

Tendring **District Council**



Appendices Included:

Executive Summary	A summary of the overall position.
Appendix A	A summary of the overall position by Portfolio/Committee split by GF and HRA
Appendix B	An analysis by Department of all General Fund Revenue budgets.
Appendix C	An analysis of Housing Revenue Account Revenue budgets.
Appendix D	The position to date for General Fund and HRA capital projects.
Appendix E	Collection Performance
Appendix F	Treasury activity.
Appendix G	Income from S106 Agreements.
Appendix H	Proposed Adjustments to the 2019/20 Budget

Corporate Budget Monitoring

June 2019

(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 June 2019

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	598,870	200,388	185,792	(14,596)
Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041
Operational Services	16,070,650	1,163,111	1,091,197	(71,914)
Planning and Regeneration	6,602,780	703,794	179,310	(524,485)
Total General Fund	0	1,279,603	1,739,650	460,046

Housing Revenue Account

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
Total HRA	0	(1,824,168)	(1,804,421)	19,748

Capital

	Full Year Budget £	Profiled Budget to Date £	Actual to Date £	Variance to Profile £
General Fund	12,994,520	1,196,108	1,255,655	59,548
Housing Revenue Account	6,711,690	1,025,540	925,303	(100,237)
Total Capital	19,706,210	2,221,648	2,180,958	(40,689)

Debt

	Collected to Date Against Collectable Amount
Council Tax	30.64%
Business Rates	30.21%
Housing Rents	97.99%
General Debt	90.50%

Treasury

	£'000
Total External Borrowing	41,536
Total Investments	68,795

Revenue Budget Position at the end of June 2019

General Fund Portfolio / Committee Summary

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £
Leader	5,034,700	482,110	(28,156)	(510,266)
Environment and Public Space	6,977,370	926,886	824,399	(102,487)
Housing	3,342,260	1,053,364	2,355,178	1,301,813
Independent Living	345,170	164,923	172,241	7,318
Leisure and Tourism	6,132,580	(517,369)	(393,624)	123,745
Business and Economic Growth	2,885,910	124,817	106,055	(18,762)
Corporate Finance and Governance	2,563,000	721,413	401,584	(319,829)
Partnerships	646,360	123,518	119,632	(3,886)
Budgets Relating to Non Executive Functions	788,390	199,700	212,462	12,762
	28,715,740	3,279,363	3,769,772	490,409
Revenue Support for Capital Investment	4,855,930	0	0	0
Financing Items	(5,829,790)	(90,712)	(122,156)	(31,444)
Budget Before use of Reserves	27,741,880	3,188,651	3,647,617	458,965
Contribution to / (from) earmarked reserves	(14,185,310)	0	0	0
Total Net Budget	13,556,570	3,188,651	3,647,617	458,965
Funding:				
Revenue Support Grant	(421,920)	(75,974)	(75,945)	29
Business Rates Income	(4,469,610)	(662,230)	(661,186)	1,044
Collection Fund Surplus	(709,650)	(141,930)	(141,930)	0
Income from Council Tax Payers	(7,955,390)	(1,028,914)	(1,028,906)	8
Total	0	1,279,603	1,739,650	460,046

Revenue Budget Position at the end of June 2019

HRA Portfolio Summary

	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile
	£	£	£	£
Housing	(1,831,450)	(1,824,168)	(1,804,421)	19,748
	(1,831,450)	(1,824,168)	(1,804,421)	19,748
Financing Items	1,756,120	0	0	0
Budget Before use of Reserves	(75,330)	(1,824,168)	(1,804,421)	19,748
Contribution to / (from) earmarked reserves	75,330	0	0	0
Total	0	(1,824,168)	(1,804,421)	19,748

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	305,190	76,298	72,343	(3,954)	76,298	
Transport Related Expenditure	13,840	3,460	1,849	(1,611)	3,460	
Supplies & Services	468,240	120,630	113,137	(7,493)	121,430	
Total Direct Expenditure	787,270	200,388	187,329	(13,059)	201,188	
Direct Income						
Other Grants, Reimbursements and Contributions	0	0	(1,537)	(1,537)	0	
Total Direct Income	0	0	(1,537)	(1,537)	0	
Net Direct Costs	787,270	200,388	185,792	(14,596)	201,188	
Net Indirect Costs	(188,400)	0	0	0	0	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	201,188	

Department - Office of Chief Executive

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Chief Executive and Leadership Support and Community	598,870	200,388	185,792	(14,596)	
Total for Office of Chief Executive	598,870	200,388	185,792	(14,596)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	6,983,560	1,325,685	1,311,574	(14,111)	1,339,965	
Premises Related Expenditure	259,000	80,680	114,308	33,628	103,350	
Transport Related Expenditure	61,030	24,105	22,878	(1,227)	24,095	
Supplies & Services	7,843,950	1,003,643	975,764	(27,879)	822,874	
Transfer Payments	39,889,980	8,816,670	10,281,278	1,464,608	8,816,670	
Interest Payments	63,670	7,749	5,973	(1,776)	31,484	
Total Direct Expenditure	55,101,190	11,258,532	12,711,775	1,453,243	11,138,438	
Direct Income						
Government Grants	(44,291,400)	(9,690,687)	(10,058,555)	(367,868)	(9,459,317)	
Other Grants, Reimbursements and Contributions	(1,539,180)	(294,656)	(245,558)	49,098	(454,313)	
Sales, Fees and Charges	(16,650)	(930)	(567)	363	(11,860)	
Rents Receivable	(5,730)	(1,400)	(100)	1,300	(1,515)	
Interest Receivable	(531,580)	(149,500)	(214,677)	(65,177)	(158,426)	
RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	(5,105,388)	
Total Direct Income	(59,941,110)	(12,046,221)	(12,427,424)	(381,203)	(15,190,819)	
Net Direct Costs	(4,839,920)	(787,690)	284,351	1,072,041	(4,052,382)	
Net Indirect Costs	(4,247,070)	0	(1,000)	(1,000)	0	
Net Contribution to/(from) Reserves	(14,185,310)	0	0	0	0	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	(4,052,382)	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Deputy Chief Executive and Administration	1,080	60,533	67,174	6,640	
Total for Governance and Legal Services	0	88,300	69,855	(18,445)	
Total for Finance, Revenues and Benefits	1,901,880	875,020	2,216,384	1,341,364	The variance to date primarily reflects the cash flow impact of housing benefit payments and the timing of the reimbursement of expenditure via the associated subsidy system.
Total for Finance - Other Corporate Costs	2,903,150	(894,001)	(1,211,791)	(317,790)	The position at the end of the first quarter reflects additional investment income from the Council's treasury activities (£65k) and from additional new burdens funding from the Government (£184k).
Total for Finance - Financing Items	(16,464,420)	49,250	86,549	37,299	
Total for Finance - RSG, Business Rates and Council Tax	(13,556,570)	(1,909,048)	(1,907,967)	1,081	
Total for Property Services	240,180	78,887	81,011	2,123	
Total for People, Performance and Projects	478,710	178,840	192,556	13,716	

Department - Corporate Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
Total for IT and Corporate Resilience	552,750	457,856	442,635	(15,222)	Variations in this service area are largely due to the timing of the delivery of a number of projects and initiatives associated with various strands of the digital transformation project.
Total for Democratic Services	670,940	226,672	246,945	20,273	
Total for Corporate Services	(23,272,300)	(787,690)	283,351	1,071,041	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	9,477,410	2,307,932	2,351,284	43,351	2,318,692	
Premises Related Expenditure	3,090,780	755,041	759,233	4,192	957,371	
Transport Related Expenditure	454,160	95,900	91,492	(4,408)	117,254	
Supplies & Services	4,393,770	837,944	800,018	(37,926)	1,288,105	
Third Party Payments	4,895,370	805,297	776,973	(28,324)	1,248,065	
Transfer Payments	234,870	58,718	90,114	31,396	58,718	
Total Direct Expenditure	22,546,360	4,860,832	4,869,112	8,281	5,988,204	
Direct Income						
Government Grants	(630,570)	(496,750)	(496,753)	(3)	0	
Other Grants, Reimbursements and Contributions	(1,266,050)	(221,484)	(133,755)	87,729	(314,196)	
Sales, Fees and Charges	(8,189,780)	(2,863,500)	(3,030,053)	(166,553)	(1,910,568)	
Rents Receivable	(318,310)	(107,428)	(111,410)	(3,982)	(79,827)	
Direct Internal Income	(126,780)	(3,000)	(860)	2,140	(3,000)	
Total Direct Income	(10,531,490)	(3,692,161)	(3,772,831)	(80,670)	(2,307,591)	
Net Direct Costs	12,014,870	1,168,671	1,096,282	(72,389)	3,680,613	
Net Indirect Costs	4,055,780	(5,560)	(5,085)	475	(5,560)	
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	3,675,053	

Department - Operational Services

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director and Administration Operational Services	659,680	121,465	86,326	(35,139)	
Total for Public Realm	1,699,300	168,745	71,729	(97,017)	Income from car parks (£44k) and at the crematorium (£17k) are running just ahead of the budget at the end of the first quarter.
Total for Customer and Commercial Services	504,620	225,960	221,025	(4,936)	
Total for Sports and Leisure	3,123,970	(752,193)	(739,434)	12,759	As highlighted during 2018/19, a long term strategy aimed at responding to the challenging financial outlook for the Council's Leisure Facilities will be presented to Members later in the year. This is in addition to the proposed investment in Clacton Leisure Centre, with the associated business case due to be presented to Cabinet in September. To date the service is managing the situation on a short term basis pending agreement to the long term strategy.
Total for Housing and Environmental Health	2,866,630	102,935	50,439	(52,496)	
Total for Building and Engineering	7,216,450	1,296,198	1,401,113	104,915	Two main issues are reflected in the variance at the end of the first quarter - 1) Work has been undertaken by the in-house engineering team which has not yet been charged out to the relevant service areas and 2) The contribution towards the food waste service from ECC has yet to be invoiced.
Total for Operational Services	16,070,650	1,163,111	1,091,197	(71,914)	

Corporate Budget Monitoring - General Fund Budget Position at the end of June 2019

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	2,330,760	562,392	553,053	(9,339)	543,022	
Premises Related Expenditure	28,790	16,220	14,871	(1,349)	4,190	
Transport Related Expenditure	35,300	8,825	7,288	(1,537)	8,825	
Supplies & Services	4,639,510	580,247	218,750	(361,497)	440,847	
Third Party Payments	870	0	0	0	0	
Total Direct Expenditure	7,035,230	1,167,685	793,962	(373,723)	996,885	
Direct Income						
Government Grants	(52,960)	(49,510)	(49,519)	(9)	0	
Other Grants, Reimbursements and Contributions	0	0	(1,750)	(1,750)	0	
Sales, Fees and Charges	(1,376,220)	(399,847)	(549,476)	(149,628)	(325,457)	
Rents Receivable	(56,510)	(14,533)	(13,908)	625	(12,433)	
Total Direct Income	(1,485,690)	(463,890)	(614,652)	(150,762)	(337,890)	
Net Direct Costs	5,549,540	703,794	179,310	(524,485)	658,994	
Net Indirect Costs	1,053,240	0	0	0	0	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	658,994	

Department - Planning and Regeneration

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Corporate Director	0	27,955	28,114	159	
Total for Planning and Customer Services	98,190	396,055	359,647	(36,408)	
Total for Planning and Development	1,348,150	(272,722)	(344,869)	(72,146)	Planning income is running ahead of the profiled budget by £0.139m at the end of the first quarter.
Total for Planning Policy	1,666,580	313,197	(61,920)	(375,117)	The position to date primarily reflects the timing of expenditure associated with the development of the Local Plan.
Total for Building Control	174,880	15,927	(10,821)	(26,749)	
Total for Regeneration	3,314,980	223,382	209,158	(14,224)	
Total for Planning and Regeneration	6,602,780	703,794	179,310	(524,485)	

Corporate Budget Monitoring - Housing Revenue Account Budget Position at the end of June 2019

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Next Quarters Profile £	Comments
<u>Analysis by Type of Spend</u>						
Direct Expenditure						
Employee Expenses	1,090,540	165,520	158,209	(7,311)	165,520	
Premises Related Expenditure	3,458,870	602,734	638,800	36,066	788,403	
Transport Related Expenditure	20,370	5,093	6,622	1,529	5,093	
Supplies & Services	530,600	102,300	84,826	(17,473)	76,930	
Third Party Payments	1,030	258	0	(258)	258	
Transfer Payments	17,000	4,250	1,969	(2,281)	4,250	
Interest Payments	1,413,490	349,310	349,309	(1)	391,623	
Total Direct Expenditure	6,531,900	1,229,464	1,239,735	10,271	1,432,077	
Direct Income						
Other Grants, Reimbursements and Contributions	(8,000)	0	(270)	(270)	0	
Sales, Fees and Charges	(533,920)	(99,038)	(117,033)	(17,995)	(184,937)	
Rents Receivable	(12,843,320)	(2,954,595)	(2,926,853)	27,742	(3,481,353)	
Interest Receivable	(51,600)	0	0	0	0	
Total Direct Income	(13,436,840)	(3,053,632)	(3,044,156)	9,476	(3,666,289)	
Net Direct Costs	(6,904,940)	(1,824,168)	(1,804,421)	19,748	(2,234,212)	
Net Indirect Costs	6,829,610	0	0	0	0	
Net Contribution to/(from) Reserves	75,330	0	0	0	0	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	(2,234,212)	

Housing Revenue Account

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments
<u>Analysis by Service/Function</u>					
Total for Finance - Financing Items	1,756,120	0	0	0	
Total for Corporate Director and Administration Operational Services	591,340	34,047	31,316	(2,731)	
Total for Customer and Commercial Services	(47,570)	0	(891)	(891)	
Total for Housing and Environmental Health	(6,217,010)	(2,372,032)	(2,357,745)	14,287	
Total for Building and Engineering	3,917,120	513,817	522,899	9,083	
Total for HRA	0	(1,824,168)	(1,804,421)	19,748	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Expenditure						
Business and Economic Growth Portfolio						
Regeneration Capital Projects	349,180	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	43,250	43,250	0	0	0	All funding has now been committed against qualifying projects, with funding to be drawn down by recipients at agreed milestones.
Harwich Public Realm	1,000,000	1,000,000	0	0	0	Project will commence subject to a business case and report to be presented to Cabinet.
Total for Business and Economic Growth Portfolio	1,392,430	1,392,430	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Corporate Finance and Governance Portfolio						
Audit management software	2,230	2,230	0	0	0	
Joint HR and Payroll System	1,780	1,780	0	0	0	
Westleigh House Demolition	23,710	23,710	0	0	0	Site demolished July 2019 awaiting invoices. Please see Appendix H for proposed adjustment that merges this budget with the wider office rationalisation scheme as the costs associated with the on-going use of this site will form part of that project.
Information and Communications Technology Core Infrastructure	355,210	190,210	13,802	48,562	34,759	This capital sum, together with the IT strategic Investment budget below are now fully committed during 2019/20 to the office transformation network re-design and investment works and essential hardware upgrades, including the Council's security firewalls.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
IT Strategic Investment	35,180	35,180	0	3,929	3,929	See Information and Communications Technology Core infrastructure comment re: office transformation network re-design.
Agresso e-procurement	84,000	84,000	0	0	0	
Individual Electoral Registration - Scanning Equipment	1,560	1,560	0	0	0	
Enhanced Equipment replacement - Printing and Scanning	15,860	12,250	0	0	0	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Office Rationalisation	1,014,730	982,970	115,785	159,433	43,648	Work in Pier Avenue is complete apart from some outstanding minor works. The extension and link at Barnes House is structurally complete and is scheduled for full completion in August 2019. Work at Northbourne depot is complete. Work on the Town Hall has started and will progress in a series of phases throughout 2019 and up to May 2020. The bulk of remaining expenditure will occur during the construction phases in 2019/20. Retentions and set up costs will form a tail of expenditure for around a further 12 months. The budget has been reprofiled to reflect this schedule of works.
Total for Corporate Finance and Governance Portfolio	1,534,260	1,333,890	129,587	211,924	82,336	

Corporate Budget Monitoring - General Fund Capital Programme Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Environment and Public Space Portfolio						
Cranleigh Close, Clacton, landscaping works	7,830	7,830	6,000	5,997	(3)	
Environmental Health Database Migration	5,250	5,250	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Public Access Module to CAPS	54,140	54,140	0	0	0	The Service is reviewing this project as part of the wider Digital Transformation Project.
Laying Out Cemetery	168,470	0	0	0	0	The works element of this project has been profiled to 2020/21.
Crematorium and Cemeteries Road Works	163,000	163,000	0	0	0	Initial works to be completed by September 2019, with a view to complete the project by March 2020.
Bath House Meadow Play Area, Walton	4,870	4,870	0	0	0	Works finished, with retention due to be paid to contractor.
Changing Place Facilities, Walton	1,500	1,500	1,500	1,551	51	Scheme Complete.
Resurfacing Works, Off Valley Road	6,770	6,770	0	0	0	Works to be finalised by November 2019.

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Waste Collection Wheeled Bins	742,990	742,990	191,160	189,728	(1,432)	Delivery of bins to residents is underway, with an estimated roll out time of 10 weeks.
Bath House Meadow Security Measures	20,000	20,000	0	0	0	
Milton Road car park repairs	250,000	250,000	0	0	0	This project remains under consideration as part of the wider Harwich regeneration project.
Clacton Multi-Storey car park repairs	180,000	180,000	0	0	0	This scheme is currently being reviewed as costs estimated at more than the budget - there may be opportunities to re-scale the project or additional funding may need to be considered.
Public Convenience Works	40,000	40,000	0	0	0	Demolition and Refurbishment works expected to be completed by March 2020.
Total for Environment and Public Space Portfolio	1,644,820	1,476,350	198,660	197,277	(1,383)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Housing Portfolio						
Replacement of High Volume Printers	29,000	29,000	0	0	0	
Replacement debit and credit card payment facility	14,630	14,630	0	0	0	
Replacement Scan Stations	12,000	0	0	0	0	This scheme has been profiled to 2020/21.
Housing in Jaywick	498,750	498,750	17,188	16,105	(1,083)	Ecological surveys have commenced to inform future developments.
Private Sector Renewal Grants/Financial Assistance Loans	325,260	325,260	9,905	9,900	(5)	
Disabled Facilities Grants	6,151,870	5,168,960	317,127	293,318	(23,810)	
Private Sector Leasing	75,660	75,660	0	0	0	
Empty Homes funding	164,220	164,220	0	0	0	This project is being reviewed to identify alternative options / opportunities.
Total for Housing Portfolio	7,271,390	6,276,480	344,220	319,323	(24,897)	

Corporate Budget Monitoring - General Fund Capital Programme

Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
		£	£	£	£	
Leisure and Tourism Portfolio						
Replacement of beach hut supports - The Walings	11,620	0	0	0	0	
Princes Theatre Toilets	40,000	40,000	0	0	0	This project is due to be completed in 2019/20 as part of the scheduled works to the Town Hall that form part of wider Office Rationalisation project.
Town Centre Fountain	160,000	160,000	0	0	0	Options for this site remain under consideration.
Dovercourt Bay Lifestyles CCTV	49,500	49,500	26,000	26,000	0	The equipment has now been purchased for Dovercourt Sports Centre with a saving of £23,500 achieved. The service is currently investigating the purchase of another camera for Clacton leisure Centre subject to a report and business case.
New Beach Huts	64,600	64,600	0	0	(0)	

Corporate Budget Monitoring - General Fund Capital Programme Position at the end of June 2019

	Total Budget Allocated to Scheme*	2019/20 Current Full Year Budget	2019/20 Profiled Budget to date	2019/20 Actual to date	2019/20 Variance to Profile	Comments
	£	£	£	£	£	
Cliff Stabilisation Scheme	2,108,320	2,108,320	495,390	495,382	(8)	Works are on schedule to be completed Summer 2019.
Marine Parade West Clacton Cliff Works	49,380	49,380	2,250	2,250	0	Works finished. Final invoice to be received at end of maintenance period October 2019.
Flood Wall, Walton On The Naze	0	0	0	3,500	3,500	Works Completed.
Purchase of Street Cleansing Equipment	43,570	43,570	0	0	0	Equipment was delivered in June, however invoice is currently in dispute with supplier.
Total for Leisure and Tourism Portfolio	2,526,990	2,515,370	523,640	527,132	3,492	
Total Approved General Fund Capital Programme	14,369,890	12,994,520	1,196,108	1,255,655	59,548	

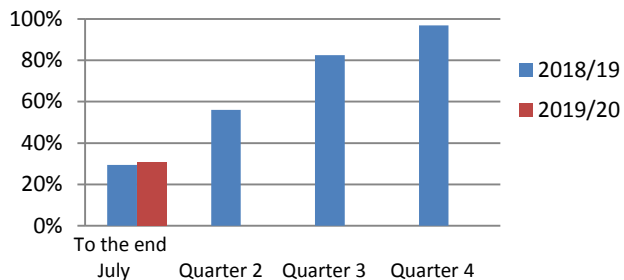
Corporate Budget Monitoring - Housing Revenue Account Capital Programme Budget Position at the end of June 2019

	2019/20 Current Full Year Budget £	2019/20 Profiled Budget to date £	2019/20 Actual to date £	2019/20 Variance to Profile £	Comments												
Improvements, enhancement & adaptation of the Council's housing stock	3,215,410	802,600	726,075	(76,525)	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	0	0	0													
Disabled Adaptations	458,210	108,872	85,178	(23,695)	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*	2,451,260	88,565	88,560	(5)													
Jaywick Sands - New Build/Starter Homes*	506,810	25,503	25,490	(12)													
<p>*Within the budget of £2,958,070, £2,646,052 relates to projects supported by one for one capital receipts with spend by dates as per below:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">31/03/2020</td> <td style="width: 25%;">£413,570</td> <td style="width: 25%;">31/12/2020</td> <td style="width: 25%;">£1,270,100</td> </tr> <tr> <td>30/06/2020</td> <td>£276,060</td> <td>31/03/2021</td> <td>£150,192</td> </tr> <tr> <td>30/09/2020</td> <td>£536,130</td> <td></td> <td></td> </tr> </table>						31/03/2020	£413,570	31/12/2020	£1,270,100	30/06/2020	£276,060	31/03/2021	£150,192	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														
30/09/2020	£536,130																
Total Housing Revenue Account Capital Programme	6,711,690	1,025,540	925,303	(100,237)													

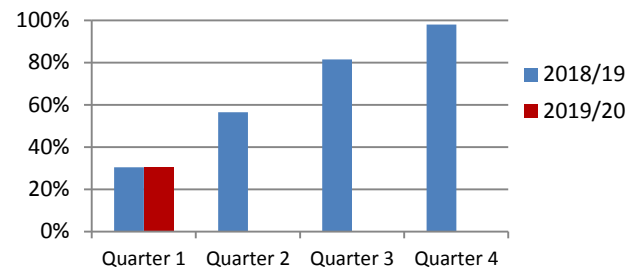
Collection Performance : Position at the end of June 2019

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

Council Tax (against annual amounts)

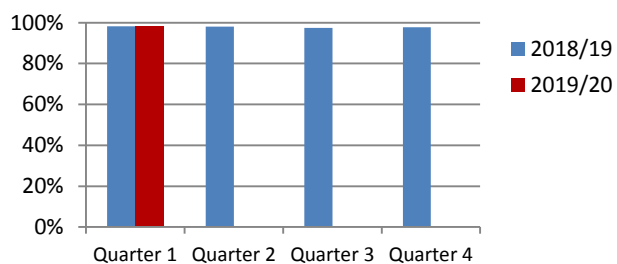


Business Rates (against annual amounts)

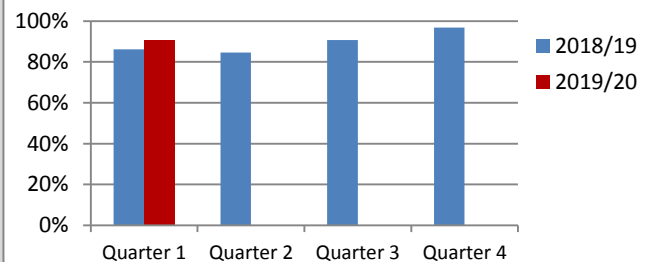


	2018/19	2019/20		2018/19	2019/20
Quarter 1	29.44%	30.64%	Quarter 1	30.48%	30.21%
Quarter 2	56.09%		Quarter 2	56.40%	
Quarter 3	82.52%		Quarter 3	81.42%	
Quarter 4	96.96%		Quarter 4	97.92%	

Housing Rents



General Debt



	2018/19	2019/20		2018/19	2019/20
Quarter 1	98.30%	97.99%	Quarter 1	86.14%	90.50%
Quarter 2	98.10%		Quarter 2	84.58%	
Quarter 3	97.40%		Quarter 3	90.65%	
Quarter 4	97.82%		Quarter 4	96.89%	

Treasury Activity : Position at the end of June 2019

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	306	0	0	306	
Long Term PWLB Borrowing - HRA	41,770	0	540	41,230	
TOTAL BORROWING	42,076	0	540	41,536	
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	47,000	84,300	78,300	53,000	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)	12,470	9,325	6,000	15,795	At the end of the period, investments were held with 9 counterparties.
Investments with non-UK Financial institutions	0	0	0	0	
<i>Total Investments for less than a year</i>	59,470	93,625	84,300	68,795	
<i>Investments for longer than a year</i>	0	0	0	0	
TOTAL INVESTMENTS	59,470	93,625	84,300	68,795	
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	6	6	0	The weighted average rate of interest on the Council's GF borrowing is currently 7.85%. (on an accrued basis)
Interest Paid on Borrowing - HRA	1,413	349	349	0	The weighted average rate of interest on the Council's HRA borrowing is currently 3.41%. (on an accrued basis)
Interest Received on Investments	(336)	(88)	(153)	(65)	The weighted average rate of interest being received on the Council's investments is currently 0.88%. (on an accrued basis)
PRUDENTIAL INDICATORS					
	Approved Indicator £'000	Highest amount reached in the period £'000	Comments		
Authorised limit for external borrowing	76,455	42,076	Borrowing has remained within approved limits.		
Operational boundary for external borrowing	67,704				

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 2019/20 (including accrued interest as appropriate) £'000
Capital Schemes	
Cranleigh Close, Clacton - landscaping works	8
Valley Road, Car Park Resurfacing	7
Revenue Schemes and other Contributions	91
TOTAL	106

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	62
Affordable Housing	0	0	0	652
Town Centre Improvements	0	0	0	43
Habitat Protection	0	0	0	3
Open Space*	13	2	34	900
TOTAL	13	2	34	1,660

* For schemes with a 'spend by' date of less than one year, this money must be spent as follows
£4,000 by Feb 2020
£9,000 by Apr 2020

Proposed Adjustments to the 2019/20 Budget June 2019

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND REVENUE			
<i>The following items have no net impact on the overall budget</i>			
Leisure Services - Building Repairs Budget	(24,850)		Adjustment required as part of bringing work back in-house, with the Building and Engineering team now undertaking this work rather than an external contractor.
Building and Engineering Services - Employee Costs	24,850		
Planning Agency Staff	192,000		To provide the necessary capacity within the service, it is proposed to utilise a portion of the Projects budget resulting from the 20% fee increase and general salary vacancies.
20% Fee Increase Projects	(117,000)		
Planning Employee Budgets	(75,000)		
Planning Inquiry / Appeal Costs	163,000		Expected additional costs due to planning appeals / planning inquiry.
Planning Inquiry / Appeal Earmarked Reserve		(140,000)	
Local Plan Budget	(23,000)		
Implementation of New Careline IT System	37,210		It is proposed to use the associated earmark reserve to support the cost of the new system and associated hardware etc.
Use of Careline Earmarked Reserve		(37,210)	
Total General Fund Revenue with no net impact on the overall budget	(177,210)	177,210	

Appendix H

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
<i>The following items will be adjusted against the Forecast Risk Fund</i>			
Anti-Social Behaviour Officer	(61,200)		This post was originally funded on a two year fixed term contract with the cost met from savings identified in 2018/19. However this post has now been accommodated on a permanent basis via a corresponding adjustment elsewhere in the budget. This one off budget can therefore be removed.
Disabled Facilities Grant Coordinator Post	(26,800)		This post was originally funded as a cost pressure for 2019/20 pending the outcome of the review to see if the cost could be met directly from the DFG grant receivable from ECC. ECC have now confirmed that salary costs can be met by the grant funding so this cost pressure is no longer required.
Local Council Tax Scheme Administration Subsidy		11,130	The final grant receivable was not published until after the budget was agreed in February 2019. This adjustments reflects a small reduction in the amount receivable from the government in 2019/20.
Net Contribution to Forecast Risk Fund	76,870		

Description	Expenditure Budget	Income Budget	Reason for Adjustment
	£	£	
GENERAL FUND CAPITAL			
Schemes Reprofiled			
None			
Other Changes to General Fund Capital Programme			
Westleigh House Demolition	(23,710)		To merge the two schemes to reflect the potential wider use of the site for parking which forms part of the more general office rationalisation project.
Office Rationalisation	23,710		
Council Asset Refurbishment Fund	1,134,000		As set out in the main body of the report, this adjustment establishes an 'investment fund' to maintain Council Property assets over the remaining life of the long term forecast.
Use of Reserves		(1,134,000)	
<i>Total General Fund Capital Adjustment with no net impact on the overall budget</i>	(1,134,000)	1,134,000	
HRA REVENUE			
<i>The following items will be adjusted against the HRA General Balance</i>			
None			
HRA CAPITAL			
None			

UPDATED LONG TERM FINANCIAL FORECAST

APPENDIX I

	<i>Budget</i> 2017/18	<i>Budget</i> 2018/19	<i>Estimate</i> 2019/20	<i>Estimate*</i> 2020/21	<i>Estimate</i> 2021/22	<i>Estimate</i> 2022/23	<i>Estimate</i> 2023/24	<i>Estimate</i> 2024/25	<i>Estimate</i> 2025/26	<i>Estimate</i> 2026/27
	£	£	£	£	£	£	£	£	£	£
<i>Underlying Funding Growth in the Budget</i>										
Council Tax Increase 1.99%	(0.136)	(0.147)	(0.151)	(0.158)	(0.161)	(0.165)	(0.168)	(0.171)	(0.175)	(0.178)
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)	(0.069)	(0.066)	(0.063)	(0.059)
Growth in Business rates - Inflation	0.000	(0.131)	(0.110)	(0.129)	(0.132)	(0.135)	(0.137)	(0.140)	(0.143)	(0.146)
Growth in Business rates / council tax - general property growth	(0.148)	(0.293)	(0.576)	(0.139)	(0.147)	(0.156)	(0.165)	(0.173)	(0.182)	(0.190)
Collection Fund Surpluses b/fwd	(0.218)	(0.652)	(0.710)	(0.437)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
	(0.592)	(1.309)	(1.629)	(0.942)	(0.616)	(0.629)	(0.639)	(0.650)	(0.663)	(0.673)
<i>Net Cost of Services and Other Adjustments</i>										
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)	0.013	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	0.710	0.437	0.100	0.100	0.100	0.100	0.100
Inflation - Employee Costs (including annual review adjustments)	0.125	0.514	0.635	0.488	0.373	0.376	0.380	0.385	0.389	0.393
Inflation - Other	0.000	0.088	0.221	0.158	0.163	0.167	0.172	0.177	0.182	0.188
First / Second / Third year impact of PFH WP Savings	(0.268)	(0.055)	(0.115)	0.000	(0.090)	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	(0.045)	0.000	0.000	0.000	0.000	0.000	0.000
Specific change in Use of Reserves	0.287	0.374	(0.069)	(1.076)	0.000	0.000	0.000	0.000	0.000	0.000
On-going savings required	(0.879)	(0.290)	(0.328)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)	(0.450)
Unmitigated Cost Pressures	1.046	0.114	0.153	0.600	0.150	0.150	0.150	0.150	0.150	0.150
Other Adjustments	0.000	(0.134)	(0.118)	1.121	0.000	0.000	0.000	0.000	0.000	0.000
	0.950	0.895	1.512	1.905	0.582	0.344	0.353	0.362	0.371	0.380
<i>Net Total</i>	0.358	(0.414)	(0.117)	0.963	(0.034)	(0.285)	(0.287)	(0.288)	(0.292)	(0.292)
Add back Use of Reserves / Forecast Risk Fund in Prior Year	0.200	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)
<i>Net Budget Position</i>	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Use of Forecast Risk Fund to support the Net Budget Position	(0.558)	(0.144)	(0.027)	(0.990)	(0.956)	(0.671)	(0.385)	(0.096)	0.196	0.488

* 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)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)
Applied in year as set out in the forecast above	0.558	0.144	0.027	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)
Additional contributions generated in year	(1.934)	(0.990)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Balance to Carry Forward	(1.934)	(2.780)	(3.253)	(2.763)	(2.307)	(2.135)	(2.251)	(2.655)	(3.350)	(4.339)

FORECAST SENSITIVITIES	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Totals
	£	£	£	£	£	£	£	£
Forecast Budget Gap / (Surplus) from table above (BASE Position)	0.990	0.956	0.671	0.385	0.096	(0.196)	(0.488)	2.414
<i>Revised Forecast Budget GAP / (SURPLUS) in the event of the following possibilities</i>								
Council Tax Increase are lower by 1% per annum compared to the base	1.070	1.119	0.921	0.726	0.532	0.338	0.148	4.854
Property Growth does not grow over the life of the forecast	1.129	1.103	0.827	0.550	0.269	(0.014)	(0.298)	3.566
Property Growth is lower by 5% compared to the base	0.997	0.969	0.691	0.412	0.129	(0.156)	(0.442)	2.600
Inflation increases at a rate of +1% faster than the base	1.214	1.191	0.917	0.642	0.364	0.093	(0.188)	4.233
Inflation decreases at a rate of 1% slower than the base	0.766	0.721	0.425	0.128	(0.172)	(0.485)	(0.788)	0.595
Savings achieved are lower by 10% per annum compared to the base	1.035	1.046	0.806	0.565	0.321	0.074	(0.173)	3.674
Savings achieved are lower by 20% per annum compared to the base	1.080	1.136	0.941	0.745	0.546	0.344	0.142	4.934
Unmitigated Cost Pressures are greater by 10% per annum compared to the base	1.050	0.986	0.716	0.445	0.171	(0.106)	(0.383)	2.879
Unmitigated Cost Pressures are greater by 20% per annum compared to the base	1.110	1.016	0.761	0.505	0.246	(0.016)	(0.278)	3.344

Relevant line of the Forecast	RAG Assessment of Risk	Comments
Underlying Funding Growth in the Budget		
Council Tax Increase 1.99%		Although this is subject to future Government policy, it is expected that an allowable inflationary uplift will always be a feature in the Local Government 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		Underlying growth in business rates and Council Tax are expected to remain relatively 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 a 75% retention model across the public sector based on a fair funding assessment. This model could see the Government introduce business rate 'resets' which could see income from economic growth being reduced on a cyclical basis as part of a redistribution method nationally. The Government continues to consult on the associated proposals but the risk to the forecast remains significant.
Collection Fund Surpluses b/fwd		Following the latest review of the forecast and using the most up to date figures, collection fund surpluses of £437k have been included in the 2020/21 budget. 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)
Net Cost of Services and Other Adjustments		
Reduction in RSG		2020/21 sees the end of the Revenue Support Grant so there is no uncertainty in respect of this line of the forecast.
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)		It was initially hoped that the significant increases across 2018/19 and 2019/20 would limit further increases in the short term. However the recent pay claim submitted by the union sets out a figure of 10% for 2020/21. Therefore the inflationary allowance has been increased upwards to 2% in 2020/21 and 1.5% from 2021/22.
Inflation - Other		Although the Government's target CPI inflation is 2%, this is a long term target which will inevitably see fluctuations over short financial cycles. However 2% and 3% remain the basis for calculating an inflationary allowance for contracts and budgets that are based on either CPI or RPI respectively.
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 with the total grant reducing to zero from 2020/21.
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 was 'exhausted' by the end of 2019/20 is the homelessness reserve which has required 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		<p>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. Although the long term forecast provides flexibility in the timing of the delivery of such savings, it is important that on-going savings continue to be secured to meet the amounts set out in the forecast.</p>
Unmitigated Cost Pressures		<p>It is recognised that this line of the forecast presents one of the highest risks, with on-going revenue items being the most difficult items to respond to. 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 planned on being made available elsewhere in the budget to support these costs which therefore contributes to the mitigation of this risk.</p> <p>One of the most significant risks 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. This has been reflected in the forecast as an on-going cost pressure from 2019/20, with a further reduction in income included in 2020/21.</p> <p>To support the management of risks, the Council continues to resist using one-off money, such as the New Homes Bonus, to support the on-going base budget.</p>