

Finance & Audit Scrutiny Panel

Town Hall, Colchester
24 February 2009 at 6:00pm

The Finance and Audit Scrutiny Panel deals with the review of service areas and associated budgets, and monitors the financial performance of the Council, and the operational performance of the Council. The panel scrutinises the Council's audit arrangements, including the annual audit letter and audit plans, and Portfolio Holder 'Service' decisions reviewed under the Call in procedure.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please pick up the leaflet called "Have Your Say" at Council offices and at www.colchester.gov.uk.

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from West Stockwell Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call, and we will try to provide a reading service, translation or other formats you may need.

Facilities

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Terms of Reference

Finance and Audit Scrutiny Panel

- To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet
- To have an overview of the Council's internal and external audit arrangements and in particular with regard to the annual audit plan, the audit work programme and progress reports, and to make recommendations to the Cabinet
- To monitor the operational and financial performance of the Council, and to make recommendations to the Cabinet in relation to operational performance, financial outturns, revenue and capital expenditure monitors
- To scrutinise the Audit Commission's annual audit letter
- To scrutinise progress made on best value action plans
- To scrutinise executive 'service' decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel through the call-in procedure

The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the Panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

**COLCHESTER BOROUGH COUNCIL
FINANCE & AUDIT SCRUTINY PANEL
24 February 2009 at 6:00pm**

Members

Chairman : Councillor Sue Lissimore.
Deputy Chairman : Councillor Dennis Willetts.
Councillors Kevin Bentley, John Bouckley, Martin Goss,
Dave Harris, Jackie Maclean, Jon Manning, Nigel Offen,
Gerard Oxford and Laura Sykes.

Substitute Members : All members of the Council who are not Cabinet members or members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief and items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 16

To confirm as a correct record the minutes of the meetings held on 20 January 2009, 27 January 2009 and 29 January 2009.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Items requested by members of the Panel and other

Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

8. Referred items under the Call in Procedure

To consider any Portfolio Holder decisions, taken under the Call in Procedure.

The panel may a) confirm the decision, which may then be implemented immediately, b) confirm the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

9. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

10. Work Programme

See report from the Scrutiny Officer.

11. Sale of Recyclable Materials 17 - 29

See report from the Head of Street Services.

12. Financial Monitoring Report - April to December 2008 30 - 46

See report by the Head of Resource Management.

13. 3rd Quarter Risk Management Progress Report 47 - 57

See report from the Head of Resource Management.

14. Capital Expenditure Monitor 2008-09 58 - 77

See report from the Head of Resource Management.

15. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

FINANCE & AUDIT SCRUTINY PANEL 20 JANUARY 2009

Present :- Councillor Sue Lissimore (Chairman)
Councillors John Bouckley, Martin Goss, Dave Harris,
Jon Manning, Gerard Oxford, Laura Sykes and
Dennis Willetts

Substitute Members :- Councillor Kevin Foster for Councillor Kevin Bentley
Councillor Jackie Arnold for Councillor Jackie Maclean
Councillor Nigel Higgins for Councillor Nigel Offen

47. Minutes

The minute for each of the meetings held on the 18 November 2008 and 25 November 2008 was confirmed as a correct record.

48. Work Programme

Mr. Robert Judd, Scrutiny Officer addressed the panel explaining that in order that the 2010-11 Budget reports are published on time for the Finance and Audit Scrutiny meeting, asked the panel to consider moving the meeting date from the 19 January 2010 to the 26 January 2010.

Councillors Arnold and Willetts said the administration set out the budget timetable at the beginning of each and this should be adhered to. Councillor Arnold said moving the meeting of this panel to the day before the Cabinet meeting, to discuss the budget papers, would not allow for serious scrutiny of the detail of the report.

Councillor Smith, Portfolio Holder for Business and Resources addressed the panel explaining that the lateness in the publication of the budget papers this year was not unique, that these papers had been 'to follow' consistently over the years, and was in the main due to the lateness of receiving, for example, Government grant money.

Mr. Ian Vipond, Executive Director, addressed the panel, to explain that a follow-up review of the Firstsite:Newsite project would, as per the panel's resolution on 25 November 2008, be respected in full.

Mr. Vipond said all the funding partners had agreed to a full independent external review at the completion of the project. In the meantime, Mr. Vipond said the Audit Commission were also carrying out an independent review of the project and these reports are usually made public. Mr. Vipond suggested to the panel that once the Audit Commission review, currently in progress, was complete, the panel could review this report and then take a view on what further work is required.

Councillor Lissimore voiced her concern that the independent reviews are completed behind closed doors and that as the Finance and Audit Scrutiny Panel was the only place for a public hearing, she was keen for this matter to continue.

Mr. Vipond said it would not be possible with the pressure of current work streams to undertake an internal review at present. Mr. Vipond advised the panel to consider the results of the Audit Commission's independent review before deciding on the detail of any future work.

Councillor Manning said he would rather the panel review Firstsite:Newsite at the appropriate time that would enable a proper examination, though he felt this should be done as soon as possible.

RESOLVED that the panel;

- i) Noted the current 2008-09 work programme.
- ii) Agreed that officers should review the panel's meeting date of the 19 January 2010 (to scrutinise the 2010-11 Revenue Budget), to be sure the members of the public and members receive the prerequisite five clear working days access to the documents.
- iii) Agreed to the review of the Freedom of Information Audit on 24 March 2009.

49. Risk Management - Top Five Risk Report

Mr. Charles Warboys, Head of Resource Management attended the meeting for this item, explaining that the risks within the note to members are kept under constant review, though if reported on a month to month basis, members will see very little change in the content.

RESOLVED that;

- i) The panel noted the update on the top five strategic and renaissance risks.
- ii) The panel agreed that in the future the panel would receive a one-off report at the beginning of the municipal year listing all strategic and renaissance risks, and thereafter, only update reports following any changes.

50. Budget report to the Finance and Audit Scrutiny Panel on 27 January 2009

Councillor Arnold commented that it would be helpful to panel members if the Budget papers noted the impact of changes, thereby enabling members to see why, and the effects of the decision(s) taken. Councillor Arnold said this would increase member's understanding and would enable the panel to do its job of scrutiny properly.

Mr. Warboys said there was no intention to provide such a specific appendix within the Budget papers, though appendix D did to some extent address the point raised by Councillor Arnold.

FINANCE & AUDIT SCRUTINY PANEL

27 JANUARY 2009

Present :- Councillor Sue Lissimore (Chairman)
Councillors John Bouckley, Dave Harris,
Jackie Maclean, Nigel Offen, Gerard Oxford,
Laura Sykes and Dennis Willetts

Also in Attendance :- Paul Smith

Substitute Members :- Councillor Christopher Arnold
for Councillor Kevin Bentley
Councillor Margaret Fisher for Councillor Martin Goss
Councillor Peter Higgins for Councillor Jon Manning

51. 2009-10 Revenue Budget and Medium Term Financial Forecast

Councillor Smith, Portfolio Holder for Business and Resources, Mr. Charles Warboys, Head of Resource Management and Mr. Sean Plummer, Finance Manager, all attended the meeting for this item.

Mr. Sean Plummer presented the report on the 2009-10 Revenue Budget and Medium Term Financial Forecast to the panel.

In response to Councillor Willetts, Mr. Plummer said the year on year average net inflationary figure was £600,000, and took account of increases of approximately 2 – 3 per cent in salary costs, contract prices and fees and charges. Mr. Plummer said one of the main reasons for the additional inflationary pressure increase was energy prices.

Mr. Plummer agreed to provide panel members with a detailed breakdown of the £1,190,000 net inflation impact figure.

Mr. Plummer confirmed to Councillor Willetts that the £100,000 Concessionary Fares cost pressure was due to the hours of the scheme being extended, whereas the savings of £510,000 for the scheme was due to a saving in the cost of the scheme to Colchester, following negotiations with Essex District Councils, Essex County Council and the bus operators. Later on in proceedings, Mr. Warboys confirmed to Councillor Higgins that negotiations involving all Essex authorities, resulted in renegotiated figures to be paid to the bus operators and produced the aforementioned savings, based on an agreement of costs, as opposed to the previous figures of an estimated amount based on demand.

In response to Councillor Willetts, Mr. Warboys explained that the budget figures did not reflect any treasury management losses due to the collapse of the Icelandic banks. This follows guidance from central Government stating that any potential impact should be deferred until 2010-11. Mr. Warboys confirmed that at present the money invested in these banks was not lost, though there was no indication as yet as to when the investments would be returned or how much of the investments would be returned. Negotiations at national level are ongoing.

In response to Councillor Arnold, Mr. Warboys confirmed that the value of the Council's

treasury management investments in Icelandic banks was between £11 million and £12 million at May 2008, and these investments were returned to the Council. The current level of investment to Icelandic banks is £4 million and was made in September 2008.

Councillor Arnold commented that at the previous meeting of the Finance and Audit Scrutiny Panel he had said it would be helpful to panel members if the Budget papers noted the impact of changes, thereby enabling members to see why, and the effects of the decision(s) taken.

Councillor Arnold said this request had not been acted upon and gave an example, the deletion of the countryside post (shared post with Braintree District Council) where no detail of what the impact would be of the removal of this post, and what was to be done to mitigate the impact.

Councillor Smith said where a post is deleted this did not mean the work of this post stopped, that a range of different cost saving options would be put in place to ensure where appropriate, the work continued. Councillor Smith said Appendix D of the report gave details of where savings would accrue and the mitigating action.

Councillor Smith said the cost restraints within the Budget would not allow for a guarantee of every current project and work would need to be prioritised, with recycling and front-line services considered a higher priority.

In response to Councillor Arnold, Councillor Smith said the Cabinet believed the merger of the Economic Development and Tourism Managers posts, and the aligning activities was considered good common and economic sense.

Also in response to Councillor Arnold, Councillor Smith said it was estimated that the expected rise in recycling rates due to the additional resources to support the promotion of recycling would be 1%. The additional resources would be to extend recycling to blocks of flats and an educational promotional scheme to encourage people to recycle. Councillor Smith also explained that the £300,000 reduced income forecast for Car Parking Income was reflected in an acceptance that car park charges could not continue to rise indefinitely, and the need to make more effective use of car parks, via promotional offers etc.

Mr Judd, Scrutiny Officer confirmed to the panel that he would invite Essex County Councillor Tracey Chapman, Portfolio Holder for Environment and Waste to a meeting at the earliest opportunity to give reasons why County have withdrawn the £100,000 recycling grant for improving recycling.

In response to Councillor Maclean, Councillor Smith agreed to ask the Portfolio Holder for Culture, Tourism and Diversity to respond to the panel and provide more detail on how the Colchester Festival will be delivered given the part withdrawal of funding and the position in respect of a contribution from Colchester2020. Councillor Smith also confirmed that the location for the Visitor Information Centre had not been decided and was currently under review.

In response to Councillor Bouckley's suggestion of a further reduction in the number of

annual editions of the Courier, from the proposed three, to one or two, Councillor Smith said the Courier was an award winning popular publication, with a queue of people requesting articles and believed three publications was appropriate. Councillor Smith confirmed to Councillor Bouckley that the £100,000 savings in Parks and Recreation was relatively low in the context of an overall budget of £2,200,000 and would be found through changes to fee incomes, renegotiation of contracts and a series of schemes that would provide savings.

In response to Councillors Willetts, Arnold and Higgins, in respect of the actual number of staff redundancies that would result as a consequence of the budget, Councillor Smith said the overall effect of the budget would be a potential reduction in the region of four. This figure incorporated all the changes within service areas, including some reductions and some additions, for example, two additional Street Warden posts, and three additional Benefit posts funded by the Government (£95,000) and in response to the demands due to the economic downturn. Councillor Smith added that freezing posts or redeployment did not mean redundancy. Councillor Smith concluded by saying the drop in staff numbers at Colchester was in stark contrast to Chelmsford Borough Council for example, who it is understood are looking to save between 70 – 100 posts to balance their Budget. Councillor Smith confirmed that the panel would be provided with the current total of full time equivalent staff on the establishment and the number of full time equivalent staff on the establishment following the implementation of the Budget. Councillor Smith confirmed that the Council are in full negotiations with the local unions in respect of any redundancies.

Councillor Harris congratulated the Administration for providing additional Street Wardens to High Woods Ward and said he would like to see this expanded to other wards such as Shrub End as the financial situation improved.

In response to Councillor Willetts, Councillor Smith said the savings accruing from service areas would in the main be reallocated to front line services, with the aim to protect front line services but not to the detriment of the overall service provided.

In relation to the economic downturn and the need to help small local businesses, Councillor Smith confirmed to Councillor Fisher that the Small Business Rate Relief (SBRR) campaign had been successful. Eight Hundred letters had been sent out resulting in four hundred responses, with only 2 or 3 claims for relief rejected, and the total of £420,000 reclaimed for small businesses. The Council had been congratulated by the Federation of Small Businesses for their efforts. Mr. Warboys confirmed that the Council's policy was to pay all bills within thirty days, and approximately 97% of all bills are paid within this time scale, though the majority (nearly 70%) of bills are paid in less than twenty days.

Councillor Lissimore concluded the discussions on the Budget by thanking officers for their hard work and cooperation in producing the Budget report.

RESOLVED that the panel;

- i) Noted the Cabinet report on the 2009-10 Revenue Budget and Medium Term Financial Forecast.

- ii) Requested further information on the following;
- The Head of Resource Management to provide a detailed breakdown of the £1,190,000 net inflation impact figure.
 - The Portfolio Holder for Culture, Tourism and Diversity to be asked to provide further detail on how the Colchester Festival will be delivered given the part withdrawal of funding.
 - The Portfolio Holder for Business and Resources to provide the current total of full time equivalent staff on the establishment and the number of full time equivalent staff that will be on the establishment following the implementation of the Budget.
- iii) Requested the Scrutiny Officer to invite Essex County Councillor Tracey Chapman, Portfolio Holder for Environment and Waste to a meeting at the earliest opportunity to give reasons why County have withdrawn the £100,000 recycling grant for improving recycling.

52. Treasury Management and Investment Strategy

Councillor Smith, Portfolio Holder for Business and Resources, Mr. Charles Warboys, Head of Resource Management and Mr. Steve Heath, Finance Manager, all attended the meeting for this item.

Mr. Steve Heath presented the report on the Treasury Management and Investment Strategy to the panel.

Councillor Willetts, whilst accepting the complex model on how the Council's treasury funds should be managed looked good, he felt it lacked the agility to respond rapidly enough to mitigate emergencies such as the Icelandic Bank collapse.

In response to Councillor Willetts, Mr. Heath said the Sovereign Debt Ratings (SDR) took a holistic view of national debt and included a number of factors such as Government debt, Gross Domestic Product, state of the labour market and the overall economic situation. Mr. Heath said SDR was one indicator for the Council to seek advice as an additional check.

Mr. Warboys said the criteria within the policy allowed officers to respond to situations daily, working strictly within the policy framework.

Councillor Smith concluded by saying the Treasury Management Team are working in a period of unprecedented situations, though he was confident that the policy was very robust, as had been the case in previous years.

Councillor Offen congratulated officers for their hard work in what are unprecedented times.

RESOLVED that the panel noted the 2009-10 Treasury Management and Annual Investment Strategy.

Councillor Sue Lissimore (in respect of being a former member of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Dave Harris and Paul Smith (in respect of being current Members of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

53. Housing Revenue Account Estimates 2009-10

Councillor Smith, Portfolio Holder for Business and Resources, Mr. Charles Warboys, Head of Resource Management and Mr. Sean Plummer, Finance Manager, all attended the meeting for this item.

Mr. Sean Plummer presented the report on the Housing Revenue Account Estimates 2009/10 to the panel.

In response to Councillor Harris, Mr. Plummer agreed to provide to the panel the number of Council garages not let on a regular basis.

RESOLVED that the Panel;

- i) Noted the Cabinet report on the Housing Revenue Account Estimates 2009-10.
- ii) Requested the Head of Resource Management to provide to the panel the number of Council garages not let on a regular basis.

**FINANCE & AUDIT SCRUTINY PANEL
29 JANUARY 2009**

Present :- Councillor Sue Lissimore (Chairman)
Councillors John Bouckley, Martin Goss, Dave Harris,
Jackie Maclean, Nigel Offen, Gerard Oxford and
Laura Sykes

Also in Attendance :- Margaret Kimberley
Nigel Chapman
Paul Smith
Tim Young

Substitute Members :- Councillor Wyn Foster for Councillor Kevin Bentley
Councillor Mike Hogg for Councillor Jon Manning
Councillor Andrew Ellis for Councillor Dennis Willetts

Tim Young (in respect of his current appointment (as a Council nominee) to the Board of Colchester Borough Homes and being a former Chairman of the Board) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Nigel Chapman (in respect of his current appointment (as a Council nominee) to the Board of Colchester Borough Homes and being the current Vice Chairman of the Board) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Dave Harris (in respect of his current appointment as a Council nominee to the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Margaret Kimberley and Paul Smith (in respect of their current appointments (as a Council nominee) to the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Wyn Foster and Councillor Sue Lissimore (in respect of their former appointments as Council nominees to the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

54. Review of the Responsive Repairs and Decent Homes Contract

Mr. Peter Nourse, Topmarks Consultants, Mr. Adrian Pritchard, Chief Executive, Colchester Borough Council, Ms. Alison Inman, Chairman of Colchester Borough Homes, Mr. Greg Falvey, Chief Executive, Colchester Borough Homes, Councillor Beverley Oxford, Portfolio Holder for Neighbourhoods, Mr. Ian Vipond, Executive Director, Colchester Borough Council, Mr. Matthew Young, Head of Street Services, Ms. Lindsay Barker, Head of Strategic Policy and Regeneration, Councillor Tim Young,

Former Chairman and current member of Colchester Borough Homes, Councillors Chapman and Kimberley, former Portfolio Holders for Neighbourhoods and current members of Colchester Borough Homes, and Councillor Smith, current member of Colchester Borough Homes all attended the meeting for this item.

Have Your Say

Mr. Patrick Duggan, a resident from St. Andrews Ward, addressed the panel saying he was initially in favour of the Alms Length Management Organisation (ALMO) at its inception, but soon began to have major concerns about the organisation, believing that there was a clear conflict of interest for those tenants and leaseholders of the Colchester Borough Homes Board. Mr. Duggan did not think these board members could act in the best interests of all tenants.

Mr. Duggan concluded by saying that given all the meetings that took place over many years to resolve issues with the contracts he could not comprehend that the cost of this contract could overrun to the extent that it had.

Mr Day, a resident from the Dutch Quarter, addressed the panel saying that in 2004 a surveyor and window company representative came to his home to survey the property with a view to bringing it up to a decent home standard, and was advised the work would commence in February of that year. Nothing happened, and he was told the paperwork had been lost. Mr. Day said his property was surveyed a further two times, and in this time spoke to various officers who advised him that his property was also in need of external decoration. At the time that a new boiler was installed into his property, Mr. Day said the contractor damaged his bath and this was not replaced. Mr. Day concluded by asking how far done the line were we in completing the Decent Homes Programme.

Mr. Watson, a Colchester resident, addressed the panel saying that he believed that Colchester Borough Homes and Councillors were to blame for the mess we are in now. Mr. Watson was angry at the amount of money that was thrown at properties in the St Anne's and St Andrew's Wards whereas it now appeared that tenants would have to do with a reduction in the level of work to be undertaken at each property, having been told by the former Chief Executive of Colchester Borough Homes that extra finances would be made available and tenants would receive new kitchens. Mr. Watson concluded by saying he and other tenants had been let down by Colchester Borough Homes.

Mr Wright, a Colchester resident, addressed the panel, asking for a response to the following questions. As a result of the partnership contract problems: Has the internal systems and controls being strengthened? Do the current members of the Board of Colchester Borough Homes have a better understanding of the organisations finances? Will Colchester Borough Council suffer as a result of the additional funding required to complete the Decent Homes Programme? Will the Council incur financial penalties if the Decent Homes Programme is not completed within the prescribed time scales?

Review of the Responsive Repairs and Decent Homes Contract

The report on the Responsive Repairs and Decent Homes Contract was presented to the panel by Mr. Nourse.

In response to Councillor Hogg, Mr. Nourse said a list of names who attended the Wivenhoe Away Day in January 2006 would be given to members of the panel.

Mr. Nourse, in response to Councillor Offen, said he believed that the benefits of a partnership working contract was it gave more scope for innovation and new approaches, giving the introduction of hand held terminals as an example of innovation. Mr. Nourse confirmed that the Strategic Partnership Group (SPG), represented by all three partners dealt with all strategic partnership issues, whereas the Core Operational Group (COG) dealt with day to day detail.

Mr. Nourse confirmed that the responsibility for developing financial controls and systems was a joint project between all three partners.

Mr. Nourse confirmed to Councillor Oxford that the level of work, that is the number of components used, not the standard of the work undertaken, was reduced once it became apparent that rural properties would require greater finance than was originally anticipated, thereby reducing the level of funding available for the outstanding properties. Mr. Nourse also confirmed that what transpired following the appointment of the Service Manager in 2006 confirmed the need for this post from the outset of the contract.

In response to Councillor Harris, Mr. Nourse said a lot of lessons had been learnt during the whole period of the contract, and as stated in paragraph 8 of his report. In terms of the issues and problems that occurred, Colchester is not unique in their experiences, and whilst there was pressures to obtain a 2 star rating and with this the Government funding, this goal needed to be complimented by the things listed in paragraph 8.

Mr. Judd, Scrutiny Officer confirmed to Councillor Goss that no minutes were recorded of the Wivenhoe Away Day, though there was a bullet point summary of the work undertaken at this event, that would be made available to the members of the panel. Later on in the proceedings, Mr. Pritchard explained that the Wivenhoe Away Day was a working meeting attended by senior officers and representatives from Colchester Borough Council, Colchester Borough Homes and Inspace. It was later on during the event that the Portfolio for Housing, and the Chief Executives of Colchester Borough Council and Colchester Borough Council and the Chair of Colchester Borough Homes attended to hear a summary of the developments of the day, and the controls agreed to be implemented, that included the appointment of a Service Manager.

Mr. Nourse confirmed to Councillors Offen and Lissimore that he had been provided with a comprehensive minute of Colchester Borough Home's public meetings that he had requested.

In response to Councillor Ellis, Mr. Nourse said that whilst all three partners knew their roles and responsibilities, it was not until following the Wivenhoe Away Day did these become firmly imbedded, and the lessons learnt from Wivenhoe should have been

sorted out earlier in the contract. Officers from all three partners should have been provided with the appropriate training at the outset of the contract, with appropriate ongoing training thereafter.

The Chairman thanked Mr. Nourse for attending the meeting and addressing the panel.

Ms. Alison Inman, Chairman of Colchester Borough Homes, Mr. Greg Falvey, Chief Executive of Colchester Borough Homes and Councillor Tim Young, Former Chairman of Colchester Borough Homes addressed the panel.

Ms. Inman, a member of Colchester Borough Homes since 2007 and Chairman of Colchester Borough Homes since October 2008 spoke about the governance arrangements at Colchester Borough Homes, saying the Board of Colchester Borough Homes was made up of fifteen members, including six Colchester Borough Council Councillors, with sub committees such as the Finance and Audit Sub Committee that provide the scrutiny. Ms. Inman confirmed that all meetings are fully minuted.

Ms. Inman spoke about the complexity of the partnership arrangements, though this type of contract arrangement had gained industry wide recognition, including the Audit Commission and the Confederation of British Industry (CBI).

Mr. Greg Falvey addressed the panel explaining that he believed the report by Mr. Peter Nourse on the partnership arrangements is the clearest report to date, with the recommendations agreed upon. Mr. Falvey said he commenced work at Colchester Borough Homes in 2007 with the situation regarding the partnership being uncomfortable from the outset of his employment, though he believed matters were at this time being dealt with robustly by both the Colchester Borough Homes Team and the Colchester Borough Council Team working together.

Councillor Young addressed the panel, firstly stating that the Former Chief Executive of Colchester Borough Homes was unavailable to attend this meeting due to genuine reasons. Councillor Young believed the establishment of Colchester Borough Homes was one of the greatest achievements of Colchester Borough Council since that time, explaining that prior to the commencement of the Decent Homes Programme, housing repairs and refurbishment was in a total mess, but now totally transformed. Councillor Young praised the report of Mr. Nourse for great clarity.

Councillor Young said all members of the board of Colchester Borough Homes served Colchester very well and he believed there was no conflict of interest having Colchester tenants as board members, believing they have Colchester at heart. Councillor Young believed that the Audit Commission's two star assessment of Colchester, coupled with the possibility of improvement, proved that Colchester's ALMO was one of the best in the country.

Councillor Young confirmed that St. Andrew's Ward was the fifth ward to have the Decent Homes Programme undertaken, and he and Ms. Inman later in the proceedings, confirmed that the standard of materials used in the decent homes upgrades had not lowered, though what had changed were the number of components being replaced in each property.

In response to Councillor Maclean, Mr. Falvey said the decent homes contract was jointly managed by the three partners with the Strategic Partnering Group (SPG) having overall strategic control, though the partnership had deteriorated over a period of four years leading to the Wivenhoe Away Day. The SPG was represented by officers and members of Colchester Borough Council and Colchester Borough Homes and officers from Inspace. Councillor Young said the minutes of meetings of the SPG were fed back to the board of Colchester Borough Homes. Mr. Falvey confirmed to Councillor Foster that the three partners of the SPG had equal voting rights, though in respect of importance, the Council was the client, Colchester Borough Homes was the agent and Inspace was the contractor.

In response to Councillor Lissimore's comment that she, as a board member in 2006-2007 believed that board members were kept in the dark over what was happening, Ms. Inman felt it was believed that members had the necessary experience needed to understand what was happening and what was being done to manage the situation. Councillor Goss said it was for members to question and challenge, and therefore know what was happening.

Councillor Lissimore said questions were asked, but she doubted the accuracy of information given to members in response. Given Ms. Inman's belief that this would not of been the case, Councillor Lissimore said she would be prepared to discuss this further outside the meeting.

Mr. Falvey, in response to Councillor Offen said he considered, given the huge size of this construction contract that the partnering ethos from the outset was laudable, and this type of contract was being pushed in the public sector by the Audit Commission. Councillor Young concurred with Mr. Falvey, adding that it was generally considered that difficulties with the contract began to surface when the building contractor moved from a private company to a public limited company. Councillor Young also believed the SPG was an open and transparent process and did not hide things from the Colchester Borough Homes board.

Mr. Falvey confirmed to Councillor Offen there had been control problems with the Gas Service contract which had led to punitive action.

In response to Councillor's Ellis and Harris, Councillor Young said that the inclusion of a 'break-clause' within this type of contract was now recognised as important, though it should also be recognised that other large dual partnering contracts e.g. the provision of the Council's IT Services, with commitment from all partners, did work well.

Ms. Inman confirmed to Councillor Harris that having the Asset Management function devolved from Colchester Borough Council to Inspace was in retrospect, probably a mistake, though this function did now fall under the management of Colchester Borough Homes.

Ms. Inman said she regretted that the decent home programme had not yet been completed, but knew every effort was being made by officers to ensure the future upgrade of homes in rural wards would be done as soon as was possible.

Responding to Councillor Goss, Councillor Young said all contracts have the potential to fail, though he believed the decent homes contract did not fail totally, confirming that to date, 5,000 properties had been brought up to the decent homes standard. Councillor Young also confirmed that he believed the morale of staff within Colchester Borough Homes was always a concern to himself and executive officers, though he believed from memory that morale remained good, with sickness levels within the organisation, a good measure of morale, and these were lower than the Council's during the height of the contractual dispute(s). Ms. Inman said the situation for all staff leading up to the contract drawing to an end was difficult for all three partner organisations, but confirmed the atmosphere was now changing, and with teams now working together improvements to working conditions was evident.

In response to Councillor Lissimore, Mr. Falvey said there was inevitable concern at executive level for the morale of staff at Colchester Borough Homes, anecdotally considered good at the outset of the contract, and it was understandable that staff sickness was discussed by a sub committee of Colchester Borough Homes during the course of the contract. Mr. Falvey said that staff now had a sense of liberation since moving on in 2008.

Ms. Inman said she was confident for the future, with the responsive repair service ongoing and costs being driven down. The remaining Decent Homes programme would be delivered by the Council and she hoped that Colchester Borough Homes would have the opportunity to manage this on the Council's behalf, and sincerely hoped there would not be a recurrence of previous events.

Mr. Falvey thanked the panel for the evening's open dialogue, and expressed his gratitude to officers at the Council and Colchester Borough Homes for their efforts in difficult times. Staff had been critical but honest of each other, and with jointly owned aspirations, the dialogue between the partners was now positive and very good. Mr. Falvey also paid tribute to the former Portfolio Holders for Neighbourhoods for their work during the difficult times.

Mr. Adrian Pritchard, Chief Executive, Colchester Borough Council, Mr. Ian Vipond, Executive Director, Colchester Borough Council and Mr. Matthew Young, Head of Street Services, Colchester Borough Council addressed the panel.

Mr. Pritchard explained that he began his employment with Colchester Borough Council as Executive Director and one of his first tasks was that of lead director with responsibility for negotiating the contract with Inspace and setting up the ALMO. Mr. Pritchard said the outset of the commencement of this contract was at a time when the Council was experiencing difficulty in employing the adequate number of qualified and skilled building trade staff, there was no repair service in terms of bookings and tradesman were only completing between one to five jobs per day. The contract was a three partner contract that would provide a responsive housing repair service and an upgrade to council homes to a decent standard, though the Council had the ultimate responsibility given that the properties were the Council's properties and the tenants were the Council's tenants. It was explained that the Council was encouraged to go down the 'partnership' route, with the Council already engaging in a number of similar and successful contracts. Anthony Collins Solicitors are leaders in the field for this

type of contract and it was fitting that their lawyers were tasked with setting up the legal agreement.

Mr. Pritchard explained that the legal agreement required the Council to have the partnership agreement with the contractor, with Colchester Borough Homes acting as the managing agent. Colchester Borough Homes were unable to enter into the partnership agreement, as should they have defaulted, they would have had no assets for the contractor to claim against.

In regards to the working of the contract, Mr. Pritchard said the initial contract was negotiated with the private company Willmott Dixon, an excellent contract, with no major issues in the first two years of the contract. Auditors stated in 2005 that there were serious financial control issues that were addressed in 2006 and given an audit assurance. Willmott Dixon performed very well in the first two years of the contract, but when this company was floated as a public limited company with shareholders the culture of the organisation changed. It was no longer a family owned company but one needing to satisfy shareholders. From 2005-06 onwards the Council started to experience real problems with a major breakdown in partner relationships in the final two years of the contract.

In response to Councillor Lissimore, Mr. Pritchard said that whilst in legal terms the Chief Executive of Colchester Borough Homes was the Service Manager, and from the outset of the contract a part time person was employed to carry out this function, the Council was aware that this was not an adequate situation acknowledging that at some stage a separate full time Service Manager would be needed.

Mr. Ian Vipond explained that he was appointed Head of Housing in June 2005, at which time a lot of work was being undertaken to try to address the teething problems that had come from the first years of the contract, and that it was the Strategic Partnering Group that had made the decision to organise the partnership development day at Wivenhoe.

Mr. Pritchard responded to Councillor Ellis by saying that with lessons learnt, in hindsight, it would have been prudent to include a break clause in the contract, and the Council now includes break clauses in a number of their contracts. Mr. Vipond said the contract was a good contract that allowed for a number of mechanisms if performance was not achieved e.g. in terms of how sums of money were paid, though the contract was not looked at until issues began to surface. The intention was for the contract to provide savings that would enable the Council to provide further funding to the partnership arrangement. Difficulties emerged when it became apparent that probably all the properties rather than the original survey estimate of sixty percent of properties would need to be upgraded to a decency standard and it became clear there was insufficient funding for this.

In response to Councillor Oxford, Mr. Pritchard explained that whilst the auditors had raised issues concerning significant financial control weaknesses in 2005 at the time that the contract partner was Willmott Dixon, it was not believed that these issues were at a level that threatened the Decent Homes Programme. Mr Pritchard confirmed to Councillor Goss that one of the benefits of the partnership contract was to rid ourselves

of a mountain of client functions, with the Audit Commission recommending this type of contract on the basis of why spend money on client functions that could be used to contribute to the financing of the contract.

Mr. Vipond explained to Councillor Goss that it was the responsibility of Colchester Borough Homes to communicate to tenants, and that they had a good record of keeping tenants informed. Mr. Young confirmed that tenants had received letters from Colchester Borough Homes at various stages within the process, to inform them of outstanding works.

Mr. Pritchard said he was sorry that there are tenants still waiting for their homes to be upgraded to the decency standard. The Council was committed to completing the Decent Homes Programme as soon as possible and officers are looking at ways to try and achieve this aim.

Mr. Pritchard agreed to the resolution that would propose that future contracts would identify the Service Manager's responsibilities that would ensure contract controls and systems are properly managed on a regular basis. Mr. Pritchard also agreed to a proposal to Cabinet that an annual independent external audit of partnership systems and controls of all 'significant' contracts should be undertaken and reported to the Finance and Audit Scrutiny Panel.

Councillors Margaret Kimberley and Nigel Chapman, former Portfolio Holders for Neighbourhoods, and Councillor Beverley Oxford, the current Portfolio Holder for Neighbourhoods addressed the panel.

Councillor Kimberley paid tribute to Mr. Nourse's report which she believed clarified the whole situation extremely well. Councillor Kimberley, Portfolio Holder from May 2006 to May 2008, right in the thick of the difficult times expressed by others during these discussions, and despite the difficulties, believed that a culture of trust within the partnership was espoused. During the troubled times the concentration on inspection took up a lot of time with a lot of management energy sidetracked to the inspection process.

Councillor Chapman, Portfolio Holder for Neighbourhoods from May 2004 to May 2006, offered support to the evening's review and thanked those that attended for their contributions. Councillor Chapman said he believed that a lot of changes to personnel in senior positions during the life of the contract contributed to a lack of continuity. Whilst accepting that staff do move on, he believed too many staff moved too quickly. Councillor Chapman said it was too easy in hindsight to criticise, and things could and did go wrong, but the lack of continuity did not help the situation. Councillor Chapman said that as a ward Councillor for a rural ward, in general, rural Council homes are older than those within the urban wards, and by virtue of age required more work to bring up to a decency standard. He therefore felt it was a grave misjudgement of this part of the Decent Homes contract that suggested otherwise.

Councillor B Oxford, Portfolio Holder for Neighbourhoods said she wished to apologise to those residents of Colchester who had through the Decent Homes process been ill treated, saying there was now a need for both the Council and Colchester Borough

Homes to rebuild confidence to these tenants. Councillor Oxford said there was now a need to move forward and every effort would be made to restart the Decent Homes Programme, concurring with the need for greater financial controls and systems, and regular monitoring with penalty clauses.

Councillor Smith, Portfolio for Business and Resources addressed the panel saying he was disappointed as he felt there were still some questions that remained unanswered, issues like the cost of decency upgrades to rural homes which had been raised over a long period of time. Councillor Smith was disappointed that issues previously raised by the Financial and Audit Scrutiny Panel were not included in the agenda papers in the form of minutes from these meetings, and suggested that some of the questions raised by Councillor Lissimore could be answered through access to confidential minutes of the Colchester Borough Homes Board meetings.

Mr. Pritchard in response to Councillor Smith said if any members felt there were significant questions that they still required an answer to, to direct these to the Executive Director, Mr. Ian Vipond or the Chief Executive of Colchester Borough Homes to consider and respond appropriately.

RESOLVED that the Panel;

- i) Considered and noted the report on the management of the Responsive Repairs and Decent Homes Contract.
- ii) Requested the following information;
 - A list of names who attended the 'Wivenhoe' event in January 2006.
 - Bullet point summary of the work undertaken at the 'Wivenhoe' event.
 - The cost of the 'Wivenhoe' event.
- iii) Endorsed the 'lessons learnt' as identified in paragraph 8 of the report and recommended these to Cabinet for consideration and implementation, in respect of significant contracts of this type.
- iv) Proposed to Cabinet that future contracts would identify the Service Manager's responsibilities and that in turn would ensure contract controls and systems are properly managed on a regular basis.
- v) Proposed to Cabinet that an annual independent external audit of partnership systems and controls of all 'significant' contracts should be undertaken and reported to the Finance and Audit Scrutiny Panel.



Finance and Audit Scrutiny Panel

Item

11

24 February 2009

Report of	Head of Street Services	Author	Dave McManus
Title	Sale of Recyclable Materials		Tel. 282625
Wards affected	None		

To review and comment on the current arrangements for the sale of recyclable materials which will be used to inform the further development and procurement in this area.

1. Action required

The Panel is asked to note and comment on the details of this report

2. Reason for scrutiny

This report has been produced in response to the request from the Panel from its meeting on 29th July 2008. It seeks to clarify the price paid by the Council for the various items it collects for recycling.

3. Background

Colchester Borough Council currently collects the following materials for resale:

- Paper
- Cardboard
- Glass
- Cans
- Plastics

Garden waste is not sold but is subject to composting credit income from Essex County Council. All other recycled materials are subject to recycling credit income from Essex County Council.

3.1 Contractual arrangements

There are currently no formal documented contracts for the sale of recycled materials although there are agreements in place with various contractors as detailed in the following paragraphs. In summary the current arrangements for the collected materials are:

- Mixed Glass – bring sites emptied by Berrymans.
- Mixed Glass - collected at kerbside and taken to Shrub End Depot before being delivered to Berrymans at Thurrock or Dagenham.
- Mixed Cans – collected and taken to Shrub End Depot before being delivered loose by CBC to James Heys and Sons, Canvey Island
- Mixed Cans – bring sites serviced by CBC and delivered to Shrub End Depot

- Mixed Paper and Cardboard – baled without sorting by CBC and collected from Shrub End Depot by James Heys and Sons, Canvey Island
- Mixed Plastics – baled by CBC and collected from Shrub End Depot by James Heys and Sons, Canvey Island

3.2 **General**

The Procurement Hub (Braintree District Council) was asked to investigate alternative arrangements or contracts and to date has been unable to present a cost-effective alternative to the present system. A summary of their investigations is included as Appendix One to this report.

At the time of the initial work it was likely that final agreement of Joint Municipal Waste Management Strategy (JMWMS) for Essex and the associated Inter Authority Agreements (IAA) would change both collection practices and the way recycling materials are processed, although the impact of this on materials handling was unlikely to be evident during the next 2 years. Therefore an interim and flexible arrangement was proposed and it was intended to formalise the current arrangements for a period of 2 years, with an option to extend for up to a further 2 years.

It is now unknown whether the Council's relationship with Essex County Council will result in changes to collection practices and the way recycling materials are processed. The Council could therefore consider entering into a longer-term arrangement although this will be impacted upon by the Options Appraisal work which also appears on the Panel's agenda for this meeting.

The Procurement Hub concluded that it felt CBC was receiving value for money in their current arrangements. Other than the changes for the sale of steel and aluminium cans the arrangements remain unchanged.

Following consultation with the then Portfolio Holder for Street Services on Thursday 17 April 2008 the Portfolio Holder for Street Services agreed to invoke Contract Procedure 8[4] authorising an exception to the requirement to invite tenders in respect of the sale of recycling materials. This was based on the following reasons:

- The contract to be entered into is an extension of current arrangements and that these arrangements are of a specialist nature
- The need for the contractor to be relatively locally based and are reliant on the supplier of the services being able to handle the mix of materials as presented by the Council
- The contractor can show evidence of an acceptable audit trail for the onwards processing of the materials supplied.

Although a draft contract has now been prepared it has not yet been awarded or approved by the current administration.

3.3 **Berrymans**

A contract previously existed which has now expired. Despite extensive research through professional contacts and organisations there are very few, if any alternatives to these arrangements. It is therefore advisable to re-negotiate this contract with Berrymans.

3.4 James Heys and Sons

Colchester Borough Council has for around 15 years had an arrangement in place with James Heys and Sons Ltd, Canvey Island, for the reprocessing of the paper and cardboard collected through its kerbside collections. This arrangement was put in place when the existing arrangement with Essex Reclamation became ineffective and collections were unreliable. In recent years plastics and mixed cans have been added to these materials.

James Heys and Sons in turn then remunerate the Council at an agreed rate per tonne. The prices reflect the current market trends. There is currently no formal mechanism to review these prices although the prices are adjusted on a six-monthly basis based on current market price available.

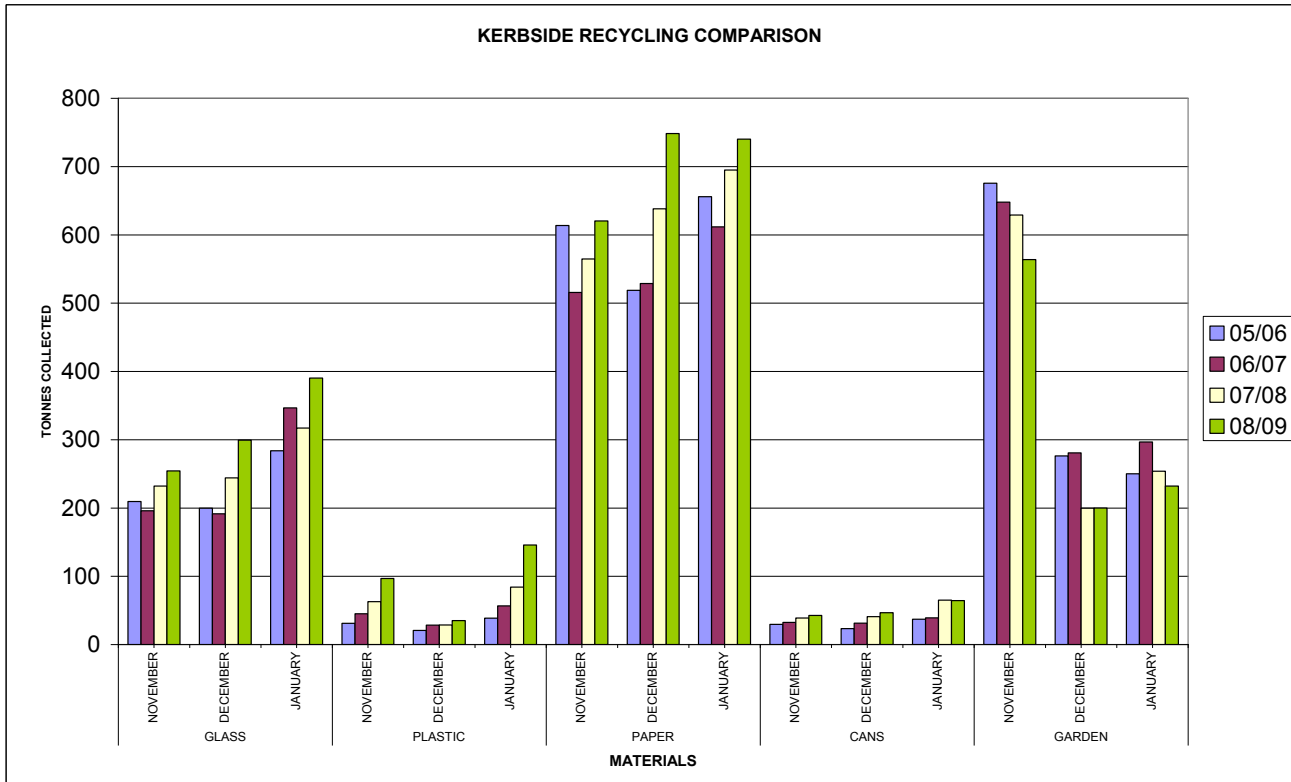
Last year the Council investigated expanding its range of collectable plastics. At this time James Heys and Sons were approached after an alternative company in Boreham confirmed that they are capable of accepting **all plastics** subject to a few exceptions detailed within the Councils recycling guide. This firm, however, required a payment of £75 per tonne to accept the mixed plastics collected rather than the income the Council receives under the present arrangement. At this time James Heys and Sons were able to confirm the audit trail of these materials and ensure that they were all used in the recycling industry. The Council at that time made a decision to extend the range of plastics collected at kerbside based upon this confirmation.

Materials

In 2007/08 the Council collected the following tonnage's of materials

Material	Tonnage
Paper & Card – kerbside	7,482.06
Paper & Card – bring sites	388
Glass – kerbside	3,057.3
Glass – bring sites	529.6
Cans – kerbside	541.1
Cans – bring sites	17.37
Plastics – kerbside	634.56
Plastics – bring sites	3.34
Books – bring sites	7.213
Textiles – bring sites	175.68
Totals	12,836.22

The tonnages of materials expected to be collected in 2008/09 will exceed this figure based on the actual situation up until December 2008. In evidence of this the graph below shows the collections compared over the Christmas period for the last four years.



4. Options

There is little doubt that there are options available to the Council. These options include engaging once more with the Procurement Hub, looking at delivery to Material Recycling Facilities (MRFs), advanced material separating at Shrub End or formalising current arrangements.

4.1 Procurement Hub

Although this arrangement was explored in 2007/08 it is still available to the Council. The Hub would explore markets informally initially to receive indicative prices and then formally to award contracts. At this current time it is unlikely that the results of the exercise would have different results as the market for recyclable materials is poor.

4.2 MRFs (Material Recycling Facility)

There are a number of facilities available and currently used by Essex Authorities. MRFs specialise in taking co-mingled materials, but would accept materials such as those collected in Colchester. It is though unlikely that they would accept materials contained in clear plastic sacks.

There also other issues associated with MRFs and in most cases mixed plastics, of the types we collect, and gummed envelopes would be rejected. This would not only result in a downturn in our recycling performance, but would require significant re-education of our customers.

Despite these issues the significant one would be the loss of income. Should the Council deliver materials to any of the available MRFs it is likely that a gate fee would

be payable per tonne. This gate fee would be instead of income received and would therefore have a significant and detrimental effect on the Council's budgets. It should also be noted that in the current market some MRFs are reportedly refusing to accept certain materials.

4.3 Improvements to Shrub End Depot

In the past materials collected in the Borough have been sorted at Shrub End Depot and then delivered directly to the various mills. As a result of this a better price was received. Increased recycling and the methods of collections have ruled this out in the existing facility. Combined recycling rates alone have risen from 21% in 2001/02 to almost 33% in 2007/08. This in turn means in the region of 75% additional tonnage to be handled given the additional growth in households.

It is almost 15 years since Shrub End Depot saw any improvements to the handling machinery when a £125,000 baling machine was installed. This machinery is now outdated and in need of replacement. Replacement of a similar machine would be likely to cost in the region of £225,000.

If extensive material sorting was to be attempted it would require significant capital and revenue investment. The current volume of materials collected would certainly require improved infrastructure and machinery. The option has not been fully evaluated but would certainly require capital investment in the region of £750,000 and ongoing revenue investment in the region of £140,000.

This investment would therefore improve the quality of the materials collected and sorted and would allow the Council to deal directly with the mills and re-processors. This would then allow the potential top end of the market prices to be achieved without the involvement of a third party, but at a significant investment cost in line with the figures detailed above.

5. Market conditions

5.1 Background

The downturn in the recycling market began in October 2008. A number of factors were identified as being the cause for the market decline including:

- Commodity prices rose very quickly in the first part of year and became over inflated.
- China closed their doors to imports of recycled materials due to the inflated prices and also because of the reduction in manufacturing due to reduced demand for export from the US and Europe – affecting particularly paper and plastic markets.
- Other materials such as metals are being influenced by the downturn in the construction and automotive industries.
- Market participants were waiting for prices to fall further or holding onto recycled materials waiting for the prices to increase.

These factors had the following impacts:

- Stock piling of material as markets closed and prices for material dropped.
- Cash flow problems for MRFs, recyclers and exporters.
- Reduced revenue income for local authorities as price of material drops.
- Risk of public confidence potentially affecting the amount of material being placed out for collection.

5.2 Current Situation

Although market prices for recovered materials are fragile at the moment, WRAP's (Waste to Resources Action Programme) view is that they are showing signs of stabilising (4th Jan 09).

WRAP surveyed 200 organisations, including local authorities, waste management companies, re-processors and exporters, to determine market confidence and prices before Christmas 2008. Although views were mixed, the overall sentiment was that markets are recovering, albeit not to previous price levels and more materials are now moving through the export market. The Chinese export market is expected to improve after the Chinese New Year.

While demand for some lower quality recycled materials, such as those which are mixed with other materials like plastic trays, tubs, pots and film, has dropped; there is still capacity and demand for other high quality recyclables such as plastic bottles and glass. Quality material is moving at good volumes and generally has less trouble finding end markets.

A snapshot Local Government Association (LGA) survey (w/c 15th Dec), found 95% of local authority services are continuing as normal despite the fall in prices for recyclable materials. Only 5% of local authorities have to store recyclable materials for any longer than usual. Further detail taken from WRAP's Market Conditions Forum and show the trends in specific material recycling markets for 2008 is attached as Appendix Two.

5.3 Current status for Waste Collection Authorities (WCA) in Essex

Details of WCA Collections:

WCA	Collection types	MRF used (if applicable)
Basildon DC	Co-mingled	Newport Paper (Thetford)
Braintree DC	Co-mingled	Nordic Recycling (Holmen's) (Tilbury)
Brentwood BC	Co-mingled	Newport Paper (Thetford)
Castle Point BC	Co-mingled	Newport Paper (Thetford)
Chelmsford BC	Kerbside sort	N/A
Colchester BC	Kerbside sort	N/A
Epping Forest DC	Co-mingled	SITA (Dagenham)
Harlow C	Co-mingled	Viridor (Crayford)
Maldon DC	Kerbside sort	N/A
Rochford DC	Co-mingled	Nordic Recycling (Holmen's) (Tilbury)
Tendring DC	Co-mingled	Viridor (Crayford) – changing regularly
Uttlesford DC	Co-mingled	Edwards Recycling (Barking)

6. Strategic Plan References

This scrutiny report covers issues directly linked to the Strategic Plan aim of 'To be cleaner and greener' and the priority of 'Reduce, Reuse, recycle'.

7. Consultation

7.1 All consultations carried out are detailed in the main sections of this report

8. Publicity considerations

- 8.1 The Council needs to continue to encourage its residents to recycle its waste to enable it to maintain the level of income and recycling credits that it receives.

9. Financial implications

9.1 Current situation

As at 27 October 2008 the Council received the following income for these materials:

- Paper & Card (mixed) £12.00 per tonne
- Paper & Card – bring sites -£20.00 per tonne (**paid to** contractor – Premier)
- Glass (mixed) £10.00 per tonne
- Glass (mixed) – bring sites -£10.00 per tonne (**paid to** contractor – Berrymans)
- Cans (mixed) £50.00 per tonne
- Plastics (mixed) £45.00 per tonne

As at 3 February 2009 the Council received the following income for these materials:

- Paper & Card (mixed) £5.00 per tonne
- Paper & Card – bring sites -£20.00 per tonne (**paid to** contractor – Premier)
- Glass (mixed) £10.00 per tonne
- Glass (mixed) – bring sites -£10.00 per tonne (**paid to** contractor – Berrymans)
- Cans (mixed) £10.00 per tonne
- Plastics (mixed) £10.00 per tonne

It should be noted that the above prices are inclusive of collection and operational charges. Paper, cardboard and plastics are also contained in clear plastic sacks, which require extensive sorting. These prices are those received or paid net.

As at 27 October 2008 the materials are collected or delivered to:

- Paper & Card (mixed) James Heys and Sons, Canvey Island
- Paper & Card (mixed – bring sites) Premier
- Glass (mixed) Berrymans Ltd
- Cans (mixed) James Heys and Sons, Canvey Island
- Plastics (mixed) James Heys and Sons, Canvey Island

Net Income received in 2007/8 was £188,000

Net income forecast in 2008/09 is in the region of £155,000

This loss is offset to an extent due to the increased levels of recycling, despite the downturn in the market.

A forecast for 2009/10, assuming prices did not improve, would be in the region of £105,000

9.2 Market prices

The WRAP pricing report of 19 January 2009 shows prices per tonne as follows:

Material	Price
Mixed papers	£10 - £20
Mixed glass	£15 - £20
Mixed cans	£20 - £40

Mixed plastics as collected by CBC are not provided.

All prices provided are those delivered directly to mills or re-processors

Income forecast for CBC based on these prices is as follows:

Material	Market prices	CBC actual
Mixed papers	£74,820 - £149,640	£74,820
Mixed glass	£45,855 - £61,140	£30,570
Mixed cans	£10,820 - £21,640	£5,410

These materials are kerbside collected only.

Against market prices CBC could increase income in the region of £26,695 - £121,620. This increased income would be subject to increased expenditure (delivery) and procurement of suitable mills or re-processor. These prices are also “best available” and not necessarily guaranteed.

It is also unlikely that top or bottom range prices for paper particular would be achieved as CBC collects and delivers in clear plastic sacks. Additional sorting at Shrub End Depot would be required in advance of delivery to mills. Taking this into account it is unlikely that the Council would increase its income if materials continued to be collected and processed using current methods.

It should be noted that the exercise conducted by the Procurement Hub in 2007/08 did not realise market prices.

10. Risk Management implications

- 10.1 The Council collects recycled materials in a manner that has been found to be commercially unacceptable to most pre-processors. There is a significant risk that moving away from current arrangements could result in changes needed to be made to our collection methods. This may have a negative effect on the overall recycling rate and would require extensive re-education to achieve public participation.

11. Other Standard References

- 11.1 Having considered equality, diversity and human rights, health and safety and community safety implications, there are none which are significant to the matters in this report.

Appendix One

Procurement Hub

In 2007/2008 the Procurement Hub, through John Wickes (Braintree District Council), were asked to investigate the current position and evaluate the current arrangements in terms of value for money for CBC.

The exercise found the following:

Material	Company 1	Company 2	Comments
Paper – not mixed	Aylesford Newsprint Ltd, Newsprint House, Bellingham Way, Aylesford, ME20 7DL 01622 796000 – Gill Denburgh	Holmen Paper Ltd. Berth 6, Basin 3, Kent, ME4 4SR 01634 899301 – Charles Thompson	CBC do not currently collect material this way and do not have resource or facility to achieve
Paper and Card – mixed	Essex Reclamation, 7 Perry Road, Witham, Essex, CM8 3UD, 01376 503773 – Chris Short	Newport Paper, Aston House, 3 Springfield Industrial Estate, Newport, Shropshire, TF10 7NB, 01952 811121 – Esther Kirby	Both companies require payment per tonne rather than income to CBC Essex reclamation has also been used previously. Reliability was poor at that time.
Mixed plastics *	Recoup Services Ltd, 1 Metro Centre, Welbeck Way, Woodston, Cambridgeshire, PE2 7UH – 01733 390021	Roydon Polythene Ltd, Dumers Lane, Redcliffe, Manchester, M26 2QS	Both companies require payment per tonne rather than income to CBC
Steel	European Metal Recycling Ltd, 29 Ridder Street, Canning Town London	Corus (UK)	CBC do not currently collect material this way and do not have resource or facility to achieve
Aluminium	Novelis UK, Latchford Lock Office, Warming, Cheshire, WA4 7NR- 01325 784136	SB Wheeler, Industrial Estate, Waltham Road, Boreham, CM3 3AW	CBC do not currently collect material this way and do not have resource or facility to achieve
Mixed steel and aluminium	SB Wheeler, Industrial Estate, Waltham Road, Boreham, CM3 3AW – 01345 468907		For approximately 10 years prior to 2008 this company were used for the reprocessing of CBC can collections. In 2008 they cancelled the arrangement without notice.

			This company have recently been removed as contractor for the removal of abandoned vehicles due to unreliability
Brown glass	OI Manufacturing, Edinburgh Way, Harlow, CM20 2UG – 01279 773032 – Martin Langshaw	Berrymans, Lidgate Crescent, Langthwaite Grange Industrial Estate, South Kirby, West Yorkshire, WF9 3NR – 01977 608020 – Brian Head – 07712490403	CBC do not currently collect material this way and do not have resource or facility to achieve
Green glass	OI Manufacturing, Edinburgh Way, Harlow, CM20 2UG – 01279 773032 – Martin Langshaw	Berrymans, Lidgate Crescent, Langthwaite Grange Industrial Estate, South Kirby, West Yorkshire, WF9 3NR – 01977 608020 – Brian Head – 07712490403	CBC do not currently collect material this way and do not have resource or facility to achieve
Clear glass	OI Manufacturing, Edinburgh Way, Harlow, CM20 2UG – 01279 773032 – Martin Langshaw	Berrymans, Lidgate Crescent, Langthwaite Grange Industrial Estate, South Kirby, West Yorkshire, WF9 3NR – 01977 608020 – Brian Head – 07712490403	CBC do not currently collect material this way and do not have resource or facility to achieve
Mixed glass	Berrymans, Lidgate Crescent, Langthwaite Grange Industrial Estate, South Kirby, West Yorkshire, WF9 3NR – 01977 608020 – Brian Head – 07712490403		Current contractors

* Only recognised recyclable plastics accepted

Appendix Two – WRAP Market Conditions Survey – December 2008

Glass - Although they have fallen slightly since September, prices for recovered glass containers and glass PRNs have remained stable throughout 2008.

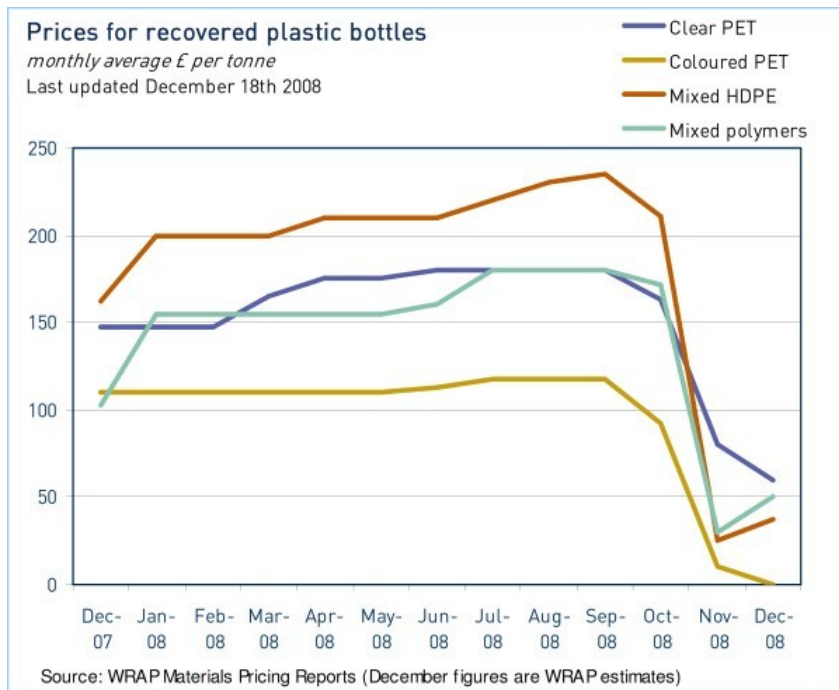


Paper – UK prices for recovered paper fell sharply in November, with Mixed Paper & Board falling by 100%, OCC by 64% and News & Pams by 45% against the October average. Early indications for December show a slow in the fall of News & Pams prices and slight price rises for both Mixed Paper & Board and OCC.



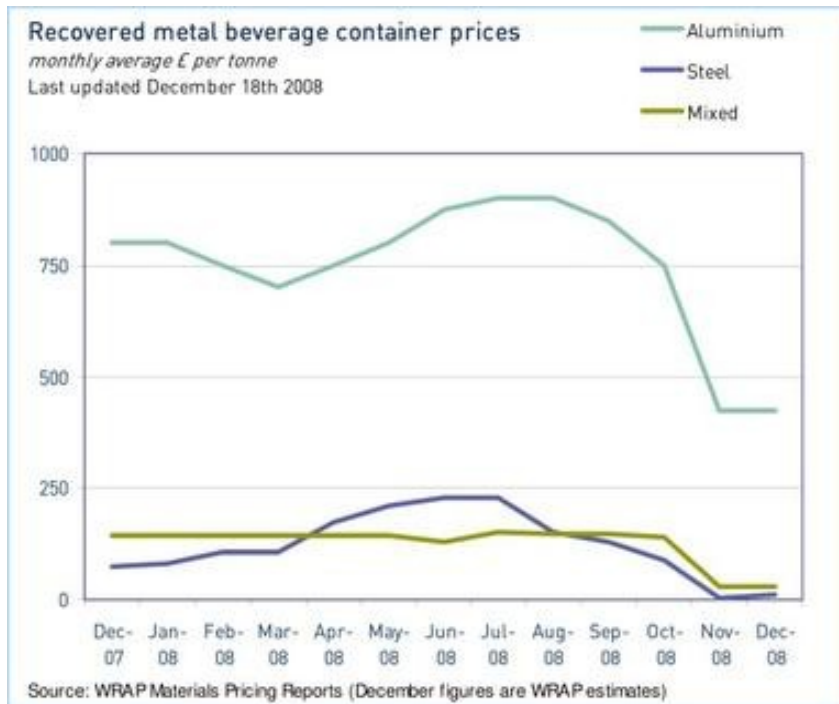
*OCC = Old Corrugated Containers

Plastic - The price obtained for recovered bottles of all types fell sharply in November, with mixed plastics falling by 62%, coloured PET and mixed HDPE both falling by 46% and clear PET falling by 29%. Early indications for December show that the price for coloured PET has fallen to zero and that the price for clear PET is continuing to fall. Mixed HDPE and mixed plastics prices on the other hand have both recovered slightly.



Metals - Ferrous metal prices continued to fall in November. Steel prices have fallen by 87% and iron prices by 88% since their peak in June. Non-ferrous prices fell sharply in October and November, having been relatively stable over the previous 12 months. Compared to the September average, the price for recovered stainless steel has fallen by 66%, zinc by 60%, brass by 58%, aluminium by 56% and copper by 49%. The prices achieved for metal containers fell sharply in November, with aluminium prices falling 43% versus the October average. Steel cans are currently estimated to be trading at £5 per tonne against prices of over £200 per tonne just a few months ago.

Steel giant Corus withdrew from the scrap metal market pre Christmas and it expects to re-enter the scrap market in the second quarter of 2009. Demand for steel cans has been hit by the downturn in the automotive and construction industries. However, the company has revealed that it is unlikely to look at buying packaging - including cans - until the second half of the year, due to the ongoing economic downturn (letsrecycle.com 12/01/09).



24 February 2009

Report of	Head of Resource Management	Author	Sean Plummer ☎ 282347
Title	Financial Monitoring Report – April to December 2008		
Wards affected	Not applicable		

The Panel is invited to review the financial performance of all General Fund services and the Housing Revenue Account for the first nine months of 2008/09

1. Action required

- 1.1 The panel is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) in the first nine months of 2008/09.

2. Reason for scrutiny

- 2.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 2.2 This report also gives the panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background and Summary Position

- 3.1 This report reviews the Council's overall position based on profiled income and expenditure for the nine months to 31 December 2008, and also shows a projection of the outturn figures for the full year. All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.
- 3.2 The projected outturn for the General Fund is currently a small overspend of £39k. This takes account of proposed mitigating action and is in line with the assumption used in setting the 2009/10 budget. The Housing Revenue Account is currently projected to be over budget by £45k.

4. General Fund – Position to 31 December 2008

Service Budgets

- 4.1 **Appendix A** summarises the Council-wide position by expenditure group and by Service Group. The net position shows a variance against profiled budget for General Fund Services (excluding benefits) of £173k (favourable). This comprises total expenditure being £1,057k lower than expected and less income than expected totalling £884k. **Appendix B** provides a more detailed view, breaking this information down by individual Service Groups.

4.2. Both Appendices A & B to the report include traffic light indicators. The thresholds are as follows:

- Green – Variance less than £50k and 5% of budget
- Amber – Variance greater than £50k **OR** 5% of budget
- Red – Variance greater than £50k **AND** 5% of budget

4.3. A number of factors have led to the position against profiled budgets. The main variances are as follows (F=favourable; A=adverse):

Expenditure

- **Employees.** £178k (F), due to vacancies. However, the budget also includes a savings target of £515k relating to staff turnover.
- **Premises.** £138k (F), mainly relating to repairs & maintenance and utility costs, however offset by additional B & B costs.
- **Transport.** £160k (A) mainly in respect of additional fuel costs, however the outturn forecast is improving as fuel prices have reduced in recent months.
- **Supplies & Services.** £381k (F) various underspends across all services
- **Third Party Payments.** £212k (F), various changes across service areas including underspends on trade waste tipping away payments to ECC and timing issues relating to payments for hanging basket and Christmas lights.
- **Transfer Payments.** £309k (F), relating to concessionary fares bus tickets.

Income

- **Government Grant.** £200k (F), relating to Museums Hub grant income not yet allocated to specific projects
- **Other Grants & Reimbursements.** £140 (A), primarily relates to debtors outstanding for European regeneration projects.
- **Customer & Client Receipts.** £969k (A), Includes under recoveries against land charges, licensing, car parking and PCN income, which is offset by additional commercial rental income from the purchase of Rowan House.

4.4. Benefits payments are shown 'below the line' in **Appendix A** to avoid distorting the reported position for Service Groups. It is currently projected that this area will be on budget at year end, when the final subsidy claim is paid.

4.5. Corporate savings targets totalling £860k were built into the 2008/09 budget. The targets and position to date is shown below and indicates significant progress has been made.

	Target	Identified for year to date
	£'000	£'000
Salary Budgets	515	384
Procurement Savings	227	134
Income Generation	70	2
Support Services Review	48	0
Total	860	520

5. Outturn Forecast / Risk Areas

5.1 FASP last reviewed the outturn forecast on 18 November 2008 at which time an overall net overspend of £345k was forecast. Since then more detailed work has been carried out regarding salaries forecasting, income projections and other significant budget areas. One of the main factors that continue to affect the revised budget forecast is the general economic downturn and the resulting impact on income from areas such as planning and building control.

5.2 The current forecast outturn is now a net overspend of £39k as summarised in the following table:-

	£'000	
Service budgets	686	See paras. 5.3 – 5.6 and Appendix C
Technical Items / Mitigating action	(647)	See paras. 5.7 – 5.10
Potential net overspend	39	

Service Budgets

5.3 The following table sets out the forecast outturn for all service areas. This shows a net forecast overspend of £686k

Service	Forecast outturn £'000
Corporate & Democratic Core	On budget
Executive Management Team	50 under budget
Corporate Management	21 over budget
Customer Service Centre	2 under budget
Environmental and Protective Services	686 over budget
Life Opportunities	267 over budget
Resource Management	521 under budget
Strategic Policy and Regeneration	215 under budget
Street Services	500 over budget
Total all services	686 over budget

5.4 Appendix C sets out details of all forecast variances against service budgets at the year-end totalling £686k. The main cost pressures contributing to this position are summarised below and are mostly linked to some extent by current economic conditions:-

- Reduced net income from planning and building control fees £0.7m
- Reduced income from car parking (both on street and off street) £0.3m
- Reduced income from land charges £0.1m
- Higher energy costs and reduced income in sports and leisure £0.2m
- Higher fuel and vehicle costs £0.1m

5.5. The impact of these pressures within services areas has been offset by some significant savings or additional revenue. The main area being a reduction in cost of £0.4m in respect of concessionary fares achieved through negotiating an agreement with other local authorities in the Essex area and the bus operators with regard to the cost of the national scheme.

5.6. In addition some underspends are due to delays in spending and have been identified as potential budget carry forward items. If these items are agreed then this would result in an overall budget deficit.

Mitigating Action and Corporate / Technical Items

5.7. Appendix D sets out the current forecast variances in respect of the corporate and technical items within the budget such as net interest earnings and the provision to repay debt.

5.8. Furthermore some additional income has been received through grants which have not been allocated to spending such as Housing Planning and Delivery Grant (HPDG) and Local Authority Business Growth Incentives (LABGI).

- 5.9. As shown at paragraph 4.5 progress has been made towards achieving the corporate targets in the budget. For example the largest target in respect of salary savings is forecast to be achieved by the end of the year. This includes savings made through the redeployment of staff and through holding certain posts vacant as well as general turnover savings.
- 5.10. Forecasts have been made for all targets and some are not expected to be fully delivered by the year end. These shortfalls are shown at Appendix D

Main Risks to current forecast

- 5.11. The 2008/09 Revenue Budget report that was approved by Council in February 2008 detailed potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service have identified a number of both positive and negative risk areas. These take into account the actual expenditure and income position to 31 December 2008, known variances and forecast changes to 31 March 2009. The current position for the most key areas is detailed in **Appendix E**. The most significant items that may have an impact on the current forecast are:-

- ongoing impact on income projections of economic climate
- increased energy costs
- extent to which corporate targets are achieved
- clarification of budget carry forward requests.

Summary position

- 5.12. The net forecast outturn shows a potential net overspend of £39k. As is common at this stage in the financial year there remain a number of risks and variables to this forecast. It should be noted that the Council general fund balances are forecast to be over £100k higher than our current assessed prudent level. This is on the basis of the budget being on target this year.
- 5.13. Senior Management Team is continuing to monitor the budget position on a monthly basis and in view of the budget forecast is taking action to minimise the risk of a budget deficit this year by careful consideration of non essential spending during the remaining weeks of this year.

6. Housing Revenue Account

- 6.1 The Housing Revenue Account (HRA) is a complex account which is ring-fenced and affected by a number of variable factors. **Appendix F** shows that at the end of December 2008, the HRA is underspent by £526k compared to the budget for the same period. This is primarily due to lower expenditure on Employee costs (£56k), Support Services costs (£172k), Premises costs (£74k), and higher rental income than anticipated (£195k). However, it should be noted that it is anticipated the year to date underspend will reduce as the financial year progresses. The current projected outturn for the HRA is an overspend of £45k. The main factors contributing to the variance to date are detailed in the following paragraphs.
- 6.2 The underspend on Employee costs has primarily arisen due to the effect of vacant posts. Furthermore, the HRA receives recharges from a number of services and given the underspend currently experienced within these areas, there is a resultant impact upon Support Service costs recharged to the HRA.
- 6.3 Premises related costs are showing an underspend of £74k as at the end of December 2008. Overall, there is an underspend of £19k on Repairs and Maintenance. CBH have produced a re-profile of expenditure for the remainder of the financial year, as required under the deed of variation for the interim service arrangements. Consequently, the underspend is much less than reported in previous months. There is an underspend of £82k relating to repairs and maintenance²³ of pumping stations and other delegated areas.

There is an overspend of £65k relating to repairs and maintenance to Homeless Persons Units, which reflects the unbudgeted expenditure to date for Health and Safety works at Ascott and Bardfield House. There is an underspend of £9k on Grounds Maintenance budgets, as well as underspends relating to the timing of expenditure on Utilities costs of £14k and £29k on Contract cleaning at the end of December

- 6.4 Rental income from dwellings is the major source of income to the HRA. During the budget setting process, assumptions are made on the number of reductions in the Housing stock through Right to Buy sales and the loss of rental income resulting from empty properties. These assumptions are prudent as any shortfall in income receivable during the year would have to be met from the HRA balance. There has been a marked reduction in the number of properties being sold over the last few years, which is a reflection of increasing house prices and affordability for tenants.
- 6.5 Any expenditure on the Housing Capital Programme (HIP) that exceeds the total resources available from the Major Repairs Allowance (MRA) for the year has to be met from the HRA in the form of a revenue contribution to capital (RCCO). As the actual financing requirement of the outturn capital programme is not known until the end of year position is established, it can have an impact on the HRA outturn that is difficult to forecast at this stage of the year.

7. Strategic Plan references

- 7.1 The priorities within the Strategic Plan are reflected in the Medium Term Financial Forecast. This makes assumptions regarding government grant and Council Tax income, and identifies where necessary savings will be found in order to achieve a balanced budget. The 2008/09 revenue budget was prepared in accordance with the Strategic Plan's priorities, in the context of the Council facing growing financial pressures. Budget monitoring enables the financial performance against these priorities to be assessed.

8. Financial implications

- 8.1 As set out above.

9. Risk management implications

- 9.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2008/09 revenue budget report that was approved by Council in February 2008 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service identify a number of both positive and negative risk areas during the year.

10. Other Standard References

- 10.1 Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Background Papers

None

Forecast Outturn Variances

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Corporate Management				
Head of Service	28		28	Costs of recruitment / forecasts cost of interim arrangements including costs of impending recruitment exercise.
Legal Services	(75)	150	85	Due in part to downturn on housing market and the higher proportionate increase in personal searches which are cheaper than full searches.
Human Resources	3		3	Small overspend on staff costs.
ICT	(170)	17	(152)	This budget has been reviewed in detail and a number of savings identified including:- <ul style="list-style-type: none"> • £51k saving on telephone account • £80k saving on application support
Way We work Programme		6	6	NNDR costs of roundabout sponsorships.
Democratic Services	26	(17)	9	Mainly additional election expenses offset by higher than anticipated grant income in respect of the 2005 Parliamentary Election.
Communications, Policy and Projects	(13)		(13)	Includes underspend on equality and diversity for which a c/f request has been made,
Facilities	19	37	56	Lower Income due to impact of lift scheme + loss of income from CBH re cleaning changes.
EMT				
Partner projects (Braintree)	(50)		(50)	There is an underspend on the joint provision held in respect of the work with Braintree DC and given the current position with this initiative there will now be a saving of £50k for each authority.
Environmental & Protective Services				
Head of Service	50		50	Additional interim costs and cost of recruitment.
Planning	(51)	522	471	Down-turn in the economy/building industry has reduced the number of Planning Applications. Mitigating action to offset some of this reduced income is reflected in position against salaries target. Some additional service savings have been identified

Service Area	Variance			Comment
Building Control	(9)	206	197	Down-turn in the economy/building industry. Situation has got progressively worse resulting in the change in the forecast.
Env. Services	(7)		(7)	Small underspend within service area,
Protective Services	(35)	35	0	Shortfall in income matched by reduced spending.
Professional Support Unit (PSU)	(25)		(25)	Recruitment to post later than expected and a saving on maternity cover.
CSC	(2)		(2)	Overall small underspend in service.
Life Opportunities				
Bed and breakfast costs	105	(20)	85	Budget overspent at period 9 due to higher number of households in B & B than budgeted. The position has increased by £10k
Housing needs and options	20		20	Additional employee costs of re-registering housing applications on-line.
Leisure	70	92	162	Additional energy costs + and impact of Aqua Springs closure. The outturn position reflects a forecast reduction in income.
Resource Management				
Estates	42	(167)	(125)	Additional NNDR costs resulting from delays in property sales. Rental income includes new income in respect of Rowan House and some smaller net reductions in respect of other sites.
Concessionary Fares	(396)		(396)	Saving achieved through negotiation on the contract with bus operators and re-portionment of the costs across participating districts. Partly offset by costs of previous appeals.
Strategic Policy and Regeneration				
Spatial Policy	(165)		(165)	HPDG funded work for which a carry forward is requested.
Housing	(10)		(10)	
Economic Development	(40)		(40)	Funds allocated from 07/08 outturn are unlikely to be fully spent and therefore a c/f request will be made
Street Services				
Parking Services	67	258	325	Under recovery of car park income in respect of both on street and off street parking of £300k in total, offset by additional income generated by Forest Heath contract. Unbudgetted rental charge re: Butt Rd car park.
			36	

Service Area	Variance			Comment
Street Care	(118)	-	(118)	£132K is in budget from funding to support recycling trials pledged by ECC and from recycling credits, this may no longer be forthcoming and so the budget has been frozen.
Recycling	123	181	304	Estimated £96K overspend for fuel costs (reduced from £152k) Overspend on tyres and occasional hire (£39k) £100K funding was built into the budget from ECC, income may no longer be forthcoming so budget has been frozen (see street care above) Shortfall against recycling credits of circa £30k.
Community Operations	4	(15)	(11)	Saving within street warden budget. Minor change within Small Works Team income budget.
Total	(599)	1,285	686	

Corporate / Technical Items

<i>Item</i>	<i>£'000</i>	<i>Comment</i>
Net interest earnings	200	Revised assumption includes risk re: Icelandic deposits / interest rates. Some risk to achieving this given rapidly declining interest rates. Forecast adjusted to reflect cost of financing Rowan House purchase (income shown under Resource Management)
MRP – Stadium	300	New accounting rules means no requirement to provide for repayment of debt in 08/09
Uncommitted HPDG	115	
Reduction re: pay award	60	Saving on lower pay award than budgeted.
2008/09 savings not re-allocated	51	Savings of £126k agreed at Cabinet. Unallocated balance updated to include release of £10k for dog bins.
Area Based Grant (re: climate change)	22	New grant rec'd in 08/09 and will be rec'd in 09/10 and 10/11
Additional LABGI re 07/08	100	Government has announced provisional figures in respect of the allocation of the balance of this grant.
Probable shortfall in corporate targets:- Procurement	(93)	Target to be rolled forward to 09/10 budget
Support Services	(48)	Budget not achieved in 08/09. Budget for 09/10 set on the basis that savings are delivered.
Advertising Income	(60)	Shortfall predicted this year
Total	647	

Key Risk Areas

Service / Item	Current Position / Comment
Corporate Management	
Facilities – Income	The updated forecast outturn position shows that income from functions will be under recovered at the end of the year due in part to the lift project restricting access to some function areas.
Environmental & Protective Services	
Planning income	Planning income is dependent on activity in the housing market and as such when there is an economic downturn income is affected. Extra income expected from Discharge of Conditions and Planning Fees remains well below the estimated budget. This also relies on buoyancy of housing market to sustain income levels. The current outturn forecast allows for a shortfall of income £0.5m
Building Control income	Similarly this budget relies on the housing market to sustain income levels. Given the current climate the forecast outturn allows for a shortfall in income of £0.2m.
Life Opportunities	
Bed and Breakfast	Given the constant pressure facing the use of B&B accommodation, this is an area that is managed and monitored carefully. Currently, a forecast overspend of £85k is forecast.
Grounds Maintenance	Calculation of contract variation index (GM87) identifies increase in contract value of £88k in excess of anticipated figure. This is being managed within the service through discussion with the contractor and adjusting the contract specification. Budget managers have been alerted to this pressure and a schedule has been produced and implemented to identify how most of this can be contained within the overall budgets.
Sport & Leisure	The risk of energy bills increasing in the second part of the financial year was identified.
Resource Management	
Concessionary Fares	The Council has been working with other Essex authorities to try and agree changes to the funding arrangements with bus operators and the allocation of costs between authorities. Agreement between all parties has been reached and a reduction in costs for this year of £0.4m delivered.
Strategic Policy & Regeneration	
Coastal Initiatives	Action is now being taken on a debtor for £27k which remained outstanding from 2005/06. Recovery of this amount is now taking place in line with an agreed repayment profile and it is fully expected that the full amount will be received by the year end.
Street Services	
Car Parking Income	The revised fees and charges for Parking Services were implemented with effect from 1 June 2008. The effect of this change and the impact of the renaissance programme will continue to be monitored closely. Currently a shortfall of income of £130k, which is an improvement on the previous forecast and reflects the positive impact of income over the pre-Christmas period.
Penalty Charge Notices (PCN) Income	Risk that the revised charges for Penalty Charge Notices introduced by the Traffic Management Act may mean that income budgets will not be achieved as the face value of PCN's has been changed. The effect of the legislative change is being closely monitored. Currently a shortfall of £170k is forecast which is an increase on the previous forecast.

Service / Item	Current Position / Comment
Parking Services	It is likely that the Council will receive a rental charge for Butt Road car park. This charge was not budgeted because the car park is to be transferred to the Council as part of a Section 106 agreement. However, the trigger point for the release of the land is not likely to be reached in the current financial year. Discussions are ongoing to establish the likely liability but at present the projected outturn shows an estimated pressure for the year of £42k. There is also a risk that the charges could be applied retrospectively (from 1 June 2006) at an additional cost of approximately £78k.
Waste review	Income of £100k from Essex County Council (ECC) to support recycling trials, and additional income from recycling credits of £172k was built into the 08/09 budget. The income from ECC may no longer be forthcoming. Expenditure totalling £192k was built into the budget as a result, which has now been frozen. This leaves a figure of £80,000 which will need to be covered by an increase in recycling credits. Figures to date for the first 9 months indicate that we are achieving an increase in recycling, however, this may not reach the revised budget figure and therefore currently a net pressure of £30k has been shown in the outturn forecast.
Cross Cutting Pressures	
Energy and Fuel costs	<p>The revised forecast outturn within Street Services reflects additional fuel costs incurred to date. This situation is improving as fuel prices have fallen, however an overall overspend is expected.</p> <p>The energy prices for electricity and gas which came into effect in the Autumn showed a significant increase over previous prices. Forecast outturns across service area broadly reflect the impact of this increase, however, further variances are possible.</p>
Achievement of corporate targets	<p>The report sets out that significant progress has been made towards achieving most corporate savings targets such as procurement and salary savings. A plan of areas to review to deliver the remaining target in respect of procurement savings has been drafted.</p> <p>Currently, there remains a risk that targets in respect of support services and income may not be achieved due to a revised timetable to implement an e-procurement system and the downturn in the economy impacting on anticipated income from roundabout sponsorship. These will be considered in more detail shortly.</p> <p>All targets are monitored monthly by Senior Management Team.</p>

Account Description	Budget to Period 9			Actual to Period 9			Full Year Position			
	£'000	£'000	Variance (fav) / adv £'000	£'000	£'000	Variance (fav) / adv £'000	Annual Budget £'000	Projected Outturn £'000	Variance (fav) / adv £'000	Variance %
By Subjective Group										
Employees	20,350	20,172	(178)	amber	27,277	-	27,277	-	-	-
Premises Related	6,008	5,870	(138)	amber	7,987	348	7,639	7,987	348	4.56%
Transport Related	1,230	1,390	160	red	1,653	161	1,492	1,653	161	10.79%
Supplies & Services	8,059	7,678	(381)	amber	10,228	(632)	10,860	10,228	(632)	(5.82%)
Third Party Payments	1,520	1,308	(212)	red	2,032	(45)	2,077	2,032	(45)	(2.17%)
Transfer Payments	2,072	1,763	(309)	red	2,444	(416)	2,860	2,444	(416)	(14.55%)
Capital Financing Costs	5	6	1	amber	146	-	146	146	-	-
Subtotal Expenditure	39,244	38,187	(1,057)	amber	51,767	(584)	52,351	51,767	(584)	(1.12%)
Government Grant	(1,297)	(1,497)	(200)	red	(1,819)	-	(1,819)	(1,819)	-	-
Other Grants & Reimbursements	(3,815)	(3,675)	140	amber	(4,715)	108	(4,823)	(4,715)	108	(2.24%)
Customer & Client Receipts	(15,049)	(14,080)	969	red	(18,378)	1,162	(19,540)	(18,378)	1,162	(5.95%)
Income-Interest	(3)	(5)	(2)	amber	(23)	-	(23)	(23)	-	-
Inter Account Transfers	(54)	(77)	(23)	amber	(62)	-	(62)	(62)	-	-
Subtotal Income	(20,218)	(19,334)	884	amber	(24,997)	1,270	(26,267)	(24,997)	1,270	(4.83%)
Total General Fund Services	19,026	18,853	(173)	amber	26,770	686	26,084	26,770	686	2.63%
By Service Group										
Corporate & Democratic Core	233	243	10	green	323	-	323	323	-	-
Executive Management Team	239	219	(20)	amber	918	(50)	968	918	(50)	(5.17%)
Corporate Management	4,889	4,787	(102)	amber	6,492	21	6,471	6,492	21	0.32%
Customer Service Centre	790	800	10	green	1,055	(2)	1,057	1,055	(2)	(0.19%)
Environmental & Protective Services	1,651	1,885	234	red	2,807	686	2,121	2,807	686	32.34%
Life Opportunities	4,115	3,705	(410)	red	5,666	267	5,399	5,666	267	4.95%
Resource Management	2,944	2,457	(487)	red	3,858	(521)	4,379	3,858	(521)	(11.90%)
Strategic Policy & Regeneration	2,103	2,004	(99)	amber	2,647	(215)	2,862	2,647	(215)	(7.51%)
Street Services	2,062	2,753	691	red	3,004	500	2,504	3,004	500	19.97%
Subtotal General Fund Services	19,026	18,853	(173)	amber	26,770	686	26,084	26,770	686	2.63%

Budget Monitoring Report for All Services - Period 9 2008/09

Account Description	Corp & Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000	
EXPENDITURE										
EMPLOYEES										
Profiled Budget to Date	-	646	1,912	765	4,360	4,033	2,377	1,461	4,796	20,350
Actual to Date	-	649	1,887	768	4,271	4,009	2,365	1,409	4,814	20,172
Variance to Date	green	3	(25)	3	(89)	(24)	(12)	(52)	18	(178)
Annual Budget	-	855	2,568	1,033	5,932	5,370	3,182	1,947	6,390	27,277
Projected Outturn	-	860	2,573	1,033	5,909	5,390	3,182	1,947	6,383	27,277
Variance	-	5	5	-	(23)	20	-	-	(7)	-
PREMISES										
Profiled Budget to Date	-	-	1,243	1	506	2,586	230	74	1,368	6,008
Actual to Date	-	-	1,190	1	521	2,422	306	71	1,359	5,870
Variance to Date	green	-	(53)	-	15	(164)	76	(3)	(9)	(138)
Annual Budget	-	-	1,513	1	702	3,452	268	84	1,619	7,639
Projected Outturn	-	-	1,557	1	702	3,627	310	84	1,706	7,987
Variance	-	-	44	-	-	175	42	-	87	348
TRANSPORT										
Profiled Budget to Date	-	5	25	-	80	25	16	37	1,042	1,230
Actual to Date	-	6	28	-	78	22	9	18	1,229	1,390
Variance to Date	green	1	3	-	(2)	(3)	(7)	(19)	187	160
Annual Budget	-	6	32	-	106	33	19	60	1,236	1,492
Projected Outturn	-	6	33	-	99	33	19	60	1,403	1,653
Variance	-	-	1	-	(7)	-	-	-	167	161
SUPPLIES & SERVICES										
Profiled Budget to Date	233	309	2,354	76	1,147	1,540	1,056	651	693	8,059
Actual to Date	243	267	2,192	85	1,059	1,386	1,107	466	873	7,678
Variance to Date	green	(42)	(162)	9	(88)	(154)	51	(185)	180	(381)
Annual Budget	323	712	3,206	95	1,564	1,770	1,245	920	1,025	10,860
Projected Outturn	323	657	3,028	101	1,521	1,770	1,265	705	858	10,228
Variance	-	(55)	(178)	6	(43)	-	20	(215)	(167)	(632)

Budget Monitoring Report for All Services - Period 9 2008/09

Account Description	Corp & Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000	£'000
THIRD PARTY										
Profiled Budget to Date	-	-	47	-	65	251	-	699	458	1,520
Actual to Date	-	-	21	-	53	222	-	634	378	1,308
Variance to Date	green	green	(26)	green	(12)	(29)	green	(65)	(80)	(212)
Annual Budget	-	-	94	-	84	263	71	818	747	2,077
Projected Outturn	-	-	57	-	80	263	71	818	743	2,032
Variance	-	-	(37)	-	(4)	-	-	-	(4)	(45)
TRANSFER PAYMENTS										
Profiled Budget to Date	-	-	-	-	-	-	2,072	-	-	2,072
Actual to Date	-	-	-	-	-	-	1,763	-	-	1,763
Variance to Date	green	green	green	green	green	green	(309)	green	green	(309)
Annual Budget	-	-	-	-	-	-	2,860	-	-	2,860
Projected Outturn	-	-	-	-	-	-	2,444	-	-	2,444
Variance	-	-	-	-	-	-	(416)	-	-	(416)
CAPITAL FINANCING										
Profiled Budget to Date	-	-	5	-	-	-	-	-	-	5
Actual to Date	-	-	6	-	-	-	-	-	-	6
Variance to Date	green	green	amber	green	green	green	green	green	green	1
Annual Budget	-	-	5	-	-	-	141	-	-	146
Projected Outturn	-	-	5	-	-	-	141	-	-	146
Variance	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE										
Profiled Budget to Date	233	960	5,586	842	6,158	8,435	5,751	2,922	8,357	39,244
Actual to Date	243	922	5,324	854	5,982	8,061	5,550	2,598	8,653	38,187
Variance to Date	green	(38)	(262)	12	(176)	(374)	(201)	(324)	296	(1,057)
Annual Budget	323	1,573	7,418	1,129	8,388	10,888	7,786	3,829	11,017	52,351
Projected Outturn	323	1,523	7,253	1,135	8,311	11,083	7,432	3,614	11,093	51,767
Variance	-	(50)	(165)	6	(77)	195	(354)	(215)	76	(584)

Budget Monitoring Report for All Services - Period 9 2008/09

Account Description	Corp & Democractic Core £'000	EMT £'000	Corporate Mgt £'000	CSC £'000	Env. & Protective £'000	Life Opps £'000	Resource Mgt. £'000	Strategic Policy and Regen £'000	Street £'000
INCOME									
GOVERNMENT GRANT									
Profiled Budget to Date	-	-	-	-	(460)	(212)	(625)	-	-
Actual to Date	-	-	-	-	(594)	(269)	(634)	-	-
Variance to Date	-	-	-	-	(134)	(57)	(9)	-	-
	green	green	green	green	red	red	green	green	green
Annual Budget	-	-	-	-	(827)	(173)	(819)	-	-
Projected Outturn	-	-	-	-	(827)	(173)	(819)	-	-
Variance	-	-	-	-	-	-	-	-	-
OTHER GRANTS									
Profiled Budget to Date	-	(719)	(8)	(40)	(1,151)	(527)	(33)	(460)	(877)
Actual to Date	-	(701)	3	(34)	(1,200)	(553)	(37)	(320)	(833)
Variance to Date	-	18	11	6	(49)	(26)	(4)	140	44
	green	green	amber	amber	green	green	amber	red	amber
Annual Budget	-	(603)	(8)	(56)	(1,607)	(596)	(43)	(530)	(1,380)
Projected Outturn	-	(603)	(5)	(56)	(1,628)	(596)	(43)	(530)	(1,254)
Variance	-	-	3	-	(21)	-	-	-	126
CUST & CLIENT RECPTS									
Profiled Budget to Date	-	(2)	(689)	(12)	(2,896)	(3,581)	(2,149)	(356)	(5,364)
Actual to Date	-	(2)	(537)	(20)	(2,302)	(3,534)	(2,422)	(272)	(4,991)
Variance to Date	-	-	152	(8)	594	47	(273)	84	373
	green	green	red	amber	red	green	red	red	red
Annual Budget	-	(2)	(920)	(16)	(3,833)	(4,720)	(2,545)	(433)	(7,071)
Projected Outturn	-	(2)	(737)	(24)	(3,049)	(4,648)	(2,712)	(433)	(6,773)
Variance	-	-	183	(8)	784	72	(167)	-	298
INCOME-INTEREST									
Profiled Budget to Date	-	-	-	-	-	-	-	(3)	-
Actual to Date	-	-	(3)	-	-	-	-	(2)	-
Variance to Date	-	-	(3)	-	-	-	-	1	-
	green	green	amber	green	green	green	green	amber	green
Annual Budget	-	-	(19)	-	-	-	-	(4)	-
Projected Outturn	-	-	(19)	-	-	-	-	(4)	-
Variance	-	-	-	-	-	-	-	-	-

Budget Monitoring Report for HRA - Period 9 2008/09

December 2008	Current Period - December 2008			Forecast Year-End Position			
	Account Description	Profiled Budget to Period 9 £'000	Actual to Period 9 £'000	Variance (under)/over £'000	Annual Budget £'000	Projected Outturn £'000	Variance (under)/over £'000
EXPENDITURE							
Employees		544	488	(56)	725	663	(62)
Premises Related	A	4,020	3,946	(74)	5,856	6,093	237
Transport Related		3	1	(2)	5	5	-
Supplies & Services	B	562	556	(6)	837	937	100
Third Party Payments		5,095	5,108	13	5,852	5,875	23
Transfer Payments		51	15	(36)	67	67	-
Support Services		2,023	1,851	(172)	2,706	2,706	-
Capital Financing Costs		-	-	-	10,821	10,821	-
TOTAL EXPENDITURE		12,298	11,965	(333)	26,869	27,167	298
INCOME							
Government Grant		-	-	-	-	-	-
Other Grants & Reimbursements		(99)	(103)	(4)	(182)	(182)	-
Customer & Client Receipts	C	(17,766)	(17,958)	(192)	(23,560)	(23,560)	(253)
Income-Interest		(8)	(5)	3	(61)	(61)	-
Inter Account Transfers		-	-	-	(3,099)	(3,099)	-
TOTAL INCOME		(17,873)	(18,066)	(193)	(26,649)	(26,902)	(253)
TOTAL NET -		(5,575)	(6,101)	(526)	220	265	45

Notes

- A** There is an under-spend to date of £19k on Repairs and Maintenance. Colchester Borough Homes have produced a re-profile of the annual budget, which has resulted in the reduced level of underspend compared to previous monthly reports. There are also underspends on Grounds Maintenance, Utility costs and Contract cleaning, which relate to the timing of expenditure and are forecast to be spent by the end of the financial year. The year-end over-spend of £237k represents the unbudgeted costs of Health and Safety works at Ascott House and Bardfield House (£110k) and an anticipated over-spend of £127k on the budgets for Electricity and Gas, reflecting the increase in prices being experienced nationally.
- B** There are underspends across most budget headings. However, there is an overspend of £115k on Legal and Consultancy costs to date, which reflects the work on the mediation process and the set-up of the interim repairs and maintenance arrangement. It is therefore currently anticipated that there will be an overspend in this area by the end of the financial year.
- C** The HRA receives recharges from a number of services and given the underspend currently experienced within these areas there is a resultant impact upon the HRA. This underspend is forecast to diminish in the final quarter of the financial year.
- D** Year to date, there is increased income resulting from a lower level of Right To Buy sales and a lower level of income lost from empty properties than assumed within the budget. The budget assumes the same %age of rent lost through empty properties that the Government assume within the HRA Subsidy formula.
- E** Given the complex nature of the Housing Revenue Account and the many variable factors, both Revenue and Capital, which can impact upon the levels of income and expenditure, it is extremely difficult to accurately predict an outturn position. However, given the timing of this report and the known factors referred to above, this is the outturn position currently anticipated.
- F** The main areas of risk centre around the Repairs and Maintenance budgets delegated to Colchester Borough Homes, who are delivering the interim service. The level of activity surrounding responsive repairs and repairs to void properties have, in recent times, been an area where budget pressures have been experienced and will continue to require close management and monitoring. Additionally, delivery of the Housing Capital Programme (HCP) could have an impact upon the revenue balance as any additional funding required will have to be met from the HRA, and the requirement for this will not be known until after the year-end when the financing of the actual 2008/09 expenditure on the Capital Programme is finalised. Although Rental income is higher than budgeted due to the reasons given in Note D above, this area is directly influenced by customer demand and therefore can vary from assumptions and forecasts.



Finance & Audit Scrutiny Panel

Item
13

24 February 2008

Report of

Head of Resource Management

Author

Hayley McGrath
282461

Title

3rd Quarter Risk Management Progress Report

Wards
affected

Not applicable

**This report concerns Risk Management activity between
October and December 2009**

1. Actions Required

1.1 To note and comment upon:

- The latest risk management issues;
- The performance relating to implementing the 2008/09 risk management action plan;
- The Strategic risk register

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Finance and Audit Scrutiny panel as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 2.2 Quarterly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

3. Key Messages

- A risk management culture continues to be developed throughout the authority with the consideration of risk issues within the 2009/10 Internal Audit plan of work.
- The 2008/09 risk management action plan continues to be implemented and it is envisaged that all actions will be either completed or in hand by the end of the financial year.
- The strategic risks have been rescored to assist with the identification of high risks.
- The top two risks to the Council are:
 - The Council is unable to effectively respond to changes in the Borough economy both internally and externally
 - Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, RCE, Serco, CBH

4. Supporting Information

- 4.1 The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
 - Operational – risks related to the day-to-day operation of each individual service
 - Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process. Strategic risks are owned by members of the Senior Management Team.
- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. These registers are reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.

5. Latest Risk Management Issues

- 5.1 There is one item to report this quarter:
- 5.2 A detailed exercise has been carried out to set the internal audit plan for 2009/10, this included a review of risk areas to ensure that the plan supports the risk management process and verifies the control actions.

6. Action plan Implementation

- 6.1 The action plan for 2008/09 consists of four items, these are summarised below:

Action	Status	Comments
Revise the operational risk registers	In hand	Meetings have been held with all Heads of Service and the first draft of the registers, reflecting the revised structure, have been issued.
Ensure that the reporting process is embedded	Complete	Future agendas for PMB and FASP have been updated to include Risk management
Develop training for both members and officers	In hand	Training presentations have been prepared and dates are being arranged.
Develop a risk register for members	Outstanding	

7. Strategic Risk Register

- 7.1 Following on from the review of the strategic register it was recognised that using levels 1 -3 for the scoring of probability and impact resulted in clusters of risks making it difficult to distinguish the high risks. Therefore the scoring system has been amended and risks are now scored on a basis of 1-5, thereby giving a broader range. To assist with the scoring of the risks a table was drawn up that specifies the parameters for each of the levels. This is attached at appendix 1.
- 7.2 The current full strategic register is attached at appendix 2. The 'Top 5' report that was presented to this panel in January 2009 detailed the progress of implementing the actions to minimise the key risks. These actions are ongoing and further updates will be provided in future reports.
- 7.3 The strategic risks have been put into a risk matrix, detailed in appendix 3, which gives a snapshot view of the levels of risk.

8. Proposals

- 8.1 To note and comment upon the Councils progress and performance in managing risk during the period from October to December 2008.

9. Strategic Plan Implications

- 9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

10. Risk Management Implications

- 10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

11. Other Standard References

- 11.1 There are no direct Publicity, Financial, Consultation, Human Rights, Community Safety or Health and Safety implications as a result of this report.

**STRATEGIC RISK REGISTER
IMPACT TABLE**

DATE : JAN 2009

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
IMPACT	Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.	Minor interruption to service delivery or minimal effect on Corporate Objectives.	Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.	Major interruption to overall service delivery or severe effect on Corporate Objectives.	Inability to provide services or failure to meet Corporate Objectives
PROBABILITY OF OCCURRENCE	10% May happen - unlikely	10% to 25% Possible	25% to 50% Could easily happen	50% to 75% Very likely to happen	Over 75% Consider as certain

**Colchester Borough Council – Corporate Strategic Risk Register
February 2009**

Key points this update: The scoring for the risks has been amended to enable easier identification of the key issues. There are two level 15 risks, these relate to the ability to respond to changes in the Borough economy and failure of one of the strategic partnerships.

Specific Risks		1. AMBITION			ACTION PLAN – AMBITION				
		P	X	I = O	Score	Consequence	Action	Owner	Timing
1.a	Failure to adequately redirect the strategic vision and move the resources required to support it. (Top 5 item)	4	3		12	Desired strategic outcomes are not achieved and improvements are not delivered.	Ensure that there is a structured regular review process for the Strategic plan, and corresponding action plan, so that it continues to deliver the strategic vision.	E.D. People & Performance	
1.b	Unrealistic expectations (both internally and externally) regarding speed of delivery.	3	3		9	Failure of one or more of the strategic projects.	Develop a structured reporting process to ensure that direction and priorities from Cabinet are communicated effectively to relevant officers.	Chief Exec	
1.c	The Council is unable to effectively respond to changes in the Borough economy both internally and externally (top 5 item)	3	5		15	Financial or reputational loss by the Authority.	The desired 'place shape' needs to be formalised and clearly communicated to all staff.	E.D. Place Shaping	
1.d	Over reliance on a limited number of key personnel to deliver the ambition.	2	3		6	Inability to attract key partners / investment. Key staff difficult to retain leading to loss of knowledge and inability to maintain momentum of the change process.	Ensure that the Strategic Plan is central to the decision making processes and is reflected in the resource allocations supporting Service Plus areas.	Chief Exec / Head of Resource Management	
							Ensure that there is a structured use of the 'People Strategy' to ensure skills / capacity are appropriately based and to identify priority areas for improvement.	E.D. Customer Excellence	

2. CUSTOMERS			ACTION PLAN – CUSTOMERS			
Specific Risks	Score		Consequence	Action	Owner	Timing
	P	I O				
2.a The Council fails to understand and consult its customers.	1	2	The Authority fails to manage / understand expectations from its customers. Councillors not engaged with staff to deliver political priorities and fulfil role as community / ward champion. Staff become disengaged with the customer excellence programme and the link to service improvement. Customer Excellence will become irrelevant to the Way We Work and loses its profile as a top corporate priority to drive improvement.	Ensure that there is a structured corporate wide process to develop a good understanding of our customers which drives service improvement.	E.D. Customer Excellence	Ongoing
	2	3				
	3	3				
2.b The Council fails to support its 'Community Champions'.	1	3		Develop a programme to improve levels of political awareness and thereby enhance relationship between officers and elected members.	E.D. Customer Excellence	April 09
	3	3				
2.c The Council fails to enhance the skills of its people to deliver customer excellence.	1	3		Ensure that the learning and development strategy supports the customer excellence programme.	E.D. Customer Excellence	Ongoing
	3	3				
2.d The Council fails to develop and align the customer excellence programme, in phase four, with the Way We Work.	1	3				

3. GENERAL MANAGEMENT			ACTION PLAN – GENERAL MANAGEMENT		
Specific Risks	Score	Consequence	Action	Owner	Timing
	P	I	O		
3.a Failure to recruit and retain people with the right skills at the right time at the right cost.	3	6	Service delivery failure.	Develop capacity planning and monitoring plans to anticipate needs.	Head of Corporate Management
3.b Failure to implement and deliver an effective performance management process.	2	4	Financial and reputational loss. Personal liability of Officers and Members.	Ensure effective communications strategy and execution.	Head of Corporate Management
3.c Failure to equip managers with general management and professional skills and to update skills to be able to respond to changing working practices, such as flexible working.	2	4	Disengaged and demotivated staff. Legal action against the Council.	Ensure people strategy is developed and executed effectively	Head of Corporate Management
53 3.d Failure to provide effective and visible political and managerial leadership.	3	4	Loss of stakeholder confidence in the Borough leading to reduced partnership involvement in delivery.	Ensure Organisational Development is clearly defined and monitored within WWW Programme/	Executive Director Customer Excellence
3.e Failure to manage the Council's reputation.	4	3	High staff turnover, high cost of delivery. Efficiency and productivity reduction.	Ensure performance management process is effectively implemented and monitored to include development needs and plans.	Head of Corporate Management
3.f Failure to develop and maintain fit for purpose IT infrastructure and services.	3	4	Inability to meet changing requirements and needs.	Active promotion and use of Colchester Learning Managers programme and development to meet evolving needs.	Head of Corporate Management
3.g Failure to comply with 'working practises' legislation including: ➤ Health & Safety ➤ F.O.I ➤ DDA ➤ Equality & Diversity	2	3	Enforcement action by regulators.	Ensure ICT strategy is developed in conjunction with Service plans and promote industry best practice in IT service management in internal organisation. Ensure the Performance Dashboard process is used effectively to monitor and remediate performance.	Head of Corporate Management Head of Corporate Management

4. HORIZON SCANNING			ACTION PLAN – HORIZON SCANNING			
Specific Risks	Score			Action	Owner	Timing
	P	I	O			
4.a Requirements of Local Government reorganisation (opportunity & threat)	2	4	8	<p>Ensure organisational readiness to respond to external challenges through the Way We Work programme strands:</p> <ul style="list-style-type: none"> - People - IT/ flexible working - Customer Excellence - Place Shaping <p>Supported by a robust Medium term Financial strategy and organisational development strategy.</p>	E.M.T.	
4.b Failure to respond to current economic recession appropriately, to assess its full extent or adapt services including plan for recovery and future needs.	4	3	12			
4.c Underestimation of impact / potential of the Olympic games.	2	2	4			
4.d Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation.	2	3	6			
				<p>If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery.</p> <p>Adverse impact on local residents / resources. Missed opportunities to boost tourism / economy.</p> <p>Conflict between Council / Government agendas.</p>		

5. PARTNERSHIPS			ACTION PLAN – PARTNERSHIPS			
Specific Risks	Score		Consequence	Action	Owner	Timing
	P	I O				
5.a Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, RCE, Serco, CBH (Top 5 item)	5	3	The cost of service delivery is increased however quality decreases. Failure to deliver key priorities. Reputational and financial loss by the Authority.	Assess proposed strategic partnerships to ensure that they will satisfy the Council's objectives before commitment to new partnerships is made.	EMT	
	3	2				
5.b Change of direction / policy within key partner organisations and they revise input / withdraw from projects.	3	2	Failure to deliver expected outcomes through partnerships Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly.	Define a relationship / performance management process for partnerships	ED People & Performance	
5.c Potential inability to agree shared outcomes/ agendas with partners and the Council's ability to influence partner's performance, particularly in relation to CAA and LAA requirements.	3	2				

6. ASSETS & RESOURCES			ACTION PLAN – ASSETS & RESOURCES			
Specific Risks	Score		Consequence	Action	Owner	Timing
	P	O				
6.a	2	10	Service delivery failure. Financial and reputational loss by the Authority. Personal liability of Officers and Members. Legal actions against the Council.	Ensure that there is a robust system of internal control that encompasses all assurance systems including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded.	EMT / Head of Resource Management	
6.b	3	9	Loss of stakeholder confidence in the Borough Inability to sustain costs Failure to deliver a balanced budget. Required to use Reserves & Resources to fund services and support Renaissance programme without ability to 'top-up'.			
6.c	3	6	Severe impact on cash-flow leading to negative effect on performance targets.	Continue to ensure that the budget monitoring process is reflective of finances across the whole Council not just individual service areas.	Head of Resource Management	
6.d	3	6		Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives. Review the medium term financial outlook and capital programme processes to ensure they are kept up to date and realistic.	Head of Resource Management Head of Resource Management	

Risk Matrix

		Risk Tolerance Line					
Probability of Occurrence	5 Very High			5a			
	4 High			3e 4b			
	3 Medium		5b 3a 5c 6c	1b 6b	6d 1a 3d 3f	1c	
	2 Low		4c	1d 3a 4d	3b 3c 4a	6a	
	1 Very Low		2a	2b 2c 2d			
		1 Very Low	2 Low	3 Medium	4 High	5 Very high	
		Severity of Impact					

Low Risks	Medium Risks	High Risks
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Finance and Audit Scrutiny Panel

Item
14

24 February 2009

Report of	Head of Resource Management	Author	Graham Coleman
Title	Capital Expenditure Monitor 2008/09		Tel. 282741
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes for the period to December 2008

1. Action Required

- 1.1 To note the level of capital spending during 2008/09 and forecasts for future years.

2. Reason for scrutiny

- 2.1 Monitoring capital spending is important to ensure:-
- Spending on projects is within agreed scheme budgets.
 - The overall programme is delivered within budget.
- 2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

- 3.1 This report sets out details of spending for the financial year 2008/09 (April 2008 to December 2008) and revised forecasts for future years.
- 3.2 This report includes new capital funding and changes to the capital programme as revised by Cabinet on 12 March 2008, 21 May 2008, 9 July 2008, 10 September 2008, and 3 December 2008, and by Council on 11 December 2008.
- 3.3 This report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

4. 2008/09 Review

- 4.1 In the first 9 months of this year capital spending totalled £21.1 million. This represents 43.9% of the total programme. The programme includes a number of major schemes where spending is planned across more than one year. It should be noted that the total programme was not expected to be fully spent in 2008/09 and that spending is broadly in line with expectations.
- 4.2 In total, forecast spending for this year is £27.1 million. The remainder of the programme is planned for 2009/10 and future years. The table below sets this out by service area:-

Summary	Current Total Programme	2008/09 Expenditure for year	Expected Expenditure 2008/09	Expected Expenditure Future years
	£'000	£'000	£'000	£'000
Corporate Management	2,670.0	506.6	1,473.3	1,196.7
EMT	273.0	19.8	50.0	223.0
Resource Management	9,683.4	8,592.6	9,327.9	405.5
Street Services	1,143.1	539.0	738.5	426.8
Environmental & Protective Services	323.2	28.8	124.9	193.0
Strategic Policy & Regeneration	24,672.0	8,205.7	10,177.6	14,507.4
Life Opportunities	4,303.9	1,475.0	2,377.5	1,926.5
Completed Schemes	16.9	17.5	17.5	0.0
Total – General Fund Services	43,085.5	19,385.0	24,287.2	18,878.9
Housing Revenue Account	4,964.4	1,704.1	2,778.0	2,186.4
Total Capital Programme	48,049.9	21,089.1	27,065.2	21,065.3

- 4.3 **Appendix A** sets out details of spending and forecasts on all schemes. Comments are provided on the schemes progress and future forecasts. The schedule includes budgets for all approved and funded schemes and some existing projects that, whilst approved, are not yet available to spend until resources are secured to enable funding to be released. These amounts are shown in the unfunded columns and reflect the Capital Programme approved by Council on 20 February 2008, and revised on 12 March, 21 May, 9 July, 10 September, 3 December and 11 December 2008.
- 4.4 Since the last report funding has been included in the capital programme for the purchase of Rowan House, and for the fit-out works to Firstsite:Newsite.
- 4.5 Other minor changes to schemes are where funding has been provided from further Section 106 releases and external funding. The changes since the last report are shown on the summary page of **Appendix A**.
- 4.6 Cabinet on 10 September 2008 agreed to put certain capital schemes “on hold” pending the resolution of current financial uncertainties relating to capital receipts and capital expenditure commitments. No commitments for those projects which are funded should be entered into and those unfunded projects will not have any further funding released. Since the last FASP report, Cabinet has agreed to release £25k of the sum put on hold for the public conveniences programme, and so only £150k is now on hold. These schemes are listed below, as amended by the above change.

Schemes put on hold per Cabinet of 10 September 2008 (as amended)	Amount on hold		
	<i>Funded</i>	<i>Unfunded</i>	Total
	£'000	£'000	£'000
Backlog Repairs		150.0	150.0
Support for Parish Councils	50.0	50.0	100.0
Historic Core Zone	160.0		160.0
Maritime Projects		150.0	150.0
Personal Computer Upgrade	0.8	800.0	800.8
Public Conveniences	150.0		150.0
Town Centre Signs	90.0		90.0
Park & Ride	125.0		125.0
East Colchester	222.1		222.1
Total	797.9	1,150.0	1,947.9

4.7 A net over-spend of £13k is anticipated on the schemes for the Community Stadium pre-development and the Cuckoo Farm pre-development. This is primarily a result of legal costs still to be incurred. Additionally, further costs are likely to be incurred to cover cost of site disposals, and security issues at Layer Road. There are also some small over-spends on other schemes totalling £17.6k. These are summarised in the table below, and further details are provided in **Appendix A**.

4.8 The anticipated over-spend of £80.6k will be referred to Cabinet for consideration.

Scheme	Over/(Underspend)
	£'000
Cuckoo Farm and Stadium Pre-development	13.0
Site Disposal Costs	50.0
Car Park Ticket Machines	15.3
Other minor variations	2.3
Total	80.6

4.9 The following paragraphs provide comments on some of the major projects included in the capital programme. Further details on the progress of the schemes are provided in **Appendix A**.

Firstsite

4.10 On 16 September 2008 the Council signed a supplementary contract with Banner Holdings for £14,220,000 to complete the external fabric of the building to a standard of permanent weather tightness (air and water tight). A bond for 10% of the value of the work that Banner has to complete (£1.4 million) was also put in place. The contract completion date is 22 May 2009 and on the 25 September 2008 the contract was brought into force when the first payment was made to Banner under the new contractual arrangements.

4.11 The Council is currently reviewing the scope of internal fit-out works to complete the building, and the forecast outturn costs, including the best procurement route, through a series of meetings with quantity surveyor representatives from Arts Council England East, East of England Development Agency and Essex County Council and Turner and Townsend.

Community Stadium

4.12 Practical Completion of the building was achieved on 11th July on schedule. 1.5% construction cost retention will be released at the end of the defects liability period in July 2009. It is likely the final cost will be within budget although this will not be certain until final accounts are settled and outstanding risks crystallised.

Decent Homes and Upgrades

4.13 In September 2003 the Council committed to achieving the Decent Homes standard in its homes by the end of December 2007. This date has not been met and following cessation of the Inspace contract the Council is working with CBH to review and determine the timescale and cost to complete the programme, and this has been completed. The implications of the review are being discussed. New works will be subject to OJEU regulations which have a legal timescale to comply with but an accelerated programme designed to cover emergency failures only has recently been offered to competitive tender. Any unspent resources from 2008/09 will be carried forward to deliver a programme of works in future years.

4.14 A review of the whole capital programme, including new resources, will be submitted to Cabinet in March 2009.

5. Strategic Plan references

5.1 The Council's Capital Programme is aligned to the Strategic Plan.

6. Financial implications

6.1 As set out above.

7. Risk management implications

7.1 Risk management issues are considered as part of all capital projects.

8. Other Standard References

Having considered consultation, publicity, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Background Papers

None

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Total	09/10	10/11	11/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SUMMARY													
Corporate Management	2,807.2	(137.2)	0.0	3,970.0	2,670.0	506.6	1,473.3	1,194.4	2.3	0.0	1,300.0	1,300.0	0.0
EMT	273.0	0.0	0.0	323.0	273.0	19.8	50.0	223.0	0.0	0.0	50.0	50.0	0.0
Resource Management	1,501.4	8,182.0	0.0	9,833.4	9,683.4	8,592.6	9,327.9	375.5	30.0	50.0	150.0	100.0	50.0
Street Services	854.2	131.1	157.8	1,239.1	1,143.1	539.0	738.5	426.8	0.0	22.2	96.0	76.0	20.0
Environmental & Protective Serv.	277.2	0.0	46.0	748.2	323.2	28.8	124.9	193.0	0.0	(5.3)	425.0	325.0	100.0
Strategic Policy & Regeneration	16,540.0	2,015.0	6,117.0	25,367.0	24,672.0	8,205.7	10,177.6	13,903.5	603.9	13.0	695.0	695.0	0.0
Life Opportunities	2,934.8	179.8	1,189.3	5,368.9	4,303.9	1,475.0	2,377.5	1,923.7	2.8	0.1	1,065.0	565.0	500.0
Completed Schemes	8.4	(6.5)	15.0	16.9	16.9	17.5	17.5	0.0	0.0	0.6	0.0	0.0	0.0
Total (General Fund)	25,196.2	10,364.2	7,525.1	46,866.5	43,085.5	19,385.0	24,287.2	18,239.9	639.0	80.6	3,781.0	3,111.0	670.0
Housing Revenue Account	4,964.4	0.0	0.0	4,964.4	4,964.4	1,704.1	2,778.0	2,186.4	0.0	0.0	0.0	0.0	0.0
Total Capital Programme	30,160.6	10,364.2	7,525.1	51,830.9	48,049.9	21,089.1	27,065.2	20,426.3	639.0	80.6	3,781.0	3,111.0	670.0

Key to Status column:

Fully Funded	FF
Partly Funded	PF
Unfunded	U

N.B. Summary does not include cost of accommodation from reserve

Reconciliation to previous FASP report
 Programme reported to FASP 18 November 2008

Add:	£'000
Cabinet 3 Dec 08 - Purchase of Rowan House	32,936.1
Council 11 Dec 08 - additional CBC funding for Firstsite:Newsite	8,182.0
External contributions to Firstsite:Newsite fit-out	2,000.0
External Funding - Monkwick Youth Shelter	4,750.0
Shrub End Waste Transfer Plant - external funding	20.0
Messing Village Hall Refurbishment - S106	150.0
Opportunity Purchases - reversal of CBC funding decision	28.2
ICT Strategy - contribution to support revenue spend	(100.0)
S106 funding for works at West Mersea	(56.2)
External funding Westlands CP Playground	23.7
Distillery Lane Playground - remaining S106 funds transferred to maintenance	70.0
External funding towards Leisure World Fitness Pool	(10.7)
Additional external funding - Birch Under 8's play area	51.7
R&R Funding for Vehicle Replacement	2.3
	2.8
Current Funded Programme	48,049.9

Service / Scheme	New monies					Funded			Unfunded						
	Funded Prog. £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2008/09 £'000	08/09 £'000	09/10 £'000	10/11 £'000	Additional Funding Required £'000	Total £'000	09/10 £'000	10/11 £'000	11/12 £'000
CORPORATE MANAGEMENT															
Town Hall	282.9	0.0	0.0	282.9	FF	282.9	189.6	190.0	90.6	2.3	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Works to the Town Hall associated with the Business Plan. Access work to the Old Library/works to the Moot Hall Kitchen.														
<i>Comments:</i>	Phase 1 works complete. The design for Phase 2 works which will deliver DDA compliant access through the St Runwald Street graveyard is currently being revisited following rejection of the original proposal by the Diocese. Acceptance of the revised design by both the Diocese and English Heritage is hoped to be secured by March 2009. The revised design should be able to be delivered within the existing budget for the project.														
E-Government	123.6	0.0	0.0	123.6	FF	123.6	48.2	123.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Works to comply with Government's E-Gov agenda														
<i>Comments:</i>	Budget committed - waiting on supplier to invoice.														
GIS/Gazetteer	50.0	0.0	0.0	50.0	FF	50.0	27.4	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Cleansing of LLPG database														
<i>Comments:</i>	Project was delayed, but now progressing. Remaining spend expected in 2008-09.														
Computer Upgrade	0.8	0.0	0.0	800.8	PF	0.8	0.0	0.8	0.0	0.0	0.0	0.0	0.0	800.0	0.0
<i>Description of Scheme:</i>	Personal Computer Upgrade (including Councillors Computers) (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). To keep personal computer stock updated														
<i>Comments:</i>	AD2005 Project is now complete. Server migration also completed. Unfunded scheme of £800k for future desktop refresh. Awaiting capital release before progressing - subject to review of capital programme.														
Electronic Service Delivery	480.1	0.0	0.0	480.1	FF	480.1	78.7	320.1	160.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Customer Service Centre. Furtherance of electronic service facilities includes areas identified in business case for CSC														
<i>Comments:</i>	ESD is on track for its spend profile for this financial year, with £180,000 due to be invoiced for the Server Virtualisation project before 31/03/09. Other invoices due, should bring this on target.														
ICT Strategy Development	1,869.8	(137.2)	0.0	2,232.6	PF	1,732.6	162.7	788.8	943.8	0.0	0.0	0.0	500.0	500.0	0.0
<i>Description of Scheme:</i>	New capital investment														
<i>Comments:</i>	New capital investment agreed by Cabinet. Of this, £600k was released straight away in order that works could commence, particularly to enable the new telephony system which will be central to the success of the strategy. Pilot projects established for Mobile and Flexible working in Revenues & Benefits (Finance), PP&L and Enterprise and Communities services. Pilot for VOIP telephony also established. Projects for Marketplace integration with Cedar and self-serve HR underway.														
TOTAL - CORPORATE MANAGEMENT	2,807.2	(137.2)	0.0	3,970.0		2,670.0	506.6	1,473.3	1,194.4	2.3	0.0	0.0	1,300.0	1,300.0	0.0
EMT															
Support for Parish Councils	273.0	0.0	0.0	323.0	PF	273.0	19.8	50.0	223.0	0.0	0.0	0.0	50.0	50.0	0.0
<i>Description of Scheme:</i>	(SCHEME PARTLY ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Grants scheme to provide funding to Parishes in delivering projects in their areas														
<i>Comments:</i>	£50k has been allocated this year for Parish schemes and a meeting was held in November 2008 to allocate this year's funds. All other funds already committed to previous year projects. However, spending depends on Parishes completing schemes then claiming funds, so most expenditure will inevitably slip into the following year. (£50k of released funds now on hold per Cabinet).														
TOTAL - EMT	273.0	0.0	0.0	323.0		273.0	19.8	50.0	223.0	0.0	0.0	0.0	50.0	50.0	0.0

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Additional Funding Required	09/10	10/11	11/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCE MANAGEMENT													
Financial Systems Migration	5.9	0.0	0.0	5.9	5.9	2.8	5.9	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Upgrade of Financial Systems												
<i>Comments:</i>	The new debtors system is now live and the transition between systems in the process of completion. Recurring billing went live in April. Works to integrate Leisure World and CBH debtors to be undertaken.												
Rowan House	0.0	8,182.0	0.0	8,182.0	8,182.0	7,800.0	8,182.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Purchase of Rowan House												
<i>Comments:</i>	Purchase of Rowan House completed on 16 December 2008. Remaining budget spent in January 2009 (stamp duty and professional fees).												
DDA Measures	1,414.1	0.0	0.0	1,414.1	1,414.1	769.3	1,100.0	284.1	30.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Works to civic buildings to comply with requirements of the Disability Discrimination Act (incl. Town Hall lift)												
<i>Comments:</i>	The Town Hall lift project remains on programme and is due for completion in April 2009. The project is still expected to be delivered within the overall budget of £1.4m. DDA works to all other operational buildings were completed in 2007/08.												
Backlog Repairs	0.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	50.0	0.0
<i>Description of Scheme:</i>	(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Required maintenance to civic buildings												
<i>Comments:</i>	This budget provision is currently being reviewed alongside the new 5 year Building Maintenance Programme.												
Site Disposal Costs	40.0	0.0	0.0	40.0	40.0	20.5	40.0	50.0	0.0	50.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Costs of securing capital receipts												
<i>Comments:</i>	A provision approved by Cabinet on 14 March 2007 to provide for costs associated with sales of sites. The Layer Road site is to be re-marketed. Angel Court is on the market at the moment, awaiting receipt of offers. Initial indications are that at least another £50k will be need to be found to cover items including Layer Road security costs.												
Moler Works Site	41.4	0.0	0.0	41.4	41.4	0.0	0.0	41.4	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Costs associated with provision of three commercial shop units.												
<i>Comments:</i>	Capital receipt now received of which £50k was earmarked for costs associated with the provision of three shop units which will provide the Council with a future revenue income stream. Report to Portfolio Holder for Resources and Regeneration in November 2006 refers. Fitting-out expenditure etc. will not now be before 2009/10.												
TOTAL - RESOURCE MANAGEMENT	1,501.4	8,182.0	0.0	9,833.4	9,683.4	8,592.6	9,327.9	375.5	30.0	50.0	100.0	50.0	0.0

Service / Scheme	New monies						Funded				Unfunded						
	Funded Prog.		Ext. Funding		Total Prog.		Spend Apr-Dec 2008/09		08/09		09/10		10/11		Additional Funding Required		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
STREET SERVICES																	
Public Conveniences	582.7	0.0	0.0	0.0	582.7	FF	582.7	367.6	432.7	150.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	(SCHEME PARTLY ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008), Toilet refurbishment works.																
<i>Comments:</i>	Refurbishment complete at Lion Walk, including the creative convenience design, and final valuation certificates will be due in August. The rest of the public conveniences programme is now being reviewed by the Portfolio Holder in line with the general review of the capital programme. Portfolio Holder has since indicated that the scheme will continue. Dedham currently being tendered for improvements and minor refurbishment is being investigated at Wivenhoe.																
Car Park Ticket Machines	43.7	0.0	0.0	0.0	43.7	FF	43.7	42.6	59.0	0.0	0.0	15.3	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Supply & installation of new pay on foot machines at St. Mary's, St. John's and Leisure World Car Parks																
<i>Comments:</i>	Complete. Small retention payment awaited. Additional works were required to improve communications outside office hours with CCTV, and also to improve entry access at St John's. The programme also funded some improvement works at Leisure World car park, including lining and bollards, not originally foreseen.																
Shrub End Yard	49.6	0.0	0.0	0.0	49.6	FF	49.6	56.5	56.5	0.0	0.0	6.9	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Grant from DEFRA + Depot Improvements + Flat Recycling Scheme. Improvements to depot.																
<i>Comments:</i>	Redevelopment complete. Includes installation of weighbridge, resurfacing resolution of surface water drainage issues in order to remain compliant with EA waste management licence and installation of secure fencing. Vehicle wash facility has been installed and has completed the budget spend. Budget now also includes remaining balance from Flat Recycling scheme. Scheme finished with small overspend.																
Waste Diversion / Green Waste	33.7	0.0	0.0	0.0	33.7	FF	33.7	7.2	7.2	26.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	General provision for recycling initiatives including green waste trials etc																
<i>Comments:</i>	This will be used to support the expansion of recycling services to residents living in flats in financial year 09/10 through the purchase of a second specialised vehicle.																
Cleaner Streets - investment	34.3	(1.8)	0.0	0.0	32.5	FF	32.5	32.5	32.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Investment in plant & equipment to support street care and street cleaning operations.																
<i>Comments:</i>	Plant and equipment now procured and delivered. New sweeping routes now in place. Town centre sweepers now replaced and in operation. Project complete.																
Vehicle Replacement	23.4	(0.1)	7.8	31.1	31.1	FF	31.1	31.1	31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Fleet replacement programme																
<i>Comments:</i>	Small fleet replacement programme completed from vehicle R & R fund - remaining replacement vehicles delivered. Project complete. (N.B. £7.8k from R&R not yet approved for release)																
PowerPerformer Voltage Optimisation Equipment	0.0	133.0	0.0	133.0	133.0	FF	133.0	0.0	33.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Installation of equipment at top ten electricity usage sites																
<i>Comments:</i>	Equipment ordered and due to begin installation in February 2009. All sites should be complete by June 2009.																
Shrub End Waste Transfer Plant	0.0	0.0	150.0	150.0	150.0	FF	150.0	0.0	52.0	98.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	ECC will be funding this project. Work has yet to commence																

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr-Dec 2008/09 £'000	08/09 £'000	09/10 £'000	10/11 £'000	Additional Funding Required £'000	09/10 £'000	10/11 £'000	11/12 £'000
CCTV - Transfer to Digital	53.8	0.0	0.0	149.8	53.8	1.5	1.5	52.3	0.0	0.0	76.0	20.0	0.0
<i>Description of Scheme:</i> Upgrade of equipment to digital format													
<i>Comments:</i> 1st phase of CCTV upgrade completed March 07. Programme under review due to proposed move of CCTV monitoring centre													
CCTV - Section 106	33.0	0.0	0.0	33.0	33.0	0.0	33.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Provision of CCTV facilities at sites including Crouch Street, Sheepen Road and Maldon Road													
<i>Comments:</i> All work complete. Awaiting invoice from supplier													
TOTAL- STREET SERVICES	854.2	131.1	157.8	1,239.1	1,143.1	539.0	738.5	426.8	0.0	22.2	76.0	20.0	0.0

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog.		Ext. Funding		Total Funded Prog.		Spend Apr-Dec 2008/09		10/11		09/10		10/11		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ENVIRONMENTAL & PROTECTIVE SERVICES															
Heritage Fund - incl. Roman Walls	102.4	0.0	46.0	348.4	PF	148.4	7.3	103.4	45.0	0.0	0.0	200.0	100.0	100.0	0.0
<i>Description of Scheme:</i>	Heritage Fund used to enhance public spaces and historic sites, and protect key buildings														
<i>Comments:</i>	Following award of English Heritage Grant (£46k) towards work on the Roman Road section, the tender from Bakers of Danbury was accepted, and work will commence in March 2009. Survey of Balkeine Hill stretch has also been commissioned from Purcell Miller Tritton.														
Heritage Fund - Castle Park Interpretation	50.0	0.0	0.0	50.0	PF	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Heritage Fund used to enhance public spaces and historic sites, and protect key buildings														
<i>Comments:</i>	Work progressing on developing a scheme for interpretation and signing works in Castle Park. Now expected spring or summer 2009.														
Heritage Fund - St Nicholas Square	20.0	0.0	0.0	20.0	PF	20.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Heritage Fund used to enhance public spaces and historic sites, and protect key buildings														
<i>Comments:</i>	Currently no progress and scheme is currently being re-evaluated with potential reallocation, subject to Portfolio Holder agreement, to another heritage project.														
Museum Store	10.8	0.0	0.0	10.8	FF	10.8	5.5	5.5	0.0	0.0	(5.3)	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Purchase, fit-out and relocation to new store.														
<i>Comments:</i>	Scheme successfully completed.														
Cemetery Extension	0.0	0.0	0.0	125.0	U	0.0	0.0	0.0	0.0	0.0	0.0	125.0	125.0	0.0	0.0
<i>Description of Scheme:</i>	Acquisition of land and provision of infrastructure to enable continuation of burial services														
<i>Comments:</i>	MOD have indicated that they will gift 5 acres of the cemetery extension land in return for residential planning permission for the remaining 1 acre. Negotiations with the Planning Department are currently underway to establish whether this would be acceptable in planning terms. If acceptable an approach to secure the relevant section 106 agreement will be made asap. The capital funding identified here will be required to undertake works to the land. Such works include survey, mapping, levelling, landscaping and fencing along with any access roads that may need to be built.														
Roman Circus	94.0	0.0	0.0	94.0	PF	94.0	16.0	16.0	78.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Interpretation/Visitor Centre for Roman Remains														
<i>Comments:</i>	Funding relates to design and other preliminary work only in order to submit Heritage Lottery Fund bid - full funding for implementation not yet secured. First Stage HLF bid delivered on 2 December 2008 with outcome expected in March 2009. Work currently suspended while awaiting outcome of the bid.														
Redevelopment of Castle Museum	0.0	0.0	0.0	100.0	U	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
<i>Description of Scheme:</i>	Provision of match funding towards Lottery bid														
<i>Comments:</i>	Work on developing a First stage Lottery Bid progressing well with bid expected to be delivered in March 2009. Not yet funded.														
TOTAL - ENV & PROT SERVICES	277.2	0.0	46.0	748.2		323.2	28.8	124.9	193.0	0.0	(5.3)	425.0	325.0	100.0	0.0

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Dec 2008/09 £'000	08/09 £'000	09/10 £'000	10/11 £'000	Additional Funding Required £'000	Total £'000	09/10 £'000	10/11 £'000	11/12 £'000
STRATEGIC POLICY & REGENERATION															
Park & Ride	535.0	(410.0)	0.0	125.0	FF	125.0	0.6	0.6	124.4		0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> (SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Costs of achieving a Colchester Park & Ride.															
<i>Comments:</i> Early delivery of the A12 Junction is now being pursued through a CIF bid which would mean completion of these infrastructure works by 2011. This provides the ability to concentrate on delivery of the 1000 space permanent park and ride site at North Colchester and ECC have commenced feasibility studies for this site which will require some funding from CBC. Studies as part of the East Colchester Rapid Transit link will establish whether an East Colchester Park and Ride is deliverable in infrastructure terms and part of this funding is likely to be required for further work to possible east Colchester sites.															
Community Stadium Pre-development	(5.0)	15.0	0.0	10.0	FF	10.0	15.1	48.0	0.0	0.0	38.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Preliminary work on construction details, costs and business planning to progress the project.															
<i>Comments:</i> Additional legal costs likely to create an overspend of £38k. This can be partly funded from the predicted underspend on Cuckoo Farm Pre-development of £25k. A final reconciliation of invoices has yet to take place, but the overspend is now lower than previously forecast as some items have cost less than anticipated.															
Community Stadium - Build	4,060.0	410.0	355.0	4,825.0	FF	4,825.0	4,419.5	4,600.0	225.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Construction of new Community Stadium															
<i>Comments:</i> Practical Completion of building achieved 11th July on schedule. 1.5% construction cost retention will be released at the end of the defects liability period - July 2009. It is likely the final cost will be within budget although this will not be certain until final accounts are settled and outstanding risks crystallised. One of the key risks in respect of the earth works has been discharged preventing a costs of £100k from materialising.															
B I C North	2,660.2	0.0	0.0	2,660.2	FF	2,660.2	0.0	0.0	2,660.2	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Business Incubator Units in North Colchester															
<i>Comments:</i> Preliminaries completed with CLG funds. Cost plan review has established that smaller building is deliverable although still reliant on EEDA funding being confirmed and CBC land value. Subject to these and sale of the adjacent land, development could commence in 2009. Site due to be marketed February 2009.															
Cuckoo Farm	53.9	0.0	0.0	53.9	FF	53.9	28.9	28.9	0.0	0.0	(25.0)	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Predevelopment activity (such as specialist input on legal, highway and environmental issues) to facilitate the commencement of the development of Cuckoo Farm.															
<i>Comments:</i> The allocated funding for this work has not been fully utilised but is still needed to review arrangements arising from the Severalls Landowners Agreement, to prepare for the sale of the enabling land, given the change in market conditions. Legal and professional fees are being incurred on an ongoing basis in order to facilitate that Agreement and with the potential acceleration of the A12 junction it is certainly anticipated this advice will continue. Predicted underspend could be used to partly fund the shortfall on Stadium Pre-development.															
East Colchester, Hythe Regeneration	277.1	0.0	0.0	277.1	FF	277.1	0.0	0.0	277.1	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> (SCHEME PARTLY ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). A general provision for the cost of progressing elements of the regeneration of the area from master planning to matchfunding individual projects such as B-Sure.															
<i>Comments:</i> £55k has been committed to fund works on the Public Realm at the Hythe Station. Balance of funding in 2008-09 for general East Colchester budget to be reviewed. Funding spend now delayed due to Network Rail programme.															
Hythe Station Refurbishment	1,000.0	0.0	0.0	1,000.0	FF	1,000.0	1,000.0	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> S106 funding. Lengthen the platforms at Hythe Station.															
<i>Comments:</i> Work is underway on this project in conjunction with Network Rail.															

Service / Scheme	New monies					Funded					Unfunded							
	Funded Prog.		Ext. Funding		Total Prog. £'000	Status	Spend Apr-Dec 2008/09		09/10		10/11		09/10		10/11		Total £'000	11/12 £'000
	£'000	B/fwd £'000	£'000	£'000			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Hythe Station Environmental Improvements	0.0	0.0	640.0	640.0	640.0	FF	640.0	23.2	40.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
Improvements agreed by Cabinet in September 2008. This money will be spent in 2009/10 and planning application to be submitted January 2009.																		
King Edward Quay	546.5	0.0	46.3	592.8	592.8	FF	592.8	163.0	592.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
The £300k CLG grant, which it was not possible to claim by the deadline of March 2008, has been replaced by S106 funds and further work is now underway to complete this project.																		
St Botolphs Regeneration	1,030.5	0.0	55.0	1,630.5	1,085.5	PF	1,085.5	117.7	167.7	917.8	0.0	0.0	0.0	545.0	545.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
Fund to progress elements within the St Botolphs regeneration area.																		
Funding allocated to specific projects as follows: £170k Temporary Bus Station, £125k Vineyard Gate, £96k Cultural Qtr, £75k MSCP, £100k public realm. Developers for both Cultural Quarter and Vineyard Gate developments remain in place and keen to proceed. Report on Cultural Quarter Heads of Terms was approved by Cabinet on 1 September 08.																		
St Botolphs Public Realm	0.0	0.0	400.0	400.0	400.0	PF	400.0	4.1	24.0	376.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
Work is underway on Phase 1 of this project funded by CLG which includes improvements to firstsite access road, improvements to the Priory grounds and Berryfield Park in consultation with local community and school.																		
Historic Town Centre Improvements	160.0	0.0	0.0	160.0	160.0	FF	160.0	0.0	0.0	160.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Works to Historic Core Zone.																		
<i>Comments:</i>																		
This scheme now led by CBC as project outputs will be social, economic rather than just transportation related. A Project Manager now in place and work continuing on short, medium and long term projects to be identified together with overall vision for town centre core. Public realm strategy for Town Centre commenced due for draft completion by March 2009.																		
Town Centre Improvements	0.0	0.0	100.0	100.0	100.0	PF	100.0	39.0	65.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
See above - this element is match funding from CLG Growth Point with specific elements to reduce traffic flows through the town centre core, improve the pedestrian environment in the High Street and create an agreed phasing for the future evolution of the town centre core.																		
Maritime Projects	0.0	0.0	0.0	150.0	0.0	U	0.0	0.0	0.0	0.0	0.0	0.0	0.0	150.0	150.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Provision for maritime project works.																		
<i>Comments:</i>																		
Scheme not funded - subject to review.																		
Firstsite:Newsite	5,163.7	0.0	0.0	5,163.7	5,163.7	FF	5,163.7	2,350.3	3,563.7	1,600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																		
<i>Comments:</i>																		
New Visual Arts Facility																		
<i>Comments:</i>																		
A supplemental agreement has been signed with Banner Holdings and supporting performance bond put in place in order to deliver a wind and water tight building by 22nd May 2009 at a construction cost of £14.22M. Work has recommenced on site. Any variance to these terms will have to be in accordance with contract procedures. Negotiations continue with the professional advisors to settle on appropriate professional fees costs. The core funding partners have considered the position and funding agreements been amended to allow full draw-down from partners, and have also considered the principle of allowing more funding to the project. A concurrent process is reviewing the potential onward contracts, potential procurement routes, and risks involved in order to deliver a fully complete project as soon as possible at the best price achievable.																		

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Additional Funding Required	09/10	10/11	11/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Firstsite:Newsite Fit-out	0.0	2,000.0	4,750.0	6,750.0	6,750.0	0.0	0.0	6,750.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>													
Funding now included in capital programme for fit-out works (£2m from CBC, and £4.75m from funding partners). Works to be subject to a tendering exercise.													
<i>Comments:</i>													
Public Art - Section 106	49.9	0.0	0.0	49.9	49.9	44.3	46.9	3.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>													
Provision of public artworks funded from Section 106 contributions													
<i>Comments:</i>													
Relates to two schemes: Distillery Lane and Lordswood Road [Fortuna Park] - commission completed in September 2008. Payments made in October 2008 - % of fee retained for 12 months.													
Town Centre Signs (Phase 2)	90.0	0.0	0.0	90.0	90.0	0.0	0.0	90.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>													
(SCHEME ON HOLD AS PER CABINET OF 10 SEPTEMBER 2008). Extension of Town Centre signage scheme.													
<i>Comments:</i>													
Phase 2 works were programmed for installation in 2008 following release of funding (now on hold per Cabinet).													
Assistance to Registered Social Landlords	918.2	0.0	(229.3)	688.9	688.9	0.0	0.0	85.0	603.9	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>													
Support to affordable housing schemes													
<i>Comments:</i>													
A small proportion of this budget has been committed in 2009/10 to contribute to a project to enable empty supported housing to be bought back into use. With Continuous Market Engagement (CME) funding through the Housing Corporation we are seeking to augment their funding where opportunities arise in order to increase design and quality standards and/or the number of units provided. This could result in money in this budget being committed for such a proposal. The continuous nature of this external funding means that predicting forward funding commitments is difficult in the current market. Therefore, the balance of funding is currently shown in 2010/11.													
TOTAL - STRAT POLICY & REGEN	16,540.0	2,015.0	6,117.0	25,367.0	24,672.0	8,205.7	10,177.6	13,903.5	603.9	13.0	695.0	695.0	0.0

Service / Scheme	New monies					Funded				Unfunded						
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Status	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Additional Funding Required	Total	09/10	10/11	11/12	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
LIFE OPPORTUNITIES																
Community Development - St Annes	29.3	0.0	0.0	29.3	FF	29.3	0.0	29.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
Contribution towards community centre in Hanwich Road																
<i>Comments:</i>																
This building is now completed. The remaining money in this budget will be used for the final payments once the defects period is over. The architects, builders and quantity surveyors are currently liaising about the final amount payable. They have confirmed they hope to have this resolved before the end of the financial year 2008-09, although it is possible the payment might be delayed into 2009-10 if these discussions take longer than anticipated.																
Improving Life Chances	32.0	50.0	0.0	147.0	PF	82.0	26.5	26.5	55.5	0.0	0.0	65.0	65.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
A general provision to enable the Council to support work in improving life chances such as the provision of new community facilities.																
<i>Comments:</i>																
Spend apr-dec 08-09: CAB £10k, Monkwick Youth Shelter £5k, Women's Refuge £10k, Scout Group £1,538.81. Forecast 08-09: unspent monies this financial year will now be spent next year and the profile has been adjusted to reflect this. Forecast 09-10: commitments are £5k for loop systems and £21k for works to improve pathways in Monkwick.																
SOS Bus	0.0	20.0	55.7	75.7	FF	75.7	72.2	75.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
To provide a mobile medical / health and customer service centre for the residents, visitors, pupils and businesses of Colchester																
<i>Comments:</i>																
This project, now operated and managed by Open Road, has been fully completed in just 12 months and began operation on the 25th October 2008. To date approximately £321,000 has been raised through various partner agencies towards this project from which about £90,000 is needed to refit, stock and launch the Bus (£75,700 of which is capital expenditure). Open Road will be responsible for identifying long term funding for the project. Remaining capital budget will be spent.																
St Annes Community Centre	29.9	0.0	1.6	31.5	FF	31.5	31.5	31.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
Section 106. Car Park Improvements																
<i>Comments:</i>																
Works to improve the car park at the St Anne's Community Centre have taken place and payments made.																
Myland Hall S106	0.0	0.0	15.0	15.0	FF	15.0	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
Modernisation of Church Hall																
<i>Comments:</i>																
External funding of £15k is section 106 monies which has already been spent on Myland Parish Halls Modernisation Project.																
Hythe Community Centre	0.2	0.0	0.0	0.2	FF	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>																
S106. Improvements incl. conversion of garage to storage, works to windows and doors and boiler replacement.																
<i>Comments:</i>																
S106 funds released in first phase = £3,960.32. S106 funds released in 2nd phase = £2,026.87. A third release of £1,821.25 was made in January 2008. Remaining unreleased S106 funds total £13,852.56.																
Mandatory Disabled Facilities Grants	1,111.5	0.0	50.0	2,161.5	PF	1,161.5	557.7	750.0	411.5	0.0	0.0	1,000.0	500.0	500.0	0.0	0.0
<i>Description of Scheme:</i>																
Disabled Facility Grants																
<i>Comments:</i>																
Spend on this area of work is very much demand led. The process can be lengthy and can often straddle two financial years as by law it must be available to the applicant for up to 12 months. We are allowed 6 months to determine any valid application from the date it is submitted. The DFG allocation for 2008/9 is already 95% committed - the remainder being available for unforeseen works only. A virement of £50,000 from the renewal budget is to be approved shortly, but there is still likely to be a carryover of DFG applications to the 09/10 financial year. Demand is still exceeding supply, so we are employing a waiting list for approvals again, although at the moment we are not expecting very many cases to exceed the statutory approval timescale. Next year, it is likely the proposed budget will be insufficient to match the anticipated number of applications that will be received, which has resulted from the backlog of cases at ECC Social Services. A revised financial assistance policy offering mandatory DFG and other targeted loans only will be in place for 09/10.																

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog.		Ext.		Total Funded Prog.		Spend Apr-Dec 2008/09		09/10		10/11		Additional Funding Required	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Private Sector Renewals - Loans and Grants	619.3	0.0	179.3	798.6	PF	798.6	289.4	600.0	198.6	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Loans and grants to private householders														
<i>Comments:</i> Spend on this area of work is demand led. The process can be lengthy and can often straddle two financial years as an approval notice is a legal contract where the funding for the applicant must be reserved for 12 months. When aiming to spend this budget and improve housing quality in the private sector, a timeline of expenditure was modelled in 2007/8 for that year until 2009/10. It has been assumed that expenditure will be incurred broadly evenly over this 3 year period. Demand for works has increased significantly this financial year with 5 units of empty accommodation being restored to use and larger numbers of residents appreciating that help (via recyclable loans under the new policy) is available to maintain and improve their home. Large HMOs need fire safety work and funding is required to bring empty properties back into use. In turn, this assistance will help to regenerate communities and improve residents' health by creating visible improvements in streetscape and promoting safe and healthy homes available to all sectors of the community. This budget is now under severe pressure and it is expected to be fully committed and the majority spent by the end of this financial year with no reasonable prospect of being able to issue any financial assistance next financial year (09/10). A revised financial assistance policy offering mandatory DFG and other targeted loans only will be in place for 09/10.														
Highwoods Community Facilities	19.0	0.0	0.0	19.0	FF	19.0	0.0	0.0	19.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Social Meeting Place														
<i>Comments:</i> This scheme is linked to a United Solutions initiative to create a social meeting place on the Highwoods estate - site now identified following consultation with young people and interested parties which caused considerable delay and is still not sufficiently resolved to allow installation works to take place.														
St Annes MUGA	90.4	0.0	0.0	90.4	FF	90.4	88.2	90.4	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Provision of multi use games area														
<i>Comments:</i> External funding secured from Football Foundation [£55,000] and UEFA Jubilee Funding [£10,000]. £10,000 contribution also agreed from Life Chances programme. Work completed on time and on budget. Some tree planting work outstanding. Claims for all external funding are outstanding.														
Colchester Leisure World - Fitness Pool LACM and Modernisation	0.0	172.0	401.7	573.7	FF	573.7	0.0	125.0	448.7	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Refurbishment of Fitness Pool building														
<i>Comments:</i> Funding agreed by Cabinet on 22nd October 2008, as part of the implementation of Phase 1 projects under the Local Authority Carbon Management Programme, supplemented by funding from the Building Maintenance Programme. The work to replace the Air Handling Unit has commenced and we are through to the 2nd stage of the application process to secure external funding from DCMS (through Sport England).														
Old Heath MUGA Installation & Landscape Improvements	75.0	0.0	0.0	75.0	FF	75.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to recreation ground														
<i>Comments:</i> Designs and layout being discussed with local resident representatives. Funding and provision of additional complementary facilities being explored by resident group. Work scheduled to take place in 2008/09.														
Opportunity Purchases	53.0	0.0	0.0	53.0	FF	53.0	0.0	0.0	53.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Fund for purchase of open space land and other opportunity purchases														
<i>Comments:</i> Remaining funds (£53k) available for other open space acquisitions. Decision to allocate £100k funding from revenue balances has been reversed.														

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog.		Ext.		Total Funded Prog.		Spend Apr-Dec 2008/09		10/11		Additional Funding Required		Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Castle Park - Playground Refurbishment	110.0	0.0	0.0	110.0	FF	110.0	0.0	0.0	110.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Refurbishment of Playground															
<i>Comments:</i> Refurbishment of existing play area has been delayed by English Heritage concerns over the possible disturbance of archaeological remains on the current play area site if new play equipment is to be installed. This is in spite of the play area having been previously refurbished on its current site. Further discussion has taken place and alternative adjacent areas are being looked at to try to resolve a way forward. Scheme being drawn up that will provide greater integration between cafe, new seating area and new play area site. Impact of nursery site access road being considered.															
Messing Village Hall Refurbishment S106	0.0	0.0	28.2	28.2	FF	28.2	0.0	0.0	28.2	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Parish Council proposes to refurbish village hall from section 106 agreement from local development.															
<i>Comments:</i> S106 funds to be released to Messing Parish Council on receipt of invoices associated with the refurbishment work.															
Mersea Pontoon	75.5	(62.2)	0.0	13.3	FF	13.3	11.8	13.3	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Safety works to quay + replacement of Pontoon															
<i>Comments:</i> Floating pontoon installed and DEFRA grant received in 2008-2009. Minor safety works completed on the quay.															
Distillery Lane Playground	35.0	0.0	(10.7)	24.3	FF	24.3	23.8	24.3	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Section 106. Provision of children's play equipment.															
<i>Comments:</i> Play area installation has been completed September 2008. Remaining S106 funds transferred to maintenance.															
East Bay Playground	0.0	0.0	41.3	41.3	FF	41.3	37.3	41.3	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Section 106. Installation of local equipped play area in East Bay Recreation Ground.															
<i>Comments:</i> Work completed and funded from Section 106 money specific to the project.															
Monkwick Youth Shelter	0.0	0.0	20.0	20.0	FF	20.0	20.1	20.1	0.0	0.0	0.1	0.0	0.0	0.0	
<i>Description of Scheme:</i> Youth Shelter & Lighting + CCTV															
<i>Comments:</i> Works completed December 2008 funded from Essex Police contribution. Additional £5k works paid for from Life Chances budget.															
St Leonard's Church Wall	353.0	0.0	0.0	353.0	FF	353.0	18.3	33.0	320.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> Repair & rebuild boundary walls to a closed churchyard															
<i>Comments:</i> Works being retendered - problems experienced obtaining faculty for diocese - work now due to be undertaken in Spring 2009.															
Resource Centre - Highwoods Country Park	104.2	0.0	87.7	191.9	PF	191.9	6.0	16.0	173.1	2.8	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i> S106. Provision of Resource Centre.															
<i>Comments:</i> Final design for proposed extension to Resource Centre and new Bio-mass heating system currently underway (bio-mass heating element of project being funded separately from Building Maintenance Programme). Works due to commence on site Summer 2009.															

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog.		Ext. Funding		Total Funded Prog.		Spend Apr-Dec 2008/09		10/11		09/10		10/11		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Service / Scheme															
Groundsmen's Building Castle Park	45.6	0.0	0.0	45.6	FF	45.6	41.4	45.6	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
S106. Improvements and building modifications to provide accommodation for Castle Park rangers and grounds maintenance contractors.															
<i>Comments:</i>															
Works complete except for some snagging items - payments being made.															
Mill Road	99.4	0.0	18.5	117.9	FF	117.9	110.9	117.9	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Provision of Play Area and Youth Facilities															
<i>Comments:</i>															
Work commenced July 2008. Project being funded with assistance from Big Lottery Fund and Places for People Fund.															
Westlands Country Park Playground	0.0	0.0	70.0	70.0	FF	70.0	0.0	70.0	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Works to provide new playground to be completed in 2008-09. Funded from external grants.															
<i>Comments:</i>															
West Mersea	0.0	0.0	23.7	23.7	FF	23.7	0.0	15.0	8.7	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
S106 works. Construction of disabled viewing platform, extension to groynes, and reclamation of grass area.															
<i>Comments:</i>															
Timing of works subject to weather conditions.															
Highwoods Country Park Improvements	52.5	0.0	0.0	52.5	FF	52.5	18.8	52.5	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Section 106. Design and construct new car park, new landscaping and visitor information, repair main culvert.															
<i>Comments:</i>															
New scheme for 2008/2009 being funded from section 106. Funding has been released.															
East Bay Open Space & Riverbank	0.0	0.0	62.8	62.8	FF	62.8	61.3	62.8	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Section 106. Works to improve site access and interpretation of the river and adjacent mill/works to stabilise the riverbank															
<i>Comments:</i>															
Construction work completed. Bank stabilisation works completed. Minor landscaping and repair work to be completed. All works funded from specific section 106 contribution.															
Castle Park Improvements	0.0	0.0	2.3	2.3	PF	2.3	0.0	2.3	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Section 106. Design work to create plans showing overall improvements to the park in a coordinated approach.															
<i>Comments:</i>															
Money released from Section 106 to produce outline drawings for integral approach to Castle Park improvements, subsequent consultation and costed grant application to Big Lottery.															
Birch Under 8's Play Area	0.0	0.0	44.3	44.3	FF	44.3	44.3	44.3	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Provision of a new play area															
<i>Comments:</i>															
Project contained within Big Lottery Childrens Play Programme portfolio. Project completed and Big Lottery grant claimed and received in full. Outcomes of project being monitored by Birch Parish Council															
Boada Skatebowl	0.0	0.0	97.9	97.9	FF	97.9	0.5	97.4	0.0	0.0	0.0	0.0	0.0	0.0	
<i>Description of Scheme:</i>															
Provision of new activity area targeted at young people															
<i>Comments:</i>															
Project contained within Big Lottery Childrens Play Programme portfolio. Public consultation on design selection. Concrete bowl facility will be unique in Colchester and meet needs of skateboarders and BMXers. Planning application to be submitted in Feb 09 to include future phases for CCTV and lighting. Work anticipated to commence April 2009.															
TOTAL - LIFE OPPORTUNITIES	2,934.8	179.8	1,189.3	5,368.9		4,303.9	1,475.0	2,377.5	1,923.7	2.8	0.1	1,065.0	565.0	0.0	

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd	CBC Funding	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Total	09/10	10/11	11/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)													
Angel Court Atrium Roof	(0.3)	(0.5)	0.0	(0.8)	FF	(0.8)	(0.8)	0.0	0.0	(0.0)	0.0	0.0	0.0
<i>Description of Scheme:</i> Replacement of Atrium Roof													
<i>Comments:</i> Works complete.													
Angel Court Air Conditioning	3.4	(0.7)	0.0	2.7	FF	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Upgrade to Air Conditioning System													
<i>Comments:</i> Works complete.													
Church Rd, Tiptree	0.0	0.0	15.0	15.0	FF	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Environmental works funded from Section 106 contribution													
<i>Comments:</i> Works complete.													
St Johns & St Mary's Car Parks -Anti-corrosion Deck Coatings	4.0	(4.0)	0.0	0.0	FF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to car parks													
<i>Comments:</i> Works complete.													
Footway - New Rd, Tiptree	5.0	(5.0)	0.0	0.0	FF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Footway works funded from Section 278 agreement													
<i>Comments:</i> Works complete.													
Visitor information Centre	3.0	(3.0)	0.0	0.0	FF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> VIC Refurbishment													
<i>Comments:</i> Works complete.													
Shrub End Sports Ground	(0.6)	0.6	0.0	(0.0)	FF	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Installation of all weather pitch & improvements to Pavilion													
<i>Comments:</i> Scheme complete.													
Bus Shelter Hythe Hill	0.1	(0.1)	0.0	(0.0)	FF	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Installation of new bus shelter to serve Hythe Hill/Maudlyn Way (funded by S106 agreement)													
<i>Comments:</i> Works complete.													

Service / Scheme	New monies				Funded				Unfunded				
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Dec 2008/09	08/09	09/10	10/11	Additional Funding Required	09/10	10/11	11/12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Town Centre Queen St, East Bay & East St	4.5	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Heritage Econ Regen Scheme (HERS). English Heritage Grant scheme.													
<i>Comments:</i> Scheme now closed.													
Customer Service Centre	14.6	(14.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to CSC offices													
<i>Comments:</i> Works complete.													
Jarmin Road	(32.2)	32.2	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.6	0.0	0.0	0.0
<i>Description of Scheme:</i> Relocation / prelims. Costs associated with sale of Jarmin Road site.													
<i>Comments:</i> Sale of Jarmin Road completed - final invoice for legal fees now received.													
Youth Parliament	6.9	(6.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Projects linked to Youth Council													
<i>Comments:</i> Scheme closed.													
TOTAL - COMPLETED SCHEMES	8.4	(6.5)	15.0	16.9	16.9	17.5	17.5	0.0	0.0	0.6	0.0	0.0	0.0

Service / Scheme	New monies				Funded				Unfunded								
	Funded Prog. B/fwd		Ext. Funding		Total Funded Prog.		Spend Apr-Dec 2008/09		08/09		09/10		10/11		11/12		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
HOUSING REVENUE ACCOUNT																	
Decent Homes	3,791.0	0.0	0.0	0.0	3,791.0	FF	3,791.0	1,213.5	1,919.0	1,872.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Scheme to bring council housing stock up to Decent Homes standard together with other upgrade works																
<i>Comments:</i>	In September 2003 the Council committed to achieving the Decent Homes standard in its homes by the end of December 2007. This date has not been met and following cessation of the Inspace contract the Council has directed CBH to review and determine the timescale and cost to complete the programme, and this has been completed. The implications of the review are being discussed. New works will be subject to OJEU regulations which may delay their commencement but an accelerated programme designed to cover emergency failures only has recently been offered to competitive tender. Any unspent resources from 2008/09 will be carried forward to deliver a programme of works in future years.																
Adaptations	801.8	0.0	0.0	0.0	801.8	FF	801.8	343.5	649.0	152.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Improvements made to Council housing stock to meet specific tenants needs																
<i>Comments:</i>	The balance of the 2007/08 funding has been carried forward to cover the committed spend which will come through in 2008/09. The new 2008/09 funding of £710k was available for allocation from April 2008. For new applications for work under the Adaptations programme there is currently a 12-18 month lead in time until funds are available. 2008-09 funding is expected to be fully spent by year-end.																
Housing ICT	371.6	0.0	0.0	0.0	371.6	FF	371.6	147.1	210.0	161.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Improvements to Housing IT systems																
<i>Comments:</i>	We have undertaken the following initiatives in 2008-9:- the implementation of Academy Contractor is set to go live in March 2009 with final stage payments now being received, improved the IT link to Gosbecks Rd office, procured the microfiche reader printer scanner, produced the mobile feasibility study, implemented Ingres, implemented Trend Boiler monitoring as a pilot in two sheltered schemes and procured National Building Software. Projected expenditure is always subject to change and delivery times will vary due to partnership working. We expect to procure Regional CBL software, and implement NROSH (National Register of Social Housing). Estimated year-end expenditure is around £210k. A feasibility study looking at flexible and mobile working for CBH may be completed in 2008-09, but any resulting costs for IT equipment & new telephony will be met in 2009-10. The project to implement Anti Social Behaviour and Academy Business Connect are both likely to now commence in 2009-10.																
TOTAL - HRA	4,964.4	0.0	0.0	0.0	4,964.4		4,964.4	1,704.1	2,778.0	2,186.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Note: The schemes above are funded from HRA resources only and therefore do not form part of the General Fund Capital Programme																	

