

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

7 NOVEMBER 2014

REPORT OF FINANCE AND TRANSFORMATION PORTFOLIO HOLDER

A.4 CORPORATE BUDGET MONITORING REPORT FOR THE SECOND QUARTER OF 2014/15

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide an overview of the Council's actual financial position against the budget as at the end of September 2014.

EXECUTIVE SUMMARY

- The Council's financial position against the approved budget has been prepared for the period to the end of September 2014 and is the second such report for 2014/15.
- It is still relatively early in the financial year and therefore some expenditure or income trends may still be emerging / evolving. However any significant issues arising to date have been highlighted and comments provided as necessary.
- The position to the end of September 2014, as set out in more detail in the Executive Summary attached, shows that overall the actual General Fund Revenue position is behind the profiled budget by **£5.838m**. After allowing for significant one-off budgets such as the Fit for Purpose Budget where commitments or decisions are still to be made, the position is revised to **£2.584m** behind the profiled budget. A considerable element of this variance is due to the timing of expenditure and income although some emerging issues have been identified which have been set out below.
- In respect of other areas of the budget such as the Housing Revenue Account, Capital Programme, debt recovery and treasury activity, there are no significant issues arising to date.
- Information relating to both the Local Council Tax Support Scheme (LCTSS) and income from business rates is set out separately in **Appendix I**.
- Any emerging items that are either new or continue from 2013/14 will be monitored and updates provided in future budget monitoring reports along with their consideration as part of the Financial Strategy and budget setting framework for 2015/16 where a longer term response may be required.
- The budget monitoring process now forms a more fundamental element of supporting the forecast for following years through the identification of savings that can be 'banked' as the year progresses rather than just as part of the annual budget setting cycle. This enables the medium term forecast to be updated on an on-going basis. Therefore similarly to quarter one, where favourable variances have

emerged, it is proposed on 'banking' the amounts accrued so far to date and transferring the money to the Austerity Reserve.

- A half year treasury management review has been carried out with a summary set out below.

RECOMMENDATION(S)

It is recommended that:

(a) The financial position as at the end of September 2014 is noted.

(b) That the 2014/15 budget is amended to reflect favourable variances emerging so far to date as follows:

- £0.094m reduction in salary budgets
- £0.100m increase to the planning fee income budgets
- £0.194m – Contribution to Reserves (being the total of the above transferred to the Austerity Reserve)

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Effective budgetary control is an important tool in ensuring the financial stability of the authority by drawing attention to issues of concern at an early stage so that appropriate action can be taken. Financial stability plays a key role in delivering the Council's corporate and community aims and priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are considered in the body of the report.

Risk

A number of variances will be subject to change as the year progresses although at this stage it is expected that any adverse position can be managed within the overall budgets. The budget position will be monitored and reviewed as part of both the future budget monitoring arrangements and Financial Strategy Processes.

LEGAL

The Local Government Act 2003 makes it a statutory duty that Local Authorities monitor income and expenditure against budget and take appropriate action if variances emerge.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications arising from this report.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council's financial position against the approved budget has been prepared for the period ending 30 September 2014.

Some expenditure or income trends may still be emerging / evolving as it is still relatively early in the financial cycle. However any significant issues arising to date have been highlighted and comments provided as necessary.

Following the introduction of the Local Council Tax Support Scheme (LCTSS) and Business Rates Retention in 2013/14, additional information around these two areas is included in **Appendix I**. Following its inclusion last year, **Appendix H** remains part of this report and provides information on the Council's significant income budgets.

GENERAL FUND REVENUE

The position to the end of September 2014, as set out in more detail in the Executive Summary attached, shows that overall the actual position is behind the profiled budget by **£5.838m**. (£2.728m at the end of the last quarter)

After allowing for significant / one-off budgets such as the Fit for Purpose Budget where commitments or decisions are yet to be made, this position is revised to **£2.584m** behind the profiled budget with further details as follows:

Variance As Set out In Executive Summary	(£5.838m)
<i>Less Variances to date for Significant / One-off Budgets</i>	
Fit For Purpose	£1.310m
Contingency	£0.182m
New Homes Bonus	£1.200m
Local Plan	£0.562m
Variance Excluding Significant / One-off Budgets	(£2.584m)

After further excluding the variance for employee costs of **£0.254m**, which is covered separately below, the remaining net variance is **£2.330m**. (£0.919m at the end of the first quarter)

As set out in the appendices, a considerable element of this remaining variance is due to the timing of expenditure and income or where commitments / decisions have yet to be made.

Appendix B provides further narrative around variances with the following drawing out the significant issues that have emerged to date:

EXPENDITURE BUDGETS

a) Expenditure Budgets Behind Profile

➤ Salaries / Employee Costs

Overall employee expenses are behind profile by **£0.254m**. (£0.162m at the end of the first quarter)

The position above is mainly due to restructures remaining subject to implementation and/or in progress so for example, vacancies remain until the associated recruitment processes are completed. It is also important to highlight that services continue to challenge how they deliver their services so opportunities are taken to further review staffing levels, such as when vacancies exist, rather than automatically recruit on a like for like basis.

Although part of the variance emerging to date will be used to offset expenditure such as the use of temporary staff to meet a particular need within a service in the short term whilst a longer term restructure is progressed, a large element of the variance represents the level of saving achieved from vacancies by the end of the second quarter. Similarly to quarter one, following a further more detailed review, **£0.094m** has been identified as a 'bankable' saving (after allowing for the vacancy provision) and therefore it is proposed on removing this amount from the salary budgets and contributing it to the Austerity Reserve.

Taking the above adjustment into account along with the comparable figure of **£0.050m** for quarter one, a total of **£0.144m** would have been removed from salary budgets and contributed to the Austerity Reserve so far to date.

INCOME BUDGETS

Additional details around the Council's most significant areas of income are set out in **Appendix H** with additional comments below:

a) Income Budgets Ahead of Profile

A number of income budgets are currently ahead of the profile with details set out below for significant items:

➤ **Planning Fees - £0.232m** (£0.078m at the end of the first quarter)

The trend of increased planning fee income has continued in the second quarter with the above position already taking into account the **£0.078m** that was transferred to the Austerity Reserve at the end of June 2014. Based on last year's performance and the level of income being experienced to date it is possible to adjust the budget further at the end of September 2014. It is therefore proposed on increasing the planning fee budget by **£0.100m** with a corresponding contribution to the Austerity Reserve. This reflects a prudent approach as the level of income achievable over the second half of the year cannot be certain and may not remain as high which may have an impact on the overall level of income achieved at the end of the financial year.

After taking into account the similar adjustment of **£0.078m** made at the end of the first quarter, a total of **£0.178m** would have been contributed to the Austerity Reserve so far to date.

A longer term view will also be considered as part of the detailed budget setting process for 2015/16.

b) Income Budgets Behind Profile

A number of income budgets are currently behind profile but there has been a general improvement compared to the first quarter.

Recycling credit income continues to be behind profile although the service continues to undertake promotional work to increase the level of recycling with the aim of recovering back to the position where the budgeted level of recycling credit income is achieved for the year. This variance is 'masked' within Appendix B (Public Experience – Street

Scene) as contract payments to Veolia remain behind profile at the end of September 2014.

OTHER BUDGETS

➤ **External Legal Advice**

Following a previous request from Cabinet, additional information is set out below relating to expenditure on external legal advice:

Full Year Budget = £0.041m

Actual to the end of September 2014 = £0.024m

➤ **LCTSS / Business Rates**

Additional Information relating to the Local Council Tax Support Scheme (LCTSS) and Business Rates is included in **Appendix I**.

There are no significant issues to highlight at the present time in terms of the position at the end of September 2014 and there has been no overall adverse impact on the collection fund so far to date from the removal of the residency criteria following the recent High Court ruling that the residency criteria within Sandwell Metropolitan Borough Council's own scheme was unlawful.

HOUSING REVENUE ACCOUNT – REVENUE

An overall position is set out in the Executive Summary with further details included in **Appendix C**.

As at the end of September 2014, the HRA is **£0.170m** behind the profiled budget (£0.007m behind profile at the end of the first quarter) with no significant issues to highlight to date as this largely reflects the timing of expenditure and income.

CAPITAL PROGRAMME – GENERAL FUND

The overall position is set out in **Appendix D**.

As at the end of September 2014 the programme is behind profile by **£0.323m**. (£0.129m at the end of the first quarter)

Where schemes are currently being delivered, relevant information is provided in the appendix. Given the lead in time to some schemes, some capital projects are subject to development and detailed procurement processes for example, with additional information planned on being provided in future budget monitoring reports as they progress. There are no significant issues to highlight at the present time with additional comments set out in **Appendix D**.

CAPITAL PROGRAMME – HOUSING REVENUE ACCOUNT

As at the end of September 2014 the programme is behind profile by **£0.268m**. (£0.051m behind profile at the end of the first quarter)

This budget relates primarily to the on-going major repairs and improvements to the Council's own dwellings. There are no specific issues to highlight at this stage and the expectation is that expenditure / commitments will be broadly in line with the budget over the course of the year as work is progressed and procurement processes completed.

CORPORATE DEBT

A detailed analysis of the current position is shown in **Appendix E**.

There are no significant issues to highlight at the present time. Income will continue to be collected over the remainder of the year with recovery arrangements and action taken as necessary.

TREASURY ACTIVITY

A detailed analysis of the current position is shown in **Appendix F**.

The Council agreed the Treasury Strategy for 2014/15 on 25 March 2014 and in accordance with Financial Procedure Rules this strategy and associated activity have been subject to a half yearly review with the outcomes set out below:

The Economy

UK GDP growth was 2.7% in 2013 and the annual predicted rate at quarter 2 for 2014 is 3.2%. This overall strong growth has resulted in unemployment falling much faster than the initial threshold of 7% set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance looking at a much wider range of indicators, with particular concern that wage inflation should rise above the level of inflation.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.5% in May and July, and the lowest rate since 2009. The return to strong growth has also helped lower forecasts for the increase in Government debt.

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. Average inflation across the Eurozone fell to 0.3% in September, but some countries have a negative rate of inflation. Sovereign debt difficulties have not gone away and could return for any countries that do not address fundamental issues of low growth, international uncompetitiveness and economic reforms.

US growth was depressed in the first quarter of 2014 but growth has rebounded very strongly in quarter 2 to an annual rate of 4.6%. Growth in China may not reach the target of 7.5%.

Economic Outlook for next 6 months

It appears very likely that strong UK growth will continue through 2014 and into 2015 as forward surveys are very encouraging. However, for the recovery to be balanced and sustainable in the longer term, commentators suggest that the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, in particular of manufactured goods, both of which need to substantially improve on their recent performance. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016.

Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q1 or Q2 2015 and markets expect increases after that to be at a slow pace to lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

Investments

Investment returns are ahead of budget. Cash flow is historically advantageous in the first half of the year, although interest rates for deposits with other local authorities are lower in this period. Since April the Council has invested £6m in certificates of deposit, at higher rates of interest, which has also helped increase the weighted average rate of return to 0.4%.

On 16 September a £2 million investment was repaid to the Council 3 days earlier than expected. On review this was due to the fact that the maturity date had not been recorded correctly on the Council's cash flow forecast rather than the counterparty paying it back early. The money could not be invested the same day that it was received as the daily deadline for placing such a deal had already passed. This resulted in the money remaining in the Council's COOP account overnight which was in excess of the £1m limit set out in the Council's Treasury Management Practices. The risk was negligible and the money formed part of investments decisions the following day.

A control mechanism to prevent such an occurrence was already in place which is based on writing to the relevant counterparty with the terms of the deal including the maturity date. They are asked to notify the council if anything is incorrect. In the case above, the counterparty did not notify the Council of any incorrect terms. An additional control has therefore now been put in place whereby at the end of each week all deals made in that week are reviewed against agreed terms to confirm the details have been recorded correctly in the Council's cash flow forecast.

Borrowing

The borrowing rates that the Council can access remain relatively low although there are currently no plans to undertake any additional borrowing in 2014/15.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Front Cover and Executive Summary

- Appendix A – Summary by Portfolio / Committee
- Appendix B – General Fund Budget Position by Department
- Appendix C – Housing Revenue Account Budget Position
- Appendix D – Capital Programme
- Appendix E – Corporate Debt
- Appendix F – Treasury Activity
- Appendix G – Income from S106 Agreements
- Appendix H – Significant Fees and Charges
- Appendix I – LCTSS and Business Rates

Tendring

District Council



Appendices Included:

Executive Summary	A summary of the overall position.
Appendix A	A summary of the overall position by Portfolio/Committee
Appendix B	An analysis by Department of all General Fund Revenue budgets.
Appendix C	An analysis of Housing Revenue Account budgets.
Appendix D	The position to date for all capital projects.
Appendix E	Position on corporate debt.
Appendix F	Treasury activity.
Appendix G	Section 106 monies.
Appendix H	Position against significant fees and charges budgets
Appendix I	Local Council Tax Support Scheme and Business Rates

Corporate Budget Monitoring

September 2014

Corporate Budget Monitoring - Executive Summary as at the end of September 2014

The tables below show the summary position for the General Fund, Housing Revenue Account, Capital, Debt and Treasury Activity.

General Fund - Summary by Department Excluding Housing Revenue Account

	Full Year Budget	Profiled Budget to Date	Actual to Date	Variance to Profile
	£	£	£	£
Chief Executive and Management and Members Support	1,087,530	494,950	425,564	(69,386)
Corporate Services	(22,179,260)	(1,687,841)	(5,051,308)	(3,363,467)
Public Experience	13,194,820	2,447,157	2,133,688	(313,469)
Life Opportunities	5,361,450	4,175,821	3,044,371	(1,131,450)
Planning	2,535,460	903,691	(56,199)	(959,890)
Total	(0)	6,333,777	496,116	(5,837,661)

Housing Revenue Account

	Full Year Budget	Profiled Budget to Date	Actual to Date	Variance to Profile
	£	£	£	£
Total HRA	0	(4,569,456)	(4,739,334)	(169,878)

Capital

	Full Year Budget	Profiled Budget to Date	Actual to Date	Variance to Profile
	£	£	£	£
General Fund	19,170,676	4,573,733	4,250,460	(323,274)
Housing Revenue Account	6,363,147	1,956,814	1,688,358	(268,456)
Total	25,533,823	6,530,547	5,938,817	(591,730)

Debt

	Arrears this month as % of Amount Collectable to date	Collected to Date (Against Budgeted Collection)
General Debt	6.66%	
Housing Rents	1.31%	
Council Tax		59.98%
Business Rates		61.22%

Treasury

	£'000
Total External Borrowing	51,450
Total Investments	53,382

Appendix A - Revenue Budget Position at the end of September 2014

Portfolio / Committee Summary

	Current Full Year Budget	Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile
	£	£	£	£
Environment and Coast Protection	10,381,830	2,197,820	1,953,761	(244,058)
Finance and Transformation	5,134,030	2,643,135	(571,535)	(3,214,670)
Housing, Benefits and Revenues	3,101,640	(1,321,434)	(2,546,820)	(1,225,386)
Planning and Corporate Services	4,084,530	2,667,934	1,598,323	(1,069,611)
Regeneration, Inward Investment and Asset Management	2,259,820	246,052	189,890	(56,162)
Tourism, Events and Leisure Services	2,186,730	930,854	840,756	(90,098)
Development Control Committee	15,120	15	3,380	3,365
Human Resources Committee	72,320	112,110	39,772	(72,338)
Licensing Committee	99,720	(73,590)	(86,283)	(12,693)
Regulatory Committee	288,150	18,365	53,682	35,317
Wellbeing and Partnerships	890,910	238,410	186,785	(51,625)
Net Cost of Services	28,514,800	7,659,670	1,661,710	(5,997,960)
Revenue support for Capital Investment	5,217,330	0	0	0
Financing Items	(1,110,070)	1,652,987	1,643,155	(9,832)
Budget Before use of Reserves	32,622,060	9,312,657	3,304,865	(6,007,792)
Contribution to / (from) earmarked reserves	(16,259,460)	0	0	0
Total Net Budget	16,362,600	9,312,657	3,304,865	(6,007,792)
Funding:				
Revenue Support Grant	(5,104,530)	(2,424,140)	(2,424,139)	1
Business Rates Income	(4,585,730)	(1,788,026)	(1,788,026)	(0)
Collection Fund Surplus	(253,750)	(126,875)	(126,875)	(0)
Parish Precepts	1,327,644	663,822	664,075	253
Income from Council Tax Payers (including Parish Precepts)	(7,746,234)	(3,873,117)	(3,873,117)	0
Total	(0)	1,764,321	(4,243,217)	(6,007,538)

Corporate Budget Monitoring - General Fund Budget Position at the end of September 2014

Department - Chief Executive and Management and Members Support

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	390,730	191,610	190,409	(1,201)	99,560	
Transport Related Expenditure	13,010	6,545	8,759	2,214	3,233	
Supplies & Services	843,430	298,745	249,624	(49,121)	177,363	
Total Direct Expenditure	1,247,170	496,900	448,792	(48,108)	280,155	
Direct Income						
Other Grants reimbursements and Contributions	(3,900)	(1,950)	(23,227)	(21,277)	(975)	
Total Direct Income	(3,900)	(1,950)	(23,227)	(21,277)	(975)	
Net Direct Costs	1,243,270	494,950	425,564	(69,386)	279,180	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	(155,740)	0	0	0	0	
Total for Chief Executive and Management and Members Support	1,087,530	494,950	425,564	(69,386)	279,180	

Department - Chief Executive and Management and Members Support

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
Total for Chief Executive and Management and Members Support	1,087,530	494,950	425,564	(69,386)	

Corporate Budget Monitoring - General Fund Budget Position at the end of September 2014

Department - Corporate Services

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	5,941,220	3,162,880	3,063,006	(99,874)	769,300	
Premises Related Expenditure	197,750	191,810	177,756	(14,054)	1,980	
Transport Related Expenditure	53,880	48,825	53,249	4,424	5,807	
Supplies & Services	7,279,600	3,556,763	785,980	(2,770,783)	1,759,575	
Third Party Payments	655,690	327,845	264,657	(63,188)	163,922	
Transfer Payments	5,270,390	3,140,034	3,140,034	0	1,634,894	
Interest Payments	241,860	64,410	64,610	200	0	
Total Direct Expenditure	19,640,390	10,492,567	7,549,292	(2,943,275)	4,335,479	
Direct Income						
Government Grants	(1,679,900)	(944,500)	(1,279,700)	(335,200)	(367,700)	
Other Grants reimbursements and Contributions	(663,240)	(329,060)	(458,037)	(128,977)	(194,217)	
Sales, Fees and Charges	(204,770)	(106,855)	(45,693)	61,162	(47,957)	
Rents Receivable	(200)	(100)	(2,320)	(2,220)	(50)	
Interest Receivable	(183,390)	(111,523)	(126,734)	(15,211)	(57,991)	
Formula Grant and Council Tax	(21,632,990)	(10,688,370)	(10,688,117)	253	(1,736,173)	
Total Direct Income	(24,364,490)	(12,180,408)	(12,600,600)	(420,192)	(2,404,089)	
Net Direct Costs	(4,724,100)	(1,687,841)	(5,051,308)	(3,363,467)	1,931,390	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	(1,195,700)	0	0	0	0	
Net Contribution to/(from) Reserves	(16,259,460)	0	0	0	0	
Total for Corporate Services	(22,179,260)	(1,687,841)	(5,051,308)	(3,363,467)	1,931,390	

Department - Corporate Services

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
<u>Analysis by Service/Function</u>					
Total for Corporate Director (Corporate Services) and Administration	(5,760)	64,033	57,361	(6,672)	
Total for Democratic Services	307,980	183,175	260,582	77,407	The position to date primarily relates to election expenses being incurred in advance of receiving reimbursement.
Total for Legal Services	(60)	126,105	124,046	(2,059)	
Total for Human Resources	381,990	392,670	333,334	(59,336)	
Total for Asset Management	47,660	108,015	92,569	(15,446)	
Total for Corporate IT	34,410	694,905	567,211	(127,694)	This reflects the timing and lead in time for a number of IT initiatives and projects.

Department - Corporate Services

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
Total for Finance and Procurement	10,050	481,037	462,132	(18,905)	
Total for F&P - Other Corporate Costs	8,117,740	2,110,455	(1,105,739)	(3,216,194)	The current variance reflects the position against the Fit for Purpose, Contingency and New Homes Bonus budgets which will be subject to commitments and decisions as the year progresses. In addition, grant income has been received relating to business rates to 'compensate' local authorities for reduced in income brought about by the Chancellors announcements last year that introduced additional rate reliefs etc. This however needs to also take into the business rate levy for the year which currently forms part of the more detailed budget setting process for 2015/16 with the outcome due to be presented to Cabinet in December.
Total for F&P - Financing Items	(14,710,670)	1,700,100	1,705,279	5,179	
Total for F&P - Formula Grant, Business Rates and Council Tax	(16,362,600)	(7,548,336)	(7,548,083)	253	
Total for Corporate Services	(22,179,260)	(1,687,841)	(5,051,308)	(3,363,467)	

Corporate Budget Monitoring - General Fund Budget Position at the end of September 2014

Department - Public Experience

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	3,546,600	1,810,690	1,706,227	(104,463)	867,139	
Premises Related Expenditure	1,633,540	964,386	917,386	(47,000)	278,767	
Transport Related Expenditure	527,990	249,286	226,594	(22,692)	77,687	
Supplies & Services	6,501,080	908,262	771,054	(137,208)	275,021	
Third Party Payments	4,682,010	2,022,595	1,890,612	(131,983)	1,177,648	
Total Direct Expenditure	16,891,220	5,955,219	5,511,873	(443,346)	2,676,261	
Direct Income						
Government Grants	(228,170)	(228,170)	(228,166)	4	0	
Other Grants reimbursements and Contributions	(1,512,010)	(707,892)	(526,513)	181,379	(383,666)	
Sales, Fees and Charges	(3,277,010)	(2,225,286)	(2,279,335)	(54,049)	(484,779)	
Rents Receivable	(269,580)	(159,990)	(150,795)	9,195	(44,294)	
Total Direct Income	(5,286,770)	(3,321,337)	(3,184,809)	136,529	(912,738)	
Net Direct Costs	11,604,450	2,633,882	2,327,064	(306,818)	1,763,523	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	1,590,370	(186,725)	(193,376)	(6,651)	(30,077)	
Total for Public Experience	13,194,820	2,447,157	2,133,688	(313,469)	1,733,445	

Department - Public Experience

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
<u>Analysis by Service/Function</u>					
Total for Corporate Director (Public Experience) and Administration	7,930	105,195	91,462	(13,734)	
Total for Street Scene	4,324,760	1,516,209	1,490,473	(25,736)	Please see comments in the main body of the report.
Total for Environmental Services	437,220	104,260	92,214	(12,046)	
Total for Coastal Protection and Engineering Services	4,364,110	433,386	390,987	(42,399)	
Total for Regeneration	2,520,920	310,791	254,789	(56,002)	
Total for Open Space and Bereavement	650,710	361,619	278,806	(82,813)	
Total for Parking and Seafronts	889,170	(384,303)	(465,043)	(80,740)	A large element of the current variance relates to increased beach hut income that will be reinvested in seafront amenities in line with previous decisions.
Total for Public Experience	13,194,820	2,447,157	2,133,688	(313,469)	

Corporate Budget Monitoring - General Fund Budget Position at the end of September 2014

Department - Life Opportunities

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	6,233,890	3,239,822	3,140,105	(99,717)	1,489,099	
Premises Related Expenditure	1,321,490	884,348	788,832	(95,516)	206,878	
Transport Related Expenditure	104,730	57,655	63,547	5,892	23,607	
Supplies & Services	2,411,908	1,449,382	1,216,263	(233,119)	482,352	
Transfer Payments	62,479,430	27,030,850	26,360,171	(670,679)	13,515,425	
Total Direct Expenditure	72,551,448	32,662,057	31,568,917	(1,093,140)	15,717,362	
Direct Income						
Government Grants	(64,047,370)	(26,581,050)	(26,581,042)	8	(13,591,950)	
Other Grants reimbursements and Contributions	(449,890)	(212,940)	(340,794)	(127,854)	(110,934)	
Sales, Fees and Charges	(3,220,028)	(1,683,406)	(1,592,777)	90,629	(772,428)	
Rents Receivable	(17,730)	(8,840)	(9,932)	(1,092)	(2,420)	
Total Direct Income	(67,735,018)	(28,486,236)	(28,524,546)	(38,310)	(14,477,732)	
Net Direct Costs	4,816,430	4,175,821	3,044,371	(1,131,450)	1,239,629	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	545,020	0	0	0	0	
Total for Life Opportunities	5,361,450	4,175,821	3,044,371	(1,131,450)	1,239,629	

Department - Life Opportunities

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
<u>Analysis by Service/Function</u>					
Total for Corporate Director (Life Opportunities) and Administration	0	59,500	55,102	(4,398)	
Total for Strategic Housing and Needs	884,070	311,150	291,300	(19,850)	
Total for Commercial Management	679,120	565,975	479,673	(86,302)	Two main factors contributing to the current position is increased careline income along with homelessness costs which remain behind profile to date.
Total for Building, Development and Facilities Management	115,640	710,790	662,297	(48,493)	

Department - Life Opportunities

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
Total for Operations Management	2,153,450	920,129	840,555	(79,574)	The current position reflects the timing difference between income being received and payments to acts and artistes in respect of the Princes Theatre. It is also worth highlighting that the service continues to take a managed response to deliver an overall net position in line with the forecast at the end of the year for budgets relating to the Council's leisure facilities given the income position set out in Appendix H.
Total for Revenues and Benefits	1,529,170	1,608,277	715,443	(892,834)	As in previous quarters, this position primarily reflects the timing differences between the payment of housing benefit and the receipt of the associated subsidy from the Government. In addition income from court costs is also contributing to a favourable position at the end of the second quarter which follows a similar position at the end of 2013/14 that will be considered as part of the more detailed budget setting process for 2015/16 that is currently in progress.
Total for Life Opportunities	5,361,450	4,175,821	3,044,371	(1,131,450)	

Corporate Budget Monitoring - General Fund Budget Position at the end of September 2014

Department - Planning

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	1,413,930	693,315	645,217	(48,098)	360,307	
Premises Related Expenditure	2,230	1,115	(148)	(1,263)	557	
Transport Related Expenditure	41,050	20,525	16,038	(4,487)	10,263	
Supplies & Services	1,607,900	756,875	109,566	(647,309)	494,662	
Total Direct Expenditure	3,065,110	1,471,830	770,674	(701,156)	865,790	
Direct Income						
Other Grants reimbursements and Contributions	0	0	(826)	(826)	0	
Sales, Fees and Charges	(1,109,260)	(568,139)	(826,047)	(257,908)	(273,712)	
Total Direct Income	(1,109,260)	(568,139)	(826,873)	(258,734)	(273,712)	
Net Direct Costs	1,955,850	903,691	(56,199)	(959,890)	592,078	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	579,610	0	0	0	0	
Total for Planning	2,535,460	903,691	(56,199)	(959,890)	592,078	

Department - Planning

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
<u>Analysis by Service/Function</u>					
Total for Head of Planning and Administration	5,860	162,090	148,688	(13,402)	
Total for Planning Development	751,800	93,190	(237,117)	(330,307)	The current position primarily reflects an increased level of planning fee income along with a number of other smaller variances. Please see further comments in the main body of the report.
Total for Planning Policy	1,684,220	657,340	25,062	(632,278)	As in previous years, the timing of expenditure against the Local Plan budget is associated with the various strands of work that are required to deliver this project that spans financial years. A major element of the process relates to the examination of the plan in public, where it is anticipated that a high level of expenditure will be incurred against this budget. During the second quarter, income from land charges is now ahead of the profile which will be considered as part of the detailed budget setting process for 2015/16.
Total for Building Control	93,580	(8,929)	7,167	16,096	
Total for Planning	2,535,460	903,691	(56,199)	(959,890)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of September 2014

Housing Revenue Account

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Next Quarters Profile	Comments
	£	£	£	£	£	
Analysis by Type of Spend						
Direct Expenditure						
Employee Expenses	593,820	122,300	102,017	(20,283)	61,150	
Premises Related Expenditure	3,569,330	1,553,561	1,546,148	(7,413)	878,121	
Transport Related Expenditure	10,500	5,250	4,288	(962)	2,625	
Supplies & Services	408,180	192,073	153,271	(38,802)	89,077	
Third Party Payments	1,030	514	0	(514)	258	
Transfer Payments	17,000	8,500	18,379	9,879	4,250	
Total Direct Expenditure	4,599,860	1,882,198	1,824,104	(58,094)	1,035,480	
Direct Income						
Government Grants	(100,000)	0	0	0	0	
Other Grants reimbursements and Contributions	(8,000)	0	(1,543)	(1,543)	0	
Sales, Fees and Charges	(692,190)	(405,255)	(525,056)	(119,801)	(147,542)	
Rents Receivable	(13,511,290)	(6,480,507)	(6,472,703)	7,804	(3,376,857)	
Interest Receivable	(61,600)	0	0	0	0	
Total Direct Income	(14,373,080)	(6,885,762)	(6,999,301)	(113,539)	(3,524,399)	
Net Direct Costs	(9,773,220)	(5,003,564)	(5,175,198)	(171,634)	(2,488,919)	
Indirect Income/Expenditure						
Total Indirect Income/Expenditure	9,750,910	434,108	435,864	1,756	264,108	
Contributions to/(from) reserves						
Total Contributions to/(from) reserves	22,310	0	0	0	0	
Total for HRA	0	(4,569,456)	(4,739,334)	(169,878)	(2,224,811)	

Housing Revenue Account

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
<u>Analysis by Service/Function</u>					
Total for F&P - Financing Items	3,436,980	0	0	0	
Total for Commercial Management	(3,436,980)	(4,569,456)	(4,739,334)	(169,878)	The current position reflects a number of smaller variances such as Council Tax on empty properties being ahead of profile. This is however being more than offset by favourable variances elsewhere within the overall Housing Revenue Account budgets.
Total for HRA	0	(4,569,456)	(4,739,334)	(169,878)	

Corporate Budget Monitoring - General Fund Capital Programme. Position at the end of September 2014

	Source of Funding - External (Ext) or Internal (Int) or Leasing (L)	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
		£	£	£	£	
Expenditure						
Environment and Coast Protection Portfolio						
Cremator Replacement and Crematorium Car Park	INT	1,370,000	0	7,440	7,440	
Rolling Vehicle/Plant Replacement	L	160,000	0	0	0	
Replacement of beach hut supports - The Walings	INT	11,620	0	(3,506)	(3,506)	
Brook Country Park	EXT	3,352	3,352	2,250	(1,102)	
Refurbishment of Children's Play Area, Marine Parade West, Clacton	EXT	160,000	160,000	132,354	(27,646)	
Cranleigh Close, Clacton, landscaping works	EXT	18,312	1,260	1,400	140	
The Hangings, Dovercourt, landscaping works	EXT	18,320	9,000	0	(9,000)	
Environmental Health Database Migration	INT	5,250	0	0	0	
Public Access Module to CAPS	INT	56,000	0	0	0	
Coast Protection - Cliff Road Sea Wall	EXT	24,463	0	0	0	
Coast Protection - Clacton and Holland Works	EXT/INT	10,500,000	2,812,518	2,713,679	(98,839)	Activity is now well underway with payments now being made to the relevant contractors for works done to date.
Beach Changing Facilities	EXT	69,447	65,447	64,958	(489)	
Laying Out Cemetery	INT	200,000	0	0	0	
		12,596,764	3,051,577	2,918,575	(133,002)	

Corporate Budget Monitoring - General Fund Capital Programme. Position at the end of September 2014

	Source of Funding - External (Ext) or Internal (Int) or Leasing (L)	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
		£	£	£	£	
Finance and Transformation Portfolio						
Audit management software	INT	6,000	0	0	0	
Replacement debit and credit card payment facility	INT	14,630	0	0	0	
Agresso e-procurement	INT	84,000	0	0	0	A phased approach to deliver this longer term project remains in progress.
		104,630	0	0	0	
Housing, Benefits and Revenues Portfolio						
Replacement Folding and Inserting Machine	INT	20,000	(0)	0	0	The existing machine is currently being maintained. This position is being monitored to identify if any further commitment is required against this budget.
Replacement of High Volume Printers	INT	17,000	0	0	(0)	The existing machine is currently being maintained. This position is being monitored to identify if any further commitment is required against this budget.
Replacement of Northgate Unix Server	INT	60,000	0	0	0	The existing equipment is currently being maintained. This position is being monitored to identify if any further commitment is required against this budget.
Replacement of Careline Alarms in Group Schemes	INT	29,590	29,590	5,851	(23,739)	
CCTV Maintenance	INT	57,000	4,750	0	(4,750)	
Westleigh House Demolish/additional parking provision	INT	24,450	(275)	742	1,017	This scheme is now on hold given the property is now being used as part of the management / contract arrangements for the delivery of the major coast protection works.

Corporate Budget Monitoring - General Fund Capital Programme. Position at the end of September 2014

	Source of Funding - External (Ext) or Internal (Int) or Leasing (L)	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
		£	£	£	£	
Private Sector Renewal Grants	INT	30,000	15,000	(941)	(15,941)	
Disabled Facilities Grants	EXT/INT	2,114,297	610,779	501,663	(109,116)	
Private Sector Leasing	INT	33,000	0	0	0	
Empty Homes funding	EXT	1,268,309	5,000	9,677	4,677	
		3,653,646	664,843	516,991	(147,853)	
Planning and Corporate Services Portfolio						
Joint HR and Payroll System	INT	41,120	20,560	10,773	(9,787)	
Information and Communications Technology Core Infrastructure	INT	101,131	35,066	19,835	(15,230)	
IT Strategic Investment	INT	802,040	341,520	295,291	(46,229)	
Individual Electoral Registration - Scanning Equipment	EXT/INT	28,570	9,285	17,732	8,447	
Inspire Annexe III New Burden set up	EXT	7,130	0	0	0	
		979,991	406,431	343,632	(62,799)	

Corporate Budget Monitoring - General Fund Capital Programme. Position at the end of September 2014

	Source of Funding - External (Ext) or Internal (Int) or Leasing (L)	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
		£	£	£	£	
Regeneration, Inward Investment and Asset Management Portfolio						
Clacton Seafront Improvements	INT	7,180	3,470	3,464	(6)	
Dovercourt Town Centre Public Realm Improvements	EXT	2,000	0	250	250	
Clacton Regeneration	EXT/INT	43,640	0	0	0	
Regeneration Capital Projects	EXT/INT	308,000	0	0	0	
		360,820	3,470	3,714	244	
Tourism, Events and Leisure Services Portfolio						
Dovercourt Swimming Pool - redevelopment	INT	874,825	437,412	459,045	21,633	
Frinton & Walton Swimming Pool Re-Development	INT	600,000	10,000	8,503	(1,497)	
		1,474,825	447,412	467,548	20,136	
Total Approved General Fund Capital Programme		19,170,676	4,573,733	4,250,460	(323,274)	

Corporate Budget Monitoring - Housing Revenue Account Capital Programme

Budget Position at the end of September 2014

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments
	£	£	£	£	
Improvements, enhancement & adaptation of the Council's housing stock	3,898,994	1,607,517	1,354,824	(252,693)	This budget covers a range of individual schemes which will be delivered as the year progresses and are subject to the appropriate procurement processes, which are planned, being progressed or are underway.
IT Upgrade & Replacement	20,000	8,622	0	(8,622)	
Disabled Adaptations	479,831	223,089	228,279	5,190	Similarly to the above, it is anticipated that works will be progressed over the remainder of the year.
Cash Incentive Scheme	60,000	29,917	20,000	(9,917)	
New Build Initiatives and Acquisitions	1,904,322	87,669	85,255	(2,414)	In accordance with a previous Cabinet decision, this budget has been identified to support the major project proposed for Jaywick with work currently in progress.
Total Housing Revenue Account Capital Programme	6,363,147	1,956,814	1,688,358	(268,456)	

Corporate Debt : Position at the end of September 2014

The position against General debt and Housing debt are set out below.

GENERAL DEBT

	Amount Collectable to date	Arrears this month	Arrears last month	Arrears this month as % of Amount Collectable to date		Comments
	£'000	£'000	£'000	%		
Sundry / General Debt	3,693	246	315	6.66%		The current level of debt remains consistent with previous years where the amount outstanding decreases as the year progresses resulting in only a limited level of overall arrears by the end of the financial year. Appropriate recovery action will be taken on outstanding amounts.

HOUSING RENTS

	Total Due for the Year	Amount Collectable to date	Arrears this month	Arrears last month	Arrears this month as % of Total Due	Comments
	£'000	£'000	£'000	£'000	%	
Housing Rents and Service Charges	14,202	6,805	186	279	1.31%	No significant issues have arisen to date.

Treasury Activity : Position at the end of September 2014

Key Treasury Management Performance Data and Prudential Indicators are set out below.

TREASURY ACTIVITY

Borrowing	Opening Balance 1 April	Borrowing to date	Borrowing Repaid to date	Balance to Date	Comments
	£'000	£'000	£'000	£'000	
Long Term PWLB Borrowing - GF	1,559	0	119	1,440	
Long Term PWLB Borrowing - HRA	50,991	0	981	50,010	
TOTAL BORROWING	52,550	0	1,100	51,450	

Investments	Opening Balance 1 April	Investments to date	Investments Repaid to date	Balance to Date	Comments
	£'000	£'000	£'000	£'000	
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	32,760	197,767	192,077	38,450	Net investments have increased over the reporting period due to the timing of the Council's cash flow such as expenditure budgets behind profile or income being received ahead of expenditure.
Investments with UK financial Institutions (including Money Market Funds)	7,376	11,500	3,944	14,932	At the end of the period, investments were held with 5 counterparties
Investments with non-UK Financial institutions	0	0	0	0	
Total Investments for less than a year	40,136	209,267	196,021	53,382	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	40,136	209,267	196,021	53,382	

Interest Paid / Received	Full Year Budget	Profiled Budget to Date	Actual to Date	Variance to date	Comments
	£'000	£'000	£'000	£'000	
Interest Paid on Borrowing - GF	235	64	64	0	The weighted average rate of interest on the Council's GF borrowing is currently 8.26%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,617	814	814	0	The weighted average rate of interest on the Council's HRA borrowing is currently 3.20%. (on an accrued basis)
Interest Received on Investments	196	96	108	(12)	The weighted average rate of interest being received on the Council's investments is currently 0.40%. (on an accrued basis)

PRUDENTIAL INDICATORS

	Approved Indicator	Highest amount reached in the period	Comments
	£'000	£'000	
Authorised limit for external borrowing	75,834	52,550	Borrowing has remained within approved limits.
Operational boundary for external borrowing	67,594		
Debt Cap - HRA	60,285		

Income from S106 Agreements

Information in respect of S106 income has been split across two areas below - Where money has been formally allocated / being spent and where money remains unallocated / uncommitted.

The information below relates to only S106 amounts applicable to TDC.
Where related to Capital schemes - see Appendix D for overall scheme progress.

ALLOCATED / BEING SPENT

Scheme	Amount Committed / Planned to be Spent in 2014/15 £'000
Capital Schemes	
Children's Play Equipment - Refurbishment of Children's Play Area, Marine Parade West, Clacton on Sea	160
Cranleigh Close, Clacton - landscaping works	18
The Hangings, Dovercourt - landscaping works	18
Dovercourt Town Centre Public Realm Improvements	2
HRA New Build and Acquisitions	204
Revenue Schemes	
	7
TOTAL	409

UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date		
	Less than 2 Years	2 to 4 Years	4 years +
	£'000	£'000	£'000
Regeneration Programme and Initiatives	10	-	7
Affordable Housing	-	-	89
Town Centre Improvements	-	-	25
Open Space	4	126	339
TOTAL	14	126	460

Corporate Budget Monitoring - General Fund Income Budget Position at the end of September 2014

Sales Fees and Charges Income Analysis

	2014/15 Current Full Year Budget	2014/15 Profiled Budget to date	2014/15 Actual to date	2014/15 Variance to Profile	Comments	
	£		£	£		
Leisure Facilities	(2,107,458)	(1,075,552)	(976,423)	99,129	Please see further comments under Life Opportunities Appendix B	
Car Parking	(404,580)	(344,996)	(354,443)	(9,447)		
Other Significant Areas						
Development Control - Chargeable Account	(716,000)	(358,000)	(589,510)	(231,510)	Please see comments in the main body of the report	
Building Regulations-Chargeable Account	(196,970)	(120,639)	(106,472)	14,167		
Land Charges	(175,340)	(87,670)	(128,937)	(41,267)		
Cemeteries	(311,550)	(148,768)	(139,816)	8,952		
Crematorium	(1,104,020)	(552,539)	(560,422)	(7,883)		
Dog Warden	(18,630)	(9,315)	(5,195)	4,120		
Recreation Grounds	(30,530)	(15,265)	(10,535)	4,730		
Beach Hut Sites	(802,760)	(788,895)	(838,770)	(49,875)		Please see further comments under Public Experience Appendix B
Careline	(502,100)	(263,095)	(285,044)	(21,949)		
Licencing	(279,350)	(161,363)	(167,125)	(5,762)		
Total	(6,649,288)	(3,926,097)	(4,162,691)	(236,594)		

LCTSS and Business Rates Retention

The cost / collection performance and analysis of the Local Council Tax Support Scheme along with the level of Business Rates collected to date is set out as follows:

COUNCIL TAX AND LOCAL COUNCIL TAX SUPPORT SCHEME

COLLECTION FUND	Budget	Actual	VAR	Comments
	£'000	£'000	£'000	
Cost of LCTS Discounts	13,041,000	12,371,991	(669,009)	This will be subject to fluctuations over the year as claims are made or ended. The cost of the LCTSS is also supported by other technical changes to second homes and empty property discounts with the total collectable to date set out below.
LCTS Hardship Relief	30,800	5,914	(24,886)	

COUNCIL TAX COLLECTION PERFORMANCE

	Budgeted Collection £	Actual Collection £	VAR £	(for the same period last year)			(for same period last year)
				Accounts where LCTS Awarded Actual Collection %	Accounts where LCTS Awarded Actual Collection %	TOTAL Actual Collection %	TOTAL Actual Collection %
Apr to June	19,630,509	19,970,514	(340,005)	26.40	23.03	29.58	29.75
July	25,763,439	26,161,181	(397,742)	30.24	31.89	40.78	39.00
August	31,729,574	32,197,883	(468,309)	37.99	40.71	50.19	48.01
September	37,849,674	38,478,363	(628,689)	44.16	47.66	59.98	57.19
October	44,008,264				55.81		66.43
November	50,006,475				63.28		75.43
December	56,049,593				70.77		84.56
January	61,925,915				78.55		93.42
February	63,183,294				82.85		95.35
March	64,151,989				85.89		96.82
Comments	There are no significant issues to highlight to date						

LCTSS and Business Rates Retention

BUSINESS RATES RETENTION

BUSINESS RATES COLLECTION PERFORMANCE				Comments
	Budgeted Collection £	Actual Collection £	VAR £	
Apr to June	8,322,319	8,374,779	(52,460)	There are no significant issues to highlight to date.
July	10,676,332	10,746,860	(397,503)	
August	12,761,884	12,853,683	(433,490)	
September	15,153,183	15,216,927	(405,577)	
October	17,295,907			
November	19,376,487			
December	21,576,383			
January	23,450,645			
February	24,226,201			
March	24,857,584			