

# ***Tendring*** **District Council**



## ***Appendices Included:***

<b>Executive Summary</b>	<b>A summary of the overall position.</b>
<b>Appendix A</b>	<b>A summary of the overall position by Portfolio/Committee split by GF and HRA</b>
<b>Appendix B</b>	<b>An analysis by Department of all General Fund Revenue budgets.</b>
<b>Appendix C</b>	<b>An analysis of Housing Revenue Account Revenue budgets.</b>
<b>Appendix D</b>	<b>The position to date for General Fund and HRA capital projects.</b>
<b>Appendix E</b>	<b>Collection Performance</b>
<b>Appendix F</b>	<b>Treasury activity.</b>
<b>Appendix G</b>	<b>Section 106 monies.</b>
<b>Appendix H</b>	<b>Proposed Adjustments to the 2018/19 Budget</b>

## **Corporate Budget Monitoring**

***July 2018***

*(The variance figures set out in these appendices that are presented in brackets represent either a net underspend to date position or additional income received to date)*

# Corporate Budget Monitoring - Executive Summary as at the end of July 2018

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 £
Office of the Chief Executive	958,900	342,120	314,333	(27,787)
Corporate Services	(21,682,170)	(2,378,279)	(3,857,344)	(1,479,065)
Operational Services	14,381,190	2,365,970	2,217,437	(148,533)
Planning and Regeneration	6,342,080	931,031	443,317	(487,714)
<b>Total General Fund</b>	<b>0</b>	<b>1,260,843</b>	<b>(882,257)</b>	<b>(2,143,100)</b>

## Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
<b>Total HRA</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>

## Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	14,916,830	877,882	751,335	(126,547)
Housing Revenue Account	7,409,290	786,807	552,244	(234,563)
<b>Total Capital</b>	<b>22,326,120</b>	<b>1,664,689</b>	<b>1,303,579</b>	<b>(361,110)</b>

## Debt

	Collected to Date Against Collectable Amount
Council Tax	38.46%
Business Rates	39.12%
Housing Rents	98.00%
General Debt	89.17%

## Treasury

	£'000
Total External Borrowing	43,188
Total Investments	68,999

# Revenue Budget Position at the end of July 2018

## General Fund Portfolio / Committee Summary

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £
Leader	1,750,000	0	0	0
Finance and Corporate Resources	3,295,770	1,235,677	601,916	(633,762)
Environment	5,715,880	1,087,858	1,104,741	16,883
Housing	2,843,360	1,552,900	667,490	(885,410)
Health and Education	507,390	126,850	122,189	(4,661)
Corporate Enforcement	2,867,890	613,160	168,970	(444,190)
Investment and Growth	3,022,270	112,631	25,525	(87,106)
Leisure and Tourism	6,367,640	62,156	41,385	(20,771)
Budgets Relating to Non Executive Functions	744,260	62,663	34,817	(27,846)
	<b>27,114,460</b>	<b>4,853,896</b>	<b>2,767,034</b>	<b>(2,086,862)</b>
Revenue Support for Capital Investment	5,033,710	0	0	0
Financing Items	(4,632,450)	(34,556)	(90,142)	(55,585)
<b>Budget Before use of Reserves</b>	<b>27,515,720</b>	<b>4,819,340</b>	<b>2,676,893</b>	<b>(2,142,447)</b>
Contribution to / (from) earmarked reserves	(13,613,240)	0	0	0
<b>Total Net Budget</b>	<b>13,902,480</b>	<b>4,819,340</b>	<b>2,676,893</b>	<b>(2,142,447)</b>
<b>Funding:</b>				
Revenue Support Grant	(1,070,100)	(289,026)	(288,927)	99
Business Rates Income	(4,578,370)	(1,132,784)	(1,133,543)	(759)
Collection Fund Surplus	(652,300)	(195,690)	(195,690)	0
Income from Council Tax Payers	(7,601,710)	(1,940,997)	(1,940,990)	7
<b>Total</b>	<b>0</b>	<b>1,260,843</b>	<b>(882,257)</b>	<b>(2,143,100)</b>

## ***Revenue Budget Position at the end of July 2018***

### ***HRA Portfolio Summary***

	2018/19 Current Full Year Budget	2018/19 Profiled Budget to date	2018/19 Actual to date	2018/19 Variance to Profile
	£	£	£	£
Housing	(2,241,210)	(2,717,705)	(2,675,377)	42,328
	<b>(2,241,210)</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>
Revenue Support for Capital				
Investment	480,570	0	0	0
Financing Items	1,919,980	0	0	0
<b>Budget Before use of Reserves</b>	<b>159,340</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>
Contribution to / (from) earmarked reserves	(159,340)	0	0	0
<b>Total</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Office of Chief Executive

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	394,310	131,437	129,415	(2,022)	98,578	
Premises Related Expenditure	0	0	1,362	1,362	0	
Transport Related Expenditure	14,040	4,680	4,906	226	3,510	
Supplies & Services	608,190	218,164	199,764	(18,399)	125,603	
<b>Total Direct Expenditure</b>	<b>1,016,540</b>	<b>354,280</b>	<b>335,447</b>	<b>(18,833)</b>	<b>227,690</b>	
<b>Direct Income</b>						
Government Grants	0	0	(2,853)	(2,853)	0	
Other Grants, Reimbursements and Contributions	(9,070)	(9,070)	(15,173)	(6,103)	0	
Sales, Fees and Charges	(3,090)	(3,090)	(3,089)	1	0	
<b>Total Direct Income</b>	<b>(12,160)</b>	<b>(12,160)</b>	<b>(21,114)</b>	<b>(8,954)</b>	<b>0</b>	
<b>Net Direct Costs</b>	<b>1,004,380</b>	<b>342,120</b>	<b>314,333</b>	<b>(27,787)</b>	<b>227,690</b>	
<b>Net Indirect Costs</b>	<b>(45,480)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Office of Chief Executive</b>	<b>958,900</b>	<b>342,120</b>	<b>314,333</b>	<b>(27,787)</b>	<b>227,690</b>	

## Department - Office of Chief Executive

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
Total for Chief Executive and Leadership and Community Support	958,900	342,120	314,333	(27,787)	
<b>Total for Office of Chief Executive</b>	958,900	342,120	314,333	(27,787)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	6,692,690	1,642,119	1,546,698	(95,421)	1,210,487	
Premises Related Expenditure	190,500	172,598	201,163	28,566	5,968	
Transport Related Expenditure	55,910	40,030	44,728	4,698	8,415	
Supplies & Services	7,836,220	1,243,189	968,966	(274,223)	798,435	
Transfer Payments	57,209,710	16,617,037	16,350,158	(266,879)	12,462,777	
Interest Payments	63,670	2,922	4,614	1,692	0	
<b>Total Direct Expenditure</b>	<b>72,048,700</b>	<b>19,717,894</b>	<b>19,116,326</b>	<b>(601,568)</b>	<b>14,486,082</b>	
<b>Direct Income</b>						
Government Grants	(61,151,860)	(17,711,512)	(18,539,650)	(828,138)	(12,933,023)	
Other Grants, Reimbursements and Contributions	(1,713,250)	(668,370)	(667,661)	709	(435,716)	
Sales, Fees and Charges	(16,660)	(1,250)	(2,811)	(1,561)	(930)	
Rents Receivable	(300)	(100)	(150)	(50)	(50)	
Interest Receivable	(428,160)	(156,445)	(204,249)	(47,804)	(119,365)	
RSG, Business Rates and Council Tax	(13,902,480)	(3,558,497)	(3,559,150)	(653)	(4,203,489)	
<b>Total Direct Income</b>	<b>(77,212,710)</b>	<b>(22,096,173)</b>	<b>(22,973,670)</b>	<b>(877,497)</b>	<b>(17,692,572)</b>	
<b>Net Direct Costs</b>	<b>(5,164,010)</b>	<b>(2,378,279)</b>	<b>(3,857,344)</b>	<b>(1,479,065)</b>	<b>(3,206,490)</b>	
<b>Net Indirect Costs</b>	<b>(2,904,920)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Contribution to/(from) Reserves</b>	<b>(13,613,240)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Corporate Services</b>	<b>(21,682,170)</b>	<b>(2,378,279)</b>	<b>(3,857,344)</b>	<b>(1,479,065)</b>	<b>(3,206,490)</b>	

## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director, PR and Electoral Services</b>	635,260	159,017	144,164	(14,853)	
<b>Total for Governance and Legal Services</b>	28,700	138,143	53,563	(84,580)	The Council has recently received a reimbursement of costs associated with a planning appeal.
<b>Total for Finance, Revenues and Benefits</b>	1,685,620	988,185	212,684	(775,501)	The variance to date reflects both the position against employee costs (vacancies and temporary staff as a response to the roll out of universal credit and for fraud and compliance initiatives supported by funding from the major preceptors) and the cash flow impact of housing benefit payments and the timing of the reimbursement of expenditure via the associated subsidy system.
<b>Total for Finance - Other Corporate Costs</b>	3,403,580	(1,036,661)	(1,503,383)	(466,722)	Income is currently running ahead of the profile for business rate grant income from the government, income from investments and new burdens funding. This position will be reviewed during quarter 2.
<b>Total for Finance - Financing Items</b>	(14,620,650)	116,580	108,591	(7,989)	
<b>Total for Finance - RSG, Business Rates and Council Tax</b>	(13,902,480)	(3,558,497)	(3,559,150)	(653)	



## Department - Corporate Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Total for Property Services</b>	51,460	(44,323)	(23,714)	20,609	
<b>Total for People, Performance and Projects</b>	82,850	168,663	188,995	20,332	
<b>Total for IT and Corporate Resilience</b>	953,490	690,613	520,905	(169,708)	Due to the reactive nature of IT expenditure the timing is difficult to predict. However there may be possibilities to identify on-going savings as part of the continued roll out of a number of initiatives / projects.
<b>Total for Corporate Services</b>	(21,682,170)	(2,378,279)	(3,857,344)	(1,479,065)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Operational Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	8,748,160	2,920,707	2,957,918	37,211	2,170,729	
Premises Related Expenditure	3,073,090	1,360,989	1,324,622	(36,367)	524,332	
Transport Related Expenditure	446,450	127,041	126,373	(668)	87,115	
Supplies & Services	4,289,740	1,144,230	1,036,741	(107,488)	1,131,935	
Third Party Payments	4,629,740	1,130,207	1,128,005	(2,202)	1,185,687	
Transfer Payments	149,650	50,163	91,526	41,363	37,413	
<b>Total Direct Expenditure</b>	<b>21,336,830</b>	<b>6,733,336</b>	<b>6,665,186</b>	<b>(68,151)</b>	<b>5,137,210</b>	
<b>Direct Income</b>						
Government Grants	(410,720)	(353,350)	(353,350)	(0)	0	
Other Grants, Reimbursements and Contributions	(1,368,580)	(402,272)	(276,555)	125,717	(370,908)	
Sales, Fees and Charges	(8,051,090)	(3,426,061)	(3,653,518)	(227,457)	(1,698,564)	
Rents Receivable	(305,970)	(178,269)	(156,590)	21,679	(44,214)	
<b>Total Direct Income</b>	<b>(10,136,360)</b>	<b>(4,359,953)</b>	<b>(4,440,014)</b>	<b>(80,062)</b>	<b>(2,113,686)</b>	
<b>Net Direct Costs</b>	<b>11,200,470</b>	<b>2,373,384</b>	<b>2,225,171</b>	<b>(148,213)</b>	<b>3,023,524</b>	
<b>Net Indirect Costs</b>	<b>3,180,720</b>	<b>(7,413)</b>	<b>(7,734)</b>	<b>(320)</b>	<b>(95,070)</b>	
<b>Total for Operational Services</b>	<b>14,381,190</b>	<b>2,365,970</b>	<b>2,217,437</b>	<b>(148,533)</b>	<b>2,928,454</b>	

## Department - Operational Services

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director and Administration Operational Services</b>	694,690	144,615	119,077	(25,538)	
<b>Total for Public Realm</b>	1,419,500	321,433	203,091	(118,342)	To date, income remains ahead of the profile against a number of service areas such as parking, the crematorium and cemeteries.
<b>Total for Environmental Services</b>	5,185,950	1,022,004	1,129,193	107,189	The primary reason for the variance at the end of July 2018 is due to no invoices being raised to ECC for recycling credits and food waste contributions so far in this financial year. This is currently being reviewed.
<b>Total for Customer and Commercial Services</b>	344,780	314,390	276,068	(38,322)	
<b>Total for Sports and Leisure</b>	2,576,880	(485,836)	(476,740)	9,096	
<b>Total for Housing</b>	1,184,320	142,236	136,806	(5,429)	
<b>Total for Building and Engineering</b>	2,975,070	907,130	829,943	(77,187)	There are a number of smaller variances contributing to the position at the end of July 2018, the most significant of which relates to income from street naming and numbering which is ahead of the profile and is already in excess of the annual budget for the year.
<b>Total for Operational Services</b>	14,381,190	2,365,970	2,217,437	(148,533)	

# Corporate Budget Monitoring - General Fund Budget Position at the end of July 2018

## Department - Planning and Regeneration

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	2,229,410	729,433	701,180	(28,253)	547,075	
Premises Related Expenditure	28,430	17,257	15,477	(1,780)	4,190	
Transport Related Expenditure	35,300	11,767	10,451	(1,316)	8,825	
Supplies & Services	4,683,170	692,383	248,918	(443,466)	457,067	
Third Party Payments	870	0	0	0	0	
<b>Total Direct Expenditure</b>	<b>6,977,180</b>	<b>1,450,840</b>	<b>976,026</b>	<b>(474,814)</b>	<b>1,017,157</b>	
<b>Direct Income</b>						
Government Grants	(27,500)	(27,500)	(96,506)	(69,006)	0	
Other Grants, Reimbursements and Contributions	0	0	(16,242)	(16,242)	0	
Sales, Fees and Charges	(1,341,760)	(473,873)	(398,157)	75,716	(325,457)	
Rents Receivable	(55,340)	(18,435)	(21,804)	(3,368)	(13,713)	
<b>Total Direct Income</b>	<b>(1,424,600)</b>	<b>(519,809)</b>	<b>(532,709)</b>	<b>(12,900)</b>	<b>(339,171)</b>	
<b>Net Direct Costs</b>	<b>5,552,580</b>	<b>931,031</b>	<b>443,317</b>	<b>(487,714)</b>	<b>677,986</b>	
<b>Net Indirect Costs</b>	<b>789,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for Planning and Regeneration</b>	<b>6,342,080</b>	<b>931,031</b>	<b>443,317</b>	<b>(487,714)</b>	<b>677,986</b>	

## Department - Planning and Regeneration

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Corporate Director</b>	1,040	35,723	36,195	472	
<b>Total for Head of Planning and Customer Services</b>	131,100	539,463	417,876	(121,587)	
<b>Total for Planning and Development</b>	781,100	(318,213)	(121,265)	196,949	Recruitment challenges remain for the service which continue to rely on agency staff in the short term. Income from planning fees is also lower than budgeted by £100k, which is a reversal of previous year's trends. This will be reviewed as part of the long term forecast to see if this trend is likely to continue and will need to reflect latest the local plan position which as it moves on there may be fewer speculative developments coming forward.
<b>Total for Planning Policy</b>	1,764,800	402,010	(38,586)	(440,596)	Delivery of the Local Plan takes place over a number of years with the variance to date reflecting the timing of expenditure across financial years.
<b>Total for Building Control</b>	144,230	15,210	(17,939)	(33,149)	In contrast to the position against planning income, Building Control income is starting to reverse the adverse trend over recent years and is now running ahead of the profiled budget at the end of July 2018.
<b>Total for Regeneration</b>	3,519,810	256,838	167,035	(89,803)	The variance to date primarily reflects the receipt of flexible support grant funding which will be subject to commitments in future periods.
<b>Total for Planning and Regeneration</b>	6,342,080	931,031	443,317	(487,714)	

# Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of July 2018

## Housing Revenue Account

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Next Quarters Profile £	Comments
<b><u>Analysis by Type of Spend</u></b>						
<b>Direct Expenditure</b>						
Employee Expenses	1,061,140	216,153	216,353	200	162,115	
Premises Related Expenditure	3,708,270	723,662	767,842	44,180	1,022,328	
Transport Related Expenditure	22,570	7,657	12,994	5,337	5,593	
Supplies & Services	469,470	150,537	126,588	(23,949)	61,680	
Third Party Payments	1,030	515	0	(515)	258	
Transfer Payments	17,000	5,667	8,731	3,064	4,250	
Interest Payments	1,452,960	418,053	418,832	779	293,269	
<b>Total Direct Expenditure</b>	<b>6,732,440</b>	<b>1,522,244</b>	<b>1,551,339</b>	<b>29,095</b>	<b>1,549,492</b>	
<b>Direct Income</b>						
Other Grants, Reimbursements and Contributions	(8,000)	0	(7,280)	(7,280)	0	
Sales, Fees and Charges	(568,860)	(159,015)	(147,496)	11,519	(111,293)	
Rents Receivable	(13,092,230)	(4,078,961)	(4,071,941)	7,020	(3,265,089)	
Interest Receivable	(51,600)	0	0	0	0	
<b>Total Direct Income</b>	<b>(13,720,690)</b>	<b>(4,237,976)</b>	<b>(4,226,716)</b>	<b>11,259</b>	<b>(3,376,381)</b>	
<b>Net Direct Costs</b>	<b>(6,988,250)</b>	<b>(2,715,732)</b>	<b>(2,675,377)</b>	<b>40,355</b>	<b>(1,826,889)</b>	
<b>Net Indirect Costs</b>	<b>7,147,590</b>	<b>(1,973)</b>	<b>0</b>	<b>1,973</b>	<b>(1,480)</b>	
<b>Net Contribution to/(from) Reserves</b>	<b>(159,340)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total for HRA</b>	<b>0</b>	<b>(2,717,705)</b>	<b>(2,675,377)</b>	<b>42,328</b>	<b>(1,828,369)</b>	

## Housing Revenue Account

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b><u>Analysis by Service/Function</u></b>					
<b>Total for Finance - Financing Items</b>	2,400,550	0	0	0	
<b>Total for Corporate Director and Administration Operational Services</b>	639,420	41,601	34,942	(6,658)	
<b>Total for Customer and Commercial Services</b>	(41,980)	0	(799)	(799)	
<b>Total for Housing</b>	(6,920,890)	(3,361,393)	(3,340,092)	21,301	Although there are no significant issues arising across the HRA at the end of July 2018, rental income remains slightly behind profile by £67k which represents approximately 0.5% of the total rental income budget for the year. As discussed in previous quarters, void / repairs periods have contributed to this position in the short term which should start to stabilise but this issue will remain as a key budgetary control focus over the second half of the year.
<b>Total for Building and Engineering</b>	3,922,900	602,087	630,571	28,484	
<b>Total for HRA</b>	0	(2,717,705)	(2,675,377)	42,328	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Expenditure</b>					
<b>Corporate Enforcement Portfolio</b>					
Milton Road car park repairs	250,000	0	0	0	This project is being considered as part of the wider Harwich regeneration programme
Clacton Multi-Storey car park repairs	180,000	0	0	0	Project due to commence in Autumn 2018
<b>Total for Corporate Enforcement Portfolio</b>	<b>430,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Environment Portfolio</b>					
Cranleigh Close, Clacton, landscaping works	6,660	0	0	0	Project ongoing and expected to be finalised by end of this financial year
Environmental Health Database Migration	5,250	0	0	0	The Service is reviewing this project as part of wider Digital Transformation Project with the budget being reprofiled to 2019/20.
Public Access Module to CAPS	54,140	0	0	0	The Service is reviewing this project as part of wider Digital Transformation Project with the budget being reprofiled to 2019/20.
Laying Out Cemetery	170,120	1,650	1,650	0	Awaiting consultants report to finalise the layout before commencing with the construction phase of this project which has been reprofiled to 2020/21.



## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Crematorium and Cemeteries Road Works	150,000	0	0	0	The tender process for this scheme is set to begin in the next few weeks
Bath House Meadow Play Area, Walton	37,580	32,710	32,709	(1)	Minor works to be completed before project is finalised
Changing Place Facilities, Walton	62,000	47,060	47,056	(4)	Minor works to be completed before project is finalised
Resurfacing Works, Vista Road	40,000	40,000	0	(40,000)	Minor landscaping works to be carried out before the project is finalised. Resurfacing works have been completed with service awaiting an invoice from the Contractor.
<b>Total for Environment Portfolio</b>	<b>525,750</b>	<b>121,420</b>	<b>81,415</b>	<b>(40,005)</b>	
<b>Finance and Corporate Resources Portfolio</b>					
Audit management software	2,230	0	0	0	
Joint HR and Payroll System	1,780	0	0	0	
Westleigh House Demolish/additional parking provision	23,710	0	0	0	Demolition is scheduled for October/November 2018
Information and Communications Technology Core Infrastructure	152,400	13,100	(18,449)	(31,549)	This capital sum, together with the IT strategic Investment budget below will shortly be fully committed to the office transformation network re-design and investment works during 2018/19.

## **Corporate Budget Monitoring - General Fund Capital Programme**

### **Position at the end of July 2018**

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
IT Strategic Investment	153,790	66,093	30,062	(36,030)	See Information and Communications Technology Core infrastructure comment re: office transformation network re-design.
Agresso e-procurement	84,000	0	0	0	Now that the necessary upgrade to Agresso has been completed, the next phase of this project will be considered in 2018/19.
Individual Electoral Registration - Scanning Equipment	1,560	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	3,610	0	0	(0)	This is a replacement budget and has been rescheduled to 2021/22 in line with the expected end of the life of the equipment
Office Rationalisation	1,460,000	0	6,015	6,015	Statutory consents for work in Pier Avenue have been gained. Work began on 25 June 2018. Procurement of further work phases will take place through Autumn 18 with construction extending through to Autumn 19. The bulk of expenditure will occur during the construction phases between now and Autumn 2019. Retentions and set up costs will form a tail of expenditure from Autumn 19 for around a further 12 months. The budget has been reprofiled to reflect this schedule of works.
<b>Total for Finance and Corporate Resources Portfolio</b>	<b>1,883,080</b>	<b>79,193</b>	<b>17,628</b>	<b>(61,564)</b>	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Housing Portfolio</b>					
Replacement of High Volume Printers	29,000	0	0	0	
Replacement debit and credit card payment facility	14,630	0	0	0	
Replacement Scan Stations	12,000	0	0	0	Following a review this scheme has been reprofiled to 2020/21
Alteration of Redundant Cash Office	29,260	0	0	0	The budget is proposed to be rolled into the office transformation budget as the work will form part of this wider scheme.
Housing in Jaywick	500,000	0	0	0	The Service have requested that the budget is re-profiled to reflect a higher spend profile in 2019/20. It is proposed that expenditure in 2018/19 will be allocated to a project officer/consultant to support the delivering of the project.
Private Sector Renewal Grants/Financial Assistance Loans	365,640	26,940	26,937	(3)	
Disabled Facilities Grants	4,009,320	403,310	401,854	(1,456)	
Private Sector Leasing	75,660	0	0	0	
Empty Homes funding	164,220	0	0	0	This project is being reviewed to identify alternative options / opportunities
<b>Total for Housing Portfolio</b>	<b>5,199,730</b>	<b>430,250</b>	<b>428,791</b>	<b>(1,459)</b>	

## Corporate Budget Monitoring - General Fund Capital Programme

### Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
<b>Investment and Growth Portfolio</b>					
Regeneration Capital Projects	349,180	0	0	0	The Service is currently reviewing projects and initiatives which will be presented to Members for consideration.
SME Growth Fund Capital Grants	65,000	8,750	8,750	0	This is supported by external funding and will be committed as successful applications are made against the SME Scheme.
Harwich Public Realm	1,000,000	0	0	0	
<b>Total for Investment and Growth Portfolio</b>	<b>1,414,180</b>	<b>8,750</b>	<b>8,750</b>	<b>0</b>	
<b>Leisure and Tourism Portfolio</b>					
Replacement of beach hut supports - The Walings	11,620	0	0	0	This budget is to be reprofiled to 2022/23 based on the estimated remaining life of the asset.
Clacton Leisure Centre Air Handling Units	0	0	(4,300)	(4,300)	The outstanding credit is due to a retention payment which is expected to be paid at the end of 2018
Princes Theatre Toilets	40,000	0	0	0	This project will now be completed in 2019/20 as part of the scheduled works to the Town Hall that form part of wider Office Rationalisation project

## **Corporate Budget Monitoring - General Fund Capital Programme**

### **Position at the end of July 2018**

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Town Centre Fountain	160,000	0	0	0	The Service is currently exploring options for the existing site
Princes Theatre Sound Equipment	42,240	0	0	0	Project to commence and be completed in August 2018
Coast Protection - Cliff Road Sea Wall	15,130	0	0	0	Project Completed with remaining budget requested to be used to support current Cliff Stabilisation Project
Venetian Bridge Clacton	108,140	108,140	109,204	1,064	Works finished, with service awaiting final invoices to finalise the project
New Beach Huts	64,600	0	0	0	The service have requested that the majority of this project be re-profiled to 2019/20 as a report is due this autumn with a small amount of expenditure planned in 2018/19.
Cliff Stabilisation Scheme	4,602,590	18,350	18,349	(1)	Following the tender process, a contractor has now been appointed with works due to start August 2018 and complete in 2019/20. The budget has been reprofiled to reflect this.
Public Conveniences Works	140,000	0	0	0	Works on the first Public Convenience expected to start in Autumn 2018, with plans for further works still to be finalised
Marine Parade West Clacton Cliff Works	57,270	0	(20,285)	(20,285)	Works due to be finalised after the 2018/19 summer period, credit amount relates to estimated accrual during Outturn 2017/18

## ***Corporate Budget Monitoring - General Fund Capital Programme Position at the end of July 2018***

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Flood Wall, Walton On The Naze	222,500	111,780	111,782	2	Following the appointment of a contractor, the scheme is now underway
<b>Total for Leisure and Tourism Portfolio</b>	<b>5,464,090</b>	<b>238,270</b>	<b>214,751</b>	<b>(23,519)</b>	
<b>Total Approved General Fund Capital Programme</b>	<b>14,916,830</b>	<b>877,882</b>	<b>751,335</b>	<b>(126,547)</b>	

## Corporate Budget Monitoring - Housing Revenue Account Capital Programme

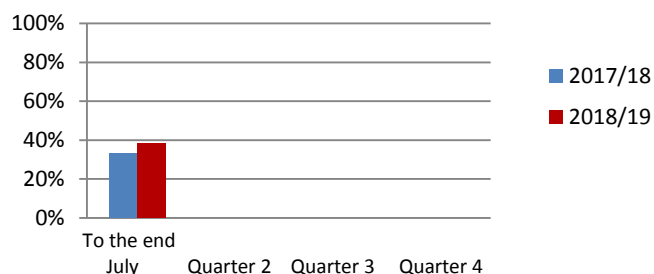
### Budget Position at the end of July 2018

	2018/19 Current Full Year Budget £	2018/19 Profiled Budget to date £	2018/19 Actual to date £	2018/19 Variance to Profile £	Comments
Improvements, enhancement & adaptation of the Council's housing stock	3,492,250	558,473	385,494	(172,980)	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	79,030	5,000	1,015	(3,985)	
Disabled Adaptations	465,060	133,333	80,842	(52,491)	Similarly to the above, it is anticipated that works will be progressed over the remainder of the year.
Cash Incentive Scheme	60,000	0	0	0	
New Build Initiatives and Acquisitions	3,312,950	90,000	84,893	(5,107)	
*Within the budget of £3,312,950, £2,748,202 relates to projects supported by one for one capital receipts with spend by dates as follows:					
31/12/2019	£102,150	30/09/2020	£536,130		
31/03/2020	£413,570	31/12/2020	£1,270,100		
30/06/2020	£276,060	31/03/2021	£150,192		
Total Housing Revenue Account Capital Programme	7,409,290	786,807	552,244	(234,563)	

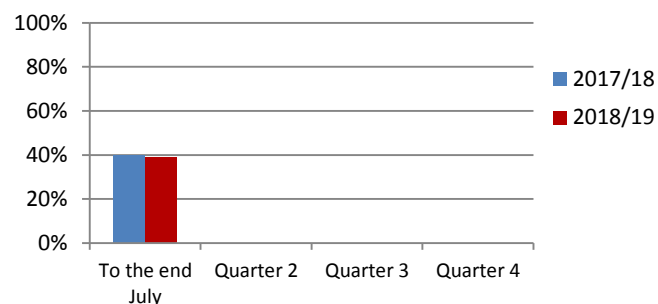
# Collection Performance : Position at the end of July 2018

The collection performance against Council tax, Business Rates, Housing Rents and General Debt collection are set out below.

## Council Tax (against annual amounts)

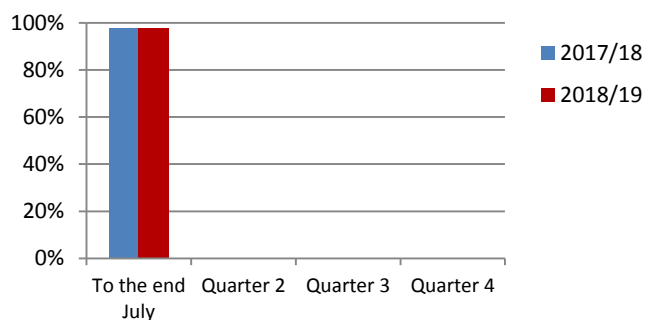


## Business Rates (against annual amounts)

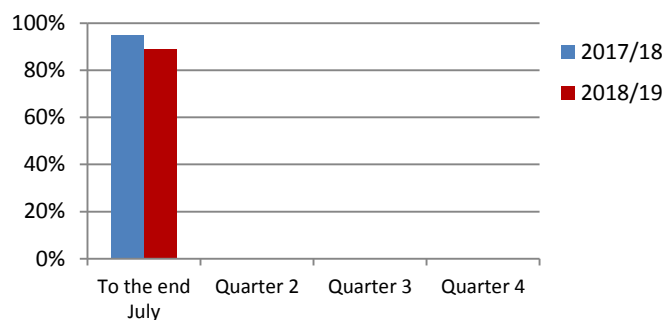


	2017/18	2018/19		2017/18	2018/19
To the end July	32.88%	38.46%	To the end July	39.97%	39.12%
Quarter 2			Quarter 2		
Quarter 3			Quarter 3		
Quarter 4			Quarter 4		

## Housing Rents



## General Debt



	2017/18	2018/19		2017/18	2018/19
To the end July	97.80%	98.00%	To the end July	94.77%	89.17%
Quarter 2			Quarter 2		
Quarter 3			Quarter 3		
Quarter 4			Quarter 4		



## Treasury Activity : Position at the end of July 2018

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

### TREASURY ACTIVITY

Borrowing	Opening Balance 1 April £'000	Borrowing to date £'000	Borrowing Repaid to date £'000	Balance to Date £'000	Comments
Long Term PWLB Borrowing - GF	464	0	3	461	
Long Term PWLB Borrowing - HRA	43,434	0	707	42,727	
<b>TOTAL BORROWING</b>	<b>43,898</b>	<b>0</b>	<b>710</b>	<b>43,188</b>	
Investments	Opening Balance 1 April £'000	Investments to date £'000	Investments Repaid to date £'000	Balance to Date £'000	Comments
<i>Investments less than a year</i>					
Investments with UK Government via Treasury Bills/Investments with DMO, and Local Authorities and other public bodies	46,000	123,500	121,700	47,800	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)	9,440	24,703	12,944	21,199	At the end of the period, investments were held with 10 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
<b>Total Investments for less than a year</b>	<b>55,440</b>	<b>148,203</b>	<b>134,644</b>	<b>68,999</b>	
<i>Investments for longer than a year</i>	0	0	0	0	
<b>TOTAL INVESTMENTS</b>	<b>55,440</b>	<b>148,203</b>	<b>134,644</b>	<b>68,999</b>	
Interest Paid / Received	Full Year Budget £'000	Profiled Budget to Date £'000	Actual to Date £'000	Variance to date £'000	Comments
Interest Paid on Borrowing - GF	56	3	3	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.95%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,453	93	87	(6)	The weighted average rate of interest on the Council's HRA borrowing is currently 3.37%. (on an accrued basis)
Interest Received on Investments	(236)	(87)	(133)	(46)	The weighted average rate of interest being received on the Council's investments is currently 0.56%. (on an accrued basis)

### PRUDENTIAL INDICATORS

	Approved Indicator £'000	Highest amount reached in the period £'000	Comments
Authorised limit for external borrowing	74,298	43,898	Borrowing has remained within approved limits.
Operational boundary for external borrowing	66,868		
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.

Where related to capital schemes - see Appendix D for overall scheme progress.

### ALLOCATED / BEING SPENT

Scheme	Amount Committed / Planned to be Spent in 2018/19 (including accrued interest as appropriate) £'000
<b>Capital Schemes</b>	
Cranleigh Close, Clacton - landscaping works	7
Clacton Bowls and Rugby Club, Car Park Resurfacing	40
<b>Revenue Schemes and other Contributions</b>	81
<b>TOTAL</b>	<b>128</b>

### UNALLOCATED / UNCOMMITTED TO DATE

Permitted Use as per S106 Agreement	Amount Held / 'Spend by' Date			
	Less than 1 Year £'000	1 to 2 Years £'000	2 to 4 Years £'000	4 years + £'000
Regeneration Programme and Other Initiatives	0	0	0	73
Affordable Housing	0	0	0	649
Town Centre Improvements	0	0	0	43
Open Space*	7	5	39	888
<b>TOTAL</b>	<b>7</b>	<b>5</b>	<b>39</b>	<b>1,653</b>

\* For schemes with a 'spend by' date of less than one year, this money must be spent as follows:

£4,000 by October 2018

£2,000 by November 2018

£1,000 by December 2018

## ***Proposed Adjustments to the 2018/19 Budget July 2018***

Description	Expenditure Budget £	Income Budget £	Reason for Adjustment
<b>GENERAL FUND REVENUE</b>			
<i>The following items have no net impact on the overall budget</i>			
Clacton Leisure Centre - Membership Income Reduced		20,000	This adjustment forms part of the managed response to changes in income or expenditure where other budgets are adjusted accordingly with the aim of managing the position within the overall net budget for the year.
Management of Sports Facilities Expenditure Reduced	(20,000)		
Sports Facilities Various Expenditure Budgets Reduced	(22,410)		
Management of Sports Facilities Expenditure Increased	22,410		
Sport Facilities - Building Repairs Budget Reduced	(35,320)		The associated work is now being undertaken in-house with this adjustment reflecting the required changes to the budget
Engineering Salaries and Salary Related Costs Increased	35,320		
Print Unit Expenditure Budgets and Members Printing Reduced	(32,810)		This adjustment reflects reduced member printing costs and the associated reduction in income to the print unit.
Print Unit Income Reduced		32,810	
<b>Total General Fund Revenue with no net impact on the overall budget</b>	<b>52,810</b>	<b>(52,810)</b>	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Employee Costs	(100,000)		This represents the level of vacancy 'saving' accrued to date
Jaywick Sands Site Clearance Cost	18,870		
Contribution to Forecast Risk Fund	81,130		Net total of above adjustments contributed to this reserve

GENERAL FUND CAPITAL			
Following recommendations from the LGA Peer Review, a review of the General Fund Capital Programme has been undertaken and requests have been made for the following schemes to be reprofiled to future years to reflect the anticipated / revised spending profile.			
Housing in Jaywick	(430,000)		It is estimated that some expenditure will not take place on these schemes until 2019/20
Environmental Health Database Migration	(5,250)		
Public Access Module to CAPS	(54,140)		
Princes Theatre Toilets	(40,000)		
New Beach Huts	(44,600)		
Cliff Stabilisation Scheme	(602,590)		
Replacement Scan Stations	(12,000)		It is estimated that expenditure will not take place on these schemes until 2020/21.
Laying Out Cemetery	(168,470)		
Office Rationalisation	(551,590)		It is estimated that some expenditure will not take place on this scheme until 2019/20 (£519,830) and 2020/21 (£31,760).
Enhanced Equipment replacement - Printing and Scanning	(3,610)		It is estimated that expenditure will not take place on this scheme until 2021/22
Replacement of beach hut supports - The Walings	(11,620)		It is estimated that expenditure will not take place on this scheme until 2022/23
Capital Commitments Reserve		245,550	Corresponding adjustments to financing of Capital Programme (including associated Direct Revenue Financing adjustment) to reflect estimated year of expenditure as set out for the above capital schemes.
Building for the Future Reserve		551,590	
Direct Revenue Contributions		470,000	
Use of Capital Receipts		54,140	
Government Grant Coast Protection		602,590	
<b>Other Changes to General Fund Capital Programme</b>			
Alteration of Redundant Cash Office Scheme Merged with Office Rationalisation Scheme below	(29,260)		Budget moved to support the associated works to Pier Avenue currently in progress as part of the wider Office Transformation Budget
Office Rationalisation Budget - Scheme Increased	29,260		
Coast Protection - Cliff Road Sea Wall Scheme Removed	(15,130)		The Cliff Road Scheme is now complete and it is proposed to add the residual budget to the Cliff Stabilisation Project to ensure that the external funding is still used for coast protection.
Cliff Stabilisation Scheme - Scheme Increased	15,130		
<b>Total General Fund Capital Adjustment with no net impact on the overall budget</b>	<b>1,923,870</b>	<b>(1,923,870)</b>	

**UPDATED LONG TERM FINANCIAL FORECAST**

APPENDIX I

	Budget 2017/18 £	Budget 2018/19 £	Estimate* 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Estimate 2022/23 £	Estimate 2023/24 £	Estimate 2024/25 £	Estimate 2025/26 £	Estimate 2026/27 £
<b>Underlying Funding Growth in the Budget</b>										
Council Tax Increase 1.99%	(0.136)	(0.147)	(0.151)	(0.154)	(0.157)	(0.160)	(0.164)	(0.167)	(0.170)	(0.174)
Ctax increase by £5 (amounts set out are over and above 1.99% above)	(0.090)	(0.086)	(0.082)	(0.079)	(0.076)	(0.073)	(0.070)	(0.067)	(0.063)	(0.060)
Growth in Business rates - Inflation	0.000	(0.131)	(0.092)	(0.093)	(0.095)	(0.097)	(0.099)	(0.101)	(0.103)	(0.105)
Growth in Business rates / council tax - general property growth	(0.148)	(0.293)	(0.171)	(0.181)	(0.191)	(0.200)	(0.210)	(0.220)	(0.230)	(0.239)
Collection Fund Surpluses b/fwd	(0.218)	(0.652)	(0.446)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
	<b>(0.592)</b>	<b>(1.309)</b>	<b>(0.942)</b>	<b>(0.607)</b>	<b>(0.619)</b>	<b>(0.630)</b>	<b>(0.643)</b>	<b>(0.655)</b>	<b>(0.666)</b>	<b>(0.678)</b>
<b>Net Cost of Services and Other Adjustments</b>										
Reduction in RSG	0.914	0.580	0.648	0.422	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year	(0.155)	(0.315)	(0.112)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Remove one-off items from prior year - Collection Fund Surplus	(0.020)	0.218	0.652	0.446	0.100	0.100	0.100	0.100	0.100	0.100
Inflation - Employee Costs (including annual review adjustments)	0.125	0.514	0.608	0.264	0.266	0.268	0.269	0.271	0.272	0.274
Inflation - Other	0.000	0.088	0.107	0.109	0.111	0.113	0.115	0.118	0.120	0.122
First / Second / Third year impact of PFH WP Savings	(0.268)	(0.055)	(0.115)	(0.090)	0.000	0.000	0.000	0.000	0.000	0.000
LCTS Grant To Parish Council's	0.000	(0.049)	(0.055)	(0.036)	0.000	0.000	0.000	0.000	0.000	0.000
Beach recharge - Set aside full budget in one year	0.000	(0.150)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Contrib. to Capital Programme	(0.100)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Specific change in Use of Reserves	0.287	0.374	(0.060)	0.081	0.000	0.000	0.000	0.000	0.000	0.000
On-going savings required	(0.879)	(0.290)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)
Unmitigated Cost Pressures	1.046	0.114	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Other Adjustments	0.000	(0.134)	0.000	(0.081)	0.000	0.000	0.000	0.000	0.000	0.000
	<b>0.950</b>	<b>0.895</b>	<b>1.523</b>	<b>0.965</b>	<b>0.327</b>	<b>0.331</b>	<b>0.335</b>	<b>0.338</b>	<b>0.342</b>	<b>0.346</b>
<b>Net Total</b>	<b>0.358</b>	<b>(0.414)</b>	<b>0.581</b>	<b>0.358</b>	<b>(0.292)</b>	<b>(0.299)</b>	<b>(0.309)</b>	<b>(0.317)</b>	<b>(0.324)</b>	<b>(0.332)</b>
Add back General Use of Reserves in Prior Year to Balance the Budget	0.200	0.558	0.144	0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)
<b>Net Budget Position</b>	<b>0.558</b>	<b>0.144</b>	<b>0.725</b>	<b>1.083</b>	<b>0.790</b>	<b>0.491</b>	<b>0.182</b>	<b>(0.134)</b>	<b>(0.458)</b>	<b>(0.790)</b>
Use of Forecast Risk Fund to support the Net Budget Position	(0.558)	(0.144)	(0.725)	(1.083)	(0.790)	(0.491)	(0.182)	0.134	0.458	0.790
Use of Forecast Risk Fund to support the Net Budget - Forecast From Last Year		(0.536)	(0.650)	(0.857)	(0.652)	(0.441)	(0.225)	(0.004)	0.223	0.454

\* See separate RAG risk assessment for further consideration of forecast risks for each line of the forecast

**Use of Forecast Risk Fund to Support the Net Budget Position Above**

Outturn b/fwd from prior years	(0.558)	(1.934)	(2.290)	(2.065)	(1.482)	(1.192)	(1.201)	(1.518)	(2.153)	(3.111)
Applied in year as set out in the forecast above	0.558	0.144	0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)	(0.790)
Additional contributions generated in year	(1.934)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
<b>Balance to Carry Forward</b>	<b>(1.934)</b>	<b>(2.290)</b>	<b>(2.065)</b>	<b>(1.482)</b>	<b>(1.192)</b>	<b>(1.201)</b>	<b>(1.518)</b>	<b>(2.153)</b>	<b>(3.111)</b>	<b>(4.400)</b>
<b>Balance to Carry Forward Forecast From Last Year</b>		<b>(1.398)</b>	<b>(1.248)</b>	<b>(0.891)</b>	<b>(0.739)</b>	<b>(0.798)</b>	<b>(1.073)</b>	<b>(1.569)</b>	<b>(2.292)</b>	<b>(3.246)</b>

FORECAST SENSITIVITIES		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Totals
		£	£	£	£	£	£	£	£	£
Forecast Budget Gap / (Surplus) from table Above (BASE Position)		0.725	1.083	0.790	0.491	0.182	(0.134)	(0.458)	(0.790)	1.890
<b><i>Revised Forecast Budget GAP / (SURPLUS) in the event of the following possibilities</i></b>										
Council Tax Increase are lower by 1% per annum compared to the base		0.801	1.239	1.030	0.818	0.600	0.379	0.153	(0.077)	4.944
Property Growth does not grow over the life of the forecast		0.896	1.264	0.981	0.691	0.392	0.086	(0.228)	(0.551)	3.532
Property Growth is lower by 5% compared to the base		0.735	1.101	0.817	0.526	0.225	(0.082)	(0.397)	(0.721)	2.205
Inflation increases at a rate of +1% faster than the base		0.930	1.300	1.013	0.720	0.417	0.108	(0.210)	(0.526)	3.753
Inflation decreases at a rate of 1% slower than the base		0.520	0.866	0.567	0.262	(0.053)	(0.376)	(0.706)	(1.054)	0.027
Savings achieved are lower by 10% per annum compared to the base		0.755	1.143	0.880	0.611	0.332	0.046	(0.248)	(0.550)	2.970
Savings achieved are lower by 20% per annum compared to the base		0.785	1.203	0.970	0.731	0.482	0.226	(0.038)	(0.310)	4.050
Unmitigated Cost Pressures are greater by 10% per annum compared to the base		0.740	1.113	0.835	0.551	0.257	(0.044)	(0.353)	(0.670)	2.430
Unmitigated Cost Pressures are greater by 20% per annum compared to the base		0.755	1.143	0.880	0.611	0.332	0.046	(0.248)	(0.550)	2.970

Relevant line of the Forecast	RAG Assessment of Risk	Comments
<b>Underlying Funding Growth in the Budget</b>		
Council Tax Increase 1.99%		Although this is subject to future Government policy, it is expected that an inflationary uplift will always be a feature in the annual finance settlement and associated Council Tax referendum principles
Ctax increase by £5 (amounts set out are over and above the 1.99% above)		Although similar to the above, there is less certainty around the level of increase that the Government may allow over and above a 'base' inflationary uplift. However it is expected that such increases will be allowable in the short term without invoking the need to hold a referendum. This will remain subject to on-going review.
Growth in Business rates - Inflation		Similar to Council Tax above, based on the historic trend of inflationary uplifts in the poundage applied to rateable values, modest inflationary increases are relatively certain over the life of the forecast.
Growth in Business rates / council tax - general property growth		Growth in business rates and Council Tax are expected to remain stable and robust over the life of the forecast. The two main risks relate to major economic changes and future Government Policy, especially in relation to business rates where the Government remains active in developing the full retention model across the public sector.
Collection Fund Surpluses b/fwd		Based on the outturn position for 2017/18, there is a collection fund surplus of £446k brought forward into 2018/19. Based on the collection performance to date and the level of collectable Council Tax and Business Rates, it is expected that this money will be available to support the budget in 2019/20. More modest amounts are included in future years of the forecast with a high degree of confidence in their delivery. (The forecast excludes any benefit from being a member of the Essex Business Rates Pool as it is accounted for on an actual basis rather than building it into the base budget given its one-off nature and complexities in the overall business rate calculations)
<b>Net Cost of Services and Other Adjustments</b>		
Reduction in RSG		There is only limited uncertainty in respect of the next two years given the Government's commitment to a four year deal which the Council signed up to.
Remove one-off items from prior year		These are known adjustments
Remove one-off items from prior year - Collection Fund Surplus		These are known adjustments based on the assumptions set out above concerning the year on year change in the collection fund position
Inflation - Employee Costs (including annual review adjustments)		2018/19 and 2019/20 reflects the significant / adverse impact from the recent pay settlement, which includes significant increases on the lower pay scales across the Council. It could be argued that such increases reflect the years of previous pay restraint which may see only modest inflationary rises in 2020/21 and beyond. Annual increases of 1% have been included in these later years of the forecast which compares with 1.5% initially included last year.
Inflation - Other		Although the Government's target inflation is 2%, this is a long term target which will inevitably see fluctuations over short financial cycles. However 2% remains the basis for calculating an inflationary allowance given the longer term nature of the current forecast.
First / Second / Third year impact of PFH WP Savings		These are known adjustments which will be delivered in total but is recognised that the timing may differ to that originally anticipated which will be reflected in the forecast.
LCTS Grant To Parish Council's		These are known adjustments based on the Council's agreed policy of reducing support in line with it's own reduction in Government funding. The Government have raised the issue of Councils not passporting on the relevant funding which may require the existing policy to be revisited but this is only a limited risk.
Specific change in Use of Reserves		Changes in the use of reserves primarily reflect other changes elsewhere in the budget/ forecast so are not a significant risk in isolation. One reserve that will be 'exhausted' by the end of 2019/20 is the homelessness reserve which will require a corresponding adjustment to the expenditure that this reserve is currently supporting to ensure there is no net impact on the budget. This will have to be reviewed in light of the on-going pressure on the delivery of homeless services and prevention activities.

Relevant line of the Forecast	RAG Assessment of Risk	Comments
On-going savings required		This line of the budget fundamentally acts as the 'safety valve' for other changes elsewhere in the forecast and would need to be increased if adverse issues were experienced or estimates were not in line with predictions. Based on the improved overall position set out in the revised forecast, there is flexibility in the delivery of such savings over the life of the forecast. However it is important that on-going savings are secured to meet the amounts set out in the forecast.
Unmitigated Cost Pressures		<p>It is recognised that of the various lines of the forecast, this presents the highest risk, with on-going revenue items being the most difficult items to deal with. Although one-off items, such as those associated with repairing / refurbishing assets could also have a significant impact on the forecast, one-off funding is available elsewhere in the budget to support these costs which therefore changes the risk.</p> <p>One of the most significant risk within this line of the budget relates to external income, especially from elsewhere in the public sector where similar financial pressures are being experienced. Such items include the funding from the major preceptors in respect of the Council Tax Sharing agreement, which totals over £800k each year and is subject to annual review.</p> <p>To support the management of risks, the Council continues to resist using one-off money to support the on-going base budget such as the New Homes Bonus.</p>