)	(26)	(3)	3		(3)	-	
	North Weald Airfield					-		-	(18)	(18)	
	North Weald Airfield			43	43	-		-	34	34	
	North Weald Airfield		5	5		(5)	5			5	
	Off Street Parking					-		-	(40)	(40)	
	Off Street Parking				(30)	(30)		(30)		-	
Off Street Parking			(11)	(11)	-		-		-		
On Street Parking			(14)	(14)	-		-		-		
On Street Parking			14	14	-		-		-		
Off Street Parking		3			-		-		-		
On Street Parking		2			-		-		-		
On Street Parking		(2)			-		-		-		
Total Environment & Street Scene		(63)	(10)	(138)	(128)	32	(96)	(113)	(81)	29	14
Finance & ICT	Concessionary Fares		141	116	87	(29)	(29)	72	72		
	Concessionary Fares		(111)	(99)	(99)	-	-		-		
	Concessionary Fares					-	-	(50)	(50)		
	Council Tax Collection			30	24	(6)	6		6		
	Council Tax Collection				16	16		16		-	
	Council Tax Collection				(12)	(12)		(12)		-	
	Council Tax Collection				30	30		30		-	
	Finance Miscellaneous			4	1	(3)		(3)		-	
	Finance Miscellaneous			(2)		2		2		-	
	Finance Miscellaneous		5			-		-		-	
	Housing Benefits			34	34	-		-		-	
	Housing Benefits		6	0	3	3		3		-	
	Housing Benefits		(6)	0	(5)	(5)	2	(3)		2	
	Housing Benefits				3	3		3		-	
	Housing Benefits				(6)	(6)	3	(3)		3	
	Housing Benefits					-		-	15	15	20
	NNDR			9	8	(1)		(1)		-	
	NNDR			9		(9)	9	-		9	
	NNDR			(9)	(9)	-		-		-	
Audit/Bank Charges			10	10	-		-		-		
Procurement			(12)	3	15		15	(10)	(10)		
Unallocated Land				7	7		7		-		
Total Finance & ICT		35	90	95	5	20	25	27	47	20	0

DISTRICT DEVELOPMENT FUND

Directorate	Description	2010/11					over/(under)spend	2011/12		2012/13	2013/14	
		Original	Probable	Actual	Difference	C/Fwd		Estimate	Adjusted	Estimate	Estimate	
		£000's	£000's	£000's	£000's	£000's		£000's	£000's	£000's	£000's	
Housing	Homelessness	11		2	2		2	26	26	26		
	Homelessness	(11)		(2)	(2)		(2)	(26)	(26)	(26)		
	Homelessness		(6)	(3)	3		3	26	26	26		
	Homelessness		6	3	(3)		(3)	(26)	(26)	(26)		
	Private Sector Housing	55	13	9	(4)	4	-	52	56			
	Housing Strategy	5			-		-					
	Private Sector Housing	27	27	27	-		-	27	27	27		
	Private Sector Housing	(15)	(15)	(15)	-		-					
	Private Sector Housing	15	5	11	6	(6)	-	15	9	12		
	Handy Person Scheme		(20)	(20)	-		-					
	Handy Person Scheme		10		(10)	10	-	10	20			
	Total Housing		87	20	12	(8)	8	0	104	112	39	0
	Planning & Economic Development	Development Control	82	31	31	-		-	51	51		
Development Control			44	40	(4)		(4)					
Economic Development			5	3	(2)	2	-		2			
Economic Development		2	4	(4)			(4)					
Economic Development		2	0	-	-		-	4	4			
Economic Development		36	50	47	(3)	3	-	9	12			
Economic Development				5	5		5	12	12			
Economic Development			3		(3)	3	-	3	6			
Conservation Policy					-		-	10	10			
Forward Planning		22			-		-					
Forward Planning		400	120	101	(19)	19	-	395	414			
Forward Planning			10	9	(1)		(1)			456		
Forward Planning		39	30	30	-		-	35	35			
Forward Planning				(16)	(16)		(16)					
Planning Services			30	30	-		-					
Planning Services		(55)			-		-					
Planning Services		10			-		-					
Planning Services			18	18	-		-	7	7			
Tourism		2	4	3	(1)		(1)	0	-			
Tourism			5	5	-		-	5	5			
Town Centre Enhancements	6	6		(6)	6	-	0	6				
Town Centre Enhancements	22	18	6	(12)		(12)	12	12				
Total Planning & Economic Development		568	378	312	(66)	33	(33)	543	576	456	0	
Total Service Specific District Development Fund		1,113	1,026	525	(501)	462	(39)	763	1,225	614	33	
Other Items	Second Homes Discount Allowance	(84)	(84)	(76)	8		8	(84)	(84)	(84)	(84)	
	Lost Investment Interest	508	413	456	43		43	363	363	233	89	
	Impairment of Heritable Bank Principal	375	375	406	31		31					
	Contribution to Pension Deficit Reserve		176	176	-		-					
	LABGI Contribution				-		-	40	40			
	Capital Expenditure Funded from Revenue		40	40	-		-	22	22			
	Area Based Grant	(28)	(40)	(41)	(1)		(1)					
	VAT Refund		0	(714)	(714)		(714)					
	Total District Development Fund		1,884	1,906	772	(1,134)	462	(672)	1,104	1,566	763	38

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Chief Executive	Civic & Member	Members courses & conferences	(5)	(2)	(2)	-
	Subscriptions	East of England Local Govt Conference		(12)	(12)	-
	Directorate Savings	General		(10)	(10)	-
	Total Chief Executive		(5)	(24)	(24)	0
Corporate Support Services	Local Land Charges	Personal Charges- Increase from £11 to £22	(17)			-
	Hackney Carriages	Increased number of licences issued.		(29)	(35)	(6)
	Industrial Estates- Oakwood Hill	Reduced Rental Income		16	6	(10)
	Industrial Estates- O Hill Workshops	Increased Rental Income		(32)	(24)	8
	Fleet Operations	MOT Income - additional tests		(33)	(19)	14
	Civic Offices	Energy Savings - Heating	(20)	(20)	(20)	-
	Civic Offices	Car Park Rental - Black Lion		(4)	(4)	-
	Langston Road Depot	WRVS lease terminated		8	4	(4)
	Directorate Savings	General		(62)	(62)	-
Total Corporate Support Services		(37)	(156)	(154)	2	
Deputy Chief Executive	Museum	Increase in rents		6	7	1
	Directorate Savings	General		(33)	(33)	-
Total Deputy Chief Executive		0	(27)	(26)	1	

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Environment & Street Scene	Waste Management	Changes to Service	(51)	42	(64)	(106)
	Waste Management	Reduction in Weed spraying - expenditure		(10)	(12)	(2)
	Waste Management	Reduction in Weed spraying - income		10	12	2
	Industrial Activities - Regulated	Reduction in Registration of Commercial Properties	-	7	4	(3)
	Safer Communities	Reduction in Contributions		6	6	-
	Leisure Facilities	Loughton Leisure management fee reduction		(25)	(25)	-
	North Weald Airfield	Increase in Market rent		(41)	(45)	(4)
	Waltham Abbey Sports Centre	Cessation of joint use agreement	(192)	(192)	(187)	5
	Off Street Parking	Fluctuations in NDR	(6)	(8)	(8)	-
	Off Street Parking	Changes to allocations		(50)	(52)	(2)
	On Street Parking	Changes to allocations		(36)	(33)	3
	On Street Parking	Changes to allocations		36	33	(3)
	Off Street Parking	Additional Penalty Notice Charges		(50)	(43)	7
	On Street Parking	Additional Penalty Notice Charges		(55)	(31)	24
	On Street Parking	Additional Penalty Notice Charges		55	31	(24)
	Off Street Parking	Loss of income through VAT increase		4	4	-
	Off Street Parking	Closure of Parking Shop	(24)	(23)	(23)	-
	On Street Parking	Closure of Parking Shop	(24)	(23)	(23)	-
	On Street Parking	Closure of Parking Shop	24	23	23	-
	Directorate Savings	General		(66)	(66)	-
Total Environment & Street Scene			(273)	(396)	(499)	(103)
Finance & ICT	Finance Miscellaneous	Increase in Employers Pension Conts (Act Val 2010)	92	92	111	19
	ICT	Mobile telephones - contract increases	2	10	9	(1)
	Housing Benefits	Housing Benefit Admin Subsidy settlement reductions	39	60	60	-
	Council Tax Collection	Reduction in court cost income		21	21	-
	NNDR	Reduction in court cost income		10	12	2
	Insurance Services	Savings on Premium	(45)	-	-	-
	Directorate Savings	General		(48)	(48)	-
	Total Finance and ICT			88	145	165
Housing	Bed and Breakfast	Reduction in Bed and Breakfast Income		25		(25)
	Bed and Breakfast	Reduction in Bed and Breakfast Expenditure		(12)	(10)	2
	Directorate Savings	General		(3)	(3)	-
	Total Housing				10	(13)

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Original 2010/11 £000's	Probable 2010/11 £000's	Actual 2010/11 £000's	Variance from Probable £000's
Planning & Economic Development	Building Control Ring Fenced	Reduced Income resulting from reduction in inspections		114	127	13
	Building Control Ring Fenced	Reduced Income		(114)	(127)	(13)
	Development Control	Reduced Income resulting from reduction in applications		90	90	-
	Countrycare	Staff restructure		(6)	(6)	-
	Directorate Savings	General		(40)	(40)	-
Total Planning & Economic Development			0	44	44	0
Other Items	Investment Interest	Reduction due to lower interest rates		292	292	-
	All Services	Printer Cartridge Savings	(10)	(10)	(10)	-
	Total CSB			(237)	(122)	(225)

Overspends/Income not achieved **100**

Underspends/ Income Overachievement **(203)**

Net Underspend **(103)**

DISTRICT DEVELOPMENT FUND

Service	2010/11 Original £000	2010/11 Probable £000	2010/11 Actual £000	Over/(Under) spend £000	Carry Forward £000	2011/12 Original £000	2011/12 Updated £000
Chief Executive	30	30	4	0	26	0	26
Corporate Support Services	312	414	132	66	348	121	469
Deputy Chief Executive	144	104	108	(1)	(5)	81	76
Environment & Street Scene	(63)	(10)	(138)	(96)	32	(113)	(81)
Finance & ICT	35	90	95	25	20	27	47
Housing	87	20	12	0	8	104	112
Planning & Economic Development	568	378	312	(33)	33	543	576
Total DDF Expenditure	1,113	1,026	525	(39)	462	763	1,225
Funding Analysis							
Transfer from DDF							
Transfer to/(from) General Fund	1,113	1,026	525			763	1,225
Total DDF Funding	1,113	1,026	525			763	1,225
DDF Earmarked Reserve							
Balance B/F	4,041	4,041	4,041			2,135	3,269
Second Homes Discount Allowance	84	84	76			84	84
Lost Investment Interest	(508)	(413)	(456)			(363)	(363)
Impairment of Heritable Bank Principal	(375)	(375)	(406)			0	0
Contribution to Pension Deficit Reserve		(176)	(176)			0	0
LABGI Contribution			0			(40)	(40)
Capital Expenditure Funded from Revenue		40	(40)			(22)	(22)
Area Based Grant	28	(40)	41			0	0
VAT Refund			714			0	0
Provision for carry forward						0	0
Transfer Out	(1,113)	(1,026)	(525)			(763)	(1,225)
Balance C/F	2,157	2,135	3,269			1,031	1,703

DISTRICT DEVELOPMENT FUND 2010/11 - 2011/12

Directorate	Description	C/Fwd £000's	Year Approved
Chief Executive	Furniture Exchange Scheme	20	2008
	Standards Committee additional investigations	6	2010
		26	
Corporate Support Services	Consultant's fees Legal & Taxation-Langston Rd Project	25	2010
	Council Asset Rationalisation	95	2010
	Council Asset Rationalisation HRA Contribution	(19)	2010
	Quality Assurance & Accreditation BS EN ISO 9001	13	2009
	Removal of Personal Search charges (LLC Amendment Rules 2010)	100	2010
	Planned Building Maintenance Programme	129	2010
	Essential Work to Civic Offices	5	2005
		348	
Deputy Chief Executive	Costs of Management/Admin/Mtc/Repairs	(4)	2010
	North Weald Airfield Action Plan.	(1)	2011
		(5)	
Environment & Street Scene	Air Quality Modelling	4	2011
	Remedial Works Principal Ordinary Watercourses	23	2006
	Roding Valley Lake - Disabled Projects	(3)	2010
	Roding Valley Lake - Disabled Projects	3	2010
	Transformer - 'Sub X'	5	2011
		32	
Finance & ICT	Legal Fees re Bailiffs in Liquidation	6	2010
	Temporary Accommodation Subsidy - Costs	2	2010
	Incapacity/Income Support Reassessment - Costs	3	2010
	New Burdens Small Business Rate Relief Costs	9	2011
		20	
Housing	House Condition Survey	4	2011
	Handyperson Scheme	(6)	2010
	ECC re. Mobile Homes/Sites Improvements	10	2011
		8	
Planning & Economic Development	Chamber of Commerce	2	2010
	Town Centre Manager	3	2009
	Economic Development Strategy	3	2010
	Local Development Framework	19	2007
	Improvements Grant Waltham Abbey TC	6	2007
		33	
		462	